

**CITY COUNCIL BUILDING  
JULY 30, 2002  
6:00 P.M.**

Chairman Littlefield called the meeting of the Chattanooga Council to order with Councilmen Benson, Franklin, Hakeem, Lively, Page, Pierce, Robinson and Taylor present. City Attorney Mike McMahan, Management Analyst Randy Burns, and Shirley Crowover, Assistant Clerk to the Council, were also present.

**PLEDGE OF ALLEGIANCE  
INVOCATION**

Following the Pledge of Allegiance, Councilman Page gave the invocation.

**MINUTE APPROVAL**

On motion of Councilman Lively, seconded by Councilman Taylor, the minutes of the previous meeting were approved as published and signed in open meeting.

**SPECIAL PRESENTATION:  
CHARLES LOVE**

Mr. Charles Love thanked the Council for giving him this opportunity to speak, stating that he was here for a special reason; that a special presentation had been given to the Hamilton County Board of Education in the form of a Grant from the Osborne Foundation. He stated that this Grant would help to solve problems in our inner city schools.

At the point Mr. Love recognized the presence of **Phyllis Osborne**, niece of Mr. Osborne who was responsible for this Grant. He went on to say that this Grant would enable young people to learn better and achieve more with consistent instruction and would help the Hamilton County Board of Education in trying to find ways to recruit and retain teachers.

Mr. Love went on to explain that UTC now had a Masters Program for Teachers in Urban Schools, encouraging them to remain four years at one school. He stated that this would solve the problem of teacher experience; that this, coupled with the initiative at the city level, and the incentive to recruit and retain teachers, would strengthen the School Board's efforts to retain and recruit.

**CHARLES LOVE (CONT'D)**

Mr. Love went on to speak of the requirements at the State level of reduced class size and the highest expectations in an effort to prepare young people as they enter high school. He stated that as a result of all these initiatives, enrollment had stabilized and writing and reading skills had improved. He mentioned that the Lyndhurst Foundation, Benwood Foundation, and now the Osborne Foundation had stepped forward, helping us to do the things we are doing. He added that the McClellan Foundation had also played a major role. He ended by saying that the contribution of the Osborne family would give back to the community and on behalf of Superintendent Jesse Register and the Board of Education, he would like to thank the Osborne family, noting that education is the backbone of our society.

**ELLEN LEE: RECOGNITION**

Councilman Hakeem stated that before he recognized Mrs. Lee, he would like to make one comment in regards to the Education Coalition that Mayor Corker heads up; that he was at a meeting that Mr. Love had mentioned; that what we have received from the Osborne Foundation shows a commitment to all of our children, and he wanted to also thank the Mayor for his involvement to make this a reality; that **all** children can learn, and we need to continue to be mindful of this.

Councilman Hakeem next stated that there is a lady in the Highland Park Community who has been active in politics and the polls for the last 40 years; that for a neighborhood to survive, it has to have stability. He stated that this lady (Ellen Lee) could have left Highland Park many years ago, but she said that this was her neighborhood and where she wanted to be; that she had seen the revitalization and rehabilitation of the Highland Park community. He expressed appreciation to Mrs. Lee for her commitment to politics and the community in general; for her commitment to her neighborhood and this city. He presented Mrs. Lee with a Certificate of Appreciation, noting that we had Mayor Corker present and also the designated Mayor of Highland Park, Ken Hays. He asked Mrs. Lee if she would like to say a few words.

**Mrs. Lee** stated that she loved her community and had been a resident of Highland Park for 66 years; that it was her home, and she loved all the people she had got to know and enjoyed working at the polls for 40 years. She stated that she had enjoyed every minute, meeting the neighborhood and seeing friends. She thanked the Council again for this recognition.

**RECOGNITION:**  
**WILL ROBINSON**

Councilwoman Robinson stated that she was happy to introduce some new residents to Chattanooga; that **Will Robinson** was with us this evening; that his family had moved here from Atlanta, and he was working on his Eagle Scout Award; that in the area in which he is working, it is our good fortune that he was required to attend a City Council meeting. She introduced Will, and he was given a round of applause.

**ANIMAL ORDINANCE**

On motion of Councilman Lively, seconded by Councilman Taylor,  
**AN ORDINANCE TO AMEND CHATTANOOGA CITY CODE,  
PART II, CHAPTER 7, RELATIVE TO ANIMALS**  
passed second reading. On motion of Councilwoman Robinson, seconded by Councilman Taylor, the ordinance passed third and final reading and was signed in open meeting.

**CLOSE AND ABANDON**

**Mr-2002-079 (Holy Temple Church)**

On motion of Councilman Taylor, seconded by Councilwoman Robinson,  
**AN ORDINANCE CLOSING AND ABANDONING AN UNOPENED  
ALLEY LOCATED ON THE NORTHEAST LINE OF  
CRUTCHFIELD STREET, MORE PARTICULARLY DESCRIBED  
HEREIN AND AS SHOWN ON THE MAP ATTACHED HERETO  
AND MADE A PART HEREOF BY REFERENCE**  
passed second reading. On motion of Councilman Lively, seconded by Councilman Franklin, the ordinance passed third and final reading and was signed in open meeting.

