



APPROVED MINUTES

Industrial Development Authority of the County of Prince William

REGULAR MEETING

July 17, 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
Cheryl Kenny, Director

Absent was: William Malone, Director

Donna Flory and Scarlett Barbee attended to provide administrative support.

Michael W. Graff, Jr., Partner, McGuireWoods, the IDA's Bond Counsel, and Rob Byrne, and Joe Byrne of Dumfries Senior Living, LLC, developers of the Harbor at Quantico Creek, attended to present and answer questions regarding the project.

Christina Winn, Executive Director, Tom Flynn, Deputy Director, and Keasha Hall, Redevelopment Business Manager, Prince William County Department of Economic Development (PWCDED), attended to present the Murlarkey Distilled Spirits, LLC Performance Agreement and participate in the Hilton Convention Center potential loan discussion.

Robert Sweeney, President & CEO, Prince William Chamber of Commerce, attended to discuss the Chamber's FY24 Sponsorships.

PLEDGE OF ALLEGIANCE

CITIZEN'S TIME: A member of the public was present but did not wish to speak.

NEW BUSINESS

- 1) **PUBLIC HEARING:** *Consideration of an Inducement Resolution of the Industrial Development Authority of the County of Prince William to authorize the issuance of tax-exempt revenue bonds in the amount of \$20,000,000 to finance The Harbor at Quantico Creek, a 125-Unit Senior Affordable Housing Project for ages 62+, at or below 60% AMI. Project will consist of a 5-story building of approximately 151,000 sq. ft., on 7.6 acres to be located at 17950 Curtis Drive, Dumfries, VA 22026 (Potomac District). Project is by Dumfries Senior Living LLC with CHI at Pillar, LLC as the Class A member, and Pillar Senior Living LLC as the Class B member. CHI at Pillar, LLC, the sole class A member of Dumfries Senior Living, LLC, is comprised of Community Housing Initiative, Inc., a full-time affordable housing developer. The Pillar Baptist Church of Dumfries is a partner in this project. The proposed project is an age-restricted new apartment complex at below-market rate rents. The project will include 81 one-bedroom (640sq ft) and 44 two-bedroom (950 sq ft) senior apartments. Michael W. Graff, Partner, McGuireWoods, Bond Counsel to the PWC IDA noted that the applicant can borrow on a lower interest, tax-exempt basis because this project qualifies under the affordable housing rules of the tax code. Tax-exempt revenue bonds are a requirement in*

order to access federal housing tax credits. Tonight's Public Hearing was advertised in the *Prince William Times* and the *Washington Post*. IDA Director Terence Battle, who represents the Potomac District, participated in a telephone conversation with Mike Graff, PWC Supervisor Andrea Bailey, Rob Byrne, and Joe Byrne to ensure that Supervisor Bailey is informed about the project. Christina Winn, Executive Director, Prince William County Department of Economic Development, has also been involved. If approved by the IDA, this project will be placed on the Board County Supervisors (BOCS) Agenda for its September 12, 2023 meeting. Mr. Graff and the IDA's Chair will attend the BOCS meeting to answer any questions regarding the project. Rob Byrne provided an overview of the project, noting that it is a 125-unit unit affordable senior apartment complex, in partnership with Pillar Baptist Church. The Dumfries site will also include a sanctuary for the church, separate and apart from this project and its financing. Rents are capped at 60% AMI and below.

Mr. Byrne has worked with the Town of Dumfries to bring this project to fruition. In response to a question, he noted that site control is established through a purchase and sale agreement with the Town of Dumfries that extends until the end of 2024. The cost of the land purchase is included in the \$20 million total. Mr. Graff noted that no one from the public appeared to speak regarding this project. The Inducement Resolution before the IDA provides preliminary approval stating the IDA's intention to issue bonds for this project. The IDA's administrative fees will be paid by the applicant. The IDA is indemnified from any liability of the financing. Following this discussion, *Dexter Montgomery made a motion to approve the Inducement Resolution of the Industrial Development Authority of the County of Prince William to authorize the issuance of tax-exempt revenue bonds in the amount of \$20,000,000 to finance an affordable senior living facility, The Harbor at Quantico Creek, to be located in Dumfries, Virginia. The motion was seconded by Andrew Taylor and passed unanimously with Lorna Wallen, Harry Horning, Dexter Montgomery, Andrew Taylor, Cheryl Kenny, and Terence Battle each voting aye (Motion passes, 6 ayes, 0 nays, 0 abstentions).*

