

AT A BOARD RETREAT OF THE ROCKBRIDGE COUNTY BOARD OF SUPERVISORS  
HELD IN THE MEZZANINE OF THE VIRGINIA HORSE CENTER LOCATED AT  
487 MAURY RIVER ROAD, LEXINGTON, VIRGINIA,  
ON WEDNESDAY, JULY 14, 2021 AT 9:00 A.M.

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BOARD MEMBERS PRESENT: D. E. LYONS  
L.E. AYERS  
D.B. MCDANIEL  
A.J. "JAY" LEWIS, II.  
R. W. DAY

COUNTY ADMINISTRATOR: SPENCER H. SUTER

COUNTY ATTORNEY: VICKIE L. HUFFMAN

DIRECTOR OF FISCAL  
SERVICES: STEVE BOLSTER

DIRECTOR OF COMMUNITY  
DEVELOPMENT: CHRIS SLAYDON

BUSINESS DEVELOPMENT  
ASSISTANT: BRANDY FLINT

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CALLED TO ORDER:

Chairman Lyons called the meeting to order at 9:00 a.m.

**Welcome/Introductions:**

County Administrator Spencer Suter provided opening statements and facilitated introductions. He recognized Virginia Horse Center CEO Glenn T. Petty, who welcomed the group to the Virginia Horse Center. Mr. Suter then recognized Robin Sullenberger, who was in attendance to assist in facilitating the retreat. He noted that Mr. Sullenberger was well-

positioned to understand Rockbridge County and the varying government roles, having retired as Executive Director of the Shenandoah Valley Partnership and having served 20 years as a member of the Highland County Board of Supervisors.

He noted that his intention for the meeting was for all attendees to leave with:

- i. A good understanding of the principles of economic development at the local level
- ii. A good understanding of the challenges faced in economic development and opportunities for Rockbridge County
- iii. A solid picture of all the players and factors in the economic development process and their roles/interrelationships
- iv. Direction on what Knowledge, Skills, Abilities and Experience the Board envisions in a Director of Economic Development
- v. An understanding of how the Board will measure the success of the department (expectations)
- vi. A path ahead.

He then briefly reviewed the history of the economic development function in Rockbridge County and recapped the Board's last economic development retreat in November 2020.

Mr. Sullenberger then explained the many roles of individuals and organizations in the overall process of economic development at the local level. He then led a general discussion about the principles of economic development. He noted that a key concept is confidentiality, citing cases when confidentiality had been breached in other areas, ultimately killing what would have been very beneficial projects.

He pointed out that Virginia is again ranked as the number one state for business and that projects in rural areas can be transformational for the Commonwealth.

Supervisor Lewis noted that fiber is available here in most places and is one reason why he has been so adamant in support of further expansion.

Mr. Sullenberger noted that currently, nothing is more important than broadband. He then discussed the role of the Economic Development Authority. He stated that it is critical that the EDA understand the Board's priorities and that the two entities have a solid relationship.

Mr. Suter noted Supervisor McDaniel serves as liaison to the EDA and attends meetings. He stated that it is helpful to have a Board member there to provide the Board's viewpoint and that in the past, some EDA members had felt that the EDA was simply a rubber-stamp for the Board's projects. He commended the EDA for aggressively pursuing economic development advances and for their engagement.

Supervisor Lewis commented on the difficulties currently faced in the critical area of workforce and affordable housing. Mr. Sullenberger

agreed, adding that the County's zoning regulations should be revisited periodically as well. Returning to the workforce discussion, he cited Dynamic Aviation, Inc. in Bridgewater. He noted that Dynamic Aviation prefers hiring unskilled workers from rural areas in that their work ethic is ingrained. They need workers who show up on time and work in teams adding that with millennials, employers have to take advantage of their skills and modify expectations to their ideas.

Supervisor Ayers mentioned the need to understand the real numbers of competition, i.e., many do not work because of the extremely high cost of child care.

Supervisor McDaniel added that pay is good with local manufacturers, but they cannot find people to work - all they have to do is show up and pass a drug test.

Mr. Sullenberger, with the price of lumber that has increased 300%, the ability to construct affordable housing is currently almost impossible.

Supervisor McDaniel noted that when he was on the school board, they completed a study on salaries and the cost of living. The findings were that salaries were not high, but the cost of living is extremely high.

