

ECONOMIC DEVELOPMENT COMMITTEE

June 29, 2010

3:45 P.M.

Councilwoman Scott, Chairman, called the meeting of the Economic Development Committee to order with Councilmen Rico, Benson, Berz, Gilbert, Ladd, Murphy, Robinson, and McGary present. City Attorney Michael McMahan and Shirley Crownover, Assistant Clerk to the Council, were also present.

Others present include Mayor Littlefield, Dan Johnson, Richard Beeland, Officer Kennedy, Beverly Johnson, Sandy Coulter, Missy Crutchfield, Paul Page, Danny Thornton, Greta Hayes, Gary Hilbert, Mark Keil, Barry Bennett, Jerry Stewart, Joachim Volz, Bill Payne, Chief Parker, Lee Norris, Steve Leach, Jim Templeton, Bob McGee, Daisy Madison, Randy Ray, Vickie Haley, Tom Dugan, Fredia Kitchen, Simone White, Beverly Cosley, and Dickie Hutsell. Crystal Freiberg joined the meeting later.

Chairman Scott called the meeting to order. **On motion of Councilman Rico, seconded by Councilman Gilbert, the minutes of the previous meeting were approved as published.**

Chairman Scott noted that there were two items on today's agenda and that Steve Hiatt was present to go over these two PILOTS.

Mr. Hiatt stated that he would begin with Gestamp, because it was the most simple; that Rick Proctor, Toney Cates and Counsel were present; that this was very simple; that the City had approved a PILOT, as did the County in November of last year; that it was a 14 year PILOT with a starting date of 2010 and Gestamp was asking for this to be changed to 2011 and the time span from 2010-2023 to 2011-2024. He stated that he had run this by both Mayors and both were in favor.

Chairman Scott had a question to ask—Since the PILOT was approved for this year, she stated that it was her understanding that Gestamp would be paying the property taxes for the proceeding year. Mr. Hiatt responded “for the tax year 2010, they would pay this in lieu of payment—that the PILOT will start with redevelopment in 2011.

Councilman McGary asked why the Mayor had agreed to this prior to the Council? Mayor Littlefield responded that there is a matrix this is based on, and it is reviewed by the City and County; that the first “pass” goes to Mayor Ramsey and himself to see if this is in keeping, and if they blessed it, then it came on to the Council; that this is just the procedure—that it goes to both legislative bodies.

Councilman Murphy asked how this was “built” out? Mr. Proctor responded that the building was coming along quite well and was 95% complete with a lot of landscaping and paving; that not all of their equipment was in; that assembly equipment would arrive in mid-August, and they should be a fully capable plant; that there was a staff of 41 folks on board, and they planned to hire 100 people by the end of the year. Councilman Murphy questioned when there would be an appraisal? Their counsel responded January 1st; that they already have an assessment for this year—that the real property will be January 1st and the personal property September 1st. Councilman Murphy confirmed that all the equipment would be in by August, with Mr. Proctor noting that equipment is a huge portion of their investment. He assured that they were on time.

The second PILOT was LTJ/Steel Warehouse, which is headquartered in South Bend, Indiana, with 11-12 plants in the United States. In 2002 they had zero employees and now they have 125 employees. This is the fourth expansion since 2002; they have invested \$1.8 million dollars in a new building and \$9.5 million dollars in new machinery and equipment. There are 84 new jobs with an average wage of \$42,000+ and right now it is averaging \$13.50 for the lowest hourly rate and \$19.09 for the highest. It was noted that these are really good wages and way above average. This is a 7% PILOT Agreement, and they will be paying the school tax.

Chairman Scott asked about the first PILOT and was told 2002, and this is the 4th PILOT.

Councilwoman Robinson stated that this was good news and additional jobs, stating that we are on the uptake.

Councilman Rico stated that there were many other places this company could go.

Chairman Scott thanked both companies for coming.

Mr. Hiatt asked if they needed to come back next week for the Council meeting and was told “no”.

The meeting adjourned at 4:00 p.m.