

A meeting of the Botetourt County Economic Development Authority was held on **Thursday, August 31, 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	Mrs. Mary Bess Smith
Mr. Jeff Emry	Mr. John Alderson
Mr. Lyn Hayth	

**Members Absent:**

None

**Others In Attendance:**

Mr. Gary Larrowe	Mr. Mike Lockaby
Mr. Jon Lanford (3:02 p.m.)	Mr. Ken McFadyen
Mr. David Moorman	Mr. Luke Campbell
Mr. Webster Day (remote)	Ms. Kim Stewart

Call to Order and Public Comment

Mr. Kilby called the meeting to order and asked if anyone would like to make public comment. Hearing none, he proceeded to approval of minutes.

Approval of Meeting Minutes of July 27, 2023

Mr. Kilby asked if everyone had reviewed the minutes from the July 27, 2023, meeting and called for a motion for approval. Mr. Emry motioned for approval and Mrs. Smith seconded. With all in favor, the motion passed.

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

NAYES: None

ABSENT: None ABSTAINING: None

Approval of Financial Statements from June 2023 and July 2023

Mr. McFadyen explained that the June 2023 financial statements had not been delivered to staff in time for the July meeting, so both June and July were being presented for approval in August. It was also mentioned that the Finance Committee should be changed to the Audit Committee. Mrs. Smith made the motion to update the name of the committee and Mr. Griffin seconded, and with all in favor and none opposed, the motion passed. The Authority emphasized the need to meet with the auditor and bookkeeper soon.

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

NAYES: None

ABSENT: None ABSTAINING: None

Then, Mr. Hayth motioned for the June 2023 and July 2023 financial statements to be approved and Mr. Alderson seconded. With all in favor and none opposed, the minutes were approved.

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

NAYES: None

ABSENT: None ABSTAINING: None

Virginia Telecommunications Initiative (VATI) Grant Disbursements with Lumos

Mr. McFadyen explained that Mr. Zerrilla made a transfer from the County to the EDA in the amount of \$572,474.70 which is the amount due to Lumos for the first and second invoices of the VATI 2 (current) project. The Department

of Housing and Community Development is currently reviewing the costs documentation Lumos submitted for the first two invoices and once DHCD approves it, they will send the state portion of the invoice payments to the County. Staff recommends the Authority hold the funds the County has already sent until the state approves and sends the state's portion and that the Authority come back to approve payment to Lumos at that time.

Regarding the VATI 1 project, which has completed and is awaiting final approval by DHCD, the EDA is holding the County Retainage that the County sent to the EDA in the amount of \$40,400. The County is still awaiting the State portion of the retainage in the amount of \$136,433.70. Once the State sends this amount to the County and the County to the EDA, staff will bring this back to the Authority for approval to distribute to Lumos.

#### Eldor Tax Rebate Application

Mr. McFadyen explained that the rebate application for Eldor has been completed and submitted on time by the deadline. He has a question about their machinery listing and Eldor is in the process of preparing that information now. Eldor needs to show an amount of machinery investment of \$46.2 million dollars, and the tax assessment which includes depreciation of the machinery is showing \$15 million. So Mr. McFadyen just needs to reconcile the difference between what the target investment for machinery is and the assessed value of that machinery after depreciation. Once Eldor gets the necessary information to Mr. McFadyen, he'll be able to bring it back to the EDA.

#### Greenfield Lot 3 Virginia Business Ready Sites Progress Report

Mr. McFadyen reminded the Authority that the County received a grant for \$362,000 dollars from the Virginia Economic Development Partnership and the Virginia Business Ready Sites program. The County is providing the match of \$517,650 and the County is budgeting a VDOT road grant of \$650,000 for a total project budget of \$1.5 million. The scope of the project is to update the due diligence, the environmental site assessment, and wetlands delineation to extend the sewer and access road to the site and to design and secure the state and federal permits for the mass grading of Lot 3. This involves grading of 800 cubic yards of earthwork. Through June 30, 2023, the EDA has grant-eligible expenditures totaling \$29,719 dollars; however, staff cannot request grant reimbursement from VEDP until we reach \$100,000 worth of expenses. The County-eligible expenses have totaled \$77,368 so far. Staff has requested an extension of this grant project as a result of challenges we have experienced in securing environmental permitting to grade Lot 3. Mr. McFadyen went on to say that staff had a call a few weeks ago with the director of the Department of Environmental Quality (DEQ) to talk about this in terms of getting the permits to grade the site and DEQ recommended that staff complete a Market and Economic Benefit Analysis of Lot 3. This would involve contracting with a site selection consultant or a national real estate company to conduct a market and economic benefit analysis. Mr. McFadyen compared this to checking the box on a regulatory permitting requirement, but it also has a marketing element to it. So, Mr. McFadyen and the Roanoke Regional Partnership have identified three site selection consultants. He would like to send an RFP to these select two or three locally recognized influential site selection consultants who have not been to Greenfield and who typically do not work in Virginia, and get one of them selected for this project. The state has confirmed that the expense of the market analysis can be billed to the grant. The goal is to have the RFP go out the next day and have the results of the RFP brought to the next EDA meeting. Mr. Hayth asked if the cost for this was known, and Mr. McFadyen said it would probably range between \$30,000-\$50,000 and reminded the Authority that it would be a grant-eligible expense.

