

**BOARD OF DIRECTORS MEETING
INDUSTRIAL DEVELOPMENT AUTHORITY
Of the Town of Front Royal and County of Warren, Virginia
dba as the Economic Development Authority
[February 23, 2018, 8:00a.m.](#)**

OFFICIAL - MINUTES

Attendance, Directors: Mark Baker, Greg Drescher, Bruce Drummond, Ron Llewellyn and Thomas Patteson.

Absent: Bill Biggs, Gray Blanton

Officials, Staff & Others: Jennifer McDonald, Doug Stanley, Joe Waltz, Dan Whitten, Bill Sealock, Hollis Tharpe, Lewis Millholland, Norma Jean Shaw and Missy Henry.

CALL TO ORDER: Greg Drescher

ADDITIONS/DELETIONS TO AGENDA:

Mr. Ron Llewellyn requested the following be added to the EDA agenda:

Section 2.2-3711.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 such discussion shall be limited to the EDA Director.

Section 2.2-3711.A.5: Discussion concerning a prospective business or industry or expansion of an existing business or industry where no previous announcement has been made of the business's or industry's interest in locating or expanding its facilities in the community. Discussion limited to the Avtex site and or the Stephens Industrial Park.

ON A MOTION BY MR. LLEWELLYN (SECOND BY MR. DRUMMOND) THE BOARD VOTED TO ACCEPT THE ADDITION.

VOTE: ALL "AYE"; NONE OPPOSED; MOTION CARRIED

APPROVAL OF MINUTES: January 2018

ON A MOTION BY MR. LLEWELLYN (SECOND BY MR. DRUMMOND) THE BOARD VOTED TO APPROVE THE MINUTES.

VOTE: ALL "AYE"; NONE OPPOSED; MOTION CARRIED.

FINANCIALS: January 2018

ON A MOTION BY MR. DRUMMOND (SECOND BY MR. LLEWELLYN) THE BOARD VOTED TO APPROVE THE FINANCIALS.

VOTE: ALL "AYE"; NONE OPPOSED; MOTION CARRIED.

Ms. McDonald reminded everyone the numbers will fluctuate due to the New Market Tax Credits and the projects that we are doing for the Town and County.

COUNTY ADMINISTRATOR UPDATE: Doug Stanley

Highlights of major activities and other developments:

FY 2018-2019 Budget – Following tonight’s work session with the School Board, our next budget work session will be held on Tuesday, March 6th at 11:00 AM after our regular morning Board meeting.

Front Royal Golf Club – The County received one proposal for management and use of the Front Royal Golf Club property. The proposal is being reviewed by the Advisory Committee.

Eastham Trail – The National Park Service has completed construction of the Dickey Ridge Connector Trail that connects the Eastham Trail to the Dickey Ridge Trail in Shenandoah National Park. We will be holding a ribbon cutting for the trail at 10:00 AM on Monday, March 12th. Information will be forthcoming.

FY 2018-2019 Capital Improvement Plan – The Planning Commission will hold a public hearing on the proposed FY 2018-2019 Capital Improvement Plan at its meeting on March 14th. The schedule has the Board holding a public hearing of the draft plan on April 17th. It will be presented to the Board at a work session on April 3rd.

Sanitary Districts – With the recent warmer weather, staff is working in each of our sanitary districts to address spot grading concerns.

Building Committee – The Building Committee will hold its next meeting at 10:00 AM on Monday, February 26th.

County Facebook Page – Warren County’s Facebook page hit 5,000 likes last week. The site has proven to be a great way to disseminate information. In addition to the official County page, pages are maintained for the Warren County Sheriff’s Office, Fire and Rescue, Parks and Recreation, and the Department of Social Services.

Project Updates

Ressie Jeffries Elementary School – Roof/Addition/Parking Lot Project – The building addition and roof project is 91% complete, and the site work project is 99% complete. We would hope to have all work completed by March 1st.

Ressie Jeffries Elementary School – Playground Project – Plans for the project have been completed. County staff started work on the project in September and hope to have the site work completed by March. Phases I and II of the project should be completed early spring. Thanks to a \$5,000 donation and a 5-year \$25,000 donation match, Phases III and IV will be fully funded if the school can raise another \$25,000-\$30,000.

Rivermont Fire Station – The Building Committee recommended that the County proceed with a one-story option. County staff met with Company #2 leadership on October 6th to review the proposed plan and received a final go ahead from Company #2 membership with the proposal to construct a replacement station at the Airport Road site. At its meeting on November 21st the Board went with the recommendation and approved the design contract with Moseley Architects. We hope to complete final design plans and put the project to bid by mid-summer 2018.

Health and Human Services Complex – The County is currently working with Moseley Architects on a design of portions of the building to accommodate the Registrar’s Office and the Brighter Futures alternative school program. We hope to have the project out to bid this spring.

