

**AT A MEETING OF THE ROCKBRIDGE COUNTY ECONOMIC DEVELOPMENT AUTHORITY (EDA) HELD AT THE ROCKBRIDGE COUNTY ADMINISTRATIVE OFFICES LOCATED AT 150 S. MAIN STREET, LEXINGTON, VA 24450 ON JANUARY 21, 2020 AT 8:30 A.M.**

**PRESENT:** J. LINGON JONES, JR., ROY POWELL, JANIE HARRIS, B.G. LOCHER, BOYD BROWN, AND DAVID FERRIS

**ABSENT:** ROBBIE FAULKNER

**EDA COUNSEL:** LEE TAYLOR (not present)

**SECRETARY:** SAM CRICKENBERGER

**BOARD OF SUPERVISORS:** DAVID MCDANIEL (not present)

**MEDIA:**

**OTHER:** BRANDY FLINT, JAY LANGSTON, KEITH HOLLAND, SCOTT GUISE, TRAVIS CARTER, TOM STANLEY

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Mr. Jones called the meeting to order at 8:33 a.m.

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The second agenda item was election of officers.

Upon a motion by Mr. Powell, seconded by Mr. Brown, the EDA voted to reelect the current slate of officers. Mr. Jones as Chair, Ms. Harris as Vice-Chair, and Mr. Crickenberger as Secretary.

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The third agenda item was the approval of the 2020 Yearly Meeting Schedule.

Upon a motion by Mr. Locher, seconded by Mr. Brown, the EDA voted to approve the meeting schedule, as presented, with a correction to the December 2020 date.

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The fourth agenda item was citizen comments.

Mr. Scott Guise, Kerrs Creek District, stated that essentially the reason he is speaking is that we do not know what is going on with the hemp research grant. He noted that there is a very strong rumor out there about raising land-use taxes in the near future. He asked why we would do something like that if we are going to hand out money so that someone can get licensed as per FSA requirements. He indicated that it is a big concern for those people he is talking to. Mr. Guise noted that he would be talking to the Board of Supervisors about his next issue as well, access to meetings. He indicated that access to meetings is a concern, and he asked that the meetings be moved to a time when most people could attend, like 6 p.m. He stated there might be a better turn out and better input if the time is changed. He said that if possible, budgetary funds should be used to live-stream the meetings for those who need to attend in wheelchairs and

so forth and cannot make it out. He asked that better microphones and time services be used that are similar to what the City Council uses. He advised there is some good hardware that is not that expensive out there, and asked that all relevant documents be displayed. He advised that at the last Board meeting, they did not display the resolution that was being discussed. He noted that the last meeting minutes are still not displayed on the website, and the meeting schedule does not match the current agenda. He asked that those items be looked into. He wondered at what point the County will know and how far in advance, we will let people know when we will raise land-use taxes and how that will be spread around.

Ms. Harris asked why he thinks the taxes are going to be raised.

Mr. Guise stated that he does not have the document in front of him, but he looked at the entire budget and the comment made at the last Board of Supervisors meeting, that people chuckled at, was that they would not be increased. He stated that he is hearing from people who know the Board better than he does and indicated that it is a concern.

Ms. Harris advised that at the last meeting, the EDA discussed being more proactive in helping local farmers. She stated people come to the County because of the views that we have here, and it is to protect the open farmland. She stated her concern is that we take away the means for people to do that. She advised that from her perspective, land use is important and needs to continue, and we need to look at any means to keep it without stifling good clean business and industry.

Mr. Guise responded that he just thought of an example. He noted he would not mention any names. He advised that a gentleman told him that the tax assessors went to his property, which is not attached to the grid, and assessed his property at a higher rate because he had a large tract of land that was not being cultivated but could have a house on it. He noted that they are limited to what they can do, and that is why they built the home they did with a woodstove and everything. He asked why anyone would think they could afford any more.

Mr. Crickenberger advised that he has not heard any conservations about increasing land use taxes. He noted that discussion is more controversial than the talks about moving the dumpsters. He then advised that if someone qualifies for land use based on the acreage and practices, then they are eligible for land use. He noted a one-acre minimum is taken out for the home.

Mr. Powell asked if land-use applies to the harvesting of timberlands since it is so infrequent.

Mr. Brown responded that it does not apply unless it has a timber management plan.

Mr. Powell stated that some people do not understand the process of going into land use.

Ms. Harris advised that we need to educate people more about how the program works. She stated that there needs to be an article in the paper that explains the process.

Mr. Crickenberger advised that he would advise Mr. Whitesell, Commissioner of Revenue, about these concerns.

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The fifth agenda item was the approval of the November 18, 2019 meeting minutes.

