Campbell County Economic Development Commission/CEDS Committee

June 22, 2017

The regular meeting of the Campbell County Economic Development Commission was held on Thursday, June 22, 2017, in the Campbell County Citizen Services Building Conference Room, Rustburg, Virginia.

Members Present:							
William Anderson	Richard Metz						
Richard Carroll	George Rosser						
Kathy Carson	Lester Wooldridge						
Willie Jones							
Members Absent:							
Hugh Bragg	Kevin Davis						
Frank Davis	Scott Tweedy						
							
Also Present:							
Mike Davidson, Director of Economic Develo	opment						
Sarah Johnson, Program Manager, Economic							
Kim Stewart, Administrative Assistant, Econo	omic Development						
// Chairman Lester Wooldridge call	led the meeting to order at 12:07 p.m.						
from April 27, 2017. With none given, Mr. R	for comments or corrections to the previous meeting minutes ichard Metz motioned and Ms. Kathy Carson seconded for he minutes unanimously. Mr. Wooldridge then turned the dates.						
Inn & Suites, but will likely not happen now the railroad, but must keep two lanes of traffic the road as Comfort Inn & Suites. They will twas going to be part of the hotel. The develop	ers on Project Hotels. The hotel was to be on Rt. 29 by Comfort due to a VDOT project. VDOT plans to overhaul the bridge over c open. To accomplish this, they will build on the same side of ake out the small gasoline shop as well as part of the area that per has submitted multiple revised plans, none of which VDOT re could be a back entrance to the hotel, but Mr. Davidson did not gh competition roadways to reach the hotel.						
involves Mr. Yoder. He hopes to do an expan environmental regulations on the quality of w	ject Sawmill was and was answered that it is at Long Island and asion and is currently taking the steps necessary to follow rater runoff, which will be expensive. He would need five acres I product and logs coming in at a cost of \$6,000 or \$7,000 per e regarding progress.						
// No further questions or comment at the end of the minutes as an addendum.	s were given regarding Project Updates. The full list is attached						

CEDS

// Mr. Davidson reminded the members that at the previous EDC meeting, only the **Strengths** and **Weaknesses** of the SWOT analysis were covered. He let them know this meeting would review the **Opportunities** and **Threats** and that the members would vote on the items on all four categories at the end.

SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis

OPPORTUNITIES:

- // Tourism/Merritt-Hutchinson Property: About ten years ago, a Mrs. Hutchinson, a native to the property but who lived at the time in New York, intended to turn the 1,500-2,000 acre property into a mini Homestead or Greenbrier. She was unable to achieve her vision for it, and the property was sold to a private individual. So the property is no longer available and the item should be removed from the list.
- // Main Street Program: This was discussed at the last meeting. This program was just getting started in 2011 and involves restoring the central downtown areas of Brookneal and Altavista with new businesses. Mr. Davidson discussed in the last meeting that this should be re-worded similarly to what will go under the **Strengths** to stress that the viability of the two towns is important to the County.
- Broadband/Mid-Atlantic Broadband Cooperative: The Mid-Atlantic Broadband Cooperative was started and funded by the Tobacco Commission to provide fiber backbone network through the Tobacco areas so the businesses and industries in the region would not be at a disadvantage. This was done and, through receiving some Federal funding, they made it available to schools to use as well. They now use White Space, a frequency that was used through analog television antennas. These frequencies were reserved by the Federal Corporation Commission and are available for use at speeds comparable to DSL and better than Century Link. A Charlotte and Halifax County project, limited to educational need, has made this available to children in rural areas to prevent educational disadvantage. The Tobacco Commission will try to accomplish Last Mile with a portion of the funding, and their goal is for availability to everyone, not just for educational purposes. They plan to use white space, so the Internet would be accessed by rooftop antennas. A few towers must be built, and the signal range will be roughly 20 miles, compared to the broadband range of around five miles.

