

**Campbell County
Economic Development Commission/CEDS Committee**

March 15, 2018

The regular meeting of the Campbell County Economic Development Commission was held on Thursday, March 15, 2018, in the Campbell County Citizen Services Building Conference Room, Rustburg, Virginia.

Members Present:

William Anderson	Richard Metz	Kevin Davis
Hugh Bragg	Frank Davis	Eric Fletcher
Kathy Carson	Willie Jones	
Scott Tweedy	George Rosser	

Members Absent:

Richard Carroll

Also Present:

Mike Davidson, Director of Economic Development
Sarah Johnson, Program Manager, Economic Development
Kim Stewart, Administrative Assistant, Economic Development

// The meeting commenced at 12:04 p.m. and Mr. Davidson began by introducing new member Eric Fletcher.

// Next, Mr. Davidson indicated the need to elect new officers to the openings for chairman and vice chairman due to term expiration and non-reappointment. Mr. Frank Davis nominated Mr. Willie Jones for chairman. No other nominations were given and Mr. Davidson called a motion to close nominations and elect Mr. Jones as chairman of the Economic Development Commission. Mr. Scott Tweedy motioned and Mr. Hugh Bragg seconded. With all in favor, and none opposed, nominations were closed and the motion passed unanimously.

// Mr. Davidson then called for nominations for vice chair. Mr. George Rosser nominated Mrs. Kathy Carson. No further nominations were given. Mr. Scott Tweedy moved for nominations to be closed and for Mrs. Kathy Carson to be elected. Mr. Richard Metz seconded. With all in favor and none opposed, nominations were closed and Mrs. Carson was elected vice chairman.

// With no comments or corrections given, Mr. Davidson called for a motion to approve the minutes from November 16, 2017. Mr. Frank Davis motioned and Mr. Tweedy seconded. With all in favor and none opposed, the members approved the minutes unanimously.

// Mrs. Sarah Johnson reviewed the Project Updates that were provided in the meeting packets to all the members. Mr. Jones asked where Graham Packaging is located and Mr. Davidson answered that it is in Altavista and headquartered in Chicago. Mr. Tweedy asked for the number employed and Mr. Davidson answered that they are in the 40-45 people range and reviewed Graham's packaging of Abbott Nutrition products as well as other company products. He also clarified that they will pick up approximately 8-10 new employees with their upcoming expansion.

// Mrs. Carson requested a list of the members on the Artisan Trail. Mrs. Johnson let her know there was a website link she could send in addition to a list, and Mrs. Carson was satisfied to view just a link.

// Mr. Frank Davis asked Mr. Davidson what the lowest unemployment has been in the years since the Economic Development Commission was begun. Mr. Davidson answered about 3.5-3.6% unemployment, and

that 4% unemployment is considered “full employment.” But he reminded the group that the numbers reported are only for those actively seeking employment from the Virginia Employment Commission and does not take into account the underemployed who are not using the VEC to try to obtain employment or those who are unemployed and NOT seeking employment. Campbell County being at “full employment” translates to a weak work force and makes it difficult trying to convince a prospective business that there will be sufficient workers available in the area. Mr. Rosser commented, questioning if prospects want to see high unemployment, and Mr. Davidson said yes.

// With no other questions regarding Project Updates, Mrs. Johnson moved to the completed CEDS document and summarized the content for the members. Final copies of the CEDS update document were provided both electronically and in hard-copy format for all of the members. Mrs. Johnson informed the group that the final Comprehensive Economic Development Strategy update document was presented to the Board of Supervisors and was accepted by the board at the March 6, 2018, meeting. Mr. Davidson added that what was captured in the CEDS document is what was mentioned and discussed in the meetings. For example, an item on the Strengths list exists there because meeting attendees felt it was a Strength and should be acknowledged as such.

// Mr. Davidson reminded the group that the commission is an advisory body to the Board of Supervisors of economic development issues as they relate to policy more so than physical worries. The next step that will occur, having finished the document, is for the commission to begin looking at the goals and objectives and what significantly impacts economic development policy, to review policies, and to offer suggestions or recommendations on how to improve the policies going forward.

// Mr. Davidson reminded the group that the Department of Commerce Economic Development Administration recognizes only certain data sources as legitimate. Chairman Jones asked if it was correct that when working with the Economic Development Administration applying for grants, one must use their approved sources for justification, but if applying for a grant through the state’s EDA, one would need to use the data sources approved by the state, and that those may be different sources. Mr. Davidson answered affirmatively. As example, Weldon Cooper Center for Public Service is a state-recognized but not federally recognized data source. Mr. Davidson went on to say, however, that Campbell County is considered too affluent to receive federal funding, but has a better chance if it can be proven that funding will impact an area mentioned in the Regional CEDS. Campbell County Economic Development continues to do the CEDS, however, because it is great planning material.

