

**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 28, 2017, 8:01a.m.](#)**

OFFICIAL - MINUTES

Attendance, Directors: Patricia Wines, Bruce Drummond, Bill Biggs, Brendan Arbuckle
Ron Llewellyn and Greg Drescher.

Absent: Jim Eastham

Officials, Staff & Others: Jennifer McDonald, Doug Stanley, Hollis Tharpe, Roger
Bianchini, Alex Bridges, Nick Bass and Missy Henry.

CALL TO ORDER: Patricia Wines

ADDITIONS/DELETIONS TO AGENDA:

APPROVAL OF MINUTES: March 2017

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

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

FINANCIALS: March 2017

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

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

Ms. McDonald advised budget numbers will fluctuate due to the New Market Tax
Credit Program.

TOWN MANAGER UPDATE: Joe Waltz -absent
(No report)

COUNTY ADMINISTRATOR UPDATE: Doug Stanley

Mr. Stanley reported the following:

Transient Occupancy Tax – HB1415 was signed by the Governor on February 17th. It allows Warren County to increase its transient occupancy tax from \$0.02 to \$0.05 with the additional \$0.03 being dedicated to tourism. The Board held a public hearing on the request at its meeting on April 18th and voted to increase the tax to \$0.05 effective July 1st. This is something we have sought for a number of years and will allow the County to fund improvements such as the wayfinding signage program with the Town to improve the visitor experience as well as promote Warren County to bring additional tourists in to support our local businesses.

FY2017-2018 Budget – At the April 18th meeting, the Board approved the proposed FY 2017-2018 budget and 2017 tax rates. The biggest budget driver is the need to provide an additional \$1.7 million to operate the new middle school, which will open in August for the 2017-2018 school year. As part of the approval, the Board increased the real estate tax \$0.03 from \$0.62 to \$0.65 per \$100 of assessed value.

2017 Board Goals – The 2017 goals list was approved by the Board at the April 18th meeting. A copy of the goals list is posted on the County's website.

Delinquent Taxes – The County has added a “Top Ten List” of largest delinquent personal property taxpayers to our website and Facebook page to go along with the RE listing posted last month. The Pond Law Group will be holding a sale of delinquent real estate tax properties in May.

Reassessment – The County, along with Rappahannock, Shenandoah, Clarke and Page Counties, received three proposals to conduct the County's next reassessment. Warren County is on a 4-Year Reassessment Cycle. Under the current schedule, field work will begin on July 1, 2017 with the reassessment being completed by December 31, 2018. We interviewed three prospective firms on April 26th and will be making a recommendation to the Board in May/June.

Building Inspections Software – The County and the Town are working together to finalize an agreement to eliminate the barrier of accepting credit cards through one vendor. This will allow the discussions to restart about the Citizens Self Service (CSS) program. The final costs of the newer CSS are still being worked out, but it is agreed that this is the most effective way to move forward.

Development Review Committee – The Development Review Committee met on April 26th. The Committee discussed projects in the County including:

- Proposed breeding kennel permit (Ritenour Hollow Road)
- New permits for Blue Ridge Shadows - Age Restricted Housing Community
- Potential new business in Kelley Industrial Park
- Several new Class A subdivisions

The Committee also discussed Town projects including:

- Proposed bed and breakfast
- Potential leases/changes with several Main Street properties
- Potential Brew Pub on Main Street

The Committee will meet again on May 24th.

Project Updates

2nd Middle School – The project is approximately 90% complete. The building will be complete in June to allow for staff to move into the facility in July ahead of the August opening.

- Brick work is 99% complete
- Roof dried in with coping and ridge venting in progress
- Curb and gutter is 99% complete
- Concrete sidewalks in progress with 20% complete
- Plumbing rough-in complete
- Electricians are running overhead conduit throughout building 95% complete with rough-in
- Duct work is 85% complete throughout building
- Sprinkler installation ongoing throughout Areas A, B, C, D, E and F. 95% rough-in complete

- Site work is 95% complete
- Building has temporary heat on
- Window installation started
- Roof Top Units are installed
- Electrical switch gear has arrived and is being installed
- Landscaping plantings (trees) are being installed
- Segmental retaining walls are complete
- Kitchen cool/freezer and hood system are installed
- Painting has commenced
- Ceiling grid installation/lights has commenced with large portions of area A and B complete

Ressie Jeffries Elementary School – The building addition and roof project is 28% complete through the end of March and the site work project is 70% through the end of March. During spring break, the contractor was able to shut down power and remove the overhead lines feeding the building.

Leach Run Parkway – The project is currently estimated to be completed by June 29, 2017. The final utility relocation work was completed last month along Route 55 (John Marshall Highway), which will allow Branch to complete the widening on Route 55. The contractor is currently finishing up the installation of street lighting and landscaping and has crews starting on installation of the bio-retention ponds. We expect Branch to be in position to start work on final paving and pavement markings by late April.

