

***Scott County Economic Development Authority
and Scott County Chamber of Commerce
Meeting Dates and Special Events***

The August meeting of the Scott County Economic Development Authority will be held on Wednesday, August 17, 2022 at 6:00pm in the board room of the Scott Co. Administrative Offices located at 190 Beech Street, Suite 201 in Gate City, VA. All meetings are open to the public.

The August meeting of the Scott County Chamber of Commerce will be an in-person meeting held on Wednesday, August 10th, 2022 at 12:00 Noon at the Cove Ridge Center at Natural Tunnel State Park. Guest speaker will be Wes Mullins, Dean of Business and Information Technology at MECC. Lunch will be available for \$10 per person Please RSVP by August 8th.

**SCOTT COUNTY ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
MAY 17, 2022**

VIRGINIA

A meeting of the Scott County Economic Development Authority was held on Tuesday, May 17, 2022 at 4:30p.m. in the Board Room of the Scott County Administrative Offices located at 190 Beech Street, Suite 201, Gate City, VA 24251.

ROLL CALL OF MEMBERS

There was not a formal roll call; however, the following members were present/absent as indicated:

Eric Lane	Present
Lynn Fansler	Present
Larry Culbertson	Absent
Roger Fraysier	Present
Dennis Fritz	Present
Brad Bowen	Present
John Strutner	Present

OTHERS PRESENT:

John H. Kilgore, Jr. – Director
Sally Kegley – County Attorney

WELCOME/CALL TO ORDER

Chairman Roger Fraysier called the meeting to order and welcomed everyone.

INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was provided by Dennis Fritz who also led the Pledge of Allegiance.

MINUTES

Eric Lane made a motion, duly seconded by Lynn Fansler, to approve the April 20, 2022 meeting minutes as submitted.

VOTING: AYE: Eric Lane; Lynn Fansler; Roger Fraysier; Brad Bowen;
Dennis Fritz; John Strutner
NAY: None
ABSENT: Larry Culbertson

PUBLIC COMMENTS

There were no public comments.

WEBER CITY FIRE DEPT. FIREWORKS REQUEST

Sydney Ison and Bruce Cross were in attendance to ask the board if the Riverside Property could be used for the fire department's 4th of July fireworks.

Ms. Ison said the fire department is looking for more community involvement to go along with their plans for their new fire department which will be in the old Food City building. She said the community has shown them tremendous support and they want to give back.

They plan on events on Saturday, July 2nd, which will include food trucks, car show, kids games and fireworks.

She said they have looked at different places for the fireworks, but the Riverside property is the best fit. She distributed a map marked with the location they would like to use.

She added that safety is the number one priority, and several members have experience in shooting fireworks.

Ms. Ison asked for permission to use the Riverside property and said the area would be cleaned of any debris.

Roger asked if the fire department was doing the fireworks in-house. Mr. Cross said that someone will plan and stage the fireworks. The firefighters will be there in full gear along with several fire trucks and rescue squad. These are Firefighter 1 and 2.

Mr. Cross also said the public will be kept away from the area. He added this is a good location with lots of visibility. Several years ago, Holston View Church did a fireworks show off the roof of their building which he thought was not a good option.

Mr. Cross said they expect a huge crowd because they have had over 10,000 hits on Facebook. He asked if the TTEC parking lot could be available for public parking. The old Food City parking lot is not large enough.

Brad said Dave Robbins used to do fireworks and had a license to do them, but he doesn't do it anymore because of the cost of insurance.

Mr. Cross said they have talked to their insurance company who said, since this is out of the way, there shouldn't be an issue.

Ms. Ison added that these are all store bought fireworks

Brad said the concern is general liability.

John Strutner said that his concern is people trying to park alongside the entrance road to the park. Mr. Cross said they could park a fire truck at the entrance to block the street off from the public.

Lynn said they also need to prevent debris from going on people's cars.

Roger thanked Ms. Ison and Mr. Cross and said the board will discuss and talk to the county attorney to see what we need to do. Roger said the board wants to help, but we need to cover all the bases in the event of an unforeseen issue or accident.

