

Habersham County Development Authority
Thursday, November 9, 2023 @ 3:30 pm
Executive Conference Room
130 Jacob's Way, Clarkesville, GA 30523

Members Present: Gail Thaxton, Allen Whitener, Jeff Bruns, Bryan Ferguson, Jim Butterworth, Kelly Woodall, *Sidney Roland*

Members Not Present: None

Others Present: County staff, Members of the Public and Media

Call to Order and Invocation

The meeting was called to order at 3:32 pm and invocation given by Gail Thaxton.

Approval of Agenda

A MOTION was made by Jim Butterworth to amend the agenda by striking Executive Session. Mr. Butterworth stated that he feels that since the Development Authority has no paid employees, it would not be legal to hold a discussion in closed session. Chairwoman Thaxton assured the board that she had reached out twice to our Development Authority attorney, and she was advised that holding the Executive Session for the two different topics to be discussed would be perfectly legal. There was not a second; therefore, the motion died. A MOTION was made by Kelly Woodall, SECONDED by Jeff Bruns, and voted unanimously to approve the agenda as presented.

Public Comment

Rope Roberts, Chair-Elect of Partnership Habersham addressed the authority. "It is a pleasure to be here among friends, and people I've worked with over the years. Let me make my comments brief because I know you have a lot to cover today. I wanted to come and speak to you from Partnership Habersham, and I will wear two hats today. The first hat is Chair-elect of Partnership Habersham, and what I'd like to give you, in a nutshell, is a vision I have for economic development for Habersham County. If you haven't heard it, you will hear it today and you will hear it again and again and again because I believe in repetition to get across to everyone's mind what we are about, and what we stand for, and the number one and foremost thing is important – support our existing industries. There are three pillars which the foundation of Partnership Habersham is supported by – the first is our existing industry – to help them grow and succeed. The second is to build an educated workforce, in partnership with the Habersham School system, North Georgia Technical College and Piedmont University. We reach out to the kids beginning in middle school, when they are making decisions on the vocational track they are taking in the future. That's where our work is, even going into elementary schools as well. The third is to recruit new business and industry to our community. And I want you to understand this part of it. Why do we do it? It is so our future graduates of HCHS will have a place to work and be able to live here, but also graduates of North Georgia Tech as well as Piedmont University. I see this as a way to provide the workforce the option to live here and work here. Those are the three tenets, the foundation, the pillars of which we support and of which Charlie and I have spoken. Everything we do will be one of those three. Something we also do as a part of that recruiting is marketing. I wanted to give you a little oversight in the marketing of the industrial sites for prospective companies to help attract them here. Marketing is delivering a message we are going to hone and craft in the coming months as to what we are and what we have to offer- a product. As you probably know, you've heard me speak to

