

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

August 27, 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 August 27, 2020.

The Directors present were:

Vance Driskill

Larry Dalton

George Rosser

John Thilking

Don Wooldridge

The Directors absent were:

Dennis Rosser

Also present:

Tyler Carraway, Campbell County Director of Finance and Strategic Initiatives

Nina Rezai, Campbell County Economic Development Manager

Frank Wright, Esq., Overbey, Hawkins, Wright, & Vance, PLLC

Sarah Johnson, Campbell County Economic Development Specialist

Kim Stewart, Campbell County Economic Development Administrative Assistant

// Chairman Driskill called the meeting to order at 7:07 p.m. and asked if everyone had had a chance to review the regular meeting minutes from June 25, 2020, and if there were any questions or concerns. With no comments presented, Mr. Driskill called for a motion to approve the minutes. Mr. Don Wooldridge motioned and Mr. George Rosser seconded. With all in favor and none opposed, the meeting minutes passed.

// Mr. Driskill notified the IDA that Mr. Thilking was recently appointed to the Planning Commission and that the current evening's meeting would be Mr. Thilking's last on the IDA. He also stated that Mr. Greg Morris had resigned and a replacement would be appointed by the Board of Supervisors. Mr. Driskill concluded the discussion of appointments by relaying the information that Mr. Dalton's appointment expired in March 2020 and had not yet been reappointed or replaced, so Mr. Dalton's position remained active.

// Mr. Driskill then turned the meeting over to Ms. Stewart to discuss administrative action items. Ms. Stewart asked the members to review their contact information and return any corrections. Next, Ms. Stewart explained that the IDA had received inactivity notices on both Bank of the James accounts since the June meeting. She reminded them that the account ending in -3229 was a checking account that had remained largely inactive except for a couple transactions in mid-2018, and the account ending in -3226 was the account used during the Banker Steel lease/purchase agreement. Banker Steel's lease payments were deposited into account -3226 and the IDA's mortgage payments were drafted from the same account. She further reminded the group that Banker Steel bought their building in December 2018 and that the account had been inactive since. She explained that the IDA would need to take action on the accounts and turned the floor over to Mr. Carraway and Ms. Rezai to offer suggestions.

// Mr. Carraway recommended closing the accounts and putting the money in the IDA's First National Bank account. Mr. Driskill asked if Mr. Carraway recommended certificates of deposit or just a

savings account. Discussion ensued around relocating the funds, and Mr. Driskill reminded the IDA that the group had had past discussions regarding the accounts, realizing the money in them was kept aside as seed money for the next building project. Mr. Driskill also asked if the IDA needed to keep an account with Bank of the James to continue a positive, ongoing relationship with the bank. Ms. Rezai suggested the IDA could close one of the Bank of the James accounts and move the funds into the other, bringing the open account back to an active status. Mr. Driskill and Mr. Rosser agreed that it was wise to keep some money separate until the group decided on a new building project. Mr. Wooldridge asked if the IDA was open to other banks for better interest rates, potentially with credit unions. In Mr. Carraway's experience with credit unions and business lending, they tended to be tighter than commercial banks.

// Mr. Dalton motioned to consolidate the Bank of the James accounts into one account and Mr. Wooldridge seconded. With all in favor and none opposed, the motion passed. Mr. Driskill asked for questions and Ms. Stewart asked if it was necessary to include in the minutes which account would be closed out. Mr. Driskill thought not but instead tasked the Economic Development department to discuss with and defer to Bank of the James.

// Moving to the next item of business, Ms. Stewart explained that with Mr. Davidson retired, a new assistant secretary-treasurer would need to be appointed as a signatory on the IDA's bank accounts. Bank of the James and First National Bank both would require a letter on official letterhead referencing the account numbers, the individual being removed as a signatory, and the new person being added. Both banks would need identifying information for the new signatory. Additionally, Ms. Stewart added that Bank of the James would require a copy of the approved minutes to include the approved motion to appoint a new signatory, a mention in the minutes of the current signatories and that they intended to remain on the accounts, and a wet signature from the newly appointed signatory.

