

**BOARD OF DIRECTORS MEETING
INDUSTRIAL DEVELOPMENT AUTHORITY
Of the Town of Front Royal and County of Warren, Virginia
dba as the Economic Development Authority
[July 28, 2017, 8:20a.m.](#)**

OFFICIAL - MINUTES

Attendance, Directors: Bruce Drummond, Bill Biggs, Ron Llewellyn and Greg Drescher.

Absent: Jim Eastham, Brendan Arbuckle

Officials, Staff & Others: Jennifer McDonald, Joe Waltz, Doug Stanley, Hollis Tharpe, Roger Bianchini, Alex Bridges, Mike McCool, Dan Whitten, Tim Ratigan, Bill Sealock, Eric McCoy, Marla Jones, Ken Dameron and Missy Henry.

CALL TO ORDER: Greg Drescher

ADDITIONS/DELETIONS TO AGENDA:

Chairman Comments:

Mr. Drescher opened the meeting by speaking to our EDA Board and staff and our path moving forward:

Our job is to create good jobs and increasing the tax base in order for our community to continue to prosper. We work with our local, state and federal government agencies. We work with both start-up businesses and multi-million dollar industries. We navigate policies, local codes, state codes and federal codes. We work on projects with sometimes having only one meeting to make it happen to projects that take 20 years. This means our board has to be knowledgeable of all of our local requirements and what our local workforce is able or willing to support. We need to be knowledgeable on what our locality is willing to negotiate to draw that business here. We need to work with all the personalities involved.

We often have to be confidential during the negotiation process of a business. We need to appreciate that some of the businesses that we deal with have many other irons in the fire and a misstep on our part could dramatically impact their businesses.

Bottom line is: Our processes to get that simple change in creating jobs and increasing tax base is often complicated and deeply involved.

Simple details can make or break a deal.

Mr. Drescher also suggested that we review our EDA By-laws to decide if we want to make any changes. Also we should review and update our strategic plan. He also passed out a brief description of an EDA Board member's role. Each member does have a vote and we work as a team on decision making. He pointed out that Jennifer McDonald, EDA Executive Director, cannot enter into an agreement, cannot purchase a property, cannot start a new initiative or take any other significant action without Board approval. That's the Boards job. Mr. Drescher also asked Ms. McDonald to contact and arrange for the Virginia Economic Development Partnership to give us all a refresher on the EDA's role in the community. Town Council and the Board of Supervisors will also be invited to attend.

APPROVAL OF MINUTES: June 2017

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

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

FINANCIALS: June 2017

ON A MOTION BY MR. BIGGS (SECOND BY MR. LLEWELLYN) 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 and the town and county projects. She also advised each year we have to submit to the town and county for approval on the town and county's debt service. If there's an additional purchase we would send that to the town or county for that increase in our debt service. We have not increased our debt service for any purchases other than LRP or NMTC. No additional purchases have been made or requested.

COUNTY ADMINISTRATOR UPDATE: Doug Stanley

Tourism – The County officially adopted a local ordinance to allow for the collection of an additional 3% of transient occupancy starting July 1, 2017. While the County is not looking for this to supplant current Town funding for the visitors center, I think there are branding and promotion issues that we can work on collaboratively for the good of the community. The wayfinding signage program would be one of the key focuses of the effort. We have developed a Memorandum of Agreement between the Town and County to appoint a joint tourism committee. The draft MOA was reviewed at the Liaison Committee meeting on July 20th and will go before the Board at its work session on August 1st.

Front Royal Golf Course – The County has advertised an RFP for management of the Front Royal Golf Course. A copy of the RFP is available on the County's website. Proposals are due on August 31st.

Building Inspections – Year-to-date, we had a total of 87 new home starts. Of that number, 6 were in Town limits and the remaining 81 outside of Town limits. As a comparison, in 2016 we had a total of 145 new home starts for the year and 75 through June 30th. Based on a projected total of 174 new starts, it represents an annual growth rate in housing stock of 1.03%. As projected, 2017 would be the 7th straight year of an increase in new home starts.

The growth rate is well below our 2-3% maximum outlined in the Warren County Comprehensive Plan, but is slightly above the .80% average experienced since January 1, 2006.

For FY2016-2017, the number of total permits was down slightly from 2,498 to 2,410 (3.52%) in addition to the total inspections that were also down from 10,528 to 10,090 (-4.16%). These numbers reflect the completion of the Dominion Power project.

Project Updates

2nd Middle School – The project is approximately 99.9% complete. The building will be completed in July to allow for staff to move into the facility in July ahead of the August opening. The ribbon cutting is set for July 31st at 9:00 am.

