



**MEETING MINUTES
BEDFORD COUNTY ECONOMIC DEVELOPMENT AUTHORITY**

**Bedford County Administration Board Room
122 E. Main Street
Bedford, VA 24523
August 2, 2018
5:30 p.m.**

Economic Development Authority:

Present:

Dennis Novitzke - Dist. 1; Mickey Johnson, Chairman - Dist. 2; Wyatt Walton - Dist. 3; Jim Lusk - Dist. 5; Kelly Harmony, Vice-Chairman - Dist. 6; Jim Messier - Dist. 7

Absent: Matthew Braud - Dist. 4

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

Staff Absent: Pam Bailey - Marketing & Business Development Coordinator

Transcriber: Julia Peters

Guests: Edgar Tuck - County Supervisor District 2; Charla Bansley - County Supervisor District 3

(1) APPROVAL OF AGENDA

Chairman Mickey Johnson called the meeting to order and asked for approval and/or any amendments to the Authority's August 2, 2018 agenda.

Mr. Walton moved, seconded by Mrs. Harmony, to approve the August 2, 2018 EDA agenda, as presented.

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

Voting no: None

Adopted Unanimously

(2) APPROVAL OF MEETING MINUTES - June 7, 2018

Chairman Johnson asked for approval and/or any amendments to the Authority's regular June 7, 2018 meeting minutes.

Mr. Lusk moved, seconded by Mrs. Harmony, to approve the June 7, 2018 meeting minutes, as presented.

Voting yes: Mr. Novitzke, Mr. Johnson, Mr. Walton, Mr. Lusk, Mrs. Harmony, Mr. Messier
Voting no: None
Adopted Unanimously

(3) REPORTS

A. Economic Development Director's Report

Mrs. Blido gave Authority members a draft copy of the agenda for the October 9, 2018 joint meeting of the Board of Supervisors (BOS) and the EDA. She asked that any comments and/or questions be e-mailed to her. She noted that Ms. Bailey was attending basic economic development training given by the International Economic Development Council in Charlotte, NC. Beale's Brewery has been in business for one year and has made \$1million in sales. There is potential for growth in distribution as they now have accounts in Charlottesville and Richmond and have more than 100 accounts between Roanoke and Lynchburg. United Way of Central Virginia is doing a Bedford launch with an information session at Beale's on September 12 from 3-4 p.m. All EDA members were invited to attend and it's open to the public, especially business leaders. Megan Lucas and Mrs. Blido attended the Select USA Investment Summit in D.C. where they spoke to two pharmaceutical companies' representatives. Mrs. Blido said at least one company is still in talks with Teva as we are all still working to keep a pharmaceutical company in that location. Mrs. Blido also attended all-employee meetings on three shifts at Teva to introduce them to the workforce training opportunities available to them. She said because their jobs are being outsourced to another country, all employees are eligible for up to \$24,000 in free education for associate degrees, bachelors degrees or other certifications in any "on-demand" career field. About 50 employees working on the adenovirus vaccine separate facility will remain at the site. She also noted that Governor Northan recently announced the additional investments of Blue Ridge Optics and Smyth. She also has been working with Colonial Pipeline and their partners in Montvale to determine the needs for the employees when the site closes. The closing will affect approximately 15 to 20 employees and will take place by the end of the year. She is working to set up meetings with employees now to connect them to the Rapid Response and Workforce Center team from the region and state.

B. Monthly Financial Report

Staff reviewed the financial report with the EDA members and answered questions.

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

Staff reviewed the accounts payable report with the EDA members and answered questions.

(4) TOWN OF BEDFORD

Mrs. Blido reported that Ms. Zirkle reports that Town Council is in final negotiations with Dave McCormack regarding the Bedford Middle school project. The School-to-School plans were also recently unveiled and we will hear more about this in the future.

