

***Scott County Economic Development Authority
and Scott County Chamber of Commerce
Meeting Dates and Special Events***

The November meeting of the Scott Co. EDA will be held on Wednesday, November 15th, 2017 at 6:00 p.m. in the board room of the Scott County Administrative offices located on the second floor of the Scott Co. Community Services Building, 190 Beech Street, Suite 201, in Gate City. All meetings are open to the public.

The November meeting of the Scott County Chamber of Commerce will be Wednesday, November 8th at 12 Noon at the Cove Ridge Center

SCOTT COUNTY ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
SEPTEMBER 20, 2017

VIRGINIA

A meeting of the Scott County Economic Development Authority was held on Wednesday, September 20, 2017 at 6:00 p.m. at the Scott County Administrative Offices located at 190 Beech Street, Suite 201, Gate City, Virginia.

ROLL CALL OF MEMBERS

There was not a formal roll call; however, the following members were present/absent as indicated:

Eric Lane	Present
Greg Baker	Present
Charles Fugate	Present
Roger Fraysier	Present
Ross Jenkins	Absent
Dennis Horton	Present
Phillip Smith	Present

OTHERS PRESENT:

John H. Kilgore, Jr. – Director
Sally Kegley – County Attorney

Jason De La Cruise – Dominion Energy
Donnie Ratliff – Commonwealth Connections, Inc.
Mr. and Mrs. Marshall Tipton – District 2 Supervisor

Chairman Roger Fraysier called the meeting to order and welcomed everyone.

There would be talks between counties about revenue sharing. This is a \$2 billion project expecting to employ 1,500 during the construction, which will take four to seven years to build, and provide up to 50 full-time jobs when completed. Any revenues could potentially be received by everyone and is their way of trying to provide assistance, especially to the coalfields.

Dennis asked how the 3001 MW compares to Virginia City. Mr. De La Cruz stated that Virginia City is a coal operated facility, like an engine that runs almost around the clock. This is a battery.

Dennis also asked what the net generated power is given 3000 MW coming down verses going up. Mr. De La Cruz said he doesn't have specific numbers and it doesn't take as much electricity going back up, however, he guessed it would only take a third of the power.

Dennis asked if it is about 50% maximum efficiency. Mr. De La Cruz said give or take.

Mr. De La Cruz said the difference in the Bath County site, is that water taken back up is taken off Dominion's grid. This project is a little bit different. Legislation requires that either all or a part of the electricity has to be renewable. They have not investigated what kind of renewable or where it will be, but they do know as long as the renewable is in the southwest region, it follows code. It doesn't have to be on premise. They can have a site for the hydro and can have another site in another county as long as it ties back into the transmission.

Mr. Ratliff stated that there will be more of these builds. There is so much solar on the eastern shore in northern Virginia, and the sun is not hitting the panels in the morning or in the evening at peak times. You can flip a switch and send power to Richmond and northern Virginia to periods that are underserved which will give an additional 5 hours in the morning and 5 hours in the evening during peak time.

Charles asked about the Bullitt mine that is possibly being considered. He asked where the upper reservoir would be located and what it would entail.

Mr. De La Cruz said they don't know if it's even feasible. The greater amount of difference that you have the least amount of water you need. You don't need a lot of surface area but it just needs to be a certain amount of depth. If you don't have a large difference in terrain, it takes a lot more water. The location of an upper reservoir depends on how much water is in the mine and if it is even feasible. After that they will look at an upper reservoir site.

Charles asked what impact it would have for the neighborhood. Mr. De La Cruz said it's not like a large power plant that may have large transmission centers, you just need to tie in to a transmission line, and at the Tazewell site, transmission lines already run through the entire site. All they would have to do is build a facility that would transfer that electricity and put it on the grid. As far as the Bullitt mine site, he is not sure where the transmission lines tie into it but there has to be something that transfers that electricity.

Roger asked what the preliminary numbers look like as far as revenue sharing for each county.

Mr. Ratliff has encouraged the county attorneys to sit down and take a look at that. It is totally left up to the counties. All seven counties and the City of Norton passed the resolution unanimously except for Wise County, with one member abstaining. Even though there may not be a facility in Scott County, they ran the numbers off of \$1 billion, and each county might get as much as \$500,000 per year and, presently the numbers are closer to \$2 billion. It sets us up for GO Virginia projects, and to show the rest of the state we can look at regional projects and work together to make things happen. There will be other benefits.

Mr. Ratliff said Buchanan, Wise, and Tazewell have full-time county attorneys and they asked them to look at this first. John added that Scott County also has a full-time attorney.

Sally asked if there is a template since she had not heard about it. Mr. De La Cruz says he hasn't seen one. He added that any divvying up of the funds is by the attorneys. It would echo really well in the General Assembly if all the counties can work something out, because the General Assembly has never seen anything like it.

