

A meeting of the Botetourt County Economic Development Authority was held on **Friday, June 17, 2022,** at 2:00 p.m. at the Botetourt County Administration Center at Greenfield in Room 229.

Present: Members
Mr. John Kilby – Chairman
Mr. John Griffin – Vice Chairman
Mr. John Alderson
Mr. Lyn Hayth
Mrs. Mary Bess Smith
Mr. David Bryan

Absent: Mr. Jeff Emry

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

Call To Order and Approval of Minutes

Mr. Kilby called the meeting to order at 2:00 p.m. and opened the floor to public comment. Being no public comments, he then asked for a motion to approve the regular meeting minutes of May 20, 2022. Mr. Alderson motioned, and Mrs. Smith seconded. With all in favor and none opposed, the minutes of May 20, 2022, were approved.

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

Financial Reports

- 1. Review Bank Statements and Financial Report for May 2022
Mr. Kilby called for a motion to approve the financial report for May 2022. Mr. Griffin motioned, and Mr. Hayth seconded. With all in favor and none opposed, the financial report was approved.

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

- 2. Consideration of the FY23 Budget
Mr. McFadyen reviewed the FY23 budget. The EDA will be projected to generate a net revenue of \$105,860 and will be a self-funded entity during the next fiscal year. Mr. Larrowe asked for confirmation that the FY23 year will be the first year the EDA will operate self-funded, and Mr. McFadyen confirmed. He also clarified for a member that the budget runs on the fiscal calendar from July 1 to June 30. The EDA will be provided with a bi-monthly budget report with each line item and percentage spent at each regular EDA meeting. With no further questions, Mr. Kilby

called for a motion the FY23 Budget be approved. Mr. Hayth motioned, and Mrs. Smith seconded. With all in favor and none opposed, the FY23 Budget was approved.

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

3. Fiscal Control Policy – Appointments

Mr. Larowe summarized the background of the EDA and that over the years it has experienced a fine appointed leadership but no staff leadership dedicated to the daily work of the EDA. He continued that with the forward movement of the EDA into many positive projects that it was now necessary to have a staff leadership as well. With the support of the chairman and vice-chairman of the Board of Supervisors, Mr. Larowe appointed Mr. McFadyen as executive director of the EDA, this being in addition to his role as director for economic development.

2022 Virginia Telecommunications Initiative (VATI) Grant Memorandum of Understanding with Lumos Networks

Mr. McFadyen explained that the Economic Development Department has been working in the current calendar year on the rules for the approvals of the second Virginia Telecommunications Initiative (VATI) grant with Lumos Networks. He presented the EDA with a Memorandum of Understanding between Botetourt County, Lumos, and the EDA for how the grant project will be managed through the EDA. The document lays out the funding sources, both what is coming from the grant money as well as from the County and then going to Lumos. Mr. McFadyen said the document was very similar to the one that was prepared for the first VATI grant; however, the state is funding the second grant using the state's federal ARPA (American Rescue Plan Act) appropriation. So, there are more provisions Mike Lockaby and Webster Day have included in this document.

Mr. Lockaby said that the requirements involve a section of the Federal Code called 2 CFR Part 200 as well as several requirements that come from ARPA. ARPA waives some of the requirements of 2 CFR Part 200 but the Department of Housing and Community Development's (DHCD) agreement is much tighter this year than it has been in past years.

DHCD is doing a ten percent retainage. So, at the very end of the project, they hold the last ten percent of the money they're putting in, until the final close out and audit of everything. The EDA and Botetourt County are requiring Lumos to keep a lot more records because the County, and therefore also Lumos, will be subject to a Federal Uniform Single Audit, which is very different from a regular audit. So, Mr. Lockaby has put in more record retention requirements as well as requirements that Lumos keep those records for five years after the closeout of the project. It also provides for a claw back of funds if it's determined by DHCD that funds should not have been spent on particular items.

