

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

At 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 held on Thursday, November 17, 2022, at 10:00 AM at the Warren County Government Center, Caucus Room, 220 N. Commerce Avenue, Front Royal, VA 22630.

Board Members Present: Jeff Browne (Chairman); Scott Jenkins; Jorie Martin; Jim Wolfe

Board Members Absent: Greg Harold

Others Present: Joe Petty (Warren County Director of Economic Development), Zach Henderson (Office Manager, Economic Development), Skip Rogers (Front Royal Town Council)

Others Present (online): Sharon Pandak (FR-WC EDA attorney), Cullen Seltzer (Sands-Anderson), Roger Bianchini (Royal Examiner)

Jeff Browne called the meeting to order at 10:02 AM

Adoption of Agenda – Additions or Deletions:

There were three additions added to the current agenda. The first was to add a closed session topic, and secondly is the discussion and approval of a Certificate of Satisfaction for the release of property, and lastly the Virginia Power Agreement.

On a motion made by Jim Wolfe, and seconded by Scott Jenkins, and the following vote, the Board of Directors approved the amended agenda

Browne, Aye; Jenkins, Aye; Martin, Aye; Wolfe, Aye

Closed Meeting:

On a motion at 10:06 AM by Jorie Martin, seconded by Scott Jenkins, and by the following vote, the Board of Directors entered into a closed meeting for the following:

- 2 matters – Discussion of disposition and/or release of publicly held real property where discussion in open meeting would adversely affect the bargaining position or negotiating strategy of the public body, 280 Kelley Drive, Lipton Property at TM#39C G 20, and legal advice related thereto, pursuant to Va. Code § 2.2-3711.A.3 and 8.
- 1 matter – 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 including related litigation regarding EDA v. Vaught Rappawan, pursuant to Va. Code § 2.2-3711.A.7 and 8.

Browne, Aye; Jenkins, Aye; Martin, Aye; Wolfe, Aye

On a motion at 10:51 AM by Jim Wolfe, seconded by Jorie Marin and by the following vote, the EDA Board of Directors certified to the best of each member's knowledge only public business matters lawfully exempted from open meeting requirements under Va. Code § 2.2-3712 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:

Browne, Aye; Jenkins, Aye; Martin, Aye; Wolfe, Aye

New Business Items:

Before the FY23-24 Budget Request was discussed, Sharon Pandak read through the motion to approve a Certificate of Satisfaction for a \$40,000 loan that has been repaid, and also a release of re-purchase rights and consent and acknowledgment agreement for the Virginia Electric and Power Company.

Jeff Browne asked for a motion for the approval of the Certification of Satisfaction for the Lipton \$40,000 loan. Jorie Martin motioned for approval, and was seconded by Jim Wolfe and was approved via the following roll call: Browne, Aye; Jenkins, Aye; Martin, Aye; Wolfe, Aye

Jeff Browne then asked for a motion for the approval of the Consent and Acknowledgement agreement. Jorie Martin motion for approval, and was seconded by Scott Jenkins, and approved via the following roll call: Browne, Aye; Jenkins, Aye; Martin, Aye; Wolfe, Aye

Review FY23-24 Budget Requests:

Joe Petty went over the itemized list but emphasized that there is no tangible prioritization or raking, furthermore, he has updated the reports for action item priority list that was discussed at the previous meeting with the updated numbers from Jim Wolfe, as well as an updated priority ranking. Mr. Petty then presented a copy of the existing adopted budget for 2023 and tracking spreadsheet for the current YTD spending. The purpose of the itemized list is to prioritize and find the items that the EDA would like to put in their budget request that will be submitted to the Board of Supervisors.

Jim Wolfe added that in a meeting with Joe Petty there was a discussion about the differences between the County Budget and the EDA Budget, with the suggestion being that a lot of the action and activities can be covered by the County. The thought now is to pick and choose what the EDA will emphasize in their budget and the routine will be covered by the County budget. Mr. Wolfe then emphasized the discussions regarding the sources of funds for the EDA and the reality that they control their own budget, but still falls under the general approval of the County Board of Supervisors.

Mr. Petty suggested that it would be good to take the list of items and cull it down to potentially five items that are a priority to the EDA and clarified that while the budget request will be for two fiscal years, the Board of Supervisors only fully approves one year at a time.

Ms. Martin expressed that it would be helpful to see what the income is first and expressed that it would be difficult to properly plan without knowing what the actual revenue is. Mr. Wolfe agreed but stated that the EDA will spend more than what it brought in regardless because of the deficit each year. The EDA gets a line-item appropriation from the County to fill the gap between the income and the expenses, such as legal fees etc.

