

**INDUSTRIAL DEVELOPMENT BOARD**  
**Thursday, February 28, 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, February 28, 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, Frank Markus, Keith Saunders, David Klevan, and Julie Klein

**ABSENT:** Vice-Chairman Mike Harless, Charlie McCraw, and Dick Vosburg

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

**MINUTES**

A motion was made by Frank Markus, seconded by Keith Saunders, to approve the January 31, 2013 minutes. The motion passed.

Josh Lawhead discussed the compliance report for West Fraser. They have 51 jobs currently at \$118,000 annual wage. They are required under the lease to have 54 jobs at \$114,300 and are within 90%.

Mr. Evans noted they have paid more per job than anticipated.

Mr. Lawhead reminded the Board that the leases with each company had been amended in 2011 to reflect lower values from the initial PILOT leases which prevented the companies from being out of compliance.

A motion was made by Frank Markus, seconded by Keith Saunders, to approve the Compliance Report for West Fraser and acknowledge that they are lower in job numbers, but higher in job salary and appear to be in compliance per the lease agreement. The motion passed.

Mr. Evans introduced Charles Pierce, and Mark Baxter, Attorneys for ThyssenKrupp Elevator Manufacturing, Inc. They have 252 existing positions and a requirement of 226 positions. The average wage for the 252 existing positions is a little over \$72,000 when they were required to pay a little over \$51,000. The average wage on the 13 new full-time employees added in 2012 was a little over \$81,000. They met their Real Property Investment under the lease requirement of \$8,319,000. The Personal Property invested in 2012 is \$153,565.

A motion was made by Frank Markus, seconded by Julie Klein, and approved for the receipt of the Compliance Report for ThyssenKrupp Elevator Manufacturing, Inc. The motion passed.

Mr. Lawhead noted that before you is the Third Amendment to the Personal Property Lease Agreement that has been executed and delivered by ThyssenKrupp Elevator Manufacturing, Inc. whereby they have added personal property as exhibited by the bill of sale and the third amendment. This property was required and installed by ThyssenKrupp in their facility in Germantown in 2012.

ThyssenKrupp approached the IDB recently in 2013 regarding adding this property to the PILOT. The deadline is tomorrow on the records to be set for the 2012 personal property and the decisions before us are whether or not to accept property, and whether or not to treat it as 2012 or 2013.

Mr. Evans stated Resolution 2013-1 would approve the inclusion of the property effective 2012.

A motion was made by Mr. Saunders, seconded by Mr. Markus, to approve Resolution 2013-1 regarding the Personal Property of ThyssenKrupp Elevator Manufacturing, Inc. The motion failed.

Mr. Evans stated I voted no, and I will explain. When we enter into a PILOT with you, we are creating a partnership with ThyssenKrupp. I believe our board actions and response to your needs over time has demonstrated that we are here for you. We can respond quickly when you need us to. The very fact is that you didn't come to us until 10 days ago with this and we are here tonight. When you look at Exhibit A, all of this property was purchased prior to the end of October 2012. If you had come to us in November or December and said you have personal property to include it in 2012 and give us a chance to work with you by the first week in January, we could have come back and approved it. That would have been one thing. But not to communicate with us at all until 10 days ago and say, "By the way, you have to approve this by March 1" does not indicate that you have upheld your end of the partnership. I also have a problem with this board approving things that are going to be retroactive in nature, liking going back all the way to 2012.

Mr. Saunders voted yes. He feels that even though it was delayed in getting to us, there were circumstances that sometimes prevent getting things squared away.

Mr. Markus voted no.

Ms. Klein voted no.

A motion was made by Mr. Markus, seconded by Ms. Klein, to amend Resolution 2013-1 to reflect that the property will be effective 2013 for ThyssenKrupp Elevator Manufacturing, Inc. The motion passed.

Mr. Lawhead will make these changes (**in bold**) to the Resolution No. 2013-1 see below:

WHEREAS, IDB desires to accept the Bill of Sale and the Third Amendment to Original Personal Property Lease, **as of February 28, 2013.**

NOW, THEREFORE, BE IT RESOLVED BY THE IDB THAT,

1. The IDB hereby approves and accepts the Bill of Sale and the Third Amendment to Original Personal Property Lease effective as of **the date hereof.**

A motion was made by Mr. Markus, seconded by Ms. Klein, to approve the Resolution 2013-1 as amended to reflect acceptance of the personal property as of 2013 for ThyssenKrupp Elevator Manufacturing, Inc. The motion passed.

#### **ADJOURNMENT**

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