

Appendix F

Project History and Facts

Clay-Towns Regional Industrial/Technology Park

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During a February 4, 5, and 6, 2001 AdvantageWest EDAC Mission trip to Raleigh, Larry Kernea, then Director of Member Services at Blue Ridge Mountain EMC, approached Erik Brinke, then Southwestern Office Manager for the North Carolina Department of Commerce, about the interest in and feasibility of creating a first of its kind, dual-state industrial park between Clay County, North Carolina, and Towns County, Georgia. Towns County Industrial Development Authority Chairman Jerry Nichols and Vice-Chairman Terry Taylor had approached Mr. Kernea and inquired as to the likelihood that Clay County would be interested in participating in a joint development project. Towns County had purchased 49.42 acres of land on the state line between Georgia and North Carolina, of which 8.46 acres was actually in North Carolina. The county had initially purchased the property for the development of new jail and EMS facility, but had acquired a great deal more property than was actually needed for this purpose. After studying various options and while doing due diligence on their property, the Authority realized that another large tract of land (32.15 acres) was immediately adjacent to their property on the NC side. The idea of partnering with Clay County to create some type of industrial park development was born, and Mr. Kernea was asked to help carry the message across the state line as Blue Ridge Mountain EMC (the local electric utility provider) serves both counties. After some deliberation, Mr. Kernea and Mr. Brinke approached Dale Carroll, President and CEO of AdvantageWest North Carolina (WNC's Regional Economic Development Commission) about the potential for obtaining funding assistance and support. Mr. Carroll voiced his complete support for the idea and committed that he would assist in any way possible in making the idea a reality.

Subsequently, an initial meeting was arranged between several key local stakeholders from both Towns and Clay counties at Crossroads Restaurant in Hiawassee, GA on February 20, 2001. Included in the meeting were the following local representatives: the three Clay County Commissioners, the sole Towns County Commissioner, the Clay County Manager, the Chairman and Vice-Chairman of the Towns County Industrial Development Authority, the Clay County Grants Coordinator,

the General Manager and Member Services Director of Blue Ridge Mountain EMC, the President of AdvantageWest NC, and the Southwestern Office Manager of the North Carolina Department of Commerce. During this meeting the elected officials and other key local leaders agreed in principle to the concept and began discussing the potential structure of such a project. Future meetings were planned, a timeline of potential deadlines was established, and a list of additional members to invite to future meetings was created. Clay County agreed to discuss with the landowner before the next meeting the possibility of purchasing the 32+ acres on the North Carolina side of the line adjacent to the Towns County property.

The next meeting of this key local leadership group, which came to be known as the Clay-Towns Regional Industrial/Technology Park Implementation Team, was held on April 5, 2001. Additional members in attendance included a representative of Region A (Southwestern NC Planning and Economic Development Commission), two staff members of the Georgia Mountains Regional Development Commission, and an additional Towns County Industrial Development Authority member. Further progress was made in the planning for the Park and additional goals were set for the future including the identification of potential funding sources to assist with the purchase of Clay County's portion of the Park (which the land owner agreed to sell to the County), and funding for the development of the Park itself (roads, water, sewer, landscaping, telecommunications, speculative buildings, etc). Several legal questions began to arise about the two counties working across the state line and the group realized that legal counsel from both states would be crucial to any future planning. The members committed to work on these issues and hold future meetings to keep everyone updated on progress.

One of the fundamental issues that dogged the group from the beginning was determining the type of administrative structure or legal entity that should oversee the acquisition, development, sale, and oversight of any joint property held by the two local governments. Two attorneys were identified by name as experts in the field of economic development (in their respective States) who could help work out the critical details: Tom Harrold of Miller and Martin in Atlanta, and Ernie Pearson of the Sanford-Holshouser firm in Raleigh. These individuals were contacted and retained for the purpose of studying the legality of working together across state lines, and to develop a structure for a "joint economic development authority" to oversee the property. After initial consideration the attorneys determined that the States could in fact work together, but there would be a need to tweak each State's existing General Statutes to allow for the type of arrangement desired.

