

THE SHELBY COUNTY COUNCIL MET AT 7:00 PM ON TUESDAY MARCH 21, 2006. PRESENT WERE COUNCIL MEMBERS FUCHS, CARMONY, PARIS, EBERHART, SMITH, GRUBBS, RIGGINS, AND THE AUDITOR.

MINUTES:

A MOTION TO APPROVE WAS MADE BY FUCHS, SECOND SMITH, VOTE 5-0-2, (CARMONY, PARIS, ABSTAINED)

ADDITIONAL APPROPRIATIONS AND TRANSFERS:

GENERAL FUND:

A MOTION TO TRANSFER \$6,000.00 FROM GROUP INSURANCE TO UNEMPLOYMENT TAX WAS MADE BY FUCHS, SECOND SMITH, VOTE 7-0.

CUM BRIDGE:

A MOTION TO APPROVE AN ADDITIONAL IN THE AMOUNT OF \$49,000.00 FOR EMERGENCY REPAIRS WAS MADE BY FUCHS, SECOND CARMONY, VOTE 7-0. A MOTION TO APPROVE AN ADDITIONAL IN THE AMOUNT OF \$70,000.00 FOR PHASE III CONSTRUCTION WAS MADE BY FUCHS, SECOND CARMONY, VOTE 7-0.

GENERAL FUND PROSECUTOR:

A MOTION TO TABLE WAS MADE BY SMITH, SECOND PARIS, VOTE 7-0.

COMMUNITY CORRECTIONS:

A MOTION TO APPROVE AN ADDITIONAL APPROPRIATION FROM PROJECT INCOME TO 421-01-01-20 IN THE AMOUNT OF \$1550.00 AND \$1,225.00 FROM PROJECT INCOME TO 421-01-01-14 WAS MADE BY RIGGINS, SECOND SMITH, VOTE 7-0. THE AMOUNT IS FOR INCREASED SALARIES, AS APPROVED BY THE SCCC ADVISORY BOARD.

THINKING FOR A CHANGE:

A MOTION TO APPROVE AN ADDITIONAL APPROPRIATION IN THE AMOUNT OF \$2,650.00 WAS MADE BY RIGGINS, SECOND PARIS, VOTE 7-0. THE AMOUNTS ARE APPROPRIATED TO \$600.00 PROGRAM SUPPLIES, \$100.00 OFFICE SUPPLIES, \$200.00 TO PROJECT SUPPLIES, \$1,500.00 TO CONTRACT SUPPLIES AND \$250.00 TO TFC EQUIPMENT.

LETPP AND SHSP GRANT:

A MOTION TO APPROVE AN ADDITIONAL IN THE AMOUNT OF \$14,802.09 TO PURCHASE 800 MHZ RADIOS AND \$25,256.00 FOR A SHSP GRANT WAS MADE BY PARIS, SECOND SMITH, VOTE 7-0.

CUM CAPITAL SHERIFF VEHICLES:

A MOTION TO TRANSFER \$9,291.58 FROM 161-07-04-59 TO 161-05-04-21 AND \$600.42 FROM 161-05-04-48 TO 161-05-04-21 WAS MADE BY GRUBBS, SECOND PARIS, VOTE 7-0.

JURY PAY FUND:

A MOTION TO APPROVE AN ADDITIONAL APPROPRIATION UP TO \$17,493.00 FROM THE JURY PAY FUND TO THE GENERAL FUND FOR 2005 JURY EXPENSE REIMBURSEMENTS WAS MADE BY RIGGINS, SECOND PARIS, VOTE 7-0.

COURTHOUSE CONSTRUCTION FUND:

A MOTION TO APPROPRIATE \$1,000.00 TO 195-01-03-11 WAS MADE BY FUCHS, SECOND PARIS, VOTE 7-0.

PRO BONO FUND:

A MOTION TO APPROVE AN ADDITIONAL APPROPRIATION IN THE AMOUNT OF \$1,000.00 TO 149-01-03-13 WAS MADE BY GRUBBS, SECOND PARIS, VOTE 7-0.

CUMULATIVE CAPITAL ADDISON TOWNSHIP ASSESSOR:

A MOTION TO TRANSFER \$3,050.00 FROM 161-07-04-59 TO 161-07-04-51 WAS MADE BY CARMONY, SECOND GRUBBS, VOTE 7-0.

