

King George County Economic Development Authority

Meeting Minutes

September 10, 2020

1. Call to Order:

Ian Fox called this meeting of the King George County Economic Development Authority to order at 5:10 p.m.

I hereby invoke the rules and procedures previously adopted by the board of Supervisors and this Economic Development Authority allowing for electronic participation by some members, with a quorum physically present. This Action is taken as a result of the Covid-19 pandemic and the governor's orders regarding limiting of gatherings and staying in place during a disaster.

Electronic participation is encouraged and pursuant to the governor's emergency orders a maximum of ten (10) people will be allowed to be physically present. If you choose to be physically present, you will be screened by authorized staff for signs and symptoms of illness. Based on the results of that screening, certain physical attendees may be denied entry.

The following members are physically present: Beckey Gallamore, Rick Pabst, Guy Booth and Ian Fox. Also present are Nick Minor, Roan Grapes, and Kim Wilson.

The following members are participating through electronic and remote means after notifying the chair that temporary disabilities and /or other medical conditions exist that prevents the member's physical attendance: Dreda Newman

The following members were absent: Dylan Tedford and Amberleigh Wankel.

I direct the clerk to include this statement and the statement of remotely participating board members to be memorialized in the minutes.

2. **Public Comment:** There were no public comments.

3. Approval of August 2020 Meeting Minutes

Minutes presented, motion by Guy Booth to approve. Seconded by Rick Pabst.

Vote taken, members and chairman voted aye, motion carried.

4. Presentation from Davenport and Associates

Kyle Laux from Davenport and Associates gave a presentation, with Dan Siegal from participating remotely, attached to these minutes, regarding the new courthouse financing. Tonight, is informational.

First bullet point – Board of Supervisors has identified need for funds to replace county's aging courthouse. Estimated cost is \$22 million project. It fits in county debt policy and practice.

Second bullet point - Due to current historically favorable interest rate environment, county also has opportunity to (try) refinance some existing debt for a lower interest rate without extension of maturity. Davenport and the County have identified \$14 million of existing debt that they will try to get refinanced. Looking at fixed rates.

Third bullet point – County has excellent credit rating. Due to good management.

Fourth bullet point - Combination of financing and refinancing existing debt will occur via an issuance of Lease Revenue bond, and the County's Economic Development Authority as a conduit issuer. This is very common for counties in Virginia.

Mr. Laux presented graphs showing 20-year bond index showing decrease in interest rates. Currently In the 2% range. He also reviewed financing options, lease revenue bonds via public sale. EDA is not responsible for the repayment of the Lease Revenue Bonds, responsibility rests with the county's Board of Supervisors. In the event of a problem with the

bond, the Board of Supervisors that would be a lien against the property. Interest rate for the bond is fixed for the life of the loan.

Mr. Laux also reviewed timeline for the next steps and provided a Municipal Advisor Disclaimer. Will be back to EDA October 8 for approval. Potential date of closing is November 2020.

Mr. Fox would like a financial model for review.

Mr. Laux will forward presentation from last board meeting; loan gets repaid over 20 years with fixed interest rate.

Mr. Fox, What do you assume revenue growth in the county over that payment period?

Mr. Laux, Assume that only revenue source at this time is the landfill

Revenue stays at steady level going forward look at last couple of years and flatline that, then is that sufficient to cover all the debt service the county has.

Mr. Fox, what is credit rating?

Mr. Laux, Moody's, Standard & Poor and Fitch are the rating companies.

Moody-AA2, Standard & Poor... AA+, Fitch- AA.

S&P rating is 1 notch off AAA. Impressive for county this size. Fund balance is important, and Board of Supervisors has been very good county has been very good at maintaining balance and incompliance not just management but also rainy day.

Mr. Fox would like a summary.

Mr. Pabst- wants to know why the EDA?

Dan Siegal – most counties in Virginia use EDA as a conduit, otherwise they have to go through the referendum process. 80 percent of counties do it this way. Most of state does appropriations for public construction this way. EDA has power to issue the bonds, but county is the borrower. EDA has legal capacity to issue bonds. It is not an option to offer services. What is the current rate of interest for refinance?

Mr. Laux – Currently the mid 4 percent range, looking at mid-2 percent range for refinance.

