



Grayson County Economic Development Authority

P. O. Box 217; Independence, VA 24348

December 19, 2016

MEETING MINUTES

Members Present

Ricky F. Anderson
Larry D. Osborne
Joseph M. Killon
Robert E. Williams
Tony M. Shaffner

Staff Present

Jonathan D. Sweet
Mitchell L. Smith
Leesa A. Gayheart

Members Absent

Gregory M. Webb
William F. Halsey

OPEN MEETING

Larry D. Osborne, Chairman, called the meeting to order.

ROLL CALL

Jonathan D. Sweet, Secretary/Clerk, called the roll and determined a quorum was present. Mr. Sweet asked to amend the agenda to appoint Chair/Vice Chair of the EDA and Secretary/Clerk effective January 16, 2017; Ricky F. Anderson made the motion to approve; duly seconded by Robert E. Williams. Motion carried 5-0.

APPROVAL OF MINUTES

Ricky F. Anderson noted that under members present his middle initial should be F. and not R. as listed. Mr. Sweet noted that under "General Updates" regarding the Trade Assistance Program, McAllister Mills did take advantage of that; Core Health & Fitness did donate approximately \$30,000 of customized equipment to the Grayson County High School weight room and mirrors that was donated by Guardian have also been installed; we're working with Independence Lumber, not Town of Independence regarding V-JIP (Virginia Jobs Invest Program - not V-chip) money; touched on the Statement of Economic Interest forms and how important it is to complete and return on time – by January 15, 2017 and they are only due once a year now - our office cannot accept them before January 1, 2017. Joe M. Killon made the motion to approve with corrections; duly seconded by Tony M. Shaffner. Motion carried 5-0.

FINANCIAL REPORT– December 2016 & LOAN PROGRAM

Leesa Gayheart, Director of Finance, since the last meeting in May, we have an opening balance of \$167,627.89 and ending balance of \$176,736.86, which shows an increase. Mr. Sweet then gave an update on Project Process and the \$62,186.25 receipt of money but in fact we owe USDA approximately \$58,000. Mrs. Gayheart gave the Board an update on Grayson Millworks – they are making their monthly payment of \$709.00 and Grayson Inn & Suites is also making their quarterly payment of \$500.00. Both are on time in making their loan payments. A payment for \$3,010.41 is rent from Oak Hall that is split between the Town and County – Oak Hall pays the Town and then the Town pays the County half; a payment for \$33,114.56 is catch-up from Oak Hall.

Jonathan D. Sweet gave an update on Project Process: \$1,200.00 and \$15,110.00 to The Lane Group which we agreed to front this to get them to a certain point to be able to close the deal. Also in the agreement was if we were successful in obtaining grant funds, they would reimburse the county and if we didn't get grant funds and the project didn't get to fruition then they would owe that money back. The project did take off and we did get grant funds, we have an inflow of \$16,310.00 that the company has reimbursed us for those expenses and we have received the check. Agriculture and Forestry Industrial Fund of \$50,000.00 was received from the Commonwealth. The \$50,000.00, been applied and it's a new wash – the money came to the County, we processed the check and then submitted a check to River Ridge Land & Cattle Co from the County.

OLD BUSINESS

None

NEW BUSINESS – Mt. Rogers School Tax Map #64-A-50 – Accept Transfer of Ownership

Mr. Sweet explained the transfer from the Grayson County Board of Supervisors (listed below) and recommended the EDA set a period of time to offer the property for business/community opportunity with proposals. This period could be for six (6) months or so. In we receive no promising proposals, then the EDA could look to offer the property for commercial sale. Mr. Sweet suggested letting the Extension Office help vet the proposals. Tony M. Shaffner made the motion to accept and direct staff to put forth a plan to accept proposals for the site by July 1, 2017; duly seconded by Robert E. Williams. Motion carried 5-0.

TO: GRAYSON COUNTY BOARD OF SUPERVISORS

FROM: JONATHAN D. SWEET, COUNTY ADMINISTRATOR

**RE: STAFF RECOMMENDATION - MOUNT ROGERS SCHOOL
DISPOSTION**

DATE: WEDNESDAY, OCTOBER 5TH, 2016

Recommendation:

As put forth at our previous BOS meeting (09/08/16) as a briefing under the County Administrator's Report, the Mount Rogers School is being targeted for vandalism and is becoming an increasing insurance liability and county expense.

We have experienced five (5) reported break-ins and vandalism incidents, with three (3) of them occurring within the last five (5) months. Additionally, our small maintenance staff continues to report on the deteriorating condition of the facility, the growing difficulty and expense to continue to maintain the building and grounds, and the increasing challenge to seasonally open and close the facility for public use.

It is for all of these reasons, as well as for the public's good, that staff recommends that the Board consider addressing the status of the Mount Rogers School and to subsequently take the necessary actions to prepare it for a repurposed use. For the Board's further consideration, the Grayson County School Board put forth a letter dated April 11, 2016, in which the communication was to request the "Board of Supervisors to seriously consider disposition of the Mount Rogers School for the purpose of reinvesting and proceeds of the sale of the facility back into the Grayson County School System, more specifically, investments into improving our public education facilities and assets."

