

**BOARD OF SUPERVISORS
REGULAR MEETING
AUGUST 28, 2018**

At a regular meeting of the Board of Supervisors of Floyd County, Virginia, held on Tuesday, August 28, 2018 at 7:00 p.m. in the Board Room of the County Administration Building thereof;

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

ABSENT: Jerry W. Boothe, Board Member.

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

Agenda Item 2. – Opening Prayer.

The Opening Prayer was led by Supervisor Coleman.

Agenda Item 3. – Pledge of Allegiance.

Chairman Yoder led in the Pledge of Allegiance.

Agenda Item 4. – Approval of month-end disbursements.

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

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

Agenda Item 5. – Public Comment Period.

Chairman Yoder called for the Public Comment Period.

Ms. Anita Goad, Ms. Sandra Smith, Ms. Kimberly Ingram, Ms. Anita Epperly, and Ms. Susie Warren, Teachers and Staff of Floyd County High School – We would like to say thank you for supporting public education.

Ms. Suzon Cole, Locust Grove District and Ms. Kellie Sousa, Indian Valley District

Ms. Cole – Thank you for the opportunity to speak with you. We are here with great concern for the Duncan Valley state-maintained road. It is to the point where we cannot get in and out. I don't think fire trucks can get in and out. I had two hay trucks that almost didn't make it. We had to go the long way because the short way had a deep trench. They have come out.

Ms. Sousa – They come out and they smooth it over, but they don't fix it. The last time they fixed it about a week ago, we had bad rains come back out and it opened up three trenches. My property sits adjacent to the road and it has actually caused three washouts on my property. It has actually pushed all of the gravel onto my property. My biggest concern is there are three disabled people that live on this road. My husband has had a stroke. He can have one at any other time. My mother lives with me. She is elderly. We have Leonard out here who is also disabled. My way is a short way in for the Rescue Squad. It takes eight minutes to get down Indian Valley Road to Duncan Valley Road. If there is an emergency and they have to go the opposite way and my husband is having a stroke, there is a little window. They can only make it out in twenty to twenty-five minutes. I picked the area because it was so close to the Rescue and I am so close to the hospital for him. We have a problem stabilizing his blood pressure, so I never know when it is going to happen. That is the main reason I chose this area because I am right there by the emergency response.

Ms. Cole – He can go straight to the hospital he needs to go to, as well as my sister and Leonard. If there were, let's say a fire, they couldn't get out.

Ms. Sousa – It would tear vehicles up trying to get over it. I've got pictures of the trenches where I am standing and the trench comes halfway up to my ankle. Like I've said I've called. They've been out a couple of times to fix it. There used to be pipes that ran underneath it. The pipes in the meantime I guess have gotten squished or however you want to say it. They just come out and patch it. It has opened three other areas. Now on the back of my property there is a stream that is designated for the water to run down, go around, and meet up with the creek. It is not even using that now. It is all down on my property. If I wanted to do something with that piece of property I would have to have it totally cleaned out, the gravel taken out, the trenches fixed and everything before I could use it. My biggest concern is health issues. I made sure the road was state maintained before we moved out there. I was assured it was. When we were moving I called VDOT to come out and grade the road. They were very nice and came out and graded it. But ever since then, it is like pulling eye teeth to get someone to come out and fix it. Now they did tell me they were going to dump new gravel this summer on the long way and that hasn't even been done.

Ms. Cole – The turns on the long way almost dumped one of the hay trucks trying to get down. I told him you have two more to go. We don't mind crossing the little stream because after that big trench right there at her house you cross a stream. We knew that, but not the deep trench. I can't get through and I have 4-wheel drive, but it's a Subaru and it would rip the whole bottom out.

Ms. Sousa – I guess the big thing to me is they are wasting a lot of money coming out and just patching it. I guess it has been known for a long time that this road needs repair and they just come out and they patch it. They are spending a lot of money doing that work. It could

have been completed with a pipe put in to direct the water the way it should be going and it hasn't been done.

Ms. Cole – They probably need to put in several smaller pipes in each direction because there are little springs that come out and they eat away the road. It's a drop off there anyway. I invite you to come out, but bring a 4-wheel drive.

Ms. Sousa – My biggest concern is just the health factor...getting emergency help down there. Most of our road is nothing but elderly people. They don't get out often. If something happens, if they have to come in the long way, like I said it is going to take 25 minutes to get out there...a heart attack or anything that is life threatening.

Ms. Cole – I would like to thank you very much.

