

Approved October 27, 2016

July 28, 2016

Industrial Development Authority of the Clarke County,
Virginia
Meeting Room AB

1:00 p.m.

At a regular session of the Industrial Development Authority of the Clarke County, Virginia held in the Berryville Clarke County Government Center, 101 Chalmers Court, 2nd Floor, Berryville, Virginia on Thursday, July 28, 2016.

Authority Members Present: Mark Cochran, Brian Ferrell, Allan Frederickson, English Koontz, David Juday, Rodney Pierce

Authority Members Absent: Paul Jones

Board of Supervisors Liaison Present: David Weiss

County Staff Present: David Ash, Len Capelli, Lora Walburn

Press Present: None

Others Present: David Ash, Christy Dunkle

1. Call to Order

At 1:03 pm, David Juday called the meeting to order.

2. Approval of Agenda

Rodney Pierce, seconded by Mark Cochran, moved to adopt the agenda as presented. The motion carried by the following vote:

Mark Cochran	- Aye
Brian Ferrell	- Aye
Allan Frederickson	- Aye
Paul Jones	- Absent
David Juday	- Aye
English Koontz	- Aye
Rodney Pierce	- Aye

3. Approval of February 4, 2016 Minutes

Mark Cochran, seconded by Allan Frederickson, moved to approve the February 4, 2016 minutes as presented. The motion carried by the following vote:

Mark Cochran	- Aye
Brian Ferrell	- Aye
Allan Frederickson	- Aye
Paul Jones	- Absent
David Juday	- Aye
English Koontz	- Aye
Rodney Pierce	- Aye

4. Treasurer's Report

Allan Frederickson, Treasurer, provided the quarterly report. Highlights include:

- VACorp insurance was the largest expenditure.
- Town of Berryville issued the final payment for Berryville Graphics.
- Add to October agenda update from Eagle Financial Services to include breakdown of expenses and revenues.

Rodney Pierce, seconded by English Koontz, moved to accept the Treasurer's Report. The motion carried by the following vote:

Mark Cochran	- Aye
Brian Ferrell	- Aye
Allan Frederickson	- Aye
Paul Jones	- Absent
David Juday	- Aye
English Koontz	- Aye
Rodney Pierce	- Aye

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Clarke County
Industrial Development Authority
July 27, 2016
Treasurer's Report

Checking Account:	\$72,577.93
Brokerage Account:	\$34,817.87
MMDA:	<u>\$1,531.40</u>
Total:	\$108,927.20
Income:	\$0.00
Expenses:	
Meeting Expense:	\$200.00
USPS (stamps)	\$9.40
VA Corp	<u>\$1,333.00</u>
Total Expense:	\$1,542.40

Respectfully Submitted,



Allan Frederickson

5. Old Business

A. Governor's Agriculture & Forestry Industries Development Fund Performance Agreement Between County Of Clarke, Virginia Town Of Berryville, Va, Handsome Brook Farms, LLC, And The Industrial Development Authority Of The Clarke County, Virginia

David Weiss provided an update of the Board of Supervisors actions specific to the performance agreement with Handsome Brook Farms:

- Virginia is awarding Handsome Brook Farms \$200,000 up front.
- The Town and County have agreed to a rebate program up to a cap of \$200,000 based on taxes due from capital improvements.
- Town Council and the Board of Supervisors approved the agreement at a Joint Meeting conducted on July 29, 2016, the same day Governor McAuliffe visited Berryville to make the announcement.

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- The State will monitor compliance with production requirements.

David Juday, IDA Chair:

- Handsome Brook Farms [HBF] agreed to \$6.4MM in capital improvements for the property over a five-year period.
- Rebate is paid on taxes due on the improvements to the property.
- The rebate will not result in any net loss of revenue to the Town or County.
- HBF agrees to create 105 new jobs.
- HBF agrees to purchase of 20 million dozen Virginia-produced eggs.
- The IDA will issue the rebate check to HBF from funds received from the Town and County.
- Set up two incentive packages:
 - Local package covers property improvements.
 - State is leveraging the federal tobacco buy-out money.
- Tasked Len Capelli with exploring outreach to local farmers and/or the Farm Bureau.

