

Kent County Economic Development Advisory Board

Minutes of April 2, 2008

Chairman Gillespie called the meeting to order at 7:00 p.m.

Members present were: Chairman Jim Gillespie, Jeff Grafton, Tom Beckett, C. Breck Debnam, Mickey Elsberg and Kent County Economic Development Director Jack Steinmetz, who acted as recording secretary.

Members absent were: Carrie Anderson and Jay Yerkes

Guests in Attendance:

Victoria "Tori" Weitzel, Washington College Student Representative
Jason Smucker, JLS Design Limited
Gail Owings, Director, Kent County Planning, Zoning and Housing Department
John Mason, DBED Area Representative
Dick Barker and Bob Kramer, community members

Chairman Gillespie welcomed Ms. Weitzel as the proposed EDAB representative member from Washington College. He provided a background of our interest in bringing Washington College into the EDAB process and noted that Ms. Weitzel would be formally appointed at the next EDAB meeting.

Guest Bio-Diesel Presentation:

Mr. Smucker provided an in-depth presentation on the bio-diesel operation he is considering establishing in Kent County. He reviewed the background on bio-diesel fuel and how this fuel source related to ethanol production and traditional diesel fuel usage in home heating, passenger cars, trucks, and off-road construction vehicles. He provided a detailed explanation of the chemical process by which bio-diesel is created and the differences in production process between bio-diesel and ethanol.

Mr. Smucker reviewed the use of soy beans as the preferred base raw material, but also discussed the use of "yellow grease" as additional sources. Mr. Debnam provided additional information relating to existing bio-diesel plants which he was familiar with, and how they had switched from beans to grease in their processing. He provided Mr. Smucker with the names of those individuals he knew and offered to help with an introduction.

Mr. Smucker noted that he expected to begin with a 500,000 gallon/year process and then quickly work up to a 1 million gallon/year capacity, and that there would be about 4 or 5 people initially working at his facility. He noted that there is a critical government subsidy of \$1 per gallon, which is the difference between a profitable operation and "...bankruptcy." He acknowledged that this was a major concern to him, as there was no guarantee that this subsidy would continue into the future. The initial estimation for production showed that it took about one bushel of beans to produce 8 or 9 gallons of bio-diesel, and that the only part of the process that presented a problem was the gummy byproduct which had to be disposed of.

Mr. Smucker acknowledged that he was aware of the current Kent County ordinance requiring that bio-fuel production take place within 2 miles of the Rte 301 Corridor. He realized that he had to take that into consideration in his analysis. He was very open in his discussion of his need to do

more study and due diligence on the entire process, and thanked the County for its support and assistance to date. He agreed to keep in contact with the EDO, and provide updates on his progress.

Approval of Minutes:

The minutes of the March 5, 2008 meeting were reviewed. It was moved by Mr. Beckett, seconded by Mr. Grafton, that the minutes be approved as submitted. Motion passed unanimously.

Chairman's Report:

Chairman Gillespie reported that the Walgreen project on Rte 213/Rte 291 was beginning to be let for bid. He noted that the building and construction business throughout the County had experienced a real slowdown this winter, but the recent spring-like weather had seen more activity.

Individual Board Member Reports:

Mr. Debnam, Agriculture

Mr. Debnam reported that winter wheat crops in the County were about double last year's, and that grain prices were up. He expressed concern about the lack of rain already and that the subsoil was badly in need of moisture. He felt that Mr. Smucker's presentation was excellent, and was anxious to see if he proceeded further.

Mr. Grafton, Education

Mr. Grafton reported that MSA testing is underway, and noted that the STEM Program has selected 3 of the 4 teachers needed for the fall start-up. Following a question as to the future of voc-ed classes, he noted that all classes were under review and that each program had to be viable and sustainable. Unfortunately there were fewer students signing up for the voc-ed classes, and he was not certain why that was. Again, the fact that the high school had only 750 students in a building designed to hold over 1,300 was noted.

Mr. Elsberg, Workforce Housing

Mr. Elsberg reported that he was concerned that the Board of County Commissioners had not yet taken any formal action on the Report of the Workforce Housing Task Force. He noted that there would be an upcoming luncheon between himself, Airlee Johnston, Jack Steinmetz, and the representative of "Home Partnership", which had done a number of projects in Harford County.

Mr. Beckett, SCORE

Mr. Beckett reported that SCORE conducted a very successful Marketing Workshop in Queen Anne's County, with 22 people in attendance. SCORE members, Beckett, Stoltz, and Ampula were joined by Stephanie Wallace in presenting the seminar. The next seminar is scheduled to be on the importance of financial reporting to the small business person, with Dick Barker being the Chairman of that event.

Director's Report:

Director Steinmetz asked Tori Weitzel to tell the EDAB what activities she was involved in at Washington College and what had interested her to inquire into the EDAB student representative position. Tori gave an enthusiastic presentation of her background and expectations.

Director Steinmetz updated the EDAB on the status of the Chestertown Foods plant, and the tour that was provided to DBED site location personnel. He noted that the plant owners had contracted with the national commercial real estate firm of CB Ellis, to list the property at an asking price of \$4.3 million, and again reviewed the challenging issues the property had.

Director Steinmetz reviewed the tri-county initiative between Kent, Queen Anne's, and Caroline Counties to establish a regional prison. He noted that the three counties had agreed to agree to do more research on the issue, and that at some future date they would probably appoint members of a site selection task force for further analysis.

Director Steinmetz updated the Board on the Vineyard Management Company effort, and noted that the contract had been agreed to between Upper Shore Regional Council and Mr. Steve Mudd of Long Island, NY. There is a great deal of planning and work to be done prior to 4-30-08 in order to have the project completed by the end of June.

Director Steinmetz reported that, after the sale of Lot #1 in the Worton Business Park, the remaining balance on the loans to DBED is approximately \$116,000. Additionally he reported that the first Worton Business Park Management Association meeting was held, and that as new lots were purchased those owners would go on the Association to replace a County member.

Director Steinmetz reported that the Revolving Loan Fund currently had three loans outstanding, with aggregate outstanding balances of approximately \$83,000. All loans are current as of the last report date of February 29, 2008, with an available loan balance of approximately \$504,000.

Director Steinmetz reported that he is working with Washington College's GIS Program Coordinator, Stu Bruce, to consider establishing a Geospatial Technology Business Incubator in the County.

Director Steinmetz reminded the Board of the April 18, 2008 Upper Shore Manufacturing & Business Council and Upper Shore Workforce Investment Board Annual Dinner. He asked that everyone check their calendars and call Augustine Cook with confirmation that they would or would not be able to attend.

Director Steinmetz reminded everyone that the next meeting would be Wednesday, May 7, 2008 at 7:00 p.m.

Adjournment: There being no further business, Mr. Debnam moved for adjournment, and Mr. Grafton seconded. Motion passed and the meeting was adjourned at approximately 9:35 p.m.