



MEETING MINUTES

BEDFORD COUNTY ECONOMIC DEVELOPMENT AUTHORITY

County Administration Building
122 E Main St
Bedford, VA 24523
March 12, 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; Paul Kelbaugh, Dist. 7

:Absent: None

Staff Present: Traci Blido – EDA Secretary; Carl Boggett – County Attorney; Jessica Hupp – Transcriber

Staff Absent: Mark Reeter – County Administrator

(1) APPROVAL OF AGENDA

Mr. Lusk asked if anyone had any changes they wished to make to the agenda. Mrs. Blido stated the agenda given to the authority members at their seats was the correct and updated agenda. Mr. Boggett suggested we move the closed session to section 10.

Mr. Braud moved, seconded by Mr. Novitzke, to approve the March 12, 2015 agenda, as amended. Voting yes: Mr. Novitzke, Mr. Lusk, Mr. Kelbaugh, Mr. Braud, Mr. Johnson, Ms. McCabe, Mr. Walton

Voting no: None

Adopted unanimously

(2) APPROVAL OF MEETING MINUTES – February 5, 2015

Mr. Lusk asked for approval and/or amendments to the Authority's February 5, 2015 meeting minutes.

Mr. Braud moved, seconded by Mr. Kelbaugh, to approve the February 5, 2015 meeting minutes, as presented.

Voting yes: Mr. Novitzke, Mr. Lusk, Mr. Kelbaugh, Mr. Braud, Mr. Johnson, Ms. McCabe, Mr. Walton
Voting no: None
Adopted Unanimously

(4) REPORTS

a. Economic Development Director's Report

Mrs. Blido stated she attended the Governor's Agriculture and Trade conference this past week. Mrs. Blido reported that agricultural trade in Virginia is up over 14% this year, and has continued to break its own record four years in a row. Virginia has seen \$3.35 billion in ag exports. Mrs. Blido reported that there were a lot of ambassadors from various countries in attendance including Cuba and that it seems we have been building up new relations with them. Governor McAuliffe also discussed the six-hour negotiation he had with China officials just prior to the poultry ban being lifted.

Mrs. Blido reported that Trident Seafood has again extended operations for another month, however they will be officially shutting down in April. Mrs. Blido stated she has had several prospects looking at Trident's facility, including one this week. She worked to highlight Trident's facility at the International Processing and Packaging Expo, which seemed to trigger more attention from VDACS who have also been helping to promote the building.

Mrs. Blido reported that the Board of Supervisors have moved their meetings up to 7:00 p.m. Their meetings used to begin at 7:30.

Mrs. Blido reported there are a lot of businesses currently looking to fill open positions. The unemployment rate for Bedford County and Region 2000 as a whole is the lowest it has been in the past five years. Companies looking to hire include Valley Processing and Citadel Plastics.

Mrs. Blido stated she was involved in the recent reseating of the Bedford Main Street board by helping to interview and recommend those who applied. Main Street had so many qualified people apply to be on the board that the newly formed board voted to expand the number of open seats so that everyone who applied could be involved. Mr. Braud asked how many people served on the Main Street board, to which Ms. Hupp responded there are 13 board members including the Town Manager and Town Council liaison. Mrs. Blido reported that the Broadband Advisory Committee is continuing to move forward, and have been thankful for Carl Bogges's help now that legal documents are being drawn up with Mid-Atlantic Broadband Communities Corporation. Mid-Atlantic Broadband will own and manage the tower and advertise the space to various Internet service providers.

b. Monthly Financial Report

Mrs. Blido reviewed the monthly financial report with the EDA. Mrs. Blido stated that although you see parentheses around one of the cash account amounts, the EDA is not running in the negative. This is just showing the way the county transfers money.

Mr. Braud asked if we had the CIP numbers on the report in the past. Mrs. Bliido responded that we did, but we opted to show it separately now because it would skew regular account information. Mr. Braud asked if we had any other CIP funds, to which Mrs. Bliido stated we do have left over funds from the CAER, in the approximate amount of \$7,000. These funds, however, are no longer considered CIP, and have been placed in a reserve account. Mr. Braud stated it would be useful for them to see all of their available funds.

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

The Authority members present reviewed the recently paid bills, as presented. Mr. Lusk asked about when the Authority would see the snow removal bills from this month, to which Mrs. Bliido stated they would show up in next meeting's report. Mr. Walton asked how the snow removal contractors have performed so far. Mrs. Bliido stated we received great feedback from the CAER staff and they are happy with Rosser Landscaping's work.

d. Existing Business Report

Mrs. Hupp recently met with the landscaping companies in New London, along with the CAER, to clarify contract details and will be meeting with A-Plus Landscaping on Monday to discuss much needed seeding that was suggested by Mr. Lusk. Mrs. Hupp stated she would provide the EDA with a quote at the next meeting.

