



APPROVED MINUTES

Industrial Development Authority of the County of Prince William

REGULAR MEETING

August 7, 2023

The Regular Meeting of the Industrial Development Authority of the County of Prince William was held via Zoom Videoconferencing due to the U.S. Weather Service forecast of severe weather resulting in Prince William County and the Federal Government closing at 3:00pm. 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
Terence Battle, Director
Cheryl Kenny, Director
William Malone, Director

Absent was: Andrew Taylor, Assistant Secretary/Treasurer

Donna Flory and Scarlett Barbee attended to provide administrative support.

Lillie Jo Crest, Assistant Director of Finance, and Brad Norris, Financial Analyst Manager, Prince William County Department of Finance, attended to provide an overview of 3 upcoming County Capital Projects.

Christina Winn, Executive Director, Prince William County Department of Economic Development (PWCDED), attended to present the NLT Hotel, LLC Performance Agreement and participate in the real estate discussion.

Michael W. Graff, Jr., Partner, McGuireWoods, the IDA's Bond Counsel, participated by phone in the real estate discussion.

PLEDGE OF ALLEGIANCE

CITIZEN'S TIME: No members of the public were present.

NEW BUSINESS

- 1) ***Overview of Upcoming Prince William County Capital Projects to Include the County Crisis Receiving Center on Worth Avenue, the Public Safety Personnel Training Facility and Shooting Range on Doane Drive, and Land Adjacent to the McCoart Government Complex Designated for Future Needs.*** In October, the County will be seeking IDA approval for \$51.3 million in bond financing for these projects. Brad Norris, Financial Analyst Manager, Prince William County, provided an overview of the three County Capital Projects for which the IDA would be the bond issuing entity. The bonds would be supported by a payment agreement between Prince William County and the Industrial Development Authority. The terms of the payment agreement will match the debt service. The IDA will adopt a resolution and sign relevant documents at closing. The County team is overseen by Mr. Norris who will coordinate with the IDA's Bond Counsel, Mike Graff of McGuireWoods. All costs associated with the financing will be paid by the County. The County is also responsible for any compliance issues post settlement. In response to a question, Mr. Norris stated that the cost breakdown of each project is \$16.2 million for the Crisis Receiving Center, \$24 million for the Training Facility and Shooting Range, and \$11,300 for the

land adjacent to the McCoart Government Center complex. All three properties are currently owned by the County and bond proceeds will reimburse the purchase price and allow the facilities to be financed over 20 years. Mr. Norris expects to attend the IDA's October 2, 2023 meeting to seek approval for the bond financing.

- 2) ***Authorize the Execution of a Performance Agreement among Prince William County, the Industrial Development Authority of the County of Prince William and NLT Hotel, LLC for an Economic Development Opportunity Fund (EDOF) Grant in the amount of \$350,000 and Water/Sewer Availability Fee Credits of \$250,000 for the development of a 92-room Boutique Hotel at Farm Brew Live, located on Discovery Boulevard in Prince William County, Brentsville Magisterial District*** – This Performance Agreement was approved by the Prince William Board of County Supervisors at its regular meeting on July 25, 2023. Christina Winn, Executive Director, Prince William County Department of Economic Development, noted that this is a \$18.3 million capital investment project to construct a boutique hotel (up to 100 rooms) at the Farm Brew Live campus in the Brentsville District. Terms require the hotel to be associated with a major chain, provide a unique design for this location, contain a restaurant that will be marketed to users outside of hotel guests, and provide locally sourced amenities such as food, drinks, and artwork. The water/sewer credits will be distributed after the hotel receives approval of all building plans and the plans are certified to meet the requirements for a boutique hotel. The EDOF grant will be paid as a lump sum after the hotel receives a Certificate of Occupancy and certifies that it was built under the definition of a boutique hotel. The hotel must operate for 5 years or the EDOF grant and the water/sewer credits must be fully repaid. Depending on how the numbers are calculated, the hotel is projected to generate between \$4 million and \$6 million in Transient Occupancy Tax revenue. This results in the County being repaid its investment in one to two years. Following this presentation, *Dexter Montgomery made a motion to authorize the Execution of a Performance Agreement among Prince William County, the Industrial Development Authority of the County of Prince William and NLT Hotel, LLC for an Economic Development Opportunity Fund (EDOF) Grant in the amount of \$350,000 and Water/Sewer Availability Fee Credits in the amount of \$250,000 for the development of a 92-room Boutique Hotel at Farm Brew Live, located on Discovery Boulevard. The motion was seconded by Cheryl Kenny and passed unanimously with Lorna Wallen, Harry Horning, Dexter Montgomery, Cheryl Kenny, Terence Battle, and William Malone each voting aye (Motion passes, 6 ayes, 0 nays, 0 abstentions).*