(5) NEW LONDON BUSINESS AND TECHNOLOGY CENTER

A. Shell Building Update - Jeremy Lucas, P.E., Master Engineers & Designers, Inc.

Mrs. Blido introduced Mr. Lucas to the EDA members. He provided a slide presentation regarding the design of the shell building and the site layout. The building will be 200' x 200' and the plans allow for another potential addition of 200' x 200'. He reviewed the location of the entrance, loading docks, parking lot, and retention pond. It will have minimal HVAC at this time with 3,000 amp electrical service included in the plans, similar to Simplimatic. No concrete slab will be constructed so all utilities can be brought in for future use. A potential second floor will be expandable to 50' x 100'. The sewer line will be

expanded and water lines as well, but Mr. Lucas will report back to the EDA about the locations of the sewer and water tie-ins. The quote includes the sub-bases of stone and asphalt, but not the two-inch topcoat for the road and parking area. It would be possible to allow the future company to pay for the final paving. The total cost of the exclusions was questioned and whether their costs would be around \$300,000. Mr. Lucas said it is possible, but does not think the estimate would be nearly that high. The proposed outside look of the building has potential for a nice look, but still be practical. The Chairman thanked Mr. Lucas for coming. Mr. Lucas said if the EDA would like to go forward, then Master Engineering will be ready to start the next step. The design team will get the specs together for the public bidding and there will be a pre-bid meeting as part of the process.

B. Authorization to Submit Grant to the Virginia TRRC

Mrs. Blido asked the Authority members to authorize her to submit the grant to the Tobacco Commission and also authorize the county to move forward with the RFP. She reviewed with the members that the grant was for \$1.8 million total which would be matched one for one. The Lot 7 value cannot be more than 25% of the grant which is \$450,000. The BOS approved \$450,000 to transfer to this project. The EDA is already paying \$96,700 to Master Engineering and the grading was just done so the Tobacco Commission will count the grading costs as part of the match which totaled \$136,000. The EDA would be putting in some cash for the construction estimate of \$667,427.15, but to keep in mind that this is an estimate only so it could go higher or lower. The overall cost to build without the land value would be \$3.2 million dollars. The county has a tremendous advantage to be in the Tobacco Commission footprint where the grant may not need to be paid back if a private sector company buying the building brings in many jobs and a large investment.

Mr. Lusk moved, seconded by Mr. Walton to ask the BOS to approve the submission of the grant for up to \$1,800,572.85 to the Tobacco Commission to build the shell building on Lot 7.

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

Voting no: None

Adopted unanimously.

Discussion followed regarding when and if any monies to fund the project are recouped when the completed building is sold. Questions were voiced about whether the funds are required to be paid back to the Tobacco Commission or BOS. Mr. Boggess will seek clarification and report his findings back to the EDA.

Mr. Walton moved, seconded by Mr. Novitzke to allow staff to go forward with the bidding process subject to the BOS approving the grant submission to the Tobacco Commission.

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

Voting no: None

Adopted unanimously.

(6) BEDFORD CENTER FOR BUSINESS

A. Bathroom Maintenance at CVCC

Mrs. Blido told the Authority members they received three memos from Sheldon Cash, Director of Public Works, about the needs of CVCC which are self-explanatory.

1. Flooring Needs -

Mr. Lusk moved, seconded by Mr. Novitzke to approve \$4,425 for solid flooring that can handle well-trafficked conditions at CVCC.

Voting yes: Mr. Novitzke, Mr. Johnson, Mr. Walton, Mr. Lusk, Mrs. Harmony, Mr. Messier
Voting no: None
Adopted Unanimously

2. Commercial-grade Toilets -

Mr. Novitzke moved, seconded by Mr. Lusk to approve \$3,200 to replace existing toilets with commercial-grade toilets.