Christy Dunkle, Town Planner, provided:

- Distributed a revised Performance Agreement received July 28, 2016 at 12:13 pm from Chauntele D. Taylor, AFID Compliance Coordinator, Virginia Department of Agriculture and Consumer Services, Agriculture and Forestry Development Services.
- Ms. Taylor's email advised that changes were made throughout the document to the capital investment performance measure changing amount from \$6,809,820 to the amount provided in the application letter of \$6,413,820.
- Once all parties are satisfied with the document, Ms. Taylor will forward a copy to the Attorney General's office for review to ensure enforceability, as required by Code.
- Local farmers have expressed interest in supplying eggs to HBF.

Allan Frederickson, seconded by Rodney Pierce, moved that the Industrial Development Authority of the Clarke County, Virginia approve the Handsome Brook Farm Performance Agreement and authorize the Chair to make minor modifications as needed in consultation with the Virginia Department of Agriculture and Consumer Services and to sign the document. The motion carried by the following vote:

Mark Cochran	- Aye
Brian Ferrell	- Aye

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Allan Frederickson	- Aye
Paul Jones	- Absent
David Juday	- Aye
English Koontz	- Aye
Rodney Pierce	- Aye

GOVERNOR'S AGRICULTURE & FORESTRY INDUSTRIES DEVELOPMENT FUND
PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT (the "Agreement")** made and entered this [28th] day of July, 2016, by and among the **COUNTY OF CLARKE, VIRGINIA** (the "County") and the **TOWN OF BERRYVILLE, VA** (the "Town") (collectively "the Locality"), and **HANDSOME BROOK FARM, LLC**, (the "Company"), a Delaware corporation authorized to transact business in the Commonwealth of Virginia (the "Commonwealth"), and the **INDUSTRIAL DEVELOPMENT AUTHORITY OF CLARKE COUNTY, VIRGINIA** (the "Authority"), a political subdivision of the Commonwealth.

WITNESSETH:

WHEREAS, the Locality has been awarded a grant of and expects to receive \$200,000 from the Governor's Agriculture & Forestry Industries Development Fund (an "AFID Grant") through the Virginia Department of Agriculture and Consumer Services ("VDACS") for the purpose of inducing the Company to construct and improve an agriculture and/or forestry processing/value-added facility using Virginia-grown products in the Locality (the "Facility"), thereby making a significant Capital Investment, as hereinafter defined, creating a significant number of New Jobs, as hereinafter defined; and purchasing a significant amount of Virginia-grown agricultural and forestal products, as hereinafter set forth; and.

WHEREAS, the Locality is willing to provide the funds to the Authority with the expectation that the Authority will provide the funds to or for the use of the Company, provided that the Company promises to meet certain criteria relating to Capital Investment, New Jobs, and purchase of Virginia-grown agricultural and forestal products; and

WHEREAS, the Locality, the Authority, and the Company desire to set forth their understanding and agreement as to the payout of the AFID Grant, the use of the AFID Grant proceeds, the obligations of the Company regarding Capital Investment, New Job creation, purchase of Virginia-grown agricultural and forestal products, and the repayment by the Company of all or part of the AFID Grant under certain circumstances; and

WHEREAS, the construction and operation of the Facility will entail a capital expenditure of approximately \$6,413,820, of which approximately \$3,347,180 will be invested in machinery and equipment, approximately \$1,698,640 will be invested to improve the site and building, and approximately \$1,368,000 will be invested in tangible personal property; and

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WHEREAS, the construction and operation of the Facility will further entail the creation of 105 New Jobs at the Facility; and

WHEREAS, the construction and operation of the Facility will further lead to the purchase of Virginia-grown agricultural and forestal products in the following amount: 20,232,450 dozen eggs for \$50,581,125 over the performance period (see Appendix A for details); and

WHEREAS, the stimulation of the additional tax revenue and economic activity to be generated by the Capital Investment, New Jobs, and purchase of Virginia-grown agricultural and forestal products constitutes a valid public purpose for the expenditure of public funds and is the animating purpose for the AFID Grant: and

WHEREAS, the County is the Lead Applicant and will serve as fiscal agent for the Locality.

