

**ECONOMIC DEVELOPMENT COMMITTEE**  
**NOVEMBER 14, 2006**  
**3:30 P.M.**

Chairman Page called the meeting of the Economic Development Committee to order, with Councilmen Bennett, Rico, Benson, Rutherford, Pierce, Robinson, and Gaines present. City Attorney Randall Nelson and Shirley Crownover, Assistant Clerk to the Council, were also present.

Others present included Dan Johnson, Daisy Madison, Marie Chinery, and Mayor Littlefield.

**BROWNFIELD GRANTS**

Chairman Page started the meeting, noting that we had three issues and that Frank Wrenn was here to go over these items. He called on Mr. Wrenn.

Mr. Wrenn stated that he was a Development Consultant with the City and noted that the grants were divided into three Resolutions on next week's agenda. By way of history, he mentioned that last year we applied for a Community Assessment Grant for Alton Park and were successful; that this stemmed from a Brownfield Task Force that was created by Mayor Littlefield; that the recommendation was to complete the Brownfields Management Plan, which will lead to more fulltime activity and will call for a fulltime Brownfield Coordinator. Each of the three applications to be discussed today will be reflected in this Management Plan that calls for a Brownfield Coordinator position. He noted that a salary for a Brownfield Coordinator was once allowed but not now, and we want to restore this position.

In looking at the three Resolutions, the first one authorizes an Environmental Protection Agency Brownfields Assessment Grant in the amount of \$200,000 to conduct a community-wide hazardous materials assessment in a large area generally described as the eastern part of Chattanooga's urban core. He stated that in this incident, he was filling the role of Planning and presented a small map. He mentioned the Brownfield Conference that is being held in Boston, stating that this is an important step needed to build expertise in the City. He went on to explain that the area is expanding from Alton Park and will address the rest of the city core; that we start with a broad inventory and go to the community and set priorities and target strategic sites for further clean-up. He noted that there was extensive community development for targeting sites for clean-up. He stated that this would be competitive because we are behind but that this will be an enormous tool for the long run. He went on to say that Planning defined the area, and we left it up to them to make the best recommendation; that everything will be combined, and we will address the larger core area.

The next Resolution authorizes an Environmental Protection Agency Brownfields Cleanup Grant in the amount of \$200,000 to complete the final stage of cleanup in the ongoing redevelopment of the former Cavalier site and will require local matching funds of \$100,000 to be provided by the Southeast Tennessee Local Development Corporation. Mr. Wrenn stated that there was one more contamination issue, and if we get this grant it will finally clear the stigma for this site. He noted that this had enormous potential and a lot of workforce activity. He stated that we had applied for this before, but now it was under the City's Brownfield Program, and we are beginning to address surrounding neighborhood issues. We will do more coordinating, planning, and there will be a stronger application. He noted that Joe Guthrie was present and could address further questions.

The last Resolution authorized an Environmental Protection Agency Brownfields Revolving Loan Fund Grant in an amount up to \$1,000,000 to establish a revolving loan fund for brownfields cleanup and redevelopment, and will require local matching funds of up to \$200,000.00. Mr. Wrenn stated that this was the most important grant and provides a way that private development deals can be made; that it fills the financial gap and is an important tool.

He did say that the odds of us getting these grants are not great; that we had applied for the Cavalier grant before but since had gotten feedback as to how to be stronger, and we are following the recommendations, and it is worth our efforts to try again this year; that over a period of time, we should eventually get the funding for all three. He again noted that Joe Guthrie was the most likely one to answer any questions from here on; that one of the most important points was that on the third Resolution, the City's match is \$200,000, noting that the money recycles itself.

Chairman Page opened up the floor for questions.

Councilman Benson wanted to know what the criteria was for declaring an area a brownfield. Mr. Wrenn responded that in the area we are dealing with, the criteria for a brownfield hinges on perception as much as reality; that the perception is that it is contaminated, and this can be included in the criteria. Councilman Benson asked for an example of a brownfield. Mr. Wrenn responded the Farmers' Market Site; U.S. Pipe; and Wheland—that they were all known to have contaminants.

