

Directors
John Phillips
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, August 15, 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, August 15, 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 Tuttle, and Ray Tuck. 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, John Phillips. 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 11:33 A.M.

Approval of Agenda

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

Introduction of Guests

There were no guests present.

CONSENT AGENDA

Approval of Minutes of the July 18 meeting- Exhibit Tab 1

On a motion by Director Tuttle, seconded by Director Winstead, and carried unanimously, the minutes dated July 18, 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 under the statement of net assets, the EDA Maintenance Reserve has gone up since year close. It was previously a little over \$7,000 before, but the reserve was rolled over from excess in the County and now stands at \$164,672. Ms. Hill also showed that on page two of the report, which compares the actual amounts to the budget, there has been more revenue collected than budgeted, but there was also more spent because of the Cox property proceedings. In terms of cash flow on the third page of the report, Ms. Hill mentioned that it is only the first month of the new fiscal year, but there is a net increase and positive bank flow already.

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

INTO CLOSED MEETING

On a motion by Director Johnsen, seconded by Director 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 2017020
2. Project 2017023
3. Project 2017025
4. Project 2017026-**Exhibit Tab 3**

OUT OF CLOSED MEETING

On a motion by Director Johnsen, seconded by Director Winstead, 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:

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

GENERAL BUSINESS

**Technology Manufacturing Building
Mann Report – Exhibit Tab 4**

Following up on a discussion that the EDA began in June regarding potentially replacing the rooftop HVAC units at the Technology Manufacturing Building (TMB), Mr. Hamilton presented the options that were determined by mechanical engineer John Mann after conducting the \$1,200 study the EDA approved at the June meeting.

The first option given was to replace the original 18 RTUs “in-kind” with standard efficiency units which would provide \$30,000 in electric savings per year. This option is expected to be the lowest initial cost and least disruptive to the tenants, while also providing anticipated electric savings based on the fact that the new units would have a higher EER than the current units. The total cost for this option would run around \$414,000.

The second option called for replacing the original units with high-efficiency RTUs. These units would give an expected an additional \$6,000 in electric savings per year, although the EER would not be much higher than the standard units suggested for option one. The total cost for this option would be about \$476,000.

The third option presented would essentially replace the current system by replacing the current eighteen RTUs with four variable air volume systems consisting of four RTUs and forty-eight VAV boxes. This would result in less equipment to maintain, but would also temporarily displace the building's tenants and run around \$972,000 in total costs. Mr. Mann could not calculate an estimated energy savings with this cost.

Mr. Hamilton explained that the EDA would not be able to recoup its funds with the third option, and that the high-efficiency models in the second option are not significantly more energy efficient and do not have a higher lifespan than the standard RTUs, meaning the first option would provide the most electric savings and the lowest cost. He also informed the group that the EDA has around \$160,000, so to replace all of the RTUs at once, additional capital would have to be sought out.

Director Tuttle suggested that replacing only a few units at a time would probably result in additional charges for rental equipment, and Mr. Hamilton confirmed that it would likely add around \$5,000 each time if the EDA scheduled RTU replacement once per year. Vice-Chair Winstead asked about the age of the roof and whether or not it would be able to withstand the extra stress of crews installing new RTUs, or if replacing the roof might become an additional cost of the HVAC project. Mr. Hamilton explained that the roof is expected to last another five to ten years, but it is past its initial "manufacturer's date."

Because replacing all of the units at once would require the EDA to procure additional funds, the group briefly discussed where to seek that capital, including whether or not the County would be willing to help in any way. Mr. Meadows said that it is important to keep the Board of Supervisors apprised of what is happening at the TMB because although the building is the responsibility of the EDA, it would also reflect badly on the County if the EDA were to be unable to keep tenants. He suggested that the next step should be to share with the BOS where the EDA stands with the TMB, what the challenges are, and seek their thoughts and guidance in making these decisions and where to potentially seek capital. Mr. Hamilton informed the group that a meeting is already scheduled for August 23rd between Chair Loflin, Mr. Meadows, and Chair Tuck of the Board of Supervisors, which would be a good opportunity to discuss the TMB.