2) Presentation of two Murlarkey Distilled Spirits, LLC Performance Agreements –

Authorize the execution of a Performance Agreement among the Commonwealth of Virginia, Prince William County, the Industrial Development Authority of the County of Prince William, and Murlarkey Distilled Spirits, LLC for a \$250,000 grant from the Virginia Governor's Agriculture and Forestry Industries Development (AFID) Fund from Virginia's Department of Agriculture and Consumer Services, and

Authorize the execution of a Performance Agreement among Prince William County, the Industrial Development Authority of the County of Prince William, and Murlarkey Distilled Spirits, LLC for an Economic Development Opportunity Fund (EDOF) Grant in the amount of \$250,000.

Both Performance Agreements were unanimously approved by the Prince William Board of County Supervisors (BOCS) by Resolution 23-318 at its regular meeting on June 27, 2023. Chistina Winn, Executive Director, Prince William County Department of Economic Development, noted that the Governor's AFID Grant requires a County match, dollar for dollar. Murlarkey Distilled Spirits is an existing employer currently located at the corner of Wellington Road and Gainsford Court in Gainesville. Murlarkey will build a 21,000 sq. ft. canning, distillery and rickhouse facility on property located adjacent to the Farm Brew Live parking lot on Nokesville Road in the Brentsville District. The Farm Brew Live owner/developer, Villagio Group, purchased an additional 6 acres from the County. Four acres will be dedicated to the canning/distillery/rickhouse and parking lot, and the remaining two acres will house a boutique hotel. This project retains 18 jobs and creates 42 new jobs over the next 3 years at an average annual salary of \$39,000. Following this presentation, *Dexter Montgomery made a motion to approve a Performance Agreement authorizing a Prince William County Economic Development Opportunity Fund (EDOF) grant of \$250,000 to Murlarkey Distilled Spirits, LLC and to approve a Performance Agreement authorizing a Governor's Agriculture and Forestry*

Industries Development (AFID) grant of \$250,000 to Murlarkey Distilled Spirits, LLC. The motion was seconded by Cheryl Kenny and passed unanimously with Lorna Wallen, Harry Horning, Dexter Montgomery, Andrew Taylor, Cheryl Kenny, and Terence Battle each voting aye (Motion passes, 6 ayes, 0 nays, 0 abstentions).

- 3) ***CLOSED SESSION: Discussion of Hilton Conference Center Loan Request Including Potential Terms and Legal Consultation*** – At 6:48pm, in accordance with the Code of Virginia Section 2.2 - 3712A, *Andrew Taylor moved to close this part of the meeting, pursuant to Virginia Code Sections 2.2 – 3711. The motion was seconded by Harry Horning and passed unanimously with Lorna Wallen, Harry Horning, Dexter Montgomery, Andrew Taylor, Cheryl Kenny and Terence Battle, each voting aye. (Motion passed 6 ayes, 0 nays, 0 abstentions).* Christina Winn, Executive Director, Tom Flynn, Deputy Director, and Keasha Hall, Redevelopment Business Manager, Prince William County Department of Economic Development and Mike Graff, Bond Counsel to the IDA, participated in the Closed Session.

At 7:31pm, Andrew Taylor 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 Chapter 37 of the Virginia Code were heard, discussed, or considered by the IDA. The motion was seconded by Terence Battle and passed unanimously with Lorna Wallen, Harry Horning, Dexter Montgomery, Andrew Taylor, Cheryl Kenny, and Terence Battle each voting aye (Motion passed 6 ayes, 0 nays, 0 abstentions).

