



**MEETING MINUTES
BEDFORD COUNTY ECONOMIC DEVELOPMENT AUTHORITY**

**Bedford County Administration Board Room
122 E. Main Street
Bedford, VA 24523
December 6, 2018
5:30 p.m.**

Economic Development Authority:

Present:

Dennis Novitzke - Dist. 1; Mickey Johnson, Chairman - Dist. 2; Wyatt Walton - Dist. 3; Matthew Braud - Dist. 4; Jim Lusk - Dist. 5; Kelly Harmony, Vice-Chairman - Dist. 6; Jim Messier - Dist. 7

Absent: None

Staff Present: Carl Boggess - County Administrator; Patrick Skelley - County Attorney; Traci Blido – EDA Secretary; Gregg Zody - Community Development Director

Staff Absent: Pam Bailey - Marketing & Business Development Coordinator

Transcriber: Julia Peters

Guests: Edgar Tuck - County Supervisor District 2

(1) APPROVAL OF AGENDA

Chairman Mickey Johnson called the meeting to order and asked for approval and/or any amendments to the Authority's December 6, 2018 agenda.

Mr. Braud moved, seconded by Mrs. Harmony, to approve the December 6, 2018 EDA agenda, as presented.

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

Voting no: None

Adopted Unanimously

(2) APPROVAL OF MEETING MINUTES - November 1, 2018

Chairman Johnson asked for approval and/or any amendments to the Authority's regular November 1, 2018 meeting minutes.

Mr. Braud moved, seconded by Mrs. Harmony, to approve the November 1, 2018 meeting minutes, as presented.

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

Voting no: None

Adopted Unanimously

(3) SPECIAL PRESENTATION TO JIM LUSK

Chairman Johnson presented the following resolution from the Board of Supervisors (BOS) to Mr. Lusk in appreciation of his effective and consistent leadership for seven years as a member of the EDA.

Chairman Johnson thanked him for his dedicated service on behalf of all the EDA members. Mr. Lusk thanked the EDA members for their support throughout the years.

WHEREAS, the Bedford County Economic Development Authority (EDA) has been an active and hard-working component of the economic development efforts of Bedford County for many years; and,

WHEREAS, the success of the EDA is largely dependent on effective and consistent leadership; and,

WHEREAS, Mr. James A. "Jim" Lusk has offered his time and talent in his capacity as a dedicated member of the EDA for a period of seven years, having been appointed to that position March 1, 2012 and continuing until February 6, 2019; and,

WHEREAS, during his seven years of service, Jim served for a time as both Chairman and Vice-Chairman; and,

WHEREAS, Jim has contributed to the success of the EDA through his dedicated leadership and service, including always having a say on the food enjoyed at the meetings; and,

WHEREAS, Jim has served as a valuable asset for Economic Development decisions thanks to his expertise in nuclear engineering and project management, both in the private sector and while serving our county in the military.

NOW, THEREFORE BE IT RESOLVED THAT, the Bedford County Board of Supervisors hereby recognize Mr. James A. Lusk for his outstanding dedication and leadership as a member of the Bedford County EDA; and,

BE IT FURTHER RESOLVED THAT, the members and staff of the EDA extend their sincere appreciation to Jim through the adoption of this resolution and direct that a copy of the resolution be presented to him and made a part of the minutes of the next EDA meeting.

(4) SPECIAL PRESENTATION TO CARL BOGCESS

Chairman Johnson presented a gift certificate and card to Mr. Boggess in recognition of his 17 years of service to Bedford County, first as County Attorney and then as County Administrator. Mr. Boggess noted the EDA was his favorite group to work with and also thanked the members for their gift and card. He said he will be around since he is from Bedford and will always be available if anyone needs anything.

