

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

June 28, 2018

The regular meeting of the Campbell County Economic Development Commission was held on Thursday, June 28, 2018, in the Campbell County Citizen Services Building Conference Room, Rustburg, Virginia.

Members Present:

William Anderson	Richard Metz	Richard Carroll
Hugh Bragg	Frank Davis	Eric Fletcher
Kathy Carson	Willie Jones	Scott Blankinship

Members Absent:

Scott Tweedy
George Rosser
Kevin Davis

Also Present:

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

// Chairman Willie Jones opened the meeting at 12:07 p.m. and entertained a motion to approve the minutes from the March 15 meeting. Mr. Frank Davis motioned and Mr. Eric Fletcher seconded. With all in favor and none opposed, the minutes of the meeting on March 15, 2018, were unanimously approved.

// Chairman Jones then turned the meeting over to Mr. Davidson, who gave a brief building update on the 10,000 square foot building the Industrial Development Authority is building. The steel for the building went up this week and the roof is expected to go up next week, with the walls to follow. Mr. Davidson hopes and anticipates the building to be complete between the end of August and end of September.

// Next, Mr. Davidson introduced newly appointed member Scott Blankinship and those in attendance introduced themselves to Mr. Blankinship.

// Mr. Davidson then briefly reviewed the Project Updates, which were sent out to the members electronically prior to the meeting. He explained some background information regarding the Project Updates for the sake of new member Blankinship. Mr. Davidson also gave an overview of the Banker Steel lease extension, which was not mentioned in the Updates.

// Mr. Davidson asked for questions regarding the project updates and Chairman Jones asked if Mr. Davidson had seen an impact in Campbell County among any businesses directly affected by the new tariffs being imposed on U.S. goods and goods being imported from other countries. The impact Mr. Davidson has seen is related to prospects and that Canadian companies are not coming to the U.S. at this time; and they have been upfront regarding that decision. Furthermore, Mr. Davidson cited the recent news article detailing Harley Davidson's decision to move manufacturing operations to Europe, resulting in loss of jobs for America.

// Mr. Carroll asked what would happen if the City of Lynchburg decided to try to annex the special service district of Wards Crossing West. Mr. Davidson answered that there would be a legal fight, but he did not expect annexation to occur as it is "dead" within the state. He continued, saying that Virginia is one of the few states that has independent cities and mentioned that North Carolina has surpassed Virginia in economic

development, job growth, and revenue and that North Carolina allows cities and counties to work together and share revenue. Virginia does not have the ability to do that because of the legislature in Richmond.

// Mrs. Carson requested more information regarding the Hilton construction delay on Simon's Run, but Mr. Davidson did not know.

// Moving to the next item on the agenda, Mr. Davidson reviewed the existing adopted Incentive Policy, which was last revised and adopted in 2014. This was provided to the members electronically before the March 2018 meeting and in hard copy at this June 2018 meeting. Mr. Davidson informed the commission that he uses this document when speaking with clients and discussing incentives. He explained what the client is eligible for based on the existing policy and that, if the client wants more, the Board of Supervisors has the ability to exceed the numbers in the existing policy but they make that decision on a case-by-case basis. In the past they have not done so, but it is within their power to do.

// Chairman Jones asked if the numbers presented in the Employment Credit Table for the amount of money the county will credit per job, based on hourly wage and the percentage of the hourly wage the business pays, were the standard and if Mr. Davidson deviated from that for businesses paying less than the average hourly wage, for instance. Mr. Davidson answered that the credit applies only to companies that pay at least the average hourly wage and that the numbers presented are the standard. The explanation for this is that the county will not reward companies that bring business to the area paying (for example) an average of \$8.00 per hour, which will not increase quality of life for the employees working those jobs. But companies paying at least 75% of the average hourly wage of \$20.85, or more, are eligible to receive a reward from the county because the higher paying jobs help to provide the workers with more and better options to increase their quality of life.

// Next Mr. Davidson reviewed an incentives spreadsheet, which was provided to the members in hard copy format. This spreadsheet incorporates types of local incentives and state grants, returns on investment (ROI), and incentive pay out periods in years. The spreadsheet provided includes the counties of Campbell, Bedford, Amherst, Appomattox, Halifax, Henry, and Pittsylvania; the town of Altavista; and the cities of Danville and Lynchburg. The information available on each locality, as each incentive type applies to it, was listed for review. Mr. Davidson reminded the commission that Campbell County has a new Board of Supervisors as of December 2017 that is very interested in economic development, but that the information in the incentive spreadsheet under Campbell County refers to the Incentive Policy last adopted in 2014.

