

Regular Meeting Minutes

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

August 25, 2023

8:00 AM

Call to Order:

Mr. Jenkins called the meeting to order at 8:04 AM. Mr. MacDougall stated that he was participating remotely from the Marine Corps base in Quantico. There were no objections to his remote participation.

Mr. Jenkins then began roll call with the following vote:

Jenkins, present; Ashworth, present, Wolfe, present, Martin, present, MacDougall, present.

Mr. Walter arrived shortly after roll call, and Mr. Townshend was not present for the meeting.

Adoption of Agenda:

On a motion by Mr. Wolfe, seconded by Mr. Ashworth, and the following vote, the Board adopted the agenda as presented:

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

Approval of Minutes:

On a motion by Ms. Martin, seconded by Mr. Ashworth, and the following vote, the Board approved the minutes as presented:

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

Reports:

- **Avtex Ad Hoc Update:** Ms. Martin summarized the property tour and spoke highly of Mr. Petty's involvement and how it was handled, stating that the specifics would be discussed during his report.
- **EDA Office and Records Relocation:** Mr. Walter stated that they are "on track" to move this upcoming Wednesday. Mr. Petty stated that everything is boxed up and coordinated with Public Works and once the MOU is signed then the process can be started. Items that the tenant does not wish to keep will either be stored with the documents or disposed of. Furthermore, the tenant will be responsible for transferring Town Utilities to their name.
- **Strategic Planning:** Mr. Wolfe stated that the EDA does have a strategic plan, but it has not been truly reviewed or updated on an annual basis, and then suggested a half-day session where that was discussed on a long-term scale. Mr. Walter agreed but stated that there are fundamental positions that need to be taken that would allow for the strategic plan to be made. Mr. Wolfe added that in the past the EDA did reach out to members in the community and interviewed a small number of business owners and outside stakeholders to get a feel for where the County is going and what is needed in the County now. Mr. Jenkins suggested that Mr. Walter and Mr. Wolfe work together over the next 4-6 weeks on Community Engagement with help from the rest of the EDA members.
- **Asset Committee:** Ms. Martin stated that her report will be given during Closed Session. Mr. Petty stated that during the Avtex tour, Parsons mentioned the ongoing trespassing issue on the property and suggested that the Asset Committee review and partner with Parsons and FMCs on enforcement mechanisms to address these concerns.
- **Finance Committee:** Mr. Wolfe stated he does not have anything to present, however Mr. Petty mentioned that the monthly expenses have been coming down due to the quantitative decrease in bills. Furthermore, the loan payments have been streamlined which allows the County to make the payments sooner, cutting back on the interest and allowing more to be applied to the principal. Mr. Petty then discussed the quarterly allotment which is based on the adopted budget and takes the EDA's deposits into account as well. Mr. Jenkins confirmed that the quarterly allotment will slide as the EDA's need for assistance also diminishes over time. Mr. Wolfe asked how many days before the

quarter is the allotment set. Mr. Petty stated that the allotment is set in the adopted budget, however, any changes in revenue could have an impact on the amount given.

- **Small Business Loan Committee:** Mr. Petty stated that the USDA did approve the new scope of services that was drafted by the advisory committee. The next step is to set up a meeting with the advisory committee to discuss marketing and getting the applications out. The next open-door session is scheduled for Thursday October 5th at the Library meeting space.

Board Member Updates:

There were no updates presented at this time.

Warren County Director of Economic Development:

Mr. Petty discussed the Avtex trail and conservancy site with stakeholders on the overall concept of the trail and where it's evolved and its feasibility. The main next step will be from the EPA in obtaining a 'comfort letter' that states they are comfortable with the trail. Furthermore, the County has Tourism and ARPA funds that are set aside for this trail and the funds will be utilized in engineering and design work. Mr. Petty also met with the adjoining property owners regarding an easement which they supported although there are no tangible dates as of now.