VDOT/Marlow-Silek Revenue Sharing Project – The project will widen a portion of Route 340/522 South from the crossover in front of Shenandoah Motors to the Crooked Run Boulevard entrance by adding a 3rd lane and right turn lane. The project will also extend the left turn lane for the crossover. W&L Construction started work the week of October 9th and has made significant progress. It is anticipated that the sidewalk installation work will be completed this week, and W&L will come back in the spring to complete the final paving and drainage pipe replacement under Route 340/522 when we have warmer temperatures.

VDOT/South Fork Bridge – The project is complete. The contractor will be back in spring to ensure stabilization of vegetation.

VDOT/Morgan Ford Bridge – The project is approximately 81% complete. The bridge and roadway opened to traffic on January 22nd. Work remaining to be completed includes staining the concrete bridge rails, final asphalt surface, seeding, and final pavement markings. All work and schedules are heavily dependent upon weather conditions and temperature. Motorists are advised to use caution while traveling through the work zone. The project remains on schedule for completion in June 2018.

VDOT/Happy Creek Road – The public hearing for the project has been moved up and will be held late this spring. This will allow VDOT to move up the advertisement date for the project to January 2021.

Commercial Projects – Work continues on the following projects:

- Royal Farms Convenience Store – Building and fuel canopies are under construction – Spring 2018 Completion
- Marriott/TownePlace Suites – Winter 2018 Completion
- Chick-fil-A – Winter 2018 Completion

Project	Ad/Bid Date	Cost	Estimated Completion Date	Status
FRWC Airport Obstruction Removal	Summer 2016	\$804,000	Spring 2018	Under Construction
Morgan Ford Bridge	12/2016	\$9,713,152	Spring 2018	Under Construction
Ressie Jeffries Renovations	Fall 2016	\$5,405,885	Winter 2018	Under Construction
Rockland Park Athletic Fields	N/A	\$300,000- \$400,000	Spring 2018	Under Construction
Rockland Park Bathhouse Renovation	N/A	\$75,000- \$100,000	Fall 2018	Under Design
WCSO/WCFR – Radio System Upgrade	N/A	\$1,509,022	Spring 2018	Installation

DPS

Mr. Stanley advised we have had a few restaurants looking at locating in the corridor but have had a couple who have walked away due to the double tap fees. We will continue to work on this and invite others to come look at possible sites in that area. Jennifer and I continue to speak with folks in trying to recruit to the corridor.

TOWN MANAGER UPDATE: Joe Waltz

The following are summaries of projects in Town:

Rt. 522 Corridor Water Upgrade/Reliability – The Town is currently working on a hydraulic water study to determine connectivity to our existing water system identified in the (PER) preliminary engineering review for redundancy and reliability. The water study will be completed in late February 2018.

Afton Inn – Mode development is currently evaluating demo, tax credits and etc. before proceeding. The BAR denied the application for demolition submitted by the EDA on September 12, 2017. The EDA filed an appeal to Council on the decision and Council discussed at the work session on September 18, 2017. Town council voted to appeal the decision from the BAR on September 25, 2017.

Community Development Block Grant (CDBG) – The Town has been awarded a grant for the Front Royal Business District Revitalization project. The request was for \$1Million which the Town received \$700K in the grant. The Project Management Team is currently negotiating the contract with the Virginia Department of Housing and Community Development.

Criser Road Bridge Replacement – The project has been advertised for construction with a bid date of April 10, 2018. Construction timeframe is approximately 90 days and will be scheduled during the summer break for the school system.

Criser Road Trail – The project is 99% completed with the remaining work entailing landscaping and a bus shelter at Criser Apartments.

Happy Creek Road Phase II – The Town is working with Pennoni on reviewing and updating road design for phase II of Happy Creek Road. The Town has requested VDOT to release remaining funds from the Phase I project and staff has submitted revenue sharing for the project for the upcoming years.

IT Federal Project –

Lift station – The Town plans to issue the RFP for the pump station and other infrastructures associated with the lift station next week with a 30-day turnaround time. The Town expects a construction time frame to be approximately 6 months.

Main Street Extension – The Town plans to issue the bid for construction next week for the first phase of Main Street Extension.

Police Department Building – The Town's contractor, Dustin Construction, continues with site work, excavation of foundations and pier footings. The completion date for the project is scheduled for November 30, 2018.

Washington Gas & Light – WGL has been approved by SCC to do a pilot project to Front Royal in 2017. Staff continues to work with WGL on possible generation sites in

Town and growth models for their business plan.

Westminster Sidewalk Project (VDOT)- Staff has completed the first phase of the project with removal of trees along the sidewalk project. The Town is currently making changes to the RFP for release in March with construction to follow afterwards.

