

ECONOMIC DEVELOPMENT COMMITTEE

November 21, 2000

5:15 P.M.

The Economic Development Committee was called to order by Councilman Lively, Chairman, with Councilpersons Rutherford, Hurley, Pierce, Franklin, and Crockett present. City Attorneys Randall Nelson and Mike McMahan and Shirley Crownover, Assistant Clerk to the Council, were also present.

Others present included Phillip Lynn, Daisy Madison, Fredia Kitchens, Adm. Marcellis, Adm. Traugher, and Adm. Boney.

PIC BUILDING

Chairman Lively turned the meeting over to Adm. Traugher.

Adm. Traugher explained that we were selling the PIC Building to the Southeast Tennessee Development District, who in essence is the new owner of PIC. He stated that we purchased the building in 1993 for \$1.5 million dollars for PIC to use as the major tenant and then they sub-leased the building. He explained that we used the Bonding Firm to finance the revenue used, and the balance of the debt is \$518,000. He stated that he would let someone from PIC briefly outline the use of the building.

Wanza Lee was present and explained that they represented nine counties in the State of Tennessee where previously they had only served six counties, noting that Meigs, McMinn and Bradley Counties had been added. He explained that the Southeast Tennessee Development District is under contract with Hamilton County to administer the program; that in order for them to facilitate the staff arrangements necessary to extend their services, they needed to have access to more space and wanted to be allowed to purchase this facility for the remaining debt associated with the original arrangement.

Mr. Joe Guthrie was also present, stating that as they embark on this ownership they intend to put it back on the tax rolls; that it will be a City-County service, and they will consolidate both Staffs together and **Jack Samples** would be working for all nine counties. He mentioned a 60% reduction of staff, noting that they had now tripled their Staff under one location; that they would lease space to CNE as a part of this; that there was a plan to retain the building that they were leaving for a meeting space and Tennessee River Gorge would operate the entity; that it was a win-win proposition for non-profit organizations in Chattanooga, and they expected to be on the tax rolls at a higher rate than they actually paid for it. He noted that there was work to be done in the building, and they had not finished the bank loan and \$100,000 would be put into it immediately.

Councilman Franklin asked the date of the Tennessee Municipal Bond, and Adm. Boney responded that it was in 1993.

On motion of Councilwoman Rutherford, seconded by Councilwoman Hurley, the Resolution declaring certain property located at 535 Chestnut Street as surplus, and authorizing the conveyance of said property to the Southeast Tennessee Development District for the remaining debt on the building will be recommended to the full Council.

UPDATE ON UTC AND FORTWOOD COMMUNITY

Chairman Lively turned this portion of the meeting over to Councilman Pierce, who called on **Mr. Richard Brown** of UTC.

Mr. Brown stated that he had come by to talk to the Council concerning the University working with the Fortwood Community. He noted that Fortwood had been looking at a new R-6 Zone for the community and a couple of weeks ago the neighborhood had foregone this; that there had been an on-going dialog between the University and the Greek Fraternities and Sororities and that this was conclusion of this work.

Mr. Brown noted that 100 kids live in the Fortwood area in Greek housing, and the University did not treat these students any differently from other students—that they did not tell students where to live; that living in the Fortwood area was their option.

He went on to say that the biggest issue with Fortwood was compatible use of this 118 acres; that it is part of the downtown business district and a downtown campus; that there was also the competing interest of Erlanger Medical Center. He noted that Fortwood was a Historical District and the University had 100 students in the area. He stated that the neighborhood had changed from the time when the Greeks were the stables of this community; that people had re-invested \$250,000 to \$300,000 in homes here, and there was an issue of compatible use. He noted that the houses had been purchased by doctors and lawyers who go to bed at an earlier time than students typically do, who stay up longer and make more noise, which resulted in an incompatible use. He stated that they were not “bad” kids but often the “best and brightest” that the University had to offer.

Mr. Brown stated that they had been looking at overall student housing, and it had taken a year to complete the Plan; that it had not been planned in a vacuum; that they would grow over the next ten years to 12,500; that few campuses in the State had and would experience such regional growth. He stated that they would like to acquire Engel Stadium and would like to have the City Council recommend this. He noted that in looking at housing, the texture of the campus had changed, and they planned to build new student housing.

He stated that they had offered to those Greek-letter students who wanted to stay in Fortwood that it would be more conducive to come to the campus and had offered to put four or five Greek organizations in there and four had agreed to go to Collins Street; that they were offering to give them land at a \$1.00 a year, which was free; that they were doing the bond issue themselves; that the housing would be alcohol-free and there would be a Restrictive Covenant to operate under like they had at Middle Tennessee State. He noted that they had worked with the Design Group on this mixed-use. Mr. Brown went on to explain that this site on Collins Street was formerly used as housing and there could be eight additional.

Councilwoman Rutherford asked how many Greek organizations there were. Mr. Brown responded that there were ten active Greek organizations, and this was a better location. He reiterated that these were not “bad” kids. Mr. Brown indicated that they needed the City’s help in working with the University on Collins Street.

Mr. Brown went on to say that they hoped to move their recreation field down to Engel Stadium, and it would be made available for the entire City to use. He noted that this would solve a major need for their campus. He stated that he had been talking to Jerry Mitchell, and the City would continue to operate the Stadium and would do amateur baseball there. He noted that Mr. Mitchell had indicated that the City would run it for three years.

He continued to say that under the Master Plan, this all fits in nicely; that McCallie Ave. is the front door of the University, and the new entryway to the University would be on 5th Street. He asked that the City turn 5th Street into a community street and help the University do some improvements and put the power underground. He also mentioned a need for 1,000 additional trees on the campus, noting that he had been working with the City Forester on this. He showed a picture so that the Council could see how this street would change, depicting 5th Street with tree-lined islands and bike paths, noting that the campus would be more pedestrian-friendly.

Mr. Brown expressed his thanks to Councilman Pierce, who had helped work through this sensitive issue with Fortwood. He reiterated that four Greek organizations want to come to Collins Street. He thanked the Council for their work, noting that the Regional Planning Commission created some dialog and new attention and applauded this group for doing the right thing. He again mentioned that it had been a sensitive thing for the Council to deal with.

Councilman Pierce stated that when he first heard this presentation he was so excited that he wanted Mr. Brown to present it to the full Council.

The meeting adjourned at 5:35 P.M.