

ECONOMIC & COMMUNITY DEVELOPMENT COMMITTEE

MINUTES

May 9, 2017

In Attendance

Councilman Erskine Oglesby, Committee Chair, called the meeting to order at 3:27 p.m. A quorum was present, including Council Chairman Jerry Mitchell, Vice-Chairman Ken Smith and Council members Carol Berz, Anthony Byrd, Demetrus Coonrod, Russell Gilbert, Chip Henderson and Darrin Ledford. Wade Hinton, City Attorney, and Nicole Gwyn, CMC, Council Clerk, were also present.

Others in Attendance

Dept. of Economic and Community Development: Donna Williams, Administrator

Approval of Minutes

On motion of Vice-Chairman Smith and seconded by Councilman Gilbert, the minutes of the last meeting (February 14, 2017) were approved as published.

Presentation: HomeServe USA PILOT

Ms. Williams introduced Charles Wood of the Chattanooga Area Chamber of Commerce, who made a presentation on the HomeServe USA request for a Payment in Lieu of Taxes (PILOT) agreement. His presentation included information on the following:

- Background: Recent projects without PILOTs
- “Our chickens are their chicken dinner”
- Excerpts from Southern Champion Tray agreement
- SCT Texas Expansion
- Company Overview
- Hiring Process
- PILOT Terms
- Economic Impact

Councilwoman Berz gave her full support of the proposal, which would further the Council’s strategic goal of furthering economic development.

Robert Judson, Senior V.P. of Contact Center Operations, addressed the Council on the competitive benefits. Discussion ensued with Mr. Wood and Mr. Judson on the following topics:

- Number of minorities currently employed (Councilman Gilbert)
- Number of African-Americans currently employed (Councilman Gilbert)

- Rate of pay for office & management positions (Councilman Gilbert)
- Whether the company would stay without a PILOT agreement (Councilwoman Coonrod)
- Considerations for taking business elsewhere (Councilwoman Coonrod)
- Triggers that would kick-in the clawback (Chairman Mitchell)
- Other sources of funding (Chairman Mitchell)
- Details on the 192 positions (Councilman Henderson)
- Public transportation to/from the facility (Vice-Chairman Smith)
- Total amount of incentives (Vice-Chairman Smith)
- Converting an existing facility vs. a new building (Councilman Byrd)
- Exact location of the new facility (Councilman Gilbert)
- Return on investment (Councilman Ledford)
- Number of current jobs being outsourced (Councilwoman Coonrod)
- Whether new jobs would be seasonal (Councilwoman Coonrod)
- Use of local partners in recruitment process (Councilwoman Berz)
- Cost benefit analysis (Councilwoman Berz)
- Recommendation for childcare services on site (Councilwoman Berz)
- Benchmarks for the annual employment review (Councilman Henderson)
- Guaranteeing 200 jobs every month through the clawback (Councilman Henderson)

After a suggestion by Councilman Gilbert, Attorney Hinton agreed to examine the option of adding to the agreement a minimum number of years for the company to remain in business. Attorney Hinton explained the current process for if the company closes during the PILOT.

After a suggestion by Councilman Henderson, Attorney Hinton also agreed to look into whether a percentage of jobs could be reserved for residents of specific zip codes. Attorney Hinton noted that there were legal challenges. Mr. Wood spoke on the federal hiring standards that must be considered and the effect on the 8-week hiring process. He also agreed to check on how to guarantee the number of jobs every month.

Adjournment

Councilman Oglesby adjourned the meeting at 4:34 p.m.