

Approved January 26, 2023

Industrial Development Authority of the Clarke County Virginia  
Board of Directors

October 27, 2022

Regular Meeting

1:00 pm

At a regular meeting of the Industrial Development Authority of the Clarke County Virginia, held on Thursday, October 27, 2022, at 1:00 pm in the Main Meeting Room, Berryville-Clarke County Government Center, 101 Chalmers Court, 2<sup>nd</sup> Floor, Berryville, Virginia.

Directors Present: English Koontz, Isreal Preston, William Waite, Ben Cochran, Rodney Pierce, Cabell Williams

Directors Absent: Brian Ferrell

Board of Supervisors David Weiss

Liaison Present:

Staff Present: Felicia Hart, Chris Boies, Catherine Marsten

Press: None

Others Present: James George

1. Call to Order

At 1:00 pm, Vice Chairman Cochran called the meeting to order.

2. Adoption of Agenda

Director Waite made a motion, seconded by Director Preston, to adopt the agenda as presented. The motion carried by the following vote:

Ben Cochran	-	Aye
Brian Ferrell	-	Absent
English Koontz	-	Absent
Rodney Pierce	-	Aye
William Waite	-	Aye
Isreal Preston	-	Aye
Cabell Williams	-	Aye

Director Koontz entered the meeting at 1:03 pm.

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3. New Members Introduction

David Weiss introduced Cabell Williams, the newest appointed member.

Chris Boies introduced James George, who will be starting a term on 10/31/2022.

David Weiss expressed thanks to English Koontz for her service over the past 8 years.

4. Approval of Minutes

- Remove Rodney Pierce from list of Directors Present, replace with Isreal Preston.

**Director Koontz made a motion, seconded by Vice Chair Cochran, to approve the minutes of the July 27, 2022 regular meeting as amended. The motion carried by the following vote:**

Ben Cochran	-	Aye
Brian Ferrell	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Abstain
William Waite	-	Aye
Isreal Preston	-	Aye
Cabell Williams	-	Aye

5. Secretary/Treasurer Report

Director Waite presented the following:

*FY2023 Year-to-Date Check Log*

- The only expenditures have been directors fees and the Laurel Ridge Small Business Development Center’s Civic Contribution, which was approved at the last meeting. Some bond revenue has been received, which was also discussed at the last meeting.

*FY2023 YTD Budget/Investments Summary*

- Riding the storm, it has been up and down. Currently investments are down a little bit, but in the scope of things have held pretty well. The portfolio is fairly risk-adverse.

- No corrections or changes suggested at this time.

Director Preston made a motion, seconded by Director Koontz, to adopt the proposed FY2023 Budget as presented. The motion carried by the following vote:

Ben Cochran	-	Aye
Brian Ferrell	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Aye
William Waite	-	Aye
Isreal Preston	-	Aye
Cabell Williams	-	Aye

## 6. New Business

### *Preliminary Discussion on Grant Opportunity for Commercial Kitchen*

Felicia Hart advised the following:

- The Agritourism Summit held at the Fairgrounds earlier this year determined that a regional commercial kitchen space was a critical need for area farmers and small business owners. Staff has done some preliminary reviews of grant opportunities; some of the grants require a dollar-for-dollar match and others require a certain number of new jobs to be created. This is being brought before the IDA board to see if there is an interest.
- Vice Chair Cochran asked if there was a location in mind.
  - o Felicia Hart responded that the fairgrounds is being considered as a centrally located option. The current kitchen would be removed and the commercial kitchen built in its place, which would then be managed by the Ruritans.
- Vice Chair Cochran asked if the Ruritans would be responsible for providing the matching funds.
  - o Felicia Hart responded that she would work with the Ruritans as they are already investing a good amount of money, but that the grants would require matching funds and management from the locality.
- Director Koontz asked who would use the commercial kitchen facility.
  - o Felicia Hart answered that small farm markets that are currently using home kitchens and are experiencing space limitations. Several new businesses are looking at opportunities to expand but would need to utilize a commercial kitchen space to do so. This would be advertised regionally and could bring in people from Winchester, Frederick County and other surrounding areas.