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises, and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows.

Section 1. Definitions.

For the purposes of this Agreement, the following terms shall have the following definitions:

“Capital Investment” means a capital expenditure by or on behalf of the Company in taxable real property, taxable tangible personal property, or both, at the Facility excluding the purchase of land or existing real property improvements. The total capital expenditure of \$6,413,820 is referred to in this Agreement as the “Capital Investment.”

“Maintain” means that the New Jobs created pursuant to the AFID Grant will continue without interruption from the date of creation through the Performance Date. Positions for the New Jobs will be treated as Maintained during periods in which such positions are not filled due to temporary reductions in the Company’s employment levels in connection with recruitment for open positions or strikes and other work stoppages.

“New Job” means new permanent full-time employment of an indefinite duration at the Facility for which the standard fringe benefits are paid by the Company for the employee, and for which the Company pays an average annual wage of at least \$33,955. Each New Job must require a minimum of either (i) 35 hours of an employee’s time per week for the entire normal year of the Company’s operations, which “normal year” must consist of at least 48 weeks, or (ii) 1,680 hours per year. Seasonal or temporary positions, positions created when a job function is shifted from an existing location in the Commonwealth, and positions with construction contractors, vendors, suppliers and similar multiplier or spin-off jobs shall not qualify as New Jobs.

“Performance Date” means August 31, 2019. If the Locality, in consultation with the Authority and the Secretary of Agriculture and Forestry, deems that good faith and reasonable efforts have been made and are being made by the Company to achieve the

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Targets, the Locality may agree to extend the Performance Date by up to 15 months. If the Performance Date is extended, the Locality shall send written notice of the extension to the Authority, the Company and the Secretary of Agriculture and Forestry and the date to which the Performance Date has been extended shall be the "Performance Date" for the purposes of this Agreement.

"Targets" means the Company's obligations to make Capital Investments at the Facility of at least \$6,413,820, to create and Maintain at least 105 New Jobs at the Facility, and to purchase at least \$50,581,125 of Virginia-grown agricultural and forestal products (see Appendix A for details) , all as of the Performance Date.

"Virginia Code" means the Code of Virginia of 1950, as amended.

Section 2. Targets.

The Company will develop and operate the Facility in the Locality, make a Capital Investment of at least \$6,413,820, create and Maintain at least 105 New Jobs, and purchase \$50,581,125 of Virginia-grown agricultural and forestal products (see Appendix A), at the Facility, all as of the Performance Date. If the dollar amount of new purchases of Virginia-grown agricultural and forestal products is not met, the Company can still achieve the purchase target by demonstrating they substantively achieved the same volume of Virginia-grown agricultural and forestal products they proposed in Appendix A.

The average annual wage of the New Jobs will be at least \$33,955.

The average prevailing wage in the locality in 2016 is \$42,796.

Section 3. Disbursement of AFID Grant.

By no later than August 31, 2016, the Locality will request the disbursement to it of the AFID Grant. If not so requested by the Locality by August 31, 2016, this Agreement will terminate. The Locality and the Company will be entitled to reapply for an AFID Grant thereafter, based upon the terms, conditions and availability of funds at that time.

The AFID Grant in the amount of \$200,000 will be paid to the Locality, upon its request. Within 30 days of its receipt of the AFID Grant proceeds, the Locality will disburse the AFID Grant proceeds to the Authority. Within 30 days of its receipt of the AFID Grant proceeds, the Authority will disburse the AFID Grant proceeds to the Company as an inducement to the Company to achieve the Targets at the Facility. The Company will use the AFID Grant proceeds to make building improvements, as permitted by Section 3.2-304(C) of the Virginia Code.

Section 4. Break Even Point; State and Local Government Incentives.