Ms. Carson asked what areas besides Brookville/Timberlake have poor Internet availability and Mr. Davidson answered that almost everywhere else has poor availability because there have to be at least twenty residents per mile for a company like Shentel to make a return on the investment of putting up a structure. The existing policy regarding Broadband is that it be available to (1.) all the businesses, (2.) all the schools at school, and (3.) Public Safety. Availability is insufficient for Public Safety and Emergency Services (Fire, Rescue, and Police), and efforts are underway to remedy that, but at a cost of between \$3-\$4 million dollars to install towers to provide full coverage. Progress is slow but consistent. The governing body decided that Last Mile, which was the connectivity to every house, was not a government responsibility, but a business decision and that if it were profitable to businesses to reach people's homes, it would be there. This policy was made 8-10 years ago and has not been changed. It is an **opportunity** that needs to be addressed.

- // Expansion of Higher Education System: Mr. Davidson explained that in 2012 this indicated the growth of LU and CVCC, and their impact on the economy. This continues to be as relevant today as in 2012.
- Brookneal/Campbell County and Lynchburg Regional Airports: Per Mr. Davidson, both airports are underutilized, and it was suggested at the last meeting that proximity/access to commercial air service is important as well as general aviation services. The Brookneal/Campbell County (BCC) airport is a small general aviation airport mostly used by Liberty University's flight school and some private use, but has no commercial flights. No private planes are stored there because there are no hangars to protect them from damage. In order for the BCC Airport to reach its potential, significant investment would have to be put into it, potentially with no return on the investment (ROI), per Mr. Davidson. As far as the Lynchburg Regional Airport, land both inside and outside of the fence around the airport could be used for industrial or other commercial aviation-related purposes. But a department of the city runs it versus an independent airport authority, and the manager is committed to keeping commercial there but does not recognize anything else.
- Mr. Rosser asked if any planes are going to Falwell airport, to which Mr. Davidson replied that the same airplanes that have been there are there, but Falwell has hired a manager to run it who runs a U-Haul in order to pay staff. He then compared the Falwell situation to the BCC Airport and questioned if it would be

worth it if they had to take similar measures to make a profit, or should Campbell County stop subsidizing the airport. Campbell County currently puts \$20,000-\$25,000 into the airport each year, and the Department of Economic Development provides the staff support.

If the Lynchburg airport were ever to close, the closest commercial airport would be Charlottesville, Richmond, or Roanoke. Currently, Roanoke is the most expensive to fly from. Ms. Carson asked if the Lynchburg airport makes money off private jets, but due to fees waived for purchasing fuel from them, they do not make much. Mr. Davidson summed up that this needs to stay on the **Opportunities** list.

// Growing Senior Population – Housing/Healthcare Opportunities: This item is still relevant and per Mr. Davidson, nothing has changed.

Industrial Site Upgrades: In 2012, business prospects were looking for "shovel ready" sites. Campbell County has them, available to be developed, but now in 2017 businesses want buildings instead of land. Mr. Davidson explained that Economic Development participates in a regional marketing effort with the City of Lynchburg and the Town of Altavista to receive business prospects. Through this venture, 6-8 prospects are provided per campaign, and all of them are looking for existing buildings. They will consider a shovel-ready site only if they don't find what they are looking for. The buildings that were available in 2012 were old, had low ceiling heights, didn't meet the modern criteria, and have all now been sold for scrap value. So the problem now is that the region, not just Campbell County, needs buildings, and Campbell County is working with our Industrial Development Authority to try to get a building built. Mr. Davidson answered Ms. Carson's question that, yes, the building would be in the industrial park. So this item remains relevant.

// Available Land: Mr. Davidson explained that this was in reference to the undeveloped land in the county and that the land is still available and is still undeveloped, so this item is still relevant.

// Cultural Arts Development: Per Mr. Davidson, this was added in 2012 due to a push for more arts in Altavista and Brookneal. Altavista On Track was the main street organization, and they incorporated more culture in the area through art galleries. Today, a small theatre in Brookneal teaches theatre to kids and gets them interested in the arts. Mr. Davidson considered this item to still be relevant.