// Mrs. Carson asked if any incentives would be available to the victims (businesses) of the April 2018 tornado, explaining that some of the companies were planning to expand, and therefore tear down their existing buildings anyway. Mr. Davidson doubted that assistance could be provided at the county level, because many of the businesses work in "pure retail," to which Campbell County does not provide incentives. He continued, saying that they were also deemed not eligible for federal grants, through FEMA for example, but that some of the smaller businesses may be eligible for Small Business Development LOANS.

// Mr. Davidson finished reviewing the Incentive Spreadsheet and explained that, although incentives are attractive to prospective businesses, they are not the most important factor. The number one request of businesses right now, which varies from time to time, is available buildings. Ten percent or fewer businesses are looking for a green field site now. It has to be at least shovel-ready, which means the lot is graded, it has an industrial-grade road in front of it, and water and sewer are running to the property line. Moving into an existing building also ensures environmental approval has been met. The second most important factor, before incentives, is whether the locality has the available workforce and will continue to have it several years down the road.

// Mr. Davidson asked the commission members for questions and also asked the members to read the package in more depth to bring information back to the next EDC meeting.

// Mrs. Carson asked if the Board would be agreeable to updates to the policy or incentive package. Mr. Davidson indicated that with a new Board, they are in a somewhat educational process at the time being but

that this new Board thus far is the strongest Mr. Davidson has experienced in terms of interest in furthering economic development. There will be a workshop in August devoted to Economic Development where Mr. Davidson will have one and one-half hours to present information to the Board of Supervisors as well as a strategy session further down the road. Mr. Davidson expects it to be into 2019 before bringing changes to the Incentive Policy before the Board.

// Mrs. Carson then asked the commission for their feelings on the proposed meals tax. Mr. Davidson explained that cities and towns can set a lodging and meals tax at whatever percentage they want, but the state will only permit counties to adopt a lodging tax at three percent, which can go into the general fund. The maximum lodging tax a county in the Commonwealth of Virginia can impose is five percent, and the extra two percent has to go toward tourism. Furthermore, a tourism board must be formed consisting of hotels and tourist attractions to determine how the extra two percent is spent. Campbell County already has the three percent transient occupancy tax. Mr. Carroll asked how Bedford, Amherst, and Appomattox compared and Mr. Davidson believed the counties to have a meals tax but was not certain what tax the towns have. Mr. Metz offered that he thought the Town of Appomattox has a hotel and meals tax. It was also mentioned that there are a few restaurants in those counties, but not many.

// Mr. Metz also offered a potential revision to the title "Expediting the Permitting Process" in the adopted Incentives Policy, noting that it may jump out to customers more if "Expediting the Permitting Process" were named "Fast Track Process." Mr. Davidson agreed.

// Mr. Fletcher asked if a meals tax was passed at 4%, would it be targeted to a specific fund or to the general fund? Mr. Davidson explained that 3-4 years ago, there was an effort on the part of the Board of Supervisors to try to get a meals tax passed, and at that time the Board had specified the revenue to be used on education. The present-day efforts to pass a meals tax are private citizen-led to get on the ballot, however, and therefore the revenue is not designated. The Board of Supervisors does have the option to designate funds, however, and can do so at any time, as far as Mr. Davidson was aware.

// Mrs. Carson reminded the group that the CEDS document shed light on several areas in Campbell County lacking funding to maintain or improve current infrastructure or operations. As an example, a meals tax being passed would allow for more county revenue that could be put towards some of the needed areas. Mrs. Carson continued, expressing Campbell County's need for further funding.

// Discussion turned to the lottery and how when the lottery was first introduced, the revenue from ticket sales had been proposed to go towards education. Mr. Bragg questioned where that money is in fact going. Mr. Davidson did not have the statistics Mr. Bragg was looking for, but did believe the revenue is being spent where it was designated. He reminded the group, however, that the money spent on lottery tickets is money not spent on bread or milk, etc., and the end result is that the lottery took money out of the economy, which caused an overall loss in the economy of revenue that used to support taxes.

// Chairman Jones asked for other questions, and with nothing further presented, Chairman Jones called for a motion to adjourn, motioned by Mr. Fletcher, and seconded by Mr. Anderson. With all in favor and none opposed, the meeting of the Economic Development Commission was adjourned at 1:27 p.m. The next scheduled meeting is Thursday, September 20, 2018, in the Citizen Services Building first floor conference room at 12:00 noon.