Mr. Petty explained the current process of the appropriation of revenue. Such as, the transfer to the EDA line item from Economic Development, and the line-items for legal fees and also tourism.

Mr. Jenkins asked how the Judicial Awards are characterized. Mr. Petty stated that it's complex because there are agreements in place for recovered assets and is something that the Finance Director and the auditors are working through to better understand how that money is accounted for. However, said monies are in the EDA account and labeled as Miscellaneous. Mr. Browne asked if the bond money for the EDA has been received yet. Mr. Petty stated that they have not, but the invoices will be sent once the County has an updated balance from both sources.

Mr. Petty then went over the itemized list and action plan as follows:

- Item A – Action Plan for EDA Parcels (Stephens Industrial Park, Royal Lane, Happy Creek Road, and the potential of IT Federal): Stephens industrial remains and high priority, but all are still a work in

progress and a good action plan is in motion for Happy Creek, Royal Lane, and IT Federal. This will go in the EDA Budget because it is their property.

- Item B – Advertising Sales: This will be budgeted through Economic Development for marketing and website upgrades, etc.
- Item C – Social Media: This will be budgeted through Economic Development and will be done in house as a day-to-day job.
- Item D – Advertising & Sales (site specific): This will be handled by Economic Development and is not a budgetary item. However, the use of drone footage will be shared between the County and the EDA.
- Item E – Advertising & Sales (live presentations): This is an existing and ongoing process that is still partially led by the Chamber of Commerce but there will be a more holistic process moving forward and is also not a budgetary item.
- Item F – Reconstitute the Small Business Loan Committee: This is a budgetary item that will be in the EDA budget because it correlates to their small business loans and there is a line item to cover the expenses for background checks and will be added as a new request with a revenue source.
- Item G – Growing Local Companies (Presentations): This is a budgetary line item that caters to a more in person form of presentations (i.e., luncheon or round tables). Economic Development is willing to take on the bulk of the responsibilities and budget but can be fluid with the EDA as well.
- Item H – Growing Local Companies (Visits): This has a greater correlation with marketing which will be handled by the County and is more a matter of time rather than budget or funding.
- Item I – FR-WC EDA Property Management: This will be an EDA expense and is ongoing. There is currently a budget of \$20,000 for maintenance and have spent approximately \$400 but is not a true number to date.
- Item J – Grants: Mr. Browne asked about the new staff member and what their role will be in correlation to grants and their management. Mr. Petty stated that the new office manager will be working with Economic Development and Administration and the Office Manager will be the point person for grants and work directly under the Deputy County Administrator and Director of Economic Development. Mr. Browne asked if there were any publications or subscriptions for grants that the county will have access to. Mr. Petty mentioned a few different areas that offer grant opportunities but it is still a work in progress.
- Item K – Refreshments for Quarterly Corridor Business Meetings: This was skipped for now because it was already discussed in prior items.
- Item L – Site Selectors Guild Partner Dues: Mr. Petty stated that there are dues and memberships that are still included in the County's Budget such as VEDA and continuing education and trainings, and potential research tools that will most likely be expensive but could provide valuable information.
- Item M – Closing Costs for Conveyance: Mr. Browne asked if \$2,000 will be enough for Conveyance. Ms. Martin stated that Sharon Pandak would best be able to answer that.
- Item N – Document Digitizing Services: This is not a budgetary item and is a high priority, but it will take a substantial amount of time to do and complete.
- Item O – Property Maintenance: This was already covered in item I.

Mr. Petty then showed his budgetary list of priorities. Such as: POA fees and covering the costs, action plan items for the properties and what costs are associated with them and their tier status costs. Mr. Browne asked if the cost of Conveyance will be handled by the County or the EDA. Mr. Petty stated that it could be a shared cost, but it would most likely come from the Administration office because it would be a real estate deal. In terms of Property Management, it is also a priority but is already a listed item, as well as dues and memberships etc.

Mr. Petty stated that he will send out a recap of what was discussed as way to better prioritize and from there can be put into the upcoming request.

Adjournment:

Mr. Browne then asked if there as a motion to adjourn the meeting and was motioned by Mr. Wolfe, and seconded by Ms. Martin and adjourned at 12:08 PM with the following roll call:

Browne, Aye; Jenkins, Aye; Martin, Aye; Wolfe, Aye