

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE TOWN OF FRONT ROYAL & COUNTY OF WARREN, VIRGINIA
dba ECONOMIC DEVELOPMENT AUTHORITY (EDA)**

A regular meeting of the Board of Directors of the Industrial Development Authority of the Town of Front Royal and the County of Warren, Virginia, dba Economic Development Authority, was held on Friday, January 27, 2023, at 8:00 AM at the Warren County Government Center, Conference Room, 220 N. Commerce Avenue, Front Royal, VA 22630, and streamed online.

Board Members Present: Greg Harold; Scott Jenkins; Jorie Martin; Jim Wolfe

Board Members Present Online: Jeff Browne

Others Present: Joe Petty, Warren County Director of Economic Development; Zach Henderson, Office Manager for Economic Development; Walt Mabe, Warren County Board of Supervisors; Vicky Cook, Warren County Board of Supervisors, Ed Daley, County Administrator.

Presenters: Douglas Ichiuji, Abigale Patterson (online), John Loftus (online)

Chair Jeff Browne called the meeting to order at 8:03 AM, Mr. Jenkins moved for approval of a motion to allow him to participate remotely due to medical reasons regarding a family member. The motion was seconded by Mr. Wolfe. The motion passed with the following roll call: Browne, Aye; Harold, Aye; Jenkins, Aye; Martin, Aye; Wolfe, Aye.

Once approved, roll was called with the following: Browne - here, Harold - here, Jenkins - here, Martin - here, Wolfe here.

Adoption of the Agenda:

Mr. Browne addressed the change to item 5A, and also to enforce a hard stop at 9:00AM for a VDEP presentation. Also, during the closed session, there will be five matters instead of four, and item C will be moved before B, in said session.

Mr. Wolfe motioned for approval of the amended agenda and the motion was seconded by Mr. Jenkins; and approved with the following roll call: Browne, Aye; Harold, Aye; Jenkins, Aye; Martin, Aye; Wolfe, Aye.

Approval of the December 9, 2022, Minutes:

Ms. Martin moved for the minutes to be approved and the motion was seconded by Mr. Jenkins; and approved with the following roll call: Browne, Aye; Harold, Aye; Jenkins, Aye; Martin, Aye; Wolfe, Aye.

5 - A Unfinished Business:

Mr. Petty introduced Mr. Douglas Ichiuji of Rockledge Development Company LLC who wanted to discuss a water line easement. Mr. Ichiuji handed out a map and summarized his various properties on Happy Creek Road. He does not have a tangible plan for the property as of now. It is zoned for one acre lots. He expressed a need to get water to the property. He would like an easement to tap into the water line that is along Shenandoah Shore Road.

Mr. Harold asked if he considered pulling water from across Happy Creek Road. Mr. Ichiuji said that he did and he had spoken to the Town of Front Royal which did not object to that. Furthermore, Mr. Ichiuji stated that he is flexible regarding the direction of the pipe itself and that he would follow the property line for the sake of convenience to the EDA.

Mr. Browne asked if a subsequent buyer of the two properties in question would be impeded in their ability to develop by the right of way. Mr. Harold expressed a concern about the easement and said it would impact the property because developers would not be able to build over the pipe.

Mr. Mabe asked how many additional houses could be placed there if the current zoning (R1) was changed to R1A. Mr. Ichiuji stated rezoning would permit over 100 houses with the waterline.

Mr. Harold asked why Mr. Ichiuji purchased the property in the first place. Mr. Ichiuji stated that he was looking for vacant land that had potential development opportunities and to increase County revenue.

Mr. Browne asked if Mr. Ichiuji was willing to consider Mr. Harold's alternative by going across Happy Creek Road. Mr. Ichiuji stated that he would mostly likely have to anyway because the Town was in support of the redundancy of a loop. Mr. Browne stated that he would want to preserve the land unencumbered as much as possible.

Executive Committee Reports:

- A. Avtex Ad Hoc Update: Ms. Martin stated that their presentation to the Board of Supervisors went well and there has been follow up with FMC and the EPA. Mr. Jenkins added that the presentation focused on the conservancy part of the property. He emphasized the intention to move forward with a RFI for the remaining industrial side before the February meeting.

