

Members Present: Marshall Smith, Jimmy Sands, Hub Daniel, Terry Branch, Larry Anderson, Michael Smith

Members Absent: *Joe Watkins, Keith Dixon, Chad Hethcox*

Others Present: Mary Kathryn Griffin, Director; Bill Callaway, Attorney for Todd Padgett; Todd Padgett, Todd Padgett Housing Center, Inc.

The regular monthly meeting of the Economic Development Authority of Claxton & Evans County, herein referred to as the EDA, was held at Quicken Steel on Tuesday, February 12th, 2019. EDA Chairman Marshall Smith called the meeting to order at 12:01 p.m.

- Mr. Michael Smith delivered the invocation.
- The meeting minutes for January 8, 2019 and called meeting minutes for February 8, 2019 were accepted. Motion was made by Terry Branch; second by Jimmy Sands to accept the meeting minutes as presented; motion carried unanimously.
- Agenda was accepted with a motion by Michael Smith and second from Jimmy Sands. Motion carried unanimously.
- Financial Report was given by Mary Kathryn Griffin. Financial report was accepted. Motion was made by Larry Anderson; second by Jimmy Sands.
- Chairman Smith asked the board if they would like to continue discussion about offering the lot to Mr. Todd Padgett. Jimmy Sands stated that the board needed to move as quickly as possible to accommodate Mr. Padgett, or he may move to a different county. Mr. Larry Anderson stated that the board needs to move forward "one way or another". Mr. Hub Daniel agreed.
- Mr. Bill Callaway, representing Todd Padgett, stated that Ms. Griffin presented the interested parties with an offer to sell the land at appraised value or a possible lease agreement. The lease price was not determined. Mr. Callaway told the board that the appraised price for the land at \$265,000 was "exorbitant". (The actual appraised value was \$265,600.00) He suggested the land go for \$7000 or \$7500. He explained that the board sold land to the solar farm for \$5000 an acre and "they didn't create one job". He said the board sold property to Red Sky and they have "seasonal workers". Mr. Callaway said that he believes that Justin (McLeod) did a good job, but his client could not support \$13,500 an acre. He stated that the IDA has had this property for 6 years. He stated that he has been the IDAs attorney since 1976 and had spent thousands of hours with prospects and the IDA has "practically given away land for free." He stated that \$265,000 would "break the man before he starts". He said that they are ready to start moving forward. His client has already purchased an

office building and has contracts on 14 homes. He stated that would generate \$85,000 in sales tax, half of which would be collected by the county. He would start off with "at least 14 jobs". Mr. Callaway contacted Tammi Hall with the Chamber of Commerce and she stated that jobs would boost the local economy through purchasing of gas and groceries. He stated that this would not increase the amount of mobile homes in Evans County. He said "junk mobile homes would not be a problem". He said that this could be controlled by language in a deed, lease, or covenants. He said that if "junk" were to become a problem, Todd Padgett Housing Center, Inc. would sell the land back to the IDA for the same purchase price. He ended with "I think the price is too high".

- Mr. Jimmy Sands told Mr. Callaway that this appraisal is on par with most that he's seen. He agrees that the price is too high for Mr. Padgett. He stated that if we can't get him here, we will try to get him somewhere else in the county. Mr. Sands stated that he wanted covenants on the land and a clause that the IDA has first buyback.
- Mr. Callaway stated that Kyle Durrence is going to sell NeSmith and that there is "good indication that that will become an overflow lot". He stated that there is nothing else in Evans County that will generate as much sales tax as Mr. Padgett's venture.
- Mr. Padgett said that the county will benefit from his ad valorem taxes. He stated that in his Reidsville lot, he carries between one to three million dollars in inventory.
- Mr. Padgett said that he usually runs between \$100,000 and \$150,000 in sales tax every month.
- Mr. Larry Anderson asked Mr. Padgett what he would estimate the yearly revenue to the county would be in sales tax.
- Mr. Padgett stated that the county would generate \$250,000 and \$350,000 in sales tax to the county.
- Mr. Padgett said that he will bring in a modular office unit and remodel it on site. He said that there would be 20-30 new homes on the sales site at all time. He stated that 4 people would be working in the office. He said that he is licensed contractor and licensed "set-up person" and he usually runs two set-up crews. He said 8 jobs would be created with those crews. He also runs 4 carpenters and 4 painters full-time. He said that he would reach out to real estate agents in search for land to develop modular homes on, "like in Daisy or somewhere that allows for that". He stated that the hardware expense at the Ace Hardware stores run between \$5,000 and \$10,000 a month. He stated that this is a "cash cow monster." He said that he anticipates 20 jobs within the first year and hopes to employ 50 people. He stated that he will try to hire local. He stated that he sells between 4-15 homes a month. He stated that he is also a mortgage broker and mortgage loan originator.
- He stated that he sells more than just houses on his lot, including carports, utility buildings, etc.

