



APPROVED MINUTES

Industrial Development Authority of the County of Prince William

REGULAR MEETING

December 4, 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
Dexter Montgomery, Secretary/Treasurer
Andrew Taylor, Assistant Secretary/Treasurer
Cheryl Kenny, Director (attended virtually due to illness)
Terence Battle, Director

Absent were: Harry Horning, Vice Chair
William Malone, Director

Donna Flory and Scarlett Barbee attended to provide administrative support.

Christina Winn, Executive Director, and Jim Gahres, Redevelopment and Special Projects Director, Prince William County Department of Economic Development (PWCDED), attended to present the Marlex Performance Agreement.

Michael W. Graff, Jr., Partner, McGuireWoods, the IDA's Bond Counsel, participated virtually in the Hilton Manassas Conference Center loan discussion.

PWC IDA Board Member Cheryl Kenny participated virtually due to temporary illness.

PLEDGE OF ALLEGIANCE

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

- 1) ***Consideration of Performance Agreement Among Prince William County, the Industrial Development Authority of the County of Prince William, and Marlex Community Partners, LLC for up to \$140,000 as an Economic Development Opportunity Fund (EDOF) Grant for an Assemblage to Facilitate a Commercial Revitalization/Redevelopment Project in Prince William County, Potomac District*** – Christina Winn, Executive Director, Prince William County Department of Economic Development, noted that this Agreement was approved by the Prince William Board of County Supervisors at its November 28, 2023 meeting. The grant will provide up to \$140,000 to reimburse a developer proposing a project in the Triangle/Dumfries area. The reimbursement would be paid out over the next year according to a schedule included in the Performance Agreement. The grant is provided based on pay for performance, which requires the developer to submit receipts in order to be reimbursed. The purpose of the incentive is to cover the carrying costs, extension fees, and nonrefundable deposits incurred on land contracts by the developer, while the County determines the status of residual land adjacent to the property that the developer is interested in purchasing. A clawback clause states that Marlex will reimburse the County any funds paid, if before July 31, 2024, the County determines that it can sell the adjacent land to Marlex, but Marlex decides not to purchase the land. If, before July 31, 2024, the County determines that it cannot sell the land, and Marlex then determines that the project cannot work, Marlex will not be required to return any funds previously received. After July 31, 2024, if the County determines that it cannot sell the land, then the County will not be reimbursed for any grant funds

previously paid out. The project is a by-right project that is projected to include an assisted living facility, a small grocery store, and additional retail space. Ms. Winn recommends this project, and it was approved by the Prince William Board of County Supervisors.

Following this discussion, *Dexter Montgomery made a motion to approve a Performance Agreement among Prince William County, the Industrial Development Authority of the County of Prince William and Marlex Community Partners, LLC for up to \$140,000 as an Economic Development Opportunity Fund (EDOF) Grant for an Assemblage to Facilitate a Commercial Revitalization/Redevelopment Project in Prince William County, Potomac District. The motion was seconded by Terence Battle and passed unanimously with Lorna Wallen, Dexter Montgomery, Andrew Taylor, Cheryl Kenny, and Terence Battle, each voting aye. (Motion passed, 5 ayes, 0 nays, 0 abstentions)*

Christina Winn will provide the IDA with a list of 2024 calendar dates containing events or activities relevant to IDA's participation. Christina Winn and Jim Gahres concluded their business and left the meeting.

- 2) **CLOSED SESSION – Loan Request from Munificent Group, Developers of the Hilton Manassas Conference Center Adjacent to the Hilton Garden Inn, Gainesville District.** At 6:40pm, in accordance with the Code of Virginia Section 2.2-3711, #5, #6, *Dexter Montgomery moved to close this portion of the meeting to discuss a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' interest in locating or expanding its facilities in the community. Discussion will also include consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected. A specific company's confidential financial information will also be considered. The motion was seconded by Andrew Taylor and passed unanimously with Lorna Wallen, Dexter Montgomery, Andrew Taylor, Cheryl Kenny and Terence Battle each voting aye. (Motion passed 5 ayes, 0 nays, 0 abstentions)* Mike Graff, McGuireWoods, Bond Counsel for the IDA, participated in the closed session discussion.

At 7:05pm, Dexter Montgomery 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 regarding a project where no previous announcement was made, and a project where confidential financial information was revealed, were heard, discussed, or considered by the IDA. The motion was seconded by Terence Battle and passed unanimously with Lorna Wallen, Dexter Montgomery, Andrew Taylor, Cheryl Kenny, and Terence Battle each voting aye (Motion passed 5 ayes, 0 nays, 0 abstentions).

