

MINUTES OF THE FEBRUARY, 2003
OF THE MADISON COUNTY ECONOMIC DEVELOPMENT AUTHORITY
HELD AND CONDUCTED ON THE 27TH DAY OF FEBRUARY, 2003, AT 8:30 A.M.,
IN THE MCEDA CONFERENCE ROOM
OF THE 1855 COURTHOUSE IN CANTON, MISSISSIPPI

The meeting of the Madison County Economic Development Authority was conducted on the 27th day of February, 2003, at 8:30 a.m. in the 1855 Courthouse in the City of Canton, Mississippi.

Members Present: Steve Davenport, Chip Estes, Barbara Gray, Thomas Johnson, Billy B. Thames, John Wallace and Hite Wolcott. Also present were Jerry Acy, Joy Foy, Larry Mobley, Jr. and Bob Montgomery.

Guests: Elizabeth Raley, Carl Allen, Mike McKenzie, and Tom Wiygul

Chairman Davenport announced that the members present constituted a quorum and declared the meeting duly convened at 8:34 a.m. He asked that all cell phones be turned off during the board meeting.

Mr. Larry Mobley was introduced. He will serve as the Project Manager/ Engineer for MCEDA as approved by the Board in January, 2003.

Mr. Wallace made a motion to approved the minutes from January 16, 2003, as presented. After a second by Dr. Thames, the motion was unanimously adopted.

Dr. Thames made a motion to ratify the action taken by the Executive Committee at its meeting on January 31, 2003, and to insert the minutes of the meeting into MCEDA's minute book. After a second by Mr. Johnson, the motion was unanimously approved.

Ms Raley advised the Board that the trip to Washington has been rescheduled for March 17, 18 and 19. She noted that the focus of the Washington trip would surround three main projects 1.)Canton loop connecting Highway 51 to Highway 43 at the Nissan Parkway area, 2.) Wastewater issues and 3.) Four laning of Highway 22 from Canton to Bolton. Ms Raley also reported that the Board of Supervisors have asked that the Foundation facilitate meetings between land owners and the supervisors, Mississippi Department of Transportation and Engineer Rudy Warnock concerning issues in the Gluckstadt area.

The picture, attached to and made a part of these minutes by reference, was reviewed for a new sign at ground level in front of the Levi building in the area of the flag pole. The new sign will be red, white and blue in color. Mr. Estes made a motion to approve the proposed sign. After a second by Ms Gray, the motion was unanimously approved.

At 9:30 a.m. Ms Gray left the meeting.

Mr. Wiygul presented an overview of the 2002 audit for the MCEDA financials. He explained that a "Yellow Book Audit" was required due to MCEDA receiving over \$300,000 in government funds in a twelve month period. After careful review, the Board asked that Mr. Wiygul make some corrections to the misleading language of the audit summary, in particular the statement of "misplaced invoices." The invoices in question were old Waggoner invoices. In reality, the invoices were being disputed instead of misplaced and were not accrued as payables by MCEDA in the budget year of the invoices. The audit reports were collected by Mr. Wiygul and the requested language changes will be added.

Chairman Davenport reported that the Mississippi Development Authority had asked that MCEDA's authorize Mr. Acy to travel to Japan to personally thank the Nissan officials and to visit with other Japanese companies. Dr. Thames made the motion to approve the proposed travel for Mr. Acy and the related expenses. After a second by Mr. Wallace, the motion was unanimously approved.

The financial reports attached to and made a part of these Minutes by reference as "Exhibit A" were presented and reviewed. Also, a list of the invoices is attached to the Minutes as "Exhibit B" and labeled "Docket." Mr. Wallace made a motion to approve the February financial reports and the payment of the monthly invoices. After a second by Mr. Johnson, the motion was unanimously approved.

Mr. Acy began his report with a request for payment from the MCEDA Construction Account for a Utility Contractor invoice in the amount of \$98,457.59 for the Catlett Road portion of the sewer main project. He reported that the loan application has been completed and submitted to the EPA. Once it is approved MCEDA will be reimbursed for all Utility Contractor invoices paid to date from the Construction Account. Dr. Thames made a motion to approve the payment of the Utility Contractor invoice in the amount of \$98,457.59 as presented. After a second by Mr. Wallace, the motion was unanimously approved.

Mr. Acy asked that the Board authorize Attorney Montgomery to act as a lobbyist for MCEDA and request the legislation to adopt a local/private bill that would allow MCEDA to expedite the construction phase of a design build project, for example the Nissan Training Facility. Mr. Wallace made a motion to authorize Mr. Montgomery to proceed on behalf of MCEDA and request the legislators to adopt a local/private bill, provided Mr. Montgomery receives favorable reception of the idea from the Chairmen of the appropriate Legislative Committees. After a second by Dr. Thames, the motion was unanimously approved.

Mr. Acy explained that MCEDA had authorized Mr. Johnson as signature on the DEQ Loan and suggested that it more appropriate to authorized the office of Chairman, than an individual since the Chairman position rotates. Dr. Thames made a motion to amend the MCEDA contract with DEQ to recognize the Chairman of MCEDA in place of a named Board Member as having authorization to sign necessary documents for the DEQ loan. After a second by Mr. Wolcott, the motion was unanimously approved.

After discussion of the DEQ loan, Dr. Thames made a motion to amend the DEQ contract to reduce the loan amount to \$1,437,722. After a second by Mr. Wallace, the motion was unanimously approved.

