

ECONOMIC DEVELOPMENT COMMITTEE

December 9, 2008

4:30 P.M.

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

Others present include Richard Beeland, Beverly Johnson, Dan Johnson, Daisy Madison and Barry Bennett.

CHATTEM, INC. PILOT

Chairman Page called the meeting to order and called on Steve Hiatt.

Mr. Hiatt was to introduce the players. He explained that Chattem, Inc. was a pretty exciting program and that he had talked to the Council about Phase I and would like their approval of a Pilot Agreement; that it was a \$7 million dollar investment, creating 33 new jobs with a three-year abatement with the school tax being paid.

Mr. Zan Guerry spoke on behalf of Chattem. He expressed his pleasure at being present today, stating that he loved this community and was glad to come for a visit. He introduced **Robert Long, Patty Duncan, and Doug Fitz**, all of Chattem. He noted that the history of Chattem was interesting, mentioning \$1 million dollars in sales of Gold Bond; that their employees celebrated United Way by giving 10% and overall their employees contributed about 3% of the total. He stated that they employed 450 people and 100 around the world—that they lived on loyalty, teamwork, and energy. He mentioned the products of Gold Bond, Corticidin 10, and ACT Anti-Cavity that are manufactured here. He also told of shooting a commercial with Christy Brinkley in New York. He mentioned their competition with Johnson and Johnson, stating that they competed very carefully and picked their battles; that they were very fortunate to have the depth of talent of their employees; that they were expecting sales of \$500 million, close to a half billion in the next year. He went on to say that acquisition is the name of the game, and they were seeing opportunities from big and small companies.

He went on to announce three topics. First was the capital with 33 permanent jobs, noting that they were bringing Total Care and ACT into Chattanooga. He mentioned having four or five warehouses and consolidation; that getting ACT into Chattanooga was much like Gold Bond, and they were very excited. He stated that they were smart, lucky, and fortunate to be able to talk about expanding in this economic climate. He stated that they were a true community partner with the City and the School System and had been here for 130 years.

Mr. Hiatt stated that they would be going to the County with this on Thursday and the Industrial Development Board a week from today; that both Mayors were in favor of this.

Councilman Benson stated that this was a no-brainer; that everyone knew Chattem's track record and what they meant to Chattanooga. He told Mr. Guerry that he was glad they were growing against the present Stock Market and that he was proud of them.

Councilwoman Robinson added that they put Chattanooga on the map and had worked well for 130 years.

Chairman Page asked Mr. Hiatt to tell us about the jobs.

Mr. Hiatt responded, again, that this was a \$7 million dollar investment in machinery and equipment with 33 new full-time jobs; that there is a three-year tax abatement with the school portion only being paid.

Chairman Page stated that this would be on next week's agenda.

Councilman Rico stated that he was proud that this was in his district.

Attorney Nelson suggested moving this up to tonight's agenda; that the Industrial Development Board meets next Tuesday and would like to have the blessing of the Council on this.

Chairman Page noted that we needed to get this Resolution prepared and on the agenda tonight. He added that he was proud of what Chattem does.

The meeting was adjourned.