

**PRINCE EDWARD COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
MEETING MINUTES
Board of Supervisors Room – 3rd Floor Prince Edward County Courthouse
8 a.m. – Friday, January 28, 2022**

The Prince Edward County Industrial Development Authority strongly encourages citizen input and engagement. Due to COVID-19, the Industrial Development Authority is operating pursuant to the following protocols for public input and public participation. Effective August 1, 2021, the Board of Supervisors re-opened county meetings to in-person participation by the public; however, there could still be limited available seating. Public Participation and Public Hearing comments and information regarding the limited number of seats for in-person participation at meetings are coordinated through Chelsey White, Clerk to the Industrial Development Authority. Citizens are strongly encouraged to participate in meetings through in-person participation, written comments, and/or remote participation by calling: **1-844-890-7777, Access Code: 390313**. (If busy, please call again.) Public Participation and Public Hearing comments for Planning Commission meetings will be subject to the “Citizen Guide for Providing Input During Public Participation and Public Hearings For Prince Edward County Industrial Development Authority Meetings” effective August 1, 2021.

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

MEMBERS PRESENT BY PHONE: None

ALSO PRESENT: Chelsey White, Director of Economic Development & Tourism; Doug Stanley, County Administrator; Terri Atkins Wilson, IDA Attorney; Cheryl Stimpson, Director of Finance; Jessie Bausch, Attorney at Sands Anderson PC; Jim Garrett, President of Kinex Telecom, Inc.; Joe Hines, Senior Principal and Director of Economic Development at Timmons Group (present by phone)

ABSENT: Tim Tharpe

Introductions

At 8:02 a.m., there being a quorum present, Mr. Watson welcomed everyone and called the January 28, 2022, IDA Meeting to order. Mr. Watson 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 was as follows:

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

Meeting Minutes

Mr. Watson asked if there were any edits to be made to the November 19, 2021, IDA meeting minutes or if there was a motion for them to be approved. Mr. Handy made a motion to approve the minutes and Ms. Yeatts seconded. The motion was approved by the following vote:

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

**Treasurer’s Report
 January 26, 2022**

Deposits since the last report (November 10, 2021)	
Paris Ceramics – Waterjet Payment	\$3,774.25
Paris Ceramics – 286K Equipment Loan Payment	\$5,267.49
November Interest	\$109.34
Paris Ceramics – Waterjet Payment	\$3,774.25
Paris Ceramics – 286K Equipment Loan Payment	\$5,267.49
Poplar Hill CDA Contribution	\$16,963.22
December Interest	\$71.07
Paris Ceramics – Waterjet Payment	\$3,774.25
Paris Ceramics – 286K Equipment Loan Payment	\$5,267.49
Deposit TOTAL	\$44,268.63
Disbursements since the last report (November 10, 2021)	
The Timmons Group	\$17,360.00
The Timmons Group	\$815.00
The Timmons Group	\$2,745.00
The Timmons Group	\$12,225.00
Dominion Energy	\$47.27
Dominion Energy	\$390.27
The Timmons Group	\$9,720.00
Flameless Specialties, INC.	\$243.91
The Timmons Group	\$10,100.00
Dominion Energy	\$155.30

Payable TOTAL	\$53,801.75
December 31, 2021 Benchmark Statement Balance	\$859,469.08
Available Balance as of January 26, 2022	\$847,901.15

MONTHLY REVENUE

Waterjet Equipment Loan | \$200,000 | \$3,774.25 monthly payment | \$102,897.32 balance
 286K Equipment Loan | \$286,000 | \$5,267.49 monthly payment | \$255,517.67 balance
 Poplar Hill CDA | \$16,963 | Based on assessed values & owner payments

Ms. White stated that there was an error in the Treasurer's Report regarding the Poplar Hill CDA payment, which should be \$16,963.22, not \$16,963.00. Mr. Atkinson moved that the Treasurer's Report be approved with the correction, which was seconded by Mr. Handy. The motion was approved by the following vote:

- Aye: Robert Atkinson Nay: (none)
- Quincy Handy
- Edgar Jones
- Mike Montgomery
- Brad Watson
- Joyce Yeatts

New Business

Benchmark Community Bank Account Authorization Update

Ms. White explained that the IDA Benchmark Community Bank account does not list Ms. Chelsey White as an authorized user, so she cannot order checks or see bank account activity, etc. Ms. White explained that the account also still lists Ms. Kate Pickett as an authorized user and to update the bank account, a motion is needed. She explained that the minutes that reflect this motion will need to be presented to the bank. She stated that a currently authorized user, being either Mr. Watson or Mr. Montgomery, will have to accompany Ms. White to the bank so that she can have a user profile. Additionally, all three parties will have to sign a new authorization form and return it to the bank.