Update on IGNITE 2.0 Startup Grant Program – No update in August

Update on Elevate Workforce Grant Program – No update in August

- 3) ***CLOSED SESSION: Discussion and Consideration of Acquisition of Commercial Property as Allowed under Virginia Code 15.2-4105, Including Potential Terms and Legal Consultation*** – At 6:55pm, in accordance with the Code of Virginia Section 2.2-3711, 3 and 8, *Cheryl Kenny moved to close this portion of the meeting. The motion was seconded by Dexter Montgomery and passed with Lorna Wallen, Harry Horning, Dexter Montgomery, Cheryl Kenny, and William Malone each voting aye. Terence Battle voted present. (Motion passed 5 ayes, 1 present, 0 nays, 0 abstentions).* Christina Winn, Executive Director, Prince William County Department of Economic Development, and Mike Graff, Bond Counsel to the IDA, participated in the Closed Session.

At 7:39pm, Cheryl Kenny moved to resume the open meeting, with members of the IDA certifying that, to the best of their knowledge, only public business matters lawfully exempted from open meeting requirements under the Virginia Code were heard, discussed, or considered by the IDA. The motion was seconded by Dexter Montgomery and passed unanimously with Lorna Wallen, Harry Horning, Dexter Montgomery, Cheryl Kenny, Terence Battle, and William Malone each voting aye (Motion passed 6 ayes, 0 nays, 0 abstentions).

4) **Consideration of Prince William Chamber of Commerce Vision Partner Sponsorship for FY24 – July 1, 2023 – June 30, 2024** – Chair Lorna Wallen led a discussion of the pros and cons of the IDA supporting a Prince William Chamber of Commerce Vision Sponsorship versus a Chamber Cornerstone Sponsorship. The Cornerstone Sponsorship provides many similar benefits at half the cost of the Vision Partnership. The biggest difference appears to be that the Cornerstone level provides two complimentary tickets to selected Chamber events, while the Vision level provides four tickets. Comments noted that Robert Sweeney has a strong vision for increasing the Chamber’s outreach and support of the community, including working with regional high school students. It was suggested that the IDA may want to pursue a seat on the Chamber’s Board of Directors. Because the IDA has supported the Chamber at the Vision Partnership level for several years, it would be appropriate to ask if a Board seat is available. After extensive discussion, Chair Wallen asked for a poll of the IDA to gauge support for either the Cornerstone or the Vision Partnership.

Dexter Montgomery made a motion authorizing the IDA to serve as a Cornerstone Partner of the Prince William Chamber of Commerce at a cost of \$6,500 for the FY24 year. The motion was seconded by Harry Horning and the vote was as follows: Harry Horning and Cheryl Kenny voted yay. Lorna Wallen, Dexter Montgomery, Terence Battle, and William Malone voted nay. (Motion failed, 2 ayes, 4 nays, 0 abstentions)

Following this vote, Dexter Montgomery made a motion authorizing the IDA to serve as a Vision Partner of the Prince William Chamber of Commerce at a cost of \$12,500 for the FY24 year. The motion was seconded by Harry Horning and the vote was as follows: Lorna Wallen, Harry Horning, Dexter Montgomery, Terence Battle, and William Malone voted yay. Cheryl Kenny voted nay (Motion passed, 5 ayes, 1 nay, 0 abstentions)

APPROVAL OF THE JULY 17, 2023 IDA MEETING MINUTES: *Secretary/Treasurer Dexter Montgomery made a motion to approve the July 17, 2023 Regular Meeting Minutes as presented. The motion was seconded by Terence Battle and passed with Lorna Wallen, Harry Horning, Dexter Montgomery, Cheryl Kenny, and Terence Battle each voting aye. William Malone abstained from the vote because he was absent from the July 17, 2023 meeting. (Motion passed 5 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 July 31, 2023. All Treasurer’s Notes are included in the written Treasurer’s Report. Mr. Montgomery expanded on the following notes:

- *Treasurer’s Note #2* – Landing at Mason’s Bridge representatives were invoiced in the amount of \$78,328.75 on 7/9/2023. Payment was received on 8/4/2023.
- *Treasurer’s Note #4* – Invoices for Remington Place Apartments Bond Series 2012A \$64,700 and 2012B \$17,336.00 were emailed to Christen Faatz of the Franklin Johnston Group, the management company for Remington Place Apartments. Christen responded via email that the invoices were forwarded to the accounting team for payment. Payment not received as of 7/31/23.
- *Treasurer’s Note #5* – VSBFA was invoiced for \$10,952.00 in March. This is the Sentara Bond that was done by VSBFA under a Fee Sharing MOU. Sentara makes interest only payments annually, a portion of which is provided to the IDA as a shared fee with the locality in which the healthcare facility is located. Via email on 7/26/23, Todd Boyle advised the IDA that VSBFA has paused the fee share program while they review VSBFA’s need for these fees to allow for future funding of bonds. VSBFA is not mandated to share fees with any IDA. Todd Boyle will update the IDA on the future outcome of the review.

