

INDUSTRIAL DEVELOPMENT BOARD
Friday, December 15, 2017
Klein Conference Room
1920 South Germantown Road

The Germantown Industrial Development Board met on Friday, December 15, 2017, in the Klein Conference Room. Chairman Henry Evans called the meeting to order at 3:00 p.m. A quorum was established with the following members present.

PRESENT: Chairman Henry Evans, Dick Vosburg, Keith Saunders, Julie Klein, Janet Geyer, and Mike Harless

ABSENT: None

GUESTS: Brett Schubert, with Martin and Tate; and Kaleb Lord with ThyssenKrupp Elevator Manufacturing

STAFF: Cameron Ross, Economic Community Development Director; Marie Lisco, Economic Development Manager; Jason Huisman, Assistant City Administrator; and Andy Jones, Industrial Development Board Attorney

Mr. Evans stated the next item is approval of the minutes from our February 7, 2017, meeting.

MINUTES

A motion was made by Mike Harless and seconded by Julie Klein, to approve the February 7, 2017, minutes. The motion passed.

Chairman Evans stated this is the first meeting we have had since Janet Geyer joined our board earlier this year. We welcome you, and are delighted you are here and part of us.

Ms. Geyer answered thank you and looking forward to it.

Chairman Evans stated the next item on the agenda is Consideration of ThyssenKrupp Elevator Manufacturing Personal Property Additions.

Brett Schubert with the Law Firm of Martin Tate and Kaleb Lord with ThyssenKrupp Elevator Manufacturing addressed the Board. Mr. Schubert questioned the need for ThyssenKrupp Elevator Manufacturing to appear before the IDB to consider personal property additions, and made himself available for questions.

Mr. Harless noted he had a question regarding the Germantown sign that's listed for \$5,000. How is that personal property?

Kaleb Lord stated ThyssenKrupp Elevator Manufacturing logo changed a couple of years past. We changed our logo and the signage out on the road. We changed the logo throughout the building with edge glass on doors.

Brett Schubert noted the statutory definition of Tangible Personal Property is all property owned or held by a business to operate that business, including but not limited to, furniture, computers, fixtures, vehicles, tools, machinery, equipment, raw materials, signs, equipment, leasehold improvements, supplies, and leased equipment. I do work for billboard companies, and still don't have arms around it. If you have a big enough trailer even, you could take a billboard down to move it and sell it. That's often done. It's a small item. ThyssenKrupp Elevator Manufacturing, with its accountants, booked it as not affixed to the real property.

Kaleb Lord stated most of the signage is on the wall in the building, and this was out on the front of the building. This was done earlier, and so it's kind of separate.

Keith Saunders stated it seems like it's more real property. If it's attached to the building, then it's classified to stay.

Mr. Harless asked Ms. Lisco if there was any way to go back and check on when we originally did the ThyssenKrupp Elevator Manufacturing PILOT. I think their sign was in there.

Ms. Lisco answered we have the records and can check on it.

Andy Jones asked if it was a permanent sign out front.

Kaleb Lord answered it's a vertical landscaping sign 15 feet high at the corner.

Brett Schubert noted the first Personal Property Lease was effective December 31, 2016. There was only \$50,000 Tangible Personal Property, and I don't see the sign on it.

Chairman Evans asked in your initial statement you indicated ThyssenKrupp Elevator Manufacturing had never been here before this Board to have this approved. Did I misunderstand?

Brett Schubert responded that in the original PILOT for additions of Tangible Personal Property, what I understood from my partner who had been handling this was that there was an initial resolution for this context. We already have ramp up period, and a resolution.

Kaleb Lord stated he has been here the last six years, so I was here for the tail end of the last PILOT. I don't know if there was a meeting, that you reviewed, and there never were any questions. We submitted in the paperwork, and if something came back, we just signed it.

Chairman Evans stated I am aware of at least one time you came before us. You came to us with a list in February or March of one year asking for it retroactively, and that did not sit well with us.

Chairman Evans stated the second question I have is, why did we get one list, and it had to be substituted as late as the start of this meeting?

