

**BOARD OF SUPERVISORS
REGULAR MEETING
OCTOBER 23, 2018**

At 5:30 p.m. on October 23, 2018 the Board of Supervisors of Floyd County, Virginia reconvened the meeting recessed on October 9, 2018.

PRESENT: Lauren D. Yoder, Chairman; Joe D. Turman, Vice Chairman; Jerry W. Boothe, W. Justin Coleman and Linda DeVito Kuchenbuch, Board Members; and Terri W. Morris, County Administrator

Agenda Item 1. – Closed Session.

On a motion made by Supervisor Kuchenbuch, and seconded by Supervisor Boothe, and unanimously carried, it was resolved to go into closed session under Section 2.2-3711, Paragraph A. 1., Discussion, consideration, or interviews of prospective candidates for employment: assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body; Section 2.2-3711, Paragraph A. 3., Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body; and under Section 2.2-3711, Paragraph A. 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 business' or industry's interest in locating or expanding its facilities in the community;

Supervisor Boothe – yes
Supervisor Coleman – yes
Supervisor Kuchenbuch – yes
Supervisor Turman – yes
Supervisor Yoder – yes

On a motion of Supervisor Kuchenbuch, seconded by Supervisor Turman, and unanimously carried, it was resolved to come out of closed session.

Supervisor Boothe – yes
Supervisor Coleman – yes
Supervisor Kuchenbuch – yes
Supervisor Turman – yes
Supervisor Yoder – yes

On a motion of Supervisor Boothe, seconded by Supervisor Coleman, and carried, it was resolved to adopt the following certification resolution:

**CERTIFICATION RESOLUTION
CLOSED MEETING**

WHEREAS, this Board convened in a closed meeting on this date pursuant to an affirmative recorded vote on the motion to close the meeting to discuss Personnel in accordance with Section 2.2-3711, Paragraph A.1.; Real Property in accordance with Section 2.2-3711, Paragraph A.3.; and Prospective Business or Industry in accordance with Section 2.2-3711, Paragraph A.5. of the Virginia Freedom of Information Act.

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by the Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby certifies that, to the best of each member's knowledge (1) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act were heard, discussed or considered in the closed meeting to which this certification applies; and (2) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting to which this certification applies.

Supervisor Boothe – yes

Supervisor Coleman – yes

Supervisor Kuchenbuch – yes, I removed myself from parts of closed session so as not to appear to have a conflict of interest and certify that I only spoke about things that would not lead anyone to believe that I found myself in a conflict of interest situation

Supervisor Kuchenbuch – yes

Supervisor Turman – yes

Supervisor Yoder – yes

This certification resolution was adopted.

Agenda Item 2. – Meeting Called to Order.

At a regular meeting of the Board of Supervisors of Floyd County, Virginia, held on Tuesday, October 23, 2018 at 7:15 p.m. in the Board Room of the County Administration Building thereof;

PRESENT: Lauren D. Yoder, Chairman; Joe D. Turman, Vice Chairman; Jerry W. Boothe, W. Justin Coleman and Linda DeVito Kuchenbuch, Board Members; Terri W. Morris, County Administrator; Cynthia Ryan, Assistant County Administrator.

Chairman Yoder called the meeting to order at 7:00 p.m. with the reading of the handicapping statement.

Agenda Item 3. – Opening Prayer.

The Opening Prayer was led by Supervisor Coleman.

Agenda Item 4. – Pledge of Allegiance.

Chairman Yoder led in the Pledge of Allegiance.

Agenda Item 5. – Approval of month-end disbursements.

On a motion of Supervisor Turman, seconded by Supervisor Kuchenbuch, and unanimously carried, it was resolved to approve the October 2018 month-end disbursements and additional bills as presented.

Supervisor Boothe – yes
Supervisor Coleman – yes
Supervisor Kuchenbuch – yes
Supervisor Turman – yes
Supervisor Yoder – yes

Agenda Item 6. – Constitutional Officers' Report.

There were no Constitutional Officers present at the meeting.

Agenda Item 7. – Public Comment Period.

Chairman Yoder called for the Public Comment Period.

