



**MEETING MINUTES
BEDFORD COUNTY ECONOMIC DEVELOPMENT AUTHORITY**

**Bedford County Administration Building
122 E. Main St
Bedford, VA 24523
August 6, 2015
5:30 P.M.**

Economic Development Authority:

:Present:

Dennis Novitzke – Dist. 1; Mickey Johnson – Dist. 2; Wyatt Walton – Vice Chairman, Dist. 3; Matthew Braud, Dist. 4; Jim Lusk – Chairman, Dist. 5; Kim McCabe, Dist. 6; Kristy Milton, Dist. 7

:Absent: None

Staff Present: Traci Blido – EDA Secretary; Carl Boggess – Interim County Administrator/County Attorney; Jessica Hupp – Transcriber; Sheldon Cash – Public Works

Staff Absent: None

Guest: Charlie Kolakowski – Bedford Town Manager, Dave McCormack – Waukeshaw Development

(1) APPROVAL OF AGENDA

Mr. Lusk asked if anyone had any changes they wished to make to the agenda. Mrs. Blido stated that staff added three new items on the agenda including (5) B. Consideration of website updates, (6) B. Certificate of Satisfaction, and (7) A. Update on grading plans.

Mr. Braud moved, seconded by Mr. Walton, to approve the August 6, 2015 agenda, as amended.

Voting yes: Mr. Novitzke, Mr. Lusk, Mr. Braud, Mr. Johnson, Mr. Walton, Ms. McCabe, Mrs. Milton

Voting no: None

Adopted unanimously

(2) APPROVAL OF MEETING MINUTES – June 26, 2015

Mr. Lusk asked for approval and/or amendments to the Authority's June 26, 2015 meeting minutes.

Mr. Braud moved, seconded by Mrs. Milton, to approve the June 26, 2015 meeting minutes, as presented.

Voting yes: Mr. Novitzke, Mr. Lusk, Mr. Braud, Mr. Johnson, Mr. Walton, Ms. McCabe, Mrs. Milton

Voting no: None

Adopted Unanimously

(3) REPORTS

a. Economic Development Director's Report

Mrs. Blido reported she traveled with Mid-Atlantic Broadband Cooperative (MBC) and the Center for Advanced Engineering and Research (CAER) to meet with two prospective companies looking to grow wireless communication technology. Mrs. Blido attended these tours in order to help recruit the two prospective companies looking to work with MBC to Bedford County.

Mrs. Blido stated she continues to see an uptick in inquiries from businesses looking to expand and/or locate to Bedford County. The economy has been very dynamic lately, with some companies such as TEVA having layoffs and other companies expanding. Mrs. Blido stated she did some research with the Community Development office and found that building permits have been relatively flat year over year, however valuation of construction has increased from \$103 million last fiscal year to \$143 million this past fiscal year. The County also brought in higher than budgeted amounts in sales tax, occupancy tax, and meals tax this year, which means that people are spending more in the county.

Mr. Boggess stated he often looks at new home starts or single family home permits to gauge the economy. New home starts go up a little every year, however when the recession hit, we tended to see expansions on homes instead of the building of new homes. Mrs. Blido stated the unemployment rate was currently 5.1%, just slightly down year over year, but continues to be lower than other localities in the region.

Mrs. Blido reported that she has been working a lot recently with Region 2000. Region 2000 plans to host a site selector agency in September, and they also plan to do an internal familiarization tour in order to allow the regional economic developers to see what surrounding counties have to offer.

Mrs. Blido stated she is currently planning a three-day ag tour with Virginia and Maryland agricultural marketing professionals, as she was asked by the Virginia Department of Agriculture to host a tour together with Pittsylvania County to spotlight the agriculture and forestry assets in the region. The VA-MD tour will take place at the end of September with about 40 participants who will be housed at Mariner's Landing in Bedford County.

b. Monthly Financial Report

Mrs. Blido reviewed the monthly financial report with the EDA.

c. Monthly Accounts Payable Report – bills that have been paid

Mrs. Blido reviewed the accounts payable report with the EDA.

d. Existing Business Report

Ms. Hupp reported she attended a Tech Council luncheon at the CAER on Net Neutrality that discussed different regulations being put in place by the FCC to block internet service providers from throttling broadband services. Ms. Hupp stated she was interested to hear that Bedford County has the best broadband coverage of the other counties in Region 2000, outside of Lynchburg City.