**CLOSE AND ABANDON**

**Mr-2002-104 (Mitchco, LLC)**

On motion of Councilman Hakeem, seconded by Councilman Franklin,  
**AN ORDINANCE CLOSING AND ABANDONING PART OF THE 2300  
BLOCK OF OHIO AVENUE SOUTHWEST OF LATTA STREET, MORE  
PARTICULARLY DESCRIBED HEREIN AND AS SHOWN ON THE MAP  
ATTACHED HERETO AND MADE A PART HEREOF BY REFERENCE**  
passed second reading. On motion of Councilman Franklin, seconded by  
Councilman Taylor, the ordinance passed third and final reading and was signed  
in open meeting.

**REZONING**

**2002-069 (Edward E. Stephens/Partner N. Concord Partnership)**

Councilman Benson stated that this matter was rather mute at this time; that this  
case was put on hold to wait until a Zoning Study was done; that the Study was  
complete and recommended R-1 zoning for this area; that it was recommended  
for denial from Planning.

On motion of Councilman Benson, seconded by Councilman Hakeem,  
**AN ORDINANCE TO AMEND ORDINANCE NO. 6958, AS  
AMENDED, KNOWN AS THE ZONING ORDINANCE, SO AS  
TO REZONE A TRACT OF LAND LOCATED IN THE 1200  
BLOCK OF CONCORD ROAD, MORE PARTICULARLY  
DESCRIBED HEREIN, FROM R-2 RESIDENTIAL ZONE TO R-  
T/Z RESIDENTIAL TOWNHOUSE/ZERO LOT LINE ZONE**  
was denied.

**AMEND ZONING ORD.**

**2002-110 (Peter Gibson/Nino Piccolo Architect)**

Councilman Taylor stated that the community did get a chance to meet with the  
architect and Mr. Pace, and they had worked out a solution and had put  
conditions on the property.

Mr. Jerry Pace of the Planning Staff explained that the previous conditions were  
placed on this case when it came before the Council a year ago; that he had met  
with the neighborhood and the applicant, and the recommendation from the  
Planning Commission

**AMEND ZONING ORD.**  
**(Cont'd.)**

was for denial, as they felt the conditions were adequate for this site. He went on to say that they had worked with the neighborhood to amend the conditions; that there would still be an apartment building located in the complex where the owner will reside on the second floor; that the trees along Gurley will remain. He stated that the conditions he had mentioned were not in the Ordinance tonight, but he would have them in the body of the Ordinance before second and third readings next week.

Chairman Littlefield asked if the neighborhood was fully aware of this. Mr. Pace indicated that he had met with them several times. Councilman Taylor stated that he did appreciate Mr. Piccolo and the residents, some who were with us tonight, for working together on this.

On motion of Councilman Taylor, seconded by Councilman Hakeem,  
**AN ORDINANCE TO AMEND ORDINANCE NO. 6958, AS  
AMENDED, KNOWN AS THE ZONING ORDINANCE, SO AS TO  
LIFT CONDITIONS IMPOSED IN ORDINANCE NO. 11108 ON  
PROPERTY LOCATED AT 615 WEST BELL AVENUE, BEING  
MORE PARTICULARLY DESCRIBED HEREIN, SUBJECT TO  
CERTAIN CONDITIONS**

passed first reading.

**AMEND CITY CODE**  
**HOTEL/MOTEL TAX**

On motion of Councilman Lively, seconded by Councilman Page,  
**AN ORDINANCE TO AMEND PART II, CHATTANOOGA CITY  
CODE, CHAPTER 11, ARTICLE VI, SECTION 11-186 AND BY  
ADDING A NEW SEC. 11-200, RELATIVE TO A PRIVILEGE TAX  
ON HOTELS**

passed first reading.

Attorney McMahan stated that he heard the Clerk read the caption and there was an error. He amended the caption to read "*adding new sections 11-200 AND 11-201*".

At this point Chairman Littlefield recognized those in the audience who wished to address this issue.

**HOTEL/MOTEL TAX (CONT'D.)**

The first speaker was **Karl Oates**, General Manager of the Marriott, Downtown Courtyard. He stated that they were 100% behind the Riverfront Plan in the downtown area; that it was phenomenal and visionary; however, he stated, they did have issues with the 4% tax. Their first issue was their lack of representation; secondly, the Hospitality Industry as a whole would benefit from this and not just the hotels and motels; and thirdly, they were concerned about the tax impact.

Mr. Oates stated that they were led to believe that a 1% tax would be imposed, and they had no problem with this; that at no time did the leadership bring to the industry, as a whole, that it would be up to 4%. He stated that 71% of the industry was opposed; that they felt that they were not consulted as a team.

