



Grayson County Economic Development Authority

P. O. Box 217; Independence, VA 24348

October 14, 2015

MEETING MINUTES

Members Present

Ricky Anderson
Larry D. Osborne
Greg Webb
William F. Halsey
Robert E. Williams
Tony Shaffner

Staff Present

Jonathan D. Sweet
Mitch Smith
Leesa Gayheart

Members Absent

Joe Killon

OPEN MEETING

Chairman Ricky Anderson called the meeting to order.

ROLL CALL

Secretary Jonathan D. Sweet called roll and determined a quorum was present. Joe Killon was unable to attend.

APPROVAL OF MINUTES

Larry D. Osborne made the motion to approve the minutes from March 19, 2015; duly seconded by Robert E. Williams. Motion carried 6-0.

FINANCIAL REPORT

Secretary Jonathan D. Sweet and Leesa Gayheart, Director of Finance, presented the financial report listed below noting we have not received any payments from Grayson Millworks or Grayson Inn & Suites on their loans.

FINANCIAL REPORT as of October 14, 2015

BEGINNING BALANCE AS OF 10/29/2014		<u>\$690,892.03</u>
PAYMENTS RECEIVED		
Grayson Millworks	\$0.00	
Grayson Inn & Suites	\$0.00	
TOTAL RECEIPTS-PAYMENTS		<u>\$0.00</u>

RECEIPTS		
McAllister Mills TROF	\$110,000.00	
Oak Hall TROF	<u>\$385,000.00</u>	
TOTAL GRANT RECEIPTS		\$495,000.00
INTEREST RECEIPTS		
INVESTMENT INTEREST-IDA FUNDS (July & August :	\$45.30	
	\$49.97	
TOTAL INTEREST RECEIPTS		\$95.27
OTHER ASSETTS		\$374,127.86
GRAND TOTAL ASSETS		<u>\$1,560,115.16</u>
DISTRIBUTIONS:		
Town of Independence - Oak Hall TROF	\$385,000.00	
McAllister Mills - TROF	\$110,000.00	
Town of Independence - Oak Hall Investment	\$100,000.00	
Town of Independence - Oak Hall Investment	\$50,000.00	
Elizabeth Kirk - Job Fair Advertisement	\$75.00	
Allegheny News - Job Fair Advertisement	\$387.00	
Suntrust - Job Fair Expenses	\$573.00	
WPAQ Radio - Job Fair Advertisement	\$504.00	
Town of Independence - Oak Hall Investment	\$121,769.52	
WBRF Radio - Job Fair Advertisement	\$812.00	
Sands Anderson - Legal Fees	\$649.00	
The Declaration - Job Fair Advertisement	\$423.40	
Independence Vol Fire Dept - Rental for Job Fair	\$250.00	
Food City - Job Fair Expenses	\$17.15	
Three Rivers Media - Job Fair Advertisement	\$400.00	
WWWJ Radio - Job Fair Advertisement	\$252.00	
Scoots of Galax - Ribbon Cutting	\$1,348.50	
Suntrust - Ribbon Cutting Expense	\$283.14	
BRCEDA - Mt Rogers Business Challenge	\$10,000.00	
Food City - Job Fair Expenses	\$27.98	
TOTAL DISTRIBUTIONS	<u>\$782,771.69</u>	
GRAND TOTAL DISTRIBUTIONS		\$782,771.69
ENDING BALANCE IDA ACCOUNT		<u>\$777,343.47</u>