- **Treasurer's Note #6** – With the Chair's approval, a wind chime was purchased at a discounted cost of \$86.92 and personalized for Tom Flynn, former Deputy Director of PWCDED, as a retirement gift. It was presented to Mr. Flynn on 8/3/2023 at his retirement reception.

Following this review, *Dexter Montgomery made a motion to accept the Treasurer's Report as presented, including approving payment of 10 specific operating expenses detailed in Note #10 of the Treasurer's Notes. The motion was seconded by Terence Battle and passed unanimously with Lorna Wallen, Harry Horning, Dexter Montgomery, Cheryl Kenny, Terrence Battle, and William Malone each voting aye (Motion passed 6 ayes, 0 nays, 0 abstentions).*

Update on IDA Investments and CD Interest Rates – 2023 CD interest rates have significantly increased over available rates in 2022, as evidenced by the FVCbank CD#3708 new rate of 4.15%.

Update on the IDA's FY21 Audit: On July 17, Andrew Grossnickle, CPA, CFE, Robinson, Farmer, Cox Associates, provided the draft Audit to the Secretary/Treasurer and Bookkeeper. It notes that IDA is a subrecipient for the CARES Act funding. This additional \$13 million is included in the "money in," and "money out" categories. Mr. Grossnickle will attend the IDA's Special Meeting on August 21, 2023 to present the Audit and answer any questions.

Scheduling of the IDA's FY22 Audit: Preliminary work on the FY22 Audit is underway and the on-site meeting will be scheduled once the FY21 is approved.

Request for UEI Number from Prince William County's Auditor – Background: the IDA received a request from Prince William County's auditor for the IDA's UEI number, which replaces the DUNS number. Documentation was submitted to the appropriate website to apply for the UEI number but has not yet been 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:

- 1) **Consideration of Change to IDA Bylaws to Allow for Individual IDA Members to Participate Virtually in a Limited Number of IDA Meetings Annually – Background:** Effective September 1, 2022, Virginia Code Title 2.2, Chapter 37, Section 2.2-3708.3 allows for individual members of public bodies to participate in meetings electronically in cases of illness, temporary emergencies, and other personal reasons for a limited number of meetings per year. This topic will be considered at the IDA's August 21, 2023 Special Meeting.
- 2) **Consideration of Change to IDA Bylaws to Allow the IDA to Hold Electronic Meetings –** Effective September 1, 2022, Virginia Code Title 2.2, Chapter 37, Section 2.2-3708.3, Paragraph C allows certain public bodies to hold full electronic meetings for a limited number of meetings each year. This topic will be considered at the IDA's August 21, 2023 Special Meeting.
- 3) **Consideration of the IDA's Policy Regarding Contributions to Community Organizations Under the Virginia Industrial Development Authority Statute, Virginia Code 15.2-4901 – Background:** Terence Battle previously provided a Draft Policy for Financial Support to Community Organizations. His draft combines Chamber of Commerce and PWCDED criteria for grants as a starting point.

Some IDA members have provided written recommendations and Mr. Battle welcomes additional feedback. This topic will be considered at the IDA's August 21, 2023 Special Meeting.

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

Chair Wallen thanked William Malone for his willingness to rearrange his Monday schedule to attend IDA's regular and special meetings when he is often working out of town.

Terence Battle thanked Dexter Montgomery for his input to the Draft Policy for Contributions to Community Organizations.

Terence Battle expressed appreciation to Cheryl Kenny for her time and expertise as Chair of the Real Estate Committee and her efforts to locate potential properties for the IDA.

Cheryl Kenny noted that Dexter Montgomery made a beautiful presentation of the windchimes to Mr. Flynn at the retirement reception.

Dexter Montgomery noted that he and Terence Battle attended a recent event for Representative Spanberger that was very informative regarding the needs of regional businesses. He hopes that the IDA can continue to raise awareness of the needs of these businesses.

A Special Meeting of the PWC Industrial Development Authority will be held on Monday, August 21, 2023 with the IDA's auditor, Andrew Grossnickle, in attendance. The next Regular Meeting of the IDA is scheduled for Monday, September 11, 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 8:20pm on the motion of Dexter Montgomery, seconded by Cheryl Kenny.

Approved: September 11, 2023