

Economic Development Authority
Minutes
December 8, 2022
6:00 p.m.

The Lee County Economic Development Authority met in regular session Thursday, December 8, 2022 at 6:00 p.m. in the General District Courtroom of the Lee County Courthouse located in Jonesville, Virginia. Present were Chairman Greg Edwards, Vice-Chairman Paul Johnson, Secretary/Treasurer Ray Blair, Board Members A.J. Hatmaker, Chad Hines, Mark Long and Richard Sprinkle Jr., Community Development Director Richard Johnson, Community Development Secretary Cathy Wilder and EDA Attorney Rick Callahan.

Chairman Edwards determined that a quorum was present then called the meeting to order.

Approval of EDA Minutes

Chairman Edwards called for a motion to approve the minutes from the September 8, 2022 meeting.

Richard Sprinkle, Jr. made a motion to approve the minutes from the September 8, 2022 meeting. A.J. Hatmaker seconded the motion. The motion passed unanimously.

Public Comment

None

Approval of EDA Financial Report, Bills & Payments

Community Development Secretary Cathy Wilder stated that she had received the EDA bank statement for the month of November and that a fraudulent check for the amount of \$15,000.00 had been debited to the EDA checking account. She stated that she had spoken with Larry Presley with Powell Valley National Bank and the funds have been placed back into the EDA checking account and for security purposes the bank has already gotten the EDA account set up for Positive Pay. Mr. Presley highly recommended that the EDA board sign the appropriate documents to continue with Positive Pay and online banking.

Mark Long made a motion to approve the financial report and paying the bills for the month of December. Chad Hines seconded the motion. The motion passed unanimously.

Ray Blair made a motion to allow Chairman Edwards to sign the proper documents to set up Positive Pay and online banking (view only) for the EDA checking account. Chad Hines seconded the motion. The motion passed unanimously.

Old Business

County Budget Allocation

Director Johnson informed the Authority that there was a deposit reflected on the financial statements of \$17341.72 from the County to cover feasibility study expenses and insurance premiums. He also indicated that the motion as passed by the BOS included a stipulation that would require the authority to return funds to the County when reimbursed for 90% of the study cost. He stated that the returned funds could then be re-disbursed as needed with proper requests to the Board.

Whistle-Pig EDF Request

Director Johnson provided an update to the Authority regarding the intent of the representatives of Whistle Pig to delay disbursement of the previously approved funds to better align with construction timelines and to prevent the performance agreement timelines from starting earlier than necessary.

Seed Capital

Director Johnson reported that he was successful in obtaining funding for Rock Bottom Horse Camp through the VCEDA Seed Capital program in the amount of \$10,000 after initially being unsuccessful in the spring round of the program.

Year Ending June 30, 2021 Audit

Director Johnson and Chairman Edwards gave a brief update regarding previous questions about liabilities that were included due to the County but were unenforceable at this point. Chairman Edwards indicated that in correspondence between Tamara Greear and himself he had confirmed it would drop off in the following year.

Produce Auction Reimbursement

Director Johnson gave a brief report detailing reimbursement requests that had been made to both VDACS and the Tobacco Commission. He indicated that he had been working with Amy Byington to submit the final report to VDACS since the request was made and that the Tobacco Commission request was approved by the regional office and had been submitted for payment pending the approval of the Executive Director.

New Business

Appalachian Voices – Emma Kelly

Emma Kelly with Appalachian Voices was unable to attend the meeting. Ms. Kelly stated that she will try to attend next month's meeting.

Quarterly Financial Report 3/22 – 6/22

Director Johnson stated that the quarterly financial reports are included in the board packets.

Shell Building Developments

Director Johnson informed the Authority that Mr. Elswick had reach out to himself, County Administrator Dane Poe, Building Official Clint Carter, Supervisor Mosley, and Supervisor Smith to set up a meeting at the shell building and had not provided any insight as to the context of the meeting. At the meeting, officials were informed of Mr. Elswick's intent to dispose of the asset and had brought the prospective purchaser to the meeting. Mr. Elswick expressed that his word remained true and although he has no direct obligation to the county, he wanted to ensure that the building would create jobs. He explained that he had been in contact with Daniel at Timberline Barns LLC about the property in the past and they were not interested. Daniel explained that his business had grown to the point that expansion was necessary and this could be the right fit. The two then explained that the deal included a lease to purchase agreement that would need to be approved by the VCEDA board who financed the purchase and that Mr. Elswick would make a profit on the deal. Director Johnson continued to explain that the VCEDA board approved an extension of Mr. Elswick's full loan disbursement for an additional year and consented to the lease to purchase agreement but would only count new jobs created in the expansion toward Mr. Elswick's performance agreement related to the forgivable portions of his loan. Director Johnson informed the Authority that he was working with the individuals to determine if it would detrimentally affect the agreement and if there could be some way to make it work if that were the case.

