



**MEETING MINUTES
BEDFORD COUNTY ECONOMIC DEVELOPMENT AUTHORITY**

**Bedford County Administration Building Board Room
122 E. Main Street
Bedford, VA 24523
February 4, 2016
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; Kristy Milton - Dist. 7

:Absent: None

:Staff Present: Traci Blido – EDA Secretary; Jessica Hupp – Transcriber; Carl Boggess –County Administrator

:Staff Absent: None

:Guests: Charlie Kolakowski – Town Manager; Bob Bailey – Center for Advanced Engineering & Research

(1) ORGANIZATION

A. Election of Officers

Mr. Lusk opened the meeting by congratulating Carl Boggess on becoming the new county administrator and welcomed new EDA member, Kelly Harmony. Mr. Boggess stated as February is the organization meeting, Authority members will need to elect officers at this time. Mr. Boggess asked for a motion for new Chairman, Vice-Chairman, Treasurer and Secretary.

Mr. Johnson moved, seconded by Mr. Braud, to appoint Mr. Wyatt Walton as the new EDA Chairman for 2016.

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

Voting no: None

Adopted Unanimously

Mrs. Milton moved, seconded by Mr. Novitzke, to appoint Mr. Mickey Johnson as Vice-Chairman of the EDA for 2016.

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

Voting no: None

Adopted Unanimously

Mr. Lusk moved, seconded by Mr. Braud, to appoint Mrs. Traci Blido as EDA Secretary.

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

Voting no: None

Adopted Unanimously

Mr. Braud moved, seconded by Mr. Lusk, to appoint Mrs. Rebecca Jones as EDA Treasurer.

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

Voting no: None

Adopted Unanimously

B. Adoption of 2016 Meeting Calendar

Mr. Walton asked for the EDA to review the draft meeting calendar.

Mr. Braud moved, seconded by Mr. Novitzke, to approve the 2016 EDA meeting calendar, as presented.

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

Voting no: None

Adopted Unanimously

(2) APPROVAL OF AGENDA

Mr. Walton asked for approval and/or amendments to the Authority's February 4, 2016 agenda. Mr. Boggess stated the closed session needed to be amended to reflect a discussion on expanding business and real estate. Mr. Lusk stated he would like to add to all future agendas a Town of Bedford report after Washington Street.

Mr. Lusk moved, seconded by Mr. Braud, to approve the February 4, 2016 meeting minutes, as amended.

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

Voting no: None

Adopted Unanimously

(3) APPROVAL OF MEETING MINUTES – January 7, 2016

Mr. Walton asked for approval and/or amendments to the Authority's January 7, 2016 meeting minutes.

Mr. Braud moved, seconded by Mr. Novitzke, to approve the January 7, 2016 meeting minutes, as presented.

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

Voting no: None

Abstain: Mrs. Kelly Harmony

Adopted Unanimously

(4) REPORTS

a. Economic Development Director's Report

Mrs. Blido stated that Staff posted a picture of new board member Kelly Harmony being sworn in last week and that it had received more views and likes than any other Economic Development Facebook post has. Mrs. Blido asked if Mrs. Harmony would give the board a little background information on herself. Mrs. Harmony stated she is in District 6 and lives off Magnolia Drive in Thaxton. She served four years on the Bedford County School Board and can see a direct correlation between economic development and the school system. Mrs. Harmony believes in the ability to attract and keep qualified teachers without complete dependence on taxpayer dollars. Mrs. Harmony grew up in Bedford, is a product of the Bedford County Public School system and had family that previously worked at Rubatex. Mrs. Harmony stated she remembers when industry was booming in the Town of Bedford and hopes to see it return to that vision.

Mrs. Blido stated she recently went to the Tobacco Commission meetings and overall they went well. Mrs. Blido stated that many probably heard about what Appomattox has gone through recently after an economic development deal fell through. Mrs. Blido stated this experience is something to learn from, and it could have happened to anyone. Legislators have been looking heavily into how to properly vet businesses looking to relocate to Virginia.

