

BOARD OF DIRECTORS MEETING
INDUSTRIAL DEVELOPMENT AUTHORITY
Of the Town of Front Royal and County of Warren, Virginia
Dbas the Economic Development Authority (EDA)
October 4, 2019 at 8:00 a.m.
Special Meeting OFFICIAL Minutes

Present: Dr. Ed Daley, Chair; Dr. Tom Patteson, Treasurer; Marjorie Martin, Secretary; Gray Blanton, Director; Greg Harold, Director. Also present were Doug Parsons, Executive Director; Carolyn Stimmel, EDA Financial Consultant; Cullen Seltzer and Dan Siegel of Sands Anderson law firm; Gretchen Henderson, EDA Administrative Assistant and Recorder.

Others Present: Felicia Hart, Director of Tourism and Community Development, Town of Front Royal; Walter Mabe; Roger Bianchini and Mark Williams, Royal Examiner; Josh Gully, Northern Virginia Daily.

Call to Order

Dr. Daley called the meeting to order at 8:05 a.m.

Agenda

Mr. Harold made a motion, seconded by Mr. Blanton, to adopt the agenda as presented. The motion passed unanimously.

Minutes

The minutes from the Special Meeting of Sept 10 were presented. Dr. Patteson, seconded by Mr. Harold, made a motion to accept the minutes as presented. The motion passed unanimously.

The minutes from the Regular Meeting of Sept 27 were presented. Mr. Harold, seconded by Mrs. Martin, made a motion to accept the minutes as presented. The motion passed unanimously.

Committee Reports

Exec Committee

Dr. Daley stated that the committee report would be shared in Closed Session today.

Finance

Mrs. Martin stated that the committee report would also be shared in Closed Session today.

Assets Management Committee

Mr. Harold reported that a LCW Construction of Winchester has been awarded the contract to repair the 514 E. Main property. The contractor was providing appropriate certificates, insurance, and other documentation. Work was expected to begin Saturday, October 5.

Mr. Harold stated that the buyer of the 404 Fairgrounds Road property had submitted a Letter of Intent (LOI). Discussions are ongoing. Also, Mr. Harold reminded everyone that the 426 Baugh Dr. property was going to be listed with a national brokerage, per a motion in a previous board meeting. Mr. Harold had prepared information about the Afton Inn to discuss in Closed Session.

Finally, Mr. Harold planned an "Asset Walk" for the Asset Management Committee and open to the public following the special board meeting October 11 at 8 a.m. He was planning a tour of the following EDA-owned properties:

- 400 Kendrick Lane-available suites
- 426 Baugh Drive
- Happy Creek Industrial Park
- 404 Fairgrounds Road

Dr. Daley and Mr. Browne discussed an Executive Committee meeting for the month of October and chose Tuesday, October 15 Executive Committee 2 p.m.

The Communications Committee did not have a report.

Closed Session

On a motion by Jeff Browne, seconded by Mrs. Martin, the Board of Directors entered into a Closed Session under the provisions of **Virginia Code § 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. Be it further moved that discussion be limited to properties located on Fairgrounds Road.

The Board of Directors also entered into a Closed Session under the provisions of **Virginia Code § 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. Be it further moved that such discussion be limited to the case of *Industrial Development Authority v. Jennifer McDonald et al.*, and *Town of Front Royal v. IDA*.

The Board of Directors also entered into a Closed Session under the provisions of **Virginia Code § 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. Be

it further moved that discussion be limited to the discussion of loans, accounting, and debt service issues, the Afton Inn, and workforce housing.

The Board of Directors also entered into a Closed Session under the provisions of **Virginia Code § 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. Be it further moved that discussion be limited to briefings by staff and committee members regarding candidates for new EDA legal counsel.

ROLL CALL:

Blanton	Aye	Baker	Aye	Martin	Aye
Daley	Aye	Browne	Aye		
Patteson	Aye	Harold	Aye		

On a motion by Jeff Browne, seconded by Jorie Martin, and by the following vote, the Board certifies that to the best of each members' knowledge that only public business matters lawfully exempted from open meeting requirements under **Virginia Codes § 2.2-3711.A.3, 2.2-3711.A.5, 2.2-3711.A.7, and 2.2-3711. A.8** of the Virginia Freedom of Information Act 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:

Blanton	Aye	Baker	Aye	Martin	Aye
Daley	Aye	Browne	Aye		
Patteson	Aye	Harold	Aye		

Motions out of Closed Session

1. Mr. Brown proposed a motion to authorize Sands Anderson to file an amended complaint in *IDA v. Jennifer McDonald, et al.* Mr. Harold seconded. The motion passed unanimously.

2. Mr. Brown made a motion, seconded by Mr. Harold, to hire Greehan, Taves, & Pandak, PLLC at the new EDA Legal Counsel. Mr. Browne was to negotiate the final contract. The motion passed unanimously.

****Due to a concern about Rules of Order and topics that the board could discuss in Closed Session, an amendment to one of the Exemption Codes listed in the agenda was discussed.****

3. Mr. Brown made a motion, seconded by Dr. Patteson, to Amend Code 2.2-3711.A(8) as presented in the agenda to add "and other related legal matters". The motion passed unanimously.

As a result a second Closed Session was convened.

On a motion by Jeff Browne and seconded by Greg Harold, the Board of Directors entered into a second Closed Session under the provisions of **Virginia Code § 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. Be it further moved that discussion be limited to the discussion of loans, accounting, and debt service issues, the Afton Inn, workforce housing, and related legal matters.

ROLL CALL:

Blanton	Aye	Baker	Aye	Martin	Aye
Daley	Aye	Browne	Aye		
Patteson	Aye	Harold	Aye		

On a motion by Jeff Browne, seconded by Jorie Martin, and by the following vote, the Board certifies that to the best of each members’ knowledge that only public business matters lawfully exempted from open meeting requirements under **Virginia Codes § 2.2-3711.A.3, 2.2-3711.A.5, 2.2-3711.A.7, and 2.2-3711. A.8** of the Virginia Freedom of Information Act 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:

Blanton	Aye	Baker	Aye	Martin	Aye
Daley	Aye	Browne	Aye		
Patteson	Aye	Harold	Aye		

Motion out of Second Closed Session

No motions out of Second Closed Session.

Dr. Daley announced that there will be a Special Meeting of the whole EDA Board of Directors on Friday, October 8 at 8 a.m. followed by the Assets Management Committee meeting and Property Walk.

Mr. Harold invited everyone to the ITFederal property, aka Royal Phoenix Lot 6, following the meeting. The topic of discussion was going to be a conflict between the Town and Curt Tran, the owner of the ITFederal property about a 42” drain pipe Specifically, the issue is who is contractually obligated to pay to install the 500’ of drain pipe through Royal Phoenix Lot 6, the Town or Curt Tran? Dr. Daley reiterated to the attendees that this impasse over the drain pipe is what is holding up the Town’s ability to complete the West Main Street Connector.

Adjourn

All business being concluded, Dr. Daley adjourned the meeting at approximately 11:37.