**FINANCIAL REPORT
AS OF October 14, 2015**

NOTES OUTSTANDING

PAYER	BEGINNING BALANCE	PAYMENTS MADE [^]	REMAINING BALANCE		SCHEDULED PAYMENT	PAYMENT FREQUENCY	PAID THROUGH	PAST DUE AMOUNT
*GRAYSON MILL WORKS	\$ 150,000.00	\$ -	\$ 110,982.53	LOAN - RLF	\$ 1,765.03	MONTHLY	DEC 2011	\$ 81,191.38
MED-FIT	\$ 250,000.00	\$ -	\$ -	PERFORMANCE AGREEMENT - TROF - COMPLETED				
CAROLINA PROFILE	\$ 250,000.00	\$ -	\$ -	PERFORMANCE AGREEMENT - GOF & TROF - COMPLETED				
*GRAYSON INN & SUITES	\$ 200,000.00	\$ -	\$ 64,246.28	LOAN - RLF	\$ 323.87	QUARTERLY	OCT 2010	\$ 64,246.28
*CORE H&R Equipment	\$ 225,613.00	\$ 40,111.31	\$ 170,819.67	PERFORMANCE AGREEMENT - LOAN - RLF	\$ 1,581.98	PERFORMANCE BASED	MAY 2014	
HANSEN TURBINE	\$ 155,000.00	\$ -	\$ 155,000.00	PERFORMANCE AGREEMENT - TROF & GOF				
INDEPENDENCE LUMBER	\$ 250,000.00	\$ -	\$ 250,000.00	PERFORMANCE AGREEMENT - TROF & AFID				
CORE H&F	\$ 1,395,000.00	\$ -	\$ 1,395,000.00	PERFORMANCE AGREEMENT - TROF & GOF				
OAK HALL	\$ 385,000.00	\$ -	\$ 385,000.00	PERFORMANCE AGREEMENT - TROF				
McALLISTER MILLS	\$ 110,000.00	\$ -	\$ 110,000.00	PERFORMANCE AGREEMENT - TROF				

* MODIFIED PAYMENT PLANS - Past due totals do not include additionally included interest.
[^] SINCE LAST STATEMENT

William F. Halsey made the motion to approve the financial report and loan accounts; duly seconded by Robert E. Williams. Motion carried 6-0.

PRESENTATION

Ken McFadyen, Director of the Blue Ridge Crossroads Economic Development Authority presented an activity/prospect update regarding the Wildwood Commerce Park (listed below).



WILDWOOD COMMERCE PARK

Located in Southwestern Virginia

Blue Ridge Crossroads Economic Development Authority owns and manages Wildwood Commerce Park, which features 100- and 25-acre "pad ready" sites. Wildwood Commerce Park offers a strategic location, a skilled workforce, and a favorable cost of doing business, all in a right-to-work state.

American Electric Power Quality Site Program Certification pending for 4Q2015.

Utility	Available	Additional Information	Available Due Diligence
Water	1.36 M GPD	Served by 550k Gallon Tank	✓ Approved Archaeological Study
Wastewater	114,000 GPD	Expansion in-progress to 400,000 GPD	✓ Approved USACE Jurisdictional Determination Letter (ungraded acres)
Electricity	~5 MW	34.5 kV 3-phase distribution; substation study underway	✓ Boundary Survey
Natural Gas	50-100 psi via 6-inch HDPE	24-inch Spectra transmission line < 2 miles from site	✓ Environmental Assessment
Telecom	1,000 Mbit/sec	144-ct. fiber 10 GB circuits; wireless redundancy	✓ Geotechnical Studies/Graded Sites
			✓ Storm Water Calculations (through 2019)
			✓ Topographical Survey (2 foot contour)
			✓ Water & Wastewater Study



For more information, contact:
 Ken McFadyen | +1.276.233.1313 | director@brceeda.org | 1117 East Stuart Drive, Galax, VA 24333
www.wildwoodva.com

October 7, 2015



Demographics and Workforce

Population 2015				Educational Attainment			
	Radius from Wildwood Commerce Park				Radius from Wildwood Commerce Park		
	30 miles	60 miles	100 miles		30 miles	60 miles	100 miles
2015 Population	217,693	1,357,285	4,945,842	2015 Population +25 years old	153,189	941,497	3,427,943
Growth 2000-2015	3.3%	6.2%	12.4%	High School Diploma or above	79.9%	83.5%	84.0%
Households	90,654	560,636	2,000,752	Associate's Degree	10.6%	8.6%	8.4%
Median Age	43.2	41.8	41.1	Bachelor's Degree or above	16.4%	23.6%	23.6%
Median Household Income	\$35,469	39,620	\$42,139				

