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The Carroll County Board of Supervisors held a joint meeting on, April 11, 2012 at Crossroads Institute in Galax.

Present were:           David V. Hutchins  
                              W.S. "Sam" Dickson  
                              Joshua A. Hendrick  
                              Phil D. McCraw  
                              Gary Larrowe, County Administrator  
                              Ronald L. Newman, Assistant Administrator

Mr. C.M. Mitchell called Galax City Council to order.

Mr. Dickson called the Carroll County Board of Supervisors to order.

Mr. David Sexton called the Grayson County Board of Supervisors to order.

Mr. Mike Maynard called BRCEDA to order.

### **SBDC PRESENTATION**

Mandy Archer told that she is the Director of SBDC and she has worked for small business this summer. She told that they are one of 29 centers across the State and their sponsoring organization is BRCEDA. She told that they receive a portion of their funding through the Small Business Administration and they have a contract with the George Mason Enterprise Center. She told that the Director for the SBDC is in Fairfax and they get together a couple times of year for meetings. She told that there are a couple of other employees in the office which include Ginny Plant the Administrative Assistant and Roy Swanner. She told that during the calendar year they have completed 7 business plans and five of those have been funded so it has created a capital investment of \$480,880. She told that they are always working with clients and they have four in the process of funding and there are many steps to that. She told that provided everything goes through it would be \$795,000 in capital investment and equate to 13 full times jobs and 7 part time jobs or contract positions. She told that in the first quarter they had 68 clients and 146 hours of counseling. She told that they have also provided several trainings including the IPAD which several attended. She told that over the last six years they have had 254 business plans completed and 186 of those have been funded. She told that equates to around 800 jobs that have been created in our area. She told that currently the unemployment rate is 10% and it could possibly be around 13% if they were not offering these services. She told that Carroll, Galax and Grayson are their main partners and they also have funding partners such as People Inc., Mt. Rogers, Va. Tourism, and Va. Department of Business Assistance. She told that the totals by locality since business development has been opened are Carroll at 42%, Galax at 27% and Grayson at 16%. She told that Roy Swanner is working with Grayson County businesses and supervisors to see if they can get their numbers up.

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## **REGIONAL PROJECTS**

Mr. Ken McFadden told that he is the Regional Director of BRCEDA. He told that we need to recognize the members of the General Assembly that are with us tonight. He told that it is important to recognize the benefits and results that we are producing with Regional Economic Development. He told that as he goes around the Commonwealth he hears a lot about BRCEDA and folks are really paying attention to three localities working together. He told that there is an Economic Developer in Stanton and they are talking about regionalism and he wanted to know what the secrets were and he told him that everyone works well together and that is a true statement and something that we should all be proud of. He told that BRCEDA is managing the Wildwood Commerce Park project which has been developed over the last couple of years. He told that he has been here for 2 ½ years and his very first meeting on his first day of work was about Wildwood. He told that it is something that the localities have been talking about for several years and it has just been lately with resources from DHCD, Tobacco Commission and others that make Wildwood possible. He told that the purpose of Wildwood is twofold; to create jobs and to provide investment. He told that it is the private sector that creates the jobs and the private investment that makes us able to provide these services. He told that it is true with economic development, we are not the ones creating the jobs it is the entrepreneurs that are doing it. He told that the Va. Tobacco Commission has designated Wildwood as one of seven mega sites. He told that mega site means 50 plus acres, around 400 jobs and \$250 million in private investment so this is not your typical industrial park. He told that the Tennessee Valley Authority has been very successful in developing these large sites. He told that a project of this scale speaks to the means of collaboration. He showed the site plan with the access road and told that site #1 is owned by BRCEDA and is 114 ungraded acres. He told that site #2 is 50 acres that is graded and has a retention pond. He told that on site #1 when they grade it they will develop a second retention pond. He told that there is an additional 1400 acres that are owned by Branscome and Turman. He told that they have been private partners in this project and have made financial contributions to the public aspect. He told that they have identified the access road and next month the Commonwealth Transportation Board will take up and application from us or Carroll County because they only provide funding to the locality for \$650,000. He told that they have been in contact with our representative on the Transportation Board and that will constitute the last piece of the initial development budget. He told that last week he was in South hill for a meeting with VDOT and Mike Limcooler who has been a business developer for years and is a senior executive at VEDP. He told that he was provided a map and it is important how Wildwood is fitting in to the Commonwealth's strategy of providing sites that are capable of serving the next level of industrial development. He told that they are one of seven of these sites in Virginia and most of the sites with the exception of one are located within the tobacco region and that is largely attributable to the mega site program that the commission has rolled out and we are now in the second year of that program with \$100 million being made available to the seven sites. He told that we are in the same line with all the companies that are developing businesses and locating there to work for NASA so this gives you what the Commonwealth is looking at in terms of what they expect and hope that Wildwood will be capable of. He told that not necessarily in

