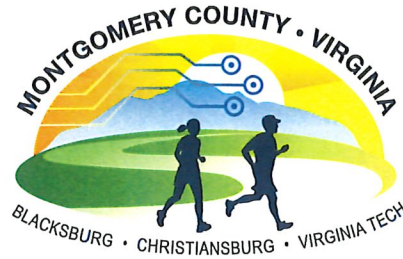


Directors
James Taylor
Eric Johnsen
Steve Baffuto
Tessa Wright



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

Minutes
Tuesday, February 18, 2020 – 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
John Tuttle – Chair, Presiding

The Economic Development Authority of Montgomery County, Virginia held a regular meeting on Tuesday, February 18, 2020 at the Montgomery County Government Center, Christiansburg, VA. Those in attendance were: Chair John Tuttle; Vice-Chair Tommy Loflin; and Directors: Eric Johnsen, Tay Taylor, Steve Baffuto, and Tessa Wright. Also in attendance were: Craig Meadows, County Administrator; Angie Hill, Finance Director; Brian Hamilton, Economic Development Director; Brenda Rigney, Project Manager; Ashlyn Shrewsbury, Project Manager; Rachel Cline, Economic Development Assistant; and Nancy Turner, Program Assistant. Absent was: Marty McMahon, County Attorney.

OPENING REMARKS

Declaration of Quorum

Chair Tuttle declared a quorum was present, and called the meeting to order at 11:37 A.M.

Approval of Agenda

On a motion by Director Johnsen, seconded by Director Wright, and carried unanimously, the agenda was approved.

Introduction of Guests

There were no guests present.

CONSENT AGENDA

Approval of Minutes of the January 21, 2020 meeting- Exhibit Tab 1

On a motion by Director Taylor, seconded by Director Johnsen, and carried unanimously, the minutes dated January 21, 2020, were approved.

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 January 31, 2020, included in the agenda packet. She pointed out that as discussed at the last EDA meeting, they have changed the format on the statement of net assets to separate the \$100,000 from bond fees and the remaining funds provided by the Town of Christiansburg for Market Place, meaning the roughly \$78,000 under cash and cash equivalents is really how much the EDA has for operations. She added that the remainder of the funds from Christiansburg have now been paid out, so that line item will disappear next month. She also said that the reserve amount has not changed from \$119,595, as it did not include the bond fee, but rather shows money left over from last year's incentive fees.

On the statement of revenues and expenses, Ms. Hill said that everything is pretty much on track. She said that utilities are a little lower, but so are expenses, and that Market Place is listed under non-operating so it does not distort any numbers. However, the cash flow statement does include both Market Place and the bond fee from the Virginia Tech Foundation because it represents the total amount of cash.

On a motion by Vice-Chair Loflin, seconded by Director Wright, and carried unanimously, the Treasurer's Report dated January 31, 2020, was accepted as presented.

INTO CLOSED MEETING

On a motion by Director Taylor, 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 2020002
2. Project 2020003
3. Project 2020010
4. Project 2020013
5. Project 2020014

OUT OF CLOSED MEETING

On a motion by Director Johnsen, seconded by Vice-Chair Loflin, 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 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>
John Tuttle			
Tommy Loflin			
Eric Johnsen			
Tessa Wright			
James Taylor			
Steve Baffuto			

GENERAL BUSINESS

Technology Manufacturing Building – Exhibit Tab 3

Mr. Hamilton said that Zapi, Inc., had accepted the offer on the Technology Manufacturing Building, and that they had signed the contract for the \$8 million purchase price and provided the \$50,000 deposit. He said that they will have a 90-day due diligence period, which will end on April 29, 2020, and will then have 30 days to close.

Mr. Hamilton said that as part of the due diligence process, Zapi wants to meet in March to go through the entire building. He said that he explained to Zapi that they can provide information about the building, but they cannot evaluate it for them, and that Zapi would need an unbiased third party of that. Tom Koontz did not want to do the due diligence, feeling it was a conflict of interest after working for the EDA on the building for so long, and Mr. Hamilton said that Zapi seems to have gone with their own internal person instead.

Mr. Hamilton explained that as of now they have not heard anything negative, although he thinks the evaluation could bring up concerns about the acid waste pit, 20 feet of dropped concrete previously used to treat acid waste coming off the production of semi-conductors, as well as the acid waste scrubber on the air system. He said that those were both on the environmental survey, and Zapi may ask for them to be removed. He also mentioned the old clean room equipment, which was stored in a mezzanine space above Luna's dropped ceiling in order to save time.