(5) REPORTS

A. Economic Development Director's Report

Mrs. Blido reminded the EDA members that there will be a business roundtable breakfast on Wednesday, December 12, from 8:30 a.m. to 10:00 a.m. at the Bedford CVCC site and all are invited to attend. It is a good way to hear what is going on because each business will give a quick update as they go around the table. The same day in the afternoon, Liberty University is having an open house/Christmas event at the Center for Engineering Research and Education (CERE) building. The event is from 2 - 4 p.m. and all are invited and may bring guests. Mr. Diddams sent a thank you note which Mrs. Blido read to the EDA. On

December 13, the Lynchburg Business Alliance is holding an Economic Summit and she invited the EDA members to attend. She thanked the members for their year of service where over 100 new advanced hi-tech manufacturing jobs were added and over \$10 million dollars in investment. The unemployment rate of 2.9% is the lowest rate seen in many years, but it also creates workforce shortages and other challenges that will keep them very busy. In the new year they will be working on constructing and marketing the shell building and marketing the graded lots. She will be working with the Business Alliance, the state, and the Virginia Economic Development Partnership (VEDP). Many people want to help us so we want to take advantage of that. The Teva site situation is finally shifting a bit. A professional and international real estate firm, JLL, has been hired by TEVA and Megan Lucas met with their representatives and the VEDP in Richmond this week. We will be hearing more in early 2019 from the Liberty University Tech Park (LUTECH). At VEDA yesterday, Mrs. Blido heard a presentation from the University of Virginia (UVA) Research Park director and they have similar plans to what LUTECH is doing. They have a 500-acre park near the airport that they want to fill with businesses. She also heard about the General Assembly and the political changes coming in 2019. Mrs. Blido read a study by the Virginia Counsel of CEO's, where out of 62 CEO's interviewed in Virginia, 79% expect an increase in sales from last quarter. Nearly 42% of respondents expect capital spending to increase and nearly 57% expect employment to increase. They all mentioned the shortage of qualified employees which is a top concern. In looking ahead to 2019, we will hear more from the Town of Bedford about the new boutique hotel or commercial hotel that David McCormick wants to provide. She thanked Mr. Boggess for his service and for the things he has taught her, and wished him a happy retirement.

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.

(6) TOWN OF BEDFORD

Mrs. Blido met Mary Zirkle at the VEDA conference and noted that as of January 1, 2019, all building permits and inspections on properties within the Town of Bedford will be done by the Town. Mr. Boggess said the Town wanted the county building staff to be defacto engineers and the county staff legally could not do this and was not equipped to do this. Therefore, the Town decided to go back and have their own building inspection department and that we wish them the best of luck in doing so. Mr. Messier questioned whether it would be feasible in light of the Town hiring their own Economic Development Director and after running the numbers first, to give the Bedford Center to the Town to develop and sell lots. Mrs. Blido said we make quite a bit of revenue from the park with the CVCC lease and also East Coast and to develop all the property in the Bedford Center would cost close to two million dollars and we saw more movement in the New London Park where the EDA shifted its focus. Discussion followed. Mrs. Blido noted a shared project was a possibility with the Town in the future and could explore grants since it would involve two localities.

(7) NEW LONDON BUSINESS AND TECHNOLOGY CENTER

A. Ratify LU CERE AMPL Cash Match

Liberty University (LU) achieved the locality cash match requirement for their Go Virginia grant. They received the \$55,000 needed from Campbell County, Bedford County and the Town. Staff has

constructed a Performance Agreement where they will receive the cash within two years upon completion of the lab and once it is operational.

Mr. Braud moved, seconded by Mr. Lusk, to authorize the Chairman to sign the Performance Agreement for \$25,000 toward the successful construction of an added manufacturing lab at LU CERE with payment upon completion of the lab.

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

Voting no: None

Adopted Unanimously

B. Shell Building and Grant Update

Mrs. Blido said the Chairman had signed the contract and the notice to proceed with construction was given on November 30. Price Buildings will pull the building permit and steel should arrive in 20 weeks. She will write a letter to the Tobacco Commission applying for \$71,000 because the grant is a one-for-one cash match and the EDA will be putting in \$71,000. It is on the agenda for the Tobacco Commission for January 7-8 and she will work on the formal request next week. Mrs. Blido also spoke with the Executive Director of the Tobacco Commission Evan Feinman and he said their commission will be a part of all decisions and consider themselves a stakeholder in the shell building project. Ms. Blido asked about a waiver regarding the 5% of revenue that will go to the Tobacco Commission after the sale of the shell building and they still expect to receive the revenue. It was not the policy when the CAER was sold and the Authority members agree that this 5% was never discussed or mentioned during the CAER transactions. Mr. Boggess recommended that when the shell building actually sells would be the time to go directly to the Tobacco Commission Board and ask for a waiver based on the Authority members' consensus and understanding of the previous sale of the CAER.

