

# Economic Development Authority of **Claxton & EVANS COUNTY**

**Members Present:** Marshall Smith, Joe Watkins, Terry Branch, Hub Daniel, Jimmy Sands, Keith Dixon, Michael Smith, Larry Anderson

**Members Absent:** Chad Hethcox

**Others Present:** Mary Kathryn Griffin, Director; Bill Callaway, Attorney for Todd Padgett; Julie Braly, The Claxton Enterprise; Tony Lewis, Evans County Commissioner; Jill Griffin, Evans County Commissioner; Casey Burkhalter, Evans County Administrator; Wesley Jenkins, Evans County Commissioner

The called meeting of the Economic Development Authority of Claxton & Evans County, herein referred to as the EDA, was held at Claxton City Hall Friday, February 15<sup>th</sup>, 2019. EDA Chairman Marshall Smith called the meeting to order at 11:30 a.m.

- Joe Watkins delivered the invocation.
  
- Keith Dixon made a motion to accept the agenda with a second from Jimmy Sands. Motion carried unanimously with no prior discussion. Hub Daniel stated that this is an emergency meeting and there are provisions in the Sunshine Laws that allows for an emergency called meeting in lieu of a 24 hour public notice. He stated that the minutes need to reflect the language of the provision. He said he "think that has to be done at the beginning of the meeting." Chairman Smith stated that he was not advised of that, but if that is what the board wants to do then we need to wait on Mr. Callaway. Mr. Hub said that his understanding is that the "emergency meeting" provision must be acknowledged at the beginning of the meeting and the board must accept it.
  
- Mr. Bill Callaway walked in. Chairman Smith welcomed him and asked him if the board needed to sign a provision for emergency meetings in the Sunshine Laws. Mr. Callaway responded "yes". Mr. Callaway made copies of the provision and passed them around to the board members. Chairman Smith asked Mr. Callaway if we need to do anything other than acknowledge that this is a provision and accept the agenda. Mr. Callaway did not respond. Mr. Hub Daniel stated that the provision needs to be recognized by the board. Mr. Callaway responded with "I would say that the board met following notice of an emergency meeting to discuss the Highway 280 Project". Mr. Hub Daniel said that this is consistent with his training and the board has been trained. Mr. Callaway stated that this provision was directly from the County Commissioners handbook for open meetings and open records law.

- Chairman Smith stated that there was a motion on the floor to accept the agenda with knowledge of the emergency meeting provision. Larry Anderson made the motion. Jimmy Sands seconded the motion. Motion carried unanimously.
  
- Chairman Smith opened the floor for discussion on the prospect for the highway 280 lot. Smith stated that Mr. Padgett's council has introduced a first draft of a lease on the property to review and determine the next steps. Mr. Keith Dixon asked to clarify that the board is offering the land for lease for five (5) years for \$16,000.00 annually. Chairman Smith said "I believe that was the discussion, but I believe it was a full five-year term, however, not the option to buy at any time during the five-year lease, as discussed in previous meetings." Mr. Dixon pointed to section 8 that states he can purchase the property at any time during the lease. Mr. Jimmy Sands stated that in a previous meeting, the appraised price of \$265,600.00 was rejected by the prospect. The board asked him to calculate the cost of his money if he bought it. Mr. Sands stated that this was 6% of the offered sales price. Mr. Joe Watkins asked if the lease payments go towards the purchase price of the land if Mr. Padgett's buys the land. Several members stated yes, the price would go towards the full appraised amount. Chairman Smith stated that was not the language he remembered – he believed that the option was to buy at the end of the five-year lease. Mr. Sands stated that he has never seen a lease with time constraints on option to buy. He stated that "it doesn't matter if he purchased it next month or at the end of five years, it would not affect us any way".
  
