



**MEETING MINUTES
BEDFORD COUNTY ECONOMIC DEVELOPMENT AUTHORITY**

**Bedford County Administration
122 E. Main Street
Bedford, VA 24523
August 3, 2017
5:30 p.m.**

Economic Development Authority:

:Present:

Dennis Novitzke - Dist. 1; Mickey Johnson, Vice-Chairman - Dist. 2; Wyatt Walton, Chairman - Dist. 3; Matthew Braud - Dist. 4; Jim Lusk - Dist. 5; Kelly Harmony - Dist. 6

:Absent: Jim Messier - Dist. 7

:Staff Present: Traci Blido – EDA Secretary; Carl Boggess – County Administrator; Patrick Skelley – County Attorney

:Staff Absent: None

:Guests: None

(1) APPROVAL OF AGENDA

Mr. Walton asked for approval and/or any amendments to the Authority's August 3, 2017 agenda. Mr. Boggess suggested adding CVCC Lease Update under section 6A.

Mr. Braud moved, seconded by Mrs. Harmony, to approve the August 3, 2017 EDA agenda, as ammended.

Voting yes: Mr. Johnson, Mr. Braud, Mr. Lusk, Mrs. Harmony, Mr. Walton, Mr. Novitzke

Voting no: None

Adopted Unanimously

(2) APPROVAL OF MEETING MINUTES – June 1, 2017

Mr. Walton asked for approval and/or any amendments to the Authority's regular June 1, 2017 meeting minutes.

Mr. Braud moved, seconded by Mrs. Harmony, to approve the June 1, 2017 meeting minutes, as presented.

Voting yes: Mr. Johnson, Mr. Braud, Mr. Lusk, Mrs. Harmony, Mr. Walton, Mr. Novitzke

Voting no: None

(3) REPORTS

A. Economic Development Director's Report

Mrs. Blido reviewed FY 17 accomplishments of the Authority beginning with Beale's Brewery. She mentioned more than 10 highlights from the past fiscal year, including the agreement to sell property in the New London Business & Technology Center to Liberty University for the siting of the School of Engineering, and the expansion assistance provided to several manufacturing companies, including REDCO, SE&M, and Smyth. Mr. Lusk asked how much the lot sold for in Montvale. Mrs. Blido responded the lot has not sold yet, but it is on the agenda tonight for discussion.

Mrs. Blido thanked everyone for attending the Business Appreciation Event. There were 95 attendees, a record, and she thanked Mr. Novitzke for attending the Adaptrum and MBC whitespace technology launch event at the CAER and to those attending Jessica Hupp's going away party. Mrs. Blido said she is committed to prioritizing and keeping up with the work going forward while she's short staffed. She is helping new companies expand by connecting them to resources. She hoped to have a prospect visit this week at TEVA, but it has not happened yet. Mrs. Blido and Megan Lucas, with the Lynchburg Business Alliance have worked hard to get prospects, but when working with an international company that's listed on the NASDAQ, there are many protocols and it is difficult to get approved marketing materials to utilize. Still, she and Mrs. Lucas have made some good connections with prospects and have passed them along to the company's General Manager who is responding directly. Mrs. Blido was pleased that Mr. Todd Haymore, Virginia Secretary of Commerce & Trade, came this past week and toured TEVA. He is committed to helping TEVA make connections with prospects as he finds opportunities.

Mrs. Blido nominated Blue Ridge Optics for the Virginia Economic Gardening Program through the state partnership, VEDP. The program is offering non-traditional incentives focused on connecting companies to new clients to generate sales. Blue Ridge Optics has completed the application and she will keep everyone posted. Additionally, Justin Siehien, GM of Blue Ridge Optics, was recognized this week in Lynchburg Living's Millennials on the Move, which is the same list that Jessica Hupp was on last year (top 25 under 40).

Bob Bailey and Mrs. Blido have met with companies in New London about potential grants. Today was the deadline for two R&D grants for Tobacco Commission meetings coming up, and both companies are interested in locating to Bedford County. She briefed the Ag Board at their meeting regarding her trip to Virginia Tech at their food science technology department. She learned so much regarding their work with food packaging and production companies. There were 40 other economic developers there from throughout the state and it was a good meeting.