C. Resolution to Close Out the Performance Agreement with Nanotouch

Mr. Skelley reported that upon the lot 3a sale to Nanotouch, an incentive in additional funds was granted to them to get their facility up and running. Nanotouch has complied and he called for a motion to release them from the Performance Agreement.

Mr. Messier moved, seconded by Mr. Braud to release Nanotouch from the Performance Agreement

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

Voting no: None

Adopted Unanimously

(8) BEDFORD CENTER FOR BUSINESS

Nothing to report.

(9) MONTVALE CENTER FOR COMMERCE

A. Bobblett Gap Update

Mrs. Blido reported that Bobblett Gap is waiting for the bank to release their funds, which should be any day now. The survey is signed and they are currently working on their site plan. Closing will be very soon. The lot was sold for \$200,000. Bobblett Gap services and maintains the Norfolk Southern train tracks.

(10) NEW BUSINESS

A. EDA Recommendation to Board of Supervisors to Partially Fund Rucker Road Water Line Extension Project

Mrs. Blido gave a slide presentation regarding the Rucker Road area that needs access to public water. The businesses have had problems with their well water and the Centra Village healthcare facility serves more patients than any other Centra doctor facility. They have 40 employees and 4,900 patients, and have invested almost \$1 million since 2009. They have paid for the surveys and engineering studies and are asking for our help. Mr. Boggess is contacting the other companies along that corridor to see what they are willing to do. He noted that Centra will be paying a larger portion and a lesser amount will be paid by the Moneta Medical Group and possibly others. This project would be a public/private partnership and BRWA has agreed to be the project manager. We want to set a precedent that the cell tower funds be used only for water/sewer projects tied to economic development.

Mr. Walton moved, seconded by Mr. Braud, to authorize an EDA recommendation to the Board of Supervisors to partially fund the Rucker Road water line extension project for \$50,000.

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

Voting no: None

Adopted Unanimously

B. EDA Recommendation to Board of Supervisors to Partially Fund Burnbridge Road Sewer Extension Project

Mrs. Blido stated that this project is similar to the Rucker Road project and Apocalypse Ale Works has asked for the extension for three years. There are failing septic systems at several businesses and companies cannot expand due to these failing systems. More lots are involved than the Rucker Road project. This project will bring the amount down in the cell tower fund to a couple thousand, but the fund will continue to grow monthly. All the businesses have agreed to commit funds to this project. The full amount needed for the project is approximately \$350,000. This project will be done through the BRWA and the use of prepayment credits. Discussion followed.

Mr. Messier moved, seconded by Mr. Walton, to authorize an EDA recommendation to the Board of Supervisors to partially fund the Burnbridge Road sewer extension project for \$100,000.

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

Voting no: None

Adopted Unanimously

(11) OTHER BUSINESS

A. Review the 2019 EDA Calendar

A question was asked about a planning day being added to the calendar. Staff was waiting so it could be discussed with the new County Administrator and can be called later if needed. The January 3rd meeting will remain on the schedule, but can be cancelled if necessary.

Concern was expressed by Mr. Novitzke and Mr. Lusk regarding the CERE change in the scope of their project. They believe that Liberty University and CERE will be in direct competition with the County in their own business park and they should have communicated their plans to the EDA before they made

changes. Mrs. Blido said that Mr. Diddams is taking on a leadership role in the project and will bring more communication between LU and the EDA. Mr. Boggess said it was discussed at the staff level during the quarterly meeting where he reminded the Chief Operating Officer at LU that it needs to be on their agenda to talk to the county attorney about redrafting the performance agreement. Mrs. Blido said the communication is very important, but thinks LU's project plans will help Bedford County rather than hinder them. She has made them aware that the EDA members have some concerns and they will need to come to them with a proposal.

(12) ADJOURNMENT

6:50 p.m.

APPROVED:


Chairman


Secretary