Ms. Hupp stated the Bedford One steering committee will begin planning tours for the fall on Friday. The committee has seen the most student interest in manufacturing, STEM, and health care career fields so they will focus planning efforts on those industries this year.

Ms. Hupp stated staff is currently working on its August newsletter which will announce the next Quarterly Business Roundtable meeting on September 10. The location is to be determined but it will be held from 8:30 – 10 a.m. Ms. Hupp will keep the EDA up to date on event details.

Ms. Hupp stated that staff has placed billboards throughout the county along 460 in Montvale and Bedford, and also in Moneta and Thaxton. Staff hopes to drive visitors to the website for more information on our business parks and incentives and real estate available for business expansions.

Ms. Hupp reported that the Bedford County Fair will be taking place at the end of the month, on August 28-30, 2015. The fair will feature several events such as a car show, livestock show, and traditional fair contests. The fair will take place on the grounds of the Glenwood Center in Huddleston on Friday from 1 – 9 p.m., Saturday 10 a.m. – 9 p.m., and Sunday 1 – 6 p.m.

(4) Old Business

A. Update on Property Management Plan

Mr. Novitzke stated that he recently met with Ms. Hupp and Mr. Cash on prioritizing property management items in which Mr. Cash would be reporting on in this meeting. Mr. Cash distributed a spreadsheet of maintenance items on EDA properties that were organized by property and rated to mirror Virginia A&E's report such as 0-1, 1-5, and 5+ years. The team also added in a proposed completion date column in order to keep progress moving on each project.

Mr. Cash stated that the EDA approved \$67,000 to begin completing action items prioritized as 0-1 year at the last meeting. For some of the items prioritized by Virginia A&E, such as the replacement of carpet in East Coast and a new inline fan, staff suggested the EDA not complete at this time. By eliminating some of those action items there will be more funds to take on other projects such as replacing the carpet at CVCC. Mr. Cash stated that no action needed to be taken tonight in regards to carpet replacement at CVCC, but he wanted the EDA to be aware of projects that are coming down the pike.

Mr. Braud stated that \$130,000 seemed high for an annual maintenance cost for the Bedford Center for Business. Ms. Hupp explained that the \$130,000 was left on the spreadsheet to signify what had been budgeted for the Bedford Center for Business as a whole. Mr. Cash stated that staff did not feel comfortable removing that item from the list without the consent of the EDA. Mr. Cash stated he would be willing to go back and revisit which numbers should be included on the spreadsheet to ensure clarity.

Mr. Cash stated that he received a proposal from Hurt & Proffitt in order to do asbestos inspection work at the Archery Building for \$3,400. Mr. Cash stated that the asbestos report from 2002 could not be reused because some of the areas in the building were undisturbed during the last inspection, including behind the walls and above the ceiling. Mr. Cash stated the quote also includes lead based paint inspection. Mr. Cash clarified that Hurt & Proffitt would give the EDA a detailed asbestos report that would allow staff to put out an IFB for abatement work. Hurt & Proffitt would then have to come back to do daily monitoring of the abatement work to make sure regulatory guidelines are being met. Mr. Cash stated that having this assessment would ensure much fewer unknowns when putting out a demolition contract.

Mr. Johnson moved, seconded by Mr. Braud to approve asbestos inspection work by Hurt & Proffitt for a price of \$3,400.

Voting yes: Mr. Novitzke, Mr. Lusk, Mr. Braud, Mr. Johnson, Mr. Walton, Ms. McCabe, Mrs. Milton

Voting no: None

Adopted Unanimously

(5) New Business

A. Region 2000/Lynchburg Regional Chamber of Commerce Merger

Mrs. Blido stated that the Region 2000 Economic Development Alliance and the Lynchburg Regional Chamber of Commerce are looking to merge and that both organizations' boards have already voted in favor of the merger. Economic developers in the region had several concerns and were able to discuss those concerns with President of the Board, Larry Jackson. Mrs. Blido stated that the private sector is asking for these two organizations to merge. The Economic Development Alliance board has implemented a task force to look at how this future organization would be structured, staffed, and budgeted for, and once the task force has a plan it will come back to both boards for a final vote. At that point, if they feel comfortable with what the task force is proposing, both organizations will dissolve to become one new organization. Mrs. Blido stated that Megan Lucas wanted to be here tonight to address that she is still highly committed to marketing the entire region and a merger would not change that.

