

The Industrial Development Board of the City of Millington, Tennessee
7965 Veterans Parkway, Suite 101
Millington, Tennessee 38053
Minutes of Regular Board Meeting
November 8, 2024

The following Board Members participated:

Cary E. Vaughn
John Perales
Jack Langford
James Blackwell
Jim Warberg
Rod Loggins

Also participating:

Jon Crisp
Deanna Grigsby
Frankie Dakin
Don Lowry
Larry Dagen
Ron Wells
Tricia Adrian
Charlie Reed
Thomas McGhee
Mark Neal

1. **Determine Quorum** – Chairman Cary Vaughn opened the meeting at 8:00 a.m. on November 8, 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. **Audit for the Fiscal Year Ending June 30, 2024** – Chairman Vaughn introduced Clark Province from Watkins-Uiberal and offered him the floor. Mr. Province stated that this audit was very straightforward and simple. It was a very clean audit with no findings. There were no deficiencies found in the internal controls processes. All documentation and paper trails were good. The only changes from last year to this year were some sales that had occurred in the year and some pension footnotes. Mr. Province stated he would be happy to answer any questions on the audit. There were none. Rod Loggins made a motion to approve the audit of the fiscal year ending June 30, 2024. Jack Langford made a second to the motion. Cary Vaughn, John Perales, Jack Langford, James Blackwell, Jim Warberg and Rod Loggins voted aye. Motion carried.
3. **Public Comment Period** – There was one public comment. Don Lowry urged the IDB to be very considerate of the end use of the potential buyer for the two purchase and sales agreements to be considered later on the agenda.
4. **Consideration of Minutes from the October 18, 2024 Regular Board Meeting** – Chairman Vaughn introduced the topic and asked if there were any proposed changes to the minutes. There were none. Secretary and Treasurer Jack Langford made a motion to approve the minutes of the October 18, 2024 regular Board meeting. Rod Loggins made a second to the motion. Cary Vaughn, John Perales, Jack Langford, James Blackwell, Jim Warberg and Rod Loggins voted aye. Motion carried.
5. **Consideration of the Financial Statements for September 2024** – Chairman Cary Vaughn introduced the topic. Secretary and Treasurer Jack Langford gave a summary of the financial statements for October 2024. Chairman Vaughn asked if there were any questions on the financials. There were no questions. Executive Director Jon Crisp clarified that the \$1,000,000 in expenses was due to the transfer of funds from the sale of Beechwood to the City of Millington. Vice Chairman John Perales made a motion to approve the financial statements for October 2024. James Blackwell made a second to the motion. Cary Vaughn, John Perales, Jack Langford, James Blackwell, Jim Warberg and Rod Loggins voted aye. Motion carried.

