



Regular Meeting Agenda

Warren County Government Center: Caucus Room, 220 N. Commerce Ave, Front Royal, VA

April 28, 2023

8:00 AM

1. Call to Order - 8:00 AM
2. Adoption of Agenda - Additions or Deletions - 8:01 AM
3. Approval of Minutes - March 25, 2023 - 8:02 AM
4. Reports
 - A. Executive Committee - 8:05 AM
 - i. Avtex Ad Hoc Update
 - ii. EDA Office/Records Relocation
 - B. Asset Committee - 8:10 AM
 - C. Finance Committee/Budget Update - 8:15 AM
 - i. Small Business Loan Committee Update - 8:20 AM
 - D. Board Members Updates - 8:25AM
 - E. Warren County Director of Economic Development Update - 8:35 AM
5. New Business
 - A. Open-Door Business Session: June - 8:40 AM
 - B. County Payment Memo - 8:45 AM
 - C. EDA & County MOU - 8:50 AM
6. Closed Session - 9:00 AM
 - A. 4 matters - 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, Stephens Industrial Park, 1321 Happy Creek Rd, Avtex redevelopment, Happy Creek Industrial Park, and legal advice related thereto, pursuant to Va. Code § 2.2-3711.A.3 and 8.
 - B. 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.
7. Additional New Business (if needed) - 9:55 AM
8. Adjournment - 10:00 AM

**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 Friday, March 24, 2023, at 8:00 AM at the Warren County Government Center, Conference Room, 220 N. Commerce Avenue, Front Royal, VA 22630, and streamed online.

Call to Order: Mr. Jenkins called the meeting to order at 8:01 AM with the following roll call: Walter, here; Ashworth, here; Townshend, here; Wolfe, here; Jenkins, here; MacDougall, here. Ms. Martin was also present but stepped out briefly prior to roll call. Mr. Jenkins then called for approval to allow Mr. MacDougall to participate remotely due to prior obligations. Mr. Townshend moved for approval and the motion was seconded by Mr. Wolfe, and approved with the following roll call vote:

Walter, Aye; Ashworth, Aye; Townshend, Aye; Wolf, Aye; Jenkins, Aye

Adoption of Agenda: Mr. Ashworth moved for approval as presented and the motion was seconded by Mr. Wolfe, and approved with the following roll call vote:

Walter, Aye; Ashworth, Aye; Townshend, Aye; Wolf, Aye; Jenkins, Aye; MacDougall, Aye.

Approval of the Minutes: Mr. Petty asked how this approval should be handled since four of the members were not present for the previous meeting. Ms. Pandak stated that if it was not a meeting where the new members were members, they could still vote but expressed a concern if the new members were to vote since they were not members at the time. However, if there are enough votes from those remaining, then the new members can abstain. Mr. Wolfe stated that he had one change to clarify a hanging sentence on page three of the February 28th meeting minutes when the financials were discussed the current sentence that reads, "Mr. Wolfe stated that they go back to the previous period." It should say previous auditors if the County Auditors see a conflict. Mr. Wolfe then moved for approval of the minutes as revised and the motion was seconded by Ms. Martin, and approved with the following roll call vote:

Walter, abstain; Ashworth, abstain; MacDougall, abstain; Martin, Aye; Wolf, Aye; Jenkins, Aye. Mr. Townsend stepped out and did not participate in the vote.

Reports

A. Executive Committee – Mr. Jenkins stated that first the EDA needed to confirm the meeting schedule and mentioned that Mr. Townshend had conflicts with a few of the upcoming dates. Afterwards, committee appointments and elections for the remaining officers must be decided.

a. Officer Elections (held after Finance Committee and Board Member Updates) – Mr. Jenkins stated that there are two positions to fill (Vice Chair, Assistant Secretary). Mr. Ashworth nominated Mr. Wolfe for Vice Chair, however, Mr. Wolfe declined the nomination. Mr. Townshend then nominated Mr. Walter for Vice Chair position and the nomination was seconded by Ms. Martin. Mr. Walter was elected Vice Chair by the following roll call vote:

Walter, Aye; Ashworth, Aye; MacDougall, Aye; Martin, Townshend, Aye; Wolfe Aye; Jenkins, Aye.

Mr. Townshend nominated Mr. Ashworth for Assistant Secretary, and the nomination was seconded by Mr. Wolfe. Mr. Ashworth was elected Assistant Secretary by the following roll call vote:

Walter, Aye; Ashworth, Aye; MacDougall, Aye; Martin, Townshend, Aye; Wolfe Aye; Jenkins, Aye.

