

A meeting of the Botetourt County Economic Development Authority was held on **Friday, April 28, 2023**, at 2:00 p.m. at the Botetourt County Administration Center at Greenfield in Room 229.

Members Present:

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

Members Absent:

Mr. John Alderson

Others In Attendance:

Mr. Gary Larrowe	Mr. Mike Lockaby
Dr. Richard Bailey	Mr. Ken McFadyen
Mr. David Moorman	Mr. Luke Campbell
Mr. Jon Lanford	Ms. Kim Stewart

Call To Order and Public Comment

Mr. Kilby called the meeting to order and asked for any public comment. Hearing none, he moved to the approval of minutes.

Approval of Minutes

Mrs. Smith made a motion that the Authority approve the minutes of March 20, 2023 as submitted. Mr. Hayth seconded. With all in favor and none opposed, the minutes were approved.

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

Financial Reports

Mr. Griffin asked if there were any comments on the March 2023 bank statement. Hearing none, Mrs. Smith made a motion that the financial reports and bank statement be approved as submitted. Mr. Hayth seconded the motion. With all in favor and none opposed, the motion was approved.

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

Remittance of VWCC Lease Payment Funds to Botetourt County – Mr. Ken McFadyen

Mr. McFadyen informed the EDA that the Virginia Community College System has transferred \$145,206.00 to the EDA for rental payment due on the Greenfield facility and that the EDA has an agreement with the County to transfer those rental payments to the County for maintenance of this facility. Mr. McFadyen brought this up as an agenda item due to the large amount of the money transfer. There were no questions or comments.

Approval of Factory Flats Industrial Revitalization Fund (IRF) Agreements – Mr. Ken McFadyen

Mr. McFadyen provided copies of two agreements the EDA needed to consider for approval regarding the Industrial Revitalization Fund grant for Factory Flats in Buchanan. The grant agreement is between the Virginia Department of Housing and Community Development (DHCD) and the Board of Supervisors, which has been approved. The two agreements the EDA needs to consider and approve are, first, a restriction

agreement that places a deed restriction on the property stating that it can only be used for an IRF-eligible purpose for the first ten years following the loan closing. The second is a performance agreement that outlines the goals for the project, which is the redevelopment of the Factory Flats building into a brewery, and outlines what would be required should a change in ownership or use of the property occur during the first ten years following that loan closing. Neither the note nor the deed of trust has been finalized with Factory Flats yet. The EDA needs to complete the agreements presented at this meeting first. But, the terms on the note would be up to 20 years amortization at 2.5% and it would include this deed restriction.

Mr. Kilby asked why the lien would be for ten years, whereas the deed of trust is for twenty years. Mr. Lockaby explained that the lien of the Commonwealth based on the IRF is for ten years, but that the note that the EDA would have would be for twenty years or until it is repaid. Mrs. Smith asked if there would be a reason to make both the lien and the note ten years, versus one ten and one twenty? Mr. Lockaby said it would be a business discussion between Mr. McFadyen and the business, and that if they could afford the payments over ten years it would be great. Mr. Lockaby said it would make sense for the EDA to have the restriction that the Commonwealth has on it be for as short as possible because they can claim the money back. So it's better for the money not to be sitting on the EDA's books any longer than it has to.

Dr. Bailey asked if, as they pay off the loan, Factory Flats could use the money for another like endeavor. Mr. McFadyen said yes. With the potential for DHCD to clawback the grant, should there be a change of ownership or use that DHCD does not approve, there's no provision that what is repaid must be used to pay back the Commonwealth but Mr. McFadyen suggested that if Factory Flats ended up owing, they would know to ask in the note that that be applied against a clawback should that occur. So, Mr. McFadyen thought the EDA may want to just hold the funds for the first ten years.

Mr. McFadyen also mentioned that he had learned that the restriction agreement is something new for DHCD and that they are still learning, and he believes that Botetourt County is the first locality doing a restriction agreement with DHCD. Mr. Larrowe added that other similar grant programs exist that require experience before you can be seriously considered to receive a grant, and doing a program such as the IRF with Factory Flats essentially gives the EDA the experience it needs for other like grant programs.

Mr. Hayth asked what will happen if Factory Flats defaults on the loan—if they close based on poor performance. Mr. McFadyen said he had talked to the program administrator, and that person said they would not penalize the locality or developer for a closure of such a nature.

Mr. Griffin asked if anyone had any other questions and, hearing none, called for a motion to approve the restriction agreement and performance agreement. Mr. Kilby motioned and Mr. Emry seconded. With all in favor and none opposed, the motion passed.

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

#### Closed Session

Mr. Griffin 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 district (including Greenfield) 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 (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.

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

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

Return to Open Session

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

Old and New Business

Mr. Kilby shared with the EDA the thank-you letter Sue Palmer wrote regarding the Old Colonial Elementary School project, and then he passed it along to the EDA secretary to file. Mr. Lanford said Mr. David Spigle is assisting the 640 Group in the closing process.

Adjourn

Mr. Griffin called for a motion the meeting be adjourned. Mr. Hayth motioned and Mrs. Smith seconded, and with all in favor and none opposed, the meeting was adjourned.

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