See Appendix B for description of "break-even point." With regard to the Facility, the Commonwealth expects to provide incentives in the following amounts:

<u>Category of Incentive:</u>	<u>Total Amount</u>
AFID Grant	\$200,000

Virginia Jobs Investment Program (“VJIP”) (Estimated) \$57,750

The Locality expects to provide the following incentives, as matching grants or otherwise, for the Facility:

<u>Category of Incentive:</u>	<u>Total Amount</u>
Clarke County and the Town of Berryville will rebate of 50% of local real estate, business personal property, and machinery and tools taxes paid by the Company to the Town and County on assessments above current assessed values (\$937,400 land and improvements for real estate taxes; \$0 for business personal property taxes; and \$0 for machinery and tools taxes) for each year through calendar year 2022, up to total rebates of \$200,000.00. Such rebates shall be paid by the Locality to the Authority by February 15 of the year following the calendar year in which the Company pays the taxes, and the Authority shall pay the rebates to the Company within forty-five (45) days after receipt of the rebate amounts from the Locality. It is estimated that Clarke County will rebate \$134,400 and the Town of Berryville will rebate \$65,600.	\$200,000

The Grant award is based on the assumption that the Company will generate new taxes for the locality. The amount of \$200,000 is drawn from a calculation of the total estimated new local taxes to be generated by the Company through August 31, 2022 based on investment information presented by the company as part of the AFID application process.

If, by August 31, 2022, the value of the funds and other local incentives disbursed or committed to be disbursed by the Locality to the Company total less than the \$200,000 AFID Grant local match requirement, the Company shall repay the difference to the AFID Fund.

The proceeds of the AFID Grant shall be used for the purposes described in Section

3. The VJIP grant proceeds shall be used by the Company to pay or reimburse itself for recruitment and training costs. The proceeds of the Locality’s \$200,000 may be used by the Company for any lawful purpose.

Section 5. Repayment Obligation.

(a) *Determination of Inability to Comply:* If the County or the Secretary of Agriculture and Forestry (the “Secretary”) determines at any time before the Performance Date (a “Determination Date”) that the Company is unlikely to meet and Maintain at least fifty (50) percent of its Targets by and through the Performance Date (i.e., by making a Capital Investment of at least \$3,206,910 in the Facility, by creating and Maintaining at least 52 New Jobs at the Facility, or by purchasing at least \$25,290,562 of Virginia-grown agricultural and forestal products by the Performance Date), and if the County or the Secretary shall have promptly notified the Company of such determination, the entire AFID Grant must be repaid by the Company to the Authority. Such a determination by the Locality or the Secretary will be based on circumstances such as a filing by or on behalf of the Company under Chapter 7 of the U.S. Bankruptcy Code, the liquidation of the Company, an abandonment of the Facility by the Company, or other similar significant event that

demonstrates that the Company will be unable or is unwilling to satisfy the Targets for the AFID Grant.

(b) *Repayment of AFID Grant:* For purposes of repayment, the AFID Grant is to be allocated as \$66,667 (33%) for the Company's Capital Investment Target, \$66,666 (33%) for its New Jobs Target, and \$66,666 (33%) for its purchase of Virginia-grown agricultural and forestal products. If the Company has met at least ninety percent (90%) of each of the three Targets at the Performance Date, then and thereafter the Company is no longer obligated to repay any portion of the AFID Grant. If the Company has not met at least ninety percent (90%) of each of the three of its Targets at the Performance Date, the Company shall repay to the Authority that part of the AFID Grant that is proportional to the Target or Targets for which there is a shortfall. For example, if at the Performance Date, the Capital Investment is only \$4,810,365, only 79 New Jobs have been created and Maintained, and only \$37,935,843 of Virginia-grown agricultural and forestal products have been purchased, the Company shall repay to the Authority twenty-five percent (25%) of the moneys allocated to the Capital Investment Target (\$16,667), twenty-five percent (25%) of the moneys allocated to the New Jobs Target (\$16,666), and twenty-five percent (25%) of the moneys allocated to the purchase of Virginia-grown agricultural and forestal products Target (\$16,666). Whether the New Jobs Target has been met will be determined by comparing the anticipated payroll (105 New Jobs at an average annual wage of at least \$33,955) to the actual number of New Jobs and the actual average annual wage reported at the Performance Date.

