

Posted: _____
Time Posted: _____
Posted By: Evelyn Baker
Witnessed: _____

**MINUTES OF A SPECIAL MEETING
OF THE
JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
MAY 22, 2009**

The Jackson County Board of Commissioners held a Special Meeting on May 22, 2009 at 10:00 a.m., Justice & Administration Building, 401 Grindstaff Cove Road, Room A201, Sylva, North Carolina.

Present: Brian T. McMahan, Chairman	Ken Westmoreland, County Manager
Tom Massie, Vice Chair	Evelyn B. Baker, Clerk to the Board
Joe Cowan, Commissioner	
Mark Jones, Commissioner	Absent: William Shelton, Commissioner

Chairman McMahan called the meeting to order and stated the purpose of the special meeting is to receive and consider a request from the Revolving Loan Committee regarding an application from Stonewall Packaging, LLC.

Informal Comments:

(1) Carl Iobst of Cullowhee stated that in 2007 Jackson Paper was outbid for a facility in Rayburn County, Georgia. The company should now be applauded for planning to open Stonewall Packaging and create new jobs in Jackson County; however, citizens should have been given the opportunity to review the revolving loan documents for due diligence prior to a loan recommendation. He stated he has discussed building code violations at the Jackson Paper facility with Town of Sylva officials and its air quality permit allows the potential burning of items other than wood. The county should move forward with caution concerning the loan application.

(2) Boyce Deitz of Sylva, liaison for Congressman Heath Shuler in the 11th District, thanked the county for working with the company. Congressman Shuler met with company officials over the past year and particularly inquired about water quality, pollution, energy savings, and what will be used to fire the boilers. He also reviewed the positive things that will occur when a new company locates in the county and is confident the company will protect the environment.

(3) Earl Holden of Sylva, owner of Grant & Holden Trucking, stated his company has an annual payroll of \$425,000 and hauls exclusively for Jackson Paper. He stated that Jackson Paper is a very productive profitable company that plans on staying in the county. Sixty new jobs are important to the area and requested that the county approve the loan.

(4) Avram Friedman, Executive Director of the Canary Coalition, stated the Town of Sylva has modified its zoning ordinance and the county is considering lending \$500,000 from the revolving loan fund to a new industry, but the community has not had the opportunity to examine the possible environmental impact. He requested that Jackson Paper's air quality permit be changed by removing the "coal and rubber pellets" authorization before a loan is made. The reason for this request is that its wood supply, since the recent closing of T & S Hardwoods, could become limited. The community should be given sufficient time to examine what is involved with the new industry before further commitments are made by the town and county.

(5) Jim McCarthy, Director of the Jackson County Citizen Action Group (JAG), stated he is in favor of the loan. In 2007, Jackson Paper turned down the incentives offered by the county, EDC, the state, and Town of Sylva in favor of Rabun County, Georgia. He asked for transparency of the smoke stacks for the new facility because taxpayer monies are being used.

(6) Tom Davis of Georgetown, SC, stated he assisted with Jackson Paper's partnership for the new venture. Stonewall Packaging is a family venture as is Jackson Paper. The operation will be very environmental friendly.

(7) Kathy Cross of United Christian Ministries stated that Jackson Paper supports the organization and also assists Community Table. Her organization supports the company and wants it to stay in the county.

(8) Jeff Murphy, Secretary of Stonewall Packaging, stated the company is an investment in the county and is grateful for the county's commitment and urged the Board to approve the loan.

(9) Christi Norton, representative of the American Cancer Society, stated that Jackson Paper is a huge, huge part of the Relay for Life fundraising program. The company has always been supportive of her organization.

(10) Susan Gilmer, small business owner in the county, stated she applauds Jackson Paper's plans for expansion. The potential of new jobs in an economic crisis is good news. She urged the county to approve the loan.

Chairman McMahan stated that the Revolving Loan Committee is comprised of the five county commissioners, County Manager Ken Westmoreland, and Finance Director Darlene Fox. The revolving loan request is for a company by the name of Stonewall Packaging, a separate company from Jackson Paper, who plans on renovating the former Chasam Building.

Mr. Westmoreland reported that the Revolving Loan Committee met prior to this Special Meeting to consider the application of Stonewall Packaging, LLC for a fully secured loan in the amount of \$500,000 to be paid over a 15-year period at a 1% interest rate. The committee recommends that the loan processing fee be deferred and suspended the requirement that revolving loans must not exceed thresholds of one job created per \$10,000 in loans. Further, the committee recommends that the requirement of "no loan shall be made for less than 50% of the prime rate" be modified and the interest rate be reduced to 1%. The approval of the application is contingent upon review for due diligence by the Finance Director. As further security, a contract will be entered into

between the company and the county. With the stated contingencies, the committee recommends approval of the revolving loan.

Commissioner Massie stated that the revolving loan fund was set aside many years ago specifically to create jobs. The nature of the new business required confidentiality as negotiations were made. In reality, some county officials started talking with the principals of Stonewall Packaging about locating in the county and renovating an existing facility. It is a separate company from Jackson Paper. When Jackson Paper expands, there will be ample opportunities to address air quality issues.

MOTION: *Chairman McMahan moved to accept the recommendation of the Revolving Loan Committee pending a review for due diligence by the Finance Director and that the county proceed with preparation of a contract. Commissioner Massie seconded the Motion. Motion carried by unanimous vote.*

There being no further business, Commissioner Massie moved that the meeting be adjourned. Commissioner Cowan seconded the Motion. Motion carried by unanimous vote and the meeting adjourned at 10:50 a.m.

Attested By:

Evelyn B. Baker, Clerk to the Board

Approved:

Brian Thomas McMahan, Chairman