England Building Plumbing

Director Johnson addressed the Authority regarding ongoing plumbing issues at the Authority owned England Furniture Building. He indicated that a total blockage prevented the use of the women's restroom facilities which required immediate action from M&M pumping service. He noted that they were able to resolve the issue within the first hour so the charge was much less than previous instances. He went on to address the continued issues and how it would be remedied after consulting with the Building Official and the engineering firm that had been utilized for the original renovations. Director Johnson then introduced a proposed RFQ to the members and Chairman Edwards requested to continue the discussion in Executive Session.

VA ABC # 528 Approval

Chairman Edwards stated that the store should be opening in approximately 11 months

VDOT Resolution – Flanary Bridge Dollar General

Director Johnson provided the Authority members with correspondence between himself and Tim Dunaway with JMB Investment Company. Mr. Dunaway had requested support from the County and Authority in lobbying VDOT for an exception to its original plans for egress. Mr. Dunaway did not provide updated plans for review. It was the consensus of the Authority to table any action until those plans could be provided.

Gazelle, ai: Agreement

Director Johnson gave a brief report to the Authority about the Economic Development tool and that VCEDA had entered into an agreement for one year with the software company to allow all of its localities access at no cost. VCEDA signed the terms and

conditions on the purchase and requested that each end user have them signed by the local authority as well prior to granting access.

Paul Johnson made a motion to authorize the Chair to sign the agreement. A.J. Hatmaker seconded the motion. The motion passed unanimously.

Reports & Recommendations of the Board

None

Reports & Recommendations of the Director

SWVA R&D Authority Meeting

Director Johnson informed the Authority members that the Southwest Virginia Energy Research and Development Authority would be set to meet at 10am December 13th at the Southwest Virginia Higher Education Center in rooms 103&104. He indicated that the meeting was slated to be full of information regarding energy research, specifically nuclear, and would be beneficial for anyone available to attend given the recent push from the Governor.

Legislative Reception

Director Johnson stated that the Legislative Reception has not been held for the past couple of years due to Covid, but it will be held January 31, 2023 in Richmond. He told the board members that they are welcomed to attend and if they plan to do so to let him know so he could register them.

CJIP

Director Johnson requested that the Authority members reference the included materials in their packet regarding the new program. He went on to inform them that the program had been implemented at the most recent VCEDA Board meeting and was set up to include all of VCEDAs targeted industries in its initial round but would be subject to limited application in future rounds dependent upon funding. He indicated that the program could be more beneficial to small businesses that fall within the seed capital parameters but have larger employment bases as the program will provide up to \$2500 grant per full time employee that meet the metrics VCEDA set to include a base pay of \$16.50 per hour. He also mentioned that VCEDA recommended that future applicants not apply for multiple programs concurrently but there were no discussions that would preclude previously awarded applicants from applying for the program as well.

Ray Blair excused himself from the meeting.

MECC Promise Program

Director Johnson requested the Authority members reference a flyer included in the board packet. He went on to ensure that the members were aware of the new program offered by MECC to provide a last dollar scholarship to graduates of Lee, Scott, Wise, Dickenson, and City of Norton. It would guarantee that any graduate from these localities would be able to attend the college tuition free.

Chad Hines made a motion to go into executive session to discuss 2.2-3711A.5 Discussion of prospective business and 2.2-3711 A.6 Investing of Public Funds (Contracts). A.J. Hatmaker seconded the motion. The motion passed unanimously.

Chad Hines made a motion to come out of executive session. Mark Long seconded the motion. The motion passed unanimously.

Chairman Edwards polled the board that they only discussed issues pertaining to the entry of executive session.

Chad Hines made a motion to authorize the advertising of the Request for Qualification for General Engineering & Related Services. Richard Sprinkle, Jr. seconded the motion. The motion passed unanimously.

A.J. Hatmaker made a motion to adjourn. Chad Hines seconded the motion. The motion passed unanimously.

Community Development Secretary
Cathy Wilder
December 12, 2022

Community Development Director
Richard Johnson
December 19, 2022