

Directors
James Taylor
Ray Tuck
John Tuttle
Eric Johnsen



Tommy Loflin
Chairman
Norman Winstead
Vice-Chairman
Brian T. Hamilton
Secretary/Treasurer
Martin M. McMahon
Attorney

Minutes
Tuesday, October 31, 2017 – 11:30 A.M.
Board of Directors Regular Meeting
Economic Development Authority of Montgomery County, Virginia
Montgomery County Government Center
755 Roanoke Street, Suite 2H, Christiansburg, VA
Tommy Loflin - Chair, Presiding

The Economic Development Authority of Montgomery County, Virginia held a regular meeting on Tuesday, October 31, 2017 at the Montgomery County Government Center, Christiansburg, VA. Those in attendance were Chair Tommy Loflin; Vice-Chair, Norman Winstead; and Directors: Eric Johnsen, James Taylor, and John Tuttle. Also in attendance were: Brian Hamilton, Economic Development Director; Craig Meadows, County Administrator; Marty McMahon, County Attorney; Angie Hill, Finance Director; Brenda Rigney, Project Manager; Ashlyn Shrewsbury, Project Manager; and Rachel Cline, Economic Development Assistant. Absent was Director, Ray Tuck. Also absent was Nancy Turner, Program Assistant.

OPENING REMARKS

Declaration of Quorum

Chair Loflin declared a quorum was present, and called the meeting to order at 11:39 A.M.

Approval of Agenda

On a motion by Director Tuttle, seconded by Vice-Chair Winstead, and carried unanimously, the agenda was approved.

Introduction of Guests

There were no guests present.

CONSENT AGENDA

Approval of Minutes of the September 26, 2017 meeting- Exhibit Tab 1

On a motion by Vice-Chair Winstead, seconded by Director Johnsen, and carried unanimously, the minutes dated September 26, 2017 were approved as presented.

DEPARTMENT OF ECONOMIC DEVELOPMENT
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Review and Acceptance of the Treasurer's Report – Exhibit Tab 2

Ms. Hill presented the Treasurers Report included in the agenda packet. She explained that net assets were on track, and that there was not much change that wasn't routine. She pointed out that the cash flow statement had dropped from \$114,861 at the beginning to July to \$44,608 at the end of September, which she attributes to changes related to operating expenses and a potential timing issue on being reimbursed for utilities or rent. Mr. Hamilton added that InMotion typically pays their lease before the first of the month, but had paid on the second instead, which could account for the change.

Mr. Hamilton showed that under contributions of incentives, the EDA repaid the Town of Blacksburg for the TORC agreement, and also pointed out that maintenance and utilities were running a little high.

On a motion by Vice-Chair Winstead, seconded by Director Johnsen and carried unanimously, the Treasurer's Report for September 30, 2017 was accepted as presented.

INTO CLOSED MEETING

On a motion by Director Taylor, seconded by Vice-Chair Winstead, and carried unanimously, BE IT RESOLVED, The Economic Development Authority hereby enters into Closed Meeting for the purpose of discussing the following:

§2.2-3711

(5) Discussion concerning a prospective business or industry or the Expansion of an existing business or industry where no previous announcement has been made of the businesses or industries interest in locating or expanding its facilities in the Community

1. Project 2017027
2. Project 2017028
3. Project 2017030

OUT OF CLOSED MEETING

On a motion by Director Vice-Chair Winstead, seconded by Director Johnsen, and carried unanimously,

BE IT RESOLVED, The Economic Development Authority hereby ends its Closed Meeting and returns to Regular Session.

CERTIFICATION OF CLOSED MEETING

On a motion by Director Johnsen, seconded by Director Tuttle, and carried unanimously,

WHEREAS, The Economic Development Authority of Montgomery County, Virginia has convened a closed meeting on this date in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711 of the Code of Virginia requires certification by the Economic Development Authority of Montgomery County, Virginia that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED, That the Economic Development Authority of Montgomery County, Virginia hereby certifies that, to the best of each Director’s knowledge, (I) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies; and (ii) only such public business matters as were identified in the motion conveying the closed meeting were heard, discussed, or considered by the Economic Development Authority of Montgomery County, Virginia.

The vote on the foregoing motion was as follows:

<u>Aye</u>	<u>Nay</u>	<u>Absent During Vote</u>	<u>Absent During Meeting</u>
Tommy Loflin		Ray Tuck	Ray Tuck
Norman Winstead			
James Taylor			
John Tuttle			
Eric Johnsen			

GENERAL BUSINESS

Incentive Overview – Exhibit Tab 3

Ms. Rigney walked the group through an updated list of the outstanding performance agreements between Montgomery County and local companies, of which there are currently seven. In addition to their agreements with the County, many of the companies also have Commonwealth Opportunity Grants at the state level.

Incentive agreements with the County are decided based on the level of financial investment the company is planning to make and the amount of new jobs they will create. Aeroprobe, Backcountry, and Corning have all had amendments made since their initial agreements, Aeroprobe and Backcountry due to a lower number of new jobs than estimated, and Corning after going over their initial investment of \$13 million by an additional \$2 million. Ms. Rigney

also mentioned Polymer Solutions, which has gone a little over their required investment, but still has approximately \$11,000 left of their agreement that expires in December 2017, and she expects they will probably get reimbursed in the first quarter of 2018. Additionally, Hubbell Lighting has gone over their initial hiring projection, but have not yet hit their \$6 million investment target.

When discussing Hubbell and Wolverine's agreements, Ms. Rigney reminded the group that both companies have recently received grants through the Port of Virginia for moving merchandise through the port.

