

A joint work session between the Botetourt County Board of Supervisors and the Botetourt County School Board was held on Tuesday, December 15, 2015, in Room 229 of the Greenfield Education and Training Center, in Daleville, Virginia, beginning at 6:30 P. M.

PRESENT: Members: Dr. Donald M. Scothorn, Chairman, Board of Supervisors
Mr. Jack Leffel, Vice-Chairman, Board of Supervisors
Mr. Billy W. Martin, Sr., Member, Board of Supervisors
Mr. Todd L. Dodson, Member, Board of Supervisors
Mr. John B. Williamson, III, Member, Board of Supervisors
Mrs. Ruth Wallace, Chairman, School Board
Mrs. Kathy Sullivan, Vice-Chairman, School Board
Mr. Michael Beahm, Member, School Board
Mr. John Alderson, Member, School Board
Mr. Scott Swortzel, Member, School Board

ABSENT: Members: None

Others present at the meeting:

Mr. David Moorman, County Administrator
Mr. Tony Zerrilla, Director of Finance
Mr. Cody Sexton, Information Specialist
Mr. Gary Larowe
Mr. John Busher, Superintendent of Schools
Dr. Brian Austin, Assistant Superintendent of Schools
Mrs. Betty Holland, Clerk to the School Board

At 6:30 P. M., Dr. Scothorn called the Board of Supervisors meeting to order. Mrs. Wallace then called the School Board meeting to order and welcomed everyone to the meeting.

Dr. Scothorn stated that this is the third joint meeting this year between the Supervisors and the School Board. He noted that the agenda for tonight's meeting includes a presentation by the schools on their recent enrollment study and a presentation by the County staff on strategic and economic outlook and planning.

Mrs. Wallace then introduced Mr. Busher who stated that the school staff has been tracking school enrollment figures for some time and how it changes over the years. Mr. Busher stated that in early October Dr. Austin was asked to put together some past, present, and potential future school population data. He noted that the history of the County's school enrollment was reviewed and, as they studied this data, questions were raised regarding north County and south County development.

He noted that the School Board reviewed this information in October and they believe that it is important for both the Supervisors and School Board to view this information collectively.

Dr. Austin then reviewed a chart containing student population data by grade level as of September 30, 2014 (4,810), projected figures for January 2015 (4,725), and actual enrollment figures as of September 30, 2015 (4,705). He noted that the September 30, 2014 figure (4,810) is used in School budget calculations for the following fiscal year and the March 31, 2015, figure (4,780) is used by the State of Virginia to determine the amount of funding allocated by the State to the County's school system.

Dr. Austin stated that, in calculating their January 2015 student population figures, they compared the number of seniors (402) versus the number of kindergarteners (300). He noted that the 2015 data also shows that there are more 9th graders than 8th graders and the biggest changes in enrollment are between 5th graders (348) and 6th graders (391). Dr. Austin stated that these figures are used to track how the number of kindergarteners changes over 13 school

years. He noted that the actual September 2015 student population figure was 20 students less than the January 2015 projection.

Dr. Austin stated that they also use the Health Department's yearly live birth data for the County to estimate the number of kindergarteners the school system can expect to receive in five years. He noted that the County's live birth rates have been decreasing since 2012 and are expected to continue to decrease in the next few years because of the aging population and the low number of young families moving into the County.

Dr. Austin then reviewed a chart showing the grade-level shift in students from one year to the next, e.g., in September 2013 there were 393 seniors but only 325 kindergarteners were enrolled as of September 2014; in September 2014 there were 388 seniors but only 301 kindergarteners enrolled as of September 2015. He noted that approximately 80% of the students that attend school on the first day in August registered in the system in the previous February.

Dr. Austin noted that last year's student population was higher than anticipated; however, this year's figure was less than estimated.

Mr. Williamson noted that by his calculations this decrease in student population is costing the schools approximately \$750,000 each year. After questioning by Mr. Williamson, Dr. Austin stated that the County has a new composite index figure which is $\frac{1}{2}$ of a percent higher than the current figure.

Dr. Austin then displayed a chart showing student enrollment figures from 1968-69 (4,065) through 2018-2019 (estimate) (4,287) and March 31 average daily membership (ADM) figures from 1933-34 (3,800) through 2017-18 (estimate) (4,287). He noted that the County's student population has been cyclical over this 80+ year period.

