

ECONOMIC DEVELOPMENT COMMISSION
Thursday, April 3, 2014
Blue Conference Room
1920 South Germantown Road

The regular meeting of the Economic Development Commission (EDC) was held Thursday, April 3, 2014, in the Blue Conference Room. Chairman Klein called the meeting to order at 5:30 p.m.

PRESENT: Michelle East, David Rea, Jerry Klein, Janie Day, Donald Robbins, Susan Burrow, Alderman Greg Marcom and Rick Towne

GUESTS: Keith Dillihunt, EDGE and Alderman Rocky Janda

ABSENT: Ron Sklar, James King, Steven Levy and Sally Ostheimer

STAFF PRESENT: Marie Burgess, Planner; Cameron Ross, Director Economic Community Development; and Kathleen Rose, Interim Economic Development Consultant

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

2. Minutes: Approval of Minutes for March 6, 2014

Chairman Klein stated the first order of business is the approval of the minutes for March 6, 2014. If there were no additions, corrections or deletions to the minutes he would entertain a motion for approval.

Mr. Towne moved to approve the Economic Development Commission minutes of March 6, 2014, seconded by Mr. Rea. **The motion was passed.**

3. Reports/Monthly:

a) Keith Dillihunt with EDGE stated his role is Economic Development Specialist (responsible for working primarily with the applicants on the PILOT process and financing). We have four loan funds that we manage which includes the Mayor's Inner City Economic Development fund, EDGE Impact fund which is a collection of (EDA funds), Impact fund which is a SBA fund and a 504 loan program. Among other things, EDGE is moving towards the completion of the Economic Plan, which has been in the works for almost 2 years now. I think they are close to finalizing and getting very close to presenting it. We are doing a review of the PILOT program which has been around for a number years and has not changed much in that time period. We are reaching out to some of the past recipients of PILOT's and key stakeholders to ask them, "What do you like and dislike about the PILOT program? What should we change and streamline?" Sharon Younger, who is our consultant for the economic impact studies for this survey, will be able to give us complete feedback within the next 90 days.

Alderman Marcom asked if you are seeing an increase in the PILOT or the TIF applicants?

Mr. Dillihunt noted we see on average probably 4 or 5 applicants a month and maybe 1 makes it all the way through.

Chairman Klein stated Austin, TX is now ranked number 1 in the country for small business operations and start ups, etc. What is Memphis, TN ranked?

Ms. Rose answered that Memphis, TN is ranked last out of a list of 100.

Ms. Rose noted there is a new grant opportunity through the Delta Regional Authority that focuses on innovation, and this county is labeled as a distressed county because of the unemployment rate.

Mr. Rea asked how we compare to other major metropolitan areas, because we do not have the qualified workforce that we would like. What are they doing to be higher on that list, which we aren't doing? What more could we do to get the workforce in place to bring them in?

Mr. Dillihunt answered that Memphis is known as a distribution City. We have FedEx, UPS and several more located here because of our location. A lot of the manufacturers are moving from up north because of our availability of workforce. We have the lowest unionization rates in the country. People do not realize that. So they love the fact that we have the available workforce from a tri-state area. Where we have to do a better job is training our candidates. You have a large portion out there that basically have 6th or 7th grade education when it comes to the math and reading skills. There is a place for them in the workforce. We just have to make sure that we are training them to get to the jobs, which we need them to go into.

Mr. Rea asked what are the other areas doing to be so much further up the list?

Mr. Dillihunt answered that it all starts with education. If you have a better educated workforce, then there are going to be better candidates for you.

Ms. Burrow asked how can you entice someone to do that? In Marion, AR they have a college that has been recruiting a number of Asian students to come and they are already getting jobs.

Mr. Dillihunt answered that one of our programs focuses on one of those sectors where Memphis can expand and be at the top. We will be able to take advantage of our competitive location with rail, road and the river.

Ms. Rose noted 1) we are continuing to make some updates to the Germantown EDP website. The website should be on all ED materials (www.germantownedp.com). 2) we will have a Visitors Guide for Germantown which will be in all the area hotels, airport, and welcome centers along the interstate. We are doing it as part of a partnership with the Chamber and underwritten by EDGE. We have 3 EDGE grants with the Chamber. The Visitors Guide will be created and published by TravelHost as a separate pull out section. We will get 10,000 separate copies that will be presented at the Germantown Visitors Event on June 18 from 8:00-10:00 a.m. at the GPAC. Then, we will have a tour bus and Andy Pouncey and Pam Beasley will be the tour guides for Germantown.