Secondly, Mr. Oates stated, the hospitality industry, as a whole, had benefited from the downtown moves; that they knew they would not be here without the wonderful improvements downtown; that they as a hotel were led to believe that Chattanooga is built on teamwork; that he had operated in the downtown area and the outlying market. He stated that the outlying market would not be directly impacted by the waterfront development but would be paying for it. He stated that they would be willing to go an extra 1%. He reiterated that the outlying market had issues with this.

Mr. Oates stated that they had an issue with the rate mentioned; that it is quite evident that when you have low occupancy you have to drop the rates; that in order to fill the rooms you have to have an attractive rate; that low demand and few customers drive it down; that their theory goes "heads on beds". He stated that he had some numbers to share with the Council; that the market in Chattanooga was 54.8%, which is low over the last 12 months; that the rate is 57.52%, which is low. He stated they had been raising rates to fill rooms. He stated that the timing could not be worse for an extra cost; that if they make this adjustment, their rates will have to drop and there will be lower occupancy, which will mean a cutback in services and jobs.

Mr. Oates stated that a letter had been sent out to the Councilmembers, which was signed by 71 members of the Hotel/Motel Industry in Chattanooga; that if they had had the chance to present their case, they would not have had to be here tonight. He read part of the letter and implored the Council to seek alternatives to this.

Chairman Littlefield asked Mr. Oates to remain at the podium in case Councilmembers had questions.

**HOTEL/MOTEL TAX (CONT'D)**

Chairman Littlefield went back to Mr. Oates' numbers on occupancy rate and asked him what rate he had given. The answer was 54.8%. Chairman Littlefield stated that the figure he had received from the Convention and Visitors Bureau had an occupancy rate of 65.7% for the last year, which was above the rate for Knoxville, Tri-Cities, and Gatlinburg. In other words, we had the lowest per day rate and the highest occupancy. Mr. Oates responded that they were not just combating tourism. Chairman Littlefield stated that there was less of a decline, and the numbers were mixed. He stated that he went way back with this issue. He mentioned the first Trade Center and the opposition they encountered from the very industry that would benefit from it; that there was even controversy over the Aquarium; that if some people had not done the difficult things, we probably would not have the hotels we have today; that it was a fact that we have hotels downtown, and he thought we needed more; that when he called for out of town guests, the rooms downtown were full.

Councilman Hakeem stated that he believed he had heard Mr. Oates say that someone else should share in the cost of this. Mr. Oates responded that if there was no other alternative that a Hospitality Industry Tax would be an easy sale; that he realized we wanted no cost to the taxpayers but that 4% seemed an exorbitant amount; that they had no issue with a tax, but it was 1% versus 4%. He reiterated that they were not represented right on this issue. Councilman Hakeem asked Mr. Oates if the city had said it would be 1%. Mr. Oates responded "no"; that it was through the Hotel/Motel Organization; that their leadership did not follow through.

Councilman Hakeem asked about the occupancy rate, and if they attributed the low occupancy rate to 911 playing a part. Mr. Oates agreed that certainly 911 played a part, but that Chattanooga had fared rather well; that our occupancy rate is affected by it being a seasonal business—summer and spring break.

Councilman Hakeem asked how large the Hotel Industry was. Mr. Oates responded that there were 90 in Chattanooga. Councilman Hakeem asked Mr. Oates if his primary interest was the industry in the downtown area. Mr. Oates responded that he was from downtown but there was a majority from outlying markets. Councilman Hakeem reminded that the Council, in a lot of instances, had rezoned property so outlying regions could be in business; that he was hearing "no" in redeveloping our riverfront, both from downtown and outlying areas.

**HOTEL/MOTEL TAX (CONT'D.)**

Mr. Oates responded that 1% had been mentioned; that the outlying industry might not benefit directly, but they were here tonight. Councilman Hakeem asked Mr. Oates if he was representing the Industry in the outlying areas; that he was confusing him. Mr. Oates agreed that they had benefited from the downtown aquarium and IMax Theater; that they could not stand alone without tourism; that the outlying area wanted to contribute also. He questioned how we had come from 1% to 4%; that they had not been represented correctly.

Chairman Littlefield asked Mr. Oates if he was aware that this would be phased in; that we all hoped sometime in the distant future that the State would come to grips with the State sales tax and reduce this.

Councilman Lively stated that at the first presentation of this, he did have some reservations; that there are 1200 rooms in outlying areas; that 12 years ago his district had 100 rooms and some were rented by the hour; that the hotels and motels in his district would not be there if the downtown development had not taken place; that all of their rooms are filled up when we have something in town. Councilman Lively stated that he had never seen low-priced motel rates in places where people want to go; that the rates are higher when they are close to a good destination; that we want to make Chattanooga a destination where people want to come; that he thought this would help in the long run.

Mr. Oates agreed that we have attractions and that this is a phenomenal idea. He still questioned how we landed up with 4%--why not 2% as an alternative. He stated that he did not want to speak out of turn for outlying markets.