During the first year and a half of discussion about the park, and subsequent to those original discussions, a number of significant events have taken place in addition to all of the planning and meeting. These events would take up a great deal of space to explain in detail so a bulleted list of some of the most significant items follows:

- The Tennessee Valley Authority (TVA) became involved in the Park project at the request of Blue Ridge Mountain EMC, a distributor of TVA power. TVA committed to conducting a Joint Industrial Park Evaluation as well as a conceptual plan for the proposed park. TVA presented drawings, probable site-development and infrastructure cost estimates, and other information to the Implementation Team to help it plan for the future needs of the project. TVA also began discussions with the elected officials of Clay County to identify potential funds to be earmarked for the purchase of the North Carolina portion of the park property, and eventually committed to providing over \$480,000 in low-interest financing to the County for this purpose. As of mid-July, 2004, Clay County issued a check re-paying TVA for the entire loan amount, and began the process of conveying the property, free and clear, to the Clay-Towns Development Authority.
- Towns County and the City of Hiawassee, Georgia partnered in planning to provide water and sewer to the site, initially for use by the planned county jail and EMS facility. This facility and the accompanying infrastructure were built.
- Clay County Implementation Team members made presentations at several forums to provide information to the local citizens about the Park project, and the County officials held a public hearing about the project to solicit additional public input. After a lengthy period (several months) of answering questions, media coverage, and continued planning, and after conducting all of the necessary due diligence required by TVA (archaeological, environmental, geo-technical, and historic evaluations), the County decided to purchase the property (in early 2003) for the express purposes of attracting industries and creating jobs and investment within the community. At that time the official name of the park became the Clay-Towns Regional Industrial/Technology Park.
- Towns County was approached by a large international food processing and manufacturing company with a location in the D.C./Maryland area about the possibility of expanding to the Park. The company began researching local and state incentives available and expressed interest in building a large facility (over 100,000 square feet) that would expand their territory into the Southeast. There was a tremendous level of interest and excitement among company officials, and they committed to make a final decision at their September 15, 2001, Board of Directors meeting. The project was put on hold after the terrorist events of September 11 and has never re-materialized since that time. In fact, the company has now changed their business plan to rely on outsourcing rather than on their own production capabilities.

- On January 21, 2002, North Carolina Lieutenant Governor Beverly E. Perdue visited the Clay-Towns Regional Industrial/Technology Park and was provided a short presentation about the history and progress of the project. The Lt. Governor voiced her support for the park as a means for helping Clay County (a Tier 1 County at that time) to improve its economic situation. Less than one month after that event, WNC legislators Senator Robert C. Carpenter and Representative Roger West were provided a similar presentation and also given a tour of the potential park. Both Carpenter and West committed their support to the project.
- Both Towns County and Clay County began work with their respective State legislators to introduce the necessary legislation to allow for the formation of a "joint authority". Bob Jessup of the Sanford-Holshouser firm (Raleigh, NC) and Tom Daniel, an independent Georgia attorney, made recommendations as to the structure of the legislation and the two counties began working to get their respective bills passed. Both pieces of legislation subsequently received Senate and House approval (in their respective States) and from both the Georgia and North Carolina General Assemblies. The legislation necessary for the creation of the Joint Authority is now law both in North Carolina (H582 – 2003) and Georgia (HB309 – July 2003).
- On February 19, 2003, the Implementation Team met to continue the planning process and to receive a presentation from TVA's Environmental Services Division on Sustainable Growth Industrial Parks. The TVA officials spoke about the potential for using this first-of-its kind dual-state industrial park as a pilot project for its new "green" industrial development concept, which could incorporate several environmentally friendly features into the park. Storm-water runoff clearing pools, vegetative buffers, dry swales, and even a nature/walking trail could potentially be integrated into the plan among other "best management practices". Other features such as downcast lighting could also be incorporated to minimize light pollution from the Park. This would allow the community to maintain its natural scenic beauty while at the same time creating clean industrial jobs and investment in the community. Since the time of the initial presentation, the Clay-Towns Park was invited to become one of only four (4) TVA pilot project areas for this new concept, and the Clay-Towns Development Authority (formerly the Implementation Team) has accepted the offer to participate. New site plans incorporating environmentally-friendly features have been created and a search is currently underway to find funding to assist with this project. While funding projections are anticipated at over \$180,000 to develop the BMP's, several sources have committed funding and other forms of technical assistance, including the Tennessee Valley Authority (TVA), US-EPA, NC Division of Water Quality, the Hiawassee Watershed Coalition, and the Appalachian Regional Commission (ARC).