BRE (Business Retention and Expansion) – we had a visit with a business in the medical community today (one of the largest employers-CEO) where some confidential information was shared. Some of the conversations involved workforce, hiring, planning, and PILOT projects.

b) Task Forces meeting dates:

- i. Retail (04/30/2014 – Transition to Merchant Group) – working/expanding on buying local, shop Germantown (BALLE Initiative) and expansion/revitalization with shopping centers. Retail Inventory – updates using Xceligent. There will be a Merchant Group Informational meeting on April 30, 2014.
- ii. Tourism (04/03/2014) – working on Visitors Guide (Travelhost with a special pull out section for Germantown), visit Germantown event @ GPAC with tour.
- iii. Innovation (04/03/2014) – 1) working with an innovative ecosystem (Germantown EPICenter - BioWorks), 2) Innovative Pipeline based upon the Ready by 21 program connecting education to businesses and industries. We will be having a CEO roundtable with the main employers to find out what they need from employees such as training with universities, colleges and Germantown school system, so they will be looking at dual enrollment and working with the kids in a STEM program to get them prepared for a job with career days, internships and apprenticeships.
- iv. Visitor's Guide: On June 18 from 8:00-10:00 a.m. we are going to roll this out and introduce it at GPAC. We will invite all the area hotel managers and event planners to attend a breakfast. The 10,000 copies will be placed at the Welcome Centers in TN, Memphis Airport, and in all the hotels. Then, we will have a tour bus and Andy Pouncey and Pam Beasley will be the tour guides for Germantown.

c) Planning Small Area Nodes/Districts:

- i. Central Business District –Thornwood Planned Unit Development at the corner of Germantown Road/Exeter Road /Neshoba Road is working its way through the Planning Commission (with the Smart Code process) on the Owen tract. It is zoned T4 & T5. The development will start with a

hotel operator and a jeweler then work its way to mixed-use multi-family on the rest of the site. The work is continuing on the Saddle Creek South redevelopment. The dentist office at the corner of West Street has been demolished. Somerset is still progressing (43 lots of single family homes).

- ii. Western Gateway/Poplar – Western Gateway Small Area Plan Rezoning (currently contains 5 different zoning areas) is in the final stages. The Western Gateway is coming up for its third reading at the BMA on April 14, and there are still some issues that are being thoughtfully considered. We hope to have something figured out by April 14, if not before, on moving that forward to have the Smart Code applied to the Western Gateway.
- iii. East Poplar/Forest Hill-Irene – (Office Technology District), Circle K gas station has made its way through the Design Review Commission; Firestone (9 bay) Tire Center is moving along on the site grading and will start more on the structure in the next couple of weeks.
- iv. Wolf River – Wolf River Office Park (Lot 3 – Medical), Kimbrough/WRB P.U.D. Office Development is coming up nicely; Baptist Rehabilitation (In Patient) is under construction and will open in September. The West Cancer Center came in front of the Planning Commission for approval of an expansion that will bring 400 jobs from their existing facility and 60 new jobs. They will construct a 2 level parking garage, one covered level and one of top.

Alderman Marcom noted we are currently working on some redefinitions of our medical uses here in town. The definition of hospital use is very antiquated. We are working on that and even looking at changing some uses inside certain zoning districts that would allow newer types of medical facilities to locate in Germantown that aren't currently allowed. So that work is going on at staff level now. Hopefully it will be coming in front of the Planning Commission and the BMA shortly. This should boost more different types of medical related uses coming to town.

Mr. Rea asked for some examples that are not allowed from a medical standpoint?

Alderman Marcom answered facilities that treat tuberculosis, substance abuse and mental health issues were not allowed in Germantown.

d) **Germantown Area Chamber of Commerce:** Janie Day gave a report from the Germantown Area Chamber of Commerce:

- New Members for March 2014: 9 generating \$1,850
- Membership Renewals: 40 generating income of \$13,425.
- Net income for March 2014.
- Net income for YTD: \$40,786.
- Business EXPO: April 24, 2014 from 8:30 to 3:00 at GPAC/GAC.
- KWAM 990 is talk radio station which is featuring different suburban communities and the week of May 12th is the time that Germantown will be featured.
- Press Release from Chamber will go out Friday, April 4th
- Marketing packages will go out the week of April 7th
- KWAM 990 is a top radio show, to sell Commercials for the week of May 12th at (Huey's)
- Monday thru Thursday of the week of May 12, 8 radio interviews will be scheduled with chamber businesses including Mayor and few Alderman Friday, May 16th from 3:00 p.m. to 5:00 p.m. KWAM will broadcast the show from a Germantown Chamber business and 8 other businesses will be featured.

e) **Germantown IDB:** The two PILOT companies (ThyssenKrupp Elevator Manufacturing, Inc. and West Fraser) have provided their compliance reports and were in compliance.

