

**PRINCE EDWARD COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
MEETING MINUTES
Conference Call
1-844-890-7777 | Access Code 390313#
8 a.m. – Friday, November 19, 2021**

Due to the COVID-19 Emergency, the Industrial Development Authority of Prince Edward County will be operating pursuant to and in compliance with “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,” adopted by the Prince Edward County Board of Supervisors, April 7, 2020.

This meeting is closed to in-person participation by the General Public, but citizens may join the meeting by calling **1-844-890-7777 | Access Code 390313#**

MEMBERS PRESENT IN-PERSON: Quincy Handy
Edgar Jones
Mike Montgomery, Vice-Chairman
Joyce Yeatts

MEMBERS PRESENT BY PHONE: Tim Tharpe
Brad Watson, Chairman

ALSO PRESENT: Chelsey White, Director of Economic Development & Tourism; Doug Stanley, County Administrator; Terri Atkins Wilson, IDA Attorney (present by phone); Cheryl Stimpson, Office Associate/HR/CSA Coordinator

ABSENT: Robert Atkinson

Electronic Meeting Certification

Mr. Montgomery read the following electronic meeting certification: Due to the COVID-19 Emergency, the Industrial Development Authority of Prince Edward County will be operating pursuant to and in compliance with “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,” adopted by the Prince Edward County Board of Supervisors, April 7, 2020. This meeting is closed to in-person participation by the General Public, but citizens may join the meeting by calling **1-844-890-7777 | Access Code 390313#**.

Introductions

At 8:00 a.m., there being a quorum present, Mr. Montgomery welcomed everyone and called the November 19, 2021, IDA Meeting to order. Mr. Montgomery explained that because the meeting

was being conducted in-person and by phone, there would be a roll call vote for all votes taken during the meeting, along with a roll call for attendance. The roll call attendance was as follows:

Aye: Quincy Handy Nay: (none)
 Edgar Jones
 Mike Montgomery
 Tim Tharpe
 Brad Watson
 Joyce Yeatts

Mrs. Yeatts made a disclaimer and stated that as a member of the Prince Edward County IDA Board she is disclosing that she has an interest in the proposal for personal business for the Sandy River Distillery Inc, grant. She stated that she has filed a disclosure with the Prince Edward County Administrator and that a copy is available for public review.

Meeting Minutes

Mr. Montgomery asked if there were any edits to be made to the August 27, 2021, and September 24, 2021, IDA meeting minutes or if there was a motion for them to be approved. Mr. Montgomery made a motion to approve both the August 27, 2021, and September 24, 2021 sets of IDA meeting minutes. The motion was approved by Mr. Watson and was seconded by Mr. Handy. The motion was approved by the following vote:

Aye: Quincy Handy Nay: (none)
 Edgar Jones
 Mike Montgomery
 Tim Tharpe
 Brad Watson
 Joyce Yeatts

**Treasurer’s Report
 November 10, 2021**

Deposits since the last report (August 19, 2021)	
August Interest	\$186.75
Paris Ceramics – Waterjet Payment	\$3,774.25
Paris Ceramics – 286K Equipment Loan Payment	\$5,267.49
Paris Ceramics – Waterjet Payment	\$3,774.25
Paris Ceramics – 286K Equipment Loan Payment	\$5,267.49
September Interest	\$176.24
Paris Ceramics – Waterjet Payment	\$3,774.25
Paris Ceramics – 286K Equipment Loan Payment	\$5,267.49
October Interest	\$180.31
Deposit TOTAL	\$27,668.52
Disbursements since the last report (August 19, 2021)	
Dominion Energy	\$225.50
Mid-Atlantic Entry Systems, Inc.	\$375.00
Farmville Printing	\$475.15

Farmville Printing	\$338.06
The Timmons Group	\$24,390.00
Payable TOTAL	\$25,803.71
October 31, 2021 Benchmark Statement Balance	\$857,434.24
Available Balance as of November 10, 2021	\$857,434.27

MONTHLY REVENUE

Waterjet Equipment Loan | \$200,000 | \$3,774.25 monthly payment | \$112,850.78 balance
 286K Equipment Loan | \$286,000 | \$5,267.49 monthly payment | \$268,677.16 balance

Ms. Yeatts moved that the Treasurer’s Report be approved, which was seconded by Mr. Handy. The motion was approved by the following vote:

Aye: Quincy Handy Nay: (none)
 Edgar Jones
 Mike Montgomery
 Tim Tharpe
 Brad Watson
 Joyce Yeatts