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the space industry in others such as automotive and medical. He told that they are also learning that it is taking a significant amount of time and resources to deliver for Wildwood and for the localities in terms of landing a company there is that we need to be shovel ready and site ready. He told that it means being able to eliminate the unknowns, master planning and providing fast track to construction. He told that the reason for this is companies when looking for a site to locate are hiring a site consultant. He told that one that has been in the news a lot lately is Caterpillar and they initiated their own internal process of finding a site and they also hired a consultant. He told that the site consultant looks for things to eliminate sites and what they are counting on in terms of the elimination is the unknown. He told that they are doing all these things and are doing the due diligence to be able to tell a company that this is the type of facility that you can build on our site. He told they are doing infrastructure studies because these things are important to companies. He told that they are steadily working to down the list so the end result will be that we will have a project that has eliminated all of the unknowns. He told that on the fast track construction most companies take 6 to 9 months to find a site and after that they want to be able to start construction immediately so that they can be in operation in a reasonable amount of time. He told that they are in the process of identifying contractors who build the scale of building so we can say that we have a list. He told that on a recent prospect they did not select us because we are still early on in the planning stages and they wanted to know about a lease back. He told that a lot of companies do not want to own a facility and maintain it. He told that he has spoke with Ronald Newman about getting their permits secured now so this gives you an idea of the level of preparation and the time that it requires to get the site ready. He told that another aspect is workforce and we need to be able to tell the company that we have qualified workforce and that we also have quantity. He told that it is important for us to work well with Marty Holliday and the Workforce Investment Board. He told that David Hutchins and Mike Maynard serve on that Board. He told that the three localities have financed the acquisition of the 167 acres and the cost to each is a combined \$5.3 million and each are financing \$130,000 annually. He told that with that investment when utilities are delivered in 2014 our appraisal estimate is \$10.5 million so this gives you a sense of the investment. He told that the infrastructure has come with a dollar for dollar match from grants from the Tobacco Commission, Department of Housing and Community Development, and the Appalachian Regional Commission. He told that they thought it was important that they invited tonight Mr. Bill Shelton who is the Director of DHCD who will speak about Regionalism. He told that Bill has a long history in community development and is very well versed with our region. He told that he is a graduate of Washington and Lee University and Commonwealth University and serves on the Board of Virginia Community College which is increasingly working with SBDC.

**BILL SHELTON – DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

Mr. Shelton told that he spent a summer in Galax when he was a teenager working construction and he stayed at the Roseland Motel for three months. He told that there was a field full of raspberries and it was a great place to be and it is good to be back. He told that he wants to talk about the importance of the partnerships and also about the

