

JOINT ECONOMIC DEVELOPMENT AUTHORITY AND NORTHAMPTON JOINT INDUSTRIAL DEVELOPMENT AUTHORITY MEETING MINUTES: APRIL 18, 2017

VIRGINIA:

At a joint meeting of the Joint Industrial Development Authority of Northampton County and its Incorporated Towns and the Accomack County Economic Development Authority, held in the Training Room of the Social Services' Building, 5265 The Hornes, Eastville, Virginia, on the 18th day of April, 2017, at 4:00 p.m.

Present:

Bill Parr, Chairman
John Pavlik
Billy Moore

John Burdiss, Treasurer
Steve Sturgis
Tim Rapine

Absent:

Steve Warren, Vice Chairman

Dan Brown

Also in attendance were the following members of the Accomack County Economic Development Authority:

John LeCato, Chairman
Stella Rhode
Ace Seybolt

Ira Ashby-Hope
Wesley Edwards

Vice Chairman Robert Bloxom and C. Ray Davis were absent.

Also in attendance were H. Spencer Murray, Chairman of the Northampton County Board of Supervisors; Larry LeMond, District 2, Northampton County Board of Supervisors; Linda Cicaira from the *Eastern Shore Post*; Janice Williams, JIDA Secretary; Kristen Tremblay, AEDC recording secretary; Curt Smith, ANPDC; and Charlene Gray, Northampton County Commissioner of the Revenue.

Call to order and Establishment of Quorum

The meeting was jointly called to order at 4:00 p.m., and both Chairmen announced that quorums were present.

Review and Approval of Agenda

By consensus vote, the "New Business" agenda was rearranged to allow for Supervisors Murray and LeMond to give their presentations and then leave due to a Board meeting later in the evening.

JOINT ECONOMIC DEVELOPMENT AUTHORITY AND NORTHAMPTON JOINT INDUSTRIAL DEVELOPMENT AUTHORITY MEETING MINUTES: APRIL 18, 2017

Canonie/Railroad Discussion – Summary and Open Discussion:

Prior to the meeting Chairman Parr distributed a document entitled, “A Research Brief of the Eastern Shore’s Rail Road Line and its Status”. This document is on file in the Office of the JIDA. He said that the railroad was an asset of the two counties and hoped this discussion would provide an opportunity to become more informed.

Supervisor Larry LeMond, the former Vice President & General Manager of the railroad, indicated that there were corrections needed to some items contained in the Brief. He said that when he started with the railroad in 1996, the traffic level was 8500 carloads. Following the breakup of ConRail in 2000, carload levels continued to drop due to the loss of overhead (through) traffic. However, Bay Coast Railroad currently makes more money with fewer carloads. Due to the loss of the overhead traffic, the barge, which was the most expensive part of the system, has not operated since 2012 .

Mr. Murray provided background on his service as a member of the ANPDC some years ago when it provided the loan to secure renovations to the rail barge. He noted that he was confused about the obligations of Supervisors who sit on the ANTDC, but questioned how both counties could help the railroad by a more valuable asset as part of the region’s economic development puzzle.

Mr. LeMond continued by indicating that prior to 2005, the railroad was in danger of closing and proposals were solicited for new management. Cassatt Management, owned by Dickie Foster, was selected and signed a 30-year management agreement, which is still successfully in place.

Virginia Port Authority Meeting with Cape Charles on April 17th:

In the absence of Mr. Bloxom, Mr. Wesley Edwards reported on a meeting held yesterday. He said that the consensus was that it was difficult for the railroad to make a deal for north-bound traffic with the former connecting carriers (Norfolk-Southern & CSX), who each want a “piece of the pie”. Mr. LeMond responded that Bay Coast Railroad is working with the new carrier to the north, Carload Express, and is hopeful that business opportunities will increase.

In response to a question from Mr. Sturgis, Mr. LeMond reported that there are ten local customers, three of which are year-round. On the Little Creek side, there are four very good year-round customers.

