



Grayson County Economic Development Authority

P. O. Box 217; Independence, VA 24348

May 24, 2016

MEETING MINUTES

Members Present

Ricky R. 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, opened the meeting.

ROLL CALL

Jonathan D. Sweet, Secretary, called the roll and determined a quorum was present.

APPROVAL OF MINUTES

Joseph M. Killon made the motion to approve the minutes from the March 1, 2016 meeting; duly seconded by Tony M. Shaffner. Motion carried 5-0

FINANCIAL REPORT

Leesa A. Gayheart, Director of Finance, covered the financial report (listed below) with the EDA Board. Tony M. Shaffner made the motion to accept the financial report; duly seconded by Ricky F. Anderson. Motion carried 5-0.

GRAYSON COUNTY
ECONOMIC DEVELOPMENT AUTHORITY

FINANCIAL REPORT
AS OF MAY 2016

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	\$ 709.00	MONTHLY		\$ 110,982.53
*GRAYSON INN & SUITES	\$ 200,000.00	\$ 500.00	\$ 63,746.28	LOAN - RLF	\$ 500.00	QUARTERLY	1QTR 2016	\$ 63,746.28
*CORE H&R Equipment	\$ 170,819.67	\$ -	\$ 170,819.67	PERFORMANCE AGREEMENT - LOAN - RLF	\$ 1,581.98	PERFORMANCE BASED	CURRENT	
HANSEN TURBINE	\$ 155,000.00	\$ -	\$ 155,000.00	PERFORMANCE AGREEMENT - TROF & GOF				
INDEPENDENE 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

OLD BUSINESS

- Grayson County EDA Revolving Loan Program
 - Grayson Inn & Suites
Per a letter of intent from Grayson Inn & Suites, they will make quarterly payments of \$500.00 starting April 2016, if the EDA approves.
 - Grayson Mill Works (US 58 Holdings, LLC)
Per Mr. & Mrs. Brian Hill, they will start doing ACH payments of \$709.00 on the 5th of each month once the EDA approves.

Robert E. Williams made the motion to accept both agreements noting that if either defaults, then the EDA would revert to payment plans with interest; duly seconded by Ricky F. Anderson. Motion carried 5-0.

EXECUTIVE SESSION

Ricky F. Anderson 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 Tony M. Shaffner. Motion carried 5-0.

Joseph M. Killon made the motion to come out of executive session; duly seconded by Robert E. Williams. Motion carried 5-0.

Whereas, the Grayson County Economic Development Authority (EDA) has convened a closed session on this 24th day of May 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: Joseph M. Killon – I so certify; Tony M. Shaffner – I so certify; Robert E. Williams – I so certify; Ricky F. Anderson – I so certify; Larry D. Osborne – I so certify.

Tony M. Shaffner made the motion to approve the agreement for Project Process II as discussed in Executive Session; duly seconded by Joseph M. Killon. Motion carried 5-0.

NEW BUSINESS

- **Oak Hall Cap & Gown – Request to Partially Remove SLOC (Project Grad)**
Jonathan D. Sweet read the letter (listed below) from C. Scott Lively, Vice President of Finance regarding the request. A standby letter of credit is on hand and would like to remove the SLOC. Robert E. Williams made the motion to approve; duly seconded by Tony M. Shaffner. Motion carried 5-0.

March 7, 2016

County of Grayson
Attn: Jonathan D. Sweet, County Administrator
P.O. Box 217
Independence, VA 24315

Dear Mr. Sweet,

Please accept this letter as a request for the Grayson County Economic Development Authority to allow for the removing of the Standby Letter of Credit (SLOC) requirement as security for 50% of the state incentives associated with our recent expansion project and referenced as Project Grad. The SLOC was put in place to ensure that the required capital investment of \$1.2 million in taxable assets was made within the 36 month performance period. Although we have not reached the end of our 36 month performance period, we are pleased to inform the EDA that we have achieved and exceed the target of \$1.2 million. Since the commencement of the project, Oak Hall Cap & Gown has effectively invested \$1.31 million in new taxable investment. These new taxable assets have been confirmed added to our tax rolls by the Grayson County Commissioner of Revenue.

We seek this consideration so that we may remove the encumbered liability of the SLOC and avoid the continued carry expense. This action will give Oak Hall better accesses to the capital needed to continue to fulfill the remaining components of the project. Please acknowledge that we fully intend keep in place the SLOC for the jobs component (remaining 50%) of the Performance Agreement through the performance period.

Thank you for your consideration and please do not hesitate to contact me with any questions you may have regarding this request.

Sincerely,



C. Scott Lively
Vice President of Finance
Oak Hall Industries, LP
(540) 387-0047

- **Resolution and Code of Conduct – USDA-RD Equipment Grant (Sheriff's Dept)**
Jonathan D. Sweet explained the Resolution and the Code of Conduct (both listed below) for the \$48,000 grant for up-fitting the Grubb Public Safety Building. Joseph M. Killon made the motion to accept the grant and Resolution and authorize EDA Chairman and Clerk to sign; duly seconded by Tony M. Shaffner. Motion carried 5-0.

RESOLUTION OF GOVERNING BODY OF

Grayson County Economic Development Authority

The Governing Body of the Grayson County Economic Development Authority consisting of _____ members, in a duly called meeting held on the _____ day of _____, 2016, 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 purchase of a generator 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 Executive Director of the Grayson County Economic Development Authority be authorized to execute on behalf of the Grayson County Economic Development Authority 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 of Directors

CERTIFICATION

I hereby certify that the above resolution was duly adopted by the members of the Governing Body of Grayson County Economic Development Authority in a duly assembled meeting on _____, 2016.

Secretary/Clerk (signature)

CODE OF CONDUCT

This written code of conduct will govern the performance of all officers, employees or agents engaged in the award and administration of contracts supported by Rural Development administered funds. No employee, officer, or agent of the Grayson County Economic Development Authority shall participate in the selection; award or administration of a contract supported by the Rural Development administered funds if a conflict of interest, real or apparent, would be involved. None of the above-mentioned officers, employees or agents may accept anything of monetary value from contractors, potential contractors or parties for sub-agreements. Violation of this code shall result in penalties, sanctions, and other disciplinary actions as permitted by state and local laws and regulations.

Grayson County Economic Development Authority

Date

By: _____

Jonathan Sweet
Executive Director

INFORMATION AND UPDATES

- General Updates
 - We are reaching out to local industry with the Trade Assistance Program – 1 to 3 leverage of dollars and dealing with foreign competition
 - Working with Core Health & Fitness to donate equipment to the Grayson County High School weight room.
 - Working with the Town of Independence on V-Chip money
 - Also covered the benefit of each EDA Member having a county email address; directions for this was passed out.
 - Statement of Economic Interest Forms were handed out to the members present; forms will be mailed to those unable to attend today's meeting. Form must be filed by June 15, 2016.

ADJOURN

Tony M. Shaffner made the motion to adjourn; duly seconded by Robert E. Williams.