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entities and why it is so important from a State perspective. He told that he has worked in the economic development field for over 30 years and has done all kinds of projects. He told that he has worked on single locality projects, downtown revitalizations and a variety of different things. He told that he would like to tell you that they all were easy but the ones that have worked very well are the ones that have had partnerships with organizations that have had capacity to carry out projects and to craft those projects in ways that showed impact. He told that as you start thinking about how to go about Economic Development there are some key pieces and all of us have come to the conclusion that it is not possible to do this statewide with over 325 localities. He told that for most working around the State, strong regional partners are the key to effective economic development. He told that several years ago there was a dark cloud over this area with the closing of the furniture plants and told that they tell this story outside of this area and use Galax as an example. He told that the first thing that you all did and probably the most important is getting together as a region and developed a strategy. He told that as an agency that administers funding, the ability to use that money effectively is dependent upon having a good clear purpose of accomplishment. He told that when multiple localities come together with a single voice is such a good thing. He told that he can't tell you where on projects in the middle of the budget someone splinters off and those projects almost never turn out because strategy is so important. He told that they work a lot with private businesses and they don't think locality, they think regionally. He told that they have no idea where an individual locality is but they understand regions and this is important in marketing. He told that he is interested in the efficiency of this and right now the resources are tight and budgets are shrinking. He told that capacity is important because when someone is ready to act they want seasoned staff that are ready to respond with one voice. He told that he is just one agency that makes investments and over the last 7 to 10 years and the building we are in was a regional strategy. He told that you all made it very easy for us to line up appropriations and Federal grants to invest in Crossroads Institute. He told that this is a model for the State and they tell others about it. He told that we used to talk about four lane highways and we don't build that many roads anymore and broadband became the new interstate. He told that they did investments for planning for broadband and BRCEDA was at the centerpiece of that and he doesn't think they could have done it without a regional partner. He told that they are most impressed with what you envisioned and accomplished and that it was based on entrepreneurship. He told that it is easy for them to invest because they see the strategy. He told that they talk a lot about cultural heritage and all of the counties in Southwest Virginia came together and it is not easy because it is tough to see what is in it for your locality. He told that in Southwest Virginia just from his agency there has been about \$50 million of investments throughout the region. He told that they understand that would not have happened without regional cooperation. He told that on Downtown Revitalization they know that are going to restructure the economics of the community. He told that it is logical for a lot of the businesses to locate in Galax where there is a concentration of people that travel to the area. He told that you can do that on a locality by locality basis but BRCEDA as a partner has been key for them to come into some of the very small towns and be able to carry out redevelopment activity. He told that Wildwood is a huge facility and it is a long term strategy. He told that in the late 1980's there was a Southwest Virginia Economic Development Study where they identified that

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one of the key impediments was the lack of industrial sites. He told that a couple years later they made a \$10 or \$15 million investment for 21 industrial sites. He told that they tracked that for 10 years and there were 4000 jobs located on those properties. He told that it didn't happen in the first year, it was more like the 7<sup>th</sup> or 8<sup>th</sup> year but developing industrial sites is key and it is a long term strategy. He told that to him regionalism is the organizational capacity, vision and the enablement of investment. He told that you cannot do it without a unified approach and they need the partners at the community level. He told that you are a model for the rest of the State and they go into other areas and talk about how you can respond. He told that with the economic challenges you could have easily said that it is too overwhelming. He told that you responded by increasing your organizational capacity and investing in yourselves. He told that it is such important work and he looks forward to more successes.

### **MIKE MAYNARD – BRCEDA**

Mr. Maynard told that Mr. Shelton is a true leader and there have been a lot involved in this effort. He told that we didn't naturally come to this, we were pushed along by DHCD who saw an opportunity for collaboration. He told that he never remembers going to DHCD with a reasonable request that they didn't get support for. He told that they are a great partner and we work well together and we could not be where we are without their support. He thanked Mr. Shelton for coming and told that we have a couple legislators with us tonight and want to give them the opportunity to update us on any news that they have.

