

**KING GEORGE COUNTY ECONOMIC DEVELOPMENT AUTHORITY**  
**July 10, 2008**

The Chairman, Mr. Glen Moore, called the regular meeting of the King George County Economic Development Authority to order at 6:00 p.m. in the Board Room of the Revercomb Building, 10459 Courthouse Drive, King George, Virginia, with a quorum being present. Mr. Glen Moore, Mr. Terry Moore, Mr. Ballenger, Ms. Churchill, Ms. Philbrick and Mr. Zilic were in attendance. Mr. Hughes was absent. Mrs. Theresa O'Quinn, Economic Development Director, was also in the attendance.

**Approval of Minutes:**

On a motion by Ms. Churchill, seconded by Mr. Zilic, and carried by a 4-0 vote, each member voting as follows: Mr. Glen Moore Aye; Ms. Churchill Aye; Ms. Philbrick Aye; Mr. Zilic Aye; Mr. Terry More and Mr. Ballenger Abstaining, the King George County Economic Development Authority approved the minutes of the regular meeting of June 12, 2008, as presented.

**Treasurer's Report:**

The Treasurer's Report included the following items for payment:

A. Invoice from Herb Hewitt – Mid Atlantic Settlement	\$ 800.00
B. Invoices from KG Journal-Business Week Ads	\$ 630.00
C. Payment to Suntrust-Semi-Annual Payment on Note	\$ 44,325.00

**TOTAL: \$ 45,755.00**

On a motion by Mr. Terry Moore, seconded by Mr. Zilic, and carried unanimously, each member voting as follows: Mr. Glen Moore Aye; Mr. Terry Moore Aye; Mr. Ballenger Aye; Ms. Churchill Aye; Ms. Philbrick Aye; and Mr. Zilic Aye, the King George County Economic Development Authority approved the expenditures, charged to the appropriate funds, as presented by the Secretary/Treasurer.

**Public Comment:**

The Chairman opened the floor for public comment. There being none, the Chairman closed that portion of the meeting.

**Comments or Reports from the Directors:**

Mr. Glen Moore mentioned the recent visit to Prince George County, Virginia but would share his comments at the appropriate time as this item appears later on the agenda under the Economic Development Director's Report.

**Report from Director of Economic Development:**

Mrs. O'Quinn provided a written report to the EDA for their review and comment and discussed with the EDA the following items:

- Mrs. O'Quinn responded to one prospect inquiry since the last meeting and escorted the prospect on a tour of the industrial park along with a representative of the Virginia Economic Development Partnership (VEDP), as well a follow up inquiry from a previous prospect, and continues to respond to projects referred from the Fredericksburg Regional Alliance (FRA) and VEDP.
- Regarding the arbitrage issue, a letter was sent on behalf of the EDA to the Internal Revenue Service with a liability payment of \$16,935.81. The IRS has ninety days to review the arbitrage issue. After that period, the EDA could consider pursuing legally appropriate avenues for use of those bond proceeds and on the advice of counsel, those proceeds could be used to pay down the note or for the extension of utilities in the industrial park.
- Mrs. O'Quinn shared her comments on the recent visit to Prince George County, Virginia, and the tour of that county's industrial park, which was attended by Mrs. O'Quinn, Mr. Glen Moore, Ms. Churchill, Mr. Hughes, and Supervisor Grzeika. She felt this was a very beneficial visit to tour a County of similar size and talk with their representatives about the development of their industrial park and the role of economic development in Prince George County. Ms. Churchill felt that the marketing materials and brochures provided by Prince George County were beneficial and that this type of material is important and something the EDA needs to consider creating and making available to prospects, employers as a recruitment tool, etc. Mr. Glen Moore concurred with Ms. Churchill's comments and provided copies of the public relations materials for the EDA members' review. Mr. Moore discussed Prince George County's formation of a public/private partnership with a developer. The County purchased the land, sold the land to the developer who then developed the industrial park. Mr. Moore discussed the parallels with King George County and the impact this development has had on Prince George County. Mr. Terry Moore commented that Prince George County benefitted greatly from the BRAC Realignment with development and construction at Ft. Lee.
- Mrs. O'Quinn reported that she has been working with the Commissioner of Revenue regarding any outstanding taxes that may be owed as the result of the EDA's reacquisition of lots in the industrial park and the importance of settling any outstanding tax payments prior to selling these lots. Ms. Philbrick made a motion to authorize the EDA to pay the taxes due on the lots in the industrial park. After some discussion, Ms. Philbrick withdrew her motion as Mrs. O'Quinn will provide a full report of her findings regarding taxes due and will provide that report at the August meeting. The EDA will take action at that time.
- Regarding the joint work session with the Board of Supervisors, Mrs. O'Quinn is developing an agenda for this meeting and provided a draft agenda for the EDA's review and comment. She recommended perhaps one or two EDA members review her power point presentation for this joint work session prior to the meeting on the 11<sup>th</sup>. The presentation will include a financial element, as well as some of the accomplishments of the EDA, and discussion of improvements to the rail at the industrial park. The Chairman stated that he would be available to review the powerpoint presentation with Mrs. O'Quinn.