Mr. Browne asked if there should be a special meeting to get Board direction as to what should be done with the property. Mr. Jenkins stated that it would be helpful to have a draft of the RFI and a meeting that focused on review of it, including the possible uses of the land.

Mr. Petty stated that he and Ms. Taryn Logan (Deputy County Administrator) spoke with representatives from the EPA, FMC, and Parsons. That was a follow up to an earlier discussion since the site visit. They reviewed the old and new plans. Their goal was to see what can be done on the land and the cost implications, etc.

- B. Mr. Browne stated that Mr. Petty, Mr. Jenkins, Dr. Daley met with officers from First Bank and Trust and focused on understanding the current relationship. Mr. Jenkins added that Mr. Petty provided a summary of recent loans payments and noted the timing delays and the process of going through Finance, and how it can be costly because the interest grows until payment. Several options were mentioned that could help speed the process such as, automation, online payments, email statements, etc. Mr. Petty agreed and stated that it has been a big help to have the County sign payments instead of having Mr. Browne and Mr. Wolfe.
- C. Asset Committee - Greg Harold: Mr. Harold stated that there was nothing to include for public discussion.
- D. Finance Committee - Jim Wolfe: Mr. Wolfe stated that the budget has been submitted to the County and he is expecting feedback based on what was discussed during the previous meeting. Mr. Petty confirmed that it was submitted. He is waiting on an exact date to make a presentation. Mr. Wolfe asked Ms. Cook if they would like representation from the EDA. Ms. Cook stated that it would be beneficial to have that representation.

Board Member Updates:

- Mr. Browne stated that the Wednesday group, which is a group of WC volunteers who work to address unmet needs in the County, has two projects for the upcoming year. One is the I.T. Club for High School students and how it is beneficial for the students. The second is a grant program that will assist in identifying, writing, and administrating the programs and go through the overall process.
- Ms. Martin was enthusiastic about the Wednesday group and said there was a better way to communicate that these programs were going on. Including this information on the County and the EDA's website should be used to "spread the news". Mr. Harold agreed but expressed concern about

where the traffic and feedback could be generated from and where to best post information about these programs and opportunities. He also suggested Facebook.

- Mr. Harold visited CCAP the previous week. He spoke highly of their operation and how well they are utilizing the EDA space. They were able to double the amount of food distribution simply by moving to this location and having a nicer space.
- Mr. Jenkins stated that he personally worked with CCAP on getting their food supplies in their facility. Furthermore, the Chocolate crawl is coming up that includes participants from February 6th through the 14th downtown that offer themed programs and food offerings/discounts.

New Business:

A. VEDP Presentation – Abigail Patterson & John Loftus

Mr. Petty introduced Ms. Abigale Patterson and Mr. John Loftus of the VEDP and said it is a great opportunity to talk about what they do from a regional and state perspective to see how it could help this organization.

They introduced themselves and summarized their services as an entity and individually. They emphasized one of their main roles is for the real estate solutions team to be familiar with the real estate product in Virginia, both in industrial and office. They maintain a database that keeps track of all the available real estate on their website to assist the prospects with whom they work. Furthermore, they have a business investment team which focuses on marketing and business investment.

Mr. Jenkins asked if the data base includes private properties or just the EDA's/Government owned. Mr. Loftus said that it does include both private and public as a way to broaden their opportunities. However he said that it was easier to work with more publicly-owned properties. Mr. Petty commented that he has been in contact with various property owners to see if they would be interested in having their property on websites such as this. Overall, he spoke highly of this program.

Ms. Patterson shared website statistics with the Board; specifically, for Stephens Industrial Park. In their database now, there are 453 active properties across the state of 25 acres or more that vary based on zoning, readiness, and ownerships. Of those, only 27 are rail service sites, they include Stephens Industrial Park, and 3 of those are in the Northern Shenandoah Valley.

