

## Economic Development Authority Meeting of the City of Winchester, Virginia

### Meeting Minutes

DATE: September 19, 2017  
TIME: 8 a.m.  
LOCATION: Elizabeth A. Minor Council Chambers, City Hall

MEMBERS:	<u>Present</u>	<u>Absent</u>
William Buettin	<u>X</u>	_____
Douglas R. Toan	<u>X</u>	_____
Lauri M. Bridgeforth	<u>X</u>	_____
Jeffery B. Buettner	<u>X</u>	_____
Carol Koenecke-Grant	<u>X</u>	_____
Tim Painter	<u>X</u>	_____

ALSO ATTENDING: Shawn Hershberger, Executive Director, Eden Freeman, City Manager, Amy Simmons, Communications Director, Shirley Dodson, Business and Workforce Development Coordinator.

SUBJECT: **Call to Order and Determination of Quorum**

HIGHLIGHTS: Chairman Buettin called the meeting to order at 8:01 a.m., at which time it was determined that a quorum was present.  
\*Carol Koenecke-Grant arrived at 8:03 a.m.

SUBJECT: **Review and Approval of Meeting Minutes of August 15, 2017 Meeting.**

HIGHLIGHTS: The minutes of the Meeting held on August 15, 2017 were unanimously approved upon motion duly made by Mr. Toan and seconded by Mr. Painter.

SUBJECT: **Review and Approval of Financial Report for the Period Ended July 31, 2017**

HIGHLIGHTS: Total assets as of August 31<sup>st</sup>, 2017 was \$3,331,723.92. Ms. Dodson, Business and Workforce Development Coordinator reported that Bonnie Blue 2012's loan will be paid off this month, also they have begun to make payments on their new note. On the reconciliation report under "cleared checks" the \$400,000 check to Rubbermaid is for the Governors Opportunity Fund program. Chairman Buettin asked if the Economic Development Authority has already collected the \$400,000 check from the City of Winchester and Ms. Dodson replied that the EDA has received that

check. Additionally, the two City of Winchester checks on the reconciliation report are for the real estate tax bills for the two Winchester Towers parcels. Michael Callahan's billing rate was raised in August because of assistance with taxes and the FY 2016 audit. Mr. Toan asked what the \$5,000 to Greenfield & Craun check was for under "un-cleared checks" and Ms. Dodson replied that it was for a deposit on a building that was discussed in the August EDA board meeting during closed session. Upon motion by Mr. Buettner, seconded by Mrs. Bridgeforth, the financial report for the period ending August 31st, 2017 was unanimously approved.

**SUBJECT: Executive Director's Report**

**HIGHLIGHTS:** Economic Development Strategic Plan Update: Mr. Hershberger reported that Avalanche Consulting was selected as the firm to do the Economic Development Strategic Plan. On Monday, September 18<sup>th</sup>, 2017 staff had a conference call with Avalanche to discuss the time-line of the project, and to identify steering committee members. Mr. Hershberger will update EDA board members on the process. Avalanche's first trip to Winchester is scheduled for late October, early November and the project will be wrapped up in either January or February 2018. The entire process will be a 6-9 months. Mr. Hershberger mentioned that Avalanche Consulting has a very holistic approach to economic development strategic planning and their expertise is most suitable for the current state of the city and the regional economy. Reference checks on Avalanche were positive.

Mrs. Koenecke-Grant asked who Avalanche recommends being on the Steering Committee and Mr. Hershberger replied that Avalanche provided staff with a list of recommendations that included community leaders, business owners, Non-profit leaders, and educational leaders. Mrs. Bridgeforth and Mrs. Koenecke-Grant mentioned that they would be willing to assist with providing recommendations for the steering committee.

**SUBJECT: Winchester Towers Update**

**HIGHLIGHTS:** Mr. JP Carr provided the most recent details on the Winchester Towers project. A hurdle has been identified concerning the specific authorization language in State code for the use of special tax revenue to pay for a conference center has a provision, Section 6 that has to be reauthorized. It expired in July 2017 and was not reauthorized for this year. It cannot be reauthorized until February/March 2018 and it cannot be used until June 2018. Mr. Carr said there is no way for the EDA to borrow money on the conference center until July 1<sup>st</sup> of 2018 and utilize the state tax

revenue. This was found during Mr. Carr's due diligence period. Apparently the section had been reauthorized every year for the last ten years but it had not been reauthorized this year.

**SUBJECT: Closed Meeting**

**HIGHLIGHTS:** Upon Motion duly made by Mr. Buettner, seconded by Mrs. Bridgeforth, the Authority unanimously RESOLVED to go into a closed meeting pursuant to Section 2.2-3711 (C)(A)(3) for the discussion and consideration of the acquisition of real property for a public purpose, or 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 Authority.

