

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

September 27, 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 September 27, 2007.

The Directors present were:

George Rosser, Chairman
Robert Kennedy
Darryl Whitesell
Vance Driskill

The Directors absent were:

Malcolm Morris
Lewis Robertson

Also Present:

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

Mr. Rosser began the meeting at 7:42pm. With no changes to be made, upon a motion by Mr. Kennedy, seconded by Mr. Driskill, and duly adopted by unanimous vote, the minutes stood approved as read.

Before commencing with the meeting agenda, Mr. Rosser began by informing the Authority that John W. Yates, member of the IDA, passed away on Tuesday, September 25, 2007. Mr. Driskill attended the family visitation and conveyed the County's appreciation for Mr. Yates' service. He expressed to the family that Mr. Yates was well-liked and that we loved having him be a part of us. The IDA also sent a spray of flowers. Mr. Driskill suggested that the County send a commemorative letter and adopt a resolution in his honor. It was agreed by consensus to initiate a resolution to be adopted by the Board of Supervisors and to invite Mr. Yates' family to a Board of Supervisors meeting for the presentation of the resolution. Mr. Davidson said that the IDA could also send a letter, signed by Mr. Rosser, to the Yates family directly.

Mr. Rosser then turned to the agenda.

Matters from Economic Development Director

// Mr. Schwarz reviewed the Financial Report. (see attached). She said there have not been many transactions, but the transactions which have taken place have been significant. We have closed the Sanfacon loan, as Sanfacon has purchased the property. We currently have over \$28,000 in that account, which was earned through the administrative fees charged. We have had two \$20,000 time deposits out, one from unused funds in the general fund which we put into a CD to raise revenue and one that was the Sanfacon collateral account. Those will both mature within the next month or two. We are looking at having them roll over but looking around at other banks to see what other rates are available.

Ms. Schwarz noted that Sanfacon overpaid the county around \$185. Ms. Schwarz asked how the IDA wanted to handle the repayment of these funds to Sanfacon. Mr. Davidson pointed out that, legally, the IDA owed the last month's interest on the loan – approximately \$1,000, but Sanfacon chose to pay it

anyway. Mr. Driskill said that he thought a letter of appreciation along with the check for reimbursement might be a nice public relations move. The IDA agreed by consensus to proceed as suggested.

Ms. Schwarz also informed the IDA that the audit has been performed, and she is working on the final steps with the auditor. It went very well. She noted that Banker Steel is paying their loan on time. General discussion of the various financial accounts followed. Included in this discussion was an update on the Pure Internet broadband system owned by the IDA.

// Mr. Davidson next updated the IDA on the Project Updates. He said that the industrial prospect activity has been very high compared to what it has been in years past. We have had a lot more inquiries from the state, and we are submitting a lot more sites. He said we continue to get calls from people looking for 5,000-20,000 square feet building on 460 or 29 within a 5 minute drive of the airport, and unfortunately that kind of property is not available. However, as we continue to move forward, having space like that available is what he would consider a short-term goal to accomplish within the next 3-5 years. General discussion followed.

Mr. Davidson said that we have done some print advertising, and we have picked up some traffic to our website from that. However, the majority of our prospects come from the state. Ms. Schwarz is monitoring weekly and monthly reports on the website traffic so that we can benchmark where we are right now and compare that traffic to the traffic following advertising. Our next advertisements come out in November, and once the traffic from those has died down, in January we are going to pay for hits on Google.

// Mr. Davidson then discussed the Airport East project. He said this is a joint project between Daly Seven and the Liberty University Crossroads Colonnades. The project went to the Board of Zoning Appeals on Tuesday, September 25, 2007, and Daly Seven was granted the third access point it was pursuing on US 29. He noted that this project has consumed a tremendous amount of time.

// Campbell County is beginning to see some of the benefits of Kohl's and Old Navy with that extra \$0.01 sales tax coming in. We are realizing how important that extra amount can be. It is Mr. Davidson's number one priority to make sure this project goes ahead with no problems.

// As discussed at previous meetings, Mr. Davidson said that the Seneca Commerce Park regional storm water management pond was probably put in the wrong place during construction. We now know a perennial stream runs through the pond, and we have to take the pond out. We have had great cooperation from the engineer that put it in, and the removal of the pond will not cost us anything. In legal terms, the engineering firm has agreed to remediate the problem for us, but they are not assuming liability or fault. Mr. Rosser asked which firm was the engineer. Mr. Davidson said that it is Wiley & Wilson, and they have been very good to work with on this.

The Virtual Building project was designed to direct its storm water to the pond, so that project had to be re-designed. We will receive the data from the re-worked design tomorrow, September 28, 2007. We had to spend an extra \$9,000 on the project, plus redo the plat for the property.

// The Dearing Ford Business and Manufacturing Center Phase II was released in an RFB, and we anticipate the Board of Supervisors will award the contract at the upcoming meeting. We believe the project will be complete by December 15, 2008. The project includes the building of an access road for the property and extension of the water line.

// Mr. Davidson gave an update on the Brookneal – Campbell County Airport. It is poised to “break out” from the inactivity that has been there, and maybe within 4 to 6 months things will dramatically

change. Mr. Davidson said that maybe the IDA can play a part in that. There are planes in and out every day, and its primary use right now is to serve flight schools out of Lynchburg. However, there has never been an operator, the sale of fuel, and so on. A partnership between the IDA and the BCCAA might go a long way to have the airport become as an asset to the county. We have a security camera system now. The airport will likely apply for a grant to install a fuel farm system, and probably by December we will put out an RFP for a fixed based operator to operate the fuel system. Mr. Davidson reviewed the other various changes and improvements expected within the next 12-24 months through grant funding.

