



## APPROVED MINUTES

### Industrial Development Authority of the County of Prince William

#### REGULAR MEETING

June 6, 2022

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 Chairman at 6:35pm.

Present were: Lorna Wallen, Chairman  
Dexter Montgomery, Secretary/Treasurer  
Andrew Taylor, Assistant Secretary/Treasurer  
Cheryl Kenny  
Terence Battle

Absent was: Harry Horning, Vice Chairman  
Occoquan District Pending Appointment

Donna Flory and Scarlett Barbee attended to provide administrative support.

Tom Flynn, Deputy Director, Prince William County Department of Economic Development (DED), attended to provide updates on several DED projects.

#### **PLEDGE OF ALLEGIANCE**

**CITIZEN'S TIME:** No citizens were present

#### **NEW BUSINESS**

- 1) ***Update on the Prince William County Restore Retail Grant Program*** – Tom Flynn, Deputy Director, Prince William County Department of Economic Development (DED), reported that 295 businesses have been approved to date, for a total expenditure of just over \$4.43 million in grant monies. There is an additional \$1.3 million remaining in the Restore Retail program. DED is aware that many local restaurants continue to experience slower than expected economic recovery. The original Restore Retail Grant Program excluded restaurants if they had previously received federal grant monies. However, given that many restaurants are struggling with increased labor costs and higher food prices, DED is going to ask the Board of County Supervisors to lift this exclusion. If the BOCS approves, then DED will ask the IDA for approval of an Amendment allowing restaurants to participate in the Restore Retail Program, even if they previously received federal funds. The County has until 2024 to expend ARPA funding.
- 2) ***Update on the Prince William County Lift Up Lodging Grant Program*** – Tom Flynn, Deputy Executive Director, Prince William County Department of Economic Development (DED), reported that all funds for this grant program have been awarded. One hotel changed ownership, making it ineligible for a loan. Forty-three hotels were approved for Lift Up Lodging grants totaling \$3.1 million. This program is now closed. Approximately \$700,000 in funds remain undistributed. The Prince William County Department of Parks and Recreation will be seeking approval from the Prince William Board of County Supervisors to use these remaining funds for a tourism campaign. This is an allowed use of the funds under the ARPA program. Lift Up Lodging is complete and there will be no future reporting.

- 3) ***Update on the Ignite 2.0 Grant Program for High-Growth Startup Businesses*** – These grants are provided by American Rescue Plan Act (ARPA) funding. Tom Flynn reported that the rollout of Ignite 2.0 is delayed until a new Life Sciences Manager is hired. DED is hopeful that a new staff member will be on board by late July. The goal is to kick off marketing for the Ignite 2.0 Program in August, with applications due in September or October. DED continues to be assisted by a consultant with ExoVenture, a venture capitalist consulting firm based in New York. The consultant helped DED evaluate the previous Ignite Grant applications. This consultant and his partner will be in town this week to provide a workshop benefitting the Ignite Grant winners and many other high-growth tech companies in the County. These include several companies located in the Prince William Science Accelerator, the Northern Virginia Bio Science Center, the Virginia Serious Games Institute, and a few companies located in the Brickyard Co-Working space or recommended by CIT. The consultant will also be meeting with DED personnel to map out a strategy for Ignite 2.0.
- 4) ***Update on the Elevate Workforce Program*** – Tom Flynn provided a brief update on the Elevate Workforce Program. This \$1.4 million program utilizes ARPA Funds through an agreement with Virginia Career Works and the SkillSource Group, Inc. Between March and May 2022, representatives of the program contacted 102 companies regarding utilizing the grant to increase the skills of their current workforce. In addition, they are in ongoing contact with 1000 job seekers per week. DED does not have current information on job placement and trainings but will obtain this information in the future.
- 5) ***Update on Draft Tri-Party Agreement Among the Prince William Board of County Supervisors, the Prince William County Service Authority, and the IDA Pertaining to the Prince William County Water and Sewer Tap Fee Availability Loan Program*** – Tom Flynn reported that DED is continuing to hold discussions with the Acting County Executive on how this program might work. DED holds approximately \$9 million in non-cash water/sewer credits. It may be possible to convert a specific amount of those credits (\$500,000 as an example), into cash and transfer them to the IDA to set up a revolving loan program for water/sewer fees. However, there is concern that a revolving loan fund may not directly benefit commercial economic development projects. DED will continue to evaluate the viability of moving forward with this program.
- 6) ***Update on Town of Haymarket Distribution of CARES Act/American Rescue Plan Funds*** – The IDA's Bookkeeper, Donna Flory, reported that there are two checks outstanding, in the amount of \$500 each. Ms. Flory has spoken with the Acting Treasurer for the Town of Haymarket and he will contact the businesses.
- 7) ***Update on Utilities Easement attached to 2851 Dale Boulevard, Woodbridge, VA*** – This is the former K-Mart property, now an At Home store. The IDA was involved in the original bond for the K-Mart in 1980. The owner of an adjacent McDonalds property contacted the IDA to inquire about a remaining utilities easement on the property. The IDA has no responsibility for this easement. As a courtesy, the IDA's Bond Counsel, Mike Graff, and his colleague, who specializes in utilities issues, participated in a follow-up phone call with the McDonalds representative. They referred her to Prince William County as the appropriate contact. No further action is necessary.

