

Approved 10/25/2018

Industrial Development Authority of the Clarke County Virginia
Board of Directors
July 26, 2018 Minutes

A meeting of the Industrial Development Authority of the Clarke County Virginia held in the Berryville/Clarke County Government Center, Berryville, Virginia, on Thursday, July 26, 2018, scheduled for 1:00 PM.

Directors Present: Mark Cochran, Brian Ferrell, English Koontz, William Waite

Directors Absent: Paul Jones, David Juday, Rodney Pierce

Board of Supervisors Liaison Present: David Weiss

County Staff Present: Len Capelli, Cathy Kuehner, Brianna R. Taylor, Lora B. Walburn

Others Present: Dale Maza, Christy Dunkle

Press Present: Mickey Powell, Winchester Star

1. Determination of Quorum

At 1:06 pm, Chairman Mark Cochran noted the lack of a quorum. By consensus, the Directors decided to hear informally scheduled presentations.

2. Presentation Lord Fairfax Community College Small Business Development Center

Highlights of presentation by Dale Maza, marketing counselor, LFCC Small Business Development Center, include:

- The Virginia SBDC Network is a partnership between the United States Small Business Administration, George Mason University, and institutions throughout Virginia
- The Small Business Development Center provides the following services:
 - One-on-one counseling
 - Mentoring
 - Training workshops
 - Conferences
 - Information resources
 - Web-based assistance
 - Contacts and connections
- SBDC clients grow faster and are more profitable.

Approved 10/25/2018

- Areas of assistance include:
 - Business planning
 - Access to capital
 - Marketing
 - Social media / websites
 - Retail program
 - Commercial assistance
 - International trade
 - Veterans
 - Government contracting
- The Clarke County IDA's \$6,000 FY2018 contribution was 5% of total contributions.
 - Fifteen [15] Clarke clients, which is 5% of SBDC's total clients.
 - Clarke SBDC businesses by category:
 - Agriculture, Forestry, Fishing and Hunting - 2
 - Manufacturing - 1
 - Retail Trade - 3
 - Professional, Scientific, Technical Services - 3
 - Administrative and Support – 2
 - Arts, Entertainment, and Recreation - 1
 - Other Services (*except Public Administration*) - 3
 - Clarke clients created 10 new jobs, retained 77 jobs, and put \$166,600 back into the community.
- Federal guidelines define a small business as \$50 million or less with a maximum 200 employees.

English Koontz remarked that in her professional capacity she has referred many clients to the Small Business Development Center, which she described as a wonderful resource.

Mr. Maza added that if Clarke can maintain funding levels the SBDC might consider conducting office hours one Friday morning per month at a to-be-determined location.

Chairman Cochran expressed the Authority's appreciation for the presentation.

3. Virginia Economic Development Association Meeting Recap

Highlights of presentation by Len Capelli, Economic Development Director, include:

- Consideration of new investments has changed significantly over the last several years. Factors include:
 - Highway accessibility – *Clarke is well positioned.*
 - Labor costs – *Clarke remains relatively low.*
 - Availability of skilled labor – *This is a problem throughout the region.*
 - Quality of Life – *Clarke is as good as or better than most jurisdictions in the Commonwealth.*
 - Tax exemptions – *Clarke is competitive.*
 - Occupancy/Construction Costs – *Clarke is competitive.*
 - Proximity to major markets - *Clarke is competitive.*
 - Corporate Tax Rate - *Clarke is competitive.*
 - State & local incentives - *Clarke is competitive.*
 - Available land – *Clarke has availability issues.*
 - Expedited or “fast-track” permitting – *Clarke does not relax standards.*
 - Proximity to suppliers - *Clarke is competitive.*
 - Accessibility to a major airport - *Clarke is competitive.*
- Suggest focusing on development of a more flexible, variable, and adaptable work force.
- Clarke is seeking small businesses and agribusinesses.
- Clarke is working closely with the Commonwealth.

