

**BOARD OF DIRECTORS MEETING
INDUSTRIAL DEVELOPMENT AUTHORITY
Of the Town of Front Royal and County of Warren, Virginia
dba as the Economic Development Authority
[April 22, 2016, 8:00 a.m.](#)**

OFFICIAL - MINUTES

Attendance, Directors: Patricia Wines, Bruce Drummond, Jim Eastham, Bill Biggs, Ron Llewellyn, Greg Drescher and Bill Sealock.

Absent: None

Officials, Staff & Others: Jennifer McDonald, Marla Jones, Dan Whitten, Blair Mitchell, Steve Burke, Nathan Budryk, Dan Murray, Hollis Tharpe and Missy Henry.

CALL TO ORDER: Patricia Wines

ADDITIONS/DELETIONS TO AGENDA:

APPROVAL OF MINUTES: March 2016

ON A MOTION BY MR. BIGGS (SECOND BY MR. SEALOCK) THE BOARD VOTED TO APPROVE THE MINUTES.

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

FINANCIALS: March 2016

ON A MOTION BY MR. BIGGS (SECOND BY MR. SEALOCK) THE BOARD VOTED TO APPROVE THE FINANCIALS.

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

COUNTY ADMINISTRATOR UPDATE: Doug Stanley
Mr. Stanley reported the following:

FY 2016-2017 Budget –The Board adopted budget Tuesday.

Budget Goals

- Maintain current levels of service
- Stay competitive with staff salaries
- Maintain progress on capital improvement projects
 - Regional Jail
 - 2nd Middle School
 - Leach Run Parkway
 - Rockland Park
- Set aside funding towards operational funding of 2nd Middle School

Budget Highlights

- Increase in total budget from \$98,173,217 to \$101,705,777 (\$3,532,560 – 3.60%)
- Budget balanced with an increase of \$0.025 in the Real Estate Tax and Mobile Home Tax rates from rate of \$0.595 to \$0.62 per \$100 of assessed value

Significant Funding Changes:

- Cost of the Route 340/522 Corridor Payment to the Town - \$236,831
- Additional Funding for RSW Regional Jail - \$750,000 (\$404,459 \$0.01 RE tax increase)
- Additional Funding for opening 2nd Middle School- \$404,524 (\$0.01 RE tax increase)
- \$492,618 in funding for Leach Run Parkway (\$267,670 increase)
- Additional funding for Samuels Public Library (\$35,322 – 3.92%)

- Warren County Humane Society – (\$22,500 – 8.1%)
- \$683,215 in additional local appropriation to school system for operating

School Budget Includes:

- A 3% salary increase for all full-time contracted employees (\$1,133,506)
- The addition of the 10th grade at Mountain Vista Governor’s School (\$32,847)
- A 19.7% increase in health insurance costs (\$608,493)
- An increase in substitute costs to reflect the five year average cost and an anticipated 8% higher fill rate (\$52,584)

In addition they anticipate the following for FY 2017-18:

- Health Care Fund shortfall - \$312,000
- VRS increase - \$368,810
- Opening New Middle School - \$1,500,000
- Continued need to keep salaries from falling further behind regional levels until a longer term plan can be developed (currently lowest in the region on 27 of 31 salary scales)

FY 2013-2014 State Comparable Report

- In comparing Warren County to our neighboring jurisdictions (Clarke, Fauquier, Frederick, Page, Rappahannock and Shenandoah) using data included in the State’s Comparative Report on local government spending - Warren County ranks 7th out of the 7 jurisdictions in spending at an average of \$2,178.78 per capita.
- Warren County ranks 7th out of the 7 jurisdictions in education spending (operational) by over \$200 per capita.
- Based on the advertised tax rates of our neighbors, we would have the lowest Real Estate rate.

Community Development

Development Review Committee – The Development Review Committee met on March 23rd. The Committee discussed projects in the County including: a proposed building addition to the Toray facility, two proposed gunsmith businesses, two new short-term tourist rentals, and updates on ongoing projects in the Route 340/522 Corridor. The Committee also discussed Town projects including: a site plan for a proposed solar farm, a new retail building on South Street, a Beer Museum on Chester Street, a potential brewpub on Main Street, and the Element restaurant on Main Street. The committee will meet again on April 27th.

Commercial Project Updates:

- Aldi set to open April 28th
- Toray submitted building permit for 55,352 SF expansion for manufacturing area and 7,735 for office space
- Marriott has submitted a revised site plan for the hotel on Country Club Road
- 34 bed expansion at Hidden Springs Nursing Home

FY 2016-2017 Capital Improvement Plan – The Planning Commission held a public hearing on the proposed FY 2016-2017 Capital Improvement Plan at its meeting on March 9, 2016 and forwarded the plan to the Board for approval. The Board is scheduled to hold a public hearing on May 17th. A copy of the draft plan is available for review on the County website under resources.

County Project Updates

2nd Middle School – With the recent warm/dry weather the contractor is making good progress. The project is approximately 18% complete with 99% of the building footers having been poured, 50% of the slab poured, all masonry foundations are installed and the underground plumbing is 70% complete. The school should be open for the 2017-2018 school year.

