



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, September 26, 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, September 26, 2017 at the Montgomery County Government Center, Christiansburg, VA. Those in attendance were Chair Tommy Loflin; 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; Nancy Turner, Program Assistant Brenda Rigney, Project Manager; Ashlyn Shrewsbury, Project Manager; and Rachel Cline, Economic Development Assistant. Absent was Vice- Chair, Norman Winstead; and Director, John Phillips.

OPENING REMARKS

Declaration of Quorum

Chair Loflin declared a quorum was present, and called the meeting to order at 11:34 A.M.

Approval of Agenda

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

Introduction of Guests

There were no guests present.

CONSENT AGENDA

Approval of Minutes of the August 15 meeting- Exhibit Tab 1

On a motion by Director Taylor, seconded by Director Tuttle, and carried unanimously, the minutes dated August 15, 2017 were approved as presented.

DEPARTMENT OF ECONOMIC DEVELOPMENT

755 Roanoke Street • Suite 2H • Christiansburg, Virginia 24073-3184
(540) 382-5732 • Fax (540) 381-6888
www.yesmontgomeryva.org

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 net assets, everything is fairly consistent with the past few months, although accounts payable is up a little as it includes incentives that have been earned by companies but have not yet been paid.

Under the statement of revenues and expenses, Ms. Hill reminded the group that the contribution incentive is higher than budgeted do to a TORC payment to the Town of Blacksburg for fees that they deferred. Mr. Hamilton explained that the TOB deferred \$33,000 on the water, sewer, and related fees, which came out of TORC proceeds.

Ms. Hill mentioned a \$10,000 payment on Luna's letter of credit, as it is part of their lease agreement that the EDA will pay. It is listed under contributions, and is paid just once per year. She also informed the group that utilities is running higher than budgeted, which Mr. Hamilton credited to the higher electricity in summer for running HVAC systems, and unless the weather stays warm through December, there should be a drop off in electricity and an increase in natural gas.

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

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 2017020
2. Project 2017026-**Exhibit Tab 3**
3. Project 2017028

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 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		John Phillips	John Phillips
James Taylor		Norman Winstead	Norman Winstead
John Tuttle			
Eric Johnsen			
Ray Tuck			

AMENDMENT TO AGENDA

Following the closed session, the directors moved to amend the agenda to add a resolution regarding a performance agreement with InMotion.

On a motion by Director Johnsen, seconded by Director Tuck, and carried unanimously, the meeting agenda was amended to add the following resolution.

**RESOLUTION APPROVING THE PERFORMANCE AGREEMENT BETWEEN THE
ECONOMIC DEVELOPMENT AUTHORITY OF MONTGOMERY COUNTY VIRGINIA AND
INMOTION, US, LLC**

*Passed by unanimous vote at a regular meeting of the Economic Development Authority of
Montgomery County, Virginia, on Tuesday, September 26, 2017, at the Montgomery County
Government Center in Christiansburg, Virginia.*

WHEREAS, the Economic Development Authority of Montgomery County, VA ("EDA") is the owner of certain real property located in the Town of Blacksburg, Virginia upon which Landlord has built a 109,000 sq. ft. Technology Manufacturing Building (the "Building") on fifteen (15) acres of land in the Blacksburg Industrial Park, 3155 State Street, Blacksburg, VA 24060; and

WHEREAS, InMotion US, LLC, a North Carolina Limited Liability Company, operating in Blacksburg, Virginia ("InMotion") entered into an Industrial Lease Agreement on October 2, 2014, to lease 59,330 sq. ft. of the 109,000 sq. ft. Building for seven (7) years ("InMotion Site"); and

WHEREAS, InMotion intends to expand its current manufacturing capacity at the InMotion Site by making a capital investment of \$3.5M in machinery and tools and expand employment at the InMotion Site by creating twenty (20) new jobs; and,

WHEREAS, the EDA and InMotion desire to enter into a Performance Agreement whereby in return for the InMotion's capital investment of up to \$3,500,000 in machinery and tools and twenty (20) new jobs at the InMotion Site in Montgomery County, the EDA agrees, subject to the terms and conditions of the Performance Agreement, to provide the Company with an annual Economic Development Grant over a five year period ("Grant Period") that is equal to fifty percent (50%) of the new machinery and tools taxes paid by InMotion to Montgomery County, Virginia that is specifically attributed to the new machinery and tool investment made by InMotion, not to exceed a total cumulative grant payment over the five year period of \$100,000 (the "Economic Development Grant" or "Grant").

