



APPROVED MINUTES

Industrial Development Authority of the County of Prince William

REGULAR MEETING

April 3, 2023

The Regular Meeting of the Industrial Development Authority of the County of Prince William was held in the Potomac Conference Room at the McCoart Government Administration Building located at 1 County Complex Court in Woodbridge, Virginia. The meeting was called to order by the Chair at 6:30pm.

Present were: Lorna Wallen, Chair
Harry Horning, Vice Chair
Dexter Montgomery, Secretary/Treasurer
Andrew Taylor, Assistant Secretary/Treasurer
Terence Battle, Director
William Malone, Director
Cheryl Kenny, Director

None Were Absent.

Donna Flory and Scarlett Barbee attended to provide administrative support.

Thomas Flynn, Deputy Director, and Michele Weatherly, Director of Existing Business Engagement, Prince William County Department Economic Development (PWCDED), attended to present Performance Agreements and request an IDA contribution to the Business Appreciation Event.

Mike Graff, Partner, McGuireWoods, Bond Counsel for the IDA, participated to present a Modification to the IDA's Saint John the Great High School Educational Facilities Revenue Bond and the Landing at Mason's Bridge Affordable Apartments Bond. He was joined by Megan Gilliland, Counsel to the Catholic Diocese of Arlington.

PLEDGE OF ALLEGIANCE

CITIZEN'S TIME: Seth Opoku-Yeboah was in attendance.

NEW BUSINESS

- 1) ***Consideration of a Resolution of the Industrial Development Authority of the County of Prince William Approving a Modification of the Authority's Educational Facilities Revenue Bond Series 2016 for Saint John Paul the Great Catholic High School (Potomac District) and Also Approving a Modification of the Authority's Affordable Housing Revenue Bond Series 2022 for the Landing at Mason's Bridge Affordable Apartment Project (Occoquan District) Replacing the LIBOR Rate with the SOFR Rate*** – The educational facilities bond, part of the financing for Saint John Paul the Great Catholic High School, is outstanding and payable in full on December 1, 2027. The IDA's Bond Counsel, Mike Graff, Partner, McGuireWoods, explained that the bond interest rate is currently based on the London Interbank Offered Rate (LIBOR). In contemplation of the cessation of LIBOR on June 30, 2023, the Diocese of Arlington, the Authority, and the Lender, in this case Truist, desire to amend the Bond, the Note, the Basic Transaction Agreement, and each of the other documents executed in connection with the issuance of the bond to provide for the replacement of LIBOR with the Secured Overnight Funding Rate (SOFR). The Landing at Mason's Bridge Affordable Apartments Bond Series 2022 also utilizes the LIBOR rate and the Lawson Companies, the Authority, and the Lender, in this case JP Morgan, desire to amend the Bond, the Note, the Basic Transaction Agreement, and each of the other documents to provide for the replacement of the LIBOR rate with the SOFR rate. Mr. Graff further detailed the process whereby the variable rate tax exempt revenue bonds issued for these two entities

traditionally utilized the LIBOR rate. The lenders for these two bonds are transitioning to the SOFR based index to set the interest rate on the financings. Mr. Graff has reviewed the proposed Modification Agreements and the Resolution and finds them in order. Many of the revenue bonds he oversees in surrounding jurisdictions are also transitioning to SOFR. After June 30, 2023, LIBOR will no longer be available. While many revenue bonds are switching to SOFR, there are other indexes available as well. Following this discussion, *Harry Horning made a motion to approve a Modification of the Industrial Development Authority of the County of Prince William's Revenue Bond with the Diocese of Arlington for Saint John Paul the Great High School and a Modification of the IDA's Revenue Bond with the Lawson Companies for the Landing at Mason's Bridge Affordable Apartments to Amend the Index Rate Utilized to Calculate the Variable Interest Rate from the current LIBOR rate to the SOFR rate, as required by the lenders on these two projects. The motion was seconded by Terence Battle and approved unanimously with Lorna Wallen, Harry Horning, Dexter Montgomery, Andrew Taylor, Cheryl Kenny, Terence Battle, and William Malone each voting aye. (7 ayes, 0 nays, 0 abstentions)*

