

ECONOMIC DEVELOPMENT COMMITTEE
NOVEMBER 2, 1999
4:45 P.M.

The meeting of the Economic Development Committee was called to order by Councilman Crockett, Chairman, with Councilpersons Hurley, Rutherford, Hakeem, Taylor, Franklin, and Lively being present. City Attorney Randall Nelson; Management Analyst Randy Burns; and Shirley Crownover, Assistant Clerk to the Council, were also present.

Others present included Adm. Traugher, UTC Chancellor Stacy, Dr. John Schaerer, and Richard Brown.

UTC EXPANSION PLANS

Chairman Crockett asked Dr. Stacy to join the Council at the table. He then turned the meeting over to Chancellor Stacy.

Dr. Stacy stated that he would like to talk to the committee about the 15-20 months of planning that they had been going through; that he would give a status report and if there were any red flags, he would like to have them called to their attention. He stated that they borrowed their planning process from the City of Chattanooga because Chattanooga plans well; that all they wanted to do was to find a program that would make UTC better and increase their accessibility. He mentioned four goals—(1) Claim the assets of technology, (2) Recruit, retain and celebrate diversity, (3) Improve potential for partnership, and (4) Enhance learning environment. He explained that they had always been known as a Liberal Arts School, and they wanted to migrate into an Urban University and be compatible with the community.

In talking about the expansion, Dr. Stacy noted that Fletcher Hall is the preferred look and style and mentioned unified landscaping and streetscaping. He emphasized integrating the campus into the neighborhood and restoring the cultural and historical heritage, noting that in the MLK neighborhood there is a heritage. He again emphasized that when you walk through the campus, they want it to be compatible with the neighborhood and embrace the market for commercial services.

Dr. Stacy stated that they were trying to expand the room for students and that the residence halls needed to grow; that one-fourth of their students live on campus. He stated that a Psychology Center was important; that they wanted to keep a green visage and build around it.

He presented a plan with lots of circles and noted that when Planners come to town, they draw circles and some of this is 10 years out, but it did show potential spots for planned improvements. He mentioned an Engineering Building on Palmetto, stating they would put this on the north side.

Dr. Stacy went on to say that they were concerned about the movement east to west. He stated that they did not want to move beyond the City Council's participation level. He mentioned that they had talked to nearby churches to let them know that they are compatible as the University teaches ethics and religion and the churches put this into practice. (He added that they also loved the churches' parking lots).

Chancellor Stacy stated that they wanted the campus to be a microcosm of the City and were migrating toward an urban metropolitan campus and wanted UTC to be the City's university. He noted that on the first building they were ready to proceed with hiring an architect to create something that would be compatible with the neighborhood. He added that this would also have to be approved by the State Building Commission. He stated that they had been working with Planning charettes and were hoping that the streets would look different. He mentioned the creation of a green field, housing, and specialty housing, with the field being a track and soccer field. He stated this field would be as close to a park as they could get and anyone would be able to jog here and the soccer field would be open to all; that it would be a place to meet for community groups and would not be a spectator field but an activity field.

In mentioning the economic impact, Dr. Stacy stated he thought they would be spending \$32 million dollars which would authorize housing, specialty housing, sports and recreation areas, multi-purpose facility, and a Pre-K to Grade 3 School.

At this point Dr. Stacy showed a plot of the campus expansion, mentioning anonymous donors and these gifts amounting to a \$4.5 million dollar obligation. He noted that there are other pieces that are not held by foundations and will require some purchase on the part of the university. He stated that this was all essential to make the acquisition go. He stated that they wanted a safe and attractive place to be a part of the city.

Chancellor Stacy explained that they would have to have permission from the State Building Commission to buy real estate or have any changes in real estate because they are part of the State of Tennessee. He stated, however, since we would be acquiring 10 more acres without appropriating a dime, that they should approve of this. He stated that he hoped they would allow him to make the first purchase of land in the name of the State of Tennessee from the foundation; that they knew they would eventually have to buy this. He stated that they had tried to keep the Mayor and Councilman Pierce involved; that they did want the city streets and infrastructure; that he wanted help from the City with the property acquisition. He mentioned a Printing Company that was still in business in the area and would need a comparable property to relocate; that they did not want to use Eminent Domain. He stated that John Schaerer had gone to the property owners to see if they would take the appraised price for their property, and they had not run into any walls—that the people had been very gracious.

