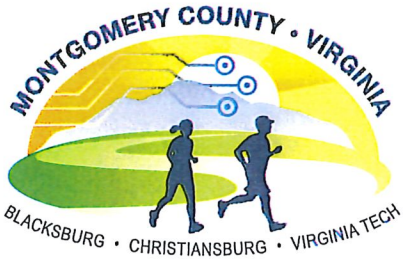
Directors
John Phillips
James Taylor
Ray Tuck
John Tutle
Eric Johnsen



Tommy Loflin
Chairman

Norman Winstead
Vice-Chairman

Brian T. Hamilton
Secretary/Treasurer

Martin M. McMahon
Attorney

Minutes
Tuesday, June 27, 2017 – 12:00 P.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, June 27, 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, John Phillips, John Tutle, and Ray Tuck. Also in attendance were; Brian Hamilton, Economic Development Director; Craig Meadows, County Administrator; Marty McMahon, County Attorney; Nancy Turner, Program Assistant; Angie Hill, Finance Director: Brenda Rigney, Project Manager; Ashlyn Shrewsbury, Project Manager; and Economic Development Assistant, Rachel Cline.

OPENING REMARKS

Declaration of Quorum
Chair Loflin declared a quorum was present, and called the meeting to order at 12:05 P.M.

Approval of Agenda
On a motion by Director Johnsen, seconded by Director Winstead, and carried unanimously, the agenda was approved.

Introduction of Guests
There were no guests present.

Consent Agenda
Approval of Minutes of the May 18 and May 25 meetings- Exhibit Tab 1

On a motion by Director Tutle, seconded by Director Johnsen, and carried unanimously, the minutes dated May 18, 2017 and May 25, 2017 were approved as presented.

Review and Acceptance of the Treasurer's Report – Exhibit Tab 2
Ms. Hill presented the report included in the agenda packet. She pointed out that the sale of the TORC property is not reflected in the statement of net assets, as it is still included under capital assets. The change will be reflected in the June report, which will lower the equity due to the loss of assets via the sale. In addition, when the Cox property is recorded, it will reflect in the assets. Mr. Hamilton also pointed out the EDA contribution to the purchase of the Cox property under operating expenses.

On a motion by Director Winstead, seconded by Director Johnsen and carried unanimously, the Treasurer's Report for May 31, 2017 was accepted as presented.

Resolution Declaring Date of Annual Meeting – Exhibit Tab 3

RESOLUTION DECLARING DATE OF ANNUAL BOARD OF DIRECTORS MEETING

Be It Resolved, by the Economic Development Authority of Montgomery County, Virginia that the annual meeting for Fiscal Year 2018 will be the June 27, 2017, Board of Directors meeting.

On a motion by Director Johnsen, seconded by Director Winstead, and carried unanimously, the resolution declaring the date of the annual Board of Directors was accepted.

Discussion of FY 17-18 Officers
Director Johnsen, serving as the nominating committee, informed the group that both Chair Loflin and Vice-Chair Winstead were willing to continue in their positions for the next year. Director Johnsen opened the floor for other nominations. Since there were not any nominations from the floor, Director Johnson closed the floor for nominations. .

Report from Nominating Committee
Election of Officers
On a motion by Director Tuck, seconded by Director Tutle, and carried unanimously, the current officers were elected to continue on in their positions for the next term.

FY 2017-2018

Chair:	Tommy Loflin
Vice-Chair:	Doug Winstead
Secretary/Treasurer:	Brian Hamilton
Assistant Secretary/Treasurer:	Brenda Rigney
Legal Council:	Marty McMahon

EDA Budget FY 2018 – Exhibit Tab 4
Mr. Hamilton pointed out the EDA budget for fiscal year 2018, which was prepared by the Montgomery County Economic Development office based on the previous year's expenses. Going into FY 18, TORC has been removed from the budget following the sale of the building in May. Most of the revenue shown in the new budget comes from the remaining leases. Mr. Hamilton pointed out a few expected expenses, including the Cox study, which Montgomery County has funded. He also explained that the cost for utilities increased slightly for FY 18 based off of trends.

