

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

Wednesday, October 21, 2015

The Collierville Industrial Development Board held a regular advertised public meeting at 5:30pm on Wednesday, October 21, 2015, in the Administrative 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**: Angela Reeder took the roll. The following members of the Industrial Development Board were present: Mark Moody, Ron Lawrence, Thomas Bergeron, Terry Cochran, John Green, Brandy Thompson, and Sherrie Scardino. Mr. Duncan stated that Taylor Stamps and Stuart Brazile both informed him ahead of time that they would be unable to attend.

Also present were IDB Attorney Josh Lawhead, Economic Development Director John Duncan, Mayor Stan Joyner, and Sr. Admin Specialist Angela Reeder.

3. **APPROVAL OF MINUTES: April 30, 2015 meeting**

Mr. Bergeron made a motion, seconded by Mr. Lawrence, to approve the minutes as written for the meeting of the Industrial Development Board on April 30, 2015.

All were in favor, none were opposed. Motion is approved.

4. **BUSINESS ITEMS**

- A. **Presentation of the Application submitted by Project Independence for consideration of Real and Personal Property PILOT benefits.**

Mr. Duncan began by introducing Michael Mullis, a site selector with JM Mullis Company, who represents the Project Independence applicant being considered. He then explained there were various reasons the applicant is being maintained in confidentiality at this point. He noted that the company would be revealed by the following meeting, and explained that the Board would be able to ask one of their representatives any additional questions then.

Mr. Duncan gave an overview of the Project Independence PILOT application, describing the applicant as being international, sustainable (a market leader who has been around for over 100 years), successful (with annual sales numbers approaching two billion dollars), and in a growth mode. He noted that they have outgrown their current space and are looking to expand and build a new, world-wide headquarters in Collierville. They are proposing a 100,000 square foot office building to accommodate this new headquarters, which would include all the normal activities one would find in a corporate office environment.

Mr. Duncan then described the corporate investment amounts anticipated by the applicant, including approximately \$21 million in capital investment, 265 new high-paying jobs with a median wage of \$81,000, and the estimated development and building permit fees. He described the proposed project site, a 27 acre parcel on the east side of Houston Levee, north of Bailey Station. He also described other public benefits that were anticipated as a

result of the proposed headquarters relocation, including spurring additional development along the Houston Levee corridor that is intended for office and office support uses.

Lastly, Mr. Duncan described the scoring that resulted from applying the Collierville PILOT Matrix to the project and was included in the Board packet. He showed how the job creation, wages, and capital investment resulted in a guideline score associated with a 8-9 year PILOT. He noted that the number of jobs and their median wage far exceeded the top numbers listed on the matrix or maxed out the scoring. He then displayed the cost benefit analysis used by the Town for PILOT application analysis, and explained to the board that this project results in a 7.2:1 cost benefit to the Town. He discussed the comparison table provided in the IDB packet, and identified how this request compared to previously granted PILOT benefits and exceeded the capital investment, jobs and wages of previous projects.

Mr. Green asked if the applicant would also seek county benefits.

Mr. Duncan responded that they were.

Mr. Lawhead noted that county benefits would technically be a retention PILOT, as they are currently a county resident.

Mr. Lawrence asked if they were also requesting 15 years from the county.

Mr. Mullis stated that 15 year benefits would help justify not accepting the package of benefits offered by the state of Mississippi, which was much larger than Tennessee benefits, and allow the company to stay in Tennessee. He noted that they were originally going to Olive Branch before they were approached by Tennessee ECD with a sizeable grant.

Mr. Green noted that considering a longer PILOT benefit period for Independence would not be setting a bad precedent, because their investment and wages were so much higher than is normally seen and future applicants would have to show equally impressive numbers.

Mr. Mullis stated that the median would actually be higher, but they removed the top 10-12 earners who were outliers and skewing the numbers.

Mr. Lawrence asked if the company knew how many of the 265 employees currently lived in Collierville.

Mr. Mullis stated he did not have those numbers with him, but would guess less than 50.

Mr. Moody asked if Mississippi offered an abatement of income tax as a benefit.

Mr. Mullis replied they do not, and often companies will bump individual salaries to compensate for additional tax.

Mr. Bergeron asked if the company had any distribution centers in Memphis.

Mr. Mullis replied they had five distribution centers, but none were in Memphis.

Mr. Moody asked if the building would be built with space to accommodate the additional 115 employees proposed within 5 years.

Mr. Mullis said it wasn't completely determined how the building would be laid out, but they would complete the entire building construction and likely fill it out at the outset.

Mr. Cochran asked what the applicant's drop dead date was on making a decision.

Mr. Mullis responded they needed to know by next week, stating things needed to get moving because their current lease expired at the end of 2017 and therefore they needed to start moving into the space at the end of that year.

Mr. Bergeron asked about the properties located behind the site and whether they were residential and it was confirmed they are.

Mr. Moody asked if the Board should expect additional personal property would be added to the PILOT or if it was included in the current figures, given the applicant's plans to add approximately 40% to the employment roll in five years.

Mr. Lawhead stated the Resolution the Board considered at their next meeting would have the numbers expressed on the application. He said that if the applicant asks to add more personal property to the PILOT in the future, it would have to come back to the IDB for consideration and approval.

Mr. Lawrence asked if there was a timeline for the 115 additional jobs.

Mr. Mullis stated they would be added by 2022. Then he noted that they planned to occupy the building by the end of 2017, so the employees would be added within five years of moving into the new building.

Mr. Lawhead asked if the applicant would own the real property.

Mr. Mullis responded that it was likely they would not own the property. The final owner is not determined at this time.

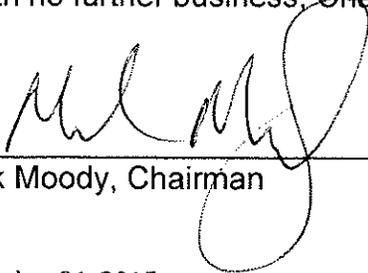
Mr. Lawhead stated that additional meetings would be required to finalize the details, if the information is not confirmed by the next meeting, as the property owner would be the direct tenant of the IDB.

5. OTHER BUSINESS

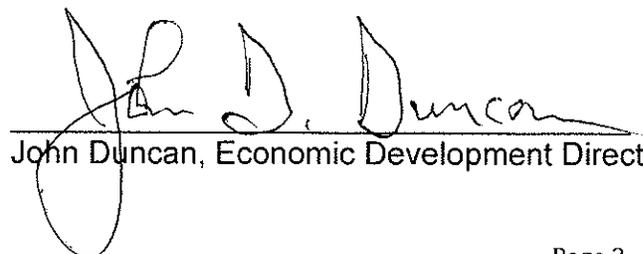
Chairman Moody asked if anyone had details on the resolution of the Carrier issue with Shelby County. No details were known.

6. ADJOURNMENT

With no further business, Chairman Moody adjourned the meeting at @ 6:15pm.



Mark Moody, Chairman



John Duncan, Economic Development Director