4. Old/Other Business:

Mr. Ross gave the signage ordinance update: Most of this work happened before I got here. The credit should go to the DRC and Mr. Wade Morgan on planning staff for carrying the water on this. There is a limited amount of land and development opportunity in Germantown and the political being skewed between our neighbors by developers to get better signage. Part of the current limitation is that businesses don't see that as a business friendly attraction. So in listening to some applicants at the DRC, the commission, at the request of one of the applicants, chose to take a look at what the changes in actual sign area would look like and added something different to our zoning code that brought us up a little bit more,

into accordance with our neighbors. We added a new definition for the sign band portion of the storefront that's identified by the owner for their identification. It's generally the horizontal wall immediately over the storefront, so basically that's how it's identified in most of the centers around Germantown. We also changed the maximum allowed area for wall signs from 0.5 square feet for every 1 foot of linear building, which if you have a 100 linear feet of storefront currently you can only have 50 square feet of signage area. What's being proposed to the BMA is going to third reading on the fourteenth, one square foot for every 1 linear foot.

Ms. Rose talked about holding another "Germantown Open for Business" press conference this year and highlight the sign ordinance changes and modifications to the P3 program.

Ms. Rose talked about the attachments such as the Economic Development Work Plan, Sales Tax Reports and Metrics Table updates for the 3rd quarter. The new Firestone facility is valued at 2.3 million.

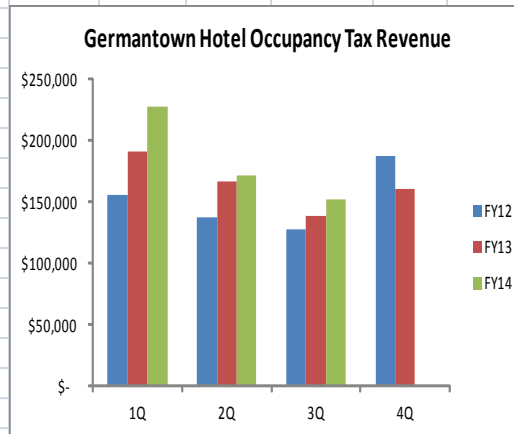
Fiscal Year	Target (B.Plan)	FY12 Cumulative	FY13 1Q	2Q	3Q	4Q	FY13 Cumulative	FY12-FY13 % change	FY14 1Q	2Q	3Q	4Q
Commercial Permits New (#)	TBD	1	0	4	0	1	5	400.00%	0	0	1	
Commercial Permits New (\$)	TBD	\$1,705,998	\$0	\$1,036,760	\$0	\$1,410,902	\$ 2,447,662	43.47%	\$0	\$0	\$ 2,323,188	
Commercial Permits Renov (#)	TBD	51	21	0	16	11	48	-5.88%	13	10	14	
Commercial Permits Renov (\$)	TBD	\$4,006,402	\$3,014,136	\$0	\$2,269,421	\$1,051,190	\$ 6,334,747	58.12%	\$2,084,106	\$1,262,997	\$ 2,323,188	
Retail Vacancy (submarket) %	10%	8.5%	9.3%	9.3%	10.3%	9.9%	9.7%	1.20%	12.77%	13.05%	12.52%	
Office Vacancy (submarket) %	10%	6.3%	6.0%	5.9%	5.5%	6.0%	5.9%	-0.40%	5.74%	6.31%	6.02%	
Hotel Occupancy Tax (\$)	2%	\$609,119	\$191,441	\$166,145	\$138,953	\$159,979	\$ 656,518	7.78%	\$227,081	\$170,967	\$ 151,986	
Retail Sales Tax (includes \$0.005) (\$)	2%	\$ 5,490,805	\$ 1,281,947	\$ 1,467,479	\$2,088,500	\$1,759,864	\$ 6,597,790	20.16%	\$1,317,805	\$1,269,058	\$ 1,544,675	
Retail Sales Tax (excludes \$0.005) (\$)	2%	\$ 5,490,805	\$ 1,281,947	\$ 1,276,525	\$ 1,441,406	\$1,216,657	\$ 5,216,535	-5.00%	\$591,607	\$569,723	\$ 693,457	
Business Licenses (excl. home-base) (#)	5	n/a	6	6	3	10	25	n/a	10	9	8	
Employment (#)	TBD	20,010					18,580	-7%	18,500	17,830	17,810	
Unemployment %	TBD	5.90%	6.00%	4.80%	5.90%	6.50%	5.80%	-0.10%	6.60%	6.50%	5.00%	
Residential Permits (#)	TBD	63	19	16	13	32	80	26.98%	22	17	7	
Residential Values (\$)	TBD	\$25,653,499	\$8,820,699	\$6,757,181	\$5,482,394	\$14,508,892	\$ 35,569,166	38.65%	\$9,207,925	\$6,133,128	\$3,797,747	

