PRINCE EDWARD COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY MEETING MINUTES

Charley's Café, Mill Street, Farmville, Virginia July 17, 2013

MEMBERS PRESENT: Robert Showalter, Chairman

Virginia Price, Vice Chairman

Edgar Jones Tim Tharpe Gwen Eddleman Ken Copeland

ALSO PRESENT: Sharon Carney, Director of Eco. Development/IDA Secretary; Eric

Tinnell, IDA Attorney; Charles Gregorski, Longwood University Intern; Sam Campbell; Jack Houghton; Dr. Chaffin, Southside Messenger; Rob

Chapman, Farmville Herald; and Will Allen

MEMBERS ABSENT: James Moore

Being there was a quorum present, IDA Chairman Robert Showalter, welcomed everyone and called the meeting to order at 12:10pm. To help keep the meeting time short, members and guests were asked to go ahead and place their lunch orders. The committee meeting will begin while waiting for the lunch orders. Once the food orders arrive there will be a brief delay in the meeting to resume once everyone has finished eating.

Since the Meeting Packs, which included the previous meeting minutes, had been mailed prior to the meeting, Mr. Showalter asked for an approval of the December 11, 2012 meeting minutes. Being there were no comments, Virginia Price made a motion to accept the December 11, 2012 IDA minutes as submitted; seconded by Gwen Eddleman. The motion was approved by the following vote:

Aye: Robert Showalter Nay

Virginia Price Edgar Jones Gwenn Eddleman Tim Tharpe Ken Copeland

Mr. Showalter asked Sharon for the IDA's Treasurer's Report. Sharon presented the following Treasurer's Report as of June 30, 2013.

INDUSTRIAL DEVELOPMENT AUTHORITY TREASURER'S REPORT June 30, 2013

Industrial Development Authority:

Benchmark Bank Balance as of June 30, 2013

\$149,415.57

(YTD Interest \$308.11)

Being there were no comments, Virginia Price made a motion to accept the June 30, 2013 Treasurer's Report; was seconded by Gwen Eddleman. The motion was approved by the following vote:

Aye: Robert Showalter Nay:

Virginia Price Edgar Jones Gwenn Eddleman Tim Tharpe Ken Copeland

Sharon did add that a deposit of approximately \$50,000 had been added by Prince Edward County to the IDA account subsequent to the Treasurer's Report date and thus not reflected in the June 30, 2013 balance. These funds are from the sale of IDA property to VDOT for the widening of US 15.

Mr. Showalter then asked if there were any comments regarding the 2012 IDA Audit by Robinson Farmer Cox. Mr. Copeland indicated a disappointment in the length of time it takes to receive an audit, but had no comments regarding the audit itself. Sharon explained the hiring of Robinson Farmer Cox as the IDA audit firm was part of the negotiated agreement conducted by Prince Edward County. There being no

further comments, Virginia Price made a motion to accept the <u>2012 Robinson Farmer Cox IDA Audit</u> as presented; seconded by Tim Tharpe. The motion was approved by the following vote:

Aye: Robert Showalter Nay:

Virginia Price
Edgar Jones
Gwenn Eddleman
Tim Tharpe
Ken Copeland

Sharon then presented the draft IDA Budget for 2013-2014 for approval. The Budget was compiled by Mr. Bartlett, the County Administrator and Sharon Carney at the suggestion of the audit firm Robinson Farmer Cox after last year's audit. Sharon explained that the IDA budget primarily consisted of minimum operating expenses and costs associated with the administration of Economic Development Incentives to local businesses as approved by the Prince Edward County Board of Supervisors. No salaries or taxes are included since they are part of the Economic Development Office budget. There being no additional comments, Gwen Eddleman made a motion to accept the recommended IDA Budget for 2013-2014; seconded by Virginia Price. The motion was approved by the following vote:

Aye: Robert Showalter Nay:

Virginia Price Edgar Jones Gwenn Eddleman Tim Tharpe Ken Copeland

Mr. Showalter asked Sharon to give an overview of the Development Incentives for Lapp Associates, LLC. Sharon reviewed the incentive chart (see below) describing the project assumptions and proposed incentives that were presented to and approved by the Prince Edward County Board of Supervisors at their July 9, 2013 Board Meeting. Since the IDA functions as the administrator of County Development Incentive, the IDA must accept the responsibility of the administration.