2) Authorize the Execution of Amendment One to the Performance Agreement Among Prince William County, the Industrial Development Authority of the County of Prince William, and Caerus Discovery, LLC, Approving \$200,000 as a Grant from the Previously Committed Covid 19 Response Special Revenue Fund to Help Fund the Purchase of a Critical Piece of Equipment for the Life Science Community Accessible Caerus Vivarium – Caerus Discovery, LLC, is requesting a \$200,000 grant from Prince William County to partially offset the cost of a modular In Vivo Imaging System for the Caerus Community Vivarium. This specific piece of equipment is critical for evaluating the effects of therapeutics in rodent models, thus providing the experimental validation needed for eventual testing in human clinical trials. The Caerus Community Vivarium (Brentsville Magisterial District) is available to all life science companies in Prince William County and Northern Virginia. The Prince William Board of County Supervisors approved Amendment One at its March 7, 2023 meeting. Tom Flynn, Deputy Director, Prince William County Department of Economic Development noted that the County previously provided Caerus with a \$100,000 grant to assist with the construction of the Community Vivarium. It has brought additional business to the County. The In Vivo Imaging System provides x-ray type scans that allow researchers to see the effects of diseases and drugs on live rodents without euthanizing. The County will contribute \$200,000 toward the \$348,000 total system cost. Caerus will also hire an additional person to work in the Community Vivarium. Following this presentation, *Andrew Taylor made a motion to approve the Execution of Amendment One to the Performance Agreement Among Prince William County, the Industrial Development Authority of the County of Prince William, and Caerus Discovery, LLC, approving \$200,000 as a grant from the Covid 19 Response Special Revenue Fund to fund the purchase of the In Vivo System, a critical piece of equipment for the Life Science Caerus Community Accessible Vivarium. The motion was seconded by Cheryl Kenny and passed unanimously with Lorna Wallen, Harry Horning, Dexter Montgomery, Andrew Taylor, Cheryl Kenny, Terence Battle, and William Malone each voting aye. (7 ayes, 0 nays, 0 abstentions)*

3) Authorize the Execution of a Performance Agreement Among Prince William County, the Industrial Development Authority of the County of Prince William, and George Mason University to Provide a Virtual Entrepreneur in Residence to Support Prince William County Life Science Companies – The Virginia Biotechnology Association (Virginia Bio) was awarded Go Virginia Funding to serve as the central managing hub for Virginia Bio-Connect, a multi-regional collaboration designed to increase connectivity and awareness of existing programs, resources, and communities in the Commonwealth that support the life sciences industry. The Virginia Bio-Connect program included establishing a team of successful life sciences mentors with industry-specific expertise and relevant professional networks necessary to support the advancement of established early-to-seed-stage companies. The Go Virginia Grant funded three of the requested four life sciences mentors to assist start-up companies. Virginia Bio-Connect contracted with George Mason University to hire these mentors. This Agreement with George Mason University will fund the fourth life sciences business mentor, a Virtual Entrepreneur in Residence (VERN). This mentor will be

dedicated to Prince William County life sciences companies and will be hired as a Mason Small Business Development Center employee. The Prince William Board of County Supervisors approved this Performance Agreement at its March 7, 2023 meeting. Mr. Flynn noted that the cost is \$240,000 with GMU overhead and expenses. The grant utilizes ARPA funds that are available through October 2024 and the County has no commitment beyond that date. *Dexter Montgomery made a motion to approve the execution of a Performance Agreement among Prince William County, the Industrial Development Authority of the County of Prince William, and George Mason University to approve a \$240,000 ARPA-funded grant to provide a dedicated Virtual Entrepreneur in Residence (VERN) to Support Prince William County Life Science Companies. The motion was seconded by Terence Battle and passed unanimously with Lorna Wallen, Harry Horning, Dexter Montgomery, Andrew Taylor, Cheryl Kenny, Terence Battle, and William Malone each voting aye. (7 ayes, 0 nays, 0 abstentions)*