GENERAL FUND CORONER:

A MOTION TO TRANSFER \$50.00 FROM 100-07-03-11 TO 100-07-02-11 WAS MADE BY CARMONY, SECOND FUCHS, VOTE 7-0.

PUBLIC PREPAREDNESS:

A MOTION TO TABLE WAS MADE BY PAIRS, SECOND GRUBBS, VOTE 7-0.

HEALTH MAINTENANCE:

A MOTION TO TABLE WAS MADE BY FUCHS, SECOND GRUBBS, VOTE 7-0.

CUM CAPITAL INSPECTORS:

A MOTION TO TABLE WAS MADE BY EBERHART, SECOND GRUBBS, VOTE 7-0.

MISCELLANEOUS:

WELFARE UPDATE:

MARY MEDLER THE FAMILY AND CHILDREN DIRECTOR PRESENTED THE COUNCIL WITH PROVIDERS AVAILABLE TO THE COUNTY. MS. MEDLER EXPLAINED HOW FUNDS ARE SPENT AND THE SOURCE OF THOSE FUNDS.

ALCOHOLIC BEVERAGE BOARD APPOINTMENT:

A MOTION TO APPOINT JEAN TENNELL FOR A ONE-YEAR APPOINTMENT WAS MADE BY CARMONY, SECOND FUCHS, VOTE 7-0.

TOURISM BOARD APPOINTMENTS:

COUNCIL PRESIDENT EBERHART NOTED THAT THE COMMISSIONERS HAVE THESE APPOINTMENTS AND NOT THE COUNTY COUNCIL.

EDIT FUNDING REQUESTS AND PRESENTATIONS:

LIFE LONG LEARNING:

THE EXECUTIVE DIRECTOR, TONY COLLIER, INTRODUCED HIMSELF AND UPDATED THE COUNCIL ON RECENT EVENTS OF LIFE LONG LEARNING. COUNCIL PRESIDENT EBERHART SAID THAT ALL AGENCIES RECEIVING PUBLIC FUNDS SHOULD REPORT TO THE COUNCIL. COUNCIL MEMBER RIGGINS SUGGESTED QUARTERLY REPORTS.

MR. COLLIER EXPLAINED THAT THE GRANTS THAT ARE AVAILABLE DO NOT FUND OR COVER ADMINISTRATIVE EXPENSES, BUT COVER PROGRAMMING AND SERVICES. MR. COLLIER SAID IT WAS IMPORTANT THAT WE HAVE A TRAINED WORKFORCE. MR. COLLIER SUGGESTED THAT THE COUNTY CONSIDER INCREASING THE FUNDING TO THE INITIAL INVESTMENT OF \$50,000.00.

COUNTY RESIDENT BRENDA YONTS ASKED IF THERE WOULD BE A POINT IN TIME THAT LIFE LONG LEARNING WOULD NOT BE DEPENDENT ON PUBLIC FUNDS. MR. COLLIER STATED THAT IT IS DIFFICULT TO FIND FUNDING FOR ADMINISTRATIVE COSTS.

COUNCIL MEMBER PARIS STATED THAT THE COUNCIL, LAST YEAR, REQUESTED THAT LIFE LONG LEARNING SEEK OTHER FUNDING IN THE FUTURE. COUNCILWOMAN GRUBBS STATED THAT THE COUNCIL WAS ASSURED THAT THERE WOULD BE NO NEED FOR FUTURE FUNDING FROM THE COUNTY. COUNCILMAN CARMONY NOTED THAT WAS THE OPINION OF CERTAIN COUNCIL MEMBERS AND NOT ALL OF THE COUNCIL MEMBERS. COUNCILMAN PARIS NOTED THAT THIS UNDERSTANDING WAS GIVEN TO THE COUNCIL BY LIFE LONG LEARNING. COUNCILMAN PARIS NOTED THAT WOULD BE MORE HELPFUL TO HAVE THIS INFORMATION BEFORE FUNDING IS REQUESTED. COUNCIL MEMBER CARMONY NOTED THAT HE HAS HAD DISCUSSIONS WITH LIFE LONG LEARNING REGARDING THESE ISSUES. COUNCIL MEMBER PARIS NOTED THAT THOSE WHO NEED THE FUNDING SHOULD BE CONTACTING THE COUNCIL, NOT THE COUNCIL CONTACTING THEM. COUNCILMAN RIGGINS STATED THEY SHOULD LOOK AT ALL OTHER AVENUES FIRST AND THAT THE FUNCTION OF THE COUNTY IS TO PROVIDE THE SEED CORN. COUNCILMAN RIGGINS SAID THE PROGRAM AND THE IDEAL HAS MERIT AND THAT IT HAS JUST TAKEN LONGER. A MOTION TO APPROVE WAS MADE BY CARMONY, SECOND SMITH, VOTE 5-2 (PAIRS, GRUBBS).