(c) *Repayment Dates: Such repayment shall be due from the Company to the Authority within thirty days of the Performance Date or the Determination Date, as applicable.* Any moneys repaid by the Company to the Authority hereunder shall be repaid by the Authority to the Locality and shall be repaid by the Locality promptly to VDACS for redeposit into the AFID fund. The Locality and the Authority shall use their best efforts to recover all such funds, including legal action for breach of this Agreement. The County shall assume primary responsibility for filing and prosecuting any such legal action, and the Authority shall cooperate with the County's efforts. Neither the Locality nor the Authority shall have any responsibility for the repayment of any sums hereunder unless said sums have been received by the Authority from the Company.

Section 6. Company Reporting.

The Company shall provide, at the Company's expense, detailed verification reasonably satisfactory to the County, the Authority, and VDACS of the Company's progress on the Targets. Such progress reports will be provided annually, starting February 15, 2017 and at such other times as the Locality, the Authority, or VDACS may reasonably require. The progress reports will cover the previous calendar year of the Performance Period, beginning on August 31, 2016.

With each such progress report, the Company shall report to VDACS the amount paid by the Company in the prior calendar year in Virginia corporate income tax. The Company hereby authorizes the Commissioner of the Revenue, the Treasurer, and the Director of Finance for the County to release to the Authority and the Locality the Company's confidential tax information and data so that the Authority may verify the payments made. VDACS has represented to the Company that it considers such information to be confidential proprietary information that is exempt from public disclosure under the Virginia Freedom of Information Act and that such information will be used by VDACS

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solely in calculating aggregate return on invested capital analyses for purposes of gauging the overall effectiveness of economic development incentives.

1) With each progress report, the Company shall also report to VDACS the amount purchased and the purchase price paid by the Company, or the fair market value of the Virginia-Grown Agricultural or Forestal Products utilized, through the prior year.

2) The Locality and Company agree to retain all books, records, data, and other documents relative to this agreement for a period of three (3) years after the end of this agreement, or until audited by the Commonwealth of Virginia, whichever is sooner. VDACS and its authorized agents, and/or state auditors (both the Auditor of Public Accounts and/or VDACS Internal Auditor) shall have full access to and the right to examine any of said materials and records relating to this agreement during this period.

Section 7. Notices.

Any notices required or permitted under this Agreement shall be given in writing, and shall be deemed to be received upon receipt or refusal after mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail or overnight courier package not accepted by the addressee):

if to the Company, to:

Attention: _____

with a copy to:

Attention: _____

if to the Locality, to:

Town of Berryville
101 Chalmers Court, Suite A
Berryville, VA 22611
Attention: Keith R. Dalton, Town Manager

with a copy to:

Town of Berryville
101 Chalmers Court, Suite A
Berryville, VA 22611
Attention: Mayor

if to the Authority, to:

County of Clarke
101 Chalmers Court, Suite B
Berryville, VA 22611
Attention: David L. Ash, County Administrator

with a copy to:

County of Clarke
101 Chalmers Court, Suite B
Berryville, VA 22611
Attention: Chairman Board of Supervisors

if to VDACS, to:

Secretary of Agriculture and Forestry
Office of Governor Terence R. McAuliffe
Commonwealth of Virginia
1111 East Broad Street
Richmond, Virginia 23219
Attention: AFID

with a copy to:

Stephen G. Versen
AFID Fund Coordinator
Va Dept. of Agriculture & Consumer Svcs
102 Governor St.
Richmond, Virginia 23219
Attention: AFID

Section 8. Miscellaneous.

(a) *Entire Agreement; Amendments:* This Agreement constitutes the entire agreement among the parties hereto as to the AFID Grant and may not be amended or modified, except in writing, signed by each of the parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The Company may not assign its rights and obligations under this Agreement without the prior written consent of the Locality, the Authority, and the Secretary of Agriculture and Forestry.

(b) *Governing Law; Venue:* This Agreement is made, and is intended to be performed, in the Commonwealth and shall be construed and enforced by the laws of the Commonwealth. Jurisdiction and venue for any litigation arising out of or involving this Agreement shall lie in the Circuit Court of the County of Clarke and such litigation shall be brought only in such court.

(c) *Counterparts:* This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.

(d) *Severability:* If any provision of this Agreement is determined to be unenforceable, invalid or illegal, then the enforceability, validity and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the parties hereto have executed this Performance Agreement as of the date first written above.