NOW THEREFORE, BE IT RESOLVED by the Economic Development Authority of Montgomery County, Virginia, that the Economic Development Authority hereby approves the Performance Agreement between the EDA and InMotion, US, LLC providing an Economic Development Grant up to \$100,000 over a five (5) year period to InMotion conditioned upon InMotion making a capital investment of \$3.5M in machinery and tools and creating twenty (20) new jobs at the InMotion Site in Montgomery County; and,

BE IT FURTHER RESOLVED, by the Economic Development Authority of Montgomery County, Virginia that the Economic Development Authority hereby authorizes the Tommy Loflin, Chairman, of the Economic Development Authority of Montgomery County, Virginia, to execute the Performance Agreement on behalf of the Authority.

On a motion by Director Johnsen, seconded by Director Taylor, and carried unanimously, the Economic Development Authority passed the above resolution approving the performance agreement between the EDA and InMotion.

GENERAL BUSINESS

Chair Tuck and Chair Loflin Discussion—Chair Loflin

Meeting with Board of Supervisors

Chair Loflin discussed a meeting that took place on August 23, 2017 between himself, Mr. Meadows, Mr. Hamilton, and Board of Supervisors Chair Chris Tuck regarding the topics outlined in previous EDA meetings throughout the year, particularly establishing a dialogue between the two boards, as well as providing the EDA with a general direction to work toward that will align with the Board of Supervisors' goals and vision for Montgomery County. Chair Tuck suggested meeting again in January post-elections and potentially working around an already scheduled BOS meeting, then possibly scheduling a more in-depth meeting in the spring.

Targeted Industry Discussion

Chair Loflin explained that he got the sense that in terms of industries that the EDA should be targeting. The BOS like the mix of different types of industries currently in the Falling Branch Corporate Park. Mr. Hamilton added that from the meeting, there seems to be interest in fields such as software development, IT, unmanned vehicles, and advanced manufacturing. Chair Loflin also explained that the EDA could serve as a good resource for the BOS, particularly when it comes time to begin targeting industries for the Cox property.

In terms of developing the Cox property, Mr. Hamilton explained that it will cost around \$2.5 million to grade the land, and that currently the County would only be providing the funds for the purchase of the property. Chair Loflin added that the County wants to purchase the property, but barring some sort of golden opportunity with a prospect, it is not a high priority to start preparing the land right away, and he cited this as an example of things he would like to hear from the BOS about how to align the Montgomery County's economic development efforts with the Board's vision for the county as a whole. Mr. Meadows agreed with the need to get a meeting set up between both groups in this regard, explaining that asked individually, the BOS members have strong visions of what they want, but that they need to be pulled together and conveyed as one when it comes to economic development.

Bond Policy – Exhibit Tab 4

The meeting with Chair Tuck also touched on the possibility of establishing a bond policy, which the EDA has been discussing throughout the year. Mr. Hamilton described a three-tiered system based on the level of investment, and explained that it is a good compromise, although it may have to be negotiated a bit and structured so that everyone is included in the system, not just Virginia Tech. Chair Loflin emphasized the need to get serious about establishing a policy soon and to make sure the BOS is on board, as well as the possibility of using the extra revenue generated by the policy for projects such as financing repairs and improvements at the Technology Manufacturing Building.

Technology Manufacturing Building Capital Improvements – Exhibit Tab 5

Chair Loflin informed the group that they presented Chair Tuck with the proposal provided by John Mann for replacing the HVAC units at the TMB, and explained that the BOS would likely lean more toward repairing the HVAC units as needed.

Mr. Hamilton mentioned that following the current policy of replacing as needed, if a unit failed tomorrow, it could not be replaced until the following month after it had been approved. Mr. Hamilton suggested that if repairs to a unit are estimated to cost approximately 40 percent of the value of installing a new unit instead, that the decision to select the new unit rather than repairing the old one should be preapproved, rather than having to wait until the next meeting for approval.

On a motion by Director Tuck, seconded by Director Johnsen, and carried unanimously, the EDA preapproved the purchase of a new HVAC unit should the price to repair the older unit be at least 40 percent of the cost of a new unit, with a cap at \$25,000, provided that the expenditure is within the approved budgeted repair expense.