NRV Marketplace, LLC – Exhibit Tab 4

Mr. Hamilton briefly discussed the performance agreement between the EDA, the Town of Christiansburg, and NRV Marketplace, LLC, for the redevelopment of the Marketplace property.

The Town of Christiansburg provided roughly \$1.38 million in incentives to pass through the EDA. The first reimbursement of roughly \$800,000 was made in November 2019, and Mr. Hamilton said that the remainder of the incentive funds were sent via wire the previous week.

Falling Branch Corporate Park Phase II

Mr. Hamilton reminded the directors of the engineering work being done on FBCP Phase II, which will bring the site up from a tier three to a tier four, the level at which the state will market properties to prospects. Hurt & Proffitt started the engineering work in August 2019, and plan to submit to the Town of Christiansburg and VEDP at the beginning of March. The VEDP contract on the grant for the project has to be completed by April 1, 2020.

Mr. Hamilton said that right now about 80 percent of all prospects are going to existing buildings and the state is having trouble finding sites, so localities are feeling a little pressure to either build or get onto the tier system.

He said that on Phase II, they are probably looking at about one year of construction, including grading and building roads, before a company could get in there to build. He explained that until they can at least get Phase II graded, they will always be a step behind, as existing buildings tend to be the first choice, followed by graded pads, but that construction would require funding. He said that Go Virginia previously turned this down because they did not want to do sites, but they have recently readjusted to start looking at how to fund site projects, making this a good year to apply for grants if matching funds can be secured. Mr. Meadows said that the Board of Supervisors would have an extended work session on capital projects later that evening, and that FBCP is on his list. He said that if you can only show a prospect a piece of untouched land, they are automatically looking at two years out in construction, meaning Montgomery County is losing opportunities.

Mr. Hamilton added that one positive is that whenever they get around to grading Pad A, a lot of dirt will be brought over and compacted on Pad B, and although Pad B would not be completely finished, it would be in much better shape. He also mentioned that the Town of Christiansburg plans to submit a Smart Scale application to run the road all the way through the property out to South Main Street. He said the fact that they now own the whole property is a plus for economic development, and the more they develop, the better the chances for the Town to get that funding.

DHCD Broadband Grant – Exhibit Tab 5

Mr. Hamilton said that Thompson & Litton has delivered a tentative report, although it needs to be marked up a bit, and that they are looking at the GIS for the County and the two towns to determine existing vertical structures. The updated report shows that there are roughly 3,000 unserved households in the County, as well as nearly 6,000 underserved, and there is an estimation of \$8 million for wireless service to cover all of Montgomery County, while that price is much higher for fiber to the home. Mr. Hamilton also mentioned that in meeting with nearly all of the existing broadband providers, they have learned that Comcast plans to overlay Christiansburg.

Mr. Hamilton said that once the report is finished and presented to the Board of Supervisors, they will work on developing an RFP for the areas the Board wants to work on, and that they need to get an RFP out so they can start applying for grants. Mr. Meadows said that in their extended work session, he plans to remind the Board that most of the big broadband grants awarded locally have been to communities that are also getting tobacco commission money, so they may want to keep that in mind when setting aside money for matching grants. He also wants to point out to the Board that while there is strong service in the vicinity of the two towns, there are a lot of gaps that can be filled in.

RFP for Site Selection

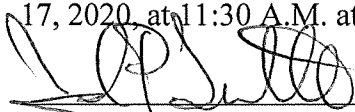
Mr. Hamilton said that they are getting closer to officially awarding the RFP to a contractor to begin the site search for the next corporate park. He reminded the directors that they have \$130,000 for the project via a grant and matching funds appropriated by the Board of Supervisors. They received five proposals in response to their RFP and interviewed three firms. They have since selected a contractor and have been in the process of working out the price and the available GIS information between the County and the two towns. He said that Mr. McMahan is reviewing the \$97,500 contract.

ECONOMIC DEVELOPMENT DIRECTOR’S REPORT

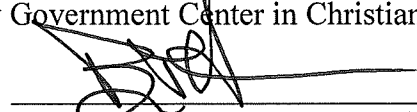
Mr. Hamilton mentioned that annual RBTC dinner is coming up in the beginning of May. He said that the event will be at the Hotel Roanoke, and that they will be buying a table and likely sponsoring an award.

ADJOURNMENT

The meeting was adjourned at 12:37 P.M. The next meeting is scheduled for Tuesday, March 17, 2020, at 11:30 A.M. at the Montgomery County Government Center in Christiansburg, VA.



John Tuttle - Chair



Brian T. Hamilton, Secretary/Treasurer