

**PRINCE EDWARD COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
MEETING MINUTES
Charley's Café, Mill Street, Farmville, Virginia
October 23, 2012**

MEMBERS PRESENT: Robert Showalter, Chairman
Virginia Price, Vice Chairman
Ken Copeland
Gwen Eddleman
Edgar Jones
James Moore
Tony Willaims

ALSO PRESENT: Sharon Carney, Director of Eco. Development/IDA Secretary,

MEMBERS ABSENT: Eric Tinnell, IDA Attorney

Being there was a quorum present, Robert Showalter, IDA Chairman, welcomed everyone and called the meeting to order at 12:00pm. Due to a couple members needing to leave early, Mr. Showalter changed the order of the meeting from the agenda.

To begin, Mr. Moore asked for an update on the Poplar Hill Golf Course Loan. Sharon gave a brief overview of the status of the foreclosure sale as was explained to her on October 5, 2012 by Mr. Larry Long from Manufacturers & Traders Trust Company (M&T Trust), who is the trustee for the property foreclosure. Mr. Long explained that due to additional difficulties in obtaining a clear title to the subject property, the sale had been delayed. Much of the legal background work had to be redone to obtain the property title clearance necessary to proceed with to the sale. Mr. Long also explained that the foreclosure procedures were a two phase process.

Phase I: M&T Trust had to file with the Prince Edward County Court a "Notice of Entry Order" due to the absence of Michael Heffernen, an investor in the Poplar Hill Golf Course Project. Once the order is signed by the judge, the notice must then run in the paper for 3 weeks.

Phase II: Once Phase I was complete, the judge must then authorize a "Public Notice of Foreclosure" to run in the paper for another 3 weeks. This step actually begins the foreclosure sale proceedings. Mr. Long estimated the whole process step would take about 6 to 8 weeks. As of October 23rd, the notices for Phase I have been sent.

At the conclusion of Sharon's update, there was much of discussion about the Project and potential property sale. James Moore made a motion for a letter to be sent to Mr. Long at M&T Trust asking for an update in writing on the progress of Foreclosure Sale. A second was made by Ken Copeland. The motion was then approved by the following vote:

Aye:	Robert Showalter	Nay:
	Virginia Price	
	Ken Copeland	
	Gwen Eddleman	
	Edgar Jones	
	James Moore	
	Tony Williams	

Mr. Showalter asked Sharon for information regarding an Option to Purchase land by VDOT and the approval of a utility easement. Sharon reported that VDOT is moving forward with the widening of Route 15 South from Commerce Road to just south of the water tower. Work should begin late spring 2013. To facilitate the anticipated road widening VDOT is proposing to purchase road frontage on the property next to LOWES Home Center. The offering price for the land is \$58,185 for the Right of Way.

Mr. James Moore made a motion to accept VDOT's offer of \$58,185. A second was made by Tony Williams. The motion was then approved by the following vote:

Aye:	Robert Showalter	Nay:
	Virginia Price	
	Ken Copeland	
	Gwen Eddleman	
	Edgar Jones	
	James Moore	
	Tony Williams	

In addition to the purchase of the Right of Way, a utility easement will also be required by VDOT that will allow the installation of utilities along the road frontage. Mr. Ken Copeland made a motion to authorize a utility easement to VDOT. A second was made by James Moore. The motion was then approved by the following vote:

Aye:	Robert Showalter	Nay:
	Virginia Price	
	Ken Copeland	
	Gwen Eddleman	
	Edgar Jones	
	James Moore	
	Tony Williams	

Mr. Showalter then asked for a motion to approve the IDA Meeting Minutes from the March 20th, 2012 meeting. There being no discussion Mr. Ken Copeland made a motion to accept the minutes from March 20, 2012. A second was made by Gwen Eddleman. The motion was then approved by the following vote:

Aye:	Robert Showalter	Nay:
	Virginia Price	
	Ken Copeland	
	Gwen Eddleman	
	Edgar Jones	
	James Moore	
	Tony Williams	

Gwen Eddleman and Ken Copeland then left the meeting.

Mr. Showalter asked Sharon for the Treasurer's Report. Sharon then presented the Treasurer's Report for September 30, 2012.

**INDUSTRIAL DEVELOPMENT AUTHORITY
TREASURER'S REPORT
September 30, 2012**

Industrial Development Authority:

WellsFargo Balance as of September 30, 2012	\$131,399.82
BB&T Balance as of September 30, 2012	<u>\$ 1,493.25</u>
Total as of September 30, 2012	\$132,893.07

Mr. Tony Williams made a motion to accept the September 30, 2012 Treasurers Report. A second was made by James Moore. The motion was then approved by the following vote:

Aye:	Robert Showalter	Nay:
	Virginia Price	
	Edgar Jones	
	James Moore	
	Tony Williams	

After the Treasurer's Report was accepted there was a discussion about moving the IDA banking accounts to Benchmark Bank. Changes to the signers of the account were also discussed in light of the retirement of the Prince Edward County Treasurer. To facilitate the banking change a Resolution authorizing the changes discussed is required by Benchmark Bank.