### **GENERAL ASSEMBLY DISCUSSION**

Senator Bill Carrico told that it has been an interesting session and they have had many fights in the Senate that they normally don't see because of the 20/20 split. He told that the Lieutenant Governor has broken more votes this year than he has in his whole career. He told that they have accomplished quiet a bit and the only thing that they haven't finished is the budget and that is what is most important to you. He told that they have had many attempts at the budget and are finally to the point where they have agreed upon a budget that they feel we can move forward on April 17<sup>th</sup> and then they will take up all the Governor's amendments on the 18<sup>th</sup>. He told that he has been back and forth in conversations about this budget and there are some things that he doesn't like as well as some things that he does. He told that in order to keep the State from falling apart financially we have to accept some of the things and move forward. He told that there is still some contention still in place and there are some concerns if the Senate will reach an agreement but he feels like they probably will. He told that he still has some concerns and he has been talking with the Governor's office. He told that local government and everyone else is concerned with the retirement piece. He told that he really didn't agree on it at this time and thinks that financially with what local governments are going to have to shell out that they should have delayed it. He told that we are 30 years out from having to fix it and we are trying to do it in one year. He told that even though he objected to it, it still went through. He told that you all will see some increases in requirements by paying for this portion by passing it on to your employees. He told that

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most of the focus this year has been on the economy and that is basically what his bills have been. He told that his district goes from Grayson County to Cumberland Gap and there are a lot of issues about economic development. He told that he and Mr. O'Quinn partnered in some to try to address those and they had a facility use tax bill to help Bristol City compete for a project and they were successful. He told that they had an extension of the sunset clause through the mining industry that is a severance tax to advance employment in the coal fields. He told that they worked together on the prison and he wants to let you know up front that the House took the prison out of the budget so that is one of the things that he has been back and forth with the Governor over. He told that they facilitated a meeting early and he along with Jonathan Sweet went to the Governor's Office to discuss that the prison is a major issue for the Twin County Region. He told that we are seeing Regional Jails impacted tremendously and by the end of this biennium the number will be around 6000 state committed inmate who are in regional jails not to mention that we are about 140% over capacity. He told that there is no reason that we should moth ball a State Prison sitting in Grayson County. He told that he has been working on it since 2006 and explained to the Governor and his staff today that he is tired of being put off regardless of what the House wanted to take out and it is his turn to step up. He told that out of 24 bills, 14 of his Senate bills passed. He told that some were repeat bills like drug testing for TANF benefits and for unemployment. He told that the fed's came down hard on him for that one. He told that when he sat down with employers and ask them what the most important thing is about job creation and why can you not expand. He told that each CEO told that 9 out of 10 people who apply will not or cannot pass a drug test. He told that we have a problem and this is one of the issues that he brought before the General Assembly. He told that he was successful in the drug monitoring program for prescription drugs and also for asset forfeiture where it is easier to take property. He told that we are working on the problem. He told that career development diplomas will help students to be ready when they go into the workplace. He told that in politics focuses get onto one issue and progressive society hears one thing but doesn't realize exactly what they are doing. He told that we want you to understand where we were throughout the process.

Mr. Bill Webb ask about the bill for taking property.

Senator Carrico told that asset forfeiture prior to this was for each offense that is committed; if you were the dealer there is a separate section to go after the property or the money. He told for the person who possessed it, the vehicle that they were in there is a separate section and for the king pin act there is a different section for that. He told that it was cumbersome for the locality and Commonwealth Attorney's throughout the State to go after these properties because they had to go over each section. He told that they took all of that and combined it into one section so there is only one form that they have to do now. He told that it made the process more streamline to where it is not so expensive to go after the property.

Mr. Keith Barker asked about VDOT road funding. He told that that funds are shifting towards shared services with localities and maybe shifting maintenance to the localities.

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Senator Carrico told that in the last 10 years they have really struggled with this and what you are seeing is a more focused effort on road construction rather than road maintenance. He told that funds are leveraged more towards building the third crossings in the Hampton Roads area and in Northern Virginia. He told that selling bonds in order to build roads are absorbing a lot of the money and that doesn't meet the \$500 million per year deficit on road maintenance. He told that when all the money is being focused on construction the localities are left with a hardship to try to do road maintenance. He told that there was an attempt to do a fuel tax but it was defeated because there was no clear indication that the money would be used for maintenance. He told that he feels that what needs to be addressed in the future is the more roads we build the more maintenance that has to be done. He thinks in the next year when they focus on this that they have to come to an understanding that we are never going to cross the bridge until we start addressing the instability of funds. He told that what we have back filled for car tax relief has left us with about a \$1.6 billion hole. He told that they may look at a tax increase on fuel or reinstate a portion of the car tax or a tax at the pump. He told that he doesn't think the localities will see any relief until we have a Governor who will take the lead and the General Assembly can't piece mill this together. He told that there has to be an executive effort to lay the plan. He told that an example is if you add ½ cent on sales tax it would only produce \$300 million so you are still \$200 million shy. He ask why should they vote for a gas tax because the governor is not going to sign it so it is defeated before it is started. He told that it will have to be addressed or you will continue to see increases at the local level to try to maintain the highways.