WWTP Upgrade – Adams Robinson continues construction of the improvements to the WWTP and are approximately 99.5% complete. The majority of work remaining is testing and miscellaneous items. The project has a final completion date of March 16, 2018 with a certificate to operate under the 5.3 MG permit.

If you have any questions, or need additional information please feel free to contact me

Chamber of Commerce: No report

(8:20 a.m.)

EXECUTIVE DIRECTORS REPORT: Jennifer McDonald

The following is a snapshot of the EDA financials and projects. The EDA is a quasi-governmental agency and receives 25% of its operational budget by government (County) funds.

EDA Projects:

Workforce Housing:

This EDA announced the Aikens Group as the developer of the project. We have all approvals and now await signature from Mr. Hudson on easement. Joe Silek is working with us to accomplish that task. Aikens plans to break ground in 2018.

ITFederal:

ITFederal continues construction of their first 10,000sf building. Blueline Construction is the contractor for the job.

Afton Inn:

The EDA is currently working with a developer on the Afton Inn location. The plan would include a themed restaurant on the first floor and apartments on the 2nd and 3rd floor. To date the EDA has expended \$10,369.40 on the Afton Inn property development.

506 & 514 E. Main Street:

The EDA is currently working on a 3-year lease for the building. The EDA hopes to have an announcement on the building soon. The EDA currently owes \$474,943.47 on the property. Starting May 2017 the EDA is responsible for the payment of \$2,029 plus liability and flood insurance which adds another \$7,800/year. This is funded solely by the EDA no Town or County funds are used for this project.

Until a new owner has taken over the property, the EDA will continue to collect rent from the apartments and storage units to help offset the cost of the debt service. Once the new tenant takes over they will take over the role of landlord. The EDA has informed the State of the current situation and they are amenable to the EDA controlling the apartments until a new tenant has taken over. If not, tenants of 13+ years would have to be displaced.

Leach Run Parkway:

The Leach Run Parkway was opened on June 26th, 2017. The EDA currently has mortgages on the Parkway properties in an amount totaling \$1,910,637.09 and invoices that were paid previously totaling \$988,312.41 giving a total to Leach Run Parkway assets of \$2,931,298.63. This project is being funded by the Town and County and a split formula of 66% County and 34% Town.

The EDA, Pennoni, and Branch continue to work on the punch list items for the Parkway.

West Main Street extended:

The EDA continues to work with the Town and Pennoni Engineering on design plans for West Main Street extended. VDOT has approved a revenue sharing project and will contribute up to \$650,000 to the project. \$500,000 of unmatched funds and \$150,000 of matched funds. The \$150,000 matched funds will come from ITFederal.

This a Town project and will be funded by the Town. A tax is being collected to offset the cost of this road. A total of \$56,886.81 has been paid in this Fiscal Year by the EDA for this project.

The Town hopes to break ground on this road in 2018.

McKay Springs:

The EDA helps market the McKay Springs property that is owned jointly by the Town and County. In 2016, the EDA purchased an additional 2 acres behind the property (formerly Eastep Trailer Park) to help recruit a commercial user to the site and provide better access to the property. The purchase price of the property totaled \$67,966.70.

The EDA had 1 inquiries in the months of January/February.

522/340 Revenue Sharing Project:

The EDA has entered into a Memorandum of Understanding with the County to participate in a revenue sharing project for road improvements along 522/340 for the Royal Farms Convenience site. The EDA will be the administrator of the project.

Work continues on the project. Ultimately this will be the location of Royal Farms.

Development Review Committee:

Committee continues to meet the fourth Wednesday of each month at the County building. Last meeting was held on November 15th. The next meeting is scheduled for February 28th at 10am in the government center caucus room.

Miscellaneous Items:

Executive Director continues to work on the Front Royal Golf Club committee that meets the third Thursday of each month.

The EDA Director met with the State Partnership representatives two times in January and February. The EDA has responded to three RFPs in January and February.

The EDA has identified a grant opportunity for the Town that will help offset the cost of equipment at the new Police headquarters. Working with the USDA to apply for the \$25,000 grant for the new equipment. Received word from USDA on December 7, 2017 that our full application has been confirmed and we will get notice if the grant has been approved in February 2018.

Mortgage Liabilities:

506&514 E. Main Street: \$471,831.36

400 Kendrick Lane: \$35,157.53

Combined Loan: Balance: \$3,772,354.19 and that number includes the following properties and balances of each;

- Success Park Loan- \$186,210.08
- 404 Fairground Rd.- \$275,353.41
- Happy Creek Industrial Park- \$448,625.31
- Stephens Park- \$617,907.75
- Baugh Drive- \$344,441.78
- Ramsey property- \$836,577.92
- 1497 Happy Creek Rd- \$314,123.20
- NVA- \$235,522.12
- Benson- \$24,936.65
- 1425 Happy Creek- \$132,201.00
- 1433 Happy Creek- \$356,454.97

Ms. McDonald discussed when and why the EDA purchases property. The EDA does not purchase property unless they have been asked to do so by the Town or County. We do this on their behalf, they pass a resolution giving us permission to do this if we are asking for their funding. We do not rely on the Town or County funding to make purchases on our own. The Baugh Drive purchase was on behalf of the County and they did pass a resolution for us to do that.