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Sources:

- Permits/Values: Shelby County Building Department
- Vacancy: Xceligent
- Hotel Occupancy Tax: City of Germantown
- Retail Sales Tax: TN Dept of Revenue/City of Germantown
- Business licenses: City of Germantown
- Employment: TN Department of Labor and Workforce - Labor Market Report
- Unemployment: Bureau of Labor & Statistics

All information deemed reliable, but not guaranteed accurate.
figures may be revised by Data sources without notice



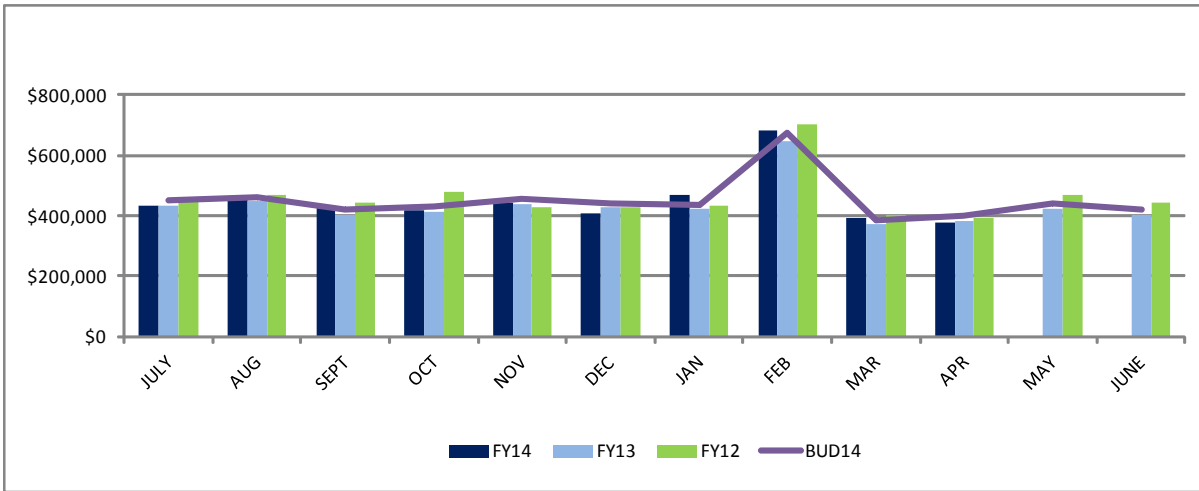
Ms. Burrow asked between the City, County and State what is the percent of the combine hotel tax?

Ms. Rose answered maybe 15 percent.