TOWN OF BERRYVILLE, VIRGINIA

By

Name:

Title:

Date: _____

COUNTY OF CLARKE, VIRGINIA

By

Name:

Title:

Date: _____

INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF CLARKE,
VIRGINIA

By

Name:

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Title:

Date: _____

HANDSOME BROOK FARM, LLC

By

Name:

Title:

Date: _____

APPENDIX A

Purchases of Virginia-grown Products:

By the Performance Date, the Company is committing to sourcing from Virginia farms 20,232,450 net new dozen eggs at a value of \$2.50 per dozen for a total of \$50,581,125.

Handsome Brook Farm Berryville Three Year Production and Sourcing Estimate					
	Baseline	New Production			
		9/16 to 8/17	9/17 to 8/18	9/18 to 8/19	Total
Net New Plant Egg Processing in Pallets	-	13,843	34,183	44,400	92,426
Plant Egg Processing in Pallets	535.50	14,378.50	34,183.25	44,400.00	92,962
Net New Plant Egg Processing in Dozens	-	6,675,300	24,981,525	34,176,600	65,833,425
Plant Egg Processing in Dozens	481,950	12,940,650	30,764,925	39,960,000	83,665,575
Net New Production -- Virginia (Farm Equiv)	0	28	111	111	111
Production -- Virginia (Farm Equiv)	1	29	112	112	112
Net New Production -- Outside VA (Farm Equiv)	0	93	190	190	190
Production -- Outside VA (Farm Equiv)	50	143	240	240	240
Net New Total Farm Equiv	-	121	301	301	301
Total Farm Equiv	51	172	352	352	352
					-
Net New Production -- Virginia (Dz)	-	1,445,850	6,520,500	12,266,100	20,232,450
Production -- Virginia (Dz)	9,450	1,568,700	6,633,900	12,379,500	20,582,100
Net New Production -- Outside VA (Dz)	-	5,229,450	18,461,025	21,910,500	45,600,975
Production -- Outside VA (Dz)	472,500	12,931,200	30,764,925	39,960,000	83,656,125
Total Net New Production at Berryville Plant	-	6,675,300	24,981,525	34,176,600	65,833,425
Total Production at Berryville Plant	-	12,458,700	30,764,925	39,960,000	83,183,625
Net New Percentage of Production in Virginia		22%	26%	36%	31%
Percentage of Production in VA	2%	13%	22%	31%	25%
*Eggs valued at \$2.50 per dozen					

APPENDIX B

Break-Even Point Description:

VDACS has estimated that the Commonwealth will reach its “break-even point” by the Performance Date. The break-even point compares new revenues realized as a result of the

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Capital Investment and New Jobs at the Facility with the Commonwealth's expenditures on incentives, including but not limited to the AFID Grant.

6. New Business

Introduction New IDA Member Brian Ferrell

At the Chair's request, Brian Ferrell, IDA member appointed by the Clarke County Board of Supervisors on June 21, 2016 to fill the seat vacated by Wayne Armbrust, briefly summarized his background.

David Weiss, Board of Supervisors Chair, commented that the Supervisors felt that Mr. Ferrell's views and experience in the corporate world would strengthen the group.

Chairman Juday welcomed Mr. Ferrell to the Authority.

A. Lord Fairfax Community College Small Business Development Center Funding Request by Christine Kriz

Clarke County IDA Cash Grant Request
Agency Name: Lord Fairfax Small Business Development Center
Contact Name: Christine Kriz
173 Skirmisher Lane
Middletown, VA 22645
p: 540-868-7094
f: 540-868-7095

This Figure Represents a 12-Month Total (Jul 2015-June 2016)

Cash Grant: Amount Requested for FY 16/17 \$6,000

Through the course of the 2014 Fiscal Year, the Lord Fairfax SBDC had the opportunity to work one-on-one with 388 clients through our centers within our geographical footprint. This area stretches from the top of Virginia to the end of Shenandoah County to both Warrenton and Culpeper, Virginia. For this report, we will work directly with clients who have visited the center with a contact information based in the Clarke County area.

