

Industrial Development Authority of the Clarke County Virginia
Board of Directors
October 26, 2017 Minutes

A meeting of the Board of Directors of the Industrial Development Authority of the Clarke County Virginia held in the Berryville/Clarke County Government Center, Berryville, Virginia, on Thursday, October 26, 2017, at 1:00 PM.

Directors Present: Mark Cochran, Brian Ferrell, Paul Jones, David Juday, English Koontz, Rodney Pierce

Directors Absent: Allan Frederickson

Board of Supervisors Liaison Present: David Weiss

County Staff Present: David Ash, Len Capelli, Christy Dunkle, Mike Legge, Lora Walburn

1. Call to Order

At 1:02 pm, Chairman David Juday called the meeting to order.

2. Adoption of Agenda

Rod Pierce, seconded by English Koontz, moved to adopt the agenda as presented. The motion carried by the following vote:

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

3. Introduction of New Director William "Bill" Waite

David Juday introduced Bill Waite, Director assuming the position previously held by Allan Frederickson.

Mr. Waite added to his biography that he started building in Clarke County three years ago and moved to the County approximately eighteen months ago. He opined that in his career he was a jack of all trades working in and out of many pieces of the business. He stated that local

Approved 01-25-2018

government was new for him but he did have some dealings with government in his corporate life. He expressed his appreciation for the opportunity to work with the Authority.

David Juday thanked Mr. Waite for his willingness to serve. Chairman Juday then asked if he would be willing to serve as interim treasurer until the organizational meeting in January 2018 to which Mr. Waite agreed.

Following this exchange, the individual Directors briefly introduced themselves to Mr. Waite.

William "Bill" Waite
Board of Directors of the Industrial Development Authority of the Clarke County, Virginia
Term: October 31, 2017 through October 30, 2021
District: Millwood

Mr. Waite retired from ExxonMobil in March 2017 after 38 years. He held various management positions in:

- Treasurers: Cash management and major project financing
- Logistics: Fuel product movement scheduling and labor negotiations
- Retail: Buying and selling retail markets globally
- Planning: Develop five-year retail strategic plans
- Joint Ventures: Develop retail partnerships

In his last position as Global Payment and Loyalty Solutions Manager, he was responsible for credit cards programs and processing worldwide.

4. Presentation Resolution of Appreciation and Recognition of Service Allan Frederickson

English Koontz, seconded by Mark Cochran, moved to approve a resolution of appreciation and recognition of service for Allan Frederickson. The motion carried by the following vote:

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

The resolution of appreciation and recognition of service presented was adopted by acclamation.

Resolution of Appreciation and Recognition of Service Allan Frederickson

WHEREAS on December 15, 2009, the Clarke County Board of Supervisors first appointed Allan L. Frederickson to the Board of Directors for the Industrial Development Authority of the Clarke County Virginia; and,



WHEREAS Mr. Frederickson served the Authority as Vice Chair in 2011 and as Secretary / Treasurer from 2012 through the expiration of his term October 30, 2017; and,

WHEREAS during Mr. Frederickson’s tenure on the Authority, he promoted the work of the Authority, actively participating in the bonding process for Grafton School, Shenandoah University, Lord Fairfax Community College, and United Methodist Senior Housing, as well as the loan process for the Town of Berryville to provide grant funds to aid expansion of Berryville Graphics; and,

WHEREAS, he was also involved in the Authority’s development of its mission statement and investment policy, as well as development of the water and sewer subsidy program in conjunction with the Board of Supervisors and the Clarke County Sanitary Authority.

NOW THEREFORE BE IT RESOLVED, the Board of Directors of the Industrial Development Authority of the Clarke County Virginia publicly acknowledges his service and expresses appreciation to Mr. Frederickson for his efforts and dedication to the citizens of Clarke County, and;

BE IT FURTHER RESOLVED that this resolution of appreciation and recognition of service be entered into the official record of the actions of the Industrial Development Authority of the Clarke County Virginia and that a copy of this action be provided to Mr. Frederickson as a token of the esteem in which he is held by the Authority.



APPROVED by the unanimous vote of the Board of Directors for the Industrial Development Authority of the Clarke County Virginia assembled in regular session on the 26th day of October 2017.

