

Approved July 17, 2019

Clarke County Economic Development Advisory Committee
May 15, 2019 Minutes

A meeting of the Economic Development Advisory Committee (EDAC) held in the Berryville/Clarke County Government Center, Berryville, Virginia, on Wednesday, May 15, 2019, at 1:00 PM.

Board: Chris Bates, Christina Kraybill, John Milleson, Elizabeth "Betsy" Pritchard, Lee Sheaffer

Absent: Jim Barb, Christy Dunkle, Bev McKay

Staff: Len Capelli, Cathy Kuehner, Lora B. Walburn

Also Present: None

1. Call to Order

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

Lee Sheaffer was introduced as the new member assuming the seat formerly held by Eric Myer.

2. Adoption of Agenda

Betsy Pritchard, seconded by Chris Bates and Christina Kraybill, moved to approve the agenda as it stands. The motion carried by the following vote:

Jim Barb	-	Absent
Chris Bates	-	Aye
Christy Dunkle	-	Absent
Christina Kraybill	-	Aye
Beverly B. McKay	-	Absent
John Milleson	-	Aye
Elizabeth "Betsy" Pritchard	-	Aye
Lee Sheaffer	-	Aye

3. Approval of Minutes

Christina Kraybill, seconded by Chris Bates, moved to approve the March 20, 2019, minutes as presented. The motion carried as follows:

Jim Barb	-	Absent
Chris Bates	-	Aye
Christy Dunkle	-	Absent

Approved July 17, 2019

Christina Kraybill	-	Aye
Beverly B. McKay	-	Absent
John Milleson	-	Aye
Elizabeth "Betsy" Pritchard	-	Aye
Lee Sheaffer	-	Aye

4. Director Economic Development Update

Hotel Feasibility Study

Christina Kraybill provided the following update:

- The Industrial Development Authority [IDA] agreed to cover up to \$10,000 for a hotel feasibility study initiated by Berryville Main Street [BMS]. The IDA is asking for reimbursement of these funds once a builder is identified.
- On May 14, Nathan Stalvey, Chair Berryville Main Street BMS Board, picked up the IDA's \$4,750 check to cover the consultant's retainer.
- BMS Treasurer will deposit the check today and request a cashier's check that will be submit with the contract.
- A brief history of the project was provided for new member, Lee Sheaffer.

Economic Development Strategic Plan

Highlights of review include:

- Requesting review and approval of the final draft of selected priorities and recommendation.
- Broadband
 - o While mentioned in several places in the draft priorities, decided to expand and create a separate listed item for broadband to acknowledge that access is critical to economic development and tourism.
 - o Len Capelli attended May 14 meeting of the Broadband Implementation Committee [BIC].
 - o Rappahannock Electric Cooperative [REC] representative provided an update to the BIC.
 - o REC is seeking a broadband partner to work with them to distribute along its right-of-way network.
 - o Shentel's plan to bring fiber through Clarke is slowly progressing.
 - o Clarke does not have the number of subscribers to substantiate a major investment; however, while Clarke is a rural county, it deserves consideration.
 - o Governor Northam supports expansion efforts.

Approved July 17, 2019

- Industrial Development Authority
 - IDA has not taken a proactive stance in funding infrastructure projects. Further research would be required to determine what is allowable under state law.
 - Next week, Director Bill Waite and Len Capelli will attend IDA training conference presented by Virginia Tech.
 - IDA wants to explore ways it can be more pro-active.
 - IDA may consider acquiring properties and reselling, as it did with the Business Park or it could construct a flex building to lease or sell.
- Virginia Department of Economic Partnership suggested activities to stimulate development including:
 - Conducting an open house at the Business Park.
 - Conduct a 5K run around and through the Business Park. Contacted Tracey Pitcock, Parks and Recreation for assistance in coordinating this event for the fall.
- Plan Review
 - Every five years
 - Proposing quarterly updates provided to:
 - Berryville Area Development Authority
 - Berryville Town Council
 - Berryville Planning Commission
 - Boyce Town Council
 - Clarke County Board of Supervisors
 - Clarke County Planning Commission
 - Economic Development Advisory Committee
 - Industrial Development Authority
- Effort to locate a hotel included in occupancy tax section.
- Airbnb
 - Final contract template received May 14 and forwarded to the Commissioner of the Revenue.
 - On May 13, Commissioner of the Revenue and he participated in the last phone negotiation.
 - After seven months of discussion, anticipate having contract in by June 1 and collecting occupancy tax by July 1.
 - Occupancy tax, 2%, is to be assessed for the total amount charged.
 - Payments will be made quarterly by Airbnb not the individual businesses.
 - In the next two months, two Airbnb locations will be opening on Shepherds Mill Road.

