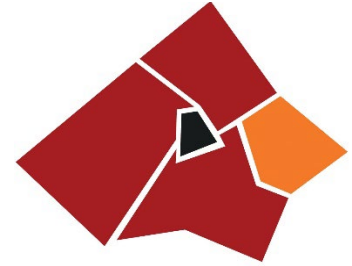


**Central Virginia Planning District Commission
EXECUTIVE COMMITTEE Meeting Agenda
May 11, 2023, 12:00 p.m.**



**CVPDC Offices – 828 Main Street, 12th Floor
Lynchburg, VA**

- 1) Welcome & Introductions Sara McGuffin, Treasurer and Acting Chair
The Executive Committee, constituted by the Chairman of the Planning District Commission together with the appointed official (typically the CAO) of each locality, will meet together with the Central Virginia Radio Communications Board, members of which represent Amherst County, Bedford County, Campbell County, the Town of Bedford, and the City of Lynchburg.

- 2) Closed Session..... Chair
For discussion or consideration of the acquisition of real property for the public purpose of radio communications where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Planning District Commission under Virginia Code §2.2-3711(A)(3).

- 3) Other Business Chair

- 4) Adjournment..... Chair

Central Virginia Planning District Commission

January 12, 2023, Updated May 11, 2023

STAFF REPORT

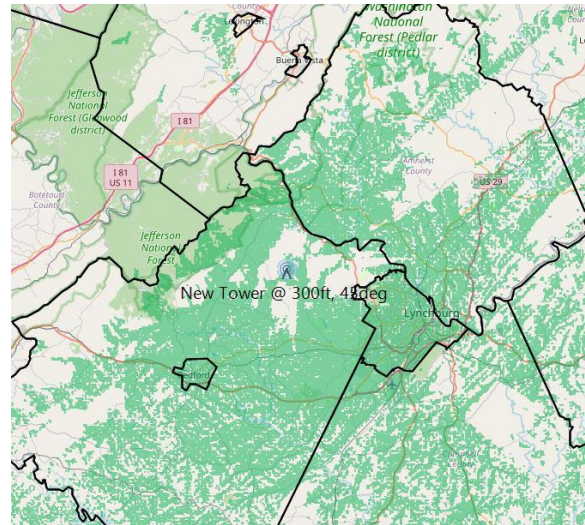


The Central Virginia Radio Communications Board (CVRCB) guides a cooperative agreement between the Town of Bedford, City of Lynchburg, and counties of Bedford, Campbell, and Amherst to operate a regional radio communications network connecting first responders for all five member localities and several users including the Region 2000 Services Authority, GLTC, Liberty University, the University of Lynchburg, and CVCC.

Each local government has appointed staff from public safety and/or emergency operations to represent it on the CVRCB. These five members will attend the CVPDC Executive Committee meeting to contribute to a discussion of challenges and opportunities regarding communications coverage in the western side of the region.

A tower atop No Business Mountain in northern Bedford County is a lynchpin of the radio communications coverage, supporting radios not only in the county but also in the town, Boonsboro, and Madison Heights. CVRCB relies on equipment attached to a US Cellular tower on a family-owned five-acre parcel.

US Cellular's ground lease for its tower ends in 2026. The agreement and CVRCB's role on the facility has been the subject of protracted litigation. As a result, \$250,000 is held in escrow with CVPDC's legal counsel to insure against future litigation.