Mr. Edwards reported a rumor that two major employers in Accomack County do not want to do business with Bay Coast Railroad. Mr. LeMond said that Perdue is thinking about doing business through the Port of Cape Charles and that Tysons has needed a new feed mill for some time. Bay Coast Railroad worked with Tysons to locate several potential parcels in Accomack County and was working to secure state support for a new spur when Tysons decided not to pursue the project. He believes, based on comments heard at yesterday’s meeting, that Tysons may have changed its mind.

JOINT ECONOMIC DEVELOPMENT AUTHORITY AND NORTHAMPTON JOINT INDUSTRIAL DEVELOPMENT AUTHORITY MEETING MINUTES: APRIL 18, 2017

Mr. Murray reminded the membership that the region does possess several assets: Route 13, the railroad, the Port of Cape Charles, Wallops, the poultry producers and broadband. All are pieces of the puzzle and fit together.

Mr. Seybolt questioned if the JIDA/EDA could “pick and choose” a specific business to support and Mr. Parr indicated that it was possible. He suggested that a presentation could be made at a future meeting in the fall to follow up on legal avenues available to IDAs/EDAs for such support.

Lastly, Mr. Edwards reiterated that yesterday’s meeting did not go very well and that Mr. Bloxom was not optimistic that the project would succeed (not enough traffic to justify it) although they would continue to work on it. Mr. LeMond agreed, and noted that the rail barrage is still a piece of the Port puzzle to make things work.

Tourism Commission – Brief Presentation by Kerry Allison

In Ms. Allison’s absence, Mr. LeMond, Chairman of the Eastern Shore Tourism Commission, noted that the Commission’s annual budget was \$230,000, which was comprised basically of \$121,000 from Northampton County, \$95,000 from Accomack County, \$10,000 from Cape Charles, \$2,000 from Onancock, and \$2,500 from Exmore. Accomack’s funding to the Tourism Commission has increased every year but Northampton still contributes more.

In response to a question from Ms. Rhode, Mr. Parr said that the most important industries/issues of today were tourism and broadband. When she referenced the “glitch” between Tysons and the railroad, Mr. Parr suggested that perhaps the Accomack EDC could be the “catalyst” to bring the two parties together. Mr. LeMond invited Ms. Rhode to attend the next meeting of the ANTDC.

As an idea for future focus, Mr. LeMond said that we needed to find out how to construct a theme park/convention center to accommodate 500+ people. Mr. Curt Smith of the ANPDC said that this could be the synthesis with FEMA providing funds for emergency shelter needs which could also serve as a convention center.

Curtis Smith: Summaries on EDC Subcommittee Meeting and GO Virginia Initiative

Mr. Smith distributed a document entitled, “ANPDC Economic Development Planning”, which document is on file in the Office of the JIDA. The document described the membership of the ANPDC Economic Development committee, its mission, and the two regional economic development plans (CEDS and SET), which are being merged.

The GO Virginia initiative is a state initiative to generate “Growth” and “Opportunity” [GO]; i.e., bring new salaried, well-paying jobs to the Commonwealth. Regional councils have been established and projects are ranked for the \$10 million in available state funding. Mr. Butch Bailey is the ANPDC’s representative to the regional Hampton Roads council.

JOINT ECONOMIC DEVELOPMENT AUTHORITY AND NORTHAMPTON JOINT INDUSTRIAL DEVELOPMENT AUTHORITY MEETING MINUTES: APRIL 18, 2017

Steve Sturgis: Report on Agribusiness and Food Processing Subcommittee Meeting

Mr. Sturgis reported that he had attended a recent ANPDC Agribusiness and Food Processing Subcommittee meeting and a lot of good ideas were heard. He is concerned, however, that the main committee lacks representation from the production agriculture (i.e., crop farmers) segment of the industry.

Recess/Adjourn

The next meeting of the joint bodies will be held in Eastville on the third Tuesday of September, 2017, with time to be determined.

Motion was made by Mr. Pavlik, seconded by Mr. Sturgis, that the meeting be adjourned. All members were present with the exceptions of Mr. Warren and Mr. Brown and voted "yes." The motion was unanimously passed.

Chairman

Secretary