

Approved 07/25/2019

Industrial Development Authority of the Clarke County Virginia
Board of Directors
April 25, 2019, 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, April 25, 2019, at 1:00 PM.

Directors Present: Mark Cochran, Brian Ferrell, English Koontz, Rodney Pierce, Isreal Preston, William Waite

Directors Absent: Paul Jones

Board of Supervisors Liaison Present: David Weiss

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

Others Present: Nathan Stalvey

1. Call to Order

At 1:00 pm, Mark Cochran called the meeting to order.

Announcement Director Brian Ferrell

Director Ferrell informed the Board of health issues that could affect his availability over the coming months.

Introduction Isreal Preston

Chairman Cochran introduced Isreal Preston, new director appointed to fill the unexpired term of David Juday.

Director Preston told the Board that he was an information technology project manager by trade.

Chairman Cochran thanked Mr. Preston for agreeing to serve.

2. Adoption of Agenda

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

Mark Cochran	-	Aye
Brian Ferrell	-	Aye
Paul Jones	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Aye
Isreal Preston	-	Aye
William Waite	-	Aye

3. Approval of Minutes

Director Koontz provided the following corrections:

- Page 2 Elect Vice Chair: Change nomination to nominate
- Page 4 Director of Economic Development and Tourism Update, Virginia Economic Development Partnership: Add space after periods in first and second bullet points.
- Page 11 Funding for Berryville Main Street Hotel Market Study, fourth bullet point: Change underhand to underhanded.
- Page 12 Funding for Berryville Main Street Hotel Market Study, second to last paragraph: Reword sentence to make grammatically correct.

Director Waite, seconded by Director Ferrell, moved to approve the January 24, 2019, minutes with corrections as written by English Koontz. The motion carried as follows:

Mark Cochran	-	Aye
Brian Ferrell	-	Aye
Paul Jones	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Abstain
Isreal Preston	-	Aye
William Waite	-	Aye

4. Hotel Feasibility Study Status Update

Nathan Stalvey appeared before the Board to provide a status update on the Berryville Main Street [BMS] Hotel Feasibility Study. Highlights include:

- Thanked the Board for agreeing to fund the study.
- The Executive Committee [Julie Ashby, Liz Couture, Kim Ragland, and Nathan Stalvey] reviewed the three proposals received and selected Ohio-based Newmark Knight Frank.
- Total cost for Newmark Knight Frank is \$9,500 including a \$4,750 retainer.
- Newmark Knight Frank has conducted other studies like this for communities of varying size.

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- BMS will send the retainer with the acceptance letter.
- BMS is formally requesting release of \$4,750 from the previously approved IDA funding so it can proceed.

Chairman Cochran called for discussion.

Director Ferrell asked for background on the 2014 feasibility study.

David Weiss, Board of Supervisor Liaison, responded with the following information:

- Funding for such a study falls in line with the IDA's mission to help foster economic development.
- Previous study:
 - o Grant-driven.
 - o Indicated a need for a larger hotel.
 - o Focused on putting the hotel closer to the intersection of Route 7 or Route 340.
 - o Focused on a more generic hotel of fifty plus rooms.
- New study:
 - o Focus has shifted to a boutique-type hotel.
 - o Needed to update the timeframe.
 - o Supported by Berryville Town Council and the Board of Supervisors.

Director Koontz commented that ideally the study would not only look at Berryville but take into account other more feasible locations in the county.

Nathan Stalvey responded that he believed the study would only encompass the Town of Berryville.

Director Waite explained that the core would be the Town with the demographics and all the work encompassing the whole county. He assured that the study would be a public document. He put forth that Berryville Main Street was sponsoring the study to support downtown.

Director Ferrell said that the goal was to generate more business downtown.

Chairman Cochran clarified that the \$4,750 retainer would accompany the acceptance signed by Nathan Stalvey, President Berryville Main Street Board.

In response to Director Ferrell's query, Director Waite, again, assured that the study, while owned by Berryville Main Street, would be a public document. He told the Board that it was his understanding that a local entrepreneur performed a hotel study that he has not publicly released.

David Weiss remarked that from the Board of Supervisors perspective it wanted the study to be open to the public, which is why it has supported the use of public funds to conduct the study.

Director Waite added that the study did not go toward building a hotel but rather to determine if it were appropriate and could be supported. The study will serve as a marketing tool.

Director Pierce, seconded by Director Ferrell, moved to release funds in the amount of \$4,750 to Berryville Main Street. The motion carried as follows:

Mark Cochran	-	Aye
Brian Ferrell	-	Aye
Paul Jones	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Aye
Isreal Preston	-	Aye
William Waite	-	Abstain

In other matters, Mr. Stalvey informed the Board that tickets were still available for Art at the Mill Patrons' Night.