**SUBJECT: Return to Open Meeting**

**HIGHLIGHTS:** At the conclusion of the closed meeting concerning the discussion and consideration of the acquisition of real property for a public purpose, or 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 Authority, the following Resolution would unanimously adopted upon roll call vote as set forth below:

WHEREAS, the Economic Development Authority of the City of Winchester, Virginia has concluded its "closed meeting" at a meeting held on September 19, 2017 and desires return to an "open meeting"; and

WHEREAS, the adoption of this Resolution is intended to serve as the "Certificate" described in Section 2.2-3712 (D) of the Code of Virginia (1950, as amended)

NOW THEREFORE, BE IT RESOLVED that the Economic Development Authority of the City of Winchester, Virginia does hereby reconvene in an "open meeting" at its meeting held on September 19, 2017; and

BE IT FURTHER RESOLVED that each and every Member of said Authority who votes in the affirmative for this Resolution does thereby certify to the best of each Member's knowledge that only public business matters lawfully exempted from open meeting requirements of the Virginia Freedom of Information were heard, discussed or considered during the closed meeting, and that only

such public business matters as were identified in the Motion which convened the closed meeting were heard, discussed or considered during the course of said closed meeting by the Authority:

<u>Roll Call</u>	<u>Vote</u>
Doug Toan	Aye
Tim Painter	Aye
Jeff Buettner	Aye
Lauri Brideforth	Aye
Carol Koenecke-Grant	Aye
William Buettin	Aye

**SUBJECT: Closed Meeting**

**HIGHLIGHTS:** Upon Motion duly made by Mr. Toan, seconded by Mrs. Bridgeforth, the Authority unanimously RESOLVED to go into a closed meeting pursuant to Section 2.2-3711 (A)(6) for the discussion and consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the government unit would be adversely affected.

**SUBJECT: Return to Open Meeting**

**HIGHLIGHTS:** At the conclusion of the closed meeting concerning the discussion and consideration of the acquisition of real property for a public purpose, or 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 Authority, the following Resolution would unanimously adopted upon roll call vote as set forth below:

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<u>Roll Call</u>	<u>Vote</u>
Doug Toan	Aye
Tim Painter	Aye
Jeff Buettner	Aye
Lauri Bridgeforth	Aye
Carol Koenecke-Grant	Aye
William Buettin	Aye

SUBJECT: **New Business**

HIGHLIGHTS: Review of EDA Purchase Policy: Mr. Hershberger reported on Administrative Policy #002. This is the first year that the EDA has an operating budget, and within the budgeted expenses there are required daily activities. Mr. Hershberger recommended that EDA staff be able to obtain and EDA credit card with a \$5,000 limit that would allow him to more conveniently make EDA purchases. For example, when a business prospect is visiting the city. Mr. Buettner recommended that language in the policy be amended to not include the section on "purchases outside of the approved operating budget." Upon Motion duly made by Mr. Painter, seconded by Mrs. Bridgeforth, administrative Policy #002 was approved subject to the language change recommended by Mr. Buettner.

Micro-Loan Application: Ms. Dodson reported on the application that was submitted by Mrs. Clevenger and Mrs. Lewis from Once Upon A Find located on the south end of the walking mall. They are adding a window furnishing, and interior design/construction consulting and referrals to their business. They will be paying for some façade improvements, window improvements, as well as, some new brochures and a new website for their business. They are requesting \$10,000. This particular loan program

is a two-year term with a 7% interest rate. Mrs. Koenecke-Grant made a motion to approve the loan, seconded by Mrs. Bridgforth. The motion was unanimously approved.

Election of Secretary: Mr. Hershberger reported that Mr. Bryan has resigned as EDA secretary and legal counsel. Mr. Hershberger's recommendation is to create a Secretary/Treasurer position. Mr. Toan commented that he would like to keep the Treasurer position and would like to nominate Lauri Bridgforth to be the Secretary, seconded by Mrs. Koenecke-Grant. The motion was unanimously approved. Mr. Hershberger asked Mrs. Bridgforth if she would like to delegate responsibilities, such as, minute taking to staff. Mrs. Bridgforth replied that she would like to delegate that task to staff, with some oversight.

Finance Committee Discussion: Mr. Hershberger reported that Mr. White is no longer on the board and will no longer be serving on the finance committee. Mrs. Bridgforth volunteered to serve on the finance committee to assist with viewing the loan applications.

**SUBJECT: Old and Other Business**

**HIGHLIGHTS:** Legal Counsel: Mr. Hershberger reported that he will put together a scope of legal services which will include assisting with the administration and management of the bonds, promissory notes for the loan programs, and legal issues to arise with business incentives. Mr. Hershberger will send out the scope of services for the legal services in the next week and by next month the EDA will have three bids for legal services. In the interim, Mr. Hershberger would recommend that Tony Williams, the City's Attorney, assist with legal coverage of the EDA matters until the EDA can obtain outside counsel. Mr. Hershberger said that he needs to submit an official request to ask Mr. Williams to act as legal counsel for the EDA for a period not to exceed 60 days. Mrs. Bridgforth mentioned that this arrangement may be a conflict of interest because the EDA functions separately from the City of Winchester and the EDA should have their own attorney. Mr. Hershberger replied that staff is searching for outside counsel but for a period of 60 days he recommends that Mr. Williams provide legal counsel in the interim. There are potential real estate matters that may arise and there is a promissory note that needs to be reviewed. Mr. Buettin reiterated that the opinion of the Authority is that the EDA should have outside legal counsel but Mr. Williams should be asked to provide legal counsel for a period not to exceed 60 days if he is

able. Mr. Buettin entertained a motion to send a formal request to Council that Mr. Williams provide legal counsel for a period not to exceed 60 days, Mr. Painter approved and the motion was seconded by Mrs. Koenecke-Grant. The motion was not unanimously approved. Mrs. Bridgeforth was the only director who did not approve.

**SUBJECT:           Next Meeting**

**HIGHLIGHTS:**    The next regular meeting of the Authority is scheduled for October 17, 2017 at 8:00 a.m. and shall be held in Elizabeth A. Minor Council Chambers.

**ADJOURNMENT:**  There being nothing further, the meeting was adjourned.

Minutes respectfully submitted by:

Shirley Dodson, Business & Workforce Development Coordinator