Approved July 17, 2019

- Some localities have opted not to tax these establishments and have created registries to ensure operators have, at a minimum, a business license.
- County Administrator has been tasked with compiling a list of pros and cons of creating a registry in Clarke.
- The additional work force required to implement, monitor, and maintain would exceed the amount of tax collected.
- Len Capelli has also made contact with Expedia and HomeAway, similar platforms to Airbnb.
- These platforms typically charge 18 to 20% commission.
- The Economic Development Advisory Committee instructed staff to draft a letter to the Board of Supervisors and the Commissioner of the Revenue requesting that occupancy taxes be directed to tourism.

By affirmation, the Economic Development agreed to the Economic Development Strategic Plan priorities and recommendations and approved forwarding to the Planning Commission for its review.

EDAC, IDA Priorities for 2019 Economic Development Strategic Plan

To: Brandon Stidham, Director Planning and Zoning, Clerk to the Clarke County Planning Commission

From: Len Capelli

Date: May 15, 2019

At its May 7, 2018, Work Session, the Board of Supervisors concurred on tasking review and recommendation of the Economic Development Strategic Plan to the Economic Development Advisory Committee [EDAC] and the Industrial Development Authority [IDA] with a final recommendation from these bodies presented to the Planning Commission for its consideration.

Subsequently, the EDAC and the IDA reviewed on:

Economic Development Advisory Committee <i>[Meets bi-monthly]</i>	Industrial Development Authority <i>[Meets quarterly]</i>
May 16, 2018	July 26, 2018
July 18, 2018	October 25, 2019
September 19, 2018	January 24, 2019
January 23, 2019	April 25, 2019
March 20, 2019	
May 15, 2019	

Approved July 17, 2019

These public bodies, having duly reviewed the 2014 Economic Development Strategic Plan, submit the attached priorities selected for the 2019 Strategic Plan with proposed format. This plan is intended to be a "living document"/action plan. The majority of the items and text for this plan were taken from the 2014 Strategic Plan and presented here in a reduced / simplified version as suggested at the February 21, 2017, Board of Supervisors Regular Meeting.

The quarterly report section incorporates into the plan 20 quarterly updates of activities and accomplishments over the 5-year period by the dates listed for each item until completion / closure. Quarterly updates are intended to better document and to improve communication of economic development and tourism efforts. Providing a history of activities undertaken by staff is deemed the most effective means of communication with the public bodies to ensure continuity of operations during this transitory period.

Economic Development Advisory Committee & the Industrial Development Authority 2019 Priorities & Proposed Format Recommendations for Consideration by the Clarke County Planning Commission

[Proposed Distribution for Quarterly Updates]:
 Berryville Area Development Authority
 Berryville Town Council
 Berryville Planning Commission
 Boyce Town Council
 Clarke County Board of Supervisors
 Clarke County Planning Commission
 Economic Development Advisory Committee
 Industrial Development Authority

Director Economic Development and Tourism Focal Areas 2020 thru 2024

<i>Item</i>	<i>Description</i>
1. Activities to attract new and assist existing businesses [2014 Page 15, passim]	Engage in activities to attract new businesses and assist existing businesses with expansion efforts and other growth activities. Promote the retention, attraction, and expansion of businesses and industries that support the land use goals of the County, in particular, businesses that generate a relatively high level of local tax revenue in relation to the number of jobs, create minimal impact on public services, and are compatible with the County's agricultural and natural resources.
<i>Quarterly Activities / Status Update</i>	
04-15-2020:	NOTES: This plan is intended to be a "living document"/action plan. The majority of the items and text for this plan were taken from the 2014 Strategic Plan and presented here in a reduced / simplified version.
07-15-2020:	This section incorporates into the plan 20 quarterly updates of activities and accomplishments over the 5-year period by the dates listed for each item until completion / closure.
10-15-2020:	Quarterly updates are intended to better document and to improve communication of economic development and tourism efforts.
01-15-2021:	The history of activities undertaken by staff is deemed the most effective

