

**MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY
OF CAMPELL, VIRGINIA**

March 25, 2010

The regular meeting of the Board of Directors of the Industrial Development Authority of Campbell County, Virginia, was held in the multi-purpose conference room of the Haberer Building, Rustburg, Virginia, on March 25, 2010.

The Directors present were:

Lewis Robertson, Chairman
K. William Kirk, Vice-Chairman
George Rosser, Secretary-Treasurer
D. Vance Driskill
Geraldine Pettigrew
Larry Dalton
Malcolm Morris

The Directors absent were:

None

Also Present:

J. Michael Davidson, Economic Development Director and Assistant Secretary-Treasurer
Frank Wright, Jr., Esq., IDA Attorney
Brian P. Gleason, IDA Staff Support

// Chairman Robertson called the meeting to order at 7:28 p.m.

// Chairman Robertson asked the members if they had any corrections or additions to the meeting minutes from the November 19, 2009 meeting. With no corrections or additions given, a motion to approve the November 19th meeting minutes was made by Mr. Driskill, seconded by Mr. Rosser, and duly adopted by unanimous vote of the members present.

Matters from the Economic Development Director

// Mr. Davidson first reviewed the finances of the Authority. He noted that several Certificates of Deposit had matured, and been rolled into a single CD. He also informed the Board that Wachovia had mistakenly debited the Authority's account for a check submitted from another County entity. Mr. Davidson explained that the Authority's account is linked to County accounts because the Authority was required to hold a public/governmental account, and the County established an arrangement where it would absorb some of the account fees for the IDA. He noted that this was the second time Wachovia had erroneously charged a check to the IDA's account.

Mr. Davidson requested the use of the IDA's account as a pass through for ongoing project fulfillment for the Airport East/Mountain Lake Drive project, specifically to reimburse residents for the purchase of mailboxes and their installation. He explained that using the County's Accounts Payable department would require significant paperwork to set up each resident in the County system, whereas using the IDA's account would allow the Economic Development department to then cut one reimbursement check to the IDA, which is already set up in the County system. For this request, Mr. Driskill motioned to approve the use of the IDA's account as a pass through, seconded by Ms. Pettigrew, and duly adopted by unanimous vote of the members present.

// Mr. Davidson next reviewed project updates. He informed the members that the Airport East project was almost completed.

Seneca Commerce Park Sewer project was moving forward and will go out to bid in the beginning of April, he said. He stated that Wiley & Wilson have drafted design plans and projected construction costs, and he is pleased with the estimated costs. The contractor with the winning bid will be given six months to complete the forced main project (Phase I); Phase II will be the installation of a pump station and Phase III will be installation of a gravity flow line from the individual lots to the pump station, he said.

Mr. Davidson reviewed unemployment rates for the County, State, Lynchburg MSA and nation, covering the periods from September 2009 to January 2010.

// Mr. Davidson then discussed the Brookneal Wireless System. He informed the committee that the sale of the wireless equipment was concluded on January 22, 2010. He distributed a budget breakdown that showed the final accounting for the project, totaling a profit of \$13,364.96 for the IDA, and provided a brief review of the project and agreements made with Pure Internet, Inc. A brief discussion followed regarding the challenges, successes and lessons of the IDA's investment in the Brookneal Wireless System.

// Mr. Davidson next discussed the Brookneal Campbell County Airport Authority's request for a loan from the IDA for \$100,000 to install a self-service fueling system to generate revenue at the Airport. The Department of Virginia Aviation funded the design portion of the project at \$38,000 along with an \$11,000 required local match, he said. He said the design phase should be complete by the end of March, and then an application for a construction-phase grant will be submitted to DOAV prior to May 21, 2010. Mr. Davidson informed the committee that it is the construction-phase of the project that will require the IDA loan for the local match to an approximately \$328,000 grant from DOAV. He said that of the \$100,000 loan, \$50,000 to \$60,000 will go toward the local match for the grant, and the remainder of the funds will be used to purchase fuel to fill the tanks. Mr. Davidson projected approximately one year to begin generating profit from the sale of fuel, and stated that other projects at the airport will hopefully generate further use of the fuel facility.

A brief discussion ensued regarding the need to fill the fuel tanks to capacity if the BCCAA is expecting slow initial sales. It was agreed that a single fill up would likely be cheaper by volume than multiple fill ups, and Mr. Davidson informed the committee that with aviation fuel, 100

octane, a full-tanker purchase is typically required unless it is possible to split a load with another retailer.

Mr. Driskill inquired about the IDA's position on recapturing administrative fees from the loan, and cited the fee of 1/8th of 1 percent charged on bond issuance. After a brief discussion it was agreed that the Airport Authority will be responsible for all administrative fees.

Mr. Dalton asked about the location and placement of the tanks, and Mr. Davidson informed the members that the tanks will be above ground, double-walled containment tanks, and a spill prevention plan is included in the project cost.