Within this FY 2015 we saw 21 direct clients from the Clarke County area. This represents 5.4% from our total amount. This number is slightly down from the year prior which was at 27 direct clients. Yet, this does show a growth from two years prior which we only saw 12 direct clients from the Clarke County region.

These numbers represent clients that came to our office in 2015/16, but we also were able to help many with a single phone call. In 2015 our office handled 1562 inquiries via the phone, whether this was asking about specific programs OR one-shot

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questions. Of those inquires, 100 came from Clarke County. This represents about 6.4% of the total number. As a point of reference, in years past this number has ranged from 7.4% to 3.8%.

In addition to the phone calls and one-on-one counseling, we offer a variety of seminars throughout the course of the year that bring small business owners face-to-face with instructors and new ideas. Last year, we assisted in 120 seminars which had about 1,097 attendees from around our footprint. From the Clarke community we had 50 attendees which represents about 4.6% of the total number. This shows a large increase from the prior year of 15 attendees representing about 2.2% of our total number.

Looking at these figures as a whole, all “clients” would be 3047 (phone/email inquiries, seminar attendees, clients) and Clarke County represents 5.6% of this number. Your continued GRANT funding would help maintain that figure as well as continue to provide great FREE one-on-one counseling as well as a core group of seminars.

Our justification for the \$6,000 Grant goes into both services that we provide, plus direct assistance in the Clarke County area.

- We are developing our 6th Annual Small Business Retreat to be held on October 28th, 2016 (last year’s Retreat yielded about 150 attendees) which helps to address needs as identified by the Clarke County small business community.
- We will continue to offer our “Mystery Shopping” services to Clarke County as a resource.
- We can provide a retail expert, Marc Willson, to counsel downtown and local merchants on ways to improve sales and strengthen community shopping.
- We provide e-commerce seminars by Ray Sidney-Smith, a self-proclaimed Google-ologist, to help downtown merchants grow their online marketing programs.
- Dale Maza and Christine Kriz can continue to meet with clients at the library as well as provide marketing counseling to Clarke County (Berryville) merchants.

Our total budget is \$262,149. To support this budget, we receive a federal grant of \$119,373 which needs to be matched by local jurisdictional support.

Len Capelli introduced Dale Maza, Lord Fairfax Community College Small Business Development Center. Highlights of Mr. Maza’s review include:

- Thanked the Authority for its support in FY2016.
- Assisted 21 persons with one-on-one counseling.
- Numbers are down throughout the region.
- Want to focus on “Tier II” business - business for a few years and need to grow the business.
- 28 offices throughout the state and 1,000 offices throughout the country.

Len Capelli responded to the Chair's question on FY2016 funding amounts explaining that LFCC SBDC had requested \$5,000 last year; however, upon review, the IDA increased the amount from \$5,000 to \$6,000.

Chairman Juday clarified that LFCC SBDC was requesting the same amount of support in FY2017 as in FY2016, \$6,000. He called for questions from members.

Allen Frederickson called for clarification on the use of "donation" on the invoice advising that these were local funds needed to match federal grant funds.

English Koontz asked about business outreach programs.

Mr. Maza responded that previously the SBDC waited until approached but was currently in the process of conducting more outreach programs such as: café, business retreat, and mailings to general public and general business public.

Len Capelli stated that SBDC was now more active with social media including Facebook and Twitter.

English Koontz asked if usage per person served was comparable to other localities.

Mr. Maza responded that numbers of persons assisted have fallen in all jurisdictions.

Chairman Juday asked about counseling services.

Mr. Maza stated that the initial session was typically one half to two hours; and subsequent sessions, can be by email or face-to-face, generally running an hour each. He noted that five hours is considered successful for counseling.

English Koontz commented that she would like to see more outreach to Tier II businesses where it would provide greatest benefit to Clarke's users.