INTELLIPLEX PARK:

JEFF WILLIAMS REPRESENTED MAJOR HOSPITAL FOR THE \$250,000.00 INTELLIPLEX PARK REQUEST. MR. WILLIAMS STATED THAT THE PARK IS A STATE CERTIFIED TECHNOLOGY PARK, AND THE PARK WAS CONCEIVED TO BE A MIX USE PARK WITH PRIMARY FOCUS ON THE LIFE SCIENCE INDUSTRY BUT INCLUDING ANCILLARY RETAIL, COMMERCIAL, AND RELATED BUSINESS USES. THE DETAILED PLAN FOR THE PARK WAS DEVELOPED LOCALLY AND SUBMITTED TO THE STATE FOR APPROVAL IN 2003.

MR. WILLIAMS NOTED THE FOLLOWING COMMITMENTS ARE IN THE PARK, THE ONCOLOGY CENTER, THE INTELLIPLEX MEDIAL ARTS BUILDING IS OPERATIONAL, WESLEYAN UNIVERSITY, SANTA FEE STEAK HOUSE, AND THE CONFERENCE CENTER IS UNDER CONSTRUCTION, AND A PROFESSIONAL BUILDING UNDER CONSTRUCTION. MAKUDA INDUSTRIES, THE FIRST LIFE SCIENCE TENANT, HAS ELECTED TO COME TO INTELLIPLEX, AND GROUND BREAKING SHOULD BE VERY SOON. MR. WILLIAMS REPORTED THAT THE DEVELOPER CURRENTLY HAS 7 PROSPECTS IN ADDITION TO DEVELOPERS THAT WANT TO BUILD IN THE RETAIL SECTOR OFF OF STATE ROAD 9.

MR. WILLIAMS SAID THE ORIGINAL CONCEPT WAS TO PROVIDE SITE READY OPPORTUNITIES FOR RELOCATION AND INVESTMENT. MR. WILLIAMS SAID THE ORIGINAL COMMITMENT WAS FROM THE COUNTY, CITY AND THE HOSPITAL. OTHER FUNDING IS A GRANT FROM THE STATE FOR THE CONFERENCE CENTER AND A RECAPTURE OF UP TO A CAP OF \$5,000, 000.00 OF STATE PAYROLL AND SALES TAX. MR. WILLIAMS NOTED THAT THIS CAPTURED AMOUNT COULD BE INCREASED BY THE STATE LEGISLATURE.

MR. WILLIAMS NOTED THAT FUNDS RETURNED BY THE STATE WOULD BE USED BY THE REDEVELOPMENT COMMISSION FOR FUTURE INVESTMENTS IN THE PARK, TRACKING BUSINESS, AND INVESTORS. MR. WILLIAMS NOTED AN IMPORTANT PLAN DEVELOPED FOR THE PARK, THE PIONEER INCENTIVE. THE PLAN WAS CONCEIVED AND APPROVED BY THE STATE AS A MEANS TO ENCOURAGING EARLY COMMITMENT TO THE DEVELOPER. THE PLAN WAS TO OFFSET LAND COSTS BY THESE INVESTORS AT NO DETERMENT TO THE PARK OR

COMMUNITY. THE OBLIGATION COST TO THE COUNTY AND CITY WAS BY CHOICE LIMITED TO \$1,500,000.00 EACH. THE BONDS WILL BE PAID ANNUALLY. MR. WILLIAMS NOTED THAT THE HOSPITAL'S FINANCIAL OBLIGATION WAS HIGHER, SO IN TURN THEY ACQUIRED 28.2 ACRES OF LAND FOR A MEDICAL CAMPUS AND DEVELOPMENT. MR. WILLIAMS SAID THE NEW CONFERENCE AND NEW PROFESSIONAL BUILDING WOULD MAKE SPACE FOR A PHYSICIAN AND ENCOURAGE ADDITIONAL INVESTMENTS IN THE PARK.