- 4) **Update on IGNITE 2.0 Startup Grant Program** – No Update in April
- 5) **Update on Elevate Workforce Grant Program** – No Update in April
- 6) **Consideration of Request for Contribution to the Freedom Museum** – At its March 27, 2023 Special Meeting, the IDA voted unanimously to make a \$3,000 contribution to the Freedom Museum. To provide payment, *Cheryl Kenny made a motion to authorize Donna Flory, the IDA’s Bookkeeper, to set up a BillPay payment in the amount of \$3,000 to the Freedom Museum. The motion was seconded by William Malone and passed unanimously with Lorna Wallen, Harry Horning, Dexter Montgomery, Andrew Taylor, Cheryl Kenny, Terence Battle, and William Malone each voting aye. (7 ayes, 0 nays, 0 abstentions)*
- 7) **Consideration of Potential Loan to the Munificent Group, Developer of the Hilton Garden Inn Conference Center to be located at 7001 Infantry Ridge Road in Prince William County (Gainesville District)** – The developer of this 104-room hotel property plans to construct an adjacent 43,000 sq. ft. conference facility for corporate events, receptions, and business conferences. Tom Flynn, Deputy Director, PWCDED, noted that his Department has engaged a consultant to review the project’s Hotel Valuation Study (HVS) and proforma statement. He expects to have more information in the third or fourth week of April and can share any significant information with the IDA. Mr. Flynn is not certain that parking for the site has been approved but will review that issue. It was noted that project costs have increased since the HVS Study was performed in 2021. Mr. Flynn stated that prices, interest rates and equity returns have all increased.
- 8) **Consideration of Request for Sponsorship of the Prince William County Department of Economic Development’s Inaugural Business Appreciation Event on May 18, 2023** – Michele Weatherly, Director of Existing Business Engagement for PWCDED gave an overview of the Department’s planned Inaugural Business Appreciation Event. It is envisioned as a large event held on the evening of May 18, 2023 at the Hylton Performing Arts Center to celebrate the business community. PWCDED is asking the IDA to sponsor the event at a cost of \$5,000. She noted that this sponsorship would be similar to what the IDA does with the Prince William Chamber of Commerce. Ms. Weatherly stated that the IDA will receive positive visibility with many businesses in attendance. In addition, the IDA will have a speaking opportunity, a table for IDA attendees, and will have its logo displayed on email invitations and any printed materials associated with the event. As part of Business Appreciation Month, a PWCDED representative works with the local Supervisor for each district to select a small business and a larger business to receive a site visit from the Supervisor and PWCDED representative. If there is interest, IDA members could participate in the business visits for the district they represent.
- 9) **Photo Opportunity for the Prince William County IDA** – There was a brief recess while IDA members took a professional photo to use in marketing materials and on its website.

APPROVAL OF THE MARCH 6, 2023 IDA MEETING MINUTES: *Secretary/Treasurer Dexter Montgomery made a motion to approve the March 6, 2023 Regular Meeting Minutes as presented. The motion was seconded by William Malone and passed with Lorna Wallen, Dexter Montgomery, Cheryl Kenny, Terence Battle and William Malone each voting aye. Harry Horning and Andrew Taylor abstained from the vote because they were absent from the March 6 meeting. (Motion passed 5 ayes, 0 nays, 2 abstentions)*

APPROVAL OF THE MARCH 27, 2023 IDA SPECIAL MEETING MINUTES: *Andrew Taylor made a motion to approve the March 27, 2023 Special Meeting Minutes as presented. The motion was seconded by Harry Horning and passed with Lorna Wallen, Harry Horning, Dexter Montgomery, Andrew Taylor, Cheryl Kenny and Terence Battle each voting aye. William Malone abstained from the vote because he was absent from the March 27 meeting. (Motion passed 6 ayes, 0 nays, 1 abstention)*

TREASURER'S REPORT: ***Treasurer's Monthly Financial Report:*** The IDA's Secretary/Treasurer, Dexter Montgomery, called attention to the Treasurer's Report for the month ending March 31, 2023. All Treasurer's Notes are included in the written Treasurer's Report. Mr. Montgomery called attention to the following notes:

