

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, February 7, 2017 – 11:45 A.M.
Board of Directors Special Called 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 special called meeting Tuesday, February 7, 2017 at the Montgomery County Government Center, Christiansburg, VA. Those in attendance were Chair Tommy Loflin, Vice-Chair Norman Winstead. Directors: Eric Johnsen, John Phillips, James Taylor, Ray Tuck and John Tuttle. Also in attendance were Craig Meadows, County Administrator; Brian Hamilton, Economic Development Director; Marty McMahon, County Attorney; Brenda Rigney, Project Manager; Angie Hill, Finance Director; Nancy Turner, Program Assistant; Ashlyn Shrewsbury, Project Manager and Kim Hall, Economic Development Assistant.

OPENING REMARKS

Declaration of Quorum

Chair Loflin declared a quorum was present, and called the meeting to order at 11:54 A.M.

Approval of Agenda

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

Introduction of Guests

No guests were in attendance.

CONSENT AGENDA

TORC Expansion Timeline

Mr. Hamilton gave a brief timeline discussion about TORC Robotics. The EDA constructed a 20,700 square foot building for TORC Robotics. The EDA and TORC executed a second lease amendment, which the EDA will up fit approximately 3,000 square feet with a cost not exceeding \$200,000.00. TORC extended their lease an additional two years.

DEPARTMENT OF ECONOMIC DEVELOPMENT

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TORC has requested the EDA to consider a 28 space parking lot expansion. The EDA approved installing the additional 28 parking spaces at an approximate cost of \$238,000, contingent on executing a third lease amendment with TORC.

**TORC Second Lease Amendment
Financial Proposals – Exhibit Tab 1**

Mr. Hamilton discussed all the financial proposals received from the four institutions. The staff recommends accepting the New River Bank quote since it does not require a moral obligation from Montgomery County. Of the four quotes received, three required moral obligations from Montgomery County. The quote from VSBFA requires Davis Bacon compliance which makes the offer non-competitive.

The EDA Board requested to go into closed session to further discuss the financing for TORC Robotics expansion.

INTO CLOSED MEETING

On a motion by Director Phillips, seconded by Director Tuttle, 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. TORC Lease Amendment #3

OUT OF CLOSED MEETING

On a motion by Director Phillips, Seconded by Director 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 Phillips, 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			Eric Johnsen
Norman Winstead			
John Phillips			
James Taylor			
Ray Tuck			
John Tuttle			

On a motion by Director Phillips, seconded by Director Taylor, with Tommy Loflin abstaining the following resolution carried:

DRAFT FINANCING RESOLUTION

WHEREAS, the Economic Development Authority of Montgomery County, Virginia, ("the EDA") and TORC Robotics, Inc. ("TORC") entered into a certain Industrial Lease Agreement, dated April 29, 2014, ("the Lease"), whereby TORC leased 15,659 square foot of space in the building that the EDA built at 405 Partnership Drive in Blacksburg, Virginia, at the base rent of \$16,295; and,

WHEREAS, the EDA and TORC entered into a First Amendment to Industrial Lease ("the First Amendment"), dated October 10, 2014, whereby TORC leased an additional 4,611 sq. feet of warehouse space in the EDA building at the agreed upon warehouse rate of \$5.00 per square feet for an increased base rent of \$18,216; and,

WHEREAS, the EDA and TORC entered into a Second Amendment to Industrial Lease ("the Second Amendment") dated November 15, 2016, whereby the EDA agreed to invest up to

\$200,000 to up-fit approximately 3,000sq. ft. of currently leased warehouse space to office space conditioned upon TORC agreeing to cover any part of the upfit costs over \$200,000, agreeing to extend the Lease an additional 24 months and increase the base rent to \$24,664 and,

WHEREAS, prior to securing the \$200,000 financing required for the Second Lease Amendment, the EDA has been approached by TORC about a proposed Third Amendment to Industrial Lease whereby the EDA would agree to construct 28 parking spaces at a cost capped at \$250,000 in return TORC would agree to be responsible for any costs over \$250,000 and would agree to an increase in monthly rent to \$30,664; and,

WHEREAS, the EDA is interested in securing financing to cover both the \$200,000 upfit costs under the second Amendment that the EDA has already agreed to do and the \$250,000 to pay for the 28 parking spaces should the EDA agree to enter into the proposed third Amendment; and

WHEREAS, the EDA has sought financing proposals from local banks and the EDA has chosen the proposal made by New River Bank of a five year loan at an interest rate of 4.22%, with no moral obligation of the County required.

