

APPROVED 5-24-22



**INDUSTRIAL DEVELOPMENT BOARD OF THE  
CITY OF COLUMBIA, TENNESSEE**

**FISCAL YEAR 2022-2023 ANNUAL BUDGET**

**(July 1, 2022 – June 30, 2023)**



## **INDUSTRIAL DEVELOPMENT BOARD**

Robert (Bob) H. Morgan, Chairman

Tim Dodd, Vice Chairman

Bill Marbet, Treasurer

Julie Heffington, Secretary

Darlene Baxter

Manuel Young Jr.

Bo Holloway

# INDUSTRIAL DEVELOPMENT BOARD

## FINANCIAL SUMMARY

### Revenues

<b>Category</b>	<b>Actual <u>2020-2021</u></b>	<b>Budget <u>2021-2022</u></b>	<b>Estimated <u>2021-2022</u></b>	<b>Budget <u>2022-2023</u></b>
Intergovernmental	\$ -	\$ 505,000	\$ 2,100,000	\$ 505,000
Other Revenue	1,180,395	50,000	3,205,900	51,000
Prior Years Revenue	-	459,565	-	352,775
<b>Total</b>	<b>\$ <u>1,180,395</u></b>	<b>\$ <u>1,014,565</u></b>	<b>\$ <u>5,305,900</u></b>	<b>\$ <u>908,775</u></b>

### Expenditures

<b>Category</b>	<b>Actual <u>2020-2021</u></b>	<b>Budget <u>2021-2022</u></b>	<b>Estimated <u>2021-2022</u></b>	<b>Budget <u>2022-2023</u></b>
Services & Supplies	\$ 63,650	\$ 150,000	\$ 2,143,385	\$ 705,000
Capital Outlay	-	864,565	660,790	203,775
<b>Total</b>	<b>\$ <u>63,650</u></b>	<b>\$ <u>1,014,565</u></b>	<b>\$ <u>2,804,175</u></b>	<b>\$ <u>908,775</u></b>

## DESCRIPTION

The Industrial Development Board of the City of Columbia, Tennessee (the “Board” or “IDB”) is a public, non-profit corporation and a public instrumentality of the City of Columbia, Tennessee, organized pursuant to Tennessee Code Annotated (TCA) 7-53-101. Established in 2014, the IDB serves all citizens of the City of Columbia, Tennessee. The Board was formed to promote industry and to develop trade by attracting manufacturing, industrial, and commercial enterprises to the City of Columbia. The Board is also registered as a public non-profit corporation with the State of Tennessee.

The IDB is governed by a seven member board appointed by the Columbia City Council. The Board has the authority to finance, acquire, own, lease, or dispose of properties in order to promote and encourage economic development. The IDB also offers incentives for commercial and industrial development. Pursuant to TCA 7-53-305, the IDB is allowed to own property within the city limits. The IDB also has the authority to negotiate and accept payments in lieu of ad valorem taxes (PILOT) from the Board’s lessees, provided that such payments are deemed to be in furtherance of the Board’s public purposes. Every PILOT must be for business operations, which are defined as a project under TCA 7-53-101 (13). The IDB is allowed by state law to be exempt from taxation and to lease property as a method of security so that PILOT payments may be accepted by the city and county.

IDB-related economic development expenditures include land acquisition and development, grant projects involving private sector beneficiaries and retail recruitment, among other projects that serve to promote economic development within the City limits. The City of Columbia provides staffing support for the Board. The City Manager serves as the Board’s Registered Agent as well as Staff liaison. The City’s Assistant City Manager and CFO provides the IDB with financial and other staff assistance.

# **INDUSTRIAL DEVELOPMENT BOARD**

## **COMPLETED PROJECTS**

As of May 2022, the following agreements and projects are completed or underway.

### **Project Summer (Baxter Enterprises)**

The Board adopted a PILOT for Project Summer commencing on August 9, 2016 and terminating on December 31, 2023. Conduit debt financed by the Project Bravo PILOT, the original long term debt issue for the project totals \$3,620,000. Jobs created by Project Summer total 137 and capital investment totals \$3,620,000.

Project Summer included the repurposing of the then vacant YMCA facility into a sales and software development center for Sleep Solution and Services (S3). It also facilitated the redevelopment of a portion of the facility into Muletown Rec.

### **Project Columbia LP (Columbia Housing and Redevelopment Corporation)**

The Board adopted a PILOT for Project Honey commencing on May 23, 2017 and terminating on December 31, 2037. The IDB approved PILOT agreements in relation to a conversion of Columbia Housing and Redevelopment Corporation (CHRC) public housing to private housing. At the conclusion of the project, the housing will have been placed on the tax rolls. The project allowed CHRC to secure HUD funds to renovate 295 units within the city's five affordable housing neighborhoods.

