

KING GEORGE COUNTY ECONOMIC DEVELOPMENT AUTHORITY
October 9, 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. Ballenger, Ms. Churchill, Mr. Hughes, Ms. Philbrick and Mr. Zilic were in attendance. Mr. Terry Moore was absent. Mrs. Theresa O'Quinn, Economic Development Director, was also in the attendance.

Amendment to the Agenda:

On a motion by Mr. Zilic, seconded by Ms. Philbrick, and unanimously, each member voting as follows: Mr. Glen Moore Aye; Mr. Ballenger Aye; Ms. Churchill Aye; Mr. Hughes Aye; Ms. Philbrick Aye; and Mr. Zilic Aye; the King George County Economic Development Authority amended the agenda to include a closed session pursuant to 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 postponed discussion of Agenda Item 6.C. until returning from the closed session.

Approval of Minutes:

On a motion by Ms. Churchill, seconded by Mr. Zilic, and unanimously, each member voting as follows: Mr. Glen Moore Aye; Mr. Ballenger Aye; Ms. Churchill Aye; Mr. Hughes Aye; Ms. Philbrick Aye; and Mr. Zilic Aye; the King George County Economic Development Authority approved the minutes of the September 11, 2008, minutes, as amended.

Treasurer's Report:

There were no expenditures that exceeded the spending authority of the Economic Development Director.

Public Comment , Presentations or Requests from the Public:

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:

There were no reports or comments from the Directors.

Report from Director of Economic Development:

- ***Rail Maintenance RFP for Immediate Repair***--Mrs. O'Quinn provided the EDA Directors with a copy of the Rail Maintenance RFP for Immediate Repair and asked for their approval and/or feedback on the proposed RFP. She also provided an RFP for train track inspection and maintenance services should the EDA wish to secure a contract for annual maintenance/repair of the rail to ensure that the track condition stays up to date. Mrs. O'Quinn recommended that she, a member of the EDA, and Mr. Phil Rollins serve on the selection committee for the RFP for Immediate Track Repair and possibly the County's Purchasing Manager, Ms. Kelly Dixon.

On a motion by Ms. Churchill, seconded by Mr. Hughes, and carried unanimously, each member voting as follows: Mr. Glen Moore Aye; Mr. Ballenger Aye; Ms. Churchill Aye; Mr. Hughes Aye; Ms. Philbrick Aye; and Mr. Zilic Aye, the King George County Economic Development Authority authorized the issuance of the RFP for the immediate train track repair services, as presented. Ms. Churchill and Mr. Ballenger agreed to serve as part of the selection committee for this RFP.

- ***Hefty & Wiley Legal Services***—Mrs. O'Quinn discussed the legal fees that the EDA has incurred with Hefty & Wiley and the continued need for legal services. She discussed the history of EDA's legal fees for the services of Mr. Tom Bricken with the firm of Sands Anderson Marks and Miller and local attorney Herb Hewitt, as well as the amount paid to date to Hefty & Wiley and discussed the possibility of a flat, monthly rate as opposed to an hourly rate with Hefty & Wiley and the advantages of a monthly fee. The EDA will further discuss this approach at the November EDA meeting. Mrs. O'Quinn will provide written data via e-mail for the EDA's review which depicts the legal fee expenditure history of the EDA over the past three fiscal years.
- ***Broker Services*** – Mrs. O'Quinn will be providing, via e-mail, a draft copy of the RFP for broker services for marketing the industrial park and anticipates the EDA receiving that draft during the week of October 20th. In speaking with some brokers, a 6%-8% broker fee is considered normal.
- ***Madison & Morgan*** – Madison & Morgan has signed the contract for the purchase of Lot 5 in exchange for Lot 4B and settlement is anticipated at the end of November. Mr. Hewitt will be representing the EDA at closing.
- ***Easement Filed*** – The easement for Lot 8 with Dominion Virginia Power relating to provided power for Mid-Atlantic Pre Cast has been signed and recorded in the Circuit Court Clerk's office.

