

AT A MEETING OF THE ROCKBRIDGE COUNTY ECONOMIC DEVELOPMENT AUTHORITY (EDA) HELD ELECTRONICALLY AND AT THE ROCKBRIDGE COUNTY ADMINISTRATIVE OFFICES LOCATED AT 150 SOUTH MAIN STREET, LEXINGTON, VA 24450 ON MAY 15, 2020 AT 8:30 A.M.

PRESENT IN PERSON: J. LINGON JONES, JR., ROBBIE FAULKNER, ROY POWELL, AND B.G. LOCHER

PRESENT ONLINE: DAVID FARRIS, JANIE HARRIS, AND BOYD BROWN

ABSENT:

EDA COUNSEL: LEE TAYLOR (not present)

SECRETARY: SAM CRICKENBERGER

BOARD OF SUPERVISORS: DAVID MCDANIEL (present online)

MEDIA:

OTHER: BRANDY FLINT

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Mr. Jones called the meeting to order at 8:30 a.m.

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The second agenda item was citizen comments.

Mr. Crickenberger advised that there were no comments submitted by email, no comments have been submitted via the Zoom meeting chat option, and there were no phone calls.

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The third agenda item was the approval of the February 18, 2020, and April 20, 2020 meeting minutes.

Upon a motion by Mr. Powell, seconded by Mr. Locher, the EDA voted unanimously to approved both sets of minutes as presented.

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The fourth and fifth agenda items were the appointment of Secretary/Treasurer and the approval of the Banking Resolution.

Mr. Crickenberger stated that the EDA would need to appoint a Secretary/Treasurer to replace him since he will be retiring at the end of June. He noted that the Secretary/Treasurer handles the finances, banking, meeting setup, and minutes. Mr. Crickenberger advised that he included the bylaw section for the EDA regarding the appointment of the Secretary/ Treasurer, which states that a member of the EDA can be appointed, or staff. He said that he recommends that Ms. Flint be appointed and has included resolutions in the package to reflect that, but ultimately it was the EDA's decision on who to appoint.

Ms. Harris asked if it was correct that Ms. Flint takes a large part of the action now.

Mr. Crickenberger responded that Ms. Flint has been responsible for the EDA finances and keeping everything straight ever since she was hired. He noted that he signs the checks, but

she keeps the books straight and keeps him straight. He stated the information provided in the package was all generated by Ms. Flint.

Ms. Harris stated that she would be comfortable with Ms. Flint continuing in that role.

Mr. Powell asked Ms. Harris if that was a motion.

Ms. Harris responded that yes, she would like to make that a motion. Mr. Powell seconded her motion.

Mr. Faulkner asked Ms. Flint if she would accept it. Ms. Flint responded that she does.

Mr. McDaniel, Board of Supervisor liaison to the EDA, asked if Mr. Suter was on the account.

Mr. Crickenberger responded that he is not.

Mr. McDaniel stated that it was his understanding that Mr. Suter and Ms. Flint will be helping each other and that Mr. Suter needs to be added to the accounts.

Ms. Harris responded that it is a good idea in case of illness, extended absence, or something like that.

Mr. Crickenberger advised that Ms. Flint could be appointed as Secretary/Treasurer, and the banking resolution could be updated to add Mr. Suter as an additional check signer on the EDA accounts.

Ms. Harris amended her motion to appoint Ms. Flint as Secretary/ Treasurer and to add her and Mr. Suter on the Banking Resolution for the EDA accounts.

Mr. Brown seconded the amended motion. Mr. Powell indicated that he approves of the amendment and Mr. Brown's second.

The EDA voted unanimously to appoint Ms. Flint as Secretary/Treasurer and to approve the amended Banking Resolution to include Mr. Suter on the EDA accounts as an authorized check signer along with Ms. Flint.

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The sixth agenda item was the Financial Report.

Ms. Flint reviewed the report as submitted.

There were no questions or comments regarding the Financial Report.

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The seventh agenda item was an update on the COVID-19 Relief Fund.