Mass Transit—Altavista Bus and Greater Lynchburg Transit Company Regional Collaboration: This was added to the list in 2012 due to the bus service located within the corporate limits of the Town of Altavista and Mr. Davidson expressed uncertainty regarding this remaining on the list. Mass transit is always a no-profit item/loss that has to be subsidized. County governments do not look at mass transit as a necessary part of government the way city or town governments do. Mr. Willie Jones asked if something should be mentioned regarding regional Amtrak service expanding, to which Mr. Davidson indicated it would have been very relevant to the Regional CEDS and that he believes it would definitely have a significant regional versus county impact. He did not think Amtrak has a way to collate who travels for business versus pleasure or even where they are traveling from, and he reminded the members that four out of the five Lynchburg zip codes are actually in Campbell County. Ms. Carson asked about the bus transit in Altavista and Mr. Davidson answered that it is subsidized by someone with a foundation privately, and that the Town of Altavista puts some money into it, but it would be unable to continue running without the benefactor. Mr. Rosser spoke up that it is a wonderful and affordable means of transportation, but agreed with Mr. Davidson. A small GLTC bus runs from the Timberlake Rd. Lowes area to Startek so that central city dwellers will have transportation to work, but it does not make many stops. Ms. Carson gave her opinion that she believes it is important to keep the Lynchburg part of the transit, for use beyond the Lynchburg Regional Airport, which she believes will eventually all be commercial.

Regional Collaboration: Mr. Davidson was not sure this item should stay on the list. During the years of the "Great Recession," as fewer resources were available, the regional part has become strained. Several regional collaboration talks have gone but with little progress; for example, a regional library idea that failed to come to fruition. He believes it is still important to collaborate, but also thinks Regional Collaboration is as much of a weakness as an opportunity. Ms. Carson suggested that things swing back and forth and, ultimately, she thinks this item needs to remain on the list. Mr. Jones also suggested that he has

noticed that unless outside forces get involved to try to implement positive regional collaboration, such as environmental groups or governmental funding for programs, oftentimes efforts are not as successful.

// Green and Renewable Energy/Environmental Sustainability: In 2012, Mr. Davidson explained, this item centered around nuclear power. This was before federal governmental sequestration. The world has changed and Mr. Davidson predicts it will be 20 years before nuclear power comes back, if it ever does. He believes what we have will continue to be serviced, but in Europe, they are closing down as many nuclear plants as they can, and they had generated two-three times the amount of nuclear power that we do in the U.S. Wind and solar are becoming big now. However, right now in Campbell County, neither wind nor solar energy use is allowed without a special use permit. Mr. Davidson had requested the Planning Commission to consider allowing solar as a use-by-right in industrial-zoned properties, but they did not want to put programs in place that would result in federal tax loopholes for companies.

// Water/Sewer Capacity: Per Mr. Davidson, this item is as relevant now as it was in 2012.

// Communications: In 2012, this was referring to Broadband. Mr. Davidson recommended removing this item from the **Opportunities** and instead rolling it into the Broadband category mentioned earlier.

Corridor Development: In 2012, this specifically talked about Rt. 29 and is still the major corridor for Campbell County development. Route 460 has some opportunities and Route 501 is extremely limited, per Mr. Davidson. Mr. Jones thought there had been a push to perform major upgrades to 501 to improve the efficiency from Lynchburg to Raleigh/Durham and thought it was desperately needed. Mr. Davidson replied that when HB 2, or House Bill 2 in Virginia, was passed, it killed that 501 project. HB 2 wanted to ensure that projects were evaluated on the same level across the Commonwealth. Projects were graded on categories, to include Economic Development. With the criteria that came out of HB 2, the only hope for that project being done was through Safety or Economic Development. Some turning lanes were put in and plans put in place for more, to keep traffic moving. Some level of funding was applied to all the projects on 501 and it was all taken away and would require fighting back through the process again, which Mr. Davison was not sure would ever occur. This item is still as relevant today as it was in 2012.

// Major Employers: In 2012 this dealt with the ability of our existing industries to expand, and since that last update, the majority of all the capital investment in all the jobs created was created by existing company expansion. The small caveat is Standard Insurance. They have employed 200 people, which skews the numbers somewhat. Per Mr. Davidson, we will accurately show that new attractions created more jobs, but existing business expansion accounted for a majority of the capital investment.

// Schools—Impact on Workforce: Per Mr. Davidson, this category is still a relevant **Opportunity** in 2017.

// Regional Market: At the last CEDS update, this was used as a marketing strategy and dealt with where Campbell County is physically located, for example, close to Lynchburg, close to the beach, etc. Mr. Davidson believes this item should be revised and charged the members with potentially changing that at the end of the meeting during the ranking system.

