

<b>DOW INDUST.</b> 21408.52 -5.82	<b>NASDAQ COMP.</b> 6176.39 +23.31	<b>S&amp;P 500</b> 2427.43 +2.25	<b>10-YR T-NOTES</b> 2.38% -.01	<b>30-YR T-BONDS</b> 2.93% ...	<b>CRUDE OIL</b> \$44.40 +.17	<b>GOLD NY MERC</b> \$1212.10 +3.50
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# \$8 million St. Elmo subdivision gets planners' OK

**Work begins in 2018 on project to be area's biggest in years**

BY MIKE PARE  
STAFF WRITER

One of the biggest proposed new St. Elmo subdivisions in years won the OK of a planning panel Monday, but not before neighbors raised concerns over traffic and

whether the new development will fit in the historic neighborhood. Developer John Coffelt told the Chattanooga-Hamilton County Regional Planning Commission he would construct only single-family homes on the 4.6-acre tract located on the east side of Tennessee Avenue and at the end of Thomas Avenue. About 27 residences, including some so-called "tiny homes," would go into the new subdivi-

**"We took this part of the city and protected it. We need to honor all the work we've done for 20 years."**

— CARL ROBERSON, A RESIDENT OF ST. ELMO

vision estimated to total about \$8 million in new investment when built out. Coffelt said work

could start in about a year on the property, which he sought to rezone from an M-1 manufacturing district to a R-T/Z residential townhouse zoning. Kelli Richardson of LDA Engineering said there have been three community meetings related to the proposed project. The St. Elmo Neighborhood Association has given its approval, she said. But a pair of St. Elmo residents expressed their concerns to the

planning commission about the proposed development. Tim McDonald said vehicle traffic in the area will increase in a location that has narrow streets. "There will be safety issues," he said. "It won't get any better." McDonald said rezoning the property to R-1 would have been a better fit for St. Elmo as that is what most of the area already

See PROJECT › C3

# City agrees to put off land buy for wastewater storage tank

BY MIKE PARE  
STAFF WRITER

A Chattanooga official agreed Monday to defer a plan to buy land for a 7 million gallon wet weather storage facility for wastewater near Lupton City after hearing opposition to the proposal.

"I think to defer is the best action," said Gail Hart, the city's real property coordinator, after several people, including City Councilman Jerry Mitchell, expressed concerns about the project to the Chattanooga-Hamilton County Regional Planning Commission. The city had proposed acquisition of a 3.32 acre tract at Lupton and Dixie drives owned by Girls Preparatory School for the storage facility. Mark Mullin, who heads the Fairfax Heights-Bagwell City-Lupton City Neighborhood Association, said he understands the need for such facilities, but "wholeheartedly"

See LAND BUY › C3



CONTRIBUTED PHOTO

Rendering from Artech shows how the new Masonic lodge building will look when completed at 551 West 21st St. across from Finley Stadium.

# MASONS TO BUILD NEW TEMPLE BUILDING NEAR FINLEY STADIUM

BY DAVE FLESSNER  
STAFF WRITER

One of Chattanooga's oldest nonprofit groups is getting a new home that backers hope will draw a variety of uses in Chattanooga's re-emerging Southside. Four Chattanooga Masonic lodges are joining to build a facility on a vacant lot at 551 West 21st St. across from Finley stadium to both house their lodge activities and to be available for events and parking for other activities at the stadium.

The Masons plan to break ground Friday on their new \$2 million temple site, which is the third home for the Chattanooga Masonic Center since its founding in 1899.

The new 7,650-square-foot building should be completed by next year and will be home to four Masonic lodges that previously shared a building at 950 Vine Street, which the Masons sold two years ago to the Chabad Jewish Center of Chattanooga.