MR. WILLIAMS SAID HE WAS UNSURE HOW MUCH PAYROLL REVENUES WERE IN THE PARK TO RECAPTURE AT THIS TIME. MR. WILLIAMS SAID THEY ARE IN THE APPLICATION STAGE WITH THE STATE TO RECAPTURE THOSE REVENUES AND COLLECT THOSE FUNDS BUT TO DATE MR. WILLIAMS SAID HE DID NOT THINK ANY REVENUES HAVE BEEN RECEIVED AT THIS TIME. MR. WILLIAMS WAS UNSURE HOW MUCH THE \$5.2 MILLION BOND PAYMENT IS AND STATED THAT INTEREST RATE IS VARIABLE AND CURRENTLY AT THE 3 1/2 % RANGE AND DID NOT INCLUDE ANY BASIS POINTS FOR THE LETTER OF CREDIT THAT THE HOSPITAL FUNDED COMPLETELY. MR. WILLIAMS SAID THE BOND PAYMENT WAS FOR THE INFRASTRUCTURE AND THE HOSPITAL'S CREDIT WORTHINESS PROVIDED THE LETTER OF CREDIT FOR THIS FUNDING AS WELL AS ADDITIONAL REFINANCING OF OTHER HOSPITAL EXPENDITURES, WHICH INCLUDED THE CANCER CENTER.

MR. WILLIAMS SAID HE BELIEVED THE LAND VALUED WAS \$26,000.00 PER ACRES FOR 142 ACRES AND THAT'S WHAT THE HOSPITAL PAID FOR THE LAND BUT NEEDED TO CONFIRM THAT WITH THE HOSPITALS CFO. MR. WILLIAMS PROVIDED THE LAND USE DOCUMENT FOR THE PARK. MR. WILLIAMS PROVIDED INFORMATION ON THE INTEREST, BUT AS FAR AS THE ORDINANCE THAT APPROVED THE \$5.2 MILLION THROUGH 2028, MR. WILLIAMS DID NOT STATE WHAT THE NEW SCHEDULE WOULD BE.

MR. WILLIAMS STATED THAT AS FAR AS THE JOBS AT THE TECH PARK THERE ARE 8 BRAND NEW JOBS AT THE CANCER CENTER, AND THAT THE JOBS AT SANTA FE AND WESLEYAN ARE NEW JOBS, ALONG WITH THE JOBS FROM MAKUDA. MR. WILLIAMS SAID 20 EMPLOYEES FROM A PHYSICIANS PRACTICE WERE RELOCATED ALONG WITH 8 HOSPITAL EMPLOYEES TO THE CANCER CENTER. THE WORK ONE CENTER IS RELOCATING TO THE WESLEYAN BUILDING. MR. WILLIAMS DID CONFIRM THAT JOBS HAVE BEEN TRANSFERRED AND THE CITY AND COUNTY LOST REVENUES AS A RESULT OF THOSE RELOCATIONS. MR. WILLIAMS NOTED THAT 8 NEW JOBS WERE CREATED AND THAT THE PUBLIC WILL GET THOSE REVENUES FROM THE RELOCATED JOBS THROUGH THE REDEVELOPMENT COMMISSION. MR. WILLIAMS SAID THAT 4 POSITIONS WERE ELIMINATED FROM THE HOSPITAL DUE TO REORGANIZATION.