### **Columbia, TN Rail Site Project**

The City began work to secure the Columbia, Tennessee Rail Site (CTRS) project in 2015. A site selector hired by the Tennessee Department of Economic and Community Development (TNECD) evaluated prospective sites across Maury County, the results presented to the Maury Alliance Property Development Committee. The Columbia site was the most attractive for industrial park land development. Maury Alliance and the City staff immediately began the process of elevating the prospect of land acquisition. Requisite studies were completed using TVA InvestPrep grant funds. Land was purchased by the Columbia IDB using proceeds donated by the City of Columbia. CTRS has earned dual certifications from CSX rail and TNECD.

Grant Funds used include the following: TVA InvestPrep Round 5 funds totaling \$25,000 were provided for engineering, design and environmental site analyses before and after land acquisition. TVA InvestPrep Round 6 funds included \$500,000 to reimburse the IDB for land acquisition. TNECD Site Prep Grant funds included \$1,000,000 to reimburse the IDB for land acquisition.

### **Project Honey (Viscosi d/b/a Documotion Research)**

The Board adopted a PILOT for Project Honey commencing on January 8, 2021 and terminating on December 31, 2030. Jobs created by Project Honey total 80 and capital investment totals \$9,300,000. The project was awarded FastTrack grant funds from TNECD in the amount of \$350,000 for economic development incentive to upgrade building facility.

## **INDUSTRIAL DEVELOPMENT BOARD**

### **COMPLETED PROJECTS (CONTINUED)**

#### **Project Honey (Continued)**

Headquartered in Santa Ana, Calif., Documotion manufactures labels for various business sectors including food service, healthcare, retail, libraries, inventory management and others.

### **ONGOING PROJECTS**

#### **Project Penny (JC Ford Company)**

The Board approved a PILOT framework but the PILOT was never executed. JC Ford is anticipated to generate 210 jobs and capital investment totaling \$30,000,000. Family-owned and operated, JC Ford was founded nearly 80 years ago. The company is a leading manufacturer in high-speed corn tortilla production equipment

The project was awarded FastTrack grant funds from TNECD in the amount of \$1,000,000 for a building retrofit, improvements, expansion, fixture improvements and new construction at 2003 and 2007 Oakland Pkwy, JC Ford's Columbia location.

#### **Project Bravo (Mersen)**

Project Bravo commenced during FY 2019, the project a collaboration between the City and County IDBs to make improvements to the abandoned Gravtech site which rests adjacent to, though outside, the Columbia City limits. Mersen acquired the site, the County IDB approving PILOT incentives. City sewer services required for the project, the Columbia IDB and City Wastewater Department agreeing to use state and private funds from Mersen to make the necessary improvements. Project Bravo will create 101 jobs and includes capital investment totaling \$64,900,000. The project was awarded FastTrack grant funds from TNECD in the amount of \$505,000 for the sewer line extension required for the project.

#### **Project Farm (Smile Direct)**

The Board adopted a PILOT for Project Farm commencing on December 14, 2021 and terminating on December 31, 2031. Jobs created by Project Farm total 600 and capital investment totals \$34,100,000. The project was awarded FastTrack grant funds from TNECD in the amount of \$750,000 for building retrofit, building improvements and fixture improvements.

SmileDirectClub, an oral care company and creator of the first medtech platform for teeth straightening, will invest \$34 million and create more than 600 new jobs as part of the expansion. The new facility will allow SmileDirectClub to extend its manufacturing capabilities for its clear aligners in support of its continued expansion and growth while also increasing organizational resilience and introducing innovations to its supply chain.

## **INDUSTRIAL DEVELOPMENT BOARD**

### **ONGOING PROJECTS (CONTINUED)**

#### **Mall Redevelopment Project**

The Board adopted a PILOT for the Mall Redevelopment Project commencing on December 15, 2021 and terminating on December 31, 2033. Jobs created by the Mall Redevelopment Project total 60 and capital investment totals \$6,000,000. The PILOT agreement with Mall owner Hull Properties is intended to promote investment in the City's most valuable single piece of retail real estate.

#### **Project Leeward (Fiberon)**

The Board adopted a PILOT for Project Leeward commencing on April 5, 2022 and terminating on December 31, 2032. Jobs created by Project Leeward total 310 and capital investment totals \$312,000,000. The project was awarded FastTrack grant funds from TNECD in the amount of \$3,100,000 for new building construction and acquisition of real property.

Founded in North Carolina in 1997, Fiberon is a leading U.S. manufacturer of wood-alternative decking, railing and cladding, and prides itself on serving customers with high-quality, eco-friendly products.

# INDUSTRIAL DEVELOPMENT BOARD

## BUDGET HIGHLIGHTS

- \$708,775 budgeted for the Mersen sewer extension construction project, which includes \$505,000 budgeted Tennessee Economic and Community Development (TNECD) reimbursement to Mersen as part of the TNECD FastTrack Grant program.
- \$50,000 in professional services for Mersen engineering and \$20,000 for Columbia Rail Site.
- \$30,000 budgeted for retail recruitment.
- \$100,000 budgeted in reserves.