Delegate Annie Crockett Stark told that one of the budget bills she put in asked for \$93 million for Southside and Southwest Virginia to get back the 6 year road plans. She told that every time the Secretary of Transportation saw her coming he ran the other way but if we don't ask they will forget that we are here and that we need it. She told that first by law is always construction, second is paying debt and at the sixth level is the 6 year road plan. She told that she does keep pushing because we need it. She told that she has been very upset with a bill that came through where the Transportation Board will be reworked and she wanted more added to it. She told that right now we are represented in 2 locations and have an at large member and it is being changed to make it one person for 29 counties. She told that Northern Virginia will get 3, Hampton Roads will get 3 and Richmond urban area will get 3. She told that she went to her Northern Virginia colleagues and said take your 3 but leave ours in place because we have a name of someone that we can go to. She told that she fears in a few years that the one person will be such a small voice that we won't be heard as much as we are now. She told that she does not want to sound negative and she apologized but they are happening. She told that she wants to needs to be met and they are not going to be as long as the problems exist in Northern Virginia. She told that the problem will always exist because there are now 8 million people in Virginia and we have to keep speaking up and putting in those bills. She told that if they want to drop their drawers for her asking for \$93 million then let them do it and she didn't just come up with that number it is the amount that we lost in 2001 for the 6 year road plan. She told that right now they are fixing bridges and last night at the Wythe County Board of Supervisors meeting one of the bridges that is being

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fixed is going to cause a detour and one of the owners is very upset that the bridge is going to have to be closed but it is structurally damaged. She tried to explain that closing it for a few months opposed to forever is better. She told that one of the main problems is communication because she was only told about it two weeks ago. She told that VDOT used to send the Board of Supervisors as sheet telling them where they were working and what they are doing and we need to encourage them to start doing that again. She told that the lady was really upset because she had already ordered her gas and supplies for the store for the summer and she will lose business during the construction. She told that we need to communicate together on these things and if things are coming and she knows about them she will tell you and she will talk to the Secretary of Transportation this week. She told that we have 22,000 bridges in Virginia and most of them are 40 to 60 years old and some of them are structurally damaged. She told that she did carry some drug bills and she continues to carry a meth lab bill because it is a major problem. She told that it does make a difference when big companies come in and statistics show that 85% of the people under 30 years old are not drug free so we have to continue to work on it. She told that she is an infrastructure person and when she was on the Wythe County Board when they were working on the Progress Park and they finally had to blast down a mountain and they had some many years to get something there or they would have to pay back the money. She told that finally Gatorade came in. She told that there was a two year hold up because an environmentalist told them that they thought an Arizona owl had migrated through the area. She told that there is major beautiful land and as she came through tonight she noticed some real estate that will be auctioned off in the same vicinity. She told that environmental issues have been a problem for industry and it stops growth in Virginia. She told that she looks at Carroll County and we have a lot of incentives to offer and they have New River and prime property. She told that you cannot separate industry from education. She told that she is real excited about Wildwood and she thinks water and sewer are the most important things. She told that she is excited to be working with you and hope that you will let her know when there are things we need.