Unfinished Business:

- ***Westfield Condominiums*** – Mrs. O'Quinn informed the EDA that the Planning Commission had reviewed and approved Mr. Bailey's final site plan for Lot 16. In discussions with Mr. Green, Director of Community Development, it was agreed that, in the future, any site plans pertaining to property owned by the EDA will be reviewed by the Director of Community Development for compliance with the covenants and then presented to the EDA prior to going before the Planning Commission. Mrs. O'Quinn discussed this final site plan with Mr. Green to determine compliance with the covenants and restrictions. It was determined that shrubbery was not included in the front setback areas. Mr. Bailey has been informed and will be working with Mr. Green to remedy this situation.

On a motion by Ms. Philbrick, seconded by Mr. Hughes, and carried unanimously, each member voting as follows: Mr. Glen Moore Aye; Mr. Ballenger Aye; Ms. Churchill Aye; Mr. Hughes Aye; Ms. Philbrick Aye; and Mr. Zilic Aye, the King George County Economic Development Authority approved the final site plan for Lot 16, Westfield Condominiums, as presented by the Economic Development Director and reviewed by the Director of Community Development, with the condition of compliance to Section 10, Page 10 of the Declaration of Protective Covenants and Restrictions requiring the placement of shrubbery at the front setback areas.

New Business:

- ***Natural Gas for the Industrial Park*** – Mrs. O'Quinn explained that she had received two inquiries during the month of September regarding land in the industrial park and one of those inquiries had a natural gas mandate. She has been working with the Fredericksburg Regional Alliance to obtain information regarding the number of inquiries received over the past two years for properties in the region, including King George County, that require natural gas as a mandate. This issue of the availability of natural gas was addressed by Columbia Gas at the EDA's work session with the Board in August and the related costs for doing so at an approximate cost of \$3.6M. Future

meetings may include the EDA, the Board of Supervisors and possibly the Planning Commission to discuss financing options to bring this utility to the industrial park, i.e., public/private partnerships. Mr. Moore concurred in the importance of being able to bring this important utility to the industrial park and requested the EDA directors give some consideration to the issue and be prepared for further discussions. Mrs. Philbrick stated that she would like additional information as to the number of end users to make the availability of natural gas feasible and discussion ensued about how the EDA could recoup a portion of the funds expended to bring this utility to the park. Ms. Churchill stated that without the availability of natural gas the EDA is limiting itself to industries that might consider settling in the industrial park and therefore missing out on businesses locating in King George County at this time.

- ***New Business in King George*** – Mrs. O'Quinn provided information regarding a new business in King George, Rocky Top Embroidery and More, owned and operated by Ms. Becky Gallimore. Mrs. O'Quinn recently visited Ms. Gallimore at her business and has submitted an article to both the King George Journal and Free Lance Star about this new business. Mrs. O'Quinn solicited input from the EDA regarding names of business to include in future visits. Also, a new business in Dahlgren, the Daily Grind, is now open and will be scheduling an open house for the community in the near future. She hopes to plan a ribbon cutting even for this business as well as for Pancho Villa.

Information Items:

Mr. Moore reminded the EDA of the upcoming Fredericksburg Regional Alliance (FRA) Annual Meeting on Monday, October 27th, at Noon, at the Jepson Alumni Executive Center in Fredericksburg. Each EDA member should have received an invitation from the FRA office.

Closed Session:

On a motion by Mr. Zilic, seconded by Ms. Churchill, and carried unanimously, each member voting as follows: Mr. Glen Moore Aye; Mr. Ballenger Aye; Ms. Churchill Aye; Mr. Hughes Aye; Ms. Philbrick Aye; and Mr. Zilic Aye; the King George County Economic Development Authority went into closed session pursuant to State Code Section 2.2-3711A(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 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 Economic Development Director.

On a motion by Mr. Zilic, seconded by Ms. Churchill, and carried unanimously, each member voting as follows: Mr. Glen Moore Aye; Mr. Ballenger Aye; Ms. Churchill Aye; Mr. Hughes 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 Ms. Churchill, seconded by Mr. Zilic, and carried unanimously, each member voting as follows: Mr. Glen Moore Aye; Mr. Ballenger Aye; Ms. Churchill Aye; Mr. Hughes Aye; Ms. Philbrick Aye; and Mr. Zilic Aye, the King George County Economic Development Authority authorized the use of the bond proceeds to extend water and sewer to Lot 21-73A at an estimated cost of \$150,000 and to use the remaining bond proceeds to pay down the revenue note.

There being no further business to come before the Board, the Chairman adjourned the meeting.