Mr. Busher stated that the school system is paid based on the number of students that walk through their buildings. He noted that, when the County's residential development increased, the school system saw a corresponding student population increase. Mr. Busher questioned if the County is anticipating more homes being built for young families and how much availability of rental homes and patio homes will there be in the next few years.

Mr. Williamson stated that there was a building boom in the Blue Ridge area from 1965-1985; Cloverdale began to be developed from 1985-2005; and then the recession hit in 2007-2008 and these events show corresponding increases and decreases in student population during those periods.

Mr. Busher stated that "this goes back to the County's planning for future development." He noted that the County and Schools should be working together in the aspects of long-term planning.

Dr. Austin then questioned where does the current and projected downward spiral in student population stop or turnaround. He then reviewed student ADM figures compared to County census population figures from 1939-40 through 2013-2014. Dr. Austin noted that during this period the ADM figure increased from 3,502 to 4,777 and the County's population increased from 16,447 to 33,100. Dr. Austin also reviewed a chart containing more detailed census data from 1990 through 2014 with breakdown data of children under 5 years, under 18 years, and adults 65 years of age and older, as well as the County's median age, persons per household; housing units, vacancy rate percentages, etc. He stated that the data shows that there are fewer children under the age of 5 during this period and the population of those residents 65 and above has increased.

After questioning by Mr. Williamson, Mr. Busher stated that the decrease of children 5 years of age and younger and an increase of citizens 65 and above is true for most localities in Virginia west of Route 29. Mr. Busher stated that localities are having to change their identity in order to encourage younger families to locate in their jurisdiction. He further noted that most of this area's industry is located in Roanoke and Botetourt County has been considered a "bed-room community" for many years.

Mr. Busher further noted that in the past year Norfolk Southern Railroad decided to relocate several thousand of its workers to the eastern part of the State; some of whom lived in and their children attended schools in Botetourt. He noted that, with the high schools' block scheduling of classes, January 2015 "will be an interesting month" for the school system as they see how many families/students have left the County after the end of the fall semester.

Dr. Austin stated that, according to the census figures, the number of housing units in the County has increased since 1990; however, the vacancy rate has also increased. He noted that the County's population has increased and the UVA Weldon-Cooper Center for Public Service projects that this will continue through 2040. He noted that because the number of students and the birth rates are declining this will affect the amount of future State funding received for school operations.

Mr. Busher stated that all of the data presented today is good information but it results in questions as to "where we will go in the future." Mr. Busher stated that he will keep both boards informed as to their January 2016 student population figure.

Dr. Scothorn thanked Mr. Busher and Dr. Austin for their presentation.

He then noted that Mr. Moorman would update the boards on the County's strategic and economic outlook and planning.

Mr. Moorman stated that this strategic and economic development outlook will hopefully be used to combat the funding issues raised if the student population decreases in the future. He noted that it is extremely difficult to find a house to rent in Botetourt County and the County does not have the housing available to encourage families with children to move here.

It was noted that some of the newer rental units charge as much as a single family dwelling's monthly mortgage payment.

Mr. Dodson noted that the County's vacancy rates as shown during the School Board's presentation was interesting information.

Mr. Swortzel noted that the owners of vacant homes in his neighborhood live elsewhere but they do not rent out their Botetourt dwellings.

Mr. Dodson noted that the County also has an increasing number of vacation/short-term rentals.

Mr. Moorman noted that there is a lot of change occurring and we are unsure where this is going and how it will impact the County but staff believes that it will open a lot of future opportunities. He noted that his presentation this evening will include an overview of the County's strategic planning outlook including demographics, finances, and the County's economic development outlook including industrial development, the commercial development (Exit 150) study, and the agricultural development (Agricultural Study).

Mr. Moorman noted that the County is one year into its 25 year strategic visioning process. He noted that the Supervisors identified 42 goals during their strategic planning meetings last year and staff are actively working on 19 of these goals at this time. Mr. Moorman noted

that the strategic plan is a “driver” in the development of the FY 17 County budget and staff is trying to ensure that the budget is based on good, sound data.

Mr. Moorman then reviewed population charts compiled from Weldon-Cooper Center data for 2014, 2020, 2030, and 2040 including population distribution based on male/female parameters and the percentage of age groups of each sex. He noted that this data indicates that the County’s 50+ population increasing during this period.

