

MINUTES

ECONOMIC DEVELOPMENT COMMISSION

May 31, 2011

Members Present:

Sam Yount	President
Tony Wellings	Secretary
H. Lee Hodgen	Vice-President
John Ditmars	Member

Members Absent:

Ken Austin	Member
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Others Present:

Krista Linke	Planning Director
Jaime Harshman	Recording Secretary

Call to Order:

Sam Yount called the meeting to order at 8:05 a.m.

Old Business:

Mayor Paris reported that Trussway had been before the City Council. The Council felt like they weren't fulfilling the agreement of the abatement and also weren't filling out their reports in a timely fashion. However, due to the fact that the number of jobs weren't specified in the original abatement approval they voted to approve the compliance forms.

NSK, KYB and Cooper Tire were also requested to appear before Council for low employee numbers. NSK appeared at the City Council meeting to explain their employee counts and KYB submitted a written explanation. Cooper Tire appeared and explained that they have 135 people working but they don't include them as employees until they become full time. All three companies retained their abatements.

Approval of Minutes:

On a motion by John Ditmars and a second by Tony Wellings, the members voted unanimously to approve the minutes from the April 12, 2011 meeting.

New Business:

EDC 2011-01 GROK Enterprises/Nitrex:

Mr. Yount stated that they are requesting a 10-year real property abatement and 10-year personal property abatement. They are adding \$2.9 million in personal, which is all manufacturing equipment.

Chuck Thomas, metallurgical engineer representing Nitrex, stated that the Nitrex is expanding and will exceed the capacity of the existing building. GROK Enterprises owns the land adjacent

to their current building at 300 Blue Chip Court. They are looking to double their size with a 14,400 square foot building. They will be investing almost \$3 million in the next few years including the addition of 12 employees.

Todd Bemis, representing GROK Enterprises, stated that lots 3 & 4 in Blue Chip Industrial Park were owned by GROK Enterprises. Nitrex has grown enough that the need to expand is here. The building will have a connector through a covered walkway, loading dock, and parking for 26 people. Landscaping and drainage has been approved. There will be 2,000 sq ft of office space. A total of \$800,000-\$1million will be spent on construction.

Sam questioned if what they were abating is manufacturing equipment. Mr. Thomas stated it would all be new equipment. They currently have an abatement on personal property and the new equipment is through Cummins in Columbus and is not part of the current abatement. It would be in addition to the current abatement. Mr. Yount questioned if they would be back for another abatement on additional equipment mentioned in their letter for \$2.5 million. Mr. Thomas stated they expected to as soon as the deal was finalized with that particular project.

Mr. Yount questioned if they were okay with the economic development fee. Mr. Thomas stated they were. Mr. Yount stated personal property would be at 2% for 10 years, 5% for 10 years on personal.

Mr. Yount stated the property would have to be designated as an ERA.

Action taken on Case EDC 2011-01 GROK Enterprises/Nitrex:

John Ditmars made a motion to designate the property as an ERA. Tony Wellings seconded the motion. The motion passed unanimously

Lee Hodgen made a motion to recommend to City Council a 2% economic development fee on a 10 year tax for an abatement on real property. John Ditmars 2nd the motion. The motion passed unanimously.

John Ditmars made a motion to recommend to City Council a 10 Year tax abatement subject to the 5% economic development fee on personal property for GROK/Nitrex with the meeting of Indiana Code Section 6-1.1-12.1-4.5 Tony Wellings seconded the motion. The motion passed unanimously.

Other Business:

Ms. Linke stated that she would be preparing a letter to the EDC and City Council for proposal requests from non-profits for the 2010 Economic Development Fee. Mr. Yount requested that Ms. Linke ask the non-profits what the money will be used for.

Ms. Linke reported that a new computer program, E-gov Agenda Builder, will be used for meeting agendas, minutes and staff reports. All information will be available to the commission and the general public for each meeting through the meeting agenda online.

Discussion was held on the economic development fee concerning abatements. Mr. Ditmars expressed his concern over the current fees in regards to personal property. Ms. Linke stated that you save the most toward the end of the abatement. She stated she only put the fee on the 10 year in the Board packets as that is all that has been done but she stated that she can

figure the amounts for 3, 5 & 7 year abatements. She stated that she has never gotten an agreement from a company before a meeting; she has only made them aware of their options. Mr. Yount stated that he did not recall having to decide on percentages during meetings before.

Cheryl Morpew asked if the amounts could be built into the cover letter that is sent out in the packets to each company. Ms. Linke stated she has not asked companies to decide ahead because each abatement is different. She stated there is an explanation of the economic development fees in the tax abatement packet. Mr. Ditmars asked if there are implied commitments. He stated maybe the fees need to be revisited.

Discussion was held on the wages of Nitrex, which is \$13.70. The average in Johnson County is \$13.69.

Mayor Paris reported that the banks have agreed to short sale on the Klaisler building.

Ms. Linke is going to compile information on 3-4 cases for the Board to review with different years of abatements for comparison.

Adjournment:

There being no further business, the meeting was adjourned. Respectfully submitted this 7th day of June, 2011.

Sam Yount, President

Tony Wellings, Secretary