



CITY OF FRANKLIN

COMMUNITY DEVELOPMENT DEPARTMENT

MINUTES

ECONOMIC DEVELOPMENT COMMISSION

July 9, 2013

Members Present:

John Ditmars	President
H. Lee Hodgen	Vice-President
Tony Wellings	Secretary
Ken Austin	Member
Jake Sappenfield	Member

Others Present:

Rob H. Schafstall	Legal Counsel
Krista Linke	Director of Community Development
Jaime Shilts	Recording Secretary

Call to Order:

John Ditmars called the meeting to order at 8:00 a.m.

Approval of Minutes:

Ken Austin made a motion to approve the June 11, 2013 minutes as presented. Tony Wellings seconded the motion. The motion carried.

Old Business:

EDC 2013-06: Nitrex Inc.:

Mr. Ditmars stated that the ERA designation has been taken care of at the last meeting. Michael Rodman, Business Manager for Nitrex, stated that he appeared last time for a continuation of the abatement. They are expanding and will be spending \$2.9 million in 2014. They plan for 14 additional employees and have added 4 since the last EDC meeting. They will be purchasing new ovens and furnaces. Mr. Rodman stated they would like to amend the abatement granted in 2011. Ms. Linke agreed this would be a less complicated way to track the abatement during yearly compliance reports, versus granting a new abatement for the additional investment amount. Mr. Ditmars stated that they need to decide if they want to do 10 or 7 years. There were two votes in favor of amending the abatement for 10 years and one against, at last month's meeting. Mr. Schafstall stated if they stay at 10 years, they can add on to the current abatement. If the term is different, the EDC should consider a new abatement for the additional amount.

Ken Austin made a motion to modify the 10 year abatement from 2011, Case EDC 2011-01, for \$6.3 million with 12 new jobs and retaining 25.

Tony Wellings seconded the motion. Jake Sappenfield-yes, Lee Hodgen-yes, Tony Wellings-yes, Ken Austin-yes, John Ditmars-no. The motion carried 4-1.

The City Council meeting for the new resolution will be July 15th.

EDC 2013-07: NSK Precision America, Inc.:

Jeremy Peters, NSK Precision Plant Manager, stated their plan is to spend \$10.2 million for expansion to prevent outsourcing and to replace aging equipment. They will add 28 additional jobs. The request is for a 10 year abatement on personal property. They are agreeable to the 5% Economic Development Fee. Mr. Wellings stated they have already paid out \$4,500 in economic development fees this year.

Tony Wellings made a motion to approve a 10 year tax abatement on \$10.2 million on personal property. Jake Sappenfield seconded the motion. Jake Sappenfield-yes, Lee Hodgen-yes, Tony Wellings-yes, Ken Austin-yes, John Ditmars-no. The motion carried 4-1.

EDC 2013-08: NSK Corporation:

Kyle Steins, NSK Corporation, stated they are requesting a 10 year abatement on \$20 million. They are expanding the business capacity and moving manual operations to automatic operations. They will be converting 18 temporary jobs to full time positions. It does include a 5% economic development fee.

Tony Wellings made a motion to approve a 10 tax abatement on \$20 million of personal property. Lee Hodgen seconded the motion. Jake Sappenfield seconded the motion.

Jake Sappenfield-yes, Lee Hodgen-yes, Tony Wellings-yes, Ken Austin-yes, John Ditmars-no. The motion carried 4-1.

New Business:

EDC 2013-09: Rexam Waiver of Non-Compliance:

Ms. Linke stated that she was contacted by Thomas Sislow, representing Rexam. He explained that when their abatement was granted in 2010, amended 2012, they didn't request their tax abatement on their most recent tax returns. The county will not amend the returns without a waiver of noncompliance from the city. The original amount was \$14.5 million for manufacturing equipment. In 2012 they increased the equipment amount to \$17,797,000 through Resolution 12-08. They are requesting that they be allowed to file amended returns.

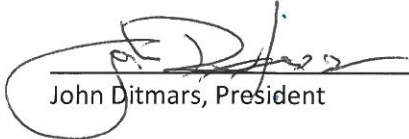
Ken Austin made a motion in favor of a waiver of non-compliance. Jake Sappenfield seconded the motion. The motion carried 5-0.

Other Business:

Ms. Linke stated there were a number of businesses that have not paid their economic development fees. She provided a list of the business for the commission. They requested that she follow up with the businesses listed that have not paid and report back.

Adjournment:

There being no further business, the meeting was adjourned. Respectfully submitted this 13th day of August, 2013.


John Ditmars, President


Tony Wellings, Secretary