

BE IT REMEMBERED THAT THE CITY COUNCIL OF THE CITY OF CLEVELAND, TENNESSEE MET IN A REGULAR SESSION THIS MONDAY, JANUARY 23, 2023 AT 3:00 P.M. AT THEIR REGULAR MEETING PLACE IN THE CLEVELAND MUNICIPAL BUILDING.

Present and presiding was Mayor Kevin Brooks. Also present were Vice Mayor Avery Johnson, Councilmen Bill Estes, David May, Tom Cassada, Dale Hughes, Ken Webb and Councilwoman Marsha McKenzie. Others in attendance were City Manager Joe Fivas; Shawn McKay, Assistant City Manager/CFO; Christy Brandon, Assistant City Clerk; Sue Zius, Administrative Coordinator; Beverley Lindsey, Assistant to the City Manager; City Attorney John Kimball; Police Chief Mark Gibson; Fire Chief Bobby Gaylor; Jonathan Jobe, Development and Engineering Director; Patti Pettit, Parks and Recreation Director; Kris Miller, IT Director; Kim Miller, Human Resource Director; Dr. Russell Dyer; Jodi Riggins, Cindy Geren, Jeff Elliott, Peggy Pesterfield; Carolyn Ingram; Kelly Kiser; Caroline Corrigan; Nate Tucker, Hal Taylor and Autumn O'Bryan with Cleveland City Schools; Cathy Andrews, CDBG Coordinator; Sherry Brown; Doug Berry with the Chamber of Commerce; Sharon Marr with Mainstreet Cleveland; Evelyn Bowman; Jeremiah Wanger; Kellye Bender; Roger Jenne; Jimmy Logan and Tim Siniard with the *Cleveland Daily Banner*. Following the Pledge of Allegiance to the American Flag and prayer by Vice Mayor Johnson, the following business was then entered into:

WAIVE READING OF MINUTES

Vice Mayor Johnson moved that the City Council of the City of Cleveland waive the reading of the minutes of the Regular Session of the City Council held on January 9, 2023 and approve them as written. The motion was seconded by Councilman May; and upon roll call, the motion unanimously passed.

SPECIAL PRESENTATIONS AND PUBLIC COMMENTS

Mayor Brooks congratulated Jetport Director Mark Fidler and the Cleveland Jetport who were recognized during today's Work Session on the upcoming 10th Anniversary.

HEARING PETITIONS AND COMMUNICATIONS

There were no hearing petitions and communications.

CONSENT AGENDA

Councilman Webb moved to approve the following items from the Consent Agenda. The motion was seconded by Councilman Hughes; and upon roll call, unanimously passed.

- **Resolution 2023-06** - Adopting the 2022 Updated Bradley County Natural Hazard Mitigation Plan.

RESOLUTION 2023-06

A RESOLUTION TO ADOPT THE 2022 BRADLEY COUNTY NATURAL HAZARD MITIGATION PLAN

WHEREAS, the participating jurisdictions of Bradley County have worked together to develop a strategy known as the Bradley County Hazard Mitigation Plan to improve disaster resistance in the planning area; and

WHEREAS, the Federal Disaster Mitigation Act of 2000 (DMA2000) pursuant 44 CFR Part 201 and the Federal Emergency Management Agency (FEMA) require communities to adopt an approved hazard mitigation plan in order to be eligible to receive pre-disaster and post-disaster federal funding for mitigation purposes; and

WHEREAS, the participating jurisdiction has participated in the hazard mitigation plan by the formation of a Mitigation Planning Committee (MPC); and

WHEREAS, the MPC recommends the formal adoption of the Bradley County Hazard Mitigation Plan dated 12/28/2022 by the passing of this resolution; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Cleveland, Tennessee, in the regular session assembled, that:

Section 1: The City Council of the City of Cleveland, Tennessee hereby approves and adopts the updated hazard mitigation plan in its entirety with projects as adopted by the MPC; and agrees to be governed by the Hazard Mitigation Plan dated 12/28/2022 attached hereto and incorporated.

Section 2: The City Council of the City of Cleveland, Tennessee authorizes the appropriate participating officials to pursue funding opportunities for the implementation of proposals designated therein; and will upon receipt of such funding or other necessary resources, seek to implement the actions contained in the hazard mitigation plan.