Following brief discussion, Dexter Montgomery made a motion that the IDA provide a loan to Munificent Group for \$500,000 under the condition that they pay off the remaining \$225,000 on the original loan and establish a new interest rate and additional security, with the caveat that option 2A may also be a possibility. There was discussion of 1) the possibility of adding the \$225,000 into the \$500,000 loan, 2) requiring a lender comfort letter stating that Munificent qualifies for the entire loan amount for the hotel and the convention center, 3) repayment if the entire project is subsequently financed, and 3) any terms included in the original loan. It was noted that the two loans are for two different projects, the original being for the hotel and any new loan being for the convention center. This motion was never seconded and died on the floor.

Subsequently, *Cheryl Kenny made a motion that the Industrial Development Authority of the County of Prince William provide a \$500,000 loan to Munificent Group, developers of the Hilton Manassas Conference Center, under the following terms: Munificent Group will pay off the remaining balance of \$225,000 on its original loan from the IDA, the new loan will be offered at \$500,000 for five years at an interest rate of 8% with principal and interest payments made*

quarterly, all legal fees will be included in the loan amount, personal loan guarantees from Munificent will be required similar to the original loan, language will be included in the term sheet regarding potential repayment in case full project financing is obtained, Munificent will provide a lender comfort letter before closing, and any other terms included in Munificent's original loan with the IDA. The motion was seconded by Dexter Montgomery and passed unanimously with Lorna Wallen, Dexter Montgomery, Andrew Taylor, Cheryl Kenny, and Terence Battle each voting aye. (Motion passed, 5 ayes, 0 nays, 0 abstentions)

These terms will be provided to the IDA's Bond Counsel, Mike Graff, to prepare and present to the principal of the Munificent Group.

3) **Update from the PWC IDA Real Estate Committee and Consideration of Acquisition of Commercial Property** – there is no update for the December meeting.

APPROVAL OF NOVEMBER 6, 2023 IDA MEETING MINUTES: Dexter Montgomery made a motion to approve the November 6, 2023 Regular Meeting Minutes as provided. The motion was seconded by Terence Battle and passed with Dexter Montgomery, Cheryl Kenny, and Terence Battle each voting aye. Lorna Wallen and Andrew Taylor abstained from the vote because they were absent from the November 6, 2023 meeting. (Motion passed 3 ayes, 0 nays, 2 abstentions)

TREASURER'S REPORT: Treasurer's Monthly Financial Report: Dexter Montgomery, the IDA's Secretary/Treasurer, presented the Treasurer's Report for the month ending November 30, 2023. All Treasurer's Notes are included in the written Treasurer's Report. Mr. Montgomery expanded on the following notes:

- *Treasurer's Note #3* – Munificent was invoiced \$28,159.52 for the 11th Loan Payment due on 12/4/2023. The wire transfer of funds from Munificent to the IDA is pending in the IDA's account.
- *Treasurer's Note #4* – Westminster was invoiced an annual administration fee of \$51,381.25 for Bond Series 2016, due on 12/2/2023. Payment was received on 11/30/23.
- *Treasurer's Note #5* - Invoices for Remington Place Apartments Bond Series 2012A (\$64,700.00) 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. The IDA's bookkeeper sent another email to Christen Faatz on 11/12/2023. No response and no payment received as of 11/30/23. In January, the IDA may undertake additional collection measures.
- *Treasurer's Note #8* – This note includes 9 IDA operational expenses for review by members. There were no special projects in November.

Following this review, Dexter Montgomery made a motion to accept the Treasurer's Report as presented, including approving payment of 9 specific operating expenses detailed in Note #8 of the Treasurer's Notes. The motion was seconded by Andrew Taylor and passed unanimously with Lorna Wallen, Dexter Montgomery, Andrew Taylor, Cheryl Kenny, and Terence Battle each voting aye. (Motion passed 5 ayes, 0 nays, 0 abstentions)

Update on IDA Investments and CD Interest Rates – 2023 CD interest rates significantly increased over available rates in 2022, as evidenced by the FVCbank CD#3708 rate of 4.15%. Currently, total IDA CD interest rates average just over 3%.

Scheduling of the IDA's FY22FY23 Audits: The IDA's bookkeeper, Donna Flory, has been in contact with Robinson, Farmer, Cox (RFC) to request dates for the on-site audit work. Ms. Flory is ready to meet when RFC provides available dates.

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.

NEW BUSINESS (not considered at the beginning of the meeting)

- 1) **Annual Election of Officers** – Prior to tonight's meeting, Chair Wallen conferred with Harry Horning, who stated that he is willing to continue to serve as Vice Chair of the IDA.