Mr. Ratliff added there are two other regions that have revenue sharing.

John said if you are trying to attract a technology company, one of the questions they usually have in their RFP is what is the makeup of power and are there hydro or renewables in that mix. This will give us an avenue to answer that within the region. Right now, we don't have this on the AEP side but do on the TVA side because they generate hydro power from the Holston River where they have already built those plants.

Phil asked if you need so much distance before you stack turbines. Mr. De La Cruz said you do and further stated, the Bath County site has one main tube that goes into four tubes and each of those have a turbine in it.

Marshall said hydro-turbines can convert as much as 90% of available energy and the best possible fuel plants are only about 50% efficient.

Dennis asked, since you're moving the same water back and forth, are there any overall environmental impacts. Mr. De La Cruz said it depends on the site. When you have the reservoirs, those are concrete walls in the ground filled with water. The reservoir never goes empty. The issue is filling the reservoirs with water. If, for example, the Tazewell site goes through, it would take eight billion gallons of water to fill and would take about a year to do so. To fill it in one year, you would have to average about 22 million gallons of water per day. Once filled, you need a little water to keep it topped off, because you lose a certain amount due to evaporation.

Dennis asked if there would be no adverse environmental impact. Mr. De La Cruz said he wouldn't say that.

Charles asked what this would replace. Mr. De La Cruz said it would not replace anything. It would complement what they have right now. Because you have all the solar and people are depending on solar more, sometimes you need a support system to back it up. It acts like a battery. If you need to recharge, flip a switch, and within 15 minutes it's producing electricity, and you can cut it off when you don't need it.

Charles asked if this is designed to meet the demands of the future. Mr. De La Cruz said you will start seeing these pop up across the nation. With more dependence on solar, it's a way of leveling it out, and it is within the 25 year plan for Dominion.

Charles asked if meeting their competition plays a part. Mr. De La Cruz said it was not, that it was more of helping customer needs in the long run.

Mr. Ratliff said there is a website to go to get periodic emails on any movement. He also asked the EDA for a letter of support or resolution.

Mr. De La Cruz will send a resolution for the board to consider at the October meeting.

They will be having two open houses. One will be on October 3rd at MECC at 7:00 p.m., and the other on October 5th at Tazewell High School at 7:00 p.m. The public is invited to attend.

Mr. De La Cruz and Mr. Ratliff asked the board to please feel free to reach out with any questions or concerns.

Roger thanked them for attending.

RIVERSIDE DEVELOPMENT

John stated that we presently do not have another site developed at the Riverside, and we've come up with a strategy to develop another site.

The Virginia Tobacco Commission met and has approved a \$500,000 grant; however, we have to match that. For the match, there are a couple of sources. One is to submit an application to DHCD. One stipulation is that one year from completion of construction, we have to go back to DHCD, and if we have not attracted a prospective employer, we will negotiate with them and discuss a path forward. We are supposed to pay it back, but in their conversation, they thought there might be a way to do a lien on the property until we get a company to locate there.

We also submitted a loan application to VCEDA yesterday in the amount of \$300,000 because of a due date. Both of these would meet the \$500,000 match for the Tobacco Commission grant. The total project is estimated at \$1,050,000. How much property is development, depends on the bids. It would be the site to the right or left of the new access road closer to the TeleTech Building, depending on cost.

John asked the board to consider support resolutions for the applications and asked the board for their thoughts.

John said we put the term in the VCEDA application that we would reimburse on the loan if we sell the land. VCEDA would be assisting us with prospects for the site as well.

Charles said if we don't do it we don't have a site to show. John agreed. John said it came up in the EDA planning that one of our weaknesses is we don't have another site to market to prospective companies.

Eric Lane made a motion, duly seconded by Charles Fugate, in support of a loan application to VCEDA in the amount of \$300,000 for site development at the Riverside Development. The Chairman and Director are authorized to sign and execute any and all documents related to the application on behalf of the Authority.

VOTING:	AYE:	Eric Lane; Greg Baker; Charles Fugate; Roger Fraysier; Phillip Smith; Dennis Horton
	NAY:	None
	ABSENT:	Ross Jenkins

Phillip Smith made a motion, duly seconded by Dennis Horton, in support of an application to the Dept. of Housing and Community Development's Community Development Block Grant in the amount of \$250,000 for site development at the Riverside Development. The Chairman and Director are authorized to sign and execute any and all documents related to the application on behalf of the Authority.

VOTING:	AYE:	Eric Lane; Greg Baker; Charles Fugate; Roger Fraysier; Phillip Smith; Dennis Horton
	NAY:	None
	ABSENT:	Ross Jenkins

John said it takes time to go through the process. VCEDA meets October 19th, and the DHCD probably won't start reviewing the applications until the end of October or the first of November so, hopefully, everything will be approved by spring so we can begin.

