



MEETING MINUTES
ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF BEDFORD, VA
Bedford County Administration Board Room
122 E. Main Street
Bedford, VA 24523

December 3, 2020
5:30 p.m.

Economic Development Authority:

Present: Rhonnie Smith - Dist. 1; Vicki Gardner - Dist. 2; Wyatt Walton - Dist. 3; Matthew Braud - Dist. 4; Kristy Milton - Dist. 5; James Robertson - Dist. 6; Jim Messier - Dist. 7

Staff Present: Robert Hiss - County Administrator; Traci Blido - EDA Secretary; Pam Bailey - Marketing & Business Development Coordinator; Patrick Skelley - County Attorney

Staff Absent: None

Transcriber: Julia Peters

Guests: Mickey Johnson - County Supervisor District 1; Edgar Tuck - County Supervisor District 2

(1) APPROVAL OF AGENDA

Chairman Messier asked for a motion to approve and/or any amendments to the Authority's December 3, 2020 agenda.

Mrs. Gardner moved, seconded by Mr. Braud, to approve the December 3, 2020 EDA Agenda, as presented.

Voting yes: Mr. Smith, Mrs. Gardner, Mr. Walton, Mr. Braud, Mrs. Milton, Mr. Robertson, Mr. Messier

Voting no: None

Adopted Unanimously

(2) APPROVAL OF MEETING MINUTES - November 5, 2020

Chairman Messier asked for approval and/or any amendments to the Authority's November 5, 2020 meeting minutes.

Mr. Smith moved, seconded by Mrs. Milton, to approve the November 5, 2020 meeting minutes, as presented.

Voting yes: Mr. Smith, Mrs. Gardner, Mr. Walton, Mr. Braud, Mrs. Milton, Mr. Robertson, Mr. Messier

Voting no: None

Adopted Unanimously

(3) REPORTS

A. Economic Development Director's Report

Mrs. Blido reported that the Authority had accomplished much during this weird year of the Covid-19 pandemic. They launched the \$1 million Back to Business Grant Program which the EDA helped communicate and the grant has been extended to December 8 so applications are still being accepted. Sentry Equipment was assisted with their expansion by connecting them to all kinds of resources and while they did not take any incentive money, they added \$2 million in investments and more than 15 new jobs this year. Litesheet Solutions designed a disinfecting cabinet and we assisted with the proof of concept and connecting them to Go Virginia and Virginia Tech contacts. The Back to Business Grant Program was also expanded with a Phase 2, which aided eight companies. A CARES Act assistance program for meat processors was implemented which has greatly helped with the processor shortage. Eco-Friendly Foods and three other small scale farms were involved in this program. Sam Moore expanded without incentive money as well and added \$1.4 million in investments and currently has 30 job openings. Innovairre has been notified of those openings since they are currently laying off employees. Next week, Mrs. Blido will be speaking to the impacted employees and letting them know there are jobs here in Bedford County. Damage Prevention will have an announcement very soon and she will notify the EDA of a groundbreaking date, if they are able to do a small event during the Covid pandemic. All these events were accomplished in spite of Covid and Mrs. Blido thanked the EDA for all their efforts and support.

Mrs. Blido and Mr. Hiss had a very good meeting with Tobacco Commission staff to obtain a better understanding of how things would work once the shell building was leased or sold. As long as the EDA maintains the title of the building, nothing will be owed back to the Tobacco Commission but the moment the building is sold, they will look at what the EDA invested and subtract that amount from what the Tobacco Commission has invested and then decide what their stake is in the building. It is a prorated share back to the Tobacco Commission once the building is sold. Mrs. Blido thought it would be to the EDA's benefit to lease the building rather than sell it so that the Tobacco Commission funds would not have to be paid back. Most of the prospects for the shell building that Mrs. Blido has spoken to so far do not want to buy, but want to lease. She also noted that there will be a prospect to talk about at the EDA meeting on January 7, 2021.

Mrs. Blido also mentioned that Senator Newman and Glenn Younkin of Younkin & Co. have been very helpful in regards to marketing the Teva Pharmaceutical space.

She thanked the EDA members that participated in the state economic development training held on November 16 and 17, 2020 and asked those members to share some thoughts about the experience. Mr. Robertson said the meeting was very informative with two days of training and four hours each day. One topic of importance was business retention and expansion. To maintain the businesses, the EDA must partner closely and measure results with these existing businesses. Focusing on business attractions and business expansions, tourism is trending, social attractions and quality of life for the employees is very important. Opportunity equals readiness. The County needs to be ready with land, buildings, and infrastructure available for prospects. The EDA must also concentrate on the decision makers of the businesses and be good listeners. The strengths of our community must be identified and used first to

make a good match with a business. Chairman Messier added that when attracting companies, making sure that there are employees available to fill their jobs is important. Mr. Smith added that focusing on the community profile was very important because schools, parks, and recreation can draw businesses to the community. Targeting certain types of companies that find the community strengths attractive is also helpful. Mrs. Blido thanked Mr. Robertson, Chairman Messier, and Mr. Smith for their comments.

B. Marketing/Business Development Report

Ms. Bailey reported that the news release about the disc golf course just went out and the course was one more feather in the cap for Bedford County to attract visitors, residents, and businesses alike.

The Back to Business Grant Program has provided \$445,000 in grants and there are 11 applications pending. The Phase 2 of the grant has provided \$75,000 in grants to eight larger companies with gross revenues of between \$3 and \$20 million. With \$1 million allocated, half of the money has been spent so far in this program.

In advertising, the January issue of *Lynchburg Living* will have an advertorial from Bedford County. It is actually a co-op space with the Bedford Chamber of Commerce and the Town of Bedford and is a full page ad with one quarter of the page for Bedford County.