9.25% Sales Tax

**FY14 BUDGET:
\$ 5,400,000**

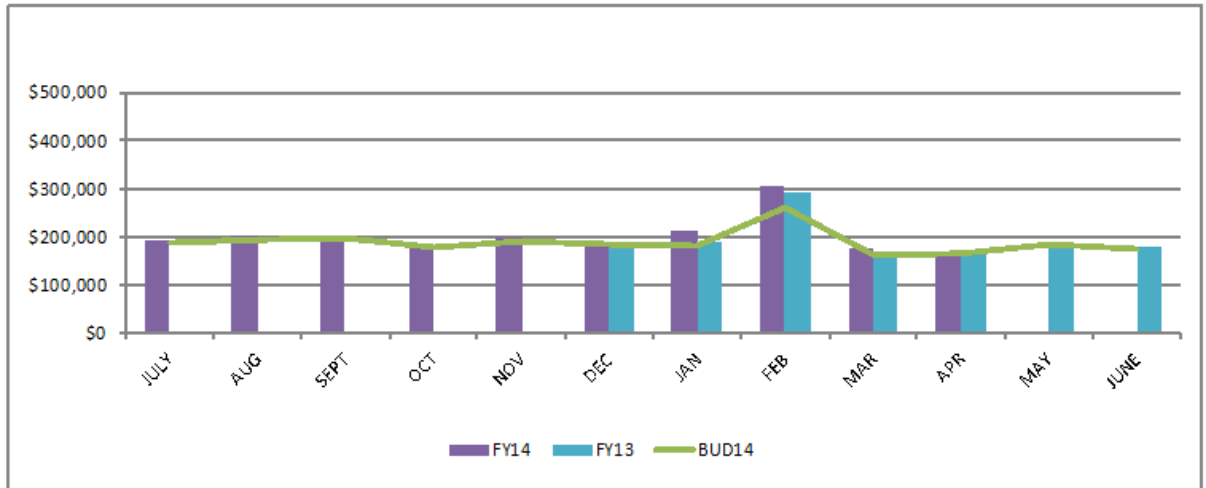
	FY14 Monthly Actual/Budget			FY14 YTD Actual/Budget			FY14/FY13	FY14/FY13
	Actual Monthly Collections	Budgeted Monthly Collections	Monthly Collections as % of Budget	Year-to-date Actuals	Year-to-date Budget	YTD Collections as % of Budget	Cumulative FY14 Actual Over (Under) FY13 Actual	Cumulative FY14 Actual as % of FY13 Actual
July	433,158	449,705	96%	433,158	449,705	96%	(713)	0%
August	452,877	461,758	98%	886,035	911,463	97%	6,663	1%
September	431,770	417,268	103%	1,317,804	1,328,730	99%	35,857	3%
October	418,801	427,744	98%	1,736,605	1,756,474	99%	41,975	2%
November	442,680	454,493	97%	2,179,285	2,210,967	99%	46,163	2%
December	407,577	440,873	92%	2,586,862	2,651,841	98%	28,390	1%
January	468,782	436,298	107%	3,055,644	3,088,138	99%	76,235	3%
February	683,818	672,045	102%	3,739,462	3,760,183	99%	111,671	3%
March	392,075	385,666	102%	4,131,537	4,145,849	100%	131,658	3%
April	375,499	398,049	94%	4,507,036	4,543,898	99%	123,123	3%
May								
June								



0.005% School Tax

**FY14 BUDGET:
\$ 2,269,000**

	FY14 Monthly Actual/Budget			FY14 YTD Actual/Budget			FY14/FY13	FY14/FY13
	Actual Monthly Collections	Budgeted Monthly Collections	Monthly Collections as % of Budget	Year-to-date Actuals	Year-to-date Budget	YTD Collections as % of Budget	Cumulative FY14 Actual Over (Under) FY13 Actual	Cumulative FY14 Actual as % of FY13 Actual
July	194,459	188,959	103%	194,459	188,959	103%	n/a	n/a
August	203,312	194,024	105%	397,771	382,983	104%	n/a	n/a
September	193,836	198,020	98%	591,607	581,003	102%	n/a	n/a
October	188,014	179,732	105%	779,621	760,734	102%	n/a	n/a
November	198,734	190,971	104%	978,355	951,706	103%	n/a	n/a
December	182,975	185,248	99%	1,161,330	1,136,954	102%	n/a	n/a
January	210,452	183,326	115%	1,371,782	1,320,280	104%	n/a	n/a
February	306,989	259,693	118%	1,678,771	1,579,973	106%	n/a	n/a
March	176,016	162,051	109%	1,854,786	1,742,024	106%	n/a	n/a
April	168,574	167,254	101%	2,023,361	1,909,279	106%	n/a	n/a
May								
June								



Ms. Rose noted the Southern Economic Development Council, which is a subset of the Economic Development groups in the southeast, is having their annual conference this year in Memphis at the Convention Center on August 3-5. Marie and I attended the TN/KY Idea Exchange for the International Council of Shopping Centers (ICSC) in Louisville, KY last year. This year it will be in Nashville, TN, on July 9-10.

5. The next EDC meeting will be in the Blue Conference Room on Thursday, May 1, 2014.

6. **Adjournment:** There being no further business, the meeting was adjourned.