

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

March 12, 2015

The regular meeting of the Campbell County Economic Development Commission was held on Thursday, March 12, 2015 in the Campbell County Citizen Services Building Conference Room, Rustburg, Virginia.

Members Present:

Lester Wooldridge, Chairman
Hugh Bragg
Richard Carroll
Willie Jones
Kevin Davis
Richard Metz
William Anderson
Kathy Carson
Travis Griffin
Frank Davis, CCUSA

Also Present:

Mike Davidson, Director of Economic Development
Sarah Johnson, Program Manager, Economic Development
Bre Davis, Administrative Assistant, Economic Development

Member Absent:

Scott Tweedy
Robert Maslow

// Lester Wooldridge called the meeting to order at 12:00 p.m.

// Mr. Wooldridge welcomed new member, Kevin Davis and asked all members to share a brief introduction. Mr. Wooldridge then turned the meeting over to Mr. Davidson.

Mr. Davidson asked the members if they had any comments or corrections to the minutes from the previous meeting, held on November 20, 2014. No corrections were made and a motion was made by Mr. Frank Davis and seconded by Mr. William Anderson to approve the minutes.

Mr. Davidson then gave the project updates:

Industrial Prospect Activity/ Marketing

We continue to work with a number of existing businesses on potential expansion projects as well as several new attraction opportunities. I'm working with 15 projects and compliance monitoring on 6 other projects, see below:

Industrial Projects-

- **Hub Scrap-** The former Lane Company, developer working to demo building and prepare a usable parcel for future development.
- **Project Auto-** existing company expansion.

- **Wards Crossing West/Tom Comparato-** Potential hotel in discussions
- **CarMax-** Open and appears to be doing well.
- **Shentel-** working on an entrance sign at the gateway to our commerce park
- **Project Ammo-** Existing company looking for larger site
- **Project Goose-** This is the aircraft manufacturing company has returned
- **Project Red Head-** Working with developer to build a fast food restaurant
- **Project Chilies-** Working with a developer on a restaurant on the lot between the two hotels on Wards Road
- **Project Aurora-** German Foundry, made the third cut, went to Atlanta to present to the consult and company, provided additional info, I am waiting to see if we make the next cut.
- **Project LEKTRO-** Project brought to us by Liberty School of Aviation/Freedom Aviation, aviation related manufacturing company, will have to travel to Oregon to present to the company.
- **Project Aluminum-** American company looking for foundry site
- **Project Sawmill-** This is a potential expansion of a local business into a sawmill operation.
- **Schrader Bridgeport-** Recently purchased by a new company Sensata
- **Southside Electric-** Looking for new site to relocate to.
- **Compliance Monitoring-** Areva, StarTek, American Plastic Fabrication, Comfort Inn & Suites, Hampton Inn, Banker Steel, Abbott

Seneca Commerce Park- Working on subdividing the parcels and rough grading the virtual building lot.

Lynchburg ED Strategic Plan/ Airport- We have received the preliminary engineering report from Dewberry. Cost per acre to develop the property is higher than anticipated and we are working to evaluate what to do & how to move forward.

Agriculture- We are getting ready to open up the second phase of the Central Virginia Produce, Livestock & Feed Storage Systems Grant.

Region 2000 LGC Agriculture Strategic Planning- The Region 2000 Alliance Local Government Council received a second USDA grant funding to do a Regional Food Hub feasibility study.

A new Extension Agent that is 50/50 funded by the county has been hired. Her name is Livvy Gill.

Brookneal Campbell County Airport

We have completed the design stage of the electrical & lighting rehab work and have submitted to the FAA & DOVA request for approved grants for the electrical systems and airfield lighting construction stage.

Tourism

We continue to market Tourism. We're doing another cooperative spread in the Virginia Travel Guide with Lynchburg, Amherst & Bedford. We'll place an ad in the Discover Lynchburg magazine, and continue to distribute our brochures.

Potential Collaboration/Merger of Region 2000 Alliance & Lynchburg Chamber- there is an effort under way to examine how the Region 2000 Business & Economic Development Alliance can work more cooperatively together even to the point of merger. A trip was made to Lexington KY to see what they have done and if we can use any of their ideas.

Unemployment-

| | Jan. | Feb. | March | April | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. |
|---------|------|------|-------|-------|------|------|------|------|-------|------|------|------|
| County- | 5.6% | 5.6% | 5.4% | 4.9% | 5.7% | 5.8% | 5.8% | 6.3% | 5.5% | 5.2% | 5.0% | 4.9% |
| State- | 5.4% | 5.3% | 5.3% | 4.7% | 5.4% | 5.4% | 5.4% | 5.7% | 5.2% | 4.8% | 4.5% | 4.5% |
| US- | 7.0% | 7.0% | 6.8% | 5.9% | 6.1% | 6.3% | 6.5% | 6.3% | 5.7% | 5.5% | 5.5% | 5.4% |

VEC tracking shows 1,284 unemployed persons in Campbell County in December.