Mr. Davidson added additional comments regarding how the manufacturing business looks different in 2017 than it did in 2012. Although there is a resurgence of manufacturing jobs back into the U.S., it looks different today because of technological advances. For example, it may take 50 people today to do what used to require 500. However, manufacturing jobs are still relevant. He reminded the members that if this is something they feel is relevant to the **Opportunities** section, they will have a chance to vote on it.

// Mr. Davidson added, also, that several items had been identified at the last meeting to be added to the **Opportunities** section, and he wanted to highlight them:

Regional Marketing and Tourism Effort

Industrial Sites: Mr. Davidson feels this needs to have a "/buildings" added to the category to specify that it is the buildings and not the land that businesses are looking for now.

Lack of Widespread Agricultural Protection: This was discussed at the last meeting, and Mr. Davidson feels should be put in as an **Opportunity** but reworded, because a "lack" of something tends toward the **Weaknesses**, and it should instead reflect what it is that makes it an **Opportunity**.

Mr. Jones asked if vineyards make enough impact on the economy that we should support them? Mr. Davidson answered that they would fall under Agritourism and that it hasn't shown up in the CEDS, to date. How you calculate the ROI is difficult to track because it is all indirect. For example, there is no way to track the fuel bought to travel to Sans Soucy Vineyard, or how many times a tourist ate at Drugstore Grill. But they do make an impact. Mr. Davidson explained that the taxes these vineyards pay to the county probably would not equal enough ROI to justify supporting and helping promote them. They are on land-use, meaning they pay less real estate taxes, although a brewery pays more personal property tax due to the brewing equipment. But he also stated that if the members feel vineyards are relevant, to add them to the list.

Mr. Carroll commented that people used to come to his store and ask what the area was like. He would answer: three hours from the beach, three hours to the WVA mountains, has all four seasons, and there is a mix of higher and lower classes. He wondered if we can market those aspects. Mr. Davidson answered that every other state in the country says something similar and we want Campbell County to stand out, to which Ms. Carson asked how much Campbell County is invested in the marketing aspect of Region2000? She indicated that she believes Altavista Chamber of Commerce is succeeding at tourism and marketing, whereas Campbell County is not, and the website does not advertise tourism places like Red Hill. In answer, Mr. Davidson recommended adding *Marketing County Assets and Tourism* to the **Opportunities** list.

THREATS:

- // State/County Funding Impacts on Schools: Mr. Davidson suggested that this item is still relevant.
 // Declining Government Resources: This item is also still a relevant Threat.
 // Economic Development/Tourism Marketing Budget: This is still relevant as well.
 // Decline of Manufacturing/Globalization: Per Mr. Davidson, this should be removed as no longer relevant. He reiterated the point made earlier of a large manufacturing resurgence to the United States and
- went on to say that we now are as competitive in manufacturing as any other country when you compare items that we can still make competitively.

 // Aging Workforce: The Great Recession between 2012 and present postponed what was happening
- in 2011-2012, because many who had planned on early retirement but saw their retirement funds being lost are now still in the workforce and are now planning on late retirement instead.
- // Political Environment: Per Mr. Davidson, this really was talking about political polarization and was more relevant at the state and national level versus local. He believed this was still relevant, though, and left it to the members to make the decision through their voting.
- // Suburbanization: This was talking about the expected suburbanization of Lynchburg spreading and the expected residential and business growth and extra cost. With the suburbanization came extra cost because the tax paid on a house would not equal enough taxes to pay for the owners' child to receive education at school. It takes 15-20 years after a child has graduated high school for the family to have paid enough taxes to offset the cost in local taxes to educate their children. This goes for other services as well, including courts, emergency medical services, etc. Mr. Davidson felt this was still relevant.
- // Competitive Environment: This dealt with the county's ability to be competitive as a totality. In 2012, the county was positioned pretty well with a low cost of living, low cost of developing property, etc.