Section 3: The City Council of the City of Cleveland, Tennessee will continue to cooperate and participate in the hazard mitigation planning process, holding regular meetings, including reporting progress as required by FEMA, the Tennessee Emergency Management Agency (TEMA), and the MPC.

Adopted this 23rd day of January, 2023.

APPROVED AS TO FORM:

/s/John F. Kimball

City Attorney

Kevin Brooks, Mayor

Shawn McKay, City Clerk

- **Motion** – Approving the fire hydrant extension project at the Cleveland Jetport for future hangar construction.

TO: Mayor and City Council
FROM: Joe Fivas, City Manager
DATE: January 23, 2023
RE: Jetport Hangar Construction

SUMMARY:

In December, City Council approved our capital plan to construct 10 additional hangars at the Cleveland Regional Jetport. This project would require the City to bond to this construction project, and then to be reimbursed over a five year period by a state construction grant and lease fees from these new Hangars.

As part of the necessary infrastructure for hangar development the IFC has changed and we need to extend a fire hydrant to facilitate the development of additional hangars. The cost of this fire hydrant project is approximately \$18,000 for the plumbing and around \$10,000 for materials.

City staff is recommending that we make this fire hydrant changes immediately, and then include the final actual cost of this capital project for hangars in our future repayment of the bond funds for the hangar construction. We will adopt this repayment plan in the near future when we bid the hangar for construction.

COMMITTEE FINDINGS:

No Committee or Board action.

FISCAL ANALYSIS:

N/A

RECOMMENDATION:

City staff recommends approval of this fire hydrant project, and for the costs to be included in the future repayment documents between the City and Jetport Authority. The repayment will come from future lease funds for these 10 hangars.

- **Motion** – Approving Addendum A of the Cherokee Hotel Restoration as-built proposal with Studio 323 Architecture and Design to include Roy’s Alternator building.

TO: Mayor and City Council
FROM: Joe Fivas, City Manager
DATE: January 23, 2023
RE: Cherokee Hotel- As-Built Proposal

SUMMARY:

City staff has been focused on preparing for the redevelopment of the Cherokee Hotel. The City Manager has appointed Bryan Turner as the Project Manager for this redevelopment. The first steps has been to make sure we have As-Built Drawing for the conditions in the Cherokee Hotel and Roy’s Alternator’s building. The City has accomplished the As Built Drawing’s for the Cherokee Hotel, and this proposal would allow Studio 323 to complete the As-Built Drawings for the conditions of Roy’s Alternator. This proposal will be \$2,850 to complete this task in the next couple months.

City staff has already advertised for the RFQ to hire an Architectural Services.

COMMITTEE FINDINGS:

No Committee or Board action.

FISCAL ANALYSIS:

N/A

RECOMMENDATION:

City staff recommends approval of this Change Order

UNFINISHED BUSINESS

Dr. Dyer, Director of City Schools stated the Board of Education approved the following motion 7-0 concerning 775 Raider Drive.

The Cleveland City Schools Board of Education has a definite interest in the 775 Raider Drive property as it has the potential to serve the school system in various capacities including as an administrative office, professional development, student learning centers or shared spaces with the City or other entities. However, considering the limited time to evaluate this project, CCS does not have a complete understanding of the development cost or specific use of this property as well as the potential use of properties that may become vacant if the administrative office is consolidated into the Raider Drive building. For the purposes stated above, CCS is open to contributing to the acquisition and renovation costs, in whole or part, though further discussion is necessary once investigation of the property including architectural drawings and

construction costs can be included. However, the School Board supports the acquisition of the property by the City for further discussion and evaluation.

