

ECONOMIC DEVELOPMENT COMMISSION
Thursday, May 2, 2013
Blue Conference Room
1920 South Germantown Road

The regular meeting of the Economic Development Commission (EDC) was held Thursday, May 2, 2013, in the Blue Conference Room. Chairman Jim Stock called the meeting to order at 5:30 p.m.

PRESENT: Steven Levy, David Rea, Greg Marcom, Donald Robbins, Jim Stock, Ron Sklar, Jerry Klein, Charles McCraw, James King and John Wagner

GUESTS: Russell Johnson member of the Financial Advisory Commission, Janie Day, Interim Director of Germantown Area Chamber of Commerce, Eddie Cox member of the Financial Advisory Commission, Reid Dulberger, Chief Economic Development Officer for Memphis and Shelby County and President CEO of Economic Development Growth Engine (EDGE)

ABSENT: Michelle East, Susan Burrow and Brian Pecon

STAFF PRESENT: Patrick Lawton, City Administrator; Andy Pouncey, Director of Economic and Community Development; Kathleen Rose, Interim Economic Development Consultant

A quorum for tonight's Economic Development Commission meeting was established.

MINUTES:

Approval of Minutes for April 4, 2013

Chairman Jim Stock stated the first order of business is the approval of the minutes for April 4, 2013. If there were no additions, corrections or deletions to the minutes of the April 4, 2013, meeting of the Economic Development Commission, he would entertain a motion for approval.

Mr. Rea moved to approve the Economic Development Commission minutes of April 4, 2013, seconded by Mr. Klein. **The motion was passed.**

REPORTS:

a) Regional – EDGE (Reid Dulberger, Chief Economic Development Officer/President CEO) for Memphis and Shelby County's Economic Development Growth Engine (EDGE) made a presentation. EDGE has created a financing arm (funding initiatives) for small businesses. This is not to compete with banks; it is to spur additional economic development. EDGE is an umbrella economic development organization which includes the old Memphis Shelby County Industrial Board, the Port Commission, the Foreign-Trade Zone 77 and some other programs that used to be housed at the City/County Office for Economic Development. Economic Gardening is one initiative that comes out of our small business development program. This program strategy was founded in Littleton, Colorado in 1987 to combat a statewide recession. Since implementing the program, Littleton has experienced a 71 percent increase in employment.

Littleton's success has been duplicated throughout the country in states like Florida, Georgia, Michigan and Texas. In Florida alone, 250 Economic Gardening participants generated an estimated \$510 million in economic output while creating 3,285 jobs.

The notion is to take existing companies and help them grow. We are the solution in economic development for the small businesses: the ones that are too small to be large and too big to be small. They are caught in the middle and don't have the help they really need to really grow their business. So we have created a program working in conjunction with communities and the Edward Lowe Foundation called Economic Gardening. It is a new trend going on across the country, where communities are looking at other options to grow. In place of your economic development "hunting" and traditional type programs, this is another tool we can add in the toolbox where we can help those businesses that are primarily between 1 million to 50 million. They may need help with growing from the standpoint of markets and strategy. We do Economic Gardening according to the Edward Lowe Foundation. We take a company, put that CEO in the center, and surround that CEO with excellent staff and consultants' staff

that can provide them with the help that they need. There are normally about three types of professionals that are on that team for that CEO. There is a strategy development person, market research person GIS person that comes in and provides the technical mapping support and then an SEO person that comes in and helps them do search engine optimization. It is assistance with technology marketing; market research if they want to roll out a new product. The Economic Gardening Program is primarily through the Mayor's Innovation Delivery Team and it is focused mostly on Memphis City businesses but they do have the opportunity to reach out into the community and the county.

It is our pleasure to invite businesses in your community to participate in the Memphis and Shelby County Economic Gardening trial program designed to accelerate the growth of participating firms. We will select 6 firms located in suburban Shelby County municipalities to participate in a trial program, at no cost. Ideally, we would like to award one company from each suburban city if possible.