- Ms. Griffin asked Mr. Padgett what the nature of the other 35 jobs would be. Mr. Padgett said that it would be mostly construction and finance. He said that he would also be selling insurance out of the office, so he expects 2 to 3 people working on insurance and "many office workers".
- Ms. Griffin asked what size lot he currently operates. Mr. Padgett said 15 acres and he is outgrowing it.
- Mr. Padgett said that he would build a permanent structure office building and warehouse.
- Mr. Hub Daniel told Mr. Padgett that he's glad he's considering Evans County. He asked if he anticipates adding a turning lane off of HWY 280. Mr. Padgett said that he would have to get in touch with DOT to find out.
- Mr. Daniel asked if Mr. Padgett was interested in a 5 year lease. Mr. Padgett said yes.
- Mr. Sands said that Mr. Callaway advised the board to get an appraisal, but Mr. Callaway "didn't expect to get back a number that like" He stated that no land in Evans County has been appraised for \$13,100 an acre.
- Mr. Sand said that we have to justify the final sales price by taking into consideration the sales tax and people employed.
- Chairman Smith said that for the sake of time, the board has to progress.
- Mr. Daniel asked if the sunshine laws allow the board to negotiate with a prospect in private without public disclosure.
- Mr. Callaway advised that was correct.
- Mr. Daniel asked if Ms. Griffin could turn off the recorder to protect Mr. Padgett's assets from public disclosure during negotiations.
- Mr. Callaway said that the board can go into executive session to discuss matters of real estate.
- Ms. Griffin advised that the board needed to sign an affidavit. Mr. Sands said that we could sign that after the discussion.
- Chairman Smith reminded the board that it was voted to sell the land at appraised value. Mr. Sands said that vote has been rejected.
- Chairman Smith noted that Mr. Callaway is representing the client and not representing the IDA at this point.
- Mr. Larry Anderson said that we do not need council until we start drawing up contracts and legal papers.
- Mr. Sands made a motion to enter into executive session to discuss prices of real estate. Mr. Terry Branch seconded the motion. Motion carries unanimously.
- The meeting came out of executive session. Mr. Jimmy Sands asked Mr. Bill Callaway when he planned to follow up with Marshall and Katie. Mr. Callaway responded by saying, "We will get back to y'all by tomorrow anyway. I think Todd can pretty well put his numbers together with this information and get back to y'all with a proposal."
- Mr. Marshall Smith said "At this point in time, we are entertaining the option for Mr. Padgett to lease the 280 property, the 20.26 acres with a five year lease with

an option to purchase it in the five years." Mr. Hub Daniel interjected, "Specific terms to be worked out."

- Mr. Marshall Smith confirmed with Mr. Callaway that he would be getting back with the board by Friday, to which he responded, "Yes."
- Mr. Michael Smith gave an update about broadband stating that there was a subcommittee meeting Feb. 11 at Casey's office with Dustin Durden from Pineland. Additional data was received from Vantage Point about the cost of the project. After talking with Dustin, it seems that the cost will be much less going the route they are. The next most important thing is letters of support from the community. Mr. Smith added that the study allowed for 31 million dollars for the infrastructure, but Dustin was confident that with Pineland's existing infrastructure, they could accomplish their goal with 10 million. Mr. Hub added that data from county regarding speeds was incorrect, and it was their goal to dis-prove the date. Mr. Jimmy Sands asked where the data came from and Mr. Michael Smith answered that the data comes from the provider themselves. Brief discussion was had about which areas different providers say they cover verse where they actually cover. Marshall asked what the next steps for the sub-committee was. Michael responded that they are waiting on Dustin to the data together about getting public feedback. Mary Kathryn added she has a meeting with Dustin on Feb 13 about getting the link on the website for public feedback and speed testing. Marshall added that the sub-committee is working very hard to ensure that the grant is being written properly to ensure capitalization on the amount of money.
- Board discussion moved to the property beside Claxton Family Dentistry. Mary Kathryn stated that there was a sign on the property, and there was an ad in the paper, so the EDA would be accepting sealed bids until Feb 28 for the property. The sealed bids would be opened at the next meeting.
- Mary Kathryn asked everyone to review the dates to remember on the agenda. Mr. Marshall Smith asked if there was anything else to discuss, and Mr. Larry Anderson asked what the next step was in regards to the 280 property. Mr. Marshall Smith told him they would have to have a called meeting to review the proposal from Mr. Padgett.

With no further information/business to discuss, the meeting was adjourned at 1:30 p.m.

Respectfully submitted by:

Mary Kathryn Griffin