

Minutes of Special Council Meeting

April 12, 2011 at 7:00 p.m.

The meeting was called to order by Mayor Larry Haver.

The Pledge of Allegiance was repeated by all present. Present were:, Council members, Mick Pocratsky, Ron Jones, Mike Barth, Bruce Hart, Ron Beverly & Mike Headley; Administrator, Kent Miller; Solicitor, Troy Essex; Clerk/Treasurer, Diane Collins, Dennis Miller from Maumee Valley Planning, Jerry Hayes and Jared Orzolek from Defiance County Economic Development Office, Mel Fahs, President of the Defiance County CIC. and RLF Committee member Ed Foster.

Dennis Miller presented the project.

South Shore Farms, LLC (SSF) is interested in purchasing a building at 408 Defiance Avenue with the intention of processing free range Pekin ducks. Fifty full time jobs would be created with 35 of those jobs being processors. Most jobs will pay \$12.50 hour and we were told all employees will have health insurance. The company will bring four or five employees from another location. They will be in operation five days a week using around 100,000 gallons of water per day. Approximately 18,000 ducks will be processed a week. Headley and Orzolek went to Middlebury IN to visit a duck processing farm and they reported some odor could be smelled 40 or 50 feet away as they were unloading foul but there was no odor coming from the building. SSF figures they can be in production four months from the day they close on the building.

Essex reported that the assets of a company in New York was purchased by an equity company which are using some of those management people to operate SSF. The equity company is not willing to disclose financial information of the company or personal information or guarantee the Note. There is no operating history since it is a new company. Orzolek reported the Ohio Department of Development is supposed to be sending a Commitment Letter connected to this project by Friday, April 15, 2011.

Council was told the building at 408 Defiance Avenue was valued at \$650,000 and SSF was purchasing it for \$425,000. SSF is providing \$25,000 in equity.

Orzolek reported that the Ohio Department of Development is aware we need to do a sewer project related to this and there is a good chance we may get some money from them. It is unknown how much we would have to spend upgrading the sewer system but Kent Miller has received estimates of around \$100,000 to rebuild the lift station, upgrade the forced main etc. Miller stated the biggest issue is going to be getting a Permit to Install from the State. Beverly was concerned about various issues such as possible soil contamination on the property from previous owners, SSF's water consumption, water availability if we had a water main break, and the fact that there are no banks involved etc. Miller stated we would be okay supplying water as long as there was only one shift involved. SSF was told they could not drill a well.

The plan is to make a \$400,000 loan to SSF with \$125,000 of the loan to be performance based balance forgiveness if an average of 50 jobs is maintained for five years. This will be a 20% forgiveness per year. The Defiance County CIC office will do an annual review. \$275,000 will be loaned at 4% interest amortized over 15 years payable in equal monthly installments. The Village of Hicksville will have a first mortgage on the building and a Blanket Lien on equipment.

Resolution 2011-04 was read by caption only for the first reading. Jones moved to suspend the rules. Barth seconded. Beverly voted no. Pocratsky, Barth, Headley, Hart & Jones moved to approve. Resolution 2011-04 was read by caption only for the second and third readings. Barth moved to approve. Jones seconded. Jones, Hart, Headley, Barth & Pocratsky voted yes. Beverly voted no.

Beverly made a motion to adjourn. Headley seconded. All voted yes.

MAYOR

CLERK