Mr. Watson called for a motion. Ms. Yeatts moved that the Industrial Development Authority add Chelsey White, Industrial Development Authority Clerk/Secretary-Treasurer and Prince Edward County Director of Economic Development and Tourism, as a signer on the Benchmark Community Bank account and remove the former Clerk, Katherine Pickett, which was seconded by Mr. Montgomery. The motion was approved by the following vote:

- Aye: Robert Atkinson Nay: (none)
- Quincy Handy
- Edgar Jones
- Mike Montgomery
- Brad Watson
- Joyce Yeatts

Award of Contractor Broadband Services and Consideration of Resolution of Support and Performance Agreement and Performance Agreement / Kinex Telecom, LLC / Broadband Expansion Virginia Telecommunication Initiative (VATI) Grant

Mr. Stanley summarized the November 2021 RFP that was put out for a broadband expansion project provider. He explained that the procurement process is required to use the ARPA funding. He stated that one proposal was submitted by Mr. Garrett, who also received a Rural Digital Opportunity Fund (RDOF) grant for just under \$10 million, putting Kinex at a strategic advantage over other firms that could serve the area. He stated that the RDOF funding also provides the County leverage in applying for additional funding through VATI. Mr. Stanley stated the Kinex project met the requirements stipulated in the RFP. Mr. Stanley stated that the County's loan will give Kinex the capital to ramp up the project over four years, as opposed to \$10 million over 10 years, with one million dollars per year as stipulated by the RDOF grant. He added that the project has received a \$15 million VATI grant from the state. Mr. Stanley explained that three counties are being served by this project including Cumberland, Lunenburg, and Prince Edward, being the largest. He explained that to simplify the process of working with three county boards, the IDA has applied for a loan through the Tobacco Region Revitalization Commission (TRRC). He furthered that the County is backing the IDA and using the FCC payments as the future payment which Mr. Garrett is guaranteeing to pay the loan down, so he feels pretty good about the project. Mr. Stanley stated that the documents and agreements in the packet are meant to protect the County and he invited Mr. Bausch to speak about them. Mr. Bausch came to the podium and gave an overview of what the IDA needs to do to proceed with Kinex as the contractor for the broadband expansion project. He explained that a financing agreement with TRRC is needed along with a support agreement. He stated that the support agreement includes the County giving its moral obligation to repay the loan if Kinex falls through. Mr. Bausch also explained that the IDA issues their bond to TRRC. He also stated that the resolution will need to be corrected to say "Kinex Telecom, Inc."

Mr. Watson asked where the four million dollars will come from. Mr. Bausch stated that TRRC will give the funds to the IDA, the IDA will loan the money to Kinex, and the IDA will promise TRRC that they will receive the four million dollars, which are covered firstly by the assignment of the RDPF grant payments and secondly by the County's moral obligation agreement. He stated that the IDA will act as a conduit and there is no obligation for the IDA to pay any funds. Mr. Watson asked where the Board of Supervisors stand. Mr. Stanley stated that the Board has signed a resolution in support of a performance agreement. He furthered that all of the cards fell into place because the County does not have a national service provider that can do this project, so the County is fortunate that Kinex received RDOF money and is willing to take on this broadband expansion project. Mr. Garrett stated that using the four million dollars is the last resort. Mr. Watson asked when the first house or business will utilize this new service, and will it be after four years. Mr. Garrett stated that it will be before four years, because the revenue generated from this project will help finance the continuance and completion of the project. Mr. Handy asked Mr. Garrett if he has furnished the phase plan yet. Mr. Garrett stated that he recently sent an updated phase plan to Mr. Stanley. Mr. Montgomery asked about the sources of funds and what impact will receiving the TRRC loan have on RDOF funding. He questioned if

the RDOF money will be reduced. Mr. Garrett stated no, and that the RDOF encourages companies to acquire funding through additional sources. Mr. Montgomery asked how the bond is guaranteed. Mr. Bausch stated that the IDA is a conduit, so the bond is guaranteed by the County. Mr. Stanley stated that staff can provide regular updates on the milestones of the project at future IDA meetings. Mr. Atkinson asked if Kinex will be running fiber to houses in addition to putting it in the ground. Mr. Garrett answered, yes. Mr. Stanley explained to Mr. Watson that the County's goal is to first, give everyone access to high-speed broadband internet and second, make it affordable at \$30 for households who qualify for free or reduced-price school lunch as an example. Mr. Atkinson stated that fiber runs parallel to the road, being Highway 15, and asked if the fiber will run directly to houses. Mr. Garrett stated that fiber will be accessible to every house.

Mr. Watson called for a motion. Mr. Atkinson moved that the Industrial Development Authority of Prince Edward County approve the issuance of its up-to \$4,000,000 Revenue Bond and the sale of the Bond to TRRC pursuant to a Financing Agreement, reflecting a loan from TRRC for the benefit of Kinex Telecom, Inc. to facilitate the broadband project in the County pursuant to a Performance Agreement among the Authority, the County, Kinex and TRRC, a Support Agreement between the County and the Authority and the resolution presented to this board approving the same and further authorize Brad Watson to sign the documents on behalf of the Industrial Development Authority. Mr. Handy seconded. The motion was approved by the following vote:

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

Old Business

HIT Park Virginia Business Ready Sites Program — Grant Update

Ms. White explained that after the virtual site tour on November 12th, the HIT Park was selected for the next round of the Virginia Economic Development Partnership (VEDP) Virginia Business Ready Site Program application process, which included an in-person site visit on December 6th. She stated that award offers for this program were announced on January 13th. Ms. White stated that the HIT Park was awarded \$640,000. Ms. White stated that this award will fund wet utility improvements to the site. She stated that she sent an email about this to the IDA and there was also an article about the award in the *Farmville Herald*.

