

**EAST TENNESSEE DEVELOPMENT DISTRICT  
EXECUTIVE COMMITTEE MEETING  
OCTOBER 13, 2020  
MINUTES**

The East Tennessee Development District's Executive Committee held a meeting on Tuesday, October 13, 2020, at the Buddy's BBQ Banquet Hall in Knoxville, TN. 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  
Crystal Ottinger, Cocke County Mayor  
Bill Brittain, Hamblen County Mayor  
Ron Woody, Roane County Executive  
Larry Waters, Sevier County Mayor  
Kent Calfee, State Representative

**Guests**

Rick Yakubic, ETDD  
Debbie Sudhoff, ETDD  
Gary Holiway, ETHRA  
Stacy Chambers, Monroe County Development Representative  
Jane Jolley, Knox County Development Representative  
Anna Beth Walker, Claiborne County Development Representative  
Congressman Chuck Fleischmann  
Cindy Boshears, Congressman Fleischmann's Office  
Tammy Merritt, Congressman Fleischmann's Office

## **CALL TO ORDER**

Chairman Trey Dykes called the meeting to order.

## **MINUTES**

Chairman Trey Dykes presented the minutes of the September 8, 2020 meeting to the Executive Committee for approval. Claiborne County Mayor Joe Brooks made a motion to approve the minutes as presented, it was seconded by Cocke County Mayor Crystal Ottinger, and the minutes were unanimously approved.

## **TREASURER'S REPORT**

The Treasurer's Report for the month ending August 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 Roane County Executive Ron Woody, and it was approved by all.

## **APPOINTMENT OF EXECUTIVE DIRECTOR SEARCH COMMITTEE**

Chairman Trey Dykes presented the process for replacing Mr. Bobrowski as Executive Director of ETDD. A search committee has been formed and the following members have been appointed.

Trey Dykes, Chair and Mayor of Newport  
Mark Potts, Jefferson County Mayor  
Bill Brittain, Hamblen County Mayor  
Larry Waters, Sevier County Mayor  
Terry Frank, Anderson County Mayor  
Mike Byrd, Grainger County Mayor  
Ron Woody, Roane County Executive

Going forward, a job description and job announcement will be posted. It will be advertised locally, statewide and nationally through December 1<sup>st</sup>. During the month of December, applications will be evaluated by the search committee for the top 3 candidates. Interviews will be conducted during January and a final recommendation made at the Executive Committee meeting that will be held on February 9<sup>th</sup>. A job offer will be made and in hopes that candidate will start training and working with Mr. Bobrowski by mid February. Mr. Bobrowski will continue his position until March 1<sup>st</sup>.

## **DIRECTOR'S REPORT**

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

### **Local Assessments**

Mr. Bobrowski was pleased to report that ETDD has collected 100% of our local assessments as of the end of August. Given the current fiscal climate, this is an outstanding development and I appreciate everyone sending in their assessments in a timely fashion. This is our 54<sup>th</sup> of operation and for 53 of those 54 years we have had 100% participation from our 72 jurisdictions. This is a record that I very proud of and hope that it will continue for many years into the future.

### **COVID Update**

ETDD resumed normal operating protocols on May 1<sup>st</sup> 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. The staff is attending all scheduled planning commission meetings and is also attending local government functions that require our attendance. Due to the continuing concerns over large group gatherings, ETDD will be conducting RPO meetings, training meetings and other large group meeting via video conferencing where possible and via conference call in other instances.

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**

#### **ARC Grants**

Mr. Bobrowski reported that ARC recently released a new grant program called INSPIRE which stands for Investments Supporting Partnerships for Recovery Ecosystems. Funding through the program will support the post-treatment to employment continuum which leads to workforce entry or re-entry. These efforts could include recovery-based job training programs, or investments in healthcare networks that support substance abuse recovery professionals. Projects should focus on the potential for individuals in recovery to re-enter the workforce, maintain employment, develop workplace skills and promote industry partnerships. Letters of Intent for grants up to \$500,000 or planning grants up to \$50,000 are due on October 16<sup>th</sup> with a final grant deadline of November 13<sup>th</sup>.

Awards will be made in the Spring of 2021. We are working with Jellico and Hamblen County on projects that involve getting folks out of treatment into jobs.

A workshop on the regular annual ARC program was to be held on October 7<sup>th</sup> in Knoxville. ARC pre-applications will be due in Nashville on December 4<sup>th</sup>, 2020. Virtually any project is eligible although the focus in Washington is on work force development projects, infrastructure development in distressed counties and projects that deal with the opiate crisis. Grants can be for up to \$500,000 with a local share of from 50% down to 20% based upon the relative need of the community that is applying.