// Mr. Dalton, Mr. Driskill, and Mr. Rosser indicated that they intended to remain signatories on the Bank of the James account. Ms. Stewart answered Mr. Rosser and Mr. Dalton that, yes, they would need to return their completed information requests to Bank of the James as part of the terms of updating the signature cards.

// Next, the group discussed appointing a new assistant secretary-treasurer to the IDA from the Economic Development staff. Mr. Rosser motioned to accept Mr. Davidson's resignation from assistant secretary-treasurer as a signatory on the Bank of the James accounts ending in -3226 and -3229, and furthermore to appoint Mr. Carraway as replacement signatory to the Bank of the James accounts ending in -3226 and -3229. Mr. Wooldridge seconded. With all in favor and none opposed, the motion passed.

// Mr. Rosser motioned next to remove Mr. Davidson as a signatory on the First National Bank account ending in -5141 and to appoint Mr. Carraway as replacement signatory on the account. Mr. Wooldridge seconded. With all in favor and none opposed, the motion passed.

Matters from the Finance and Strategic Initiatives Director

// Mr. Carraway briefly reviewed the following financial information.

INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF CAMPBELL, VIRGINIA					
BALANCE SHEET					
August 24, 2020					
Current Assets Per Online Balances as of 8/24/20:					
Balance in FNB Checking Account (1015141)				\$292,606.37	*
Annual Tax set aside \$3,640.00 & insurance set aside \$1,000.00 to date					
Balance in BOJ Operating Account (3229)				\$50,444.08	
Balance in BOJ Rangoon Rd Account (3226)				\$159,104.15	Previous Balance:
Balance in First National CD (REF. 34222)	2.0%	mat. 12/13/20		\$27,119.90	\$27,119.90
Balance in First National CD (REF. 42196)	1.8%	mat. 12/24/23		\$34,882.69	\$34,729.50
Balance in First National CD (REF. 34115)	2.5%	mat. 10/23/24		\$28,283.81	\$28,108.61
TOTAL OF CURRENT ASSETS:				\$592,441.00	
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 - IDA Building 1):					
Construction (Real Estate)				\$324,928.66	
TOTAL OF FIXED LIABILITIES:				\$324,928.66	
Totals:					
TOTAL OF ASSETS:				\$1,636,441.00	
TOTAL OF LIABILITIES:				\$324,036.41	
NET WORTH:				\$1,312,404.59	
Reconciliations Per July 31, 2020 Paper Bank Statements:					
Account	Beginning Balance	Deposits/ Interest	Fees	Checks	Ending Balance
Banker Steel FNB Collateral	\$291,508.85	\$232,288.49	\$0.00	\$11,584.34	\$512,213.00 *
Banker Steel BOJ Operating	\$50,437.87	\$6.21	\$0.00	\$0.00	\$50,444.08
Banker Steel BOJ Rangoon	\$159,086.60	\$17.55	\$0.00	\$0.00	\$159,104.15
*BGF (TROF) and Abbott have not deposited their incentives checks					

// Mr. Carraway proposed updating the descriptive titles of buildings for ease of readability and clarity. "Building 1" was suggested by Mr. Dalton to replace "Construction" under Fixed Assets and Fixed Liabilities. Next, Mr. Carraway reviewed the financials for Simplimatic Automation's lease and reminded everyone that the lease would renew in October. Mr. Driskill suggested that although "Building 1" would be fine, he wondered if using the address might help new members or the public more easily understand the balance sheet. Mr. Dalton was alright with this suggestion.

Projects Updates: Industrial Development Activity and Projects Activity

// Next, Ms. Rezai reviewed projects activity that either was new or that had updates that had happened since the previous meeting in June. She stated that Tru by Hilton's construction was scheduled to be completed by late September. The hotel planned to have a grand opening ceremony with the Economic Development office. Details would be provided as the date approached.