Workforce			Unemployment/Underemployment			
Radius from Wildwood			Virginia Employment Commission			
	30 miles	60 miles	(as of August 2015)	Carroll	Virginia	USA
Workforce 2015	91,017	581,203	Unemployment Rate	5.1%	4.3%	5.2%

Examples of Growing Manufacturing Occupations Residing within 60 Miles					Target Sectors
Occupation	Employed 2014	Growth 2010-2014	Local Median Wage	National Median Wage	
Production Workers	1,486	9%	\$13.96	\$13.59	Advanced Wood Manufacturing
Mechanical Engineers	1,346	4%	\$38.14	\$39.93	Distribution
Industrial Engineers	1,241	6%	\$34.68	\$39.18	Advanced Textile Manufacturing
Making & Casting Machine Setters, Operators, and Tenders	1,103	9%	\$13.65	\$13.85	Components (automotive, aerospace, electronics, medical)
Sawing Machine Setters, Operators, and Tenders	710	7%	\$12.91	\$13.00	Food Products
Industrial Engineering Technicians	411	7%	\$21.98	\$25.66	

- Wildwood Incentive Tools**
- ✓ Governor's Opportunity Fund
 - ✓ Tobacco Region Opportunity Fund
 - ✓ New Market Tax Credits
 - ✓ Virginia Enterprise Zone
 - ✓ Foreign Trade Zone #258
 - ✓ No Fee for Building Inspection
 - ✓ No Fee for Water & Sewage Connection/Impact
 - ✓ Reduced Water & Sewer Charges Years 1-5
 - ✓ Local Permit Approval within 30 days
 - ✓ HUB Zone



Hampton Property

LEGEND

- Interstate Highway
- State Highway
- Secondary Highway

Property Details
Hampton Property

Site Specifications

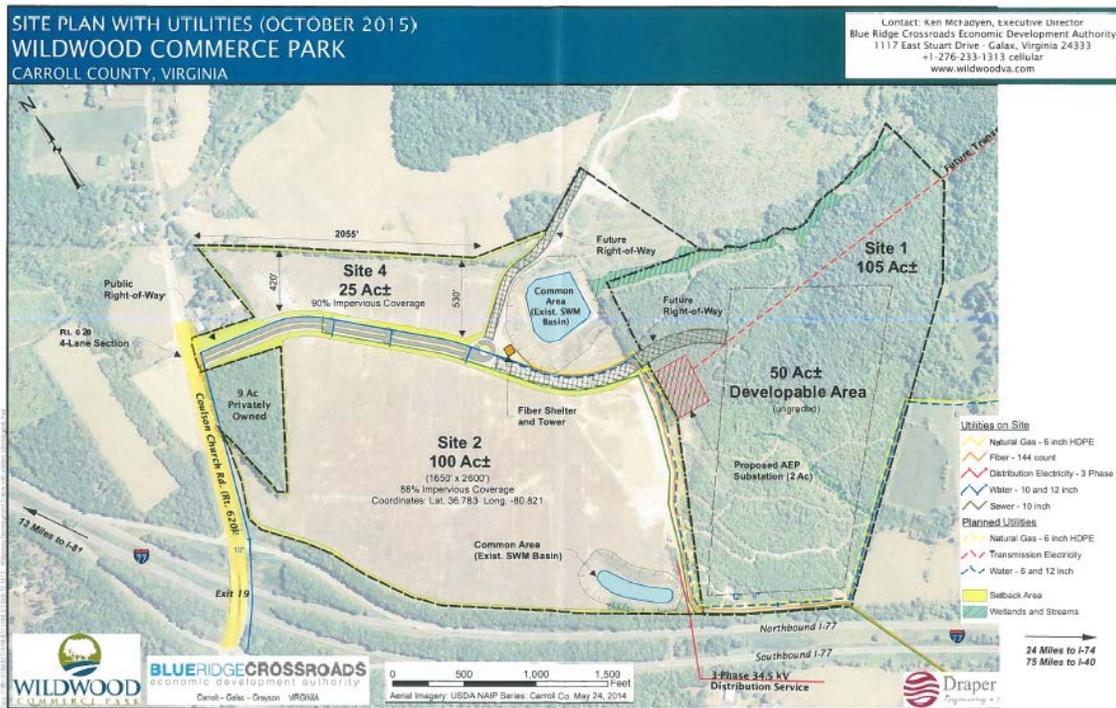
Site Acres:	30
Topography:	Gently Rolling
Zoning:	Light Industrial