6. **Consideration of Purchase and Sales Agreement with PFMT Holdings – 9 acres North of Courthouse –** Mr. Crisp asked for the parcel in question to be displayed on the screen in the Boardroom. He stated that the Board ought to hold off on voting on this Purchase and Sales Agreement at this time, and to follow suit with the PSA for the 10 acres south of the weather tower. Out of respect to Mayor-elect Larry Dagen, Mr. Crisp stated, he surely has a vision for the City of Millington that he will share with the IDB and these land sales may not fit with his vision. Also, though the buyer expressed his intent to build, it is not defined when he would build. Mr. Loggins agreed on the course of action of waiting to vote on the two Purchase and Sales Agreements, as the IDB's true purpose in selling land is for the cultivation of economic development and growth. Mr. Blackwell asked for clarity on the purchase price. Mr. Crisp explained that there is no water, sewer or electricity on the parcels in question, and so the value of the land is not on level with a parcel that does have the infrastructure in place and therefore cannot be priced as high. Mr. Crisp also reminded the room that the IDB does not sell land for profit, instead it sells land to incentivize bringing jobs and growth and increasing quality of life. Therefore, a low purchase price is not out of the ordinary with how an IDB operates, as it can accept a low price from a developer as an incentive for the developer to build and bring jobs. Vice Chairman John Perales stated that this land could be highly valuable in the future with its proximity to the airport. As the airport continues to grow and thrive, this land could be very attractive. Mr. Loggins asked if there was a way to put in a contingency in the PSAs to give the IDB the right to buy the property back at its original sale price or to deny the buyer to sell the property for a profit without building on it first. Attorney Tricia Adrian stated that a right of first refusal is included in both contracts, but that it is written for the IDB's right to buy the property back for what the developer would be selling it at that point in time. An option agreement for a certain number of years at this current selling price could be added to the contracts, though the buyer is not likely to agree to these terms. Mr. Crisp stated to the Board that these contracts are currently in a state of negotiation, and so at this point anything can be added or removed to the contracts to suit the Board's taste. This is all the more reason to not take a vote just yet. He reminded the Board that staff are required to take any land purchases or sales to the Board for their review, discussion and decision. In the course of this discussion, the infrastructure of the two sites was discussed. Mr. Crisp stated that the buyer would need to eat the cost of installing the infrastructure. Alternatively, the IDB could decide not to sell the properties and instead invest in installing the infrastructure and sell it for a higher price at a later date. Mr. Warberg said he would speak with MLGW to clarify if the electric distribution in this area is Navy owned or City owned. He also informed the Board that MLGW has a capital improvement budget that potentially could be used rather than City funding for infrastructure installation or improvement, and said it was an idea to look into. After a lengthy discussion of the two PSAs, the Board was all in agreement to table them until the next meeting.
7. **Consideration of Purchase and Sale Agreement with PFMT Holdings – 10 Acres South of Weather Tower –** This item was discussed in conjunction with the above item.
8. **Executive Director Update –** Chairman Vaughn introduced the topic and gave the floor to Executive Director Jon Crisp.
 - a. **Amelia Ends Pharma Begins –** Mr. Crisp received an email from the State of Tennessee ECD stating that no Tennessee airports were being considered for Project Amelia any longer. This is disappointing news, as Millington was one of the two finalists for the location of Project Amelia. In better news, a larger pharmaceutical manufacturer has expressed interest in the 170-acre site in which Amelia was considering as their location. The manufacturer brings a 350 million dollar investment and roughly 800 employees. Millington's 170-acre site is being considered with a lot of other sites, but Mr. Crisp is hoping to hear more soon. Updates to follow.
 - b. **Meeting on the 12th of Nov. with Mr. Dakin and Mr. Gill to Continue the Land Transfer Issues –** Mr. Crisp reminded the Board that the north side of the Navy base, the parts that no longer are owned or operated by the US Navy, is a mixture of Airport, City and IDB owned property. Steps are being taken to sort out the ownership of these sites to best suit all three entities. The next meeting for this discussion will take place on November 12, 2024. *Per a change to these minutes as requested during the regular Board meeting on December 13, 2024, this meeting did not happen as scheduled. It was rescheduled to November 21, 2024. Original text left for clarity.*