ECONOMIC DEVELOPMENT PLAN PRESENTATION

Freda Starnes, County Administrator, said she took an economic development class at Virginia Tech and she and her teammates, Stuart Saunders from Bedford and John Pingilley from Campbell County worked on the presentation. She said this was a different look at economic development from someone who isn't from the county.

Ms. Starnes said that the pictures in the presentation were provided by Pam Cox and the video was paid for by Heart of Appalachia.

The presentation included the following information:

- Topography – elevations average 1,200 to 3,860 ft.
- Weather characteristics
- Transportation – US 23 stretches nearly 27 miles across the county; 695 miles of secondary road system composed of 370 miles of hard surface roads, 224 miles of all weather surface roads, 80 miles of light surface roads and 21 miles of unsurfaced roads
- Education – Total student enrollment averages 3,500 with dual-enrollment programs with MECC
- Publicly Owned Commercial/Light Industrial Sites include Riverside Development (Tier 4 Va. Business Ready Site) Enterprise Zone, Opportunity Zone, daily traffic count of 22,000, Commercial airport 18 miles away and one mile to I-26
- Publicly Owned Technology Sites – Scott Co. Regional Business & Technology Park (27.2 acres available, Certified TVA data center site, Va. Enterprise Zone, one mile from US 23)
- Zoning
- Comprehensive Plan – Overall goal is to serve as a community guide for orderly growth and development. Key action items for Economic Development are: Assist, retain, and grow existing business partners; Develop sites for business and tourism; Market the county, and Diversify the Economic base
- Capital Improvement Plan – Courthouse space needs study (current space is 18,937 sq. ft., twenty year space need is 64,530 sq. ft. with projected cost of \$28 million to \$36 million)
- Agriculture – Long history of being an agricultural county with an average farm size of 123 acres and the number of farms total 1,292
- Age Groups – We have an aging population with 48% over 50 and 7% over 80
- Educational Attainment – Scott Co. lags behind the state and US
- Population Trends – There is a steady decline in population. The population in 2020 was 21,576.
- Top Basic Employers – Tempur Production, Komatsu, and VFP, Inc.
- Top Non-Basic Employers – Scott Co. School System, KVAT Food Stores, Nova Healthcare, and Ridgecrest Manor
- Income – The median annual income is \$39,820 which is less than the median annual income of \$65,712 across the US.
- Employment by Occupation – The most common jobs are office and administrative support occupations (950 people) and sales & related occupations (765 people)
- Regional Taxes – Our personal property tax is lower but our real estate tax is higher than the surrounding counties

- Taxable Sales – Over \$100 million from 2018 to 2020
- Poverty – 15.5% of the population is below the poverty line. The largest number are females age 75+
- Commuting Trends – There are 6,000 out-commuters and 2,374 in-commuters
- Commuting Miles – 0.829% of the workforce in the county have commutes longer than 90 minutes
- Shopping Patterns – Boutique type stores have become more popular especially since the pandemic
- Tourism – There are many outdoor opportunities
- Housing – Median home monthly mortgage prices range from \$366 to \$455 month
- Utilities – The PSA has 5,570 public water accounts and 1,317 sewer service accounts as of 2022. In 2021, about 6,000 people were not receiving public water.
- Wastewater – PSA operates a 44 year old wastewater treatment plant in Duffield which underwent a \$1 million upgrade in 2020
- Electric Services – Three service providers in the county include Powell Valley Electric, AEP, and Bristol Virginia Utilities.
- Broadband – Scott Co. Telephone is the internet provider. 58.1% have fiber coverage and 41.59% have DSL internet
- Broadband Expansion – SCTC received a 100% grant from USDA RD ReConnect Program totaling \$9 million. Scott Co. Board of Supervisors funded \$300,000 in matching funds.
- SWOT Analysis – Strengths and Weaknesses:
 - Strengths – public education system, low cost of living, natural resources, transportation, workforce, low crime rate
 - Weaknesses – decreasing population, limited public utilities, small economic development support team, distressed county, transportation infrastructure, limited retail
- Strengths & Weaknesses – Employer Perspective:
 - Strengths – natural resources, low employee turnover rates, relationship with economic development, large employee base, Opportunity Zone incentives, Enterprise Zone incentives and Tier 4 property available.
 - Weaknesses – limited cellular service, lack of natural gas, limited local amenities, limited local incentives
- SWOT Analysis – Opportunities & Threats:
 - Opportunities - Vacant commercial buildings, Riverside development – Tier 4, new broadband grant SCTC, member of LENOWISCO RIFA, Tourism, lucrative Data Center Tax, Low Cost of Living
 - Threats – high poverty rate, decreasing young adult population, lack of big box retailers, competition for top employees, lack of diversity in revenue streams
- Strategies – Continue to market and promote sources of additional incentives, market Scott County at the Hard Rock Bristol Casino opening in July 2022, build a relationship between the EDA and County Administrator, Meet the goals of the ACT Work Ready Community Program, continue building upon the Bronze SolSmart Designation, and work with a retail specialist such as Retail Strategies
- Goals – Grow and diversify the economic base, advance the Riverside Development to a Tier 5 site; attract, grow and retrain a skilled work force; enhance the quality of life for citizens