- Ms. Griffin directed the board to the minutes where the board agreed that the EDA would need separate council when legal documents are being drafted.
- Mr. Dixon asked "from our standpoint, are there any fees that we have to pay for that land such as liability insurance?" Ms. Griffin said that the IDA land is covered under the county's liability insurance.
- Ms. Griffin stated that she "would like to bring attention to the fact that the 20.26 acres is currently under a lease contract for James R. Lynn and the board has not voted to terminate the contract."
- Mr. Terry Branch asked what the terms were to terminate the lease.
- Mr. Keith Dixon asked if there was any notice or any timeframe to inform Mr. Lynn.
- Mr. Jimmy Sands stated that when we know that Mr. Padgett's lease will be executed beyond reasonable doubt, that the board votes on it and notifies Mr. Lynn.
- Ms. Griffin also stated that Mr. Lynn has requested a refund of \$900 that he paid in the beginning of the year.
- Mr. Dixon stated that would be the fair thing to do.
- Mr. Dixon stated "let me ask. We have not leased the land out there, correct? But there is a trailer sitting there. I'm confused".
- Mr. Callaway stated "yes there is."
- Mr. Dixon said "We are deciding about the lease we haven't signed yet, but he's already moved stuff on there?"

- Mr. Callaway stated that Mr. Padgett moved a trailer on the lot at his direction because he "had to move the thing", but if the board wanted the trailer off the lot, he could do it. He stated "we have another place in Tattnall County we can go".
- Mr. Dixon said "he is bringing it up because we are here today deciding on a lease, but there is a trailer out there."
- Mr. Callaway said "well, we decided on a lease the other day, the \$16,000.00 at the \$265,000.00 purchase price and as far as the paperwork was concerned, I understood that they had agreed to it, he had agreed to it. I was supposed to notify Mary Kathryn and Marshall that they had agreed to it, and I did, and that's why I told him to go ahead and move the building. I actually didn't think the building was going to be there until today, but they brought it yesterday. I'm not sophisticated enough to send out, but I sent to Hub and Larry and Terry and Jimmy a picture of what it looks like when it's finished."
- Mr. Dixon stated "I hope it looks different than what it's looking like right now".
- Mr. Callaway said "Absolutely. Have you seen the building at Clayton Homes in Statesboro? Give me just a second and I'll bring it up on my phone."
- Ms. Griffin stated that she had spoken to Hagan City Hall and was informed that Todd Padgett had applied for a building permit for his trailer, but has not been issued the permit.
- Mr. Michael Smith stated that there was a crew working on the building that morning. Mr. Dixon confirmed.
- Mr. Callaway stated "are you going to have them arrested? It seems that right now, as Mary Kathryn brought up earlier, y'all need separate council. I've never seen this committee be so down on trying to get someone into this county. I mean, everything has been just as negative as it can be. Every other prospect we've had we offer to give them damn near the moon to get them there. This one hasn't asked for anything. But everything has been a challenge, and if that's what this authority is all about, we need to get another one or a different one."
- Mr. Dixon asked "another or different what?"
- Mr. Callaway said "authority".
- Mr. Dixon stated "there are issues and concerns that the authority should be concerned about based on the interest of the county. My issue is that I come from Tattnall County, and going out 301 Glennville there is a trailer park sitting there and within 6 months there were gutted trailer homes and frames sitting there next to the side of the road."
- Mr. Callaway stated "this isn't a trailer park".
- Mr. Dixon clarified that he was speaking about a mobile home sales lot. "Do we have proper covenants in here to where in 6 months or a year, is the board protected?"
- Mr. Callaway stated that there is a provision in the lease that he maintain the property. If he does not, "the board can terminate the lease."
- Mr. Dixon was worried that there was a lease thrown together too quickly.