In regards to the Bedford One program, Sam Moore is interested in doing a virtual tour for students.

The Bedford Regional Water Authority (BRWA) received the drawings from Doyle Allen for the Burnbridge Road sewer project. Their comments will be returned to Mr. Allen by December 4, 2020. Once their adjustments are made and VDOT has a chance to review, then the BRWA will provide the easement and exhibit drawings and then the Round 2 of paperwork for the easement signatures will begin. Apocalypse Ale Works is behind in their expansion due to the slow progress of this project, but it is finally advancing.

In response to a question about the available balance of CARES Act funding, Mrs. Blido noted that the STEM Academy in Lynchburg brings students from Jefferson Forest and Liberty High Schools to attend, but Bedford County does not pay any tuition for these students. Only the students that can afford to pay are able to go to the STEM Academy. The idea is to see if scholarships can be made available for students whose families are unable to pay for these classes. Supervisor Johnson said there is a precedent set for this scholarship program because scholarships are already awarded to Roanoke's Build Smart Institute. It qualifies as Covid-related because the schools do not have shop classes running right now and the Build Smart Institute is a supersized shop class. Discussion followed regarding other use options for the available CARES Act funds.

C. Monthly Financial Report (November 2020)

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

D. Monthly Accounts Payable Report – (November 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 the roof work on the building adjacent to Elba's will begin on December 7, 2020. She also said that Elba's lease allows for a way out if the owners decide and notify the County in March.

They did not qualify for a Back to Business grant so she encouraged everyone to shop there to help boost sales to keep them in business in Bedford.

(5) BEDFORD CENTER FOR BUSINESS

Nothing new to report.

(6) MONTVALE CENTER FOR COMMERCE

Nothing new to report.

(7) NEW LONDON BUSINESS AND TECHNOLOGY CENTER

A. Ratify Lot 7 Property Appraisal

Three appraisals were received and the majority of the EDA members chose Mike Russell with Russell and Associates. Mrs. Blido recommended the EDA ratify that decision.

Mr. Braud moved, seconded by Mr. Smith to ratify the Lot 7 Property Appraisal Work from Russell and Associates.

Voting yes: Mr. Smith, Mrs. Gardner, Mr. Walton, Mr. Braud, Mrs. Milton, Mr. Robertson, Mr. Messier

Voting no: None

Adopted Unanimously

Mrs. Blido stated that there is a bill of sale to be signed tonight by Chairman Messier to give ownership of the sewer and water line to BRWA for the shell building and Meade Road.

(8) OTHER BUSINESS

A. KMR Aviation Performance Agreement Extension

Mrs. Blido reported that both KMR and Innovairre have situations unique to their businesses in handling the Covid pandemic. KMR had expanded their facility a few years ago and the EDA provided them with an agreement. Due to the Covid pandemic, KMR cannot get the certification process completed for the facility they built for their expansion. The FAA is responsible for the certification. KMR has asked if the EDA would consider a 12-month extension so they can have time to be certified and hire the 12 people they promised. A cash incentive was given of \$25,000 upfront for their expansion and their agreement comes due in February 2021. Their agreement to hire the 12 employees cannot be met due to the certification issue. The business is financially strong and they have a relationship with Liberty University's Aviation Department and can get workers who graduate from the aviation school.

Mr. Robertson moved, seconded by Mr. Braud to approve an extension of one year (February 2022) to KMR Aviation for the performance agreement requirement of hiring 12 additional employees.

Voting yes: Mr. Smith, Mrs. Gardner, Mr. Walton, Mr. Braud, Mrs. Milton, Mr. Robertson, Mr. Messier

Voting no: None

Adopted Unanimously

B. Innovairre Performance Agreement Extension

Mrs. Blido said Innovairre had a layoff a couple weeks ago. Their agreement from March 22, 2018 included buying two new printing machines and the company promised to employ 12 new people and save 60 jobs that would have been slated to go to their sister plant in Iowa. They have experienced several hardships due to the Covid pandemic. Innovairre is a direct mail marketing company. Their clients are non-profit organizations and they also serve clients during election campaigns. With elections now over, Innovairre required all employees to take 2-4 week furloughs. Forty-five people were laid off on November 11 and a second wave of 50 more layoffs is coming in a week. Mrs. Blido will be meeting with these workers on December 10, 2020. Another layoff of 50 employees is expected in January 2021, which will total at least one third of their workforce and they are the second largest employer in Bedford County. The agreement with Innovairre is due in March of 2021. The EDA paid an incentive upfront in 2018 but their agreements in the past have always been good and it would be helpful to them to have an extension. Discussion followed about whether to extend the performance agreement or mark it as satisfied. The company had achieved all the requirements until the Covid pandemic hit.

Mr. Walton moved, seconded by Mrs. Milton to approve an extension of one year (March 2022) to Innovairre's performance agreement with the EDA.

Voting yes: Mr. Smith, Mrs. Gardner, Mr. Walton, Mr. Braud, Mrs. Milton, Mr. Robertson, Mr. Messier

Voting no: None

Adopted Unanimously

Chairman Messier asked the EDA members if anyone has met with his/her task force. Mrs. Gardner said her group met for the first time and discussed opportunities; where they are, and whether they are active or inactive. It was a lively full hour discussion. Her group agreed to meet twice a month and they will go out and actually look at some of the properties. Chairman Messier noted that tracking how many man hours the EDA members log into this project would be helpful documentation. He also met with his task force and discussed the master plan report, soil conditions in the Bedford park, and how to deal with that. Discussion followed regarding the master plan findings related to soil areas in the business park.

(9) ADJOURNMENT

6:43 p.m.

APPROVED:

Chairman

Secretary