VDOT/Totten Lane Turn Lane Project – The project will add a left turn lane NB on Totten onto Route 55 West (Strasburg Road) and add a right turn lane off Route 55 West onto Route 626 (Totten Lane). Bids were received on March 22nd. The low bid is within available funds and should be awarded at the next CTB Board meeting. The project should be set to go to construction in the next 30 days.

VDOT/Morgan Ford Bridge – The project is approximately 20% complete and remains on schedule for completion in June 2018. The contractor has completed constructing the piers in the river. They are currently working on the northern and southern abutments. They are also beginning grading operations for the southern approach to the new bridge. Later this summer the contractor will install the temporary work bridge that will provide construction access over the river in order to set the precast box beams and place the concrete deck.

VDOT/South Fork Bridge – The project is approximately 80% complete and still on schedule for completion in December 2017. The Contractor is working on Stage II of the new bridge. This stage will widen the structure and provide 2 additional lanes, a bike lane, and sidewalk to the west. The piers and abutment foundations are complete. The Contractor completed setting steel beams and has begun placing deck forms. We anticipate beginning concrete placement of the Stage II deck in June with completion in early September. The contractor is continuing grading work along Route 55 and within the Stormwater Management Area between Route 55 and the QRI Road. The curb/gutter and stone has been installed on the Service Road along Route 55. The Service Road will be paved later this season once paving companies become more active.

Route 340/522 Trolley Project – The County has received preliminary word that it will receive funding to start up trolley service in the corridor for FY 2017-2018.

Project	Ad/Bid Date	Cost	Estimated Completion Date	Status
FRWC Airport Obstruction Removal	Summer 2016	\$804,000	Spring 2017	Under Construction
South Fork Bridge	9/2013	\$74,700,000	Fall 2017	Under Construction
Morgan Ford Bridge	12/2016	\$9,713,152	Spring 2018	Under Construction
Guardrail Projects	N/A	\$142,140	Winter 2016	Completed
Leach Run Parkway	6/2015	\$10,648,083	Fall 2016	Under Construction
Totten Lane – Turn lane Project	Summer 2016	Unavailable	Spring 2017	Contract Awarded
2 nd Warren County Middle School	Winter 2015	\$44,100,000	Summer 2017	Under Construction
Freezeland Road Kiss-n-Ride	Fall 2014	Unavailable	Spring 2017	Under Construction
Health and Human Services Complex – Gym Bathroom Renovation	Summer 2016	\$125,000	February 2017	Completed
Ressie Jeffries Renovations	Fall 2016	\$4,990,077	Fall 2017	Under Construction

DPS

EXECUTIVE DIRECTOR /PROPERTY UPDATE: Jennifer McDonald:

EXPLANATION & SUMMARY:

Royal Phoenix/Avtex:

Meeting with Town staff to discuss design of West Main Street extended.

Will work with County to determine best location for walking trails on conservancy park.

Meeting with Town Staff, Pennoni, and ITFederal on site work and layout of lot 6.

Avtex Museum:

EDA staff completed the IRS form 1023 and submitted it with fees to IRS in KY to reinstate the nonprofit status for the Shenandoah Center for Heritage and the Environment. Was granted reinstatement as a nonprofit organization. Filed all paperwork with the Virginia Corporation Commission.

Staff has applied for a grant from the National Endowment for the Humanities to curate the museum and produce a video history of the people and the site. The EDA did not receive the grant this year to help offset costs of the museum.

Town Business Activity:

- Afton Inn- EDA received word from developers that they are no longer interested in moving forward with their plan to renovate the building. The EDA was not approved for the IRF grant. In order to qualify the EDA has to own the property for a minimum of 10 years.
- Met with investor looking to purchase property on Main Street regarding financing and business structure. Investors are moving forward with purchasing several properties on Main Street.
- Working with private school to find an alternative location in Town. A site was identified, but now may need to find another location.
- Working with two fast food companies, one gas station, one restaurant, and one developer.
- Working with Brotherhood of Railroad Signalmen on their expansion in Happy Creek Tech Park. They have put their expansion on hold until they can determine the parking needs.
- The EDA received 8 inquiries on the B&G Goods property.
- Had several site visits in the month of March. A bbq restaurant looking to expand, an expansion of a daycare, Sign company, and real estate agency.
- Went to closing on a loan with Rev3 Adventures.

County Business Activity:

- Working with a restaurant looking at property in Corridor. Some VDOT issues may have been resolved and will hopefully see a contract on the property come to fruition within the next 60 days.
- Continue to work with a distribution center referred by the Partnership in Stephens Industrial Park. Company would create 75 new jobs and have a \$22 million investment. They are in the initial site selection stages.
- Sent a response to an RFP from the VEDP. Prospect will need minimum 50 acres for a manufacturing facility still awaiting feedback from the response.
- Will be doing FAM tours with VEDP and region on May 8th and 9th.