Mr. Bob Smith, Indian Valley District – Before you is a proposal for debt service which utilizes the EDA and places Indian Valley Elementary School as collateral. One would question the advantage of this over a total transparency policy which would include the will of the people and the vote of the people of Floyd County. With issuance of debt as proposed, how much will taxes be increased to pay the additional \$25 million with the FCHS addition next year? I understand it was disclosed in the Davenport presentation that there would be a need for a 3% to 5% increase in taxes as a result. Shouldn't all County residents be aware of this? With our excellent credit rating as we've been told there is absolutely no advantage with regard to interest rates return to proceed in this fashion other than keeping citizens out of the loop, so most find out after the fact when their taxes have been increased. If the Board issued the debt the probability would be there would be no need to pledge any school property as proposed. This entire process bypasses the referendum process that would involve the public being fully knowledgeable of the details which would be total transparency. And that is all I have to say on that subject. But I do want to remind the Board in the interest of preserving the sylvan and rural nature of the County vote no on cluster development. Thank you.

Ms. Linda Wagner, Courthouse District – I was at the EDA meeting last night and they are going to propose a resolution on the bike-pedestrian pathways. I went to training last week and VDOT was there and they talked about the HSIP program. But what concerns me is we're talking about these pathways being critical pathways. That means to me that everyone should be safe. I think that is the ultimate goal of HSIP. But for me it is the pedestrians and I think quickly of Blue Ridge Apartments. But what is proposed for legislation is that they are going to add motorized scooters to these bike-pedestrian pathways. I think that is counterintuitive to the integrity of what we want or we say we want or say we've heard about critical pathways for pedestrians.

Ms. Becky Howell, Burks Fork District – I want to thank you all for the difficult decisions that you have to make. And I appreciate the fact that you ask questions and that you

listen to your constituents. I believe that each and every one of you exhibits high character, integrity, and honesty. I expect the same in the people that you appoint for the various Commissions. A few years ago an individual, whom I believe has applied for the Commission for the Courthouse District, posted a message on Facebook that number one contained inaccurate statements about the proposed Family Subdivision Ordinance and was very disrespectful toward both the Board of Supervisors which included two of you currently serving and to me. I know this person was angry, disappointed, but that was no excuse for the vitriol that was displayed in this post. So I trust that you will consider the character of the applicants when you make your decision. And I would like to share this with each of you. [Ms. Howell handed a piece of paper to each Board member.]

Mr. Wade Nystrom, Little River District – A few weeks ago I was asked to make an ornament for the Governor’s Christmas tree. Since there is so much forestry in Floyd County, I decided to make a puzzle box...inside there is a sleigh that has 38 parts. The tree has 80 parts with 20 mm wires that are bent and then sprayed. The challenge was when I got the directions...it had to be no more than 6” in any direction or more than 1½ ounces. I knew I wanted to make a sleigh with a tree in it and that was a challenge. But it came in at 1¼ ounces and 6”. It is made totally from basswood grown, harvested, and milled here in Floyd County. The runners each have 4-ply and they are soaked, bent and formed. And there you have it. This is actually a shipping crate.

Chairman Yoder – That is very beautiful and we are very proud that you made that to represent Floyd County.

Mr. Wade Nystrom, Little River District – Thank you. I appreciate the opportunity. I understand that we are now requesting that it come back to the County so that is a good thing.

After no further comments from the audience, the Chairman declared the Public Comment Period closed.

Agenda Item 8. – Mr. Kyle Laux and Mr. Griffin Moore, Davenport & Company.

Mr. Jon Beegle, Chairman of the Floyd County Economic Development Authority (EDA) called the EDA back into session at 7:26 p.m.

PRESENT AUTHORITY MEMBERS: Mr. Beegle, Mr. Finn, Ms. Gardner, Mr. Worth, Mr. Vest, Mr. Nester.

ABSENT AUTHORITY MEMBERS: Mr. Ingram.

ALSO PRESENT: County Administration Staff: Ms. Martin and Ms. Hodge.

Mr. Laux – We were here about a month ago talking about a plan of finance to go get some funding and financing for the Phase 1 of the school projects. We’ve got some information that I would like to walk through:

1) This evening we are talking about the roughly \$6 million in school capital projects;

- 2) This will not require recurring revenues to pay debt service or simply said it will not require a tax increase to finance this first phase of projects;
- 3) We competitively bid that roughly \$6 million to local banks, regional banks, and national banks;
- 4) We received some nice bids back and our recommendation tonight is a fair amount better in terms of interest rates than our initial planning of 4¼% interest rate for planning perspective;
- 5) Cash flows and dollars will be lower by virtue of that lower interest rate;
- 6) The interest rate is fixed for the full term of the 16-year loan and it has some nice pre-payment provisions;
- 7) We know there is potentially a second phase of school projects out there and we are not talking about that this evening, but we purposely left our powder dry with any potential second phase, to go after some low cost State funding.