Mr. Bob Smith, Indian Valley District – You have several subjects of late so I am going to kind of run through them real quick. Davenport proposal, totaling about \$30 million plus, do we need to fund all the stuff at one time? Would it not be more sensible to prioritize? By stretching out the timeframe you don't get trapped by outdated assumptions by tackling smaller projects one at a time. As things progress, you will have a better picture of the County's financial situation going forward. I certainly don't believe the 3% projected interest rates on borrowed money will last much longer. I do mortgages and they are gone pretty much by now. Changing tax law will have effects on the decision makers in the lending industry. Who will end up paying for this debt when rates go up as they surely will, we the taxpayers. EDA –besides the costs associated with the Davenport proposal, do we need to add an additional \$30 million burden of debt and expenditure to the wallets of our already strained 15,000 County residents? That is a tax increase alone of another \$4,000 per resident. Since we already have \$2.5 million allotted to a shell building, a tangible need if the intent is to create jobs-creating enterprises, let's get it done first so that we have a reasonable chance to attract some well-paying jobs and create a viable tax base first so we can support controlled and positive growth. The Habitat for Humanity Townhouse Proposal – I'm told it can be done by exception or variance under the current land use and the stringent conditions required by Habitat, including money management training, minimum income standards, and a 99-year owner occupancy requirement for purchasers would likely make for a stable and successful venture. However, since the County cannot under current land use require such standards and future developers would not likely accept these conditions, preferring to build, sell and skedaddle; we must decline this project. Lastly, here's the County and the all important area of preserving and maintaining the wonderful rural nature and quality of life here, first by permitting large tract high-end estates and high value homes construction by approving flag lots where somebody can buy 30 or 40 acres and run a long driveway. And finally, and as always, vote no on cluster development. Thank you.

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

Agenda Item 6. – 7:15 p.m. – Presentation by Creative Economic Development Consulting to a joint meeting with Economic Development Authority of Floyd County, Virginia.

Ms. Crystal Morphis – Gave a brief overview of items addressed in Phase 1 of the contract between the Economic Development Authority and Creative Economic Development Consulting. Phase 1 included a review of background documents, SWOT [strengths, weaknesses, opportunities and threats] Analysis, identification of partners, review of incentives, assessment of product and business survey. The research from Phase 1 was compiled into a competitive position analysis. Phase 2 of the project resulted in developing an action plan, marketing strategy, and competitive position analysis. Items addressed include:

- 1) Marketing – Recommendations listed cover a range of audiences, both internal and external:
 - Branding – Wonderful new logo that needs to be disseminated by partners with users agreements;
 - Tag line – Needs to be added to the logo;
 - Target Audience – VEDP, existing businesses, citizens who could turn a hobby into a business;
 - Key Messages – 84% of businesses say that Floyd County meets or exceeds expectations as a business location; creative deal structuring; EDA’s ability to work a deal; strong work ethic;
 - Website – Enhancements to both the EDA and the County website; it is the first place people go for information;
 - Photography & Video – People need to see and experience Floyd, hopefully firsthand, but likely first it will be through the internet so need a professional photo library;
 - Database;
 - Materials;
 - Social Media & E-marketing – This is not expensive but very time-consuming if it is done right;
 - Partners;
 - Internal marketing;
 - Talent Attraction.

- 2) Business Retention & Expansion – Retaining and expanding local companies is a top priority of the EDA and the Board of Supervisors:
 - Visitation & Surveying – Regularly meet with companies each week initially led by staff, but later by EDA members and volunteers;
 - Marketing – Ad sharing with existing businesses, for example EDA and County could start a grant to share the cost of advertising;
 - Information – Networking sessions;
 - Ambassador – Digital Ambassadors which is a technology application that allows people in the community to amplify the County economic development message;
 - Advocacy – Advocate for positive public policies that support business;
 - Recognition – Hold recognition events.

- 3) Incentives – State developers said that “creative deal structuring” was Floyd County’s second most important site location factor:

- Incentive Policy – Guidelines that would allow EDA team to discuss incentives with companies and put together proposals that would come back to the Board for approval;
 - Special Incentive Zones – Offer special incentives to businesses that locate in certain areas of the County to drive investment to those areas;
 - Invest in Floyd Fund – An additional revolving loan fund;
 - Return on Investment – Continue to do your return on investment studies.
- 4) Product Development – Need to make existing sites and buildings more marketable and create a plan for developing new sites and businesses:
- Marketing;
 - Product Plan – In order to spend less time debating individual development projects, staff needs to develop a long-range product development plan with consensus from the EDA and Board of Supervisors;
 - Step-Up Space – Innovation Center has been successful and a Phase 2 Innovation Center could be slightly larger spaces for companies outgrowing the current Center;
 - Ag-Related Space – Revisit and do some more analysis on which is the best facility for Floyd...cold storage, dairy processing, and packaging.
- 5) Small Business & Entrepreneurship – Floyd County has been very successful in its efforts to attract small business and train those who are interested in developing a small business:
- Training – Continue with the Growth Wheel;
 - Mentoring – Formalize a mentor program;
 - Economic Gardening – A national program with principles that can be applied here;
 - Marketing – Work with the ad share program and the online storefront.
- 6) Talent– Workforce is the number one challenge every community is facing:
- Development Retention – Series of videos of local companies and job opportunities; continue the ACCE program; recruit a satellite campus of New River Community College; explore implementing a youth employment program;
 - Attraction & Retention – Address housing shortage in the County which is a major concern.
- 7) Organization – Floyd County has a small staff and budget to work with:
- Capacity Building – A lot of the implementation of the action plan just requires people time; an additional .5 position shared with tourism who would focus on external/internal marketing, database and information management, and research; create a 501c3 that can apply for foundation grants and receive charitable donations;
 - EDA Board Development – Hold annual retreats; conduct an annual online survey of EDA members; develop a new member orientation program;
 - Leadership – Encourage elected officials to participate in the annual retreat;