Mrs. Blido stated she joined Megan Lucas, CEO of the Lynchburg Regional Business Alliance at the Virginia Economic Development Association's (VEDA) Legislative Day in Richmond this week to meet with our region's legislative representatives to discuss priorities for economic development and Virginia's economic development toolkit of incentives.

Mrs. Blido stated that she took part in the International Processing and Production Expo (IPPE) in Atlanta with the Virginia Department of Agriculture and Consumer Services (VDACS) and other counties last week. This expo is always a great opportunity to work with the state and wear Bedford County's logo to show that our agricultural counties are a part of the state team. The event overall was well attended with 30,000 trade show visitors, many of which stopped by the Virginia booth to learn about our state's agriculture assets.

b. Monthly Financial Report

Mrs. Blido reviewed the monthly financial report with the EDA. Ms. Hupp said there are some larger numbers they may notice including the price for painting at CVCC, and some charges from Draper Aden.

Mr. Walton asked if the abatement invoice in the report reflects the final payment or just a portion of the project price. Mr. Boggess stated that the abatement is complete except for the roof, which will be done before the demolition. Mr. Boggess stated he believes the project came under budget.

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 that Staff met with the new Main Street Director, Sara Smith, to discuss future EDA projects and how they could impact the downtown area, including the demolition of Washington Street properties and how they should include Jackson Street in the Main Street footprint. Sara informed us today that they received their invitation to the Governor's announcement of grants for the year, so we hope to have the EDA match figure for the zero-interest loan program grant soon.

Ms. Hupp reported there are a few Bedford One tours coming up this month and next, including one at Sentry Equipment and Simplimatic Automation, and another in March at Bedford Memorial Hospital and Rehab Associates in Bedford. We hope to plan another in April to be focused on forensics and law enforcement.

Ms. Hupp reported at the end of the month she will be attending the International Economic Development Council's training course on Business Retention and Expansion. This will be Ms. Hupp's first opportunity for training on business retention and she is excited to learn and see how business retention efforts in Bedford County can be improved.

Ms. Hupp reported the first Business Roundtable meeting of the year will be on Thursday, March 10 from 8:30 – 10 a.m. at the Bedford Welcome Center. In lieu of having a presentation from a business, we plan to catch businesses up on how we can assist them and let them brief us on their recent business news.

(5) Washington Street

(6) Town of Bedford

Mr. Kolakowski reported that he sits on the board of Centra Bedford Memorial Hospital and that their expansion continues. They are making significant investments, both physical and in staffing, and have recently invested in a primary care facility. The new facility is doing well and has led to additional referrals. If things progress, they are looking to make a similar investment in a Moneta facility.

Mr. Kolakowski stated that a small ammunition manufacturer is planning to locate to the town. They aren't bringing a large amount of employees, but it's a good start. Mr. Kolakowski stated he also sat down with a larger industry in the town, who reported they received a contract extension for another two years which will keep them productive and profitable. On the smaller side of business, Hebruz coffee shop has closed in downtown, but a new coffee shop will be opening in a different location.

Mr. Kolakowski stated he and Traci have people coming to visit next week that are very serious about the redevelopment of some downtown facilities. Mr. Walton asked about the status of the IRF grant that Staff

applied for, to which Mrs. Blido stated she hopes to hear something this month from the Governor's office. Mrs. Harmony asked if Huddle House had closed. Mrs. Blido stated she spoke with someone who informed her they are going through some litigation at the present, and should reopen again in the future.

(7) Montvale Center for Commerce

(8) Bedford Center for Business

(9) New London Business & Technology Center

A. CAER update – Bob Bailey, Executive Director

Mr. Bailey stated he would give some background information for the new board members. The CAER was conceptualized between 2005 and 2007 with the idea of focusing on technology-based economic development (TBED). The group identified opportunities through the Tobacco Commission to help map out that strategy and hoped to increase research capacity through the CAER. At the time, they were seeing a strong growth projection in the nuclear energy sector. The CAER facility opened its doors in 2011. Since then, the region has not been as focused on TBED. The CAER has also been impacted by a transition through the Region 2000 organization, the nuclear energy perspective, and the economic crash of 2008 that dropped electric and utility projections. This created a pretty high cost of regulatory uncertainty that has not yet been resolved.