Mr. Rosser asked about the County's contribution to the project. Mr. Davidson informed members that though the County may have Capital Improvement Plan funding, the issue is the need to expedite the process, approximately two years ahead of the County CIP timeline, in order to secure grant funding through DOAV.

In further discussion, it was agreed that a lien on the fuel facility will need to be incorporated into the loan agreement.

In response to an inquiry by Mr. Driskill, Mr. Davidson informed the members that at the least a letter of commitment from the IDA agreeing to the loan will need to be included in the grant application to DOAV, but the BCCAA will need the loan funds prior to the start of construction.

A discussion ensued regarding the structure of the loan and the length of the term, with several members commenting on the BCCAA's ability to pay back the loan in one to two years. Mr. Davidson explained that County CIP funding should be available in FY12 and FY13 to help cover any remaining balances beyond profit generated from fuel sales. Mr. Driskill offered considering a three to five year balloon payment on the loan, and members agreed this may need to be considered.

As it relates to other potential IDA funding priorities, Chairman Robertson inquired about funding for the Seneca Commerce Park sewer project. Mr. Davidson informed members of the status of Tobacco Commission grant funding as well as County CIP funding in FY13, but mentioned that there may be a need for IDA support in FY13, noting however that at this time it does not look like a necessity.

Mr. Davidson, noting the concerns over the BCCAA's ability to pay back the loan in a one- to two-year timeframe, said a five-year loan may be necessary, and hopefully can be amortized to benefit the IDA.

Upon a motion by Mr. Rosser, seconded by Mr. Morris, and duly adopted by unanimous vote of the members present, the IDA agreed to commit to a loan up to \$100,000 to the BCCAA, with terms to be determined by the IDA, to finance the construction of a self-service fuel facility and purchase of fuel to fill the tanks, pending the approval of a grant from the DOAV.

A brief discussion followed to determine which IDA member or members will work with the Airport Authority to determine the terms of the loan. Several members offered to participate, and Mr. Davidson said he will work with BCCAA members and will coordinate the discussion.

// Mr. Davidson next discussed the development of a Regional Comprehensive Economic Development Strategy, informing members that the Region 2000 Local Government Council had received a federal grant to conduct this project. He mentioned that CEDS's are important because a locality cannot receive federal grants for any economic development project unless the locality has a CEDS and the project is identified in that document. He said the greatest benefit of the CEDS to the County is participating in the planning process that helps the County identify its strategy to achieve economic development goals. Mr. Davidson noted that Campbell County often does not qualify for federal grants because of our relatively high median income and low unemployment; however, because a Regional CEDS includes other counties in the area such as Appomattox, it is possible that if a Campbell County project makes it into the Regional CEDS it may be possible to receive federal grants. He told IDA members they may be invited to take part in drafting the Regional CEDS, and said their participation would be greatly appreciated.

// On a motion by Mr. Driskill, seconded by Mr. Rosser, and duly adopted by unanimous vote of the members present, the Campbell County Industrial Development Authority entered into a closed session at 8:18 p.m., in accordance with §2.2-3711 (A)(5) of the Code of Virginia of 1950, as amended; discussion or consideration of prospective business(es) and industry(ies) and discussion or consideration of expansion of existing business(es) and industry(ies), for the purpose of discussing matters related to a company(ies) that has not made a decision or public announcement regarding locating or expanding a facility in Campbell County.

The vote was: Aye: Dalton, Driskill, Kirk, Morris, Pettigrew, Robertson, Rosser.
Nay: None.
Absent: None.

On a motion by Mr. Rosser, seconded by Mr. Morris, and duly adopted by unanimous vote of the members present, the Campbell County Industrial Development Authority reconvened in open session at 8:40 p.m.

CERTIFICATE OF CLOSED MEETING

WHEREAS, the Campbell County Industrial Development Authority had convened a closed session on the 25th day of March, 2010, pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, §2.2-3711 of the Code of Virginia requires a certification by the Campbell County Industrial Development Authority that such closed session was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Campbell County Industrial Development Authority hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in

the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Campbell County Industrial Development Authority.

The roll call vote was: Aye: Dalton
 Aye: Driskill
 Aye: Kirk
 Aye: Morris
 Aye: Pettigrew
 Aye: Robertson
 Aye: Rosser
 Nay: None
Absent During Meeting: None
Absent During Vote: None

Matters from the Chairman

// The Chairman had no further matters to report or discuss.

Matters from IDA members

// The members had no further matters to report or discuss.

// With nothing further presented for consideration, upon a motion by Mr. Rosser, seconded by Mr. Kirk, and duly adopted by unanimous vote of the members present, the Campbell County Industrial Development Authority adjourned at 8:47 p.m. The next meeting will be held on July 22, 2010 at 7:30 p.m. in the Board Level Conference Room, Haberer Building, in Rustburg, Virginia.