5. Treasurer's Report

Potential Refinance of 2010 Grafton Bond Review

Director Waite provided the following:

- Grafton School is looking to extend or refinance its current bond.
- McGuireWoods made initial contact with the IDA clerk but no contact as of yet with the Treasurer.

General discussion included:

- Authority interested in refinance option.
- Bonds are the IDA's only source of revenue.
- Education on / review of the bond process would be beneficial.
- IDA's fee schedule is set up to pay one twentieth of one percent on the outstanding balance.
- Staff was tasked with researching fees charged by surrounding jurisdictions.

Clarke County Industrial Development Authority (IDA) Investment Guiding Principles Review

Director Waite noted that the Investment Guiding Principles were unchanged since review and adoption by the Authority at its January 25, 2018, Organizational meeting. He reminded that annual investment review is conducted during the organizational meeting.

FY2020 Budget Review

Highlights of review include:

- Treasurer recommends holding expenditures flat for FY2020.
- Include \$6,000 for LFCCSBC but re-evaluate when due.
- Review final year-end FY2019 revenues and expenditures at the July meeting prior to setting the FY2020 budget.
- Need line item for \$9,500 for Berryville Main Street Feasibility Study. Place "below the line", taking from the IDA's investment account, since the intent is to recuperate the funds from the developer.

FY2020 Proposed Budget Initial Draft for Review April 25, 2019

<i>Expenditures Category</i>	<i>FY2019 Budget</i>	<i>FY2020 Budget</i>	<i>Description</i>	<i>Change</i>
Advertising	\$ 400	\$ 400	Public Hearings	\$ -
Audit	\$ 1,675	\$ 1,675	RFC	\$ -
Civic Contributions	\$ 6,000	\$ 6,000	SBDC LFCC	\$ -
Director Fees	\$ 1,400	\$ 1,400	Meeting Attendance	\$ -
Insurance	\$ 1,300	\$ 1,340	VACorp	\$ 40
Postage	\$ 25	\$ 25		\$ -
Professional Services	\$ 1,250	\$ 1,250	Legal	\$ -
Total Expenditures:	\$ 12,050	\$ 12,090		\$ 40
<i>Estimated Revenues</i>	<i>Estimated Amount</i>	<i>Actual YTD 2019 Amount</i>		<i>Change</i>
Bonds:				
Grafton School, Inc. Bond	\$ 1,100	\$ 655		\$ (445)
LFCC Bond	\$ 3,400	\$ 2,750		\$ (650)
Shenandoah University Bond	\$ 3,800	\$ 3,700		\$ (100)
	\$ 8,300	\$ 7,105		
Interest Income:	\$ 3,000	\$ 3,200		\$ 200
Total Revenue:	\$ 11,300	\$ 10,305		\$ (995)
Berryville Main Street	\$ 4,750	\$ 4,750		

Fiscal-Year-to-Date Checking Account Log:

FY	Status	Check No.	Date	Description	Category	Credit	Debit	Balance	Additional Information
2019	C	562	7/5/2018	VACorp	Insurance	\$ -	\$ 1,338.00	\$ 52,212.37	07/01/2018 thru 06/30/ 2019
2019	C	563	8/1/2018	Mark Cochran	Director Fees	\$ -	\$ 50.00	\$ 52,162.37	Meeting 07/26/2018
2019	C	564	8/1/2018	English Koontz	Director Fees	\$ -	\$ 50.00	\$ 52,112.37	Meeting 07/26/2018
2019		565	8/1/2018	Brian Ferrell	Director Fees	\$ -	\$ 50.00	\$ 52,062.37	Meeting 07/26/2018
2019	Void	566	6/11/2018	VACorp	Insurance	\$ 1,338.00	\$ 1,338.00	\$ 52,062.37	Voided, Reissued 07/05/2018 #562
2019	C	567	8/1/2018	Bill Waite	Director Fees	\$ -	\$ 50.00	\$ 52,012.37	Meeting 07/26/2018
2019	C	568	10/25/2018	William Waite	Director Fees	\$ -	\$ 50.00	\$ 51,962.37	Meeting 10/25/2018
2019	C	569	10/25/2018	David Juday	Director Fees	\$ -	\$ 50.00	\$ 51,912.37	Meeting 10/25/2018
2019	C	570	10/25/2018	Mark Cochran	Director Fees	\$ -	\$ 50.00	\$ 51,862.37	Meeting 10/25/2018
2019	Void	571	10/25/2018	Void	Void	\$ -	\$ -	\$ 51,862.37	
2019	C	572	10/25/2018	English Koontz	Director Fees	\$ -	\$ 50.00	\$ 51,812.37	Meeting 10/25/2019
2019	C	573	10/25/2018	Rodney Pierce	Director Fees	\$ -	\$ 50.00	\$ 51,762.37	Meeting 10/25/2021
2019	C	574	11/19/2018	FFSBDC	Clivic Contributions	\$ -	\$ 6,000.00	\$ 45,762.37	LFSBDC Annual Contribution
2019	C	Dep	12/26/2018	Grafton School	Bond Fees	\$ 1,072.50	\$ -	\$ 46,834.87	2018 Bond Fee
2019	C	Dep	12/31/2018	LFCC	Bond Fees	\$ 3,228.18	\$ -	\$ 50,063.05	2018 Bond Fee
2019	C	Dep	1/24/2019	Shenandoah University	Bond Fees	\$ 3,907.50	\$ -	\$ 53,970.55	2018 Bond Fee
2019	C	575	1/24/2019	Mark Cochran	Director Fees	\$ -	\$ 50.00	\$ 53,920.55	Meeting 01/24/2019
2019	C	576	1/24/2019	Brian Ferrell	Director Fees	\$ -	\$ 50.00	\$ 53,870.55	Meeting 01/24/2019
2019	C	577	1/24/2019	English Koontz	Director Fees	\$ -	\$ 50.00	\$ 53,820.55	Meeting 01/24/2019
2019	Void	578	1/24/2019	Void	Void	\$ -	\$ -	\$ 53,820.55	
2019	C	579	1/24/2019	William Waite	Director Fees	\$ -	\$ 50.00	\$ 53,770.55	Meeting 01/24/2019

