

**BOARD OF DIRECTORS MEETING
INDUSTRIAL DEVELOPMENT AUTHORITY
Of the Town of Front Royal and County of Warren, Virginia
dba as the Economic Development Authority
[September 22, 2017, 8:00a.m.](#)**

OFFICIAL - MINUTES

Attendance, Directors: Bruce Drummond, Bill Biggs, Jim Eastham, Greg Drescher, and Gray Blanton.

Absent: Jim Eastham, Ron Llewellyn

Officials, Staff & Others: Jennifer McDonald, Joe Waltz, Doug Stanley, Hollis Tharpe, Dan Whitten, Marla Jones, Jared Hill, Mike McCool, Dan Murray and Missy Henry.

CALL TO ORDER: Greg Drescher

ADDITIONS/DELETIONS TO AGENDA:

APPROVAL OF MINUTES: August 2017, September 15

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

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

FINANCIALS: August 2017

ON A MOTION BY MR. EASTHAM (SECOND BY MR. DRUMMOND) 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.

COUNTY ADMINISTRATOR UPDATE: Doug Stanley

Front Royal Golf Club– The County advertised an RFP for management of the Front Royal Golf Club and received one proposal in response. The proposal is currently under review by the Advisory Committee, which meets later this week.

Development Review Committee – The Development Review Committee met on August 23rd.

The Committee discussed projects in the County including:

- Proposed Contractor’s Storage Yard (Walker and Brugh)
- The Marriott TownePlace Suite Project
- Route 340/522 Revenue Sharing Project Bid
- Toray Project Expansion – 5,200 SF

The Committee also discussed Town projects including:

- Happy Creek Coffee & Tea (beside movie theater)
- Brew Pub (name to be announced)
- B&G Goods Building Restaurant (name to be announced)
- Afton Inn BAR application
- West Main Street Extension
- IT Federal Project Update

The Committee will meet again on September 27th.

Rural Addition Program – The County advertised for applications from subdivisions and sanitary districts to upgrade and take roads into the Virginia Department of Transportation (VDOT) road system. The program allows streets in private subdivisions to be upgraded to minimum standards permitting their addition to the secondary system of highways through a combination of property owner, County and State funding. Applications were due on September 1st and the County received a total of 33 applications and will be reviewing them for prioritization in the next month.

Library Ad-Hoc Committee – Our committee for looking at Library operations held its fourth meeting on September 7, 2017. We continue to make progress and anticipate having recommendations to the Board later this fall. Our next meeting is September 20th.

Reassessment – A General Reassessment of all real property, as required by State Law, is underway in Warren County and is being conducted by Wingate Appraisal Service, who is under contract with the County. This reassessment should take about 16 months to complete, and the effective date will be January 1, 2019.

Periodic reassessments are required by Virginia law to establish assessments at 100% market value. While Virginia does not have a statutory definition for market value, the definition that has been generally accepted by the courts is:

“The price which a property will bring when offered for sale by one who desires, but is not obliged, to sell it, and is bought by one who is under no necessity of having it.”

Proper and equitable assessments ensure that the real estate tax burden is distributed to all property owners according to the value of each property.

Wingate staff members will be visiting properties in different areas of the County to collect sales data, update photographs, verify existing information and/or collect additional information, as needed. These individuals carry Warren County identification badges and have magnetic signs on their automobiles that bear the words **"Real Estate Assessment."** The Warren County Sheriff's Office will have a list of Reassessment vehicles that will be making property visits.

In collecting sales information, Wingate's staff considers location, construction cost, quality of construction, condition of the buildings, etc., in order for the sales data to be compared, for assessment purposes, with the various properties in different neighborhoods throughout the County.

Sales which are higher or lower than typical sales are not considered in the assessments. These would include short sales, family transactions, and sales resulting from foreclosure. Transactions which involve duress on the part of the seller or buyer can represent atypical value and are not given consideration. Also excluded are sales which do not allow for the property to be adequately exposed to the open market, resulting in a sale which can be less than market value. It is also possible that an adjoining owner may pay more than market value in order to protect his/her existing property and/or control how the property will be used or assembled.

As properties are assessed, factors such as location, including access to highways, shopping, schools, availability of utilities, etc., as well as condition and type of buildings are being considered.

Prior to becoming effective, all property owners will be mailed a notice of the new proposed assessed values and will have an opportunity to discuss or appeal their assessment. As the work progresses, additional news releases will be made.

