

A meeting of the Botetourt County Economic Development Authority was held on **Friday, January 27, 2023**, at 2:00 p.m. at the Botetourt County Administration Center at Greenfield in Room 229.

Members Present:

Mr. John Kilby – Chairman	Mrs. Mary Bess Smith
Mr. John Griffin – Vice Chairman	Mr. Jeff Emry
Mr. John Alderson	Mr. Lyn Hayth

Members Absent:

Mr. David Bryan

Others In Attendance:

Guest, Dr. Andrew Cohill	Mr. David Moorman
Dr. Richard Bailey	Mr. Webster Day
Mr. Gary Larrowe	Mr. Ken McFadyen - remote
Mr. Jon Lanford	Mr. Luke Campbell
Mr. Mike Lockaby	Ms. Kim Stewart

Call To Order and Election of Officers

Mr. Kilby called the meeting to order and then turned the meeting over to Mr. Larrowe for the election of officers. Mr. Larrowe opened the floor for nominations for chairman. Mr. Alderson nominated Mr. John Kilby and Mr. Hayth seconded. Mr. Larrowe asked if there were any other nominations and, hearing none, Mr. Hayth motioned to close the floor for nominations and Mr. Griffin seconded. Mr. Larrowe proceeded to ask for a roll call vote to close the floor for nominations.

AYES:	Mr. Kilby, Mr. Griffin, Mr. Hayth, Mrs. Smith, Mr. Emry, Mr. Alderson
NAYES:	None
ABSENT:	Mr. Bryan
ABSTAINING:	None

Next, Mr. Larrowe called for a roll-call vote for Mr. Kilby to be re-elected chairman.

AYES:	Mr. Kilby, Mr. Griffin, Mr. Hayth, Mrs. Smith, Mr. Emry, Mr. Alderson
NAYES:	None
ABSENT:	Mr. Bryan
ABSTAINING:	None

Mr. Larrowe then turned the meeting over to Chairman Kilby who called for nominations for vice chairman. Mr. Hayth nominated Mr. John Griffin and Mr. Emry seconded. With all in favor and none opposed, Mr. Griffin was re-elected vice chairman.

Mr. Kilby then called for nominations for secretary. Mrs. Smith nominated Ms. Kim Stewart and Mr. Hayth seconded. With all in favor and none opposed, the motion passed.

Finally, Mr. Kilby called for nominations for treasurer. Mr. Hayth motioned to nominate Mr. Gary Larrowe to be re-elected treasurer and Mr. Alderson seconded. With all in favor and none opposed, the motion passed.

Public Comment

Mr. Kilby asked if anyone would like to make a public comment, and hearing none, turned the meeting over to Mr. Larrowe to introduce guest speaker Dr. Andrew Cohill.

Guest Dr. Andrew Cohill, Design Nine

Mr. Larrowe said Dr. Cohill is known worldwide for his data center and IT expertise. He has written books, lectured far and wide, is on faculty with Virginia Tech, and has his own business dealing with data centers and other IT-related work. Mr. Larrowe and Mr. McFadyen invited Dr. Cohill to look at the data center at Greenfield to provide knowledge from his expertise regarding data centers.

Dr. Cohill said that the data center at Greenfield is very capable and has everything needed for an enterprise operation, including high quality racks and climate control; a fire extinguisher system installed; and twelve racks, all but one and a half of which are currently unused. It also has two different fiber providers coming into it on different routes or paths, which he said is very important for a first-class data center. He emphasized that the Authority has an under-utilized asset and he knows of no other like it in the Roanoke or Blacksburg area. He did say there were a few minor electrical upgrades that would be necessary if the Authority planned to market the data center more vigorously, though. Mr. Kilby asked how the Authority would market the data center, and Dr. Cohill recommended going to all the major businesses in Botetourt County that are on fiber. He said that most companies today are looking for places to back up their data offsite. Mrs. Smith asked if the data center would require additional staffing to implement extra security features and Dr. Cohill didn't think so since the center is already set up for keycards.