Attest:

David Juday, Chair

5. Approval of Minutes

English Koontz, seconded by Rod Pierce, moved to approve the July 27, 2017, minutes as written. The motion carried as follows:

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

6. Treasurer’s Report

First Quarter FY2018 July 1 through September 30, 2017

Accounts:

Brokerage Eagle Investment Group	
Beginning Balance July 1	\$35,267.86
Dividends, Interest and Other Income	94.49
Net Change In Portfolio	-29.13
Ending Balance September 30	<u>\$35,333.22</u>
<i>Estimated Annual Income</i>	<i>\$511.95</i>

Bank of Clarke County

Checking Beginning Balance 07-01-2017	\$66,061.93
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Income:

Bond Revenue [Grafton, Inc.]	\$18,322.50
Bond Revenue [LFCC]	<u>\$16,147.00</u>
Total Income:	\$34,469.50

Expense:

Meeting Attendance	\$550
Small Business Development Center	\$6,000
VACorp	<u>\$1,333</u>
Total Expense:	\$7,883

Checking Ending Balance 09-30-2017	\$92,648.43
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MMDA Beginning Balance 07-01-2017	\$1,532.00
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Income:

Interest MMDA	<u>\$0.15</u>
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MMDA Ending Balance 09-30-2017	\$1,532.15
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Total Public Deposits:	\$94,180.58
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In the absence of Allan Frederickson, IDA 2017 Treasurer, Lora Walburn, IDA Clerk, reviewed the 1st Quarter FY2018 Treasurer's Report.

Paul Jones, seconded by Rod Pierce, moved to accept the 1st Quarter FY2018 Treasurer's Report as presented. The motion carried as follows:

Mark Cochran	-	Aye
Brian Ferrell	-	Aye
Allan Frederickson	-	Absent
Paul Jones	-	Aye

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David Juday - Aye
English Koontz - Aye
Rodney Pierce - Aye

Mark Cochran, seconded by English Koontz, moved to appoint William Waite to serve as interim Treasurer for the Industrial Development Authority of the Clarke County, Virginia until the annual organizational meeting scheduled for January 25, 2018. The motion carried as follows:

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

Rod Pierce, seconded by Mark Cochran, moved to authorize Lora B. Walburn, Clerk to the Industrial Development Authority of the Clarke County, Virginia, to send to the Bank of Clarke County notice of appointment of William "Bill" Waite to the position of Treasurer with a copy of the draft minutes for the October 26, 2017, Regular Meeting. The motion carried as follows:

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

Chairman Juday stated that he had obtained the IDA bank statements for July, August, and September and would bring deliver them to County Administration with the receipt for payment.

Further, Chairman Juday instructed staff to add to the January 2018 agenda modification of bylaws to include requirement for countersignature for checks of \$500 or greater.

English Koontz, seconded by Brian Ferrell, moved to reaffirm direction to the Treasurer to close the MMDA Public Fund and transfer remaining funds to Public Fund Chk. **The motion carried as follows:**

Mark Cochran - Aye
Brian Ferrell - Aye

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

7. Bond Balance Report

Closed Bonds

<i>Organization Receiving Bonds</i>	<i>Bond Type</i>	<i>Original Amount</i>	<i>Date Closed</i>
Powhatan School	Educational Facility Revenue Bond Series 2002	\$3,500,000	2/11/2010
Winchester Medical Center, Inc.	Hospital Facility Revenue Bond Series 2000; <i>Refinanced thru Econ Dev Authority of Winchester 12/2013</i>	\$70,000,000	12/31/2013
Heritage Child Development Center, Inc.	Refunding Revenue Bond	\$450,000	6/30/2014
Mary Hardesty United Methodist Housing, LP	Multifamily Housing Revenue Bond Series 2014; <i>Bonds Approved – Project Dropped Bonds Not Issued</i>	\$4,300,000	8/25/2017
	Total Closed:	\$78,250,000	

Outstanding Bonds

<i>Organization Receiving Bonds</i>	<i>Bond Type</i>	<i>Date Issued / Resolution</i>	<i>Original Amount</i>	<i>Outstanding Amount</i>
BCCGC County of Clarke	Lease Revenue Bond	5/16/2007	\$4,822,000	\$4,167,233
BCCGC Town of Berryville	Lease Revenue Bond	5/16/2007	\$2,327,000	\$2,117,968
Grafton School, Inc.	Tax-exempt Educational Facilities Revenue Refunding Bonds Series 2010	5/1/2010; 12/3/2010	\$9,225,000	\$5,305,000
Lord Fairfax Community College Educational Foundation, Inc.	Educational Facilities Revenue Bond Series 2012A [Tax-exempt]	11/14/2012; 12/28/2012	\$8,400,000	\$7,714,039
Shenandoah University Project	Educational Facilities Revenue Bonds, Series 2011	12/27/2011	\$7,815,000	\$7,815,000
			\$32,589,000	\$27,119,240

In the absence of Allan Frederickson, Lora Walburn reviewed the bond report. Following review, by consensus the Authority instructed staff to seek from the County attorney written opinion, or conference call at the January meeting, on how to proceed with the Shenandoah University bonds.