Grants

Economic Development Administration Grant – Exhibit Tab 6

Ms. Shrewsbury informed the group that they are seeking a grant to help with local technical assistance for a feasibility study, and that they will partner with the regional commission. They are planning to submit the application on Friday, September 30, 2017. The grant does require a 50/50 match, and the quoted cost of the study would be around \$130,000 total, so \$60,000 from each. Ms. Shrewsbury explained that Montgomery County is not a distressed community, but does have other aspects that apply to the grant, which is one of the reasons for partnering with the regional commission. She is hoping to hear back on the grant by the end of the year, which would then take a year to complete the study, finishing up around the end of 2018 and setting Montgomery County up for the next step after the purchase of the Cox property.

Chair Loflin asked if the feasibility study is something that the County could complete on its own without having to pay the \$60,000 matching fee. Mr. Meadows explained that while the County could do some of the preliminary work, a consultant can often do things that counties cannot do on their own, particularly coming in with an objective view.

Go Virginia Grant – Exhibit Tab 7

Ms. Shrewsbury described a request sent out by Go Virginia looking for letters of interest, asking for localities to submit on projects that are fairly far along. She explained that one project that they met with the Town of Christiansburg to partner with is the Cox property, and although she does not think they would see a lot of money, they would like to cover the cost to extend the water and sewer, and are in the process of submitting.

Another project that Ms. Shrewsbury mentioned is broadband, explaining that the more partners there are on board, the better it looks, but that the project is not far enough along to submit to Go Virginia.

Ms. Shrewsbury also told the group that the Roanoke-Blacksburg Technology Council has submitted a letter on the RAMP program, which is located in Roanoke, but that they want it to be more regionally based, so they would like Montgomery County's support. She said that they have not yet made any decisions.

Cox Property Due Diligence – Exhibit Tab 8 **Boundary Survey**

Mr. Hamilton gave a brief update and summary of the Cox property due diligence process, starting with the boundary survey. The GIS was found to be incorrect when Hurt & Proffitt discovered there were actually 132 acres and that Lot C is not on record, so they created a new Lot C in a subdivision plat, which has been submitted to the Town of Christiansburg.

Rezoning

Montgomery County had already rezoned part of the property to M-1, but the Christiansburg rezoning had to be resubmitted due to the errors on the GIS. On August 14, Christiansburg Planning approved rezoning to I-2 with a 200 foot buffer and no industrial access on neighborhood roads. The proffers have been signed off on by Mr. Cox, and the Town of Christiansburg will look at it tonight.

Phase I ESA

There were no recognized environmental conditions.

Wetlands Survey

Mr. Hamilton is waiting on the Army Corps of Engineers to send their report. They walked the site and gave verbal approval, but have not yet sent their final letter.

Geotechnical

Based on where on the property a potential prospect might want to build, the land may need some soil remediation, as it is less likely on the right pad than the left. However, with utilities already in place in the Falling Branch Corporate Park, it will still be less costly than an entirely new piece of land.

Mr. McMahon asked if a letter stating an intent to buy should be sent if the rezoning is approved by the Town of Christiansburg at the meeting later that evening. He also explained that there is a 30 day window for anyone wanting to file an appeal to overturn the rezoning.

On a motion by Director Johnsen, seconded by Director Tuck, and carried unanimously, a 31 day closing was approved, contingent on the Town of Christiansburg rezoning and Army Corps letter, as well as there being no appeals to the rezoning within the statutory limit on appeals.

ECONOMIC DEVELOPMENT DIRECTOR'S REPORT

Existing Industry Update

Ms. Rigney informed the group that she is visiting as many industries as possible, but that there is not a lot going on with any of them at the moment.

Marketing Update

Ms. Shrewsbury discussed Onward NRV's calendar for the year, which includes work on targeted industries and a few events with Virginia Tech and Radford University alumni, such as a booth at the upcoming Virginia Tech homecoming football game. She explained that the County is trying not to duplicate Onward's events, but one that they are both doing is an AUVSI conference on October 15-17, which they are both sponsoring. The event is open to the public, and the Economic Development offices have taken a silver level sponsorship at \$1,250.

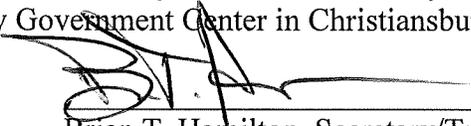
Other Discussions

Mr. Hamilton informed that group that John Phillips has resigned from the EDA after taking a job in Washington, D.C. The Board of Supervisors are going to begin advertising for the position.

ADJOURNMENT

The meeting was adjourned at 12:53 P.M. The next meeting will be held Tuesday, October 31, 2017, at 11:30 A.M. at the Montgomery County Government Center in Christiansburg, VA.


Tommy Loflin - Chair


Brian T. Hamilton, Secretary/Treasurer