Utilities

Water:	*City of Galax, 10-inch (Proposed)
Sewer:	*City of Galax, 8-inch (Proposed)
Electric:	American Electric Power
Telecommunications:	WireRoad, Embarras, Verizon

Transportation

Nearest interstate:	I-77
Distance:	12 Miles
Nearest 4-lane highway:	RT 58
Distance:	0.2 Miles



EXECUTIVE SESSION

William F. Halsey made the motion to go into executive session pursuant to Sec. 2.2-3711(A)(5) of the Code of Virginia, relating to a discussion of an undisclosed prospective business or industry or the expansion of an existing business or industry; duly seconded by Greg Webb. Motion carried 6-0. William F. Halsey made the motion to come out of executive session; duly seconded by Larry D. Osborne. Motion carried 6-0.

Whereas, the Grayson County Economic Development Authority (EDA) has convened a closed session on this 14th day of October 2015, pursuant to an affirmative recorded vote and in accordance with provision of the Virginia Freedom of Information Act; and

Now, Therefore Be It Resolved, that the Grayson County Economic Development Authority (EDA) 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 session to which this certification resolution applies, and (II) only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Economic Development Authority with recorded confirmation from members as follows: Ricky Anderson – I so certify; Larry D. Osborne – I so certify; Robert Williams – I so certify; Greg Webb – I so certify; Tony Shaffner – I so certify; William F. Halsey – I so certify.

OLD BUSINESS

None

NEW BUSINESS

▪ **USDA LOAN-RESOLUTION OF GOVERNING BODY [VEHICLE PURCHASE-GCSO]**

Jonathan D. Sweet explained the purchase of two (2) vehicles for the Grayson County Sheriff's Department for \$45,000.00 and the Resolution (listed below). Tony Shaffner made the motion for the EDA to authorize to approve the loan for the vehicles; duly seconded by William F. Halsey. Motion carried 6-0.

RESOLUTION OF GOVERNING BODY OF
GRAYSON COUNTY EDA

The Governing Body of GRAYSON COUNTY EDA consisting of _____ members, in a duly called meeting held on the _____ day of _____, 2015, at which a quorum was present, RESOLVED as follows:

BE IT HEREBY RESOLVED that, in order to facilitate obtaining financial assistance from the United States of America, acting by and through the Rural Housing Service, an agency of the United States Department of Agricultural, (the Government) in the development of a Police Vehicles to serve the community, the Governing Body does hereby adopt and abide by the covenants contained in the agreements, documents, and forms required by the Government to be executed.

BE IT FURTHER RESOLVED that the _____ of GRAYSON COUNTY EDA be authorized to execute on behalf of GRAYSON COUNTY EDA the above-referenced agreements and to execute such other documents including, but not limited to, debt instruments and security instruments as may be required in obtaining the said financial assistance.

This Resolution, along with a copy of the above-referenced documents, is hereby entered into the permanent minutes of the meetings of this Governing Body.

Attest:

(Signature of Witness)

By _____
Chairman of the Board (Signature)

C E R T I F I C A T I O N

I hereby certify that the above resolution was duly adopted by the members of the Governing Body of GRAYSON COUNTY EDA in a duly assembled meeting on _____, 2015.

Secretary/Clerk (signature)

▪ **USDA LOAN-LOAN RESOLUTION [BUILDING PURCHASE-GCSO]**

Jonathan D. Sweet explained the loan/resolution (listed below) for the purchase of the building (Grubb Building) at \$665,000.00 for the Grayson County Sheriff's office. Larry D. Osborne made the motion to authorize the EDA Chair and staff to proceed with the loan documents/resolution; duly seconded by Greg Webb. Motion carried 6-0.