Mr. Braud asked who pays for the organization, to which Mrs. Blido stated it is a mixture of private and public sectors including the localities in Region 2000. Mrs. Milton asked what the merger means for the Bedford Chamber. Mrs. Blido stated that Ms. Lucas said nothing will change for the Bedford Area Chamber. Mr. Boggess stated that all four counties voted against the merger, and the City of Lynchburg and private entities voted for it. Mr. Lusk stated he doesn't believe it's necessarily good for the surrounding counties and asked if the Town of Bedford was against the merger. Mr. Kolakowski responded that the Town is a part of the county and therefore share the county's vote. Mr. Johnson voiced his concern that prospects would be given to the City of Lynchburg given that the Lynchburg Chamber and Region 2000 Alliance had merged. Mrs. Blido stated the Alliance's job is not to recommend, but simply state what the client is looking for and each locality seeks to fulfill those needs. Ms. McCabe asked what the plan was for other counties who voted against the merger. Mr. Boggess stated that as of now we would still continue to be a member of the Region 2000 Alliance. Mr. Walton stated he doesn't believe that the supervisors would continue to support the organization and may or may not choose to appropriate those funds next year.

Mrs. Blido stated that the other counties weren't necessarily against it, they just felt they needed to know more before being able to make a sound vote on the merger.

B. Consideration of website updates

Mrs. Blido stated that staff has worked with a company to guide us on what needs to be changed on our website to drive an increase in visitors to the site and the experience they have while there. Staff would like to go forward with a web "refresh" and incorporate the new "Grow here" messaging. Because of data collected on many websites, we know that some of the structure of our current site is outdated. The web refresh work will include better graphics, improved mobile optimization, a more structured content management flow, and improved archiving. Mrs. Blido stated this will be a total of 28 hours of work costing between \$2,750 and \$3,500. Mrs. Blido asked that the EDA consider covering the cost of the website work since they originally funded the creation of the economic development website and have available funds in marketing. Mr. Johnson asked who created the website. Mrs. Blido responded that Rick Whittington Consulting in Richmond created the website and that it has an open source, Wordpress platform. Mr. Boggess asked if there would be any conflicts with the new county website that is being created. Mrs. Blido stated that the county website's Economic Development page will link to the existing Economic Development site.

Mr. Johnson moved, seconded by Mr. Braud to approve \$3,500 towards website updates for the Economic Development website.

Voting yes: Mr. Novitzke, Mr. Lusk, Mr. Braud, Mr. Johnson, Mr. Walton, Ms. McCabe, Mrs. Milton

Voting no: None

Adopted Unanimously

(6) New London Business & Technology Center

A. Consideration of Research Way extension

Mr. Boggess stated that the EDA has discussed multiple times in closed session possible businesses interested in locating to Lot 1 in New London. Mr. Boggess explained that Lot 1 has been structured differently than other lots with more of a shopping center feel and expressed the need to look at designing the second phase of development on Lot 1. A sketch was provided in the packet for explanation. Mr. Boggess stated further development would mean extending the very small stub to the right as you enter Lot 1 up to where the sketch says future lot development. Once this area is designed and water is provided to the area it has the potential for one to two buildings on the inside of the Lot 1 circle and one to two buildings on the outside. Mr. Boggess recommends that the EDA authorize Hurt & Proffitt to complete a preliminary layout with rough grade plans and an evaluation of site development costs.

Mr. Walton moved, seconded by Mr. Braud to authorize staff to hire Hurt & Proffitt for a price not to exceed \$3,000 to draft a preliminary layout of rough grading plans and development costs.