- Final asphalt paving completed
- Final parking signage being installed

- Fire alarm final inspection complete
- Elevator inspection scheduled for 7/14
- Sprinkler final inspection complete
- Electrical final inspection complete
- Mechanical and Plumbing final inspection complete
- Site work is complete
- Gym divider curtain and wall mats complete
- Aluminum storefront 99.9% complete
- Landscaping plantings/grass 99.9% complete
- Terrazzo installation for steps continues the week of July 10th
- All flooring is complete
- Have temporary occupancy for areas A&B
- Temporary occupancy for all areas achieved 7/14

Ressie Jeffries Elementary School – The building addition and roof project is 79% complete and the site work project 92% complete.

Site Contract

- Rough Grading – 100%
- Curb & Gutter – 100%
- Additional Curb & Sidewalk – 100%
- Additional Curb at Islands – 100%
- Stone Subgrade Parking Lots – 100%
- Sidewalks – 100%
- Topsoil and Seeding – 95%
- Site Lighting – 100%
- Add Power Panel for Site Lighting – 0%
- Paving and Line Striping – 60%
- Landscaping Plants – 0%
- SWM Pond Media – 100%
- SWM Pond Piping – 100%
- Rainleader Piping – 80%

Building Addition and Roof

- Metal Truss Supports – 100%
- Metal Truss Installation – 100%
- Metal Decking at Truss – 100%
- Metal Roofing – 95%
- Wall Panels – 90%
- TPO Roofing – 75%
- Metal Fascia – 50%
- Gutters and Downspouts – 50%
- Roof Accessories – 0%
- Roof Hatch – 0%
- Soffit Framing – 100%
- Metal Canopy – 15%
- Plumbing – 100%
- Mechanical – 90%
- Electrical – 80%
- Lightning Protection – 0%
- Building Addition Footings and Slab – 100%
- Building Addition Masonry – 100%
- Stone Veneer – 90%
- Building Addition Structural Steel – 100%
- Interior Framing Rough-in – 100%
- Fire Proofing – 100%
- Air Barrier – 100%
- Doors and Hardware – 10%
- Storefront and Curtainwall – 90%
- Fiberglass Sandwich Panels – 0%
- Skylights – 100%
- Interior Finishes – 10%

Playground Project

County staff is working with Landscape Architect to finalize plans. It is anticipated that we will be able to start site work by mid-August. Phases I and II of the project should be completed during the fall of 2017. 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.

Shenandoah Farms Sanitary District - Pine Ridge/Copenhaver Road/Western Lane Rural Addition Projects – The three projects have been completed and added to the VDOT maintenance system as of July 10th. The projects transfer maintenance of 0.51 mile from the sanitary district to VDOT and take the County another step further to the goal of getting a state road through the middle of the Shenandoah Farms Sanitary District. Thanks to Deputy County Administrator Bob Childress and our Sanitary District staff for their oversight of the project.

VDOT/Totten Lane Turn Lane Project – The project has been completed at last.

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. The EDA did not receive any bids for the project. It has been re-bid with bids due on August 7th. Target completion date is now November 15th.

VDOT/Morgan Ford Bridge – The project is approximately 36% complete based on earnings and remains on schedule for completion in June 2018. The contractor has completed constructing all substructures including both abutments and MSE walls. They are currently working on grading the southern approach and waiting on beams to be manufactured. Later this summer they 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 84% 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. They began concrete placement of the Stage II deck on June 5th, with completion in early August. The contractor is continuing grading work along Route 55 for the shared use path and driveways.

Route 340/522 Trolley Project – County staff have worked with the NSVRC and Virginia Regional Transit to develop a proposed trolley schedule. The proposed schedule will include morning and afternoon stops at Lord Fairfax Community College. Service to the corridor will to start on July 31st. County staff will be blanketing the corridor over the next several weeks to get advertisement of the new service up.

Commercial Projects – Work continues on the following projects:

- Royal Farms Convenience Store – Fall 2017 Completion
- Marriott/TownePlace Suites – Summer 2018 Completion

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	Summer 2017	Completed
Totten Lane – Turn lane Project	Summer 2016	Unavailable	Spring 2017	Completed
2 nd Warren County Middle School	Winter 2015	\$44,100,000	Summer 2017	Punch List
Freezeland Road Kiss-n-Ride	Fall 2014	Unavailable	Spring 2017	Phase I Completed
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
Rockland Park Athletic Fields	N/A	\$200,000-\$300,000	Fall 2017	Under Construction

DPS

TOWN MANAGER UPDATE: Joe Waltz

Leach Run Parkway: The project is complete and the ribbon cutting was on June 26, 2017 at 8:00 am.