Mr. Lockaby said it provides for non-binding mediation as a dispute resolution method, after which you go to circuit court in Botetourt County. It is subject to appropriation, which means that in future fiscal years the County's share is subject to appropriation by the Board of Supervisors, which is something that is always put into agreements. Mr. Lockaby continued that it also provides that the EDA's obligation under this agreement is limited to those funds provided either by the Board of Supervisors or the DHCD

for the purpose. So, the EDA's liability on the contract is limited to funds that are promised under it. They are making a certification that everything they have said is right and there are no conflicts of interest, which is another requirement of DHCD that is new this year. The County and EDA are also requiring Lumos to make a non-lobbyist disclosure, which is a requirement of federal regulations. Finally, Lumos will have to do some environmental studies up front as well as to follow all the federal and state non-discrimination statutes, use recycled product when available, and not use equipment built by any of the Chinese companies that are embargoed.

Mrs. Smith asked if Lumos was aware of the depth and breadth of records they need to keep for this project, and Mr. McFadyen replied that Lumos would receive their copy of the agreement after the EDA meeting and if they have substantive changes he will bring those back before the EDA in July. The bottom line is that Lumos must abide by the rules that the state is requiring.

Mr. Bryan asked if Lumos has monthly or quarterly producibles to make sure they stay on track with the project's record-keeping and Mr. Lockaby said that Mr. McFadyen has a project management plan. Mr. McFadyen explained the plan to include a monthly progress meeting with a state representative and with Lumos and with the County where they review quantified construction progress made, questions which come from the state. The County is required to turn in a written status report monthly and there is a monthly progress meeting that the state participates in. Mr. Lockaby added that the EDA is paid in arrears upon presentation of proof of payment, which includes payroll if they are paying their own people and proof of earned equity, et cetera.

Mr. McFadyen said that an environmental site assessment of the project area has been conducted. The regional commission has assisted with this and it is almost complete. He said the state will not send the agreement to the County Board of Supervisors until that assessment is finished. The assessment should be published Wednesday, June 22, 2022, and fifteen days later will be complete, which will be around the first week of July. Once the other closed session items are resolved, the state will then send the grant agreement for the County to receive.

Mr. Kilby asked if the EDA needed to approve anything at this meeting and Mr. McFadyen said no, but that the EDA could come back in July to vote on it. Mr. Kilby recommended this.

Update on Old Colonial Elementary School Project

Mr. Lanford provided an update on the project and directed the group's attention to a draft of the final version of the Request for Proposals (RFP) that will go out. The Committee for the project met earlier in the month to review the RFP and will meet again after the proposals come in. The RFP has a blend of elements from a project Mr. Lanford worked on previously as well as from projects that Roanoke County and the Town of Vinton did in converting Roland E. Cook Elementary School and William Byrd High School into the Billy Byrd Apartments. They are waiting for Purchasing to add the solicitation number on the EDA's behalf, and they are leaving the solicitation date open until redevelopment so if they don't get proposals to their liking, they won't have to go through the whole solicitation process again. The RFP will go out through an electronic procurement portal managed by the state called eVA, locally through the newspapers, and through direct solicitation.

Mr. Kilby said he thought the EDA needed to approve the RFP and Mr. Larowe thought so, so the Authority could approve the transfer of sale and related items in the future.

Mr. Alderson motioned to approve the RFP for the Colonial Elementary School Redevelopment and Mrs. Smith seconded. With all in favor and none opposed, the RFP was approved.

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

Closed Session

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

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.

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), Blue Ridge, and Buchanan districts where discussion in an open meeting would adversely affect the Authority's bargaining positions 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), Buchanan, Blue Ridge, and Fincastle 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.

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

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

ABSENT: Mr. Emry

ABSTAINING: None

Mr. Hayth made a motion to approve the Settlement Agreement with the Roanoke Valley Broadband Authority (RVBA) as presented and authorize the EDA to transfer any sum of funds, specifically \$85,469.00 received from RVBA to Botetourt County that would in turn be returned to the Commonwealth of Virginia. Mrs. Smith seconded and with all in favor and none opposed, the Settlement Agreement was approved.

Adjourn

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

AYES: Mr. Kilby, Mr. Griffin, Mr. Hayth, Mrs. Smith, Mr. Alderson, Mr. Bryan

NAYES: None

ABSENT: Mr. Emry

ABSTAINING: None