

MINUTES OF THE AUGUST, 1998 MEETING
OF THE MADISON COUNTY ECONOMIC DEVELOPMENT AUTHORITY
HELD AND CONDUCTED ON THE 18TH DAY OF AUGUST, 1998,
AT 8:30 A.M., IN THE MCEDA CONFERENCE
ROOM OF THE 1855 COURTHOUSE IN CANTON, MISSISSIPPI

A special August, 1998 meeting of the Madison County Economic Development Authority was duly called, held and conducted on the 18th day of August, 1998, at 8:30 a.m. in the 1855 Courthouse in the City of Canton, Mississippi. Mr. Thomas Johnson, presiding as acting Chairman, called the meeting to order and directed that the notice and call of the special meeting be filed with the Minutes of the meeting. (The meeting date was changed to accommodate a Metro Economic Development (MEDA) marketing trip to Chicago on the regular meeting date.)

Members Present: Sammy Brown; Chip Estes; Thomas Johnson; Ray Phillips; John Wallace and Hite Wolcott.

Also present: President Steve Vassallo; Bob Montgomery; John Bourgeois; Joy Foy; Betty Douglas; Don Smith; Tom Heard; Charles Williford; Bobby Isonhood; Larry Smith-Vaniz; Duane Gordon and Ken Wilbanks.

Chairman Johnson announced that the members of the Authority present constituted a quorum and declared the meeting duly convened.

Mr. Phillips made a motion to approve the Minutes of July 16, July 17, and July 30, 1998 meetings as mailed out. After a second by Mr. Wallace, the Minutes were unanimously approved.

Ms. Betty Douglas and Mr. Don Smith presented a ten year tax abatement request for Parker-Hannifin Corporation, asking MCEDA to recommend to the Madison County Board of Supervisors that the exemption be granted. The improvements to be considered for exemption at the Hoy Road manufacturing facility total \$6,962,617.00. Ms. Douglas also asked for MCEDA's support with the City of Madison for the abatement. Mr. Wallace made the motion to recommend to the Madison County Board of Supervisors and the Madison Mayor and Board of Alderman to grant the existing industry a ten (10) year tax abatement. After a second by Mr. Phillips, the motion was unanimously approved. Mr. Phillips made a motion to draft a resolution in support of a ten (10) year tax abatement for Parker-Hannifin to the City of Madison (Copy of resolution attached and made a part of these Minutes by reference.). Mr. Estes seconded and the motion was unanimously approved. Mr. Vassallo will accompany Parker Hannifin when the request is made to the City of Madison.

Mr. Tom Heard explained the erosion problem at Kearney Park Sewage Lagoon in Flora. The engineers at the Soil Conservation office have determined that the situation constitutes an emergency. Ten to twelve feet of the lagoon's banks are falling into the Big Black River. The total cost of the stabilization is estimated at \$210,000. Mr. Heard requested that MCEDA contribute 25% (\$52,500) of the project estimated cost. MCEDA was also asked to acquire the necessary easements from the landowners who have been identified as West Madison Utility District and Chip Estes. Jimmy Heidle has been contacted to see if the State could fund the local share. Mr. Phillips made a motion to enter into a contract with the Soil Conservation Department and to guarantee funding of 25% of the cost of the project prusing all emergency monies that might be available to MCEDA for this purpose. MCEDA will acquire the necessary easements necessary for the project. After a second from Mr. Wallace, the motion was adopted with only Mr. Estes voting against the motion.

Mr. Bobby Isonhood presented a request for a ten (10) year tax abatement for Southland Container, Inc. in the amount of \$389,452.00. Southland Container, Inc. is a manufacturer of corrugated containers. The expansion created three (3) new jobs and increased annual payroll by an estimated \$45,000.00. Mr. Estes made a motion to recommend to the Board of Supervisors that the abatement be granted by Madison County. After a second by Mr. Wolcott, the motion was unanimously approved.

The financial reports were presented and reviewed. Mr. Phillips made a motion to accept the monthly financial statement as well as to approve payment of the monthly invoices including Shackleford Brothers and Fortenberry's invoice for insurance and those invoices listed on an attachment to the Minutes and labeled "Docket" and to make the Docket and a copy of the Shackleford voucher a part of the Minutes by reference. Mr. Wolcott seconded the motion, which was unanimously approved.

Mr. Vassallo reported a projected budget overage of .6% because of the two unexpected big projects.