**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF PRINCE EDWARD COUNTY, VIRGINIA**

**AUTHORIZING THE OPENING OF BANK ACCOUNTS AT BENCHMARK BANK,
FARMVILLE, VIRGINIA**

WHEREAS, the Industrial Development and Revenue Bond Act, Chapter 33, Title 15.1, Code of Virginia of 1950, as amended (the "Act"), authorizes the creation of industrial development authorities by the several counties, cities and towns in Virginia and empowers such authorities to acquire, improve, maintain, equip, own, lease and dispose of properties to the end that such authorities may be able to promote industry and develop trade by inducing manufacturing, industrial and commercial enterprises to

locate in or remain in Virginia and further authorizes such an authority to sell and convey any or all of its facilities or properties whenever its board of directors shall find any such action to be in furtherance of the purposes for which the authority was organized; to issue its bonds for the purpose of carrying out any of its powers; to mortgage and pledge any or all of its facilities, whether then owned or thereafter acquitted, as security for the payment of the principal of, premium, if any, and interest on any such bonds and any agreements made in connection therewith and to pledge the revenue and receipts from such facilities or from any other source to the payment of such bonds; and

WHEREAS, the Industrial Development Authority of Prince Edward County, Virginia, is a political subdivision of the Commonwealth of Virginia (the "Authority") duly organized pursuant to the Act, December 12, 1974; and

NOW, THEREFORE, BE IT RESOLVED, the Industrial Development Authority of Prince Edward County, Virginia desires to open a banking relationship with Benchmark Bank, Farmville, Virginia for the purpose of managing the Authority's cash assets in the form of checking accounts, saving accounts, certificates of deposit and/or any other financial instrument available through Benchmark Bank; and

BE IT FURTHER RESOLVED, the Industrial Development Authority of Prince Edward County Board authorizes this date October 5th, 2012, the establishment of a checking account at Benchmark Bank, Farmville, Virginia with two signatures required from the following list of duly authorized persons who hold the following positions:

Industrial Development Authority Chairman:	<u>Robert M. Showalter</u>
Industrial Development Authority Vice Chairman:	<u>Virginia Price</u>
Prince Edward County Administrator:	<u>W. W. Bartlett</u>

Certification

I hereby certify that the foregoing resolution was duly considered by the Industrial Development Authority Board of Prince Edward, Virginia at a board meeting in Prince Edward County, Virginia, at which a quorum was present and that same was passed this 23rd day of October 2012.

Robert M. Showalter, Chairman

ATTEST: _____
Sharon Lee Carney, Secretary
Industrial Development Authority

Mr. Tony Williams made a motion to approve the Resolution to transfer the IDA funds from WellsFargo and BB&T Bank to Benchmark Bank and to combine the two accounts into one money market. Virginia Price made a second. The motion was then approved by the following vote:

Aye:	Robert Showalter	Nay:	
	Virginia Price		
	Edgar Jones		
	James Moore		
	Tony Williams		

Mr. Showalter asked Sharon to go over an Incentive Package for the new industry Tri-Boro Rack and Storage Products, LLC. At the September 11, 2012 Board of Supervisors Meeting, the Board approved the following package of incentives for Tri-Boro Rack. Since the local incentives are managed by the IDA Office, the IDA has to accept the responsibility to administer the incentive package authorized by the Board of Supervisors.

**TRI-BORO RACK AND STORAGE PRODUCTS
LOCAL INCENTIVE SUMMARY
County of Prince Edward, Virginia
September 11, 2012**

Project Assumptions Tri-Boro Rack:

- 25 full-time equivalent (FTE's) permanent jobs to be created within 36 months
- Estimate Real Estate Investment = \$1.5 million (62,500 sf. Bldg.)
- Estimate Machinery & Tools Investment = \$3 million new equipment
- Assume an average annual wage of \$11.76 per hour = an average annual payroll of \$611,520

- County nominal Real Estate Tax Rate=\$0.42/\$100 (FY 2013)
- County nominal Machinery & Tools Tax = \$4.20 (FY 2013)