Chairman Juday commented that the IDA had processed several bonds in rapid succession during the period from 2010 through 2013.

8. Economic Development Update

Highlights of Len Capelli's update include:

- Apprentice Program: working with the Workforce Development group on development through Lord Fairfax Community College.
- Commercial Gardening: C2M was nominated for and selected to receive funds to assist in increasing its marketing into Maryland, North Carolina, and West Virginia.
- Shenandoah Valley Tourism Partnership:
 - Working with a public relations firm, tied into magazines and blogs, that helps writers find things to write about.
 - First review was “pick your own” at Mackintosh Fruit Farm, which was distributed to several million persons throughout the country through multiple media sources.
 - The president of the public relations firm will be visiting Berryville on December 11 to meet with several area businesses and to tour local attractions and assets.
 - Focusing on leveraging through the Top of Virginia Artisan Trail, Spirits Trail, and Shenandoah Valley Tourism Partnership, to get visibility outside the area.
 - Reaching a large number of people; and over the last six months, the greatest number of persons looking at our websites are from the Ukraine followed by Canada, the United Kingdom, India, China, and Brazil.
 - Persons looking to vacation in the Shenandoah Valley are finding Clarke via its websites and Facebook.
- Agri-Tourism Revenue Reporting:
 - Discussed with persons and entities concerns about accuracy of agri-tourism revenue reporting.
 - The State asserts that tracking is difficult due to confidentiality.
 - State report includes towns within the County.
 - State suggests developing surveys for businesses and customers.
 - Would like to better determine the true dollars generated from agri-tourism.

9. New Business

Investment Options Discussion

Chairman Juday informed the Directors:

- IDA Finance Committee [members English Koontz – Vice Chair, David Juday - Chair, and William Waite – Interim Treasurer] meeting scheduled with Janice Kuhn, Eagle Investments, on Thursday, November 16, 2017, at 10 am in the County Administration Conference Room.
- Discussed with Ms. Kuhn options that she will present as potential strategies to the IDA Finance Committee including something that is a little more aggressive with the new money.
- Considerations include how liquid does the IDA need to be and how many things might come up needing financial support.
- All Directors are welcome to attend the November 16 Finance Committee meeting.
- The Finance Committee will review the options presented at the January 2018 meeting.
- Bonds:
 - The State assigns each jurisdiction a bond limit – Clarke’s is \$10 million annually.
 - No defined percentage to remain in the locality.
 - Entities may seek bonds from other jurisdictions.

10. Old Business

Water and Sewer Subsidy Program Review

Chairman Juday requested update from Mike Legge, CCSA Clerk, and Len Capelli, Economic Development Director. Highlights include:

- Received the first inquiry for subsidy from a group of businesses on the corner including the market and ice cream stand.
- Requestor is having difficulty with water backing up in the septic system.
- Mike Legge has explained in detail what is necessary to hook up to the sewer system.
- Requestor is currently a commercial water customer.
- Requestor has advised the Sanitary Authority that it does not intend on changing the amount of water used.
- Currently using 10,000 to 20,000 gallons of water every two months.
- CCSA determines availability fees on usage not meter size.
- CCSA information is available on the County website.

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- CCSA October 24 meeting:
 - Discussed technical aspects including connection to the lift station at McDonald's or a direct connection to the public sewer system.
 - CCSA directed Mr. Legge to contact Hurtt and Profitt, contract engineer for the CCSA, to evaluate the connection to determine the most efficient way to connect.
 - Rough cost to connect with pump or lift station: \$25,000
 - Hookup fee estimated: Up to \$20,000
 - Total estimate: \$50,000

Chairman Juday recapped the update opining that the requestor must define what it needs and seek assistance from the IDA.

Len Capelli remarked that he has not yet shared any program information but the requestor is aware that funding may be available for application.

Chairman Juday instructed staff to:

- Create an information sheet on the water and sewer fee subsidy program.
- Add program information to the IDA webpage on the County's website.
- Provide updated information to Mike Legge for review and forwarding / direction to the requestor.
- Designate staff contact for program inquiries and include with program information.

Chairman Juday remarked that water and sewer in Clarke was more expensive than surrounding jurisdictions for Clarke was one of the first to update its plant standards to meet State mandates for Chesapeake Bay initiatives.

Chairman Juday thanked Mr. Legge for meeting with the Directors and assured that the IDA would provide him details of its subsidy program.