Before PWCDED representatives departed, IDA members expressed their best wishes to Tom Flynn in his upcoming retirement.

- 4) ***Update on IGNITE 2.0 Startup Grant Program*** – No update in July
- 5) ***Update on Elevate Workforce Grant Program*** – No update in July
- 6) ***Consideration of Prince William Chamber of Commerce Vision Partner Sponsorship for FY24 – July 1, 2023 – June 30, 2024*** – Robert Sweeney, President and CEO, Prince William Chamber of Commerce made a brief presentation. He noted that the Prince William Chamber is now the largest in the Commonwealth, with 1,300 members representing companies that employ over 85,000 people. Approximately 40 new members join each month. The Chamber held 231 events in the last year, the majority of which are free for Chamber members to attend. Going forward, Mr. Sweeney hopes to increase membership to 3,000. His current priority is launching the Chamber's 501c3 Foundation, approved by the Chamber Board in May. The Foundation is envisioned as having 3 "North Star" pillars: 1) First Responders and Military: events would include the annual Valor Awards and Salute to Armed Services 2) Women: a new, week-long women-centric event will be created and 3) Educational Workforce: the goal is to address both the area's workforce challenges and high truancy rates at some regional high schools. Chamber members could do a specific action with a high school student, such as a job shadow, internship or coop through paid work that also garners high school credit. Mr. Sweeney noted that IDA is currently a Vision Partner. The Vision Partnership includes 4 seats to signature events, premium recognition at events, recognition in the Chamber office on the lobby television and plaque, logo on Chamber website, inclusion in email to membership announcing FY24 partners, logo placements throughout year, the opportunity to speak at specific events, invitation to two partner breakfast events, a table at one Mega Networking event, and social media inclusion. Going forward, Chamber Board meetings will be in person, followed by an after-hours event that will attract 50 to 150 Chamber members. Two meetings a year will be in the eastern County, two mid County, and two in the western County. The IDA will consider the Vision Partnership at its August meeting.

APPROVAL OF THE JUNE 5, 2023 IDA MEETING MINUTES: *Secretary/Treasurer Dexter Montgomery made a motion to approve the June 5, 2023 Regular Meeting Minutes as presented. The motion was seconded by Terence Battle and passed with Lorna Wallen, Harry Horning, Dexter*

Montgomery, Andrew Taylor, Cheryl Kenny, and Terence Battle each voting aye (Motion passed 6 ayes, 0 nays, 0 abstentions).

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 June 30, 2023. All Treasurer's Notes are included in the written Treasurer's Report. Mr. Montgomery expanded on the following notes:

- *Treasurer's Note #4* – FVCbank CD#3708 with a balance of \$118,272.98, matured on 6/12/23. With the approval of the IDA, this CD was closed, and a new Anniversary CD was opened for 12 months at a rate of 4.15%. The required documentation was signed and returned to FVCbank. Interest rates and terms were compared with United Bank and VNB, offering 3.6% and 3.5% respectively.
- *Treasurer's Note #6* – Munificent Group was invoiced for Loan Payment #9, due on 6/4/2023 in the amount of \$28,833.64 (\$25,000 principle/\$3,833.64 interest). Payment was received on 6/2/2023. Current loan balance is \$275,000.
- *Treasurer's Note #7* – Invoices for Remington Place Apartments Bond Series 2012A \$64,700 and 2012B \$17,336.00 were emailed to the Auditor at RubinBrown. The Auditor responded that the IDA should contact the owner or management company and provided a website address. The financials reflect receivables in the amount of \$82,036.00. Ms. Flory and Ms. Barbee will work together to provide a formal request from the IDA's Secretary/Treasurer to a contact at the website suggested by the Auditor.
- *Treasurer's Note #8* – VSBFA was invoiced for \$10,952.00 in March. This is the Sentara Bond that IDA receives as a shared fee, through an interest-only annual payment. Todd Boyle confirmed by email that Sentara has not yet submitted payment as of 6/30/2023.
- *Treasurer's Note #10* – This Note enumerates 17 specific operational expenses for the month, including Director's stipends for the FY23 fourth quarter.