Mr. Griffin – In September after we attended the meeting, we sent out a request for proposals for the County and in early October we received bids from BB&T, Capital One, Sterling, and Skyline. The County got a good pool of regional banks, some national banks, and also a local bank. After discussions with Ms. Morris, we are recommending:

- 1) BB&T which had the lowest proposed interest rate at 3.67% , which is about a .5% below the planning rate we used;
- 2) It is a fixed rate through the 16-year life of the loan and the rate is also fixed and held firm through November 16, 2018;
- 3) The lower interest rate means debt service is about \$300,000 less than discussed in planning estimates;
- 4) The BB&T proposal would allow the County to pre-pay the loan with a 1% penalty for the first 8 years and then the last 8 years there is no pre-payment penalty, which gives the County flexibility to repay or refinance;
- 5) BB&T allowed the County to collateralize the loan with Indian Valley Elementary School;
- 6) The School Board has already authorized using Indian Valley Elementary School as collateral;
- 7) BB&T has already completed their credit approval process;
- 8) Tonight the Floyd County Board of Supervisors and the Floyd Economic Development Authority each need to consider adopting a resolution;
- 9) If that is done, the County could close on the loan and have funds in hand by early to mid-November.

Mr. Jon Beegle – Skyline is offering 3.75% fixed for 5 years, what does that look like in relation to the 3.67% BB&T has offered?

Mr. Laux – That would mean over a 16-year loan that 3.75% would just be for the first 5 years and then it would reset to some other interest rate based on whatever rates are in the future. From the certainty standpoint, the County wouldn't know what that rate is going to be beginning in year 6. It would reset again for the final 5 years.

Supervisor Kuchenbuch – With our good standing did we not think we could get a decent loan without putting up a school as collateral?

Mr. Laux – It is very typical in financing like this to have some kind of real estate behind it. The theory is that the credit for this loan is the morale obligation pledge of the Board of Supervisors. If for some reason you decided not to honor that pledge by not appropriating the money, the bank could in theory come and have some collateral behind it. It is important to the bank as it gives them a hard asset so that they can say to their regulators we have not only the promise of the good folks in Floyd County, we also have a tangible asset.

Supervisor Kuchenbuch – Would we not have gotten a 3.67% interest rate if we had not put up Indian Valley as collateral?

Mr. Laux – It is pretty reasonable to assume the rate would be higher. I don't know how much higher.

Mr. Jesse Baush with Sands Anderson – I am the finance lawyer. We get into the issue of is this debt and do we have to do this collateral route or is there another way to do it. Under the Constitution what you issue as debt for Constitutional purposes it is a general obligation debt that you issue. That can only be issued through some sort of referendum or through some of these State programs. If you wanted to do this small piece you would have to go through one of those two routes. This lease revenue financing is something the EDA Act allows. EDA can always finance governmental structures and improvements. There is this other way that Counties use a lot of times for small to medium size projects or a hodgepodge of a bunch of different small to medium size projects that you have to figure out how to finance. This lease revenue structure is something that is under the EDA Act. There is the Dykes case where this type of structure was challenged and the Virginia Supreme Court said this is legal. It is not debt according to the Constitution. This is not debt where you have committed to raise taxes to pay, but if you don't then this piece of collateral you may lose the use of it.

Mr. Stephen Durbin with Sands Anderson – It creates a mechanism for the County to have an agreement to pay the loan back without it being Constitutional debt. It is sort of a necessary mechanism.

Mr. Baush – It is tough for Counties. Cities don't work quite the same way. They are capped at 10% of their assessed value. They can issue general obligation debt however they want to do it as long as they are under the cap. Your debt policies are nowhere near the cap on any of these things, but you don't have the ability to do that until you hit it. You either have to do the referendum or go through a State program or do a lease revenue bond financing.

Supervisor Kuchenbuch – Could it have been anything? It didn't have to be Indian Valley?

Mr. Baush – It is more the value. What the banks look at is it an essential government property and does it have a loan value that is somewhere in the neighborhood of the loan.

Mr. Laux – We should note that this is very typical and has been in place for a very long time. It is not unusual in any way.

Mr. Baush – BB&T does a lot of these. They are very familiar with these and are very comfortable with them.

