

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

The April meeting of the Scott Co. EDA will be held on Wednesday, April 18th, 2018 at 6:00 p.m. in the Board Room of the Scott Co. Administrative Offices located at 190 Beech Street, Suite 201, Gate City, VA. All meetings are open to the public.

The April meeting of the Scott County Chamber of Commerce will be Wednesday, April 11th at 12 Noon at the Scott County Park and Golf Course in Gate City. Guest speaker is Trooper Jeff Edds. Topic is workplace safety. Dutch treat lunch available for \$8. RSVP by April 9th.

SCOTT COUNTY ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
FEBRUARY 21, 2018

VIRGINIA

A meeting of the Scott County Economic Development Authority was held on Wednesday, February 21, 2018 at the Scott County Administrative Offices located at 190 Beech Street, Suite 202, 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	Absent
Greg Baker	Present
Charles Fugate	Present
Roger Fraysier	Present
Ross Jenkins	Present
Dennis Horton	Present
Brad Bowen	Present

OTHERS PRESENT:

John H. Kilgore, Jr. – Director
Sally Kegley – County Attorney
Bill Dingus – Assistant County Administrator

WELCOME/CALL TO ORDER

Chairman Roger Fraysier called the meeting to order and welcomed Bill Dingus, Assistant County Administrator, to the meeting.

The Chairman stated there was a need to amend the agenda as follows: Under Prior/New Business add zoning for Dungannon, and under Finances include discussion on a VCEDA Loan.

Brad asked if we were limited on what goes on the site, for example, it cannot be retail. John said that was correct. DHCD money requirements is that we need to locate an industry within 12 to 18 months of finishing the site. That is a good goal and target, but we would have to start marketing that site.

John said that's how TeleTech located there. We had seven acres developed with no road and no utilities. The prospective company representative parked at the former barn and he took him up to the site on a gator.

Now we have a road, and the utilities are there that we didn't have at that time.

DANIEL BOONE WILDERNESS TRAIL INTERPRETIVE CENTER

- Landscape company is supposed to be on site next week
- Targeted punch list inspection set for March 2nd
- Completion date is March 6th for construction of the facility
- Then we will work with Design Minds to complete the exhibits over the next few months with a targeted completion date of late June
- Contract Amounts:
 - Construction with change orders: \$2,835,809.78
 - Access Road with change orders: \$169,688
 - Total exhibits budget is at \$1 million

The exhibit firm will come in and look at the facility. The exhibits will hopefully be finished mid-June, with a grand opening in late July.

John said all of the funding is grant money. He added this is the longest project he's ever worked on, and glad to see it's finally about finished.

DUFFIELD SIGN

We are still waiting on PVEC to provide information on an alternate path for electrical to the sign.

John said the bank that owns the adjacent property has not been very cooperative. They wanted some compensation, but we've never done that for a utility easement. TVA wants it finished as quickly as possible.

Dennis asked if there was a way to feed it from the Tech Center. John said that's a long way. We were trying to go off of an existing pole which is past the sign on the right. That's the closest point and made sense to PVEC. If we get started on the lights going up the road that might be a possibility. They were going to run overhead to our property and then go underground.

Roger said there is an existing pole on the same side as the sign that sits behind the Interpretive Center but that's all slate, and it would be tough to get from that pole down to the sign. There is a pole on the right on HMG's side. If they can bore under and come back down with the lights, that is a possibility. John said the cheapest alternative is to run from the pole to it and the road bore would cost more.

Brad asked if anyone has gone to First Bank and Trust's board meetings in person. John said we haven't done that. He added that is a good thought. He said we have been dealing with the people in Abingdon. John said he would follow up with PVEC

PLANNING

John said we haven't gotten any new input. We have a document that TVA is recommending as far as the certification process. It's a way to read the plan and make sure we have the objective and goals for that objective the way they want it. We will follow that format and by our next meeting, we'll have each objective on this format and you can help come up with a timeline and recourses to complete the objective. The document is called a Program of Work and we can still utilize spreadsheet like we've done in the past.