### **CDBG Grants**

The State announced their funding decisions for the grant applications that were submitted last February. Over \$28 million in grants were awarded this year. Grants that were awarded for projects that we were involved with are Anderson County (water line), Union County (fire truck), White Pine (water line), Hamblen County (fire truck) and Parrottsville (fire truck). Sunbright, Blaine, Vonore, Rutledge, Oneida and Maynardville also received grants. Regarding the 2021 program, we expect that the same schedule will be utilized as in years past. We are starting to work on applications already and if you have an interest in applying it is not too early to contact us. We normally contact everyone that is eligible to apply to make sure that they do not miss the opportunity to apply if they are eligible. Applications are expected to be due in Nashville on February 26<sup>th</sup> of 2021.

### **EPA Brownfields Grant**

ETDD is pulling together a \$600,000 request for funding under the EPA Brownfields Assessment Program. We expect to have the application complete by the October 30 deadline. We are pulling together a coalition grant that includes local partners in Roane County, Scott County, Morristown/Hamblen County, and the Town of Rocky Top. If approved, we will be able to fund brownfields environmental assessments in all those communities.

### **TDOT RuPI Grant Program**

We have been awarded Rural Planning Initiative grants in the amount of \$23,500 in five communities in our region. The funds will be used to pay for transportation corridor studies in Scott County, Monroe County and Claiborne County and bike/ped plans in Cocke County and Parrottsville.

We are also working on TDOT Multi-Modal Grant Program applications for Sweetwater, Anderson County, Rutledge, and Wartburg.

### **Revolving Loan Fund Program**

Mr. Bobrowski mentioned we are still looking for applications for our revised revolving loan program from the US Economic Development Administration. The primary provisions of the loan program are:

- The minimum loan size is \$25,000. This will allow us to reach more small businesses with assistance.
- We no longer have to prove that the business cannot find financing at another lending institution.
- The minimum interest rate can now be as low as 0%.
- We can make more working capital loans. This should be very beneficial to small businesses as well since working capital will be a critical need as small businesses start to open back up.
- Other new provisions include a waiver of stringent job creation requirements, relaxed collateral requirements and relaxed matching investment requirements.
- Non profit organizations are eligible applicants

The new provisions also give us more flexibility in terms of reviewing and approving a loan in house. This process should work very efficiently, and we should be able to react very quickly to get a loan from the application stage to approval stage.

We have also been awarded by the Economic Development Administration an additional \$740,000 of loan funds that will be used to capitalize a new revolving loan fund. Although separate and distinct from our existing RLF, the new RLF would be guided by the same lending policies as stipulated in the amendment to our existing RFL - \$25,000 minimum loan, potential 0% interest rate, relaxed matching requirements, relaxed collateral requirements and a fast turnaround time.

### **EDA Disaster Grant or COVID Grant Programs**

We recently submitted four COVID grant applications for EDA funding – Scott County, Clinton, Gatlinburg, and the Sevier Water Board. It looks like 2 of the 4 will be funded – Clinton and Gatlinburg. Gatlinburg requested \$500,000 for a new marketing campaign that focuses on their re-opening efforts and Clinton requested \$3.3 million for a water system upgrade that will serve the business community near their interstate 75 exit.

### **Emergency Repair Program for the Elderly**

Mr. Bobrowski informed the Committee that THDA has awarded ETDD \$300,000 for our ERP program for this fiscal year. Most of this money has been reserved by our partners out in the region and we expect to provide benefits to over 50 homeowners.

### **Local Parks and Recreation Program (LPRF)**

The ETDD staff recently attended a workshop on the Local Parks and Recreation Program. This is the program through TDEC that rolls around every couple of years and is really the only grant funding that is available to local governments. The program is basically the same as it has been in past years – funds can be used to purchase recreation equipment or develop recreation facilities including walking trails. Grants are made on a 50/50 matching basis. Eligible applicants are cities and counties. Pre-applications are due on October 8<sup>th</sup> and then TDEC will make decisions on whom to ask for a full application by October 30<sup>th</sup>. For those that are invited to submit a full application,

the document is due by December 7<sup>th</sup>. New this year is a requirement that the applicant must have an acceptable 5-year comprehensive recreation plan that is less than 5 years old. If a community does not have an existing comprehensive plan, then they are not eligible to apply.