Supervisor Lewis suggested that the county consider purchasing land and establishing the proper conditions for affordable housing. Mr. Sullenberger added that the County could create a model for development that allows for a variety of types of housing.

Mr. Slaydon added that multi-family projects are most likely to be affordable, citing development on Thoroughbred Circle.

Supervisor Ayers cited the need to provide preschool in our county to ensure that women get back into the workforce.

Mr. Sullenberger noted that if people can make a living providing child care, then many would be glad to do it, adding that if the County could incentivize it enough, it can happen.

Supervisor Ayers would like to see addressing that issue through the School Division.

Mr. Sullenberger discussed the need to ensure a close relationship with the school division, noting that school systems are overwhelmed just providing the education.

Supervisor Lewis recalled that pre-school was coming as a Commonwealth mandate noting that our school system has put some effort into that. Mr. Suter added a brief history on the County preschool program, which has been under county supervisor for many years.

Supervisor Ayres suggested that perhaps the County preschool program and the school's program be combined. Supervisor McDaniel agreed that the school system would be the best place for that; however, we don't have building space and don't have teachers - the same problem as other employers in the area. He added that when he looks at County, what do we have to offer? There is nothing for young people to do with other people their age; how do you attract the younger generation? How do we make people want to live here?

Mr. Sullenberger suggested that in business, people often live in one area and work in another. Mr. Suter cited the example of Daleville in Botetourt County, which was historically a bedroom community for Roanoke. The Board's directive, in that case, was to provide the infrastructure, and the development that followed was organic.

Mr. Sullenberger stated that he guessed that not many people who graduate stay with two major universities in the area.

Supervisor Lewis noted that many return eventually but do not stay initially. Mr. Sullenberger pointed out that in Harrisonburg, the same thing happens with JMU; graduates leave and return when they are older and have families. Supervisor Ayers observed that more ability to work remotely would result in more graduates staying here. Mr. Sullenberger noted that he had visited every community college in the state and what he heard from most rural college presidents was that they feel like they are training people to leave.

Mr. Suter noted that VMI is a little different than most state universities. He said that the County works closely with VMI, but not in the same context as (for example) JMU or VMI.

Mr. Sullenberger stated that one of the things SVP Director Jay Langston has done is form a relationship with JMU and Blue Ridge Community College; all schools have become more aware of the need to coordinate with surrounding localities. He noted Virginia Tech is ahead on reaching out to the community but also wants to control things.

Supervisor McDaniel stated that several years ago, a group looked at how can all work together (with the universities) to create business development, but that the initiative lost momentum.

Mr. Suter agreed, noting that with minimal staffing levels, it seems that we sometimes move from crisis to crisis, negatively impacting the ability to make proactive efforts. He added that with dedicated staffing, a more laser focus could be achieved. Supervisor McDaniel thinks they should reinstate that effort. Ms. Flint noted that the effort was picked up by the Chamber of Commerce workgroup.

Supervisor Lewis observed that this is part of the problem - too many people doing too many different things.

Mr. Suter then reviewed a list of players/services involved with any possible economic development project, explaining the complexity of coordinating the needs of the business.

Mr. Sullenberger noted that many jurisdictions put the tourism function under Economic Development now; he did not suggest that for the County - only indicated that it is done in other areas. He asked those present to remember that, if nothing else, consistency is critical; when a locality acts sporadically, word gets around, and locality can be eliminated before they even know they are being considered for an expansion or a new business siting.

Chairman Lyons called for a break at 10:30 a.m., and the meeting continued at 10:40.

Mr. Sullenberger briefly reviewed the REDI Grant and encouraged being receptive to working with others to win regional grants. He also noted his appreciation to this group (the Board) for being receptive to constructive criticism and its willingness to create positive change. He further pointed out the importance of working with existing businesses, reaching out, and staying in touch with current conditions.

Mr. Suter then explained that many business conversations are highly confidential; however, eventually, the process gets to the point that there is only so much we can do without Board input. The current process is to discuss initially with Supervisor Lewis, who is the Board's appointed economic development liaison to staff.

As an example, Mr. Sullenberger noted that, in his capacity with SVP, he worked on the Walmart distribution center in Rockingham for two years and never knew who the company was until the very end of the deal.

