

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

The June meeting of the Scott Co. EDA has been changed to Wednesday, June 27th, 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 June meeting of the Scott Co. Chamber of Commerce will be Wednesday, June 13th at 12:00 Noon at the Scott Co. Park and Golf Course in Gate City.

SCOTT COUNTY ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
APRIL 18, 2018

VIRGINIA

A meeting of the Scott County Economic Development Authority was held on Wednesday, April 18, 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	Absent
Charles Fugate	Present
Roger Fraysier	Present
Ross Jenkins	Absent
Dennis Horton	Present
Brad Bowen	Present

OTHERS PRESENT:

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

WELCOME/CALL TO ORDER

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

MINUTES

Roger asked for a couple of changes in the minutes. High Knob is misspelled, and need to change Fred Starnes to Freda Starnes.

Brad Bowen made a motion, duly seconded by Charles Fugate, to approve the April 18th, 2018 meeting minutes with the noted correction to the misspellings.

John said that Sally worked with other counties and that was the intent, as well, that we adopt the covenants.

Dennis said the only intervention you could have would be arbitrate a dispute between two land owners.

Charles asked what would be our responsibility. That would be a legal issue.

Dennis said it would be between two corporate attorneys if they own their land.

Brad Bowen made a motion, duly seconded by Dennis Horton, to leave the Duffield Covenants as they are with no changes.

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

PLANNING

John said, as a board, we went through the SWOT analyses and narrowed into a list. We have compiled that under our priorities.

The Planning Committee met, went through the process and put in a format TVA requested. John distributed a copy of that form.

John asked for a motion from the board to approve the process we went through.

Brad asked if the AEP upgrades would help with the planning. Roger said it would to a certain extent.

Brad asked how hard it was to get AEP to Joy. John said they traded for that area. At the time, PVEC didn't have the capability to serve Joy, and now PVEC has more power than AEP.

John said the SCC says you can't go into someone else's area.

Dennis Horton made a motion, duly seconded by Charles Fugate, to approve the EDA planning process.

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

DIRECTORS REPORT

- Met with Komatsu HR manager with VEDP representative, Randy Rose to discuss workforce training on March 20th
- Brad and I did a conference call with First Bank and Trust on the utility line issue
- Attended WIA One board special called meeting in Lebanon on March 27th
- Met with TVA regional representative and Lee Co. representatives on March 27th at LENOWISCO to discuss TVA programs and marketing initiatives
- Penny and I attended TVA workforce research training on March 28th
- Attended the Regional Industrial Facilities Authority (RIFA) meeting on April 2nd in Duffield

- Bid opening for Bush Mill on April 10th
- Met with RBEG committee on April 10th
- Attended the TVA annual Economic Development Forum on February 12th – 13th
- Participated in a trade show with VEDP and VCEDA on April 15th – 17th

At the May meeting, we will have a copy of our zip code map along with research on neighboring counties to see how we compare.

Dennis asked if there is a way we can get info from Natural Tunnel, Bush Mill, Cove Ridge and other recreational areas to see where people are coming from.

John said we would check on that.

Dennis added if you can figure out where people come from, there could be industrial or tourism recruitment from those areas.

LOGGING

Brad said they are sowing grass at Mike Carter's place.

Dennis asked if there's any way we can have a meeting at the DBWTIC next month. John said there is no furniture; however, that is up to the board.

Dennis asked if Brad had any idea what an acre of timber would conservatively be. Brad said it's estimated at \$1,000 per acre so that would be \$44,000.

Charles reiterated Dennis's statement from the April meeting. What would that do to the view from the back of the DBWTIC?

John said we have drawn up a draft Invitation to Bid for logging; however, we didn't want to waste money advertising if the board decided against the logging.

Dennis suggested we gather all the information we can.

Brad said there may be something the Va. Dept. of Forestry has in regard to reclamation.

Roger asked what kind of cost we are looking at for advertising. John said between \$150 and \$190.

