

Directors
James Taylor
Ray Tuck
John Tuttle
Eric Johnsen
Steve Baffuto



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

Minutes
Tuesday, February 20, 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
Tommy Loflin - Chair, Presiding

The Economic Development Authority of Montgomery County, Virginia held a regular meeting on Tuesday, February 20, 2018 at the Montgomery County Government Center, Christiansburg, VA. Those in attendance were Chair Tommy Loflin; and Directors: James Taylor, Steve Baffuto, 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 were Vice-Chair, Norman Winstead; and Directors: Ray Tuck and Eric Johnsen.

OPENING REMARKS

Declaration of Quorum

Chair Loflin declared a quorum was present, and called the meeting to order at 11:36 A.M.

Approval of Agenda

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

Introduction of Guests

There were no guests present.

Introduction of New Director

The group was introduced to new EDA Director Steve Baffuto, who works with the Virginia Alcoholic Beverage Control Agency, and was recently appointed to fill the vacancy left by John Phillips last year.

DEPARTMENT OF ECONOMIC DEVELOPMENT

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CONSENT AGENDA

Approval of Minutes of the January 9, 2018 meeting- Exhibit Tab 1

On a motion by Director Taylor, seconded by Director Tuttle, and carried unanimously, the minutes dated January 9, 2018 were approved as presented.

Review and Acceptance of the Treasurer's Report – Exhibit Tab 2

Ms. Hill presented the reports included in the agenda packet, which included the December 2017 and January 2018 statements, although she chose to focus on the more recent January statement. She said that the statement of net assets was generally the same with no significant changes. On the cash flow statement, she showed that since the beginning of the fiscal year, there has been a decrease of around \$80,000 in cash and cash equivalents. She explained that the amount of money in cash and cash equivalents is running fairly consistently, as there is generally about \$35,000 on hand when everything is caught up and paid.

Mr. Hamilton pointed out that both utilities and repairs are under budget. Travel is above budget, primarily due to attending more events, such as tradeshows and presentations with VEDP.

On a motion by Director Taylor, seconded by Director Tuttle, and carried unanimously, the Treasurer's Reports dated December 31, 2017 and January 31, 2018 were accepted as presented.

INTO CLOSED MEETING

On a motion by Director Taylor, seconded by Chair Loflin, 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 2018001
2. Project 2018006
3. Project 2018008 – **Exhibit Tab 3**
4. Project 2018011
5. Project 2018012 – **Exhibit Tab 4**

OUT OF CLOSED MEETING

On a motion by Director Tuttle, 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 Taylor, 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
James Taylor		Norman Winstead	Norman Winstead
John Tuttle		Eric Johnsen	Eric Johnsen
Steve Baffuto			

ACTION FROM CLOSED SESSION

On a motion by Director Taylor, seconded by Director Tuttle, and carried unanimously, the Economic Development Authority passed a resolution authorizing Mr. Hamilton to withdraw the request to change town code in the I-2 Industrial District for animal testing and a conditional use permit for animal testing.

GENERAL BUSINESS

Technology Manufacturing Building

Luna Test Well

Mr. Hamilton informed the group of a request from Luna to drill a 100 foot well outside the TMB to test fracking fiber optics. He explained that Luna has been allowed to run tests outdoors on the property for smaller and more contained projects, such as using the grass to test paint samples and tires. The test well, however, would have a bigger potential for problems, especially considering the property is all on the same bedrock and Mr. Hamilton said he doesn't want to see the whole building end up shifting from the drilling. The directors agreed about not liking the potential risk to the property, and the consensus was not to allow Luna to drill the test well on the property.

Trane Controls Proposal – Exhibit Tab 5

Mr. Hamilton informed the directors that they were finally able to get bids on updating the control system at the TMB from both Engineered Services, Inc. (ESI) and Johnson Controls. The original proposal from Trane was around \$35,000, while ESI gave a quote at just over \$48,000, and Johnson estimated the work to be closer to \$102,000.

Mr. Hamilton reminded the group that the main reason for replacing the system is that the current one is getting older, making it much harder to find replacement parts. The current system was installed by Trane, making their proposal the lowest cost because they would not have to make as many changes. Mr. Hamilton also reiterated that the Trane price included the cost to add in the three rooftop units that aren't currently looped into the system, and that they have always had a fast response time at the TMB while working with Trane. Due to the length of time it took to get the other bids back, he worried that the other companies might not have as quick of a response as Trane has had in the past if a problem occurred at the building.

Ms. Hill said that there is approximately \$104,000 sitting in the EDA maintenance reserve at the moment, and that the money would have to be appropriated, as it is held by the County.

On a motion by Director Taylor, seconded by Director Tuttle, and carried unanimously, the EDA approved the transfer of money from the reserve funds, pending County approval, to proceed with the installation of a new controls system as proposed by Trane.

