MINUTES

ECONOMIC DEVELOPMENT COMMISSION

December 11, 2012

Members Present:

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

Others Present:

Rob Schafstall	Legal Counsel
Krista Linke	Planning Director
Jaime Shilts	Recording Secretary

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

Approval of Minutes:
On a motion by Lee Hodgen and a second by Ken Austin, the members voted to approve the minutes from the October 9, 2012 meeting as presented.

OLD BUSINESS:
None.

New Business:

2013 Economic Development Commission Calendar
Krista Linke stated that the City Council introductory meeting date needs to be changed from January 21st to February 4th as the Council will not meet on the 21st.

Tony Wellings made a motion to approve the 2013 EDC calendar with changes. Ken Austin seconded the motion. The motion passed unanimously.

EDC 2012-07: NSK
Kyle Stiens, plant manager at NSK Franklin, stated the request is to amend the resolution. They were expecting to spend $9 million but ended up spending $11.8 million. He stated that the yen strengthening to the U.S. dollar played a role and there was some overspending on the project.

Ms. Linke questioned if there were any employment changes. Mr. Stiens stated there were no major changes. Mr. Ditmars questioned if the number of employees was correct. Mr. Stiens stated that there 260 total employees, 26 of which are temporary. There are currently 46 temporary employees in program that are in program called "Intend to Hire". They are receiving some benefits through Elwood Staffing and will be hired into full time positions. Mr.

Ditmars questioned the cost difference due to the yen fluctuation and the relevance of the cost overrun. Mr. Stiens stated they were taking a risk at the time and did not expect there to be as much change as there was.

Ms. Linke stated that she didn't run the new numbers to show the revised economic benefit. Mr. Ditmars stated he was hesitant to approve the abatement without them. Mr. Stiens stated that one of the processes is grinding and is an additional cost to equipment. Mr. Sappenfield questioned if they were at the projected number for their employment. Mr. Stiens stated they were. Their production is over capacity and they are running 7 days a week. Mr. Ditmars questioned if they approve the higher number if the economic development fee would be greater as well. It would remain in proportion to the investment. Ms. Linke stated it would and that this is NSK's 5th abatement. They did meet last year's numbers. Mr. Stiens stated they are a global company and they are very carefully making investments. Mr. Ditmars stated they have confidence in the company but that the Board has a responsibility to see how it all fits together.

Mayor McGuinness stated he is in full support of the amendment of the abatement.

The Board was in agreement that more information is needed.

Tony Wellings made a motion to table the request until the next meeting. Jake Sappenfield seconded the motion. The motion passed unanimously.

<u>Other Business:</u>
Mr. Hodgen questioned what the status of the Runnebohm/Shell Building project is. Mr. Schafstall stated that the deed will be transferred to Runnebohm at the December 22nd, RDC meeting.

<u>Adjournment:</u>
There being no further business, the meeting was adjourned. Respectfully submitted this 8th day of January, 2013.

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John Ditmars, President Tony Wellings, Secretary