Ms. Starnes said they did an employer interview with VFP and they spoke very highly of their relationship with John and how he takes good care of them.

RIVERSIDE DEVELOPMENT

- Submitted a grant application to VEDP’s Virginia Business Ready Sites in the amount of \$620,000
- Barge Design evaluated the documentation and have determined with their analysis it qualifies for a Tier 4 in the VEDP categories
- Applied for funding totaling \$2,120,000 with LENOWISCO’s assistance
- Approved funding: \$500,000 (Va. Tobacco Commission) and \$300,000 (VCEDA)
- Former TTEC building is now listed on the VEDP website as Riverside Technology Building

VEDP and the legislators are looking at changing the 100-acre minimum to 50 acres because of the terrain issues in certain areas of the state; however, the budget is not approved yet. John said we can apply again if that is changed.

DANIEL BOONE WILDERNESS TRAIL INTERPRETIVE CENTER

- Facility transferred to DCR on July 1st, 2021
- Continue to work with Virginia Tourism on release of the funds remaining in the Marketing Leverage Program

John said Va. Tourism Corporation (VTC) is asking the EDA to release the balance of funds remaining in two Marketing Leverage Program awards. Once released, the VTC will enter into an agreement with the Daniel Boone Wilderness Trail Interpretive Center Foundation for funding for the center.

Brad Bowen made a motion, duly seconded by Dennis Fritz, authorizing the release of the remaining balance of \$48,228.50 for the VTC Marketing Leverage Funds for grant number 0618-653-MLP for the Daniel Boone Wilderness Trail Interpretive Center.

VOTING:	AYE:	Eric Lane; Lynn Fansler; Roger Fraysier; Brad Bowen; Dennis Fritz; John Strutner
	NAY:	None
	ABSENT:	Larry Culbertson

John Strutner asked if this would be the end of the EDA involvement in the center. John said it would.

John Strutner made a motion, duly seconded by Lynn Fansler, authorizing the release of the remaining balance of \$50,000 for the VTC Marketing Leverage Funds for Grant Number 1018-619-MLP for the Daniel Boone Wilderness Trail Interpretive Center.

VOTING:	AYE:	Eric Lane; Lynn Fansler; Roger Fraysier; Brad Bowen; Dennis Fritz; John Strutner
	NAY:	None
	ABSENT:	Larry Culbertson

STONY CREEK/DEVIL’S BATHTUB PROJECT

- Barge Design has finished the environmental documentation that is required
- Total FY21-22 budget estimate is \$353,430.18
- Barge contract is \$32,000
- Received Notice to Proceed with construction phase
- Received USACE Jurisdictional Determination, the USACE Nationwide permit, and the VMRC permit
- NFS/ACC will have crew on site beginning late May/early June
- Contract executed between ACC and the EDA

- Working on Invitation to Bid for trail and parking construction.

John stated he is hopeful that the project will be completed by Thanksgiving.

Brad asked how much of the ruggedness will the improvements remove. John said it will remove the area where you have to hold on to a rope and remove a few of the crossings.

