

Directors
James Taylor
Ray Tuck
Tommy Loflin
Eric Johnsen
Steve Baffuto



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

Minutes
Tuesday, January 15, 2019 – 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, January 15, 2019 at the Montgomery County Government Center, Christiansburg, VA. Those in attendance were: Chair Norman Winstead; Vice-Chair John Tuttle; and Directors: Eric Johnsen, Tay Taylor, Tommy Loflin, and Steve Baffuto. 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; Rachel Cline, Economic Development Assistant; and Nancy Turner, Program Assistant. Absent was Director Ray Tuck.

OPENING REMARKS

Declaration of Quorum

Chair Winstead declared a quorum was present, and called the meeting to order at 11:30 A.M.

Approval of Agenda

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

Introduction of Guests

There were no guests present.

CONSENT AGENDA

Approval of Minutes of the December 4, 2018 meeting- Exhibit Tab 1

On a motion by Director Taylor, seconded by Director Johnsen, and carried unanimously, the minutes dated December 4, 2018 were approved as amended.

DEPARTMENT OF ECONOMIC DEVELOPMENT

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

Ms. Hill presented the financial statements dated November 30, 2018, and December 31, 2018, included in the agenda packet. She pointed out that on the December statement, there was normal activity and no significant changes from November. She mentioned that because of money appropriated in January for the HVAC at the TMB, on next month’s statement of net assets, the reserve fund will read at zero.

Ms. Hill also said that nothing significant came up in the audit, and that they presented it the previous night to the Board of Supervisors. She said that if there is anything the directors have questions about, the auditors would be happy to come in to explain.

On a motion by Director Johnsen, seconded by Director Loflin, and carried unanimously, the Treasurer’s Reports dated November 30, 2018, and December 31, 2018, were accepted as presented.

INTO CLOSED MEETING

On a motion by Director Loflin, 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 2019002
2. Project 2019003
3. Project 2019004
4. Project 2019005

(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 Director Johnsen, seconded by Vice-Chair Tuttle, 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 Loflin, 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>
Norman Winstead		Ray Tuck	Ray Tuck
John Tuttle			
Eric Johnsen			
Tommy Loflin			
Steve Baffuto			
James Taylor			

ACTION FROM CLOSED SESSION

On a motion by Director Johnsen, seconded by Vice-Chair Tuttle, and carried unanimously, the EDA authorized staff to proceed with the solicitation of commercial realtors for proposals regarding the marketing of the Technology Manufacturing Building.

GENERAL BUSINESS

Montgomery County Government Center – Exhibit Tab 3

Mr. Hamilton informed the directors that the Government Center building is currently in the Economic Development Authority's name and needs to be deeded to the County. He explained that the building was originally intended as an incubator and placed in the EDA's name, but was never changed after plans for the Government Center were made instead, which came up while looking at a sidewalk easement with the Town of Christiansburg.

On a motion by Director Taylor, seconded by Vice-Chair Tuttle, and carried unanimously, the EDA authorized staff to proceed with documenting the conveyance of the property, and for Chair Winstead to sign off on the resolution.

Technology Manufacturing Building Stair Bids – Exhibit Tab 4

Mr. Hamilton reminded the directors of the two deteriorating external staircases at the TMB, for which the EDA had already authorized \$25,000 to replace following recommendations by the structural engineer. Mr. Hamilton requested that the EDA approve raising that amount to \$30,000 based on the four bids that were submitted on the staircases, as the bids ranged from roughly \$25,000 all the way up to around \$79,000.

The two bids that Mr. Hamilton suggested the directors consider, as they were within \$100 of each other, were from Hall's Construction Corporation at \$24,874 and Avis Construction Company, Inc. at \$24,967. The Avis proposal also included a variation in the price based on whether or not temporary stairs would be needed while the new stairs were under construction, which could push the price up to \$27,351, and Mr. Hamilton pointed out that Avis is already on site in the TMB for Luna's kitchen upgrade. Following a brief discussion by the directors, the consensus was to accept the proposal from Hall's, particularly as it provided a chance to support a Montgomery County business.