New Business

The Sandy River Distillery Agriculture and Forestry Industries Development (AFID) Grant

Ms. White stated that Sandy River Distillery, Inc., located on Monroe Church Road, is proposing a distillery, as defined by Prince Edward County Code Section 6-200.1. She stated that staff is requesting that the IDA adopt the proposed agreement for the development and expansion of Sandy River Distillery, Inc through the Governor’s Agriculture and Forestry Industries Development Fund (AFID) grant. Ms. White explained that at the October 12, 2021 meeting, the Board of Supervisors adopted a resolution approving the appropriation of \$31,319.54 in funds to the IDA, which shall be dispensed to Sandy River Distillery, Inc. over five years. She also stated that a copy of the draft master agreement is attached in the board packet and that this would be an incentive grant meaning that Sandy River Distillery would have to make investments to be reimbursed. Ms. White also mentioned that there is a \$150,000 equipment investment that will have to be made by the company and that staff is hoping that the company will be able to participate in a tourism grant as well.

Mr. Stanley stated that part of this would be a typical incentive grant where we give a portion of the real estate and machinery and tools taxes that they paid back over five years. He explained that the other part would be a tourism grant of \$5,000 a year over five years that is re-using new lodging tax revenue to be able to grant tourism grants and opportunities. Mr. Stanley stated that the goal is to use the lodging tax to leverage toward the grant to generate more tourism and ultimately bring more people here to stay in hotels, visit our restaurants, and spend more money.

Mr. Montgomery asked if have they talked about what products they will be distilling. Ms. White stated yes, and that she went out on a tour a few months ago to get acquainted with them and to see their operation. She stated that they are planning to distill gin and other spirits and that

tastings will be available in a special tasting room. Ms. White mentioned that they also plan to expand upon their events so that retreat visitors will have more things to do. Ms. White stated that there are sample motions on page 13.

Mr. Montgomery stated that since the money is provided to the IDA to provide to Sandy River Distillery, Inc, the IDA's bottom line shouldn't be affected and that the Board of Supervisors is going to cover the cost of the grant. Mr. Stanley agreed.

Mr. Montgomery inquired why the grant was being transferred through the IDA. Mr. Stanley stated that under the code of Virginia, the IDA is allowed to offer grants that the Board of Supervisors cannot.

Mr. Montgomery called for a motion. Mr. Handy moved that the Industrial Development Authority adopt the proposed agreement for the development and expansion of Sandy River Distillery, Inc. which was seconded by Mr. Watson. The motion was approved by the following vote:

Aye:	Quincy Handy	Nay: (none)	Abstained: Joyce Yeatts
	Edgar Jones		
	Mike Montgomery		
	Tim Tharpe		
	Brad Watson		

HIT Park Virginia Business Ready Sites Program Grant

Ms. White explained that she provided information about grant opportunities that staff has recently been pursuing to make sure that the board is informed. She explained that on October 15th, an application was submitted to VEDP for the Business Ready Sites Program on behalf of the County for the HIT Park. She stated that as a part of the application submitted, a request was made for \$1,975,000 in grant money to fund wet utility and transportation engineering design services to increase site marketability and attractiveness of the site to prospective users, while also advancing the site to Tier Four. Ms. White stated that a virtual site tour took place recently and that if the HIT Park is selected for the next round of the application process, then an in-person site visit would be required the week of November 29th, and then the award offer would be made in December.

There was discussion about the potential of the HIT Park project and the perceived competitiveness of the County's application. Mr. Stanley and Mr. Montgomery commended Ms. White for her work on the application.

Broadband Expansion Virginia Telecommunication Initiative (VATI) Grant

Ms. White explained that on September 14th, the CRC helped the County submit a joint application on behalf of Prince Edward County, Cumberland County, and Lunenburg County to the Virginia Department of Housing and Community Development's Virginia

Telecommunication Initiative (VATI) to request \$15,000,000 to fund a broadband expansion project. She stated that The award offer for this grant also will be made in December.

Mr. Stanley mentioned that an RFP was put out with a deadline of yesterday and that one proposal was received from Kinex Telecom, Inc. He explained that the RFP process will help the County award the funds from this grant to Kinex, Telecom, Inc. for the project and that the County can check the box from a procurement standpoint.

