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The Carroll County Board of Supervisors held a Regional meeting on, March 7, 2011 at Crossroads Institute.

Present were: Dr. Thomas W. Littrell
 David V. Hutchins
 W.S. "Sam" Dickson
 N. Manus McMillian
 Gary Larrowe, County Administrator
 Nikki Shank, Assistant Administrator
 Ronald L. Newman, Assistant Administrator
 Jim Cornwell, County Attorney

Mr. Hutchins told that he would be acting on behalf of the BRCEDA Chairman, Mike Maynard who was not able to be present this evening. Mr. Hutchins called the BRCEDA meeting to order.

Dr. Littrell called the meeting of the Carroll County Board of Supervisors to order.

Mr. C.M. Mitchell called the meeting of Galax City Council to order.

Mr. Larry Bartlett called the meeting of the Grayson County Board of Supervisors to order.

Mr. Sam Dickson lead in invocation and pledge.

Mr. Hutchins asked Mr. Ken McFadden to move forward with the presentation on Wildwood.

Mr. McFadden discussed the power point. He told that the funding ratio of this project is a dollar for dollar match. He told that the funding that is requested from the localities is \$5.25 million. He told that we have the finance officer here tonight and told that we are working with a 30 year term with 5% interest with a 90% USDA loan guarantee and that loan is in process. He told that for budgeting purposes the best case scenario would be an annual allocation each of \$120,000. He told that there are private contributions and they equal \$825,000. He told that includes the option agreement, the land cost reduction, the VDOT access road and the bore under I77 for the sewer and this is all from the owners. He told that they have also as an additional benefit to the project are guaranteeing the VDOT grant of \$500,000. He told that we have five years from the time we start the VDOT project to land a business at Wildwood and in the event that does not occur the owners have committed to remit the \$500,000 to VDOT. Mr. McFadden told that recruitment is an evolving piece. He told that Tom Elliott with @Corridor is here tonight and they are in constant contact with VEDP about this project regarding industries to market to. He told that we have identified the industry sectors that we will pursue. He told that it is important to know that with the mega site funding that we have received the standards are a minimum 400

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jobs and minimum of \$250,000 investment. He told that this is not a commerce park that will be divided into 5 and 10 acre lots, but conceptually it will have a 50 acre pad and a 65 acre pad. He told that it will be large industries that we will be recruiting and it helps us to narrow the search. He told that we have existing strengths in our industrial manufacturing base and those are wood manufacturing, textiles, information services and auto parts manufacturing. He told that there are site consultants that serve these industries and to date we have given this same presentation to 4 of those consultants and none of those have said it is a bad project. He told that the targets could grow or shrink depending on our findings. Mr. McFadden told that Wildwood is a public private partnership and it would be a lot less attractive if it was undeveloped. He told that our proximity to Charlotte, Winston and Greensboro opens up for the Commonwealth to compete with North Carolina in industrial recruitment. He told that this will be the first if not only site on I-77 to have the ability to be a mega site in Virginia. He told that we have really good interstate access and that is an attribute that we need to be proud of. He told that the regional collaboration among the three localities and BRCEDA is exceptional and all should be proud of it.

Mr. Hutchins asked Mr. Cornwell to address the areas of legality and procedures.

Mr. Cornwell told that each jurisdiction here approved the participation agreement some time ago. He told that in that agreement it states that each locality will contribute annually to the cost of this project. He told that we now have the next step in this project and the jurisdictions will be pledging to contribute \$5.5 million to this project which will be financed. He told that what you have before you for consideration are resolutions to support the financing and to authorize the Chairman to execute the moral obligation support agreement. He told that there are certain constitutional and statutory requirements for a locality to go into debt and because of that for projects like these the government allows localities to enter into moral support obligations which means you promise every year to put the necessary funds into your budget to make the debt payments. He told that by entering into the participation agreement you have already committed to this and this document is just the next step. He told that Mr. McFadden indicated that it is \$5.25 million and he understands that BRCEDA would like to build in an additional \$133,000 to cover the cost of financing. He told that the resolution that you are being asked to adopt tonight authorizes the Chairman to execute the moral obligation support agreement in the amount not to exceed \$5.5 million. He told that BRCEDA will take the agreements tonight and sit down with the bank. He told that this obligation will be no more than the \$5.5 million.

Mr. Gardner ask if all the fees are built into this.

Mr. Cornwell replied that as he understands it we only need the \$5.25 plus the \$133,000 for financing and they are asking for \$5.5 to cover any other fees.

