



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, March 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, March 20, 2018 at the Montgomery County Government Center, Christiansburg, VA. Those in attendance were Chair Tommy Loflin; Vice-Chair Norman Winstead; and Directors: Eric Johnsen, Ray Tuck, 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; Rachel Cline, Economic Development Assistant; and Nancy Turner, Program Assistant.

OPENING REMARKS

Declaration of Quorum

Chair Loflin declared a quorum was present, and called the meeting to order at 11:43 A.M.

Approval of Agenda

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

Introduction of Guests

There were no guests present.

CONSENT AGENDA

Approval of Minutes of the February 20, 2018 meeting- Exhibit Tab 1

On a motion by Vice-Chair Winstead, seconded by Director Taylor, and carried unanimously, the minutes dated February 20, 2018 were approved as presented.

DEPARTMENT OF ECONOMIC DEVELOPMENT

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

Ms. Hill presented the financial statement dated February 28, 2018, included in the agenda packet. She showed that the statement of net assets was essentially the same as the month before. The exception was the EDA maintenance reserve, due to formal action taken by the Board of Supervisors last month after a request to transfer money to cover expenses. Mr. Hamilton explained that the transfer covered both the storm water repairs engineering at Falling Branch and the HVAC control system upgrade at the Technology Manufacturing Building, totaling around \$51,000.

On a motion by Vice-Chair Winstead, seconded by Director Taylor, and carried unanimously, the Treasurer's Report dated February 28, 2018 was accepted as presented.

INTO CLOSED MEETING

On a motion by Director Taylor, seconded by Vice-Chair Winstead, 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 2018007
4. Project 2018013
5. Project 2018014

OUT OF CLOSED MEETING

On a motion by Director Taylor, seconded by Vice-Chair Winstead, 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 Vice-Chair Winstead, 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			
Norman Winstead			
James Taylor			
John Tuttle			
Eric Johnsen			
Ray Tuck			
Steve Baffuto			

GENERAL BUSINESS

Dish Networks

Press Release – Exhibit Tab 3

Following a press release from the company, Mr. Hamilton gave an update on the closing of Dish Network’s current building in the FBCP. He reminded the group that the EDA built the building in 2000, leasing it to the company with a similar agreement as the Technology Manufacturing Building, although Dish then purchased the building within a year. The building was originally designed with space for 1,500 employees, along with a 24 foot clearance, as the EDA wanted to be sure that the building could be repurposed as an industrial space if necessary.

Although the building was designed with more employees in mind, Dish has 600 employees, and had previously been looking into leasing part of the building. However, the company's press release stated that they will be selling their current building and relocating to a smaller facility elsewhere in Christiansburg. They will keep around 150 employees on site, while current employees who are in good standing will be eligible to apply to continue working for the company from home.

Mr. Hamilton said that Dish seems to have a buyer—or at least appears to have a contract on the building—as he spoke to a lawyer out of Nashville, although they did not give any information about who the buyer may be. He said that the building is selling for much less than its assessed value, and that he is hoping it is someone who will want to lease the property and have another company move into the building, as the Dish site is a prime spot just off Interstate 81 and really needs to turn over quickly.

In regards to Dish employees, Mr. Hamilton said that it is his understanding that layoffs for employees who do not qualify to work from home for the company have already begun. He said that there will likely be about 300 people out of work, and that they are encouraging Dish employees to attend the upcoming job fair at NRCC.

Falling Branch Corporate Park Phase II Boundary Line Adjustment

Mr. Hamilton reminded the group of the need for a friendly boundary adjustment between Montgomery County and the Town of Christiansburg. Currently, Lot A of the former Cox property is located within Montgomery County, while Lot B is in Christiansburg. The boundary adjustment would pull Lot A into Christiansburg as well, and the Town of Christiansburg would then provide water and sewer for the site. A similar agreement was used in the creation of FBCP Phase I. Mr. Hamilton is hopeful that this adjustment will be completed not long after budget season wraps up.