Chairman Crockett stated that Chancellor Stacy had made a wonderful presentation.

Councilman Franklin asked if they had talked to the MLK merchants. Chancellor Stacy responded that the students would not be far away and would sometimes need a hamburger at 9:00 P.M., a loaf of bread, computer chips, and maybe even drink a beer; that there would be services on MLK, and he hoped they would welcome students and faculty, and he stated that he felt like the rest of the community would come to a campus-oriented business. He stated that they did need to do something about storefronts, and he thought they might be able to come to the City Council for block grants. He stated that he had not “gone here” because he had no ability or expertise in this regards. Councilman Franklin asked about the partnership scenario with the merchants and the university and how this could be enhanced. Dr. Stacy stated that they needed to find out what makes partnerships work.

Councilman Hakeem stated that Chancellor Stacy had talked about wanting the streets—that he needed some clarity on this. He questioned how he responded to his constituents in this regards. Chancellor Stacy responded that in a partnership with the City, they would need \$500,000. He noted that the question might arise “Does the City and the neighborhood get any value out of this?” He stated that he thought it would make a wonderful difference in the City for a five-block area and there is a city value in bringing this area back like it used to be; that he would say the cost would be \$500,000 plus infrastructure. Councilman Hakeem asked if he was talking about new streets or existing streets. Chancellor Stacy responded that he was talking about pulling the streets into the standards of the City of Chattanooga—that McCallie Ave. needed some attention and something done that would allow people to stop on McCallie. He stated that he could not answer any further because he did not know how to be a Traffic Engineer.

Councilwoman Rutherford asked Dr. Stacy if churches such as First Presbyterian and the First Christian Church were participating. Dr. Stacy responded that one of the people on their committee goes to the First Christian Church—Alan Derthick, and Mr. Derthick had had them come to meetings and talk to the Wednesday night gatherings. He stated that they had been involved in the planning; however he had not asked them for any financial help. Councilwoman Hurley pointed out that one of the major benefactors goes to First Presbyterian.

Councilman Lively stated that we were looking for economic growth and in his opinion this was one of the best opportunities we have to make an economic impact; that if people see that this City is behind the University, attitudes may change. He asked if they had approached the County for matching funds.

Chancellor Stacy responded that they had; however, not in a meeting like this; that they had not been in a committee meeting with them, but they had talked to the County Commissioners individually; that they had alerted the Mayor and County Executive that they would be asking for \$500,000 from each governmental body. He added that a track and soccer field is the “Chattanooga way” and people from the community could enjoy this. He stated that this was no secret to the County Commission.

Councilman Lively moved to commit to this and to strongly urge the County to do likewise. Councilwoman Rutherford seconded the motion, stating that she did support this effort.

Attorney Nelson reminded those present that this is just a committee meeting and official action would have to be taken in a Council meeting. Chairman Crockett added that committee meetings make recommendations to the full Council.

Councilman Hakeem questioned if we were committing to the concept or to the money. Councilman Lively responded that they were asking for \$500,000. Councilman Hakeem stated that the University had been good to him and his family; that he thought the concept was good; however he questioned “flying right along”, noting that we might need to think about this a little bit as \$500,000 was a lot of money.

Councilwoman Hurley indicated that she was also in favor of this, but our procedure was to have Administration look at an issue and see what is in the “pot”, and that we need to be in the position to make a total commitment in terms of streetscape, which could be several million dollars; that it was fine to initially endorse this, and she urged that this be the spirit of the motion—that we not commit now to a maximum of \$500,000.00.

Councilman Lively stated that his motion was to commit to the project.

Councilman Franklin stated that he thought there was an obvious commitment to make this happen but not to commit for a specific amount of money but to go through the process.