COUNCILMAN EBERHART SAID HE WOULD LIKE TO SEE THE REDEVELOPMENT COMMISSION FORGO THE REVENUES FROM THE CAGIT AND EDIT DOLLARS BECAUSE THOSE FUNDS ARE CONTINUING TO DECREASE. MR. WILLIAMS SAID THE RECAPTURE OF PAYROLL TAXES ALLOWS THE REDEVELOPMENT TO RECOVER THE RETAIL VALUE OF THE LAND AT \$100,000.00. MR. WILLIAMS SAID THE PIONEER PLAN IS A WAY TO PAY OFF THE DIFFERENCE IN THE LAND VALUE FROM THE DOWN PAYMENT OF THE BASE LAND COST OF \$26,000.00 TO \$30,000.00. MR. WILLIAMS DID CONFIRM THAT TAX DOLLARS WOULD BE USED TO PAY OFF THE DIFFERENCE FROM THE RETAIL LAND VALUE TO THE LAND VALUE OFFERED IN THE INCENTIVE PLAN AND THE INFRASTRUCTURE.

MR. WILLIAMS SAID HE BELIEVED THAT WESLEYAN UNIVERSITY HAD A LAND LEASE DEAL WITH THE CITY. MR. WILLIAMS REPORTED THAT MAKUDA IS NOT A NEW BUSINESS BUT IS RELOCATING TO SHELBY COUNTY. COUNCILMAN PARIS SAID THAT KAREN ARLAND WITH ICEMILLER REPORTED THAT THE PURPOSE OF THE PARKS WAS TO ACT AS AN INCUBATOR FOR NEW BUSINESS AND NOT A TRANSFER OF BUSINESS WITHIN THE COUNTY AND STATE.

MR. WILLIAMS REPORTED THAT THE DEVELOPER IS EVERGREEN INVESTMENTS AND IS PAID BY THE HOSPITAL. MR. WILLIAMS SAID HE WAS UNAWARE OF EVERGREEN INVESTMENTS HAVING INVESTMENTS IN THE PARK, BUT THE OWNER DID OWN THE LAND THAT THE SANTA FE STEAK HOUSE IS ON. MR. WILLIAMS SAID A PAYROLL OF \$500,000.00 IS REQUIRED TO DEVELOP IN THE PARK BECAUSE THE PAYROLL TAX AND SALES TAX RECAPTURE WILL PAY OFF THE DIFFERENCE OF THE COST OF THE LAND.

MR. WILLIAMS SAID HE WAS UNAWARE OF THE AGREEMENT BETWEEN THE HOSPITAL/INTELLIPLEX PARK AND THE SANTA FE STEAK HOUSE. COUNCIL PRESIDENT EBERHART SAID TO STAY ON TRACK THE COUNCIL PLEDGED IN A PRIOR ORDINANCE \$125,000.00 IN 2003. COUNCILMAN PAIRS SAID DOCUMENTS AND AGREEMENTS HAVE CHANGED SEVERAL TIMES SINCE THE ORIGINAL ADOPTION OF THE ORDINANCE. COUNCILMAN PAIRS SAID THE PAYMENTS SHOULD BE LESS THAN \$75,000.00 FOR THE PRINCIPLE AND INTEREST AND WHAT THE COUNCIL AGREED UPON WAS AN AMOUNT AND TOTAL NUMBER OF YEARS.

COUNCILMAN PAIRS SAID THAT BECAUSE MORE JOBS HAVE BEEN RELOCATED TO THE PARK THAT COUNTY TAXPAYERS COULD PAY HIGHER TAXES BECAUSE OF THE LOST OF REVENUES TO THE TECH PARK. COUNCILMAN PARIS QUESTIONED THE AVENUE USED FOR MARKETING THE TECH PARK. MR. WILLIAMS SAID THERE IS A DEVELOPER INVOLVED IN MARKETING THE WEBSITE. COUNCILWOMAN GRUBBS QUESTIONED WHY THE DEVELOPER WOULD MARKET THE PARK WHEN THE DEVELOPER CAN DEVELOP THERE HIMSELF. COUNCILMAN PARIS ASKED HOW THEY RECRUITED BUSINESS FOR THE TECH PARK AND WAS THERE REAL COMPETITION. COUNCILMAN PARIS NOTED THAT THE PARK HAS BEEN DECLARED THE PARK AN ERA AND IS ALLOWING ABATEMENTS THERE.