Mrs. Blido reported that we did not get the second implementation phase grant with VEDP. As you may recall, we did get the first grant of \$5,000, plus our match of \$5,000 for the Site Characterization work when our New London park achieved a Tier 4 status, but we did not get the implementation grant to develop some of the acreage in the park. They were looking for localities willing to develop only the largest amount of acreage.

Mrs. Blido shared her experience at the Bedford County Schools Administration Conference last week with principals & school administrators at the Army Reserve Center. She gave an economic development presentation and also showed the schedule for the Bedford One program. They responded well to the Bedford One program and already 30 kids have signed up to attend the first tour. She helped to facilitate a workforce panel at the Principal's event as well, with four companies participating. Blue Ridge Optics, CAER, FlowServe, and English Construction. They discussed what they are looking for in entry level

positions and in skilled employees. Mrs. Blido shared a positive e-mail she received from Kim Halterman of BSTC after the conference.

B. Monthly Financial Report

Staff reviewed the monthly financial report. Traci said she met with Susan Crawford, Fiscal Management Director, who proposes a new format that will make things easier in the future and she will attend our next meeting to go through it with us. On this month's report, she said they moved the water fund money to the capital report and cleaned up some other sections in the report. This report concludes this fiscal year so the new format will be shown next time.

Mrs. Blido pointed out that the CD's were closed out in April which is why the cash balance is higher than it used to be. She also stated that Blue Ridge Optics' incentive grant was just paid, so it will show in next month's report.

Discussion followed regarding leftover incentive funds and committed funds, what carries over into the next fiscal year's budget and internal adjustments. Mrs. Blido will talk with Ms. Crawford about whether it's ok to carry over unused incentive funds into the same category the next fiscal year.

C. Monthly Accounts Payable Report – Bills that have been paid

Staff reviewed the accounts payable report with the EDA.

Mrs. Harmony asked about the bill for Beale's from the Business Appreciation Event. Mrs. Blido stated the bill will probably be double what we pay normally due to the record attendance, but it will show up in the next report.

(4) TOWN OF BEDFORD

A. Beale's and Bedford Update

The final IRF validation visit is set for Aug. 22 with DHCD. Dave McCormick has said Beale's is far exceeding any of his projections and he is pleased. She said Beale's did better here in the first month than Trapezium did in Petersburg. They are waiting on brewing equipment to be operating so they can have the final inspection and they're also waiting on a backlogged fire door. They have had some added costs from some changes that needed to be made for the inspection such as moving a propane tank. Beale's ribbon cutting by the Bedford Area Chamber of Commerce is scheduled for Thursday, August 17, at 4 p.m, and Jessica will be there if you want to say goodbye to her.

You may have seen in the newspaper, the Town Council voted on hiring an economic developer. Mrs. Blido met with a couple of town council members and was told by Brian Schley that the position will not overlap with her position, but this new position will be director of Main Street and do communications and a newsletter for the Town and look at DHCD grants to apply for revitalizing buildings. Mrs. Blido assured the town council members that she will work with anyone that they choose.

Mr. Lusk asked whether they have someone to replace Charlie Kolakowski for Town Manager. Mrs. Blido stated that Bart Warner is in that position and he will not always attend our meetings, but will let Traci know if she needs to bring anything up. Discussion followed regarding whether this town economic development position would overlap the county position, but Staff was told that the Main Street Board would be 50% of the position and it would not be in competition with us.

Mr. Lusk asked what is happening with the Little Otter Business Park since it has a for sale sign on it. Mrs. Blido called Cliff Coleman to see what is happening and the owners are looking to sell the park and the lots. She will continue to market the park, but it lacks public sewer which will not work for a big manufacturer. It is zoned heavy industrial, but any heavy industrial company will need public sewer.

(5) NEW LONDON BUSINESS AND TECHNOLOGY CENTER

A. Update on developments of Lot 3b, 4, 10a, and 12a

Mr. Boggess said he sent an e-mail to Authority members regarding a modification for the work order with Hurt & Proffitt for the lot grading plan for lots 3A & 3B which had some issues. He stated that we have money with the Tobacco Commission and don't see moving fast on a potential building since we don't know who the tenants will be. The work order will be modified to grade lots 3B and 4 and pick up work from the VEDP implementation grant. He recommends opening up two lots, 1-1/2 acres just so see where the buildings will go, lots 10A & 12A and grade those two lots. But he won't sign anything until he gets the order and if he gets it before the next meeting, he will give it to the members. It will be for just cutting the trees to show the property, put grass there and bushhog it.