Adm. Traugher stated that one issue with the Mayor was the full picture and the full range, particularly the infrastructure—that this could be a sizeable amount.

Councilman Taylor asked Dr. Stacy if in looking at the streetscape if this was included in the \$500,000 or if it was additional. Dr. Stacy responded that it was additional; that the \$500,000 is identifiable property acquisition costs.

Stroud Watson added that the most important issue to back UTC is the infrastructure on the streets, and this is a fairly substantial amount but very important. He also mentioned “landbanking”—that the Mayor had appointed an MLK Task Force, and they have a Plan, as well as the University having a Plan, and the only difference is the area where the track will be; that UTC , MLK, and the City need to do this as a partnership for the whole community.

Chairman Crockett asked Mr. Watson to be less cryptic. Mr. Watson responded that the major force of the MLK Plan is to move this forward with additional housing and the biggest area to do this in was where it was referred to as “landbanking” and was the track area.

Chancellor Stacy added that in looking at the big picture, UTC needs growth and Engel Stadium will be abandoned, and the University had an interest in this big parcel and might maintain Engel Stadium as it is now; that the parking lot could be used for an intramural field, and this might be “wishful” thinking. He added that they do not own any of this and would like for the track to go into the neighborhood—that they can’t build a park there—that they felt this would be useful to the neighborhood and to the University.

Dr. Schaerer stated that he did not feel there was any conflict between the MLK Study and the UTC Plan—that this was a misnomer—that the needs of the University would not justify housing. Adm. Traugher stated that the full Urban Study had not been brought to the Mayor or the Council, and there **was** a difference of opinion.

Chairman Crockett asked how the streetscaping would be handled. Adm. Traugher responded that there was a full range of cost for streetscape, and he was not sure how it would be funded—that it would cost millions. Mr. Watson agreed that millions was correct. Chairman Crockett questioned if this could not be funded from CDBG funds. Adm. Traugher responded if economic enhancement was tied in.

Chairman Crockett stated that in going to the City and to the County that they usually go together and are linked in the “language”; that they step up together. He added that the question could be raised if this was more rightly the responsibility of the State or of ours; that this level of commitment was well within our reach and fairly typical of what we do and what we have done based only on a good recommendation without exhaustive study and it has been done quickly; that we need to look at this with UTC—that this is clearly economic gain to the City and happens to involve the University. He stated that he thought this was the first strategic step towards a world-class University, and the City would have to step up.

Councilman Lively changed his motion to say that we were in support of this but not in a set dollar amount.

Councilman Hakeem asked for clarification—if we were just supporting this in concept? Councilman Lively responded that a concept turns out to be in dollars—that he did not know. Councilman Hakeem continued to ask if we were supporting this in concept. Councilman Lively continued to say that it would also be in funds. Councilman Hakeem questioned if we were looking at where the dollars will come from—that he felt supporting this in concept was appropriate right now.

Chairman Crockett stated that there was no where for this to come from but Economic Development; that this would not be established today.

Councilwoman Rutherford stated that she did not like the word “concept”—that it was not concrete enough; that our support was more than a “concept”; that this would be tremendous economic development to the city. She again stated that she did not like the word “concept”. **She asked if the motion could not be that we endorse the “efforts and plans”. Councilman Lively added that we know what they are asking for, and we are willing to do it.**

Councilwoman Hurley stated that this was a large and complicated project, and she felt everyone was in favor of this; that it seemed we were trying to see “Who is most in favor of this”; that we needed to continue the discussion about the land acquisition—that it was premature to endorse the concept of lands; that we had no specific amount of money; that she was in favor of getting the total scope, but this did not mean that she was less in favor of the project.

Councilman Taylor modified the motion to say that we are in favor of supporting this, and we will deal with the funding later.

Councilman Franklin asked Councilman Lively if he would table his motion and have Councilman Taylor’s motion come to the vote. This was agreeable to Councilman Lively.

The meeting adjourned at 5:45 P.M.