Mr. Hamilton informed the directors that they would need to make a motion to reverse a resolution from the meeting on May 18, 2017 agreeing to use money from the sale of the TORC property to pay off the remaining MBC loan. Ms. Hill explained that the decision not to pay off the loan is because the sale of the TORC property is not related to what the MBC loan for the Technology Manufacturing Building. Instead, the profits from the sale will go back to Montgomery County to cover part of the money to purchase the Cox property. Ms. Hill added that the EDA is not in a bind to pay back the MBC, and the loan can continue to be repaid at the current rate.

On a motion by Director Tutle, seconded by Director Taylor, and carried unanimously, the EDA budget for fiscal year 2018 was approved, including a reversal of the May 18, 2017 resolution to repay the MBC loan with proceeds from the TORC building sale.

Following the discussion of the budget, Mr. Hamilton made a request that the directors consider raising the cap on the amount of money the secretary/treasurer is pre-approved to spend on repairs and maintenance. Previously the pre-approved amount has been $2,500, meaning anything over that price has to be brought to the directors for approval. Mr. Hamilton explained that this can sometimes hinder projects that need maintenance work done quickly and cannot wait until the next EDA meeting for approval. He gave an example of a storm water issue that recently occurred at the Technology Manufacturing Building in which the Town of Blacksburg asked for around $5,000 worth of work. Mr. Hamilton told the directors that this is an example of an unexpected expense that required quick action because the building has to comply with the Town of Blacksburg's legal requests.

Mr. Hamilton requested that the pre-approved spending limit on repairs and maintenance be raised from $2,500 to $5,000 to handle these unexpected expenses, suggesting that if the problem ends up needing further funds or being a bigger issue than anticipated, it could then be brought back to the board for further approval. Director Tutle voiced that while he believes it is good to be conservative with spending, it is not good to poorly maintain your property, and that as long as the EDA is acting as a property manager, they should take good care of the property while the funds are available. Mr. Hamilton also clarified that the change would only involve funds in the EDA FY 2018 Budget. .

On a motion by Director Tutle, seconded by Director Taylor, and carried unanimously, the pre-approved repairs and maintenance spending limit for the secretary/treasurer was raised from $2,500 to $5,000.

Technology Manufacturing Building
HVAC Repairs – Exhibit Tab 6
Equipment List – Exhibit Tab 7
Following the discussion of repair and maintenance spending, Mr. Hamilton directed the board's attention to the HVAC system at the Technology Manufacturing Building. He explained that the unit expected to give out in the summer heat that the board pre-approved spending on at the May meeting did end up failing, but cost $10,000 instead of the expected $8,000, meaning it could have been replaced rather than repaired for nearly the same price.

Mr. Hamilton also pointed out a list of all of the equipment at the TMB, some of which is not currently in use. The list includes 22 rooftop units and 2 MAU.

He then moved on to two proposals from John Mann, a mechanical engineer Mr. Hamilton contacted after the May 18 meeting during which the EDA asked for an evaluation of the TMB HVAC system and a price comparison between repairing and replacing units, as well as getting bids from different companies. The first proposal from Mr. Mann would look at the HVAC at the building to decide how to effectively move forward, essentially just a price comparison, which would cost $1,200. The second proposal is more aligned with what the EDA originally requested and would review the current HVAC system to provide specifications for replacing the existing units for bid. This would tell the EDA whether or not there is another unit that could do the same thing for less money than the current system, including helping with the bidding process, and the cost for the study in the second proposal would be $3,000. Should the EDA decide to approve both proposals, the total cost would be $4,200.

Director Johnsen voiced that he believes both proposals are valid things to look at because the EDA needs to know if there is a more cost effective way to run the HVAC system in the TMB than the current system, especially if the same work could be done using less units than are currently in operation. Chair Loflin asked where the money for the proposals would come from, and Mr. Hamilton explained that the money would come from repairs and maintenance, and that it is already in the budget.

After discussion, the directors agreed that the EDA should approve the first proposal, and can later come back to the second proposal if they feel it is still necessary.

On a motion by Director Phillips, seconded by Director Tuck, and carried unanimously, the EDA approved the proposal for $1,200 to study the HVAC system at the Technology Manufacturing Building and run a cost comparison.