Liabilities:

Avtex- \$2,060,000. This amount will be owed at the time of sale of the property to FMC/EPA after the EDA has been reimbursed expenses incurred over the past 25 years. This remains a liability and shows on our financials because it is due immediately upon the sale of the property and EDA reimbursement

Line of Credit- The EDA keeps an open line of credit of \$2,000,000 for any potential land purchases that the Town or County may request or for any leach run parkway or west main street invoices that the EDA will pay on behalf of the Town and/or County.

IRP program- The EDA keeps a \$500,000 liability on its financial statement for the IRP program. That is the total amount borrowed from the USDA. Currently the balance of that loan is \$402,231.66.

RBEL program- The EDA currently has \$182,744.54 in the RBEL account. We currently have 20 active loans totaling \$195,193.08. The EDA just approved new loans to Center for Workforce Development(located on Main Street) in the amount of \$10,000, to ASD in the amount of \$10,000, Boita Coffee for \$7,000, and C&C Frozen Treats for \$7,000.

New Market Tax Credit-The EDA will keep a liability on the financial statement for the new market tax credit program. This program will help fund Ressie Jeffries renovations, the new police department, sidewalks, happy creek phase 2, and leach run parkway. Currently the EDA shows a liability of \$6,446,797.44 for NMTC projects to date. Of that, \$4,596,501.62 is allocated to RJES. The total liability for the EDA is \$12,000,000.

Snapshot:

EDA operational budget: \$438,669.

County funds: \$108,117 or 25%

Town funds: \$0

EDA funds remaining portion of \$330,552 with rental income, interest income, and land sale profits.

EDA capital budget: \$614,671

County Funds: \$372,681 or 61%

Town Funds: \$141,390 or 23%

EDA Funds: \$100,600 or 16%

The Town/County portion of the EDA capital budget is split as follows; if the property is located within the town limits the County pays 66% and the Town pays 34%, if the property is located outside the Town limits the County pays 80%,

the Town pays 20%. The capital budget is subject to change throughout the year as projects come along or requests for land purchases and/or new projects by the Town and County are received.

The New Market Tax Credit Program will change our capital budget as the projects move forward.

STAFF COMMENTS:

DIRECTOR COMMENTS:

(8:36 a.m.)

MOTION TO GO INTO CLOSED MEETING

I, Ron Llewellyn, move that the Board of the EDA vote to go into Closed Meeting under the provisions of Section 2.2-3711 of the Virginia Freedom of Information Act for the following purpose(s):

Section 2.2-3711.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 such discussion shall be limited to the EDA Director.

Section 2.2-3711.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. I further move that discussion be limited to a purchase of a parcel in the Stephens Industrial Park and the Happy Creek Technology Park.

Section 2.2-3711.A.5: Discussion concerning a prospective business or industry or expansion of an existing business or industry where no previous announcement has been made of the business's or industry's interest in locating or expanding its facilities in the community. Discussion limited to the Avtex site and or the Stephens Industrial Park.

Section 2.2-3711.A.8: Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. I further move that discussion be limited to the discussion of proffers requested by the Town of Front Royal and EDA loan program.

Section 2.2-3711.A.29: Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body. I further move that discussion be limited to the contract for demolition and construction on the Afton Inn property.

ROLL CALL VOTE: BAKER, "AYE"; DRESCHER,"AYE", DRUMMOND, "AYE", LLEWELLYN, "AYE" AND PATTESON, "AYE".

MOTION COMING OUT OF CLOSED MEETING

On a Motion by Mr. Llewellyn, seconded by Mr. Drummond, the Board certifies to the best of each member's knowledge that only public business matters lawfully exempted from open meeting requirements under this chapter and 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 by the public body.

ROLL CALL VOTE: BAKER, "AYE"; DRESCHER,"AYE", DRUMMOND, "AYE", LLEWELLYN, "AYE" AND PATTESON, "AYE".

**MOTION TO ADJOURN: MOTION WAS MADE BY MR. DRESCHER WITH A SECOND BY MR. LLEWELLYN TO ADJOURN.
VOTE: ALL "AYE"; NONE OPPOSED; MOTION CARRIED.**

(9:00 a.m.)

The next regular meeting of the EDA Board of Directors is scheduled for Friday, March 23, 2018, 8:00 AM at the EDA Conference Room.

Respectfully submitted by:

**Michelle L. Henry
Administrative Assistant**