Directors
James Taylor
Ray Tuck
Tommy Loflin
Eric Johnsen
Steve Baffuto

Norman Winstead
Chairman

John Tutle
Vice-Chairman

Brian T. Hamilton
Secretary/Treasurer

Martin M. McMahon
Attorney

Minutes
Tuesday, December 4, 2018 – 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
Doug Winstead - Chair, Presiding

The Economic Development Authority of Montgomery County, Virginia held a regular meeting on Tuesday, December 4, 2018 at the Montgomery County Government Center, Christiansburg, VA. Those in attendance were: Chair Norman Winstead; Vice-Chair John Tutle; and Directors: Eric Johnsen and Tay Taylor. Also in attendance were: Brian Hamilton, Economic Development Director; Marty McMahon, County Attorney; Angie Hill, Finance Director; Brenda Rigney, Project Manager; Ashlyn Shrewsbury, Project Manager; Rachel Cline, Economic Development Assistant; and Nancy Turner, Program Assistant. Absent were Directors: Tommy Loflin, Ray Tuck, and Steve Baffuto. Also absent was: Craig Meadows, County Administrator.

OPENING REMARKS

Declaration of Quorum
Chair Winstead declared a quorum was present, and called the meeting to order at 11:35 A.M.

Approval of Agenda
On a motion by Director Taylor, 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 October 16, 2018 meeting- Exhibit Tab 1
On a motion by Director Johnsen, seconded by Vice-Chair Tutle, and carried unanimously, the minutes dated October 16, 2018 were approved as amended.

Review and Acceptance of the Treasurer's Report – Exhibit Tab 2
Ms. Hill presented the financial statement dated October 31, 2018, included in the agenda packet. She said the statement of net assets was fairly standard with no significant changes from the previous month. On the statement of revenues and expenses, she pointed out that under the repairs and maintenance line, they have changed the budget to account for the spending on the stormwater pond repairs for which the Board of Supervisors appropriated funding, and that it will be broken out on a separate line. She also mentioned that the increase in cash since July shown on the cash flow statement is mostly just a timing issue with lease payments.

On a motion by Director Johnsen, seconded by Director Taylor, and carried unanimously, the Treasurer's Report dated October 31, 2018, was accepted as presented.

INTO CLOSED MEETING
On a motion by Director Johnsen, seconded by Vice-Chair Tutle, 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

(8) Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel

1. Performance Agreement - Wolverine

(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 2018028
2. Project 2018032
3. Project 2018034
4. Project 2018035

(3) Discussion or Consideration of the Acquisition of Real Property for Public Purpose, or of the Disposition of Publicly Held Real Property, Where Discussion in an Open Meeting Would Adversely Affect the Bargaining Position or Negotiating Strategy of the Public Body

1. Technology Manufacturing Building

OUT OF CLOSED MEETING
On a motion by Vice-Chair Tutle, seconded by Director Taylor, 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 Vice-Chair Tutle, 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
Norman Winstead		Tommy Loflin	Tommy Loflin
John Tutle		Ray Tuck	Ray Tuck
Eric Johnsen		Steve Baffuto	Steve Baffuto
James Taylor			

GENERAL BUSINESS

1901 Group Announcement
Ms. Shrewsbury informed the directors of an announcement made by 1901 Group in November that they plan to invest $4 million in an expansion of its operations in both Montgomery County and Fairfax County. The expansion includes the addition of a combined 805 new jobs, 580 of which will be in Montgomery County.

Ms. Shrewsbury explained that the announcement, which had been in the works for about 15 months, has provided Montgomery County with a lot of good media coverage from local groups like The Roanoke Times, WSLS, and WDBJ, but also from publications at the state level, such as Virginia Business.

Mr. Hamilton added that 1901 Group is still planning to move their Montgomery County operations to a larger location, particularly now that they will be adding more employees soon, but that no announcement has been made at this time. 1901 Group had previously looked at the old Blacksburg Middle School site, which has not yet been rezoned, as well as space in the Virginia Tech Corporate Research Center.

VEDP Sites Development Grant
Ms. Shrewsbury reminded the directors that they had applied for a Virginia Business Ready classification earlier in the year for FBCP Phase II and were ranked as a tier three site, meaning the next step would be to apply for a site development grant to help move that classification up to a tier four. She said that following the EDA's authorization of the grant application execution at the October 16, 2018 meeting, they submitted for the site certification grant in October. If awarded, the grant would cover half the cost of the engineering work on the plans to develop the road, grade the site, and install utilities on Phase II, meaning the County and the EDA would need to provide matching funds for the remaining half of the engineering work.