404 Fairground Road:

The EDA has signed a 6-month lease for a portion of the Fairground Road property. Tony Dane with Dane's Great American Hamburger food truck. He will be using the property as an office space for his business.

Leach Run Parkway:

Work continues to move forward on the Leach Run Parkway. Attached is a copy of the 3-week schedule provided by Branch Highways. The current anticipated completion date is June 24, 2017. Attached are copies of our last progress meetings.

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 22nd, 2017 at 10am in the County Caucus room. I have attached the agenda for your reference. Next meeting will be April 26th at 10am.

Workforce Housing:

Project was approved by Town Council on November 14th.

EDA has started to meet with developers on the construction of the project. Waiting on submittals to DEQ by Pennoni.

Regional Training Academy/Indoor Firing Range:

Continue to work with the Sheriff and Moseley Architects design and construction of the Skyline Regional Criminal Justice academy and indoor firing range. Start date of training

academy has been pushed back due to Town subdivision requirements and permitting process. Planning Commission has recommended a sidewalk and lights on the small strip of Progress Drive extended. The following is a tentative schedule for the project.

- Town Council 2nd hearing: April 10, 2017 Special Exception and Preliminary Plan (SE and Preliminary Plan approvals target date)
- On April 11, we can submit the subdivision plat for review. This will need to pass through both the Planning Commission and the Town Council and may not be through that process and approved until July. Officially the site plan cannot be approved (and a land disturbance permit issued) by staff until the subdivision plat is approved, recorded and improvements bonded. The town Planning Director has stated that he does not have a problem allowing the land disturbance permit to be issued if all comments are addressed on the Site Plan and we are simply waiting for the subdivision plat to track through the approval process. We will need to secure the bonds prior to issuance of the land disturbance permit, and any construction that were to begin prior to approval of the subdivision would be at the developers own risk should the subdivision plat not be approved. This early land disturbance permit release is the track we have been working toward and could move the construction start date from July back to possibly in April.
- We will need to begin work on the subdivision plat soon.
- We are pursuing the comment resolution and approvals of all review agencies, most specifically DEQ.

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 \$432,213.94

Loan Recipients:

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

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 16 outstanding loans totaling \$116,978.74.

The EDA issued a new loan to Rev3 Enablers in the amount of \$40,000 on March 13th, 2017.

Loans that have been paid in full in the past 6 months are; Hidden Springs, B&G Goods, Eshelman loan, and Driver's Choice loan.

McKay Springs:

The EDA received two inquiries in the month of March for the McKay Springs property.

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

Miscellaneous:

- Working with County on VDOT revenue sharing project for 522N Corridor project.
- Working with County on Trolley Project that would extend service to the Corridor.
- Working with Town on sale of 6th Street building (former utility building)
- Working with Regional group on a Go Virginia initiative that would have regional collaboration.
- Attended Front Royal Golf Club meeting.
- Next State of the Port meeting will be held at the County Government Center April 26th at 8:30am.

OLD BUSINESS:

STAFF COMMENTS:

DIRECTOR COMMENTS:

Mr. Biggs made a request of the Town to consider putting sidewalks in along Kendrick Lane. Mr. Hollis Tharpe advised this is already in the plan using the New Market Tax Funds.

(8:18am)

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. Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel.

ROLL CALL VOTE: DRESCHER, 'AYE'; DRUMMOND, "AYE"; WINES, "AYE"; LLEWELLYN, "AYE"; BIGGS, "AYE", ARBUCKLE, "AYE".

MOTION COMING OUT OF CLOSED MEETING

On a Motion by Mr. Drescher, seconded by Mr. 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: WINES, 'AYE'; DRUMMOND, "AYE"; ARBUCKLE, "AYE"; DRESCHER, 'AYE', LLEWELLYN, "AYE" AND BIGGS, 'AYE'.

(9:02 a.m.)

New Business:

Mr. Drescher made a motion, seconded by Mr. Llewellyn, to purchase the Royal Lane Property intended for the Workforce Housing Project and charge the Director to acquire appraisals to move forward with the purchase and the project itself.

Ms. McDonald advised that she is related to the Royal Lane property owners but she does not have a vote or any financial interest. Also, this is an EDA project, not a town or county project, so no tax payer dollars are involved.

ROLL CALL VOTE: DRESCHER, 'AYE'; DRUMMOND, "AYE"; WINES, "AYE"; LLEWELLYN, "AYE"; BIGGS, "AYE", ARBUCKLE, "AYE".

MOTION TO ADJOURN: MOTION WAS MADE BY MR. BIGGS, WITH A SECOND BY MR. LLEWELLYN TO ADJOURN.

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

(9:04 a.m.)

The next regular meeting of the EDA Board of Directors is scheduled for Friday, May 26, 2017, 8:00 AM in the EDA conference room.

Respectfully submitted by:

Michelle L. Henry
Administrative Assistant