Highlights of review by Director Waite include:

- Only checks written January through March 2019 were to Directors for January 24 meeting attendance.
- Director Waite writes the checks.
- Lora Walburn, Clerk, reconciles the bank account.
- Two persons monitoring at all times.
- Authority funds: Clarke’s Director of Economic Development and Tourism has no spending or approval authority over IDA funds. He does have limited authority over Economic Development Office spending and approvals.

Director Koontz, seconded by Director Cochran, moved to accept the Treasurer’s Report as presented. The motion carried as follows:

- Mark Cochran - Aye
- Brian Ferrell - Aye
- Paul Jones - Absent
- English Koontz - Aye
- Rodney Pierce - Aye
- Isreal Preston - Aye
- William Waite - Aye

Fiscal-Year-to-date Budget and Investments Summary:

Highlights of review include:

- Largest expenditures:
 - o Annual Audit, currently performed by Robinson Farmer Cox
 - o Annual Contribution to LFCCSBD
 - Reduction in income may require re-evaluation of FY2020 contribution.
 - Len Capelli advised LFCC Small Business Development of the potential reduction in FY2020 contribution.
- Minimal operating costs at present.
- IDA tries to cover its own costs with revenues generated from bond fees.
- Investments:
 - o Tracking as anticipated.
 - o Annual review in January with Janice Kuhn, Investment Consultant - Infinex Investments Inc.

Expenditures Category	Amount	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Expended YTD	Remaining Balance
Advertising	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400
Audit	\$ 1,675	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,675
Civic Contributions	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ 6,000.00	\$ -	\$ -	\$ -	\$ -	\$ 6,000.00	\$ -
Director Fees	\$ 1,400	\$ -	\$ 200.00	\$ -	\$ 250.00	\$ -	\$ -	\$ 200.00	\$ -	\$ -	\$ 650.00	\$ 750
Insurance	\$ 1,300	\$ 1,338.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,338.00	\$ (38)
Postage	\$ 25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25
Professional Services	\$ 1,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,250
Total Expenditures:	\$ 12,050	\$ 1,338.00	\$ 200.00	\$ -	\$ 250.00	\$ 6,000.00	\$ -	\$ 200.00	\$ -	\$ -	\$ 7,988.00	\$ 4,062

Estimated Revenues	Estimated Amount	Actual Revenue	+/- Estimate
Bonds:			
Grafton School, Inc. Bond	\$ 1,100	\$ 1,073	\$ (28)
LFCC Bond	\$ 3,400	\$ 3,228	\$ (172)
Shenandoah University Bond	\$ 3,800	\$ 3,908	\$ 108
	\$ 8,300	\$ 8,208	\$ (92)
Interest Income:	\$ 3,000	\$ 3,193	
Total Revenue:	\$ 11,300	\$ 11,401	\$ 101

FY2019 Investment Summary

Asset Summary	Jul '18	Aug '18	Sep '18	Oct '18	Nov '18	Dec '18	Jan '19	Feb '19	Mar '19	FY2019 YTD
Beginning Balance	\$101,143.09	\$103,037.93	\$103,607.30	\$103,851.44	\$100,807.14	\$101,919.53	\$98,481.63	\$102,083.85	\$104,477.20	
Dividends, Interest, & Other										
Income	\$ 256.31	\$ 240.89	\$ 241.16	\$ 274.62	\$ 237.28	\$ 1,344.45	\$ 100.83	\$ 211.03	\$ 286.06	\$ 3,192.63
Net Change in Portfolio	\$ 1,638.53	\$ 328.48	\$ 2.98	\$ (3,318.92)	\$ 875.11	\$ (4,782.35)	\$ 3,501.39	\$ 2,182.34	\$ 787.20	\$ 1,214.76
Ending Balance	103,037.93	103,607.30	103,851.44	100,807.14	101,919.53	98,481.63	102,083.85	104,477.22	105,550.46	