Dennis suggested talking to conservation people and VDOF. It's contradicting to build a \$4 million building with scenic vistas and then destroy the view.

Charles said it would be valuable to get comments on the view from people and how important it is. He also asked what is the best time of the year to log.

Brad said now is a good time with higher prices and tariffs.

Charles asked if it washes more in bad weather and what damage would it do to the terrain.

Brad said they would use Mike's property for the landing and they are reseeded that now.

Dennis asked how comparable our property was to Mike's. Brad said it is the same.

It was the consensus of the board to gather more information on the logging issue.

Dennis said we would want to maximize the look with minimal damage.

CALENDARS

The calendars were reviewed with no changes.

FINANCIALS

The VCEDA fund balance report for January showed a balance of \$68,564, and the EDA expenditure report showed 27% remaining. The Community Services Building has 7% remaining and the Crooked Road Tech Center has 6% remaining.

John said we have submitted our initial budget request to the county, and will let the board know when he hears something.

RBEG APPLICATION

Roger said the RBEG committee requested a more itemized list of general expenses. The things she came back with were a sign, display cases, and inventory. The committee was not comfortable with funding things that we could not reclaim, such as inventory.

They would be more comfortable with a first lien on property to reassure the loan amount.

John said, in looking at the documents she provided, we cannot get a first lien. We would only have a second or third position.

Brad asked if she has a vehicle. Roger said they looked at that and tried to pursue every angle. He added that we want to be good stewards of the money and responsible for the loans we make.

Charles said she needed to reply with more significant collateral.

Dennis asked if she owned or leased. John said it was a lease/purchase.

John said they could recommend funding for the signs and display cases, and if she comes up with collateral for a first lien, then we can consider giving her more.

Brad and Dennis said it seemed fair to them.

Brad said he has sat in on a lot of seminars and proper organization on an aisle can lead to a 30 -35% sales growth on that one aisle. He said new cases are a good investment.

Dennis said she has a niche market. People that go there have a reason to go and not an impulse visit.

Roger said if she comes up with a first lien, then we can try to help her more.

Charles Fugate made a motion, duly seconded by Brad Bowen, to approve a loan to Gold & Guns for signs and display cases in an amount not to exceed \$5,500, and will revisit the loan amount if a first lien can be provided. The Director and Chairman are also authorized to sign any and all documents related to the loan.

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

ENTERPRISE ZONE

Enterprise Zone incentives for eligible businesses are based on the amount of investment and average wage rate.

Based on a 2013 expansion, Tempur Sealy is eligible to receive a grant on taxes paid on machine and tool and real estate on investments related to the expansion.

They are eligible for a grant of \$43,100.77 on their 2017 taxes.

Roger said Tempur is a great employer in Duffield and continue to expand. We need to support them.

Brad Bowen made a motion, duly seconded by Dennis Horton to recommend the Board of Supervisors approval the 2017 tax grant to Tempur Sealy in the amount of \$43,100.77.

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

Dennis said it would be good to put a spin on this to advertise the enterprise zone.

John said that was a good point.

Dennis also asked if tariffs would have a negative impact in Duffield.

Brad said it should have a positive effect on the sawmill.

Brad said everyone's costs are going up on raw materials.

Dennis said if the stock market levels out, building and construction should pick up.

Brad said building costs are going up from six months ago.

Charles said, according to magazines, things are not looking good for agriculture. Values are going down.

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 (Duffield) and A.5 Prospects (Weber City, Dungannon and Duffield).

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

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

OPEN SESSION

Dennis agreed and said being paid or not doesn't matter one way or another to him; however, the Board of Supervisors need to know that we gave up our pay for the good of the county and are doing a service. They need to recognize what we have given up.

Charles added or put in the budget the cost and write forfeited beside it.

ADJOURNMENT

Brad Bowen made a motion, duly seconded by Charles Fugate, to adjourn the meeting to Wednesday, May 16th, 2018 at 6:00 p.m. in the Board Room of the Scott County Administrative Offices located at 190 Beech Street, Suite 201, Gate City, Virginia.

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