Dr. Thames made a motion to amend the legal service contract for the DEQ loan to cap the legal service contract with Montgomery, McGraw, Collins, Jones, Cowan, & Hembree at \$100 per hour for the sewer acquisition of right-of-way. After a second by Mr. Johnson, the motion was unanimously approved.

At 10:50 a.m. Mr. Wallace left the meeting.

The purchase of a Nissan automobile was postponed until the Nissan automobiles are placed on the State contract list.

As an update, Mr. Acy reported that bids for the construction/remodeling of the Nissan Training Facility/One Stop Center were due April 8. Bids will be reviewed and a recommendation will be made at the April Board meeting; 2.) Center for Advanced Vehicular Systems (CAVS) Facility being build by Mississippi State University, as a technical support center, is seeking temporary office space until the facility is completed. MCEDA is working with the CAVS employees to see if the 3rd floor of the courthouse would suffice as intern office space; 3.) The connector road in the Canton Commercial and Industrial Center is finished all but the stripping; 4.) The ICSC convention in New Orleans was well attended by economic developers from across the state. Mr. Acy suggested that in 2004 MCEDA should explore renting exhibition space and inviting all four cities to exhibit within the booth.

At 10:00 a.m. the Board took a break.

At 10:10 a.m., the Board meeting was reconvened.

Mr. Acy requested that an executive session be declared to discuss potential land sales and potential litigation.

Mr. Johnson made a motion to enter executive session for the reason stated. After a second by Dr. Thames, the motion was approved with Mr. Estes, Mr. Johnson, Dr. Thames and Mr. Wolcott voting aye. Whereupon, Chairman Davenport recessed the open meeting and convened the executive session.

Mr. Acy shared with the Board an offer from Madison Parkway, LLC to purchase a strip of property at the south end of Industrial Drive South. Mr. Estes made a motion to approve selling .391 acres at \$20,000 per acre on the condition that the new land owners provide an access road across the property to tie into the new Parkway West roadway. After a second by Mr. Johnson the motion was unanimously approved.

An offer to purchase the building located at 123 Watford Drive was discussed. The offer made by Murry Wikol of \$1.75M would create \$230,000 net cash to MCEDA. The arrangement with Oxford Automotive is set at a positive cash flow for MCEDA at a lease rate of \$6,000 per month, provided the lease arrangement between Oxford and MCEDA is honored. It was noted that there is always some risk of tenant defaulting on its lease agreement. Dr. Thames made a motion to decline the Murry Wikol offer. After a second by Mr. Estes, the motion was unanimously approved. However, the Board did agree that if other property was identified to expand MCEDA's industrial owned land, the building could be sold and the proceeds be applied toward the purchase of the identified property.

A request from a local developer for property to build speculative office/warehouse space in the Gluckstadt area was presented. Mr. Acy reported he was working with the developer on a 5 acre site to the east of Mi Tech Steel along the railroad and also looking at CCIC property. No action was taken.

Prospect activity includes a plastic injection molding company looking to relocate from Hinds County to Madison County and two Nissan suppliers looking at sites. Mr. Acy reported that he is still waiting on the financial from the film industry prospect.

AJASouth Star's contract with Nissan has not yet been signed. Mr. Estes made a motion to approve a modular unit for office to AJA, provided the Nissan contract is signed and with the understanding from AJA, that permanent construction will begin within the next twelve months. After a second by Mr. Johnson, the motion was unanimously approved.

Widening of Watford Drive to three lane and connecting to Nissan Parkway was discussed. Mr. Acy requested that an easement be granted to Entergy to allow relocation of the service lines along the Watford road project. Mr. Estes made a motion to convey an easement to Entergy as requested. After a second by Dr. Thames, the motion was unanimously approved. (A copy of the easement is attached to and made a part of these Minutes by reference.)

The City of Canton is applying for a DIP Grant as gap financing to complete the Watford Street Community Development Block Grant project. Mr. Johnson made a motion to support the City's grant application. After a second by Mr. Wolcott, the motion was unanimously approved.

The Covington Street project was discussed and it was reported that excessive amounts of creosote were found along the north side of Covington Street. It was noted that these findings could jeopardize the sale of this property to Scott Penn being negotiated by MCEDA.

Concerns from the Mayor of Flora as to whether MCEDA is fulfilling its obligation to Flora in marketing the Flora Industrial Park was discussed. Mr. Estes suggested that maybe the County could help with road work to show some activity. It was agreed that all prospects will be referred to the Mayor, for his consideration, rather than MCEDA making the decision of whether the company is consistent with the development plan of the property.

At 10:50 a.m., Dr. Thames made a motion to adjourn the executive session. After a second by Mr. Johnson, the motion was unanimously approved. Whereupon, Chairman Davenport adjourned the executive session and reconvened the open session.

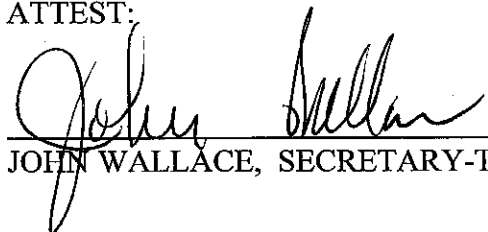
Chairman Davenport reported that the meeting between the executive boards of MCEDA and MCF was very good and frank. The MCF will continue its efforts to support MCEDA and both entities agreed to continue to work to cultivate the relationship.

At 11:00 a.m., upon motion made by Mr. Johnson, seconded by Dr. Thames and unanimously approved, Chairman Davenport adjourned the meeting.



STEVE DAVENPORT, CHAIRMAN

ATTEST:



JOHN WALLACE, SECRETARY-TREASURER