LAPP ASSOCIATES, LLC, D/B AS LAPP METALS, LLC INCENTIVE SUMMARY

County of Prince Edward, Virginia

July 9th, 2013

Project Assumptions for Lapp Associates, LLC

- Estimated Real Estate Investment = \$1.25 million
- County nominal Real Estate Tax Rate=\$0.42/\$100 (FY 2013) or \$5,250
- 5 new full-time equivalent (FTE's) permanent jobs to be created, plus 13 jobs moving from Buckingham County to Prince Edward County
- Assume an average annual wage of \$11.00 per hour with an estimated annual salary of \$22,880
- Annual payroll for all 18 company employees is estimated at \$411,840

The land and improvements at 300 Industrial Park Road were assessed in 2009 at \$3,865,500. Mr. Lapp is requesting the Prince Edward County Board of Supervisors to approve a Real Estate Investment Grant for 50% of the real estate taxes to be incurred over the next three years until the new tax assessments are imposed.

County of Prince Edward Incentives

County of Time Edward meentives		
Incentive	Value	
1. Local Real Estate Reinvestment Grant: Co.	Year 1= \$8,117.55	
IDA will provide a 3 yr. reinvestment grant equal to	Year 2= \$8,117.55	
50% of the real estate taxes paid to the County.	Year 3= \$8,117.55	
Based on the current assessment rate, the estimated		
value of this incentive is:	\$24,352.65	
2. Waiver of Building Permit Fee: Prince Edward		
Co. will waive the building permit fee to up-fit the		
building. The estimated value of this cost saving is:		
	\$TBD	
3. Grant Assistance: Prince Edward Co. will help		
LAPP Metals obtain all potential financial assistance		
and grant funding available.	\$TBD	

	\$24,352.65
Total of All County Incentives	·
State Incentives	
1. Enterprise Zone Local Real Property	
Investment Grant: Based on the project real estate	
investment, the maximum value of this incentive to	
LAPP Metals, LLC. is:	\$100,000
2. Enterprise Zone Local Job Creation Grant:	\$500/\$800 per new FTE created in excess of
The number of net new jobs created will determine	4FTE's.
the value of this incentive to LAPP Metals, LLC.	TBD
3. Tobacco Regional Opportunity Funds:	
According to the program requirements, Lapp	
Metals, LLC may be eligible for a TROF grant	TBD
Total State Incentives	\$100,000
TOTAL POTENTIAL INCENTIVES	\$124,352.65

^{*}These values are estimates and for discussion purposes only.

The IDA members were glad the former Carbone Building had been sold and was now fully occupied. Even though there are not a lot of jobs directly related to this project, the relocation of Evergreen Seed and Natur Chem along with Lapp Metals, LLC to the building helped to save existing jobs by all three companies and may even add 20 more. Ken Copeland made a motion to accept the responsibility of the Development Incentives for Lapp Associates, LLC as approved by the Prince Edward County Board of Supervisors; seconded by Tim Tharpe. The motion was approved by the following vote:

Aye: Robert Showalter Nay:
Virginia Price
Edgar Jones
Gwenn Eddleman
Tim Tharpe

Ken Copeland

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Mr. Showalter asked Sharon to continue with the presentation of the Development Incentives for Helton Helton House, Inc. Sharon stated that the Local Incentive Summary (see below) had also been approved by the Board of Supervisors at their July 9^{th} Board Meeting.