Mrs. Hupp reported that the roundtable meeting last month was pretty well attended and we had a great presentation by Citadel Plastics followed by a great discussion about rail transportation needs for his business and in the region.

Mrs. Hupp reported she worked on sending out focus group invitations for Draper Aden. Mrs. Hupp reported that the original plan was set for two meetings, a morning and afternoon session, but now Draper Aden will be holding one lunch session next week on Tuesday, March 17 at noon.

Mrs. Hupp reported that the Annual Ag Conference will be taking place this Saturday, March 14 from 8 a.m. - 2 p.m. at CVCC Bedford. The theme this year is Agricultural Safety, and there will be a variety of exhibits and demonstrations, as well as the announcement of this year's coyote lottery winners. Mr. Lusk asked what types of people were represented on the Ag Board, to which Mrs. Hupp responded beef and dairy cattle farmers, compost, grain, and orchard industries are all represented.

Mrs. Hupp stated she will be attending two conferences next week. The first is the Virginia Artisans Center's statewide conference in Charlottesville. Michael Maxwell of M.T. Maxwell Furniture has been selected as one of the recipients of the Virginia Juried Master Artisan Award and will be recognized Tuesday evening at a reception. At the end of next week, Mrs. Hupp will be attending the VEDA spring conference in Norfolk, with the focus of infrastructure and broadband on the agenda.

(5) Old Business

Mr. Lusk stated he had the Property Management Plan added into the EDA packet this month, but wanted the EDA to look it over for further discussion at the April EDA meeting.

A. Capital Considerations
1. Improvements
a. CAER update

Mr. BobBailey, Executive Director of the CAER stated that the report the Chairman sent to the EDA was a concise summary of their previous meeting and that he would open it up to any questions the EDA may have concerning these updates.

Mr. Lusk asked if he had any new information that may have changed since he met with Mr. Bailey last month. Mr. Bailey said they had scheduled a University Day and invited 50-60 universities to come tour the mPower test loop. The goal of this event is to get 5-6 universities interested in a consortium and to write a non-binding letter in support of this plan. This would create a way for the CAER to go back to the Department Of Energy (DOE) for additional funding to reactivate the loop. This event was scheduled for last Friday, but due to poor weather many universities had to cancel. Mr. Bailey reported that they still had 25-30 people show up, and have rescheduled a make-up date for March 26. Universities that have been invited have active mechanical engineering, hydraulics and thermo hydraulics programs. Mr. Bailey also stated that if they switch the test loop over to steam power it would allow them to go to the National Science Foundation for additional funding.

Mr. Braud asked if the test loop is something that needs to be run all year round. Mr. Bailey said it does not need to be run all year round, but there is a big difference between it being operational and shut down completely.

Mr. Johnson asked how the consortium would be funded. Mr. Bailey stated that originally it would be half DOE and half university-funded, but in 2-5 years, it would transfer to 100% university-funded. Mr. Bailey reported they think there is only one other test loop in the U.S., located in the northwest, but nothing with full scale power like the test loop here.

Mr. Bailey reported that NanoTouch currently has a proposal in with the Tobacco Commission that will be decided on by May 21. Included in that grant would be a significant expansion for them, initially in the CAER building and then eventually into a new building of its own. On April 8, NanoTouch's proposal will go before the technical review committee of the Commission.

Mr. Bailey reported beyond that, the board has been having weekly conversations about expanding efforts including becoming more of a tech incubator. This is a different type of approach, but it is still an option being explored.

Mrs. Blido asked if the smaller spaces for labs are full at the CAER. Mr. Bailey stated two are open, but NanoTouch will take one if they get their Tobacco Commission grant.

b. Substation cost summary

Mr. Boggett stated the report given to the EDA is a rough draft in terms of the analysis of costs. He stated a year ago he had provided an estimation of the substation cost, which is what is provided in the left column. Mr. Boggett stated he has not yet paid the most recent bill because he would like to review some items listed before paying, including the automated meter reading and the distribution circuit ties cost. Mr. Boggett stated no action needed to be taken by the EDA, but he wanted them to be up to date on substation costs. Mrs. Blido said we will discuss next month what additional costs should be taken from which accounts.