"We searched several locations prior to deciding on this site," said Steve Reno, a Mason for the past 29 years and is president of Chattanooga Masonic Temple Inc., which is comprised of representatives from the four Masonic lodges. "We

**"We searched several locations prior to deciding on this site. We just felt with the expansion on the Southside, this was a really good opportunity to be more visible in the community and to develop our facility to assist the community with events and parking for stadium activities and other activities."**

— STEVE RENO, PRESIDENT OF CHATTANOOGA MASONIC TEMPLE INC.

just felt with the expansion on the Southside, this was a really good opportunity to be more visible in the community and to develop our facility to assist the community with events and parking for stadium activities and other activities."

In addition to hosting Masonic events, the new Masonic building will have an approximately 200-person capacity rental space for other special events as well as an outdoor patio area and parking lot. Paul Smith, another board

See MASONS › C3



CONTRIBUTED PHOTO COURTESY OF THE CHATTANOOGA PUBLIC LIBRARY AND UNIVERSITY OF TENNESSEE AT CHATTANOOGA SPECIAL COLLECTIONS

The Masonic Temple Building at 950 Vine St. housed the Masons from 1959 until 2015, when the building was sold and converted to the Chabad Jewish Center of Chattanooga.

## The List

### Worst run cities in America

The online website WalletHub.com ranked the nation's 150 biggest cities for their operating efficiency by comparing the quality of services residents receive against the city's total budget. The study rated 33 community factors, including crime rates, quality of schools, economic growth and wages, financial stability and other factors and measured results against the city's per-capita budget.

- 1 Washington D.C.
- 2 Detroit
- 3 New York City
- 4 San Francisco
- 5 Cleveland, Ohio
- 6 Hartford, Conn.
- 7 Oakland, Calif.
- 8 Flint, Mich.
- 9 Chattanooga
- 10 Memphis

Source: WalletHub. Chattanooga ranked above average in its financial stability and infrastructure and pollution ratings, but it ranked below average in education, health, safety and income, among other factors. The top-rated cities, in order, were Nampa, Idaho; Provo, Utah; Boise, Idaho; Missoula, Mont., and Lexington, Ky.

# Union files for vote by workers at Mississippi Nissan plant

BY JEFF AMY  
THE ASSOCIATED PRESS

JACKSON, Miss. — The United Auto Workers filed petitions Monday to force a unionization election at a Nissan Motor Co. plant in Mississippi after a yearslong pressure campaign to build support.

Sandra Hightower of the National Labor Relations Board confirmed the board received the UAW's election petition in its New Orleans office.

The UAW declined comment but has scheduled an event today at its office near the plant in Canton, just north of Jackson. That union has long struggled to unionize foreign-owned auto plants across the South, and Monday's move sets the stage for a key showdown.

The union has worked for years to build support for a vote among the 6,500 workers at the complex. They and community allies also have pushed Nissan to stay neutral in a vote, claiming the company has intimidated workers. The labor board has backed some of those claims in litigation that remains pending.

Nissan spokeswoman Parul Bajaj reiterated the company's stance that workers get to choose whether they have a union but management opposes representation.

"While it is ultimately up to our employees who will represent them, we do not believe that UAW representation is in the best interest of Nissan Canton and its workers," Bajaj said.

See UNION › C3



ASSOCIATED PRESS FILE PHOTO

In March, UAW president Dennis Williams calls for auto workers to demand their rights during a speech before thousands gathered at a pro-union rally near Nissan Motor Co.'s Canton, Miss., plant.

# Masons

CONTINUED FROM C1

member for the Chattanooga Masonic Temple, said the building will be home to Chattanooga Lodge No. 199 F.&A.M. Temple Lodge No. 430, F.&A.M., John Bailey Nicklin chapter No. 49 R.A.M., and Lookout Commandery No. 14 Knights Templar. Collectively, the four lodges have nearly 800 members who continue the Mason tradition started in Chattanooga with the establishment of the first lodge in 1850.

"The new building will be of great use for these lodges and for others who may want to use the facilities, especially on game days at Finley Stadium," Smith said.

Chattanooga Masonic Temple, Inc., a not-for-profit real estate holding company, was chartered in 1899 to promote Freemasonry and to erect and maintain a building for Masonic purposes in Chattanooga.

