MINUTES

STATE BUILDING COMMISSION MEETING

EXECUTIVE SUB-COMMITTEE

SEPTEMBER 29, 2009

The State Building Commission Executive Subcommittee met this day at 2:00 p.m. in Senate Hearing Room 12, Legislative Plaza, Nashville, Tennessee.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
Tre Hargett, Secretary of State
Justin Wilson, Comptroller of the Treasury
David Lillard, State Treasurer

OTHERS PRESENT

Mike Fitts, State Architect
Alan Robertson, Assistant State Architect
Georgia Martin, State Architect's Office
Joy Harris, Treasurer's Office
Jonathan Rummel, Secretary of State's Office
Dave Thurman, Legislative Budget Office
Janie Porter, Attorney General's Office
Speaker Kent Williams
Representative Johnny Shaw
Speaker Emeritus Jimmy Naifeh
Commissioner Matt Kisber, Department of Economic & Community Development
Ed McCallum, McCallum-Sweeney
Anne Banks, City of Brownsville
Sheriff Melvin Bond, Haywood County
Mayor Franklin Smith, Haywood County
Nick Crafton
Gary Bullwinkel, Hebron
Lawrence Randle, Mason
Rita Harris, Fredonia
Femesia Harris, Fredonia
Cynthia Tapplin, Fredonia
Joyce Taylor, Fredonia
Ronald Randle, Fredonia
Anita Terry, Fredonia
Tommie Terry, Fredonia
Rev. Gregory Stewart, Fredonia
Paul Degges, Department of Transportation
Steve Allen, Department of Transportation
Derrick Tibbs, Department of Transportation
Mike Philgot, West TN Industrial Association
Rod Schuh, Lauderdale County Mayor
Lola Potter, Department of Finance and Administration
Reta Adams, Speaker Naifeh's Office
Blake Fontenay, Constitutional Officers
Beth Phillips, WBBJ Jackson
Mark Drury, Department of Economic & Community Development
Tom Trent, Bradley Arant Boult Cummings
Chloe Shafer, Bradley Arant Boult Cummings
Ward E. Smith, Stanton
Bobby Harris, Stanton
Elizabeth Rice
Jack Finch
Ruffie Jones, Stanton
Brad Hurley, Carroll County Chamber
Kenny McBride, Carroll County Mayor
Dennis Henderson, Jackson
Shirley Williams, Stanton
Betty Brooks, Stanton
John Dee Thompson
Jurgen Bailey, Real Property Administration
Dottie Hagood, Real Property Administration

DEPARTMENT OF ECONOMIC & COMMUNITY DEVELOPMENT

WEST TENNESSEE - HAYWOOD COUNTY MEGASITE

1) Chairman Dave Goetz called the meeting to order at 2:20 p.m. He announced that this was not a public hearing, and that the SBC doesn't normally hear public testimony, but this meeting was different. He said they were there to hear one item regarding a request for approval to purchase land in Haywood County for the development of a **West Tennessee Megasite** and approval to waive advertisements and appraisals, in an amount not to exceed $40,300,000. He stated that several people had requested an opportunity to speak and the Subcommittee would recognize them.

Matt Kisber, Commissioner, Department of Economic & Community Development, was recognized and discussed the background and need for the establishment of the megasite with an emphasis on the need for jobs due to the economy. He said the General Assembly had approved the megasite plan and funding the dollars for the project. He discussed the Department's strong track record in the development of megasites. He emphasized that all State environmental laws have been followed in the development of this site and the recommended action will not adversely affect the land or air quality, and would have no impact on Fayette County.

Ed McCallum, attorney, was recognized and stated that he was in the business of helping companies decide where to locate and knows what their concerns are. He acknowledged that rules must be followed for certification. He added that they have the support of the community and they have never certified a site where imminent domain was required. He said this will be the largest certified site in the country and will be on everyone's radar screen. He added that the State's decision will affect not only the State of Tennessee, but the region.

Speaker Emeritus Jimmy Naifeh stated the he represented the people of Haywood and Tipton Counties where unemployment is well above 16%. He added that the recession was devastating to the people of West Tennessee. He listed the members of the newly formed Megasite Authority and added that the project has strong bi-partisan support in West Tennessee.

State Representative Johnny Shaw said he was the Pastor for the Stanton Baptist Church where he has resided for 29 years. He discussed how this megasite has given people hope and an opportunity to make an investment for the young people to become educated. He added that, by the Subcommittee approving the funding for this megasite, the State is not just buying some land, but investing in its people.

Anne Banks, Director, Office of Economic & Community Development for City of Brownsville, said she wanted to add that she believes there is wide spread support for this project and that these communities know it will jumpstart the local economy.

Sheriff Melvin Bond of Haywood County expressed his support for the project and was convinced that there is wide spread support for it. He discussed that poverty is the root of most crimes and

this project can have a positive effect on the poverty level. He said that they were just asking for the same opportunity that Chattanooga and Clarksville have had.

Mayor Franklin Smith thanked Governor Bredesen and the General Assembly for the project that Haywood County would not have been able to generate on its own. He stated that several County and City Mayors were in attendance to show their support. He said the process has been transparent and, if they didn't have willing land owners, they wouldn't have had a project. He said his commitment was to make sure the people know the truth and to make sure everything was done the right way, and he would not do anything to harm Haywood County.

Commissioner Kisber concluded with a statement that this project has the opportunity to transform West Tennessee. He said he knows the Subcommittee supports the megasite in concept, but that it wants to make sure it is done right.