Ms. Rigney also discussed the performance agreement with InMotion that the Authority approved at the September 2017 meeting, which allowed for a maximum grant liability of \$100,000 over five years on the basis of a \$3.5 million investment and the creation of 20 additional jobs. She informed the group that the agreement was sent to Italy for signatures and has since returned, officially executing the agreement.

Technology Manufacturing Building– Exhibit Tab 4 Snow Removal Contract

Mr. Hamilton presented the snow removal contract with Valley Landscaping for the Technology Manufacturing Building. He pointed out the Valley contract for the TORC building from last year, explaining that the prices have not changed for this winter, with the exception of a two-ton truck with a plow listed on the TORC contract that is not included on this year's TMB contract.

On a motion by Director Taylor, seconded by Vice-Chair Winstead, and carried unanimously, the Valley Landscaping snow removal contract for the Technology Manufacturing Building was approved.

Trane Controls Proposal

Mr. Hamilton explained that the annual agreement with Trane, which runs out every October, is due to be renewed. Trane maintains the units at the Technology Manufacturing Building, and the annual agreement locks in prices for costs such as labor rates for repairs.

On a motion by Vice-Chair Winstead, seconded by Director Tuttle, and carried unanimously, the renewal of the Trane annual agreement was approved.

Mr. Hamilton then moved on to discuss the Trane controls proposal, as the current system will soon be out of date. John Mann's numbers put the upgrade to the new system at around \$40,000, while the Trane proposal shows the cost closer to \$30,000. Mr. Hamilton explained that there are funds in the reserve to go ahead and replace the controller.

Mr. Hamilton reminded the directors that this is the Trane Controls were installed in 2001. The original system was struck by lightning and insurance helped cover the replacement costs. If the current controller were to fail, it would mean that none of the HVAC could be changed until the controller is repaired or replaced, and the older the system gets, the more difficult it will be to get repair parts, which would ultimately inconvenience the tenants.

When asked whether this is something that could be placed out for bid, Mr. Hamilton explained that any new company coming in would have to put new controls on all of the units, whereas Trane would essentially only be replacing a computer and adding in three RTUs that are not included in the current system, and that they chose Trane to begin with because of their original competitive bid.

At the directors' request, Mr. Hamilton agreed to check prices with other companies to assure that Trane is offering the best deal, and to readdress the topic at the December meeting.

Grants

Economic Development Administration Grant

Ms. Shrewsbury informed the group that the Economic Development department submitted their grant to the US Economic Development Administration earlier in the month. She explained that the application has been assigned a number to be reviewed, and while there is an open-ended time frame for the process, the PDC said that it usually takes around 90 days.

Cox Property Due Diligence – Exhibit Tab 5

Mr. Hamilton pointed out a letter regarding the Cox property indicating that all contingencies have been met and that the Authority is proceeding to closing. The notice has been sent to Mr. Cox and closing is expected to take place on November 21, 2017. Mr. Hamilton expressed appreciation for efforts by Mr. Meadows, Mr. McMahon, and Ms. Turner on the closing letter, then gave a brief overview of the due diligence process.

Boundary Survey

The boundary survey found that the property was not 124 acres as previously thought, but actually 132 acres, and also necessitated the creation of a new Lot C.

Rezoning

Montgomery County rezoned part of the property with no proffers, but the Town of Christiansburg asked for two: a 200 foot buffer, and no industrial access from the residential streets near the property. The Town approved the rezoning with the two proffers on September 26, 2017.

Phase I ESA

There were no significant environmental factors found.

Wetlands Survey

The Army Corps of Engineers sent a letter agreeing with the findings of the wetlands consultant. A letter has been sent back to the Army Corps, and Hurt and Proffitt have confirmed that is everything that was needed for the wetlands survey.

Geotechnical

The geotechnical work is complete.

Following a question from Chair Loflin regarding how close the due diligence came to the original expected costs, Mr. Hamilton explained that the Board had provided \$70,000 at the start of the process—\$10,000 for the deposit and \$60,000 for engineering services—but engineering ended up costing \$68,000 instead due to the need for additional borings during the geotechnical work.

Mr. Hamilton also briefly mentioned a future need for a temporary road following the purchase of the land, as current access to the property is achieved through Lot 7 in the Falling Branch Industrial Park. He explained that if Lot 7 were to be sold, this entry point would be lost, and that the current access is also not ideal for taking prospects to visit the property. He has spoken with Hurt and Proffitt about grading the hill and putting down gravel for temporary access, but no official decisions will need to be made until after closing on the property is complete.

ECONOMIC DEVELOPMENT DIRECTOR'S REPORT

Existing Industry Update

Ms. Rigney told the group that she is trying to visit with as many companies as possible, including a software company in the previous week that plans to increase jobs a little, although not enough to get VJIP involved. She and Mr. Hamilton also briefly discussed Carilion, which does not have to meet the same policies as other industries, but they do like to touch base with occasionally. They explained that Carilion is facing the same problems with workforce as other companies, and were interested in learning more about apprenticeship programs for jobs such as plumbers and electricians.

Marketing Update

Mr. Hamilton informed the directors that he will be attending CoreNet's Global Summit in Seattle later in the week.

ADJOURNMENT

The meeting was adjourned at 12:36 P.M. The next meeting will be held Tuesday, December 19, 2017, at 11:30 A.M. at the Montgomery County Government Center in Christiansburg, VA.


Tommy Loflin - Chair


Brian T. Hamilton, Secretary/Treasurer