- Staff Development – Staff need a path for professional development;
- Organizational Development;
- Community Leadership Development.

Ms. Morphis stated the next step is to approve the action plan and then launch the action plan which is ambitious and meant to be implemented over several years. The items in Year 1 can be integrated into the current fiscal year. Year 1 focuses quite heavily on the marketing pieces like the website, photography, marketing materials, and the business retention/expansion program. Year 1 also includes EDA board development and leadership. Costs are lower in Year 1 if existing staff can do a lot of the work, but will be much higher if part of the work has to be contracted. Year 2 the expected costs go up with the addition of the extra .5 staff position and conducting the ag-related business space study. In economic development you start things in one year and it continues on to the next year.

Members of the Economic Development Authority and Board of Supervisors discussed various suggestions that Ms. Morphis presented. They expressed interest in a joint work session so they could move forward with work planning.

Agenda Item 7.a. – Discussion on proposed shell building in the Floyd County Commerce Park.

Mr. Carl C. Gutschow, Architect and Project Manager with Thompson & Litton – Phase 1 of the building would be 20,000 s.f. with a 1,000 s.f. lobby. There could be a mezzanine or 2nd floor that would marry up with the lobby. An elevator and stairway will get you to the 2nd floor and that would give you another 5,000 s.f. of office space or storage space. The columns or supports would be designed to support some pretty heavy loads. One set of standard 4' loading docks would be built as part of the first phase. Our initial plan includes 43 paved parking spaces. The building will be located just north of the Innovation Center. The circulation pattern for the truck traffic dictates the layout of the building. We would prepare the pad initially for the future in case you wanted to put in another 20,000 s.f. building. We could gravel another 22 parking spaces as one option. Another loading dock would be built with the future 20,000 s.f. building. Another mezzanine or 2nd floor could be added to the 2nd phase of the building.

We looked at three options. Option 1 for the exterior of the building would be split faced block and metal siding which is similar to the Hollingsworth & Vose building. The construction cost would be \$2.5 million. Option 2 would be face brick and dryvit engineered thinsulation finish system, which is highly energy efficient. It would also include clear-finish windows to let daylight in and cut down on artificial lighting. Option 2 would cost about \$2.7 million. Option 3 would be stone base and Hardie board. Option 3 would cost between \$2.8 million and \$2.85 million.

A possibility discussed was taking out 5,000 s.f. and put in a driveway with a grade level overhead door to provide access to the building so that trucks could drive in the back.

Our main question is are these options something you want to entertain? We could do one half of the building as base bid and the other half of the building as alternate. We could also add as an alternate how much paving would be done initially. Of the three options which one do

you want to do? As far as solar power, if you want to go that route you might want to think about putting it on the ground. First you have long spans and to keep the building as column free as possible, we really don't want the additional load on the roof. Second is the maintenance of the roof under solar panels and third is maintenance of the solar panels themselves. A solar panel rack would be better in order to face it due south or as nearly south as possible. You might want to consider offering this as an incentive package to a company who wants to come in and do a build-out on their own and install solar. Solar is not included in the amounts I gave you and will add a few thousand dollars more.

Ms. Martin – Ms. Hodge and I were at a training earlier in the day with a National Site Selector. The Selector was adamant that a shell building should have a concrete floor. We already know that by putting down gravel but not putting a finished floor in the building has more flexibility as to who can come in and use the building. But the Selector said that a 6” reinforced concrete floor gives the appearance of the building being ready to go. Could we include that as an alternate in the bid?

