

**EAST TENNESSEE DEVELOPMENT DISTRICT
EXECUTIVE COMMITTEE MEETING
FEBRUARY 14, 2017
MINUTES**

The East Tennessee Development District's Executive Committee held a meeting on Tuesday, February 14, 2017, at the ETHRA Offices in Knoxville, TN. The following Executive Committee members were present:

Terry Frank, Anderson County Mayor
Johnny Merritt, Mayor of Luttrell
Ron Woody, Roane County Executive
Don Mull, Mayor of Alcoa
Tim Thompson, Development Representative
Crystal Ottinger, Cocke County Mayor
Bill Brittain, Hamblen County Mayor
Don Edwards, Morgan County Executive
Dale Perdue, Scott County Mayor
Larry Waters, Sevier County Mayor
Roland Dykes, III, Minority at Large

Guests

Rick Yakubic, ETDD
Don Woods, ADC
Gary Holiway, ETHRA
Sarah Fansler, Knox County
Tammy Merritt, Congressman Fleischmann's Office
Jill Salyers, Senator Bob Corker's Office
Jane Jolley, Senator Bob Corker's Office
Chris Tiller, ETHRA

CALL TO ORDER

Chairman Terry Frank called the meeting to order.

MINUTES

Chairman Terry Frank presented the minutes of the January 10, 2017 meeting to the Executive Committee for approval. Minority at Large Roland Dykes, III made a motion to approve the minutes as presented, it was seconded by City of Alcoa Mayor Don Mull, and the minutes were unanimously approved.

TREASURER'S REPORT

The Treasurer's Report for the month ending December 31, 2016 was presented by Roane County Executive Ron Woody. Roane County Executive Ron Woody made the motion to accept the report as presented and it was seconded by City of Alcoa Mayor Don Mull and it was approved by all.

REPORT OF 2017 NOMINATING COMMITTEE

Chairman Terry Frank made the report on the Nominating Committee and thanked the following members for their service:

Don Mull, City of Alcoa Mayor
Tim Yates, Monroe County Mayor
Don Edwards, Morgan County Executive
Dale Perdue, Scott County Mayor
Bill Brittain, Hamblen County Mayor

Chairman Terry Frank reported that the Nominating Committee met prior to this Executive Committee meeting and the following nominations were proposed for ETDD/ETHRA officers for 2017-2018:

For Chair:	Mr. Johnny Merritt, Mayor of Luttrell
For Vice Chair:	Mr. E.L. Morton, Campbell County Mayor
For Secretary:	Mr. Ron Woody, Roane County Mayor
For Treasurer:	Mr. Trey Dykes, Member at Large

Chairman Terry Frank asked that a motion be made to approve these nominations. Hamblen County Mayor Bill Brittain made the motion to accept the nominations and it was seconded by Scott County Mayor Dale Perdue and approved by all.

DIRECTOR'S REPORT

Terry Bobrowski, ETDD Executive Director, gave his Director's report:

Grants Update

There are several items to report on:

The 2017 applications will be due in Nashville on February 24th of 2017. We are working on about 18 applications right now, which is a really high number from our region. The state typically funds between 60 and 70 applications per year. We currently are working with Jefferson City, Loudon County, Campbell County, Scott County, Caryville, Jefferson County, Parrottsville, Baneberry, New Market, Dandridge, Madisonville, Monroe County, Harrogate, Union County, Roane County, Morgan County, Cocke County and Sweetwater. Those applications are well seasoned and we expect to submit all of them.

The CDBG program remains the only viable public infrastructure program that is available to communities so it is extremely important that we advocate for this program whenever we have discussions with federal legislators. The program has not been well supported at the federal level and has consistently lost funding over the past several years. This translates into fewer and fewer grants at the local level and we have really started to feel the pinch in the last couple of years.

Clean Tennessee Energy Grant

We are also working on several Clean Tennessee Energy Grants. In 2011, TVA provided Tennessee with \$26.4 million to fund environmental mitigation projects. This amount was split up into \$5.28 million over a five year period. This is the 5th and final year of the program. Eligible applicants include cities, counties, utility districts, and other entities such as airport authorities to purchase, install or construct energy projects that involve the utilization of alternative energy sources, improve energy conservation or improve air quality. Examples of projects include HVAC improvements, insulation, lighting upgrades, use of biomass, geothermal or solar power and other similar projects. We are currently working on applications for Union County, Campbell County and Cocke County. Applications are due on February 28, 2017.

