

AT A MEETING OF THE ROCKBRIDGE COUNTY ECONOMIC DEVELOPMENT AUTHORITY (EDA) HELD AT THE VIRGINIA HORSE CENTER OFFICES LOCATED AT 487 MAURY RIVER ROAD, LEXINGTON, VA 24450 ON APRIL 20, 2020 AT 8:30 A.M.

PRESENT: J. LINGON JONES, JR., DAVID FARRIS, JANIE HARRIS, ROBBIE FAULKNER, BOYD BROWN, AND ROY POWELL

ABSENT: B.G. LOCHER

EDA COUNSEL: LEE TAYLOR (not present)

SECRETARY: SAM CRICKENBERGER

BOARD OF SUPERVISORS: DAVID McDaniel (not present)

MEDIA:

OTHER: BRANDY FLINT AND SAM CRICKENBERGER

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Mr. Jones called the meeting to order at 8:45 a.m.

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Mr. Crickenberger advised that the agenda is limited this month and that the EDA needed to adopt a policy to hold electronic meetings until the State of Emergency over COVID-19 was over. He reviewed the details of the revised meeting policy. The following resolution and meeting policy was adopted upon a motion by Mr. Brown, seconded by Mr. Farris, with the following roll call vote:

MEETING POLICY

Rockbridge County Economic Development Authority Meeting Procedures Revised

In light of Governor Northam’s most recent Executive Order 53, issued on Tuesday, March 24th, all Rockbridge County public meetings will adhere to the following policies:

- Not more than 10 persons will be allowed to be in a room at the same time, to include elected or appointed members of a governing board, staff, and presenters.
- One member of the public will be allowed in at a time to provide comment. When that individual leaves, another will be allowed to enter.
- Citizen comment period will be removed from the agenda. Rather than attending the meeting in person, citizens are encouraged to submit public comment in writing to the following email address: CitizenComment@rockbridgecountyva.gov, by US Mail to Citizen Comment – Rockbridge County, 105 S Main Street, Lexington VA, 24450, or by leaving it in the County dropbox at the Main Street entrance to the building and addressed to Citizen Comment. Comments will be read aloud to the Authority. The standard three-minute time limitation will be observed, but the full text of the comments will be provided to the Authority in writing.
- County Economic Development Authority meetings will be live-streamed, with the link posted on the County website prior to the meeting.
- Social distancing practices shall be observed.

These policies are subject to change subject to directives or allowances from the state and federal government.

We ask that all residents continue to take this public health threat very seriously and practice social distancing, frequent hand washing, and frequent sanitation of all surfaces.

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**RESOLUTION OF THE ROCKBRIDGE COUNTY ECONOMIC DEVELOPMENT
AUTHORITY (EDA)
AUTHORIZING THE ADOPTION OF PROCEDURES FOR ELECTRONIC PUBLIC
MEETINGS AND PUBLIC HEARINGS TO ENSURE THE CONTINUITY OF
GOVERNMENT DURING
THE COVID-19 PANDEMIC DISASTER**

WHEREAS, on March 12, 2020, Governor Ralph S. Northam issued Executive Order Fifty-One declaring a state of emergency for the Commonwealth of Virginia arising from the novel Coronavirus (COVID-19) pandemic; and

WHEREAS, Executive Order Fifty-One acknowledged the existence of a public health emergency which constitutes a disaster as defined by Virginia Code § 44-146.16 arising from the public health threat presented by a communicable disease anticipated to spread; and

WHEREAS, Executive Order Fifty-One ordered the implementation of the Commonwealth of Virginia Emergency Operations Plan, activation of the Virginia Emergency Operations Center to provide assistance to local governments, and authorization for executive branch agencies to waive “any state requirement or regulation” as appropriate; and

WHEREAS, on March 13, 2020, the President of the United States declared a national emergency, beginning March 1, 2020, in response to the spread of COVID-19; and

WHEREAS, on March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic; and

WHEREAS, on Monday, March 23, 2020, the Board of Supervisors of Rockbridge County (the Board) confirmed the declaration of local emergency made by the local director of emergency management on March 17, 2020, specifically finding that the COVID-19 Pandemic constitutes a “disaster” as defined in Virginia Code § 44-146.16, being a “communicable disease of public health threat”; and

WHEREAS, Virginia Code § 15.2-1413 provides that, notwithstanding any contrary provision of law, a locality may, by ordinance, provide a method to assure continuity of government in the event of a disaster for a period not to exceed six months; and