Mr. Fox- project estimated at \$22 million, how much will the bonds be issued for?

Mr. Laux – the amount will be above the 22 million, they can be sold at a premium or discount and the maturity will vary (?), need flexibility for byers to buy at lowest interest rate.

Mr. Fox= Landfill will last 20 years?

Dr. Young -Probably 17-19 years. Board is aware of that. Landfill has finite lifespan. We need to plan now for what happens in 18 years. We will need to rely on commercial development or property values.

Mr. Fox wants the excel presentation.

Mr. Laux- It is better to borrow for long term big items rather than annual types of expenditures.

Discussion on how lenders and credit analysis affect ability to get loan and issue bonds. Based on money practice management, rainy day fund, ability to repay debt.

5. Board member reports

Becky Gallamore -no report

Dreda Newman- no report

Guy Booth- no report

Rick Pabst- Went over care acts apps with Ian Fox and happy to report that

Called about property across from industrial park that is for sale.

Discussion re property across from the industrial park. Believe there are no restrictions on the property

Nick- Owner wants property sold as one unit.

Ms. Gallamore - Property is under contract, but they don't want to close for 2 years.

Mr. Fox- is there an option?

Per Ms. Gallamore - Brother in law has no idea who buyer is or what they want to do with property.

Discussion for options for how we purchase property.

Is there possibility of development with Courthouse on this property?

What are the future possibilities for that property? 260 Acres in the property.

Mr. Booth discussed the commercial value of the riverfront.

Mixed use development and potential.

Somehow, we or the county borrow money to buy that property.

Mr. Pabst - Maybe package with bond issue

Add this to county plan.

Mr. Minor – Looking at industrial park and future.

Pre-zoning would pay for itself.

Mr. Fox – would need to go before the board.

Raise 1 million and borrow the rest. Discussion continued about different possibilities for coming up with money for the property.

Ms. Gallamore has spoken with Annie Cupka, this property was looked at by Maryland Transportation, the board is aware of this property.

Mr. Pabst – looking at GIS, property has pond.

Discussion continues about possibilities and usage for property.

6. Directors Report (50)

a. CARES ACT grant

Mr. Minor reports- 42 applicants, total grant awards 38, four applicants did not meet criteria, overall awards totaled \$162,000.00.

25 businesses received \$4000.00, 2 Non-profits received \$4,000.00, 10 businesses received \$7000.00, and 1 business received \$10,000.00. He reported on which checks had been sent and which had not, some still waiting for terms of agreement.

Mr. Minor discussed breakdown of demographics of applicants, see attached.

Dreda Newman wants to know if Rocky Top Embroidery is Beckey Gallamore's company and is it a conflict of interest?

Mr. Minor replies that he does not believe it is a conflict of interest as she had no input in review process and paperwork was in order. There are still some people who have not returned the terms of agreement form and so those checks have not been sent out yet.

Mr. Fox When will we start 2nd round?

Mr. Minor- checks going out this week. Can start advertising next Tuesday, unless board wants to wait for all checks to go out.

Mr. Pabst- would like to start now. That money is set aside. Get together in 3 weeks to decide.

Mr. Fox – start sooner than later.

Mr. Minor – can start next Tuesday and take until 22,

Ms. Gallamore- Companies that previously applied but not in time, will they have to apply again?

Mr. Minor - Companies that previously applied but did not get all info in on time, ones we have they applied on time, but we were waiting on additional info. What does the board want?

Mr. Fox- let them finish filling out the needed information.

Notify and let them know we have application and they need to complete if still interested.

Mr. Minor- There is 62k dollar left. There are some tweaks I want to make to application, the online application.

Ms. Gallamore – With the second round is there a chance of additional money available?

Mr. Minor- yes there is a possibility.

7. New Business (1.00)

a. Special Exception Permit

Mr. Minor– if you are a manufacturer and want to come industrial park in King George, you need a special exception permit. Goal is to have EDA do this, when a company does this it takes about 90 days and there are fees involved, we would be able to waive fees. Sites would conditional on studies, like environmental and traffic study, traffic study depends on how large the site is, will write special exception to fit the lots, not to exceed the allowance. Ensuring that lots are ready.