development authorities, Chamber boards, etc. Prospective companies look for three things: a product (land or building), infrastructure (water and sewer), and workforce. Charlie and I have been working on a marketing plan to promote the products we have. Now that Phase I of the industrial park has culminated, and that's been a big push for years, Phase II is what's left that the Development Authority has title to. You don't remember this, but we took a group to Atlanta to promote the business park on August 31, 2016. That was the last time we took a group for a marketing trip to Atlanta. The Reed property was also promoted. We've just never done anything with it since then. I know that in future meetings we will probably talk about this, but I wanted to hit some of the highlights. When we go to the statewide Georgia Economic Developers Association (GEDA) monthly lecture, it is a constant pitch, where we have to hone our message. That is important for us to market. Scheduling lunches with statewide property managers or taking 4 or 5 of them out to lunch to tell them what we have. Then we invite them up to see our property firsthand. It's not just statewide developers – it's construction companies, development companies, real estate brokers. 50% of projects of companies that located in Atlanta were done by real estate, not development authorities. What really drives the Atlanta market and then moving outside the Atlanta market is real estate. And it's important to understand that. I won't go into details about things to consider – that will be for a future meeting when I get into the nitty gritty and details of how to do that, but there are good ways and best practices to consider as a Development Authority. What I really want to leave you with is, it's a constant, continuous process of marketing. You have your message, you call people and talk with them. You probably don't know this – I was meeting with Tim Evans down in Gainesville and I pitched our park up here. While I was doing that, I was telling him what we've got, what we could attract because you have to realize that there are companies that come to him that are not a good fit for Hall County but would be good for the region, and everybody wins. So, when you have people like that, you work together. Also, the companies that work the whole state and the southeast, they know where the companies are, and you never know where that next prospect is going to come from. So, let me take off my Partnership hat for a moment, and put on my Economic Development consulting hat, which is my new role since February when I retired. With 29 years of experience in economic development, I've seen a lot, I'm doing a lot, I've enjoyed doing a lot of strategic planning for communities, development authorities, training - a lot of different work I've been hired to do. It's been fun because I'm under no pressure except you're my client, I spend all my time with you until you're satisfied, and that's the best part about it. I get to know communities and understand who they are and what they want to do, no matter how small, they have needs just like everybody else, just like Habersham County. There are a couple of things that I'd like for you to consider, and I think it's a part of what you do anyway. But review your position on selling public property. In return for the public property being sold, consider the capital investment that comes back to the county through property taxes. Also consider it's not just capital investment, but also consider the number of jobs and quality of jobs in pay and benefits- that's important, and you want to be able to say it's a standard that is equal to Habersham County, not below. If it's above, that's great. So, consider those three things before considering any incentives, and there are different ways to get into that at a later time. But I'm glad to talk in more detail. Also, in the future, when you look at Phase II as the end of the property you own, what's next? As you consider that at future meetings, instead of the limited dollars you have in the bank right now, and there will probably not be another SPLOST right now, which is another revenue stream you can use, is to use those dollars for infrastructure improvement and do a silent partnership with the landowner, so you bring a partner in, that you don't have to do a capital outlay of owning the property, because they can still convey the title to you to hold so you can make improvements to the property, and when the property sells, they will receive whatever the agreed amount per acre is. That's an incentive to work together with an agreement. It's real simple, one of those things that I'll put out on the table, we can talk later or at another meeting. At this time, that's really the points that I wanted to bring, and it's almost like this is the vision I have, because you are a

critical and crucial part of the success of Habersham County. And Partnership Habersham has a role, and we feel like you have to be a part of that and we have to work together. So that's why I wanted to start off the year, before you get into it, before you have a retreat, I'm glad to speak to your retreat, glad to come and just exchange ideas. At this time, Ms. Chairman, do you have any questions?" Dr. Thaxton responded – "It is very apparent that you are going to be a champion in your role as Chair-Elect and I look forward to a great year, and I'm sure with your public face into economic development in Habersham County, you are going to bring forward ideas, options, opportunities, and networking possibilities that we have. As a volunteer board, it's really hard for us to get out and do that kind of thing. So, you're going to bring that energy and information to us, and we're going to work closely with you, and it will all be good. Thank you for coming and we appreciate your time."

Approval of Minutes

A MOTION was made by Jim Butterworth, SECONDED by Kelly Woodall, and voted unanimously to approve the minutes of the August 10, 2023 Regular Meeting; August 7, 2023 Special Called Meeting; September 8, 2023 Special Called Meeting; September 14, 2023 Regular Meeting; and September 27, 2023 Special Called Meeting.

Monthly Activity Report

Habersham County CFO Tim Sims presented the Monthly Activity and Financial report. October YTD represents 33.3% of the Fiscal Year. Current revenues are 273% and expenditures are 36.32%. Total account balances equal \$1,501,072. Tim added a page in the financials which is an overview of cash and commitments which will show the commitments the Development Authority has made against the cash balance in the bank. The two items currently included in this list are the grading of pad 10 and the \$250k for the courthouse demolition. Tim shared that the RFP for the courthouse demolition was released yesterday, and the bid opening will be January 10th. Charlie Fiveash said that he advocates the Development Authority put some of their excess funds that are not being used right now into short-term CDs which are paying 5 to 5 ¼%. Tim said he could look into some CDs through Wells Fargo since we already have an account there. Tim said we are currently earning 5.3% in the Georgia Fund 1 account, and we could move some money out of South State checking into the Georgia Fund 1 account. That account will keep the funds available within one day. Tim suggested moving \$800,000 into Georgia Fund 1.