Mr. Alderson stated that from 1980 to 2010 the country’s economy was down due to situations that the County had no control over. He questioned what can the Board of Supervisors do to influence the aging trend of the County’s population. He noted that the County has previously concentrated on expanding industrial and commercial development.

Dr. Scothorn noted that in the 1970s and 1980s many women did not work and had several children at home whereas now they work and may only have one child. He noted that women are working because of their family’s economic needs.

Mr. Moorman noted that the 2040 population distribution data shows an even age distribution among the County’s residents except for the 20 – 29 age group which is estimated to be less than 4% of the male and female population. He noted that this data indicates that there will be few child-bearing age women in the County and, if the in-migration numbers do not materialize, then this number will increase.

Mr. Moorman then reviewed commuting patterns to and from the County. He noted that 1/3 of County residents work in the County and 2/3 go outside the County to work. He noted that 15,000 workers go out of the County to work and 57% of residents commute within Botetourt County to work. He noted that, if the County wants to grow its population, then job opportunities within the County need to increase.

Mr. Moorman then reviewed the governmental sources of revenues received by the County, e.g., local, State, federal, and how the local revenues are generated, e.g., general property taxes (real estate, personal property, and machinery and tools taxes), permits, fees, charges for services, revenues from use of money/property, etc. He noted that almost 80% of the County’s revenues are from local sources and machinery and tools taxes are the County’s third largest revenue source.

After questioning by Mr. Williamson, Mr. Moorman stated that it would take a 10¢ real estate tax increase to offset the revenues received from machinery and tools taxes.

Mr. Moorman then reviewed non-property tax revenues, e.g., local sales and use taxes, utility tax, motor vehicle license fee, business license tax, food tax, etc. He stated that the County has little ability to increase these rates and the hotel/motel and meals taxes can only be increased upon receiving permission from the Virginia General Assembly.

Mr. Moorman then reviewed the County’s expenditures by area, e.g., schools, community development, public safety, parks and recreation, etc., and noted that most of these expenditure categories are not discretionary. Mr. Moorman noted that the increase in parks and recreation-related expenditures has been at the discretion of the Board of Supervisors. He further noted that the total number of building permits issued by the County increased in the mid-to-late 1990s and, since the 2008 recession, the County’s residential construction has decreased. Mr. Moorman stated that the County’s commercial/industrial permits have increased over the years and have held steady during the recent recession.

Mr. Moorman stated that the Supervisors’ top priority during their visioning process last year was increasing economic development. He noted that, in today’s economic development

world, local governments have to “ante-up to play,” which includes investments in business parks, schools, and incentive programs to attract new businesses. Mr. Moorman stated that the rules and tactics change with every prospect, creativity is a necessity, and competition for these prospects is fast and fierce. He noted that economic development is a different world now compared to 10 or 20 years ago.

Mr. Moorman stated that the community has to be engaged in economic development for it to thrive and be prosperous and the County should “play to its strengths,” e.g., natural strengths such as natural features, developable land, and proximity to Roanoke and the Port of Virginia; and developed strengths such as transportation, development parks, educated and skilled workforce, business-friendly environment, alliances and partnerships, etc. He noted that alliances and partnerships and the County’s school system have to be a part of this process for the community to be effective in economic development.

Mr. Alderson stated that another strength is the County’s availability of abundant energy, e.g., electrical and natural gas transmission infrastructure.

Mr. Moorman stated that the area’s energy costs have increased compared to our out-of-State competitors but the rates are still competitive. He noted that AEP has moved away from using coal to generate electricity and this has resulted in higher electrical generation rates.

Dr. Scothorn stated that the rules of the economic development game change frequently and the County/State cannot compete against multi-million dollar value incentives offered by states such as South Carolina.

Mr. Martin noted that the biggest problems that the County has are obtaining monetary incentives from the State for economic development recruitment opportunities. He noted that Botetourt County also does not have access to the funds available through the Tobacco Region Revitalization Commission.

Mr. Moorman stated that economic development is a regional effort; not just a community effort. He noted that the County has updated the zoning options at Greenfield to ensure that it allows for the entire life-cycle of economic development from research to production and shipping. Mr. Moorman stated that the County has also simplified the covenants and restrictions on the Greenfield property, constructed a pad-ready site, are in the process of having a shell building constructed on the property, diversified site/acreage options, and the County is working with Virginia Western Community College to rededicate the ETC as a workforce center.