RBDG LOAN APPLICATIONS

John said that two applications have been received for the RBDG Loan.

THE GRAIN BIN (A unique roadside market offering home décor, crafts, fruit and fresh flowers, seasonal items, etc.)

- \$20,000 request
- Infrastructure development, inventory, marketing, and equipment
- 2% fixed rate
- Term of 5 years
- Waiver of closing costs
- 90 days deferred payment

Roger said this will be located on Wadlow Gap road next door to Valley View Animal Clinic. The total project cost is \$49,000 and they have applied for the VCEDA SEED grant. They are currently leasing but have plans to purchase. They will be open Wednesday, Thursday and Saturday from 10am until 5pm, and on Friday from 10am to 7pm. Collateral will be a 2016 Jeep Wrangler.

Brad added that they have a great business plan and will draw a crowd. He said he is anxious for them to open.

Lynn Fansler made a motion, duly seconded by John Strutner, to approve the loan for The Grain Bin in an amount up to \$20,000, with a 2% fixed rate for five years, waiver of closing costs, and 90 days deferred payment. The funds will be used for infrastructure development, inventory, marketing, and equipment. The Director and Chairman are authorized to sign any and all documents related to the loan on behalf of the Authority.

VOTING:	AYE:	Lynn Fansler; Roger Fraysier; Brad Bowen; Dennis Fritz; John Strutner
	NAY:	None
	ABSENT:	Larry Culbertson
	ABSTAIN:	Eric Lane

BURY THE HATCHET (An axe throwing entertainment business along with concessions)

- \$20,000 request
- For equipment and construction needed for renovations to location
- 2% fixed rate
- Term of 5 years
- Waiver of closing costs
- 90 days deferred payment

Brad said axe throwing is a popular entertainment and it is growing. The business will be located in the old Food City building with the potential of a restaurant adjacent. They will lease from the Weber City Fire Department.

Roger said there is a 317% popularity increase in 2019 from 2018.

Brad said Mr. Powers' daughter runs a facility in Georgia. He said he has good collateral which is 3.5 acres of real estate in Nickelsville. He is also the Mayor of Weber City.

Roger said the only concern is he doesn't yet have a signed lease from the fire department nor a Letter of Intent and said the approval should be contingent on that.

Dennis Fritz made a motion, duly seconded by Eric Lane, to approve the loan for Bury the Hatchet in an amount up to \$20,000, with a 2% fixed rate for five years, waiver of closing costs, and 90 days deferred payment contingent upon a signed lease with the Weber City Fire Department. The funds will be used for equipment and construction needed for renovations. The Director and Chairman are authorized to sign any and all documents related to the loan on behalf of the Authority.

VOTING:	AYE:	Eric Lane; Lynn Fansler; Roger Fraysier; Brad Bowen; Dennis Fritz; John Strutner
	NAY:	None
	ABSENT:	Larry Culbertson

DIRECTORS REPORT

- Attended the TVA Economic Development Forum on April 21st – 22nd
- Participated in the TVA Workforce Invest call on April 25th
- Met with Friends of SWVA director, Kim Davis, on April 27th
- Provided an EDA update at the Board of Supervisors meeting on May 4th and also reviewed the Enterprise Zone information for approval
- Participated in an economic development roundtable meeting at VCEDA with the Secretary of Commerce and VEDP director on May 10th
- Secretary of Commerce, Carin Merrick, and VEDP director, Jason El Koubi, along with staff, toured the Tempur facility on May 11th
- Attended Tobacco Commission meetings in Bristol on May 11th
- Participated in the VEDP Business Development and Marketing committee on May 12th
- Participated on a call with the Virginia Tourism staff and Natural Tunnel staff on May 16th

John said that the manufacturers in Duffield are paying almost \$600,000 in taxes which equates to over 300 houses. Manufacturing accounts for the highest employment with over 830 employed in manufacturing alone in Scott County. John said that manufacturing employment has been higher in the past; however, advanced manufacturing has had an impact on employment levels.

The Secretary of Commerce visited Tempur and was very impressed.