Mr. Larrowe then asked Dr. Cohill to explain what it takes to manage the data center. Dr. Cohill said the fees may be on the high side, which could explain the lone tenant. He said that if the Authority were to increase marketing for the center, he would recommend doing a price comparison to see what the average cost is that other data centers are charging. He said his company would be interested in managing the center at a much lower cost than what the Authority is currently paying, and if the Authority decided to reorganize their management of the center, he would recommend making the pricing more comparable with what other data centers charge.

Mr. Kilby asked if the marketing would be different based on a management change, and Dr. Cohill said his company typically charges a monthly fee based on how many feet of rack space is being rented out and could work out an hourly fee to assist with marketing updates.

Mr. Hayth asked if prospective clients would likely be those who don't already have a plan in place for offsite data storage, or if it would be locally-based businesses that do have offsite data storage but whose storage is located far away. Dr. Cohill thought anyone with a lot of data should use multiple storage locations.

Mr. Moorman asked if the pricing varies regionally or if it is nationalized, and if there would be an advantage to market outside the region in terms of income potential. Dr. Cohill didn't think it was "either/or" but rather could be "both/and," and that marketing outside the region would depend largely on the marketing budget. He also said that pricing is, in fact, nationalized. He said most places would only need to visit their data storage location once or twice a year, but it would be a small advantage to have data stored locally.

With no further questions presented, Mr. Kilby and the Authority thanked Dr. Cohill for his time.

Closed Session

Mr. Kilby then called for a motion to go into Closed Session:

Motion to go into Closed Session to discuss the acquisition and disposition of real property for purposes of economic development, in the Amsterdam (including Greenfield) district where discussion in an open meeting would adversely affect the Authority's bargaining position or negotiating strategy, pursuant to Section 2.2-3711 (A) (3) of the Code of Virginia of 1950, as amended.

Motion to go into Closed Session to discuss prospective businesses or industries or the expansion of existing businesses or industries, in the Amsterdam (Greenfield), Fincastle, Valley, and Blue Ridge (including East Park) districts where no previous announcement has been made of the businesses' or industries' interest in locating or expanding facilities in the community, pursuant to Section 2.2-3711 (A) (5) of the Code of Virginia of 1950, as amended.

Motion to go into closed session for consultation with legal counsel regarding specific legal matters requiring the provision of legal advice regarding the Roanoke Valley Broadband Authority, pursuant to Section 2.2-3711 (A) (8) of the Code of Virginia of 1950, as amended.

Mr. Alderson made the motion, which was seconded by Mr. Hayth, and which passed unanimously.

AYES: Mr. Kilby, Mr. Griffin, Mr. Hayth, Mrs. Smith, Mr. Emry, Mr. Alderson
NAYES: None
ABSENT: Mr. Bryan ABSTAINING: None

Return to Open Session

Mr. Kilby read the following resolution:

BE IT RESOLVED, it is certified that to the best of each Authority member's knowledge only public business matters lawfully exempt from open meeting requirements and only such matters as were identified in the motions to go into Closed Session were heard, discussed, or considered during the Closed Session.

The EDA then returned to Open Session with Roll Call:

AYES: Mr. Kilby, Mr. Griffin, Mr. Hayth, Mrs. Smith, Mr. Emry, Mr. Alderson
NAYES: None
ABSENT: Mr. Bryan ABSTAINING: None

Approval of Minutes

Mr. Kilby directed the Authority's attention to the minutes from the December 16, 2022, meeting and asked if anyone had questions. With none presented, he called for a motion to approve the minutes of December 16, 2022. Mr. Alderson motioned and Mr. Hayth seconded. With all in favor, the minutes were approved.