Rt. 522 Corridor Water Upgrade: Town has completed the preliminary engineering review and currently evaluating funding options.

Afton Inn: No funding received from the Industrial Revitalization Fund (IRF) grant, EDA continues to market property.

CDBG Grant: Application was submitted on March 29, 2017 and decision will be made in September or October 2017.

Criser Road Bridge: We have made headway with obtaining a construction easement. We have advertised for the construction and those are due in August 10th.

Criser Road Trail: The design is 100% complete and is currently out for bid and will close on July 31, 2017.

Happy Creek Phase 2: Talking with VDOT and trying to get authorization to move forward on the design as well as paperwork for revenue sharing.

ITFederal: The Town received an updated site plan and respond with comments back to Bohler Engineering on June 19th. Town staff is waiting on Bohler's to resubmit with comments.

John Marshall Highway Trail Lighting: The Town is finished installing lights along the walking trail from West Minister down to Jamestown Road and it turned out very nice.

Main Street Extension: Staff has met with Pennoni on final design and traffic analysis for Main Street. Staff is now working Bohler and coordinating with ITFederal Lot 6 site. We will be having a meeting the first week of August with all who are involved. Ms. McDonald advised that Jeremy Camp submitted his comments on the light fixtures and landscaping last Friday July 21st and Bohler now has those plans.

Police Department Building (former): The buyer completed its due diligence but their lender is requiring an additional environmental study before closing.

New Police Department Building (new): Town has hired a clerk of works for the project and currently preparing to advertise bids for construction within the next 1 to 2 weeks. We did get the DEQ permit. Once we get a good contract price, we have the green light.

Property Maintenance Code: The FY17-18 budget funded ½ year operation for such a department. Town Council will be discussing in further detail in August.

Public Safety Campaign: The Town Launched a program called “STOPS” (Smart Towns Observe Pedestrian Safety) to address the recent pedestrian fatalities. The program has a three prong approach: education, improving infrastructure and soft/hard enforcement. Upgrading will take about 2 weeks.

Washington Gas & Light: There hasn't been a lot of activity. They will be setting up a meeting in September.

Westminster Sidewalk Project (VDOT): We are awaiting Federal grant money.

Waste Water Treatment Plant: Upgrades are 83% completed. Completion is scheduled for November 18, 2017.

Ms. McDonald asked if there was any update on the town hall plaque. Mr. Waltz advised he is still waiting on Patrick Ferris to return the verbage.

Chamber of Commerce:

Ms. McDonald passed out some flyers on the Blues and Brews Festival September 23rd, October Fest on October 13th and a Leadership Class.

EXECUTIVE DIRECTORS REPORT- Jennifer McDonald

EXPLANATION & SUMMARY:

Royal Phoenix/Avtex:

Meeting with Town staff to discuss design of West Main Street extended. Bohler Engineering received the light fixture design and landscaping requirements from Jeremy Camp on Friday, July 21st. Bohler will incorporate those elements into the design.

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

EPA was at the site the end of June for their 5-year review. Everything passed the review. This was the first time of no comments since we took over the site.

A group of students from the Chesapeake Bay camp stopped by the site on July 11th for a tour and update from EPA, EDA, and FMC.

Town Business Activity:

- Working with one fast food companies, one gas station, one restaurant, and one developer.
- Working with prospect looking at 7 acres on the Avtex site.
- The EDA is working with a prospect for the former B&G Goods store on Main Street.
- A potential developer is interested in the Afton Inn building. The EDA and Town Council will meet to discuss this project and its impact on the building and Main Street.

County Business Activity:

- 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.
- Continue to work with County on revenue sharing project for 522/340 road improvements
- Trolley announcement was made. This will provide transportation to the Corridor employers.

404 Fairground Road:

Lease continues with Dane's Great American hamburger food truck.

Leach Run Parkway:

Ribbon cutting took place on June 26th. Road is open to the public. We continue to work on punch list items with Branch Highways.

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 June 28th, 2017 at 10am at the Government Center. I have attached the agenda for your reference. Next meeting will be July 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.

Submitted revised plan to DEQ for any additional comments. Waiting on comments.

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. We received our permit from DEQ on July 27th and are ready to meet with Shockey to start construction.

Afton Inn:

The EDA is currently working with a developer on the Afton Inn building. The Town remains committed to keeping the structure maintained until ownership has transferred to a developer.

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 \$420,239.06

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 \$149,191.94.

The EDA issued a loan in the amount of \$7,000 to Greg Lewis on April 26th, 2017. The name of his company is Skyline Tech.

