

**EAST TENNESSEE DEVELOPMENT DISTRICT
EXECUTIVE COMMITTEE MEETING
DECEMBER 10, 2020
MINUTES**

The East Tennessee Development District's Executive Committee held a meeting on Thursday, December 10, 2020, via Zoom Video Web Conferencing. The following Executive Committee members were present:

Roland (Trey) Dykes, III, City of Newport Mayor
Mark Potts, Jefferson County Mayor
Joe Brooks, Claiborne County Mayor
Jeff Tibbals, Scott County Mayor
Terry Frank, Anderson County Mayor
E.L. Morton, Campbell County Mayor
Crystal Ottinger, Cocke County Mayor
Mike Byrd, Grainger County Mayor
Bill Brittain, Hamblen County Mayor
Mitch Ingram, Monroe County Mayor
Brian Langley, Morgan County Executive
Ron Woody, Roane County Executive
Larry Waters, Sevier County Mayor
Richard Briggs, State Senator

Guests

Rick Yakubic, ETDD
Stacy Chambers, Monroe County Development Representative
Anna Beth Walker, Claiborne County Development Representative
Jack Qualls, Loudon County Development Representative
Gary Human, State of TN Economic & Community Development
Bill Darden, Congressman Phil Roe's Office

CALL TO ORDER

Chairman Trey Dykes called the meeting to order.

MINUTES

Chairman Trey Dykes presented the minutes of the October 13, 2020 meeting to the Executive Committee for approval. Roane County Executive Ron Woody made a motion to approve the minutes as presented, it was seconded by Campbell County Mayor E.L. Morton, and the minutes were unanimously approved.

TREASURER'S REPORT

The Treasurer's Report for the months ending September 30, 2020 and October 31, 2020 was presented by Scott County Mayor Jeff Tibbals. Mayor Tibbals made the motion to accept the report as presented and it was seconded by Anderson County Mayor Terry Frank, and it was approved by all.

AUDIT COMMITTEE REPORT

Chairman Trey Dykes reported to the Executive Committee, the FY 2020 audit for the East Tennessee Development District was recommended for approval by the Audit Committee and it now must be considered for adoption by the Executive Committee. Chairman Trey Dykes reported it was a clean audit with no findings. A motion is needed for approval.

Roane County Executive Ron Woody made the motion to accept the Audit Committee's recommendation to approve the FY 2020 Audit Report, and it was seconded by Scott County Mayor Jeff Tibbals and approved by all.

DIRECTOR'S REPORT

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

COVID Update

Mr. Bobrowski gave a brief COVID update. ETDD resumed normal operating protocols on May 1st in response to the Governor's guidance on re-opening the state. ETDD staff was working from home for the latter part of March and all of April and everyone has been back in the office for several months now.

Luckily, we have not had anyone test positive in our office nor have we had a person that has had close contact with someone that has tested positive for COVID. We now have formal policies in place that dictate our response to an employee that contracts COVID and how to deal with an employee that has been exposed. Our policies are based on the CDC guidelines and are probably the same as many of yours. We have made preparations for employees to work from home should circumstances require that the office be closed so I feel comfortable that ETDD's work will continue uninterrupted under any set of circumstances.

Grants Update

Community Development Block Grant (CDBG)

Mr. Bobrowski reported that the State of Tennessee held a statewide virtual workshop on December 8, 2020 to provide information on grant management for the community development grant. This year's guidelines for submittal of grant applications are the following:

- One grant per community.
- An existing grant must be closed by March 31, 2021.
- Grant applications are due on February 26, 2021. If you do not close your existing grant by March 31, 2021, the new application will be returned and will not be scored for funding opportunities.

The level of funding is determined annually through Federal Congressional appropriations. Each state receives a projected allocation of CDBG funds, based on a federal formula and does not compete with other states for funding allocations.

There are five application categories:

1. Water line extensions
2. Water line plant improvements and waterline collection system improvements.
3. Wastewater line plant improvements and wastewater collection system improvements.
4. Community livability that includes fire trucks, ambulances, drainage, etc.
5. Housing

Maximum grants are \$600,000 for lines, systems, and housing rehabilitation. Maximum grants for community livability projects are \$400,000.

Our ETDD staff is currently talking with the following communities for 2021 applications: Claiborne County, Monroe County, Rocky Top, Blount County, Jellico, Caryville, Harrogate, Cocke County, Scott County, Norris, Campbell County, Loudon, Oakdale, and Roane County.

Our staff is currently assisting 28 communities with the administration of their awarded CDBG projects.

ARC Grants

Mr. Bobrowski announced that the 2021 pre-application is now online. The deadline for submitting a pre-application was December 4, 2020. The State held a workshop to discuss the 2021 ARC goals on October 7, 2020.

Applications can be made for up to \$500,000 for construction projects and \$250,000 for non-construction projects. The distressed counties for 2021 applications in the ETDD region are Cocke County and Scott County, which relates to a 20% match. The At-Risk Counties are Campbell, Claiborne, Grainger, Monroe, Morgan, and Union Counties, which require a 30% match. All other counties in the region are considered transitional counties and that match rate is 50/50.

