

INDUSTRIAL DEVELOPMENT BOARD
Thursday, January 31, 2013
Administrative Conference Room – 5:30 p.m.
Department of Economic and Community Development
1920 S. Germantown Road

The Germantown Industrial Development Board met on Thursday, January 31, 2013 in the Administrative Conference Room. Chairman Henry Evans called the meeting to order at 5:30 p.m. A quorum was established with the following members present.

PRESENT: Chairman Henry Evans, Vice-Chairman Mike Harless, Keith Saunders, Charlie McCraw, David Klevan, Dick Vosburg, and Julie Klein

ABSENT: Dr. Frank Markus

STAFF: Andy Pouncey, Economic & Community Development Director, Marie Burgess, Planner and Josh Lawhead, PILOT Attorney, Burch Porter & Johnson PLLC

MINUTES

3. A motion was made by Mike Harless, seconded by Julie Klein, to approve the June 27, 2012 minutes. Motion passed.

Mike Harless asked where the money received from the PILOT companies is deposited. Mr. Harless also asked if the IDB is required to reconcile/review the IDB bank account/ledger.

Andy Pouncey answered the money is put in the general fund account. Finance will send a report to staff that will be sent to the IDB.

Henry Evans stated we have some clean up items we need to take care of tonight.

4. Josh Lawhead noted the amendment to the traditional PILOT compliance report. (The information that is at the bottom of the first page). This is information that was discussed at the last meeting that the IDB would like to know in order attempt to better understand the total benefit and return on investment to the City with the PILOT applicants. For example, PILOT recipients should provide, every year, a number of employees who reside in Germantown.

Mr. Evans stated we will be sending out compliance report notices out next week. So it is important we approve this tonight.

A motion was made by Keith Saunders, seconded by Mike Harless, to approve the amendment to traditional PILOT compliance report. Motion passed.

5. Mr. Lawhead noted the creation of the Real Property Retention PILOT Lease and Personal Property Retention PILOT Lease. There were few changes made from the traditional PILOT forms. New construction alone would not be the sole Real Property Capital investment requirement; but rather, applicants may acquire a building guideline to satisfy the real property capital investment requirement. Furthermore, the language in the traditional PILOT leases speaking to the mandate that they create new jobs was amended to include retained jobs. So those are the two natures by which the traditional leases have been changed which resulted in the Real Property Retention PILOT Lease and Personal Property Retention PILOT Lease.

A motion was made by Mike Harless, seconded by Keith Saunders, to approve the Real Property Retention PILOT Lease and Personal Property Retention PILOT Lease. Motion passed.

6. Mr. Lawhead noted some changes need to be made on the IDB Retention PILOT Guidelines to correct typos and provide consistency to names.

A motion was made by Mike Harless, seconded by Keith Saunders, to approve the revised IDB Retention PILOT Guidelines. Motion passed.

7. Mr. Lawhead noted some corresponding changes on the IDB Retention PILOT Policy Statement and Criteria.

A motion was made by Mike Harless, seconded by Keith Saunders, to approve the revised IDB Retention PILOT Policy Statement and Criteria. Motion passed.

8. Mr. Pouncey met with Scott Butterworth from Orgill, Inc. on their Retention PILOT application. We are going to keep their \$2000 application fee. I am going to make him further aware that he is responsible for any expenses that we have such as Josh Lawhead's fees and others. They have four to five years left in their lease. Mr. Butterworth shared Orgill's concern and opinion regarding the Retention PILOT application that the City is more concern about new jobs and not retained jobs.

9. Marie Burgess noted the Board had requested that staff notify Shelby County concerning the Compliance Reports. There is a letter in your packet from EDGE dated from October, where they agreed with our assessment of the PILOT Compliance Reports by the Shelby County matrix. Also, the Trustee's office requested a 10 year history of Germantown PILOTs.

Ms. Burgess will send notices to the PILOT companies in advance of the Compliance Report, which is due March 1, 2013.

ADJOURNMENT

There being no further business to come before the board, the meeting was adjourned.