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- Director Koontz stated that there is a big trend for renting commercial kitchen space especially in big cities, but she is concerned about the actual local demand.
- Vice Chair Cochran asked if it would be viable for Rosemont to rent out their kitchen space.
  - o Felicia Hart answered probably not; Rosemont manages their own kitchens and uses them frequently. With the health department's strict rules and regulations, commercial use rental is probably not feasible for them. Smithfield Farm has a much smaller space but in the past, has been willing to allow use of the space during downtimes.
- Director Preston asked if the Ruritans would manage the space.
  - o Felicia Hart answered that this would be part of the on-going discussion. A lot of research needs to be done on the front end to determine details.
- Vice Chair Cochran asked how the IDA would be involved.
  - o Felicia Hart answered that these are very preliminary discussions but that the IDA may need to help with financing and managing the grant.
- Director Waite asked what the expected financial range is.
  - o Felicia Hart answered that this is something that requires research; these are still very early stage discussions. Staff would like to start by speaking with farmers and small businesses to identify their specific needs and researching the grant opportunities and what would be required of the locality and the IDA.
- Vice Chair Cochran queried if a commercial kitchen was defined by its equipment or by a certification.
  - o Felicia Hart answered both.
- Director Pierce asked if the kitchen at Parks & Recreation was considered.
  - o Chris Boies answered that the kitchen there is actually operated by the senior center and not the county.
- Director Williams asked how a commercial kitchen works.
  - o Felicia Hart answered that a commercial kitchen facility is essentially an event space: businesses would rent the facility and use it to produce their own wares.
- Director Williams asked if the kitchen would be available on a first-come, first-served basis and who would clean it.
  - o Felicia Hart answered - whoever uses the space is responsible for cleaning up after themselves; that would be part of the rules and regulations once everything is up and running.
- Director Williams asked if the commercial viability and/or the ability to get a return on the investment is a concern.
  - o Bill Waite responded that the IDA has an obligation to the County to provide opportunities for jobs and provide tax benefits through investments. There were significant inquiries about a commercial kitchen

- made at the Agritourism Summit that indicated lots of interest from surrounding areas.
- Director Koontz observed that the Sweet Elephant started its business baking out of their own kitchen, then grew the business and established their own commercial kitchen.
    - o Director Koontz added she is unsure if people will travel to use a regional commercial kitchen for catering preparation or personal chef uses.
  - David Weiss asked what the rules and zoning regulations are in relation to commercial kitchens.
    - o Chris Boies answered - a farm can have a commercial kitchen if it is part of the farming operation, but would generally need to be zoned commercial to be able to have the space available for public use.
  - David Weiss added that for a home food occupation you are limited to 25% of your home, which makes it more difficult for these types of business to grow. Would this commercial kitchen be a useful step in that process? The details would still need to be worked out to a huge degree.
    - o Chris Boies added that when you talk to the state about the future of agriculture, they tell these small farmers they must create a value-added product to sell in order to succeed. Not having access to a commercial kitchen is a significant limitation.
  - Chris Boies queried if the IDA Board members are willing to use IDA funds for the local match. If no, then taking the time to research and see if it is a viable project is not worth it.
  - Director Preston asked if it would cost anything to do the research; he is interested but the group would need to determine costs and logistics for the use of the space.
    - o Chris Boies responded that it would be staff time, which is limited.
  - Director Williams asked if there is an example of a successful commercial kitchen somewhere else.
    - o Felicia Hart answered that the kitchen Augusta County is starting was borne of needs during COVID. When farm markets were shut down, they had no place to get their meats processed and it hindered them because they had no other resources. There is no local example, but Fauquier County was able to get some classes set up and Augusta County is doing well with their development, including providing training for meat processing personnel.
  - Director Waite added that from his perspective it is a good idea to go further and understand what decisions need to be made. There is value here that the community sees, and economical value if done right, and we certainly ought to look at more detailed information.
  - Vice Chair Cochran agreed and stated, he would like to see the IDA get involved with this project if it makes sense.