Chattanooga attorney Mark Von Keller, II, vice president of the Chattanooga Masonic Temple, said the first Masonic



CONTRIBUTED PHOTO COURTESY OF THE CHATTANOOGA PUBLIC LIBRARY AND UNIVERSITY OF TENNESSEE AT CHATTANOOGA SPECIAL COLLECTIONS

The original Temple Building in downtown Chattanooga was at Seventh and Cherry streets where Jim Berry later developed the first parking lot for what became Republic Parking Systems.

Lodge in Chattanooga was chartered in 1850 and Temple 430 began in 1872.

Masons are part of a fraternal organization that traces its roots to

the local fraternities of stonemasons, which regulated the qualifications of stonemasons and their interaction with authorities and clients in medieval times. The basic, local organizational unit of Freemasonry is the Lodge.

The Masons first home in Chattanooga was at 7th and Cherry Streets in what was formerly the Mountain City Club. In 1917, the membership in the Chattanooga Masonic Temple was extended to two other masonic bodies — Hamilton Chapter No. 49 of the Royal Arch Masons and Lookout Commandery No. 14 Knights Templar.

In 1959, the Chattanooga Masonic Temple moved into its second home, the former Jo Conn Guild mansion at 950 Vine Street in Fortwood.

Chattanooga Masonic Temple Inc. is now governed by an eight-member board comprised of Reno von Kessler, vice president, Terry Plemons, secretary-treasurer, Jim Carroll, David Olds, Richard Petty, Paul Smith and Tag Thompson.

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## Business News

### Pinnacle named SBA preferred lender

Pinnacle Bank, which acquired the former Capital-Mark Bank in Chattanooga in 2015, said Monday it has earned Preferred Lender Status from the U.S. Small Business Administration, giving Pinnacle final authority on SBA-backed loans.

Pinnacle Financial Corp. also earned Community Bank of the Year honors from SBA for Tennessee, an award Pinnacle has won every year since it began giving SBA loans in December 2013. Pinnacle generated the highest dollar amount and number of loans in the SBA 7(a) program in Tennessee with 20 such loans totaling \$9.8 million last year.

Now that Pinnacle has joined forces with BNC Bancorp, the firm's SBA program will be based at the combined firm's office in Greenville, S.C. In SBA fiscal year 2016, BNC approved 52 SBA loans amounting to \$42.1 million.

"We have a well-established SBA program in the Carolinas and Virginia that's done terrific business for a number of years," said Rick Callicutt, Pinnacle's chairman of the Carolinas and Virginia.

Pinnacle recently added SBA-focused advisor Jim Gugliemino at its Chattanooga office on Broad Street.

### Porsche investigated over diesel emissions

German prosecutors say they've opened an investigation into employees of Porsche, which is a unit of Volkswagen AG, and an American subsidiary over the possible manipulation of diesel emissions.

Stuttgart prosecutors said Monday they are investigating suspicions of fraud and making false claims. They said the investigation is against persons unknown who were employed by Porsche and a U.S. unit which it did not identify.

Prosecutors elsewhere in Germany are investigating alleged wrongdoing at Volkswagen and Audi, another of the German automaker's units.

Volkswagen has acknowledged equipping about 11 million cars worldwide with software that sensed when cars were on test stands and turned emission controls on, then turned the controls off during every day driving to improve performance.

### Wells Fargo to pay out \$142 million settlement

Wells Fargo has received preliminary approval to pay out \$142 million to customers affected by the bank's sales practices scandal.

A federal judge gave preliminary approval Saturday to the deal that would settle claims over fraudulent accounts going back to 2002.

The San Francisco-based bank and lawyers for customers reached the agreement earlier this year over accounts that Wells Fargo staff had opened without permission as they sought to meet unrealistic sales goals set by management.

In September, Wells Fargo agreed to pay a combined \$185 million fine to state and federal regulators. The biggest scandal in the bank's history led to the abrupt retirement of its CEO, John Stumpf. Several other top executives have lost their jobs.