Mr. Davidson asked for any questions.

Mr. Carroll – Who are we competing against for the foundry project?

Mr. Davidson – We were one of 40 potential sites that were invited to Atlanta to present. There were two sites in VA selected and we went together with VEDP and did our presentations. We do not know other states but possibly 10 others. One encouraging fact is that the company said they are not trying to locate in the US to make our user happy; they are looking for what is best for the company. Because we are not in the automotive production area of the country this is good news.

Mr. Carroll – Do you have any idea when they will decide?

Mr. Davidson – They have optimistic expectations of being under construction by 2016. The permitting process alone will make that timeline difficult. They did not confirm a selection deadline but we feel that we will know more information within 30 days of the presentations if we have moved on to the next level of selection and then will then do site visits.

Mr. Griffin – Is it ever possible to walk through the environmental process with them?

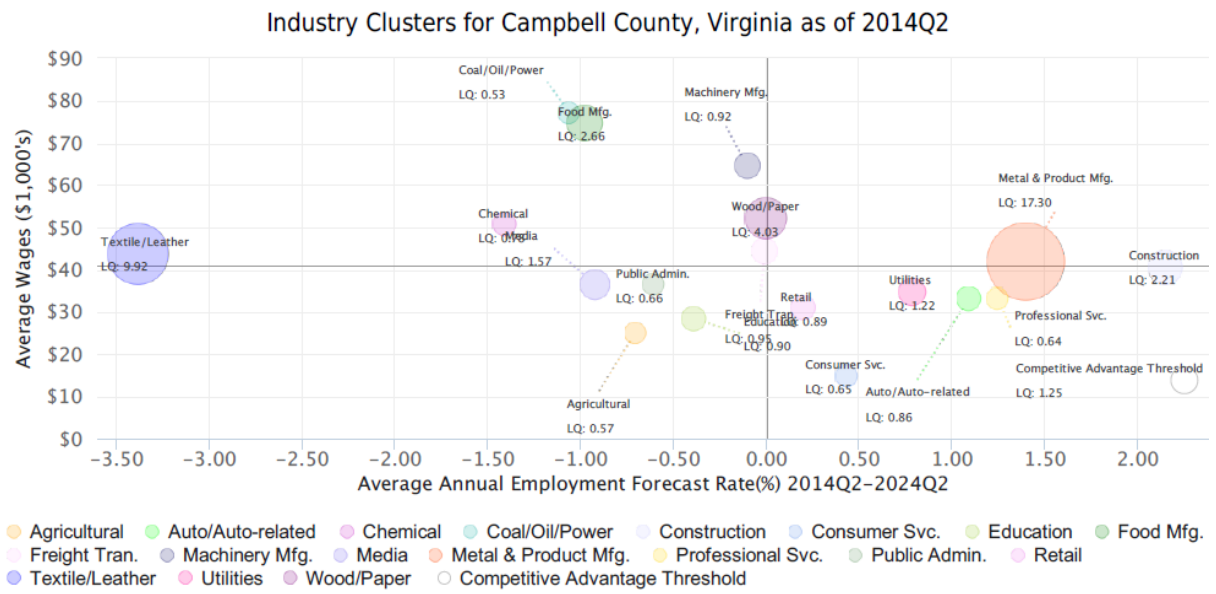
Mr. Davidson – The permits they will need are more EPA permits on a federal level. They aren't burning coal but they will still have a fume emission and that requires permits. We, as a county, can do our local permit process in 20 days. The VA state team did go over the permits they would need on the state level. The company also has an environmental consultant. They didn't know that it would take 16 months to get all the permits they need.

Mr. Davidson – Any other questions on project updates?

No members had additional questions.

Matters from the Economic Development Director

// Mr. Davidson – I would like to do a brief recap of our last meeting. I presented a lot of information to you about the Cluster Analysis and again what a cluster analysis is the new way to evaluate what industry sector is most appropriate for the area. What has occurred is that industries like to cluster in similar areas so they have a skilled workforce and sustainable. Economists are now doing cluster analysis and they come up with a series of scores and ratings. There were 12-14 identified but we have boiled down to the top few.