Mr. Boggett stated that Simplimatic has had construction overruns over \$1 million and are hoping the EDA will subordinate its purchase money deed of trust to BB&T's loan and agree to execute a revised subordination agreement. Mrs. Blido stated that Simplimatic has added several new employees in the past month. Mr. Boggett stated that they should be coming to us at the end of this year or the beginning of next year for the \$40,000 in credits that was not covered immediately by the performance agreement.

Mr. Braud moved, seconded by Mr. Novitzke, to concur with a change in the subordination agreement and authorize the Chairman to execute a revised agreement once we receive one from BB&T.

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

Voting no: None

Adopted unanimously

B. Operating Considerations

1. Operating Expenses

a. Vernal pool project request

Mrs. Blido stated she printed the student email as part of the EDA packet so that they could read what the environmental scientist from Hurt & Proffitt's input was on allowing studying of the vernal pool. Mrs. Blido said in speaking with Hurt & Proffitt they were able to weigh the pros and cons of developing that lot. Hurt & Proffitt stated the EDA could take three different plans of action. One would include doing nothing right now and market it as a green space and natural habitat which may appeal to certain companies. Another option would be to keep it and protect it in a conservation easement which would cost a couple thousand dollars to the EDA. Lastly, the EDA could mitigate the space so that the land could be developed completely, which would cost close to \$50-\$70,000 for .36 of an acre. The vernal pool is only "wet" half the year and attracts certain animals during that time period. Mrs. Blido stated Staff was in agreement with Hurt & Proffitt that it wouldn't hurt for a student to do research there.

Mr. Kelbaugh stated that a previous professor came forward asking to study this same area and the EDA chose to do nothing. Mr. Braud stated the EDA was told at the time that you couldn't infringe upon the actual pool. Mr. Kelbaugh said that if we let people go near the vernal pool we may be opening ourselves up to more liabilities. Mr. Johnson asked what liabilities we would have to which Mrs. Blido stated the vernal pool is dealt with on a yearly basis and even when doing nothing, we're still keeping the DEQ updated on the status of the pool.

Mr. Braud stated he has on his calendar that in the summer we need to reinstate our five year analysis that the wetlands haven't changed in the park. The EDA let it lapse last time and Hunt & Proffitt had to go back and it cost a lot of money. Mr. Bogges stated they delineated the wetlands a couple years back and have had to update the map when the power line went through. Mr. Bogges stated they are still working with the Army Corps on those issues, and because of this work they may be able to put off the delineation for now.

Mr. Kelbaugh made a motion, seconded by Mr. Braud to deny the request for further study of the vernal pool located in the New London Business and Technology Center park.

Voting yes: Mr. Novitzke, Mr. Lusk, Mr. Kelbaugh, Mr. Braud, Mr. Johnson

Voting no: Ms. McCabe, Mr. Walton

Motion adopted 5-2.

(8) Bedford Center for Business

A. Capital Considerations

1. Improvements

a. Master Plan monthly update

Mrs. Blido reported that Draper Aden's luncheon meetings are coming up and that she previously met with the engineers for the maintenance plan of the CVCC building. At this meeting they shared the plans they had for the facility, and will be doing a report to go into Draper Aden's final master plan. Mr. Lusk asked what the luncheon was for, to which Mrs. Blido stated Faith will be meeting with developers and asking what they believe we need in Bedford, in the park, and more. Mr. Bogges stated they did not want anyone from the county there at the meetings in order to get more honest feedback from stakeholders.

B. Operating Considerations

(9) Montvale Center for Commerce

A. Capital Considerations

B. Operating Consideration

(10) All Other EDA Business as may be appropriate

A. Closed Session

Mr. Kelbaugh moved, seconded by Mr. Braud, that the Bedford County Economic Development Authority go into a closed session under Section 2.2-3711(A)(5) discussion or consideration concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community and Section 2.2-3711(A)(7) for consultation with legal counsel and briefings by staff members pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigation posture of the public body.

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

Voting no: None

Adopted unanimously

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

Voting yes: Mr. Novitzke, Mr. Braud, Mr. Lusk, Mr. Kelbaugh, Mr. Johnson, Ms. McCabe, Mr. Walton
Voting no: None
Adopted unanimously

On a motion made by Authority member Mr. Lusk, which was seconded by Authority member Mr. Kelbaugh, 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 12th day of March 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 12th day of March 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
James A. Lusk
Mickey Johnson
Kimberly A. McCabe
Paul C. Kelbaugh

VOTE:
Yes
Yes
Yes
Yes
Yes
Yes
Yes

(11) Adjournment

- 7:15 p.m.

APPROVED:

Chairman

Secretary