## BUDGET

### Revenues

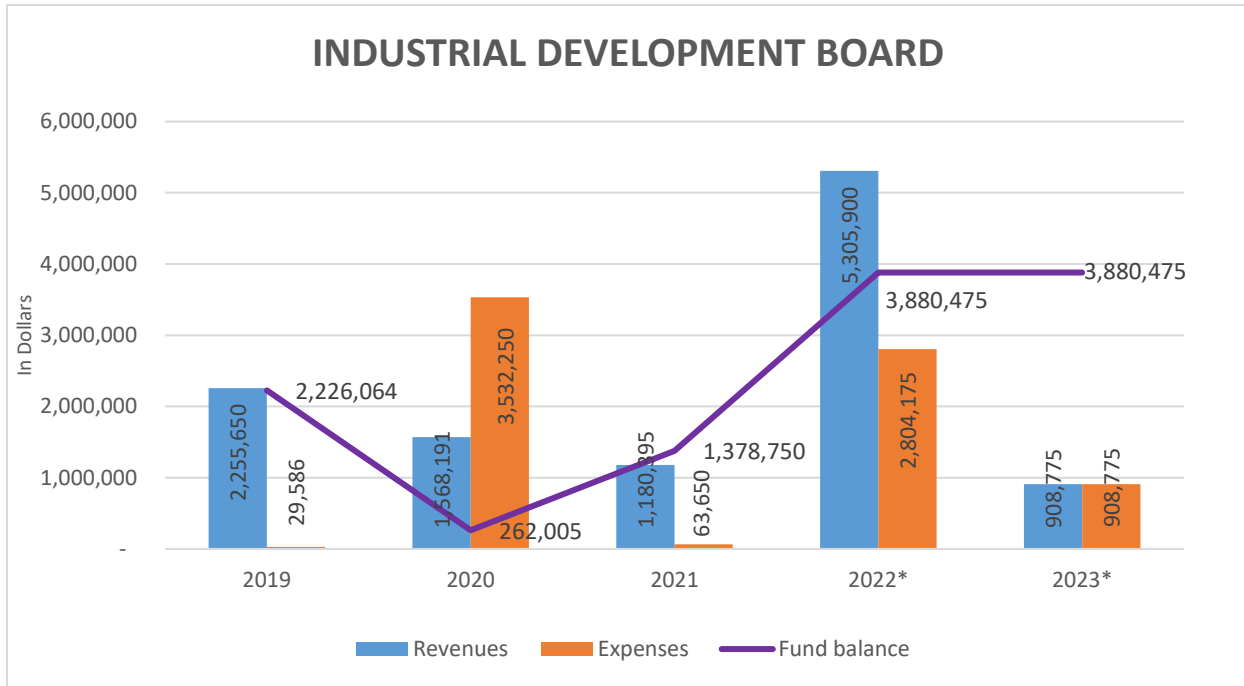
<u>Account Number</u>	<u>Account Name</u>	<u>Actual 2020-2021</u>	<u>Budget 2021-2022</u>	<u>Estimated 2021-2022</u>	<u>Budget 2022-2023</u>
33150	TVA InvestPrep Grant	\$ -	\$ -	\$ -	\$ -
33153	FastTrack Grant	-	505,000	2,100,000	505,000
36100	Misc. Interest Income	-	-	900	1,000
36310	Sale of Land	-	-	3,165,000	-
36715	Grant match-Rec'd from Others	1,173,200	-	-	-
36721	Contribution Nonmatchable Grant	7,195	50,000	40,000	50,000
37110	Prior Years Revenue	-	459,565	-	352,775
	<b>Fund Total</b>	<b>\$ 1,180,395</b>	<b>\$ 1,014,565</b>	<b>\$ 5,305,900</b>	<b>\$ 908,775</b>

### Expenditures

<u>Obj. Code</u>	<u>Title</u>	<u>Actual 2020-2021</u>	<u>Budget 2021-2022</u>	<u>Estimated 2021-2022</u>	<u>Budget 2022-2023</u>
	<b>Services &amp; Supplies</b>				
234	Taxes, Legal Fees and Other	\$ 412	\$ -	\$ -	\$ -
250	Professional Services	63,238	100,000	43,385	100,000
798	Econ Dev Grants and Contributions	-	-	2,100,000	505,000
800	Reserves	-	50,000	-	100,000
	<b>Total Services &amp; Supplies</b>	<b>\$ 63,650</b>	<b>\$ 150,000</b>	<b>\$ 2,143,385</b>	<b>\$ 705,000</b>
	<b>Capital Outlay</b>				
930	Cap. Imp. Other Than Buildings	\$ -	\$ 864,565	\$ 660,790	\$ 203,775
	<b>Total Capital Outlay</b>	<b>\$ -</b>	<b>\$ 864,565</b>	<b>\$ 660,790</b>	<b>\$ 203,775</b>
	<b>Fund Total</b>	<b>\$ 63,650</b>	<b>\$ 1,014,565</b>	<b>\$ 2,804,175</b>	<b>\$ 908,775</b>

# INDUSTRIAL DEVELOPMENT BOARD

## FUND BALANCE



\*Estimated numbers used