Ms. Martin emphasized the readiness of Stephens Industrial Park despite its challenges with topography, etc. She asked for recommendations on what they should be looking for because have been many interested parties but thus far no buyers due to the development challenges. Mr. Loftus stated that there is some grading but suggested obtaining an estimate from an engineer on how much it would cost, how long it would take, and the specifics on the structures that could be developed. This document could be shown to interested parties to give them a clear picture and help to eliminate a risk factor. Mr. Petty also emphasized that that the EDA has proposed a budget for engineering services.

Ms. Patterson stated that between 2021 and 2022 there have been approximately 250 property request searches and 20% have been rail service projects. Mr. Wolfe asked if there is a written summary or annual report that can be used as a benchmark. Ms. Patterson said there is a regional report and a quarterly partner report that show the current open projects, but they are also working on a more general update either annually or quarterly and are open with being flexible with the EDA with what they need specifically.

Mr. Jenkins asked if they have the ability to look at projects that been started or completed over a specific timeframe and whether they are located geographically in our region. Mr. Loftus said that they do not have that ability. For the general geographical location they usually go through Co-Star and other locations. However, when a project comes in and is closed with the state, there are ways to figure out and track where they located. Mr. Jenkins commented that it would be beneficial to know where the 26 projects that were recommended to Stephens Industrial ended up and why.

Mr. Browne encouraged and supported the inland port. He asked what the VDEP is doing to bring back USA manufacturing and how the EDA can assist. Mr. Loftus stated that, before Covid, 60% of their projects

were office or services, and now they are over 70% manufacturing. They are trying take full advantage of the onshoring program. Their business investment team is spearheading that effort.

Ms. Patterson then discussed the Virginia Business Readiness grant funding. There was a recent announcement of about \$90 million in grants that were awarded. Bills in the General Assembly this year include additional funding for this program. They had approximately 40 applications this year and were previously able to give 90 million over 350 million in asks.

Mr. Browne asked, since none of the EDA's sites meet the criteria for that grant, where would the EDA look for potential grants. Mr. Loftus said that Go-Virginia and Norfolk Southern would be good for their diligence and willingness to work with VDEP to enhance the market availability.

Mr. Petty said that if the application process for this program would be very similar to the prior one, it would be best to be prepared. The EDA has two sites of 100 acres that are in contiguous. He asked if such a site would run into issues with the applications. Mr. Loftus said there would be no issues because the legislation requires 100 contiguous acres or a brownfield site. Ms. Patterson also stated that the pre-application is expected to be released in late spring or early summer and they are anticipating an announcement in the fall.

B. Open-Door Business Sessions - Jorie Martin & Joe Petty

The presentation concluded and the EDA decided to continue with new business and discuss the open-door sessions with Mr. Petty and Ms. Martin. Ms. Martin stated that they met with the Inland Port and are set for the first luncheon with flyers. Invitations are being sent to industries in the corridor, developers in the County, brokers, local Town and County leadership, the Chamber of Commerce, and Laurel Ridge Community College. The goal is to discuss Warren County's location and making sure there is a good line of communication to promote the County as a valuable asset for economic development.

C. 2023 Meeting Schedule: Work Sessions

Mr. Petty and some EDA Board members met with Dr. Daley. One of subject of discussion was the length of certain meetings. He mentioned the possibility of adding work sessions during the month to best ensure that everything gets the proper attention in a timely manner. A work session would be like a regular meeting but would likely not include any voting. Ms. Martin asked if it would be advisable to set specific dates similar to what the County does in terms of advertising and if there is a requirement to have a quorum if no voting will be done. Ms. Pandak stated that notice will have to be given under FOIA and thr EDA could have a calendar that lists all work sessions and regular meetings. However, notice would still have to be given and an agenda would still have to be made. Furthermore, a quorum is not needed but the meeting would have to be advertised and, there could be no voting unless a quorum is established. Mr. Harold commented that one thing his company does successfully for its meetings is that every category is timed depending on the item.

D. Certificates of Satisfaction

Mr. Petty provided 4 certificates of satisfaction for loans in the Board packets (J's Gourmet, Boitia Coffee, On Cue, Our Hometown Diner) and mentioned that all remaining loans are current. The money from these loans goes right back into the program.