// Ms. Rezai announced that Economic Development recently updated their brochures. Mrs. Johnson passed around several for the members to see. Ms. Rezai commented that the department contracts with Dave Hamel of Hospitality Marketing Solutions, who distributes the department's brochure in the Lynchburg region, and that he got out a stack ahead of the summer's 2020 Virginia Commonwealth Games. She also said the department was working on a rebrand and update of the Economic Development website, and Ms. Rezai stated that further information would be provided in October.

// Finally, Ms. Rezai announced the department had done some preliminary pursuit of infrastructure upgrades at Seneca Park. She informed them that some interest had been expressed in Lot F in Seneca Park recently. She showed the map of the park and location of Lot F by projection. If pursued, the waterline and road would need to be built out. The water would be funded by Capital Improvement and

the road would be funded through the Economic Development Access Grant Program run by VDOT where they will give \$500,000 grant funding unmatched, and then match every \$150,000 spent on a project. The water was anticipated to cost \$130,000 for just the segment indicated on the map and the road was estimated at \$600,000. Ms. Rezai continued, saying that if the projects were pursued, Economic Development would like them done as one project through CCUSA, so they could be designed by the same engineering firm and to ensure the road would come after the water. She then said recent information suggested the situation with the interested party might be changing. So, if it were to change, the funds could be put elsewhere. But she wanted the IDA to be aware that preliminary work had been done regarding the costs to build out the road and water.

Electronic Participation Policy

// Next, Ms. Rezai discussed the potential need or desire to adopt an electronic participation policy in light of the COVID-19 pandemic. A copy of the minutes of the Board of Supervisors from June 12, 2018, was provided to the IDA members, which included a written electronic participation policy the Board of Supervisors approved at the June 12, 2018, meeting. Their policy was written according to the requirements of the State Code.

// Ms. Rezai asked Mr. Frank Wright if anything in addition would be required when adopting a policy such as this. Mr. Wright did not think so and offered that he had reviewed the policy in conjunction with the county's review. He continued, saying he would recommend it for the IDA in the event someone must be quarantined and not be present physically for a meeting. As Mr. Driskill understood it, a quorum would still have to be present in the room and the electronically participating member's vote would be counted; and Mr. Wright answered that he was correct. Ms. Rezai added that *without* a policy such as this, if a member called in and a vote was taken, that person's vote would not be counted.

// Mr. Driskill called for a motion to adopt this electronic participation policy.

On a motion of Mr. Don Wooldridge, seconded by Mr. John Thilking, it was resolved the Industrial Development Authority of the County of Campbell, Virginia, adopts the following resolution:

RESOLUTION ESTABLISHING WRITTEN POLICY FOR ELECTRONIC PARTICIPATION IN INDUSTRIAL DEVELOPMENT AUTHORITY MEETINGS

WHEREAS, Virginia Code § 2.2-3708.1 allows members of local governing bodies to participate in meetings through an electronic participation format from a remote location in certain situations; and

WHEREAS, a written policy must be established for such participation.

NOW, THEREFORE, BE IT RESOLVED by the Industrial Development Authority of the County of Campbell, Virginia:

That the following policy is established for members to participate in Industrial Development Authority meetings from a remote location in an electronic format:

- 1. On or before the day of a meeting, the member shall notify the chairman of the IDA that he is unable to attend the meeting due to a temporary or permanent disability or other medical condition that prevents the member's physical attendance, or that he is unable to attend the meeting due to a personal matter, while identifying with specificity the nature of the personal matter.*

2. *A quorum of the board must be physically present for the meeting at the established location and the board must approve the electronic participation of the physically absent member. The approval must be based on the criteria of this resolution and not on any matters for discussion or the identity of the member participating remotely.*
3. *The participation by remote, electronic format will be limited to two (2) times per calendar year for the participant.*
4. *The board will be responsible to make arrangements to ensure the physically absent member's voice can be heard by all present in the meeting. The member's physical absence and criteria for absence, as well as the location from which the member participated, will be disclosed in the minutes of the meeting.*