WHEREAS, on April 6, 2020, the Board, pursuant to Virginia Code § 15.2-1413, adopted an Emergency Ordinance to Effectuate Temporary Changes in Certain Deadlines and to Modify Public Meeting and Public Hearing Practices and Procedures to Address Continuity of Operations Associated with Pandemic Disaster (“Emergency Ordinance”); and

WHEREAS, through its Emergency Ordinance, the Board specifically found that COVID-19 constitutes a real and substantial threat to public health and safety and constitutes a “disaster” as defined by Virginia Code § 44-146.16 being a “communicable disease of public health threat” and

WHEREAS, through its Emergency Ordinance, the Board further found that the COVID-19 pandemic makes it unsafe to assemble in one location a quorum for public bodies including the Board of Supervisors, the School Board, the Planning Commission, and all local and regional boards, commissions, committees and authorities created by the Board appoints all or a portion of its members (collectively “Public Entities” and individually “Public Entity”), or for such Public Entities to conduct meetings in accordance with normal practices and procedures; and

WHEREAS, through its Emergency Ordinance, the Board adopted certain procedures to ensure the continuity of government during the COVID-19 Pandemic disaster (“Continuity Procedures”), suspended any deadlines applicable to Public Entities and their staff during the COVID-19 disaster, and authorized Public Entities, at their discretion, to postpone non-emergency public hearings and action items during the disaster; and

WHEREAS, the Rockbridge County Economic Development Authority (EDA), being a public body created by the Board pursuant to Virginia Code § 15.2-1413, is a Public Entity included within the scope of the Emergency Ordinance.

NOW, THEREFORE, BE IT RESOLVED that the EDA hereby incorporates by reference and adopts the Continuity Procedures prescribed in the Emergency Ordinance, a copy of which is attached hereto; and

BE IT FURTHER RESOLVED that the EDA hereby authorizes and directs its officers and staff to take all steps reasonably necessary or appropriate to implement such Continuity Procedures and to develop any specific procedures as applicable and appropriate for the EDA, provided that such specific procedures are consistent with the terms and conditions of the Emergency Ordinance; and

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon adoption and shall remain in effect during the pendency of the Emergency Ordinance, including for any applicable period upon the re-adoption of the Emergency Ordinance by Board.

Roll Call Vote: Mr. Brown – Aye; Mr. Farris – Aye; Ms. Harris – Aye
Mr. Powell – Aye; Mr. Faulkner – Aye; Mr. Jones – Aye, and Mr. Locher – Absent

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The third agenda item was a discussion on the financial report and consideration of continued financial support for the Route 60 East Water and Sewer project.

Mr. Crickenberger advised the EDA approved to fund 25% of the revenue bond on the Route 60 water and sewer project in 2018, and consider additional funding yearly after that. He noted there had been questions from EDA about what development potential there is in the Route 60 area and what the status of the hotel project was. Mr. Crickenberger noted that staff provided a map that shows the properties in the area that are developable based on current zoning. He advised that the hotel project is moving forward, but slowly. He indicated they are working on the design of a retaining wall now, and they have contacted the PSA to get information for the fire flow. He stated that this is a long-term investment and allows the County not to be hindered by capacity issues with the City of Lexington.

Mr. Jones asked if there were any commitments for development further out Route 60.

Mr. Crickenberger responded there are not at this time.

Mr. Powell asked who owns most of the parcels in that area.

Mr. Crickenberger responded that Mr. Barger does.

Mrs. Harris asked how much if any owner participation has been discussed.

Mr. Crickenberger advised that a service area would need to be set up by a special tax assessment to do that, which was discussed in the past, especially areas of the County being promoted for development. The Board at that time did not make a recommendation to do so.

Mrs. Harris asked if the property owners could be required to contribute.

Mr. Crickenberger advised they have not discussed that, but the property owner could donate if they wanted to.

Mr. Powell asked about the connection fees.

Mr. Crickenberger advised there is a connection fee now, but anything additional would have to be done with an extra tax added to the property. He noted that this area is located in a tourism zone that incentivizes development.

Mr. Faulkner asked what the cost of the project is.

Mr. Crickenberger responded that it is around \$2.4 million to the Mast shopping center.

Mr. Faulkner asked if the EDA was included when the County decided they were going to move forward with this project.

Mr. Crickenberger responded that the EDA was involved pretty early on.

Mrs. Harris asked if any study has been done into what the projected tax revenue that could be received if the site on Route 60 is developed.