Members discussed how to pay for the additional work. Mr. Boggess stated he had talked with Sarah Capps and she agreed that the economy is picking up and we need to have some lots ready. Mrs. Blido agreed that the companies she is talking to want graded lots.

B. Update on trails in New London

Mr. Boggess stated that more work has been done on the trails. Five are completed. He personally used these trails and they ride very well. He feels they are the best trails we own and they have done an excellent job on them.

C. Update on NL tenant discussions

Mrs. Blido stated we do have two prospects interested in graded lots. Both are working with the CAER and today was the deadline for the R&D grants. One of them is looking to build a 40,000 sq. ft. high tech manufacturing facility, with up to 30 employees in three years at \$50,000 a year and \$4.5 million investment. They are interested in us because we are grading the lots. Another is the SOVA Innovation Center. They are operating in the CAER and have sent her three high-end engineering jobs to post to the website, but may or may not want to own their own building. For example, Mid-Atlantic Broadband is a non-profit so they may have MBC owning it. Another existing company that is a current tenant of the CAER is interested, but they have big decisions to make and have not made a financial decision. There is another opportunity with an IT cyber security company looking at making a disaster recovery center that they are exploring. She also mentioned space that could serve as a back-up in case the CAER building that LU owns doesn't work out for certain tenants. These are fluid developments because we have new prospects interested and we will keep everyone posted.

Discussion followed regarding whether another lot should be graded such as lot 2 and how much it would cost to pay for these lots or if the sale price of the lots should be increased to recover some of the costs. An actual estimate from Hurt & Proffitt is expected for lots 3B and 4.

The initial Tobacco Commission Southside Economic Development grant that Mrs. Blido got approved for grading was for \$250,000 with no cash match required since they counted the value of the land and earlier EDA development in the park.

Mr. Walton asked if there's been any activity regarding Nanotouch on Lot 3a. Mrs. Blido said Community Development Director Greg Zody said the TRC meeting went well and they are working with a site plan. Mr. Boggess concurred.

Matthew Walton asked whether LU has filed any site plans for Lot 1. Mr. Boggess said they have not yet and he and Reid Wodicka are going to a meeting with LU soon.

Mr. Lusk asked whether prospects see LU's School of Engineering going on Lot 1 as a benefit or incentive to locate to the park. Mrs. Blido said some certainly do see it as a positive for the student workforce benefits and future research capabilities.

Mr. Boggess stated that if you look at most recent data, any city growing in population has a university and LU is here and is large. The Lynchburg population is growing and we may as well be a part of that growth and see an increase in the economy of the area due to Liberty. It is a big factor in our growth.

(6) BEDFORD CENTER FOR BUSINESS

A. CVCC Lease update

Mr. Boggess stated that the carpet is done and paid for by CVCC. We will be looking at replacing lighting which will save money once you go to LED since you pay the light bill. Staff will get an estimate for that in the coming months. The lease is the same as was sent out earlier in a memo – same amount as before, a three-year agreement, not five, and we will meet with them every year to talk about capital gains, hoping they will assist us on some capital projects when necessary, but there is no guarantee. We are making money, but not enough to take care of our capital needs. Staff recommends a motion be passed authorizing the chairman to sign the lease.

Mr. Walton confirmed that it is around \$3,000 a month for utilities. Mr. Boggess said yes that is what is paid, but we could reduce electricity costs by 25-30% with more efficient LED lighting. Mr. Walton asked whether there is a provision to go month to month in the lease. Mr. Boggess responded that this is an amendment. He said the first amendment years ago was to increase square footage when they took over the space that is now the science lab. There is a provision that once the lease is up, notice must be given to go month to month, otherwise the lease is set up to extend an additional year. Mechanisms exist to go month to month, as well as to cancel the lease. CVCC is a great partner and we hope to continue with a good relationship.

Mr. Braud moved, seconded by Mrs. Harmony, to authorize execution of the lease amendment.