On a motion by Director Loflin, seconded by Director Taylor, and carried unanimously, the EDA authorized staff to accept the bid from Hall's Construction Corporation, as well as authorizing funding not exceeding \$30,000 for the total stair replacement, including contractors and engineering costs.

HVAC Repairs– Exhibit Tab 5

Mr. Hamilton presented a quote from Trane for \$15,423.78 to make repairs and replace parts on 10 of the 18 units at the TMB, which should help get the units through the winter. He said that the funds were appropriated the previous night at the Board of Supervisors meeting, and Ms. Hill added that that appropriation is why the reserve fund will sit at \$0 on the next financial statement.

On a motion by Director Taylor, seconded by Vice-Chair Tuttle, and carried unanimously, the EDA authorized proceeding with the Trane contract, not exceeding \$15,423.78.

VEDP Sites Development Grant

Ms. Shrewsbury said that they submitted for the site development grant the previous month and are still waiting to hear back. If awarded, it would cover half the engineering costs for the plans to develop the road, grade the site, and install utilities on FBCP Phase II, meaning the County and the EDA would then need to provide matching funds for the remaining half of the engineering work. Mr. Meadows mentioned that it has been informally discussed with the Board of Supervisors, and they seem to be open to covering matching funds if the grant were to be awarded.

EDA Bond Policy – Exhibit Tab 6

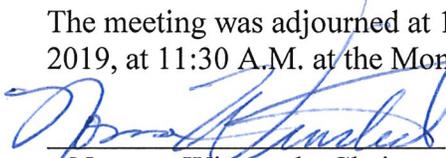
Chair Winstead presented a comparison of several different options for a bond policy administrative fee, including the previously proposed lump-sum administrative fee based on where the bond amount fell within a group of set ranges, as well as a new proposal of a floating scale with a predetermined minimum and maximum cap rate.

The current bond fee is one-eighth of one percent of the bond balance paid annually, which has not been applied evenly in the past, and switching to one of the proposed administrative fee structures may also have a financial impact that could be beneficial for the EDA.

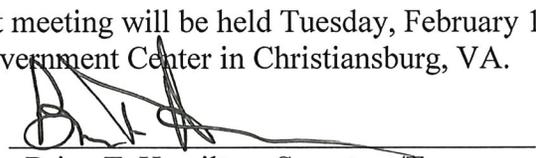
On a motion by Director Taylor, seconded by Director Johnsen, and carried unanimously, the EDA moved to further explore pursuing the first alternate as presented in the Bond Policy EDA Administrative Fee Comparison document (see attached), subject to discussion with the bond council.

ADJOURNMENT

The meeting was adjourned at 12:45 P.M. The next meeting will be held Tuesday, February 19, 2019, at 11:30 A.M. at the Montgomery County Government Center in Christiansburg, VA.



Norman Winstead - Chair



Brian T. Hamilton, Secretary/Treasurer

**ECONOMIC DEVELOPMENT AUTHORITY of MONTGOMERY COUNTY, VIRGINIA
BOND POLICY EDA ADMINISTRATIVE FEE COMPARISON
AS OF DECEMBER 17, 2018**

NEW BOND ISSUES (TAXABLE & TAX-EXEMPT)

