

TO: The Honorable Board of Supervisors

FROM: F. Craig Meadows, County Administrator
L. Carol Edmonds, Assistant County Administrator

DATE: October 11, 2011

SUBJECT: AGENDA REPORT

I. CALL TO ORDER

II. INTO CLOSED MEETING

BE IT RESOLVED, The Board of Supervisors hereby enters into Closed Meeting for the purpose of discussing the following:

Section 2.2-3711 (3) Discussion or Consideration of the Acquisition of Real Property for 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

1. Old Blacksburg Middle School Property
2. Old Blacksburg High School Property
3. Surplus property adjacent to 460 in the Mid-County area of Montgomery County

- (1) Discussion, Consideration or Interviews of Prospective Candidates for Employment; Assignment, Appointment, Promotion, Performance, Demotion, Salaries, Disciplining or Resignation of Specific Officers, Appointees or Employees of Any Public Body

1. Local Workforce Investment Board

III. OUT OF CLOSED MEETING

BE IT RESOLVED, The Board of Supervisors ends their Closed Meeting to return to Regular Session.

IV. CERTIFICATION OF CLOSED MEETING

WHEREAS, The Board of Supervisors of Montgomery County has convened a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3711 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 of Supervisors of Montgomery County, Virginia hereby certifies that to the best of each member's knowledge (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion conveying the closed meeting were heard, discussed or considered by the Board.

VOTE

AYES

NAYS

ABSENT DURING VOTE

ABSENT DURING MEETING

V. INVOCATION

VI. PLEDGE OF ALLEGIANCE

VII. PUBLIC HEARING

A. SUBJECT: BOARD OF SUPERVISORS

The following public hearing was advertised on Sunday, September 25, 2011 and October 2, 2011, in the BURGGS Section of the Roanoke Times:

New River Valley Regional Water Supply Plan

1. On the proposed New River Valley Regional Water Supply Plan and the Board of Supervisors intent to adopt this Regional Water Plan as the County's Water Supply Plan.

2. An Ordinance Establishing Protocol for Making Drought Declaration and Provisions for Emergency Management of the Public Water Supply.

See TAB A .

VIII. PUBLIC ADDRESS

IX. ADDENDUM

X. CONSENT AGENDA

XI. NEW BUSINESS

- A. SUBJECT: ECONOMIC DEVELOPMENT AUTHORITY
ISSUANCE OF REVENUE AND REFUNDING
BONDS FOR THE VIRGINIA TECH
FOUNDATION, INC.**

**R-FY-12-
RESOLUTION OF THE BOARD OF SUPERVISORS
OF MONTGOMERY COUNTY, VIRGINIA
APPROVING THE ISSUANCE OF REVENUE AND REFUNDING BONDS
BY THE ECONOMIC DEVELOPMENT AUTHORITY
OF MONTGOMERY COUNTY, VIRGINIA
FOR THE BENEFIT OF VIRGINIA TECH FOUNDATION, INC.**

WHEREAS, The Economic Development Authority of Montgomery County, Virginia (the "Authority"), has considered the request of the Virginia Tech Foundation, Inc. (the "Foundation"), a non-profit organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") to issue the Authority's revenue and refunding bonds or other obligations in an aggregate principal amount not to exceed \$90,000,000 (the "Bonds"); and

WHEREAS, Proceeds of the Bonds will be used, together with other funds provided by or on behalf of the Foundation, to pay related costs of issuance and costs of the following (collectively, the "Projects"):

(a) refunding the entire outstanding principal amount of the Industrial Development Authority of Craig County, Virginia Revenue Bond (Virginia Tech Foundation Research Building XIV Project), Series 2000, which financed, among other things, the costs of a facility referred to as Research Building XIV, an approximately 37,500 square foot facility located at 1770 Forecast Drive in Blacksburg, Virginia, owned by the Foundation for use by Virginia Polytechnic Institute and State University (the "University"),

(b) refunding a portion of the outstanding principal amount of the Industrial Development Authority of Montgomery County, Virginia Variable Rate Revenue Bonds (Virginia Tech Foundation), Series 2005, which financed, among other things, the costs of (i) a facility referred to as Research Building XV, an approximately 53,000 square foot facility located at 1880 Pratt Drive in Blacksburg, Virginia, owned by the Foundation for use by the University and various other tenants, and (ii) a facility referred to as VT Knowledge Works Phase II, an approximately 40,000 square foot facility located at 2202 Kraft Drive in Blacksburg, Virginia, owned by the Foundation and leased to the University for research and related purposes,

(c) refunding a portion of the outstanding principal amount of the Industrial Development Authority of Montgomery County, Virginia Revenue Bonds (Virginia Tech Foundation), Series 2009A, which financed, among other things, the costs of a facility referred to as Advanced Materials Characterization Facility, an approximately 34,000 square foot facility located at 1991 Kraft Drive in Blacksburg, Virginia, owned by the Foundation for use by the University,

(d) refunding a portion of the outstanding principal amount of the Industrial Development Authority of Montgomery County, Virginia Taxable Revenue Bonds (Virginia Tech Foundation), Series 2009B (the "Series 2009B Bonds"), which financed, among other things, the costs of a facility referred to as Collegiate Square Phase I, an approximately 79,000 square foot facility located adjacent to the University campus on the 400 block of Turner Street, NW, in Blacksburg, Virginia, owned by the Foundation and leased to the University and other tenants, and