The top right area is always the best place to be for a sector because that means high wages and employment growth. We have a great location quotient for textiles but that area is losing employment. Our largest cluster, Metal and Product Mfg, is experiencing growth and is above the prevailing wages. This cluster analysis is done on a three digit level. Metal and Product Mfg has 10-25 different sectors to that level. Once we break these sectors out into the smaller groups such as machine shops and fabricators etc. We have a great location quotient for this area. We also have decent numbers for Construction and Utilities. So we plan to take these areas and look at the deeper levels of analysis to see what is prevailing for our area. We will bring that back to you. We are having 4 meetings this year and we will have some evaluation periods towards the end of the year after we have presented more of this information.

We do have a few other items that are attractive for our area, retail and agricultural. 3-4 years ago we realized that we weren't doing a good job providing retail opportunities for the citizens of Campbell County. The EDC then made a recommendation to Board of Supervisors so we revised incentive policies to get those types of businesses in the area. We are a little low on the numbers now but this is 2nd Q 2014. We should be able to get 4thQ update soon that will include the hotels that have recently opened and will make those numbers stronger. One of the main goals of the EDC is to be able to give advice on policy to the Board of Supervisors and we identified that we needed to focus our attention on industrial development because it pays the highest wages. Retail will grow stronger but we still need to go after Industrial development. I've been busier than ever submitting proposals. We have three at the same site Mt. Athos Foundry site. There is a resurgence going on and industry is coming back to the US, however, it is more competitive than it has ever been. At the end of this process we will reaffirm our direction. Are there any questions?

No questions were presented.

// Industrial Policies – Sarah Johnson - We are going to review the incentive policy. We have a revised copy as of October 2014. We have two main incentives; Economic Stimulus Grant and we also have an Employment Credit which is the qualifying number of employees hired within a wage

threshold. We operate on a 2 year Return on Investment. We have not lost a legitimate project to date based on incentives offered. The Board of Supervisors can extend the policy as needed depending on the individual case. We did remove the minority business portion of the policy because that is all inclusive in the Small Business portion of the policy.

Mr. Davidson – You all understand what we mean by RIO (Return on Investment) correct? It means that within two years of making these incentives to the business, we get our money back in tax revenue.

Richard Metz – Are these incentives separate from the Tobacco Commission?

Mr. Davidson – Yes.

Mr. Wooldridge – Is that two year return negotiable?

Mr. Davidson – The Board of Supervisors always has the opportunity to extend that. We have on one project, the Hampton Inn; we incentivized them about 2% above what we would normally offer. The Board of Supervisors does this very sparingly to make sure we are fair. It needs to be quite a cost benefit. The County does not get a direct ROI for wages paid; it is all indirect. It's hard to calculate because they hire from all other areas besides just Campbell County. Because we are weak in retail we do not benefit from the sales tax as they go out and buy commodities.

Sarah Johnson – We are going to talk about Marketing. Our marketing is controlled by funding so we are limited as to some of the resources we can use and we have to be creative. We do have our website, www.campbellvirginia.com, and we are using that as our primary source for marketing. We also provide electronic and print marketing material for our industrial and commercial properties as well as to promote tourism for our destinations within the County. We also will partner with Site Selection consultants to get interest in the area. We use targeted print and media to market our sites. We are using in house staff to track the data from our website. We are also partnering with the towns of Altavista and Brookneal as far as promoting our area as well as the City of Lynchburg Economic Development office. We are also attending trade shows to promote the industry in our area.

Mr. Davidson – When we started CEDS in 2003 we had an outside consultant come in and they recommended that we spend over \$50,000 in advertising and marketing to be able to make a difference. Over the last few years my budget has remained at about \$18,000 which is nowhere near what the consultant recommended. Primarily, everything is web based and the website is most important. Things have changed from Site Selection to Site Elimination. The consultants for the companies will go to your website and if you don't have what they need you are not even put into consideration. Things have also changed to a mobile based interface and you have to have specific software to be able to adapt to what type of device is using the website. We need to update/upgrade our website to accommodate this change. We do not have the budget funds at this time. We will probably have to rework the entire website and that will cost \$30,000 - \$60,000.

Lester Wooldridge – Does the City of Lynchburg had a separate website for Economic Development?

Mr. Davidson – Yes, you are taken to a completely separate website when you click on Economic Development on the main City website.

Lester Wooldridge – The reason I ask is because they requested sponsorship from city businesses to help fund the website at one time.

Mr. Davidson – Yes, and that may be something we are willing to consider doing to gain revenue to help pay for and maintain the site.

Sarah Johnson – Another piece of the puzzle we are going to look at is Education. The handout that you received came from the US Census bureau that shows the levels of education of the citizens of Campbell County. This information is vital to have for employers to be able to know what type of education we are able to show. The median earnings are also listed for each level of education is also listed.