Mayor Brooks thanked Dr. Dyer. He then stated additional closing cost were discussed during the Work Session and if the School Board would be acceptable to contributing to the cost. Dr. Dyer stated he would relay the information to the Board to discuss further. Councilman Hughes stated he had an understanding the City was looking to the School Board to pay the amount to buy the bank building and they had \$2.5 million in federal funds to retrofit. He thought something would be presented in writing. Dr. Dyer responded the School Board has expressed interest in the building. They have a list of proposals on ways they can utilize the building, not just for administrative offices but professional development for staff, storage as well as possible academic space. If and when the Council decides to take on the building, that is when the School Board would meet again to have the final decision. They do have one-time unassigned capital funds available for this site. Councilman May asked why won't the Board just commit? Dr. Dyer stated there are unknowns concerning the building and the Board has not had a chance to tour the building as a whole. Our architect did a quick review of the building but, for example, there is a desire to see the mechanics operating, to see exactly what the cost would be and to ensure we have enough funds. There is a desire to pursue this building further and to take the building on as a project, from our previous discussions we are in a good place to moving forward. Councilman Webb asked Dr. Dyer about the noncommitted funds and how far in the foreseeable future does he see before there would reason to commit them to something. Dr. Dyer stated each of you has a copy of their facility study. In the future there will be a need for an intermediate school and renovating the high school. We don't see that need in the next four years but at the same time we can't guarantee next year some emergency could take place but right now we don't see that in the near future. Mayor Brooks stated he understands the current plan would be to move the administrative office but has any study been conducted on the cost of a new facility. Dr. Dyer stated yes, their architect looked at renovating the Denning Center into usable space was \$4-4.5 million. To construct a new office facility the estimate was \$9-10 million. Councilman Estes asked what was the square footage of the Denning Center? Mr. Taylor replied 20,000 and new construction was comparable.

Mayor Brooks stated the purchase agreement has been presented to the Council for consideration and asked how would the Council like to proceed. Councilman Cassada moved that the City of Cleveland accepts the \$759,610.35 also with the 2022 property taxes be a part of that, approximately \$33,000 and to include the closing cost with the exception of a title search being done and being clear, that this goes forward. To him, this is a steal on the market for the City. Taking the School Board out of it, the tax roll is \$3.6 million and feels the replacement cost is probably around \$20 million, where this property is at. He doesn't see how we can walk away from this. We can serve our school system, our students, teachers, even without that we shouldn't pass this up. The motion was seconded by Councilman Estes. Councilwoman McKenzie stated she felt moving forward on this motion would be premature. She clearly asked for cost and something in writing from the School Board, a commitment not a statement we're in favor, a commitment, a memorandum of understanding of what the Schools are willing to do. Councilman Cassada stated Dr. Dyer stated they are willing to move forward but until the Council moves forward, they can't. Mayor Brooks stated we can't expect the School Board to make a commitment until we as a Council make a commitment. Councilman Estes asked if this motion would require a new contract. Mr. Kimball stated yes, you are essentially making an offer to him, a counteroffer. Councilman Estes stated during the Work Session the discussion gave him some perspective. Take the City School Board out of it. We invest pennies in a Jetport. We talk about where we're going to be in ten years. We spent \$6 million on an industrial park and another \$6 million to ramp it up. Even the County threw \$2 million in. Why? It's about the future. We are proactive. We just bought the Cherokee Hotel. Why, same reason. The Pie Center \$33 million, it will pay for itself. A month ago, we were given Moving Cleveland Forward, we're going to invest \$136 million, all about the future. We can't buy an \$800,000 building. Yes, we can. We can lease it out. We don't need the schools. It's good business sense for the citizens of Cleveland. If the Schools don't want to participate, fine. We can lease it to them. This is what we have been doing for the last decade, thinking forward, thinking ahead. We have a remarkable offer just like a t-hangar way below market value, we jumped on it. We are benefiting from it.

This is what a good municipal body should do. Councilman Webb clarified the motion is the price of \$759,610.35, plus \$32,000 for the 2022 taxes. Mr. Kimball stated yes, the purchase price plus the 2022 taxes and closing costs. As the buyer you would also have fees, you'd want to pay like title insurance, approximately \$1,000. Councilman Webb stated if the 2022 taxes are in the purchase price, we are adding them again. Mayor Brooks stated this has been a year of discussion, which is why now the 2022 taxes are on the table. The original letter from the seller did not include the 2022 taxes. Councilman May added originally it was offered for free. Vice Mayor Johnson stated out of everything we do our number one obligation is to think what is best for the City of Cleveland. Police and Fire are important to protect our City but for him, education is number one. If our educational system needs this facility, which they have already stated, he doesn't see how we can pass this up. This is to help education our kids. Whatever it takes, he wishes the Council would secure this building for the future. Councilman Estes stated Councilman Webb's question deserves an answer. His incredulity was the pragmatism in his thinking; the answer is in the email he sent he thought they would walk with \$759,610.35 and if we charge them taxes, they don't walk with \$759,610.35. How do you get them what we offered. We pay the taxes. The pragmatic part is it's \$30,000 in light of a \$4 million-dollar building in perpetuity. Councilman Webb stated the summary he'd seen, the way the \$759,610.35 was calculated included the 2022 taxes. Councilman Estes stated Mayor Brooks is correct, the offer from Mr. Preston was through the 2021 taxes. He wanted to close in December. We couldn't make that happen. Mayor Brooks stated we have had hearty discussion, comments and commitments from Dr. Dyer. If nothing further, he asked for roll call. Upon roll call, Councilman Cassada, Councilman Estes and Vice Mayor Johnson voted aye. Councilman May, Councilman Hughes, Councilman Webb, and Councilwoman McKenzie voted no. The motion failed 4:3.

