

December 8, 2014

The Carroll County Board of Supervisors held their regular monthly meeting on, December 8, 2014 in the Board Meeting Room of the Carroll County Governmental Center.

Present were: David V. Hutchins  
Phil McCraw  
W.S. "Sam" Dickson  
Dr. Tom Littrell  
Joshua A. Hendrick  
Bob Martin  
Nikki Cannon, Assistant County Administrator

Mr. Hutchins called the meeting to order at 3:30 p.m.

Mr. Hendrick lead in invocation and pledge.

Mr. Hutchins told that yesterday was Pearl Harbor Day and Saturday was the tree lighting and we had three of the supervisors there.

Mr. Martin told that it was really well attended. He told that the weather had been rainy and it cleared up at the end. He told that Sam and Dr. Littrell threw the switch. He told that it was a nice time and there was food in the Carter building. He told that the streets were full and he was surprised that there were that many people.

Dr. Littrell told that he had the privilege of carrying Ms. Carroll County in the parade. He told that there was a crowd of people all the way down the road and people were very receptive.

Mr. Dickson told that when you try something new he is sure there were problems but they had many entries in the parade and it was very well attended. He told that there were three fires at the Courthouse and the Carter Home was decorated and it was beautiful. He told that the Mayor helped pull the switch and everything went good. He told that Zula Coleman was Marshall and he told that he appreciates that staff that worked so well together with the Town.

Mr. Hutchins told that he had a previous commitment and he could not attend. He told that the Rec Department will be showing the Polar Express on December 20<sup>th</sup> at 5:00 p.m. at Woodlawn School. He told that the ticket that he has gives one child a round trip ticket to the Polar Express and you come in your pajamas and get to see Santa. He told that it is a great thing.

(Order)

#### **APPROVAL OF MINUTES**

Upon motion by Dr. Littrell, seconded by Mr. Hendrick and passing, the Board approved the minutes of the meeting on November 17, 2014.

#### **VOTES**

Mr. Hendrick	Yes
Mr. McCraw	Yes
Mr. Hutchins	Yes
Mr. Dickson	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

#### **APPROVAL OF PAYROLL**

Upon motion by Dr. Littrell, seconded by Mr. Hendrick, and passed unanimously, the Board approved the payroll for December 2014 and did authorize the Chairman and Clerk, along with Bonita M. Williams, Treasurer, to sign checks for the January payment of salaries and wages for all County officials and employees as previously budgeted by the State Compensation Board and this Board of Supervisors.

VOTES

Mr. Hendrick	Yes
Mr. McCraw	Yes
Mr. Hutchins	Yes
Mr. Dickson	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

**CONSENT AGENDA**

Upon motion by Dr. Littrell, seconded by Mr. Hendrick and passing, the Board approved the Consent Agenda.

VOTES

Mr. Hendrick	Yes
Mr. McCraw	Yes
Mr. Hutchins	Yes
Mr. Dickson	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

**RECREATION ALLOCATION**

Upon motion by Dr. Littrell, seconded by Mr. Hendrick and passing, the Board approved an allocation in the amount of \$500.00 for a donation received from Jeff Johnson Chevrolet.

VOTES

Mr. Hendrick	Yes
Mr. McCraw	Yes
Mr. Hutchins	Yes
Mr. Dickson	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

**IN GOD WE TRUST RESOLUTION**

Upon motion by Dr. Littrell, seconded by Mr. Hendrick and passing, the Board approved the Resolution.

VOTES

Mr. Hendrick	Yes
Mr. McCraw	Yes
Mr. Hutchins	Yes
Mr. Dickson	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

**ANNUAL BONUS**

Upon motion by Dr. Littrell, seconded by Mr. Hendrick and passing, the Board approved the annual bonus allocation by Department.

VOTES

Mr. Hendrick	Yes
Mr. McCraw	Yes
Mr. Hutchins	Yes
Mr. Dickson	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

**SHERIFF ALLOCATION**

Upon motion by Dr. Littrell, seconded by Mr. Hendrick and passing, the Board approved an allocation for transfer from Narcotics to purchase a new drug dog in the amount of \$13,000.

VOTES

Mr. Hendrick	Yes
Mr. McCraw	Yes
Mr. Hutchins	Yes
Mr. Dickson	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

**IDA UPDATE – BARRY HICKS**

Mr. Hicks told that it is a pleasure to be with you this evening to bring an update about the activities of the Industrial Development Authority or “IDA” as we know it. I would like to recognize the membership of the IDA (of which several are here with us this evening):

Mr. Clinton Willie serves as Vice-Chair, Mr. Larry Chambers serves as Secretary and the regular members include Mr. Andy Jackson, Mr. Roger Wilson and Mr. Richard Sowers and as introduced, I am Barry Hicks and I am currently serving as the Chair since July of 2014. I have been an IDA member for the past 10 years. County Administrator, Gary Larrowe serves as the IDA Executive Director and Ms. Sandy West serves as the Treasurer.