- ***Treasurer's Note #2*** – A \$10,952.00 interest payment from the Virginia Small Business Financing Authority (VSBFA) due in March has not yet been received. VSBFA issued 2020 Series Bonds for a number of Sentara Healthcare facilities throughout Virginia, including the hospital in Woodbridge. VSBFA shares non-profit bond fee revenues with localities where the bond project is located. The Sentara administrative fee is an interest only annual payment. Todd Boyle, Loan Specialist with VSBFA, confirmed by email that Sentara has not yet submitted payment. The IDA will be notified by email when a check has been mailed. Annually, the IDA does not need to submit a request or invoice to receive these funds.
- ***Treasurer's Note #4*** – An invoice in the amount of \$29,062.60 was provided to Munificent for the 8th loan payment due 3/4/2023. Payment was received by wire on 3/6/2023.

Following this review, *Dexter Montgomery made a motion to accept the Treasurer's Report as presented, including approving payment of 15 specific operating expenses detailed in Note #8 of the Treasurer's Notes. The motion was seconded by Terence Battle and passed unanimously with Lorna Wallen, Harry Horning, Dexter Montgomery, Andrew Taylor, Cheryl Kenny, Terence Battle, and William Malone each voting aye. (Motion passed 7 ayes, 0 nays, 0 abstentions)*

Update on IDA Investments and CD Interest Rates – In February 2023, United Bank CD's #0208 and #9725 were rolled over at an interest rate of 4% for 13 months. There is no additional update for the April IDA meeting.

Update on the IDA's FY21 Audit: Field work for the IDA's FY21 Audit took place on November 19, 2021. The IDA's auditor, Andrew Grossnickle of Robinson, Farmer, Cox Associates (RFC) had been waiting for clarification from the County as to whether the CARES Act monies were distributed to IDA as a grant partner or as a true subrecipient. In March, Mr. Grossnickle confirmed that the monies are distributed as a true subrecipient. Ms. Wallen recently sent a follow-up inquiry to Mr. Grossnickle asking when the FY21 report is expected.

Scheduling of the IDA's FY22 Audit: The IDA's Bookkeeper noted that preliminary work on the IDA's FY24 Budget is currently underway. The IDA's Bookkeeper is preparing preliminary documents for the FY22 Audit, which will be scheduled once the FY21 Audit is received.

CHAIRMAN'S REPORT: ***Section 6.2 Rules and Procedures Report:*** The IDA's Rules and Procedures require the Chair and other officers to report any actions taken or reports received on behalf of the IDA since the last meeting and to update the status of any bond inducement

resolutions at the end of the fiscal year. To ensure compliance, the IDA provides a written report every month at the end of the Treasurer's Financial Report, updating bond issuance amounts, current outstanding amounts, and expected maturity dates.

OLD BUSINESS: Update on Attendance at Events Related to the IDA's Prince William Chamber of Commerce Business Development Vision Sponsorship:

March 22, 2023 – Prince William Chamber of Commerce Economic Development Series Breakfast – The IDA was a Presenting Sponsor at this event that featured Jason El Koubi, President & CEO, Virginia Economic Development Partnership (VEDP), as the guest speaker. Lorna Wallen, Dexter Montgomery, Cheryl Kenny, and Terence Battle represented the IDA. Ms. Kenny made remarks on the mission and activities of the IDA. Mr. Battle introduced Mr. El Koubi and Christina Winn, Executive Director, PWC Department of Economic Development. Mr. El Koubi noted the challenges and opportunities facing the Commonwealth. Supervisors Andrea Bailey and Yesli Vega were in attendance.

January 18, 2023 – Virginia Economic Developer's Association (VEDA) Legislative Reception – Andrew Taylor participated in this event that included attendees involved in economic development from across the Commonwealth. Christina Winn is currently President and Executive Committee Chair of VEDA. She made a brief presentation, along with several Virginia legislators.

