

**WORK SESSION  
ALADDIN / MOHAWK  
EDGE AND EIP GRANT REQUESTS  
CHAMBER OF COMMERCE BUILDING  
NOVEMBER 15, 2004, 10:00 A.M.**

**MINUTES**

**ATTENDING:** Kenny Morton, Mohawk Industries  
Kevin Whiteside, Mohawk Industries  
Dan McRay, Seyfarth Shaw  
Sara Lewis, Seyfarth Shaw  
Dean Clemmer, Coosa Valley RDC  
Jimmy Phillips, Gordon County Industrial Development Authority  
Kelly Cornwell, Director of Utilities, City of Calhoun  
Cathy Harrison, City Administrator, City of Calhoun

1. Dan McRay led the meeting, stating the efforts would be to review the construction of two projects for Aladdin-Mohawk and to also review the two grant proposals that are being finalized for assistance with grading and also with construction of a road. He stated the purpose of the meeting will be to gain information and to determine a schedule for completion of the projects.
2. Mr. McRay reviewed the proposed construction deadline as initially provided by the city for the road construction. He inquired as to the date the first section of the road would be completed, which would allow Mohawk access from their site to the Union Grove Road.
  - a. Mr. Kenny Morton stated in discussions with Kelly Cornwell, based on the tentative plans made by the city and Mohawk, it is possible for the first phase of the road to be completed from the Mohawk property to the Union Grove Road by June 1, 2005. He stated that if absolutely necessary, his construction schedule would allow a 30-day extension until July 1, if needed. Kelly Cornwell injected that the first phase of the road was an easier portion for construction and provided that the engineering is funded by Mohawk, relieving the requirement of accepting 20 proposals for this service, as well as 30-day advertisement, and with the understanding that Mohawk will acquire the environmental permits, that the project deadline can be met.
3. Mr. McRay reviewed the \$500,000.00 EIP grant, inquiring if it could be designated for a certain portion of the road, as well as inquiries regarding the DOT commitment.
  - a. Kelly Cornwell, Director of Utilities and Cathy Harrison, City Administrator stated the state DOT funds and the EIP federal funds would be for the total project and their commitment would be for completion of the total project and could not be dedicated to a specific section of the total project.
4. Mr. McRay inquired what type of assurance Mohawk had that the road would be built.
  - a. Kelly Cornwell and Cathy Harrison stated both of the funding sources come from grants that have not been officially approved. However, the city and the Industrial Development Authority have received letters from both entities, stating that if the project is funded by the grants, they will allow any qualifying

construction costs from the date of the letters. Harrison stated the EIP preliminary application had been filed in order to receive that letter. However, that preliminary application was filed in July and included information regarding one building to be constructed by Mohawk, with the anticipated budget scheduled for that level of construction by Mohawk. Harrison reminded everyone that Tanya Mole of OneGeorgia had reiterated that an amendment to the budget and to the original project scope would need to be filed to indicate the project had increased to include two of Mohawk's operations.

5. Kenny Morton and Kevin Whiteside reviewed the budget schedule, stating they could provide those figures in a short period of time that would allow these amendments to be made and forwarded by Dean Clemmer of Coosa Valley RDC for OneGeorgia.
  - a. Kelly Cornwell stated that Mohawk, the City of Calhoun, the Industrial Development Authority, OneGeorgia and the EIP personnel, have all been acting in good faith to make this project move forward. With this type of project, it is impossible to have everything guaranteed, but the group must work together to achieve the overall goal.
  
6. Mr. McRay reviewed the cost of the road project, the total funding sources, and reviewed the proposal that had been made by EIP, recommending that the industry fund the engineering and the grant writing and administration for the EIP grant, rather than funding through the grant program, which would add time to the project. Kelly Cornwell stated that with these costs being negotiated directly by Mohawk for the lowest possible dollar, and also being done in a shorter time frame with up-front funding, it will allow the full amount of the grants to go toward the construction projects. Mr. McRay reviewed where we are at this time on the EIP formal application.
  - a. Kelly Cornwell, Cathy Harrison and Dean Clemmer stated the full application could not be officially filed until the actual engineering was complete and the total estimated quantities and costs had been determined. They also reiterated that it would be helpful to have a selection of a grant writer and administrator, and have that person on the job prior to January in order for the person selected to correlate all the materials that will be required for the EIP grant application. This will allow the application to be finalized as soon as engineering is completed.
  - b. Kenny Morton and Kevin Whiteside stated someone from their office had been in contact with Dave Ronnigen and would be discussing a preliminary contract with him within the next few days.
  