Before I continue, I would like to recognize our former Chair of more than 20 years, Mr. Richard Slate Sr. Richard was an inspiration and even just days before his death at age 93; he was still working on ideas of further developing Carroll County and trying to provide a better way of life for our citizens. We owe much to Richard Slate as a community!

As you know the IDA has not been on the agenda with the Board of Supervisors in at least 15 years or longer. This has not been because we had nothing to report; it is because we have worked with you and previous boards to provide a hand in glove relationship to carry out projects the BOS requested. We have always worked to keep the BOS updated on the efforts of the IDA and the BOS has provided information to the IDA, just not in the forum of a BOS meeting until today. We have had several projects going on and felt as if it was time to provide a complete picture as to our work. Just like with snacking all day, you can never really remember the food you have had, however if there was a single delicious meal, it is better remembered. This evening, I would like to deliver the 5-star dinner that will be remembered for not only today but for years to come.

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To give some context, the IDA has continually served Carroll County in basically a “stealth mode” without being political in nature. During my 10 years of service, I cannot recall a single decision based off of a political motive, plus we have never had an IDA member who was an elected official during the time of serving. We feel as if this path gives the IDA a very unique way to carry out projects that get accomplished without the publicity and pressures of the political world and allows the IDA to operate and benefit Carroll County in a more productive way. The IDA holds the borrowing capacity of the County and can carry out projects with precision and efficiency. Matter of fact, even this building that we are in tonight is technically the property of the IDA, however the BOS provides the financial resources to make the payments. We are not boastful Landlords, because we understand that ultimately the property belongs to the citizens of Carroll County. We are just in the lead corporate structure to carry out business on your behalf.

The Carroll County IDA has come a LONG way over the past few years. And especially since June 16, 2005, prior to my service when the IDA was told by the then County Administrator that “we were not needed and would need to meet on an as need basis”. On June 17<sup>th</sup> (next day), that same person who said we were not needed was dismissed (not because of the IDA) and we continued carrying out the work of Carroll ever since. As a side note, I would like to point out that the IDA was NOT involved in the AmerLink issue at all and if we had been allowed to be involved, we might have possibly saved Carroll County many resources however we were squeezed out of the process.

We are very proud, that according to the County and IDA Auditors, (Robinson, Farmer, Cox), the Carroll County IDA is the most active and productive IDA in western Virginia and carries out more business than several entire counties that they serve across the Commonwealth. This level of activity does not happen by accident, it is strategic and planned with the end goal in mind of making Carroll County a better place for our citizens to live work and play.

The Carroll County IDA is not scared to take on projects that others would avoid. We have even carried on projects in other localities such as the build out of the “Results” project at the Crossroads Institute in the City of Galax which employees over 200 people.

And the Carroll County IDA provided a \$30,000 grant to the Crossroads Institute to create the Higher Education Center in Galax, where our local citizens can obtain a B.S. or M.S. in various programs through many Colleges and Universities. The IDA grant was the final piece necessary to allow our citizens the ability to better provide for their families though having four or six year degrees. We understand that a highly trained workforce is key to a prosperous and vibrant community.

Other projects we have carried out include:

The initial development of the entrepreneurial business development program in 2006 under the direction of Dr. Dallas Garrett, that has morphed into the Small Business Development Center (SBDC) was a program developed in our meeting. The SBDC is credited for more than 1,200 new jobs in our region during with more than \$54 million in capital investment. As a matter of fact, several of you were in attendance when the SBDC had a ribbon cutting to open a record 85 new businesses in a single evening during the recession of 2008. As you know, this was NOT typical of many communities across the nation or around the world at that time! While folks around the world were “jumping off the boat around the world”, we were investing in ourselves and the results were that we had a un-employment rate some three (3) points less than we would have had without this single program.

We worked with Blue Ridge Concrete to lease some IDA property to them for a second operational location and now they have actually purchased the property because we assisted when they needed it.

In another case, the IDA assisted Mohawk to solve a power surge problem with the purchase of an Omniverter or otherwise known as an industrial power back up system; we provided cost share with a tied performance agreement that mandated that they stay in

our community for a specified period of time or pay back the Carroll investment. After many meetings with corporate officials, the IDA carried out the project on behalf of the BOS. You can be assured that the senior management of Mohawk Industries knows of the assistance we provided. Mohawk has told us that Carroll County has provided amazing service to them and shown that we want them to stay here and expand. As a result, they want to continue to be here for many reasons such as the quality of workforce and their connection to the leadership of Carroll County and the corporate assistance we have provided.