Delegate Israel O'Quinn told that he is happy to be here and told that he has been in his new 5<sup>th</sup> district office for four months. He told that it is good to see Bill Shelton here and he is a good working partner for them. He told that the speaker was very adamant that freshman only needed to carry two or three bills so he put in eleven. He told that he was fortunate to be able to pass the majority of those. He told that the old saying of hang together or hang separately is very true once you get out of the confines of Southwest Virginia. He told that he is glad to be here tonight because there is a lot of regional cooperation. He told that the Southwest Virginia delegation is a hard working group who understands the importance of pulling in the same direction and they did that on a number of things. He told that they fought a lot of bills that were risky schemes for those at the local level. He told that they fought against the VRS bills and this is a 30 year problem that they attempted to fix in a couple hours. He told that something needs to be done but trying to fix it in one swoop is not the way to do it. He told that everyone in Southwest Virginia voted against that. He told that they were successful in the machine and tools tax. He told that many times when it comes to making an economic development deal this is a great piece of bait to get the industry here. He told that in many localities it



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would have meant a tax increase and it was one of those risky things. He told that on the prison between the two of them they have worked on it every single day during the course of the session. He told that economic development a lot of times are not for those who want and need instant gratification. He told that it is long term process and takes so much work but we have one that is an instant economic development deal and they have made the case over and over. He told that the transportation board is frustrating and it means that rural Virginia continues to lose a voice when it comes to how the money is spent. He told that he has only been in office for four months and has been involved in a lot of different things. He told that if there is anything that he can do all you have to do is ask. He told that he sits on the Tobacco Commission Board and they have invested in Wildwood and it is in a position to be extremely successful. He told that broadband is not the wave of the future, it is the wave of now and we need to continue to get the infrastructure in place. He told that he travels throughout the district on a regular bases so if there is anything that he can do just let him know.

Senator Carrico told that he wants to add one more thing, a lot of you have heard about the local fines that are going to be taken away and put into the literary fund. He told that they thought it was beat but it was brought back up. He told that he can't explain how the formula works but basically they take half of the local fine dollars, take 40% of that and send 60% back to the locality. He told that 40% now will only affect two of his counties, Wythe and Smyth. He told that if Carroll or Grayson meet the magic number of 40% then everything you get above that will go back to the State. He told that he has worked with them and is hoping he can convince the Governor to take it out because he thinks the worst thing you can do is take money away from the localities. He told that coming from a law enforcement background, you cannot ticket for profit and in the late 50's when radar came into existence the government told that there has to be a divide because they were not going to incentivize to go out and write tickets because that makes corrupt departments. He told that the State set up the literary fund that funds education and teachers retirements. He told that it is simple and if localities will set up a infrastructure fund that the dollars are diverted to for the fines then the whole argument is solved. He told that we can fix this but the localities have to work with us. He told that his argument was if you take it away you create a \$4.1 million hole in the budget and the localities lose the resources because they use the money to pay the officers that are out there writing the tickets and they are not going to be there. He told that if he was in the locality he would say he is not going to send money to the State so once we get at this number lets go to the house. He told that if they will not fix it they will go back next year and try again.

## **CLOSING**

Mr. Maynard told that they have been doing this event for about five years now and there is not another time during the year when they get a chance to get together. He told that he hopes that it has been beneficial. He told that they do not have all of the answers and if you heard something tonight that causes you to think you can get in touch with any of the BRCEDA members. He thanked Mr. Shelton and the General Assembly delegation for coming.

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Senator Carrico told that it is his 25<sup>th</sup> wedding anniversary and he is going back to Richmond.

Delegate Stark told that she will be fighting for the localities. She told that you need to read all the way through the document because the important stuff is on the last page. She told that she was reading a bill that her roommate brought up and as she was reading it she stated that this is going to hurt localities. She told that her roommate stated that she doesn't think that any locality should be able to have a penalty for late taxes so she told her that she would have to speak against this and her roommate replied that she would find her things in the hall. She told that the bill was beat 80/20 so sometimes the ones that they beat are the best. She told that Senator Carrico saved one where motorcycle riders wanted peripheral vision only so when you put on a helmet your peripheral vision goes away. She told that Senator Carrico stood up and ask if anyone knew what peripheral vision was and there was one to make kidnapping a cat a felony. She told that there was another one where any sport that required a ball could not be played after 6:00.

**ADJOURNMENT**

Upon motion by Mr. Hutchins, seconded by Mr. Hendrick and passing, the Board adjourned.

All respective Boards adjourned as well.

(Order)

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Chairman

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Clerk

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