Ross said this would be helpful. John said the difficult thing is to tie resources to it and make sure you're tracking it. Ross added it's not a rule, it's a guideline

ZONING

John said one issue in Dungannon is the former LP facility which is zoned agricultural and the land across the road the EDA owns is agricultural too. You also have Clinch River Health Services and the Horse Park on that side.

John said it's one of those items that needs to be cleaned up. It needs to be zoned industrial which is a better fit for the building and the other side.

The EDA owns across the road beside CRHS on the right around the back and the Horse Park on the left. It makes a horse shoe shape.

Dennis asked is there an advantage in teaming up with the other landowners and do all at one time.

Sally stated that's what we are doing. Sally said there might be some fees associated with this.

It will go to the Planning Commission first, and then to the Board of Supervisors. Both will have to hold public hearings.

Brad Bowen made a motion, duly seconded by Charles Fugate to change the zoning at the Dungannon property owned by the EDA from agricultural to industrial.

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

DIRECTORS REPORT

- Participated in the Southwest Legislative Reception in Richmond on January 25th – 26th. Danny Mann, Roger Fraysier, Rodney Baker, and John attended meetings with the Va. Tobacco Commission, the Va. Economic Development Partnership, the Va. Tourism Corporation, the Legislators, the Dept. of Conservation and Recreation, and the state USDA office
- Participated in the Crooked Road Strategic Planning workshop on January 31st at Emory
- Attended the Medical Mfg. and Packaging Trade Show with NETRIDA on February 5th – 9th
- Met VaCorp insurance representative to review properties on February 12th
- RBEG application review on February 13th
- Conference call with Design Minds and exhibit construction firm, Color-Ad, on February 14th discussing the DBWT Int. Center. Also met with Robert Chapman, Natural Tunnel State Park Manager, about the center on February 14th
- Attended the Chamber meeting on February 14th

- Attended the VCEDA meeting on February 15th

John said all of the meetings in Richmond went well and gave us an opportunity to provide an update on projects, especially to DHCD and the Tobacco Commission.

Ross asked how the meeting with USDA went. John said the USDA Rural Development meeting was really good, and it was great to meet the director. We've had a lot of assistance from Rural Development such as Advanced Manufacturing, the Pioneer Center, the Crooked Road Tech Center, and they are managing money from ARC at the DBWT Interpretive Center. There's all kinds of things Rural Development does. They even assist fire departments and rescue squads with purchasing equipment.

Roger said when you've got a new director, these meetings are great to get to know the new people and for them to know who Scott County is and faces from Scott County.

CALENDARS

The calendars were reviewed with no changes.

FINANCIALS

The VCEDA fund balance report for December showed a balance of \$68,315. The EDA expenditure report showed 43% remaining. The Community Services Building showed 30% remaining and the Crooked Road Tech Center had 15% remaining.

John reminded the board that there is no lien on the land at Riverside. The lien is on the Community Services Building. That is great because it's not tied up (except for VCEDA on their land)

RBEG APPLICATIONS

Ross stated that Roger and he are on the RBEG Committee and met to review four applications. The recommendation to the board is as follows:

Sweet Maggie's – A Specialty Custom Cake Bakery.

- Requesting a \$5,000 loan to open and establish a business in Gate City
- Terms are 2% interest, 5 year payback, 90 days deferred payment, waiver of closing costs
- Collateral will be equipment

Ross stated the committee recommends approval of this loan.

Roger added that Frank Kibler from LENOWISCO and Tim Blankenbecler sat in on the meetings as well.

Roger said she has been doing this a long time. From her perspective, it started out as a hobby and she turned it into a career. She has a passion for what she is doing. She always tries to correct any mistakes and make things right. Her enthusiasm was great. Roger said she will also be working with The Family Bakery.

Ross said her office will be next to where the EDA office used to be.

Charles Fugate made a motion, duly seconded by Greg Baker, to approve a loan to Sweet Maggie's in the amount of \$5,000. The terms are 5 year payback, 2% interest, 90 days deferred payment, waiver of the closing costs, and equipment purchased with the loan as collateral

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

3 Guys Transport, LLC – Non-Emergency Medical Transportation

- Requesting a \$25,000 loan to purchase additional vehicles
- Terms are 2% interest, 5 year payback, 90 days deferred payment, waiver of closing costs
- Collateral will be vehicles

Ross said they already have contracts with three agencies and have five more. For every vehicle they add, they add an employee. They have three now and they will add two more by the end of March.