Upon a motion by Mr. Powell, seconded by Mr. Brown, the EDA voted unanimously to approve the minutes with corrections.

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The sixth agenda item the financial report and audit.

Ms. Flint noted the audit was reviewed at the November meeting. She then reviewed the financial report as presented.

There were no concerns.

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The seventh agenda item was the activities report.

Mr. Crickenberger advised there is a new CTE program coordinator at the High School, Paige Owens. He noted that he and Ms. Flint have met with him and attended the CTE Advisory Board meeting.

Mr. Powell asked about the meeting with Augusta Lumber.

Mr. Crickenberger indicated that they have addressed the issues with the dip tank and have worked on the dust control issues. He advised they have insulated some building to mediate noise issues and have addressed some of the lighting issues as well.

Mr. Powell asked what they were dipping.

Mr. Crickenberger advised the wood is dipped to prevent mold.

Ms. Harris asked about the Fields of Gold program.

Mr. Crickenberger advised that the CSPDC no longer has funding for the program, and they are trying to figure out how to fund it and make it more self-sufficient.

Ms. Harris suggested talking to the Farm Bureau Federation about offering some help with funding the program or finding grant money.

Mr. Crickenberger advised they are working on setting it up for not-for-profit so that they can accept sponsorships.

Mr. Powell asked about the Upper James River Water Trail stakeholders meeting.

Mr. Crickenberger advised that this program is to add additional drop-ins and to promote the James and Maury Rivers. He also informed that the designation for the Upper Maury as a scenic river is in legislation now.

Mr. Powell asked if DGIF would be interested in more river access points or not. He noted that working with the forestry service did not work, or gain traction with their properties because they are so short-handed.

Mr. Crickenberger noted that a volunteer group would need to support a project on forestry property. He indicated that points in between the existing drop-ins would give shorter trip options.

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The eighth agenda item was a presentation on an Economic Gardening Program.

Mr. Crickenberger introduced Jay Langston and Travis Carter with the Shenandoah Valley Partnership to talk about the program.

Mr. Langston noted that he oversaw an economic gardening program at VEDP and that this type of program is not an agricultural program; it is a grow your business program. The program will be implemented through GoVA funding and will help put a company through the economic gardening program. Mr. Langston advised the grant will pay the \$4,300 for the program cost, and the locality determines how the match funding will be handled. He noted it is

a one-on-one match. SVP will front-load the financing, and then the locality will reimburse. He advised the company receives one-on-one assistance with growing their business through the economic gardening program that lasts about 4-6 months. Mr. Langston indicated that the GoVA grant request is for \$50,000 over two years, with SVP being the administrative agent and the National Economic Gardening Center being a partner. He concluded that there are up to 20 spots and each locality can submit companies throughout the Shenandoah Valley.

Mr. Brown asked if the grant funds consulting services.

Mr. Langston responded that is correct.

Ms. Harris asked who nominates the company.

Mr. Langston indicated the local economic developers would.

Mr. Crickenberger stated that EDA members could help staff with identifying companies that qualify for the program.

Ms. Harris asked if this program helps with exporting.

Mr. Langston responded that it will and that resources will be available both with economic development and with international trade.

Mr. Crickenberger stated there is a match, which can be split between the participating company and the County, or the company pays the match in full.

Mr. Brown asked why this is mainly for trade business.

Mr. Langston responded that this program is mainly for non-retail businesses, but it can be used across the board with anything from engineering to manufacturing. He noted that a broad spectrum of companies could participate, but the traded sector provides the most significant wealth to the community.

Mr. Jones asked if a \$1 million was the minimum investment.

Mr. Langston advised that it is not a hard and fast set amount and that companies that are in growth mode with no signs of negative employment would qualify.

Mr. Powell asked if this program can be rebranded so that he does not seem like an ag-related program.

Mr. Langston advised that has been discussed. He noted describing it as a business accelerator sounds better.

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The ninth agenda item was a presentation on the Hemp Research grant.

Mr. Crickenberger introduced Keith Holland, a professor with JMU.