As you know, we had another opportunity to assist Mohawk that has resulted in a win/win situation. In the fall of 2012 when Mohawk told us that they were spending \$1.2 million more per year in energy cost than they could afford. They wanted to convert their operation from liquid fuel to natural gas. Even with a 24-inch high pressure natural gas line in Carroll County, there had never been a molecule of natural gas sold until the IDA intervened. The natural gas company (Atmos Gas) with the authorized power to assist Mohawk allowed their certificate to operate in Carroll County to expire and we had to take over the project. We worked as a team with many players such as Sands Anderson, the SCC, VDOT, Landowners, East Tennessee Natural Gas, Spectra Energy, Roanoke Gas and contractors in a quick process to get natural gas to Mohawk and by doing so, the heat you are enjoying this evening is being provided by the IDA natural gas line while saving the County money over the fuel oil we had been using. According to the State Corporation Commission (SCC), the IDA had the ability to construct the line without a "rate case" or other approvals from the SCC, however the IDA cannot operate the line. Whereas the County could not build out the line, but could operate it, and sell natural gas to the local customers. So, as a coordinated team, we took the task on.

One of the great things associated with this project was that we negotiated with Mohawk Industries that they would pay for the full line extension cost. Our cost estimates were \$1.5 million for the 3.4 mile of 6-inch low pressure line. Mohawk agreed to contribute the \$1.5 million and when the project had a cost overrun of \$200,000, Mohawk (in the blink of an eye) wrote the IDA a check for \$200,000 and was happy to do so. This was because we were working so well together as a team, Mohawk agreed to contribute the \$200,000 above their contract for a total project cost of \$1.7 million.

The natural gas was turned on at Mohawk on April 15, 2013 and as of October 17, 2014; (18 months) Mohawk had recovered the entire cost of the line extension. For every day from October 1, 2014 forward, Mohawk is saving more than \$3,200 every single day! This converts into the fact that the Carroll County Mohawk Industries plant is one of the Most efficiently ran plants in the entire Mohawk system that operates around the world.

Plus, as a result of the project, Carroll County now has natural gas and is the ONLY County in Virginia who owns and operates a natural gas transmission and distribution system and have twenty-one (21) business, industries, non-profits and government customers who are saving dollars in a highly efficient and clean burning energy source. The natural gas system has created a level of excitement for many folks to take advantage of the line over the future. It is a goal of the IDA to be able to extend services to other areas of the County and beyond through creative means. Also, we assisted in extending the line to Carroll County High School, and the Carroll County Industrial Park.

With the support of the BOS, the IDA borrowed \$5,932,500 for the HVAC/ STEM Lab project at CCHS. The IDA carried out the project and had enough money to include a roof replacement as well. We still "may" have a few dollars to assist at CCHS since this project is not closed out yet.

The natural gas line extension in the Carroll County Industrial Park has resulted in a record of four (4) Industrial announcements during 2014 with a total of 306 new jobs this year. We also had an announcement in 2013 with 75 jobs. And the icing on top of the cake is that the Carroll County Industrial Park is completely full. This has never taken place in Carroll County and we are very proud of this fact!

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The premier project has been the planning and development of the STEM Lab for Agriculture at CCHS. As you know, Carroll County was the first County in the nation to have Vocational Agriculture taught in the k-12 setting from the federal Smith-Hughes Act of 1917. And Carroll County has provided another link in the chain of history by having the first STEM Lab for Agriculture in the nation. STEM represents Science, Technology, Engineering and Math education. We feel as if the best way to teach STEM is by utilizing Agriculture as the carrier subject and others are agreeing. We have had publicity in more than 23 TV markets in 17 states and are getting inquiries from around the country because of this innovative program. It is rare when a k-12 program can attract business, however we have seen this take place and feel certain more folks will flock to the concept.

All of these projects had the fingerprints of the IDA and the BOS. With the assistance of the BOS, the IDA purchased the two vacant Gildan buildings for \$1.2 million in the Carroll County Industrial Park with a plan to fill the buildings with growing companies. The repayment on the financing of the two buildings occupied by Classic Creations and VA Produce has not kicked in as of yet, however once the payments start coming in, the IDA will be paying the BOS back your invested funds. This will take place in the future.