Mr. Hamilton went on to ask the group if there was a preferred option of the three presented. Several directors voiced support for option one, with Director Tuttle adding that if option one is pursued, it would also be the best time to look at replacing the roof rather than patching it up for now and having it give out in a couple of years. Mr. Hamilton agreed to try and reach out to Baker Roofing for their opinion on the roof's current lifespan before the meeting with the BOS. Chair Loflin said that the next step will be to decide on an option and discuss it with the County

to find out if they would be willing to assist, and the directors gave a consensus on pursuing option one.

Cox Property Due Diligence – Exhibit Tab 5 Boundary Survey/Rezoning

Mr. Hamilton gave an update on the Cox property proceedings, beginning with the boundary survey and rezoning process. The correct boundaries for the property have been defined following a discrepancy regarding a small “V” at the top of the property and the entirety of Lot C, both of which were determined to be nonexistent. Montgomery County had already approved the rezoning of Lot A to M1, but there was a delay in the rezoning process with the Town of Christiansburg due to the inconsistencies found with the boundary survey. Once it was determined that Lot C did not actually exist and a new Lot C will have to be created for Mr. Cox to retain as A1, the residents on Tanglewood Drive had to be notified.

Phase I ESA

Mr. Hamilton reported that the environmental assessment came back clean, with the nearest problem involving the removal of a homeowner’s 500 gallon oil tank on Overland Drive.

Wetlands Survey

The wetlands survey was completed and sent to the Army Corp of Engineers for review, which could take another 60 to 90 days. There are no plans to change the stream, but Mr. Hamilton explained that he would like the Army Corp’s approval.

Geotechnical

The geotechnical work was complete as of the last week of July. The engineers have not yet sent a final report, but they do not appear to have found any massive sinkholes. Initial reports seem to indicate that there should be no problem with using the property for industrial purposes, although depending on building plans, the land may require some soil remediation. Mr. Hamilton explained that the geotechnical process is taking longer than the original work done at the Falling Branch Industrial Park in the 1990’s simply because the technology is much more advanced today, and that even if the final report does show that the property needs some soil remediation, it would still be more cost effective than finding a new piece of land somewhere else in Montgomery County and running utilities there. Mr. Hamilton believes the timeline is in good shape for finishing the due diligence process within the allotted 180 days.

ECONOMIC DEVELOPMENT DIRECTOR’S REPORT

Existing Industry Update

Ms. Shrewsbury gave the group a potential marketing calendar, which had to be submitted to the Virginia Economic Development Partnership (VEDP). She explained that Montgomery County is not eligible to submit on several trips due to regional restrictions, but that the four trips they submitted to VEDP were selected to fit targeted industries. Ms. Shrewsbury said that in selecting which trips to submit on, they included some focused on site consultants to get more involved

and make sure they keep Montgomery County in mind for future projects, as well as craft breweries, which is not necessarily a major targeted industry for the county, but has seen a boom in the area and should not be ruled out here. Mr. Hamilton added that they tried to select conferences that were within driving distance to cut costs, as well as those that fit targeted industries, but that for many conferences, only one person out of the entire state will be approved to attend. Ms. Shrewsbury said that they should hear back later in the week about which trips VEDP has approved.

Ms. Shrewsbury also mentioned that as the EDA begins thinking ahead to the next industrial park site, she has started looking at grants for feasibility to determine where the next park should go. She explained that they are currently in the application process for a grant which conditionally offers between \$50,000 and \$300,000, but does require a 50/50 match.

Marketing Update

Ms. Rigney informed the group of a call from the Port of Virginia regarding two performance agreements. The first is with Hubbell, which will be awarded \$393,000 to go with an incentive grant. The second is with Wolverine for \$93,000. All that was asked of the Economic Development office was a letter of support verifying that both companies are meeting their requirements.

Other Discussions

Mr. Hamilton reminded the group again of the meeting on August 23, 2017, between Chair Loflin and Chris Tuck of the Board of Supervisors.

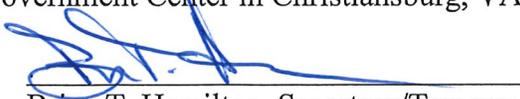
He also informed the directors that the September EDA meeting originally set for the 18th will need to be rescheduled, as he will be out of the country for a conference.

ADJOURNMENT

The meeting was adjourned at 12:53 P.M. The next meeting will be held Tuesday, September 26, 2017, at 11:30 A.M. at the Montgomery County Government Center in Christiansburg, VA.



Tommy Loflin - Chair



Brian T. Hamilton, Secretary/Treasurer