PHIL HAEHL STATED THAT ECONOMIC DEVELOPMENT IS A VERY COMPETITIVE INDUSTRY AND THE COUNTY'S GROWTH WAS ONLY 1% LAST YEAR AND WE NEED TO WORK ON THAT. MR. HAEHL SAID THEY NEED READY MADE SITES TO ATTRACT HIGHER END IN JOBS. MR. HAEHL SAID ECONOMIC DEVELOPMENT IS A LONG TERM PLAN AND SELLING A PROGRAM THAT WILL BETTER THE COMMUNITY. COUNCILMAN PARIS SAID THAT THE COUNTY RESIDENTS ARE NOT REPRESENTED AND DO NOT HAVE A VOTE BECAUSE THEY LIVE IN THE COUNTY. COUNCILMAN PARIS STATED THAT YOU NEED TO INVEST IN ECONOMIC DEVELOPMENT BUT YOU NEED TO ADVERTISE IT. COUNCILMAN CARMONY SAID THERE WAS A LOT MORE BEING DONE WITH ADVERTISEMENT THEN JUST THE WEB SITE.

STEVE BIRD SAID THE PARK WAS SUPPOSED TO BE A HIGH TECH PARK AND WANTED TO KNOW WHAT A DENTIST OFFICE, A LAWYERS OFFICE, AND AN OPHTHALMOLOGIST HAS TO DO WITH HIGH TECH? MR. BIRD SAID HE WOULD CONSIDER THE COMPUTER INDUSTRY AND NUCLEAR INDUSTRY HIGH TECH. MR. BIRD REQUESTED AN UNDERSTANDING ABOUT THE RECAPTURE OF REVENUES. BRENDA YONTS REQUESTED HOW INFORMATION ON THE TECH PARK COULD BE AVAILABLE FOR PUBLIC REVIEW.

JOHN STIENEKER WANTED TO KNOW IF THE INITIAL CONSTRUCTION WORK WAS INCLUDED IN THE RECAPTURE OF REVENUES TO THE PARK. MR. STIENEKER SUGGESTED THAT ONE PERSON BE AVAILABLE TO ANSWER QUESTIONS FOR THE TECH PARK OR ONE SPOKESPERSON.

DWAIN LAIRD WANTED TO KNOW WHY THE INFRASTRUCTURE AMOUNTS INCREASED WITH SEVERAL ORDINANCES, AND WANTED TO KNOW WHO PRICED THE LOTS AT THE TECH PARK. MR. LAIRD SAID THAT THE HOSPITAL HAD TO HAVE THE MONEY FOR THE PARK THEN AND THEY COULD FILL THE PARK UP, BUT WANTED TO KNOW WHERE THEY WERE AT NOW.

PATRICIA WRIGHT SAID HER UNDERSTANDING WAS THIS PARK WAS TO BRING NEW BUSINESSES IN THAT THEY DID NOT ALREADY HAVE, BUT MORE BUSINESSES HAVE RELOCATED FROM SHELBYVILLE AND DOWNTOWN WAS BEING ABANDONED. MS. WRIGHT QUESTIONED THE LEGALITY OF A PRIVATE BUSINESS ATTACHED TO A BUILDING PAID FOR BY PUBLIC FUNDS. MR. WILLIAMS SAID THE HOSPITAL DID NOT HAVE THE FUNDS TO BUILD A FREE STANDING CONFERENCE CENTER, AND THEY NEEDED A PARTNER TO ACCOMPLISH THIS. ELAINE HAEHL SAID THAT FOR A COUNTY OUR SIZE EVERYONE WOULD NEED TO WORK TOGETHER TO GET THINGS ACCOMPLISHED.

JOHN COOK ASKED IF THE REDEVELOPMENT COMMISSION HAD RECAPTURED ANY FUNDS YET. PHIL HAEHL SAID THEY STILL HAD TO APPLY TO THE STATE. MR. WILLIAMS SAID THERE IS SOMEBODY WORKING ON THAT BUT THOUGHT THERE HAS BEEN SOME PAYMENT RECAPTURE.