(e) financing or refinancing all or a portion of the costs of constructing and equipping any or all of the following facilities located in Montgomery County, Virginia to be owned by the Foundation and used by the Foundation, the University, or the general public: (i) furniture, fixtures and equipment to be located in a portion of a facility referred to as Virginia Tech Research Center, Arlington, an approximately 144,000 square foot facility located on the 800-900 block of North Glebe Road in Arlington, Virginia, owned by the Foundation and leased to the University and other tenants, (ii) capitalized interest, a portion of the costs of which have originally been financed with the proceeds of the Series 2009B Bonds, relating to the Virginia Tech Research Center, Arlington, described above, (iii) a facility referred to as Research Building XXVI, an approximately 45,000 square foot facility located at 2284 Kraft Drive in Blacksburg, Virginia, owned by the Foundation and leased to the University, (iii) certain infrastructure projects in connection with the Phase II expansion of a facility referred to as the Virginia Tech Corporate Research Center on approximately 97 acres of land located between the Route 460 bypass and Tech Center Drive in Blacksburg, Virginia, owned by the Foundation and used by the University and the Town of Blacksburg, Virginia, (iv) a facility referred to as Turner Street (which consists, in part, of a facility that is referred to as the Noonkester property), an approximately 141,000 square foot facility, along with an 800-space parking deck, located adjacent to the University campus on the 200-300 block of Turner Street, NW, in Blacksburg, Virginia, owned by the Foundation and leased to the University and other tenants, a portion of the costs of which have originally been financed with the proceeds of the Series 2009B Bonds, (v) a facility referred to as Corporate Research Center Phase II Building I, an approximately 40,000 square foot facility to be located in the Corporate Research Center Phase II areas between the Route 460 bypass and Tech Center Drive in Blacksburg, Virginia, owned by the Foundation for lease by the University and other

tenants, and (vi) a facility referred to as the Virginia Tech Transportation Institute Expansion, an approximately 17,000 square foot facility located at 3500 Transportation Plaza in Blacksburg, Virginia, owned by the Foundation and leased to the University and other tenants; and

WHEREAS, Section 147(f) of the Code provides that the governmental unit having jurisdiction over the issuer of private activity bonds and over the area in which any facility financed with the proceeds of private activity bonds is located must approve the issuance of the bonds and Section 15.2-4906 of the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), sets forth the procedure for such approval; and

WHEREAS, Since the Authority issues bonds on behalf of Montgomery County, certain of the Projects are located in Montgomery County and the Board of Supervisors of Montgomery County (the "Board") constitutes the highest elected governmental unit of Montgomery County, it is required that the Board approve issuance of the Bonds; and

WHEREAS, Following a public hearing held on September 27, 2011, the Authority adopted a resolution (the "Authority Resolution") recommending the Board approve the issuance of the Bonds; and

WHEREAS, A copy of the Authority Resolution and a Fiscal Impact Statement have been filed with the Board.

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF SUPERVISORS OF MONTGOMERY COUNTY, VIRGINIA:

1. Approval of the Bonds. The Board approves the issuance by the Authority of the Bonds in the aggregate principal amount not to exceed \$90,000,000, for the benefit of the Foundation, as required by Section 147(f) of the Code and Section 15.2-4906 of the Virginia Code, to permit the Authority to assist the Foundation in financing or refinancing the Projects.

2. No Endorsement; Bonds are Limited Obligations. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the creditworthiness of the Projects or the Foundation and, as required by Section 15.2-4909 of the Virginia Code, the Bonds shall provide that neither the County nor the Authority shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto except from the revenues and moneys pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia nor any political subdivision thereof, including the County and the Authority, shall be pledged thereto.

3. Effective Date. This resolution shall take effect immediately upon its adoption.

ISSUE/PURPOSE: To approve the issuance of Revenue and Refunding Bonds by the EDA for the Virginia Tech Foundation, Inc.

JUSTIFICATION:

Virginia Tech Foundation, Inc., has requested the Economic Development Authority of Montgomery County to issue Revenue Bonds for the financing of six capital projects and Refunding Bonds for the refinancing of ten existing projects. See TAB H for a copy of the Virginia Tech Foundation, Inc., financing summary.

XII. INTO WORK SESSION

BE IT RESOLVED, The Board of Supervisors hereby enters into Work Session for the purpose of discussing the following:

1. Legislative Priorities for 2012 (TAB I)

XIII. OUT OF WORK SESSION

BE IT RESOLVED, The Board of Supervisors ends their Work Session to return to Regular Session.

XIV. COUNTY ATTORNEY'S REPORT

XV. COUNTY ADMINISTRATOR'S REPORT

XVI. BOARD MEMBERS' REPORTS

1. Supervisor Marris
2. Supervisor Muffo
3. Supervisor Creed
4. Supervisor Brown
5. Supervisor Biggs
6. Supervisor Perkins
7. Supervisor Politis

XVII. OTHER BUSINESS

XVIII. ADJOURNMENT

FUTURE MEETINGS

Adjourned Meeting
Monday, October 24, 2011
6:00 p.m. Closed Meeting
7:15 p.m. Regular Meeting