Mr. Crickenberger responded that there had not been a study done. He noted that the projected cost of the hotel is known, and real estate taxes could be calculated on that, but since it is in a tourism zone, they will receive a tax incentive for at least five years.

Mr. Faulkner stated that we are here to decide if we are going to give our money away or not. Do we want to deplete our pile of cash? If we do not, where will the Board get their money?

Mr. Crickenberger responded that it would have to come out of reserves.

Mr. Faulkner stated the money is not the EDA's; it is the citizens, so what do we want to do with it.

Mr. Crickenberger advised the EDA that approving the funding for the Route 60 project would not be depleting all their funds. He indicated that they could reconsider funding the project again next year. He advised that the hope is that revenues are better next year, but with the virus, we are not sure how things will go. He stated that funding the Route 60 project is an investment in infrastructure that allows for additional development in this corridor.

Mr. Faulkner indicated he would have liked to have more history on what the EDA has done in the past, and he then asked what Mr. Bolster thinks.

Mr. Crickenberger responded that Mr. Bolster's memo is in the package.

There was a brief discussion on how the Horse Center and the State Park are, and how the virus is impacting them. There was concern about if they will need additional funding due to the impacts.

Mrs. Harris stated that she is not opposed to the development of Route 60, and she thinks it is essential, but her concern is the EDA's return on the investment. She stated that right now, she is more concerned about the small businesses that need to stay in business to keep people employed. She indicated that small businesses are an immediate impact on tax revenue. She reiterated that she is very concerned about how we help them get to the next step. Mrs. Harris stated that we have businesses that we are going to lose now, those jobs, and that tax revenue if we do not do something right now.

Mr. Crickenberger advised we are looking at the long game with the water and sewer project, and then we are looking at the short game with funding small businesses, which is an item to be discussed later in the meeting. He concluded that the EDA is in a position to help with both the Route 60 project and business relief.

Mrs. Harris indicated that before she votes on the Route 60 project, she wants to hear about what is being proposed to help small businesses now.

Mr. Crickenberger asked the Chair if Ms. Flint could present the next agenda item to answer those questions.

Mr. Jones allowed Ms. Flint to present the information on the COVID-19 economic impact and relief before voting on the Route 60 funding.

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The fourth agenda item was a discussion on the economic impact of COVID-19 and relief funding for small businesses in the County.

Ms. Flint advised the EDA that they have \$329,179.60 remaining from the sale of the Raphine property. She then informed them that the Community Foundation started a relief fund that will be distributed to local businesses and non-profits. She advised the EDA that they facilitate a grant program with the Community Foundation funds that they can be distributed to

Rockbridge County businesses in need. She noted that each of the three localities would have an application, a review committee, and an entity to distribute funds on behalf of the Community Foundation with their approval. A committee for the EDA would review each business' request for relief funding and then recommend approval to the Community Foundation. The Foundation would then approve or adjust the funding request before issuing it to the EDA to give to local businesses. Ms. Flint advised that she has the application draft ready, which includes a proposed cap of \$2,000 for each request. She suggested that the EDA piggyback off this program with the Community Foundation and have a similar program with their funds. She stated that the EDA could fund applications not approved by the Community Foundation or when funding with the Community Foundation is no longer available. She advised that the Community Foundation has about \$70,000, and the funds will be available on a first-come-first-serve basis based on need. She then reviewed the draft application, which included the stipulation that the business uses the grant for overhead expenses limited to rent, utilities and insurance, number of employees, and CARES Act funding received.

Mr. Brown requested the application included a question about the loss of revenue because that was an issue with the Payroll Payment Protection funding that was distributed.

Mrs. Harris asked if this applied to any business that is a business license holder or taxpayers.

Ms. Flint advised that she would verify each business license. She noted there are 1,282 business license holders in the County, and those would be the ones that would be eligible. She said that farmers and manufacturers are not required to have a business license, so they are not included. Ms. Flint indicated that the EDA could decide who can apply.

Mr. Faulkner advised that the Payroll Payment Protection Program was drained because businesses with up to 499 employees could apply, and they did. He stated that this program should have a limit on the number of employees, so that does not happen here.

Ms. Flint responded that the Community Foundation and EDA funds would not be used for payroll.

Mrs. Harris asked that this be directed at smaller operations that we will feel their loss if they are not here.

Ms. Flint advised that the committee set up to review the applications would determine who has the greatest need and who gets funded.