A MOTION was made by Sidney Roland, seconded by Allen Whitener, and voted unanimously to move \$800,000 from the Development Authority checking account to the Georgia Fund 1 account.

A MOTION was made by Sidney Roland, seconded by Kelly Woodall, and voted unanimously to approve the October 31, 2023 financials as presented.

Old Business

- a) Airport Business Park Update – Charlie Fiveash gave the update. All the lots in the business park have been sold, but they are not all occupied. We have two sites (5 and 7) that are undeveloped, and a spec building on Don Higgins' lot that is vacant. Charlie doesn't feel like Mr. Higgins is incentivized to sell or lease the building even though Charlie has offered to help market it. Pad 10 grading is well underway. There is a proposed 20,000 sf building as well as another building for pad 5, owned by Wilson Hutchinson. Bryan Ferguson asked when they would be breaking ground since they are obligated to break ground within a year of land purchase per the contract. Wade said that they are waiting for land disturbance and other permits to begin. Bryan said he

had been excited with the idea of new developers purchasing lots 5 and 7 and was disappointed that there wasn't a completed building on those pads yet.

- b) Business Park Streetlight & Landscaping Billing Update – Patti McLarty gave the update. Patti has been reaching out to the business owners that fall under the business park covenants, as well as a few adjacent businesses that benefit from the streetlights and landscaping. One of the adjacent businesses so far does not want to participate because they don't feel they benefit from the services. Some of the others may refuse to pay once the bills are received. This first billing will include HEMC and landscaping bills from July, August, and September 2023. Wade Rhodes would like to hand-deliver the bills himself. Bryan Ferguson suggested that these types of things be handled up front in our next development.
- c) Courthouse Redevelopment Update – None
- d) Phase II Business Park Update – Since the Development Authority currently has two empty lots and a vacant building in Phase I, Charlie thinks we should hold off spending any money on grading or developing Phase II and instead concentrate on filling Phase I.

New Business

- Election of Secretary – Chairwoman Gail Thaxton asked for nominations for Secretary and mentioned that Kelly Woodall had told her some time ago that he would be willing to serve as an officer or in any way needed. Jeff Bruns nominated Kelly Woodall. The nomination was seconded by Sidney Roland, and the board voted unanimously to appoint Kelly Woodall Secretary of the Development Authority.
- Ratification of Temporary Construction and Access Easement Agreement for Pad 10 – Motion by Bryan Ferguson, seconded by Sidney Roland, and voted unanimously to ratify the approval of the Temporary Construction and Access Easement Agreement for Pad 10.
- Appointment of Development Review Committee – Dr. Thaxton explained that the covenants for the business park specify that a Development Review Committee be formed to address any concerns regarding following the covenants. This sub-committee shall consist of two Development Authority board members as well as one business owner from the park. The sub-committee will have oversight of any new construction and will not meet on a regular basis. Jim Butterworth and Jeff Bruns have volunteered to serve on this sub-committee. Motion by Bryan Ferguson, seconded by Kelly Woodall, and voted unanimously to appoint Jim Butterworth and Jeff Bruns to the Development Review Committee.