AYES: Mr. Kilby, Mr. Griffin, Mr. Hayth, Mrs. Smith, Mr. Emry, Mr. Alderson
NAYES: None
ABSENT: Mr. Bryan ABSTAINING: None

Financial Reports

Mr. McFadyen presented the December 2022 financial report and explained that the net loss of \$74,955.14 on the Profit & Loss page of the financials represents funds that the Business Ready Sites Program grant will reimburse to the EDA once \$100,000 worth of owed reimbursement has been reached. Rules in the grant stipulate that the minimum draw-down request is \$100,000. He also asked Mary Earhart for a breakdown of line 1020 on the Balance Sheet that reads, "Due from County: \$1,106,839.42" and said it is mostly to do with the VWCC expansion construction. Then, on Line 1030, it shows a balance of \$5,324.04 for LARE. Mr. McFadyen said late fees have not been discussed yet with LARE, and he asked PBS what that balance was for. PBS is researching this and will report back.

Hearing no questions, Mr. Kilby called for a motion to accept the financials, which Mr. Griffin motioned and Mr. Emry seconded. With all in favor and none opposed, the motion passed.

AYES: Mr. Kilby, Mr. Griffin, Mr. Hayth, Mrs. Smith, Mr. Emry, Mr. Alderson
NAYES: None
ABSENT: Mr. Bryan ABSTAINING: None

Old Colonial School Building Transfer Agreement – Mr. Jon Lanford

Mr. Lanford briefly presented the transfer agreement based on the Authority's direction from the December 2022 meeting. Mr. Alderson and Mr. Lanford discussed the buyer's request to delay the closing and Mr. Kilby said that signing the Transfer Agreement at the EDA meeting would not affect when the closing takes place, and the buyer did not need to be present for the EDA to approve the transfer.

Mrs. Smith asked if the property come back to Authority if there were any issues after the property has been conveyed, for example, the buyer defaulting on taxes, etc.? Mr. Kilby said that once the deed has been signed it is gone. Mr. Lanford said the EDA would have the option to buy back if they chose, but it would be like any other default case. Mr. Moorman said it would be private property at that point.

Mr. Kilby called for a motion to approve the transfer of the Old Colonial Elementary School building to the corporation "Six Forty." Mr. Griffin motioned and Mr. Hayth seconded, and with all in favor and none opposed, the Authority approved the transfer.

AYES: Mr. Kilby, Mr. Griffin, Mr. Hayth, Mrs. Smith, Mr. Emry, Mr. Alderson
NAYES: None
ABSENT: Mr. Bryan ABSTAINING: None

Consideration of the GO Virginia Grant Contract and Budget – Botetourt Technical Education Center

Mr. McFadyen directed the Authority's attention to the GO Virginia grant agreement included in their meeting packet for the welding lab expansion with BTEC. Mr. Webster Day had already viewed the document, which would encumber the grant of \$166,667 from GO Virginia to the EDA, through Virginia Tech, to build the ten new welding booths. He reminded them that the grant was being matched by a

\$96,666 dollar local match, and said they could view the breakdown of the local match on the last page of the document. The only change from what has been presented previously is that the corporate contributions amount has increased to \$42,911, because it was necessary to go back and capture a grant administration fee owed to Virginia Tech in the amount of \$13,000. He said that the total grant budget is \$250,000 plus the \$13,000 grant administration fee. Bob Patterson of the Botetourt Education Foundation and Mike Ketron with BTEC have both been involved in progress meeting calls with DHCD and GO Virginia, so everyone is aware of the requirements.

Mr. Alderson asked if the EDA would have responsibility for administration of funds of the grant or if that would move elsewhere, and Mr. McFadyen answered that staff will collect invoices from BTEC and from local match funds generated by the Education Foundation, and will send those to Virginia Tech for the grant draws on the \$166,667. He further explained that BTEC must follow the rules of the Virginia Public Procurement Act with securing the mason who will build the booths, for who will provide the equipment for the welding booths, for the ventilation contractor, electrical contractor, etc. It all must be competitively procured according to the Procurement Act and Mr. Ketron is aware of that and BTEC must provide their procurement procedure for grant documentation. Mr. Alderson expressed concern that if the project ran out of money they would turn to the County to provide the balance. Mr. McFadyen answered that in his talks with Mr. Ketron, Mr. Ketron was confident that his estimates would provide the necessary funds to complete the project. Dr. Bailey asked if doing fewer than ten booths was an option, but Mr. McFadyen didn't think so. But he did say that in his conversations with Mr. Patterson with the Education Foundation, Mr. Patterson indicated that the corporate sponsorship portion of the project was more than stable. Mr. McFadyen suspected that in the unlikely event the project ran out of money, the Education Foundation could support the remainder of the project.

