

**MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY  
OF CAMPBELL, VIRGINIA**

July 23, 2009

The regular meeting of the Board of Directors of the Industrial Development Authority of Campbell County, Virginia, was held in the Board level conference room of the Haberer Building, Rustburg, Virginia, on July 23, 2009.

The Directors present were:

George Rosser, Chairman  
K. William Kirk  
Lewis Robertson  
D. Vance Driskill  
Geraldine Pettigrew  
Larry Dalton

The Directors absent were:

Malcolm Morris

Also Present:

J. Michael Davidson, Economic Development Director and Assistant Secretary-Treasurer  
Frank Wright, Jr., IDA Attorney  
Brian P. Gleason, IDA Staff Support

// Chairman Rosser called the meeting to order at 7:33 p.m.

Mr. Davidson introduced Mr. Gleason as meeting recorder, and explained Amy Allen's separation from Campbell County.

// Chairman Rosser asked the members present if they had any corrections or additions to the meeting minutes from the May 28, 2009, meeting. No corrections or additions were given. A motion to approve the May 28<sup>th</sup> meeting minutes was made by Mr. Robertson and seconded by Mr. Kirk, and duly adopted by unanimous vote of the members present.

// Chairman Rosser stated the next order of business was the election of officers. Mr. Driskill inquired of Mr. Robertson his interest in filling the Chairmanship of the Board. Mr. Robertson stated he would be interested. A motion to nominate Mr. Robertson as the new Chairman was made by Chairman Rosser and seconded by Mr. Driskill. Mr. Robertson was then duly elected to Chairman by unanimous vote of the members present. Mr. Davidson suggested Chairman Rosser continue to serve as Chair for the purposes of that evening's meeting, with Mr. Robertson assuming those responsibilities at the next scheduled meeting; members present concurred. Mr. Dalton moved to nominate Mr. Kirk as Vice-Chairman, and Mr. Driskill seconded. Mr. Kirk was then duly elected to Vice-Chairman by unanimous vote of the members present. A motion to nominate Chairman Rosser to Secretary-Treasurer was made by Mr. Driskill and seconded by Ms. Pettigrew. Chairman Rosser was then duly elected to Secretary-Treasurer by unanimous vote of the members present. Mr. Davidson offered to continue to serve

as Assistant Secretary-Treasurer. Mr. Driskill motioned to nominate Mr. Davidson for that office and Mr. Kirk seconded. Mr. Davidson was then duly elected to Assistant Secretary-Treasurer by unanimous vote of the members present.

// Mr. Davidson mentioned issues with signature cards from financial institutions the IDA utilizes. Mr. Davidson stated that for the Wachovia account and the First National Bank Banker-Steel Operating account, the authorized signatories are Chairman Rosser, Mr. Driskill and himself. Mr. Davidson stated the signature cards are out of date for all of the First National Bank Certificates of Deposit and the money market account. He explained it is up to the Authority to decide who will be the signatories, but because each check requires two signatures, he advised that at least one of the other signatories be available during the day to sign checks. After brief discussion, Mr. Robertson moved to approve Mr. Davidson, Mr. Driskill and Chairman Rosser as signatories for the CDs and money-market account, with Ms. Pettigrew seconding. The motion was carried by unanimous vote of the members present.

### **Matters from Economic Development Director**

// Mr. Davidson reviewed financial information for the IDA. Mr. Davidson informed the Board that \$10,000 was moved from the County Incentive Fund into the Wachovia account to pay incentives to JetBroadband. Mr. Davidson explained the \$10,000 was the remaining incentive owed to JetBroadband, but JetBroadband had not met the employment criteria necessary for \$6,000 from the employment grant. He explained that JetBroadband has until October to meet those criteria. Mr. Davidson explained that as a matter of expediency it would be best to leave the funds in the Wachovia account as opposed to transferring back to the County. He advised the Board to be aware that of the \$35,426.59 in the cash account at Wachovia, \$6,000 is County money dedicated for incentives to JetBroadband and is not available for use by the IDA. A brief discussion ensued regarding the benchmarks set for JetBroadband to receive the remaining incentives.