Mrs. Wallace stated that the schools also have the Botetourt Technical Education Center and the STEM-H Academy at the ETC which offer high school students college-level courses and workforce certifications.

Mr. Moorman then stated that improvements to Exit 150 are underway to improve the functionality of this interchange by restricting access, improving traffic movements, and dispersing traffic. He noted that the County contracted with RKG Associates to conduct a study on the potential development opportunities of these intersection improvements.

Mr. Moorman noted that the study’s findings included retail, hotel, and multi-family marketing opportunities. He noted that successful retail opportunities include intercepting travelers and regional shoppers, and the availability of quality sites with access and visibility. Mr. Moorman stated that the consultant estimates that the area could support between 215,000 and 328,000 square feet of diverse retail offerings.

He stated that the consultant believes that there is also the potential for an additional 1 – 2 hotels in the Exit 150 area offering between 80 and 150 new rooms. Mr. Moorman further stated that the consultant also indicated that there could be a market for multi-family development in a mixed-use environment with the potential for 25 – 50 new units per year.

After discussion, Mr. Moorman stated that the consultant also reviewed the land use in the Exit 150 area and suggested development and redevelopment options in each of four sections (east, south west, and north) of the interchange. He noted that transportation improvements are critical to the Exit 150 area and it will take time and resource investments for the development/redevelopment to occur.

Mr. Moorman then reviewed concepts/options suggested for each section of the interchange, e.g., working with VDoT and the Appalachian Trail to create a parking area near Botetourt Commons, realign the Exit 150B southbound off-ramp with Tinker Mountain Drive and add a stoplight at this intersection to allow the Talbott/Fralin & Waldron properties to be used for mixed-use residential and commercial development, development potential along the newly-constructed Gateway Crossing and potential extension of Gateway Crossing to connect with Old Route 604 to open up the acreage behind the former Winn Dixie shopping center for development, and partner with VDoT for a park-and-ride facility and passive recreational uses on the former truck stops property.

Mr. Dodson stated that this area is a catalyst for the Board's discussions on expanding the County's economic development options.

After questioning by Mr. Beahm, Mr. Moorman stated that the County has entered into a maintenance agreement with VDoT for the roundabout area.

Mr. Moorman noted that the area off of Route 11 south of the Route 220 intersection also needs to be transformed so that economic development opportunities for the entire interchange can improve.

After questioning by Mr. Alderson, Mr. Moorman stated that the Exit 150 construction work should be finished by the end of 2017.

Mr. Moorman then reviewed various development challenges as identified by the Exit 150 Study consultant, e.g., lack of development-ready sites and a large amount of privately-owned land, regional market gravity is located in Roanoke, topography issues and associated site development costs, needed transportation and access improvements to unlock major development opportunities, essential need for partnerships, and land use/planning/zoning should be coordinated/updated to facilitate what will happen in the Exit 150 area.

He then reviewed the study's recommendations, e.g., create organizational strategy, improve access to key development sites, make necessary public infrastructure improvements to stimulate private investment, determine financing mechanisms for public investments, and adopt a policy to provide incentives for private investment.

Mr. Moorman stated that the staff recommended nine action steps to implement the Study's recommendations: create a steering committee consisting of community representatives; develop/implement planning/zoning measures to encourage development; provide skilled and experienced staffing; establish a reliable and dedicated source of funding and a program budget for Gateway Center development; define performance measures; develop/report progress against an annual development plan; reorganize the Industrial Development Authority to an Economic Development Authority; and develop/execute a targeted marketing plan for presentation to the citizens.

Mr. Moorman also stated that the County contracted with a consultant (Dr. Terry Rephann with UVA's Weldon-Cooper Center) to conduct an Agriculture Study in 2015. He noted that Mr. Leffel and Mr. Williamson served on a committee overseeing this project. Mr. Moorman stated that the Study's intent was to emphasize innovative/sustainable farming practices and create a strategic outlook for agriculture in order to reinvigorate northern Botetourt County.

Mr. Moorman noted that the percentage of farm employment in the County has dropped from 19% in 1969 to 4% in 2013. He then reviewed charts showing the 2012 percentage of farms by value of sales in the County and State and the number and type of farms in the County from 1997 to 2012. Mr. Moorman noted that most of the County's farm sales are less than \$2,500 per year and a majority of the farmland is used for beef cattle ranching and farming and other types of crop farming.