VDOT/Morgan Ford Project – VDOT contractor closed the bridge on April 25th. The project is to be completed by June 1, 2018.

VDOT/Route 340/522 Traffic Signal – VDOT has completed installation of a traffic signal at the Route 340/522 park-n-ride.

VDOT/Oregon Hollow Road – VDOT staff are currently installing new pipe for the upgrade of Oregon Hollow Road from the end of current paving out to Khyber Pass Road. The project will be completed by July 1st.

VDOT/Myers Drive Recreational Access Project – VDOT staff are currently installing new pipe for the upgrade of Myers Drive/Farms Riverview Road to the new boat landing. The project will be completed by July 1st.

Eastham Trail/Phase III– Kickin’ Asphalt is working on the project and has completed installation of the sidewalk along Route 340. Over the next several weeks they will be replacing the guardrail and installing the pedestrian crossing signals at Criser Road and Skyline Vista Drive. It is anticipated that the project will be completed by May 1, 2016.

TOWN MANAGER UPDATE: Steve Burke
Mr. Burke stated the following:

Public Hearing- will be May 23rd to discuss the Town budget.

Waste Water Treatment Plant- upgrades continue.

Dept. of Energy Services -relocated from 6th Street to the north end of Manassas Avenue.

Town Community Developer Position- has been filled by Felisha Hart.

Main Street Extension Road-Town continues to work with the EDA and County. We are working to prepare paperwork for VDOT.

Front Royal Police Headquarters- Planning and design continues.

Criser Road Bridge- Council will be authorizing the final design March 28th. The total cost estimate came in at \$500,000.00-\$550,000.00 to replace the bridge which will include bike lanes and sidewalks.

Earth Day- will be April 23rd from 10am to 2pm.

Downtown Revitalization-work continues.

CHAMBER UPDATE: Niki Cales-Absent
(No Report)

EXECUTIVE DIRECTOR/PROPERTY UPDATE: Jennifer McDonald
Ms. McDonald reported the following:

EXPLANATION & SUMMARY:

Royal Phoenix/Avtex:

The EDA continues to work with the Town and Pennoni on road design to be submitted to VDOT for industrial access funds.

Town continues to work on plans for new police department on the lot they purchased in the former Avtex parking lot. The EDA is working with the Town to find some additional financing options for the project.

Blair is working with Michael Hendershot, EPA Attorney on a path moving forward with the sale of property at the site. A meeting is being scheduled with all stakeholders for early Spring.

Department of Justice, DEQ, and Virginia Game and Inland Fisheries visited the site on April 11th for a tour. Adam Pugh with Shaw conducted the tour and everyone was pleased with the progress.

Avtex Museum:

EDA staff completed the IRS form 1023 and submitted it with fees to IRS to reinstate the nonprofit status for the Center. Reinstatement was granted in February. Staff will now continue to compile all artifacts and videos to be included in the museum.

Town Business Activity:

The EDA continues to work with several prospects for town properties. The EDA has met with several commercial prospects and one industrial prospect within the past 30 days for town locations.

Engineering studies and environmental studies are being conducted by a potential prospect for the Afton Inn. Once all studies have been completed the group will decide if the project is financially viable for their operation.

New owners of the former Town Hall have completed some asbestos abatement in the building and are continuing with slight repairs to the building for a new prospect. They will be removing the old Town Hall letters on the building and will be working to put together language for a memorial plaque.

Connie and Jeremy with the Planning Department continue to send us all business license applications. We have sent out welcome packets to each new business. To date the EDA has sent out over 170 marketing packets to new businesses.

County Business Activity:

The EDA continues to work with one distribution company, one manufacturing company, and one assembly plant.

The EDA has met with two commercial prospects for the corridor.

Leach Run Parkway:

Branch Highways continues to work on erosion and sediment controls for the parkway, installing utility lines, and box culverts. Attached is a copy of their current schedule and progress meeting reports.

Development Review Committee

Staff continues to work with County and Town building/planning/zoning officials, VDOT, utility providers, and health department on introducing new businesses to the community and making the occupancy/licensure/signage process streamlined and user-friendly.

Last meeting was held March 23rd at 10am in County Caucus room. A number of items were discussed at the last meeting including; Avtex site, Afton Inn, former Town Hall building, former Second Chance building, K-Mart building, proposed addition to Toray, former Killahevin property, Aldi, Marriott, Interchange Phase II, gunsmithing shops, and leach run parkway.

Workforce Housing:

Revisions were made to the site plan for the workforce housing project. Pennoni is submitting the special use permit application to the Town for approval.

The Town asked for approval by the Fire Marshal for one entrance to the complex. Fire Marshal has provided us a letter and that has been submitted to the Town.

A copy of the site layout is attached to the report.

Regional Training Academy/Indoor Firing Range:

Continue to work with the Sheriff and Moseley Architects on finalizing the design for a regional training academy and indoor firing range. Design completion is scheduled for early May.