When negotiating the VA Produce expansion, the IDA leased the “old” VA Produce building and now has sub-leased the facility to Andrews Farming and ANDCO Logistics for forty-three months (43) and created another 51 jobs with an annual salary of \$51,000 each. Rather good pay for Carroll County. These companies, in large part are now located in Carroll County due to the development of the STEM Lab for Agriculture. The “network of economic development” is truly being utilized in Carroll County.

The IDA also had an opportunity to bring Vanguard Furniture to Carroll County with 200 new jobs. This involved the IDA purchasing the former Parkdale building for \$1.7 million (\$1 million cash and \$700,000 in a gift tax credit to the IDA) with the assistance of the BOS in an exceptionally FAST turnaround. The IDA has also invested \$300,000 in up fit to the property that has included a new HVAC system, employee parking lot and a new road that encircles the building. The IDA is also committed to provide \$200,000 in additional up fit as the company grows within two-years with additional HVAC capacity.

The IDA has assisted Carroll County in other ways also, such as providing the availability fees for the various PSA water and sewer projects and now managing the Woodlawn School re-development project.

The Woodlawn project was handed to us during the change of IDA Leadership and after the sad death of Mr. Slate plus we have had three of the four announcements this year at the same time. So, we are not as far along on this project as we would like, however we have been making progress even with the pressures of the other projects and issues. The IDA did accept a bid to remove the fuel tank across the road from the school and now has a set of clean EPA documents on the property. There were NO fuel leaks and the tank was successfully removed. We are also working with the Virginia Housing Development Authority (VHDA) to gather their assistance in redeveloping the property. We have also approved a contract with a Consulting Forester to assist the IDA with a potential timber harvest on the property and have been working with the Recreation Department and Commission to save the Gym and fields for continued community use. It is the thought of the IDA that the community paid for the property and should be allowed to continue to use the property for community benefit. It is our hope to get a Request For Proposal (RFP) out for the re-development by the end of February 2015 with the assistance of VHDA.

Carroll County is being recognized as a leader in economic development and the way we conduct business in the Commonwealth and around the United States. As you know, the National Association of Counties (NACO) recently released their publication about resilient communities where 13 counties were featured. Carroll County was one of the 13 counties that took the honors in this publication as you can see from the publication you have before you (publication shown). NACO said, “as a small rural county, Carroll County has used a variety of initiatives to spur economic development. In response to the long term decline of some of the local manufacturing industries, Carroll County officials

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work to provide economic development by retaining existing industries, helping small businesses grow...” the article goes on to say, “these efforts show that the county strives for a diverse economy that improves the well-being of its citizens and the resiliency of the county”. As IDA member, Larry Chambers said, “this positive nationwide publicity for Carroll County can NOT be purchased”!

Now, I have provided many of the good things that the IDA has done or doing and would like to ask you for something. Do not get scared, I promise it will not hurt! As demonstrated, the IDA has been working to assist the County in any way possible and with your permission; the IDA would like to take over the Wildwood Commerce Park payment for 2016 budget year if allowed to do so. We would like to provide you a check today (if you promise not to cash it until after July 1, 2016) for **\$118,856** that is equal to the Carroll contribution to the Wildwood Commerce Park. It is the hope of the IDA that this contribution will assist your budget process. (Check presented) I’m not done, however I only have just a couple of minutes more.

Everyone likes to join a winning team and since the Wildwood Commerce Park is THE premium Mega Site in VA, the IDA wishes to jump on board with more than words of encouragement, we wish to put our cash where our heart is located in serving Carroll County. We hope that we can provide more support in the future, however we never know what other projects may be coming, so we will address the needs of Wildwood on a year to year basis.

Also, almost like a Lottery winning check that is presented in full and paid out over 20 years, the IDA wishes to present a check to the BOS for the payments we are making to you on the Parkdale/ Vanguard Furniture property. Every month since August of this year, we have been making a \$10,606 payment to the BOS as a repayment of the \$1 million you paid the IDA so that we could purchase the Parkdale building that in-turn landed the project. This payment will be made every month for the next 10 years and equates to a 5% return on your money, we suspect this is a MUCH higher rate of return than on any other invested funds you have, PLUS we have the 200 new jobs with an annual salary of over \$40,000 each and the company is purchasing water and sewer services, natural gas and paying machinery and tools tax. By the way, Vanguard is seeking employees, so, if you are interested, you may wish to go to the VA Employment Office and apply!

