

KING GEORGE COUNTY ECONOMIC DEVELOPMENT AUTHORITY
August 11, 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 Conference Room 1 of the King George Fire & Rescue Company 1 Headquarters located at 8122 Kings Highway, King George, Virginia, with a quorum being present. Mr. Glen Moore, Mr. Terry Moore, Mr. Ballenger, Ms. Churchill, Mr. Hughes, and Mr. Zilic were in attendance. Ms. Philbrick was absent. Mrs. Theresa O'Quinn, Economic Development Director, was also in the attendance.

Approval of Minutes:

On a motion by Mr. Terry Moore, seconded by Ms. Churchill, and carried by a 6-0 vote, each member voting as follows: Mr. Glen Moore Aye; Mr. Terry Moore Aye; Mr. Ballenger Aye; Ms. Churchill Aye; Ms. Philbrick Aye; Mr. Zilic Aye; and Mr. Hughes Abstaining, the King George County Economic Development Authority approved the minutes of the regular meeting of July 10, 2008, as presented.

Treasurer's Report:

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

A. Invoice from Chmura Economics & Analytics	\$	865.65	
B. Crop Production Services	\$	263.16	
TOTAL:			\$1,128.81

On a motion by Mr. Terry Moore, seconded by Mr. Ballenger, and carried unanimously, each member voting as follows: Mr. Glen Moore Aye; Mr. Terry Moore Aye; Mr. Ballenger Aye; Ms. Churchill Aye; Mr. Hughes 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 Directors:

There were no report from the Directors.

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:

- After engaging in discussions regarding CD investment with three local banks, the EDA's Certificate of Deposit has been reinvested with Union Bank and Trust at a fixed rate of 4.09% with an annual percentage yield of 4.17% for 30 months with no penalty for withdrawals.
- After discussions with and approval of bond counsel, recommended placing the EDA's bond proceeds in a yield restricted investment account Mrs. O'Quinn reported that the best offer for investment has been received from People's Community Bank to invest the funds in a one year Certificate of Deposit.. With People's, there would be one penalty free withdrawal for a period of twelve months. Any additional withdrawals would result in forfeiture of one month's interest; the interest rate cannot exceed 2.9%. Mrs.

O'Quinn recommended that the EDA defer action on this item to hear what the Board of Supervisors might have to say about continuing to bring utilities to Lot 73-A. That lot currently does not have a road or utilities. The bond proceeds, however, are restricted and can be used for bringing utilities to the industrial park or repaying the note. During this investment process, two local banks were contacted as well as, Suntrust, where the bond proceeds are currently held. Mrs. O'Quinn stated that no discussions have taken place regarding this investment of funds with the EDA member who works for People's Community Bank, and that discussions have been held only with the Chairman.

- In follow up to discussions with the EDA at its July 10, 2008, meeting, Mrs. O'Quinn provided additional information regarding taxes that are due and payable to the County on six lots in the Industrial Park. These taxes are due for the time period under which the owners of the lots discontinued paying the taxes up until the date the deed was recorded to transfer ownership to the EDA. The total amount of taxes due is \$954.58 and includes taxes due on Lots 5, 8, 11, 17, and 18. Taxes are also due on Lot 2 in the amount of \$816.98. That lot is currently involved in bankruptcy proceedings and Mrs. O'Quinn stated that there may be a possibility of recovery of the \$816.98.

On a motion by Ms. Churchill, seconded by Mr. Hughes, and carried unanimously, each member voting as follows: Mr. Glen Moore Aye; Mr. Terry Moore Aye; Mr. Ballenger Aye; Ms. Churchill Aye; Mr. Hughes Aye; and Mr. Zilic Aye; the King George County Economic Development Authority authorized payment of taxes due on Lots 5, 8, 11, 17, and 18 in the total amount of \$954.58.

- Mrs. O'Quinn provided a status report on the Purchase of Lot 5 in exchange for Lot 4B with Madison and Morgan Masonry. The County Attorney is currently reviewing the escrow agreement and Hefty and Wiley will be serving as the escrow agent. Requested closing in 60 days. Any requested extension and related attorney fees would be borne by the purchaser.

Unfinished Business:

Declaration of Protective Covenants and Restrictions

The final revised version of the Protective Covenants and Restrictions were presented to the EDA for action. The Chairman discussed the option of delaying action on the documents until the conclusion of the joint work session with the Board of Supervisors scheduled for 6:00 p.m., in anticipation of any comments from the Supervisors. Mr. Zilic questioned the application of these covenants to the upcoming purchase of Lot 5 by Madison & Morgan. Mrs. O'Quinn explained that the current contract with Madison & Morgan states that the Covenants and Restrictions in place at the time the contract is signed will apply. After some discussion, the EDA members supported the proposed changes to the Covenants and Restrictions as reviewed and presented.

On a motion by Mr. Zilic, seconded by Mr. Hughes, and carried unanimously, each member voting as follows: Mr. Glen Moore Aye; Mr. Terry Moore Aye; Mr. Ballenger Aye; Ms. Churchill Aye; Mr. Hughes Aye; and Mr. Zilic Aye, the King George County Economic Development Authority approved the Revised Declaration of Protective Covenants and Restrictions as currently edited.

New Business:

Rail and Bush Hogging Maintenance for King George Industrial Park

Mrs. O'Quinn informed the EDA that she has recently been made aware of the fact that the EDA is responsible for 1100 feet of the rail on the north side of Birchwood Creek Road, before you enter the industrial park. That portion of the rail has not been maintained and approximately 160 railroad ties are in need repair and additional repairs may need to be made. Mrs. O'Quinn is awaiting an estimate from Mr. Phil Rollins, Project Inspector for the County, on the cost of such repair and expressed her concern that the EDA has not figured rail maintenance into its budget.

Additionally, the industrial park property needs to be bush hogged again. That service was provided last year by Mr. Owens and Mr. Rollins has informed Mrs. O'Quinn that this service would cost \$30 per acre with 77 acres to be done.

Mr. Hughes inquired as to who is responsible for maintenance of other portions of the rail at the industrial park site or within the industrial park and are those responsible parties maintaining their portions of the rail both in repair and spraying for weed control, etc.

Mr. Terry Moore inquired as to whether the bond proceeds could be used for this type of repair and maintenance. Mrs. O'Quinn will further research this issue and report back to the EDA.

Spraying of the track for has been done in the past and Mrs. O'Quinn reported an estimate of \$680.00 a year to spray the entire track area.

On a motion by Mr. Terry Moore, seconded by Mr. Ballenger, and carried unanimously, each member voting as follows: Mr. Glen Moore Aye; Mr. Terry Moore Aye; Mr. Ballenger Aye; Ms. Churchill Aye; Mr. Hughes Aye; and Mr. Zilic Aye, the King George County Economic Development Authority authorized bush hogging the portion of the industrial park for which the EDA is responsible (approximately 77 acres) at a rate of \$30 per acre.

On a motion by Ms. Churchill, 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; Mr. Hughes Aye; and Mr. Zilic Aye, the King George County Economic Development Authority authorized the expenditure of NTE \$680.00 for spraying the additional amount of rail for which the EDA is responsible. NOTE: The EDA has already authorized expenditure of \$263.16 toward this project.

There being no further business to come before the EDA, the Chairman recessed the meeting to enter into a joint work session with the King George County Board of Supervisors.