No motion needed at this time. Just informational. Discussed what industries are currently in park, but if you are manufacturer with minimal discharge you need permit. It takes 90 days to get permits

Mr. Minor – Discussed what industries are currently in the industrial park. However, if you don't have exhaust or fumes you need special exception permit for industrial park.

Mr. Pabst- So for hemp drying and storage would need special permit.

Mr. Minor – Code already written broad. Won't cover explosives. And specific to lots.

Discussion of what size lots available at this time.

Mr. Booth- can anyone file for special exception? Yes

Mr. Minor- Typically the owner would file for these, since we are the owner, we will file ahead of time. anyone can file for this

Mr. Minor this will get us past the public hearing process and benefit to business for money and time.

Mr. Booth- this makes attractive because it fast tracks.

Mr. Minor- It is possible to get started.

Mr. Minor EDA will need to provide support, but staff would file. Would bring back to EDA for review and

8. Old Business (1.09)

a. Incentive Zones

Mr. Minor presented a brief overview of the zones and how it would work. The zones include technology, tourism, and defense.

Everything takes a formal process. EDA feedback very important.

Recommend to board for special permits, gives board power to move ahead.

Approval process has many steps, incurs fees

Mr. Fox -This way it has been done up front, Streamlines process

Mr. Minor - It involves everybody, county attorney, county administrator, EDA, it impacts tax reimbursements.

Mr. Pabst - We need to keep working on it and get work session with board.

Ms. Gallamore – Is there anything needed from us now?

Mr. Minor- Nothing needed right now from EDA, just want you to be informed.

Mr. Fox- Need power point to include in minutes

b. Business Appreciation Funds

Business appreciation dinner canceled,

Ms. Gallamore- Believe that we discussed something last time about using this for property out there. what was discussion from last time.

Was it some kind of Study do be done.?

Mr. Minor- Special exemption requires studies for sites need to figure out how much it will cost

Need to look into what kind of work needs to be done. No vote taken only discussion at last meeting

Discussion about using these funds for site studies for upgrading lots in industrial park.

Need to look into cost.

c. Broadband for HOA

Mr. Minor- What type of impact? study done

Online survey results –

In person survey results- this is the combined summary:

Total number Over 100, impact 278 people, 65 school age children, 34 college students, 11 teachers, majority teach in King George school systems, others teach on-line. Potomac Elementary, King George, Sealston, Saint Peters Archdiocese Washington, 111 work or could work from home, BYU Idaho, Arlington

Ms. Gallamore- Did they give us any idea of what they want us to do to help them?

Mr. Minor- They want assistance with financing tower partial. They have location and estimated cost.

People in the community are in support of this.

Discussion regarding who will maintain tower, build, demand, who makes money off this project.

KGI is not wanting to construct or care for tower.

Discussion of access through Dominion

System does not expand outside sub-division, only people in neighborhood.

Discussion about how this would be funded.

Grant vs loan? Would have to go back to board to request funding.

County will not want to maintain tower.

They have to go through Community Development for permits /approval.

Discussion regarding setting precedent, this is a slippery slope.

should not be in the utility business, projects usually done through HOA

Mr. Fox-If there is a way to provide loan, be mindful, there are other areas that are worse

If we put up tower how does that fit with county and dominion plan to expand broadband.

EDA could be conduit but believe they need to have their supervisor take it to the Board of Supervisors first,if board says no, or says take to EDA , may be

Ms. Gallamore -expressed concern for setting precedent, we would have to offer to every HOA for what they want.

Discussion regarding internet service in county.

Mr. Minor- do you want me to tell them to take it to the board of supervisors, or?

Discussion that they may be able to borrow money on their own

Cost is 100k, that is a big ask for HOA, can we boost their chance of getting money.

Discussion of rural Broadband still has to get FCC approval to run lines with dominion

124 lots in division. Tell them to start with supervisors.

Mr. Fox- This meeting is hereby adjourned to the next regular scheduled meeting for October 8, 2020 at 5PM.

That meeting may be held by electronic means and remote participation only and may be closed to the public being physically present. All Citizens are encouraged to participate in advance or during the meeting by electronic means as provided by the county.

Minutes submitted by Roan Grapes, Administrative Assistant

Signature: _____

Date Approved: _____