PROPOSED EDA ADMIN. FEE	ALTERNATIVE #1		ALTERNATIVE #2		
	APPLICATION FEE	\$400	APPLICATION FEE	\$400	
	CLOSING FEE	\$200	CLOSING FEE	\$200	
	EDA ADMIN. FEE:		EDA ADMIN. FEE:		
	1/2 OF 1% UP TO \$5,000,000		3/8 OF 1% UP TO \$5,000,000		
	PLUS		PLUS		
	1/10 OF 1% OVER \$5,000,000		1/20 OF 1% OVER \$5,000,000		
	MIN. ADMIN. FEE	\$5,000	MIN. ADMIN. FEE	\$5,000	
	MAX. ADMIN. FEE	\$75,000	MAX. ADMIN. FEE	\$75,000	
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EXAMPLES:	TAX-EXEMPT STUDENT HOUSING		TAX-EXEMPT STUDENT HOUSING		
	VIRGINIA PUBLIC UNIVERSITY		VIRGINIA PUBLIC UNIVERSITY		
	CLOSED NOVEMBER 30, 2018		CLOSED NOVEMBER 30, 2018		
AMOUNT	\$9,000,000	\$9,000,000	\$9,000,000		
		\$5,000,000	\$5,000,000	\$18,750	
		\$4,000,000	\$4,000,000	\$2,000	
		<hr/>	<hr/>		
	EDA ADMIN. FEE	\$29,000	EDA ADMIN. FEE	\$20,750	
TOTAL EDA FEE	\$18,750	\$29,600	TOTAL EDA FEE	\$21,350	
AS % OF BOND	0.21%	0.33%		0.24%	
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TAX-EXEMPT HOSPITAL FACILITY	TAX-EXEMPT HOSPITAL FACILITY		TAX-EXEMPT HOSPITAL FACILITY		
	VIRGINIA 501[C]3		VIRGINIA 501[C]3		
	CLOSED SEPTEMBER, 2017		CLOSED SEPTEMBER, 2017		
AMOUNT	\$148,000,000	\$148,000,000	\$148,000,000		
		\$5,000,000	\$5,000,000	\$18,750	
		\$143,000,000	\$143,000,000	\$71,500	
		<hr/>	<hr/>		
	EDA ADMIN. FEE	\$168,000	EDA ADMIN. FEE	\$90,250	
TOTAL EDA FEE	\$75,000	\$168,600	TOTAL POTENTIAL FEI	\$90,850	
		CAPPED EDA FEE	\$75,600	CAPPED EDA FEE	\$75,600
AS % OF BOND	0.05%	0.11%		0.05%	

REFUNDING BOND ISSUES (TAXABLE & TAX-EXEMPT ISSUES)

PROPOSED EDA ADMIN. FEE	ALTERNATIVE #1		ALTERNATIVE #2	
	APPLICATION FEE	\$400	APPLICATION FEE	\$400
	CLOSING FEE	\$200	CLOSING FEE	\$200
	EDA ADMIN. FEE:		EDA ADMIN. FEE:	
	3/8 OF 1% UP TO \$5,000,000		3/16 OF 1% UP TO \$5,000,000	
	PLUS		PLUS	
	1/20 OF 1% OVER \$5,000,000		1/20 OF 1% OVER \$5,000,000	
	MIN. ADMIN. FEE	\$5,000	MIN. ADMIN. FEE	\$5,000
	MAX. ADMIN. FEE	\$75,000	MAX. ADMIN. FEE	\$75,000
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	TAX-EXEMPT STUDENT HOUSING		TAX-EXEMPT STUDENT HOUSING	
	VIRGINIA PUBLIC UNIVERSITY		VIRGINIA PUBLIC UNIVERSITY	
	CLOSED NOVEMBER 30, 2018		CLOSED NOVEMBER 30, 2018	
		\$9,000,000		\$9,000,000
		\$5,000,000	\$5,000,000	\$9,375
		\$4,000,000	\$4,000,000	\$2,000
		<hr/>	<hr/>	
	EDA ADMIN. FEE	\$20,750	EDA ADMIN. FEE	\$11,375
	TOTAL EDA FEE	\$21,350	TOTAL EDA FEE	\$11,975
AS % OF BOND		0.24%		0.13%
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	TAX-EXEMPT HOSPITAL FACILITY		TAX-EXEMPT HOSPITAL FACILITY	
	VIRGINIA 501[C]3		VIRGINIA 501[C]3	
	CLOSED SEPTEMBER, 2017		CLOSED SEPTEMBER, 2017	
		\$148,000,000		\$148,000,000
		\$5,000,000	\$5,000,000	\$9,375
		\$143,000,000	\$143,000,000	\$71,500
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	EDA ADMIN. FEE	\$90,250	EDA ADMIN. FEE	\$80,875
	TOTAL POTENTIAL FEI	\$90,850	TOTAL POTENTIAL FEI	\$81,475
	CAPPED EDA FEE	\$75,600	CAPPED EDA FEE	\$75,600
AS % OF BOND		0.06%		0.05%