Mayor Brooks announced the Council would take a 5-minute recess.

Mayor Brooks called the meeting back to order at 3:45.

Vice Mayor Johnson moved to accept the purchase price of \$759,610.35, additional closing cost and not include the 2022 taxes which is approximately \$33,000 and that the title search is clear. The motion was seconded by Councilman Cassada. Councilwoman McKenzie stated putting the schools aside, her question still is how we will pay for this and what will the costs be. Councilman Cassada stated we received a "living and breathing document" a few months ago, which contains \$20 million in bonds we can use. There are ways to be creative. Councilwoman McKenzie stated we don't know what we are looking at in repairs. There has been no study and we don't know. Councilman Estes asked Mr. Fivas to address her concerns. Mr. Fivas responded a year ago we looked at the building and the three options were about a \$1.2 million to get into the building, fixing sewer issues, elevator, all IT conduits redone, cosmetic and ADA compliance. To fully build out the entire building was around \$5-6 million. To something more involved with demo and starting with just a shell was around \$11-12 million. Councilwoman McKenzie asked if that included windows? Mr. Fivas replied the \$11-12 million did. The windows are in okay shape, but it appears the gas inside the windows has evaporated. Energy costs would decrease if you replaced the windows. Councilwoman McKenzie asked how would we pay for it? Where would the money come from? Would it cause a property tax increase? Do those figures include the purchase price of \$759,610.35. Mr. Fivas stated it is the School Boards intention, at some point, do their due diligence and take over the renovation costs. If they got the building, they would bare all the renovation costs but he doesn't want to speak for them. Hal Taylor stated they looked at the building and concluded the bathrooms have to be brought up to ADA compliance, the backflow has to be redone, update the fire sprinklers, lighting, electrical, elevator, carpet, code changes and possible unforeseen costs. The chiller is almost new. The roof appears to be in good shape. In discussions with the architect and engineers, who had limits on what they could look at since the building is in a stored condition, so all the water has been drained from the cooling loop but what they could test, they did. They estimate \$1.2 million to get the building up and operable, but not finishes. The finishes, like removing wallpaper and add new paint and carpet, you can take and use the offices the way it is, cosmetically. Gas is broken in the windows, but a new boiler system would be better money spent. There are things that could be done but these are just estimates. If we start redesigning and