NOW, THEREFORE BE IT RESOLVED, By the Economic Development Authority of Montgomery County, Virginia that the EDA approves entering into a Loan Agreement with New River Bank in the amount not to exceed \$450,000 to be used to finance the cost of the construction renovation as agreed to under the Second Amendment in the amount of \$200,000, and the cost of constructing 28 space parking spaces in amount of \$250,000 conditioned upon the EDA first agreeing to enter into the proposed Third Amendment to the Lease; and,

BE IT FURTHER RESOLVED, By the Economic Development Authority of Montgomery County, Virginia, that the Authority hereby authorizes the Chairman, or Vice-Chairman, to execute the Loan Agreements with New River Bank on behalf of the EDA and to execute such other documents necessary to close on the financing.

Norman Winstead, Vice Chair

Brian T. Hamilton, Secretary/Treasurer

Avis Contract – Exhibit Tab 2

Mr. Hamilton stated the Economic Development Board needed to approve the Avis contract for the internal 3,000 square foot expansion for TORC. The total contract price on TORC specifications will be approximately \$227,452. TORC will be responsible for the cost above \$200,000.00.

On a motion by Director Taylor, seconded by Director Tuttle, the following resolution carried unanimously:

**RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY APPROVING THE AVIS
CONSTRUCTION CONTRACT FOR RENOVATIONS UNDER THE SECOND AMENDMENT TO TORC
LEASE**

WHEREAS, the Economic Development Authority of Montgomery County, Virginia, (“the EDA”) and TORC Robotics, Inc. (“TORC”) entered into a certain Industrial Lease Agreement, dated April 29, 2014, (“the Lease”), whereby TORC leased 15,659 square foot of space in the building that the EDA built at 405 Partnership Drive in Blacksburg, Virginia at the base rent of \$16,295; and,

WHEREAS, the EDA and TORC entered into a First Amendment to Industrial Lease (“the First Amendment”), dated October 10, 2014, whereby TORC leased an additional 4,611 sq. ft. of warehouse space in the EDA building at the agreed upon warehouse rate of \$5.00 per sq. ft. for an increased base rent of \$18,216; and,

WHEREAS, the EDA and TORC entered into a Second Amendment to Industrial Lease (“the Second Amendment”) dated November 15, 2016, whereby the EDA agreed to invest up to \$200,000 to up fit approximately 3,000 sq. ft. of currently leased warehouse space to office space conditioned upon TORC agreeing to cover any part of the up fit costs over \$200,000, agreeing to extend the Lease an additional 24 months and increase the base rent to \$24,664, and

WHEREAS, Avis Construction Company LLC and the Authority have negotiated an Agreement whereby Avis Construction Company, LLC agrees to do the renovation on the unfinished 3,000 sq. ft. on the Property in accordance with the design documents prepared by the design Architect Tom Koontz for \$227,452; and

Whereas, the EDA has secured up to \$200,000 in financing from New River Bank to cover the cost of renovating the warehouse space with the loan to be repaid through an increase in TORC lease payments and TORC agreeing to pay the EDA cash for renovation costs in excess of \$200,000.

NOW, THEREFORE BE IT RESOLVED, By the Economic Development Authority of Montgomery County, Virginia that the Authority hereby approves entering into a construction contract with Avis Construction Company, LLC., in the amount of \$227,452 for Avis Construction Company, LLC to renovate a 3,000 sq. ft. Office space in accordance with the design documents prepared by the design Architect Tom Koontz to be financed by the \$200,000 loan from New River Bank and cash paid by TORC for costs exceeding \$200,000; And,

BE IT FURTHER RESOLVED, By the Economic Development Authority of Montgomery County, Virginia, that the Authority hereby authorizes the Chairman, or Vice-Chairman, to execute the Construction Contract on behalf of the EDA with Avis Construction Company, LLC and any other instruments as may be required to renovate the office space.

Tommy Loflin, Chair

Brian T. Hamilton, Secretary/Treasurer

H&P Proposal – Exhibit Tab 3

Mr. Hamilton stated H & P formerly Anderson and Associates has proposed to develop plans for the new 28 parking spaces. The EDA and TORC will need to approve lease amendment 3 before bidding the project, so no action was taken on the H & P proposal at this time.

ADJOURNMENT

The meeting was adjourned at 1:32 P.M. The next meeting will be held Tuesday, March 7, 2017, at 11:30 A.M. at the Montgomery County Government Center in Christiansburg, VA.



Tommy Loflin - Chair



Brian T. Hamilton, Secretary/Treasurer