Ms. Flint advised that she provided a comprehensive update in the EDA package. She noted that 48 applications had been received to date. Two went to the Community Foundation for approval of funding. Those applications were approved for \$400 each, and the funds have been provided to the applicants. She noted that one of the applicants has already completed the performance agreement. She provided the details of the performance agreement. Ms. Flint stated that 40 applications totaling \$15,200 were submitted to the Community Foundation and are being reviewed today. She noted that she should know later this afternoon what amount the Foundation approves. Ms. Flint indicated that the Community Foundation funds collected totaled roughly \$92,000. They have provided \$25,000 in funding to businesses and non-profits so far, with over \$30,000 in requests being considered today. Ms. Flint indicated that the EDA needed to decide if they wanted to keep submitting to the Foundation or use their funds from here on out. She then proved the EDA with details on the remaining applications. Six applications are pending review by the EDA committee, and that ten applications were received from one hotel owner. She

advised the hotels to receive PPP and asked if the EDA would like to fund those applications even though they received PPP. She advised the two action items today are 1) Does the EDA want to amend their motion to add farmers and light manufacturers since they are not required to hold business licenses, they are eliminated from receiving funding. 2) Does the EDA want to look at applications that have received PPP, and does the EDA want to revisit applications that were not fully funded by the Community Foundation?

Mr. Faulkner asked what the Committee thoughts were on the hotels.

Ms. Flint responded that the committee ranked the application on set criteria That criteria included taking into consideration if a business was fully closed, operation at a reduced capacity, layoffs, and receipt of other CARES Act funding. She noted that based on that criteria, the hotels still ranked high enough to be funded at the full \$2,000 each.

Ms. Harris stated that the hotels did receive some funding, and they had layoffs. She wanted to make sure that funding goes to businesses that are rehiring those laid off.

Ms. Flint explained that any business that received PPP had to hire back their workers for the PPP to be a grant and not need to be paid back.

Ms. Harris asked Ms. Flint to verify that those employees that were laid off have been hired back or hired a replacement.

Mr. Brown noted it is tied to payroll and headcount if they want it to be forgiven. They could take it as a low-interest loan for two years if they were an unscrupulous individual.

Mr. Faulkner asked for clarification on if PPP was a grant or a loan.

Ms. Flint responded that it is a forgivable loan if specific criteria are met, and if it is not, then it is paid back at 1% interest.

Mr. Jones asked how many farmers and manufacturers there are in the County.

Ms. Flint responded that she did not have that figure today.

Ms. Harris indicated that one of the first applications that were received was from a small farmer. She stated that she is concerned with the current market on beef and dairy being the way it is and with all the unknowns that small farms might fall by the wayside, and that is not what we need in a County that has an excellent agricultural economy. She stated that open land and usable land for the County has been a plus and has kept a check on unbridled development. She said she likes helping the farmers and light manufacturers because they are a big part of our community and want to do so.

Mr. Faulkner asked about the massive pot of money that had been appropriated for the farmers.

Ms. Harris responded there is, but how long it takes to get it is the question.

Mr. Faulkner asked how we help the farmers get to the available funds.

Ms. Flint advised that Mr. Stanley, with the Extension Office, is working with the local farmers to assist them in navigating the process.

The discussion continued on the merits of adding farmers and light manufacturers, how that could be done, and the impact on farmers that has resulted from COVID-19. The discussion also included light manufacturers and the logging industry.

Mr. Brown stated that if we open this up to individuals and organizations that are not required to have business licenses, what is the burden of proof that we use to determine they have a valid business.

Ms. Flint noted that Mr. Harwood was online and stated that newspapers are also not required to have a business license.

The discussion continued on how farms are classified and the burden of proof that would be required. The EDA consensus was that they want to help farmers, but how do they go about it. Mr. Faulkner motioned that the review committee uses their discretion to determine who qualifies. The discussion continued. Ms. Flint noted that of the 1,200 plus business licenses in

the County only 48 have applied. She advised that some indicated they were fine and wanted the EDA to help other people. Ms. Flint stated that the applications all came in within two weeks and have now trickled down. She noted that if the application process is opened to farmers and light manufacturers, we might be inundated with applications, but we might not. Ms. Harris asked that a deadline for applications be set just in case there is a second round of closures in the fall, as some are predicting. There was a discussion about a deadline date, and it was confirmed that mid-June was a reasonable time frame. The EDA agreed to set June 19th as the deadline. Additionally, the EDA discussed the criteria and ranking used for the Community Foundation funds and the fact that applicants were approved for less funding than what was recommended by the EDA committee.