Project Updates

Youth Center and Community Center Roofs – Work was completed last week on the replacement of the Youth Center and Community Center roofs. Work is underway for the replacement of ceiling grid/tiles at the Youth Center.

Ressie Jeffries Elementary School – The building addition and roof project are 99% complete, and the site work project 99% complete. We are primarily working on punch list with the exception of the Canopy and associated work, which will not be completed until early November, and the landscaping which will be completed by the end of this week. Contractor will be working with staff over the next several weeks to close out the project.

The County's Landscape Architect has finalized plans for the playground project. County staff have started site work. 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.

McKay House – The County has received reimbursement in the amount of \$25,000 for the roofing project. In addition, Brandy Rosser has been able to obtain a \$10,000 grant to repoint the chimneys and foundation on the house from the Department of Historic Resources.

Rivermont Fire Station – Moseley Architects is working on two conceptual design options for the facility. The survey of the property and associated topo have been completed by the surveyor. The permit application to expand the existing airport sewage system has been approved by the Health Department. We are planning to meet with the Building Committee on September 25th.

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 approved the

Memorandum of Agreement for the project last Friday and award of the contract to W&L Construction. Target completion date is mid-November.

VDOT/Morgan Ford Bridge – The project is approximately 50% 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. The contractor has received and set the box beams for the bridge. Over the next several weeks they will prepare to install the concrete overlay on the box beams. The temporary work bridge will remain in place in order to facilitate placing the concrete deck overlay. Once the deck is placed, the contractor will need to construct the concrete railings.

VDOT/South Fork Bridge – The project is approximately 88% complete and remains 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 two additional lanes, a bike lane and sidewalk to the west. Stage II deck pours are complete as well as the closure pours connecting Stage I and II. The Stage II bridge sidewalk and concrete railing are almost complete. The contractor will continue to finalize Stage II of the new bridge. The contractor is continuing grading work on Route 55 and along the Quadrant Roadway and installation of the overhead directional sign. Signal work will be ongoing at the three intersections of the QRI.

Route 340/522 Trolley Project – Service to the corridor and LFCC started on July 31st. County staff has been blanketing the corridor with flyers and brochures to advertise the new service and will continue to do so over the next several months.

Tiger Grant Application – County staff continues to work with the Port of Virginia, Norfolk Southern, and VDOT on the resubmission of a Tiger Grant application for a grade separated crossing at Route 658 (Rockland Road). The grant submission is due October 16th.

Commercial Projects – Work continues on the following projects:

- Royal Farms Convenience Store – Pad Completion September 25th – Store Completion Fall 2017
- Marriott/TownePlace Suites – Summer 2018 Completion

Project	Ad/Bid Date	Cost	Estimated Completion Date	Status
FRWC Airport Obstruction Removal	Summer 2016	\$804,000	Fall 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
Leach Run Parkway	6/2015	\$15,800,000 Estimated	Summer 2017	Completed
Totten Lane – Turn lane Project	Summer 2016	Unavailable	Spring 2017	Completed
New Warren County Middle School	Winter 2015	\$44,100,000	Summer 2017	Completed
Freezeland Road Kiss-n-Ride	Fall 2014	Unavailable	Fall 2017	Phase I Completed – Fall Paving
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

Rt. 522 Corridor Water Upgrade: The Town has completed the preliminary engineering review and currently evaluating funding options. Should go to Council in September.

Afton Inn: The BAR reviewed the demo application submitted to Mode Development. The BAR toured the Afton Inn on August 15th and held a public hearing on August 22nd. They BAR denied the application on September 12th. The EDA did an appeal September 18th. Town Council will decide on the appeal September 25th.

CDBG Grant: Application was submitted on March 29, 2017 and we found out last Friday that our grant was not funded for this year.

Criser Road Bridge: We have received 1 bid which was double the cost of our construction estimate from Matterson & Craig. We put the bid back out, due in on September 8th. We now have 2 bids that are double the cost. We are going to reevaluate.

Criser Road Trail: Have received 4 bids and is currently finalize cost and contract. Negotiating with Lantz Construction. Staff will seek Council approval and start construction in September 2017. They estimate 120 days of construction.

Happy Creek Phase 2: Sent a letter to VDOT to release the funds off the remaining of the Phase 1 project.