Mr. Durbin – This is one of the reasons EDAs were authorized by the General Assembly. It is one of the purposes of the Act.

Chairman Yoder – What we are looking at using this money for, it is a good way to do it. Every time you remodel a building you don't necessarily want to go to referendum on that. We are just doing maintenance essentially.

Mr. Dan Vest – Repeat for me again, you are not going to raise taxes to do this?

Chairman Yoder – I am not going to say that I am not going to raise taxes, but the way this is structured it folds debt in as existing debt comes off.

Mr. Laux – That is exactly right. The County's existing debt before you do anything tonight pays down and then we fit the payments on the new loan in so there is no additional...

Mr. Vest – There is no additional penny to the hundred being incurred by the general population. That is my question.

Mr. Laux – That is correct.

Supervisor Kuchenbuch – This work will make the buildings more efficient and should save us in the long run.

Mr. Laux – That is a good point too. While hopefully that happens, we see a lot of that across the State of renewing HVAC and lights. The theory being that it will save you in electrical cost and water. Hopefully there is some budgetary savings there, but none of that has been planned in these numbers. If that happens, which hopefully it does, that is just gravy to the overall plan.

Chairman Yoder – I like that it is structured for 16 years. That is a pretty quick payback. Having older school buildings you want to pay debt quickly because you don't know what the next thing is you might need to do. It doesn't hamstring ten Boards down the line.

Mr. Laux – That was done very much on purpose so if and when you decide to do new construction...

Supervisor Kuchenbuch – Another thing I like is that the first 8 years we would have a 1% penalty, but year 9 if we are flush we can pay this whole thing off and look for something else.

Vice Chairman Turman – Some people have a misconception that this somehow or other makes us obligated for the \$25 million and this has nothing to do with that. I want everybody to understand that.

Supervisor Coleman – Just because we have Phase 1 doesn't mean that there will be a Phase 2. I do have questions. How was Indian Valley Elementary selected to be the collateral?

Mr. Laux – We looked at all of the schools and County facilities out there and found the one that had the lowest insured value. The theory being that we didn't want to over collateralize. You have good credit so we didn't feel like we needed to add too much to the pot. This was the facility that most closely aligned with the size of the loan. The theory is to have about as much value as the size of the loan. The School Board already approved their resolution.

Chairman Yoder – That means Indian Valley has to stay there for the next 16 years.

Supervisor Coleman – I'm good with that.

Supervisor Boothe – When does our existing debt phase out?

Mr. Laux – Existing debt stair steps down from 2021 through 2026 and then really falls off.

Mr. Finn – Everything I buy for my business, the cost continues to go up. I would assume that would be the same for the County as well. As a citizen I would expect my taxes to go up reasonably and periodically. I just want to make that comment for the record. I also have a question. Nobody goes into a loan expecting to default. I certainly don't believe that this one ever will, but on the outside chance that it does, what does that scenario look like for the Indian Valley School?

Mr. Laux – It is a hypothetical discussion. If the County were to default on something and I hope the odds of that are basically zero, from a financial perspective you would be locked out of the credit market. If you could get anything it would be much, much more expensive. As for the elementary school the bank could in theory take over that school for the remaining lease.

Mr. Baush – In Buena Vista they put a Subway in the City Hall. At the end of the day they are not getting the school for the entire life of the property. It is probably a 21 or 22 year lease on that property. If the County were to default on the payments, then BB&T would basically have a leasehold interest in that school property for the life of the loan plus an extra 5 or 6 years, which is a convention that has been developed to give extra time to recoup. In Buena Vista something like this came up where they put up City Hall for a golf course they financed. Five years later they lost City Hall. The bond insurer who covered it is now leasing it out. The other practical effect is that nobody is going to lend Buena Vista any money.

Chairman Yoder – If it got to the point where the County were to default, we probably wouldn't have the funds to have a school or classes there anyway. We would be in much worse shape than just worrying about the building. We probably wouldn't have money to pay the teachers.

Mr. Baush – They look at the property to see if it is essential to County operations.

Mr. Beegle – I have a couple of questions about using the EDA as a conduit for the lease revenue bonds. The first is I am not really familiar with the Virginia Industrial Development Reserve Bond Act.

Mr. Baush – The important definition under the IDA Act is facility. The Authority can basically issue its bonds to finance facilities. So part of the definition of Authority facilities is governmental facilities and related projects. This is something that squarely fits within the facilities that the Authority is allowed to issue bonds to finance.