### Unfinished Business:

#### *Review Declaration of Protective Covenants and Restrictions*

The Chairman stated that the document presented to the EDA could be approved or action could be deferred by the EDA pending further review, based on whether the EDA directors felt the document required further study. Mr. Glen Moore posed a question about the 18-month time limitation on commencement of construction on a purchased lot. During an earlier review of the document, the 18-month time limitation had been amended to read 12-months. There was continued discussion among the EDA directors regarding the proposed changes and the rationale for those changes, whether they were changed due to EDA comments or comments from counsel. Mr. Terry Moore recommended, and the EDA directors concurred, that action be

deferred on this item, to further review the document, provide comments to Mrs. O'Quinn within the next two weeks, and come prepared to vote on the document at the August 11, 2008 meeting.

Mrs. O'Quinn did confirm that these proposed changes would not apply to existing businesses in the industrial park. For a transitional period of time, the industrial park would be operating with two existing sets of covenants.

### *Finalize Details of Upcoming Joint Work Session with the Board of Supervisors*

Mrs. O'Quinn distributed copies of a draft agenda and requested input from the EDA directors. She informed the EDA that Mr. Russ Smitley of CSX would be attending and making a presentation to the Board. VEDP will share observations on types of industrial development occurring throughout the Commonwealth and how to prepare for growth; and Columbia Gas will be present to address bringing natural gas to the industrial park. Mrs. O'Quinn will be preparing a power point slide presentation highlighting the status of the industrial park as well as the EDA's financial status. There was some discussion regarding the merits of inviting the Planning Commission to this particular work session and the consensus of the EDA was to not extend an invitation to include the Planning Commission at this phase of discussion with the Board. The Board of Supervisors may decide as a follow up meeting to include the Planning Commission in further discussions.

The EDA directors requested they be provided copies of the power point presentation prior to the meeting on the 11<sup>th</sup>.

### **New Business:**

#### *Certificate of Deposit Information*

Mrs. O'Quinn shared information she has received in conversation with Mr. Clare of Union Bank and Trust regarding the EDA's certificate of deposit with UB&T. The CD came due on June 26, 2008. UB&T is offering renewal at 4% interest for 30 months, and Mr. Clare has stated that should funds be needed from the CD there would be no penalty for early withdrawal. Mrs. O'Quinn will further discuss the CD with Mr. Clare and the County's financial advisors and keep the EDA informed of progress.

### **Information Items:**

Mrs. O'Quinn mentioned several upcoming items of the interest

- Welcoming Visit has been scheduled with Lock It Up Self-Storage on Friday, August 8<sup>th</sup>, at 12:00 Noon
- A ribbon cutting ceremony is being planned for Vinny's Italian Grill and Pizzeria. Details will be forthcoming.
- Contacted by EG&G and SCCI inquiring about the availability of any marketing materials the County may have or be willing to produce to further promote the County in their recruiting efforts to attract highly skilled technical personnel to fill positions in King George County. While the Economic Development budget is limited, some assistance may be available through the Fredericksburg Regional Alliance (FRA).
- Mrs. O'Quinn stated that Mr. Hughes has expressed an interest in developing an initiative with the school system, defense contractors and others to see if the County can do some things within the school system to lay the foundation of interest for students to be encouraged to enter the fields of math and science. Mr. Zilic mentioned a program that is sponsored by the Department of the Navy, Office of Naval Research, called N-STAR which runs a camp for two weeks each summer for students interested in the math and physics fields.