The types of projects eligible for funding are wide open, but the emphasis is on job creation and economic improvement in the ETDD region. A successful project must also have a sustainability plan in place for funding once the grant has been completed.

Our ETDD staff assisted the following communities to submit a 2021 pre-application: Parrottsville for wastewater system improvements, Campbell County for Elk Tower, Monroe County for Industrial Spec Building, Grainger County for Agri-Business Development, Cocke County for Rural Waterlines, Claiborne County for Boat Dock and fishing pier, Blount County for wastewater system replacement at Lanier School, Jefferson City for water tank, and Loudon for Marina Development.

ETDD staff is currently assisting 16 communities with the administration of their funded ARC projects.

In October, ETDD staff submitted an ARC Inspire Grant application for Springs of Life Recovery located in Jellico to expand their job skills training program. The INSPIRE Initiative focuses on projects that will lead to workforce entry or re-entry for individuals in recovery from Substance Use Disorder (SUD).

ETDD staff also recently assisted TCAT Jacksboro with preparing an application for an Advance Welding Workforce Initiative Grant to purchase welding training equipment for their satellite campus located at Jellico High School.

FEMA Grants

Mr. Bobrowski announced another popular grant program is the FEMA Fire Fighters Grant Program for our rural volunteer fire departments. Fire Departments can use these funds to buy equipment such as turn out gear, buy trucks or make safety modifications (sprinklers, exhaust systems, generators) to fire halls. Grants are very affordable, usually in the 90 – 95% range with only a small local share required.

It is difficult to access now. You must be registered with FEMA.GOV. Usually, the smaller fire departments are not familiar with these types of documents needed. If you hear that one of your local fire departments needing assistance, please have them give us a call to have one of our staff assist them.

FEMA is holding virtual workshop today to discuss the assistance to firefighter grants that are expected to be opening soon for applications.

Recreation

The State Recreation Education Service is currently accepting full applications from communities who successfully submitted pre-applications by October 8, 2020. To be eligible for the first round of applications, communities must have a Parks and Recreation Systemwide Master Plan that is no older than 5 years. A second round of pre-applications will be accepted August 3, 2021, once eligible communities have completed a Master Plan.

Local Parks and Recreation Fund (LPRF)

The LPRF program provides state funding for the purchase of land for parks, natural areas, greenways, and the purchase of land for recreational facilities. Funds also may be used for trail development and capital projects in parks, natural areas, and greenways. Recreation Educational Services administers the LPRF grants. These grants are a 50% match. For the 2021 LPRF Grant Application Cycle, the grant application minimum request is \$20,000 (\$40,000 total project) and the grant application maximum request is \$500,000 (\$1,000,000 total project).

Transportation

Mr. Bobrowski mentioned a couple of large transportation grants that we assisted with which is the TDOT Multimodal Access Grant application.

- Anderson County: installation of sidewalks and crosswalk improvements to the area around Norwood Elementary and Middle Schools with a total project cost of \$951,300.
- City of Rocky Top: installation of sidewalks and improvements to existing sidewalks connecting Lake City Middle School to the downtown corridor with a total project cost of \$999,645.
- Town of Rutledge: installation of sidewalks and pedestrian lighting through downtown Rutledge and connecting to Rutledge Primary School with a total project cost of \$499,972
- City of Sweetwater: installation of a multiuse path for pedestrians and bicyclists to complete the loop of trails around downtown Sweetwater with a total project cost of \$948,950.

Agribusiness Loan Program

Mr. Bobrowski mentioned that we are still looking for applications for our new loan program from the TN Dept. of Agriculture. The purpose of the program is to stimulate farm and agri-business income. We intend to provide low interest financing for the purchase of farm equipment and machinery in order to create new markets for locally produced farm products. Loans can be for up to \$75,000, 7 years maximum term and we anticipate the interest rate to be around 4%. Loans can be used for building, harvesting equipment, production equipment, fencing, irrigation equipment, grain storage and variety of other things. No rolling stock such as trucks or trailers are eligible.

Overview of CEDS Update

Mr. Bobrowski informed the committee that each year the District prepares the Comprehensive Economic Development Strategy document as a requirement of its planning contract with the Economic Development Administration. We have completed a draft of the 2020-2021 version of the CEDS document. Your packets contain an overview of the strategic goals and objectives and a brief list of some of the strategic projects that we are aware of.

In compliance with the program rules, the document was reviewed by our Economic Development Committee on December 1st and their comments have been incorporated into the document. So that pretty much finished up the CEDS update for this year, the overall objective of the CEDS is to provide guidance to local leaders so that future investments in economic development projects and programs can best take advantage of regional assets. The document also provides to the Economic Development Administration, US Department of Commerce, a baseline of strategic projects that are acknowledged as primary stepping stones to achieving the region's overall economic development objectives. Mr. Chairman, the 2020-2021 CEDS was recommended for approval by the Economic Development Committee and it now must be considered for adoption by the Executive Committee. A motion is needed for approval.