County of Prince Edward Incentives		
Incentive	Value to Tri-Boro Rack	Value to County
1. Local Real Estate Reinvestment Grant: County IDA will provide a 5 year reinvestment grant equal to 50% of real estate taxes paid to the County. Estimated real estate investment of \$1.5 m: Tax on \$1.5m/100 X \$.42/2 = \$6,300 yr.	Year 1= \$3,150 Year 2= \$3,150 Year 3= \$3,150 Year 4= \$3,150 Year 5= \$3,150 \$15,750	Year 1= \$3,150 Year 2= \$3,150 Year 3= \$3,150 Year 4= \$3,150 Year 5= \$3,150 \$15,750
2. Local Machinery & Tools Reinvestment Grant: County IDA will provide a 5 year reinvestment grant equal to 50% of the machinery & tools taxes paid to the County. Estimated M&T investment Tax on \$3m/100 X 10% X \$4.20 = \$12,600/2 X 5yrs = \$6,300 yr.	Year 1 = \$6,300 Year 2 = \$6,300 Year 3 = \$6,300 Year 4 = \$6,300 Year 5 = \$6,300 \$31,500	Year 1 = \$6,300 Year 2 = \$6,300 Year 3 = \$6,300 Year 4 = \$6,300 Year 5 = \$6,300 \$31,500
3 Waiver of Building Permit Fee: County of Prince Edward will waive the cost of the building permit fee to construct a 62,500 sf building as part of the local EZ program incentive. Value of fee waiver is \$.08sf X 62,500 sf. plus 2 tax%:	 \$4,070	
4. Grant Assistance: County of Prince Edward will assist Tri-Boro Rack in obtaining all potential financial assistance and grant funding available.	(i.e. TROF & GOF) Tri-Boro Rack will fully secure the County against non-fulfillment of any grant performance agreements awarded.	
5. Water/sewer Tap Fees: County will reimburse Tri-Boro Rack up to \$10,000 in Town water/sewer tap fees.	 \$10,000	
6. Soil & Erosion Permit Fee: Mr. DeMaio has requested the Co. to reimburse the amount of the soil/erosion permit fee.	 \$600	
Total of All County Incentives	\$61,920	\$47,250
STATE INCENTIVES		
1. Enterprise Zone	Real Property Improvement Grant	\$100,000
\$500 per new FTE created in excess of 4 FTE's for 5 years. 25 FTEs - 4=21 FTEs x \$500 @ X 5 years	Job Creation Grant	\$52,500
2. Tobacco Revitalization Opportunity Funds (TROF) as per Performance Agreement	Value quoted by Tob. Comm. Staff	\$120,000
3. Governor's Opportunity Funds		\$TBD
4. Workforce Training Funds		\$TBD
Total of All State Incentives		\$TBD

*These values are estimates and for discussion purposes only.

Tri-Boro Rack and Storage Products must also provide Prince Edward County with a Letter of Credit or a Performance Bond, suitable to the County with Prince Edward County as the beneficiary, in an amount equal to the amount of any grant awards made on behalf of Tri-Boro Rack and Storage. Once Prince Edward County receives a final release from by the grantor of any potential grant performance agreement provisions (claw-backs), Prince Edward County will release the Letter of Credit or Performance Bond.

Investment Agreement Acceptance

Company Name: TRI-BORO RACK AND STORAGE PRODUCTS

Title: Fred DeMaio

Date

Title: Toni DeMaio

Date

COUNTY OF PRINCE EDWARD, VIRGINIA

Title: William G. Fore, Jr. Chairman, Board of Supervisors

Date

PRINCE EDWARD INDUSTRIAL DEVELOPMENT AUTHORITY

Title: Robert M. Showalter, Chairman

Date

Ms. Virginia Price made a motion for the IDA to accept the responsibility of administering the incentives for Tri-Boro Rack and Storage Products, LLC that the Prince Edward Board of Supervisors approved at their September 11, 2012 meeting. A second was made by Tony Williams. The motion was then approved by the following vote:

Aye:	Robert Showalter	Nay:
	Virginia Price	
	Edgar Jones	
	James Moore	
	Tony Williams	

Mr. Showalter asked Sharon to give a report on accepting an engagement letter from Robinson Farmer Cox CPA firm to conduct the annual audit for the IDA. There was some discussion on how the audit is actually conducted and what is covered in the audit review.

Ms. Virginia Price made a motion that the IDA approves the engagement letter with Robinson Farmer Cox CPA firm to conduct the 2012 annual audit for the IDA. A second was made by Tony Williams. The motion was then approved by the following vote:

Aye:	Robert Showalter	Nay:
	Virginia Price	
	Edgar Jones	
	James Moore	
	Tony Williams	

Mr. Showalter asked Sharon to give a quick update on the new Route 786 Road. Sharon reported that the new Route 786 Road (Granite Falls Blvd.) was coming along nicely and was ahead of schedule. The project may even be open by the end of November, 2012. In the event the County decides to host a ribbon cutting for the opening of the road, IDA members will be invited.

Sharon then asked all the IDA members to complete the Conflict of Interest Forms which is required annually and return them to her.

Mr. Showalter then asked if there was any additional business. There being none, James Moore made a motion to adjourn the meeting, seconded by Virginia Price. The motion was then approved by the following vote:

Aye:	Robert Showalter	Nay:
	Virginia Price	
	Edgar Jones	
	James Moore	
	Tony Williams	

The meeting was adjourned at 12:50pm.

Approved by:

Robert Showalter, Chairman

Sharon Lee Carney, Secretary