

Approved July 22, 2021

Industrial Development Authority of the Clarke County Virginia
Board of Directors
April 22, 2021, 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 22, 2021, at 1:00 pm.

Directors Present: Brian Ferrell, Rodney Pierce, William Wolfe, Ben Cochran, Isreal Preston, English Koontz, and William Waite

Directors Absent: None

Board of Supervisors Liaison: David Weiss, Chair

County Staff: Felicia Hart, Director Economic Development and Tourism

Press: None

Others Present: None

1. Call to Order

At 1:00 pm, Director Ferrell called the meeting to order.

2. Adoption of Agenda

Director Koontz, seconded by Director Wolfe, moved to adopt the agenda as presented.

| | | |
|----------------|---|-----|
| Ben Cochran | - | Aye |
| Brian Ferrell | - | Aye |
| English Koontz | - | Aye |
| Rodney Pierce | - | Aye |
| Isreal Preston | - | Aye |
| William Waite | - | Aye |
| William Wolfe | - | Aye |

3. Approval of Minutes

Director Waite, seconded by Director Koontz, moved to approve the January 28, 2021, minutes as presented.

| | | |
|----------------|---|-----|
| Ben Cochran | - | Aye |
| Brian Ferrell | - | Aye |
| English Koontz | - | Aye |

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| | | |
|----------------|---|-----|
| Rodney Pierce | - | Aye |
| Isreal Preston | - | Aye |
| William Waite | - | Aye |
| William Wolfe | - | Aye |

4. Secretary / Treasurer's Report

Statement from Director Waite

"Before I review the IDA financials and since the majority of you were copied on a letter sent to the Conservation Easement Authority, I want to address the fraudulent claims made specifically about me. Prior to acquiring this property, that included a 1905 historic house, I consulted and received guidance from County Planning staff. Based on this guidance, we elected to acquire and save the historic buildings on the property from being destroyed by a developer and retired two DUR's (consistent with County objectives). We have been completely transparent with the County and obtained a business license each year for our Airbnb. After a review, the Conservation Easement Authority stated the complaint was not valid and in fact, has other properties in the County that have Airbnb's on properties in conservation easement. The Conservation Easement Authority has requested a confirming letter from Bob Mitchell, County Attorney.

In addition, I want to specifically address the false allegations that I am unethical and also the implication that I have misused or stolen IDA funds. The aim of these allegations can only be to discredit my reputation and are absolutely flat wrong. As evidence, I want to review the financial controls that I have implemented as Treasurer to ensure transparency within the committee and public:

- 1) The Bank of Clarke County checking account log is presented at each quarterly IDA meeting, and to ensure segregation of duties Tiffany Kemp, Clerk, reconciles the account.
- 2) The Infinex Financial Group (IFG) investment statements are presented and reviewed at each quarterly IDA meeting. In addition, the investment account is reviewed against approved financial strategy once a year during an in-person review with Janice Kuhn, IFG representative.
- 3) The financials are audited by an independent third-party during the County audit."

Directors Pierce, Wolfe, and Ferrell confirmed no missing funds and thanked Director Waite for his service. They also expressed confidence that the financials are in good hands and safe.

David Weiss indicated the Board of Supervisors was aware of the complaint and found no substance to the complaint. Mr. Weiss thanked Director Waite for his participation on the IDA. The Board of Supervisors is waiting for the letter from Mr. Mitchell to add their comments.

A. FY2021 Year-to-Date Check Log

- Director Waite provided a brief overview of the check log.

B. Investments Year-to-Date Summary, Year-to-Date Budget, Bond Logs

- Director Waite provided a brief overview of the Investments, Budget Summary, and Bonds Logs.

C. FY2022 Draft Budget

- Provided a brief overview of the draft Budget for FY22. Noting the line item for \$15,000 Professional Services is only if the County needs consultant work.
- Director Waite asked Director Hart if the IDA should continue their annual contribution to the Lord Fairfax Small Business Development Center. Director Hart stated she believed this should continue and to expect a letter from the Lord Fairfax Small Business Development Center, Executive Director Christine Kriz.

