

INDUSTRIAL DEVELOPMENT BOARD

April 12, 2012

6:30 pm

Present: John Sheley, Terry Smith, Mike Fussell, Ed Spurlock, John Zobl, Bruce Carter, Shelton Hatcher

Others Attending: JoAnna Blauw, Keith Dennen, Fred Qualls, Don Long, Will Daughtry, Brenda Payne

Absent: Elbert Jones, John Steinhauer

Roll was called, and there was a quorum.

Zobl called the meeting to order.

PUBLIC HEARING

None

MINUTES

Zobl called for approval of the February 9, 2012 minutes. Fussell so moved; Carter seconded. The minutes were approved.

FINANCE REPORT

Carter passed out the finance report and, other than the larger than usual donation to the Chamber of Commerce, the report was standard. He noted that the report did not include March 2012 because he had not yet received the statement for March. He also noted that he received two checks in March for the cell tower, and that this was not an increase, just the fact that two checks came in March. Hatcher moved to accept the finance report; Fussell seconded. The report was unanimously accepted.

REQUEST FOR ASSISNATCE

Don Long approached the board about funding the annual trip to the ICSC in Las Vegas. Before he got started, Zobl asked him to be better about giving the board advance notice about any requests. He asked for the board to cover the expenses in an amount not to exceed \$2,500.00. Fussell so moved; Carter seconded. The motion was approved. Zobl then asked Long to make a report on the conference at the next IDB meeting.

NEW BUSINESS

Dennen reported on the Ad Hoc Committee meeting of February 29, 2012. Zobl asked if we actually approved an ad hoc committee, and Dennen stated that we did at the February 9, 2012 meeting. Dennen went over briefly the report to the Ad Hoc committee and the history of what had brought he board to this point. The letter of credit fees were at the heart of matter and could be done away with. No, we cannot do away with the letter of

credit, but it can be substituted for collateral, cash, a CD. What about the interest rate swap? \$3,000,000.00 interest rate swap expires in May 2012 and the \$15,000,000.00 interest rate swap expires in May 2016. Currently LIBOR is incredibly low, and the interest rate swap could be terminated.

The ad hoc committee discussed three options for the county:

#1. Dennen said that he did not know of anyone who would be willing to provide a letter of credit, i.e., substitute their credit, with what is currently in place with Fifth/Third Bank. The county, however, has the ability to do so.

#2. Pay off the swap fees and take the interest rate from 3.95% to 0.3%. The county is the only entity with that ability.

#3. Someone else could come along and pay off the bonds. There is a provision in the economic development area that prohibits PILOTS. The county must decide whether they want to pay off the bonds or not.

Zobl asked if these aren't the same questions that the county had already raised, and reiterated that this board has no authority to make financing decisions for the county. Dennen then went over the tax handout, pointing out \$386,858.00 in property tax collections without Sam's Club. Sheley noted that this report does not include sales taxes and that they are another approximately \$5,000,000.00.

Hatcher asked why would we make a recommendation to the county. He also pointed out that the board had no authority, and that we need to stop this issue right here.

Dennen agreed and said that we were asked by the county to provide information, and there is nothing more this board can do unless someone wants to pay off the bonds or substitute a letter of credit. At that point the board could take appropriate action.

Sheley asked who would terminate swap contracts. Dennen answered that the board would have to approve termination of swap contracts, but only if the county pays the termination fees. He also reiterated that there is nothing in the board's power to do at this point.

Carter asked if the county had this information. Dennen answered. Yes, as we want to be cooperative with the flow of information. They have the information and all the decision making power.

Fussell said the committee voted to approve this report for submission to this board for consideration. He also praised Dennen for the hard work he had done and that all this rejustified the board made the right decision initially. He said that he had talked with several county commissioners and discovered that they have paid over \$20,000.00 in legal fees on this issue, i.e., taxpayer's dollars. This board's integrity was called into question over politics and nothing else.

Dennen concluded the report by saying that the report was received and delivered, and no action was taken. Nothing has changed.

Fred Qualls interjected that he had a responsibility as an alderman to attend these meetings. He also complimented Dennen and reiterated that what the board had done was correct.

OLD BUSINESS

None

Hatcher asked about changing the meeting time to earlier in the evening. The board members coming from Nashville said that would not work for them.

With no further business the meeting was adjourned.

John Steinhauer, Chairman

Bruce Carter, Treasurer