Mr. Beegle – The bond purchase agreement refers to that. We are an EDA and not an IDA.

Mr. Durbin – You are allowed to call yourself an EDA or IDA but it is the same body of law.

Mr. Beegle – Once this bond is issued and the money changes hands, what is our responsibility in regards to the disbursement?

Mr. Baush – It is all the County. It is technically a bond that you are issuing, but its set up to only be payable from the revenues of the County, then we sign all those lease documents from you guys to the bank. It is still your bond, but you are cut out of the payment stream.

Mr. Beegle – Is there typically any benefit to the EDA financially or otherwise?

Mr. Baush – Usually not on these sorts of deals. This is sort of a conduit deal. You always have the option of charging an EDA fee for anything you issue, but usually when you hand it from one hand to another it is not new revenues being generated. For non-profits or others, that is a stream of revenue for which you could get paid on an annual basis when you issue bonds.

Mr. Vest – How much cushion do we have in the budget as this current debt retires and we take this one on?

Chairman Yoder – We stay fairly even for about 5 years and then it starts going down.

Mr. Vest – I see that but I mean our annual income. What cushion do we have on our tax revenue? Are we hemmed in to an amount of paying our bills?

Chairman Yoder – The current financial statement of the County is we have grown our fund balance. On a year-to-year basis we have several hundred thousand in the contingency fund. But in general we tax at the rate we spend. But fortunately because we are fairly tight and because our Constitutional Officers are fairly tight, we have been able to come in under budget almost every year, which has grown our fund balance.

Mr. Vest – I am trying to get a handle on what if something comes up...

Chairman Yoder – We also don't estimate our taxes at 100% collections.

Supervisor Boothe – We also have a reassessment coming up.

Chairman Yoder – Legally we have to because that is State code. Tax rates can go down if assessments go up.

Supervisor Kuchenbuch – Every department works diligently to keep their costs at or below the budget. Everybody understands how we operate in this County. I'm very proud of that fact.

Chairman Yoder – When Joe [Vice Chairman Turman] and I were first elected 7 years ago we were taking out loans to make payroll at the end of the year because we couldn't quite make it at tax collection time. Since then there have been times when we have had to say no. That is a huge credit to Mr. Campbell and Ms. Morris who manage the budget and fund balance. We can now look at remodeling schools and a shell building.

Supervisor Kuchenbuch – It is also a credit to Supervisors Gerald, Allen, and Clinger who all worked together trying to get this County back on the right foot.

Mr. Laux – If I could offer just one more commentary, as outsiders we agree with that concept of fund balance. When it comes to borrowing money to finance projects it is very, very important. Anytime whether it is a bank, State agency or the public credit market, the first thing they are going to go look at to see if the local government is a good credit and whether they want to lend money, is the fund balance. Any variety of factors we can talk about will play in this, but fund balance is really important.

Supervisor Boothe – It can also be done when fund balance is zero. George [Nester] and I can attest to that. We were still able to do a \$13 million school project.

Mr. Laux – It is harder to do and in this environment in the post-financial crisis, it is much more difficult to get things like that done cost effectively. Certainly you can go do something, but it will cost you more.

Mr. Baush – There are two resolutions, one for each Board to act on separately for their respective Board. They mirror each other and reference the lease documents and include the parameters we talked about.

On a motion of EDA Board member Worth, seconded by EDA Board member Nester, and unanimously carried, it was resolved to adopt a Resolution of the Economic Development Authority of Floyd County, Virginia for a) a Ground Lease, dated as of November 1, 2018, between the Authority and the School Board conveying to the Authority a leasehold interest in the Leased Property; b) a Lease Agreement, dated as of November 1, 2018, between the Authority and the County conveying to the County a leasehold interest in the Leased Property; c) a Bond Purchase Agreement, dated as of November 1, 2018, among the Authority, the County and the Lender, pursuant to which the Bond is to be issued; d) an Assignment Agreement, dated as of November 1, 2018, between the Authority and the Lender, assigning to the Lender certain of the Authority's rights under the Lease Agreement and the Ground Lease, which is to be acknowledged and consented to by the County and the School Board; and e) a Specimen Lease

Revenue Bond, Series 2018 in the maximum principal amount up to of \$6,750,000, maturing on or about February 1, 2035 and authorizing the Chairman of the Economic Development Authority and the Secretary of the Economic Development Authority to execute all closing documents (Document File Number 1013).