COUNCILMAN PARIS NOTED THAT THE COUNTY HAD OVER \$120 MILLION IN ABATEMENTS AND TIF DISTRICTS. THE COUNTY AUDITOR EXPLAINED THE IMPORTANCE OF THE ABSTRACT AS AN ECONOMIC DEVELOPMENT TOOL. THE AUDITOR NOTED THAT THE CITY THROUGH ABATEMENTS GIVES ANY GROWTH THEY HAVE AWAY IN ABATEMENTS AND TIF DISTRICTS AND THAT THE COUNTY COUNCIL HAS VERY LITTLE EFFECT ON THE TAX BASE, BECAUSE THERE ARE VERY FEW COUNTY ABATEMENTS APPROVED BY THE COUNCIL, BUT THE MAJOR EFFECT IS FROM THE COUNTY COUNCIL. THE AUDITOR STATED THAT THERE ARE OLD ABATEMENTS COMING OFF AND NEW ONES APPROVED YEARLY.

THE AUDITOR STATED THAT SEVERAL YEARS AGO, A CITY APPOINTED OFFICIAL STATED THAT SHE WAS NOT CERTIFYING THEIR ASSESSED VALUATION CORRECTLY, BECAUSE THEY INCREASED BUILDING PERMITS. THE AUDITOR SAID THAT SHE EXPLAINED THAT ONE, SHE DOES NOT ASSESS PROPERTY AND ANY GROWTH THE CITY MAY HAVE HAD THE CITY COUNCIL APPROVES AS ABATEMENTS WHICH DECREASES THE NEW GROWTH. THE AUDITOR STATED THAT DEPRECIATION OF ASSETS NEEDS CONSIDERATION WHEN ABATEMENTS ARE APPROVED.

COUNCILMAN PARIS STATED THAT ABATEMENTS EFFECT THE GROWTH OF THE ASSESSED VALUATION AND ALSO THE EXEMPTIONS. A MOTION TO APPROVE BOTH PAYMENTS IN THE AMOUNTS OF \$125,000.00 EACH WAS MADE BY SMITH, SECOND RIGGINS, VOTE 4-2-1 (GRUBBS, PARIS) CARMONY ABSTAINED.

SHELBY COUNTY DEVELOPMENT CORPORATION:

DAN THEOBALD, DIRECTOR OF SCDC, MADE A PRESENTATION TO THE COUNTY FOR 2006 FUNDING. MR. THEOBALD PROVIDED A 2004 FINANCIAL STATEMENT AND INDEPENDENT AUDIT TO THE COUNCIL. THE 2005 AUDIT WILL TO BE FORTHCOMING. MR. THEOBALD EXPLAINED THAT ECONOMIC DEVELOPMENT IS AN ON GOING PROCESS. MR. THEOBALD NOTED WHAT SCDC HAS DONE FOR ECONOMIC DEVELOPMENT.

MR. THEOBALD STATED THAT THE COUNTY IS NOT ADVERSELY AFFECTED BY TAX ABATEMENTS. MR. THEOBALD NOTED THAT IT IS EXTREMELY FALSE THAT A COUNTY'S RATE GOES UP WITH TAX ABATEMENTS AND DIDN'T WANT THE IMPRESSION THAT TAXES ARE LOST.

MR. THEOBALD SAID THAT SCDC IS ACTIVELY INVOLVED IN AGRIBUSINESS. MR. THEOBALD SAID THAT SCDC WORKS WITH ALL TYPES OF BUSINESS AND NOT JUST MANUFACTURING.

MR. THEOBALD SAID THAT MANY COUNTIES USE EDIT INCOME TO FUND SCDC. MR. THEOBALD SAID THAT COUNTIES HAVE FEES IN PLACE TO ASSIST WITH SCDC FUNDING.

MR. THEOBALD STATED THAT ACCORDING TO THE BYLAWS OF SCDC THE \$25,000.00 WOULD ONLY COVER A 6-MONTH PERIOD. TIM BARRICK QUESTIONED THE AUDITOR ON THE EFFECTS OF TAXATION ON FARM GROUND, AND THE EFFECTS OF TAX ABATEMENTS COMMERCIAL DEVELOPMENT. THE AUDITOR STATED THAT IT IS VERY OBVIOUS THAT THE ASSESSMENTS OF FARM GROUND VERSUS COMMERCIAL LAND IS FAR LESS AND THAT MORE TAXES ARE DERIVED FROM THE COMMERCIAL DEVELOPMENT. THE AUDITOR ALSO SUBSTANTIATED THAT RATES WOULD BE HIGHER WITHOUT COMMERCIAL DEVELOPMENT.