tearing things out, that will take the price up drastically. We are talking about a building we can get into and use as offices and possibly adding into spaces that are not currently built out. It is a very usable building and for being stored for 10-years it has been taken care of, at least when they saw it a year ago. Vice Mayor Johnson asked what was the cost of Candies Creek? Mr. Taylor replied \$15 million for 100,000 square feet. It was \$165 a square foot and currently it would be \$300 a square foot. Vice Mayor Johnson stated we are trying to decide if we are going to spend a million dollars on space that will solve a lot of the administrative office problems. They need the space. Do we want to spend a million or \$15 million? There is nothing more important than the education he received. He is willing to spend the money and we can do what needs to be done. We are a growing community, and we will need another school in a few years. Councilman Webb asked has it been looked at what this would do to the School Board budget going forward to maintain this building. Mr. Taylor stated the Denning Center and the AOB have no insulation. He doesn't see much of a difference as the systems in the two buildings are not like the rest of our facilities where we have geothermal and chillers that save a lot of money. These are just general heating, air, gas equipment and poor insulation. We do energy savings because we pay attention. You are not going to see that type of expense on this building. We don't expect a tremendous impact to our operating cost. Councilwoman McKenzie stated to Dr. Dyer their letter says they are willing and open to and doesn't say they are defiantly willing to do this, and that is what gives her pause. She would love to see the schools get it, if it can benefit them. Councilman Estes stated he might have a solution. He then asked Vice Mayor Johnson and colleague Cassada, if you'd withdraw your motion, I'd like to make this substitute motion. That we offer the price of \$759,610.35, we pay the 2022 taxes, we pay all closing costs, we change Section 21 to March 1st, and we only offer this contract if the City School Board does two things. One, agrees at a called meeting or a regular meeting, votes to reimburse us full cost what that it costs us at closing. Two, pay us \$18,000 a year in rent. That's city taxes on that property every year. That way, the building will be paid for, we only offer a contract to this LLC if the City School Board says they will reimburse us for it, and we continue to receive the annual revenue we're getting on it currently through taxes. Mayor Brooks stated Councilman Estes pause please, parliamentary, you are making a substitute motion... Councilman Estes stated well, I was just asking... Mayor Brooks continued I need to hear from Vice Mayor Johnson and Councilman Cassada if they will withdraw their original motion. Vice Mayor Johnson stated yes, exactly what Dr. Estes said. Councilman Cassada stated yes, I am willing to do that. Mayor Brooks stated I will cross out the Johnson/Cassada motion and a substitute motion by Councilman Estes has been made. Ms. Brandon, I am looking your way to see if you were able to get all of that. Councilman Estes stated I am happy to repeat it. [inaudible comments between McKenzie and Estes] Councilwoman McKenzie said take the 2022 taxes out and it stays in the \$759,610.35. Councilman Estes stated okay, we're in public here so tell me why, I'm happy to, but tell me why. Councilwoman McKenzie said I would like to amend Councilman Estes' motion that it not include, that we not pay in addition to the \$759,610.35 the 2022 taxes, but that it be included in that price because originally it said that it would include the taxes. Councilman Estes stated so, we are not paying it, we're letting the School Board pay it. It is a total pass through. Councilwoman McKenzie stated okay. Councilman Estes continued we are not paying a lick of it. In fact, we're now with this motion, we are making \$18,000 a year in perpetuity, forever and ever. Dr. Dyer stated I can't make an agreement for that but if you pass it, I will be glad to take that to the School Board for a vote. Mayor Brooks stated parliamentary, I have a substitute motion that has not been seconded. Councilman Cassada seconded the motion. Councilman Hughes stated well, Dr. Dyer we can't do anything today then because you're going to take it to the School Board to get approval and \$18,000 may not be the price. Mayor Brooks stated Councilman Hughes, this motion included the phrase until March 1, approve this today contingent upon their action prior to March 1. Councilman Estes stated that is the intent of my motion. We offer that for the building only if City Schools meet in public at their regular scheduled meeting and vote to reimburse us at full cost and \$18,000 a year. Mayor Brooks stated, and the contract agreement would expire March 1. Councilman May stated \$18,000 a year they have it, the full building, they control the full building. Councilman Hughes stated \$18,000 a year for 45,000 square feet. Councilman Estes said here's how I came up with that, let me explain how I came up with that Councilman Hughes. We can take it, and we could lease out the 45 but there weren't four votes for that. Councilman May stated nope, but I have a deal for your today. Councilman Estes continued if we are not willing to do it, they're not paying a lease

on Mayfield, they're going to pay a lease on this, at least we are not losing our taxes. We tried to get it where we could have it and Mr. Fivas said \$1.2 will fit it out perfectly where we got 45,000 square feet to lease out will get it as good as any commercial real estate in the City. Councilman May stated but we are only leasing to the School Board. Councilman Estes stated we're not, well yes, we are, but no my point is if we're not getting into the commercial real estate business on Raider Drive, then let's let the School District get into it. We lose nothing at all. We lose zero. Councilman Hughes stated let them buy it. Councilman Estes stated they are buying it through us because the offer is to us. Councilman May stated in other words, they take care of all the renovations. Councilman Estes stated it's their call, we are setting it in their lap. Mayor Brooks stated we have a motion by Estes, seconded by Cassada. Councilman Hughes stated so we actually, we buy it, and they buy it from us. Councilman Estes stated they reimburse us for the cost. Mr. Kimball, I think you're right, no not you're right, but we have to own the actual property and the deed, the City does, correct. Mr. Kimball stated typically school properties are deeded City of Cleveland for the use and benefit of the Board of Education. Councilman Estes stated there you go, same thing. Mayor Brooks stated we have a motion by Estes, seconded by Cassada and a hardy discussion. Any other questions. Christy are you clear, glad one of us is. Mr. Clerk, please call the roll. Upon roll call, Councilman Estes, Councilman Cassada, Councilman May, Councilman Hughes, Councilman Webb, Vice Mayor Johnson, and Councilwoman McKenzie all voted aye. The motion carried 7-0.