Voting yes: Mr. Johnson, Mr. Braud, Mr. Lusk, Mrs. Harmony, Mr. Walton, Mr. Novitzke

Voting no: None

(7) MONTVALE CENTER FOR COMMERCE

A. Ratify EDA approval to extend bushhogging project

Mrs. Blido stated the board authorized \$2,500 for the bushhogging, but when John Goynes began working he found the job to be much bigger and more to do than expected. The first bill was \$2,950 and the second bill was \$2,625 so the total expense will be \$5,575. It was a tremendous amount of work and she requested the Authority to consider ratifying the original \$2,500 up to \$6,000 to cover all of this Phase I work.

Mr. Boggess stated that the fencing needs to be pulled up and piles of brush need to be burned. It is great to authorize the amount, but staff should hold back some of the money until he completes the work.

Mrs. Blido said John Goyne charges \$125 per hour for his time, but when he uses the teenagers, the hourly rate will be lower priced. He recommends that we have the park bushhogged once or twice a year to keep it up.

Mr. Braud moved, seconded by Mr. Lusk to authorize up to \$6,000 with the fence coming down and brush being burned before final payment is made.

Voting yes: Mr. Johnson, Mr. Braud, Mr. Lusk, Mrs. Harmony, Mr. Walton, Mr. Novitzke

Voting no: None

Adopted Unanimously

(8) ALL OTHER EDA BUSINESS

Mrs. Blido stated that the special use permit process for Sampson Bladen went through and the Board of Supervisors approved it. There is concern before purchase whether engineering calculations are there for water quality and quantity for storm water. Those calculations are gone because they were done by Anderson & Associates which has been acquired by Hurt & Proffitt . Some of the work is being redone by Hurt & Proffitt CEO Bif Johnson. They are waiting to be sure they are under the threshold for stormwater and need to do a fire flow, therefore they are holding off until all that goes through. The Authority has authorized the lot to be sold for \$220,000, but we need to see if there are other costs based on those items having any issues.

Mr. Johnson asked if Staff anticipated any issues with water flow. Mr. Boggess said he would address the question since he had been talking with the engineer about the proper fire flow. Montvale park is served by a water line that is a 6-inch line with a flow of 1200-1250 gallons per minute and ideally they wanted 2,000 gallon flow. He is hoping this fire flow is sufficient, but does believe they are more concerned about stormwater calculations than the fire flow. He talked with Bill Berkeley from the company and hopefully the calculations work is done or close to being done.

Mrs. Blido requested input on another item. Thalhimer marketed the east side of the Montvale park several years ago, but not the industrial side. One of the agents brought Sampson Bladen to her and set up the meeting and served as the real estate firm for Sampson Bladen. There may be a request to receive commission for bringing us this prospect. Neighboring EDA's in Lynchburg & Campbell do negotiate for commission on a case by case basis in those situations. Exact amounts are not known by these areas, but she knows it is not 10%. She wanted to know what the members' thoughts and ideas are regarding this situation. The topic was discussed and opinions were to leave the door open for now to see if the deal if finalized and if more money must be spent.

Mrs. Blido stated Howell Clark had said that he was interested for a long time and Mrs. Harmony recalled that the company had shown interest some years ago too, but this time Thalhimers did get involved on behalf of Sampson Bladen. Mrs. Blido thanked members for their input.

Mr. Lusk moved, seconded by Mrs. Harmony, to enter into closed session pursuant to Code 22.3711(A)5, for discussion or consideration of a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the businesses' or industry's interest in locating or expanding its facilities in the community.

Voting yes: Mr. Johnson, Mr. Braud, Mr. Lusk, Mrs. Harmony, Mr. Walton, Mr. Novitzke

Voting no: None

(9) ALL OTHER EDA BUSINESS

A. Joint Meeting with EDA/BOS - Tuesday, October 10, 2017, 5-6:30pm

Mrs. Blido stated that the next meeting is September 7, but the October meeting will be a joint meeting with the Board of Supervisors and possibly other departments. She also said to please take note that it is scheduled for a Tuesday, not the regularly scheduled Thursday. Mr. Boggess stated he may make some changes still so the meeting may just be for the EDA and BOS and the meeting will be a work session, with no regular meeting of the Board of Supervisors following.

(10) ADJOURNMENT

7:11PM

APPROVED:

Chairman

Secretary