Mr. Finn – yes
Ms. Gardner – yes
Mr. Nester – yes
Mr. Vest – yes
Mr. Worth – yes
Mr. Beegle – yes
Mr. Ingram – absent

On a motion of Supervisor Boothe, seconded by Supervisor Coleman, and unanimously carried, it was resolved to adopt a Resolution of the Board of Supervisors of Floyd County, Virginia for a) a Ground Lease, dated as of November 1, 2018, between the Authority and the School Board conveying to the Authority a leasehold interest in the Leased Property; b) a Lease Agreement, dated as of November 1, 2018, between the Authority and the County conveying to the County a leasehold interest in the Leased Property; c) a Bond Purchase Agreement, dated as of November 1, 2018, among the Authority, the County and the Lender, pursuant to which the Bond is to be issued; d) an Assignment Agreement, dated as of November 1, 2018, between the Authority and the Lender, assigning to the Lender certain of the Authority's rights under the Lease Agreement and the Ground Lease, which is to be acknowledged and consented to by the County and the School Board; and e) a Specimen Bond and authorizing the Chairman of the Floyd County Board of Supervisors and the Floyd County Administrator to execute all closing documents (Document File Number 1014).

Supervisor Boothe – yes
Supervisor Coleman – yes
Supervisor Kuchenbuch – yes
Supervisor Turman – yes
Supervisor Yoder – yes

Agenda Item 9. – Ms. Carolyn Howard, Draper Aden Associates.

Ms. Martin – I would like to give you a quick overview:

- 1) Tonight's discussion will be about lot #4, which is the lot at the end of the cul de sac on the right and adjacent to the Dreaming Creek property;
- 2) You authorized some preliminary engineering work on that site;
- 3) There are two broad options to weigh out; we thought we wanted to have all the documents in place and ready to go for when a prospect is ready and we were actively working with a prospect, but that has gone cold;
 - a. Option 1 is to continue on that path of thinking in terms of a specific building size up to 85,000 s.f. to fit on that site and planning the site work accordingly;
 - b. Option 2 is to maintain maximum flexibility and not zero in and prep it for one particular size, but instead get as good a picture of what all is possible.

Ms. Howard – We have been working for the past 6 to 8 months on the Lot 4 site. To orient you to this site:

- 1) There is quite a steep dropoff from the road to the level area;
- 2) There is currently an access road, which is a one lane gravel road;
- 3) To put in option 1 the order of magnitude cost estimate at this point which would include all the paving, but not the building itself, is about \$2 million;
- 4) If you do not have a prospect at this point, your money may not be best spent getting all of this in and ready;
- 5) To maintain flexibility for lot #4 on the lower level, what might be in the best interest is to keep it open and flexible with the possibility of one, two, or even three smaller buildings as a complex or a larger building;
- 6) My recommendation to you would be to look at getting at least the design ready to go or start constructing the access road so that when prospects come they can see and feel how they would actually get down to the lot;
- 7) Improving the road provides flexibility for the Dreaming Creek property and possible cross access;
- 8) There are multiple things that can access both sites by putting the road in;
- 9) I also recommend that it be a private access drive and not go to VDOT for all of their standards because of:
 - a. The cost;
 - b. It will only service this lot and potentially the adjacent lot.

Supervisor Kuchenbuch – Should we keep the lot maintained?

Ms. Howard – Yes, especially this lower area where it is essentially at pad grade where someone can visualize what it looks like. There is a drainage line that runs through there that would have to be dealt with but somebody could still walk out there.

Chairman Yoder – The idea behind this whole concept is to have that visualization so people can understand what is possible. It is not that we are going to build a building soon unless we have a good prospect.

Ms. Howard – As you know because you are working on a shell building, they want to be in immediately so the more planning that we have in place the more permitting or at least you can get there quickly, the better off you will be and more attractive to prospects. But you don't want to be too rigid.

Ms. Martin – That is the balance. You don't want to go all the way through permitting without specifying what you are building, but if we could try and get as ready as possible while maintaining some flexibility.

Mr. Beegle – Where does the stormwater management come into play? Is that something that happens now or is that down the road?

Ms. Howard – We could put the road to a certain point and put stormwater in just for the road to plan for it to be expanded. That is where I would go with it. You need something to handle what you have now with plan designs so that it can expand.

Mr. Beegle – In terms of State requirements on storm water that has changed over the past few years, do you see that being more stringent in the future than it is currently?