- c. **Continuing Pursuit of a Top Grocery Store Option** – Two high-end grocery store chains have expressed some interest in locating in Millington, Hy-Vee and Publix. Publix has been in the area and has been looking at sites, and it has chosen a potential site in Collierville. It has also chosen a potential site in Germantown. Publix is now considering locating in Millington, as this chain likes to build multiple sites in a region at a time, and Millington is hot with growth. There are two sites around Veterans and HWY 51 that are being kicked around as possible options. Hy-Vee is unlikely to compete with Publix and will probably not locate in the area after all.
- d. **Jetway Grant with TDEC Still Moving Along, Mid-South Development District Options** – TDEC has notified the IDB that it will receive a grant award. Another application needs to be filled out and turned in to continue the process. Mr. Crisp stated that he has been speaking with Grant Meyer from the MidSouth Development District. Mr. Meyer’s organization receives federal money for brownfield remediation, and there is a possibility that the IDB could receive more funding through this to fund the JetWay cleanup. Chairman Vaughn asked about potential funding from Delta Regional Authority, and Mr. Crisp responded that he believes that is where MDD’s funding comes from.
- e. **Allocation of Property Tax – General Purpose and Debt Service Challenge** – Mr. Crisp explained that an issue has arisen regarding Millington’s debt service ratio as it is reported regarding TIFs. The Board of Mayor and Alderman recently approved a \$26 million loan to build an addition to the Millington Intermediate School building. Though the City of Millington holds the loan, the Millington Municipal School system will end up paying it back through federal and state dollars. What this has done, however, is skew Millington’s debt service ratio. On paper, it appears that Millington is very much in debt and therefore a higher portion of the property taxes will go to pay this debt back per the debt service ratio as reported by the Trustee. Remember that this is not truly the case, the money will be paid back through the schools not through the property taxes. The structure of a TIF, however, is that its loan borrows against future property taxes that the TIF development will create. If, on paper, it looks as if x dollars of property tax must pay the debt service ratio then x dollars are therefore unavailable to be used by TIF projects. What is not reported, though, is the income from the schools. If the debt incurred by the schools is used in the report, then it must follow that so too should the revenue be reported. That would offset the debt service ratio on paper to match reality a little more closely. City Manager Frankie Dakin asked what the policy change at the state level would be, and if it was just an administrative change. Mr. Crisp responded that, yes, it is an administrative change that is needed. The way that the data of the City debt and income versus the Schools debt and income is reported is what needs to be changed. Updates to follow.

9. Other Business

- a. **Broken Rooftop Unit** – Chairman Vaughn introduced the topic and gave the floor to Deanna Grigsby to discuss. Ms. Grigsby explained that during the routine cleaning and maintenance of the heating and air conditioning units in the IDB’s building, the rooftop unit servicing most of Suite 104 was discovered to have a broken combustion chamber. This issue causes a leak of carbon monoxide and is not fixable, and so the whole unit must be replaced. The vendor performing the maintenance turned the gas off to the unit once it was discovered to be damaged to prevent any dangerous leaks. The cleaning and maintenance work that led to the findings of the broken unit occurred the week of this meeting, Ms. Grigsby explained, and so she hadn’t had time to procure more quotes to replace the unit yet. There is a major concern that the weather will turn cold enough to freeze the pipes in the suite before the unit can be replaced. John Perales made a motion to approve the quote provided. Prior to a vote on the motion, there was discussion on balancing the need to fix the unit versus the IDB’s desire and need to comply with the best practices of procuring multiple quotes for such a high-cost service. Tricia Adrian stated that per state law, multiple quotes must be obtained for this service, though it being factored as an emergency due to the impending cold weather may change that. To be safe, the Board decided to obtain more quotes but to also authorize Jon Crisp to sign off on the best quote so that the work needn’t wait until the next Board meeting over a month later. John Perales amended his earlier motion to approve the quote with the motion to obtain more quotes and to give Jon Crisp the autonomy and freedom to make a decision to get the unit replaced. Rod Loggins made a second to that amended motion. Cary Vaughn, John Perales, Jack Langford, James Blackwell, Jim Warberg and Rod Loggins voted aye. Motion carried.

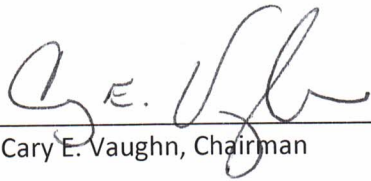
b. **Website Analytics Report** – The website analytics report was included in the meeting materials.

c. **December 13, 2024:** This is the date of the next regular meeting of the Board.

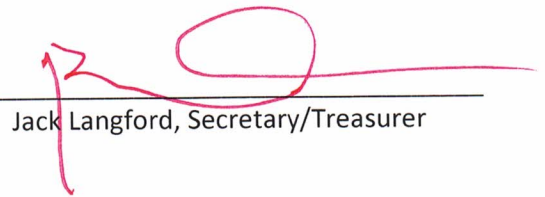
d. **Other Business** – There was no other business to properly come before the Board.

10. **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



Jack Langford, Secretary/Treasurer