Mr. Davidson informed the Board that \$100,000 was moved from the Banker-Steel Operating account into a First National Bank CD. He stated the total current assets available to the IDA are \$320,891.13, minus the \$6,000 of County funds for JetBroadband incentives, plus \$1,000 in the value of broadband communications equipment for a grand total of \$321,891.13. Mr. Davidson stated as of June 30, 2009, the ending balance of the Wachovia account is \$30,721.03, ending balance in the Banker Steel Operating account is \$55,855.48, and ending balance in the Banker Steel Collateral account is \$56,675.37.

// Mr. Davidson opened the floor to questions regarding updates on projects listed in the attached "Economic Development Project Updates" document, dated July 8, 2009. Mr. Davidson described the success of attracting Key Parts to Campbell County, including the effectiveness of the website [www.campbellvirginia.com](http://www.campbellvirginia.com). Mr. Davidson expressed his satisfaction with receiving a Virginia Tourism Corporation grant of \$10,000, and explained the funds will be used to promote the Give Me Five program. Mr. Davidson explained the goals of the Give Me Five program, and expressed his dismay that Appomattox dropped out of the marketing coalition of Lynchburg, Amherst, Bedford and Campbell. He stated the program will launch in September or October of 2009. Mr. Davidson described Campbell County's unemployment rate as trending slightly higher than the state but significantly lower than the federal rate. He described this rate as being where the County has trended in the past.

// Mr. Davidson next discussed the Brookneal Wireless System. He explained to the Board that Mr. Wright prepared the sales contract, and we are now waiting on the check. Mr. Davidson stated it may be 30 to 45 days until payment is received.

// Mr. Davidson then discussed Enterprise Zones. He stated that the Virginia Department of Housing and Community Development informed him that four enterprise zones were becoming available and that they would be “reassigned.” Mr. Davidson explained that the County has submitted three different applications for an Enterprise Zone in the last five years, and none were approved. He stated the first application was a joint application between the towns of Hurt and Altavista to realize the synergies there, and the following two applications were for the County alone. Mr. Davidson described his disillusionment with interesting DHCD in an Enterprise Zone in the County, and after attending a workshop on this issue he is now convinced it is not worth pursuing. He explained that 50% of the rating criteria used by DHCD are based on “distressed” criteria, which include unemployment, median income and free lunches provided for middle-school students. Mr. Davidson stated the maximum score possible for that criteria would be 750, and Campbell County scored 327; he explained this score makes it very unlikely we would qualify. At Mr. Driskill’s request, Mr. Davidson elaborated on the difficulties of being accepted for an Enterprise Zone as well as the problems with the Enterprise Zone program itself. Mr. Davidson explained the total incentive funds available from the state would be \$100,000 from each of two grants. He further explained that the state has not fully funded the program, and the program stipulates that allocations would be proportioned to each Zone, therefore lessening the benefit to each Zone. Mr. Davidson stated it would take as much as 150 hours of staff time plus an equal amount of time from the Region 2000 Local Government Council to assist the effort, figures which helped him to conclude it would likely not be worth the effort. However, Mr. Davidson raised the possibility of simply using the format of the state’s Enterprise Zone program and creating the County’s own Enterprise Zone to benefit distressed County localities through business incentives. Mr. Davidson explained a second incentive policy could be developed specifically for these distressed areas.

// The next item discussed was the Marketing Plan for FY 2010. Mr. Davidson explained that the website is the focal marketing and advertizing piece, benefiting both County owned sites and private companies. He stated that tourism is becoming more and more important, especially as the County’s stock of hotels and restaurants grows. Mr. Davidson stated we will continue to partner with the Region 2000 Economic Council and the Virginia Economic Development Partnership. In regard to supporting the development of the Brookneal Campbell County Airport, Mr. Davidson stated he will attend the Virginia State Aviation Conference and possibly the National Business Aviation Conference. He also mentioned receiving good feedback to a recently released request for proposal for a fixed-base operator for BCC Airport. Mr. Davidson described the many improvements to the Airport and the successes of the Airport Authority in moving those projects forward. He stated the Airport is more marketable than it has ever been before. He stated the desire to have fuel available at the airport, but due to a reduction in General Aviation Airport funds this may not be possible in the short term. While discussing the e-newsletter Caliber, Mr. Davidson informed the Board that he joined Site Selection Network, a website where projects are posted, and that he located a project that would fit well in the Dan River property. Mr. Davidson explained that the Site Selection Network charges an annual fee of \$1,000 and provides access to a database of potential projects; he stated though the membership has yet to yield returns, he believes there will be many leads provided by this