DANIEL BOONE WILDERNESS TRAIL INTERPRETIVE CENTER

- Continue to be on schedule for construction with a March 2018 completion date
- Attended August 29th monthly progress meeting
- \$1,430,272.50 expenditures to date for construction and access road

John also had some updated pictures of the site. They have begun working on the sidewalk.

He added that the DHCD visited today, and they have money in the project. They were pleased to see the project underway. This was the last grant from their old grant system.

DUFFIELD SIGN

- Snyder is completing finishing touches on the sign
- Footers/posts for the sign have been dug
- TVA working on landscaping items

John said the sign is 23 ft. high. It will be illuminated at night with blue LED lights.

PLANNING

The planning document was distributed to the board. The top \$10 votes were compiled to the top five, which were noted and reviewed. John said we can take these, and if the board wishes, we can formulate a strategy around these.

Eric said more money placed on an item, means that person has more passion for that item, and depending on resources, it will determine what projects you can do in those top five in each category. He added that some items are related.

John said you would want to look at it to turn your weaknesses and opportunities into strengths and strategies may overlap as Eric said.

Dennis said that strengths could also be a threat like the Va. Tobacco Commission is a strength but a required match could be a threat. He said there's two sides to the same coin.

Dennis asked if the Tobacco Commission ever grants waivers for special projects. John said he's never heard of it since they have enacted the 50/50 match requirement.

John said the committee can meet again to develop strategies around the SWOTS.

Eric said, in the process, then state what the situation is and say what objective, if you want to change something if you could, do you want to reach and determine if there is a strategy to get there. He said you really need to define the situation.

John said we can send out another email out after the committee meets and get input

Charles asked John about the future of the Tobacco Commission. John said they are fairly well capitalized. They are sending a lot of those projects now to the VRA for a low interest loan and are trying to recapitalize. Recently, there was approximately \$2.3 million in the Southwest fund to potentially grant out to localities, which is about average.

Charles asked John if he sees an end in the near future. John said anything can end, but he doesn't see it.

HOTEL STUDY

John said we are still waiting to get the final financial numbers to complete Phase II. Phase I is complete. Hopefully, this will be in the next month or so.

ROBERTS MILL SUITES

John said VCEDA started a new Seed Capital Fund for small business. Small businesses can request up to a \$15,000 grant from VCEDA. This is their first year doing this. The business works through the Small Business Development Center the same way we do through our RBEG program. The business has to be in operation less than three years to qualify.

This business plans to locate in downtown Gate City in the former sign shop building and it will be an Airbnb with three nicely decorated suites. The owners are Cotton and Vicki Roberts who currently have two other businesses in Gate City. They will use the money to renovate the building so people can stay downtown, and you definitely want people to come downtown and spend money.

Dennis asked how Airbnb got its name. Eric said the concept/name began when people had space in their homes, rented it out and people slept on airbeds.

John asked the board to consider a letter of support for the Roberts' grant application to VCEDA.

Greg Baker made a motion, duly seconded by Phillip Smith, to write a support letter for Roberts Mill Suites, LLC for their application to VCEDA's Seed Capital Matching Fund program. The Chairman and Director are authorized to sign the letter of support on behalf of the Authority.

VOTING:	AYE:	Eric Lane; Greg Baker; Charles Fugate; Roger Fraysier; Phillip Smith; Dennis Horton
	NAY:	None
	ABSENT:	Ross Jenkins

CALENDAR/DIRECTORS REPORT

- We had two new prospects and continue to follow up with existing leads
- Attended the CSB construction meeting on August 24th
- Attended the DBWTIC progress meeting on August 29th
- Participated and assisted with TeleTech's new client opening on August 29th
- Attended the VCEDA Seed Capital funding closing for Homestead on the Holston on August 29th
- Participated in the VCEDA Ag study meeting on August 29th conducted by the Virginia Tech Office of Economic Development

- Met with the new president of MECC, Dr. Kristen Westover, and Vicki Ratliff at the LENOWISCO offices on August 31st
- Met with new VEDP person in charge of workforce services for the region, Randy Rose, on September 1st
- Attended the Board of Supervisors meeting on September 6th and provided an economic development update
- Participated in the GO VA economic development meeting in September and also attended the GO VA regional meeting in Wytheville
- Participated in the Advanced Manufacturing training meeting hosted by the Tech Council on September 11th in Abingdon
- Participated in the VCEDA local developers meeting on September 19th where they reported activity has picked up with 32 visits so far this year and 91 inquiries. Out of the 91, 15 of those came from VEDP. Also reported that VEDP is working on updating the Virginia Scan database to make it more user friendly
- Bush Mill – still waiting on replies from Army Corp of Engineers and VDOT
- eCorridor Trail – Lane submitted plans to VDOT with updated estimate; lack approximately 25% to complete the project. Looking at a spring finish date

John said that TeleTech's opening for their new client, GE Healthcare was great. They flew in 12 people from Wisconsin who made positive comments about the facility.