### **FEMA Firefighters Grant Program**

Another CARES Act funding program is the FEMA fire fighters grant program. A special appropriation has been made for the purchase of personal protection equipment (PPE) and supplies to prevent, prepare for, and respond to the COVID-19 public health emergency. This includes reimbursement for expenditures made since January 1, 2020.

Eligible applicants are volunteer fire departments and combination fire departments. In general, a 5% local share is required for jurisdictions serving 20,000 residents or fewer, and a 10% local share is required for jurisdictions serving more than 20,000 residents. Applications can be submitted starting October 8<sup>th</sup> and the deadline is November 13<sup>th</sup>. Grants will be awarded by January 15<sup>th</sup>, 2021. Up to \$1 million can be requested.

### **Salary Schedule Discussion**

Mr. Bobrowski mentioned last month that we pulled together our proposed salary levels for all of our employees for next year. We emailed that information out to all Executive Committee members a couple of weeks ago for your review. In FY 2020, the total salary level for all employees was about \$904,500. The new proposal outlines a 3% raise for the ETDD staff which increases the total salary level for the agency to \$930,500, a net increase of about \$26,000 over last year for the District. This amount has been factored into our FY 2021 fiscal year budget and we can accommodate the proposed increase. Last year we ended up with a nice budget surplus and we expect the same for this fiscal year.

Mr. Chairman, we propose to implement any approved changes to be retroactive to July 1 so I would ask for a motion to consider the approval of the salary proposal. I think Rick has a copy of the salary information if anyone would like to review it or ask a question.

Jefferson County Mayor made the motion to accept the salary proposal, and it was seconded by Claiborne County Mayor Joe Brooks and was approved by all.

### **Loan Approval Consideration**

Mr. Bobrowski reported previously that ETDD received \$700,000 from the Economic Development Administration to fund a new revolving loan fund that would address financing needs for small businesses that are facing challenges due to the COVI pandemic. Our first viable loan project has been submitted to us and Debbie Sudhoff with the Areawide Development Corporation is here to present an overview of the project.

Ms. Debbie Sudhoff presented the loan consideration for borrower name, Team Dream Rides, Inc., Dream Rides Vehicle Sales. The amount for the loan request is \$200,000. The purpose of the loan is to provide permanent financing for the purchase of a commercial building to be used as a motorcycle repair and accessory shop located in Stockton, CA. This will be a second location for the business. The building is in Maryville, TN at 2725 U.S. Highway 411. The RLF loan will be for 15 years at an interest rate of 4.40% fixed. The collateral for the loan will be a second mortgage on the commercial building. After a review of the credit analysis, the ETDD RLF loan committee voted in favor of the loan request.

Mr. Chairman, a motion to needed to approve the funding of the project.

Roane County Executive Ron Woody made a motion to approve the loan request, and it was seconded by Hamblen County Mayor Bill Brittain and approved by all.

### **COVID Grant Workplan Overview**

Mr. Bobrowski wanted to mention that we also received \$400,000 from the Economic Development Administration to implement a workplan that is specifically focused on COVID recovery for our local governments. We are actively moving forward with our implementation of the workplan with our first component being the identification of specific work items for each local government. We are also systematically working through the registration process for Grants.gov. This can be a tedious process and frequently limits access to federal grants for smaller communities that struggle with the registration process.

### **Calendar Matters**

The next ETDD/ETHRA meeting is scheduled for November 10<sup>th</sup> but this is normally a meeting that we cancel to take a late fall break. ETDD does not have any pressing business and ETHRA has reported that they do not have any pressing business so without objection we will cancel the November meeting and resume our normal schedule on December 8<sup>th</sup>, hopefully back at the ETHRA offices. Also, for a long term hold, we anticipate holding our Annual Business meeting on March 9<sup>th</sup>, 2021 at Rothchilds in Knoxville.

Mike Arms wanted me to mention that the Association of Tennessee Valley Governments will hold its fall meeting in Gatlinburg on October 27<sup>th</sup> and 28<sup>th</sup> in Gatlinburg.

The TCSA has cancelled its annual conference in Murfreesboro this year and the TN ECD Conference that is normally held in late October has been cancelled as well.

### **Other Business**

Special guest Congressman Chuck Fleischmann wanted to comment on current activities going on today and in Washington D.C. Mentioned the fact that this has been a tuff year but still passing

appropriation bills and continuing to operate under resolution right now. He remains optimistic and committed to all the Tennesseans he represents.

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.

## **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 Cocke County Mayor Crystal Ottinger and it was approved by all.