Mr. Stanley stated that getting VEDP funding will put the County in a good position to receive more funding later for transportation projects. Mr. Garrett stated that he sent in a letter of support for the Mid-Atlantic Broadband Communities Corporation (MBC) project. Mr. Atkinson asked if the project was out for bids yet. Mr. Stanley answered no, and that the grant will cover the design work for water and sewer improvements. Mr. Hines shared his screen to display a map of the middle-mile fiber project and explained that it will connect to the HIT Park. He stated that KPMG is a top-10 site selector and that this project will pave the way for the future.

Comparative Market Analysis Update

Ms. White stated that Ms. Ess of Ross Appraisals agreed to add lot 51-A-40 to the comparative market analysis for the Industrial Development Authority-owned lots. She stated that Ms. Ess updated the quoted price to be \$5,000, which was accepted by staff. Ms. White mentioned that Ms. Ess plans to have the report finished by the end of this week. Ms. White furthered that pricing will have to be set for these lots at a future meeting. She stated that if she doesn't hear back from Ms. Ess by the end of the week, then she will email Ms. Ess to follow up.

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 included in the packet on pages 102–104. She mentioned that the overall project progress is at 90%.

Mr. Bausch and Mr. Garret left the meeting.

Closed Session

Mr. Montgomery made a motion, seconded by Mr. Handy, to convene in closed session for discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, 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 Section 2.2-3711(A)(3) of the Code of Virginia. The motion carried:

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

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

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

The following certification of the 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.

The motion was made by Mr. Montgomery, seconded by Mr. Handy, and adopted by the following roll call vote:

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

The closed session ended at 9:44 am.

Other Business

Mitigation Credit Supply Purchase

Mr. Stanley gave a summary of the Mitigation Credit Supply Agreement. He explained that on the access road project budget there is a line item for an offsite nutrient credit purchase in wetland mitigation. Mr. Stanley stated that because a stream will be crossed as a result of this project and whenever a stream is crossed, the impact of crossing a stream has to be offset. He stated that the Timmons Group thought that the stream credit had been purchased. He furthered that the County would be buying from a bank a property that is in conservation easement as an offset. He stated that the bank in particular that had credits for sale at one of the lowest prices was the Piedmont Farm Stream Mitigation Bank. Mr. Stanley stated that a week ago the bank had enough credits to cover the project but now they do not have enough credits since 395 credits are available and around 400 need to be purchased. He stated that because of the situation with Tri-BORO Shelving, the County can pay a ten percent down payment of \$132,325.00 which is about \$13,000, and then in about 60 days it will pay the remaining amount. He stated that he does not want the full amount to be paid until the issue with Tri-BORO is resolved. He stated that the price of the credits will continue to increase as the project is delayed due to the issue with Tri-BORO. Mr. Stanley explained that he does not want to wait to purchase the credits and then miss the opportunity, causing the County to end up paying a higher price for the credits somewhere else. Mr. Stanley asked the board to authorize the purchase of 395 mitigation credits

for the purchase price of \$132,325.00 from CBAY-VA LLC, as authorized in the proposed agreement, which will allow Ms. White to be able to make the down payment. He stated that the purchase is all a part of the total project cost.

Mr. Watson asked if the money will come from the IDA budget. Mr. Stanley stated that the money is appropriated from the Board of Supervisors and some of it will be grant-funded from the Virginia Department of Transportation (VDOT) and TRRC. He stated that this project needs to be completed to develop the rest of the Prince Edward County Industrial Park. Ms. Yeatts asked if the credits can be used on another project, if the industrial park project falls through. Mr. Stanley answered, yes. Mr. Atkinson asked if the credits could be used for the HIT Park. Mr. Stanley stated most likely, yes.

Mr. Watson called for a motion to approve the purchase of 395 Mitigation Credits from CBAY-VA LLC for \$132,325.00 and make the payment as outlined in the proposal, dated January 25th. Mr. Atkinson made the motion, seconded by Ms. Yeatts. The motion was approved by the following vote:

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

Mr. Watson asked if there was any other business to discuss. Ms. Yeatts stated that she would like clarification on the Kinex and TRRC agreements to make sure that the County is protected. She asked who is asking for the letter of credit and why there is no signature line on the attachment in the note. Mr. Stanley asked Ms. Yeatts to email all of her questions to staff so that staff can get them to Mr. Bausch for clarification. He stated that Sands Anderson is bond council. Mr. Stanley mentioned that the one million dollars per year in FCC money will come in and the County could intercept that money to repay the loan, therefore the county will have coverage.

With no other business to discuss, Mr. Watson asked for a motion to adjourn. Mr. Atkinson made the motion, seconded by Mr. Watson and adopted by the following vote:

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

The meeting was adjourned at 10:04 am.