Director Koontz, seconded by Director Wolfe, moved to approve the Treasurer's report, as presented.

| | | |
|----------------|---|-----|
| Ben Cochran | - | Aye |
| Brian Ferrell | - | Aye |
| English Koontz | - | Aye |
| Rodney Pierce | - | Aye |
| Isreal Preston | - | Aye |
| William Waite | - | Aye |
| William Wolfe | - | Aye |

5. New Business

A. *Director of Economic Development and Tourism Update*

- Convene group of hospitality owners/operators (topics to include TOT, short-term rentals, Civil War).
 - Group has met once in person. Discussion will continue.
- Engage stakeholders on the feasibility of a hotel in Berryville (this would include owners/operators in the region).
 - Work in progress – COVID consideration right now.
- Continue efforts on small business attraction, retention and expansion (seminars, promotion, assistance). I have also expanded this to include workforce initiatives and expansion.
 - Working regionally regarding talent attraction on a potential new website.

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- We have brought in Virginia Career Works, the Virginia Employment Commission and other local and state agencies as needed for networking.
 - Continue working with the USDA regarding the REDI grant – how to attract outdoor recreational businesses.
 - Wrapping up latest Economic Gardening program. Will be working with company to ensure the program has value.
 - Working regionally regarding the Worlds of Work!, Workforce Initiative and programs Clarke County schools are currently involved in.
- Engage in a dialogue with property owners of vacant buildings and the developable land to spur economic activity.
 - Ongoing. Need to complete a database of property to expand conversations.
 - Evaluate what is needed to make the Berryville Main Street program viable and successful – report back to Joint Committee on recommendation.
 - Letter received from Berryville Main Street regarding reorganizing.
 - Formalize website and social media strategies for economic development.
 - Work in progress regarding updates.
 - Establish relationships, and provide training for, realtors in the area.
 - In regular conversations with ED Nancy Silva.
 - Made introduction to Anne Herring, USDA for follow up training.
 - Made BRAR aware of new Waterloo water/sewer program.
 - Continue meeting one-on-one with realtors.
 - Develop and implement an incentive program using the CARES funding.
 - Program completed.

Other projects:

Economic Development

- Regionally we are part of the Small Business Resiliency Team program as part of the GOVirginia – this is in partnership with Lord Fairfax Small Business Development Center. This program assists small businesses with marketing, financial guidance, creation of an e-commerce website and accounting software.
- Regionally working with the GOVirginia Economic Resilience and Recovery (ERR) Program – to make local businesses aware of this program.
- Shared Spotted Lanternfly information with many of our local business. Clarke County is now a state recognized quarantined area so any local business who travels outside CC is required to get a permit and perform due diligence on site. We have also created partnerships with Blandy and the Clarke County Farmers' Market to help get the word out.

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- Working with Virginia Economic Development Partnership concerning Clarke County's strengths and weaknesses and where opportunities are.
- Continue having broadband meetings/updates/phone calls.
- Continue to utilize Christine Kriz from the Lord Fairfax Small Business Development Center. She has been either visiting in person or has had conference calls with several more of our businesses.
- Regionally participating in the Startup Shenandoah Valley program. This program works with businesses to identify and address their risks while scaling up.
- Continue conversations with realtors/potential property owners considering Clarke County
- Continue to meet regularly with Christy Dunkle for updates/catch up.
- I continue to meet regularly with Clarke County's Planning and zoning Directors for updates/catch ups.
- Work/talk continues on both the Waterloo and the Double Tollgate areas.
- Continue hosting weekly meetings with Frederick County and City of Winchester EDAs. Also part of the group is Christine Kriz with Lord Fairfax Small Business Development Center and Cynthia Snyder with the Top of Virginia Chamber.
- Clarke County had a slight uptick in the unemployment rate – smaller than other localities.

Tourism

- Continue conversations with our local farmers/farm markets about needs and opportunities
- Our partnership in the Shenandoah Valley Spirits Trail continues to show results. Social media and website stats are improving and we are getting visitors from further away – and they are sharing and posting positive comments on our wineries and breweries.
- Continue to write blogs for state, regional and local use
- Expanded blog opportunities listings with the Shenandoah Valley Tourism Partnership (SVTP) and the Shenandoah Valley Travel Association (SVTA)
- Updated the Virginia Tourism Corporation (VTC) website regarding Clarke County and our assets/businesses.
- Dinosaur Land success!

