

Patrick County Economic Development Authority

Meeting of May 7, 2007

Present: Glenn Roycroft, Chairperson; Gail Harding, Vice-Chairperson; Felecia Shelor; Terry Dalton; Noel Wood; David Young and Jimmy McHone

Also Present: Mike Burnette, County Administrator; Jane Hughes, Administrative Assistant and Nancy Lindsey, The Enterprise

Absent: Steve Swartz, Terry Tilley and Carolyn Beale

A meeting of the Patrick County Economic Development Authority was held on Monday, May 7, 2007 at 7:00 PM in the Second Floor Conference Room of the Patrick County Veteran's Memorial Building.

Mr. Roycroft called the meeting to order. The agenda was presented for approval. Ms. Gail Harding made the motion and was seconded by Terry Dalton to approve the agenda as presented.

Voting Aye: Roycroft, Harding, Shelor, Dalton, Wood

Voting Nay: None

The minutes of April 26, 2007 meeting were presented for approval. Ms. Harding made the motion and was seconded by Mr. Dalton to approve the minutes as presented.

Voting Aye: Roycroft, Harding, Shelor, Dalton, Wood

Voting Nay: None

RCCP UPDATE:

Mr. Michael Burnette presented the Board Members with two quotes that he had received for adding lime and fertilizer at Rich Creek Corporate Park. One quote recommended two tons of lime and 500 pounds of fertilizer (10-20-20) per acre for approximately \$4,000.00. The other quote was approximately \$50.00 over the first quote. Ms. Harding made the motion that Mr. Burnette get the best quote possible, but not to exceed \$4,000.00, to lime and fertilize for revitalization of the grass at RCCP. The motion was seconded by Noel Wood.

Voting Aye: Roycroft, Harding, Shelor, Dalton, Wood

Voting Nay: None

Mr. Burnette presented the Board Members with information regarding the RCCP signage lighting that he had discussed the issue with Clark Brothers and they recommended that AEP set a new pole with a new meter box and run a new electrical line to the sign. Mr. Burnette said that another less expensive alternative would be to run an electrical line from the pump station or from the shell building. Mr. Terry Dalton suggested going to solar lighting. Mr. Burnette will continue to follow-up on the signage lighting issue.

Mr. Burnette presented the Board Members with the cost estimate from Adams-Heath Engineering regarding the Rich Creek Phase II road issues as stated in Lisa Price-Hughes' letter dated March 15, 2007 (copy attached). After Member discussions, it was agreed for Mr. Burnette to request the engineer to address each item of Section II of the above mentioned letter for clarity.

Mr. Burnette presented the Board Members with the Economic Development Authority debt refinancing of notes #1 and #3 regarding the two scenarios presented by BB&T (copy attached). One scenario (Blended #2) would be to blend both notes together for a total of \$795,358.00, interest rate of 6.90%, 15-year amortization, monthly payment of \$7,104.51, annual payment of \$85,254.12, paying a total interest of \$483,453.78. In the blended notes scenario, the payments would be lower (approximately \$1,000.00 less for the monthly payment and approximately \$13,000.00 lower for the annual payment).

The second scenario (Separate) would be to keep the two notes separate, leaving note #1 as is (6.50% interest rate, 10-year amortization with a monthly payment of \$3,527.00, annual payment of \$42,324.00, total interest of \$98,319.66 and, to refinance note #3 at an interest rate of 7%, 15-year amortization with a monthly payment of \$4,711.00, annual payment of \$56,532.00, total interest of \$323,890.99. If the two notes are kept separate, a lower total interest would be approximately \$60,000.00 and any monies received can go against the loan with higher interest. Mr. Burnette reminded the Board Members that loan #1 should be paid off within the next six months with grant monies from Rural Development. Mr. Noel Wood asked if the bank representative shared with Mr. Burnette that if EDA paid down the note(s) that the note(s) could be refinanced.

Ms. Gail Harding made the motion that note #3 (balance of \$542,188.00) be refinanced at 7% interest for 15-year amortization and that EDA request the Board of Supervisors to continue be the guarantor for Note #3. The motion was seconded by Terry Dalton.

Voting Aye: Roycroft, Harding, Shelor, Dalton
Voting Nay: None
Abstain: Wood

OFFICE UPDATE:

Mr. Burnette informed Board Members that a formal announcement would be made this week that the Economic Development Authority Director has been hired. Mr. Tom Rose will be starting work on Monday, May 14, 2007. Mr. Rose is a local person and was the past Human Resource Director for Narroflex. Mr. Roycroft stated that he was very impressed with Mr. Rose and Mr. Roycroft felt that Mr. Rose was the best candidate of the interviewees for the position.

BILLS:

Mr. Roycroft presented the following bills to be paid.

BILLS TO BE PAID

GENERAL EDA CHECKING ACCOUNT				
832	4-11-07	County of Patrick (refund of unused proceeds for proposed RJ-Reynolds Patrick County Hospital Loan)	\$74,543.30	Paid
833	4-17-07	Embarq	\$ 29.04	Paid
834	5-07-07	Appalachian Power	\$ 25.73	Due 5-17-07

EDA PROJECTS GENERAL REVENUE AND EXPENDITURES				
1045	4-30-07	Virginia Tobacco Indemnification & Community Revitalization Commission (return funds sent to EDA in error)	\$18,332.87	due 4-30-07

Mr. Terry Dalton made the motion and was seconded by Felecia Shelor to pay the bills as presented.

Voting Aye: Roycroft, Harding, Shelor, Dalton
 Voting Nay: None
 Abstain: Wood

With no further business to discuss, on motion by Ms. Gail Harding and seconded by Felecia Shelor, the meeting was adjourned.

Voting Aye: Roycroft, Harding, Shelor, Dalton, Wood
 Voting Nay: None

Chairperson

Date

NEXT MEETING: June 4, 2007