With everyone's questions sufficiently answered, Mr. Kilby called for a motion to approve the GO Virginia Grant Contract and Budget. Mr. Alderson motioned and Mr. Hayth seconded. With all in favor, the motion passed.

AYES: Mr. Kilby, Mr. Griffin, Mr. Hayth, Mrs. Smith, Mr. Emry, Mr. Alderson
NAYES: None
ABSENT: Mr. Bryan ABSTAINING: None

Virginia Telecommunications Initiative (VATI) Broadband Projects Update

Mr. McFadyen presented a letter DHCD requesting an additional extension on the first grant project term due to right-of-way and easement issues. LUMOS's delays due to Appalachian Power appear to be resolved. Now they are resolving some right-of-way and easement issues with VDOT regarding interstate crossing and with Norfolk Southern with a rail crossing of the rail line to extend the conduit and complete the construction. March 30, 2022, the first project with LUMOS absolutely must be finished and that message has been conveyed.

Then Mr. McFadyen moved on to VATI #2, saying it is underway with high-level engineering and design with LUMOS. The areas to be served in the second project have some overlap with other providers, which is ultimately a good thing, but does cause some confusion for residents in that area and some residents have expressed some angst. Overall, though, things are underway and making progress.

Freedom Of Information Act (FOIA) Training – Mr. Mike Lockaby

Mr. Lockaby presented FOIA training for the Authority members, concentrating on closed meetings and the privacy of closed meetings. He said that the motion to go into closed session must identify the

subject matter of the closed meeting, the purpose for the closed meeting, and the statutory exemption. He explained the motion to come out of closed session mentions that only matters that were mentioned in the opening motion were discussed. He also talked about the confidentiality of closed meetings and said that if a member breaks confidentiality of a closed meeting, other members could, if they wanted, censure that person or even fine them. With respect to economic development funding, he said funding could be revoked if news is leaked of something that has not been made public. He emphasized that the Authority could lose both the funding and possibly the prospect. He also said that the reason staff shares so much with the Authority and vice versa is because everyone feels they can trust each other not to repeat closed session subject matter publicly.

Then, Mr. Lockaby said that a certification of closed meeting must accompany the motion coming out of closed session and the Authority must do a roll-call vote. They must certify that “. . . to the best of each Authority member's knowledge only public business matters lawfully exempt from open meeting requirements and only such matters as were identified in the motion to go into Closed Session were heard, discussed, or considered during the Closed Session.” He emphasized that although it is not quite an oath, it's very close to one and if someone disagrees with the certification coming out of closed session, they must state that during the roll-call vote.

Mr. Kilby asked if a member of the public shows up and wants to make a public comment, could the Authority limit the amount of time the citizen can talk and Mr. Lockaby said yes. Then Mr. Hayth asked if three or more members happened to be at the same non-work-related event, and talk with each other, is that considered a meeting? Mr. Lockaby said no, as long as they're not discussing public business. Mr. Alderson asked if the public could make a FOIA request to find out what is discussed in closed session, and Mr. Lockaby said no, and that the reason sensitive information is discussed only in closed session is because closed meetings are exempt from FOIA requests. Mr. Day added that members should be careful in their emails and text messages because anything in writing is subject to FOIA requests.

Adjourn

Hearing no old or new business, Mr. Kilby asked if there be a motion to adjourn. Mr. Griffin made the motion, which was seconded by Mr. Hayth, and which carried unanimously, and the meeting adjourned.

AYES: Mr. Kilby, Mr. Griffin, Mr. Hayth, Mrs. Smith, Mr. Emry, Mr. Alderson
NAYES: None
ABSENT: Mr. Bryan ABSTAINING: None