This new economic development program will provide high-level support, using strategic research teams for companies that have proven business models, an intent and capacity for growth, and plans to serve external markets outside of Memphis and Shelby County.

The Memphis and Shelby County Economic Gardening trial program will assist local companies with market research, strategy and management, geographical information systems, and new media. EDGE and the Mayor's Innovation Delivery Team have contracted with the Edward Lowe Foundation (Cassopolis, MI) to provide these services. If the program is as successful as anticipated, it will be implemented on a permanent basis.

To be considered for selection, local companies must meet the following criteria:

- Have revenues of \$1 million to \$50 million and have 10-99 employees
- CEO/Owner must make a commitment to personally participate and allocate 10-20 hours for the program preparations, team and administration contact in a virtual (web-based) environment.
- Willingness to implement the identified or adapted growth strategy.
- Readiness to join the first Memphis and Shelby County Economic Gardening CEO Roundtable upon graduation from the Economic Gardening trial program for periodic follow-up, networking meetings at 3 months, 6 months during the first year, and then annually thereafter over a three- year period.
- And submit a completed application to: Economic Gardening Program either by U.S. Postal Service or in person at the Economic Development Growth Engine (EDGE) office located at 100 Peabody Place, Suite 1100, Memphis, Tennessee, 38103. Thereafter, the application period will remain open until all 22 companies are selected through August 2013.

The first program is already operating and is called the Edge Impact Fund. We have approval on two loans now and working our way in to that program. It's a SBA 7(a) guarantee loan from \$150,000 - \$2 million with working capital and fixed assets almost always working with the company's bank (they do a piece, we do a piece).

The second program about to come online is a partnership with the TN Business Development Corporation. They are an entity out of Paris, TN which is certified by the US Small Business Administration to run a 504 direct loan program (has been around for 40 years). This has not been utilized locally because we have not had a locally based entity certified to do those loans.

The way our Shelby County system is setup, we are the Shelby County IDB and are looking at making some changes on what we can do. What we do will affect the suburban IDB's, so we will be reaching out to all to get your input into what you would like to see.

- b) Kathleen Rose said that TVA's (the TN Valley Authority) economic development arm has put out a program to identify Sustainable Communities throughout TVA's 7 states. Marie Burgess scrambled to put this application together at the last minute and I am pleased to say we are among the first communities selected to participant in this program. This is to identify sustainable programs. As you know, the City as a whole is to create sustainable initiatives. We are going to be looking at what our qualification is. We are having a conference call with them on Friday, May 3.

We executed an agreement with the Germantown Area Chamber of Commerce with what we call a P3 Public Private Partnership agreement. What that entails is a variety of initiatives with the Chamber. They have created under a partnership website called the Germantown Economic Development Partnership which was an effort through a grant that was given to the county and EDGE to do some sort of economic development project. The Chamber started to do some marketing for the Forest Hill Irene area, which was going on while we were doing our Strategic Plan and what came out was identified our development area. What we agreed to was the City economic development department would take over the management of that website. They would still own the domain, but we would then be responsible for the content.

We reached out to Union University to really get an understanding about what they are doing and what's going on in their MBA program where the talent pool is. We are working with them on two projects with their MBA students 1) To evaluate in marketing and utilities of the Great Hall as it relates to tourism and meetings 2) An overall branding strategy with the City on how are going to brand and sell Germantown as a place to come and do business.

We have started to bench and track information. So in your packet is general information for your review: 1) Business licenses YTD from January to April with a total of 58 new businesses, 4 – restaurants, 1-retail shop, 23-home-based, 2) Sales tax revenue; I want to see what it looks like as a trend over the last few years. We pulled together the information FY10, FY11, FY12 and YTD13. What was interesting in 2010, we did not meet budget, but in 2011 and 2012 we were over budget, currently through April we are under budget for 2013. That's why we are really focused on what we can do to help push and generate filling retail space, enhancing sales and getting more development projects to come in to this community.

FYI is coming out with a new piece about information for living the good life in Germantown, summer camps, Farm Park, recreation, GAC, GPAC, sports, community theatre, library, regional history & genealogy and calendar of events. We are going to create a seminar piece called Business Buzz, which will focus on nothing but business and economic development. It will be more of a newsletter were we start creating some news releases.

