

Town of Ashland City
Special Called Council Meeting of the
Mayor and Council
June 30, 2010

The Mayor and Council of the Town of Ashland City met in a special called meeting on June 30, 2010 at 7:00 p.m. in the Municipal Building to discuss flood issues.

Present and presiding: Mayor Gary Norwood.

Council present: Steve Allen, Tommy Nicholson, Jimmy Gill, Rick Johnson, Jim Yates, and Chris LaCrosse.

Others present: Jennifer Noe, Michael Armstrong, Chuck Walker, Mary Glasgow and Phyllis Schaeffer.

Mayor Norwood said you may notice on the agenda it says attorney/client privilege meeting at this point he does not think it is necessary and we will continue in a public forum.

As you all are aware this discussion will be concerning A.O. Smith. Before we get into a discussion he asked Jennifer Noe to speak.

Ms. Noe said that Phyllis made copies of a resolution. A. O. Smith is somewhere around 34 million out of pocket and they are trying to recoup some of their loss. Is it economically feasible for them to stay here? The state is looking at incentives they can provide and would like us to go into a joint effort with the county. One option we could look at is 200plus acres across from them the city could purchase this land and look at future mitigation. What is presented to you tonight is a resolution that sets forth some kind of assistance for A.O. Smith. The county has approved their resolution last night. Mr. LaCrosse asked if they put a max in their resolution of up to 2.75-3 million. Ms. Noe replied that is what they discussed but what was provided on paper there was no max. From the State it would be in the form of some type of tax credit. Mayor said they were needing cash. Mr. LaCrosse said they needed something that would affect their bottom line. MS. Noe said she was just presenting what they wanted. Also, TVA was going to be giving them a \$250,000 grant. Mr. Gill said there were a lot of people in the county and city suffering a lot more. Mayor said it was more than just the money they are out; it's the people they employ, sales tax they generate, and water and sewer usage. Mr. LaCrosse said the county passed their resolution they didn't feel great about it but it is the economic impact if they left. The expenses will really go up for the people if they left. Mr. Yates said they should have to agree to stay if we do this. Ms. Noe said she and the Mayor discussed this but if we are purchasing property it would be hard to require them to stay. Mr. Nicholson said they would have to recognize this in their 3rd quarter so when will they make up their minds. Mayor said they have a meeting on July 12th. Mr. LaCrosse said it would be a rude awakening to Ashland City if they left. After much discussion Mr. Johnson made a motion to strike the 7 million from the resolution and continue from there, after some discussion Mr. Johnson withdrew his motion.

A motion was made by Johnson, seconded by Allen to approve Resolution 2010-01.

A motion was made by LaCrosse, seconded by Nicholson, to amend the previous motion by adding the resolution is contingent upon the money being available. The city would do its due diligence to have access to funding. Amended motion passed on a roll call vote of: LaCrosse-yes, Nicholson-yes, Allen-yes, Gill-yes, Johnson-yes, Yates-yes, and Mayor-yes. The motion passed on a roll call vote of: Johnson-yes, Allen-yes, Nicholson-yes, Gill-yes, LaCrosse-yes, Yates-yes, and Mayor-yes.

The next discussion was on the Braxton and the marina. The marina did not have insurance and had some damage the fueling dock moved and some of the boats are being blocked in they are in the process of moving that now. The corp. is not going to honor the psl's also, they can't get insurance unless the repairs have been made. There is a motion before the court on July 16th. The original lease may be terminated if there is no lease the port authority owns a hole. John Rankin got the original permit from the corp. Bank of America has a huge lien so legally they own the fixtures. If they terminate the lease the present owners can't stay. Bank of America is going to foreclose. The Port Authority does not own the dock masters house or the parking lot. The bank could foreclose on the whole project asking the current owners to leave, than get a new buyer and start over. Bank of America has a lien on all 3 properties. We don't want to see the slips leave. Mayor said he doesn't think the Braxton will be anything without the marina. Bank of America is very slow and the Port Authority wants something done. Mayor said their repairs should be done in the next 4 weeks. After much discussion the Mayor asked if there was anything else.

A motion was made by Johnson, seconded by LaCrosse to adjourn. Motion passed unanimously by voice vote. Meeting adjourned at 8:17 p.m.

Gary Norwood, Mayor

Phyllis Schaeffer, City Recorder