Other Reports

- Presentation – Jim Woodward (virtual) – Bond attorney Jim Woodward attended virtually to answer some questions regarding conflicts of interest and recusals of board members. His firm specializes in working with development authorities across the state of Georgia in connection with tax incentive transactions. Jim explained that since development authorities are government entities and not corporations, there are certain rules that members must abide by. There is one code section in the Georgia Ordinances that applies to boards. There are several

things that are listed that members are not allowed to do such as take bribes, don't make decisions for personal gain, etc. The main things that are particular to development authorities include: a board member cannot do business with the development authority without going through certain steps, and if there is a financial impact directly to a board member or a board member's business, that member cannot participate in discussions or voting on that topic. The member must notify the other board members of their possible conflict of interest and then recuse himself or herself and leave the room. Bryan Ferguson thanked Mr. Woodward and told the board that he was the person who brought up the question of conflict of interest, because after he was elected as Vice-Chair, he was told that someone in the community had questioned whether Bryan being President of HEMC was a conflict of interest for the Development Authority. He reminded the board that a year or so ago when the Development Authority was voting on vendor and pricing for the streetlights in the business park, he had recused himself. He said there have been no other discussions or votes since that time that would have caused a conflict. Bryan also said that Brent Edwards, former area manager with Georgia Power had served as Chairman of the Development Authority with no issues. Bryan wanted it to be on the record that he had reached out for clarification of any conflicts of interest. BOC Chairman Ty Akins asked to address the board. The BOC recently reviewed in-depth the code of ethics for the county, and they looked at conflicts of interest and made some revisions based on a similar situation with another board. The Ethics policy covers all Habersham County boards, committees, and authorities.

- HCDA Policies and Procedures – Dr. Thaxton said that our by-laws should reflect the information that Mr. Woodward shared regarding conflicts of interest and recusals. Jeff Bruns suggested that we shouldn't reinvent the wheel, but that we should follow the county's policies. Dr. Thaxton said over the next few months she wants all policies, procedures, and guidelines such as by-laws, tax incentives, developer agreement, ethics, and purchasing, reviewed, updated, and adopted by the Development Authority. She wants to make sure that certain items such as deeds, contracts, etc. are covered as well. She has been advised by Janney Sanders that it is very typical for development authorities to adopt county purchasing policies. However, there are a few unique responsibilities that can be designated to someone in Mr. Fiveash's role that are not covered or addressed in the county's purchasing policy, which are special designated responsibilities to sign deeds, contracts, and other documents when the board authorizes him to do so. Janney suggested we could say that we follow the county's policies and procedures as related to purchasing, as well as the Development Authority's by-laws. Dr. Thaxton wants to bring the by-laws to the board in December for approval, and the document will be sent out in plenty of time to be reviewed before the December meeting.
- Review of 2024 Meeting Schedule – Patti McLarty provided a 2024 meeting schedule. There were no questions or comments.

A MOTION was made by Jeff Bruns, seconded by Bryan Ferguson, and voted 6-1 to enter Executive Session at 4:50 p.m. Jim Butterworth voted nay to entering Executive Session and left the meeting. Charlie Fiveash also left the meeting. Administrative Assistant/Clerk Patti McLarty stepped out of the meeting for the second part of the Executive Session discussion.

Executive Session

A MOTION was made by Jeff Bruns, seconded by Bryan Ferguson, and voted 6-0 to exit Executive Session at 5:32 p.m.

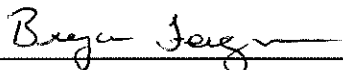
A MOTION was made by Kelly Woodall, seconded by Jeff Bruns, and voted 6-0 to approve the plan as presented by Alicia Vaughn and recommended by Dr. Gail Thaxton to secure administrative support services from the county through a lease agreement which will provide administrative support services to the Development Authority.

Next Meeting

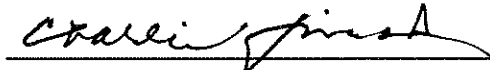
The next regular meeting is Thursday, December 14, 2023 @ 3:30 pm, Habersham County Administration Building.

Adjourn

A MOTION was made by Jeff Bruns, seconded by Kelly Woodall, and voted unanimously to adjourn the meeting at 5:35 p.m.



Bryan Ferguson, Vice Chair



Attest: Charlie Fiveash