



**MEETING MINUTES
BEDFORD COUNTY ECONOMIC DEVELOPMENT AUTHORITY**

**Bedford County Administration Ground Floor Training Room
122 E. Main Street
Bedford, VA 24523
October 11, 2016
6:30 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; Patrick Skelley – County Attorney; Carl Boggess – County Administrator; Jessica Hupp – Transcriber

:Staff Absent: None

:Guests: None

(1) BEDFORD BREWERY UPDATES

Mr. Skelley stated the groundbreaking for the brewery will be on Thursday, October 13 and that the loan closing is tentatively scheduled for Monday. With that being said, Mr. Skelley stated there are upwards of 75 items on the closing checklist that need to be taken care of in order for that to happen. Mr. Skelley presented a resolution to the EDA to authorize Mr. Walton to execute the actual loan documents from the bank, as well as the closing of the loan and authorizes Becky Jones and Susan Crawford to sign checks for the disbursement of loan funds.

Mr. Braud moved, seconded by Mr. Novitzke, to authorize Chairman Walton to execute the Bedford Brewery loan closing documents once completed by the lending agency, Virginia Community Capital.

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

Voting no: None

Adopted Unanimously 22:29

(2) APPROVAL OF AGENDA

Mr. Walton asked for approval and/or any other amendments to the Authority's September 1, 2016 agenda.

Mr. Braud moved, seconded by Mr. Novitzke, to approve the October 11, 2016 EDA agenda, as presented.

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

Voting no: None

Adopted Unanimously

(3) APPROVAL OF MEETING MINUTES – September 1, 2016

Mr. Walton asked for approval and/or amendments to the Authority's September 1, 2016 meeting minutes.

Mr. Braud moved, seconded by Mr. Novitzke, to approve the September 1, 2016 meeting minutes, as presented.

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

Voting no: None

Abstain: None

(4) REPORTS

A. Economic Development Director's Report

Mrs. Blido stated the fair committee was thrilled with the EDA's contribution to the event. For those that would like to attend, the schedule for the fair is posted to the website, www.bedfordcofair.com. Staff has put up our economic development sign in the competition area.

Mrs. Blido reported that GP Big Island will be hosting its "Fine and Dandy Day" event on October 8 at the Sedalia Center for its employees and retirees. Staff purchased a banner to congratulate them on 125 years in Bedford County, signed by the EDA and Board of Supervisors.

Mrs. Blido stated she joined Bob Bailey at the Tobacco Commission meetings this week, where Litesheet has applied for phase 2 of its R&D grant through the CAER. Mrs. Blido reported that staff has published a press release on SE&M's expansion so they may see it in the *News and Advance*. In addition, a reporter wrote an article on commerce parks in the region, which showed what the region offers and what has been spent on creating each park. When you compare Bedford County to other southwestern communities, we are much more competitive in our workforce.

Mrs. Blido stated that the county's broadband work in Montvale (the tower) is moving forward with a crane out there today putting up the final piece. They have been working to encourage the ISP to get the paperwork in for its equipment to go on the tower. Mrs. Blido stated we will begin seeing signage for service prices and so on in the near future. The County hopes to fill in the last mile in every area that needs it, but it's currently a matter of making a plan and finding multiple solutions, which Sandy Terry from the Center for Innovative Technology is going to help us on. She will attend the Broadband Advisory Team Meeting in October to present a community assessment and avenues for funding.

Mrs. Blido stated you might have seen the headline in today's paper showing a shake up at VEDP. The organization is currently going through a re-organization. Dan Gundersen will be talking to you on October 11 at the joint meeting, and will likely touch on the subject, but will mostly be discussing lead generation from the state to the regional entities in economic development.

B. Monthly Financial Report

Mrs. Blido reviewed the monthly financial report with the EDA. Mrs. Harmony asked where we were on the CVCC lease negotiation. Mr. Boggess stated they are paying their bills, but are somewhat at a gridlock right now on the renegotiation terms. Mr. Braud asked if we could add it to a future agenda, to which Mr. Boggess said he would follow up and we can plan to add it to the November agenda.

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 stated staff will be rescheduling the roundtable meeting because the previously scheduled date conflicted with the Bedford Educational Foundation's annual breakfast. The EDA suggested moving the event to October.

Ms. Hupp reported that Bedford Main Street will host a property owners business meeting on September 20 at 6 pm in the Town Council chambers for existing business owners of town properties. Bedford Main Street hopes it will connect owners with more resources.

Ms. Hupp reported that staff will be submitting CIP requests for FY17-18 this month, and will be asking for assistance in the extension of natural gas to New London, as well as some assistance with grading lots in New London. Mr. Boggess stated he signed a modified scope of work for site 3A with Hurt & Proffitt, and suggested to Traci we ask for money to complete two sites (10A). Right now, staff has gotten the process started to get a grading plan ready.