Formal Notice of Handsome Brook Farms Withdrawal

Chairman Juday acknowledged the final disposition of the Handsome Brook Farms investments funds ending in withdrawal and return to the State of \$200,000.

Approved 01-25-2018

October 28, 2016

Chauntele D. Taylor
AFID Compliance Coordinator
Virginia Department of Agriculture and Consumer Services
Agriculture and Forestry Development Services
102 Governor Street
Richmond, Virginia 23219

RE: AFID 029-1451

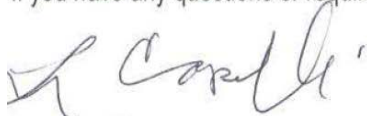
Chauntele,

On behalf of Clarke County Virginia, I am writing to notify you that Handsome Brook Farm will not be going ahead with the investment in Clarke County at this time.

There are several factors that when taken collectively, made this a difficult but necessary decision for the Company. Commodity egg market conditions are generally considered the worst in over thirty years; while Handsome Brook Farm is a specialty egg producer, present market conditions have placed tremendous pressure on the specialty egg market, in general, and is negatively impacting sales and margins. Handsome Brook Farm is presently party to two ongoing legal proceedings, serving as Plaintiff in the first action and Defendant in the other. Despite being confident in their position in both proceedings, these matters present a considerable strain on the time, financial resources, and availability of management. Finally, the Company's Chief Operating Officer has taken a leave of absence to support his three-year-old son in his battle with Leukemia. This is the most unfortunate factor for obvious reasons, but leaves Handsome Brook without a project leader to oversee an undertaking of considerable magnitude in both scope and capital investment.

A check in the amount of \$200,000.00 is being sent under separate cover to the State Treasurers Office as directed.

If you have any questions or require additional information, do not hesitate to contact me.



Len Capelli
Director of Economic Development and Tourism Clarke County VA.

Director Rod Pierce left the meeting to attend funeral services for Edythe Pifer, Clarke County Treasurer from 1972 through 1991.

Set Date of 2018 Organizational Meeting

By consensus, the Directors set January 25, 2018, at 1:00 pm for its Organizational and 2nd Quarter FY2018 meeting,

Miscellaneous

Board of Supervisor Chair David Weiss distributed a zoning ordinance recently approved by the Board of Supervisors pertaining to §3-A-1 (Agricultural-Open Space-Conservation District – AOC), §3-A-2 (Forestal-Open Space-Conservation District – FOC), §3-A-3 (Rural Residential District – RR), §3-A-12 (Neighborhood Commercial District – CN), §3-A-13 (Highway Commercial District – CH), §3-C (Supplementary Regulations), and Article 9 (Definitions) of the Zoning Ordinance primary highway intersections intended to encourage agricultural businesses in Clarke.

Summary of Follow-up Items

<u>Item</u>	<u>Description</u>	<u>Responsibility</u>
1.	Forward resolution of appreciation to Allan Frederickson.	Lora B. Walburn
2.	Process approved minutes.	Lora B. Walburn
3.	To facilitate transition of banking authorization, provide Bank of Clarke County with copy of draft October 26, 2017, minutes.	Lora B. Walburn
4.	Execute signature cards at Bank of Clarke County.	William Waite
5.	Provide checkbook and other accounting documents to interim Treasurer.	Allan Frederickson
6.	Add January agenda by-law review of \$500 and greater countersignature requirement.	Lora B. Walburn
7.	Request copies of July, August, September 2016 bank statements from Bank of Clarke County and provide to IDA Clerk.	David Juday
8.	Close MMDA account at Bank of Clarke County.	William Waite
9.	Seek legal opinion - how to proceed with the Shenandoah University bonds.	Lora B. Walburn
10.	Book County Administration Conference Room for November 16 IDA Finance Committee meeting.	Lora B. Walburn
11.	Add review of options discussed at the November 16 Finance Committee meeting to January agenda.	Lora B. Walburn
12.	Create an information sheet on the water and sewer fee	Lora B. Walburn

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<u>Item</u>	<u>Description</u>	<u>Responsibility</u>
	subsidy program.	
13.	Add program information to the IDA webpage on the County's website.	Lora B. Walburn
14.	Provide updated information to Mike Legge for review and forwarding / direction to the requestor.	Lora B. Walburn
15.	Designate staff contact for program inquiries and include with program information.	Len Capelli / Lora B. Walburn
16.	Coordinate scheduling of January organizational meeting with Central Reception.	Lora B. Walburn

11. Adjournment

At 1:58 pm, English Koontz, seconded by Paul Jones, moved to adjourn the meeting. The motion carried as follows:

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

Minutes recorded and transcribed by: Lora B. Walburn, Executive Assistant - County Administration