Old Business

Kinex Telecom, Inc. - Tobacco Commission Community and Business Lending Program Update

Mr. Stanley explained that Mr. Garrett of Kinex Telecom, Inc. received almost \$10,000,000 in FCC money and that the VATI grant application is for \$15,000,000; however, the state has received \$900,000,000 in combined grant application requests, and there is only \$700,000,000 available to award recipients from the General Assembly so funding will not be awarded for every project/grant application. Mr. Stanley stated that because the County's project has secured local and federal money, we have a good shot at getting state funding so the County's award potential is positive.

Mr. Montgomery asked if Kinex has been putting wire in the ground. Mr. Stanley stated yes, Kinex is putting wires in the ground every week and that federal money has allowed them to hire outside contractors to increase the workforce for this project.

Lowe's Access by Doug Stanley

Mr. Stanley stated that staff has received a signed agreement from Lowes. He explained that regarding the corner three-acre lot that the IDA owns, there is an access issue resulting in the need for dedicated access across the access road that goes to Lowes from Dominion Drive. Mr. Stanley stated that staff has been able to work the issue out thanks to Ms. White and Ms. Atkins-Wilson and staff has obtained a signed agreement from Lowe's. He stated that a motion to authorize the signing of the agreement is needed.

Mr. Montgomery called for a motion to authorize Mr. Watson to sign the completed agreement on behalf of the IDA.

Ms. Yeatts asked if the agreement is the same as what was previously discussed. Mr. Stanley stated that it should be and explained that there are two required terms of the agreement for the County which include a two-inch asphalt mill and overlay of the access road which was previously estimated at \$20,000 and the County has six months to get this done. Mr. Stanley Stated that Mr. Cook, the County Buildings and Grounds Supervisor has already been tasked with getting future quotes and in the spring the project should be completed. He explained that secondly, there is a \$1,000 per year maintenance fee and after five years it goes up 10% and then another 10% after the next five years, which would pass along to any potential new owner of the property.

The motion was made by Ms. Yeatts and seconded by Mr. Handy.

There was continued discussion. Mr. Montgomery asked if the potential buyer of the lot was ready to move forward or might there be another delay while they consider it. Mr. Stanley stated that thus far, the potential buyer has been in touch with the County Planning and Zoning Department and has submitted a site plan.

The motion was approved by the following vote:

Aye: Quincy Handy Nay: (none)
Edgar Jones
Mike Montgomery
Tim Tharpe
Brad Watson
Joyce Yeatts

Inventory of IDA Properties Update

Ms. White explained that as directed by the IDA at the August 27th meeting, she completed records research to determine the ownership of several lots in question and has since updated the property inventory spreadsheet. She confirmed that the IDA owns another lot beside Lowe's which is designated as Lot 2D and is a little over an acre. She also confirmed that the IDA owns the three lots that were in question on pages 35-37 of the packet. Ms. White stated that the parcel displayed on page 35 does not show a parcel ID number; however, the number is 51-A-29.

There was a discussion about the potential marketability of lot 2D.

Comparative Market Analysis Quote

Ms. White stated that at the August meeting, she was directed to reach back out to the realtors/appraisers that gave her prior quotes to make sure of the following:

- That they are licensed to perform both an appraisal and a comparative market analysis
- That they will physically be coming to each property
- That the appraisal will take into account the features of the lots to determine value including the physical characteristics and any improvements that have been made
- That they know the purpose of this endeavor which is to set prices for each lot to be sold or leased for commercial or industrial development
- That the lot across from the water tower will also be included in addition to the business park lots, which is 51-A-29

Ms. White stated that she did reach back out to the realtors/appraisers and she received feedback from Ms. Laura Ess, MAI, of Ross Appraisals. She stated that Ms. Ess verified that she is licensed as a general appraiser for NC and VA and has an MAI (Member Appraisal Institute) designation. Ms. White stated that Ms. Ess confirmed that her services would include each of the bullet points required by the IDA Board. She stated that Ms. Ess clarified that a Comparative Market Analysis is similar to an appraisal, but that it would be specific to the IDA's needs, and

the way that the material would be presented would be different. Ms. White stated that Ms. Ess explained that a Comparative Market Analysis would provide a snapshot of each property's competitive position and what the ultimate values are and that this would essentially be an appraisal report, tailored for the IDA and not for lending purposes. She stated that Ms. Ess' report will give a small pricing range, for example, \$15,000 to \$20,000 per acre, for each lot, as well as the overall business park considering the features of each parcel. Ms. White stated that Ms. Ess' process includes researching other industrial parks where the demographics are similar or competing, as well as researching land for sale in Prince Edward County including active listings to determine the values of each lot. Ms. White stated that Ms. Ess mentioned that she has experience providing this service for IDAs that she has worked with in the past and their industrial parks. Ms. White stated that Ms. Ess mentioned that she has done work for many banks, including Benchmark, is very familiar with the County, and is in the area frequently. Ms. White also stated that Ms. Ess would be available to come to an IDA meeting after the report is submitted to answer any questions. Ms. White explained that the fee for this project would be \$4,500 and the project would be completed eight weeks from engagement. Ms. White stated that lot 51-A-40 was not included in Ms. Ess' proposal since Ms. White had not yet confirmed whether or not the IDA owned it. She explained that if the IDA wants the additional lot to be included in Ms. Ess' report then she believes that Ms. Ess could add it, but the quoted price may increase.

