

ECONOMIC DEVELOPMENT COMMITTEE

June 10, 2008

4:10 P.M.

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

Others present included Richard Beeland, Dan Johnson, Adm. Zehnder, Daisy Madison, Chief Cooper, Sgt. Weary, and Chief Parker.

ALSTOM PILOT

Chairman Page called on Steve Hiatt and asked him to introduce his guests. He explained that these people were here for a Pilot Agreement for Alstom. Along with Mr. Hiatt were Brad Vandehel with Alstom and Attorney Brian Eftink, who has negotiated the agreement.

Mr. Hiatt stated that this was the investment package that both Mayors had agreed to; that they would be hiring 300 people with at least a \$250 million dollar investment. He explained that this was at the old Combustion plant site and would put this facility into very productive use.

Mr. Vandehel confirmed that it was \$250 million, stating that they were taking the existing infrastructure and remodeling it and making it ready for manufacturing; that eventually they would add 300 employees, again stating that it was a \$250 million dollar investment with \$100 million already committed.

Attorney Eftink explained that it was a 15-year property tax abatement project with one year full and 14 years paying the school tax. He explained that this would go in three phases with January 1st, 2010 being the real property and two to three years for personal property.

Mr. Hiatt added that the abatement covered only new investment and that we had strong competition for this plant with Richmond, Virginia.

Councilwoman Berz wanted to know when the 300 jobs would occur? Mr. Vandehel responded they would start March of next year, adding 10 employees in 2011, with the full head count in 2010.

Councilwoman Robinson stated that these were exciting times; that we are hoping that Enterprise South will be big soon; that Alstom is one of the best things in manufacturing for Chattanooga in decades; that they are on the “cutting edge” with an international market. She commended them for choosing Chattanooga, stating that we appreciate what they are doing.

Mr. Vandehel stated that they would be making 10 nuclear steam turbines per year and would be busy for 8-15 years.

On motion of Councilwoman Bennett, seconded by Councilwoman Robinson, this will be recommended for approval by the entire Council.

Councilwoman Bennett stated that she would like to hear more about the jobs and the education that would be required. She asked Mr. Hiatt if we had the first right to hire for the Chattanooga area?

Mr. Vandehel stated that the jobs would be white collar and blue collar; that there would be 100-125 white collar jobs.

Councilwoman Robinson wanted to know what their experience was with the work force here?

Mr. Vandehel responded that it was too early in the project to say; that some would be coming from Birmingham, Alabama; that they were relocating people who were buying homes here. He stated that it was hard to comment on this now.

Councilwoman Bennett asked that as Alstom moves through the process that Steve Hiatt keep the Council up to date.

Councilwoman Berz wanted to know of the local jobs, if the workers would come from here? Mr. Vandehel stated that he could not give a number, but it should be 85% to 90% local.

Attorney Nelson asked Mr. Hiatt to explain the monitoring process. Mr. Hiatt stated that the Chamber is responsible for these Pilot Agreements; that any company who gets a Pilot has a requirement to report annually on jobs, wages, and investments—also whether they are in a renewal community, which accounts for points. He stated that this company “went off the charts”; that companies would be asked to send letters annually and would be reporting to him.

Chairman Page asked if this was public or private company? Mr. Vandehel answered that it was a public company—a French company.

Chairman Page noted that this was very important for Chattanooga, and as Councilman Rico was hurrying things up, Chairman Page stated that he thought we had plenty of time to talk about this. He wished the company much success and thanked them for coming to Chattanooga. He also told them that they did not have to come back next week when this will be on the agenda.

At this point Councilwoman Robinson asked if Beverly Johnson or Tony Sammons were in the audience. Since they were not, she mentioned **Ordinance 6(a)** on next week's agenda, amending budget ordinances so as to appropriate \$3,236.30 from the General Fund to a Special Fund to be used for neighborhood partners projects and/or related activities and initiatives and authorizing the Administrator of the Department of Neighborhood Services and Community Development to enter into agreements with neighborhood organizations for same.

The meeting adjourned at 4:25 P.M.