Therefore, the IDA wishes to present to you a “Lottery style” check that will be paid back to you over the ten (10) year period of financing in the amount of **\$1,272,720** (Check presented)

The IDA is proud of the efforts that have taken place since we were told we were “not needed any longer”. We would challenge any like sized county IDA in the Commonwealth or nation to make contributions back to the community on the same scale that we have been blessed to have done. Plus, we are doing this work with only one part-time hourly employee. We operate a highly efficient operation. We may not be large in employees, however we are mighty in strength and what we have done as a team effort. We applaud you for “allowing us to operate” without constraint and pray that this cooperative arrangement continues on for many years to come.

I know this has been a long report and I appreciate you NOT setting off the buzzer and I hope that you will allow the IDA to come back in the future for more reporting.

This year... Virginia and Carroll County, there is a Santa Claus and he seems to be in the form of the Carroll County Industrial Development Authority so, ...Merry Christmas to ALL!

Thank you for your time and attention.

Mr. Dickson told that he rode up to the old log house where Amerlink was and asked if IDA owns that.

Mr. Hicks told that the IDA owns it.

Mr. Dickson told that he noticed they are busting up the concrete on that slab and asked if we have something that might come there.

Mr. Hicks told that he thinks that is a possibility.

Mr. Dickson asked where the concrete is going.

Mr. Hicks told that it is going to Kevin's to help out with the parking area.

Mr. Dickson asked if any of that slab is going to be left.

Mr. Larowe told that they are taking it all down. He told that it was never constructed under building codes.

Mr. Dickson told that it did have plumbing and electrical.

Upon motion by Mr. Hendrick, seconded by Mr. McCraw and passing, the Board approved to accept the Wildwood payment for the year.

VOTES

Mr. Hendrick	Yes
Mr. McCraw	Yes
Mr. Hutchins	Yes
Mr. Dickson	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

**DUGSPUR RESCUE DISCUSSION**

Mr. Martin told that the issue has been settled. He told that they had a concern about the way the rescue squad building was deeded and it was settled to their satisfaction.

(Order)

**CITIZEN'S TIME**

No one was signed up to speak.

(Order)

**SUPERVISORS TIME**

Mr. Hendrick told that he appreciated everyone coming out and wished everyone a Merry Christmas.

Mr. McCraw told that he appreciated everyone coming out and told everyone Merry Christmas.

Mr. Martin told that he loves the school system and at times it has been frustrating for him because everybody is your boss. He told that sometimes when you go to get permission to do something you have to have the patience of Job to go through all the approval. He told that he takes this opportunity to say that when you make decisions you are out front and you get rocks thrown at you. He told that he has a cartoon that has this guy in front of these guys hiking and the guy in front has stepped in a pit and the guys behind say that is why they never walk in front. He told that with that being said he would like to compliment Gary Larowe. He told that one of the things he admires about Gary is he is out front and he is leading. He told that he sort of thinks of himself where he is like help me or get out of the way because I am going forward. He told Gary that he sincerely appreciates the effort that you have done and he doesn't know how in the world

he got the gas in this county as quickly as you did. He told that it has been one thing after another and he has decided that it is easier to get out of the way and grab your shirt tale. He told that Gary has achieved a lot he congratulates him for that. He told that the problem with being out front is everybody throws rocks at you and a lot of times criticize because they don't know. He wished everyone a Merry Christmas.

Dr. Littrell told that he appreciates Barry's report and it was very informative. He told that it points out what the IDA is doing and how we can help them. He wished all staff, fellow board members and everyone a Merry Christmas.

Mr. Dickson told that he commends the IDA being lead by Barry and thinks they picked up an excellent replacement if you can replace the former Chairman. He told that he appreciates the work they do and he wishes they would come back more often. He wished everyone a Merry Christmas and a safe trip home.

Mr. Hutchins told that he would like to wish everyone a Merry Christmas. He told that this is a time of the year that often times we commercialize and he prays that we all stop and think of why we actually have the holiday. He told that it is the day that Christ was born and he is not ashamed of that. He told that he is very proud that this Board passed the resolution supporting the right to proudly display In God We Trust for Carroll County. He told that with the Boards approval he would like to ask Mr. Larowe to display that on the board behind us. He told that we need to have an organizational meeting and asked if January 5<sup>th</sup> would work.

Upon motion by Mr. Martin, seconded by Mr. Hendrick and passing, the Board approved to hold the Organizational Meeting on January 5, 2015 at 8:00 a.m. in the Board Room.

VOTES

Mr. Hendrick	Yes
Mr. McCraw	Yes
Mr. Hutchins	Yes
Mr. Dickson	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

**CONTINUE**

Upon motion by Mr. McCraw, seconded by Mr. Dickson and passing, the Board adjourned.

VOTES

Mr. Hendrick	Yes
Mr. McCraw	Yes
Mr. Hutchins	Yes
Mr. Dickson	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

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Chairman

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Clerk

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