7. Mr. McRay discussed the estimated cost of the grant writer and grant administrator and also the estimated cost for engineering.
  - a. Harrison and Cornwell indicated they felt the grant writer could be obtained for \$20,000 to \$25,000 and the engineering for approximately \$70,000.
  
8. Mr. McRay asked the group to review the status of the OneGeorgia Edge Grant application through the Industrial Development Authority. Mr. McRay stated there were nine items that remained to be completed and that most of those had been completed earlier by Mohawk. However, there were approximately three that remained.
  - a. First was evidence that Jimmy Phillips is authorized to sign on behalf of the Industrial Development Authority of Gordon County. Harrison stated Jimmy

Phillips had provided a copy of the resolution and that will be mailed by Dean Clemmer to OneGeorgia.

- b. The second item is item number 4 regarding professional cost estimates for the site preparation and bridge construction, proposed to be performed with Edge funds. The group stated that at this time, the budget for this application will be amended to show that all the \$760,000 will be for site preparation, which is approximately half of the total cost. There will be no bridge construction on the Mohawk property. There will be several box culverts on the road construction, but no bridge construction on Mohawk property. This was confirmed by Kenny Morton. Kelly Cornwell stated he had received stamped copies of a cover letter and the estimates for the project. Kenny Morton stated this was an engineering firm, Richards & Assoc. out of Chatsworth, Georgia, that is used extensively by Mohawk. Kelly Cornwell stated the original had been given to Dean Clemmer to be forwarded that afternoon to Tanya Mole at OneGeorgia.
  - c. The third item was listed as item number 5, evidence of site control of the property proposed to be improved with Edge funds, such as a purchase option, sales contract or deed. Mr. McRay state that Tanya Mole had agreed this item could be listed as a special condition. The bond hearing is scheduled for November 24, 2004, with the final documents, contracts and transfer of property to be completed shortly thereafter. This would allow a December date for these materials to be forwarded to OneGeorgia.
  - d. The only remaining item was the loci level two analysis. Jimmy Phillips stated that Bill Darley was providing the loci. Dean Clemmer stated he had been in touch with Mr. Darley and he had requested additional information. He provided a copy of the information needed to Kenny Morton and Kevin Whiteside. They indicated they would complete shortly and forward to Dean Clemmer for forwarding to Bill Darley. It was the request of each one present that Mr. Darley complete this process within the next ten or eleven days, and for this information to be reviewed by Mohawk, the Industrial Development Authority and the City of Calhoun, prior to forwarding to OneGeorgia. Also, Mohawk and Mr. McRay asked Dean Clemmer of Coosa Valley RDC to notify them immediately if there were any additional information or any problems with the study as it was being formulated. Mr. Clemmer acknowledged that he would do so.
9. Mr. McRay inquired of the construction of the Mohawk buildings and the anticipated date the buildings would be complete and in operation.
- a. Ken Morton stated he is anticipating a September 2005 completion date, with marginal operations to begin at that time. It will take several weeks for sites to be closed and operations to be moved in to the new facilities.
  - b. The group also discussed the quick-start training that will be provided. Kevin Whiteside stated he had been in touch with the local economic developer of Coosa Valley Technical College of the Calhoun-Gordon County campus. The group explained that it is customary for the local college to provide the training at the college. Kevin Whiteside stated he would follow up with this and have this finalized.
  - c. Mr. McRay inquired if the water, sewer and telecommunications services to the buildings were being provided. Ken Morton and Kelly Cornwell stated the services are being installed as construction moves forward. There appears to be no setback on these operations.

- d. Dan McRay stated the meeting had been most informative and had aided him in having a better understanding of the total project and he appreciated everyone's time.

10. The meeting was adjourned at approximately 12:10 p.m.

Submitted by:



---

Cathy Harrison, City Administrator