Closed Session:

On a motion by Mr. Terry Moore, seconded by Mr. Zilic, and carried unanimously, each member voting as follows: Mr. Glen Moore Aye; Mr. Terry Moore Aye; Mr. Ballenger Aye; Ms. Churchill Aye; Ms. Philbrick Aye; and Mr. Zilic Aye, the King George County Economic Development Authority went into closed session pursuant to State Code Section 2.2-3711(A)3 for discussion or consideration 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 regarding land within the King George Industrial Park and land adjacent to the King George Industrial Park; and State Code Section 2.2-3711(A)5 for the purpose of discussing a prospective business or industry where no previous announcement has been made of the business' or industry's interest in locating its facilities in the community and invited the Director of Economic Development.

On a motion by Mr. Terry Moore, seconded by Ms. Churchill, and carried unanimously, each member voting as follows: Mr. Glen Moore Aye; Mr. Terry Moore Aye; Ms. Ballenger Aye; Ms. Churchill Aye; Ms. Philbrick Aye; and Mr. Zilic Aye, the King George County Economic Development Authority returned to public session and certified that only public business matters lawfully exempt from open meeting requirements by Virginia law, and only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered.

On a motion by Mr. Terry Moore, seconded by Mr. Zilic, and carried unanimously, each member voting as follows: Mr. Glen Moore Aye; Mr. Terry Moore Aye; Ms. Ballenger Aye; Ms. Churchill Aye; Ms. Philbrick Aye; and Mr. Zilic Aye, the King George County Economic Development Authority authorized the Economic Development Director to do those things necessary to sell Lot 5 owned by the EDA to Morgan Masonry Contractors Inc. and for the EDA to repurchase Lot 4B with the condition of a boundary line adjustment whereby Lot 4B will be increased to 4.771 acres and Lot 5 will be decreased to 5.058 acres. The EDA desires that the contract or appropriate documents stipulate the following: \$5,000 deposit by purchaser to be held in escrow and credited to the cost for purchasing added acreage; the purchaser must provide at or before closing copies of all due diligence performed to date on Lot 4B; settlement must occur within 60 days from the date the contract is executed; and construction of the primary facility must be completed within 18 months from date of settlement surviving closing. If an extension to the settlement on the property were requested and/or needed by the purchaser and approved by the EDA, any additional legal fees required by the seller would be borne by the purchaser. These stipulations are subject to legal review and approval.

On a motion by Mr. Terry Moore, seconded by Ms. Churchill, and carried unanimously, each member voting as follows: Mr. Glen Moore Aye; Mr. Terry Moore Aye; Ms. Ballenger Aye; Ms. Churchill Aye; Ms. Philbrick Aye; and Mr. Zilic Aye, the King George County Economic Development Authority approved the granting of a no-cost easement to Tax Map Parcel 21-73A, twenty-five (25) acres behind Lot 1 in the King George Industrial Park, as long as it does not impede future development for construction to Tax Map Parcel 21-73A in order to facilitate the sale of land and improvement on Tax Map Parcel 21-4-1 to whomever may be the successful purchaser. This motion comes as a result of the fact that the storm water facility does not have adequate outfall and that the easement to the adjacent parcel will most likely be needed in order for an outfall to be constructed by the purchaser.

There being no further business to come before the EDA, the Chairman adjourned the meeting to the 11<sup>th</sup> day of August 2008 at 5:15 p.m. at the King George Fire & Rescue Company 1 Headquarters Conference Room on a motion by Ms. Churchill, seconded by Mr. Hughes, and carried unanimously.