Old Business:

- **EDA & Warren County MOU:** Mr. Jenkins stated that the Board of Supervisors approved and signed the MOU in the previous week. However, Mr. Jenkins highlighted a significant change the EDA would like to make to Section 5. The verbiage currently appears to give the County the ability to add additional charges without the EDA's knowledge or approval. Mr. Jenkins suggested a clause that would allow the EDA to have prior knowledge of the services and costs, and the ability to agree or not before a final decision is made. Mr. Wolfe agreed and further suggested having the changes to the services from the County in writing. Furthermore, Mr. Jenkins stated that there is one sentence in section 4 that is recommended to be removed, that states, "this agreement constitutes a fully negotiated agreement amongst sophisticated parties with assistance of legal counsel must not be construed and interpreted for or against any party thereto." Mr. Jenkins commented that this sentence was not needed. Ms. Pandak further emphasized that it was not accurate and stated that this verbiage typically means that no one party can argue that they wrote it and therefore imbalanced. She stated this is not accurate because the agreement was essentially constructed between Mr. Petty and Mr. Jenkins, then tendered to the EDA with the additional language.

On a motion made by Ms. Martin, seconded by Mr. Wolfe, and the following vote, the Board moved to modify the MOU as stated and in writing. Prior to the vote Ms. Pandak emphasized that this increased costs only apply to 3rd party vendors and or contractors.

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

New Business: No new business currently

Closed Session:

On a motion made by Mr. Wolfe, seconded by Mr. Walter, the Board entered into a closed session at 8:55 AM

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

- A. 3 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, Avtex Redevelopment Site, 1321 Happy Creek Road, 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.

At 9:41 AM Mr. Wolfe exited the closed session and certified only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by himself the Authority.

On a motion made by Mr. Walter, seconded by Mr. Ashworth, and the following the vote, the Board exited the closed session and certified at 9:55 AM.

Jenkins, Aye; Walter, Aye; Ashworth, Aye; MacDougall, Aye; Martin Aye

Additional New Business:

On a motion made by Ms. Martin, seconded by Mr. Ashworth, and the following the vote, the Board approved the following resolution authorizing contracts to sell property at Stephens Industrial Park and 1321 Happy Creek Road.

Jenkins, Aye; Walter, Aye; Ashworth, Aye; MacDougall, Aye; Martin Aye

Resolution of the Board of Directors of the Industrial Development Authority of the Town of Front Royal & the County of Warren, Virginia (“EDA”) Authorizing Contracts to Sell Stephens Industrial Park & 1321 Happy Creek Properties

WHEREAS, the EDA has received an offer from Executive Land Holdings IV, LLC (aka “Equus”) to purchase the approximately 53.37 acres owned by the EDA at Stephens Industrial Park for \$3,815,000; and

WHEREAS, the EDA has also received an offer from Rappahannock HC, LLC (aka “NVR”) to purchase the approximately 41.109 acres owned by the EDA at 1321 Happy Creek Road for \$1,852,500; and

WHEREAS, both offers exceed the County-assessed value of the parcels; and

WHEREAS, the EDA Asset Committee, with the assistance of EDA’s legal counsel, has negotiated contracts for the sale of each of the respective properties with the foregoing prospective purchasers, and recommends to the EDA that those contracts be executed;

NOW, THEREFORE, BE IT RESOLVED that the EDA Board of Directors does hereby approve each of the contracts for sale of the Stephens Industrial Park property and 1321 Happy Creek property, respectively; and

BE IT FURTHER RESOLVED that the EDA authorizes its Chair, or Vice Chair in lieu of the Chair, and Secretary to sign the proposed contracts and, subsequently, to sign the deeds and other settlement documents for conveyance of each of said properties as approved by EDA legal counsel, and for the County Director of Economic Development to assist as necessary.

Adjournment:

On a motion made by Ms. Martin, seconded by Mr. Ashworth, and the following vote, the meeting was adjourned at 9:57 AM.

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