

MINUTES

CALLED Meeting

Troup County Board of Commissioners

November 27, 2012

Troup County Government Center

Troup County Board of Commissioners Chairman Richard Wolfe called the meeting to order at 9:00 a.m.

Board Members Present:

Richard Wolfe, Chairman
Buck Davis, Vice-Chairman
Morris Jones, Commissioner
Richard English, Jr, Commissioner
Ken Smith, Sr, Commissioner

News Media Present:

Trey Wood, West Point Times-News

Staff Present:

Tod Tentler, County Manager
Scott Turk, County Clerk/CFO
Mark DeGennaro, County Attorney
Carrie Brkich, Strategic Planning Director
Dexter Wells, Division Manager

Others Present:

Dan McCrae, Sayfarth Shaw (PILOT Development Attorney)

OPENING:

Chairman Richard Wolfe welcomed all in attendance and asked Commissioner Davis to lead the group in prayer.

SPECIAL BUSINESS:

Consideration of Memorandum of Understanding with KMMG:

Chairman Wolfe addressed the members of the press present. Mr. Wolfe stated that the Georgia Governor's office would issue an official press release on Wednesday, November 28th, and to refrain from publishing any

stories related to today's news prior to that press release, fully understanding the rights of the press.

Chairman Wolfe began by recapping the 2008 \$1.1 Billion bond for KMMG (Kia) to select West Point, Georgia for their first United States automobile assembly plant. Since then, Kia has surpassed investment and employment goals.

Since February 2012, local and state officials began discussions with Kia about a second round of (Industrial Revenue) bonds. Initially Chairman Wolfe, E. Jane Caraway, Bobby Carmichael, Drew Ferguson (IV), and David Lyons were involved in discussions with others joining later.

Kia wants to be able to produce 55 model changes in the next five years. Mostly, that would require tool and die investment. This is not funding for a second plant, or large plant expansion. With the new bond issue, Kia will only be able to invest within the borders of Troup County and that part of West Point in Harris County. There will be two bonds, one issued by Troup County Development Authority for \$600,000,000 and one issued by the West Point Development Authority for \$1,000,000,000. As part of the agreement, Kia would be allowed to invest in suppliers who agree to locate within the boundaries, but only up to 50 percent of the total supplier investment. Negotiators believe this provision gives Troup County and West Point a competitive edge in attracting new suppliers, especially over the State of Alabama. Chairman Wolfe stated that we do know that we have lost jobs from suppliers who've located just across the Chattahoochee in Alabama.

In exchange for the bond issue, Kia has agreed to fulfill certain commitments. The City of West Point is a small town hosting a very large

manufacturer which has caused a financial burden to provide services. Kia will provide \$6,000,000 over five years to the City of West Point. Kia will also pay a 'PILOT Processing Charge' of \$25,000 per year during the PILOT to Troup County to help offset the cost in Property Appraisal of tracking the equipment, reviewing reports, etc. Further, the County has compliance language as part of the MOU that was missing from the original agreement. Also, the Troup County Development Authority will receive an issuing fee of \$400,000.

The next commitment will provide assistance toward local workforce development. Of its current employees, Kia employs 20 percent from Troup County with the next most coming from Columbus at 17 percent. Kia will contribute \$3,000,000 of 'seed money' toward the vision of founding a Troup Career Academy. This will be a charter school at the high school level. The school will be an extended curricula that is open to students from any high school in Troup County to train and learn skills needed not just by Kia but many other employers in the County. This is vocational training on 'steroids'. There is much planning and work to be done as well as much more funds that will need to be raised, but this is an exciting and critical piece.

Kia will receive the same abatement schedule as the 2008 agreement. County and West Point property taxes are \$0, while the School District will receive 50 percent of normal taxes at a time that it is sorely needed. The Kia investment alone will not produce any new jobs and so no new families to add to the education or government services burden. It is anticipated that about 1,000 new jobs will be added by suppliers, with

whom the County will have the opportunity to negotiate separate agreements and abatement schedules.

Commissioner Davis asked whether West Georgia Technical College will be involved with the Academy. Chairman Wolfe indicated that it's possible, and that an exploratory group had visited similar schools in Rockdale County and Newnan. He also stated that Ms. Carrie Brkich was able to locate Russ Moore, an expert in this field to provide advice in industry education and getting parents and students involved. Commissioner Jones asked stated that the cost of a new employee to oversee the auto sector would be more than \$25,000 per year, where would the balance come from? Chairman Wolfe indicated that a formula had been developed to charge all future PILOT recipients and the balance would come from those charges. Chairman Wolfe indicated that the bonds were non-recourse to the County. Commissioner Smith elaborated that this means the citizens aren't 'on the hook' for anything, and that this provides a good transition from textiles to automotive industry.

Commissioner Davis stated that he appreciated Chairman Wolfe's work on this and then moved to approve the Agreement. Commissioner English Seconded. Unanimous.

ADJOURNMENT:

There being no further business to discuss, Commissioner Davis made a motion to adjourn. Commissioner English seconded. Unanimous.

Richard Wolfe, Chairman

Attest: _____
G.S. Turk, Clerk