- Subsequent to the passage of legislation in both States providing a structure for a dual-state authority, Towns and Clay County officials began the process of drafting by-laws and an organizational structure for a Joint Authority to oversee the Park. This Joint Authority, now called the Clay-Towns Development Authority has since been created, and held the first of its official meetings in January of 2004. The Authority maintains the sole right (granted by the two Counties) to buy, sell, and negotiate, and actually even assumes ownership of all parcels of property placed into the Park by the Counties. The Authority is made up of members appointed by the two local governments involved and shares both in the costs and benefits associated with a project of this nature. For information about the meeting schedule of the Development Authority contact either the Clay County, NC or Towns County, GA local government offices, or Blue Ridge Mountain EMC.
- On November 8, 2003, Georgia Governor Sonny Perdue paid a visit to the Clay-Towns Regional Industrial/Technology Park as the honored guest in the official ground-breaking ceremony for the Park. Governor Perdue gave a short speech about the value of innovative and forward-thinking industrial development projects and thanked the leaders of Clay and Towns Counties for their vision. In addition to the Governor, elected officials from both States were in attendance as well as key partners who had helped with the development of the Park since it was conceived.
- In mid-2003, the Towns County Development Authority decided to sell a 13-acre tract of their total acreage in the Park to a private speculative developer, Kenneth Mantovanni, to build spec buildings for light manufacturing, warehousing and distribution, and other types of endeavors conducive to our area. Mr. Mantovanni agreed to participate in the TVA Sustainable Growth Industrial Parks Pilot Project, and also agreed to limit the types of companies that he would target to those listed previously. Mr. Mantovanni has since completed construction on a major industrial building (50,000 sq. ft.) as well as a couple of smaller ones below 10,000 square feet in size, with plans for at least two additional buildings. Mr. Mantovanni has sold portions of his property, including one of the speculative buildings, to clients who are planning to create jobs and investment within the park.
- A new prospect involved in the design and production of military-related applications expressed interest in locating to the Clay-Towns Park. After receiving some background information on the company, three members of the team (two from the Joint Authority and a representative of BRMEMC) made a trip to upstate New York to meet with the company and provide information on the region as well as the Clay-Towns Park specifically. The client provided the group with a tour of the NY facility and expressed interest in opening a

moderately sized manufacturing facility (40-60 employees) to make composite parts for the military. This endeavor would be the result of a partnership between this large NY company and another smaller company from the Albany, NY area, and would be a mid-tech type of operation. Subsequent to the initial visit, the large company also sent a staff person to our local area to further investigate both the feasibility of the project as well as local area itself as a good place to do business. We are currently waiting to hear from the Company regarding their plans.

- Several new prospects have inquired about the specifics of the Clay-Towns Regional Industrial/Technology Park. Client packages have been mailed out consistently each month to various types of companies interested in the location, quality of life, and low cost of doing business within the Park.
- Two different grants have been awarded to the Towns County Development Authority over the past two years for various portions of construction on the Towns County side of the Clay-Towns Park. Road, site pre-grading, and water/sewer construction bids were advertised for these grants in July and bids were opened on August 15, 2005, with planned construction to begin by September 1, 2005. At its Board meeting on August 30, 2005, the Clay-Towns Development Authority awarded the construction contract to Colditz, a local contractor, and specified a 120 day completion requirement. Also during that meeting the Development Authority authorized negotiations with McGill Associates of Asheville to evaluate the costs of providing engineering studies for the Clay County side of the Park. We are currently investigating various funding options for the NC side.