Mr. Watson stated that it is important for the IDA to be able to have the values for every lot, including lot 51-A-40. Mr. Montgomery agreed.

Mr. Stanley recommended that the board authorize the acceptance of Ms. Ess' proposal up to \$5,000.

Mr. Montgomery called for a motion. Ms. Yeatts made a motion to ask Ms. Ess to add lot 51-A-40 to the report and to accept Ms. Ess' revised quote in an amount up to \$5000. The motion was seconded by Mr. Jones. The motion was approved by the following vote:

Aye:	Quincy Handy	Nay: (none)
	Edgar Jones	
	Mike Montgomery	
	Tim Tharpe	
	Brad Watson	
	Joyce Yeatts	

Prince Edward Business Park Signage Update

Ms. White reported that the signage has been replaced on lots 5 and 10 of the business park close to each road on Commerce Road and Dominion Drive. She stated that the sign on Commerce Drive was missing and that she did not know how long it was gone so it is great to finally have a sign there now. Ms. White stated that signage installations were completed in mid-September. Ms. White stated that the new lot that was discovered is not displayed on the new sign because it was not discovered until after the signage installations were complete.

Mr. Watson asked when was the last time that anyone worked on bush-hogging the road around the HIT Park. Mr. Stanley stated that he and Randy had been talking about it and that he is going to contact Randy about bush-hogging the property.

HIT Park Due Diligence Progress Update

Ms. White stated that the most recent update from the Timmons Group on their work at HIT Park is listed on pages 43 and 44 of the packet. She explained that in the packet, it is mentioned that the project is at 70% completion in obtaining Tier Three status, however, she recently received another update and now the project is at 75% completion.

Mr. Montgomery asked if the grant will move the project to Tier Four. Ms. White stated yes.

Closed Session

Mr. Handy made a motion, seconded by Mr. Jones to convene in closed session pursuant to 2.2-3711(A)(3) and 2.2-3711(A)(7), Code of Virginia, for discussion of the disposition of real property for the public purpose of economic development, where discussion in an open meeting would adversely affect the bargaining position of the Industrial Development Authority, and consultation with legal counsel and briefing by staff members or consultants pertaining to actual or probable litigation pursuant to the exemptions provided for in Sections 2.2-3711(A)(3) and 2.2-3711(A)(7) of the *Code of Virginia*. The motion carried:

Aye: Quincy Handy Nay: (none)
Edgar Jones
Mike Montgomery
Tim Tharpe
Brad Watson
Joyce Yeatts

The Board returned to the regular session by a motion of Ms. Yeatts, seconded by Mr. Handy and adopted as follows:

Aye: Quincy Handy Nay: (none)
Edgar Jones
Mike Montgomery
Tim Tharpe
Brad Watson
Joyce Yeatts

The following certification of closed meeting was adopted in accordance with the Virginia Freedom of Information Act:

WHEREAS, the Board of the Prince Edward County Industrial Development Authority convened a close meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711(A)(3) of the Code of Virginia requires certification by the Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE BE IT RESOLVED that the Board of the Prince Edward County Industrial Development Authority hereby certifies that to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia

law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such business matters as were identified in the motion convening the closed meeting were heard, discussed, or considered by the Board of the IDA.

On a motion by Mr. Handy and seconded by Mr. Jones and adopted by the following roll call vote:

Aye:	Quincy Handy	Nay: (none)
	Edgar Jones	
	Mike Montgomery	
	Tim Tharpe	
	Brad Watson	
	Joyce Yeatts	

Mr. Montgomery asked for a motion to adjourn. Mr. Jones made the motion, seconded by Mr. Handy and adopted by the following vote:

Aye:	Quincy Handy	Nay: (none)
	Edgar Jones	
	Mike Montgomery	
	Tim Tharpe	
	Brad Watson	
	Joyce Yeatts	

The meeting was adjourned at 9:10 am.