

**Minutes of Development Authority of McDuffie County and the City of Thomson
Board Meeting
July 28, 2016 - Minutes**

Members in Attendance: Riley Stamey; Chairman, Lem Brooks; Bobby Hildreth; Bud Lunceford; and Paul McCorkle. Also attending; Matt Morris, Executive Director; Belinda Campbell, Recording Secretary; and Linda Greene, McDuffie Progress.

Welcome and Call to Order: A meeting of the Development Authority was held at the Forward McDuffie office in Thomson, GA on July 28, 2016. The meeting convened at 8:30a.m., Riley Stamey presiding. Mr. Stamey welcomed everyone and declared there was a quorum.

Review and Approval of May, 2016 Meeting and June called Meeting Minutes: Motion to accept minutes as written and presented was made by Mr. Lunsford, and Mr. McCorkle seconded the motion. Carried unanimously.

Review and Approval of June, 2016 Financial Report: Mr. Stamey asked Mr. Morris for any comments regarding the financials. Mr. Morris stated all receivables are up to date, (revolving loan and rent). Expenditures for work done at Thomson Company will be reimbursed through SPLOST funds. Cash flow is good. Amcor has expressed an interest in the portion of their building presently occupied by HP Pelzer. Total rental income is approximately \$12,000 per month and this will be good through the end of the year. It was noted the interest income on our investments is low. Mr. Stamey stated since this is public money there are restrictions which prevent getting into the Stock Market. The Board will take under advisement the investment of idle cash. Local banks will be asked to submit bids and other avenues will be considered as well. Motion to accept financials as presented was made by Mr. Brooks and seconded by Mr. Hildreth. Approved unanimously.

Old Business:

Mr. Morris reminded the Board in the last meeting it was decided the revolving loan request from Augusta Coating would move forward pending the ability to take out a second mortgage on the building and property. This has been granted. He has moved forward with getting the loan documents put together and is ironing out the details of how the cash will be handled and a closing date. Interest rate is 2 ½%. This will take our cash down to approximately 15% which is where it should be. Construction is complete and they are operating in the new space.

New Business:

- 1) A new project entitled "Project Crown" has been presented to the Authority. This is a carbon fiber business and the site visit went well. It's an in excess of \$100 million capital investment and when in full operation will be 170 fulltime jobs. These details are all that's allowed to be presented at this time. It's an international prospect, and after evaluating all potential sites they will let us know their decision. To date we're still being considered. Currently we are only brokering the property and no action is needed.

Mr. Stamey made note if this deal does not come to fruition we need to consider buying the WLM Knox piece of property with the next round of SPLOST so as to not hamper negotiations in the future. This brought up discussion regarding a concern over marketing a property when we don't have a contract with a set price from the land owner. Mr. McCorkle stated in his opinion this should not be done. Mr. Brooks agreed, stating if we have committed to help develop property for a prospect there should be a set price with active options. Mr. Morris stated Mr. Knox has given a firm price for this project.

- 2) HP Pelzer has requested to exercise the option of an additional ninety (90) days offered in the original lease. This will end in October, 2016. All repairs have been completed to the building (electrical, bathrooms, dock, etc.) Mr. Morris is currently getting a price to complete clean-up at entrance.
- 3) Several years ago Two State Construction made a revolving loan with the Authority and purchased two (2) C&C Machines, one of which was used as a part of the collateral for the loan. That machine has been sold in oversight. The second machine will now be given as replacement collateral. Mr. Morris will file the necessary paperwork and have it replaced on the Security Deed. No motion is required.
- 4) Eight (8) hours of training is a requirement for all Board Members every 8-10 years. (Mr. Morris will check on exact time period). Training must be certified to the state. It was determined that all current members attended training in 2013 and are up to date with the exception of Mr. Hildreth. He and Mr. Morris will be attending the Dan McCray Conference for training on August 10, 2016.
- 5) Mr. Morris met with the listing agent for the Badcock Building and they should have an asking price within a few weeks. The main building is 110,000 square feet with an addition of 25,000 sq. ft. with a lower ceiling. The property has twenty-eight (28) acres. It is fully vacated and will be marketed by word of mouth. It has specialized racking specific to the furniture industry and a built in fire suppression system. There will be some options to remove these items if necessary. No covenants regarding any other furniture company purchasing the building.

Other Business:

As a matter of information, Mr. Stamey related that there had been some discussion with Chris Mercer regarding the Box Board Factory on Mt. Pleasant Road and if the Development Authority might have an interest in purchasing the building. This would be a great warehouse space to market or lease. Mr. Morris is to discuss the possibility of purchasing.

Currently we don't have a great deal of product to offer heavy industry other than someone else's property. Over the next months and prior to the next SPLOST we will prepare a list of things needed to make product lines better for prospects.

Mr. Morris has been officially name to the Board for Center Cyber Command of Excellence at Fort Gordon.

There being no further business the meeting was adjourned at 9:15 am

Respectfully submitted,

Belinda Campbell, Recording Secretary.