Discussion of the IDA's Vision and Mission – Nothing New to Report

NEW BUSINESS (not covered at the beginning of meeting) –

- 1) **Consideration of Change to IDA Bylaws to Allow for Electronic Meeting Participation** – Virginia Code Title 2.2, Chapter 37, Section 2.2-3708.3 – Effective September 1, 2022, the Virginia Code allows for individual members of public bodies to participate electronically in cases of illness, temporary emergencies, and other personal reasons. Also, certain public bodies can hold full electronic meetings for a limited number of meetings each year. Qualifying organizations must have a policy in place to allow electronic participation under the parameters of the Code. The IDA is specifically interested in the ability of an IDA Director to attend a meeting by electronic means on occasion to accommodate illness or other personal reasons. Chair Wallen stated that no more than two meetings per year would be approved for virtual attendance. Andrew Taylor made motion to amend the IDA Bylaws, specifically, Section 209, Meetings and Notices, such that the Bylaws language is consistent with language in Virginia Code Section 2.2-3708.3, allowing members who cannot appear in person due to reasons identified in 2.2-3708.3, to participate virtually, as long as they provide notice to the Chair via email in advance of the meeting. The motion was seconded by Harry Horning. However, after considerable discussion, it was generally agreed that IDA members wish to table this topic to allow for further review of the Virginia Code on this subject. This topic will be placed on the IDA's May 1, 2023 Agenda.
- 2) **Consideration of Request for Sponsorship of the Prince William County Department of Economic Development's Inaugural Business Appreciation Event** – Cheryl Kenny made a motion to sponsor the Prince William County Department of Economic Development's Inaugural Business Appreciation Event on May 18, 2023 with a \$5,000 contribution. The motion was seconded by William Malone. Substantial discussion focused on the desire for more details on the event and the benefits of sponsorship to the IDA. Ms. Wallen will request a more detailed summary for the IDA's records and will ask to whom the check should be made. Another topic of discussion was how this sponsorship differs from sponsoring a targeted business as outlined in the Code creating Industrial Development Authorities (Section 15.2-4901). The PWCDDED

sponsorship would need to come from the IDA's New Initiatives budget because its Marketing budget has been expended for FY23. The IDA approved a motion at its March 27, 2023 Special Meeting to freeze future contributions until it has a policy in place. Some directors agreed that the spirit of the March 27 discussion was meant to freeze contributions to targeted business organizations and not necessarily to deny a contribution to a County partner of the IDA. There was concern that the contribution decision be made now since the event is on May 18. Following this discussion, *Terry Battle made a motion to amend the March 27 motion freezing future IDA contributions by clarifying that the IDA intends the freeze on contributions to only include private targeted businesses as identified in the IDA statute. The motion was seconded by Dexter Montgomery and passed with Lorna Wallen, Dexter Montgomery, Andrew Taylor, Cheryl Kenny, Terence Battle, and William Malone each voting aye. Harry Horning voted nay. (Motion passes, 6 ayes, 1 nay, 0 abstentions)*

Cheryl Kenny then reiterated her motion to sponsor the Prince William County Department of Economic Development's Inaugural Business Appreciation Event on May 18, 2023 with a \$5,000 contribution. The motion was seconded by William Malone and passed with Lorna Wallen, Dexter Montgomery, Cheryl Kenny, Terence Battle, and William Malone each voting aye. Harry Horning and Andrew Taylor voted nay. (Motion passed 5 ayes, 2 nays, 0 abstentions)

Guidelines for Considering Future Community Organization Requests – Terence Battle will take the lead on drafting a contribution policy and will choose other IDA members to work with him.

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

Andrew Taylor noted that the IDA may have a good opportunity to buy a building in the future. This topic will be included on the IDA's May 1, 2023 Meeting Agenda.

The next Regular Meeting of the PWC Industrial Development Authority is scheduled for Monday, May 1, 2023, in the Potomac Conference Room at the McCoart Government Administration Building.

There being no further business to come before the IDA, the meeting was adjourned at 8:25pm on the motion of Dexter Montgomery, seconded by Cheryl Kenny.

Approved: May 1, 2023