THE AUDITOR NOTED THAT HER POINT WAS HOW OTHER ENTITIES HAVE AN EFFECT ON EACH OTHER WITHOUT THE REALIZATION OR POSSIBLE KNOWLEDGE OF THAT EFFECT. THE AUDITOR NOTED THAT SHE DOES RECOGNIZES THE NEED FOR ECONOMIC DEVELOPMENT AND THE ROLE THAT ABATEMENTS AND TIF DISTRICTS PLAY IN DEVELOPMENT AS WELL AS THE EFFECT IT HAS ON THE ASSESSED VALUATION.

COUNCILMAN PARIS NOTED THAT HE WAS CONCERNED ABOUT THE STRUCTURE OF SCDC AND THAT THERE WAS NO REPRESENTATION OF THE AGRIBUSINESS IN THE COUNTY. MR. THEOBALD AGREED THAT SCDC SHOULD HAVE AN AGRICULTURAL COMMITTEE.

MR. THEOBALD SAID THAT HE FELT THAT IT WAS A GOOD PRACTICE TO HAVE YEARLY AUDITS. MR. THEOBALD SAID SCDC MEETINGS ARE OPENED TO THE PUBLIC. MR. THEOBALD SAID THAT THERE IS SOME INFORMATION THAT IS VERY SENSITIVE AND COULD ADVERSELY EFFECT ECONOMIC DEVELOPMENT PROJECTS.

MR. THEOBALD SAID THAT SCDC IS SUBJECT TO THE OPEN DOOR. COUNCILWOMAN GRUBBS SAID SHE FEELS MORE COMFORTABLE TODAY WITH SCDC, BUT FEELS THE COMMUNICATION NEEDS TO BE BETTER. COUNCILMAN RIGGINS SAID HE AGREED WITH TAMMY GRUBBS AND THAT COMMUNICATION IS THE KEY AND THAT WE NEED TO TALK WITH EACH OTHER INSTEAD OF TALKING AT EACH OTHER.

COUNCIL PRESIDENT EBERHART SAID HE THOUGHT IS WAS A SHAME THAT THEY HAD TO GO IN SUCH DETAIL TO JUSTIFY THEIR EXISTENCE. COUNCILMAN EBERHART SUGGESTED THAT THEIR REQUEST BE PUT IN THE YEARLY EDIT BUDGET. COUNCILMAN EBERHART SAID THAT WE SHOULD LEND THEM SUPPORT. COUNCILMAN PARIS SAID HE DID ATTEND SCDC MEETINGS AND FELT THAT IS AN IN YOUR FACE ATTITUDE AND WASN'T A WELCOME PARTY. COUNCILMAN PARIS SAID THAT HE HEARD SOME THINGS ABOUT TILLISON FARM DEVELOPMENT AND UNNECESSARY COMMENTS MADE BY SCDC. MR. PARIS NOTED THAT THE TAXPAYERS WERE MORE IMPORTANT THAN THOSE THAT PUT DOWN \$3,500.00 AND THE PUBLIC MATTERS WITH WHAT THEY WANT. COUNCILMAN PARIS SAID WITH THOSE CHANGES HE WOULD GET THEIR VOTE BACK. MR. THEOBALD NOTED THAT HE BECAME INVOLVED IN TILLISON FARM BECAUSE HE WAS TOLD BY COUNTY ELECTED OFFICIALS THAT THEY WANTED A HOUSING

DEVELOPMENT IN THE LOCATION AND WAS TOLD BY COUNTY OFFICIALS
TO GET THE WORD OUT BY THE ADVERTISEMENT.

A MOTION TO APPROVE THE \$25,000.00 APPROPRIATION WAS MADE BY
FUCHS, SECOND CARMONY, VOTE 5-2 (GRUBBS, PARIS).

A MOTION TO ADJOURN WAS MADE BY CARMONY, SECOND PARIS, VOTE 7-
0.

Robert W. Famy
Terry Smith
Sharon Clumbert
W. J. Foy
Bennie Paris

ATTEST:

Margaret L. Brunk
MARGARET L. BRUNK
SHELBY COUNTY AUDITOR