**APPROVAL OF MAY 2, 2022 IDA MEETING MINUTES:** *Dexter Montgomery made a motion to approve the May 2, 2022 Regular Meeting Minutes as presented. The motion was seconded by Cheryl Kenny 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)*

**TREASURER'S REPORT: *Treasurer's Monthly Financial Report:*** Dexter Montgomery, the IDA's Secretary/Treasurer, called attention to the Treasurer's Report for the month ending May 31, 2022. Reviewing the *Treasurer's Notes* portion of the report, Mr. Montgomery specifically highlighted notes #2, #8, #9, #10 and #12 as follows:

- Item #2 – Munificent Group was invoiced in the amount of \$30,055.96 for its 5<sup>th</sup> installment due 6/4/2022.
- Item #8 – The Treasurer is seeking approval to rollover United Bank CD#9725 that matures on 7/2/2022. The recommendation of the Treasurer and the Bookkeeper is for them to seek the best available interest rate, also considering the time and cost of moving the CD to a new bank. The current balance is \$106,177.52 as reflected in QuickBooks.
- Item #9 – The recommendation of the Treasurer and the Bookkeeper is for them to seek the best interest rate available and rollover FVCB CD#3708 that matures on 6/12/2022. The current balance is \$117,719.65 as reflected in QB's.
- Item #10 – The Proposed FY23 Budget was provided to IDA members as a separate file, along with the Treasurer's Report. Mr. Montgomery will be reviewing these documents later in the meeting.
- Item #11 – The IDA's Liability Insurance through VRSA will cost \$4,157.00 for FY23. It is due on 7/15/2022.
- Item #13 – The IDA's Bookkeeper processed and disbursed additional checks under ARPA funding, resulting in an additional payment of \$138.24 being made to her. Item #13 also lists 8 specific operational expenditures that will be paid utilizing FVCBank's Bill Pay service.

Following this review, *Dexter Montgomery made a motion to accept the Treasurer's Report, including approving payment of 8 specific operating expenses detailed in Note #13 of the Treasurer's Notes. Terry Battle seconded the motion and it 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)*

**IDA's Proposed FY23 Budget for July 1, 2022 to June 30, 2023** – The IDA's Secretary/Treasurer, Dexter Montgomery, reviewed the IDA's Proposed FY23 Budget. He noted that expected administrative fees were calculated based on a 4% reduction of actual fees collected in FY22. Mr. Montgomery called attention to several FY23 Proposed Budget Notes including: #2, #4, #11-12, and #17-18 as follows:

#2 – Payments of \$149,224.10 are expected from the two water/sewer tap fee loans (FY23 payments) and will be reflected on the balance sheet under Other Assets (receivables) as they are received. Interest paid on the two loans is reflected in a separate budget category.

#4 – Interest Earned on Investments – Excluding the two water/sewer tap fee loans, other interest earned is based on the \$9,500.31 FY22 Actual interest as of May 7, 2022. This category will be decreased from \$10,000 to \$8,000 as interest rates have decreased.

#11 – Continuing Education will be increased from \$2,000 to \$5,000 to allow IDA members to attend IDA specific training.

#12 – New Initiatives will remain at \$25,000.

#17 – The Independent Certified Audit Fee has been increased by 8% from \$6,500 to \$7,000. The time required to audit the IDA is expected to increase due to Cares Act and ARPA monies distributed in FY23.

