

The Industrial Development Board of the City of Millington, Tennessee
7965 Veterans Parkway, Suite 101
Millington, Tennessee 38053
Minutes of Regular Board Meeting
July 12, 2024

The following Board Members participated:

Cary E. Vaughn
John Perales
Jack Langford
Rod Loggins

Also participating:

Jon Crisp
Deanna Grigsby
Don Lowry
Larry Dagen
Will Brantley
Paul Frazier
Michaelle Terhune
Mike Gill
Charlie Reed

1. **Determine Quorum** – Chairman Cary Vaughn opened the meeting at 8:00 a.m. on July 12, 2024. The Board had a moment of silence. Then, the Board and all guests recited the Pledge of Allegiance. After determining a quorum, the MIDB meeting was called to order.
2. **Public Comment Period** – There were two public comments.
 - a. The Executive Director of the Millington Airport Authority, Mike Gill, informed the Board that he and Jon Crisp have been working together on land discussions regarding the airport.
 - b. Charlie Reed requested that in the opening ceremony, the moment of silence be replaced with a prayer, in keeping with the City’s opening ceremony.
3. **Consideration of Minutes** – Chairman Vaughn introduced the topic and asked if there were any proposed changes to the minutes. There were none. Jack Langford made a motion to approve the minutes of the June 14, 2024 regular Board meeting. Rod Loggins made a second to the motion. Cary Vaughn, John Perales, Jack Langford and Rod Loggins voted aye. Motion carried.
4. **Consideration of the Financial Statements for June 2024** – Chairman Cary Vaughn introduced the topic and gave the floor to Secretary and Treasurer John Perales. Mr. Perales gave a brief review of the financial statements for June 2024. Jack Langford made a motion to approve the financial statements for June 2024. Rod Loggins made a second to the motion. Cary Vaughn, John Perales, Jack Langford and Rod Loggins voted aye. Motion carried.
5. **Executive Director Update** – Chairman Vaughn introduced the topic and gave the floor to Executive Director Jon Crisp.
 - a. **Proposed Easements for Sewer Under Veterans Parkway** – Mr. Crisp introduced the topic and gave the floor to Assistant Executive Director Deanna Grigsby. Ms. Grigsby explained that these easements are for sewer and water to be continued along Veterans Parkway. The work is being organized by the City of Millington and the easements should be approved by the IDB to get the improvements to the property started. John Perales made a motion to

approve the easements. Jack Langford made a second to the motion. Cary Vaughn, John Perales, Jack Langford and Rod Loggins voted aye. Motion carried.