Councilman Page stated that he would remind the Council and the people here that the Riverfront Plan had been discussed in detail, and we had to find a way to fund it; that this tax is staggered; that the hotel/motel industry does benefit; that the rates in the area are competitive and not lower than others.

Councilwoman Robinson stated that she thought this was a lot of good news; that we are all in this together; that the County collected a room tax and generated a lot of money to help us compete; that they collected \$8 million dollars in room tax in Hamilton County, which was allocated to the Convention and Visitors Bureau, which promoted all of us; that it brought people into the City to fill up our hotels; that the money we get from Hamilton County is sort of a bonus; that it has helped us establish ourselves as a destination city; that Chattanooga is very attractive since post-911; that it is a vacation that people want to take—to spend quality time in a beautiful place; that our room rates are



**HOTEL/MOTEL TAX (CONT'D.)**

\$1.74 less than Knoxville, and we have a world class Aquarium and Riverfront; that the Aquarium, as a flagship, gives us all a “leg up”; this is a tax that will help us collect a little bit extra; that most of the people we bring in stay 2-3 days.

Councilman Taylor asked how many hotels/motels we had in Chattanooga and how many had signed. It was noted that 71 had signed. He asked those in opposition who were present to stand. He stated that his next question, as far as the ones who had raised their hands in opposition, if there had been no communication. Mr. Oates responded that he believed in being fair and equitable and that this should have been addressed by the hotel industry as a whole so that they could understand why this is so important and why this tax is so important; that if they had had time to respond, it would have been far better; that this was not brought to an open forum and unfortunately they were now in this position today and made to look like the “bad guys”.

Councilman Pierce stated that he did not care to have any comments; that he hoped this Council was not taking this time to lecture those present; that he thought we would listen to all of them and then have our comments.

Chairman Littlefield stated that we just needed some clarification of some of the numbers.

Councilman Hakeem stated that he understood what Mr. Oates was saying about partnership and communication; that the City is talking about a 4% tax; that the County had already imposed a 4% tax. He asked if there was any opposition to this or input from the industry. Mr. Oates responded that he was not present at that time; that he knew that they had benefited greatly from that 4%. Councilman Hakeem stated that what he was trying to get at was what the input of the hotelers was when the County imposed their 4% tax; that he was not aware of any opposition.

Councilman Benson reported to Mr. Oates that he was not prepared to vote tonight; that he represented East Brainerd and Hamilton Place, which had only a few less hotels/motels than downtown. He stated that he could not understand Mr. Oates, who represented downtown, not seeing this as a great investment; that he had said 1%, but you get what you are willing to invest. He stated that after listening to Mr. Oates speak, he was less against this than before; that the returns would not be coming in to his district; that we would have to see if this frees up other money so that they could meet their infrastructure needs. He stated that at the present time he was still listening but that Mr. Oates' position seemed like a selfish one.

**HOTEL/MOTEL TAX (CONT'D)**

Mr. Oates responded that he had taken on himself to represent his organization.

Councilman Benson stated that he was hoping this would bring a return to us; that if 4% would bring in more that he was for it.

Chairman Littlefield thanked Mr. Oates very much for coming, stating that he seemed to have his facts, and we appreciated him coming.

**Misty Murray Mayo** spoke next, stating that she was the General Manager of the Marriott Residence Inn. She stated that the Plan was awesome, exciting, and fun, but she just did not believe it was right for our guests to pay the entire 4%; that she would be for 1%. She stated that she had been here a while back when the Council questioned what we were doing owning and running a hotel; that we were still paying for the Chattanooga and should this Plan proceed, we will be paying for it. She stated that this had been handled with extreme aggressiveness and had not been communicated to anyone. She stated that she did not think this was being directly planned to increase tourism; that it was being planned for those of us who live and work here; that a 4% tax on hotels is unfair; that our guests would be asked to pay for something they did not ask for; that when she found out about the 4% from Hamilton County, she “about fell out of her chair”; that she had researched this and was told the project was complete, yet Hamilton County was still getting 4%. She questioned why Hamilton County could not help with this. She went on to say that this was the easy way out and questioned where the increased fee was going; that if tourists are paying this, it is only fair for restaurants and shopping places to also be taxed; that it was not right for one industry to “run with the ball”. She stated that she had researched other areas, and this was meant to be shared; that they would have to explain to everyone that checked in why Chattanooga has the highest hotel tax in the United States. She stated that the guests would not know better; that they don’t know about the riverfront, and it is outrageous to make them fund it. She stated that 1% would be easy and 2% manageable but 4% was too hard. She also questioned how long this tax would last.

Councilman Hakeem asked Mrs. Mayo if she presented that restaurants and other attractions should also be included; if she had any information on another city where 4% was imposed on hotels, restaurants and other attractions. Mrs. Mayo responded “Baltimore, Maryland”—that all businesses and restaurants on their inner harbor are included. Councilman Hakeem stated that he was talking about 4% in outlying areas of a city where restaurants and other people benefit; if she could give an example of a city that does this. Mrs. Mayo responded that she could not but that with the full 4% our tax would be up to 17.25%, which is the highest in the United States of America.