Mr. Holland thanked the EDA for their time and advised that he is not an expert in hemp, but he is here to advocate for the faculty and students at JUM and their research project. He noted that they are applying for a GoVA grant with nine localities participating. JMU has been researching hemp through the biology department. Primarily hemp fiber, grain, and oilseed production. Legislation has changed so that it is not just universities that can research hemp, but private farmers as well. He noted that CBD oil is popular, but there has not been an excellent economic study on the benefits and downsides to the hemp industry. There will be three primary focuses - 1. Economic landscape analyst, 2. Agricultural processing, data collection, and analysis, 3. Information repository network. He then described the three focuses. Economic landscape analysts would look at the region, state, national, and international markets to gain a better understanding of the market as well as determine projections for market price and cost of production. This analyst will look at the impact on other products in the Valley and decide

whether it makes sense to use the land for this purpose. Projections are based on scenarios like fast, slow, and medium growth since emerging markets are unpredictable. He stated that the second primary focus would guide the producers through the collection of ag data with the thousands of growers and processors that are registered in Virginia. VDACS is overwhelmed with new applications. He noted that this would allow a network of growers and processors to be developed so they can share information on best practices, what grows well where, and additional information. This will be a compilation of data to be shared with a network of fellow practitioners and a hosting portal that will connect researchers with growers and processors. He advised that this grant will not produce any jobs but will produce an understanding of an emerging market and provide vital research resources to those businesses entering the market.

Mr. Powell wished them luck with the information sharing process. He noted that the microbrew industry was willing to share, but this community might be more secretive.

Mr. Holland indicated they have not run into that much.

Mr. Brown asked if there were figures on average revenue per acre.

Mr. Holland responded that there had been several producers but not a lot of sales yet. He indicated they would look at other States to determine since it is so new in Virginia.

Mr. Brown asked if hemp production is worth the time and energy.

Mr. Holland indicated this grant will answer those questions.

Mr. Powell asked how this compares to the tobacco industry.

Mr. Tom Stanley stated that it is labor intensive to grow and harvest fiber hemp. He said that he was uncomfortable quoting profit because it is all over the place, but between \$3,000 to \$6,000 an acre. He noted that that income range is more like \$50-\$200 range for fiber hemp. Mr. Stanley stated that hemp production requires mostly flat land and larger machines to harvest. Mr. Stanley concluded that one local farmer, Mr. Potter, allocated about 30 acres to hemp production this year, and it "about whipped him."

Mr. Powell responded that it does not sound like fiber hemp production is a lot of money. He asked how does hemp production compare to soy and corn production.

Mr. Stanley indicated it is about the same profit per acre.

Ms. Harris asked if there is a specific hemp plant for each product.

Mr. Holland indicated that there are specific plant variations for each type of end product.

Ms. Harris asked if any byproducts could be used for cattle.

Mr. Holland indicated that it could.

Ms. Harris indicated her concerns about oversaturation in the market, like what happened with the craft beer industry.

Mr. Holland responded the reason for this study is to determine what could happen.

There was a discussion on THC levels and those regulations. Ms. Harris stated that if the level is higher than regulated, then the whole crop has to be destroyed, and there is no insurance available right now to cover that loss for the farmer.

Mr. Holland advised that changes in the environment, soils and weather can change the THC level. He noted going hot tends to happen in certain areas and environments. The information repository will help identify those areas and environmental factors that affect the plant.

Ms. Harris advised that this is an opportunity for farmers to diversify their crops, but the farmers need to be aware of the risks.

Mr. Powell asked if this is personnel labor or machine labor.

Mr. Stanley indicated that fiber hemp does not have as much hand labor, but CBD oil production does.

Mr. Holland indicated that JMU is researching how to use existing equipment for harvest. Mr. Holland noted that County staff advised Mohawk of the plan for this grant research so they can participate with regards to carpet manufacturing and uses. He said that the point of the study is to find out what is working, what is not working, how hemp can be used, or if there is a use that has not been thought of yet. He concluded that having a network of like growers and producers to ask questions would be great and that the match amount is \$4,010.

Ms. Harris asked how many growers are in the area.

Mr. Stanley responded that VDACS shows 11.

Mr. Crickenberger asked if there are any culinary opportunities with hemp production.

Mr. Holland indicated they would add that to the list of things to research.

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The ninth agenda item was Career Fest.

Ms. Flint gave a review.

Mr. Crickenberger advised that the next regularly scheduled meeting would be on Tuesday, February 18<sup>th</sup> which is the same day as Career Fest. He asked the EDA if they would like to have a meeting at the event.

The EDA determined that they would like to hold their next meeting at the Virginia Horse Center for Career Fest.

Mr. Stanley asked about snow day.

Ms. Flint advised that a snow date had not been set.

Ms. Flint informed the EDA of the Gauntlet Business Program and Competition.

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Prior to adjourning the meeting Mr. Powell asked if the EDA wanted to discuss changing their meetings to 6 p.m. Ms. Flint advised that she would check the calendar for the Board room to find out available days and they could review next month. Upon a motion Mr. Powell, by seconded Mr. Locher, the EDA voted unanimously to adjourn the meeting.

Respectfully Submitted,

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Sam Crickenberger  
Secretary