Potential New Building and Developer Partnership

// Moving to the next agenda item, Ms. Rezai reminded the members that at the last meeting they approved a civil study to encompass the civil engineering to construct a 20,000-square-foot building with 40,000-square-foot pad, for the option to expand. Part of that study was to determine which parcel was most suitable, would be solicited by RFP, and would be funded solely by the IDA. Economic Development staff did not immediately start this due to the potential interest expressed in Lot F as mentioned above, which would have complicated the civil engineering study criteria that the IDA had approved. An alternative study that could both help the county help develop the industrial park and help the IDA work toward some of the needs that might be requested, would be to do a civil study on five lots in Seneca Park. Ms. Rezai said the information returned would provide the cost to clear the land, grub the remaining stubs, establish utilities to the site, and devise storm water plans pending specified building-site sizes that would be applicable to the individual sites being proposed. Ms. Rezai stated that this study would be by RFP but that the county would share some of the cost burden that would come with doing more sites than one. Ms. Rezai continued, saying that having some of this work done would transform the sites' current unknown status to prospects, regarding information about the sites, to a known status where the prospects would be able to know how much cost they'd be getting along with the cost to purchase the site. It would also allow the IDA to select the site to put a building on and could also allow the county to simultaneously contract out some grading, so the IDA and the county would be working together to accomplish the goal of developing the park a little faster. Ms. Rezai proceeded to project a map of the lots in question.

// At this time, Ms. Rezai stated that she would jump to the next item on the agenda, Developer Partnership, as this discussion could affect or directly relate to the item just presented. The IDA would have a better ability to ask questions and provide comments once they had received all of the relevant information. Ms. Rezai then explained that the potential developer partnership was the business she mentioned above that had expressed interest in Lot F in Seneca Park. In preliminary discussions with the potential business, it became evident that they did not have the money to outright invest in both the land as well as new construction, and the conversation changed some into one wherein the business expressed desire to enter into a lease/purchase arrangement with the IDA, perhaps on Lot H, duplicate the effort sometime later, and finally end at Lot F as a permanent location. She said Lot F was largely surrounded by trees, which would provide a natural barrier for the potential business, and was one of the attractive elements of that lot for the business, Tradesman Trucking, which operates a tire-chipping operation in addition to trucking.

// Ms. Rezai paused at this point and turned the floor over to Mr. Driskill, who had met with the managing partner of Tradesman Trucking, Mr. James Garner, to further learn and discuss how the IDA would be involved in this relationship if they decided to pursue it. Mr. Driskill explained that Mr. Garner originally discussed interest just in the lot. But later when they had a formal meeting, Mr. Garner requested a lease/purchase arrangement wherein Tradesman Trucking would buy back the building at the end of a five-year period. Mr. Driskill reiterated that Mr. Garner then wanted to sell the building and do the same thing a few times on other lots in Seneca Park. Mr. Driskill highlighted a possible red flag that, although this businessman had experience in flipping houses and building potentially a 5,000-square-foot building expandable to 10,000 square feet was something the IDA could do, Mr. Garner did not have experience in the equivalent of “flipping” industrial buildings. To add a positive to the equation, though, Mr. Driskill said that Mr. Garner was a grading contractor, and that could prove beneficial. The potential red flag of the tire-chipping side of the business, Mr. Driskill continued, would not be an issue because the business would not store the tires onsite. As the operation existed currently, he said that tires were trucked into a location, chipped at that location, and immediately hauled away. Mr. Driskill stated that Mr. Garner did not have a lot of money, but had a lot of credit. Ms. Rezai added that he had a lot of equipment but not liquidity. Mr. Driskill told the IDA that he had suggested to Mr. Garner that he go to the bank to see if they would lend him the money, and then talk to the IDA. It was not a firm discussion, but Mr. Garner did tell Mr. Driskill that he planned to talk with the bank.