Richard Metz – Is it possible to capture those numbers for those that have education from trade schools?

Mr. Davidson – This database has the ability to give that kind of information but we did not want to inundate you with information. There is also data that projects the employee needs over the next 5-20 years. A high school degree doesn't go very far anymore but in this region there are going to be more jobs that are going to be certificate oriented rather than a 4 year degree; HVAC, welding, machining, etc.

Richard Metz – What I'm thinking is to use this information as a training tool for high school students to see the difference in education vs wages. It will help them learn that there are jobs that are skilled specific.

Sarah Johnson – Along with that, workforce training is an important piece of the puzzle as well. We have workforce training programs that help business to get the people they need. For example, CVCC has a Workforce Training and Community Education Program that partner with business training. The Workforce Investment Board coordinate workforce training and career services through federal funding from the Workforce Investment Act. This is a business let board and they work with local employers with job applicant screening and they also help with new employee training.

Mr. Davidson – This is the old Job Training Partnership Act (JTPA) that entire program is aimed at disadvantaged workers and that is what the bulk of funding is aimed towards. These are the folks who don't have enough education to be able to get a job. There is some funding for dislocated workers due to offshoring. CVCC is the premier facility in Region 2000 to provide workforce training. The area Economic Developers continue to work with them to make their programs better. As an academic institution they do well with classroom education but the hands on classes could use some work.

Lester Wooldridge – The challenge at CVCC is that the president changes have changed the focus of the training.

Willie Jones – So many of the schools are focusing on college but there is all of this need for technical programs. Is there anyone trying to address or encourage a focus on the more technical jobs that are in our area?

Sarah Johnson – We have the Campbell County Technical Center that offers classes as well as the Virginia Technical Institute who offers hands on training for things such as electrical, plumbing, masonry, etc. and those students range from high school to adult.

Mr. Davidson – John Hardy, the principal at the Yellow Branch Technical Center, started about two years ago the Career and Technical Education (CTE) and it's a committee comprised of a number of people from local plants and manufacturers. The technical center does have an apprenticeship type program. One thing that is difficult for schools is that there are a number of federal regulations that dominate what a school can and cannot do/offer. The limitation of resources is also a factor. They are doing what they can but it can be better. We are trying to work on educating the parents to encourage their children to get these technical certifications. Through CTE, you can bring the local businesses into the classroom and allow the students to get some information on what is available. I am encouraged by the progress that is being made. We still have improvements to work on because in a few years we will have a severe gap in the available workforce to take the jobs that will be available.

William Anderson – You are exactly right, Mike.

Hugh Bragg – Do you know if Yellow Branch still has the technical program for body work?

Mr. Davidson – I'm not sure. I know there have been some changes in programing in the last few years.

Mr. Davidson – So this has been an overview of some of the elements as it relates to our incentives, marketing, and education piece as well as workforce training. As we wrap this up, you will have some opportunity to ponder what has been presented to you and feel free to contact us with any questions or to bring then to our next meeting.

// Mr. Davidson - County Code - One of the major emphasis for this group is to review the county code and to bring some comments back to the Board of Supervisors. Beginning with the next meeting, Kristin, our county attorney, will be conducting this portion of the meeting. She assisted me in writing the briefing document that you received prior to this meeting. There isn't a lot in county code that isn't state mandated. We will review 4 chapters today. We will send a briefing paper out each time so you know what is discretionary. We will send you the links to each chapter of the code. It's best to go through the index to see any area that you think that you need to review. We will highlight the areas that can be reviewed.

Chapter 4 – This chapter is one of the chapters that are mandatory by state code. There is one section that is optional and that deals with coyotes. Code gives localities the ability to pay a bounty if they choose. Remember, VA is a Dillon rule commonwealth. This means that a state can only do that which the state has expressly given permission to do. The majority of states operate totally opposite; they operate under the rule that unless state law prohibits you from doing something you can do whatever you want. State code does tell us what we have to do as well as what we can do. Other than the coyote section, there isn't anything discretionary in this chapter. Do you all want to change anything regarding the coyotes?

Frank Davis – Is the bounty funded in the budget each year?

Mr. Davidson – Yes that is my understanding.

Travis Griffin – Unless there is a public health reason, it seems silly to offer a bounty in this case.

Mr. Davidson – Any recommendations?

William Anderson – Personally, I encourage all the trappers to trap all they can. They do a good job. You still see a lot of coyotes and you hear them.

Mr. Davidson – I've also heard that nature protects them less and less they have more pups when they deliver. They replenish when they become threatened and they are now having 5-6 per litter.