INTO CLOSED MEETING
On a motion by Director Taylor, seconded by Director Johnsen, 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 2017017
2. Project 2017019
3. Project 2017020

OUT OF CLOSED MEETING
On a motion by Director Taylor, 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 Tuck, 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:

Aye	Nay	Absent During Vote	Absent During Meeting
Tommy Loflin			
Norman Winstead			
James Taylor			
John Tutle			
Eric Johnsen			
John Phillips			
Ray Tuck			

General Business

Warm Hearth Resolution – Exhibit Tab 5
Mr. McMahon directed attention to a resolution received from First Bank & Trust. Warm Hearth has asked the bank to release a reserve fund to use for further capital investments at the site, and the bank agreed conditionally. Because the EDA is an issuer, the bank has requested they sign off on the request to release the reserve fund, which is the Authority's only role in the process.

On a motion by Director Phillips, seconded by Director Tutle, and carried unanimously, the EDA agreed to sign off on the request to release the reserve fund.

Cox Property
Due Diligence
Mr. Hamilton described the due diligence process currently taking place on the Cox property. There should be seismic resistivity testing beginning next week, which will help determine the drilling pattern for the 30 proposed bores. Most of the information needed prior to officially purchasing the property should be available by the end of July.

Mr. Hamilton also informed the board that the rezoning applications have been submitted to both Montgomery County and the Town of Christiansburg. Dates have been set for the beginning of July for Christiansburg's Planning Commission public hearings. Montgomery County has already done a site visit, and a meeting on June 16 showed that there were a few issues to resolve on the sewer system in regards to the boundaries.

Mr. McMahon explained that the preliminary report on the title for the property was clean, although there was a small problem with a draft survey showing the boundary lines at the top of parcels A and B drawn differently from what shows in the tax records, which they are working to resolve. Mr. Hamilton also mentioned that the wetlands study is being completed and sent to the Army Corp of Engineers quickly, as the process can take up to 90 days, which would be a significant portion of the 180 days given to make the purchase official.

Chair Loflin asked if there had been much feedback from citizens, to which Mr. Meadows explained that although the story has been picked up by multiple media outlets, there have not been any big comments from citizens either for or against the purchase.

EDA Strategic Plan – Exhibit Tab 8
Following up on a strategic report conducted by Virginia Tech and presented to the Authority in May, Mr. Hamilton described a list that the NRV Alliance has adopted of target industry areas to pursue. He also pointed out the strategic outline for the Montgomery County EDA created based on discussions during the Virginia Tech presentation that breaks down the values, vision, and goals that the EDA would like to use as a guideline moving forward. A property tour of the Falling Branch Corporate Park for the EDA directors was suggested, along with a discussion of values and goals for the future of economic growth in Montgomery County. The directors agreed, and the tour was tentatively set for next month's regular meeting date.

The directors had also previously expressed interest in taking a strategic plan to the Board of Supervisors to try to align their vision with the EDA's in the future. Mr. Meadows stated that the BOS is aware that the EDA wants a conversation to occur. Director Tuck stressed that it is important to discuss and determine a clear direction for Montgomery County with the BOS because if the EDA does not understand what the Board's priorities are, there is no way of knowing what resources they want to allocate. Mr. Meadows pointed out that the Cox property is a wise acquisition, as it is adjacent to the Falling Branch Industrial Park, but he suggested that the challenge should be looking for the next 300 to 500 acre tract, as the new property will likely be occupied within the next few years and the county needs to look to acquire more land to remain competitive.

The directors agreed to use the potential property tour at the regular meeting in July to further flesh out a strategy, along with a set of values and goals, to take to a joint meeting with the Board of Supervisors at some point in the near future.

Existing Industry Update
Mr. Hamilton described an announcement that Ms. Rigney assisted in coordinating in which Aeroprobe publicized a $300,000 expansion to its operation in Montgomery County, creating 10 new jobs. The announcement was taken to the state level and released in conjunction with Governor McAuliffe's trip to the Paris Air Show earlier in the month.

Marketing Update
Mr. Hamilton explained that the state has not yet released the marketing calendar for the following year.

ADJOURNMENT

The meeting was adjourned at 1:33 P.M. The next meeting will be held Tuesday, July 18, 2017, at 11:00 A.M. at a yet to be determined location.

Tommy Loflin - Chair

Brian T. Hamilton, Secretary/Treasurer