



APPROVED MINUTES

Industrial Development Authority of the County of Prince William

REGULAR MEETING

Monday, April 5, 2021

The Regular Meeting of the Industrial Development Authority of the County of Prince William was held via Zoom Meeting Video Conferencing due to the COVID-19 Pandemic and in compliance with Prince William County emergency operations. Members of the public had the opportunity to participate. The meeting was called to order by the Chairman at 6:30pm.

Present were: Patrick O'Leary, Chairman
Lorna Wallen, Vice Chairman
Bobby Long, Secretary/Treasurer
Dexter Montgomery, Assistant Secretary/Treasurer
Andrew Taylor
Harry Horning
Cheryl Kenny

Absent were: None were absent.

Donna Flory and Scarlett Barbee attended to provide administrative support.

Tom Flynn, Business Development and Investment Director, Prince William County Department of Economic Development, participated to present Amendment Two to the Performance Agreement with AlphaBest Education, Inc. as detailed under New Business.

Aaron Phipps, Senior Vice President and CFO, The Lawson Companies, and Michael W. Graff, Partner, McGuireWoods, LLP, the IDA's Bond Counsel, attended to answer questions related to the Bond Resolution for The Landing at Mason's Bridge project, as detailed under New Business.

PLEDGE OF ALLEGIANCE

CITIZEN'S TIME: No citizens were present.

NEW BUSINESS: 1) Presentation of Amendment Two to the Prince William County Childcare Scholarship Grant Agreement with AlphaBEST Education, Inc., to Increase the Childcare Scholarship Grants by \$900,000 to a Total Amount of \$2,750,000 Providing Additional Funding Necessary to Sustain the Program Through the End of the School Year on June 11, 2021 – Tom Flynn, Business Development and Investment Director, Prince William County Department of Economic Development, noted that the IDA approved a Performance Agreement with AlphaBEST at its October 5, 2020 meeting. The AlphaBest program is being funded with CARES Act monies to provide tuition-free childcare to families impacted by the Covid-19 Pandemic. The Prince William County School Board will pay all tuition expenses for the children of Prince William County Public School employees. The funding authorized by Amendment Two will provide scholarships for other County children through June 11, 2021, the end of the school year. The program is averaging 600 to 700 children each week. Childcare services are provided from 6:00am until 6:30pm five days a week to facilitate distant learning, provide lunch, fitness activities, and quiet time in a safe and supervised environment. Following this presentation, *Lorna Wallen made a motion to approve Amendment Two to the Childcare Scholarship Performance Agreement by and among the Prince William Board of County Supervisors, the Prince William County School Board, the Industrial Development Authority of the County of Prince William, and AlphaBEST Education,*

Inc. to increase funding for Childcare Scholarship Grants by \$900,000 to a total of \$2,750,000 to provide additional funding necessary to sustain the program through the end of the 2020-2021 school year on June 11, 2021. This motion is contingent on the Prince William Board of County Supervisors approving Amendment Two, which it is expected to do at its regular meeting on April 6, 2021. Harry Horning seconded the motion and it passed unanimously with Pat O'Leary, Lorna Wallen, Bobby Long, Dexter Montgomery, Andrew Taylor, Harry Horning, and Cheryl Kenny each voting aye (Motion passed, 7 ayes, 0 nays, 0 abstentions).