William Anderson – I've been in classes out west and they say that if the numbers start dwelling they become more elusive.

Mr. Davidson – Does the commission want to make a recommendation as it relates to this part of the code?

Richard Metz - Would this be something we should do or the Farm Bureau? I don't think we need to do anything.

No changes were proposed to Chapter 4 of the County Code.

Chapter 5 – The State mandates that you have to have a building code. VA does make it optional to adopt the state code if you want to or you can write your own. If you require a certain code and those things don't hold up for houses, then there is some liability. We don't have experts on staff to be sure those things are taken care of to avoid that liability. By adopting the State code, that liability goes to the state.

Willie- In terms of Economic Development, I presume that most of the surrounding counties have done the same.

Mr. Davidson – They have different interpretations.

Mr. Wooldridge – Each county is totally different in the way they interpret those rules. If you let Campbell County come up with their own rules it will be worse.

Mr. Davidson – Staffing is the issue as well, other counties may or may not be able to enforce the rules.

Mr. Davidson – Now, there are 2-3 in this portion of the code that are discretionary. For example, permit fees. Campbell County tries to help offset the cost of operating the Building Inspections Department with the money obtained from those permit fees; however, it does not fund that department totally. Instead of burdening all of the taxpayers for funding that department, the responsibility falls on the person wanting to build a house and use that department. We are one of the lower fee costs localities in the area.

Another part in the code that is optional and Campbell County does not do anything with this aspect is that the State has given the localities the ability to make tradesman be licensed. The County decided to opt out. One of the other things that are optional is street naming. We don't have to name streets; we could use the VDOT route numbers. If Campbell County used those VDOT numbers, Public Safety would have a very difficult time locating individuals who need E911 services. Realistically, they could not operate without house numbers and street names so while it is "optional", it is vital to the county.

Are there any changes needing to be made?

Frank Davis – What do the other counties in the area require in terms of certifications for tradesman?

Mr. Davidson – I'm not aware of anyone requiring those certifications. The state does license contractors. Above that, I'm not aware of anyone in the Region that requires anything in addition to the state contractor's license. The issue would be that the contractor that pulls the permit has to be licensed and certified but the people working under him on the job site do not. This would require everyone on the job site to have that level of certification.

Lester Wooldridge – The problem with that is that you would never be able to grow your business because it takes 4 years to get a contractors license so you'd not be able to get a full licensed crew out on a job.

Frank Davis – This is the whole reason they asked our group to look at these chapters.

Mr. Davidson – Are there any recommendations to change anything?

No changes were suggested to Chapter 5.

Chapter 6 – This chapter on cemeteries is mandated so there isn't anything we can change. We do have some regulations and zoning requirements. A land owner can have a burial plot on their land but they have to show those on the plat if you have one on your property.

Travis Griffin – Are residential areas included in this regulation?

Mr. Davidson – Probably not because of lot sizes. There are a number of requirements in terms of lot sizes. Chapter 22 will be interesting (zoning) and there are regulations on how far they have to be away from dwellings. There is a legal procedure to exhume and move a cemetery if you want but it's reasonably expensive and all of the heirs have to sign off etc.

No changes to Chapter 6.

Chapter 7 – Elections code are required by both state and federal law. This is mainly to ensure the one man one person vote. This chapter changes every ten years when election zones are redistricted. The verbiage of the chapter is nothing more than the boundary lines as well as the polling places. One of the discretionary areas deals with the magisterial districts. Originally there were 5 magisterial districts in Campbell County. Each election district has at least 2 precincts and there are polling places within those precincts. The only discretionary component is 7-13 the magisterial districts. Magisterial districts at one time were election

districts but they also are a reference to deeds & land titles recordation at the Circuit Clerks Court Office. Most all deeds reference a magisterial district that aids in finding the physical location of a piece of property. To remove the magisterial districts from the chapter would cause considerable disruption to the traditional practice and language of property deeds.

Mr. Davidson – Are there any questions?

No changes to Chapter 7 were suggested.

No changes to the county code noted at the meeting.

Mr. Davidson – Kristin Wright will be with us at the next meeting to go over the next few chapters we will review.

Matters from the County Administrator

// Mr. Davidson – Mr. Rogers was not able to make our meeting today due to a scheduling conflict but he sends his regards.

Matters from Commission Members

// With no other items presented for consideration and a motion from Mr. Metz, seconded by Mr. Carroll, Mr. Davidson adjourned the meeting at 1:15 P.M. The next EDC meeting will be held on Thursday, June 11, 2015 at 12:00 noon in the Campbell County Citizen Services Conference Room.