Mr. Sullenberger then discussed the County's product (available sites to market), noting that in Rockbridge's case, it mostly lacks thereof:

If a business is looking to locate in a new area, it will first ask what is available and whether it is under the control of the Board. Rockbridge is at a significant disadvantage in this area. He noted several recent projects being recruited at the state level and that Rockbridge had nothing to offer at the onset. He recalled that during his time with SVP, some companies asked specifically about Rockbridge but that there was no place for them to consider. He stressed that if the County does not

own/control a site, it cannot guarantee availability to an interested business prospect.

Mr. Sullenberger stressed that 75% of new business is generated by existing business expansion.

Ms. Flint noted that the county could not get to a one million gallons per day additional water/sewer capacity, which was the requirement for most recent requests. She added that the most recent requests from VEDP have been for agricultural uses requiring that capacity.

Supervisor McDaniel asked whether the County coordinated with Glasgow in recent improvements.

Ms. Flint noted that most improvements were to maintain an existing system rather than increasing capacity.

Mr. Sullenberger pointed out that securing external funding is more likely if a regional plan is in place. The food production industry has a significant footprint in the Valley. He stressed the importance of knowing what is available (product) locally, including private sites. He reiterated that control of the product is the only disadvantage.

Supervisor McDaniel requested information on the effect of conservation easements and how to encourage help landowners not to look to that option in developable areas. Mr. Slaydon noted that it is important to focus on deciding where development should be and establish that through the comprehensive plan. Mr. Sullenberger added that spot zoning is an example; the potential always exists, but that can be fixed via a proactive approach. Mr. Suter noted that Mr. Slaydon has pointed out that

there is a lot of antiquated language in the Land Development Regulations (LDRs). Mr. Slaydon pointed out that he continues to identify antiquated provisions in the zoning ordinance, adding that zoning has to be supported by the comp plan. Currently, he is looking at the Land Use Chapter. Mr. Sullenberger pointed out that many firms can do these types of reviews and money well-spent.

Mr. Suter then transitioned the discussion to challenges and opportunities for the County. We lack a current economic development strategic plan, which comes first - a strategic plan or comprehensive plan.

Mr. Sullenberger noted that in his estimation, Rockbridge is understaffed. He added that we can only extend individual people so far and still be effective. Mr. Suter advised that per discussion and the Board's budget approval, two positions would be dedicated to economic development.

Mr. Sullenberger noted that many localities had combined Planning and Zoning and Economic Development; he is not a fan of that model, as it does not work very effectively. He noted that while the two functions need to work together, Community Development has too many things going on daily to make Economic Development the primary focus.

Supervisor McDaniel asked whether the Economic Development Position could be paid on commission. If successful, they will bring the money in to pay for their role, as well as additional money for the other staff.

Mr. Sullenberger noted that the most successful Counties have a plan and that Rockbridge County has to overcome its reputation of not wanting growth. He said that these things cannot be fixed overnight, that they take time.

Mr. Bolster asked Mr. Sullenberger what he thought was the future of our local economy.

Mr. Sullenberger responded that technology is a key area. He also again stressed that 75% of new business is related to the expansion of existing business.

He added that the manufacturing base has more potential here than in other places; it is not going away - in fact, with efforts, manufacturing is coming back from other countries.

Supervisor Ayers asked for clarification.

Mr. Sullenberger clarified that production in this region is higher than anywhere else. There are no unions. However, the drawback is that we don't currently have the number of workers required.

Mr. Suter gave a brief summary of the conversation and noted that Board had committed funds in the budget to help get to these goals.

Mr. Sullenberger gave an update on the direction of the Commonwealth.

(i) data centers - water-intensive and electric intensive; not a lot of jobs, but a lot of tax base; unobtrusive locations and not burden

(ii) distribution centers - may not want along I81

(iii) agriculture - He advised the Board to go out of the way to support

Mr. Sullenberger also noted that tourism is important here, an economic driver from which everyone benefits. He complimented the local Office of Economic Development. He encouraged the Board to continue to support tourism and for the Department of Economic Development to coordinate and partner with that office to support small businesses.

