

MINUTES OF THE FEBRUARY, 1999 MEETING
OF THE MADISON COUNTY ECONOMIC DEVELOPMENT AUTHORITY
HELD AND CONDUCTED ON THE 17TH DAY OF FEBRUARY, 1999,
AT 8:30 A.M., IN THE MCEDA CONFERENCE
ROOM OF THE 1855 COURTHOUSE IN CANTON, MISSISSIPPI

The February, 1999 meeting of the Madison County Economic Development Authority was conducted on the 17th day of February, 1999, at 8:30 a.m. in the 1855 Courthouse in the City of Canton, Mississippi.

Members Present: Cindy Alford; Sammy Brown; Chip Estes; Thomas Johnson; Ray Phillips; John Wallace and Hite Wolcott. Also present were President Steve Vassallo; John Bourgeois; Bob Montgomery; and Joy Foy.

Guests: Ben Conner; Gary Rogers; Gene Magee; Martha Royalty; Bill Davis; Duane Gordon; Ken Wilbanks and Charles Williford.

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

Mr. Phillips made a motion to approve the Minutes of January 26, 1999, Special Meeting as presented. After a second by Mr. Johnson, the Minutes were unanimously approved.

Mr. Ben Conner, counsel for Peco Foods of Mississippi, presented a tax abatement request for Peco Foods' Feather Lane location. The position statement summarizing the request of \$2,254,100.00 for a ten (10) year tax exemption is attached and made a part of these Minutes by reference. Mr. Johnson made a motion to recommend to the Madison County Board of Supervisors that the requested exemption be granted. After a second by Mr. Wolcott, the motion was unanimously approved.

Mr. Gene Magee, counsel for Hederman Brothers Division of Premier Graphics, Inc. presented a ten (10) year tax exemption request for a new Heidelberg six color printing press valued at \$2,560,000.00. The position statement outlining this request is attached to and made a part of these Minutes by reference. Mr. Phillips made a motion to recommend to the Board of Supervisors the ten (10) year tax exemption. After a second by Mr. Johnson, the motion was unanimously approved.

Mr. Gary Rogers with Advanced Engineering Resources, Inc. presented a request, in keeping with the Madison Business Park covenants, to lease 1,150 square feet of his 3,700 square foot building at 120 Solleftea Drive, Madison. The proposed two (2) year lease is for the corporate headquarters of Lauderdale and Associates. This company has a manufacturing facility that makes sportswear. Mr. Phillips made the motion to approve the request. After a second by Ms. Alford, the motion was unanimously approved.

Ms. Martha Royalty and Mr. Bill Davis presented a tax exemption request for their company, Graphics Reproductions. They have relocated this business from Hinds County to 250 Highpoint Drive, Ridgeland, Ms. Following discussion about the legality of granting a tax exemption for relocated equipment, the Board tabled this request until Mr. Montgomery could research the issue and review the regulations with the State Tax Commission.

Mr. Bourgeois of Waggoner Engineering reserved his report for the Executive Session.

Mr. Montgomery updated the Board that the Martin property purchase agreement was written to allow that MCEDA receive the "Production Flexibility Contract Payment" from the U.S. Department of Agriculture. (A report is attached to Ms. Foy's monthly report from the Department of Agriculture.)

Mr. Montgomery also reported that the right of way through the multi-purpose building property at Solider Colony Road was being reviewed by the Office of Public Land.

MCEDA is on the Madison County School Board agenda for the month of April to discuss a development lease agreement on the 16th section land at Gluckstadt.

Mr. Vassallo reported three fast trips in the month of February, Birmingham, Al; Oxford, MS and Amsterdam. The Oxford trip was to determine areas of research and development that can be transferred to the private sector and can be incorporated into MCEDA's marketing materials. The Amsterdam trip was a planning session for the 2nd Annual Swedish/American Business Congress. Mr. Vassallo urged the Board Members to consider going to Sweden in September to participate in the Congress. A planning meeting for the Swedish trip is scheduled for Monday, March 15, 1999 at 5:30 p.m. at the Madison Library. Two visits have been scheduled from contacts made in Birmingham.

The renovation of the Flora Depot was discussed. The Town has asked for MCEDA's support in this rehab project in return for use of office space in Flora for MCEDA. Mr. Johnson made a motion to grant \$5,000.00 to Flora and to request that the Madison County Development Foundation grant \$5,000.00 toward the renovation. After a second from Ms. Alford, the motion was unanimously approved.

An Entergy grant of \$750.00 for marketing Madison County lands was disclosed.

At 9:40 a.m., Mr. Eric Dean joined the meeting.

Mr. Dean requested that MCEDA participate in a partnership with Canton Municipal Utilities and Peco Foods to add the needed upgrades to the Rosebud Lagoon and a new water treatment plant to serve the Canton Commercial and Industrial Center (CCIC). Mr. Dean explained that Peco will bring 92 jobs. The local share of a matching grant is \$332,000.00. The City of Canton will give \$100,000.00 toward the match and the remaining \$220,000.00 will be split among the partnership of MCEDA, CMU and Peco with each contributing \$73,334.00. Mr. Estes made a motion to approve MCEDA's participation in the proposed partnership in the amount of \$73,334.00. After a second by Mr. Phillips, the motion was unanimously approved.

