MINUTES

ECONOMIC DEVELOPMENT COMMISSION

November 8, 2011

Members Present:

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

Members Absent:

Others Present:

Krista Linke	Planning Director
Rob Schafstall	Legal Counsel
Cheryl Morphew	JCDC
Jaime Harshman	Recording Secretary

Call to Order:
Sam Yount called the meeting to order at 8:00 a.m.

Approval of Minutes:
On a motion by Lee Hodgen and a second by John Ditmars, the members voted unanimously to approve the minutes from the September 13, 2011 meeting.

Old Business:

Tax Abatement Filing Fee:
Mr. Yount stated that the tax abatement fees had been put on hold until the Board decides what direction they want to go. Mr. Austin stated with Tippmann, they should at least talk about it. Mr. Yount stated that he thought that Mayor Paris and Ms. Morphew did not want to. Ms. Morphew stated that she thought the Board advised her to not talk about the fee until they decided what they were going to do. She stated that after the previous meeting, neither she nor Mayor Paris has talked about the fee with companies. Ms. Linke stated a memorandum was included in the packet that she and Mr. Schafstall had worked on. She stated the only information she could find on other tax abatement programs in the state were voluntary between the entities and the community. The fees for those communities went back to the City and were for the staff and the attorney's fees, not for not-for-profits. She stated that she didn't know if there was a good alternative to the way it has been being done.

New Business:

EDC 2011-03 Tippmann Realty Group/Interstate Warehousing:

Mr. Yount stated that the Tippmann Group is applying for a 10 year tax abatement for Phases 4, 5, and 6 for a total of $39 million of combined personal and real property.

Jason Brandseter, representing Interstate Warehousing and Tippmann Group, stated that the Tippman Group is a series of companies, including construction management, Interstate Warehousing and the Tippmann Group. They own properties all over the United States. They are the 6th largest cold food provider in the United States. A $5 million warehouse management system was installed in their Franklin facility about a year ago. They are looking to expand or build a new facility each year. Kroger is their main customer in Indiana. They requested a 10 year tax abatement in 2004 and committed to creating 25 new jobs per phase with 3 phases. In 2005, they completed Phase 1. In 2008 Phase 2 was completed and in 2010 an additional 20 acres was purchased in the Franklin Tech Park. They have outgrown and completed the first 3 phases in 5 years. They currently employ over 100 full time employees, 25 more than originally committed and 45 temporary employees. The total current investment is $46 million in the Franklin facility.

Each new phase would consist of a 140,000 sq.ft. addition and would be a $13 million capital investment. The total job creation would be 25 employees per phase and Phase 4 would begin in 2012. Franklin would be their largest facility in the U.S. Tippmann will manage the construction of the next three phases and there will be new equipment for each phase.

Mr. Schafstall noted that on the spread sheet, the total points include the EDC fee, so the fee needs to be backed out. Ms. Linke stated that she would need to know when the completion date of the 6th phase would be. Mr. Brandseter stated that the company would be willing to discuss the economic development impact fee. He stated he would work with Krista.
Ms. Linke stated that she had provided an amended point system for the board to consider this request. Some of the categories were given more points than others. Mr. Brandseter stated that he was aware that a city sanitary line needs to be relocated before Phases 4-6. He estimated that it would cost around $200,000 for the line relocation.

Discussion was held on the abatement fee. It was decided to have Ms. Linke and Mr. Brandseter discuss it further before the City Council Meeting.

Action taken on EDC 2011-03 Tippmann Realty Group/Interstate Warehousing:

John Ditmars made a motion to recommend a 10 year abatement to the City Council on the real property. Ken Austin seconded the motion. The motion passed unanimously.

Tony Wellings made a motion to recommend a 10 year abatement to City Council on personal property. Lee Hodgen seconded the motion. John Ditmars-no, Tony Wellings-yes, Lee Hodgen-yes, Ken Austin-no, Sam Yount- no. The motion did not carry, 3-2.

Ken Austin made a motion to recommend a 7 year abatement to City Council on personal property. John Ditmars seconded the motion. Mr. Ditmars clarified that it does include the IT equipment. John Ditmars-yes, Lee Hodgen-yes, Tony Wellings-yes, Ken Austin-yes, Sam Yount-yes. The motion passed unanimously.

Mr. Yount requested that Mr. Brandseter and Ms. Linke get together to discuss the fees before the City Council meeting on the 21st of November.

Other Business:

Mr. Yount stated he will be submitting letter of resignation at the end of year. He and his wife will be moving to Florida.

Ms. Morphew stated that she is seeking shovel ready status through the Business Park to get the State's stamp of approval. There are about 210 acres left for development. She is requesting that the ERA would be pre-approved for 10 years for companies that are willing to construct at least 100,000 square feet. It would be an arrangement the same as the Franklin Tech Park in order to increase marketability of the park. There is a special section on the State's website for shovel ready sites. There are a lot of companies that want to do this, it means that permits are expedited and there are a lot of advantages for companies and communities.

Mr. Schafstall stated that he would prefer to put it on the December agenda.

Adjournment:

There being no further business, the meeting was adjourned. Respectfully submitted this 13th day of December, 2011.

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Sam Yount, President	Tony Wellings, Secretary