<i>Item</i>	<i>Description</i>
	means of communication with the public bodies to ensure continuity of operations during this transitory period.
04-15-2021:	
07-15-2021:	
10-15-2021:	
01-15-2022:	
04-15-2022:	
07-15-2022:	
10-15-2022:	
01-15-2023:	
04-15-2023:	
07-15-2023:	
10-15-2023:	
01-15-2024:	
04-15-2024:	
07-15-2024:	
10-15-2024:	
01-15-2025:	
2. Community communications [2014 Passim]	Expand targeted economic development promotional efforts through media relations, tours, brochures, flyers, visitations, and partner organizations. With the support / assistance of the Public Information Officer expand web presence and social media presence.
3. Coordinated economic efforts [2014 Page 25]	Support joint efforts between Clarke County and Town of Berryville: <ul style="list-style-type: none"> - Economic Development Advisory Committee (EDAC) activities - Industrial Development Authority (IDA) activities
4. Promotions, support, surveys of local businesses [2014 Passim]	Promotes, supports, performs surveys, as requested or apparent, of key businesses in various economic sectors, for example: <ul style="list-style-type: none"> - Agriculture: crops, equine, livestock, etc. - Auto restoration - Construction - Healthcare - Landscaping - Light industrial - Restaurants - Retail
5. Promote rural economic innovation [2014 Page 38]	Promotes rural economic innovation through efforts / activities: <ul style="list-style-type: none"> - Alternative energy: wind farms, solar farms, etc. - E-commerce and telework offer multiple business opportunities, from enabling professionals to work from a rural home to creating new e-commerce businesses that can link to global markets. High quality broadband infrastructure is critical. - Economic and demographic trends updates - Historic downtown, historic buildings, and/or sites - Regional food systems: growing interest in local fresh food supports this strategy, as well as the County's proximity to a large and relatively high-

<i>Item</i>	<i>Description</i>
	<p>income metropolitan population.</p> <ul style="list-style-type: none"> - Sustainable agricultural systems <p>Innovation includes a wide range of topics such as new markets for goods and services, new kinds of goods and services, new kinds of business operations and procedures, new locational opportunities for businesses, and new marketing techniques.</p>
6. Public water and sewer [2014 Pages 36, 49]	Assist efforts of businesses seeking access to public water and sewer in Waterloo Area and Double Toll Gate areas. Assist the IDA with its Waterloo Area Water and Sewer - Availability Fee Subsidy Program.
7. Resources [Pages 22, 2526, 33-34, 39, passim]	Report change in status of existing economic development resources including infrastructure, site availability and readiness, market demand, broadband / internet access, etc.
8. Tax: Transient occupancy [2014 Pages 9, 31, 48]	<p>Foster ongoing relationships with peer-to-peer, sharing economy, and/or two-sided marketplace.</p> <p>Provide support to the Commissioner of the Revenue and approving agencies, where appropriate, to ensure proper licensing, zoning, regulations, etc.</p>
9. Tourism / Economic Development regional associations [2014 Pages 19, 26-27, 30, 42, 100]	<p>Support efforts / activities:</p> <ul style="list-style-type: none"> - Appalachian Trail - Artisan Trail - LFCC Small Business Development Center - Northern Shenandoah Valley Regional Commission - People Inc. - Shenandoah Valley Tourism Partnership - Spirits Trail - Top of Virginia Regional Chamber
10. Tourism / Economic Development state associations [2014 Pages 19, 26-27, 29, 41-42]	<p>Support efforts / activities:</p> <ul style="list-style-type: none"> - Virginia Economic Developers Association [VEDA] - Virginia Economic Development Partnership [VEDP] - Virginia Department of Agriculture and Consumer Services [VDACS] - Virginia Tourism Corporation
11. Tourism strategic plan [2014 Pages 11-12, 42-44, 48]	Assist the Town in finalizing the Tourism Strategic Plan and aid implementation. The action would be a joint effort of the County and the Town of Berryville and would be done in conjunction with current efforts by the Town and through future implementation of the Tourism Strategic Plan, which is currently being prepared at the Town's initiative by the Town Planner.