Mr. Gardner ask that all of the fees are tied into the financing.

Mr. Cornwell told that was correct and he asked the banker to confirm.

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Mr. Sean Graham told that the fees as best as they have been able to determine without actually coming to the closing are as Mr. Cornwell pointed out which is approximately \$133,000. He told that they consist mainly of the banks fee, USDA's fee, attorney fees, and the costs associated with recording a real estate transaction.

Dr. Lazo ask if we could be more specific about who we would be targeting since we are getting questions from the public.

Mr. McFadden told that we prepared an industry suitability analysis and we identified those earlier and he asked Mr. Elliott to review what they do. He told that they have a meeting on Monday to see what we can do better. He told that we don't know what the final sectors will be. He told that they will be working with the site consultants.

Dr. Lazo ask how we picked the automobile parts manufacturing because he didn't see that one.

Mr. McFadden told that there is a database the VEDP provides and basically they take our characteristics within our workforce and they identify targets. He told that he does not do that end of it and that is why we work with @Corridor and VEDP.

Mr. Elliott told that the targets are identified by existing workforce and that makes auto parts manufacturing a good match. He told that it also has to do with your project which is the site, infrastructure and a lot has to do with geography. He told that we have a strategic location and that is probably your number one asset. He told that you don't have to make it to narrow when you are going after industry and told that he is going after all the site consultants that he can. He told that he will be casting a bigger net on behalf of the group. He told that once you get a better fix on your assets then you would go after target markets. He told that food processing right now may be number one instead of number four just because of the economy. He told that being ready to move forward is extremely important. He told that Ken mentioned a meeting next week and he would like to get a highly qualified site consultant because he doesn't need a study that weighs a lot, but one that works.

Dr. Lazo asked if having a high nonunion workforce important.

Mr. Elliott replied yes. He told that a lot of states have problems with not being a right to work state and we are one of the most northern right to work states and it makes it cheaper for a company to do business.

Mr. Bartlett told that he wants to make sure that he understands correctly in that \$5.5 million is the extent of this moral obligation.

Mr. Cornwell told that it is not to exceed that amount.

Mr. Bartlett ask that in the event that they need more can they reconvene.

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Mr. Cornwell told that they cannot exceed the amount without coming back to the group and asking. He told that they are anticipating that it will be under that amount.

Mr. Cornwell told that you should have two documents before you. He told that it gives the permission to the Chairman to execute the moral obligation. He told that if it is your decision to adopt each locality will need to adopt the resolution. He told that it is his understand that BRCEDA is not moving forward until it gets the final paperwork from the bank.

Mr. Hutchins told that at this point it is up to each individual locality to make their decision. He told that what we are doing is not about acquiring real estate but about bringing in jobs. He told that this is our effort to do that and thinks that we may need to partner with the Airport and others along time.

Mr. Bartlett presented the resolution to the Grayson Board. Ms. Brenda Sutherland made a motion to adopt the resolution, seconded by Mr. Doug Carico an passed.

Dr. Littrell presented the resolution to the Carroll Board. Mr. McMillian made a motion to adopt the resolution, seconded by Mr. Hutchins and passed.

Mr. C.M. Mitchell presented the resolution to Galax Council. Mr. Willie Green made a motion to adopt the resolution, seconded by Dr. Lazo and passed.

Mr. Mitchell told that he thinks this is one of the most important things that they have done for the people they represent. He told that it may take a year or it may take 5 years to come to fruition. He told that this is a grand example of how localities can work together.

Mr. McFadden thanked each of the Boards for coming together for this project and investing resources.

Dr. Littrell told that it is said that if you build it they will come and it is for sure that if we don't build it they won't come. He told that we have to take the first step and hopefully the rest of Virginia will follow us.

Mr. Bartlett told that his Board is excited about this opportunity. He told that there is wisdom and understanding about where they are going. He thanked all of the members and BRCEDA for the efforts they are making.

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ADJOURNMENT

Mr. John Garner made a motion to adjourn the Galax City Council.

Mr. Bill Carrico made a motion to adjourn the Grayson County Board of Supervisors.

Upon motion by Mr. Dickson seconded by Mr. McMillian and passing, the Carroll County Board adjourned until March 14, 2011 at 4:00 p.m.

VOTES

Mr. Jackson	Yes
Mr. Hurst	Yes
Mr. Hutchins	Yes
Mr. Dickson	Yes
Dr. Littrell	Yes
Mr. McMillian	Yes

Mr. Larrowe made a motion to adjourn BRCEDA.

(Order)

Chairman

Clerk