Kaleb Lord answered that was simply a clerical error. We had some transition in our office, and it had not been in the reviews until Andy Jones had actually questioned one of the servers. We have a data center at the Mendenhall location. We had certain servers in Germantown and a lot of them are in the Mendenhall location. The location was indicated wrong in our system, of where those assets were physical located.

Chairman Evans stated needless to say it creates a lot of work for you and us when that happens. I prefer it didn't happen anymore.

Chairman Evans asked if there were any more questions.

Janet Geyer asked so I assume you are providing a list of the Personal Property that under the lease agreement.

Kaleb Lord answered no, because this is the first year of that Retention PILOT and we don't have a lot. We will be doing a major renovation in 2018 which will contribute toward the Retention PILOT investment. We are recycling furniture such as cubicles, chairs, and conference room equipment, and so there will be a fair amount of disposables. The original intent was to have it done this year, but we have had a change in hands on who is paying for which parts of the building.

Brett Schubert asked before that's approved, I do have one question. This list that we provided is everything we know as of today. We talked about some construction in process for next year. Other than the construction, and a server that you are going to buy, would we have to come back in front of the Board?

Kaleb Lord answered no this is final as of December 31, 2017.

Chairman Evans stated a motion was made by Mr. Harless, seconded by Mr. Vosburg that we accept the tangible Personal Property additions for ThyssenKrupp Elevator Manufacturing contingent on resolving the Germantown sign issue that will either be added or excluded at the discretion of the Chairman. The motion passed.

Chairman Evans stated the next item on the agenda is Amendment and Restatement of Bylaws.

Chairman Evans stated we approved our original Bylaws for this organization in 2001. We have had maybe a minor amendment to those over the years. But for the most part, we have continued to operate with them as they were originally approved. It has become apparent on the last year or so, that some of this was outdated. For example, we had a reference to a Secretary Treasurer, and yet there has never been a need for a treasurer for this organization, since there is no money that actually comes to it. We asked Andy Jones to take a look at the Bylaws earlier this year. He has rewritten the Bylaws, so this is not necessarily an amendment to our existing Bylaws, but it is a new set of Bylaws. We have sent them out in advance, and right now I'd like to get a motion to approve them, and then a motion to second, and then we'll discuss them.

Mr. Jones stated another reason for the update is we recently passed the TIF polices and anytime we do a TIF, we have to give a legal opinion. Part of a legal opinion is to review the corporate documents, etc... If we could amend and restate these, so when I give a legal opinion, I will be able to give a clean opinion on these Bylaws. We did our articles at the end of last year when we added some TIF language, and those are up to date. We will have to do this every five to ten years.

Mr. Harless asked about page 2 that says the directorship will main vacant if the director misses' three consecutive meetings?

Mr. Jones answered that was in the original Bylaws I left it in there, and it's not required by statute. He's seen it done different ways.

Mr. Harless noted we haven't met that often. Our last meeting was in February. I would like some modification of the language. It could be unexcused with three (3) meetings in a calendar year (12 month period).

Mr. Vosburg noted at our last meeting we were at risk of having a member disqualified for having missed three meetings. It made the process of making sure we had a meeting time which would work for that individual handled carefully.

Mr. Harless noted I think there is an obligation for us to attend the meetings if at all possible.

Chairman Evans noted for the benefit of everybody else and the staff, one of the items that's going to come up later in the meeting is that we are going to propose to you that we set four meeting dates during 2018. The reason is we never had set meetings in this body. These four meetings will be quarterly on the third Thursday at 3:00, 4:00, or 5:00 p.m. starting February 15, May 17, August 16, and November 15 which would eliminate the three meetings over every two years. Let's agree to three meetings in a 12 month period.

Mr. Harless asked on page (3) it states shall “be elected and hold office for one year,” how is that determined? Is it a calendar year? When will the election take place? Will it be the first meeting of the calendar year?

Chairman Evans stated did we do our election last year in February?

Mr. Saunders answered yes.

Mr. Vosburg noted the way we have operated in the past with sporadic rare meetings. The one year term is a problem, because often a year would go by without a meeting. Since we have six year terms of office, it might better to have longer than a one year.

Mr. Harless stated maybe a two year, that makes sense.

