

PROPOSED BOARD RESOLUTION
(Blue Ridge and Missionary Ridge Surplus Determination)

WHEREAS, the Chattanooga Office Complex consists of five interconnected buildings: Missionary Ridge, Signal Place, Lookout Place, Blue Ridge, and Monteagle Place on approximately 8.1 acres in downtown Chattanooga, Tennessee (collectively referred as the COC) consisting of TVA Tracts COFC-16, -18, -19, -20, and -34, in Hamilton County, Tennessee; and

WHEREAS, the United States of America for the benefit and use of TVA owns the COC in fee simple, and has also granted three permanent easements to the City of Chattanooga for 1) a street, sidewalk, and necessary appurtenances (Broad Street) bearing TVA Tract No. XTCOFC-4E, 2) an elevated pedestrian walkway connecting to the Chattanooga Trade Center Parking Garage bearing TVA Tract No. XTCOFC-6E, and 3) for a street, sidewalk, and necessary appurtenances (12th Street) bearing TVA Tract No. Tract XTCOFC-7E, and said easements shall continue in accordance with their terms, subject to any necessary negotiations; and

WHEREAS, as recommended in the December 19, 2024, memorandum from the Chief Administrative Officer (CAO), a copy of which is filed with the records of the Board of Directors (Board) as Exhibit 02/13/25E, and subject to the conditions and reservations set forth below, the Board has determined that (i) TVA has no further need of the fee interest in the property or the buildings that comprise that portion of the COC on which the Blue Ridge and Missionary Ridge buildings and adjacent street and sidewalks are located, TVA Tract Nos. COFC-20 and COFC-34 (the "Site"), for any of the purposes of the Tennessee Valley Authority Act of 1933, as amended, and (ii) the disposal of the Site will not be adverse to the interests of the United States or TVA; and

WHEREAS there is no permanent dam, hydroelectric power-plant, or munitions plant located on said tract.

BE IT RESOLVED, That the Board hereby declares that the Site is not necessary to carry out any plans or projects actually decided upon and is otherwise surplus and/or excess to TVA's needs, provided, however, that with regard to any portion of the Site, such declaration is conditioned upon a written determination by the Chief Executive Officer (CEO) that the declaration is necessary for the conveyance of such portion and that TVA operations will be successfully relocated from such portion prior to any conveyance thereof;

RESOLVED further, That the Board hereby delegates to the CEO the authority to authorize the conveyance, disposition, sale, or transfer (collectively referred to as a conveyance or disposal) of all or individual portions of the Site, pursuant to any available disposal authority, upon the CEO making the above-described determinations and upon satisfactory completion of environmental reviews;

RESOLVED further, That the Board hereby authorizes the CEO to, (i) determine the terms, conditions, and schedule for conveyance of the Site, (ii) administer, modify, and/or exercise any legal rights available to TVA arising out of, any contracts or conveyance instruments for disposal of the Site, and (iii) modify or terminate the property transfer and transfer process before closing if any environmental reviews do not satisfactorily address potential environmental impacts or if the CEO determines that the conveyance is not in the best interest of TVA;

RESOLVED further, That the Board authorizes and directs the Senior Manager, Realty Services, or designee, to convey any or all real property interests in the Site as delegated to the CEO pursuant to any available disposal authorities, as determined by the Office of the General Counsel, allowed under law for the disposal of the Site , including, but not limited to, the TVA Act and all other acts of Congress, and subject to all other required TVA processes and practices, and to deliver to the grantee appropriate legal instruments in such form as the General Counsel, or the designee thereof, shall approve, subject to terms and conditions as may be necessary to cover and protect TVA's statutory obligations, program requirements, and legal and other interests, and subject to satisfactory completion of all necessary environmental reviews;

RESOLVED further, That the Board directs TVA to continue to update and supplement the environmental reviews that have been conducted for use of the Site, as appropriate, in light of the proposed uses of the 1) Site and any other portions of the COC, and 2) applicable law.

**Approved by TVA Board of
Directors**

February 13, 2025

KAB

Assistant Secretary

EXHIBIT 02/13/25E

December 19, 2024
Chief Administrative Office

Board of Directors

**REQUEST FOR BOARD APPROVAL – PROPOSED DECLARATION OF SURPLUS AND/OR
 CONVEYANCE OF A PORTION OF THE CHATTANOOGA OFFICE COMPLEX**

SUBJECT

The Executive Vice President and Chief Administrative Officer (CAO) requests that the TVA Board of Directors (Board) approve the necessary actions to convey, sell or transfer all or a part of the Blue Ridge and Missionary Ridge site, which comprises the land and buildings bearing TVA Tract Nos. COFC-20 and COFC-34 (the "Site"), and are a part of TVA's downtown Chattanooga office complex (COC), in a manner that meets TVA's operational needs and obtains appropriate value for TVA. See attached Exhibit A for a description of the real property comprising the COC and attached Exhibit B for a map of the COC including the Site. Specific Board actions requested are:

- Declare the Site is not necessary to carry out any plans or projects actually decided upon and is otherwise surplus and/or excess to TVA's needs; provided, however, that with regard to any portion of the Site, such declaration is conditioned upon a written determination by the Chief Executive Officer that the declaration is necessary for the conveyance of such portion and that TVA operations will be successfully relocated from such portion prior to any sale thereof, and
- Delegate to the CEO the authority to authorize the conveyance, disposition, sale, or transfer (collectively referred to as a conveyance or disposal) of all or individual portions of the Site pursuant to any available disposal authority, upon the CEO making the above-described determinations and upon satisfactory completion of environmental reviews, and
- Authorize the CEO to, (i) determine the terms, conditions, and schedule for conveyance of the Site, (ii) administer, modify, and/or exercise any legal rights available to TVA arising out of, any contracts or conveyance instruments for disposal of the Site, and (iii) modify or terminate the property transfer and transfer process before closing if any environmental reviews do not satisfactorily address potential environmental impacts or if the CEO determines that the conveyance is not in the best interest of TVA, and
- Authorize and direct the Senior Manager, Realty Services, or designee, to convey any or all real property interests in the Site as delegated to the CEO pursuant to any available disposal authorities, as determined by the Office of the General Counsel, allowed under law for the disposal of the Site, including, but not limited to, the TVA Act and all other acts of Congress, and subject to all other required TVA processes and practices, and to deliver to the grantee appropriate legal instruments in such form as the General Counsel, or the designee thereof, shall approve, subject to terms and conditions as may be necessary to cover and protect TVA's statutory obligations, program requirements, and legal and other interests, and subject to satisfactory completion of all necessary environmental reviews.

The foregoing declaration, delegations, and authorizations are herein collectively referred to as the "Surplus Delegation and Related Authorizations".

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BACKGROUND

The COC opened in 1985 when TVA had over 50,000 employees. It consists of five buildings (Missionary Ridge, Blue Ridge, Lookout Place, Signal Place, and Monteagle Place) and contains approximately 1.48 million gross square feet. The COC has been oversized for TVA's needs for decades. TVA leased portions of the COC from 1998-2008. Beginning in 2008, TVA attempted to sell the COC and relocate to a smaller facility, but ultimately purchased it for \$22M in 2012. Since then, headcount decreases, flexible work arrangements, technology advancements, and TVA's adoption of shared space policies has further enabled reductions across the entire facilities fleet, including the COC. In addition, TVA's primary system operations center (PSOC), which is currently located in the COC, will begin operating from a new facility in Meigs County in 2026, further reducing TVA's space needs at the COC. Current utilization at the COC is approximately 15%. While TVA's utilization of the COC has steadily decreased, the facilities continue to age and require increasing annual investments to continue operating.

Over the past two years, TVA has already taken actions to reduce costs and increase efficiency at the COC, including substantially vacating the Missionary Ridge and Blue Ridge buildings and consolidating to the Lookout Place, Signal Place, and Monteagle Place buildings, which are located on a portion of the COC site not currently proposed for disposal. TVA has also reduced its staffing at the COC and transferred employees to other facilities in the region to support growing operational needs that are necessary to support TVA's planned investments in its generation portfolio and transmission system.

Retaining the aging Missionary Ridge and Blue Ridge buildings is inconsistent with TVA's Board Policy, which requires TVA to manage its real property portfolio to provide the best value to TVA and the people of the Tennessee Valley. It is also inconsistent with TVA's mission, strategic priorities, and facilities strategy, which is focused on reducing, standardizing, and modernizing the facilities fleet.

TVA has been working closely with local stakeholders to identify economically beneficial reuse opportunities for the Missionary Ridge and Blue Ridge tracts. Possibilities of how the site could be developed following divestiture include, but are not limited to, a new federal courthouse, hotel use, rental apartments, condominiums, ground floor retail, convention center expansion, and/or office space. Due to these dynamic possibilities for the site, TVA management requests flexibility in the disposal authority methods for all or a portion of the Site. Under the proposed delegation, the CEO would have the authority to exercise any disposal authority available to TVA, including but not limited to, Section 31 of the TVA Act and the Property Act (the Federal Property and Administrative Services Act of 1949, codified as amended in scattered sections of 40 U.S.C. and 41 U.S.C.).