John said this is more job growth than we've seen. Their goal is to add 10 in one year and 20 in three years.

Dennis asked who they are contracting with. He said that level of growth is not there; however, they are needed. He said Medicaid is the primary driver. People are denied healthcare because they have no transportation. If they can corner that market and solve that problem, they will grow.

Ross said they seem to think they will have the growth. They will be doing weekend and night discharges also. He added they are in 13 counties and are headquartered in the Pioneer Center.

Roger said he was impressed with the personal aspect. It wasn't just a job. They talked about a lot of people they transport. For example, one man came out of a doctor's visit and was told he had a terminal illness. A lot of times they have no family and they are the ears. They have a personal investment in this.

Dennis added that it could go the opposite way and get nasty quick.

Charles Fugate made a motion, duly seconded by Dennis Horton to approve a loan to 3 Guys Transport in the amount of \$25,000. The terms are 5 year payback, 2% interest, 90 days deferred payment, waiver of the closing costs, and vehicles purchased with the loan as collateral

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

Paul Fields – Additional storage buildings

- Committee recommends \$10,000 loan contingent upon Mr. Fields securing additional financing for the project
- Terms are 2% interest, 6 year payback, 90 days deferred payment, waiver of closing costs
- Collateral will be land

Ross said that his first buildings are full. The committee felt like we've helped him get started but didn't feel like we had the resources to give him the full \$25,000 request.

He is going to VCEDA to apply for their grant program. John said he isn't sure if he will be able to get that or not. Their max is \$10,000. Roger said obviously there is a need in the county.

Dennis asked if it will increase the tax base. Roger said it would

Brad asked if the collateral would be the land. Ross said it would.

Dennis Horton made a motion, duly seconded by Brad Bowen, to approve a loan to Paul Fields in the amount of \$10,000 contingent upon Mr. Fields securing additional funding for the project. The terms are 6 year payback, 2% interest, 90 days deferred payment, waiver of the closing costs, and land as collateral

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

Ross said we had one more application come in but the person wasn't able to come to the meeting, and the committee felt like they need more answers. They are trying to reschedule and the committee recommends to table this application.

BORROWING RESOLUTION

John said that VCEDA has asked for a borrowing resolution for a \$1 million loan to the Scott County EDA to be used to finance purchase of equipment, machinery and tools and costs associated with that for an unnamed prospect. The terms of the loan are as follows:

- The loan shall be due and payable in 84 consecutive monthly payments of principal and interest with the first monthly payment due 1 year from the date of the promissory note
- The interest rate will be 2.25%
- The loan shall be collateralized by a first priority security interest in the equipment, machinery, and tools financed with these loan proceeds
- VCEDA consents to the lease or lease-purchase of the equipment, machinery, and tools financed with these loan proceeds

The loan is to us; however, the board will need to approve this.

Dennis asked if we can act on the borrowing resolution after Closed Session. Sally said that would be okay if more information needs to be discussed.

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.3 Real Estate (Gate City, Weber City, and Dungannon) and A.5 Prospects (Gate City, Weber City, Dungannon, and Duffield).

Dennis Horton made a motion, duly seconded by Greg Baker, to enter into Closed Session pursuant to Virginia Code Section 2.2-3711 for the purpose of discussing A.3 Real Estate (Gate City, Weber City, and Dungannon) and A.5 Prospects (Gate City, Weber City, Dungannon and Duffield).

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

OPEN SESSION

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

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

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.

Ross Jenkins made a motion, duly seconded by Brad Bowen, to certify the Closed Session.

APPROVAL:

Eric Lane	Absent
Greg Baker	Yes
Charles Fugate	Yes
Roger Fraysier	Yes
Ross Jenkins	Yes
Dennis Horton	Yes
Brad Bowen	Yes

Dennis Horton made a motion, duly seconded by Ross Jenkins, to accept the transfer of property from the Norton IDA to Scott County EDA in the Stony Creek area purchased with a grant.

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