// Mr. Davidson indicated that the first thing the commission would review is the Campbell County Economic Development Incentive Policy. The four-page document, revised in October of 2014, was provided for each member. He explained the process of issuing a preliminary letter to a potential recipient of incentives, detailing the process and what the incentives are, going into closed session with the Board of Supervisors to provide relevant information, the board approving by consensus in closed session of the incentive amount, and the company being informed. Then, shortly after the company makes a formal announcement, Economic Development brings the agenda item back before the Board of Supervisors in open session to be voted on to receive incentive funding. Current standard policy is that the board will give two years’ worth of return on investment, although they do have the ability to give more or less than that. A milestone figure is determined for the first payment, with subsequent installments paid over the course of four years. Mr. Frank Davis asked how this compares with Campbell County’s competitors. What Mr. Davidson has found thus far is that Campbell County is competitive but not as competitive as other counties, but that is subject to more verification.

// Mr. Jones asked when the county begins collecting taxes on a company that has been awarded incentives and is starting a large project. Mr. Davidson answered that there will be a Performance Agreement, which is a legally binding document that details what the company is going to do. For example, it will mention how much money it will invest in what kind of and how much machinery, how many new employees will be hired and at what average annual wage, etcetera. It will also mention how much money the county is going to give in an Economic Stimulus Grant, and based upon the company’s capital investment, the county will give “x” amount of dollars in an employment grant. The county determines the terms of when the incentives are paid.

If it is a building project, the building must be complete and a certificate of occupancy issued. The number of installments determines the number of years the incentives will be paid. Mr. Davidson explained also that the county does pro-rate real estate and it is possible that the first installment could be made prior to the company paying its first machinery and tools tax payment.

// Mrs. Carson asked if the county is able to go back and tax a new commercial building for land value improvement, where the county would tax the developers for the added value of the land now that the commercial building exists on it. Mr. Davidson was not aware of such a tax for commercial property.

// Mr. Davidson reviewed the rest of the Campbell County Economic Development Incentive Policy, including the Employment Credit Table, which shows how much employment credit per job can be given and which depends on how much above or below the Average Hourly Wage the employee is given. This helps minimize the unproductive period of time when new employees are in the process of being trained.

// Next, Mr. Davidson reviewed the "Incentives Review 2018" spreadsheet, which is a work in progress that he will add to as he receives more information and will provide to the commission members. The spreadsheet lists local and state opportunities for assistance and which localities are doing what, including the counties of Amherst, Appomattox, Bedford, Campbell, Franklin, Halifax, Henry, and Pittsylvania County, and the cities of Danville and Lynchburg. He mentioned reduction in land and/or building costs, expedited governmental assistance (known as Fast Tracking), and coordination of state and local assistance with outside agencies. Enterprise Zones have not been open to Campbell County. Historically, those who already have an enterprise zone have continued to receive a renewal when the renewal period comes around, which prevents other counties from receiving an enterprise zone. Mr. Rosser mentioned that Lynchburg has two, and Mr. Davidson added that Pittsylvania County has four. Mr. Willie Jones asked if the General Assembly could correct the problem, but it was doubtful. Additionally, Mr. Davidson indicated that he believes the enterprise zones are frozen now and no new enterprise zones will be added for some time, due in part to funding issues. Mr. Davidson mentioned that the Foreign Trade Zone is something special and that Campbell County is in foreign trade zone #238, based out of the New River Valley Airport. A foreign trade zone is a physical location where imported raw materials can be housed and the manufacturer does not have to pay import duties on them until they are pulled out and put into the manufacturing process.

// The remainder of items were briefly summarized and with no questions or comments, Mr. Davidson turned the meeting back over to Chairman Jones, who asked for matters from the members. Mr. Tweedy asked if Campbell County was going to sell the Jimmy Faye Trust property. Mr. Davidson stated that the trust is controlled by an appointed board of trustees, which does have members appointed from Campbell County, but that the board is not the Campbell County Board of Supervisors. He was unsure if the board of supervisors for that trust has decided to sell that property. Mr. Hugh Bragg then asked how much land Campbell County owns, and Mr. Davidson answered that from an industrial view, the county has 350-400 acres, but he did not have an exact figure for ALL land including non-industrial.

// With nothing further, Chairman Jones called for a motion to adjourn, motioned by Mr. Tweedy, and seconded by Mr. Rosser. With all in favor and none opposed, the meeting of the Economic Development Commission was adjourned at 1:29 p.m. The next meeting is scheduled for Thursday, June 21, 2018, in the Citizen Services Building Conference Room at 12:00 noon.