Falling Branch Corporate Park
Stormwater Pond – Exhibit Tab 3
Mr. Hamilton said that the repair work on the stormwater pond is essentially complete, although extra storm damage sustained during the hurricane led to additional washouts and necessitating change orders from the company doing the work. The first change order was for $4,000 and was authorized by the EDA in September, and second change order came in at $1,800. Otherwise, the only remaining payment for the stormwater work is a retainer of about $6,000 that will be held until seeding is completed in the spring.

On a motion by Director Taylor, seconded by Vice-Chair Tutle, and unanimously carried, the EDA authorized staff to accept the second change order for $1,800 and finalize payment on the stormwater work, excepting the retainer for seeding.

Covenants – Exhibit Tab 4
Ms. Shrewsbury said that because the creation of covenants for FBCP Phase II is forthcoming, she has been looking at other industrial parks in Virginia to see where they might like to make changes from the current Phase I policies. She presented a comparison of the current Montgomery County covenants with seven other localities for the directors to look over for discussion at the next EDA meeting. Mr. Hamilton added that they may want to be more flexible with Phase II, as the current restrictions have hindered projects a bit in the past.

Technology Manufacturing Building
Luna Kitchen Upgrade
Mr. Hamilton explained that Luna is planning to update the kitchen space on their side of the TMB. The upgrade is expected to cost about $150,000 and will include new wood floors, an updated kitchen area, and new fixtures and lighting, as well as other elements to make the space a more work-friendly environment, such as USB charging ports at the tables. The project will be fully funded by Luna at no cost to the EDA, although the EDA will have to authorize the improvements as they exceed $50,000. The changes will also need to be added to the building floorplans, as the majority of the upgrades would remain in the building should Luna ever decide to relocate.

On a motion by Vice-Chair Tutle, seconded by Director Taylor, and unanimously carried, Luna's kitchen upgrades were approved up to $200,000.

Stair Repair/Replacement
Mr. Hamilton reminded the directors that they previously authorized funding up to $25,000 for repairs on two external staircases at the TMB. He said that Tom Koontz completed the drawings the previous Friday and will turn them into the Town of Blacksburg. Mr. Hamilton also said that they have already submitted the work to Avis Construction to look at because they are already on the property for Luna's kitchen upgrade, but that they will be submitting to other companies for bids as well.

AED Replacement
Following the decision at the previous EDA meeting that AED units should not be provided by the EDA in either side of the TMB, Mr. Hamilton explained that Luna decided to purchase the AED unit left behind by Cobham "as is" for $100. He said that the EDA has no recourse, and that Luna had already been maintaining the unit and replacing the batteries.

HVAC Repairs
Mr. Hamilton said that Trane is recommending a refresh of the 18-year-old, 400-ton chiller at the TMB. The refresh would run around $122,000, and the County recently did one on the Government Center, which is on about the same timeline as the TMB.

Mr. Hamilton explained that the main Trane technician for the TMB, Jim Dunn, told him that if the EDA does not start replacing about four units per year, they will probably end up having to replace about ten or more units all at the same time a few years down the road. Mr. Hamilton

said he will also request that the County's HVAC technician provide his opinion on the TMB's HVAC and possible chiller refresh.

EDA Bond Policy – Exhibit Tab 5

Mr. Hamilton said that Ms. Shrewsbury has been looking at bond policies in other localities to compare options in potentially adjusting the Montgomery County policy. The current bond policy is one-eighth of one percent of the bond balance paid annually, which he said has not been evenly applied in the past. He presented the directors with a proposed change to more of a lump-sum policy, wherein a one-time administrative fee would be issued based on the bond amount and whether the entity was for-profit or non-profit, with a goal of having a more enforceable bond policy that can be applied evenly.

The directors briefly discussed the merits of each type of bond policy, but did not come to an immediate consensus on a preferred policy. Mr. Hamilton asked that they review the current policy and the proposed changes, and send him comments for future discussion by the EDA and eventually the Board of Supervisors.

ADJOURNMENT

The meeting was adjourned at 1:06 P.M. The next meeting will be held Tuesday, January 15, 2018, at 11:30 A.M. at the Montgomery County Government Center in Christiansburg, VA.

Norman Winstead - Chair

Brian T. Hamilton, Secretary/Treasurer