

**MINUTES OF THE REGULAR MEETING OF
COLLIERVILLE INDUSTRIAL DEVELOPMENT BOARD**

Thursday, April 21, 2016

The Collierville Industrial Development Board held a regular advertised public meeting at 12:00pm on Thursday, April 21, 2016, in the Administration Conference Room at Town Hall, located at 500 Poplar View Parkway.

1. **CALL TO ORDER:** Chairman Mark Moody called the meeting to order.
2. **ROLL CALL:** Adam Hamric took the roll. The following members of the Industrial Development Board were present: Mark Moody, Taylor Stamps, Thomas Bergeron, Terry Cochran, John Green, Stuart Brazile, Sherrie Scardino, and Brandy Thompson. Ron Lawrence was absent.

Also present were IDB Attorney Josh Lawhead, Economic Development Director John Duncan, Town Administrator James Lewellen, and Senior Administrative Specialist Adam Hamric.

3. **APPROVAL OF MINUTES: March 17, 2016**

Mr. Stamps made a motion, seconded by Mr. Cochran, to approve the minutes as amended for the meeting of the Industrial Development Board on March 17, 2016.

All were in favor, with Ms. Thompson abstaining. Motion was approved.

4. **BUSINESS ITEMS**

A. **2015 Compliance Reporting and Personal Property Lease Deletions and Additions**

- a. **Resolution 2016-04, a resolution to approve the 2015 Compliance Report of FedEx TechConnect, Inc. / Setzer Properties CLD, LLC.**

Mr. Bergeron made a motion, seconded by Ms. Thompson, to approve Resolution 2016-04, a resolution to approve the 2015 Compliance Report of FedEx TechConnect, Inc. / Setzer Properties CLD, LLC.

All were in favor, none were opposed. Resolution 2016-04 was approved.

- b. **Resolution 2016-05, a resolution to approve the 2015 Compliance Report of Federal Express Corporation.**

Mr. Cochran made a motion, seconded by Mr. Stamps to approve Resolution 2016-05, a resolution to approve the 2015 Compliance Report of Federal Express Corporation.

All were in favor, none were opposed. Resolution 2016-05 was approved.

- c. **Resolution 2016-06, a resolution to approve the 2015 Compliance Report of SGI Office, LLC and Shelby Group International, Inc.**

Mr. Stamps made a motion, seconded by Ms. Thompson to approve Resolution 2016-06, a resolution to approve the 2015 Compliance Report of SGI Office, LLC and Shelby Group International, Inc.

All were in favor, none were opposed. Resolution 2016-06 was approved.

- d. **Resolution 2016-07, a resolution to approve the 2015 Compliance Report of Carrier Corporation.**

Mr. Green made a motion, seconded by Mr. Cochran to approve Resolution 2016-07, a resolution to approve the 2015 Compliance Report of Carrier Corporation.

All were in favor, none were opposed. Resolution 2016-07 was approved.

- e. **Resolution 2016-08, a resolution to approve the 2015 Compliance Report of Anglers' Real Estate LLC and Strike King Lure Company.**

Mr. Moody stated that this compliance report had two issues that would require further interpretation. The first issue has to do with the way that it reported tangible personal property, thereby putting their investment out of compliance. Mr. Moody stated that it ordered a \$184,000 tradeshow booth in May of 2015. He reported that they have paid \$134,000 towards the balance. Mr. Moody noted that the tradeshow booth was still under construction at the end of 2015. He stated that it is requesting that the tradeshow booth be considered personal property in order stay in compliance.

Mr. Moody noted that they had quite a few retirements over the course of 2015.

The second issue is that they have included software that appears to be application software rather than operational software.

Mr. Duncan asked Mr. Brazile to briefly explain the difference between application software and operational software.

Mr. Brazile explained that operation software is required to run computer hardware, while application software allows the user to do something with the computer. Mr. Brazile noted a word processor as being an example of application software.

Mr. Lawhead stated that the software they have included appears to be application software, therefore is not considered PILOT personal property.

Mr. Duncan stated that it has been paying tax on the application software to both Shelby County and the Town of Collierville.

Mr. Lewellen stated that the building would be difficult to backfill and noted that the marketing and production work it does provides positive publicity to the Town of Collierville.

Mr. Moody noted that it is in the fourth year of a ten year PILOT.

Brief discussion ensued regarding achieving future compliance.

Mr. Bergeron made a motion, seconded by Ms. Scardino to approve Resolution 2016-08, a resolution to approve the 2015 Compliance Report of Anglers' Real Estate LLC and Strike King Lure Company.