Business Development:

Regional Entrepreneur Cafe: The Entrepreneur Café will be held April 19th at 6pm at the Corron Center in Middletown. 20 entrepreneurs have signed up for the Café and have participated in classes being offered by People, Inc. and the Small Business Development Center. Five finalists will be selected to participate in the event on the 19th.

Venture Club: EDA staff is working with several local entrepreneurs in establishing an "Entrepreneur Club" to support emerging local/regional entrepreneurs. Meetings are scheduled every month at Joe's Steakhouse in Front Royal and Winchester. Keep an eye on their facebook page for the next meeting date.

Career Connect: In response to a number of complaints from small business owners about our workforce preparedness, Staff has organized a roundtable discussion with small business owners, Chamber, Workforce Solutions, LFCC, and Warren County Public School leadership to discuss this national challenge. Career Connect has been added to the list of programs discussed by this roundtable. Career Connect will begin the week of April 18th, currently we have 15 students that will be participating in the program.

The Lemonade Stand Student Entrepreneurship: Working with Joyce Jenkins- Wimmer at the Warren Coalition to create an after school enrichment program at the Middle School that includes exercises from The Lemonade Stand curriculum. This curriculum is also being utilized by Mr. Sean Ryder at WCHS in his marketing classes. Still in development. The Middle School Enrichment Program summer session will utilize the Lemonade Stand for a summer project.

Apprenticeship Program: EDA staff is working with local industries and Workforce Solutions to develop customized apprenticeship programs for graduating seniors.

Job Bank: EDA staff maintains information on known available jobs in Front Royal and Warren County.

IRP Program:

The EDA was awarded \$500,000 from the USDA to be used as loans for larger investments in the community. The EDA borrows the money from USDA and then relends the money to expanding or start-up businesses that are creating or saving at least 15 jobs and must have a minimum investment in the community of \$500,000.

We currently have 4 loans outstanding with a balance of \$479,484.09.

Loan Recipients:

KTS Solutions
AKM Properties
Dominion Health & Fitness
J's Gourmet

EDA received notice from USDA that our program is the most successful IRP program in the Commonwealth. They have offered to have us apply for additional funds in 2016 because of our success. Staff is trying to determine if we have the need at this time to apply for additional funds.

RBEL Program:

Since 1997 the EDA has loaned over \$1.7 million to local start-up or expanding businesses through our Rural Enterprise Loan Program. The EDA currently has 25 outstanding loans totaling \$267,307.50.

Of the 25 loans, 4 are currently in default with payment arrangements being made by the County Attorney's office.

McKay Springs:

The EDA received one inquiry on the site in the month of January. Proposed use by the prospect would be retail. No inquiries in the month of February and one inquiry in the month of March.

The EDA continues to market the property on facebook, EDA website, CoStar, and several other commercial real estate magazines.

OLD BUSINESS:

PROJECT REPORTS:

STAFF COMMENTS:

Ms. Jones advised all that the Regional Entrepreneur Café that was held on April 19th was a successful and enjoyable evening.

DIRECTOR COMMENTS:

(8:35 a.m.)

MOTION TO GO INTO CLOSED MEETING

I, Greg Drescher, 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.

Section 2.2-3711.A.3: Discussion or consideration of the acquisition of real property for a public purpose or the disposition of publicly held real property where discussion in open meeting would adversely affect the bargaining position or negotiating strategy of the EDA. I further move that discussion be limited to a parcel or parcels in the Kelley Industrial Park, Stephens Industrial Park, Happy Creek Corridor, Royal Phoenix Site, 522 Corridor and/or parcel(s) in the North River District of Warren County and downtown Front Royal.

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.

Section 2.2-3711.A.7: Consultation with legal counsel employed by the EDA regarding specific legal matters requiring the provision of legal advice by such counsel.

ROLL CALL VOTE: DRESCHER, 'AYE'; LLEWELLYN, 'AYE'; DRUMMOND, "AYE"; WINES, "AYE"; EASTHAM, "AYE"; SEALOCK, "AYE"; AND BIGGS, "AYE" .

MOTION COMING OUT OF CLOSED MEETING

On a Motion by Mr. Sealock, seconded by Biggs, and by unanimous vote, 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 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: SEALOCK 'AYE'; WINES, 'AYE'; DRUMMOND, "AYE"; EASTHAM, "AYE"; DRESCHER, "AYE"; LLEWELLYN, 'AYE'; AND BIGGS "AYE".

(8:54 am)

The following Resolution was read by Mr. Greg Drescher:

Whereas, the Governing Body of the Industrial Development Authority acknowledges with grateful appreciation the dedicated service performed by Blair D. Mitchell, as the Front Royal-Warren County Industrial Development Authority's Attorney.

NEW BUSINESS:

MOTION TO ADJOURN: MOTION WAS MADE BY MR. BIGGS, WITH A SECOND BY MR. SEALOCK, 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, May 27th, 2016, 8:00 AM in the EDA conference room.

Respectfully submitted by:

**Michelle L. Henry
Administrative Assistant**