Voting yes: Mr. Novitzke, Mr. Lusk, Mr. Braud, Mr. Johnson, Mr. Walton, Ms. McCabe, Mrs. Milton

Voting no: None

Adopted Unanimously

B. Certificate of Satisfaction request – Simplimatic

Mrs. Blido explained that the EDA incentivized Simplimatic Automation to come to Bedford County with a land purchase deal in the New London Business and Technology Center. They recently opened the 60,000 square foot facility in February promised in their performance agreement. The performance agreement also stated Simplimatic would bring 50 jobs to Bedford County over the next three years. Mrs. Blido stated that Simplimatic has already exceeded the performance agreement goals of jobs and capital investment. Mrs. Blido explained that in the Agreement of Sale, the EDA holds a five-year interest-free loan in which Simplimatic can receive credits toward the land purchase for every milestone reached. Mrs. Blido stated that Simplimatic has brought in \$4.25 million in capital investment, transferred 30 employees, hired 31 new employees and invested \$500,000 in equipment toward all four of their credits. Simplimatic is now asking that the EDA forgive the \$431,980 land note in full and authorize a Certificate of Satisfaction. Mr. Boggess stated the EDA is only legally obligated to give \$400,000 worth of credits, however Simplimatic has clearly exceeded the parameters set forth in the performance agreement.

Mr. Braud moved, seconded by Mrs. Milton to forgive Simplimatic’s \$431,980 land note in full and authorize the Chairman to sign a Certificate of Satisfaction prepared by the County Attorney.

Voting yes: Mr. Novitzke, Mr. Lusk, Mr. Braud, Mr. Johnson, Mr. Walton, Ms. McCabe, Mrs. Milton

Voting no: None

Adopted Unanimously

Mrs. Blido stated that there had been a discussion in the past on common area maintenance in the New London park. The common area maintenance fee would be applied to all other lots on an annual/monthly basis depending on the companies’ preferences. In the past, a formula was created based off of acreage, frontage, etc. in order to determine how much each lot would be required to pay. Mrs. Blido stated that after speaking with Mr. Boggess and the CEO of Simplimatic, she would like to offer that the EDA waive the common area maintenance fee this year and get a more concrete formula to implement in the future. Since Simplimatic is our first tenant outside Lot 1, staff needs time to decide how these fees will work for the entire park. Mr. Walton suggested we waive the fee until January 2016. General consensus from the board was reached to waive the fee until January 2016.

(7) Bedford Center for Business

A. Capital Considerations

1. Improvements

a. Update on grading plans

Mr. Boggess stated that because the EDA isn’t legally required to put out an RFP for professional services he would like the EDA to consider getting a quote from Draper Aden for the phase 2 work they proposed in the Bedford Center for Business master plan. The board agreed and authorized staff to get a quote from Draper Aden for the due diligence and site map work for the Bedford Center for Business before considering to put out an RFP.

(8) Montvale Center for Commerce - None

(9) All Other EDA Business as may be appropriate

A. Closed Session

Mr. Braud moved, seconded by Mr. Walton, that the Bedford County Economic Development Authority go into Closed Session pursuant to Section 2.2-3711 (A)(3) and (5), for discussion or consideration of the acquisition or disposition of real property for a public purpose, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body; and 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. Novitzke, Mr. Braud, Mr. Lusk, Mr. Johnson, Mr. Walton, Ms. McCabe, Mrs. Milton

Voting no: None

Adopted unanimously

Authority member Mr. Walton made a motion, seconded by Authority member Mr. Braud, to go back into regular session.

Voting yes: Mr. Novitzke, Mr. Braud, Mr. Lusk, Mr. Johnson, Mr. Walton, Ms. McCabe, Mrs. Milton

Voting no: None

Adopted unanimously

On a motion made by Authority member Mr. Walton, which was seconded by Authority member Mr. Braud, which carried on a vote of yes, the following resolution was adopted:

Whereas, the Bedford County Economic Development Authority has convened a Closed Meeting on this the 6th day of August 2015, pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

Whereas, §2.2-3712 of the Code of Virginia requires a certification by the Bedford County Economic Development Authority that such closed meeting was conducted in conformity with Virginia Law.

Now, Therefore Be It Resolved on this 6th day of August 2015, that the Bedford County Economic Development Authority does hereby certify that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting was heard, discussed or considered by the Bedford County Economic Development Authority.

MEMBERS:

Dennis Novitzke

Matthew Braud, Vice-Chairman

Wyatt H. Walton, III

VOTE:

Yes

Yes

Yes

James A. Lusk, Chairman	Yes
Mickey Johnson	Yes
Kimberly McCabe	Yes
Kristy Milton	Yes

(10) Adjournment

-7:46 p.m.

APPROVED:

Chairman

Secretary