The CAER as a result had to restructure and refocus in order to manage the issues. In the recent past, Mr. Bailey had discussed with the EDA his plan to "build a bridge to 2017". A couple of things the CAER has done to address this is reworking the budget to increase cash flow. Second, they worked hard to get a different set of tenants. Over the last six to nine months, they've managed to put a number of new companies in the CAER such as Nanotouch, Clearview Software, Commander's Commissioning Concepts Management Services, and Data Privia. All four companies see a future of growth in Bedford County, and some within the park in newly built facilities.

The BWXT part of the puzzle is to transition the IST steam loop from a privately-owned asset to an open source facility. The CAER and BWXT have been working with the Department of Energy (DOE) to convince them that the test loop could be a vital part of their user network. Potentially, DOE could forward work on thermo hydraulics to the CAER for engineers to learn on the steam loop. The target is to be in DOE's FY17 budget in October of this year. BWXT is taking the lead on that end and at the same time we are having discussions with the General Assembly to create a budget item for providing start up funds for restarting the test loop. On this initiative, the Virginia Nuclear Energy Consortium is leading the charge at the state level, which includes the steam loop's users (Areva, BWXT, Dominion Power, Newport News Ship Yard and so on).

Mr. Bailey stated they are also working on another issue in cyber and industrial security in the nuclear sector. There is a new non-profit member organization in the works titled the International Critical Infrastructure Security Institute with five founding members headquartered at the CAER in order to have control room and test loop access. The non-profit is focused on four things: credentialing inspectors in the nuclear industry, a training process on the test loop, product validation, and possibly writing and developing industry standards. There is currently a founding member company in Maryland looking to relocate to Bedford County and another in Maryland looking to have an office in the CAER. Mr. Braud

asked if this organization would be qualified by the Nuclear Regulatory Commission (NRC). Mr. Bailey stated the NRC would look at the non-profit as a third party they recognize. The NRC would ask this third party non-profit company with no vested interest to validate other nuclear companies and products. Mr. Walton asked if there is room for these people looking to relocate in the current facility. Mr. Bailey stated that once Nanotouch builds their own facility, they would likely be interested in that space. The other three companies may or may not stay in the CAER. Mrs. Milton asked if at the inception of the CAER that an incubator was part of the plan. Mr. Bailey stated it was not the intention, but has become more of a tech incubator over time. Mrs. Milton asked if there is a time limit on how long a tenant can be at the CAER. Mr. Bailey said they have nothing in place to limit the time frame because that wasn't part of the original plan.

Mr. Bailey stated there is a fair amount of synergy between Commanders Commissioning Concepts, Data Privia, and Clearview Software. Mrs. Milton asked if these companies need as high tech of space as they currently have at the CAER. Mr. Boggess stated these companies expansions could either be part of the phase 2 of CAER or we could build a building. Mr. Bailey stated there is definitely an opportunity for a special shared facility in the future and that the creative thing to do would be to let them expand in the park and share the CAER as meeting space. Mr. Bailey reiterated that the R&D aspect of the plan is relying on a response from the DOE at this point. Everything else is secondary to turning the IST back on and it is difficult to say what our chances are of getting it at this point.

(10) Closed Session

A. Mr. Braud moved, seconded by Mr. Lusk, 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. Johnson, Mr. Walton, Mr. Braud, Mr. Lusk, Mrs. Harmony, Mrs. Milton

Voting no: None

Adopted unanimously

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

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

Voting no: None

Adopted unanimously

On a motion made by Authority member Mr. Lusk, 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 4th day of February 2016, 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 4th day of February 2016, 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
Wyatt H. Walton, III, Chairman
James A. Lusk
Mickey Johnson, Vice-Chairman
Kristy Milton
Kelly Harmony

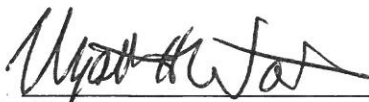
VOTE:


Yes
Yes
Yes
Yes
Yes
Yes
Yes

(11) Adjournment

-7:28 p.m.

APPROVED:


Chairman


Secretary