**HOTEL/MOTEL TAX (CONT'D.)**

Councilman Hakeem asked that if we wanted to have this development and could not find any other means, would she suggest just not doing the development because it was not a shared event. He again asked for an example of a city where this is shared. Mrs. Mayo indicated that she would research this and get the information. Councilman Hakeem stated that he was talking about the inner city and outlying restaurants and all. Mrs. Mayo stated that she would do the research for him.

Councilman Benson questioned if we would have the highest tax rate in America; that there was a city just 100 miles away that was equal to us; that this would be phased in with 2% the first year; that he thought there were some cities that were even higher.

Councilman Page stated that he thought this was a shared position; that his understanding was that the Aquarium was financed with private money; that the Hunter Museum was also included; that he did not know if the Hotel/Motel Industry was doing all of this on their own.

Chairman Littlefield thanked Mrs. Mayo for coming.

**Mr. Anand** spoke next. He stated that he owned a hotel in the downtown area and the East Ridge area and had had good experience on both sides. He stated that he had no prepared statement but would speak as he saw it; that their total revenue was down; occupancy is down; that he had a good month last month; that if you add \$8 to \$9 on to a guest's bill, they will be very unhappy; that 40% to 50% of guests are just passing by; that if you raise taxes to get more revenue, occupancy will go down; that if you would lower the tax by 1%, it would attract more people from outside; that he was trying to compete; that when a convention coordinator calls a hotel they want to know what the total cost in the City of Chattanooga is including the room and tax; that if we try to compete with New York City or Las Vegas, we will not be successful. Mr. Anand stated that he was not for the program; that he did want Chattanooga to improve; that he had been here for 25 years and knew what had been accomplished, and he was all for it, but urged to see who was directly being benefited by the development. He mentioned free shuttle service to only certain motels; that people in downtown will be directly benefited, and he was willing to do his part but asked the City to work on the restaurants also. He asked them to look at different sources and not to "kill the goose who lays golden eggs". He reiterated that revenues were down last year and raising another tax would hurt them again; that the next time their customers would stop in Dalton or Calhoun, Georgia; that all they wanted was a clean bed and to take a shower. He humbly requested the Council to consider this and make Chattanooga a better place to live.

**HOTEL/MOTEL TAX (CONT'D.)**

Mayor Corker spoke next and thanked the hotelers for being present and for their tone. He stated that Mr. Oates had presented the issue of 1% versus 4%; that he thought he was referring to internal communication within their industry; that his office had never communicated anything different than the 4%. He went on to say that this Bill had been in the General Assembly where they talked about how much 1% would generate; that this information might have been sent around, but we never said this. He stated that he did, in fact, deal with the Hotel/Motel Industry; that the Bill could not have passed at the State level without the Industry not flogging and holding it up. He stated that he sensed that the communication issue was inside the industry, and Mr. Oates was not referring to the City Council or his office.

Mayor Corker explained that Knoxville has the same rate as this would be at the maximum level; that there was a chance that some of the hotels would be hurt with the 4% on the front end and that we were urged to phase this in. He stated that he assumed we were dealing with the Industry and their elected official, and they had said that imposing the 4% on the front end would hurt them and suggested 2% on October 1st for the first year and then 3% and 4% by May of 2005 when all of this is completed.

Mayor Corker noted that Chattanooga was unusual in that people from the private sector had given selflessly and created this tourism industry; that in the 1980's \$45 million dollars in checks were written by people in the community for the aquarium; that when we talk about partnership, all of these dollars were given by people selflessly and all participated. He stated that it was great because the hotels and motels and restaurants do enhance our lives. He mentioned the \$54 million dollar Trade Center, noting that the debt service is \$4 million a year, and this generates hotel business in this city; that the citizens of our community are paying taxes and fees and paying this debt service; that if this money was available, this tax would not be necessary. We are still paying on the first part, which is \$52 million dollars combined.

Mayor Corker stated that he would be glad to talk to the members of the Industry who were present; that when all is said and done the first phase is north of a \$100 million dollar investment. He noted that the Aquarium is planning expansion and also the Hunter Museum has plans for expansion. He reiterated that the 4% tax would be phased in over time; that the maximum amount of bonds needed will be \$46 million and probably less. He stated that the Hotels/Motels were not paying all of this; that there is a large pledge from an individual coming, and he had met with other foundations; that he thought we would see tremendous enhancement at the Aquarium and the Hunter Museum.