REPORTS OF AND COUNCIL MEMBERS

Councilman Cassada asked if Hicks Road NE off Old Tasso Road would be paved this year. Mr. Myers response was inaudible. Cassada continued this is an industrial partner that has invested \$70 million in the City of Cleveland and provides 140 jobs, 400 feet of pavement that has been siting 3-years that hasn't been paved. Can we get it on the schedule for this year. He then asked Mr. Fivas if he could get a commitment to pave it this year. Mr. Fivas response was inaudible. Cassada asked for an answer in two weeks.

Councilman Hughes stated the Mainstreet Cleveland meeting was excellent today. Mayor Brooks presented the progress of our City and Mr. Fivas answered questions. He then asked about the project by Mr. Sheehan on King Den Drive, has he presented the plans yet, as far as trees, etc. Mr. Jobe replied no, nothing has gone before the Planning Commission yet but it will have tree preservation requirements. Hughes then continued that HHM had their opening and have turned the building it into a gorgeous building. We are proud to have them. They will have 18 employees and the number will grow.

Councilman Webb inquired if the pothole was fixed near Duracell on Mouse Creek Road. Mr. Myers stated yes.

Vice Mayor Johnson inquired if the Brighton Boulevard lights had been upgraded. Mr. Fivas stated yes, according to Cleveland Utilities they had.

Councilwoman McKenzie announced all the tires from Exit 20 have been cleaned up and removed. It is now tire free.

Mayor Brooks thanked Mr. Myers for the quick action of his team to a home that was skipped on brush/debris day. Staff responded in an hour and showed great customer service for our citizens. He then thanked Sharon Marr for the Mainstreet meeting, which was the 3rd highest attendance in her 18-years. He also thanked city staff, Corey Divel and Mr. Fivas for the presentation.

Councilman Estes recognized Kim Lion who is present with her Journalism class from Lee University. Mrs. Lion thanked the Council for making it an exciting meeting.

Councilman Cassada stated in his opinion when it comes to brick and mortar, it's the City or County responsibility to pay for that and not take funds out of the schools. That is for kids' education, training programs, this would impact that. We've always done it. He wants to be clear to the public and the School Board that he does not support the Schools paying for bricks and mortar. It needs to come from the funding body, the City Council.

NEW BUSINESS AND ORDINANCES

The following Resolution was then presented in full:

RESOLUTION 2023-07

**A RESOLUTION APPROVING A
PAYMENT-IN-LIEU-OF TAXES (PILOT) SCHEDULE AND DELEGATING
AUTHORITY TO ENTER INTO A PILOT AGREEMENT**

WHEREAS, the Industrial Development Board of the County of Bradley and the City of Cleveland, Tennessee (the "Board") has recommended a Payment-In-Lieu-Of-Taxes ("PILOT") schedule for SK Food Group, Inc. (the "Company") which has acquired certain property within the City of Cleveland, Bradley County, Tennessee, the construction of real improvements thereon, and the acquisition and installation of certain machinery, equipment and other personal property for use as manufacturing, warehouse, distribution, and related facilities in the City of Cleveland and Bradley County, Tennessee with a capital investment of approximately \$205,200,000.00 (the "Project") to be invested in three phases;

WHEREAS, the Project is anticipated to result in the creation of 371 new full-time positions in Phase 1, 342 new full-time jobs in Phase 2, and 132 new direct jobs in Phase 3 with an average annual weighted wage of approximately \$44,000.00 for all employees and a benefit package including health insurance, performance based bonus programs, paid time off, 401K match, long-term and short-term disability insurance, and education assistance/scholarships.