Voting yes: Mr. Novitzke, Mr. Johnson, Mr. Walton, Mr. Lusk, Mrs. Harmony, Mr. Messier
Voting no: None
Adopted Unanimously

B. HVAC Maintenance Contract for CVCC

Mr. Novitzke moved, seconded by Mr. Messier to approve \$4,100 for a yearly contract with Ashman-Gordon for HVAC maintenance service.

Voting yes: Mr. Novitzke, Mr. Johnson, Mr. Walton, Mr. Lusk, Mrs. Harmony, Mr. Messier
Voting no: None
Adopted Unanimously

(7) MONTVALE CENTER FOR COMMERCE

Nothing to report.

(8) CLOSED SESSION

Mr. Walton moved, seconded by Mrs. Harmony, that the Bedford County Economic Development Authority go into Closed Session pursuant to Section 2.2-3711 (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. The EDA was unanimous in allowing Mr. Tuck and Ms. Bansley to remain in the Closed Session.

Voting yes: Mr. Novitzke, Mr. Johnson, Mr. Walton, Mr. Lusk, Mrs. Harmony, Mr. Messier
Voting no: None
Adopted unanimously

Mr. Walton moved, seconded by Mr. Novitzke, for the EDA to return to regular session.
Voting yes: Mr. Novitzke, Mr. Johnson, Mr. Walton, Mr. Lusk, Mrs. Harmony, Mr. Messier
Voting no: None
Adopted unanimously

Whereas, the Bedford County Economic Development Authority has convened a Closed Meeting on this 2nd day of August 2018, 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 2nd day of August 2018, 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.

| <u>MEMBERS:</u> | <u>VOTE:</u> |
|------------------------------|--------------|
| Dennis Novitzke | Yes |
| Mickey Johnson, Chairman | Yes |
| Wyatt Walton; III | Yes |
| Jim Lusk | Yes |
| Kelly Harmony, Vice-Chairman | Yes |
| Jim Messier | Yes |

(9) PERFORMANCE AGREEMENTS
A. Review Status for Close Out

Mrs. Blido reminded the Authority members of the performance agreement with Smyth where in 2016, we awarded them a \$25,000 incentive and would consider subsequent incentives in 2017 and 2018 if they created additional jobs and/or investment and the company communicated this to the EDA. This month they added \$1.9 million in new machinery, as announced by the Governor, and this is in addition to the previous investment of \$4.6 million. They currently have 109 employees and started out with 99 employees so they added 10. However, employee turnovers have impacted their total workforce and they are retraining their employees to use the new equipment so they will keep their jobs. Mrs. Blido recommended a small cash incentive of \$10,000 if the EDA approved. Discussion followed regarding Smyth and the new fiscal year's incentive funds.

Mr. Walton moved, seconded by Mr. Novitzke to provide Smyth with a \$10,000 incentive for their additional investment in the Bedford facility.

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

Voting no: None

Adopted unanimously

Mrs. Blido reported that Blue Ridge Optics invested \$1 million in their new building, the former Longwood Industries building, and added equipment in 2016 and the EDA had a three year payout with them of \$18,000 each year. They have invested another \$750,000 and far exceeded what they promised in employees. They started with 22 employees and now have 38. Mrs. Blido recommended Blue Ridge Optics receive their final payout of \$18,000. There were no objections by the Authority members.

She also reported that Redco and SE&M have achieved all of their parameters and would like to close them out. Each company had a one time payout of \$15,000. There were no objections by the Authority members. Mrs. Blido will send letters to each company saying the expansions were successful. They can then start fresh with any further expansions.

For informational purposes, Mr. Tuck told the EDA that he met with Centra Village Family Physicians and Moneta Medical Center in Moneta where the water has gone bad. Also, the Moneta fire department has water quality issues where the water is damaging their equipment. They are exploring extending the water and sewer line from Moneta Elementary School so they can tap into it. This will also open up other lots for potential development. Discussion followed and more specific information may be provided in future meetings.

(10) ADJOURNMENT

7:35 p.m.

APPROVED:


Chairman


Secretary