- b. Committee Appointments** – Mr. Jenkins stated that he consulted with each of the Board members and would like advice and consent from the Board on his Committee appointments. For the Asset Committee, Mr. Jenkins stated that Mr. Ashworth and Mr. MacDougall join Ms. Martin. For the Finance Committee, Mr. Jenkins stated that Mr. Walter join Mr. Wolfe. Lastly, for the Small Business Loan Committee, Mr. Jenkins stated that Mr. Townshend and Mr. Walter join Mr. Wolfe.
- c. Avtex Ad Hoc Update** – Mr. Jenkins stated that he and Ms. Martin have been looking at how to “move things along” with the Avtex property but Mr. Jenkins wanted to step away from that. Mr. Ashworth and Mr. MacDougall expressed interest in joining that effort.
- d. Workforce Committee** - Mr. Ashworth and Mr. Townshend have expressed interest in joining Ms. Martin with workforce development and working with the EDA’s business partners with their workforce needs. Mr. Wolfe declined the chair position and noted that, if there are three people on the committee, they cannot meet unless notice is given a week in advance. Ms. Pandak stated that the Finance, Small Business Loan, and Asset Committees are appointed by the Board pursuant to the By-laws. If there are only two members on those committees, their meetings have to be noticed. However, with regard to the other committees that are not appointed by the Board but by the Chairman, the two member rule under FOIA would not apply.

Mr. Jenkins asked for approval for the Finance, and Small Business Loan Committee Members. Mr. Walter moved to approve the Chairman’s recommendations and the motion was seconded by Mr. Townshend, and approved with the following roll call vote:

Walter, Aye; Ashworth, Aye; MacDougall, Aye; Martin, Townshend, Aye; Wolfe Aye; Jenkins, Aye.

Mr. Jenkins asked for concurrence with the other appointments and working groups as follows: Asset Committee – Mr. Ashworth and Mr. MacDougall to join Ms. Martin; Avtex working group – Mr. Ashworth and Mr. MacDougall to join Ms. Martin; Workforce – Mr. Ashworth and Mr. Townshend to join Ms. Martin. No objections were made.

- B. Finance Committee/Budget Update** – Mr. Wolfe passed three documents to the Board, and Mr. Petty commented that the Finance information contains confidential information and the Board should be mindful of what is shared. Mr. Wolfe emphasized the \$33 million worth of generational debt that is hanging over the EDA which approximately equates to \$800 per every man, woman, and child in the County. The key is what can be done to generate revenue to offset it. One way is to get tax revenue through equipment on which companies have to pay taxes. It’s a sliding scale - after 3-5 years they no longer pay taxes on said equipment because there is a large upfront payment and then the equipment depreciates over time. The only other effective way is through Economic Development.

Mr. Wolfe asked about the \$40K marketing budget that had been removed, and whether the EDA budget was set. Mr. Petty stated that the Board of Supervisors has not yet approved the budget. Mr. Wolfe stated that the \$40K should be included, and then asked if it was Economic Development. Mr. Petty stated that his budget has items that correlate to marketing (in house tools/social media/open door sessions) but also said he needed more specific information than a lump number request.

Ms. Martin asked whether the \$40K would be offset by a grant that the Board was seeking and potential avenues such as IDC sponsorships, or the site selectors guild for reaching out for a number of different programs. Mr. Wolfe asked the time frame to propose a dollar amount and the details for use of the funding.. Mr. Petty stated that a week to get him the specifics of the funding request.

Mr. Wolfe then moved that the EDA add \$40,000 to its budget for marketing and that the EDA work with Mr. Petty to detail that within 7 working days. Ms. Martin seconded the motion for discussion purposes. Mr. Jenkins then asked who is going to be gathering specifics for the request. Mr. Wolfe said the Finance Committee should fill in the details. Mr. MacDougall stated that he supports \$40,000 but asked if that number was determined from a previous grant or another rationale. Mr. Wolfe stated that it was previous discussions including regarding a potential grant. Ms. Martin said it was also offset because of another grant in which the Board had \$40,000 but that grant program was specifically tied to Stephens Industrial Park and the Board was offsetting that in anticipation that they would achieve said grant, "it was a wash." Mr. Jenkins emphasized that it was important to identify and prioritize the detailed items in that request to help with the Supervisors' decision. The motion was approved with the following roll call vote:

Walter, Aye; Ashworth, MacDougall, Aye Aye; Townshend, Aye; Martin, Aye; Wolfe Aye; Jenkins, Aye.

Mr. Walter then asked for a brief overview of the three documents which Mr. Wolfe passed. Mr. Wolfe stated that one of the sheets has a list of banks and detail the background of the debts and balances. The loans have been consolidated and the EDA approved the payment schedule on an annual basis. Mr. Petty stated that at the beginning of the fiscal year the EDA approved a resolution that authorized the County to process the loans; the payments are the same every month and are all approved in advance. In terms of the cash flow, Mr. Walter asked if that was County money or EDA money. Mr. Petty stated that it is County money that has been put in the EDA's account. Lastly, a list of possible recoveries would be discussed in greater detail in the closed session.