4. Business Park Lot 18 Encroachment on Property

Lora Walburn, Industrial Development Authority Clerk, distributed photographs of Business Park Lot 18 from the week of June 18 and photographs from the week of July 24. Highlights of update include:

- Became aware of encroachment on Monday, June 18, when informed by contracted lawn service that do not mow signs were on the property.
- Signs stated, “Do Not Mow Property of Berry Apiary and Urban Farm ANY persons MOWING will be considered TRESPASSING”.
- County Maintenance notified County Administration and requested direction.
- After confirming ownership, County Maintenance removed the signs the week of June 25 and placed on the appropriate property, where they have remained.
- Contractors resumed mowing of Lot 18 mindful of the planted areas and the beehives.
- The morning of July 26 observed a person tending one of the garden areas on Lot 18.
- At the direction of Chairman Cochran and David Ash, County Administrator, attorney Robert Mitchell made contact with the encroaching party and asked them to provide a date for harvest and beehive removal after the current bee season.

- Mr. Mitchell requests direction from the Authority.

David Weiss, Chair – Clarke County Board of Supervisors, stated that from the Supervisors' perspective, while it wants to retain ownership of the land, it does not object to the garden remaining in place until after the harvest.

Christy Dunkle, Planner - Town of Berryville, indicated that she was not aware of any complaints about the property's condition.

Chairman Cochran stated that he had received correspondence from the party indicating that she would be in the area later in August when he anticipated that all would come to an orderly resolution.

Directors Koontz and Waite expressed support of the Chair's continued handling of the matter.

5. Economic Development Strategic Plan Matrix Review and Identification of Key Components for Development – Industrial Development Authority Recommendation to the Clarke County Planning Commission

Highlights of review include:

- The Economic Development Strategic Plan is a component piece of the Comprehensive Plan.
- David Weiss stated that the County adopted the current plan in 2014; and, with review required every five years, the Planning Commission will begin its work in 2019.
- The Planning Commission reviews the Strategic Plan and its recommendation is forwarded to the Board of Supervisors for final review and adoption.
- In advance of the 2019 review, the Economic Development Advisory Committee and the Industrial Development Authority are asked to review and provide suggested actions, priorities for Planning Commission consideration.
- Individual members of these appointed bodies are asked to select their top five to ten priorities / actions and forward that information to Lora Walburn for compilation.
- Director Waite requested a copy of the Economic Development Strategic Plan.

6. Boutique Hotel Feasibility Study Funding Request

Highlights of discussion include:

- Director Waite:
 - Building costs and returns have changed over the past several years.
 - Seeking up to \$10,000 to update the 2014 feasibility study.
 - A complete update could cost up to \$10,000. However, a local group is developing a list of specific questions to narrow the study reducing the cost.

- Would like to “front” the money for the study then roll back into project debt / financing.
- The 2014 study cost \$10,000 offset by a \$9,500 USDA Rural Business grant. This grant source is not available for the proposed update.
- Study associates with the vision to establish a boutique hotel consistent with the historical image of Berryville and located downtown to support local businesses, retail and restaurants.
- General benefits to Town and County:
 - Supports local businesses
 - Creates a destination point
 - Provides job opportunities
 - Provides tax revenues through occupancy tax
- Funding the study fits within the criteria of the Authority and its function.
- Update is to evaluate supply and demand factors for the area to determine:
 - Whether the area can support.
 - Provide the economics over a ten-year basis.
- Suggest following up with a bank appraisal prior to seeking an investment group.
- Group is waiting on answers from the updated feasibility study.

At 1:45 pm, Director Ferrell texted David Weiss advising that he had been delayed at the airport but was now in route to the meeting.

At 1:46 pm, Chairman Cochran recessed the meeting until the arrival of Brian Ferrell.

7. Call to Order

At 1:55 pm, with a quorum now present, Chairman Cochran called the meeting to order.