Following this review, *Dexter Montgomery made a motion to accept the Treasurer's Report as presented, including approving payment of 17 specific operating expenses detailed in Note #10 of the Treasurer's Notes. The motion was seconded by Cheryl Kenny and passed unanimously with Lorna Wallen, Harry Horning, Dexter Montgomery, Andrew Taylor, Cheryl Kenny, and Terence Battle 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: *Background:* Field work for the IDA's FY21 Audit took place on November 19, 2021. Andrew Grossnickle of Robinson, Farmer, Cox Associates requested additional information in July 2023, and Ms. Flory submitted approximately 50 additional documents. On July 17, Mr. Grossnickle 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. Ms. Flory will inquire as to whether that necessitates any changes in QuickBooks.

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 – No new update at the August meeting. *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.

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) **Hilton Conference Center Loan Request** – This topic, including the IDA's intentions and potential terms will be on the IDA's August agenda. It was noted that a preliminary decision may need to be made on this request as it relates to the IDA's consideration of purchasing commercial office space.
- 2) **Consideration of Change to IDA Bylaws to Allow for Individual IDA Members to Participate Virtually in a Limited Number of IDA Meetings Annually** – *Background:* Virginia Code Title 2.2, Chapter 37, Section 2.2-3708.3 –Effective September 1, 2022, the Virginia Code Title 2.2, allows for individual members of public bodies to participate electronically in cases of illness, temporary emergencies, and other personal reasons. Andrew Taylor will draft language for inclusion in the IDA's Bylaws. It was stated that virtual participation will be limited to no more than 2 meetings per calendar year. This topic will be considered at the IDA's August meeting.
- 3) **Consideration of Change to IDA Bylaws to Allow the IDA to Hold Electronic Meetings** – Virginia Code Title 2.2, Chapter 37, Section 2.2-3708.3, Paragraph C – Effective September 1, 2022, the Virginia Code allows certain public bodies to 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 – This topic will be considered at the IDA's August meeting.
- 4) **Consideration of the IDA's Policy Regarding Contributions to Community Organizations Under the Virginia Industrial Development Authority Statute**, Virginia Code 15.2-4901 – No new update at the July meeting. *Background:* Terence Battle previously provided a Draft Policy for Financial Support to Community Organizations. The Draft combines Chamber of Commerce and PWCDDED criteria for grants as a starting point. There has been discussion as to whether eligible organizations include for-profit businesses or strictly non-profit community organizations. Some IDA members have provided written recommendations. Mr. Battle welcomes additional feedback.
- 5) **Update on Attendance at Events Related to the IDA's Prince William Chamber of Commerce Business Development Vision Sponsorship** – Nothing new for July.
- 6) **Discussion of the IDA's Vision and Mission** – This is an ongoing topic considered in light of IDA decisions on a variety of new and existing endeavors.

New Business (not covered at the beginning of the meeting)

- 1) ***Consideration of the Feasibility of the Prince William County IDA Purchasing Commercial Space as Allowed Under Virginia Code 15.2-4905*** – The Real Estate Committee met on July 24 and reviewed information on several available properties. The Committee will discuss their findings and recommendations in more detail at the August 7, 2023 regular meeting.

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

PWC IDA Nametags – IDA members currently utilize Chamber of Commerce nametags. There are community events where IDA-specific nametags are preferred. Nametags will be ordered from Weisco prior to the August meeting.

The next Regular Meeting of the PWC Industrial Development Authority is scheduled for Monday, August 7, 2023, in the Cedar Run Conference Room at the McCoart Government Administration Building. *Note the change in room while the Potomac Room is under renovation.*

There being no further business to come before the IDA, the meeting was adjourned at 8:40pm on the motion of Dexter Montgomery, seconded by Cheryl Kenny.

Approved: August 7, 2023