Ms. Martin moved for approval of the 4 Certificates of Satisfaction for lien release for Mr. Carson Boitia of the Boitia Coffee Company LLC, Mr. and Mrs. Gedney of J's Gourmet, Mr. Cole Haas of On Cue Sports and Billiards LLC, and Tanya Cornwell of Our Hometown Diner. The motion was seconded by Mr. Wolfe. He suggested that a press release to be done and Mr. Harold suggested that a final verification to go with certificates in the future. This motion was approved with the following roll call: Browne, Aye; Harold, Aye; Jenkins, Aye; Martin, Aye; Wolfe, Aye.

E. C-CAP Lease Amendment

Mr. Petty stated that the EDA Board approved the lease in September of 2022 with a certain payment structure. They would pay an average of \$1,400 a month; from January through October, that would increase for November through December to \$3,400. However, the lease was not written per month, it was

written as a number (months 1-10 from the commencement date) which was September. So, CCAP would owe larger payments in July and August which was not part of the original negotiations. This amendment would make the first year 16 months in time and would include the four months that have already been paid. Then it would restructure to a calendar year from January through October.

Mr. Browne commented on C-CCAP's space issues with storage of clothes. They have requested to use the Board room in Suite A that is currently un-occupied. They would not need climate control. Mr. Browne asked if this should be done as a separate amendment or included as a technical correction. Ms. Pandak suggested an amendment. The first motion for the technical changes to the lease was made by Jim Wolfe and seconded by Ms. Martin. This motion was then approved with the following roll call: Browne, Aye; Harold, Aye; Jenkins, Aye; Martin, Aye; Wolfe, Aye.

The second motion was to allow Ms. Pandak to draft an agreement to permit C-CAP minimal use of Suite A. Ms. Pandak asked if the Board intended to charge additional rent. Mr. Browne stated that he was not considering it but that it is up for discussion. Ms. Martin asked for the timeframe that they want to use this space. Mr. Browne stated that it would mostly be in the Spring and Summer months and in the Fall as needed. Mr. Jenkins asked if there would be a corresponding need to store warm weather clothes in the winter and expressed a concern that it could turn into a year-round activity. He had liability concerns about how access to that part of the building could be controlled. Ms. Pandak stated that that such conditions would have to be clearly stated in the lease agreement. Mr. Jenkins then asked if this would impede the ability to market the property.

Mr. Harold suggested a month to month offering with an increase of \$1. Mr. Browne asked if Ms. Pandak can draft an amendment that can be used during the next meeting for a vote. The motion will allow the Board room in Suite A on a month-to-month basis with 30-day notice of cancelation for \$1 a month. Mr. Harold moved for approval and his motion was seconded by Mr. Wolfe. The motion was approved with the following roll call: Browne, Aye; Harold, Aye; Jenkins, Aye; Martin, Aye; Wolfe, Aye.

F. Baldwin Grazing Lease

Mr. Petty stated that this is the second addendum to this lease and the terms are the same but it has been updated. Mr. Harold asked if moving forward the properties can be identified on the addenda, so the Board knows what they are attached to as well as receiving a copy of the existing lease for reference. Mr. Harold then moved for approval of this addendum and his motion was seconded by Mr. Wolfe and approved with the following roll call: Browne, Aye; Harold, Aye; Jenkins, Aye; Martin, Aye; Wolfe, Aye.

Board Member Updates: Joe Petty

Mr. Petty stated that he has been talking to local businesses to understand their needs of their properties that have been up for lease for a while to see what we can do to help. Furthermore, he is sitting on the Downtown Inc. Board as a non-voting member. They had their first meeting last month. Ms. Martin stated that Downtown had a defined geographical area from South Street onward to downtown. Their focus was to support downtown businesses and also reach out to others to "cross-pollinate" to make sure they all grow. Their mission is to bring people from the outside, in. Furthermore, there used to be a fee and an ordinance that expired but is now back in motion and there will be no fee moving forward.

Closed Meeting, Part 1:

Mr. Browne asked Ms. Pandak to read the motion for closed meeting:

2 matters – Consultation with legal counsel 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, *EDA vs Jennifer McDonald et al.*, *EDA v. Town of Front Royal et al.*, pursuant to Va. Code § 2.2-3711.A.7 and 8.

