

INDUSTRIAL DEVELOPMENT BOARD
AD HOC COMMITTEE
February 29, 2012

Attending: Mike Fussell, Ed Spurlock, Keith Dennen

Absent: None

Others Attending: JoAnna Blauw, Don Long, Ray Bucy, David Lawling, Jesse Hughes, Jo Skidmore, Paul Freels, Beth Browning, Sheri Mitchell

Keith Dennen briefly went over the background of the bonds and Indian Lake project. He said that at the time, the county had no ability to build the road and that the decision was made to complete the project with TIF. He briefly went over what happened at the IDB meeting on February 9, 2012 in respect to what can be done about the interest rate and letter of credit fees. He said that the letter of credit was a practical matter (see attached).

Spurlock added that when the bonds were issued in March 2007, the rates went up right after the swap. The rate was signed onto to protect the county and city as a 1% LIBOR rate had never been seen before. Dennen responded that it is simply an economic condition that we have to deal with.

Dennen went on to say that the recommendation is easy. Sumner County has \$30 million in savings and could pay off the bonds because the bonds are being paid with tax revenues (page 3). The county could pay off the bond with a savings of 6% per year. He believes that this makes economic sense because new business cannot be done with a TIF because this area has already had one. When Windham came in they wanted a TIF, but we could not do it because of the economic overlay of the whole area.

With respect to the swap contract, it could be terminated without paying off the bond, and that would save the county \$400,000.00 over the next four years.

Dennen recommended to the Ad Hoc committee that we make this recommendation to the full board at the next meeting so the board can make a formal recommendation to the county.

Bucy reported that Jerry Stone could not be at this meeting due to a prior commitment. Jo Skidmore then added that Stone had asked her to go in his place.

Fussell moved to accept the recommendation. Spurlock seconded and the motion was approved. Fussell closed by saying that the negative comments and reporting did not help this situation.

With no further business, the meeting was adjourned without objection.

Mike Fussell, Chairman

Ed Spurlock