Economic Development and Tourism Functions of Other Entities / Agencies

<i>Item</i>	<i>Description</i>	<i>Responsibility</i>
1. Business inventory / business license	Maintain updates to inventory of existing business through business license process. Liaise with new and existing	Commissioner of the Revenue

Item	Description	Responsibility
[2014 Pages 24 / 72]	businesses to bring them into compliance with County Code.	
2. Tax: Transient occupancy / business license [2014 Pages 9, 31, 48, 119, / 72]	Inventory / monitor participating owners / properties for overnight accommodations and notify appropriate departments / agencies to ensure proper licensing, zoning, regulations, etc.	Commissioner of the Revenue
3. Tax: Meals / Prepared food and beverage [New – Not in 2014]	<p>Examine cost/benefit of establishing a prepared food and beverage tax. Prepared Food and Beverage / Meals Tax is a tax on prepared food or beverage served by a business.</p> <p>§ 58.1-3833. County food and beverage tax. A. 1. Any county is hereby authorized to levy a tax on food and beverages sold, for human consumption, by a restaurant, as such term is defined in § 35.1-1, not to exceed four percent of the amount charged for such food and beverages. [2019: 3.5% Loudoun; 4% Augusta, Bath, Fauquier, Frederick, Page, Rockingham, Warren; Shenandoah - referendum under consideration for 2019]</p>	Board of Supervisors
4. Tax: Vacancy tax [New – not in 2014]	Investigate the levy of a vacancy tax. Vacancy tax establishes a higher property tax rate on vacant properties as a way to encourage development / property use.	Board of Supervisors, Town Council
5. Task Force [2014 – Page 32]	Establish a task force of appointed officials and staff to respond, as appropriate and requested, to prospect visits, to review incentive requests, etc.	Board of Supervisors, Berryville, Town Council
6. Broadband Access [2014 Pages 39-40, 95, 106]	<p>The Broadband Implementation Committee was formed by the Board of Supervisors to accomplish the following:</p> <ul style="list-style-type: none"> - Coordinate the efforts of the Board of Supervisors and Planning Commission to improve fast broadband internet access for county residents and businesses. - Work with industry representatives to determine how to expand fast broadband internet availability and identify obstacles to this expansion. - Work with citizens, business owners, and stakeholders to identify individual or localized broadband needs. <p>Promote the enhancement, awareness of existing fast broadband availability. High speed internet service is widespread in the Towns of Boyce and Berryville, as well as the county's public schools and government buildings (Comcast or Shentel, and including some public Wi-Fi) and fiber lines run along Rt. 7, the length of Rt. 340, and Rt. 522 in the county, and a small section of Rt. 50 (Shentel). However, currently the remainder of the county residents must rely on either wireless or satellite broadband, which</p>	Broadband Implementation Committee

<i>Item</i>	<i>Description</i>	<i>Responsibility</i>
	<p>does not always meet the legal definition of “high-speed” internet (minimum 25 Mbps speed).</p> <p>Identify how the County might be able to promote the expansion of fast broadband access and quality countywide. Fiber broadband also needs to be highly promoted in Waterloo, where Shentel has already indicated they are willing to install it for free to Waterloo businesses, located reasonably close to Rt. 340/50.</p>	
<p>7. Coordinated economic efforts [2014 Page 25, passim]</p>	<p>Coordinated economic efforts of the Berryville Area Development Authority (BADA), Berryville Planning Commission, Clarke County Planning Commission</p>	<p>Planning Directors Berryville, Clarke</p>
<p>8. Zoning and subdivision ordinances [2014 Pages 14, 23, 31, 49, 97-99]</p>	<p>Identify any regulatory and procedural provisions that have the potential to unduly restrict or encumber compatible economic development activities and suitable, realistic housing development, including review of current use lists of by-right and special uses, and the speed and complexity of the County’s and Town of Berryville’s review processes.</p>	<p>Planning Directors Berryville, Clarke</p>
<p>9. Branding strategy [2014 Page 9, 28, 30, 42, 48]</p>	<p>Develop branding strategy, with logo, style guide, etc.</p>	<p>Public Information Officer</p>
<p>10. Community communications [2014 Pages 19, 26, 115]</p>	<p>Under the guidance and direction of the Director of Economic Development, communicate with local community on economic development and tourism issues and activities, update website[s], update social media, prepare flyers, etc.</p>	<p>Public Information Officer</p>