### Consumer credit up by most in 6 months

American consumers increased their borrowing in May at the fastest pace in six months, reflecting a sharp rebound in the category that includes credit cards.

The Federal Reserve reported Monday that total consumer borrowing rose by \$18.4 billion in May, the strongest gain since a \$25.1 billion increase in November. In addition, April's gain of \$8.2 billion, the weakest increase in nearly six years, was revised to a more respectable increase of \$12.9 billion.

Consumer borrowing is closely watched for signals it can provide about consumer spending patterns.

With the labor market continuing to churn out jobs and the stock market at record levels, economists believe households will feel more confident about boosting their debt levels to support increased spending. Consumer spending accounts for 70 percent of economic activity.

The strength last month reflected a greater use of credit cards, which rose by \$7.4 billion, much stronger than the \$1.2 billion April increase. The category that includes auto loans and student loans increased \$11.05 billion, slightly lower than April's \$11.8 billion gain. Auto sales have been slowing this year after last year's record pace.

### News outlets seek deal with Google, Facebook

News outlets are seeking permission from Congress for the right to negotiate jointly with Google and Facebook, two companies that dominate online advertising and online news traffic.

The News Media Alliance, which represents nearly 2,000 news organizations, said the two companies' dominance have forced news organizations to "play by their rules on how news and information is displayed, prioritized and monetized."

"These rules have commoditized the news and given rise to fake news, which often cannot be differentiated from real news," the alliance said in a news release Monday.

It won't be easy getting a congressional antitrust exemption to negotiate as a group. But the alliance's chief executive, David Chavern, said in an interview that trying is better than doing nothing.

The news industry has been hit with declining print readership and a loss of advertising revenue as it has moved online.

The outlets want stronger protections for intellectual property, support for subscription models and a bigger share of the online advertising market. Google and Facebook combined will account for 60 percent of the U.S. digital advertising market this year, according to the research firm eMarketer.

STAFF AND WIRE REPORTS

# Union

CONTINUED FROM C1

The pro-union campaign has sought to link support for the union with civil rights for African-Americans. Workers at Nissan's plant in Smyrna, Tenn., rejected the UAW in 1989 and 2001 votes, but no election has been held at the Mississippi plant in Canton.

The Mississippi campaign has featured support from NAACP and actor Danny Glover, as well as a rally this March headlined by U.S. Sen. Bernie Sanders, a Vermont independent and former Democratic presidential candidate.

Bishop Thomas Jenkins of New Dimensions Church in Jackson recorded a video and spoke at a Sunday workers meeting at the UAW office. He said he has long advocated for better wages and working conditions in Mississippi.

"We've been talking about this for a long time," Jenkins told the AP in a phone interview Monday. "It's time to go forth."

The union lost a vote among all workers at Volkswagen AG's plant in Chattanooga but then won a vote among 160 maintenance workers. That was the first-ever win for the UAW at a foreign-owned auto plant in the American South. German-based Volkswagen had refused to bargain with those workers, saying representation decisions should be made by the entire hourly workforce.

Hightower said the UAW had asked to represent all production and maintenance workers at the plant, a group that could also include contract workers employed by two other companies. She said the labor board would seek to schedule an election "as soon as possible." However, she noted that pending unfair labor practice complaints filed by the UAW could block the vote. The UAW filed a new round of charges June 26.

Thirty percent of workers must sign petitions seeking an election. Hightower could not immediately say how many workers have signed.

"We have a pile of paper," she said.

# U.S. agency moves to allow class-action lawsuits against financial firms

BY JESSICA SILVER-GREENBERG AND MICHAEL CORKERY THE NEW YORK TIMES

The nation's consumer watchdog adopted a rule Monday that will pry open the courtroom doors for millions of Americans, restoring their right to bring class-action lawsuits against financial firms.

Under the Consumer Financial Protection Bureau rule, banks and credit card companies could no longer force customers into arbitration and block them from banding together to file a class-action suit.

The change would deal a serious blow to Wall Street and could wind up costing financial firms billions of dollars.