// As already discussed by Mr. Schwarz, Sanfacon is no longer a financial obligation of the IDA's. It was a good project, and First National Bank found it to be a good project for them as well, as it was First National's first experience with an IDA. We left them with a very positive image.

// The Altavista IDA held a roundtable discussion this week on September 25th, 2007. The goal was to gather together various businesses from the town of Altavista and the southern Route 29 corridor. There were 26 people in attendance, and Mr. Davidson reviewed who attended and the direction of the discussion held. Workforce was the primary focus of the discussion. There will likely be a couple more discussions in the next year, these maybe with the County as a whole.

// Mr. Davidson asked for questions from the committee members on the Project Updates. Mr. Rosser said that he was surprised and pleased to find out that the airport is used as much as it is. Mr. Driskill said that the last discussion he remembers there was talk of putting in a hangar for Jensen. Mr. Davidson said that the engineering work done for that project with Jensen is still good and will be the engineering work used to build the hangar. Mr. Whitesell asked if the fencing of the airport will take place regardless of any other factors. Mr. Davidson said that begins tomorrow.

// Mr. Davidson continued with the agenda items. He said that Sanfacon was already discussed, so he would move on to discussion of the Centra Health Industrial Revenue Bond. Everything is done for that. We do not yet have the paperwork, but we hope to get that in the next few weeks. The bond has been drawn down, and Centra Health has made its first payment.

Mr. Driskill asked where, financially speaking, the IDA should be thinking ahead to. The IDA has accumulated funds, and he thinks the IDA might want to start thinking how to proceed in the future. Mr. Driskill said he thinks a building or something of that nature might be an idea to look at, and he asked Mr. Davidson what he sees down the road for the IDA. He thinks it would be good for the IDA and ED to be thinking about the same things. Mr. Davidson said that the Seneca Commerce Park Virtual Building is the project he is looking at. He will give a report on this when the design project is finished. In short, however, there are 3 phases to the project. He went on to give a brief overview of the Virtual Building. Another idea for the IDA to direct its thoughts to is the possibility of working with the Brookneal – Campbell County Airport. General discussion followed.

// Mr. Davidson next passed around the letter to the IDA from the Grow One program. He said that he has received a lot of positive feedback. There were 4 Campbell County children in the program, with 1 from each school. There will be opportunities next year for more than 1 child from each school. One thing discussed at the Altavista Roundtable was that the county does not have an available workforce. There are not enough people to work in Campbell County, and as a result it is difficult to attract industries. Further discussion of the workforce problems followed, with Mr. Davidson highlighting the work of the Region 2000 Economic Development Council to help with this problem. General discussion followed.

// Mr. Davidson next reviewed the Economic Development Department Update, giving highlights on each section: employment, capital investments, projects, and Priorities and Initiatives. He gave each

committee member a copy of the update to take home and told them to contact him if they have any questions after they have reviewed it in further detail.

Matters from the Chairman

// There were no matters of discussion from the Chairman.

Matters from IDA Members

// Mr. Davidson asked that the IDA vote to add Ms. Schwarz to the signature cards for the Industrial Development Authority's Wachovia checking account. Upon a motion by Mr. Whitesell, seconded by Mr. Driskill, and duly adopted by unanimous vote, the IDA authorized Ms. Schwarz to be added to the Wachovia signature cards.

Following general discussion of the aforementioned matters, and with no other business presented for consideration, upon a motion by Mr. Kennedy, seconded by Mr. Whitesell, and duly adopted by unanimous vote, the Campbell County Industrial Development Authority adjourned at 9:01 pm.

George Rosser, Chairman

Vance Driskill, Secretary-Treasurer

**INDUSTRIAL DEVELOPMENT AUTHORITY OF THE
COUNTY OF CAMPBELL, VIRGINIA
FINANCIAL STATEMENT
AS OF
September 27, 2007**

ASSETS

Current Assets:

Cash In Wachovia Bank (General Fund)	\$21,503.21	
Cash in FNB Sanfacon Operating Account	\$28,546.62	
Cash in FNB Banker Steel Operating Account	\$20,026.44	
Balance in FNB Banker Steel Collateral Account	\$23,138.04	
Balance in FNB General Fund Time Deposit Account	\$20,526.98 (as of 6/30/07)	
Balance in FNB Sanfacon Time Deposit Account	\$20,526.99 (as of 6/30/07)	
Total Current Assets:		\$134,268.28

Fixed Assets:

Sanfacon Building, Brookneal	Sold	
Banker Steel Building	\$2,169,400.00	
Broadband Communication Equipment	\$43,825.00	
Total Fixed Assets		\$2,213,225.00

Total Assets: **\$2,347,493.28**

LIABILITIES

Current Liabilities:

(Nothing other than reimbursable loan payments)

Total Current Liabilities: **\$0.00**

Fixed Liabilities:

Sanfacon Building Loan (First National)	\$0.00	
Banker Steel Loan (First National)	\$1,526,946.15	
Total Fixed Liabilities:		\$1,526,946.15

Total Liabilities: **\$1,526,946.15**

Net Worth: **\$820,547.13**