John added that we are working with the LENOWISCO region and Dickenson County on a regional industrial development authority which will be discussed at the November Board of Supervisors meeting. John said this is a good opportunity to share revenue.

Sally and John met with Henry Keuling-Stout. The Duffield Development Authority dissolved and transferred assets of Duffield to the EDA.

Sally said when the DDA dissolved, there was no formal action to transfer or accept by either board. Technically right now, there is no authority to manage the covenants within the industrial park. This will keep coming up unless the governing bodies of the localities that created the DDA pass a resolution to transfer the authority to the EDA.

John said the Duffield committee can meet with Sally. Sally said she will contact the other localities if the EDA agrees to take this on.

Charles asked what the alternative was. John said probably to let zoning take care of it, but is not sure that is feasible.

CALENDARS

The calendars were reviewed with no changes. John added the SW VA Legislative breakfast sponsored by area Chambers of Commerce will be November 20th in Lee County. The Chamber will send out more information soon.

FINANCIALS

The VCEDA fund balance report showed a balance of \$67,742. The EDA expenditure report showed 83% remaining.

Dennis asked if we could apply the money in the VCEDA fund balance to part of the loan cost. John said, normally, we've let that money just stay in the account.

The finance committee met to review the Crooked Road Tech Center and Community Services Building budgets for 2017-18. John noted these can be adjusted at any time.

The proposed total budget for the CRTC is \$67,081 and \$445,507.76 for the CSB, which includes the loan payment.

Roger said they tried to match the revenue and expenses accordingly. John added that we have no debt on the CRTC.

Marshall asked who is in the CRTC now. John replied that Komatsu and LENOWISCO are located within the building, and we are waiting for NC Virginia. There is approximately 28,000 sq.ft. is still available. Of that, 15,000 sq. ft. is finished and 13,000 sq. ft. is unfinished.

Charles asked if there was a need for more space in the CRTC, would LENOWISCO be receptive to move to another site.

John said LENOWISCO has a 20+ year lease and that would be hard to do.

Dennis said the building LENOWISCO moved out of is vacant. John replied that it is now owned by HMG.

Charles Fugate made a motion, duly seconded by Eric Lane, to approve the 2017-18 Crooked Road Tech Center budget as submitted.

VOTING:	AYE:	Eric Lane; Greg Baker; Charles Fugate; Roger Fraysier; Phillip Smith; Dennis Horton
	NAY:	None
	ABSENT:	Ross Jenkins

Phillip Smith made a motion, duly seconded by Eric Lane, to approve the 2017-18 Community Services Building budget as submitted.

VOTING:	AYE:	Eric Lane; Greg Baker; Charles Fugate; Roger Fraysier; Phillip Smith; Dennis Horton
	NAY:	None
	ABSENT:	Ross Jenkins

CLOSED SESSION

The Chairman stated there was a need to enter into Closed Session pursuant to Virginia Code Section 2.2-3711 for the purpose of discussing A.5 Prospects (Weber City and Duffield).

Dennis Horton made a motion, duly seconded by Phillip Smith, to enter into Closed Session pursuant to Virginia Code Section 2.2-3711 for the purpose of discussing A.5 Prospects (Weber City and Duffield).

VOTING: AYE: Eric Lane; Greg Baker; Charles Fugate; Roger Fraysier;
Phillip Smith; Dennis Horton
NAY: None
ABSENT: Ross Jenkins

OPEN SESSION

Dennis Horton made a motion, duly seconded by Charles Fugate, to exit Closed Session and re-enter Open Session.

VOTING: AYE: Eric Lane; Greg Baker; Charles Fugate; Roger Fraysier;
Phillip Smith; Dennis Horton
NAY: None
ABSENT: Ross Jenkins

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Scott County Economic Development Authority has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by the Scott County Economic Development Authority that such closed meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Scott County Economic Development Authority hereby certifies 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 executive meeting to which this certification Resolution applies, and (II) only such public business matters as were identified in the Motion convening the closed meeting were heard, discussed or considered by the Scott County Economic Development Authority.

Eric Lane made a motion, duly seconded by Dennis Horton, to certify the Closed Session.

APPROVAL:

Eric Lane	Yes
Greg Baker	Yes
Charles Fugate	Yes
Roger Fraysier	Yes
Ross Jenkins	Absent
Dennis Horton	Yes
Phillip Smith	Yes

MEMBER COMMENTS

Due to conflicts, there is a need to change the date of the October meeting.