Richard Cordray, director of the Consumer Financial Protection Bureau, said including mandatory arbitration clauses in contracts "allows companies to sidestep the judicial system, avoid big refunds, and continue to pursue profitable practices that may violate the law and harm large numbers of consumers."

More immediately, its adoption is almost certain to set off a political firestorm in Washington,

where both the administration of President Donald Trump and House Republicans have pushed to rein in the consumer finance agency as part of an effort to lighten regulation on the financial industry.

Under the Congressional Review Act, lawmakers have 60 legislative days to overturn the rule blocking mandatory arbitrations. The rule could take effect next year.

The Chamber of Commerce and other pro-business groups have belittled the rule as nothing more than a gift to class-action lawyers, who tend to be Democratic donors.

But as much as Republicans deplore the consumer protection agency, they may find it difficult to kill a rule that could have populist appeal. Judges, prosecutors and regulators have decried arbitration clauses for allowing corporations to circumvent the courts and for taking away the only tools citizens have to fight illegal or deceitful business practices.

The rule is one of the signature efforts of the Consumer Financial Protection Bureau, which was created in 2010 as part of the Dodd-Frank regulatory

overhaul to safeguard the rights of Americans after the mortgage crisis.

At a time when Dodd-Frank has come under attack, the arbitration initiative from the consumer finance agency — which operates independently from the Trump administration — is a provocative stand against the political tide in Washington.

Supporters of the agency say arbitration is the kind of issue that requires independence from corporate interests.

"Forced arbitration deprives victims of not only their day in court, but of the right to band together with other targets of corporate lawbreaking. It's a get-out-of-jail-free card for lawbreakers," said Lisa Donner, executive director of Americans for Financial Reform. "The consumer agency's rule will stop Wall Street and predatory lenders from ripping people off with impunity, and make markets fairer and safer for ordinary Americans."

The rule will unwind a series of brazen legal maneuvers undertaken by major U.S. companies to block customers from going to court to fight potentially harmful business practices.

# Land buy

CONTINUED FROM C1

disagreed with the location.

"I don't think the city did its due diligence in informing the neighborhood," he said. "We'll oppose it."

David DeVaney, president of NAI Charter Real Estate Corp., said he represented insurer BlueCross BlueShield of Tennessee, which is trying to sell a 216-acre site off Lupton Drive not far from the proposed storage facility.

"We're opposed to

the extent we'd like to get more information," DeVaney said. "This is the only access to the property."

The parcel is one of the biggest remaining undeveloped tracts along the Tennessee River in Chattanooga.

Mitchell said the process is "terrible" by which the city's public works department recommends a wet weather facility site, which is then taken to the planning panel for its approval before community input.

He said that while there's a sewage overflow problem in that area

and it might cost more to move such a facility to another nearby location, he would favor doing so rather than "ruining a neighborhood."

A GPS spokesman sought to defer the matter, saying the school, too, has concerns about the location of the facility, noting it owns about 18 acres in that area.

Hart said there's "never a perfect place to put one of these storage facilities. It's not the perfect place, but it was as good as we could find."

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# Project

CONTINUED FROM C1

is zoned. "It will set precedent in the future," he said about the rezoning. "I'm not happy with the outcome."

Carl Roberson, another resident, said he has lived in St. Elmo for 24 years and people

in the neighborhood have worked hard to make it a historic part of Chattanooga.

"We took this part of the city and protected it. We need to honor all the work we've done for 20 years," he said, adding he was concerned townhouses eventually could be built on the site.

Panel member Jason Farmer asked Coffelt if

he'd accept as a condition of the rezoning limiting construction to only single-family homes.

Coffelt said he would agree, saying he didn't want to upset the fabric of the community.

"I wouldn't be in St. Elmo unless I didn't have a deep love for St. Elmo," he said.

Donna Williams, another panel member,

lauded the amount of dialogue between the developer and St. Elmo residents before the Monday meeting.

The rezoning still must receive approval from the City Council, which is expected to consider the proposal next month.

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