- b. **Project Amelia: Update** – Mr. Crisp explained to the Board that Millington is one of two sites left in the running for Project Amelia, which is an aviation related project that would bring approximately 650 well-paying jobs to the City. Mr. Gill stated that this was the first project submitted by the airport that included a huge collaboration of work from all across the City. It was all hands on deck and everyone worked together and worked hard to get the proposal for the project submitted completely and on time. While no word has been received on Amelia’s final decision, it is likely that Millington will be chosen as the finalist.
- c. **103 Acre Parcel on Veterans Parkway** – Mr. Crisp stated that the final part of getting the 103 Acre site certified by the State is to conduct a Geotech and a Phase II study. However, problems exist with these last two studies. To be effective, the Geotech survey should be done based off the building that will be constructed on the site. And the Phase II, once completed, is only good for one year. It would behoove the Board to wait on getting these last two studies done until a client comes forward. At that point, the IDB can get the last two studies done based off the site plan of the future client and expedite the process. The State asked the IDB to reconsider putting the certification on hold. So, another course of action would be to complete the two studies now with the understanding that they could be updated at a future point in time. For example, the Geotech could be done now with “test shots” located where a building is likely to be built, and when a client comes forward, the IDB/Panattoni could update the study to include a better footprint of the building. Similarly, the Phase II could be done now and if a client comes forward after the expiration of the Phase II, a more focused and less costly “update” of the Phase II could be done. Discussions are ongoing.
- d. **Beechwood Sale: Status** – Mr. Crisp informed the Board that the final Plat is done and the City has received it. The City’s Planning and Zoning Commission just needs to review the final plat and then the sale will move towards closing. Closing is estimated to occur at the end of this month.
- e. **Butler Building Sale: Status** – Mr. Crisp introduced the topic. Michaelle Terhune informed the Board that they were waiting on the title insurance so that they could complete the Alta Survey. Once the Alta Survey is done, then the sale will move towards closing.
- f. **Sandusky: Status and IDB’s Role** – Mr. Crisp stated that the IDB has received interest from multiple potential buyers and is in receipt of an LOI from ProSite, LLC for the Sandusky building. However, the Sandusky building is still owned by the City, and so the IDB cannot accept an LOI on property that it does not own. Mr. Crisp stated that the party that submitted the LOI will be going to the City to express their intent to buy. Paul Frazier of ProSite, LLC asked what it would take for the Sandusky building to be moved to the IDB’s control. Mr. Crisp explained that the City is supposed to declare property surplus and deed it to the IDB, so that the IDB can properly sell said property. Mr. Frazier asked if it would be in their best interest to bring the subject of Sandusky before the Mayor and Alderman at a public meeting. The confusion on the subject of the IDB selling City-owned Sandusky has resulted from the IDB’s ongoing sale of City-owned Beechwood. It has come to light that the IDB’s handling of the Beechwood sale was not necessarily the correct process. Will Brantley, Attorney at Harris Shelton Hanover Walsh, weighed in during the discussion and stated that the IDB is indeed a separate entity from the City of Millington. Therefore, any purchase and sales contract for property owned by the City of Millington should be made out to the City of Millington rather than the Millington Industrial Development Board. The IDB cannot technically sell land that is in the City’s name. To correct this, Beechwood will have a simultaneous closing where the City of Millington will deed the property to the IDB on the same day that the IDB will sell the property to SE Industrial. It is important to note that the IDB did not pursue the Beechwood purchase and sales agreement with the knowledge that it was the incorrect way to handle the sale. It is the IDB’s intention to conduct all of its business in a legal and professional manner. Therefore, to avoid this confusion in the future, the IDB should own all property prior to selling it. Mr. Crisp apologized on behalf of the IDB to Mr. Frazier and Ms. Terhune for the confusion. Mr. Frazier asked how to move forward from this point. Mr. Crisp stated that the meeting with the airport (listed

below as the next topic on the Executive Director's update) will illustrate the best way to move forward from here.

- g. Land to Airport: Meeting on July 25, 2024 at 10:00 am** – There will be a meeting between the IDB and the MAA. This meeting will discuss deeding the land owned by the IDB and under lease by the MAA to the MAA. Mr. Crisp stated it is open to the public and anyone is welcome to attend.
- h. Letters of Intent Submitted by Pro-Site, LLC** – Four letters of intent from ProSite, LLC were delivered to IDB staff on June 5, 2024 for various properties. These four letters of intent were tabled at the last regular meeting of the Board. Due to the previous discussions in the Executive Director's Update on f. Sandusky and g. Land to the Airport, the Board decided that the best course of action was to table these four letters of intent for another thirty days. John Perales made a motion to table the four LOIs submitted by ProSite, LLC for thirty days. Jack Langford made a second to the motion. Cary Vaughn, John Perales, Jack Langford and Rod Loggins voted aye. Motion carried.