Note: see below the updated PPP stats to date from Christine Kriz at Lord Fairfax Small Business Development Center

Total Loans: 2,194,420
Total Amount: \$156,253,510,068
Average Loan Size: \$71,000

| Additional Data Category: | Total #: | Total \$: | Ave. \$: |
|-------------------------------------|-----------------|-------------------|-----------------|
| 1 st draw loans: | 704,357 | \$15,575,447,263 | \$22,078 |
| 10 or fewer employees: | 684,058 | \$10,809,759,318 | \$15,802 |
| LMI & less than \$250,000 in sales: | 175,719 | \$3,304,084,423 | \$18,803 |
| 2 nd draw loans: | 1,490,063 | \$140,738,062,805 | \$94,451 |
| 10 or fewer employees: | 1,114,965 | \$36,578,046,482 | \$32,806 |

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| LMI & less than \$250,000 in sales: | 313,829 | \$16,002,382,719 | \$50,991 |
| Small Banks (<\$10B): | 891,651 | \$60,735,004,434 | \$68,115 |
| Loans \$50K or less: 70.8% | | | |
| Loans \$50K - \$100K: 13.1% | | | |
| Top Lenders: | | JP Morgan Chase | \$74,000 |
| | | Bank of America | \$60,000 |
| | | Itria Ventures | \$28,000 |
| | | PNC | \$100,000 |
| | | | |
| | | Cross River Bank | \$23,000 |
| Top Industry: | | NAICS 72 | 18% |
| Hispanic loan recipients: | 77,554 | \$4,303,993,068 | \$56,012 |
| Black loan recipients: | 113,617 | \$3,056,970,898 | \$26,906 |
| Virginia Results: | 40,523 | \$3,326,483,232 | \$82,089 |

To date, the Commonwealth represents 2.1% of the total dollar volume of PPP funds approved and 1.8% of the total number of loans granted, but the average loan is slightly higher. These results appear to be lower than the loans granted in the first round of PPP funding in 2020.

- Director Hard mentioned a new business opening up, Oakhurst, and their ribbon cutting on May 10, 2021, at 10:00 am.
- Director Hart brought to the attention Ms. Cathy Seal, Director of Curriculum and Instruction at the Clarke County Public Schools. Made introductions to an additional seven (7) companies for student interaction.

B. Double Toll Gate discussion

- Director Hart gave an update to the Double Toll Gate activity and conversations with Frederick County. David Weiss expanded on the update.

C. Roles & Responsibilities

- Director Hart reviewed the Roles and Responsibilities and how she would be assisting the IDA. Information will be provided before the next meeting scheduled for July 22, 2021. Director Hart will give a list of businesses to the Directors and have further discussion at that time.
- Director Waite requested the forms provided to the IDA to use in aiding discussions with business owners to be simplistic in nature. The Directors are not experts but are happy to assist Director Hart in getting answers to question she may have.

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- Director Hart followed up with a discussion on what was being heard from business owners regarding their businesses. Many businesses within the County are having difficulties finding employees. Berryville Graphics is looking for 80 employees, and other companies are having to cut back hours due to a lack of staff.

- Director Cochran spoke about the potential purchase of the Mercke property. He also made mention of the property for sale in the business park.

Staff to do's:

- Process approved minutes.
- Provide a list of businesses to IDA Directors.
- Provide the questionnaire to the IDA Directors for review.

6. Next Meeting

The next meeting is scheduled for Thursday, July 22, 2021, at 1:00 pm.

7. Adjournment

Director Waite, seconded by Director Cochran, moved to adjourn the meeting.

| | | |
|----------------|---|-----|
| Ben Cochran | - | Aye |
| Brian Ferrell | - | Aye |
| English Koontz | - | Aye |
| Rodney Pierce | - | Aye |
| Isreal Preston | - | Aye |
| William Waite | - | Aye |
| William Wolfe | - | Aye |

At 2:03 pm, Director Ferrell adjourned the meeting.

Minutes transcribed by Tiffany R. Kemp, IDA Clerk