Mrs. Harris asked that a question be added about CARES Act funding and how much was received.

Ms. Flint indicated that she would.

There was a lengthy discussion on the CARES Act funding what was available, what went well, what went wrong, and how the process was to apply for Payroll Payment Protection.

Ms. Flint asked the EDA to decide if they would like to be the fiscal agent for the Community Foundation funds.

Mr. Powell stated he is concerned that the EDA only has around \$325,000, and he did not know about using it for grant money, but that was neither here than there. He stated that the Route 60 project would take \$150,000 of that, and he does not want to reconsider it yearly. He indicated that if all the businesses apply for this grant, then we do not have enough funding to help them.

Ms. Flint reviewed the financials and what would remain if the Route 60 project was funded for one year, two years, or not funded at all. She suggested that the EDA set a grant fund cap of \$100,000 to limit how much they support. She noted the hospitality, service, and tourism industries are the ones that have been hit the hardest, so the EDA could give higher priority to those businesses.

Mr. Faulkner stated that in his view, the issues are where did this money come from, and he does not want to see it go away.

Ms. Flint and Mr. Crickenberger responded that the funds came from the sale of the Raphine property that was purchased by the Board then given to the EDA.

Mr. Brown stated that his understanding is that the reason the EDA exists is not to hold onto that money and never give it away, but so they can put it back in the community and get a return on their investment down the road. He stated that he understands that we need to be careful about how the funds are spent, but at some point, we do need to pay the funds.

Mr. Faulkner asked where do we get more money.

Mr. Powell stated we would have to find that out after this virus is over. He said we need to get the money out there and fund the Route 60 project and help these small businesses. We do not have the funds to play and manage real estate and make an impact with this \$325,000 is less than an average house in the County, and we do not need to worry about leaving this money in the pool.

Mrs. Harris stated that she would like for us to work with the Community Foundation and piggyback off that. A little bit of money will help these businesses, and we need to sow it where it might make a difference. She indicated that she thinks this is the best way to invest it, and there will be a return just like it was with BTI. It is incumbent on us to do something, and it might not be a significant amount, but we need to fund these businesses to get them through.

Mr. Farris stated he did not think \$2,000 from the Community Foundation was going to help someone that much, but EDA funds could offset that.

After some discussion, upon a motion by Mrs. Harris, seconded by Mr. Brown, the EDA voted unanimously to be the fiscal agent for the Community Foundation funds for county businesses that apply.

Ms. Flint asked for three volunteers for the application review committee.

Mr. Brown, Mr. Farris, and Mrs. Harris agreed to be on the Committee with Ms. Flint.

Mr. Powell made a motion to fund the Route 60 project for two years and \$100,000 for an EDA relief fund. There was no second.

Mr. Brown stated that he would like to do one year on the Route 60 funding.

Mr. Powell revised his motion to one year of funding for the Route 60 project and \$100,000 in the EDA COVID-19 Relief Fund. Mr. Farris seconded that motion, with the following vote: Mr. Powell – Aye; Mr. Farris - Aye; Mr. Brown – Aye; Mrs. Harris – Aye; Mr. Faulkner - Nay; Mr. Jones – Nay, and Mr. Locher - Absent

Mr. Powell asked if the EDA funds are not used what happens with them and are these grants or loans. The EDA agreed that their motion was referring to grants, not loans, and if the funds are not expended, it will go back to the EDA coffers.

Ms. Flint advised that she is sending letters out to local business owners and will schedule a meeting with the COVID-19 Relief Committee. She noted that she would be in touch with EDA members about business license holders they can contact directly and provide advice, find out how they are doing, and let them know what assistance is available. She suggested using the application as a survey to get information from each business.

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Before the meeting adjourned, Mr. Powell advised that the EDA needs to meet and discuss the Governor's new green energy bill and the impacts it might have on the County. He stated that we live in a County that complains about wind turbines in an adjoining county, and it takes a long time to get a solar field permitted. If all coal fire plants close in Virginia, we are

going to be in a lot of trouble with economic development. Mr. Powell concluded by saying that water, sewer, roads, and power are essential to what is needed for economic development, and we need to discuss what to do if we do not have enough power generation.

Mr. Crickenberger advised that he would work on scheduling a meeting with the power companies after the virus passes.

With no further business to discuss, upon a motion by Mrs. Harris, second by Mr. Farris, the EDA voted unanimously to adjourn.

Respectfully Submitted,

Sam Crickenberger
Secretary

DRAFT