Ms. Howard – I was at the last VAMSA (Virginia Municipal Stormwater Association) meeting and they talked about a new permit coming through next year. The current general permit for stormwater activities expires June 30, 2019. There aren't many major changes that are proposed so far. It needs to be part of the conversation. We will be providing for stormwater quality and quantity control.

Ms. Martin – Will you please speak of the little driveway that comes straight from the cul de sac into the lot and its limitations for trucks?

Ms. Howard – It is really steep. One of the things about truck access is you don't want to go over a 6% grade. It is very difficult for trucks to accelerate and decelerate. This road exceeds that 6% so this road construction will keep it to a maximum of 6% slope for that purpose. We want to have semi-truck mobility.

Chairman Yoder – The proposal then is to start planning for a road and not moving farther on the rest of the property?

Ms. Howard – Yes, that is my recommendation. We might have to pull some dirt from other parts of the site to make this work for the access road, but to leave everything as flexible as possible.

Mr. Beegle – Do you have a cost associated with that?

Ms. Howard – The road is roughly \$350,000.00 or maybe a little less. That estimate assumes stormwater and stormsewer along the road and grading that goes with it and a little bit for stormwater management. I would design it to make sure that it is ready for future expansion.

Chairman Yoder – Exactly what is the acreage on that lot?

Ms. Martin – 9.4 as a whole counting the upper shelf, the lower part alone is between 5 and 6 acres.

Chairman Yoder – By adding this road we could potentially subdivide the lot for multiple tenants if we needed to?

Ms. Martin – Yes, if we needed to.

Ms. Howard – Keep in mind that it is proposed to be a private road as part of the lot.

Ms. Martin – As an industrial subdivision on private property, the ordinance does allow you to do a subdivision of that type without state road frontage. We are asking you right now if it is okay to not focus on a particular building size and detail documents around that but instead to shift focus to the driveway and the general concepts of what would be possible on that space with a general sketch to share with prospects down the road.

Chairman Yoder – We are not talking about appropriating money to build a road right now. We are talking about giving consensus for direction.

Supervisor Boothe – What is the EDA’s feeling on what has been presented?

Mr. Beegle – I like the fact that we are maximizing our lot size. Using that road makes a lot of sense. I like the fact that we are dealing with some of the erosion that has been going on there with an eye toward expanding that as the lot is developed.

Supervisor Boothe – If that road is not a VDOT standard road, who is responsible for upkeep of it, especially in a lease situation?

Ms. Martin – It depends if it is just serving the one site and one tenant, you might be able to negotiate that. If it is multiple parties on both sides of the road, it gets sketchy.

Ms. Howard – I’m not suggesting that we wouldn’t follow VDOT requirements but it wouldn’t necessarily be a VDOT road.

Mr. Durbin – You have a couple of options. You could do a road maintenance agreement. You could incorporate it into your sales document. Put a covenant into the deed that this is going to be shared maintenance among the different subdivided owners. There are ways we can structure that, especially in a commercial setting.

By consensus the Board of Supervisors and Economic Development Authority agreed to accept Ms. Howard’s recommendation to allow maximum flexibility on lot #4 by starting designs for a private road with stormwater along the road into lot #4.

The Economic Development Authority recessed to a separate conference room to continue their meeting.

Agenda Item 10.a. – Appointment to the Floyd County Planning Commission, Courthouse District, four year term, effective November 1, 2018.

On a motion of Supervisor Boothe, seconded by Supervisor Kuchenbuch, and unanimously carried, it was resolved to appoint Mr. Mark Sowers to the Floyd County Planning Commission representing the Courthouse District effective November 1, 2018 for a four year term.

Supervisor Boothe – yes
Supervisor Coleman – yes
Supervisor Kuchenbuch – yes
Supervisor Turman – yes
Supervisor Yoder – yes

Agenda Item 10.b. – Road Name Request, Church View Lane NE.

On a motion of Supervisor Boothe and seconded by Supervisor Turman, and unanimously carried, it was resolved to approve the naming of Church View Lane NE, with the cost of the road sign installation to be paid by the County.

Supervisor Boothe – yes
Supervisor Coleman – yes
Supervisor Kuchenbuch – yes
Supervisor Turman – yes
Supervisor Yoder – yes

Agenda Item 10.c. – Road Name Request, Rehoboth Lane NE.

Ms. Morris – Mr. Maddox was the only one who signed this but staff noted that he is President of Eagles Nest Regeneration.