Mr. Jones answered I have no objection either way. If we happen to not reelect somebody or reelect officers, they do serve until their replacement is elected. This Board operates (January 1 through December 31).

Ms. Klein asked if this is the City’s fiscal year, or calendar year?

Mr. Jones said that we don’t technically have funds flowing through here, so there’s no reason to have a fiscal year.

Chairman Evans stated our proposal is the first set quarterly meeting would take place in February at which time it would be a year, and we would be able to elect officers. I do think if we establish regular meeting dates that it would eliminate some of that.

Chairman Evans stated we could put in here, if we need it, we could establish it at the first meeting of the year.

Ms. Klein noted I’m sure that we always had a seven day notice of the meetings scheduled. How long is my term?

Mr. Jones answered you have to have a seven day notice for regular schedule meetings, and for special meetings like this one, you are only required three days’ notice. Juliet Klein your term is out as of December 31, 2017.

Mr. Vosburg noted we just had some reelections, regarding some of us whose term is continuing longer. I was last appointed for the beginning of 2016. So I have, presumably, four more years to run. But then we just had elected a member last month. Does that change our terms?

Mr. Jones answered no; it was confirming your existing terms. Ms. Geyer was elected to serve out the remaining amount of Daniel Dent’s term. I think he runs through (2021).

Chairman Evans stated we will have new elections made to the Board next week.

Mr. Jones answered yes; there will be three people elected to the Board.

Mr. Vosburg asked so there are two expiring this year?

Mr. Jones answered there are three expiring this year, “Keith Saunders, Juliet Klein, and David Klevan”.

Chairman Evans stated David Klevan and Keith Saunders are not seeking re-election, and Juliet Klein will be reelected next week.

Mr. Harless asked Mr. Jones about a special called meeting on page 3. It says upon the written request of two directors. We have never done that.

Chairman Evans noted there are two options for a special called meeting. The Chairman can call a special meeting, or upon the written request of two directors.

Mr. Vosburg asked I presume that, as the last elected Secretary, I am continuing as the Secretary until the next election?

Mr. Jones answered yes.

Chairman Evans stated that we discussed having quarterly meetings dates set in advance. They will be on the third Thursday, in February, May, August, and November. The dates are February 15, May 17, August 16, and November 15. Because those will be regular meetings, they will require a seven day advance notice and posting. The time for the meetings will be 3:00 p.m.

Ms. Geyer asked Ms. Lisco if she always has compliance reports available to be approved by February as that seems a little early.

Ms. Lisco answered they are due by March 1.

Chairman Evans stated we have approved them. After we review, and confirm if the County has concerns about them.

Mr. Vosburg noted if they are due on March 1, that gives until May 17, to have any issues resolved by staff. We should have good and clean reports.

Chairman Evans stated a motion was made by Mr. Harless, seconded by Ms. Geyer to approve the first meeting at 3:00 p.m., and the other three (3) to be determined on the start time. The motion passed.

Ms. Geyer asked a question about the funds for IDB. I know staff takes care of the financial aspects of the IDB, but I assume the IDB does have funds.

Mr. Jones answered technically there are no funds coming to the IDB.

Chairman Evans stated all the funds go directly to the City. We have no financial reports to review.

Chairman Evans stated a motion was made by Mr. Harless, seconded by Mr. Saunders as Summited and Amendment of the Bylaws. The motion passed.

Mr. Vosburg asked what is the status of MAA?

Mr. Jones stated they have been quiet as far as their request. They are trying to figure out their move in date, and that is their big issue.

Chairman Evans stated we will have to do a special called meeting for MAA. It maybe March before we would be ready to act on anything.

Mr. Jones stated he thinks it will be January. They will have some penalties for being late. It's just a timing issue for them at this point.

Ms. Geyer asked is it a new PILOT for Germantown and, a Retention PILOT for the County?

Mr. Ross answered no. I think they call it a new PILOT.

Mr. Ross introduced the new Assistant City Administrator, Jason Huisman. He joined us for our meeting to understand how all of our Boards work.

Chairman Evans asked if there was any other business to come before us. There was none.

ADJOURNMENT