

BOARD OF DIRECTORS MEETING
INDUSTRIAL DEVELOPMENT AUTHORITY
Of the Town of Front Royal and County of Warren, Virginia
Dbas as the Economic Development Authority (EDA)
September 10, 2019 at 8:00 a.m.
Special Meeting OFFICIAL Minutes

Present: Dr. Ed Daley, Chair; Jeff Browne, Vice-Chair; Dr. Tom Patteson, Treasurer; Marjorie Martin, Secretary; Gray Blanton, Director; Greg Harold, Director. Also present were Doug Parsons, Executive Director; Dan Whitten, EDA Attorney; Gretchen Henderson, Administrative Assistant and Recorder.

Others Present: Visitors Cheryl Cullers, and Juanita Sinter; Felicia Hart, Director of Tourism and Community Development; Roger Bianchini and Mark Williams, Royal Examiner; Josh Gully, Northern Virginia Daily.

Director Mark Baker was absent.

Call to Order

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

Agenda

Dr. Patteson made a motion to approve the agenda as presented. Mr. Blanton seconded. The motion was approved unanimously.

Minutes

The minutes from the regular board meeting from August 23 were presented. Mr. Harold made a motion to approve the minutes as presented. Dr. Patteson seconded. The motion was approved unanimously.

Committee Reports

Executive Committee-Jeff Browne

Warren County has contracted with the firm Litten Sipe to provide temporary legal services. Mr. Browne reported there have been two firms who responded to the RFQ for Legal Services at present. The deadline for submissions has been extended to September 23, 2019. During discussion, the board identified an interim gap of September 16–27 where the EDA will be without legal counsel.

Mr. Whitten proposed asking Doug Stanley, County Administrator, if the county firm would be willing to provide interim legal counsel to the EDA.

Mr. Browne made a motion to EDA agree to use Interim County Attorney up to \$10,000 with county approval and have the Executive Director as the point of contact. Mr. Harold seconded. The motion was approved unanimously.

Mr. Browne discussed continued negotiations with the Town of Front Royal regarding the Front Royal Police Department. Two major pieces of information needed are the total amount borrowed-to-date and specify the specific differences in various financial calculations between the Town and EDA. The desire is to find a resolution and move forward.

EDA Reform Committee

Mr. Browne explained that the Joint Committee approved the addition of an EDA Board member to the EDA Reform Committee.

Mr. Browne suggested appointing Ed Daley to represent the EDA on the EDA Reform Committee, with Jeff Browne the alternate. However, Mr. Whitten noted that the Joint Committee did not actually approve the motion to seat an EDA Board member on the EDA Reform Committee. Dr. Daley concurred with Mr. Whitten's observation. The Board of Directors decide to proceed.

Mr. Harold made a motion to appoint Ed Daley as the EDA representative to the EDA Reform Committee, with Jeff Browne as the alternate. Dr. Patteson seconded. The motioned passed unanimously.

Dr. Daley stated that he desired to have special board meetings on Fridays in the future, if needed. He asked the Directors to keep October 11 and November 15 open in the event a special meeting was needed.

Finance Committee-"Jorie" Martin

The Committee met September 10. All of the requisitions have been paid to date. The EDA has a construction loan with United Bank with a 3% interest rate. Despite an arrangement to the contrary, the EDA has not been reimbursed by the Town for debt service on the loan.

Ms. Martin reported that a prospect for the EDA-owned property 426 Baugh Drive has been referred to the Assets Management Committee. Ms. Martin stated that the Finance Committee agreed to pay closing costs and buyer's commission, depending on the sales price.

Ms. Martin discussed the prospective sale of 404 Fairgrounds Road. The Finance Committee did not agree to pay closing costs. Mr. Parsons stated that the prospect submitted a Letter Of Intent to reflect that point.

Ms. Martin reported that she has looked at the insurance policies for the various EDA-owned properties. She has contacted insurance brokers. The next policy up for renewal is 1325 Progress Drive, currently insured by Stoneburner-Carter Insurance. Other properties will be up for renewal in the upcoming months. An option is putting all properties under one insurance policy and bidding out.

Mr. Harold asked why the Town doesn't know the cost of the FRPD Station project-to-date, since the EDA is just a "pass through". Dr. Daley suggested that the EDA be a facilitator of projects not contractor.

Dr. Patteson suggested that Mr. Harold review the change orders for the FRPD to ensure that there were legitimate and justified. He also stated that the amount of funds set aside as Retainage was prudent and appropriate for the project.

Asset Management-Greg Harold

426 Baugh Drive-

There was a meeting Wednesday, September 4, regarding the Letter Of Intent (LOI) from the interested party. The committee has recommendations they will present in Closed Session.

Afton Inn-

Mr. Harold met with the developers Monday, September 3. The developers are very interested in continuing their work. The EDA is exploring a restructuring of the contract in order to facilitate the completion of the project.

404 Fairgrounds Road-

The committee reviewed a Letter Of Intent (LOI) with EDA revisions. Mr. Whitten noted that the interested party wishes to remain anonymous so the LOI was going to be presented in Closed Session.

Committee goals for September includes physical inspection and winterization of all EDA-owned properties.

Dr. Daley suggested the committee develop a policy about Sales Commissions.

Closed Session

On a motion by Jeff Browne, seconded by Greg Harold, the Board of Directors entered into a Closed Session under the provisions of **Virginia Code § 2.2-3711.A.3**: discussions 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. Mr. Browne further moved that discussion be limited to property located on Main Street and Fairgrounds Road.

Board of Directors also 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 the disposition of publicly held real property where discussion in open meeting would adversely affect the bargaining position or negotiating strategy of the EDA. Mr. Browne further moved that discussion be limited to property located on Main Street, Stephens Industrial Park, and Fairgrounds Road.

Board of Directors also entered into a Closed Session under the provisions of **Virginia Code 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. Mr. Browne further moved that discussion be limited to businesses to be located on the Stephens Industrial Park, Main Street, Happy Creek Technology Park, and/or Fairgrounds Road.

Board of Directors also entered into a Closed Session under the provisions of **Virginia Code Section 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. Mr. Browne further moved that discussion be limited to the discussion of loans, accounting, debt service, and the Afton Inn.

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

On a motion by Jeff Browne, seconded by Tom Patteson, 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 Code § 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:

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

Motions out of Closed Session

Mr. Browne made a motion, seconded by Dr. Patteson, to accept the LOI and Asset Purchase Agreement of 404 Fairgrounds Road for \$375,000, including a 30-day study period, contingent on Attorney's review and approval. The vote was unanimous.

Mr. Browne made a motion, seconded by Dr. Patteson, to put out an RFB for repairs for 514 E. Main St., accept the insurance payout from Progressive Insurance, and give the tenants notice that the EDA will no longer pay for lodging after September 30. The vote was unanimous.

Adjourn

All business being concluded, Dr. Daley adjourned the meeting at 11:18 a.m.