AUDIT AGREEMENT
(Community Facilities)

EDA of Grayson County

This confirms that the accounts and records of The ~~IDA of Carroll County~~ have been established in accordance with the requirements of their Loan Agreement, Grant Agreement, Loan Ordinance or Loan Resolution, whichever is applicable. Also, I will meet the requirements of the State Corporation Commission, if applicable, within twenty (20) days from the notice to do so. This Audit Agreement certifies that the year-end audit will be performed in accordance with Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States in 1994 Revision and any subsequent revisions. The audit shall comply with requirements of the Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, or Water and Waste Audit Requirements as published in the Audit Program, ("Yellow Book") of February 1999 and any subsequent revisions.

09/25/15
Date _____

EDA OF GRAYSON COUNTY

Date _____ Accountant _____

USDA
Form RD 1942-47
(Rev. 12-97)

Position 5
LOAN RESOLUTION
(Public Bodies)

FORM APPROVED
OMB NO. 0575-0015

A RESOLUTION OF THE Governing Body _____
OF THE Grayson County EDA _____
AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING
A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS
Building Purchase/Sheriff's Dept _____
FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the _____ Grayson County EDA _____
(Public Body)
(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of
\$45,000.00

pursuant to the provisions of the Code of Virginia of 1950 as amended _____; and

WHEREAS, the Association intends to obtain assistance from the Rural Housing Service, Rural Business - Cooperative Service, Rural Utilities Service, or their successor Agencies with the United States Department of Agriculture, (herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U. S. C. 1983 (c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$ 10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal permissible source.

5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contract or agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by the Government. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as _____ of the Grayson County EDA
 hereby certify that the _____ of such Association is composed of
 _____ members, of whom _____, constituting a quorum, were present at a meeting thereof duly called and
 held on the _____ day of _____, _____; and that the foregoing resolution was adopted at such meeting
 by the vote shown above. I further certify that as of _____, the date of closing of the loan from the Government, said resolution
 remains in effect and has not been rescinded or amended in any way.
 Dated, this _____ day of _____, _____.

 Title _____

Building Purchase
 Virginia Instruction 1942-A
 Exhibit B
 Attachment 2

RESOLUTION OF GOVERNING BODY OF
GRAYSON COUNTY EDA

The Governing Body of GRAYSON COUNTY EDA consisting of ___ members, in a duly called meeting held on the _____ day of _____, 2015, at which a quorum was present, RESOLVED as follows:

BE IT HEREBY RESOLVED that, in order to facilitate obtaining financial assistance from the United States of America, acting by and through the Rural Housing Service, an agency of the United States Department of Agricultural, (the Government) in the development of a new building for the Grayson County Sheriff's Department to serve the community, the Governing Body does hereby adopt and abide by the covenants contained in the agreements, documents, and forms required by the Government to be executed.

BE IT FURTHER RESOLVED that the _____ of GRAYSON COUNTY EDA be authorized to execute on behalf of GRAYSON COUNTY EDA the above-referenced agreements and to execute such other documents including, but not limited to, debt instruments and security instruments as may be required in obtaining the said financial assistance.

This Resolution, along with a copy of the above-referenced documents, is hereby entered into the permanent minutes of the meetings of this Governing Body.

Attest:

(Signature of Witness)

By _____
Chairman of the Board (Signature)

CERTIFICATION

I hereby certify that the above resolution was duly adopted by the members of the Governing Body of GRAYSON COUNTY EDA in a duly assembled meeting on _____, 2015.

Secretary/Clerk (signature)

INFORMATION AND UPDATES

- Mount Rogers Business Challenge Briefing – 9 businesses participating in the business challenge - \$20,000 in award money for Small Business Development.
- Grayson County Industrial Park Update – Currently in the process of doing a Site Development Plan with The Lane Group.
- Blue Ridge Crossroads Commerce Park Update – BRCEDA will help manage the marketing of this site for Galax and Grayson.
- BREMCo Regional ED Initiative Briefing – Met here in Grayson County for a briefing and question/answer session. Regional ED Initiative will meet again on November 17, 2015 for a report on this non-traditional approach in economic development.

ADJOURN

Chair Ricky Anderson adjourned the meeting.