Mr. Jones asked how the workforce skillset factors into the competitiveness. The technical skills of a worker to get a job today are much higher than five years ago, Mr. Davidson explained. He then stated that if Mr. Jones's next question was, "Are we meeting that challenge?" the answer would be no, but we're not alone. The Workforce Investment Board has told Economic Development that there are more than 2,500 manufacturing jobs today in this region—including Campbell, Bedford, Amherst, Lynchburg, and Appomattox—that would be filled today if we had the workers with the right skills. Mr. Jones then asked if that is because CVCC and vocational schools do not provide the right training? Or is the technology changing so fast that we don't adapt to it? Mr. Davidson answered that CVCC does have a trade school now, Virginia Technical Institute in Altavista, which was not relevant in 2012 but is now much more relevant and available. From 2012 up to maybe 2016, CVCC was reimbursed by the state more by what degrees they issued versus certificates. So, CVCC got reimbursed less for individuals graduating with certificates versus associate degrees. This is changing some now. Another problem, he explained, is that parents want their children to have a 4-year degree, which limits the children when they graduate and cannot find a job in their field. Things are improving, but there is still far to go.

- // Competition for Scarce Resources: Mr. Davidson indicated that this particular item did not have a write-up from the last CEDS update and he believes it should be removed at this point.
- // Shift in Responsibilities from State/Federal to Local Government: This is still relevant.
- // Uncontrolled Growth in the U.S. 29 Corridor: The fear in 2012 was that the growth was outstripping the resources necessary to maintain the corridor. Mr. Davidson was not sure this was accurate or true and questioned whether it could be removed from the **Threats** category.
- Once finishing reviewing the **Threats** from the last CEDS update, Mr. Davidson presented a few items to the members to add to the **Threats** category and asked for their input:
- Lack of Regional Cooperation: This refers to seeing people "talking the talk but not walking the walk." Ms. Carson commented she thinks this will change because people are fed up with it.
- Concern of Regional Marketing: Mr. Davidson's concern is that Campbell County may be slipping in marketing this region as an attractive community to relocate to, to live in and establish a business, and may have done a better job in 2012. Mr. Metz asked who the flag bearer is for that, and Mr. Davidson answered that in 2012 it was called the Region2000 Economic Development Council and is now the Lynchburg Regional Business Alliance, which is really the Lynchburg Regional Chamber of Commerce.
- Mr. Davidson then asked the members if they had threats they wished to add to the category. Mr. Rosser was skeptical of a *regional* marketing group because he questioned how the city/county would know if, for example, Lynchburg was trying to steal a prospect from Campbell County or vice versa. Ms. Carson thought and expected there would be more cooperation, regionally, going forward with education and she mentioned the Bedford Science & Technology Center. Based on this, Mr. Davidson asked if they wanted to add *Workforce and Education* as a possible **Threat** and Ms. Carson and Mr. Metz both stated they thought the vocational part should be emphasized. Mr. Davidson suggested "Vocational/Technical" to their satisfaction. Mr. Rosser added that a hindrance is school counselors pushing 4-year degrees.
- // The members took several minutes to vote on the **Strengths**, **Weaknesses**, **Opportunities**, and **Threats.** Members were asked to vote on their top three items of each category. Mr. Davidson informed them he would review the results of most to least important with them at the next meeting, and also explained the same sheets would be taken to the public forum meetings to allow the public to vote as well.
- Mr. Davidson explained that scheduling for the public forum meeting dates has changed a couple times. The goal is to hold the meetings in August in Rustburg, Brookneal, Altavista, and at the Timbrook library. Due to this goal, Mr. Davidson requested changing the last two EDC meeting dates, so they would occur once all the public forum meetings were finished. He proposed cancelling the August 24 meeting. He also proposed moving the remaining EDC meetings for the year to September 28 and November 16. Pushing out the dates would allow Economic Development to hold all the public forum meetings in August, have time

to do some analysis, and be able to present reports back to the EDC members. The members were satisfied with the new meeting dates.

Mr. Davidson reiterated that the public forum meetings would be a short version of the SWOT meetings the EDC members have attended, and he explained he would present the information succinctly to fit everything in the allotted two-hour time frames. He would also review possible demographic changes from 2012 to 2017 and give the participants opportunity to vote on the SWOT categories. Finally, he would review the goals and initiatives from 2012 and determine with public input what to change, remove, or add. Answering Ms. Carson's request, Mr. Davidson stated that we would make sure all the EDC members are aware of the dates and times for the public forum meetings, so they might attend if they wish. He made them aware that the meetings to be held in the CSB conference room would likely be more structured than the ones to be held at Timbrook, Altavista, and Brookneal, and that the others would be "float-through" meetings. Mr. Davidson also answered Ms. Carson's question that, yes, the Board of Supervisors would be made aware of the dates and times for the public forum meetings.