Business Ready Site Classification – Exhibit Tab 4

Mr. Hamilton informed the group that they were recently awarded the \$2,000 VEDP grant that he had mentioned in previous EDA meetings. The grant will cover half of the total \$4,000 cost for Hurt & Proffitt to conduct a site characterization study of FBCP Phase II. The classification study must be done for any site over 100 acres to determine its assets, allowing the sites to be included in a tiered characterization system and get suggested for potential projects. Mr. Hamilton said that as soon as the paperwork for the grant comes through, Hurt & Proffitt will begin their work, and added that only a few sites were selected to receive this grant.

Hay Removal

Mr. Hamilton brought up a discussion that began at the EDA's last meeting wherein McGrady, the owner of Lot D, asked for assistance in paying for a fence to run between the EDA's property and his own so he could run cattle on his land. The EDA directors did not want to pay half the cost of the fence, but did suggest offering him the hay from Lots A and B instead. This would be mutually beneficial, particularly as it would keep the EDA from having to pay an outside vendor to cut the hay.

Mr. Hamilton provided the directors with an update, informing them that McGrady would like a three year contract stating that he was allowed to take the hay from Lots A and B. Mr. Hamilton explained that such a contract is not possible due to the fact that a potential industry could chose to locate on FBCP Phase II at any point. The suggested solution would be to go ahead with the contract, and then have the EDA pay \$2,500 per year—up to \$7,500 total—if an industry located on the property and nullified the contract. In that case, the EDA would have no upfront cost, and would only pay in the event that a company was interested in Phase II.

The directors were not in favor of having a contract requiring reimbursement should a building go up on Phase II, especially considering a fence is required to run cattle and would have to be put up whether they agreed to the terms of the contract or not. They emphasized that they want to be good neighbors, but do not want to get into such a contract.

Because the hay on Lots A and B will have to be taken care of regardless, the directors agreed that the Teals should be consulted first, as there was a verbal agreement for them to take the hay off of the property they sold to the County for Phase I. Currently the Teals are only taking hay from Lot 2, but the directors suggested giving them the opportunity to cover Lots A and B of Phase II as well. If the Teals declined, the directors asked for Mr. Hamilton to look into putting the work out for bid.

Stormwater Pond H&P Proposal – Exhibit Tab 5

Mr. Hamilton reminded the group of the damaged forebay to the stormwater pond sitting between Dish Network and Lot 2, which he first informed the directors of at the February EDA meeting, along with a proposal for the engineering work from Hurt & Proffitt for around \$16,000. The directors had then asked whether the engineering work could be put up for bid, although they did preapprove the Hurt & Proffitt proposal providing none of those bids came back at a lower price.

Mr. Hamilton presented responses from two other engineering firms. Draper Aden chose not to submit a proposal at this time, while Thompson & Litton estimated the work at around \$31,000, with an additional \$4,000 should the EDA also want to address the second eroding forebay. As this was double the cost of the original proposal, Mr. Hamilton gave Hurt & Proffitt the go-ahead on the work.

Following the completion of the engineering, Hurt & Proffitt will then help to put together a bid package for the construction work. However, Mr. Hamilton explained that prior to engineering getting underway, the pond will have to be pumped down, which is made more difficult by the consistent rain and snowfall occurring recently. Ideally, the PSA will be able to pump down the pond so the engineering work can begin shortly.

ECONOMIC DEVELOPMENT DIRECTOR'S REPORT

Existing Industry Update

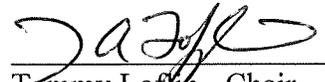
Mr. Hamilton explained that Backcountry.com had a complete change over in management, meaning they had forgotten about their performance agreement until they were recently reminded. The 2016 and 2017 payments combined will be around \$256,000, and the incentive funds will first pass through the EDA and then on to Backcountry. The company has one more year left of incentives.

Marketing Update

Mr. Hamilton said that they will be attending two trade shows this fiscal year: AUVSI with VEDP, and Select USA with Onward NRV in June, which targets foreign direct investment in the United States.

ADJOURNMENT

The meeting was adjourned at 12:38 P.M. The next meeting will be held Tuesday, April 17, 2018, at 11:30 A.M. at the Montgomery County Government Center in Christiansburg, VA.


Tommy Loffin - Chair


Brian T. Hamilton, Secretary/Treasurer