8. Adoption of Agenda

Director Koontz, seconded by Director Waite, moved to adopt the agenda. The motion carried as follows:

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

William Waite - Aye

Boutique Hotel Feasibility Study Funding Request Continued with Quorum Present

- Director Bill Waite:
 - o Study objective is to evaluate the supply and demand factors affecting transient accommodations in the local market area and determine the market feasibility of the proposed hotel, estimate the occupancy, average rate, and operating income available for debt service for the first ten years.
 - o The updated study hopes to avoid redundancy and answer the question whether the area can support a hotel.
 - o Local group is in contact with the group that conducted the 2014 study. The group has three other prospective entities to contact that conduct these types of studies.
 - o If project goes forward, the intention would be to roll the study cost into the project financing.
 - o Allen Kitselman, a member of the local group, is seeking IDA funding.
 - o Project will require private investment and debt service.
 - o The motion proposed, "Approve the request by Allen Kitselman for funding up to \$10,000 to conduct an update of the hotel feasibility study to be located in the Town of Berryville."
- David Weiss, Board of Supervisors Liaison:
 - o If the IDA conducts the study, it must follow procurement law.
 - o The IDA can be used as a funding source to help private enterprise move forward.
 - o The Board of Supervisors was supportive of the previous study and continues to be supportive of efforts to locate a hotel in the area.
 - o The County has received consistent information over the years indicating that a hotel would help the local economy.
 - o Clarke has tried to entice a private investor to move forward and act but it has not worked. This is a different approach, which may foster some activity.
- Chairman Cochran:
 - o A shared commitment would be a fair way to show the County's commitment.
 - o Believes there is value in covering at least some portion of the funding request.
- Director Brian Ferrell:
 - o For an entity exploring hotel construction, \$10,000 would be a very small investment.
 - o At one time, locating a hotel near Route 340 and Route 7 was under consideration.

Approved 10/25/2018

- Director Waite advised that the group was seeking funding for a study to locate a hotel in downtown Berryville only.

- Director English Koontz:
 - Fundamentally disagrees with government doing the front piece of these types of studies.
 - While it is important to support business, it is opening the IDA up to a potential \$10,000 loss should the study indicate that a hotel is not feasible.

Director Waite informed those present that due to a prior engagement he must leave the meeting by 2:15 pm. He put forth that, if necessary, he would bring the matter back to the Authority at its October. Chairman Cochran expressed support for revisiting the matter at the next meeting.

9. Approval of Minutes

No action. Forwarded to the October 25, 2018, quarterly meeting.

10. Treasurer's Report

FY2018 YTD Check Log:

No action. Forwarded to the October 25, 2018, quarterly meeting.

FY2018 Fiscal-Year End Summary

No action.

Bonds Update:

No Action.

11. Closed Session

Director Koontz, seconded by Director Waite, moved that the Clarke County Industrial Development Authority convene in closed session pursuant to Section 2.2-3711-A3 discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body. The motion carried as follows:

Mark Cochran - Aye

Approved 10/25/2018

Brian Ferrell	-	Aye
Paul Jones	-	Absent
David Juday	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Absent
William Waite	-	Aye

At 2:25 pm, Director Waite left the meeting.

At 2:34 pm, Director Koontz, seconded by Director Ferrell, moved to return to Open Session. The motion carried as follows:

Mark Cochran	-	Aye
Brian Ferrell	-	Aye
Paul Jones	-	Absent
David Juday	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Absent
William Waite	-	Absent

Chairman Cochran called for a roll call vote that only matters pertaining to the subject the Authority convened into Closed Session were discussed and that no action was taken while in Closed Session.

Certification of Closed Session

WHEREAS, the Board of Directors of the Industrial Development Authority of Clarke County, Virginia convened a closed session on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, § 2.1-344.1 of the Code of Virginia requires a certification by this Authority that such closed session was conducted in conformity with Virginia law;

NOW, THEREFORE BE IT RESOLVED that the Industrial Development Authority of Clarke County, Virginia hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Board of Directors.

The motion carried as follows:

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

Approved 10/25/2018

David Juday	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Absent
William Waite	-	Open

Next Meeting

Scheduled for Thursday, October 25, 2018, at 1:00 pm.

12. Adjournment

In the absence of a quorum following the departure of Director Waite, at 2:36 pm, Chairman Cochran adjourned the meeting.

Minutes recorded and transcribed by: Lora B. Walburn, Clerk Industrial Development Authority of Clarke County, Virginia