**HOTEL/MOTEL TAX (CONT'D.)**

Mayor Corker went on to say that the Convention and Visitors Bureau had done a Study that showed people come to Chattanooga because of the "Chattanooga Experience"; that in general they come here to participate in the "Chattanooga Experience" and the waterfront. He stated that he would be surprised if members of the Industry were not here to talk about a higher tax. He stated that this would take tremendous cooperation and participation and was the right thing to do; that we are going to enact this and no one on this Council nor in Administration wants the tourist industry to suffer. He noted that our citizens have partnered heavily with the tourism industry. He thanked the Industry for their hospitality and again stated that he believed that this was the right thing to do; that Knoxville was equal with us, and their 8% tax went solely to fund a Trade Center. He again thanked everyone.

Councilman Benson stated that he was going to ask the Mayor a hard question, noting that the Mayor was good at handling hard questions. He stated that there was no doubt in his mind but that this was better for the downtown development and questioned how we can best answer the hotels and motels on I-75 who asks what's in it for them.

Mayor Corker responded that first of all, our community has benefited more than any in the southeast from people who have the means and resources to make this a better place; that our community is going through transition; that some of the philanthropists have passed away or are at different places in their lives; that downtown is going through a transition; that people have given of their resources and now the broader community is being called upon to step up and help pay.

In regards to Hamilton Place, Mayor Corker stated, this Council did something bold in looking at the Hamilton Place Plan; that a certain amount of revenue would have been generated to our citizens by allowing commercial development around Hamilton Place; that the Plan the Council adopted protected the neighborhood and if it had been commercial development the combined areas would be cannibalized. He stated that the Council took a strong stand and cut off tremendous revenue that could have come into this city. He also mentioned the capital that was necessary to maintain the things that needed to be done in this area.

Mayor Corker stated that he was answering Councilman Benson specifically; that this was a bold move to cut off additional revenue and a Plan that will take a lot of money to keep healthy and will be paid for by all citizens; that the same thing that happened at Eastgate could have happened at Hamilton Place but the Council stood in there and protected the citizens and the businesses in that area.

**HOTEL/MOTEL TAX (CONT'D)**

On motion of Councilman Lively, seconded by Councilman Page,  
**AN ORDINANCE TO AMEND PART II, CHATTANOOGA CITY  
CODE, CHAPTER 11, ARTICLE VI, SEC. 11-186 AND BY  
ADDING NEW SECTIONS 11-200 AND 11-201, RELATIVE TO A  
PRIVILEGE TAX ON HOTELS**

passed first reading on Roll Call Vote as follows:

<b>COUNCILMAN TAYOR</b>	<b>“Yes”</b>
<b>COUNCILWOMAN ROBINSON</b>	<b>“Yes”</b>
<b>COUNCILMAN PIERCE</b>	<b>“No”</b>
<b>COUNCILMAN PAGE</b>	<b>“Yes”</b>
<b>CHAIRMAN LITTLEFIELD</b>	<b>“Yes”</b>
<b>COUNCILMAN LIVELY</b>	<b>“Yes”</b>
<b>COUNCILMAN HAKEEM</b>	<b>“Yes”</b>
<b>COUNCILMAN FRANKLIN</b>	<b>“Yes”</b>
<b>COUNCILMAN BENSON</b>	<b>“Yes”</b>

Before Councilman Pierce voted, he had a question to ask the Mayor. He stated that basically he thought all of the Council were 100% in favor of the 21<sup>st</sup> Century Riverfront Plan. He stated, however, that he was leery of voting on the Hotel/Motel tax; that in looking at allocations, our pledging this 4% tax will be levied by a \$47 million dollar bond issue, which will tie us up for 20-25 years. He stated that he did not think it was fair to the Hotel/Motel Industry to impose this without considering the entire community, including restaurants; that we had talked about partnering for years and to impose this \$47 million dollars on the Hotel/Motel Industry seemed unfair. He suggested a flat 2% tax now and several years down the road to increase it if we see fit. He went on to say that we would spend this \$47 million dollars over the next 30 months and would have no other way to go into Phase II and Phase III. He asked if this had been addressed or if we would have to have another tax increase.

**HOTEL/MOTEL TAX (CONT'D)**

Mayor Corker stated that this was a great question. He stated the fact was that this was kind of like building one-half of a building; that there are a certain amount of needs in Phase I. He stated that he thought the Industry endorsed the Plan; that we would do it partially, probably with 2% on the front end there would not be enough bonding capacity to get Phase I done; that it will take the private sector to make this happen. The fact is, the whole program is a little north of \$100 million dollars. He stated that he could not address Phase II and Phase III unless Phase I gets done; that this is an opportunity; that the State gave us Riverfront Parkway, and this was something we had wanted to do for 15 years; that this freed us up to do something.

Councilman Pierce reiterated that he did support the Downtown Plan, but we had no figures for the cost, and this had not been talked about to be ready to vote.

Chairman Littlefield advised Councilman Pierce that we had had a number of meetings concerning this.

Councilman Benson stated that he was prepared to abstain, but he felt that he would be shallow if he did this, taking into consideration what the Mayor had explained. He indicated that he hoped Ms. Crownover got the Mayor's comments down verbatim; that after that, he had to vote yes.