A man in the audience noted that it could also be a simple thing like including an ex-gas station and did not necessarily have to be manufacturing; also dry cleaning areas could be included.

Councilwoman Rutherford wanted to know if there were any legal routes we could pursue towards the companies that had polluted the spots. Mr. Wrenn responded that the brownfields at the federal level had stemmed from the Superfund; that brownfields are a way of addressing in a non-regulatory fashion. Councilwoman Rutherford stated that she would like to address this question to Attorney Nelson—do we have any legal rights as a City towards the company who abandoned the property and who had polluted the property in the first place. Attorney Nelson responded that there is nothing on the books—that it is primarily a Federal and State enforcement; that we would have to get legislation on the books under Home Rule and then we might be able to do something. Councilwoman Rutherford maintained that whoever was responsible for the pollution should be the ones to clean it up. Attorney Nelson explained that in many cases the companies had gone bankrupt and were now out of business, and there was no way to go back on them as there was “no pocketbook to chase”.

Councilman Pierce inquired about the Chattanooga Gas Company and contamination at the Farmers’ Market.

Councilwoman Bennett asked about areas that were not included in the Study and asked if there were any outside qualifications for the Revolving Loan Fund. Mr. Wrenn responded positively, noting that we had started with the biggest problem area of Alton Park and had been successful on this and would go on to the next best area.

Attorney Nelson asked if any match was required on the \$200,000 Brownfield Assessment Grant. Mr. Wrenn responded “no”—only a \$200,000 match on the Revolving Loan Fund Grant.

Councilman Pierce asked what the primary job of the coordinator would be. Mr. Wrenn responded that he could only speculate—that there would be other types of Assessment Grants and there would be petroleum issues—another example is neighborhood greenways. Councilman Pierce asked if this person would be a coordinator or just a Grant Writer. Mr. Wrenn responded that this person would pick up some administrative tasks—that the most important role would be planning and development.

Councilwoman Bennett asked if he were saying there would be a person on Staff if these grants are approved. Mr. Wrenn explained that this would be a trigger for some administration—that we had to do first things first; that in 1999, when we had a coordinator, we had put the cart before the horse and were now taking one step at a time.

Chairman Page asked if all brownfields were contaminated. Mr. Wrenn responded that they were believed to be contaminated.

Chairman Page noted that we were voting on up to a \$200,000 match for the Revolving Loan Fund Grant and no match on the other two grants. He asked for a motion on all three Resolutions—Alton Park, Cavalier, and the Revolving Fund. **Councilwoman Rutherford moved that the Council recommend approval of all three. This was seconded by Councilman Pierce.** Chairman Page noted that these Resolutions would be on next week's agenda.

### **EASTGATE TOWN CENTER POCKET PARK**

Attorney Nelson asked to address the Eastgate Town Center Pocket Park, which goes back to 1999, where the City paid \$250,000 to the previous owner to construct a park, and there were some questions as to who would maintain it. He went on to say that no deed was ever recorded, and the Park was constructed but is now in a disheveled condition. He reiterated that no deed was ever recorded on this piece of property, and the previous owner went bankrupt, and there was no way to get a deed recorded. This property had been sold to a company that wishes to construct a Starbucks Store there, and there was some discussion as to the fact that the City might have some claim. Attorney Nelson proposed that this might fall under inverse condemnation. He presented a letter to the Council, that is made a part of this minute material, and Attorney Nelson suggested that everyone read this letter before we begin to talk about this.

Chairman Page asked that we take a few minutes to read the letter.

Councilman Pierce asked if we did not have a deed on this property, and the answer was “no”. Councilman Pierce asked if he was saying that it was not recorded.

Councilwoman Robinson questioned if we did not get clear title.

Councilman Benson asked who had been paying taxes on this, and the answer was “nobody”.