Mr. Harold moved for approval and his motion was seconded by Mr. Wolfe at 10:32AM. This motion was approved with the following roll call: Browne, Aye; Harold, Aye; Jenkins, Aye; Martin, Aye; Wolfe, Aye. This closed meeting ended at 10:37AM. A certification motion was made by Mr. Harold and seconded by Mr.

Wolfe. The motion was approved with the following roll call Browne, Aye; Harold, Aye; Jenkins, Aye; Martin, Aye; Wolfe, Aye.

Closed Meeting, Part 2:

Ms. Pandak read the meeting into a second closed session for item 6A Avtex Redevelopment, discussion of disposition of publicly held real property where discussion in open meeting would adversely affect the bargaining position or negotiating strategy of the public body, Avtex Redevelopment and legal advice related thereto, pursuant to Va. Code § 2.2-3711.A.3 and 8.

Ms. Martin moved for approval and her motion was seconded by Mr. Wolfe and approved at 10:40AM with the following roll call: Harold, Aye; Jenkins, Aye; Martin, Aye; Wolfe, Aye. The closed meeting ended at 10:54 AM. A certification motion was made by Mr. Harold and seconded by Mr. Wolfe. The motion was approved with the following roll call: Harold, Aye; Jenkins, Aye; Martin, Aye; Wolfe, Aye.

Board Member Updates: Joe Petty (Continued):

Mr. Petty discussed the renewed efforts for McKay Springs with the new leadership in the town and county. Mr. Harold asked if there had been any interest recently. Mr. Petty said there was but there are issues such as joint ownership and the boundary lines don't work with any one development etc.

In terms of the budget and finance, Mr. Petty is still working with the Finance Director to discuss the process of what to do specifically when the money comes in and hopes to have something for the EDA Board to review in order to better define the guidelines. Ms. Martin asked if the bylaws and guidelines could be added to the physical packets for the Board and any resolutions that were discussed.

Mr. Petty then stated that he had been meeting and reaching out to other regional EDAs who frequently meet with surrounding counties to grow and retain talent in the Valley. Mr. Jenkins asked if the programs that are aimed at high schoolers can the EDA can engage their core partners and provide advice and input on what skills will be needed in the near future. Mr. Petty stated that a representative at the college has a good relationship with Blue Ridge Technical Center and the kids that go there. Furthermore, during the most recent job fair, there were reps from the corridor and Worlds of Work ,as well as other County departments and companies.

Mr. Petty then discussed the IT transition over to the County. It should not impact anything noticeable and is still being worked out from an IT perspective. Security is still their number one priority during said transition and all the proper access will remain the same. Mr. Jenkins stated that, before any data transfers are completed, he would like the IT Director to brief the EDA on the security measures that are put in place to protect their information and that it's secured separately. He also suggested that the Board vote on it when the time comes.

Mr. Jenkins then asked about the economic activity is associated with the Airport. Ms. Cook stated that Silent Falcon is the new FBO, and at this time is going through a transition of management. They are providing a business plan for the County that will have activities to increase the traffic at the Airport.

Closed Meeting, Part 3

Ms. Pandak stated that there are 8 items including continued consultation with legal counsel 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, *EDA vs Jennifer McDonald et al.*, *EDA v. Town of Front Royal et al.*, pursuant to Va. Code § 2.2-3711.A.1 and 8. And Item C discussion of the small business committee applicants.

This motion was made by Mr. Harold and seconded by Mr. Wolfe and approved with the following vote: Harold, Aye; Jenkins, Aye; Martin, Aye; Wolfe, Aye.

At 11:35AM the Board went into closed meeting. The closed meeting ended at 12:10PM with a certification motion made by Ms. Martin and seconded by Mr. Wolfe with the following vote: Aye; Jenkins, Aye; Martin, Aye; Wolfe, Aye.

Adjournment:

There was a motion to adjourn the meeting at 12:21PM by Mr. Harold and which motion was seconded by Jim Wolfe and approved with the following vote: Aye; Jenkins, Aye; Martin, Aye; Wolfe, Aye.