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- o Chris Boies added there seems to be several commercial kitchens in operation today in NOVA, it may be an idea to talk with them and get some insight on how they manage schedules and fairness of time slots, etc.
- Director Williams questioned if Clarke County has a significant need for meat processing space.
  - o Felicia Hart answered that there is a need. Frederick County has recently approved 26 acres in Star Tannery, which will be opening up soon, and another smaller space opened up in Warren County. That has helped to relieve the some of the pressure for our farm markets.
- Director Waite added that having a meat-processing place in Clarke County would be a win.
  - o David Weiss added that a meat processing place at the Fairgrounds would not be suitable
- Director Pierce added that Fauquier County is studying a property next to the livestock ring in Marshal, and are looking at having a meat processing facility there; currently just in the studying stage.
  - o Felicia Hart added that she will reach out to their EDA
- David Weiss added that between state and federal regulations, meat processing is very complex
- Director Koontz asked if counties were doing the meat processing specifically or just allowing private businesses to do it.
  - o Felicia Hart responded that some localities are doing it themselves, such as Anne Arundel County, who invested in and developed mobile processing units that are delivered to the farms so meat processing can be carried out on site. These other localities are investing heavily in meat processing because the agritourism is there

**By consensus, the Board instructed staff to research possible grant opportunities and requirements for a commercial kitchen space.**

- Felicia Hart added that we would work with the Economic Development Advisory Committee as well, and get their feedback, as they are interested in this project.

#### *Economic Development & Tourism Update*

Felicia Hart, Director of Economic Development & Tourism, presented the following:

- VATI grant update call happened today; All Points will be speaking at the Board of Supervisors Regular Meeting on December 20<sup>th</sup>
  - o Chris Boies added that the broadband project is moving forward. Lines will start being put up in the spring of 2023 and customers will start being hooked

up maybe as soon as the fall. The project will provide infrastructure for the whole county, even if places are not specifically in the project area. The project is on schedule, albeit a slow schedule, but this is the largest broadband project in Virginia history. We will receive quarterly progress updates, and this information will be shared as it becomes available. This project is a partnership, being funded by federal, state and local money.

- Planning to host a half-day USDA training locally, partnering with other localities and the Northern Shenandoah Valley Regional Commission and Blue Ridge Association of Realtors. This would be a good class for Directors of Finance, Realtors and small business owners to understand the opportunities that are available. More information will go out as it becomes available and we will look at bringing in the extension office.
  - o Director Koontz added this might be a good event to invite a few local commercial bankers to. Director Koontz added that after speaking recently with a regional officer at the USDA out of Lexington she found the number of programs and funding available astonishing, and thinks it could be good to have all of the constituencies in the same region learn it at once.
- We continue to work one-on-one with the Laurel Ridge Small Business Development Center; the numbers on page 28 of the packet highlight how many small businesses in the local area they have helped. They are also managing the GOVirginia grant, which is money for small business owners to help with any additional financing needs, assistance with training, social media, etc. – those programs are available to the small business owners free of charge
- Recently completed the Worlds of Work program in partnership with Frederick, Page and Warren Counties and the City of Winchester. The event was hosted at the Shenandoah University Event Center; there were five businesses from Clarke County at the event, including Berryville Chiropractic. Over 3000 eighth graders went through, and the businesses that were there provided hands-on activities for the children to showcase future career options. There was a wide array of businesses present, including first responders and nursing. The event received positive feedback from the schools and we look forward to participating again next year.
- ARPA funds plan/allocation of \$30k was approved. Part of those funds will be allocated to a Love Local campaign, which will highlight products that are made in Clarke County. A logo will be designed and stickers will be created for business owners to use on their merchandise. Another campaign being looked at is a Restaurant Week, working with local restaurants to help remind the public of what is available in Clarke County. We will work with the restaurants to determine a time that works best for them. Additionally, enhancements will be made to the Berryville/Clarke County Visitor Centers internal products and exterior flags to make it appear more welcoming. After visiting some of the tourism spots, a need for a map was identified particularly for folks in Pine Grove. We will be producing a

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map, one side will be a full map of Clarke County, and the other side will be a map of the Town of Berryville. ARPA funds will also be used to enhance the fairgrounds signage, as well as produce a community bulletin board and community calendar. The Lucketts Show brought in close to 15,000 people, some stayed for the entire week, they are a captive audience and we need to market to them whilst they're here, instead of trying to capture them all the time. We are also looking at bringing back the farm tour that was done previously.

- Small Business Saturday is November 26<sup>th</sup>. We are signed up as a neighborhood champion; American Express will send door prizes, banners and other swag, which will be distributed to businesses to use during the event.

7. Next Meeting

- Thursday, January 26, 2023 – Organizational Meeting

8. Adjournment

At 2:05 pm, Vice Chair Cochran adjourned the meeting.

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Minutes recorded by Catherine D. Marsten and transcribed by Indea G. Ford