

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

June 25, 2020

The meeting of the Board of Directors of the Industrial Development Authority of Campbell County, Virginia, was held in the Multi-Use Room of the Haberer Building, Rustburg, Virginia, on June 25, 2020.

The Directors present were:

Vance Driskill	John Thilking
Larry Dalton	Don Wooldridge
George Rosser	Greg Morris
Dennis Rosser	

The Directors absent were:

None

Also present:

Frank Rogers, Campbell County Administrator
 Mike Davidson, Campbell County Director of Economic Development
 Rebecca Marstin Angel, Esq., Overbey, Hawkins, Wright, & Vance, PLLC
 Tyler Carraway, Campbell County Director of Finance and Strategic Initiatives
 Nina Rezai, Campbell County Economic Development Manager
 Sarah Johnson, Campbell County Economic Development Specialist
 Kim Stewart, Campbell County Economic Development Administrative Assistant

// Chairman Vance Driskill called the meeting to order at 7:03 p.m. and asked if everyone had had a chance to review the regular meeting minutes of January 23, 2020, as well as the called meeting minutes of May 26, 2020. He then called for separate motions to approve the minutes. Mr. George Rosser motioned to approve the meeting minutes of January 23, 2020, and Mr. Larry Dalton seconded. With all in favor and none opposed, the meeting minutes passed. Next, Mr. Don Wooldridge motioned to approve the called meeting minutes of May 26, 2020, and Mr. G. Rosser seconded. With all in favor and none opposed, the called meeting minutes of May 26, 2020, also passed.

// Mr. Driskill then turned the floor over to Mr. Frank Rogers. Mr. Rogers reminded the Industrial Development Authority that Mr. Mike Davidson had announced his impending retirement earlier in the year and went on to announce the new leadership for the department. Mr. Rogers introduced Tyler Carraway, Director of Finance and Strategic Initiatives, and explained that the Department of Economic Development would be moving under the umbrella of Finance and Strategic Initiatives. He also introduced Nina Rezai as the new Economic Development Manager. He went on to thank Mr. Davidson for his many years of service to the county, a sentiment that Mr. Driskill shared. Mr. Driskill added that Mr. Davidson has been an integral part of both the IDA and the county for many years. On behalf of the IDA, Mr. Driskill thanked Mr. Davidson and expressed the IDA's appreciation for his years of service. Mr. G. Rosser backed Mr. Driskill's sentiments, giving examples of how Mr. Davidson assisted the IDA for many years with multiple building projects for local businesses as well as bank-qualified loan or bond projects. Mr. Davidson thanked the group and was honored to be a part of the IDA staff support for 16 years.

Matters from the Economic Development Director

// Mr. Davidson reviewed the financial balance statement and recited the current accounts balances and assets as shown below.

INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF CAMPBELL, VIRGINIA						
BALANCE SHEET						
June 23, 2020						
Current Assets Per Online Balances as of 6/23/20:						
Balance in FNB Banker Steel Collateral Account (1015141)				\$448,829.35		
Annual Tax set aside \$2,730.00 & insurance set aside \$750.00 to date						
Balance in BOJ Operating Account (3229)				\$50,431.46		
Balance in BOJ Rangoon Rd Account (3226)				\$159,068.49	Previous Balance:	
Balance in First National CD (REF. 34222)	2.0%	mat. 12/13/20		\$27,119.50		\$26,983.87
Balance in First National CD (REF. 42196)	1.8%	mat. 12/24/23		\$34,729.50		\$34,729.50
Balance in First National CD (REF. 34115)	2.5%	mat. 10/23/24		\$28,108.61		\$27,934.50
TOTAL OF CURRENT ASSETS:				\$748,286.91		
Fixed Assets:						
Construction (Real Estate)				\$1,044,000.00		
TOTAL OF FIXED ASSETS:				\$1,044,000.00		
Current Liabilities:						
(Nothing other than reimbursable loan payments)						
TOTAL OF CURRENT LIABILITIES:				\$0.00		
Fixed Liabilities (6374):						
Construction (Real Estate)				\$325,857.81		
TOTAL OF FIXED LIABILITIES:				\$325,857.81		
Totals:						
TOTAL OF ASSETS:				\$1,792,286.91		
TOTAL OF LIABILITIES:				\$325,857.81		
NET WORTH:				\$1,466,429.10		
Reconciliations Per May 29, 2020 Paper Bank Statements:						
Account	Beginning Balance	Deposits/ Interest	Fees	Checks	Ending Balance	
Banker Steel FNB Collateral	\$141,434.66	\$334,083.88	\$0.00	\$31,818.01	\$443,700.53	*
Banker Steel BOJ Operating	\$50,425.65	\$5.81	\$0.00	\$0.00	\$50,431.46	
Banker Steel BOJ Rangoon	\$159,052.08	\$16.41	\$0.00	\$0.00	\$159,068.49	

*Doesn't account for Simplimatic's June rent or IDA's April mortgage payment.