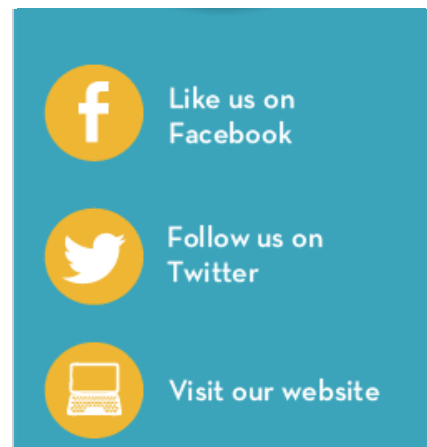
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Patrick Lawton talked about the adjustment to the property tax for a number of good reasons, primarily due to the decrease of property value that we have seen over time. The adjustment is to address the FY14 budget, but also we did a 5 year financial planning projection. From what we have seen, it will take at least 44.5 cents to make that funding model work (City Budget). It's going to happen in a couple of areas: 1) 9.5 cents of that adjustment is to get us back to square one of what we have lost, 2) the other 35 cents is to keep our service levels intact and we are not pulling back on the things that we do well in Germantown and why the people live in this City in the first place; also to keep our reserves healthy; and finally to help maintain our Triple A bond rating.

- c) Andy Pouncey stated the Western Gateway Plan is located at Poplar Pike/Poplar Avenue from the east and west of Kirby Parkway. Following is the planning process for approval: 1) make changes in the codes, 2) additional neighborhood meetings, 3) go back to the Western Gateway property owners, 4) Planning Commission to review and approve the plan, 5) go to the BMA to review and approve the plan (it takes about a month for this process). If that passes, then the next step is to get the regulation plan which is like the zoning plan and code approved. You go to the Planning Commission one time and go to the BMA for three readings for approval.

Planning/Small Area Plan Districts:

- i. Central Business District – Smart Growth Area has the new Verizon building and it will open in 2 months. Mr. Pouncey stated he has 6 contacts in the Smart Growth Area.
- ii. Western Gateway/Poplar – McDonald's is going to remodel their building and the parking lot for 2 drive thrus. The plan will go in front of the Planning Commission and the BMA for approval of code, regulating plan, and zoning.
- iii. Eastern Gateway/Poplar -

- iv. Forest Hill Heights – The Hyatt has just been sold. The cemetery is part of Germantown and they just received a 2.1 million grant to replace the sod and reset all the stones.
 - v. Wolf River – We just had two rezonings: 1) Baptist Medical Healthcare property, (so they could bring another facility just like the one on Exeter Road), 2) Campbell Clinic property rezoning to O-51, 3) a Transportation Master Plan in progress on the CIP. Transportation in this area is critical. We are studying the whole area and looking at alternative solutions.
- d) Mr. McCraw gave a report from the Germantown Area Chamber of Commerce:
- The Chamber will be celebrating their 40th anniversary this year around the Germantown Festival in September.
 - The Business Expo was last Thursday. It was redesigned to where it was more business to business and for the first year of a new strategy, it worked very well. A lot of feedback came in about a mixer that was held Wednesday night for the exhibitors, and that was very successful.
 - The Chamber Business After Hours Program (1 to 2 a month); it is an opportunity for a business to host a reception after hours (very popular event).
 - The Taste of the Town is something the Chamber has been doing for years now to highlight the hospitality industry coming up again September.
 - May's monthly luncheon will focus on education.
 - The Chamber's website is going to be redesigned to make it more user friendly in the third quarter of this year and the launch date will be approximately August 2nd.
- e) Mr. McCraw stated the IDB's last meeting was February 28. The primary purpose of that meeting was to inspect some personal property additions by ThyssenKrupp Elevator Manufacturing Company. Over the last year we have developed a Retention PILOT which we previously did not have, and Orgill actually had a 10 year PILOT that expired in January 2012.