Mr. Gutschow – We could design it with a floor that is forklift ready. Most industries have isolated slabs for their equipment. Cutting out 6” slabs is not all that big a deal. It sounds like that would be going backwards but I concur with having it ready. We could put the slab in. We could put the dock levelers in at the loading dock. We could put in things to industry standards for the bumpers and lights and the gear they need to back the trailers in. We could include this as an alternate. The base bid will be the 20,000 s.f. with a 1,000 s.f. lobby. It will include 43 parking spaces and loading docks. A pilot mount of solar panels will be an alternate. A drive-in door and concrete pad will be alternates. The building design could be done by the end of December. Department of Environmental Quality review takes longer. Bids can probably be released mid-Spring.

By consensus the Economic Development Authority and the Board of Supervisors selected the option 1 exterior with split faced block and metal panel siding with some clear panels on one side and the rear to allow in natural daylight. Ms. Martin was asked to contact James Hardie to see if he would be willing to donate Hardie board as he had done for the Innovation Center.

The Board of Supervisors recessed the meeting from the Economic Development Authority.

Agenda Item 7.b. – Discussion of School projects.

Chairman Yoder – Do some of the boilers still have some life left in them? Were they all put in at the same time?

Mr. Gutschow – I'm not sure when they were put in but we thought it would be good to have a more uniform energy system with all of the boilers up to date and add the cooling systems while you were there because it is cheaper to do it all at once. It is easier to maintain one type of system. Floyd Elementary and Indian Valley are in dire need.

Supervisor Kuchenbuch – Did you look at the rest of the buildings and what is the status of the rest of the buildings?

Mr. Gutschow – We really did not look at all of the buildings in their entirety. But the engineers did pick up on a couple of things that we brought to your attention like the status of two of the roofs and a corroded water tank. I know where you are going with this. You are asking if the buildings need new doors and windows and if the infrastructures will last. We were not charged to do that.

Chairman Yoder – It is a concern to this Board that if we borrow the amount of money that has been proposed, we are really locking ourselves down without a lot of capacity. If there are other potential things that need to be done in the next 10 years or if we have to do something in another County building, we're nearing the top of our capacity to borrow comfortably. We want to make sure there is room for error in the next 10 to 15 years.

Mr. Gutschow – You have two projects running simultaneously. I would have to say yes, you have to get the HVAC done first. Designing and planning the Collaboration Center is going to take time, but they can be running on a parallel track.

Chairman Yoder – Is there significant savings if you did everything in one bid?

Mr. Gutschow – I think you will want to do all the HVAC as one bid. I don't think you will want to bid out to one contractor both the HVAC and Collaboration Center because they are going to be on two separate tracks. You should be doing the HVAC today and you are planning the Collaboration Center. We want to marry those so you are not doing something in the Collaboration Center that is different from everything else.

Supervisor Kuchenbuch – From an engineering perspective shouldn't we know the entire picture of the facilities we have right now?

Mr. Gutschow – I think you are asking me if I put air conditioning in this box, will the box survive; am I investing wisely in putting in a HVAC system in an existing building? You would be looking at durability and energy efficiency.

Vice Chairman Turman – This County is changing. We are turning into a retirement County. I see a lot of people moving in who are not bringing children. They are retiring here. Our tax base is really going to start dropping some. I think we need to concentrate on getting something in here that will keep the kids here when they get out of school, some job that they can work at. Small businesses throughout the County are good, but they are not bringing in jobs.

Supervisor Kuchenbuch – I want to be absolutely certain that the decisions that I think about and ultimately vote on for the good of this County that I have as much information as I can possibly have. I want to be thoughtful about this process.

Supervisor Coleman – I keep thinking about the want and the need. Education is a need. It is the future for our County, but at the same time I look at the heating and air as the priority today because that is a failing system. We just talked about doing things in phases for economic

development. I see this as a phased type program. Fix what we need to fix and look and see where we are at and continue working and having conversations with the School Board. We need to ease into this. You eat an elephant one bite at a time.

Supervisor Kuchenbuch – Back to what I said, if we do all of this work on the heating and air, how are we looking at these buildings? Will changing the heating and air accomplish what we want?

Chairman Yoder – There is nothing wrong with asking the School Board for an engineering study.

Ms. Morris – It hasn't been that many years since we replaced the windows. We do have Davenport & Company scheduled for the September meeting. They have been looking at just doing this part of the project. They said we could easily close on that by the end of the calendar year. They will give us those numbers which will be good information to have.

Chairman Yoder – We will continue this conversation at our next Board meeting with Davenport & Company.

Agenda Item 8. – Old/New Business.

No old or new business was brought up for discussion.

Agenda Item 9. – Adjournment.

On a motion of Supervisor Coleman, seconded by Supervisor Kuchenbuch, and carried, it was resolved to adjourn to Tuesday, September 11, 2018 at 8:30 a.m.



Terri W. Morris, County Administrator



Lauren D. Yoder, Chairman, Board of Supervisors