ITFederal: Staff is still working on this along with the Main Street Extension. Waiting on Bohler's revision to comments on review.

Main Street Extension: Staff has met with Pennoni on final design and traffic analysis for Main Street. Staff is now working with Pennoni and Boehler to complete the final design of the road.

Joint Tourism Board: The Town and County are working on a MOU to appoint a Joint Tourism Advisory Committee.

Police Department Building (former): Closing is scheduled for August 31st.

New Police Department Building (new): Seven contractors showed up for the pre-bid meeting. Bids came back September 7th. We did receive 4 bids and they are \$800,000.00 more than we anticipated. We're going to take to town council to discuss what are our next steps are.

Property Maintenance code: Town Council discussed again at the work session on August 7th and have scheduled a public information meeting on August 28, 2017. The first read of this code will be September 28th.

Public Safety Campaign: 80% complete with all the cross walks in town. The program has a 3 prong approach: education, improving infrastructure and soft/hard enforcement.

Washington Gas & Light: Approval has been made by SCC to do a pilot project to Front Royal. A meeting was held in September. WG&L got the green light from the State Corp to move forward with a pilot project.

Westminster Sidewalk Project (VDOT): Staff recently received approval for the grant and can now advertise this project.

Waste Water Treatment Plant: Work continues and is now 86.6% complete. November 18, 2017 is the estimated completion date with a certificate to operate under the 5.3 MG permit.

Chamber of Commerce:

Brews and Blues Festival is September 23, 2017.

EXECUTIVE DIRECTORS REPORT- Jennifer McDonald
EXPLANATION & SUMMARY:

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

The EDA is allowed to enter into contracts and projects without the consent or approval of the Town or County **UNLESS** Town or County funds are being spent on that contract or project; however it has been the practice of the EDA to update the Town Council and Board of Supervisors in closed meetings of these transactions before they take place. If the debt service changes impact the Town or County budget a resolution must be approved by the appropriate Board or Council.

EDA Projects:

Workforce Housing:

This EDA announced the Aikens Group as the developer of the project. EDA continues to wait on DEQ approvals before deeding the land to the Aikens Group per the contract. We received an email from David Frank advising that the Aikens Group can buy nutrient credits and that will help to move us along.

Skyline Regional Justice Training Academy:

The EDA was approached by an investor that was willing to invest in building a regional training facility for law enforcement. The EDA has spent through investor funds, a total of \$618,923.67 to date on the project. We are currently working through DEQ, budgeting, and design issues and still hope to break ground in 2017. This project is funded solely by the investor and does not have any EDA, county or town funds involved.

The Planning Commission will meet on September 20th to approve the subdivision plat and move to the Town Council on September 25th. Once that has been approved Shockey will look at construction numbers to see if we can still meet the approved budget amounts.

ITFederal:

The EDA continues to work with ITFederal on a scaled down version of their project. To date ITFederal has pulled \$625,562 from the \$10mm loan to cover costs associated with DEQ permitting, Pennoni Engineering services, Design services, hauling dirt to the site to fill a 10' gap across the 30 acres, and other miscellaneous items. The EDA initials and approves all invoices before money is pulled and invoices are paid.

The EDA anticipates they will break ground in Fall 2017 once dirt has been compacted, West Main Street plans have been approved by the Town, and they are ready for construction. The Town nor County have been asked to fund any portion of this project nor have they been asked to provide any incentives to the company.

ITFederal continues to wait for Town approval of the submitted site plan. ITFederal has started to remove concrete from the weigh station area in order to prep the site for construction. A temporary construction road will be installed off Kendrick Lane.

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.

The Board of Architectural Review met September 12th and denied the request for demolition. The EDA will appeal to the Town Council on September 25th.

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 in Fall 2017. The EDA currently owes \$477,551.76 on the property and has received rent through May 2017. In May 2017 the EDA will be 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 that role.

Leach Run Parkway:

The Leach Run Parkway was opened on June 26th, 2017. The EDA just requested payment invoice for Branch Highways. Total paid to Branch is \$13,099,232.10. The EDA currently has mortgages on the Parkway properties in an amount totaling \$1,942,986.22 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 \$30,314.73 has been paid by the EDA for this project.

The Town hopes to break ground on this road in 2017.

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 2 inquiries in the months of August and September.

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.