#### 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 district (including Greenfield) and Buchanan districts 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 (including Greenfield) and Buchanan 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 retained by the Authority regarding specific legal matters requiring the provision of legal advice by such counsel regarding an inter-creditor agreement with Factory Flats LLC in the Buchanan district, pursuant to Section § 2.2-3711 (A) (8) 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 and Mr. Hayth seconded. And with all in favor and none opposed, the motion carried.

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

NAYES: None

ABSENT: None 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. Emry, Mr. Alderson, Mrs. Smith, Mr. Bryan, Mr. Hayth

NAYES: None

ABSENT: None ABSTAINING: None

Mr. Griffin then made a motion that Mr. McFadyen represent the EDA to negotiate with the business, the Roanoke Valley Broadband Authority, and Mr. Alderson seconded. With all in favor and none opposed, the motion was approved.

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

NAYES: None

ABSENT: None ABSTAINING: None

#### Action Items/Old & New Business

Mr. Kilby then reminded the Authority that discussion has been ongoing for two months regarding investment options for the EDA that will earn higher interest than the current account earns. He proposed that a committee made up of Mr. Kilby, Mr. McFadyen, and Mr. Webster write an RFP and send it out among the banking community within the next three weeks. Mr. Kilby clarified that this would be for the EDA's operating account.

Mr. McFadyen informed the EDA that staff is in the process of trying to revise the EDA's regular meeting schedule from every other month with special meetings between, to simply once a month. Staff will bring back recommendations to the Authority, and Mr. McFadyen encouraged members to inform staff if they have a day preference.

The BTEC welding lab grant with GO Virginia is well underway and staff is having regular progress meeting calls. There is a meeting scheduled for the following week to collect receipts of work done thus far to be able to make the first draw request to GO Virginia. BTEC has made a request to AEP to have a transformer be set to accommodate the power draw of the additional welders and AEP has stated that the transformer cannot be set anytime soon. So BTEC is having to make a significant change order on their end to accommodate the electricity draw of the lab. This will not affect the grant. The school system is having to do some extra work in order to get the electrical infrastructure set for the project.

Regarding the deed concerning Altec, Mr. Lockaby has prepared the deed for the two-acre parcel of land to be transferred to the EDA and then transferred to Altec as part of the expansion project that was announced in May. This needs to happen before Altec will be in a position to sign their performance agreement.

Mr. McFadyen announced that the County will be having a social appreciation event the following week to recognize the existing manufacturers and primary employers in the County. The inaugural event of this type took place last year and so this will be the second event of this nature.

Finally, Mr. McFadyen explained the EDA has need to do some strategic action planning and the idea is to contract with a consultant to facilitate a one-day workshop to prioritize the many projects already taking place and also those that are just thoughts. Also, there is a need to align priorities that meet the Board of Supervisors' goals for economic development. This would also be to create a work plan so that the Authority is not missing opportunities. Mr. Alderson expressed approval of this endeavor and asked how soon it could happen. Mr. McFadyen said he had already spoken with one consultant to get an idea of what it would all entail and has ideas in mind already. He confirmed to Mr. Emry that it would be a consultant specialized in economic development. Mr. Hayth said it would be very valuable.

#### Adjournment

Hearing no further questions or comments and having no other business presented, Mr. Kilby called for a motion to adjourn. Mr. Hayth motioned and Mr. Alderson seconded, and with all in favor and none opposed, the meeting was adjourned.

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

NAYES: None

ABSENT: None

ABSTAINING: None