- Mr. Callaway said "now I may represent more than one party at a time, but I would never intentionally take advantage of anybody, the rule is the same for each person. That is a fair, upstanding, straightforward lease that protects the authority and the county as best as I know how to do. It also protects the person leasing the property. I have no problem with someone else reviewing the lease or with anything that needs to be tweaked or changed to make the board feel better. We are leasing the property at more than double for what the property was ever paid for.
- Mr. Dixon explained "when we sold the property to the dentist's office, it was sold. Am I correct on that statement? The last properties we've had, we have not given anything away. Or am I mistaken? Based on the appraised value, I think it is a fair price. Are we looking today at ratifying this lease?"
- Chairman Smith commented "yes, but this board needs to make sure that we are representing the citizens of this county the best way we know how, and we need to protect its public assets. To make the record clear, as chairman of this board, I am absolutely for progress and someone coming into this community. I would treat this as the same way I would treat anything. If we have not had legal counsel, it would be a great disservice. The board needs to make sure we are making the right decisions based on what's in front of us."
- Mr. Jimmy Sands said at the last meeting, the board decided to move forward and elect different council to review the lease.
- Chairman Smith stated that the board needs to decide whether or not to give the opportunity to Mr. Padgett or not, and if so, moving forward, to have separate council review the lease so that we are protecting the citizens and the assets of this community.
- Mr. Sands asked the board who they would like to review the lease.
- Chairman Smith suggested that the board request an attorney who represents authorities to review the lease.
- Mr. Callaway suggested that the board get Ron Hallman to review the lease.
- Mr. Larry Anderson said that time is of the essence and the board has drug it along. He advocated that the board call Ron Hallman as soon as possible so that Mr. Padgett could make a business decision.
- Mr. Jimmy Sands made a motion to have Ron Hallman review the paperwork to see if it is in the best interest of the board and the county, and if not, to make suggested changes to it. Larry Anderson seconded the motion. Motion carried unanimously.
- Mr. Terry Branch suggested that we call him immediately to inquire if Mr. Hallman could look at the contract today.
- Chairman Smith called Mr. Hallman. Mr. Hallman said that he has never represented the authority before and did not have time to review the lease.
- Ms. Griffin reminded the board that they need a motion to terminate the current lease.
- Mr. Dixon made a motion to terminate the existing lease with James R. Lynn and refund him his payment of \$900.00, contingent upon the lease with Mr. Padgett being approved. Mr. Sands seconded the motion. Motion carried unanimously.
- Mr. Casey Burkhalter suggested an attorney who represented the Georgia Ports Authority.

- Chairman Smith called Jay Swindell for the ports authority contact. He said that he would send Mr. Smith contact information for an attorney.
- Mr. Callaway stepped out of the room and called Mr. Hallman. Mr. Callaway said that Mr. Hallman was willing to review the lease, but would not represent the authority on an ongoing basis.
- Mr. Hub Daniel stated that there was a reasonable expectation to anticipate minor changes in the lease, and that the board will need to meet again to consider. He suggests that the board establish a time and date to meet again to approve the lease reviewed by separate council.
- Mr. Terry Branch made a motion for Ron Hallman to review and approve the lease if there are no changes. Mr. Jimmy Sands seconded the motion. Motion carried unanimously.
- Mr. Keith Dixon asked if the board could meet by phone or email, legally.
- Mr. Callaway advised "yes".
- Mr. Hub Daniel made a motion for the board to meet at 4:30 p.m. the same afternoon, Friday, February 15<sup>th</sup> 2019, to approve the reviewed lease. Mr. Jimmy Sands seconded the motion. Discussion ensued and it became apparent that there would be no quorum.
- Mr. Hub Daniel made a motion to meet Saturday, February 16<sup>th</sup>, 2019 at 9:00 a.m. to approve the reviewed lease. Mr. Jimmy Sands seconded the motion. Mr. Daniel explained that this would be considered an emergency called meeting. Motion carried unanimously.
- Mr. Keith Dixon made a motion to adjourn. Mr. Jimmy Sand seconded the motion. Motion carried unanimously.

With no further information/business to discuss, the meeting was adjourned at 12:30 p.m.

Respectfully submitted by:

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Mary Kathryn Griffin