OLD BUSINESS:

- a) Ms. Rose talked about the Economic Development Work Plan Status Report (see graph below).

The P3 Public Private Partnership agreement review is in progress. If you recall the Smart Growth Central Business district not only has a small area fiscal plan that the community reviewed and had input on and approved, but the next layer after the plan is the ordinance for regulating the plan to happen (zoning and approval). The third layer of that is something our firm was involved with as well; the P3 Public Private Partnership agreement. It is an incentive package that if you build according to the plan and ordinance, the more you adhere to certain sustainable goals (not only economic, but environmental), the more we will assist you in terms of things you can get back from the community such as infrastructure improvements or PILOT's. The biggest element that most developers face is this whole issue of certainty. They want to know the level of certainty for spending their money on property and plans here. Because the more certainty they have, the quicker they can get to the table. We talk about Certified Sites program with the State. People want to know that it's shovel ready. The time it takes for me to make a decision to put a shovel in the ground and start a project is short and predictable.

Mr. Pouncey talked about the following planning process for approval: 1) make changes in the codes, 2) additional neighborhood meetings, 3) go back to the Western Gateway property owners, 4) go to the Technical Advisory Committee (TAC), 5) go to then the Planning Subcommittee, 6) go to the Planning Commission to review and approve the plan, 7) then it goes to the BMA to review and approve the plan (it takes about a month for this process). If that passes, then the next step is to get the regulation plan, which is like the zoning plan, and code approved. You go to the Planning Commission one time and go to the BMA for three readings for approval.

Updated: May 2, 2013					Germantown Economic Development Work Plan		TimeLine at a Glance		
Early Action		30 Feb	90 Apr	180 Jul	STATUS	Long Term	1 2013	2 2014	3 2015
	Complete Work Plan	X			complete				
	Create & Approve Department Budget		X		pending				
						Develop Operations Manual for Department		X	
G.P. 1.1	Changing Perception								
	Internal (staff) survey	X			complete	Annual Survey		X	X
	External (citizen) survey		X		complete	Annual Survey		X	X
	Press release for initiative/messaging	X			complete				
	Website ~ Evaluation & Launch		X		in process	Website ~ Update & Monitor		X	X
G.P. 1.2	Development Review Process								
	Modify review process per surveys		X		in process	Monitor Surveys to adjust process		X	X
	Improve customer experience			X	pending				
	Review/Change planning ordinance			X	in process				
	Review/Change signage ordinance			X	pending				
G.P. 1.3	Create Economic Development Dept.								
	Create performance standards for evaluation	X			in process				
G.P. 1.4	EDC/IDB Collaboration								
	Review roles/purpose of EDC & IDB		X		pending				
	Identify areas of collaboration		X		pending				
G.P. 2.1	Establish E.D. Nodes/Districts								
	Identify boundaries of each node	X			complete				
	Inventory Parcels within each node		X		complete				
	Create scope of RFP for SAP			X	in process				
	Completed SAP for each district			X	in process	Completed SAP for each district	X	X	
G.P. 2.2	Create Zoning for each District								
	Review ordinance and modify as determined			X	in process	New zoning for each district	X		
G.P. 2.3	Property Offering Program								
	Inventory land and buildings			X	pending				
	Publish map of inventory - website			X	pending	Update map and create offering pkgs	X	X	X
G.P. 3.1	Business Retention/Expansion (BRE)								
	Determine BRE programs in existence	X			complete	TNEDC/EDGE engagement	X	X	X
	Establish BRE program		X		complete	Monitor BRE program	X	X	X
G.P. 3.2	Live/Work Initiative								
	Create Annual Business & Industry Summit			X	in process	Hold Annual Summit	X	X	X
	Connect with SCORE & SBA			X	complete	SBA/SCORE engagement	X	X	X
	Facilitate internship/apprentice opportunities			X	pending	Internship/Apprentice opportunities	X	X	X
G.P. 3.3	Tourism Expansion								
	Inventory assets & create map		X		pending				
	Create & promote packages		X		pending				
	Collaborate with hotels & tourism organizations			X	pending	Ongoing collaboration & promotion	X	X	X

