

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL
DEVELOPMENT BOARD OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND
DAVIDSON COUNTY, TENNESSEE

February 22, 2018

The Board of Directors of the Industrial Development Board of the Metropolitan Government of Nashville and Davidson County (the “Board”) met on Thursday, January 25, 2018 at 10:00 a.m. in the Sonny West Conference Room, Howard Office Building, 700 2nd Avenue South, Nashville, Tennessee 37219.

Board members present were: Ginger Hausser, Nigel Hodge, Cristina Allen, Aubrey Gregory, Ken Weaver, Chris Harmon, Carnell Scruggs, Andrea Perry, and Lindsey Cox.

Also present were Bob Tuke, Trauger & Tuke; Matt Wiltshire, Metro ECD; Cathy West, Metro Finance; Mike Hodge, NOAH; Brad Lampley, Adams and Reese; Michael Callahan-Kapoor, Central Labor Council; Jackie Sims, Stand Up Nashville; Bill Rainey, IUPA DC91/LU456; Steve Goolsby, Smart Local 177 Sheet Metal; Ethan Link, LIUNA 386; Steve Reiter, private citizen; Ken Lawrence, NOAH; LaChanda Wells, Stand Up Nashville.

Meeting Minutes:

Madam Chair asked if there were any corrections or discussion for the December 13, 2017 meeting minutes, there being none, Ms. Allen made a motion to approve the meeting minutes and it was seconded by Mr. Gregory. The Board voted and approved.

New Business:

Approval of Economic Development Grant Agreement for Philips Healthcare

Mr. Wiltshire gave a brief review of the Philips Healthcare company. Philips is based in the Netherlands and is expanding their business focus in healthcare technology. Philips made a commitment to locate an office in the downtown Nashville area and expects to hire over 800 people. Philips has made significant strides and is temporarily located in the First Tennessee building at the Nashville City Center.

Phillips has already hired 141 people and is continuously adding more people. Philips has already held job fairs across the Nashville area. Important to its overall efforts to secure jobs, Philips has reached out to Patrick Combs with Nashville Career Advancement Center (NCAC). NCAC will assist in identifying areas for Philips to find talent in areas that benefit from job fairs. The average salary offered by Philips Healthcare is approximately \$66,000 per year.

Mr. Scruggs noted that some persons he spoke with were not finding possibilities to become employed with Philips Healthcare and if there was a specific contact person. Mr. Wiltshire offered insight on how to apply for jobs with Philips Healthcare. Brad Lampley with Adams and Reese on behalf of Philips Healthcare assured Mr. Scruggs that jobs are open and Philips is continuous with their hiring efforts. Mr. Lampley briefly reviewed some demographics of person hired by Philips. Mr. Lampley exchanged information with Mr. Scruggs to further discuss options on how to apply for employment with Philips Healthcare to pass onto others.

Madam Chair asked Mr. Wiltshire to review the incentive package and the types of jobs being offered by Philips Healthcare. Mr. Wiltshire explained the incentive was \$500 per job. Philips has the option to start the grant this year or they can wait until next year to start. Once Philips starts receiving the incentive the grant will go on for seven years.

Mr. Hodge asked what factors go into determining the duration of a job grant. Mr. Wiltshire explained that the factors include the wages of the jobs, the industry that the company is in, the overall economic conditions, and the other expected benefits to the community from adding that employer. Mr. Hodge noted the great strides Philips Healthcare has so far taken in the Nashville area and the benefits they bring to their employees; one being sustainability and another being assisting their employees with public transportation. Mr. Hodge asked if there was a cap on the \$500 per new hire cash grant if the amount hired exceeds the expected 815 within the seven year grant. Mr. Wiltshire confirmed there was not a cap due to every new job is of value to Nashville's economy.

Madam Chair asked what type of jobs Philips Healthcare will bring. Mr. Wiltshire reviewed the jobs as IT, payroll, finance, HR, back office, and engineering. Mr. Lampley confirmed salaries as \$66,000 average and higher depending on the position. Madam Chair asked of Philips Healthcare had any hesitations with providing additional in-depth demographics on new hires when they come before the Board again. Mr. Lampley did not anticipate any concerns with presenting demographics to the Board.

Madam Chair asked if there were any questions or discussion for the Grant Agreement for Philips Healthcare, there being none, Mr. Weaver made a motion to approve the Grant Agreement for Philips Healthcare and it was seconded by Mr. Gregory. The Board voted and approved.

Existing Business:

Overview of Typical IDB Deals

Mr. Hodge asked that the Overview be moved to the next Board meeting. The Board agreed to move the overview to the next meeting.

Presentation of Public Incentive Database

Madam Chair asked if the Presentation of the Public Incentive database should be moved to the next meeting. Mr. Wiltshire briefed the Board on the Public Incentive Database and will present a visual presentation at the next Board meeting. Mr. Wiltshire explained in an effort to be more transparent a publicly accessible database has been created on the Mayor's Office website under the ECD tab.

The website provides detailed information about all transactions executed with Metro City. The website offers summaries including details such as companies, their location, incentives, capital investment, and number of jobs among other information. The website also offers links to the legal documents as they pertain to the transactions. An actual value of the incentive will be added to the summaries in the near future. Mr. Wiltshire invited the Board to view the website and send him their comments for any improvements.

Presentation of BL2017-983-the "Do Better Bill" Recently Approved by Metro Council

Mr. Wiltshire gave a brief review of the "Do Better Bill". Metro Council passed legislative for additional disclosure requirements around PILOTS and job fields. Ethan Link with LIUNA 386 comment on the work done with Stand Up Nashville. The will give better information on the type, wages and safety as they pertain to construction, industrial and blue collar jobs. Mr. Wiltshire will send a copy of the new legislation at the request of the Chair.

Approval of Financial Matters:

Ms. West reported there was a December parking ticket for \$52.00. Ms. Allen made a motion to pay the parking bill and it was seconded by Ms. Perry. The Board voted and approved the expenditure.

Madam Chair asked if a Thank- you note be sent to Bridgestone and Philips Healthcare for their invites to their ground opening ceremonies. Ms. Hunter the Board recorder will follow-up with Mr. Wiltshire on contact information to send the notes.

Scheduled Next Board Meeting

The next Board meeting was scheduled for February 22, 2018.

Adjourn

The meeting was adjourned at 11:00 a.m.

APPROVED, this 22nd day of February 2018.

Ginger Hausser, Chair

Aubrey Gregory, Secretary