#18 – The Reserved for Future Initiatives category has been changed to \$126,431.00. This category is adjusted each budget year to balance the budget after anticipated income and expenses have been estimated.

*Following this review, Dexter Montgomery made a motion to approve the IDA's FY23 Proposed Budget (July 1, 2022 to June 30, 2023) as presented. The motion was seconded by Cheryl Kenny and passed unanimously with Lorna Wallen, Dexter Montgomery, Andrew Taylor, Cheryl Kenny, and Terry Battle each voting aye. (5 ayes, 0 nays, 0 abstentions)*

**Update on the IDA's FY21 Audit.** Field work for the IDA's FY21 Audit took place on November 17, 2021. Ms. Flory spoke with Andrew Grossnickle of Robinson, Farmer, Cox (RFC) in late April and he hoped to have the completed Audit to the IDA in May or June.

**Other IDA Investment Possibilities** – At the March meeting, Harry Horning noted that there may be more advantageous investments for the IDA's funds, given the low interest rates on CDs. Mr. Horning and Mr. Montgomery recently met to discuss the possibility of the IDA investing monies in American mutual funds. U.S. 2-year treasuries are currently at 2.7%, which is significantly above the current CD rates. Earlier this evening, Mr. Horning sent an email with information on State and Local Government Series Securities. During tonight's meeting, Ms. Barbee forwarded the email to IDA members for their review. It will also be provided to the IDA's Bond Counsel, Mike Graff. Mr. Graff will provide his comments at or before the IDA's July meeting. Further discussion on this topic will be tabled until the July meeting.

#### **CHAIRMAN'S REPORT:**

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

**Virginia Industrial Development Authority (VIDA) Training:** Chair Wallen requested that IDA members participate in VIDA training during 2022. This is training specific to the mission and function of Virginia IDAs. In the past, it has been offered in-person at a central location in Virginia. To support attendance, \$3,000 was shifted from the IDA's "Reserved for Future Initiatives" category to "Continuing Education" category in the FY23 budget. This ensures that funds will be available if in-person attendance is an option. If only virtual attendance is offered, then the cost will be substantially less. The 2-day workshop is expected to be offered in December 2022. Firm dates and more details should be available by the end of July.

**Freedom of Information Act Training 2022:** The Virginia Freedom of Information Advisory Council provides virtual FOIA training to elected officials and other public office holders in Virginia. Members of the IDA completed this training in late 2020/early 2021 and will need to renew it by December 2022. Ms. Barbee will forward information on how to complete the training.

**OLD BUSINESS: Update on Attendance at Events Related to the IDA's Prince William Chamber of Commerce Business Development Vision Sponsorship** – Last month, the IDA renewed its Vision Partner Sponsorship with the Prince William Chamber. This month, Dexter Montgomery participated in the Chamber's Annual Partner's Breakfast and had the opportunity to collaborate with other Chamber sponsors. Cheryl Kenny attended the Chamber's County Policy Update and found it informative. Several IDA members are registered for upcoming Chamber events in June.

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

***Discussion of the IDA's Vision and Mission:*** Chair Wallen previously appointed Andrew Taylor and Terry Battle to review the mission and vision of the IDA. She asked them to consider drafting an IDA mission statement and to consider how the IDA might bring in additional bond business. This topic will be discussed at the July meeting of the IDA.

***Discussion of Potential Washington Commander's Stadium in Prince William County:*** This topic has generated a great deal of interest. However, it appears to be on hold at this time.

***The Greater Prince William Health Center:*** This organization is currently working with its lender and the IDA's Bond Counsel to determine if an IDA bond is a feasible means of financing a potential new building in the Lake Ridge area.

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

The next Regular Meeting of the PWC Industrial Development Authority is scheduled for Monday, July 11, 2022 in the Potomac Conference Room at the McCoart Government Administration Building. This is one week later than usual due to the Fourth of July holiday on the first Monday.

Mr. Montgomery informed IDA members that a representative of the Iron Mountain Data Center has extended an invitation to IDA members to take a tour of the data center. Chair Wallen asked members to consider if this is something they would like to schedule this summer.

There being no further business to come before the IDA, the meeting was adjourned at 7:30pm on the motion of Dexter Montgomery, seconded by Cheryl Kenny.

***APPROVED: July 11, 2022***