Early Action	30	90	180	STATUS		1	2	3	STATUS
	Feb	Apr	Jul			2013	2014	2015	
G.P. 3.4 Connect Tourism & Charity									
Create database of non-profits & charities		X		complete					
Initiate events benefitting charities			X	pending					
G.P. 3.5 Retail Revitalization									
Tour & inventory of each center		X		pending					
Plans with owners			X	pending					
Identify sources of funding for revitalization			X	pending	Monitoring retail health of centers	X	X	X	ongoing
Inventory space & facilitate displays/pop-ups			X	pending					
G.P. 3.6 Program events in retail centers									
Merchant extended hours		X		pending					
Develop, schedule & promote events			X	pending					
Develop and launch "Buy Local" program			X	in process					
G.P. 4.1 Communication & Marketing Campaign									
Internal staff/depart plan goals		X		in process					
RFP & implement Branding/Marketing Campaign			X	pending	Monitor effectiveness of marketing efforts	X	X	X	ongoing
G.P. 4.2 Social Media Campaign									
Evaluate & integrate social media in campaign			X	pending	Monitor & track Social Media	X	X	X	ongoing
G.P. 4.3 Conventions, Meetings & the Great Hall									
Identify target markets for meetings/conf.			X	pending					
Collaborate with hotels & tourism organizations			X	pending	RFP for the Great Hall	X			pending
G.P. 4.4 Private roundtable forum: Leaders & Elected					Annual Roundtable coincident with Summit	X	X	X	in process
Facilitate forum coincident with Summit			X	in process					
G.P. 4.5 Lifelong Learning & Incubation									
Workforce roundtable (Readyby21) @ Summit			X	pending	Part of annual Summit	X	X	X	ongoing
					Schools & Large Employer Partnerships	X	X	X	
					Re-evaluate Medical Incubation Initiative	X			in process
G.P. 5.1 Performance Measures									
Establish metrics and baseline values		X		pending					
Identify staff for data gathering & reporting		X		in process					
G.P. 5.2 Performance Reporting									
					Create an annual Trends Report (Summit)	X	X	X	in process
					Create a public Dashboard for transparency	X			pending

NEW BUSINESS:

- a) Task Forces
 - i. Retail
 - ii. Tourism
 - iii. Innovation

We also want the community to get involved in the Task Forces. Ms. Rose talked about the Task Forces and the kickoff meeting being the week of June 16 (see attached list of Task Force members). There will be monthly meetings for a while until things become established.

We will talk about the project for the Union University students. We are working with them on two projects with their MBA students 1) To evaluate in marketing and utilities of the Great Hall as it relates to tourism and meetings 2) An overall branding strategy with the City on how we are going to brand and sell Germantown as a place to come and do business.

GERMANTOWN TASK FORCES

LAST NAME	FIRST NAME	BUSINESS/ORGANIZATION
INNOVATION		
Klein	Jerry	Kossmann/Klein & Co.
Pecon	Brian	
Rea	David	The Jones Clinic
Sklar	Ron	Klazmer/Sklar Homes
Stock	Jim	
RETAIL		
King	James	Southern Security Federal Credit Union
Levy	Steven	Levy Commercial Realty, LLC
Marcom	Greg	City of Germantown
McCraw	Charlie	First Tennessee
Wagner	John	Germantown Hardware & Germantown Carwash
TOURISM		
Beasley	Pam	City of Germantown - Parks & Recreation
East	Michelle	Michelle East Photography
Klein	Jerry	Kossmann/Klein & Co.
Robbins	Donald	DC Robbins Construction Co, LLC

Is Germantown Business Friendly? External Survey

Purpose

In an effort to implement the work plans of the adopted economic development strategic plan, the City of Germantown first must gauge perceptions of how business friendly it is.

Methodology

An online survey was sent to 495 contact emails for Germantown businesses. Only 45 responded to this survey. This same survey was previously sent internally to city employees, elected officials and appointed commission members.

