

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

May 24, 2007

The regular meeting of the Board of Directors of the Industrial Development Authority of Campbell County, Virginia, was held in the Community & Economic Development Conference Room, County Office Building, Rustburg, Virginia, on May 24, 2007.

The Directors present were:

George Rosser, Chairman
Malcolm Morris
Robert Kennedy
Lewis Robertson

The Directors absent were:

John Yates
Darryl Whitesell
Vance Driskill

Also Present:

J. Michael Davidson, Economic Development Director
Frank Wright, Jr., Overby, Hawkins, Selz & Wright
Rebecca Schwarz, Assistant Secretary-Treasurer

Mr. Davidson began the meeting at 7:45pm. The minutes were approved later in the meeting.

Matters from Economic Development Director

// Mr. Davidson first informed the board members that health problems have been the reason for Mr. Yates' absence at the last several meetings. Davidson will keep the board members apprised of his condition.

// Mr. Davidson told the IDA that between now and August a couple reasonably large projects will be announced, both from existing businesses. We sold the first lot in Seneca Commerce Park. Construction will probably begin by July 1, and the company will not announce the project for a couple more weeks. The company, Jet Broadband, will move its technical engineering force there and open a customer service center. It will add 25-30 employees. Mr. Davidson noted that in addition to the aforementioned expansions, we have received several small business inquiries.

Mr. Robertson asked if we have an idea of the cost to fix the storm water retention pond. Mr. Davidson said to keep the pond wet and fence the area would cost roughly \$30,000 for just the fence. The same engineer who did the designs for the dry pond will charge \$7,000 to redesign it as a wet pond. Because we will have to spend \$30,000-\$40,000 just to convert it to a wet pond, it would be better to spend \$50,000-\$70,000 to keep the pond dry and forgo the liabilities that come with a wet pond. Mr. Kennedy asked if this was caused by poor engineering and poor construction. Mr. Davidson said yes, and general discussion of the situation followed.

Mr. Morris commented that he has noticed Wards Crossing West moving along quickly. Davidson said that there will be 100,000 square feet of new retail space resulting from the project. Everything is going well with the development of Simons Run, the road connecting the development to Leesville Road.

Next the IDA discussed the Airport Industrial Park, and Davidson said it looks like we will be able to go ahead and form a Regional Airport Authority. Meetings will likely begin sometime after July. Davidson said he does not know how long it will be before work begins on the Airport Industrial Park. The first 6-12 months will likely be focused on developing the authority. Lynchburg and Campbell County are the only two definite members at present. Right now there is no money in the CIP fund for the park, and the park is not a Lynchburg City priority, so we need the authority if we are to move forward with the development of the industrial park. IDA members will probably be invited to be involved in the airport authority and will probably be brought in as the authority becomes serious about starting the park.

General discussion of Campbell County projects followed.

// Mr. Rosser arrived, thus establishing a quorum, and the IDA reviewed the March 22, 2007 meeting minutes. With no changes to be made, upon a motion by Mr. Kennedy, seconded by Mr. Morris, and duly adopted by unanimous vote, the minutes stood approved as read.

// Ms. Schwarz reviewed the financial statement for the IDA, and she updated the board members on the process of integrating the IDA financial records into the County accounting system. All IDA account information for FY07 and each fiscal year here forward will be in the County system. Ms. Schwarz further explained the details of the new accounting process.

// Next Mr. Davidson gave an update on the Centra Health industrial revenue bond. All the paperwork has been signed and everything is done. Next year we will begin receiving revenue on the bond. Davidson noted that Centra Health is making nice progress with the construction of the Cancer Center.

// Mr. Wright then discussed the progress of the industrial revenue bond issued to Georgia-Pacific, whose tax-exempt status has been recently called into question by the IRS. Mr. Wright gave a brief recap of the situation, as was discussed in further detail at the previous IDA meeting. He said that GP's defense for the problem is that the whole purpose of the tax-exemption for this bond was to encourage smart use of waste. Therefore, its argument is that the reason GP's tax-exempt status is being called into question is that it actually followed through with the purpose of the bond and made smart use of its waste. Mr. Wright said that this has been a problem for a large number of GP facilities globally. This dispute will likely remain in litigation for several years. The IRS has issued a subsequent adverse determination against the Campbell County IDA, but it will probably not have any effect on the IDA in a practical sense because GP will indemnify the IDA of any costs. General discussion followed.

// Mr. Davidson presented a proposal of support for the Grow One program, directed by Lynchburg. This program, which has been discussed at previous IDA meetings, sends 7th graders to a summer camp at Lynchburg College to introduce them to entrepreneurship and instill in them an interest in business. Lynchburg has made the offer to extend the program to all counties within Region 2000. The program costs \$2,000 per student, and Lynchburg is looking for sponsorship of half the cost per student. Mr. Davidson made the suggestion that the IDA give \$1,000 towards the program, as this is a way of fostering workforce training at an early stage.

Following discussion of the program, its goals, and the needs of Campbell County, Mr. Kennedy made a motion to give \$1,000 to the program. A second motion was not made. Following further discussion, Mr. Kennedy made a motion that if the program raises the first \$7,000 of \$8,000 in sponsorship funds needed, the IDA will provide the final \$1,000 in funding. Mr. Robertson seconded the motion. Upon unanimous vote by the IDA members, the IDA passed the motion.

Matters from the Chairman

// Mr. Rosser gave the IDA an update on the annual Business Appreciation Week luncheon on May 15, 2007. Several large Campbell County businesses attended. Delegate Byron spoke, and Senator Newman and four Board of Supervisors members attended. Also, Supervisor Carter was recognized for all his years of service on the Board, as he will not be running for re-election this year.

Matters from IDA Members

// Mr. Kennedy and Ms. Schwarz attended the Virginia Industrial Development Authority Institute, and Mr. Kennedy briefly spoke on topics discussed at the institute and said he found it very informative.

Following general discussion of the aforementioned matters, and with no other business presented for consideration, upon a motion by Mr. Robertson, seconded by Mr. Kennedy, and duly adopted by unanimous vote, the Campbell County Industrial Development Authority adjourned at 8:40 pm.

George Rosser, Chairman

Vance Driskill, Secretary-Treasurer