- C. **Board Members Updates** – Mr. Jenkins mentioned the meeting for the proposed Shenandoah Rail Trail. Approximately 120 people turned out and the reception was positive with a lot of enthusiasm for the rail trail; however, there is still no timeline and the project is still in the fund gathering phase. It is envisioned that the rail trail will go from Front Royal to Broadway (50 miles).
- D. **Warren County Director of Economic Development Update** – Mr. Petty discussed the Rail Trail meeting the previous night. He stated that, while there is a lot of support, the County recognizes the concerns and questions from some property owners. Furthermore, Mr. Petty met with the Town Council and the Rotary regarding Avtex and described what the Office of Economic Development is doing from a County perspective. Next week Mr. Petty will attend a conference to discuss Main Street programs, Rail Trails, and Agri-tourism. Also there have been recent discussions with legal

counsel because the County gives a lot of support to the EDA and it is important to set this out in a formal MOU. Mr. Jenkins asked if the EDA would be able to ratify a MOU by the next meeting. Mr. Petty stated that, between the County's legal counsel and Ms. Pandak, it would be desirable to have something in front of the EDA by the April meeting. Mr. Jenkins asked the Board if April 21st would be a better date since Mr. Townshend has a conflict on t April 28th. The Board members agreed that the 21st will work; however, Ms. Pandak will not be available. Mr. Wolfe pointed out that legal counsel will need to be present. It was decided to keep the meeting schedule as is, and Mr. Townshend stated that he would do his best to attend remotely.

New Business:

Open-Door Business Session: Mr. Petty stated that May 18th was the tentative date, but it has been tough to schedule since they are seeking educational presenters and this is during a busy time for them (finals/graduation, etc.). Therefore, it was suggested to move it to early June with a timeframe of 10:00AM to 12:00PM. Mr. Petty then suggested the EDA schedule the next two sessions now. Mr. Walter asked what goes on at these sessions. Ms. Martin stated that the first session was at the Inland Port at the end of February. It was a collection of users and presentations from partners and businesses along the corridor and in the County. They were successfully brought together.

County Payment Memo: Mr. Petty stated that the previous Board approved a resolution accepting a settlement from a lawsuit as described in their packet is a draft memorandum that states, pursuant to the loan agreement with First Bank & Trust, the first \$2.5M will go to the County. The memorandum would allow the County, as the fiscal agent, to write and deposit the check from the EDA Account. Mr. Wolfe emphasized that the specific loan should be stated, the agreement with the EDA, and the County should also include the date as well. If approved by the Board, the memorandum would come from both the Treasurer and the Chair. Mr. Wolfe moved for approval as amended for a payment \$115k and the motion was seconded by Mr. Ashworth, and approved with the following roll call vote:

Walter, Aye; Ashworth, Aye; MacDougall, Aye; Martin, Aye; Townshend, Aye; Wolfe Aye; Jenkins, Aye.

Closed Session - 8:45 AM

At 8:50AM, Ms. Pandak read the meeting into closed session, and Mr. Wolf moved to go into closed meeting and the motion was seconded by Mr. Townshend, and approved with the following roll call vote:

Walter, Aye; Ashworth, Aye; MacDougall, Aye; Martin, Aye; Townshend, Aye; Wolfe Aye; Jenkins, Aye.

A. 1 Matter - Discussion or consideration, or interviews of prospective candidates for appointment pertaining to Small Business Loan Committee pursuant to Va. Code § 2.2-3711.A.1.

B. 5 matters - 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, Stephens Industrial Park, 1321 Happy Creek Rd, Avtex redevelopment, Happy Creek Industrial Park, 1325 Progress Drive, and legal advice related thereto, pursuant to Va. Code § 2.2-3711.A.3 and 8.

C. 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. 7.

At 10:36 AM, the meeting was read out of closed session by Ms. Pandak. Mr. Townshend moved to certify the discussions in closed meeting pursuant to law and the motion was seconded by Mr. Wolfe, and approved with the following roll call vote:

Walter, Aye; Ashworth, Aye; Martin, Aye; MacDougall, Aye; Townshend, Aye; Wolfe Aye; Jenkins, Aye.

Additional New Business:

Nomination and appointment of Small Business Loan Advisory Committee Members: Mr. Jenkins asked who the committee members would be. Mr. Petty stated that they were Jennifer Avery, Brian Biggs, Herb Melrath, and Susan Lawrence. Mr. Townshend moved to appoint these people as members, and the motion was seconded by Mr. Wolfe, and approved with the following roll call vote:

Walter, Aye; Ashworth, Aye; Martin, Aye; MacDougall, Aye; Townshend, Aye; Wolfe Aye; Jenkins, Aye.

Adjournment:

Ms. Martin made a motion to adjourn the meeting, the motion was seconded by Mr. Townshend, and approved with the following roll call vote:

Walter, Aye; Ashworth, Aye; Martin, Aye; MacDougall, Aye; Townshend, Aye; Wolfe Aye; Jenkins, Aye.

The meeting adjourned at 10:38 AM

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