At 10:00 a.m. Chairman Wallace called for a break.

At 10:15 a.m. the meeting was reconvened. Mr. Vassallo reported, in Mayor Jw Richardson's absence, that Flora is requesting MCEDA support with the Board of Supervisors in increasing the capacity of the lagoon at Flora. The Town is seeking funding for a three to four mile extension from the lagoon to the Big Black River. This extension will allow discharging of treated sewage into the Big Black River and will cost an estimated \$400,000.00. Mr. Phillips made a motion to have an additional work session with the Town and MCEDA to develop a plan

to declare an executive session. After a second from Ms. Alford, the motion was unanimously approved. Chairman Wallace then closed the general session and convened the closed session.

After discussion of matters, Mr. Johnson made the motion to return to Open Session. Mr. Phillips seconded the motion and it was unanimously adopted, whereupon Chairman Wallace reconvened the Open Session. The reason stated for executive session was 1.) Strategy sessions in respect to threatened, pending or prospective litigation; 2.) Transaction of business and discussion regarding prospective purchase and sale of land and 3.) Personnel matters.

For the stated reason, Mr. Johnson made a motion to declare an executive session. After a second by Ms. Alford, the motion was unanimously approved. Whereupon, Chairman Wallace closed the General Session and convened an Executive Session at 10:45 a.m.

After discussion of a deficiency in the slab at the Hydro Ellay Enfield building, Mr. Johnson made a motion to authorize Mr. Vassallo and Mr. Montgomery to negotiate with the contractors to cover any cost incurred in the correction of the matter. After a second by Mr. Brown, the motion was unanimously approved.

Mr. Montgomery explained a request from the Environmental Protection Agency for the Third Tolling Agreement Extension. Mr. Johnson made a motion to approve the Third Tolling Agreement to allow the EPA the needed time to consider MCEDA's offer on settling the Southeastern Wood Preserving Superfund Site in Canton. After a second by Mr. Phillips, the motion was unanimously approved.

A survey of the Superfund Site was discussed. Mr. Johnson made a motion to authorize Mr. Bourgeois and Mr. Vassallo to proceed with the necessary requirements to apply for a Brownfield redevelopment grant. After a second by Mr. Phillips, the motion was unanimously approved.

Mr. & Mrs. Saliba Dabit responded to MCEDA's request for a right-of-way across their 10 acre site at Gluckstadt to connect Industrial Drive North to the Martin Property. The respond came from attorney Walter E. Wood and is attached and made a part of these Minutes by reference. They have offered an exchange of .93 acres along the eastern side of their property for equal amount of property along the northern boundary of their property. Mr. Johnson made a motion to approve the land exchange in that the value of the two (2) tracts are approximately the same. After a second by Ms Alford, the motion was unanimously approved.

The new fence around Cardinal Health was never approved by the MCEDA Board. Mr. Wolcott made a motion to authorize Mr. Vassallo and Mr. Montgomery to review the covenants to verify legal recourse and to notify Cardinal of the findings. After a second by Mr. Brown, the motion was unanimously approved.

Mr. Vassallo recommended that Laura Ellis be hired at \$23,000.00 a year salary to become MCEDA's Administrative Assistant and to begin employment March 8, 1999, and to promote Veronica Peppers into a grant writing position at an annual salary of \$31,000.00. Mr. Johnson made the motion to approve Mr. Vassallo's recommendations. After a second by Ms. Alford, the motion was unanimously approved.

One of the local existing industries made a formal request to MCEDA for assistance in obtaining ownership of their building from the Board of Supervisors. The building was built in the 1960's

based on the value of the building over the term of the lease verses selling the facility and putting the property on the tax roll for Madison County. The Executive Committee will review the process and reply to the company in a time frame to accommodate the company's deadline of March 1, 1999. After a second by Mr. Johnson, the motion was unanimously approved.

Mr. Wallace recommended that a resolution be drafted stating that MCEDA would be responsible for building a new Sound Stage with 20% of project cost coming from the City of Canton. The Resolution would also declare a five (5) year commitment from MCEDA that the facility will be marketed solely to the entertainment industry. All funds derived from the use of the facility will be deposited into a trust fund and after the five (5) year period the project will be re-evaluated as to the viability of that industry for Madison County. Mr. Johnson made a motion to authorize Mr. Wallace to proceed with negotiations with the City of Canton to secure and manage a Sound Stage. After a second by Mr. Estes, the motion was unanimously approved.

At 12:00 noon., Mr. Johnson made a motion to adjourn the Executive Session. After a second by Mr. Brown, the motion was unanimously approved. Chairman Wallace reconvened the open session.

Mr. Johnson made a motion to authorize two surveys for the Covington Street property in Canton. After a second by Mr. Wolcott, the motion was unanimously approved.

The Yates update on the Hydro Ellay Enfield construction, is that the break rooms will not be completed as planned by March 1, 1999. However, the office building should be in place by May 1, 1999.

- At 12:05 p.m., upon motion duly made, seconded and unanimously adopted, the meeting was adjourned.



JOHN WALLACE, CHAIRMAN

ATTEST:



CHIP ESTES, SECRETARY-TREASURER