HELTON HOUSE LOCAL INCENTIVE SUMMARY County of Prince Edward, Virginia

July 9, 2013

Project Assumptions-Helton House:

- Estimate Real Estate Investment = \$2,307,000 consisting of (purchase land, renovate existing structures and construct new buildings) 5 phases.
- Estimate Tangible Personal Property = \$250,000 new transportation vans for 8 vehicles
- 40 new full-time equivalent (FTE) permanent jobs to be created within 36 months with wages ranging from \$9.07 an hr. to \$14.23 an hr. Currently employs 66-70 permanent FTE
- County nominal Real Estate Tax Rate=\$0.42/\$100 (FY 2013)
- County nominal Tangible Personal Property = \$4.50/100 (FY 2013)

County of Prince Edward Incentives				
Incentive	Value to Helton House		Value to County	
1. Local Real Estate Reinvestment	Year 1= \$4,844.70		Year 1= \$4,844.70	
Grant: County IDA will provide a	Year 2= \$4,844.70		Year 2= \$4,844.70	
3 year reinvestment grant equal to	Year 3= \$4,844.70		Year 3= \$4,844.70	
50% of real estate taxes paid to the				
County above the current R/E				
Taxes. Estimated real estate				
investment of				
\$2,307,000/100X\$.42/2=\$484.47 yr.				
(not including any increases due to		\$14,534.10		\$14,534.10
reassessments)				
2. Tangible Personal Property	Year $1 = $5,625.00$		Year $1 = $5,625.00$	
Investment Grant: County IDA	Year $2 = $5,625.00$		Year $2 = $5,625.00$	
will provide a 3 yr. reinvestment	Year $3 = $5,625.00$		Year $3 = \$5,625.00$	
grant equal to 50% of the tangible				
personal property paid on 8				
transportation vehicles at \$250,000.		\$16,875.00		\$16,875.00
3 Waiver of Building Permit Fees:				
Co. Prince Edward will waive the				

cost of the building permit fees for				
each property within the Enterprise				
Zone.		\$TBD	\$TBD	
4. Grant Assistance: Co. Prince	(i.e. TROF)			
Edward will assist Helton House in				
obtaining all potential financial				
assistance and grant funding				
available.		\$-0-	\$-0-	
Total of All County Incentives		\$31,409.10	\$31,409.10	
STATE INCENTIVES				
1. Enterprise Zone: Real Property Improvement Grant			\$100,000	
2. Tobacco Revitalization Opportunity Funds				
(TROF) as per Performance Ag	greement		\$TBD	
Total of All State Incentives			\$100,000	
Total All Incentives			\$131,409.10	

^{*}These values are estimates and for discussion purposes only.

The IDA members were glad of the potential 40 new jobs especially after so many jobs had been lost due to the renovation to the Southgate Shopping Center. The investment of over \$2.3million to the community will also be an important addition to the county tax base. Ken Copeland made a motion to accept the responsibility of the Local Development Incentives for Helton House, Inc. as approved by the Prince Edward County Board of Supervisors; seconded by Gwen Eddleman. The motion was approved by the following vote:

Aye: Virginia Price Nay: Abstained: Robert Showalter **Edgar Jones** Gwenn Eddleman Tim Tharpe Ken Copeland

Mr. Showalter asked Sharon to explain the request proposal for IDA Members to be reimbursed for mileage and/or paid for meeting attendance. If the Authority decided to pay for mileage it would be paid at the accepted rate approved by the IRS. If the Authority decided to pay for meeting attendance, it would be at a set rate. An example of the Board of Supervisors and Planning Commission Members who receive payment of \$100 per meeting was given. In the past the IDA had declined to payment to members for meetings or mileage, but did provide for lunches at lunch meetings.

After much discussion, the overall consensus of the members was "They had accepted their positions as citizen volunteers, did not expect to be paid and considered it their service and contribution to their community, especially since their meetings were not as demanding as those serving on the Board of Supervisors." Ken Copeland made a motion to keep things as they are and not pay for mileage and/or meetings. The motion was seconded by Edgar Jones. The motion was approved by the following vote:

Robert Showalter Nay: Aye: Virginia Price **Edgar Jones** Gwenn Eddleman Tim Tharpe Ken Copeland

Ave:

Mr. Showalter then asked if there was any additional business. There being none, Virginia Price made motion to adjourn the meeting, seconded by Ken Copeland. The motion was then approved by the following vote:

Aye:	Robert Showalter	Nay:
	Virginia Price	
	Edgar Jones	
	Gwenn Eddleman	
	Tim Tharpe	
	Ken Copeland	
The m	eeting was adjourned at 1:00pm	
		Sharon Lee Carney, Secretary
Appro	ved by:	
	Robert M. Showalter, C	hairman