Falling Branch Corporate Park Phase II Boundary Line Adjustment

Mr. Hamilton briefly described a discussion with Randy Wingfield, Interim Town Manager for the Town of Christiansburg, regarding a friendly boundary adjustment on Lot A. This would be the same agreement used in FBCP Phase I, wherein the Town of Christiansburg agreed to provide water and sewer to the site after the boundary lines were adjusted.

Fence Line – Exhibit Tab 6

Mr. Hamilton said that McGrady, the owner of Lot D of the former Cox farm, would like to run cattle on his land, meaning a fence will have to be constructed between his property and the EDA-owned Lots A and B. The fence would cost around \$15,000, and McGrady has asked if the EDA would be interested in splitting the cost. Mr. Hamilton explained is a common practice for fences to be financed between two property owners.

The directors asked if rather than paying half the cost of the fence, there could be some sort of exchange made where McGrady could cut and keep the hay from Lots A and B instead. Mr. Hamilton mentioned that there was a similar agreement with the Teals that they could cut the hay on the undeveloped property that they sold to the EDA in the FBCP, so he felt that it might be okay to make an exchange with McGrady to have the hay from Phase II until the property is developed.

Business Ready Site Classification – Exhibit Tab 7

Mr. Hamilton discussed the Business Ready Classification process, which categorizes available sites across Virginia into five tiers to make them easier to suggest for potential projects. He said that FBCP Phase II is likely sitting in the third tier, though it has the potential to move up into the fourth dependent on access to water, sewer, and gas. However, regardless of tier, the property will require an outside party to verify its standing.

Hurt and Proffitt will conduct the site classification for \$4,000, but Mr. Hamilton reminded the group that they have also applied for a \$2,000 grant with VEDP to cover part of that cost. They should hear by the end of the month whether or not they have received the grant, but either way this will be a necessary expense.

The directors asked if the grant could later be used to reimburse the cost of the engineering services if they were to go ahead and pay the full \$4,000 now, to which Mr. Hamilton answered yes. The directors agreed that this would be the best course of action, as the classification will have to be done regardless of whether or not the grant is awarded, and it would be better to move quickly and get into an earlier round of classifications.

On a motion by Director Taylor, seconded by Director Tuttle, and carried unanimously, the spending of \$4,000 for the site classification was approved.

Stormwater Pond H&P Proposal – Exhibit Tab 8

Mr. Hamilton informed the directors of a damaged forebay at the stormwater pond in the FBCP. The forebay is blown out completely and will not drain, causing the water to make its own path instead of following the natural flow. Mr. Hamilton explained that the EDA entered into a recorded stormwater agreement with the Town of Christiansburg wherein the EDA will keep up maintenance on the stormwater pond, meaning the forebay must be repaired, although it is likely to be an expensive fix.

Mr. Hamilton said that Hurt & Proffitt put together a proposal for \$15,000 for the engineering work, and that the repair work would be put out for bid, but the EDA will have to ask the County for funds.

The directors asked whether or not the engineering work could also be put up for bid. Mr. Hamilton said that he could look into getting other bids for the work, but reminded the group that the EDA would not be meeting again for another month to then approve the work once the lowest bid is found. Because the repairs will need to be addressed sooner rather than later, he requested that the directors go ahead and approve the work with the price given by Hurt & Proffitt set as the maximum spending limit. If a bid came back lower than that amount, he would have preapproval to proceed with the work with that company, or to move ahead with Hurt & Proffitt if that price remained the lowest.

On a motion by Director Tuttle, seconded by Director Taylor, and carried unanimously, the EDA authorized proceeding with the repair, providing the engineering costs are under \$16,000 and it is funded by the County from the EDA reserve fund.

ECONOMIC DEVELOPMENT DIRECTOR'S REPORT

Existing Industry Update

Ms. Rigney discussed a meeting with a startup that currently has five employees and is planning to hire 10 to 15, along with the around 40 employees they already have at their home office in San Francisco. She said that they are trying to follow up with them to get VJIP started.

She said that they toured Backcountry the previous week, and that they are sitting at about 160 employees and seem to be doing very well. She also recently spoke with the president of InOrganic Ventures and learned that their renovation is almost complete.

Ms. Rigney also briefly mentioned a meeting with a prospect located in the Virginia Tech Corporate Research Center taking place the following morning, and Mr. Hamilton added that the past month has been very busy, both with existing and with new businesses.

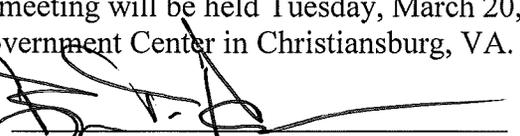
Marketing Update

Ms. Shrewsbury said that the annual report is currently at the printer, and that it should be mailed out soon.

ADJOURNMENT

The meeting was adjourned at 1:08 P.M. The next meeting will be held Tuesday, March 20, 2018, at 11:30 A.M. at the Montgomery County Government Center in Christiansburg, VA.


Tommy Lofan - Chair


Brian T. Hamilton, Secretary/Treasurer