// Mr. Davidson then spoke on behalf of County Administrator Frank Rogers, who was unable to attend the meeting. No matters from the County Administrator were presented, but Mr. Davidson did send Mr. Rogers's regrets at having to miss the meeting due to a conflict in schedule, as he was presenting service awards at the Employee Picnic.

Mr. Davidson turned the meeting back over to Chairman Wooldridge who asked the members if they had any other matters to bring up and they did not. With no other items presented for consideration and a motion from Mr. Metz, seconded by Mr. Jones, Mr. Wooldridge adjourned the meeting at 1:36 p.m. The next regular meeting of the Economic Development Commission will be held on September 28, 2017, in the Campbell County Citizen Services Conference Room.

ADDENDUM: Project Updates

Industrial Prospect Activity

I'm working with the following existing industry/business projects:

- **Project Health** We continue to work with & provide information to a health company prospect on locating a project in Campbell County off of Airport Road.
- **Project Hotels** We continue working with two developers for hotels in Campbell County. One on Wards Road the other on Simons Run. Both projects are moving forward.
- **Shentel-** We have obtained an easement for electrical power and are working to get the documents signed.
- **Southside Electric-** The project is moving forward smoothly.
- **Project LEKTRO** We continue to pursue the company.
- Seneca Cell Tower- Still no construction yet.
- **Project Sawmill** Continue to work with an existing Campbell County Company on expansion plans.
- **BGF-** We're working with a team from the Virginia Economic Development Partnership to evaluate and assist BGF with some storm water management permits issues with DEQ & EPA.
- **Timken** The plant is closed, employees laid off. BGF has purchased the facility & will move some of their operations there.
- Off Lease, LLC- Project up & running several thousands of cars are on site. They are employing over 40 people about half are full time with benefits.
- Compliance Monitoring- Companies I'm still working with: American Plastic Fabrication, Comfort Inn & Suites, Hampton Inn, Banker Steel, BGF, Chili's, Schrader, Abbott, Standard Insurance, and Wendy's.

Projects- Activities

Seneca Commerce Park- Work continues on the master plan. To date a grading plan has been completed that shows the most logical areas to level for building pads.

Joint Airport Industrial property- There is nothing new to report.

Agriculture- We continue to work with the Producer Support grant. Our new grant The Central Virginia Pasture, Crops & Livestock Systems program applications were accepted on June 1. We had 110 applicants.

Existing Business Visitation- Existing business visitations were conducted with Banker, BWXT, Graham & Abbott.

Brookneal Campbell County Airport- The Airport Authority is doing due diligence to construct Aircraft "T" Hangars.

Marketing- The marketing/consulting firm we are under contract with continues to bring us good leads. One of the things we continue to see with prospects is they are looking for existing buildings as the first priority and will consider a build to suite on shovel ready suites if they can't find a building that meets their needs. We do not have a very good inventory of buildings.

Tourism-We continue to market Tourism. We need to update our Tourism brochure as it is not accurate and doesn't list all of our hotels & restaurants.

CEDS- As stated in Oct. we are following a little different process for our CEDS this update. We will use community forums more and have a smaller committee than in the past. We presented and discussed the first round of data collection at the last Economic Development Commission meeting. We're refining/confirming the timeline for our process & the community forums. We anticipate concluding the CEDS update by December of 2017.

Regional CEDS- The Regional CEDS is now complete. We'll incorporate anything that is appropriate into the update of the county CEDS.

Unemployment 2017

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
County	4.7%	4.3%	4.1%	4.0%								
State	4.2%	4.0%	3.8%	3.6%								
US	5.1%	4.9%	4.6%	4.1%								
Region	4.8%	4.1%	4.2%	4.0%								

VEC Tracking shows 1,045 unemployed persons in Campbell County in April.

(Timken employees may not show up in numbers yet; some may never show up.)