Although the staff does not have a specific recommendation for an adaptive reuse for the facility, nor do we have a stated public or private use to consider, it

is the recommendation that the Board advance the concept of transferring ownership of the property with the intent to prevent any further deterioration of the facility, lower and/or remove the County's exposure to liability and risk, to generate a windfall and/or residual revenue for the reinvestment into the Mount Rogers area and/or the greater Grayson County community, to preserve the building for posterity, and to utilize the existence of the facility for the continued benefit of the community.

Staff feels that the best action to advance such a cause is to transfer ownership of the property to the Grayson County Economic Development Authority (EDA). The EDA's mission is dedicated to utilizing every resource available to provide the highest level of assistance to new and existing businesses and industries in order to encourage capital investments, diversify and stabilize the economy, retain and foster new employment opportunities, and support an environment conducive for citizen prosperity. We feel the EDA is the best repository for the facility based upon the Authority's mission, their fundamental objectivity, and their inherent capabilities granted by Code.

Our next step would be for the Board, by way of motion, to direct a Public Hearing be held to receive public comment on the transferring of ownership from the Grayson County Board of Supervisors to the Grayson County Economic Development Authority for the sole purpose of putting the facility under the ownership of the EDA so that the Authority can explore and pursue the best use of the facility to prevent any further deterioration of the facility, lower and/or remove the County's exposure to liability and risk, to generate a windfall and/or residual revenue for the reinvestment into the Mount Rogers area and/or the greater Grayson County community, to preserve the building for posterity, and to utilize the existence of the facility for the continued benefit of the community.

Conclusion:

Staff Recommends the following action by way of motion:

Move to properly advertise and conduct a public hearing at the subsequent meeting of the Board of Supervisors, pursuant to § 15.2-1800 of the Code of Virginia, for the purpose of transferring ownership from the Grayson County Board of Supervisors to the Grayson County Economic Development Authority so that the Authority can explore and pursue the best use of the property as to prevent any further deterioration of existing structures, lower and/or remove the County's exposure to liability and risk, to generate a windfall and/or residual revenue for the reinvestment into the Mount Rogers area and/or the greater Grayson County community, to preserve the building(s) for posterity, and to utilize the existence of the facility for the continued benefit of the community.

PROJECT UPDATES:

River Ridge Land & Cattle Co. – Project Process

- Walls are going up on the facility
- Economic Access Grant through the Commonwealth Transportation Board– for \$346,000 up to one-half million to extend the industrial park road which requires we have a bond unless we have a qualified investment – in order for that qualified investment to take place, VDOT needs to see taxable investment made. We have put together a spread sheet of taxable investments so we don't have to get a bond - \$124,000-land and \$800,000-building. We have a balance of \$805,627 to get to that 1.73 million that VDOT is looking for. We need an assuery amount of \$161,125. If all contracts/documents that we have submitted to VDOT are approved that would bring us down to \$45,000 of what is left for the surety. Mr. Sweet talked to the company and they feel confident that they are going to make the remaining investment and they are saying lets not build the project until they are done with construction – that way VDOT's work won't interfere with their entrance so we are going to hold off on releasing the funds & building the road until construction is completed. We also submitted the \$16,310 to see if that can be counted.
- AFID Grant – Tobacco Grant – they will accept it once the project is completed for \$50,000.
- Independence Lumber has pretty much satisfied their jobs and cap-x; Oak Hall has been ramping up –and they have met their cap-x requirement; Core Health has also been ramping up and using contract labor which counts as well for job creation – however, there is a slight possibility that Core Health may not hit their job numbers which they are ok with plus we have a stand-by letter of credit so they will definitely pay back what they owe.

EXECUTIVE SESSION

Joseph M. Killon 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 Ricky F. Anderson. Motion carried 5-0. Tony M. Shaffner made the motion to come out of executive session; duly seconded by Ricky F. Anderson. Motion carried 5-0.

Whereas, the Grayson County Economic Development Authority (EDA) has convened a closed session on this 19th day of December 2016, 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: Larry D. Osborne – I so certify; Ricky F. Anders – I so certify; Robert E. Williams – I so certify; Joe Killon – I so certify; Tony M. Shaffner – I so certify.

IN RE: SECRETARY/CLERK

Ricky F. Anderson made the motion to appoint Mitchell L. Smith as secretary/clerk; duly seconded by Joseph M. Killon. Motion carried 5-0.

Larry D. Osborne asked to step-down as Chair of the EDA; Joseph M. Killon made the motion to accept; duly seconded by Tony M. Shaffner. Motion carried 5-0. Jonathan D. Sweet asked for nominations for the position of Chair – Robert E. Williams nominated Ricky F. Anderson; duly seconded by Joseph M. Killon. Larry D. Osborne made the motion to close nominations; duly seconded by Tony M. Shaffner. Motion carried 5-0. Tony M. Shaffner made the motion to appoint Larry D. Osborne as Vice-Chair; duly seconded by Robert E. Williams. Ricky F. Anderson became chair by acclamation.

ADJOURN

Chairman Ricky F. Anderson moved to adjourn.