SPECIAL CONSIDERATIONS

Disposition of Remaining Buildings. TVA has already consolidated its staff into the remaining Lookout Place, Signal Place, and Monteagle Place buildings, which, when combined with other TVA-owned regional real estate, have more than sufficient square footage to accommodate TVA's current and anticipated future needs. TVA is evaluating options to exit Lookout Place, Signal Place, and Monteagle Place in favor of a more efficient facility that will reduce long-term costs. Any decision to exit the remaining three buildings will be made separately and will be subject to additional Board approvals. In making this separate decision, TVA will consider applicable laws and executive orders, operational needs, and relevant costs, including disposal, maintenance, relocation, and new facility costs.

Public Involvement and Community Impact. TVA management and staff have been heavily engaged with local officials and members of the community to discuss economically beneficial opportunities for the site. The proposed surplus declaration is expected to have positive impacts to the local community, such as additional tax revenue, revitalization of the adjacent Broad Street, and higher and better uses of the site, such as for additional housing units, hotels, and/or retail.

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National Environmental Policy Act. TVA completed its environmental review under the National Environmental Policy Act (NEPA), which resulted in a Finding of No Significant Impact, in June 2024.

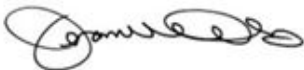
Fair Market Value. TVA would obtain fair market or commensurate value for any conveyance of the Site. Before any conveyance of the Site, TVA would update its most recent appraisal valuation pursuant to TVA’s process.

TVA Land Policy. The proposed actions are consistent with the TVA Land Policy, approved on November 30, 2006, which state the retention and disposal decisions regarding power properties will be primarily based on business considerations consistent with the TVA Act and other applicable requirements. The Land Policy provides that TVA should emphasize sales that generate the maximum competition among bidders at public auction. TVA, however, is not precluded by the Land Policy from negotiating real property disposals when TVA determines the best way to dispose of the Site is by a negotiated conveyance.

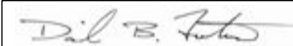

The proposed actions would not adversely impact TVA operations, and all required program, legal, and environmental reviews will be completed and obtained prior to conveyance of all or a portion of the Site.

RECOMMENDED ACTION

TVA management recommends that the Board approve the Surplus Delegation and Related Authorizations.



Jeannette Mills
Chief Administrative Officer
WT 7B-K

	
January 22, 2025	1/22/2025
David Fountain Executive Vice President and General Counsel	Jeff Lyash President and Chief Executive Officer

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EXHIBIT A
COC BACKGROUND

The COC consists of four buildings that are physically and operationally connected (Signal Place, Lookout Place, Blue Ridge, and Missionary Ridge), and a fifth, initially separate building (Monteagle Place), which now has several operational connections to other COC buildings. The COC sits on over 8 acres in the Chattanooga Central Business Zone and is located on TVA Tract Numbers COFC-16, -18, -19, -20, and -34, in Hamilton County, Tennessee. The Site (which includes the Blue Ridge and Missionary Ridge buildings and adjacent street and sidewalks) bears TVA Tract Nos. COFC-20 and COFC-34.

TVA began construction of the COC in 1980 to house more than 3,500 employees and contractors. Prior to completion of construction, TVA entered into a financing leaseback agreement for a 25-year occupancy lease. TVA terminated the lease-purchase agreements in 2011 and 2012 and re-acquired the COC. The United States of America for the benefit of TVA owns these properties in fee simple, which means that TVA has deeds to the properties.

Land Acquisition:

The land where the COC is located was acquired by TVA in five parcels between 1980 and 1983:

- Tract COFC-16 (0.10 acre) acquired June 9, 1986 – see below under Easements
- Tract COFC-18 (1.74 acres) acquired January 2, 1980
- Tract COFC-19 (2.99 acres) acquired March 4, 1980
- Tract COFC-20 (3.38 acres) acquired December 14, 1982; and
- Tract COFC-34 (1.10 acres) acquired October 28, 1983 – see below under Easements

Easements:

TVA has granted three permanent easements to the City of Chattanooga affecting the COC property (see the attached map, Exhibit B, for more information):

- On October 28, 1983, for a street, sidewalk, and necessary appurtenances (Broad Street) over the entirety of acquisition Tract COFC-34 and portions of acquisition tracts COFC-18, COFC-19, and COFC-20 (this easement identified as disposal tract XTCOFC-4E)
- On June 9, 1986, for a street, sidewalk, and necessary appurtenances (12th Street) over the entirety of acquisition Tract COFC-16 (identified as disposal tract XTCOFC-6E)
- On February 2, 1989, for an elevated pedestrian walkway and pedestrian ingress and egress between Chestnut Street and the walkway (connecting to the Chattanooga Trade Center Parking Garage) over a portion of acquisition tract COFC-19 (identified as disposal tract XTCOFC-7E)

TVA has also granted licenses from time to time allowing use of portions of the COC.

TVA will review all existing easements and licenses to ensure proper consideration or termination prior to transfer of all or a portion of the Site.