Chairman Littlefield explained that this had to be voted on two consecutive weeks at regularly scheduled meetings.

Councilman Taylor asked if there was anyway to have further communication and dialog with the hotel organization; that 71 out of 90 hotels had signed the petition; that he thought we needed greater dialog and an open invitation to discuss this with the city as a whole. He stated that there were major issues that he heard tonight and expressed a desire to get together between the next vote to clear up mis-communication.

Mr. Anand thanked Councilman Pierce, stating that he had taken the most bold action by voting "no". He mentioned a bond issue that had been going on for 25 years for the hotel/motel tax; that they were committed for 25 years for the 4% tax. Councilman Hakeem stated that clarification needed to be made that this 25 year obligation was not the city's but the county's. Mr. Anand stated that he wanted his friends to know what is happening here. Chairman Littlefield agreed that the tax was still around.

**SALE OF REFUNDING BONDS**

Adm. Boney thanked the Council for allowing this to be added to the Agenda; that two weeks ago the Council gave them authority to try to save money on some of our debt; that usually refinancing can be done with a 2% savings; that 2.75% was our goal, and we achieved a savings of 7.5% and our overall interest rate is 3.63%; that the Council authorized them to pick the underwriter and proceed with the closing.

On motion of Councilman Hakeem, seconded by Councilman Lively,  
**A SUPPLEMENTAL RESOLUTION AUTHORIZING THE SALE OF AN AMOUNT NOT TO EXCEED THIRTY-EIGHT MILLION TWO HUNDRED NINETY THOUSAND DOLLARS (\$38,290,000.00) GENERAL OBLIGATION REFUNDING BONDS, SERIES 2002-A AND MAKING CERTAIN DETERMINATIONS RELATING TO THE CITY OF CHATTANOOGA, TENNESSEE**  
was adopted.

**OVERTIME**

Overtime for the week ending July 26, 2002, in the amount of \$108,393.58 was reported.

**PERSONNEL**

The following personnel matters were reported for the various departments:

**FINANCE DEPARTMENT:**

- ? **MIKE OGDEN** – Hire as Network Technician in IS, Pay Grade 9/2, \$24,453.00 annually, effective 8/9/02.

**PUBLIC WORKS DEPARTMENT:**

- ? **DAVID B. MASTERS** – Family Medical Leave of Light Equipment Operator, effective 5/7—7/30/02
- ? **PAUL T. O'REAR** – Promotion to Equipment Operator, Sr., Pay Grade 8/5, \$26,481.00, effective 7/24/02.



PERSONNEL (CONT'D)

CHATTANOOGA POLICE DEPARTMENT:

- ? **MICHAEL B. ALBRIGHT, BRANDON W. BELL, TRACI M. BERRY, MICHAEL W. BOLTON, JOSEPH N. BROWN, GREGORY M. CHAMBERS, TODD M. CLAY, TAMMY L. COOK, SHAWN D. CUNNINGHAM, LEWIS D. DAVIS, ZACHARY P. FULLER, CHRISTOPHER L. GAYNOR, DANIEL E. GIBBS, FREDERICK W. GILLILAND, MICHAEL P. HARTLEIN, JOSEPH M. HOWARD, JOHN A. JANCEWICZ, MICHAEL E. JOINER, TROY LANE, DARIN S. LINKINS, JOANTHAN S. MANCE, JOSHUA D. MASSENGALE, DAVID C. MESSERLY, STEPHEN A. MILLER, JR., DWEESE M. MILLIRON, CURTIS L. MORRIS, JR., RUSSELL W. MORRISON, JAMES D. PENDERGRASS, WILLIAM N. PUCKETT, DOUGLAS J. RAWSON, JASON E. REDDEN, DAVID S. RENEAU, DESTRY K, SPILLER, MAX L. STANSBERRY, ROBERT L. STEPHENSON, HEATHER J. STONE, WILLIAM B. TALLANT, JR., JONATHAN D. TOTHEROW, MICHAEL K. TRUSSELL, STEVEN M. VAN BUSKIRK, KENNETH M. WEATHERS, JAMIE A. WILLIS, and BRYAN S. WOOD** – Hire as Police Officer, Pay Grade 1/1, \$28,579.00 annually, effective 7/26/02.
- ? **JACOB W. TAN** – Hire as Police Officer, Pay Grade 1/3, \$31,382.00 annually, effective 7/26/02.
- ? **LEE W. WIGMORE** – Hire as Police Officer, Pay Grade 1—2, \$29,981.00 annually, effective 7/26/02.
- ? **HENRY A. COTHERN, JR. and GARY A. WILLIAMS** – Transfer/Promotion to Police Officer, Pay Grade 1/1, \$28,579.00 annually, effective 7/26/02.
- ? **JUSTIN H. BUTTON, IAN L. KIRK and MELISSA A. VARNER** – Rehire as Police Officers, Pay Grade 1/1, \$28,579.00 annually, effective 7/26/02.
- ? **MARTA MONZON** – Resignation of Assistant Director of Community Outreach, effective 8/2/02.