Rodney Pierce, seconded by Mark Cochran, moved to approve the request for \$6,000 for LFCC SBDC. The motion carried by the following vote:

Mark Cochran	-	Aye
Brian Ferrell	-	Aye
Allan Frederickson	-	Aye
Paul Jones	-	Absent
David Juday	-	Aye
English Koontz	-	Aye
Rodney Pierce	-	Aye

B. VEDA IDA Conference, May 24, 25 Summary by Len Capelli

Highlights of Len Capelli's summary include:

- Approximately fifteen speakers from economic development partnerships, state agencies and other organizations.
- Reviewed and discussed best practices for IDA's.
- Reviewed and discussed statutory incentives, enterprise zones, tax credits for jobs, green jobs credits, research and development tax credits, recycling and equipment tax credits, day care facilities, and the Virginia jobs investment program.
- Talked about transportation partnership program.
- Emphasized need to align prospective businesses with community goals.
- Other communities are establishing different zones for technology, local enterprise, tourism, etc.
- While Virginia has a strong position, surrounding states of North Carolina, West Virginia and Maryland are stepping up efforts to attract businesses.
- County Economic Development actively working to develop more agribusiness and agri-tourism and will assist owners with business plan development and resource identification.

C. Bylaws and Rules of Procedures: Proposed Update

1. *Amend Section 204. Annual Meetings. The annual meeting of the Board of Directors shall be held in January of each year and meetings held once per quarter, or at such time as needed, throughout the year in the Berryville Clarke County Government Center, 101 Chalmers Court, Second Floor, Berryville, Virginia or at such location as the Board of Directors may designate.*
2. *Add Section 209: Removal of Director Before Their Terms in Office Expires: Should the Executive Committee, by a majority vote, deem that the attendance pattern of a Director at properly scheduled meetings is unacceptable, or should the performance of a Director be deemed unacceptable for any other reason by a majority vote of the Executive Committee, then the Chair of the Authority shall solicit the resignation of such an Director.*

In the event that no resignation is forthcoming, then the Executive Committee shall recommend the termination of such Director to the Clarke County Board of Supervisors.

3. Amend Section 403. Public Attendance at Meetings: Inspection of Records. All meetings of the Board of Directors at which formal action is taken shall be open to the public. The Board of Directors may hold executive or closed meetings in accordance with The Virginia Freedom of Information Act, ~~Chapter 21, Title 2.4, Chapter 37 Title 2.2 Administration of Government~~ Code of Virginia (1950, as amended), as may be in effect from time to time (the "Virginia Freedom of Information Act").
4. Section 404. Rules Regulations and Procedure: Add to Format of Meeting Approval of agenda
5. Check document for consistency in name: "Industrial Development Authority of the Clarke County, Virginia"
6. Section 206. Notices. Strike telegraph. Add email.

Following discussion, by consensus, the Authority agreed to add a section:

- A. Defining remuneration for Director attendance at quarterly meetings.
- B. \$50 payment for each meeting.
- C. Payment issued by the Authority Treasurer.
- D. No payment for attendance at special meetings.

Members of the Authority suggested comparing bond rates with surrounding jurisdictions.

English Koontz, seconded by Allan Frederickson, moved to approve the Bylaws of the Industrial Development Authority of the Clarke County, Virginia as modified. The motion carried by the following vote:

Mark Cochran	- Aye
Brian Ferrell	- Aye
Allan Frederickson	- Aye
Paul Jones	- Absent
David Juday	- Aye
English Koontz	- Aye
Rodney Pierce	- Aye

7. Next Meeting Date

By consensus, the Authority agreed to meet on Thursday, October 27, 2016, at 1 pm in Meeting Room AB of the Berryville Clarke County Government Center, 101 Chalmers Court, 2nd Floor, Berryville, Virginia.

Approved October 27, 2016

8. Adjournment

At 2:01 p.m., **Rodney Pierce seconded by Mark Cochran, moved to adjourn the quarterly meeting. The motion carried by the following vote:**

Mark Cochran	- Aye
Brian Ferrell	- Aye
Allan Frederickson	- Aye
Paul Jones	- Absent
David Juday	- Aye
English Koontz	- Aye
Rodney Pierce	- Aye

ATTEST: July 28, 2016

David Juday, Chair Industrial Development
Authority of the Clarke County, Virginia

Minutes Recorded and Transcribed by: Lora B. Walburn, Clerk, Industrial Development Authority of the Clarke
County, Virginia