Comptroller Wilson said he had a few questions of Commissioner Kisber. He asked if they have identified the properties to be acquired, and Commissioner Kisber responded "yes" and that they have provided a map. Comptroller Wilson asked if federal funds were involved, and Commissioner Kisber responded "no". Comptroller Wilson further asked if their certificate was current and does his request meet the General Assembly's intent. Commissioner Kisber answered "yes" to both questions.

Treasurer Lillard said he wanted to make sure that the map of parcels was included as part of the record.

Secretary Hargett noted for the record that he had posed three questions to Commissioner Kisber and the Commissioner responded to his questions. The three questions Mr. Hargett posed pertained to identifying the actual land to be purchased, confirmation that prior TVA certification applied to the actual land to be purchased and documentation of megasite certification by the Department of Economic and Community Development.

Nick Crafton was the first of several in opposition of the proposal to speak. Mr. Crafton directed his comments on environmental and ozone issues.

Lawrence Randle, resident of Mason, stated that he was opposed to having it in his backyard and that nobody had come to discuss the project with him. He said he didn't know where he was going to move.

Joyce Taylor, resident of Fredonia, said they had not been informed about the project. She said she was concerned about uprooting the elderly and disabled citizens from their lands. She said she would like the Mayors to get together and let the people know what is going on as she had learned more about the situation since coming to this meeting.

Rita Harris, environmental justice activist, was recognized. She said she supported solar projects and jobs, but that it was a shame to ruin the farm land. She said the talk of economic development is exciting and perks you up, but without taking into account other concerns, it is not right. She asked about the EIS study—when it was done and if a copy was available. She mentioned the Hatchie National Wildlife Refuge being impacted, and that Fredonia is an African American

community established back in the 1800's, making it an historical significance area. She said she objects to the project because the process is tainted and she would love for TVA to explain how African American families did not find out about the megasite process until well over a year later, and why people were never approached about selling their property. She said the white land owners were offered $10,000 an acre and all the stake holders were not given the same offers. She added that this community should have the right to decide what kind of community it should be and asked that the Subcommittee reject this project proposal on the environmental basis, the historical significance, and the flawed process.

Femesia Harris was recognized and said she was not against jobs. She passionately discussed her concerns over the inadequate school system and law enforcement being able to handle the increase in population and crime. She said she didn't want her peaceful community destroyed.

Cynthia Tapplin was recognized and expressed her desire to keep her life the way it has always been.

Tommie Terry was recognized and said he had been enlightened today, and that he thought everyone is entitled to their opinion. He expressed his concern about the neighborhood after the check is signed. He said he was not opposed to jobs, but that nobody has contacted them about how they would be affected by the megasite.

Gary Bullwinkel was recognized. He said that the State of Tennessee cannot pass laws that discriminate, and the question before this body was their responsibility with regard to complying with Title 6. He said that the moment the documents are signed, property values will go down. He added that all the rules of law that were put in place were not followed and the decision that ECD should have done three years ago was not done. He said that Tennessee Title 6 has not met in six years.

Commissioner Goetz asked Commissioner Kisber about Parcel 18. Commissioner Kisber replied that the Livingston property is 500 acres and they intend to negotiate the option with Haywood County. Commissioner Goetz asked about the environmental assessment. Kisber stated it was done when the certification was done and also updated this summer and transmitted to TDEC for their review. Commissioner Goetz asked about the solar farm. Commissioner Kisber stated that it is a separate option and tract, and not part of, or connected to, the megasite.

In response to comments regarding Title 6, Commissioner Kisber stated that no Title 6 complaints have been filed with their office. He said, in closing, when assembling a site of this type, the focus is to impact as few people as possible. He said the site has been designed to give maximum efficiency for development and provide for appropriate buffers. A study was done that indicated the quality of site and area around it would be improved by the investment. Commissioner Goetz asked if property values had gone up. Commissioner Kisber responded that Chattanooga is now considered one of the hottest cities in the country.

Treasurer Lillard stated that he had listened very carefully to all of the statements made on all sides of the issue. He clarified that the State Building Commission is not a judicial fact-finding body, but relies on the representation made by the agencies and statements made by the public. At the September 10 SBC meeting, he had requested the matter be referred to the Executive

Subcommittee, with authority to act, because the parcels involved that the State intended to acquire had not been identified with specificity at the time. He said that Commissioner Kisber and his department worked on that, along with Mayor Smith and others, and yesterday a plat was distributed that Commissioner Kisber had referred to which contained a list of identified parcels which he had moved to be a part of the record for clarity earlier in these proceedings. In light of all these things, the Legislature and Governor have either directly or indirectly approved this project in terms of its concept and general location 2-3 times. Treasurer Lillard stated that an economic opportunity exists at the present time for the State to acquire the land for this megasite as provided and authorized by the Legislature in the last session. Based on the foregoing discussion regarding expiration of the purchase option on October 31, 2009 and the legal issues raised by bond council as to who should take title to it, and the Attorney General regarding a grant from bond proceeds to acquire land in Haywood County, he moved that it was in the best interest of the State to accomplish the transfer of such options and the closing of those transactions as specified in the document being submitted for the record. He further moved that the State staff be authorized and directed to take all appropriate actions to close these transactions, including such negotiation and documentation as necessary to comply with State requirements and to request an expedited meeting of this Subcommittee should that be necessary in the future if, in the opinion of the staff, it involves resolving any additional issues. He further moved, in accordance with the agenda, to approve the waiver of advertisements and appraisals. Comptroller Wilson seconded the motion, which passed unanimously. The meeting adjourned at 4:08 p.m.

Estimated Project Cost: **$40,300,000.00**
SBC Project No. *529/000-07-2009*

Approved by: _____

M.D. Goetz, Jr., Commissioner
Department of Finance and Administration