LOCAL AND REGIONAL GRANTS UPDDATE

- Scott County Grants (Bridging the Gap, Disaster Recovery Grant Round 1, 2 and 3, Scott Co. CARES Non-Profit Grant Round 1, 2 and 3 (Total \$634,515)
- LENOWISCO Regional Grants (39 Scott Co. businesses have submitted applications for a total of \$354,356.86)

FIREWORKS REQUEST

Eric said he would like to see the board support the fireworks request by the Weber City Fire Dept. but we need to make sure safety and insurance are covered.

John Strutner said we should not let them park on the road or at the building.

John said they could block Riverside Park Lane at U.S. 23 and not allow any public into the park.

John Strutner made a motion, duly seconded by Dennis Fritz, authorizing the Weber City Fire Department to use the Riverside property for their Saturday, July 2nd, 2022 fireworks. Authorization is contingent upon the following: obtain a fireworks permit from the Scott Co. Board of Supervisors; block the entrance into the park (Riverside Park Lane) at U.S. 23 allowing no one except the firefighters and rescue squad to enter, and provide a copy of the certificate of insurance naming the Scott County EDA and Scott County Board of Supervisors as additional insured.

VOTING: AYE: Eric Lane; Lynn Fansler; Roger Fraysier; Brad Bowen;
Dennis Fritz; John Strutner
NAY: None
ABSENT: Larry Culbertson

CALENDAR ITEMS

The Calendar was reviewed with no changes.

FINANCIALS

The VCEDA Fund Balance report for March was \$25,855. The EDA Expenditure report showed 18.9% remaining. The Community Services Building had 8% remaining and Crooked Road Tech Center had 23% remaining.

CLOSED SESSION

The Chairman stated there was a need to enter into Closed Session pursuant to Virginia Code Section 2.2-3711 for the purpose of discussing A.3 Real Estate (Weber City), A.5 Prospects (Weber City, Dungannon and Duffield) and A.7 Legal Matters related to a county business.

Brad Bowen made a motion, duly seconded by John Strutner, to enter into Closed Session pursuant to Virginia Code Section 2.2-3711 for the purpose of discussing A.3 Real Estate (Weber City), A.5 Prospects (Weber City, Dungannon and Duffield) and A.7 Legal Matters related to a county business.

VOTING: AYE: Eric Lane; Lynn Fansler; Roger Fraysier; Brad Bowen;
Dennis Fritz; John Strutner
NAY: None
ABSENT: Larry Culbertson

OPEN SESSION

Lynn Fansler made a motion, duly seconded by Brad Bowen, to exit Closed Session and re-enter Open Session.

VOTING: AYE: Eric Lane; Lynn Fansler; Roger Fraysier; Brad Bowen;
Dennis Fritz; John Strutner
NAY: None
ABSENT: Larry Culbertson

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Scott County Economic Development Authority has convened a closed 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 2.2-3712 of the Code of Virginia requires a certification by the Scott County Economic Development Authority that such closed meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Scott County Economic Development Authority hereby certifies that, to the best of each member's knowledge, (1) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the executive meeting to which this certification Resolution applies, and (II) only such public business matters as were identified in the Motion convening the closed meeting were heard, discussed or considered by the Scott County Economic Development Authority.

John Strutner made a motion, duly seconded by Brad Bowen, to certify the Closed Session.

APPROVAL:

Eric Lane	Absent (Left During Closed Session)
Lynn Fansler	Yes
Larry Culbertson	Absent
Roger Fraysier	Yes
Dennis Fritz	Absent (Left During Closed Session)
Brad Bowen	Yes
John Strutner	Yes

MEMBER COMMENTS

There were no member comments.

Due to a scheduling conflict, it was suggested that the June 15th meeting be moved to Wednesday, June 22, 2022.

ADJOURNMENT

Brad Bowen made a motion, duly seconded by John Strutner, to adjourn the meeting to Wednesday, June 22nd, 2022 at 6:00 p.m. in the board room of the Scott Co. Administrative offices located at 190 Beech Street, Suite 201 in Gate City.

VOTING:	AYE:	Lynn Fansler; Roger Fraysier; Brad Bowen; John Strutner
	NAY:	None
	ABSENT:	Larry Culbertson; Eric Lane; Dennis Fritz