// Ms. Rezai reminded everyone that Mr. Garner was the potential developer who had expressed interest in Lot F, which was why the preliminary study to build out the road and water was done. The road and water would have been necessary. At this point now, though, with the new information, Ms. Rezai said that it would not be beneficial for the county to put the money into that water and road project at this time when they would not be utilized for several years. She continued, saying that Economic Development had the ability to reallocate the funds meant for the road and water project to support the civil engineering for this potential project. Ms. Rezai stated that what she needed from the IDA was to decide if they supported her moving forward with an RFP for civil engineering and a separate decision on whether the IDA wanted to pursue the relationship with Mr. Garner. Mr. Driskill let everyone know that Rick Read would play a part in the vetting of Mr. Garner and helping determine the cost for a lease.

// Mr. Driskill called for questions from the group and expressed that it could potentially be a positive project. His impression was that Mr. Garner had a lot of ambition and drive, had been successful in his business, and had many trailers and some of them were leased. Ms. Rezai stated that it was worth noting that Mr. Garner’s trailers were stationed at Powell’s Trucking, so they were county-located personal property, but it was not new property and he would not be bringing his property to whatever lot he was settled at. Mr. Driskill followed this, saying there was no county incentive for Mr. Garner in this equation, and Ms. Rezai said that was right and that until Mr. Garner landed on a permanent location, there would be no incentive to be negotiated. She elaborated, saying that Mr. Garner’s plans would be to consolidate two of his offices—one in Lynchburg and one in Bedford County—and bring those operations to the location at Seneca; all of his equipment had been in Campbell County already, though, so it would just have to stay in Campbell County.

// Ms. Rezai projected a spreadsheet of the breakdown of the total construction costs for the building Simplimatic leases, and it came to about \$1.4 million. Mr. Driskill had requested this information to use as a rough example for a 20,000-square-foot building. Mr. Garner’s interest was in a 5,000-expandable-to-10,000-square-foot building, but Ms. Rezai and Mr. Driskill had told him that 5,000 square feet wasn’t really marketable and it needed to be at least 10,000, even if that meant two tenants in it. Ms. Rezai drew the members’ attention then to Mr. Garner’s proposal, which was provided for the members to review, and which had a rendering in it of the style of building he was seeking.

// Mr. Driskill reminded the group that if they moved forward with civil engineering on lots, that the lot Mr. Garner was interested in would be one of those lots. The IDA would fund the expandable building at a set price, set rent, and then in five years according to Mr. Garner's wishes, he would buy the building and turn around and sell it and do it again. He continued, saying that before Mr. Garner added onto the first building, he would build a second building. Mr. Rosser asked why he wouldn't just expand the first building, and Mr. Driskill stated that he was just telling the group Mr. Garner's plans. Mr. Rosser also didn't understand how Mr. Garner would have one tractor trailer come in, load, and then process one, but not have any inventory. Ms. Rezai stated that the processed material would have to stay in containers and that was the loophole. So even if he had some chips there, they wouldn't be on the ground. She said that's all that matters to DEQ, that they wouldn't be stockpiling them.

// Mr. Dalton asked if Mr. Garner had a current tire-shredding operation and if anyone had seen it. Ms. Rezai answered yes, and elaborated that in her former role with Public Works she was somewhat part of a project Mr. Garner was involved in, and she said that the process was pretty clean. Ms. Rezai continued, adding that Mr. Garner also did all the brush chipping for Campbell County at the Livestock Rd. transfer site, and that his equipment was multipurpose in its applications and could chip concrete, tires, brush, etc. Mr. Dalton was asking because he knew from a tire-clean-up project he had participated in that tires were very dirty. Answering another question of Mr. Dalton's, Mr. Driskill stated that Mr. Garner would be moving the mobile chipper in and out of the site as well as tractor trailers, for servicing. Mr. Dalton's questions were stemming from an uneasiness regarding having a tire-chipping business located inside Seneca Park and the thought that it might repel some business prospects. But Mr. Driskill thought that a majority of the business's operations would be on-site of the cleanup and that the site in Seneca Park would be a transfer site. It was Ms. Rezai's best understanding that most of the tire-chipping operation would take place where the tires originated, not at the transfer site, which would be the site in Seneca Park. Mr. Driskill suggested that the IDA could go with the smaller lot on the corner at the back of the park and put caveats into the lease/purchase contract that if the business began storing onsite or otherwise performing actions that did not meet the county requirements, it would affect his lease. He continued, saying that the IDA wouldn't have to develop the road immediately but could spend the money on the civil engineering for the five lots and advertise that on a sign, for example, to make the park more marketable. Mr. Carraway added that if the civil engineering was done on the five lots, it would also potentially open up for conversation if someone wanted to come in with a larger project and combine lots—they would have a starting point for costs already. When presented with the possibility of having two buildings to rent come next September if Simplimatic did not renew their lease next year, Ms. Rezai was comfortable that the building would not be difficult to find a new tenant for, based on conversations with other area economic developers.