- 2) Approve a Resolution of the Industrial Development Authority of the County of Prince William Authorizing and Approving the Issuance of Revenue Bonds for the Benefit of the Landing at Mason's Bridge, LP in an Amount Not to Exceed \$66,532,000 to Finance a 342-unit Affordable Housing Apartment Community to be Located at 1101 Annapolis Way in Woodbridge, Virginia 22191** – Michael W. Graff, Partner, McGuireWoods, LLP, the IDA's Bond Counsel, noted that the IDA, at its November 3, 2020 Regular Meeting, held a public hearing on the Lawson Companies' application and received public comment. At that meeting, the IDA passed an Inducement Resolution with respect to the conduit revenue bonds. On December 15, 2020, the matter was considered by the Prince William Board of County Supervisors, who unanimously approved the IDA's assistance with the financing. At tonight's meeting, the IDA is being asked to approve the final Bond Resolution that establishes parameters of the bond issue including the maximum number of years, maximum interest rate, and maximum par amount. The Resolution also authorizes the IDA's Chair to work with Mr. Graff to finalize and execute the documents that will be delivered at the bond closing. In the context of workforce housing, revenue bonds not only provide an incentive with a lower interest rate on debt financing, but the bonds are crucial to the developer's ability to access the federal low-income housing tax credit program that allows equity investment in the project. As the developer, Aaron Phipps, Senior Vice President and CFO of the Lawson Companies, provided background on his firm. The Lawson Companies, founded in the early 1970s, is a family-owned firm based in Hampton Virginia. The company is responsible for a substantial amount of multifamily apartment development in the Hampton Roads area. It also has projects in the Richmond area. The Lawson Companies currently manages 6,000 apartment units, with an additional 1,800 under development. The company has worked extensively with the Virginia Housing Development Authority, which recently rebranded as Virginia Housing. It has completed well over a dozen projects with Virginia Housing. Under the Internal Revenue code, these types of affordable housing projects must be paired with tax exempt bonds. For this project, the apartments are available to those making 60% or less of the area's median income. For a family of four, the area's median income is \$126,000. A family of four making \$75,600 or less would qualify for affordable housing. Following this discussion, *Andrew Taylor made a motion to approve a Bond Resolution of the Industrial Development Authority of the County of Prince William authorizing the issuance of revenue bonds in an amount not to exceed \$66,532,000 for the benefit of The Landing at Mason's Bridge, LP, to finance a 342-unit Multifamily Housing Facility to be located at 1101 Annapolis Way in Woodbridge, Prince William County, Virginia. The motion was seconded by Dexter Montgomery and passed unanimously with Pat O'Leary, Lorna Wallen, Bobby Long, Dexter Montgomery, Andrew Taylor, Harry Horning and Cheryl Kenny each voting aye. (Motion passed 7 ayes, 0 nays, 0 abstentions)*
- 3) Update on Loan to Munificent Group, LLC, Developers of the Hilton Garden Inn Located at 7001 Infantry Ridge Road in Prince William County** – Mike Graff, Bond Counsel to the IDA, reported that settlement has occurred, and wire transfer of funds is complete. Documentation associated with this closing was circulated to IDA members.
- 4) Update on Draft Tri-Party Agreement Among the Prince William Board of County Supervisors, the Prince William County Service Authority, and the IDA Regarding Water/Sewer Tap Fee Credits** – Tom Flynn, Business Development and Investment Director, Prince

William County Department of Economic Development, reported that he expects to brief County Executive Chris Martino on the latest draft on April 8, 2021. The document will also need to be reviewed by the County Attorney. Mr. Flynn will update the IDA prior to its May 3, 2021 meeting.

- 5) **Town of Haymarket – Distribution of CARES Act Grants** – All funds have been distributed and all except one check has cleared. There is an outstanding \$2,000 check that will not be paid due to the business leaving the County. Those funds will be returned to the Town of Haymarket. The Haymarket Town Manager, Chris Coon, would like to attend the IDA's May 3, 2021 meeting to discuss the IDA assisting with the distribution of additional grant funds. Prince William County will also be receiving additional federal funds which could result in additional County grants.
- 6) **Update on Attempted Check Fraud Matter** – There has been no further contact from Detective Newbauer. Ms. Flory has had minimal contact with United Bank since there are very few checks still outstanding. Checks being reissued on the new account are either hand delivered or picked up at DED's offices by the recipient. The only funds remaining in the old account are \$1,953.43 that have been in the account for many years. These funds belong to Prince William County, not the IDA. These funds will likely be transferred to the new account. Potentially, the total cost of "stop payment" fees associated with CARES Act checks could be paid from this balance. Currently, there are over 20 checks that were issued a "stop payment." Each one incurs a \$36 fee. The vast majority were due to wrong addresses provided to the IDA.

APPROVAL OF MARCH 1, 2021 IDA REGULAR MEETING MINUTES: *Bobby Long made a motion to approve the March 1, 2021 Regular Meeting minutes as presented, seconded by Lorna Wallen. The motion passed unanimously with Pat O'Leary, Lorna Wallen, Bobby Long, Dexter Montgomery, Andrew Taylor, Harry Horning and Cheryl Kenny each voting aye. (Motion passed 7 ayes, 0 nays, 0 abstentions)*

TREASURER'S REPORT: *Treasurer's Monthly Financial Report:* Bobby Long called attention to the Treasurer's Report for the month ending March 31, 2021. It was provided to IDA members prior to the meeting:

- There is no collections report as all administrative fees that are due have been collected.
- Ms. Flory will follow up with Andrew Grossnickle of Robinson, Farmer, Cox to determine when the IDA's FY2020 Draft Audit will be presented to the IDA.
- In order to accurately report the interest made on the two hotel loans, a separate entry has been added to the QuickBooks report to show the breakdown of principal and interest. The amounts are the same as in prior reports, but the interest has been broken out to provide additional detail.
- Given the social distancing guidelines, it is difficult to obtain two signatures for IDA checks. Through an email on April 1, 2021, IDA members received a list of 15 specific expenses that would normally be paid via check. These expenses will be paid utilizing FVCbank's Bill Pay service. *Bobby Long made a motion to approve payment of fifteen specific expenses utilizing FVCbank's Bill Pay service. The motion was seconded by Dexter Montgomery and passed unanimously with Pat O'Leary, Lorna Wallen, Bobby Long, Dexter Montgomery, Andrew Taylor, Harry Horning, and Cheryl Kenny each voting aye. (Motion passed, 7 ayes, 0 nays, 0 abstentions)*

Following this discussion, *Bobby Long made a motion to accept the Treasurer's Report, seconded by Cheryl Kenny. The motion passed unanimously with Pat O'Leary, Lorna Wallen, Bobby Long, Dexter Montgomery, Andrew Taylor, Harry Horning and Cheryl Kenny each voting aye. (7 ayes, 0 nays, 0 abstentions)*

CHAIRMAN'S REPORT: Section 6.2: This written report is provided at the end of the Treasurer's Financial Report that is emailed to IDA members prior to the meeting. It shows all outstanding bonds and incentive grants.

RSM Audit Documents Request: Debbie Eustace, Prince William County Department of Economic Development, was contacted by the County's auditor, RSM, seeking information relative to the IDA for its upcoming audit. She provided a list of requested documents to the IDA. Mr. O'Leary worked with Ms. Barbee and Ms. Flory to respond to the request. He will advise IDA members on any follow up contact from RSM.

OLD BUSINESS:

Update on Scriyb Lawsuit: Andrew Taylor made a motion to enter Executive Session in accordance with the Code of Virginia for the purposes of receiving the IDA Chairman's Report on strategy for use in collecting the IDA's \$100,000 default judgment against Scriyb, LLC. This discussion is exempt from Virginia's open meeting statute pursuant to Virginia Code Section 2.2-3711(A)(7). The motion was seconded by Lorna Wallen and passed unanimously with Pat O'Leary, Lorna Wallen, Bobby Long, Dexter Montgomery, Andrew Taylor, Harry Horning and Cheryl Kenny each voting aye. (Motion passed 7 ayes, 0 nays, 0 abstentions) The IDA entered Closed Session at 7:32pm.

At 8:01pm, Andrew Taylor made a motion to reconvene the IDA's public meeting, and to certify the following: To the best of each member's knowledge, (1) only public business matters, lawfully exempted from the open meeting requirements of Chapter 37 of Title 2.2 of the Virginia Code and (2) only such public business matters as were identified in the motion by which the closed meeting was convened, i.e. strategy for use in collection of the IDA's \$100,000 default judgment against Scriyb LLC, were heard, discussed and considered by the IDA. The motion was seconded by Dexter Montgomery and passed unanimously with Pat O'Leary, Lorna Wallen, Bobby Long, Dexter Montgomery, Andrew Taylor, Harry Horning and Cheryl Kenny each voting aye. (Motion passed 7 ayes, 0 nays, 0 abstentions)

Update on the IDA's Prince William Chamber of Commerce Business Development Vision Sponsorship: Bobby Long attended the Chamber's March Economic Development Committee meeting that focused on rebranding Prince William County. Cheryl Kenny attended the Chamber's Regional Transportation Update as well as the Policy Maker Series that featured a presentation by Virginia Congressman Gerald Connolly. Harry Horning, a member of the Chamber Board, is assisting the Chamber with its initiative to create a Chamber Foundation. Dexter Montgomery plans to attend the Chamber's Mega Networking Event on April 16, 2021. Mr. O'Leary encouraged IDA members to participate in Chamber meetings and events as time allows.

NEW BUSINESS (not covered earlier in the meeting):

Discussion of the IDA's Vision and Mission: Nothing new discussed.

OTHER MATTERS TO COME BEFORE THE AUTHORITY/INDIVIDUAL MEMBERS TIME:

The next regular meeting of the IDA is scheduled for Monday, May 3, 2021 via ZOOM Video Conferencing.

There being no further business to come before the IDA, the meeting was adjourned at 8:07pm on the motion of Lorna Wallen, seconded by Dexter Montgomery.

Approved: May 3, 2021