network. Mr. Davidson said he plans to run an ad for the Altavista Office Park in the Business Expansion Journal in August, marketing the facility as a Data Center. Mr. Davidson informed the Board he is working to revise the Target Market Sector list; the report was first compiled by Virginia Tech eight years ago, and is now outdated. He said he is trying to determine what specific industrial sectors offer the most opportunity, because the limited budget precludes him from going after everything that is out there. Mr. Davidson informed the Board that he is diverting some of the funds for print media to a membership with the World Economic Development Alliance. He explained the WEDA is a consulting firm and marketing agency that provides their clients access to the leads they generate. Mr. Davidson explained that the WEDA acts as a consortium for marketing sites and exploring potential projects, and they include County marketing materials in their trade show booths, website and other materials and venues.

// Chairman Rosser inquired of Mr. Davidson his thoughts about changing the title of the IDA to an Economic Development Authority, or EDA. Mr. Davidson explained that it would be mostly a semantic change, and does not affect the substance of what the Authority does. He also mentioned that though the intent of the change may be to clarify the scope of the Authority, the change itself could be confusing. Mr. Davidson further remarked that EDAs are often confused with the newly-emerged CDAs, or Community Development Authorities, which do not cover the gamut of economic development. Mr. Davidson informed the Board of the process if they did wish to change from an IDA to an EDA. Mr. Driskill remarked that he did not see the benefit of the change.

// Mr. Davidson remarked on the successes of the Thomasville and Hirschfield projects, and stated he was hoping a new building project would come along in the next 12-14 months, but for "spec" building projects the funding is not available and loans are difficult to come by. Considering this, Mr. Davidson outlined a potential loan program modeled after successes of the Altavista IDA. Mr. Davidson, working with the Loan Fund Manager at the Lynchburg Business Development Center, discovered that Campbell County was eligible for Community Development Block Grants through DHCD to benefit small businesses in the County. He stated the loan terms would range from 80/20 to 85/15, with 80-85% of the funding coming from CDBG funds and a local match of 15-20%; he said the loan amounts would range from \$100,000 to \$150,000. Mr. Davidson remarked that due to current budget constraints, it was unlikely the County could afford to contribute the local match. Citing profits from the Hirschfield building, Mr. Davidson encouraged the Board to use those proceeds to provide the local match to secure the CDBG funds. Mr. Davidson described recent funding provided to area businesses through this loan program, and highlighted the fact that this program is targeted to small businesses. Mr. Driskill asked for clarification as to whether the program was a loan or a grant, and Mr. Davidson explained that it is a loan; however, the match contributed to secure the funds should not be expected to be recovered in full. Mr. Davidson explained that though the full amount may not be recovered, at least in the short term, the funds roll back into the program thereby providing funding for other projects. Mr. Kirk inquired if that pool of funding to which their local match would contribute is partitioned for area businesses solely, and Mr. Davidson responded that yes it is dedicated to area businesses only. Chairman Rosser remarked that the local match should be considered more a contribution than a loan. Mr. Driskill expressed his concern that because it is unlikely the local match would be recovered, it would be difficult for the IDA to participate in this program year after year. Mr. Robertson stated the only advantage to the County would be through enhanced tax revenue and employment, and Mr. Davidson concurred that that would be the return on investment. After a brief discussion, it was agreed to

explore this program further before moving forward and Mr. Davidson said he would invite the contact from the Lynchburg Business Development Center to present more information.

// Mr. Driskill inquired about the status of the building at Seneca Commerce Park. Mr. Davidson explained that the building has not been sold, and he further explained the problem with the building is the overhead clearance. Because of the issues with the overhead clearance, he discouraged the Board from considering purchasing the building. Mr. Driskill offered the idea of purchasing the building and then offering a very low rent to encourage a business to locate there. Mr. Davidson again remarked on the problems of the overhead clearance.

// Mr. Davidson raised the prospect of entering into closed session on several confidential topics, but the members agreed it was not necessary.

#### **Matters from the Chairman**

// Chairman Rosser stated he enjoyed his term as Chairman, but had no further business to discuss.

#### **Matters from IDA Members**

// The members present had no further business to discuss

With no other business presented for consideration, Chairman Rosser adjourned the meeting at 8:47 p.m.

---

George Rosser, Chairman

---

Vance Driskill, Secretary-Treasurer