End of document.

Director of Economic Development and Tourism

Highlights of Len Capelli’s update include:

- Third Annual Farm Tour:
 - All participating farms indicated that the event was valuable for them.
 - J-Bit Ranch: Several signed up for lessons.
 - Oak Hart: Visitors, from as far away as Ashburn, made purchases and expressed interest in updates.
 - Hunt Club Farm: At least four persons signed up to volunteer for events.
 - Harvue Farm: Weather earlier in the morning impacted the number of visitors.
- Travel Writers – Shenandoah Valley Tourism Partnership

Approved July 17, 2019

- On May 7, three writers visited Smithfield Farm, Veramar Vineyard, Oak Hart Farm, and Mackintosh Fruit Farm.
- Writers have written multiple articles and posted on Facebook, Instagram, Twitter and their websites and blogs about Veramar and Smithfield Farm Bed and Breakfast.
- Jenna French, committee member, chose the sites based on most attractive or available assets in Clarke.
- Local Farm to School Sales:
 - State wants at least \$22 million in sales from local farmers to schools by 2022.
 - Sodexo, contracted foodservice provider in Clarke County Public Schools, will follow up on requirements.
 - Products include produce, meat, eggs, and milk.
- Shenandoah Valley Tourism Partnership [SVTP] Event May 10 in Harrisonburg:
 - Attended by more than 200.
 - Invited members of Berryville Town Council and Board of Supervisors but none available to attend.
 - Kelsey's Cakes and Trey's Chips and Salsa were featured at the event and were a big hit.
 - Distributed presentation "What's New in the Shenandoah Valley."
 - Working with SVTP to ensure Clarke is recognized.
 - SVTP promoting the entire valley to increase the number and length of visits.
 - Expecting 2018 tourism report in August.
 - Action Videos:
 - Requested copies of action videos.
 - Features pillars: community, adventure, family, dining.
 - One wine and food video starts out at Twin Oaks Tavern Winery in Bluemont.
 - Featured in other action videos: Veramar Vineyard, Moose Apple Farm, Dinosaur Land.
 - Videos can be accessed on the SVTP website at <https://viriniasshenandoahvalley.com>.
- County-wide Food Tax:
 - Consideration of a food and beverage tax is included in the 2019 recommendations for the Economic Development Strategic Plan.
 - Conservatively, at 4% food and beverage tax, maximum allowable by State Code, the County could collect an estimated \$240,000 in tax just from three local convenience stores / food locations at one intersection in the County.

Approved July 17, 2019

- Implementation of a food and beverage tax would require referendum.
- Virginia Economic Development Partnership [VEDP]:
 - VEDP continues to share leads on companies interested in the area.
 - Receives on average two to three leads per month.
 - Most recent contact was a processing facility needing a 100,000 square foot building within a six-month period.
- Memorandum of Understanding for 65-acre parcel in Double Tollgate: Mr. Capelli gave his position to David Ash and David Weiss.

Highlights of update by Christina Kraybill include:

- C2M: New location opens next month. Would welcome another visit from the EDAC.
- Battletown Inn Project: Moving along. Believe it will be an eatery with a bakery.

5. Next Meeting

The next meeting is scheduled for Wednesday, July 17, 2019.

6. Adjournment

Being no further business, at 1:47 pm, Chairman Milleson adjourned the meeting.

Minutes recorded and transcribed by Lora B. Walburn