Home Program

We expect that THDA will announce that they will be accepting HOME program applications again this year. This program has not been available for the past several years and we are glad to see it come back. The HOME program provides grant funds for owner occupied housing rehabilitations for low and moderate income persons. We spoke with THDA Director Perrey last month and he assured us that the issues regarding codes adoption at the local level will either be resolved by the Attorney General or the Legislature in the very near future.

Historic Preservation Grants

We also worked recently on a small number of historic preservation grants. These are small grants that are offered each year by the Tennessee Historical Commission to advance preservation activities. Typically, the grant funds are used to make minor improvements to structures that are listed on the National Register of Historic Places. Since the grants are small – in the \$25,000 range – the projects are comprehensive but still meaningful. The deadline is January 29th. We submitted applications on behalf of Monroe County for their courthouse renovation, Harriman for the renovation of the Temperance Building and the Glenmore Mansion folks up in Jefferson County.

We are also finishing up our Emergency Repair Program for the Elderly effort for FY 2017. We have expended over \$260,000 of grant funds for housing repairs and we have about \$20,000 left to allocate before the end of the fiscal year. This is a very popular program and we work with small housing providers in your communities to get these grant funds out there working to benefit the elderly population.

General Assembly Update

I am very pleased to report that the appropriation for the East Tennessee Development District is contained in the Governor's budget on a recurring basis at the same level that was approved last year. We receive a basic appropriation of \$180,000 that is supplemented by an additional \$50,000 on an annual basis. We use these funds to match our federal grant revenues and fund special programs like our economic development program.

The Tennessee Development District Association is sponsoring a legislative appreciation reception in Nashville on March 7th from 5pm to 7 pm at the Doubletree Hotel. If you are in Nashville please plan to stop by. We will also be honoring our legislators of the year from our region – they are Senator Doug Overbey and Representative Art Swann.

Senator Ken Yager has been named by our senate delegation to serve as the state senate representative to the Executive Committee by Lt. Governor Ramsey. We have not been notified yet of the selection of our House Representative to the Executive Committee although I have heard that the selection has been made.

Rural Development Initiative Update

As most of you are aware, ECD has developed a new Rural Development Initiative to promote economic development specifically in rural communities. The initiative has several key components that include site development evaluations, broadband development, downtown revitalization, main street incubator grants, comprehensive planning and tourism based economic enhancement program. ETDD intends to work closely with ECD to implement specific components of the Rural Development Initiative, especially the broadband development, downtown revitalization and site development components. A long range goal is to reduce the number of Distressed Counties in the ETDD region. Currently there are five counties that are classified as distressed – that is far too many and this number has not gone down in the past 20 years. We have

been a part of 3 recent meetings where grant funds will be used to address specific short term projects in distressed communities. Two other meetings will be held in distressed counties in the near future.

In the governor's budget this year there is a \$17 million dollar non-recurring line item for grants and services for rural communities. There is also a \$3 million dollar non-recurring fund for a small business initiative as identified by the Rural Task Force.

Calendar Matters

Several meetings are coming up that I wanted to make sure that you are aware of:

The next Executive Committee meeting is scheduled for March 14th immediately preceding the ETDD/ETHRA Annual Business meeting that has been scheduled for Tuesday, March the 14th – at Rothchilds on Kingston Pike in Knoxville.

We have also scheduled our Annual Awards Banquet for Thursday, July the 13th – we are going to go back to the Museum of Appalachia for this event this year.

Other Business

We do have one new loan that we would like the Committee to consider for approval. I will ask Don Woods to give us an overview of the loan.

The purpose of this loan is to assist Sony Lane Partnership with the financing needed to buy out an existing retiring partner. The request will be secured by a First Deed of Trust on real estate located at 8901 Sony Lane in Knoxville, Tennessee. McBrearty Capital Management, Inc. (MCM) is the operating company and will continue to occupy 100% of the project property. MCM will be the corporate guarantor on the project. Both partners have excellent credit scores and sound net worth.

Mr. Chairman, I would ask that a motion be offered to approve this loan project. A motion was made to approve the loan by Morgan County Executive Don Edwards, it was seconded by Sevier County Mayor Larry Waters and approved by all.

ADJOURNMENT

With no other business the meeting was adjourned.