Mr. Hamric took the roll. All were opposed, none were in favor. Motion to approve Resolution 2016-08 failed.

f. Resolution 2016-12, a resolution to approve Strike King Lure Company /2015 Personal Property Lease Additions and Deletions.

Mr. Bergeron made a motion, seconded by Mr. Green to approve Resolution 2016-12, a resolution to approve Strike King Lure Company /2015 Personal Property Lease Additions and Deletions.

Mr. Hamric took the roll. All were opposed, none were in favor. Motion to approve Resolution 2016-12 failed.

Mr. Cochran made a motion, seconded by Ms. Scardino to notify Strike King Lure Company that it is in default of its lease agreement.

All were in favor, none were opposed. Motion passed.

g. Resolution 2016-09, a resolution to approve FedEx Tech Connect, Inc./2015 Personal Property Additions.

Ms. Thompson made a motion, seconded by Mr. Bergeron to approve Resolution 2016-09, a resolution to approve FedEx Tech Connect, Inc./2015 Personal Property Additions.

All were in favor, none were opposed. Resolution 2016-09 was approved.

h. Resolution 2016-10, a resolution to approve Federal Express Corporation/Personal Property Lease.

Mr. Bergeron made a motion, seconded by Mr. Green to approve Federal Express Corporation/Personal Property Lease.

All were in favor, none were opposed. Resolution 2016-10 was approved.

- i. **Resolution 2016-11, a resolution to approve Shelby Group International, Inc., d/b/a MCR Safety/Personal Property Lease Amendment/Personal Property Additions and Deletions.**

Ms. Thompson made a motion, seconded by Mr. Green to approve Resolution 2016-11, a resolution to approve Shelby Group International, Inc., d/b/a MCR Safety/Personal Property Lease Amendment/Personal Property Additions and Deletions.

All were in favor, none were opposed. Resolution 2016-11 was approved.

5. OTHER BUSINESS

A. Discussion of potential changes to matrix policies and procedures.

Mr. Duncan stated that the Board of Mayor and Aldermen had recently requested a meeting to discuss changes to the PILOT matrix. Mr. Duncan remarked that the Board of Mayor and Aldermen recommended that the Industrial Development Board elevate the target wage from \$35,000 to \$45,000.

Mr. Cochran stated that he has always felt that \$35,000 was too low.

Mr. Stamps asked if the term wage also included benefits.

Mr. Duncan clarified that only salary was included in the term wage.

Mr. Duncan stated that the Board of Mayor and Aldermen recommended that the Industrial Development Board lower the maximum number of PILOT years awarded from twenty to fifteen, but allow for twenty year PILOTS in exceptional circumstances. He noted that the Board of Mayor and Aldermen also recommended granting only one retention PILOT at 60/40.

Ms. Scardino stated that she felt granting only one retention PILOT was unrealistic.

Mr. Moody stated that he felt this restricted the judgement of future Boards of Mayor and Aldermen, and that this was not a decision they needed to make.

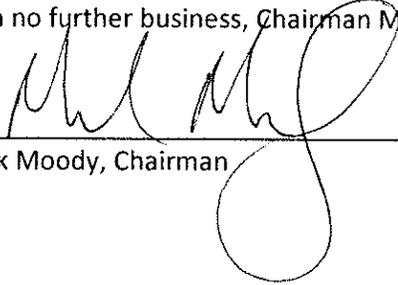
Ms. Scardino stated that base pay for manufacturing jobs is not \$45,000 and that the Industrial Development Board needs to consider all of the higher skilled, higher paid jobs that come along with lower skilled, lower wage jobs.

Mr. Lewellen noted that the worst case scenario for elevating the target wage from \$35,000 to \$45,000 would be the reduction of one year's worth of incentives.

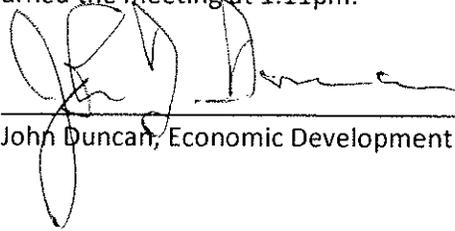
Mr. Duncan stated that he would communicate the Industrial Development Board's comments to the Board of Mayor and Aldermen.

6. **ADJOURNMENT**

With no further business, Chairman Moody adjourned the meeting at 1:11pm.



Mark Moody, Chairman



John Duncan, Economic Development Director