Councilwoman Rutherford stated that she was part of a charette that was held in Eastgate in the late 1990's; that the park, which is beside the Schlotsky Building, was never used; that it is a plot of land with benches and a fountain; that we were delighted to have them there but then the First TN Bank ended up with the property, and it was sold.

Councilwoman Robinson wanted to know how this happened. Councilwoman Rutherford stated that it was never a City Park, and it did not get deeded over to us; that someone made a mistake and did not get it recorded. Mayor Littlefield noted that he was not a part of City Government then.

Councilwoman Bennett clarified that the City paid the money for it but did not get the property.

Councilwoman Rutherford explained that this had been a “mess from day one”; that now we have the opportunity to have this property developed, which would be an improvement for Brainerd Rd.; that the building had never been successful—that there was no parking because the Park took up the parking space.

Attorney Nelson stated that we gave them \$250,000 and then they went bankrupt, and it became property of First TN.

Councilwoman Rutherford stated that it would take a graph bigger than this room to figure this all out.

Councilwoman Robinson wanted to know how the Park came into play.

Mayor Littlefield stated that the people who bought this wanted to put a Starbucks on the Park property; that he, too, attended the Eastgate charette, where relocating the entrance to Eastgate was discussed, and this never happened—that the Park was the only thing that happened.

Councilwoman Rutherford stated that the City was obligated to the Park the whole time, but legal papers were never signed.

Councilwoman Robinson wanted to know how all of this came to light? Councilwoman Rutherford responded that First TN had the property for sale, and it was sold, and the owner wanted to put a Starbucks here; that the previous building was not successful because there was no parking; that a Starbucks would enhance the area. Councilwoman Robinson wanted to know if First TN advertised this property. Attorney Nelson explained that First TN had advanced the previous owner the money, and they went under, and the property went back to First TN.

Councilman Rico stated that the problem before us was “how do we fix this”?

Chairman Page stated that he understood they were running out of time and questioned if trying to determine if the City had any legal claim was warranted. Attorney Nelson responded that we have “squatters’ rights” and again mentioned inverse condemnation with a City Park being on the property.

Mayor Littlefield stated that he thought the City Attorney was making the claim of whether the battle was worth it or not.

Chairman Page pointed out that we would be getting taxes on this.

The new owner was present and stated that it had bought it and had been paying taxes for two years. Chairman Page responded that we were pleased with this.

Councilman Pierce cautioned against rushing this, stating that it did not have to be settled tonight; that there are legal questions, and we are asking for an opinion. He stated that he did not want to end up in court, noting that there were a lot of problems in Eastgate and cautioned against rushing this.

Councilwoman Rutherford wanted to know what problems Councilman Pierce was talking about. He responded the road to Wal-Mart.

Attorney Nelson asked the owner if there was any rush in getting this done. He responded that they needed to start construction; that they bought this property in November of last year and had a clear title, but there were some concerns; that they did investigate this and were hearing different things. He noted that they were spending a lot of money; that the City had no claim because the previous owner went bankrupt. He went on to say that Eastgate Mall has a right to approve what they did; that they were proposing a Starbucks on the corner and would put parking in and that Eastgate Mall had asked for a letter from the City Attorney or the Mayor saying that the City had no claim—that this protected them. He went on to say that his two partners did not think this was necessary; however Eastgate Mall was their next door neighbor, and he wanted to take care of this and thought that this was the prudent thing to do. He reiterated that they had been paying property taxes.

**Councilman Benson moved that we accept this, as he thought this was self-evident; that the sooner this gets on the tax rolls and we get the sales tax, the better. He urged to clear the air. This was seconded by Councilman Rico, with Councilman Pierce abstaining.**

Mayor Littlefield suggested naming the Park for Councilwoman Rutherford before it is bulldozed down! Councilwoman Rutherford reminded him that she would have to be “dead” first.

The meeting adjourned at 4:00 P.M.