On a motion of Supervisor Kuchenbuch and seconded by Supervisor Coleman, and unanimously carried, it was resolved to approve the naming of Rehoboth Lane NE, with the cost of the road sign installation to be paid by the County.

Supervisor Boothe – yes
Supervisor Coleman – yes
Supervisor Kuchenbuch – yes
Supervisor Turman – yes
Supervisor Yoder – yes

Agenda Item 10.e. – Discussion on retreat/work session.

Ms. Morris – At this point we need to know if you want to have a work session, and if so, when, where and what do you want to discuss.

Chairman Yoder – We had this on the agenda last month and decided to wait until Supervisor Coleman was back.

After discussion of various dates, it was determined to hold the work session on Saturday, January 5, 2019 beginning at 9:00 a.m.

Supervisor Kuchenbuch – What did you say about a neutral site?

Ms. Morris – Somewhere out of the County, but close. Our attorney has offered his office. We have used various sites in the past.

Mr. Durbin – We are located in Christiansburg in the First Bank and Trust Building. It is available to you free of charge at your pleasure.

It was decided to hold the work session at the Sands Anderson office in Christiansburg.

Ms. Morris – You discussed having the EDA meet first and then you meet and then possibly come together. You might want to invite them or department heads.

Chairman Yoder – Each of you think of topics you might want to discuss and let Ms. Morris or myself know. I would like someone there to speak on general planning for us going forward. I am a little concerned about the maintenance of our buildings.

Agenda Item 10.d. – VA Telecommunications Initiative grant.

Ms. Martin – I would like to request that you consider authorizing pursuit of a Telecommunications grant called the Telecommunications Initiative. It has \$4 million to help extend higher end broadband into unserved or underserved areas. There is a particular need identified in the northern part of the County. This is something I would like to be able to pursue if you are open to that. I do not envision a match requirement from the County. We would look to whatever service provider to provide the match. There are some unknowns as to exact service area, but in general it would be the northern tip of the County.

Chairman Yoder – Ms. Martin is requesting that she be able to pursue these funds. We would be authorizing staff time, but no match funding.

On a motion of Supervisor Boothe, seconded by Supervisor Kuchenbuch, and unanimously carried, it was resolved to approve staff to pursue preparing an application for a Virginia Telecommunications Initiative grant.

Supervisor Boothe – yes
Supervisor Coleman – yes
Supervisor Kuchenbuch – yes
Supervisor Turman – yes
Supervisor Yoder – yes

Agenda Item 10. – Old/New Business.

On a motion of Supervisor Boothe, seconded by Supervisor Turman, and unanimously carried, it was resolved to appropriate \$75,000.00 to the Economic Development Authority for economic development projects.

Supervisor Boothe – yes
Supervisor Coleman – yes
Supervisor Kuchenbuch – abstain
Supervisor Turman – yes
Supervisor Yoder – yes

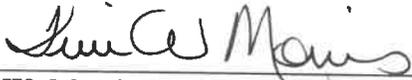
Chairman Yoder – We have gone through the steps to do Phase 1 of the school projects. We need to decide if we move forward on Phase 2 at some point and in what manner. Continue to think about it and in the near future we need to have a discussion. We need to keep the School Board up-to-date with what we are thinking. We don't want the School Board to work on something that isn't going to happen or have it fall by the wayside if it is going to happen. I talked to Dr. Wheeler a couple of weeks ago and they are looking at ways to pare down from the \$25 million, but on the other hand he felt like they needed some guidance from us to be able to move ahead. They don't want to spend a lot of time and energy on plans that aren't going anywhere. We need to continue to talk about this in November.

Ms. Morris – Don't forget to look at the Legislative Requests from last year and decide what you want to submit for this year.

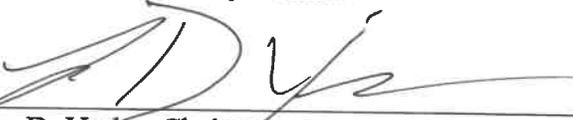
Supervisor Boothe – I would like to say thank you to Ms. Linda Wagner for her service and ask that an appropriate letter be sent to her.

Agenda Item 11. – Adjournment.

On a motion of Supervisor Kuchenbuch, seconded by Supervisor Turman, and carried, it was resolved to adjourn to Thursday, November 15, 2018 at 8:30 a.m.



Terri W. Morris, County Administrator



Lauren D. Yoder, Chairman, Board of Supervisors