Mr. Faulkner suggested revisiting those applications, and Ms. Flint noted that was one of the action items she mentioned in her memo to the EDA. Mr. Faulkner stated that we appropriated \$100,000, and he wanted to make sure that we spend. Mr. Brown reiterated that the Community Foundation approved amounts were lower than the review Committee anticipated, and there will be some inconsistencies for the applications that go through the EDA funds. Mr. Faulkner indicated he was concerned that the grants that come in later would be awarded higher amounts. Ms. Flint advised that the EDA can revisit the applications that the Community Foundation did not fully fund to alleviate that issue. Ms. Harris stated that it weighs heavily on the committee's mind that not all requests can be fully funded. She advised that the committee wants to help as many people as they can.

Ms. Flint summarized the conversation so far. She stated that the EDA has indicated that they want to set a June 19th deadline for applications from everyone, and the committee will review the applications and determine the level of funding. There was a discussion on updates to the application form that would help to establish legit farm operations to help the committee. The debate continued how to add farms to the application process.

Mr. McDaniel commented that the EDA needs to stay consistent with the scoring mechanism to defend their actions and address any question that might come up.

Mr. Brown stated that the problem with removing the business license requirement opens the EDA up to dealing with a lack of accountability, and that is why the business license requirement was used, to begin with.

Ms. Harris asked if we should just stay with the program as it is.

Mr. Brown responded that we need to in order to stay consistent.

Ms. Flint stated that this is why she recommended the use of businesses licenses from the beginning so that decisions made are defensible.

Mr. Brown stated we could change it and come up with a different approach, which is not wrong, but we might face criticism if we do so. We need to understand what we are potentially opening ourselves up to, making it harder to defend our decision. He concluded that the amounts we are giving out might not lead to criticism, but he could be wrong.

Ms. Flint advised that the limits on what the funds can be used for limits them applying.

Mr. Faulkner stated that we started the meeting discussing changing the process, and now it seems that we do not want to do that. He said he would change his motion to reflect no changes but to revisit applications with a deadline.

Mr. Faulkner's first motion was not seconded, but his amended motion was second by Ms. Harris. Ms. Harris stated this is a way to reinvest the EDA money to assist these businesses and keep the County's tax revenues up. We have to hold onto what is already here and reinvest in them. She concluded that the people who have applied had shown a need.

Mr. Powell stated that the elephant in the room is that he is concerned with the Horse Center and the impact it will have on the economy. He advised that if we are going to stick with

business license holders and set a deadline and then we can start a new program with whatever money is left to help farmers and agriculture. He concluded that we do not need to change mid-stream; we can start another program.

Mr. Brown suggested using the Community Foundation funds and adjusting the application for the EDA funds.

Mr. Faulkner asked what the Community Foundation thinks if the EDA uses all their funds.

Ms. Flint responded that so far, they are good with it, and they know that the EDA will have funds. She stated they have been gracious but are not funding at the level the committee has to recommend since they are trying to help as many people as they can.

Mr. Faulkner advised that he is withdrawing his motion.

Ms. Flint asked the EDA where they want to go from here. Do they want to keep using Community Foundation funds? Do you want to revisit applications that were approved at a lower amount?

Mr. Ferris responded that we could keep using the Community Foundation funds and then revisit the applications with the EDA funds.

Ms. Harris indicated that she wants to start using the EDA funds.

Ms. Flint advised that six applications so far will be reviewed with the EDA funds.

Mr. Ferris stated that the Community Foundation had held fundraisers to raise funds to help local businesses. If they still have funds available, he would prefer we use the Community Foundation funds and then use the EDA money to supplement what they did not get from the Community Foundation.

There was a discussion on revisiting the applications that were not fully funded by the Community Foundation, the deadline to receive requests, and if the EDA wants to open the application process up to nonbusiness license holders.

The EDA agreed to continue the COVID-19 Relief program as is, set a June 19 deadline to received applications, revisit applications that were funded by the Community foundation with EDA funds, and keep the remaining funds for future programs in case there is a reoccurrence in the fall.

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With no further business to discuss, upon a motion by Mr. Locher, seconded by Mr. Ferris, the EDA voted unanimously to adjourn.

Respectfully Submitted,

Brandy Flint,
Secretary