// Mr. D. Rosser asked how Banker Steel's business has been holding up and Mr. Davidson did not have a specific word from them but has heard that construction is unaffected generally and knew that construction is still ongoing at Banker Steel and so thought that COVID-19 has not impacted the business. Mr. D. Rosser followed up by asking about Simplimatic as well. Mr. Davidson spoke to them around May timeframe and at that time they had plenty of work and had not laid off any employees. He assumed that they are still doing well. He elaborated that the only business he has heard that has been impacted some is BGF in Altavista, whose automotive division has taken a 68% hit. Additionally, their woven products have decreased by 25%. But when Mr. Davidson spoke to the CEO/president of the company, he anticipated businesses being back to operating at normal capacity within a month or six weeks. However, some future projects they were looking at, which would get them into the aviation sector for materials that would go inside airplanes, may be delayed for some time.

// Mr. Dalton asked if Simplimatic had renewed their lease with the IDA, but Mr. Davidson explained that the lease would not be up for renewal until October and Simplimatic would be required to give a 90-day notice if they do not wish to renew.

// With no other questions, Mr. Davidson reviewed the Simplimatic building financial report and asked for any questions. Mr. Rogers asked for clarification if Simplimatic pays the mortgage loan and Mr. Davidson explained that Simplimatic pays their rent to Read and Associates, who then submits payment minus the broker fee to the IDA, and then IDA then pays the bank loan. He then clarified for Mr. Rogers that the IDA is keeping the revenue set aside for the potential second building. He explained that he did not think a Tobacco Commission grant would be available, so the IDA will need some cash reserves when the time comes. He continued and stated that he had advised the IDA not to use their reserves to begin paying down the loan on the Simplimatic building until or unless they come to the decision not to build a second building.

Project Updates: Industrial Development Activity and Projects Activity

// Mrs. Sarah Johnson took over next and reviewed the Projects Updates provided in the members' meeting packets prior to the meeting.

// Mr. D. Rosser asked when the recreation trails around Seneca Park would be set to open up to the public. Mr. Rogers answered this saying that Public Works had completed the trails within the previous couple of weeks and that the county was working on a press release to go out within the next week. Ms. Rezai added that a map of the trails was in the works and would be posted somewhere by July 4th.

Potential New Building

// Mr. Davidson summarized the group's consensus from the January meeting to go ahead and get civil engineering work done for a 20,000 square foot building with a 10,000 square foot expandable pad as well as parking and all necessary roads. Since that last meeting, the coronavirus pandemic has largely impacted Economic Development and the department has been delayed in creating the scope to get to Purchasing to get out an RFP for the civil engineering work. He then explained that engineering proposals are a protected class of bids considered as professional services. For such, one can request a proposal that does not have anything to do with price, and price is not even considered. The engineer's qualifications, a representation of past similar projects, and a list of team members for the potential project and their qualifications would be included in their proposal. The IDA would then rank the top three proposals they receive in order of most to least qualified, and only at that point would they begin negotiating price. However, the IDA could also just do a straight RFP – Request for Proposal – based simply upon the cost. Mr. Davidson stated that for this particular request, one thing the IDA would be requesting is for the company to help them choose the right lot in Seneca Park that the 20,000 square foot building with 10,000 square foot expandable area would fit on. Beyond that, everything else for the proposal would be civil engineering to include how much dirt would be turned, what the pad would look like, what the elevation would be, etc.

// When the information above came back, the IDA would know roughly how many square feet would be impervious surface and could decide at that time if they wanted to go out and do the environmental engineering, which would be the most expensive part. Mr. Davidson began getting estimates in October of 2019 and the estimate at that time was in the ballpark of \$25,000, which he stated the IDA could afford with their reserves. The largest cost portion of having environmental engineering done would be paying for the nutrient credits. Mr. Davidson continued, stating that the nutrient credits cost is based upon the square footage of impervious surfaces, so that number could be estimated. He said that if the IDA decided to go ahead with doing all the environmentals, they would probably pay an estimated amount of \$50,000-\$70,000. So, the group would need to think about this and decide if they really want to put out that much money right now and if it is the right time to build another building or not. However, the environmentals would have to be completed before they built the next building. He suggested that if the IDA decided to continue to move forward, that they put out for a design bid, which is

what they did for the 10,000 square foot building. He did specify, though, that he thought they would need to have both the civil and environmental engineering done before putting out an RFP for the design bid.

// Mr. Davidson explained that he would be working with Ms. Rezai to hand off the project to her to begin the stages of putting together the scope to get to the Purchasing office to release an RFP for bids. He also said, though, that he would like to have the IDA reconfirm if they want to move forward with civil engineering, or if they'd rather wait, given the current economic climate and impact of COVID-19. He told them that if they continue on, they would still be 9-10 months away from putting out an RFP for the building. Mr. Driskill's opinion was to continue to move forward with the civil engineering. Mr. Greg Morris agreed. Mr. Davidson offered a piece of advice that when the group is ready to hire an engineer to do the environmentals, that they go with the highest bid, not the lowest, because going with a lower bid is likely to result in environmental problems.

// Mr. Driskill asked all the members if they were still in agreement in moving forward with putting out an RFP for civil engineering and the IDA reconfirmed by consensus.

// With no further questions and no matters from the members, Mr. Driskill called for a motion to adjourn. Mr. G. Rosser motioned and Mr. Morris seconded. With all in favor and none opposed, the meeting of the Industrial Development Authority was adjourned at 7:37 p.m.

// The next regular meeting of the Board of Directors of the Industrial Development Authority of Campbell County, Virginia, will be held on August 27, 2020, in the Citizen Services Building first floor conference room at 7:00 p.m.

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June 25, 2020

Vance Driskill, Chairman

Larry Dalton, Vice Chairman