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:

Since late 2012 the EDA has been working with the Town and County on marketing the McKay Springs property. The EDA has advertised McKay Springs in IEDC newsletter, Doing Business magazine, facebook page, CoStar, EDA website, and flyers handed out at conferences attended by Jennifer McDonald.

Those conferences include ICSC annual conference, IEDC Federal Forum, Tradeshow in Richmond, Roanoke, and Charlottesville.

Since the marketing efforts started the EDA has received 51 (additional 13 since last report) inquiries on the site. Inquiries included gas stations, a bank, a retail strip center, an office building, fast food chains, a solar panel area, a distillery, a recycling center, two pharmacies, and several other smaller businesses.

Hurdles faced at the beginning of the marketing process included the ability to fit the size building that some of the companies required on the available land, access to the site with the expansion of the median on Reliance Road, the property located to the west of the site, and the .half acre historical area on the site.

Possible resolutions included purchasing the neighboring property which the EDA did (through the County) in 2016. Since the acquisition of that property and within the past three months the EDA has seen an increase in the number of inquiries.

In the past month the EDA has received 3 inquiries on the site.

Miscellaneous:

- Working with Regional group on a Go Virginia initiative that would have regional collaboration.
- Attended Front Royal Golf Club meeting.
- Handed out \$5,500 in EDA scholarships on May 24th and May 25th
- Auditors were in for their preliminary field work in June. They will continue the audit in September. We will receive that final audit in November or December and it will be given to town and county for review.
- EDA (in conjunction with the Chamber of Commerce) announced winners of the business appreciation awards. Vine & Leaf, Queen Technologies, and VetBuilders were the winners of the awards.
- Had four site visits with Jeremy and David in the month of June.

Ms. McDonald added, as a reminder, 25% of our operating budget is funded by the County. The remaining 75% is funded by EDA activities. This year the County will give \$103,000.00 for the operating budget towards a budget over \$450,000.00.

STAFF COMMENTS:

DIRECTOR COMMENTS:

Mr. Drescher invited all to the dedication and renaming of 2 Warren County schools.

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.

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 town of Front Royal or Warren County.

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 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"; LLEWELLYN, "AYE" AND BIGGS, "AYE".

MOTION COMING OUT OF CLOSED MEETING

On a Motion by Mr. Llewellyn, 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: LLEWELLYN, 'AYE'; DRUMMOND, "AYE"; DRESCHER, "AYE" AND BIGGS, 'AYE'.

(9:37 a.m.)

New Business:

ON A MOTION BY MR. LLEWELLYN (SECOND BY MR. BIGGS) I MOVE THE ADOPTION OF THE FOLLOWING RESOLUTION:

Authorize Greg Drescher, as Chairman, Bruce Drummond as Vice-Chairman and/or Jennifer R. McDonald as Executive Director to execute any and all negotiations and documents with M.O.D.E Partnership, LLC for the redevelopment of the former Afton Inn located at 2 E. Main Street with Tax Map Number 20A8-4-14.

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

ON A MOTION BY MR. LLEWELLYN (SECOND BY MR. DRUMMOND) I MOVE THE ADOPTION OF THE FOLLOWING RESOLUTION:

Authorize Greg Drescher, as Chairman, Bruce Drummond as Vice-Chairman and/or Jennifer R. McDonald as Executive Director to execute any and all negotiations and documents for the demolition of the former Afton Inn located at 2 E. Main Street with Tax Map Number 20A8-4-14.

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

ON A MOTION BY MR. LLEWELLYN (SECOND BY MR. BIGGS) I MOVE THE ADOPTION OF THE FOLLOWING RESOLUTION:

Authorize Greg Drescher, as Chairman, Bruce Drummond as Vice-Chairman and/or Jennifer R. McDonald as Executive Director to execute any and all negotiations and documents for the removal of Patricia S. Wines as signatory to all bank accounts of the IDA/EDA and add Bruce Drummond as Vice Chairman as signatory to all bank accounts of the IDA/EDA.

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

ON A MOTION BY MR. LLEWELLYN (SECOND BY MR. DRUMMOND) I MOVE THE ADOPTION OF THE FOLLOWING RESOLUTION:

Authorize Greg Drescher, as Chairman, Bruce Drummond as Vice-Chairman, and/or Jennifer R. McDonald as Executive Director to execute any and all negotiations and documents for the EDA to obtain financing through such financing institutions as approved by the board for any and all land purchases, refinances, New Market Tax Credits, bond financing and any other related financing needs of the EDA as approved by the Board of Directors.

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

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

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

(9:44a.m.)

The next regular meeting of the EDA Board of Directors is scheduled for Friday, August 25, 2017, 8:00 AM in the EDA conference room.

Respectfully submitted by:

Michelle L. Henry
Administrative Assistant