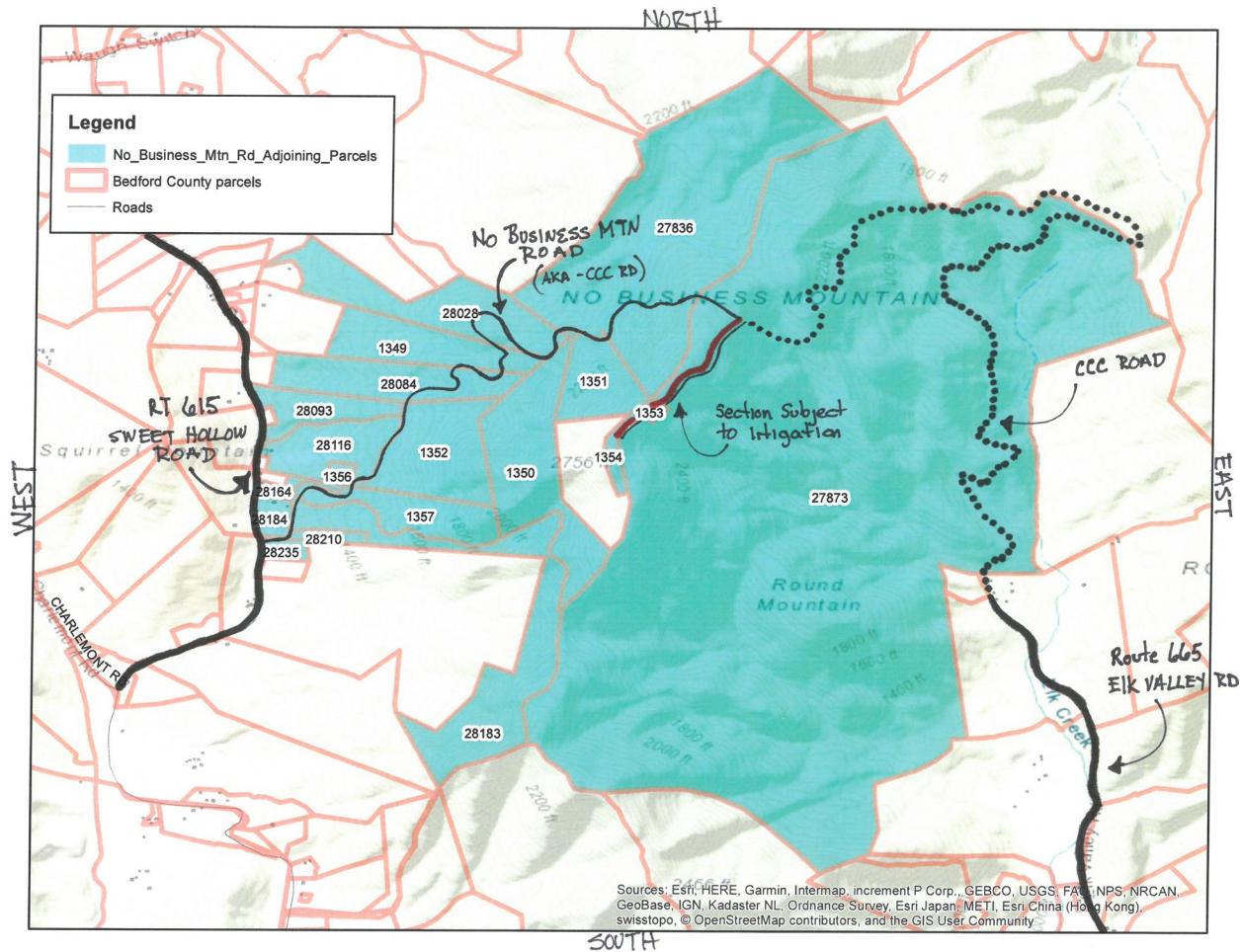
CVRCB has repeatedly contacted US Cellular about extending the ground lease. The company responds that it can erect another tower that meets its needs in 18 months. It has not evaluated future needs or options and has no interest in taking action at this time.

CVRCB has conducted a study of its needs in Bedford County. CTA Consultants found that No Business Mountain is by far the best location for a tower. (The study follows this brief.)

The tower is not the only concern on No Business Mountain. The road to the tower has become so treacherous that some vendors will not service the site. A radio board member is



fueling the generator. Staff has secured an estimate of \$80,000 to perform an engineering analysis of proper access to the tower site.



Land owned by SPL No Business Mountain, LLC, is now accepting offers. This 1635-acre parcel, labeled “27873” in the map above, is listed for \$2.7 million. The owner has received one offer with contingencies that expires June 30, 2023.

CVPDC has procured the services of Counts Realty to advise in this matter. Bill Bryant and George McDaniel recommend an offer of \$2 million.

CVPDC’s finance consultants from Davenport advise that CVPDC could make a \$2 million offer for the land contingent upon financing that would entail interest-only payments through 2027. This would allow ample time for the region to develop the property with a new road and tower, then sell the residual parcel.

Davenport further advises that financing would best involve reliance on new commitments of revenue streams from member local governments to satisfy payments and eventual debt retirement. They feel that offering the land as collateral would be suboptimal since the intent of the region would be to resell most of the acreage rather than put it to public use. As a

consequence of resale, CVPDC must buy the land with taxable financing rather than utilize an IDA.

In broad numbers, Davenport advises CVRCB to anticipate \$110,000 in annual costs through 2027. That would offset the interest for financing a \$2 million purchase price at 5 percent per annum plus \$100,000 in professional and financial services fees and costs related to purchase and study of real estate and development.

A second financing would be necessary to cover physical improvements to the property. Back-of-envelope calculations of costs include \$0.5 million in tower site development and construction costs. Road construction costs are to be determined and could be much more than for the tower.

Opportunities to reduce costs include grants and loans that may be available from the commonwealth. Virginia State Police have equipment on a tower closer to the Thomas Jefferson National Forest and could be interested in partnering or collocating to improve their coverage. CVRCB has not only the \$250,000 in escrow with Caskie & Frost but also has set aside \$373,000 for No Business Mountain improvements incrementally over several years.

A current picture of CVRCB debt service and financing appears on subsequent pages. The chart, *Existing Debt Service | Radio* shows that annual debt retirement of \$1 million concludes in 2027. Financing could be structured such that No Business Mountain costs are primarily incurred thereafter.

CVRCB and staff seek direction from the Executive Committee. At issue is whether CVPDC would be willing to make an offer for the 1635-acre parcel of land on No Business Mountain for the purpose of developing a radio communications tower and access. At a minimum, securing the land provides CVRCB a Plan 'B' in the face of an expiring lease for its current location. Such an offer would be contingent upon financing, including commitments from each local governing body. The Executive Committee might also recommend additional contingencies, such as feasibility of site and access development.

May Update

Our real estate advisors advise staff that the current option to purchase the property in question on No Business Mountain will expire without consequence at the end of June.

This news affords the region more flexibility in how to proceed. Counts Realty advises that the region might choose to make an offer for a portion of the property. We might also choose to improve the access road such that it would add value to the remnant parcel still to be held by the current owner.

Similar to the current situation, should the region wish to proceed, a proper course of action would be to seek an option with contingencies to study road improvements. As was the case at the January meeting of the Executive Committee, direction as to how to proceed this summer is desired.