(5) TOWN OF BEDFORD

A. Bedford Brewery update

Mr. Skelley stated that Mr. McCormack has put in his order for the brewery equipment. The bank wanted to close the loans on September 15, but he believes that seems overly optimistic. Both the EDA's counsel and bank's counsel are meeting and vetting all the documents so we can close on the loans. Mrs. Blido stated staff has also held a pre-construction meeting with DHCD since the last EDA meeting, where we looked at a closing check-list to see what still needed to be done.

(6) NEW LONDON BUSINESS AND TECHNOLOGY CENTER

A. Site Characterization update

Mrs. Blido stated she submitted the Site Characterization application to the VEDP, outlining workforce credentials and reasons why they should be interested in further developing this park. Mrs. Blido stated we have a compelling story with New London. Mrs. Blido also attached the deed, site plans, and water line maps to give them an idea of what infrastructure currently exists in the park. Staff should know by next month if we received the grant, which will be a matching grant of \$5,000. Hurt & Proffitt will then put us in a characterized tier based on how quickly a prospect could build on a given lot. The lot had to be a minimum of 100 contiguous acres within a 250-acre minimum park. Depending on where the program goes in the future, we wanted flexibility in knowing what we can do moving forward. Mr. Braud asked if we let our representatives know we applied for this, to which Mrs. Blido stated she had not yet but will.

Mr. Walton asked about an update at the CAER. Mrs. Blido stated they are going strong and at pretty close to full capacity. They haven't heard anything back yet from the DOE. Mrs. Milton asked if the CAER receives a positive response from DOE if people or businesses in the CAER will have to relocate.

Mr. Boggess stated no, and that he believes the CAER has a different purpose now. In the future, staff needs to find out if the CAER plans to build out the second phase. Mr. Boggess stated it may be best to keep it as an “incubator”.

Mr. Boggess stated after the last meeting he followed up with Bif from Hurt & Proffitt about modifying the scope of work for lot 3A.

Mr. Braud moved, seconded by Mr. Johnson, to authorize the action taken by the County Administrator to enter into a work plan with Hurt & Proffitt for further development of lot 3A.

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

Voting no: None

Adopted Unanimously

(6) BEDFORD CENTER FOR BUSINESS

(7) MONTVALE CENTER FOR COMMERCE

(8) ALL OTHER EDA BUSINESS AS MAY BE APPROPRIATE

A. Ratification of SE&M incentive

Mr. Lusk moved, seconded by Mr. Novitzke, to ratify the \$15,000 cash incentive grant for SE&M’s expansion of \$700,000 in new equipment and up to 10 new jobs over three years.

Novitzke, Mr. Lusk , Mr. Johnson, Mrs. Milton, Mr. Braud, Mrs. Harmony, Mr. Walton

Voting no: None

Adopted Unanimously

B. Discussion on Poultry Integrator

Mr. Novitzke received a call from Bill Thomasson who received a call from a Mr. Johnson about the potential of the poultry industry coming to the county. Mr. Novitzke stated Mr. Johnson wanted to know if we’d be interested in supporting such an operation. His belief is that he could bring in this operation, which would create 1,100 jobs at \$13 an hour. He stated a poultry house would be supported by production farms (nearly 500-600) in order to keep the integrator running. Mr. Johnson stated a potential off-shoot would be a grain processing facility, which would create additional 60-80 jobs to feed all the chicks.

Mr. Boggess stated he has family that has been in this industry for years. Prince Edward and Nottaway are very similar examples of this type of operation. Tyson started there with hatcheries, but most facilities have two components — a feed mill and a hatchery. The core would be the feed mill, who would then work with producers to have 10,000 birds in each house, which cost \$400,000 each. Tyson would provide the feed at no charge, because the houses are within a 50-mile radius from the processing facility.

Mr. Boggess stated that currently these producers in Bedford are too far away from a processing facility which is why they want one here. The idea initially came from the research Pittsylvania County did on integrators for their locality. However, they can present a huge issue with runoff and are very heavy phosphorous producers. Mr. Boggess stated that parts of Bedford would probably make sense to raise the chicks, but there’s no location here for the integrator. Plus, we have limited dollars to put in the infrastructure that’s needed. Mr. Boggess met with Scott Baker and talked to the Pittsylvania County Administrator. Mr. Walton said we can see how this type of project may develop, but don’t see how this would work in the county. Mrs. Milton has stated our land here is too valuable at this point.

C. Hotel discussion

Mr. Walton stated the past week he met with Mrs. Blido and a hotel prospect for the Bedford area. The structure of the developer's deal would be similar to the brewery in that the EDA would borrow the money for the hotel, because the rates are better, and would then lease it to the operator, who would pay towards the loan monthly. All agreed it would be preferential if an independent developer would come in and do this project on their own and we would be able to help with an incentive, but if that doesn't happen in the next several months, we should come back and discuss the offer on the table.

(9) ADJOURNMENT

-6:25 p.m.

APPROVED:

Chairman

Secretary