6. Finance Committee

- a. Consideration of authorizing 5% cost-of-living salary increase for staff effective July 1, 2024** – Chairman Vaughn introduced the topic and gave the floor to Secretary and Treasurer John Perales. Mr. Perales stated that the Board approved a 5% cost of living increase for the staff in the budget for the fiscal year ending on June 30, 2025. This is in line with the cost-of-living increase granted by the City of Millington to its employees. Chairman Cary Vaughn asked the staff when they last received a cost-of-living increase and when they last had a performance evaluation. Ms. Grigsby last received a raise in July 2023. Her last evaluation was performed in April 2022. Mr. Crisp has not received a raise nor had an evaluation since the beginning of his employment with the IDB in May 2022. Ms. Grigsby stated that the cost-of-living increase was approved in the budget and therefore should stand as approved, but it seemed best to bring it back before the Board just to be sure that this was fully approved before the payroll company was instructed to pay out the increases. Chairman Vaughn expressed concerns that Mr. Crisp has never had an employee evaluation and stated that this needed to be corrected going forward. Mr. Perales stated he would get information on how this could be done. Chairman Vaughn agreed that this needs to be done this fiscal year. John Perales made a motion to approve the 5% cost-of-living increase for the IDB's employees. Rod Loggins made a second to the motion. Cary Vaughn, John Perales, Jack Langford and Rod Loggins voted aye. Motion carried. Cary Vaughn commended the staff for their hard work and dedication to the IDB.
- b. Edward Jones: CD coming due July 22, 2024** – Mr. Perales informed the Board that a certificate of deposit held with Edward Jones was coming due on July 22, 2024. The Board has discussed putting this money into the Money Market. Ms. Grigsby stated that there are two obligations that the IDB has with the City. They are as follows:
 - i)** The first obligation is the City's request for \$1,000,000 following the sale of Beechwood. The plan to fulfill this obligation is this: The IDB expects to receive around \$750,000 from the sale of Beechwood. The IDB will take the remaining amount out of its checking account to make up the rest of the money to get the entire \$1,000,000 and that will be transferred over to the City of Millington. The IDB will publicly present the \$1,000,000 on a big check at the Board of Mayor and Aldermen meeting on August 12, 2024. After discussion and clarification, the Board agreed with this course of action.
 - ii)** The second obligation is the City's request for reimbursement for the extension of sewer and water along IDB property on Veterans Parkway. The amount of this reimbursement is \$783,859. The plan to fulfill the obligation is this: Ms. Grigsby suggested that the CD coming due on July 22 in the amount of \$243,000 should not be reinvested and instead be moved into the Money Market account at Edward Jones. Then, Chairman Vaughn and Secretary and Treasurer Perales shall transfer \$783,859 out of the Money Market at Edward Jones into the IDB's checking account at Patriot Bank. From there, the IDB staff and its officers will coordinate moving \$783,859 from the IDB's bank account to the City's bank account. After discussion and clarification, the Board agreed with this course of action.

7. **Other Business**

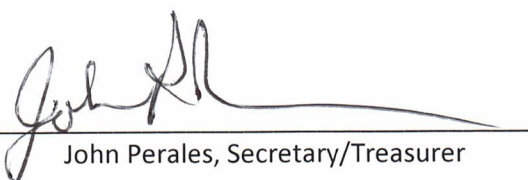
- a. **Vice Chairman Moody Resignation and Recognition** – Vice Chairman Greg Moody announced that he was resigning from the Millington Industrial Development Board, effective at the close of this meeting. Unfortunately, Mr. Moody was unable to make today’s meeting. The IDB plans to recognize him for his long years of service at the next meeting on August 9, 2024.
- b. **Minor Water Damage in Suite 101** – Ms. Grigsby stated to the Board that a leak occurred from the sprinkler system in the back room of Suite 101, directly behind Mr. Crisp’s office. The leak had been discovered on the weekend following the July 4th holiday, but the nature of the slow leak indicates it had been going on for about a month. The water had pooled in the back room against the wall of Mr. Crisp’s office and soaked into the carpet. The wall and carpet are both ruined. Repairs are being organized by Ms. Grigsby. Mr. Loggins requested that as a best practice, to be sure and secure at least two bids for every project. It was agreed that this is a good practice and every effort will be made to follow it.
- c. **July 12, 2024:** This was incorrectly listed on the agenda as the next Board meeting date. The correct date is August 9, 2024.
- d. **Other Business** – There was no other business to properly come before the Board.

8. **Adjourn** – With no other business to discuss, the Board was all in favor of adjourning the meeting.

I have read and approved the above minutes of this regular Board meeting:



Cary E. Vaughn, Chairman



John Perales, Secretary/Treasurer