Secretary/Treasurer: Cheryl Kenny made a motion nominating Dexter Montgomery as Secretary/Treasurer of the IDA. The motion was seconded by Terence Battle and passed with Lorna Wallen, Andrew Taylor, Cheryl Kenny, and Terence Battle each voting aye. Dexter Montgomery abstained from the vote (Motion passed 4 ayes, 0 nays, 1 abstention)

Assistant Secretary Treasurer: Dexter Montgomery made a motion nominating Andrew Taylor as Assistant Secretary/Treasurer of the IDA. The motion was seconded by Terence Battle and passed with Lorna Wallen, Dexter Montgomery, Cheryl Kenny, and Terence Battle each voting aye. Andrew Taylor abstained from the vote (Motion passed 4 ayes, 0 nays, 1 abstention)

Vice Chairman: Lorna Wallen made a motion nominating Harry Horning as Vice Chairman of the IDA. The motion was seconded by Dexter Montgomery and passed with Lorna Wallen, Dexter Montgomery, Andrew Taylor, Cheryl Kenny, and Terence Battle each voting aye. (Motion passed 5 ayes, 0 nays, 0 abstentions)

Chairman: Terence Battle made a motion nominating Lorna Wallen as Chairman of the IDA. The motion was seconded by Andrew Taylor and passed with Dexter Montgomery, Andrew Taylor, Cheryl Kenny, and Terence Battle each voting aye. Lorna Wallen abstained from the vote (Motion passed 4 ayes, 0 nays, 1 abstention)

- 2) **Virginia Tech Industrial Development Authorities Institute (VIDA) Virtual Training** – Most IDA members participated in this virtual training in December 2022. The 2023 session is being offered December 11-12, 2023 for any IDA member that wishes to participate.

OLD BUSINESS:

The IDA's Mission and Vision as it Relates to:

- 1) **Update on Consideration of the IDA's Policy Regarding Contributions to Community Organizations Under the Virginia Industrial Development Authority Statute, Virginia Code 15.2-4901** – Terence Battle completed a new edition of the Draft Community Contributions Policy. It was distributed to all IDA members. Mr. Battle received feedback from IDA members and incorporated their comments in the document. Ms. Kenny stated that it is a good document, and her only concern is whether additional language is needed to legally protect the IDA from liability. Mr. Battle plans to add legal language to the document as the last piece to complete it. He recently spoke with a member of the Prince William Chamber of Commerce regarding general grant programs. Mr. Battle plans to ask Mike Graff to review the document before providing the next rendition to the IDA.
- 2) **Update on Request for a Board Seat on the Prince William Chamber of Commerce** – Dexter Montgomery noted that Bob Sweeney responded to the IDA's request stating that the nominations are

made in January, candidates are approved and voted on in March, and the new Chamber Board is announced in June for the upcoming fiscal year. There was discussion as to whether the IDA might rotate several members to attend the Chamber Board meetings or whether one person will be selected to attend all meetings. In case of the latter, Chair Wallen asked IDA members to consider who might be the IDA's nominee to the Chamber Board. Ms. Kenny suggested that Mr. Montgomery would be a good candidate. This topic will be discussed further at the IDA's January meeting.

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

On Friday, December 1, 2023, Dexter Montgomery attended the Virginia Chamber of Commerce 2023 14th Annual Virginia Economic Summit and Forum on International Trade at the Greater Richmond Convention Center. Program highlights included an overview of economic growth in Virginia, a panel discussion with Virginia business leaders, and insight on the state's legal and regulatory climate.

Mr. Montgomery also visited Veterans Growing America, a pop-up shop in Stonebridge that is run by Donnell Johns. Veterans, active military, and spouses that have a business can showcase their product or service in pop-up space at the venue from Thursday through Sunday. The organization was visited by U.S. SBA Administrator Isabel Casillas Guzman on the day that Mr. Montgomery was there. Terence Battle has also visited this event and believes it offers good marketing visibility. The weekend event is open to the public to shop in support of these veteran owned businesses.

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

Andrew Taylor has put forth his name as a candidate for a Prince William County Juvenile and Domestic Relations Court Judge. The final decision is made by the Virginia Legislature, but the process begins with application to the Prince William County Bar Association and the Virginia Women Attorney's Association for their endorsement. The IDA will provide a letter of recommendation for Mr. Taylor.

The next Regular meeting of the PWC Industrial Development Authority will be held on Monday, January 8, 2024 in the Potomac Conference Room at the McCoart Government Administration Building. This is one week later than usual due to the New Year's Day holiday on January 1, 2024.

There being no further business to come before the IDA, the meeting was adjourned at 8:05pm on the motion of Dexter Montgomery, seconded by Andrew Taylor.

Approved: January 8, 2024