Roane County Executive Ron Woody made the motion to adopt the 2020-2021 CEDS document, it was seconded by Campbell County Mayor E.L. Morton and approved by all.

COVID Loan Approval Consideration

Mr. Bobrowski reminded the committee that we were recently awarded a small capitalization grant by the US Economic Development Administration to establish a loan program to assist small businesses in our region. Included in your packets is a resolution for a loan approval under this program. This is the second loan we have originated, and our program guidelines require that the Executive Committee ratify the loan.

The purpose of this loan is to provide partial equipment financing for a new Mediterranean restaurant planned for the Holston Building, in downtown Knoxville. The name of the restaurant is VIDA. This project will create 35 – 40 new full-time jobs. ETDD will provide equipment financing for up to \$200,000 worth of restaurant equipment. Home Federal Bank financed the purchase of the Holston Building space as well as the remaining FF&E for the project. The ETDD RLF Covid-19 relief loan will be 10 years fully amortizing at an interest rate of 4.40% fixed.

Jim and Lori Klonaris own 2 other restaurants in Knoxville, and a special events center. Their other restaurants include CAFE 4, LLC which was started in in 2015 and was a pioneer in modern food and drinks on Market Square in downtown Knoxville, and KEFI LLC, a Greek restaurant which opened in 2017 in the old City on Jackson Avenue in Knoxville. They also operate an events center under the name of Spaces in the City which opened in 2015 and manage and leases 3 different spaces for special events. The Press Room, the Square Room and the Mezz.

After a review of the credit analysis, the ETDD RLF loan committee met and is recommending this

project for funding. Mr. Chairman, a motion is needed to approve the ratification resolution that is included in everyone's packet.

Campbell County Mayor E.L. Morton made the motion to approve the resolution for the loan, it was seconded by Cocke County Mayor Crystal Ottinger and approved by all.

COVID Grant Workplan Update

Mr. Bobrowski mentioned that ETDD is currently implementing a work plan that is associated with a CARES ACT grant that we received back in the summer. We have been able to hire a staff person to work directly on COVID response activities on behalf of our local governments and I wanted to just briefly update the Committee on our current activities.

As funding for COVID relief becomes available, communities and organizations will need to act quickly to complete the application tasks that are generally processed through grants.gov. However, many communities of ETDD are not registered with grants.gov or sam.gov, and the process of completing the registration is both time consuming and complex, often taking months from start to finish. ETDD staff is working to determine which communities, community organizations, public utilities, volunteer fire departments, police departments, and other grant-eligible entities are not registered with the primary federal government grant application systems and will provide the necessary technical assistance to complete the registration process. You will soon be hearing from one of our staff members to assist you with any of these needs.

Legislative Agenda

Mr. Bobrowski mentioned that he will soon be sending out our state and federal legislative agendas for the upcoming state and federal legislative sessions. We use these agendas to identify our legislative priorities to our state and federal legislative delegations. We have a large state delegation from our district – eight senators and twenty-one representatives. On the federal side we have portions of the first, second and third congressional districts within our boundaries. I will be sending these recommendations to our Legislative Committee for a closer review and will present a final version of the recommendations to the Executive Committee in the January meeting. Let me briefly go over the proposed main talking points:

The Federal recommendations have not changed substantially from last year - we are still pushing for full funding of the ARC, the EDA and re-authorization of the SBA and support for a funding level of \$7.5 billion in loan guarantee authority, expressing support for the CDBG program, Chickamauga Lock funding, TVA non-power programs and support for full funding of the Y-12, ORNL and the Uranium Processing Facility in the Anderson/Roane county area.

Regarding our State Legislative agenda - we have examined the legislative agendas of TSCA, TML and TDDA and attempted to coordinate agenda items as much as possible.

Also mentioned that our cut was restored which was the funding that was cut from our state

appropriation by ECD last year. Mr. Bobrowski will be sending a thank you letter.

Calendar Matters

We will try to hold our meetings on January 12th here at the ETHRA offices. Also, for a long-term hold, we anticipate holding our Annual Business meeting on March 9th at Rothchilds in Knoxville.

One final announcement, we have some new mayors in our region:

In Jefferson County, New Market is Danny Willock and White Pine, Fred Taylor.

In Monroe County, Tellico Plains is Marilyn Parker.

In Scott County, Winfield is Jerry Dodson.

Other Business

Chairman Trey Dykes made an announcement that there is an At Large candidate position open on the Executive Committee and if anyone has any recommendations to please contact him.

Representative Bill Darden with Congressman Phil Roe's office would like to thank everyone during these trying times on and on behalf of Congressman Roe.

ADJOURNMENT

With no other business, Chairman Trey Dykes entertained a motion to adjourn. Hamblen County Mayor Bill Brittain made the motion, it was seconded by Scott County Mayor Jeff Tibbals and it was approved by all.