Two (2) quotes for three (3) years of audit services were presented. Harper, Rains, Stokes and Knight quoted \$4,000 for year 1997; \$4,120 for 1998; and \$4,250 for 1999 with out-of-pocket expenses not to exceed \$250. Smith, Turner and Reeves quoted \$5,500 for 1997; \$5,700 for 1998 and \$5,900 for 1999 and out-of-pocket expenses not to exceed \$450. Mr. Phillips made a motion to accept Harper, Rains, Stokes and Knight's lowest quote for the three (3) years of audit services. After a second by Mr. Brown, the motion was unanimously approved.

Mr. Vassallo reported one quality lead from the Nashville Trade Show; Flora Town Council's desire to revise the partnership agreement with MCEDA; three (3) pending contracts for the Ridgeland Business Park; one (1) for the Madison Business Park; one (1) for the Canton Commercial and Industrial Center (CCIC), and one (1) individual looking at the Madison Business Park with no formal commitment.

At 9:45 a.m., Chairman Johnson called for a ten (10) minute break.

After reconvening the meeting at 9:55 a.m., Chairman Johnson recognized Ms. Foy for her monthly report, a copy is attached and made a part of these Minutes by reference. Upon request by Ms. Foy, Mr. Phillips made a motion to approve travel expenses for her to attend, as a judge, the 50th Annual Arkansas Community Development Awards Program in Little Rock the week of September 14th. After a second from Mr. Wallace, the motion was unanimously approved.

At 10:00 a.m., Mr. Wolcott made a motion to enter closed session to consider whether or not to declare an executive session. After a second from Mr. Wallace, the motion was unanimously approved. Chairman Johnson then closed the General Session and convened the Closed Session.

After discussion of matters, Mr. Phillips made the motion to return to Open Session. Mr. Wolcott seconded the motion and it was unanimously adopted, whereupon Chairman Johnson reconvened the Open Session. The reasons stated for executive session were 1.) purchase/sales of land; 2.) litigation and 3.) personnel matters.

For the stated reasons, Mr. Wolcott made a motion to declare an executive session which was seconded by Mr. Brown and unanimously approved. Whereupon, Chairman Johnson closed the General Session and declared an Executive Session at 10:05 a.m.

Pursuant to request Mr. Larry Smith-Vaniz joined the Executive Session.

A resolution authorizing Thomas Johnson to execute a lease and to pursue efforts to acquire a new sound stage facility drafted by Montgomery, Smith-Vaniz and McGraw was examined. After some changes were recommended, Mr. Wolcott made a motion to approve the edited resolution. Mr. Smith-Vaniz will make the changes and the Executive Committee will give final approval. After a second by Mr. Wallace, the motion was unanimously approved.

Mr. Phillips made a motion to authorize the President and the Executive Committee to negotiate and hire an engineering/architectural firm to prepare the specifications for the improvements to the existing Sound Stage building in the CCIC with a limit of \$40,000 for the work. After a second by Mr. Wolcott, the motion was unanimously approved.

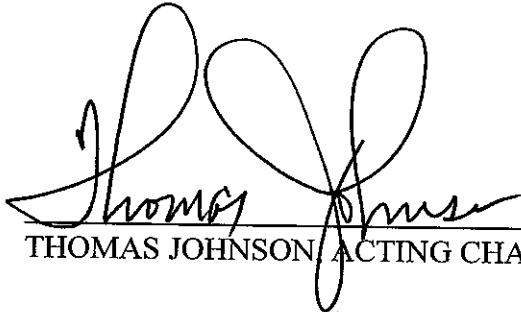
It was the consensus of the Board to appoint a committee to work on building a new Sound Stage complex.

At 12:05 the meeting ceased for a lunch break.

The Martin property is expected to be a closed deal before the September meeting.

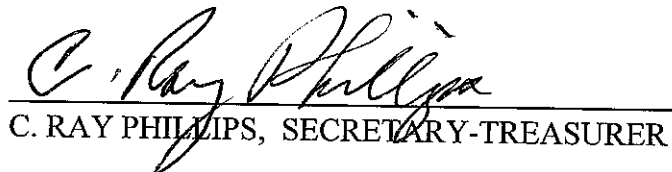
At 12:25, the Board excused Mr. Vassallo and Ms. Foy for a personnel review process of Mr. Vassallo.

After closed session, _____ made a motion to recess the meeting until August 26 at 8:30 a.m. After a second by _____ the motion was unanimously approved.



THOMAS JOHNSON, ACTING CHAIRMAN

ATTEST:



C. RAY PHILLIPS, SECRETARY-TREASURER