The Board will vote on the memorandum of agreement with the County, contract with W-L Construction & Paving, Inc, and contract to purchase nutrient credits in the amount of \$38,650 at a special meeting on September 15, 2017 at 8:30am.

Development Review Committee:

Committee continues to meet the fourth Wednesday of each month at the County building. Last meeting was held on August 23rd. (see attached agenda). Items discussed were the Toray expansion, potential office space on Chester Street, former B&G Goods building, Interchange development, and other miscellaneous items. We met with a Dupont representative and there was a \$50 million settlement to contribute back to the community. We believe we may qualify for some of that money to put towards the trails on the conservancy side here at the Avtex site. The NSVRC is going to make it part of their grant application and hope to hear something next month.

Miscellaneous Items:

The EDA contributed \$2,500 to the trolley project that will allow citizens of the community reliable transportation to jobs in the corridor. According to Mr. Stanley the ridership is increasing.

Executive Director continues to work on the Front Royal Golf Club committee that meets the third Thursday of each month. Currently the Golf Club is looking at RFP's to have an outside agency manage the course.

Meeting with Doug Stanley and Brandy Rosser to discuss trails at Avtex. There may be funds available through the DuPont settlement that would help get the trails started.

The EDA has identified a grant opportunity for the Town that will help offset the cost of equipment at the new Police headquarters. I have emailed Mr. Waltz and Mr. Wilson with the Town and they would like the EDA to pursue the grant. This is up to \$25,000.00 through the USDA. We apply now and hear a decision in October or November. We can apply again in February for additional funds.

In the Month of September staff had 2 site visits with Jeremy Camp and David Beahm.

Hosted a meeting with Department of Commerce Delegation at the Inland Port. 14 different countries were represented. Presentation was on how Economic Development and the Inland Port work together to attract foreign investment for imports and domestic investment for exporting.

Mortgage Liabilities:

506&514 E. Main Street: \$477,551.76

Combined Loan: Balance: \$3,803,755.87 and that number includes the following properties and balances of each;

- Success Park Loan- \$187,483.74
- 404 Fairground Rd.- \$277,336.74
- Happy Creek Industrial Park- \$451,694.51
- Stephens Park- \$622,134.42
- Baugh Drive- \$347,253.44
- Ramsey property- \$844,432.74
- 1497 Happy Creek Rd- \$317,565.13
- NVA- \$237,443.52
- Benson- \$25,186.69
- 1425 Happy Creek- \$133,646.51
- 1433 Happy Creek- \$360,344.67

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 \$414,650.17.

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 \$4,598,123.13 which was a percentage of the entire project. This number will soon increase to \$9,000,000 as shown on the balance sheet and as the funds are drawn real numbers will appear on our financial statements.

Current numbers:

RJES: \$3,814,958.29

PD: \$841,882.39

LRP: \$2,699,322.86

West Main: \$1,140,388.53

522/340: \$19,892.68

RBEL program- The EDA currently has \$205,151.12 in the RBEL account. We currently have 17 active loans totaling \$166,084.15. The EDA just approved a new loan to Premier Copiers in the amount of \$20,000.

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: \$719,862

County Funds: \$372,681 or 52%

Town Funds: \$141,390 or 20%

EDA Funds: \$205,791 or 28%

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:

Ms. McDonald wished Ms. Marla Taylor Jones good luck on her retirement.

DIRECTOR COMMENTS:

Mr. Drescher read the resolution and presented Ms. Jones with a plaque thanking her for her 20 years of service and a job well done.

MOTION TO GO INTO CLOSED MEETING

I, Bruce Drummond, 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"; EASTHAM, "AYE"; BIGGS, "AYE"; DRUMMOND, "AYE" AND BLANTON, "AYE".

MOTION COMING OUT OF CLOSED MEETING

On a Motion by Mr. Drummond, 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" , BIGGS, "AYE", AND BLANTON, "AYE".

(9:20 a.m.)

New Business:

Due to the holidays, the November/December EDA Board meeting will be combined on December 8, 2017 at 8am.

Mr. Drescher advised that Mr. Mark Baker was appointed to the EDA Board of Directors.

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

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

(9:21.a.m.)

The next regular meeting of the EDA Board of Directors is scheduled for Friday, October 27, 2017, 8:00 AM in the EDA conference room.

Respectfully submitted by:

Michelle L. Henry
Administrative Assistant