Mr. Beahm stated that the high value/high return crops are the smallest percentage of total farms.

Mr. Moorman stated that the Agriculture Study's recommendations include: improving administration, planning, and policy coordination for agriculture, preserving farmland, facilitating farm succession and the agricultural workforce, promote agriculture innovation and entrepreneurship, expand local food sales/production/capacity, enhance agricultural marketing and promotion, and improve farm viability and profitability.

He noted that this Study's implications for the school system are that active partnering is imperative, strong education and workforce development is necessary, development and growth is focused in the southern part of the County and rural preservation with future-oriented economic opportunity focus for the northern areas, and emphasize becoming a more diversified/complete community. He noted that the Board's vision is to go beyond these parameters, including providing services/conveniences that people want in the County without having to travel to Roanoke.

Mr. Leffel stated that the Agriculture Study came about because of the school system and how more school-age children are needed to make the County's school population more viable. He noted that it is the Board's priority to have the Exit 150 project completed in order to open up the area for additional economic development opportunities and, with all of the County's open agricultural land, to create a brand for a regional market for Philadelphia, Washington, DC, and Atlanta.

Mr. Leffel stated that the Board is serious about agriculture but it will take time and, at the end of the day, it will make the school system much stronger.

Mr. Busher stated that the median age of farmers is increasing but noted that the School Board recently recognized some national Future Farmers of America winners from the County so younger people are interested in agriculture. He noted that the County needs to improve its farmland but land also needs to be available for young people to farm. Mr. Busher stated that the County has a partner in agriculture with the schools.

He then noted that the County's population is still concentrated in the southern end of the County and this has resulted in the school system reviewing their buildings' capacities, ascertaining facility operational costs, and their current and future building and structural needs.

After questioning by Dr. Scothorn, Mr. Busher stated that Spectrum Design is conducting this school capacity study. He noted that a draft copy of the report should be available later this

week and a formal presentation will be made to the School Board at their January 2016 regular meeting.

After discussion, Mr. Busher stated that the study will concentrate first on the elementary schools. He noted that the School Board will have some pertinent decisions regarding these facilities to make in the future.

Dr. Scothorn stated that, at the next joint meeting, he would like to have this school facility information available for discussion.

Mr. Busher stated that the study data will be used during a walk-through of each school with Spectrum's representatives and he invited one or two Board of Supervisors members to participate in these facility reviews. He estimated that these walk-throughs would be held in late January/early February 2016.

Mr. Williamson stated that there is the potential for additional in-fill residential development in the southern portion of the County especially with the availability of public water and sewer service. He estimated that an additional 3,000 – 4,000 housing units could be developed based on the area's current zoning.

After discussion, Mr. Williamson stated that the County will be a product of the larger regional economy. He noted that the County's efforts to invigorate the local economy will depend on population, housing growth/infill, etc., in the southern portion of the County and some population growth in the northern sections.

Mr. Busher stated that the school system needs to enter into partnerships with the County's farmers to provide mentoring opportunities for high school students in the farming business.

Discussion was then held on scheduling the next joint meeting. Dr. Scothorn noted that these meetings have been held approximately every three months, which would mean that the next meeting would be in March 2016. After discussion on members' and staff's schedules, a date of March 8, 2016, was set for the next joint Supervisors/School Board meeting.

Dr. Scothorn thanked Mr. Busher and Mr. Moorman for their presentations.

Mr. Beahm also thanked Mr. Busher and Mr. Moorman for providing a lot of information for the members to consider.

There being no further discussion, on motion by Mr. Dodson, seconded by Mr. Williamson, and carried by the following recorded vote, the Board of Supervisors meeting was adjourned at 8:10 P. M. (Resolution Number 15-12-01)

AYES: Mr. Williamson, Mr. Dodson, Mr. Martin, Mr. Leffel, Dr. Scothorn

NAYS: None

ABSENT: None

ABSTAINING: None

On motion by Mr. Beahm, and carried by the following recorded vote, the School Board meeting was adjourned at 8:11 P. M.

AYES: Mr. Beahm, Mr. Alderson, Mrs. Wallace, Mrs. Sullivan, Mr. Swortzel

NAYS: None

ABSENT: None

ABSTAINING: None