WHEREAS, the Company has requested that all real and personal property acquired in connection with the Project (collectively, the "Property") qualify for an arrangement (the "PILOT Arrangement") whereby the Property shall be exempt from all ad valorem property taxes otherwise due thereon (collectively, "property taxes"), and in lieu of the property taxes, the Company shall be required to make annual payments in lieu of taxes equal to (i) 50% of the property taxes otherwise due on the portion of the Property constituting real property during the ten-year period for each phase starting in the first full year of occupancy and continuing through the year 2040; and (ii) the following payment schedule on the Property constituting personal property for a six year period for each phase starting in the first full year of occupancy and continuing through the year 2036:

- Year 1 = 22.7273%
- Year 2 = 26.6667%
- Year 3 = 31.7460%
- Year 4 = 40.0000%
- Year 5 = 52.6316%
- Year 6 = 80.0000%

with such percentage in a given year being the percentage applied to the property taxes otherwise due on the portion of the Property constituting personal property as depreciated, the intent of which is to tax the personal property in an amount equal to the personal property taxes otherwise due if the personal property is appraised at 20% of the acquisition value and taxed at the full tax rate for the portion of the Property constituting personal property;

WHEREAS, the Board has determined that, notwithstanding the PILOT Arrangement, the Project will result in the payment of in lieu of tax payments to the City of Cleveland, Tennessee in an estimated amount of \$8,559,537.77 over the term of the PILOT arrangement; and

WHEREAS, the City of Cleveland, Tennessee (the "City") has determined that the proposed PILOT Arrangement is fair, reasonable, and necessary for the continued economic development of the City of Cleveland, Tennessee, and that the payments in lieu of taxes derived from the PILOT Arrangement would be in furtherance of the Board's purposes.

NOW THEREFORE, BE IT RESOLVED by the City Council of Cleveland, Tennessee as follows:

Section 1. The City hereby agrees to the PILOT Arrangement and hereby delegates the power and authority to the Board to negotiate a PILOT agreement with the Company to reflect the parties' respective rights and obligations in accordance with the PILOT Arrangement.

Section 2. The City hereby authorizes the Mayor to execute any and all documents necessary for the successful completion of the Project, including but not limited to, all documents related to the PILOT Arrangement.

Section 3. This Resolution shall become effective upon its adoption.

Adopted this 23rd day of January, 2023.

APPROVED AS TO FORM:

/s/John F. Kimball
City Attorney

Kevin Brooks, Mayor

Shawn McKay, City Clerk

Councilman Estes moved that Resolution 2023-07 be accepted as presented. The motion was seconded by Councilman Webb; and upon roll call, unanimously passed.

The following Ordinance was then presented in full:

ORDINANCE 2023-01

AN ORDINANCE OF THE CITY OF CLEVELAND AMENDING THE CLEVELAND MUNICIPAL CODE TO REVISE THE INTERNATIONAL FIRE CODE, 2018 EDITION
APPENDIX D

WHEREAS, on January 13, 2020, the City Council passed Ordinance Number 2019-49 on final reading, which ordinance adopted the International Fire Code, 2018 Edition, including appendix D to that fire code; and

WHEREAS, it is necessary for the City of Cleveland to regulate and govern the adopted fire code; and

WHEREAS, based on the recommendation of City staff, the City Council desires to amend only that portion of Appendix D of the 2018 International Fire Code as adopted by the City of Cleveland to increase the number of dwelling units in a One- or Two- Family Dwelling Development that require two separate and approved fire apparatus access roads.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Cleveland, Tennessee, in regular session assembled:

Section 7-205 of the Cleveland Municipal Code titled "Amendments" is hereby amended to add the following new subsection to be numbered 7-205(6) which will amend Appendix D of the adopted 2018 International Fire Code.

Section 1.

7-205. Amendments:

7-205(6)

The International Fire Code, 2018 edition, Appendix D as previously adopted on January 13, 2020, is hereby revised as follows:

1. Section D107.1 Replace "30" with "200"
2. Section D107.1, Exception 1, Replace "30 dwelling units" with "200 dwelling units"

Section 2. This Ordinance shall become effective upon final reading, the public welfare requiring it.

APPROVED AS TO FORM:

/s/John F. Kimball
City Attorney

Kevin Brooks, Mayor

Shawn McKay, City Clerk

Vice Mayor Johnson moved that Ordinance 2023-01 be approved on first reading. The motion was seconded by Councilman Cassada. Councilman Estes asked Mr. Fivas and staff to look at this ordinance one more time. Mr. Fivas replied they will meet with him to discuss further. Upon roll call, unanimously passed.

Mr. Fivas stated he will delay the discussion and possible modifications to employee recruitment until the next meeting.

ANNOUNCEMENTS

Mayor Brooks announced the following:

- The next City Council meeting will be held on Monday, February 13, 2023.

ADJOURNMENT

There being no future business the meeting was adjourned at 4:21 p.m.

Mayor

City Clerk