Mr. Suter then asked the Board if they were satisfied with the Economic Development Director and Business Development Assistant position descriptions. The Board did not have additional comments. He then asked the Board to consider how they would measure the position/department's success and how much they would like to be involved in the selection advisory process. Mr. Sullenberger commented that it is essential to be on the same page and move in the same direction. He noted that in his opinion, the County did not necessarily need to bring in economic development "superstar." Such a person would require a much higher salary than the County has currently budgeted.

Chairman Lyons noted that he likes the job description and thinks the evaluation will be based on the expectations.

Supervisor McDaniel asked how to quantify success. How many jobs, how many new businesses, how much money is brought in?

Supervisor Lewis noted that one measurement could be the number of existing businesses visited/contacted.

Chairman Lyons articulated understanding that certain things such as the finalization of a strategic plan have to happen first, and then when done, expectations beyond can be set. Then, if the Director is not meeting expectations, we need to have a conversation about what is expected.

Supervisor Ayers commented that some of the things that need to be done are the Board's problem to figure out. She would like to see some written goals as a result of this meeting. She observed that some good ideas have resulted from this meeting and do not want to lose them.

Supervisor McDaniel noted that Board members hear complaints in the community about what they are upset about and what the County should be doing or is not doing.

Mr. Suter noted that the concerns and potential solutions need to be heard by staff as well. Supervisor McDaniel pointed out the need for everybody to pull in the same direction.

Mr. Slaydon asked Mr. Sullenberger if it is common for the Chamber of Commerce to take on an economic development role?

Mr. Sullenberger replied that it was not unheard of but not common.

Ms. Flint noted that the Chamber's purpose is to provide feedback from businesses.

Mr. Suter added that in the past, the Chamber had looked at regionalizing public utilities. Supervisor Lewis clarified that the Chamber was a conduit to advance the idea, but it came from another source.

Supervisor Ayers noted that tourism is critically important and that we need to continue to focus on that area.

Mr. Suter noted that we couldn't forget to look back on where we were ten years ago and recall positive achievements the county has partnered in, such as the revitalization of the Virginia Horse Center, the establishment of Natural Bridge State Park, and expansion of rural broadband.

Mr. Sullenberger added that diversity is the success story; It is important to have a diverse economy well-defined and in place.

Mr. Suter asked for the Board's desire to participate in a selection advisory committee for the Director hiring process. He noted that in the past, with high-level positions such as Chief of Fire-Rescue, the Board has appointed a member or two to sit on an advisory committee, reviewing applications and participating in interviews.

Chairman Lyons suggested the personnel committee.

Supervisor Ayers commented that she would like for the entire Board to be involved with such an important decision.

Supervisor McDaniel noted that this position could dictate the future of Rockbridge County and that all need to agree.

Supervisor Ayers noted that in her recent with RARO, a lot of people came into the process at odds, but once everyone sat down together, it was a positive experience.

Mr. Suter pointed out that the RARO hiring process was for the Executive Director - a direct report to the RARO Board. He agreed with Supervisor McDaniel that, for the Director of Economic Development to be successful, it would be important to have as much support and ownership of a hiring decision as possible, but that the position is not currently slated to be a direct report to the Board. He also noted that he felt it important to involve the EDA, as they are critical to success.

Mr. Sullenberger noted that existing department heads are traditional positions but that this position is new for the County; the decision will have a huge impact on the County.

Chairman Lyons agreed on the importance but did not necessarily think he needs to be present in the interviews; he felt that Mr. Suter provides good feedback and communication with the Board.

The group broke for lunch at 12:40 and returned to the session at 1:10.

After additional discussion, the Board ultimately determined that the full Board would participate in the selection advisory committee and request that the EDA appoint a member to participate. Human Resources Manager Heidi Hoke would share all applications with the group, highlighting those with at least the minimum qualifications listed. The group would then select candidates to interview and participate in interviews, ultimately sharing thoughts and recommendations with Mr. Suter.

In conclusion, the Board thanked Mr. Sullenberger for his willingness to participate in the meeting. Supervisor McDaniel requested that Mr.

Sullenberger provide a follow-up memo with any observations/recommendations he may have.

**Adjourn:**

Supervisor McDaniel moved to adjourn at 1:30 PM. Supervisor Lewis provided the second, and the motion was carried by unanimous vote by the Board.