6. Director Economic Development and Tourism Update

Highlights of review include:

- Spring Farm Tour April 27:
 - o Harvue Farm; Hunt Club Farm; JBIT Ranch; Oak Hart Farm
 - o Open from 10 am to 4 pm except Harvue, open from 9 am to 12 noon

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- Advertised on radio, Facebook
- Distributed brochures and flyers.
- Good attendance last year and good weather is forecast.
- Shenandoah Valley Tourism Partnership [SVTP] May 7:
 - Four travel writers touring the Shenandoah Valley and will be in Clarke May 7.
 - Smithfield Farm in the morning; Veramar Vineyard for lunch; Mackintosh Fruit Farm in the afternoon.
- Greenedge Grant:
 - Working with one local business to secure Greenedge grant
 - Grant is awarded to help established businesses to develop business with the Department of Defense.
 - Conducted one interview and a tour here at the local business.
 - Local business is likely to apply.
- Agri-tourism Grants:
 - Working with a local farmer to secure a couple different grants around agri-tourism and adding value to the business.
 - Helped with business plan revision.
 - Getting positive feedback from Virginia Department of Agriculture and Consumer Science.

At 1:44 pm, Director Ferrell left the meeting.

- Farm to School Program:
 - Governor Northam's wife is taking a strong stance on the farm to school program.
 - Attended a session in Harrisonburg April 24 on the program.
 - Produce does well but meat varies due to program subsidies.
- SVTP Valley-wide Event in Harrisonburg May 10: Event to show all the different programs going on now that the Partnership is bringing in to help the individual members.
- Virginia Economic Development Partnership Event May 8 Noon to 2 pm:
 - Food and beverage writers coming in from noon to 2 to tour Clarke County.
 - Would like to tour the Business Park and take group to meet Chairman Cochran at Cochran Lumber.
- Northern Shenandoah Valley Regional Commission:
 - Won a grant for a program to better understand, attract, and retain employees.

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- o Held three meetings since receiving the grant.
- o Selected a consulting firm to perform the study that should be complete by the end of the year.
- Housing Coalition and Chamber of Commerce: Staying involved.
 - o May 22 and 23, IDA / EDA Class and Seminar conducted by the Virginia Industrial Authority Institute, in conjunction with Virginia Polytechnic, in Richmond.
 - o Len Capelli attending.
 - o Seminar cost is \$475.
 - o Directors Waite and Cochran expressed interest in attending.
 - o By consensus, the Authority agreed that the offered training was valuable.
 - o Education / Training:
 - The Authority expressed interest in receiving any information the attendees might be able to share.
 - The Authority expressed interest in local training sessions and asked Len Capelli to explore this with his contacts.
 - The Authority entertained adding education funding in the FY2020 budget.

Director Pierce, seconded by Director Waite, moved to make funds available for one member to attend to include the cost of hotel and event registration. The motion carried by the following vote:

Mark Cochran	-	Aye
Brian Ferrell	-	Absent
Paul Jones	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Aye
Isreal Preston	-	Aye
William Waite	-	Aye

Economic Development Strategic Plan Review - 2019 Priorities

Highlights of review include:

- Economic Development Strategic Plan is a component of the County's Comprehensive Plan and is reviewed every five years.
- Plan will go from the Economic Development Advisory Committee and the IDA to the Planning Commission.
- The Planning Commission will create the plan that will be forwarded to the Board of Supervisors for review.

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- Public hearings on the plan will be held at the Planning Commission and Board of Supervisors level.
- In 2014, the County hired a consultant to create the initial plan, a 163-page document. The current action plan being proposed is derived from the 2014 plan.
- Director Waite provided comment on vacancy tax, which could be described as a direct, punitive tax.
- Plan is intended as a "living document" providing quarterly updates of activity / accomplishments.
- Quarterly updates are intended to better document and to improve communication of economic development and tourism efforts.
- The proposed format is substantially similar to the project report format used by County Administrator David Ash.

Next Meeting

The next meeting is scheduled for Thursday, July 25, 2019, 1:00 pm.

7. Adjournment

At 2:23 pm, **Director Koontz, seconded by Director Waite, moved to adjourn the meeting. The motion carried by the following vote:**

Mark Cochran	-	Aye
Brian Ferrell	-	Absent
Paul Jones	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Aye
Isreal Preston	-	Aye
William Waite	-	Aye

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