**PURCHASE**

On motion of Councilman Hakeem, seconded by Councilman Franklin, the following purchase was approved for use by the Public Works Department:

**RED WING SHOES and DORSEY SAFETY SHOE COMPANY (Best bids meeting specs.)**

**Requisition R0063844/P0017669**

Contract for Safety Shoes

(See minute material for prices)

**PURCHASE**

On motion of Councilman Pierce, seconded by Councilman Hakeem, the following purchase was approved for use by the Chattanooga Fire Department:

**SOUTHERN EMERGENCY PRODUCTS (Lowest and best proposal)**

**Requisition R0054712**

Custom Walk-In Hazmat Apparatus

\$353,149.00

**HOTEL PERMITS**

On motion of Councilman Lively, seconded by Councilman Franklin, the following Hotel Permits were approved:

**HILTON GARDEN INN—311 Chestnut Street**

**FAIRFIELD INN—2350 Shallowford Village Drive**

**RED ROOF INN #7162—7014 Shallowford Road**

## **PURCHASE**

On motion of Councilman Page, seconded by Councilwoman Robinson, the following purchase was approved for use by the Chattanooga Police Department:

### **SHRED-IT (Lowest and best bid)** **Requisition R0061182**

Document Shredding Services Contract

\$11.00 per console per visit

## **PURCHASES**

On motion of Councilman Hakeem, seconded by Councilman Lively, the following purchases were approved for use by the Finance Dept.:

### **S & H TOWING (Lowest and best bid)** **Requisition R0062263/P0017592**

Towing Services Contract for Fleet Maintenance I Division

(See minute material for pricing)

### **SPRINT (Supplement to the Contract)** **Purchase Order P0016764**

\$273.24 annual increase in charge

## **CHARTER CHANGES**

Attorney McMahan advised the Council that if there are any changes to the Charter that they should let them know right away. He stated that he did receive some suggestions today that he would be working on.

## **COMMITTEES**

Councilman Benson reminded the Council of a **Legal and Legislative Committee meeting scheduled for Tuesday, August 6<sup>th</sup> at 3:00 P.M. to discuss Charter Changes.**

## **RECOGNITION**

At this point Councilman Taylor recognized the presence of a colleague, Pastor Overstreet, who was in the audience.

## **4% TAX RATE INCREASE**

Chairman Littlefield noted that there would be Councilmembers absent at next week's meeting due to vacations and other reasons; that he might have to implore some of them to return in order to have the voting requirement of six votes next week.

## **SISTER BEY**

Sister Bey addressed the Council, stating that she did not have anything to say tonight until the Mayor started talking; that in December she was going to the U.N. General Assembly and put pressure on this government until her people were recognized. She stated that she preferred her own and always had and always would; that her people did not come here willingly but were dragged in chains; that they were told this was the "Land of Milk and Honey" and did not come here for self-destruction.

## **REVEREND OVERSTREET**

Revered Overstreet addressed the Council, stating that he did not want his response to Councilman Taylor to be taken in a derogatory sense; that he paid taxes and can show up at these meetings; that it his obligation to inspire leadership. He stated that he did not want to be welcomed at a City Council meeting—that he was a taxpayer, and it was his job to be here; that all taxpayers in Chattanooga and all ministers should show more concern. He congratulated his Councilman for being Chairman, noting that Councilman Hakeem did a magnificent job, and he was sure Councilman Littlefield would do the same.

**REV. OVERSTREET (CONT'D.)**

Councilman Pierce stated that he thought Revered Overstreet had made a pledge to the School System, and he asked when this would be forthcoming. Reverend Overstreet responded that if Councilman Pierce would resign, the money would be in good hands, and he could give it to the city.

**LOUISE HAMMONDS**

**Louise Hammonds** of the Oak Grove Community was the next speaker. She stated that she was a taxpayer who lived four miles down the road from the downtown development; that the only benefit they were getting out of their taxes was Chief Dotson; that she spent three days a week with Andre Davis on the phone. She mentioned that Highland Park had put a piece in the paper saying that they did not want Mexicans in their district; that if she made that statement against Mexicans and Blacks that it would be construed as a sign of discrimination. She stated that Highland Park had received city and foundation money; that there was never anything done in their community, and they had been promised a lot; that the area she was referring to was Oak Grove, Ridgedale, and Ferger Place. She stated that they had asked for the building at East Side and did not get it—that people from Highland Park were working there; that they paid the same taxes as the other community, but the City had forgotten them.

**ADJOURNMENT**

Chairman Littlefield adjourned the meeting of the Chattanooga Council until Tuesday, August 6, 2002 at 6:00 P.M.

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**CHAIRMAN**

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**CLERK OF COUNCIL**

**(A LIST OF NAMES OF PERSONS IN ATTENDANCE IS FILED  
WITH MINUTE MATERIAL OF THIS DATE)**

