

CIDB MINUTES – 1/12/24

-CALL TO ORDER: CIDB Chairman – Mark Moody

-ROLL CALL: TOC Dir of EconDev – John Duncan...CIDB Members Present: Moody, Stamps, Thomas, Green, Cochran, Abbott, Croop....CIDB Members Absent: Scardino, Fisher....Also present: Kaleb Reed / Christi Leard with Helena, Max Aldrich and Jeb Fields with Cushman Wakefield, Josh Lawhead with Burch Porter and Johnson and Abigail Warren with The Daily Memphian.

-APPROVAL of 11/28/23 Minutes: Motion to Approve – Thomas Second – Stamps

-CITIZENS COMMENTS: There were no citizens' comments.

-BUSINESS ITEMS: Discussion and vote on the Helena Agri-Enterprises Retention PILOT

TOC Dir of EconDev, John Duncan, reviewed the Retention PILOT (from 11/28/23 PowerPoint)

HAE moved to Memphis in '77 and then to Collierville in '01

298 employees at HQ and another 75 at HAEII / \$7b in top line sales

10 yr PILOT awarded in '01 for HQ bldg...\$10mm real prop / \$2mm tpp - \$12mm CapX

246 new jobs - \$60m median wages...PILOT scored 7 years – 10 years awarded

'01 – '10 C'ville Taxes abated - \$410m / \$104m PILOT

Helena II awarded a 7 year PILOT in '16 - \$5.3mm CapX 77jobs @ \$76m...PILOT scored

5 years – 7 years awarded

'16 – '23 C'ville taxes abated - \$167m / \$56m PILOT

17 of last 23 years, HAE assets have been on the C'ville abatement rolls

CURRENT RETENTION PILOT APPLICATION - 5 year Retention PILOT – Lease

Renewal on 102m sf HQ bldg. ('01 PILOT asset) / 298 retained jobs @\$74m median

30 New jobs by YE '26

CapX: \$1mm new TPP / \$1mm Real Prop Construction (tenant improvement allowance

From Boyle (bldg. owner), roof replacement, HVAC upgrade)

Applicant not seeking Shelby Co / EDGE benefits – CapX and Jobs did not qualify

Retention PILOT moves an asset that received a 10 yr PILOT in '01 (amened 2X) from the

Collierville tax rolls back to the PILOT rolls

\$67m annual impact to C'ville in lost tax revenue / -\$355 over 5 years

Q&A: Moody once again questioned the validity of tenant improvements paid by Boyle (\$636m) and roof repairs (\$350m), coupled with HVAC upgrades (\$100M), as being real or valid capital investments by applicant. Moody stated that these would qualify simply as maintenance items. Jeb Fields attempted to explain why the applicant considered this \$1mm in CapX as valid capital investments. Abbott asked if the Town had ever taken an asset off the tax rolls and placed it on the PILOT rolls with minimal CapX. The closet we could determine was Strike King Lures approximately 15-20 years ago. Duncan stated that this practice, PILOT – Tax Rolls – PILOT was unusual and philosophically, not desirable. Duncan reiterated that by doing this, the Town would lose approximately \$70m in annual tax revenues from Helena, and close to \$350m over the 5-year Retention PILOT period. Stamps asked if Helena was planning to expand their HQ and make, at some point, a more significant investment in Collierville. Reed responded that he could not fully guarantee that future outcome. Thomas said that while he sincerely appreciates Helena's presence and investment in Collierville, the capital investment component of the Retention PILOT is not significant enough to award new, additional PILOT treatment. Moody stated that while Helena's commitment to the Town over the years was greatly appreciated, he did not feel like there was a robust enough investment to warrant further PILOT treatment. Moody also stated that it appears there is not an appetite on behalf of the CIDB to continue forward with a Retention PILOT Resolution. Moody offered a vote on, "Based on the Helena Retention PILOT application, and information presented and shared, do you agree that a Resolution on this matter is not warranted?" VOTE: Cochran Y Stamps Y Croop Y Thomas Y Abbott Y Green Y Moody Y....

-OTHER BUSINESS: Nothing shared

-ADJOURN: Moody