#DEVELOPWITHUS:
VIRTUAL CAMPAIGN LAUNCH & TRAINING

Tax Breaks, Transparency, & Public Accountability

Thursday, December 17th
6:30pm
Register Today!

A Project of the CALEB Coalition Economic Mobility Task Force
SO WHO ARE WE, & WHAT'S THIS CAMPAIGN ALL ABOUT?
OUR VALUES

(LIVE "GOOD DEVELOPMENT" LOOKS LIKE)

LIVING WAGES
No one should have to work more than one full-time job to provide for themselves or their family.

COMMUNITY STABILITY
Investment should increase opportunity & quality of life for low & moderate income families. Every Chattanoogan deserves secure housing in a safe, thriving community.

EQUITABLE TRANSIT
When people have access to safe, affordable public transit, they are able to get to the jobs, training and education that provide pathways to economic sustainability.
GOOD DEVELOPMENT HAPPENS WITH US, NOT TO US!

WHAT WE WANT

TRANSPARENCY
and community voice in decisions involving public money that will impact our neighborhoods

ACCOUNTABILITY
Community-centered metrics that ensure that companies who get public resources are actually benefitting our people

"GOOD DEVELOPMENT HAPPENS WITH US, NOT TO US!"
ECONOMIC MOBILITY IN “THE BEST TOWN EVER”

A BIT ABOUT CHATTANOOGA'S ECONOMIC LANDSCAPE...
One example of how major public investment has helped transform the local economy is through: **TOURISM**
EXAMPLE: The 21st Century Waterfront was a $120+ million project completed in 2005.
HALF of that was paid with City bonds with the creation of a new revenue stream from hotel bookings.
The City and County each charge a 4% hotel/motel tax, with the County's share going to fund the...
Another major part of our recent growth has been:

TECH & MANUFACTURING
• 2008 recruitment of Volkswagen included approx. $16.6 Million in annual local tax breaks

• Buildout of EPB “Gig” broadband and Enterprise Center laid foundation for a “SmartCity” future
CHATTANOOGA’S ANNUAL GDP GROWTH FROM 2009 TO 2019 WAS 9% LOWER THAN THE NATIONAL AVERAGE
BUT THE CHOO CHOO IS LEAVING MANY BEHIND...

ECONOMIC GROWTH HAS BEEN GREAT FOR SOME...

...BUT THE MAJORITY OF CHATTANOOGANS ARE STILL STRUGGLING TO MAKE ENDS MEET
A LOOK AT THE NUMBERS

12.9% of Chattanooga families live below the poverty threshold.

--> This is 35.7% higher than the US average.

Chattanoogans earn 17% less than the average American (and income is growing 20% slower).
THE TOLL: Struggling individuals, families, & communities

These numbers tell a lot about the struggles faced by you, me and so many in our community.
<table>
<thead>
<tr>
<th>Individual with one child</th>
<th>Single income family of four</th>
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<tbody>
<tr>
<td>$22.63/hr</td>
<td>$24.18/hr</td>
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Note: Does not include $ for retirement, college savings, vacation etc.
Imagine a future of shared prosperity. We need a better approach.
There are many factors that impact our local economy, but we are going to focus on one in particular: **CORPORATE TAX BREAKS & INCENTIVE DEALS**
What's the magnitude of tax breaks in terms of real $$$
How do tax breaks work?
Who decides which companies receive a tax break?
How do we make sure that these decisions actually improve our health, wages, financial security, life circumstances?
And most importantly, where do you & I fit in?!
JUST LAST YEAR, THE AMOUNT OF CORPORATE PROPERTY TAXES FORGIVEN BY THE CITY OF CHATTANOOGA & HAMILTON COUNTY TOTALED OVER $25 Million (TYPICAL AGREEMENT LASTS 10–30 YEARS)
IF COLLECTED, THESE TAXES COULD BE USED TO FUND THINGS LIKE:

- Infrastructure
- Public Safety
- Parks
- Libraries
- Neighborhood Services
- Youth Services
- Affordable Housing
- Other Essential Services
Over 90% of these were given through a type of tax break called a Jobs Pilot.
WHAT IS A

JOBS PILOT

(AND WHAT DOES IT MATTER TO YOU?)
Pilot stands for ‘Payment in Lieu of Taxes’. Basically, it’s an agreement between the city and a company that provides the company with a property tax break for a period of time (up to 30 years).

Come start your company here in Chattanooga!
Jobs PILOTS and other incentives are not inherently bad, BUT we want to know a few thing first:

- Do they create real benefit for our communities?
- Is it worth what we would lose in property tax revenue?
- Would the company locate here anyway?
So, what's the current process for giving out Job PILOTs & does it answer these questions?
1. The city hires the Chamber of Commerce to recruit businesses to Chattanooga.

2. Business chooses to complete an application for a jobs pilot.

3. The Chamber then reviews the application.
What about The Public?!

Currently, there are no publicly adopted criteria for jobs pilots.
There are no required public hearings and no required staff report at this point.
5. The City’s Industrial Development Board conducts final review.

6. IDB takes ownership of land/equipment/buildings.

7. Company leases assets from IDB for small amount.
BUT DO THESE AGREEMENTS ACTUALLY BENEFIT OUR COMMUNITIES?
GREEN = PILOTs
RED = TIF
ORANGE = Charitable
YELLOW = Government owned
BARRIERS TO ACCOUNTABILITY & TRANSPARENCY
BARRIER:
Lack of transparency in process
BARRIER: "Auto-pilot" PILOTs
BARRIER:
Lack of long term Economic plan
RECAP: OUR VALUES
(WHAT "GOOD DEVELOPMENT" LOOKS LIKE)

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COVID-19
and why all this matters so much now
COVID-19 underemployment and unemployment

In Hamilton, as of October 15 2020, employment rates among workers in the top wage quartile decreased by 5.2% compared to January 2020 (not seasonally adjusted).

Percent Change in Employment*

Oct 15, 2020
-4.1%
Middle Wage ($27K-$50K)

-5.2%
High Wage (>50K)

-18.8%
Low Wage (<27K)

Jan 15
Apr 1
Jun 1
Aug 1
Oct 1
Dec 14

Jan 20
First U.S. COVID-19 Case

Apr 15
Stimulus Payments Start

*Change in employment rates (not seasonally adjusted), indexed to January 4-31, 2020. This series is based on payroll data from Paychex and Intuit, worker-level data on employment and earnings from Faner, and timesheet data from Kronos. The dotted line in the low-wage series is a prediction of employment rates based on Kronos data.

Last updated: December 03, 2020
next update expected: December 14, 2020
ASK #1
(for mayoral and city council candidates)
Will you commit to develop and implement clear, enforceable, publicly accessible criteria for Job PILOTs?
ASK #2
(for mayoral candidates)

Will you commit to provide city council, relevant boards, and the general public, thorough, written information outlining exactly how a proposed tax break will benefit the public? Will you ensure that this information is provided well ahead of any vote on a PILOT, TIF or other forms of public incentive?
**OTHER KEY ASKS**

**public hearings**
Will you support an effort to require relevant boards (IDB & HEB), and city council to hold public hearings for respective PILOT proposals?

**community-based board appointees**
Will you work with CALEB to help identify and set clear expectations for appointees to the IDB, HEB?
WE NEED YOU!

1) SIGN THE CAMPAIGN LETTER TO CANDIDATES!
   WWW.CALEBCHA.ORG/DEVELOPWITHUS

2) JOIN THE #DEVELOPWITHUS CAMPAIGN TEAM!

3) JOIN OUR UPCOMING CANDIDATE FORUMS!
   (DATES COMING SOON)
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