// Coming back to Mr. Garner's proposal as well as the decision whether to do the civil engineering for the five lots versus pursuing the road and water extension right now, Mr. Driskill's understanding was that they were two separate decisions. Ms. Rezai confirmed this and said the IDA's decision on the civil engineering did not have to be contingent on Mr. Garner. Furthermore, the IDA could request Ms. Rezai continue with the civil engineering direction from the last meeting, or pursue the civil engineering of the five lots. Mr. Driskill added as a reminder that if the IDA decided to pursue the civil engineering of the five lots, the county would participate in the cost, whereas if the IDA decided to pursue civil engineering of just one lot, as was the direction at the previous meeting, the IDA would be responsible for the entire cost. Although it would cost more initially to do the five lots even with the county's help, in the long run it would be more cost-effective than doing one lot at a time.

// Mr. Dalton asked what the cost difference would be for the IDA and if it would change from what had been appropriated, and Ms. Rezai answered that there was no cost up front, but that her inkling would be a 50-50 cost-share with the county. She stated that based on conversations with other people in the county, she expected the total cost to be around \$80,000 for the five lots (\$40,000 for the IDA), versus an

expectation of around \$25,000 for one lot. Mr. Driskill offered another consideration that the IDA would not be in the financial position that it was if not for the positive relationship with the county over the years, with the county backing loans, working together to bring in new businesses, etc. He thought going from a possible \$25,000 to potentially \$40,000 was not a huge change. He continued, adding that the IDA potentially would be involved in the other lots over the years as well, be it with incentives or lease/purchase agreements, etc. Mr. Dalton thought the IDA should get quotes before making a decision on what to do. Ms. Rezai clarified that what was being asked of the IDA was a decision on putting out a Request For Proposal, which would return quotes on how much the civil engineering would cost, and she also clarified that the RFP itself would not have a cost.

// Mr. Dalton motioned to solicit an RFP for civil engineering on five lots, as laid out in the map and presentation. Mr. Wooldridge seconded. With all in favor and none opposed, the motion passed.

// Going back to Mr. Garner's proposal, Mr. Driskill offered that he believed he and Ms. Rezai had a lot of work ahead of them to vet Mr. Garner and his business more, to discuss the specific lot, to receive more specifics from Mr. Garner and likely bring back to the IDA a building cost. Ms. Rezai agreed. Mr. Driskill continued that once Mr. Garner's specifics were known, Mr. Rick Read would be involved in determining the rent/lease cost and communicating with Mr. Wright regarding legalities. Finally, Mr. Driskill and Ms. Rezai could bring the proposal back before the IDA for consideration. The group members were comfortable with this.

// Mr. Driskill did not have any matters to bring before the IDA, but he wished Mr. Thilking well in his transition back to the Planning Commission and offered that the IDA would miss him and his fine work with the IDA. Mr. Thilking appreciated the opportunity to work with the IDA.

// With no matters from IDA members, Mr. Driskill called for a motion to adjourn. Mr. Wooldridge motioned and Mr. Rosser seconded. With all in favor and none opposed, the meeting was adjourned at 8:21 p.m.

// The next regular meeting of the Board of Directors of the Industrial Development Authority of Campbell County, Virginia, will be held on October 22, 2020, in the Haberer Multi-Use Room at 7:00 p.m.

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

August 27, 2020

Vance Driskill, Chairman

Larry Dalton, Vice Chairman