Results

The next chart indicates the average score (1-5) respondents rated their level of agreement with statements. Based upon the Center for Rural Entrepreneurship's score card, Germantown's average from the internal survey indicates mixed support.

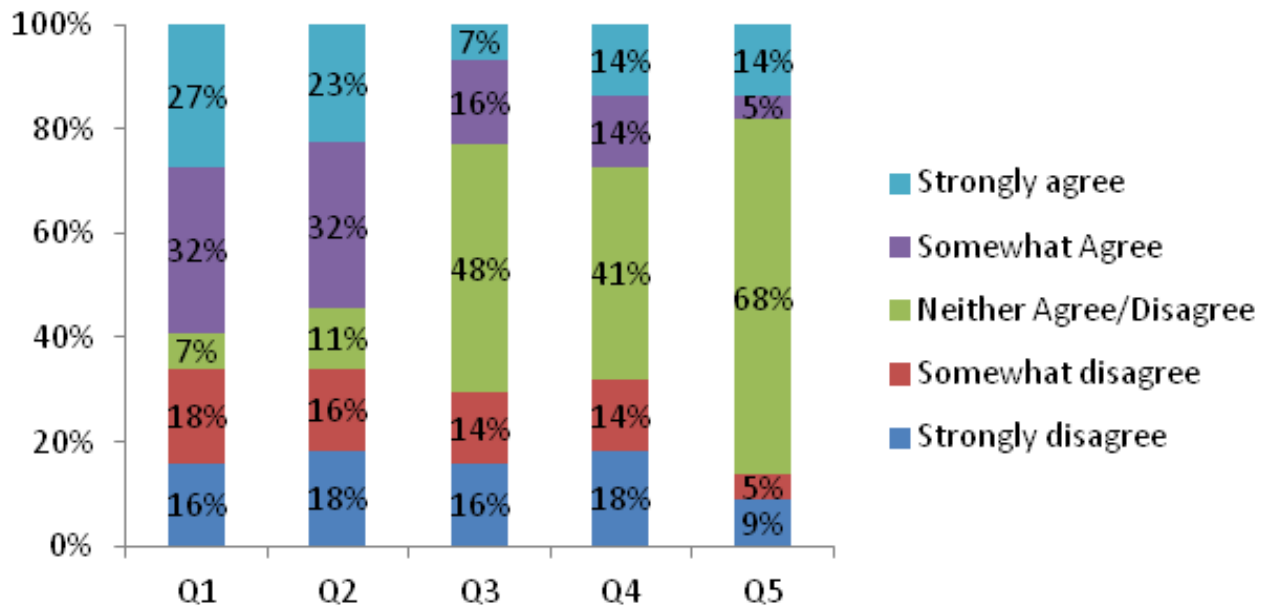
Question	Average Score
1. Most people in Germantown understand small business owners are critically important to the future development of our economy.	3.36
2. People in Germantown really support someone who is creating or expanding a business.	3.25
3. People in Germantown continue to support an entrepreneur who fails and is trying again with a new enterprise.	2.84
4. The Germantown community has established programs to assist small business owners to develop and grow.	2.90
5. The Germantown community is supporting a youth entrepreneurship program in the schools.	3.09
Total Average Score	15.45

Like the internal survey, it appears that Germantown is **somewhat business friendly** but has opportunities for improvement. The scores for questions one through three received lower scores from businesses than the internal survey. However, the overall score for the external survey was higher than the internal score due to higher ratings on questions four and five.

Sixteen of the 45 respondents also wrote comments. The major issue identified for improvement is the City's sign ordinance, which most respondents found too strict and a possible barrier to attracting more customers. The Poplar Avenue road construction from last year was identified as another issue that has inhibited business success.

Results indicated many respondents rated questions neutrally. Overall Top Box 2 scores (strongly and somewhat agree) were low for these questions.

Survey Results



Mr. Pouncey noted the Great Race will be in Germantown on Wednesday, June 26, 2013.

ADJOURNMENT:

There being no further business, the meeting was adjourned. The next meeting will be June 20, 2013.

The EDC meeting for July 11, 2013 has been cancelled.