

**Minutes April 15, 2021**  
**Economic Development Authority of Middlesex County Meeting**  
**Electronic Zoom**

**In attendance:**

Gordon White, Chair  
Janet Riggs, Vice-Chair & Treasurer  
Celane Roden, Secretary  
John Anzivino, Member  
James Reed, Member  
Tom Feigum, Member  
Bill Cawthorn, Member  
Michelle Brown, Economic Development & Tourism Coordinator  
Shanae Hammond, Staff Clerk  
Kevin Gentry, Director of Information Technology, Middlesex Broadband Authority  
Dan Siegel - Sands Anderson  
RT Taylor - Davenport & Company

**Call to Order, Roll Call & Quorum:** The virtual meeting (via Zoom) was called to order by Chairman Gordon White at 9:30 a.m. He read provisions for electronic state and local government meetings, emphasizing full public access to the virtual meeting and availability to the public of the recorded meeting on the EDA website. Roll call determined a quorum present.

**Approval of Agenda:** Chairman White presented the agenda for review. Motion by Mr. White, seconded by Mrs. Roden, to approve the agenda adjusted to include consideration of the proposed loan, requisite adjustment to operating documents authority and requirement in the future the Authority have 30 days to consider such requests and to remove the VRSA Insurance Proposal to allow time for competitive bidding. Approved unanimously by roll call.

**Approval of Minutes:** March minutes were presented. With no changes offered, motion by Mrs. Riggs, seconded by Mr. Anzivino to accept the minutes and approved unanimously by roll call.

**Financial Report:** Mrs. Riggs presented the March Financial Report: cash balance of \$413,054.78; income of \$102.18 (interest); & no expenses. Motion by Mr. White, seconded by Mr. Anzivino to accept the financial report, approved by roll call vote, all voting yes except Mr. Feigum (unable to vote due to zoom problems).

**Old Business: Cook's Corner Property Marketing Plan & Search**

*Issue:* Update on potential development of Cook's Corner Property.

*Discussion:* Mrs. Brown reported on her March 4<sup>th</sup> meeting with Virginia DHCD and the County Administrator and the Chairman of EDA: The grant deadline is extended to May 3 when they will meet again. Another extension is not likely without a serious developer by that date. Staff is working on promotion, but find most developers are seeking 10 acres or more. This property is 4 acres. Mr. White reports we are in touch with realtors to sale or lease the property if no one can develop it with the grant funding.

*No Action.*

**Action: Old Business: Transient Occupancy Tax Discussion**

*Issue:* The county transient occupancy (lodging) tax rate discussion in the February and March meetings revealed the need for stronger understanding of EDA/BOS fiscal arrangements. A proposed Memorandum of Understanding is presented for Authority review and adoption.

*Discussion:* Riggs: The MOU outlining the blending of EDA and County functions relative to this issue is ready for a vote by the Authority, with one addition in Item 5 – tracking the receipt of fees due . Lewis: requested the Authority consider changing county payments from monthly to quarterly due to the substantial time requirement it would place on the already busy county staff and the Board of Supervisors who will need to appropriate the expenditures monthly. She also suggested that the additional workload for her as our attorney alongside her role as attorney for the Water Authority may result at times in the need for co-counsel. Anzivino: What does substantial time mean for staff load? Riggs: has spoken with both county staff members who will be responsible for the new functions and they are not concerned with the extra load and the BOS should be able to easily add this as a routine part of their monthly agenda. Anzivino: Clearly EDA will have more activity in the future. Would significant projects for the EDA and the Water Authority requiring co-counsel receive the same treatment? Lewis: Yes. White: After the first 2-3 months of transition the additional county work should become routine. If it becomes a problem, we will revisit the issue of monthly vs quarterly payments.

*Action:* Mrs. Riggs made a motion, seconded by Mr. Anzivino to accept the Memorandum of Understanding as presented with an addition to Item 5 requiring the tracking of receipts of pending fee payments. Passed unanimously by roll call.

**Old Business: Walter C. Via Enterprise, RCE Storage/Water Installation**

*Issue:* Via Enterprise no longer needs to store materials at RCE for the water pipeline installation, has vacated the property and returned it to its pre-existing condition.

*Action:* Mrs. Brown has drafted a letter of thanks to Via Enterprise.

**New Business: VRSA Insurance Proposal, 2021-22** - Removed from agenda pending competitive bids. Deferred to May agenda.

**New Business: Middlesex County 2021 Lease Revenue Financing - Dan Siegel**

*Issue:* The County has requested EDA to enter into a lease revenue financing arrangement in which the Cook's Corner Office Complex will be ground leased to EDA for 20 years who subsequently leases back the property to the county to provide for upgrades, etc., needed at the complex and a new HVAC system at the elementary school. This will be a \$2.5 million project. This arrangement creates no cost for EDA but allows for the creation of a lending stream to create collateral, bonded by the EDA. The county had originally proposed the work be done through BOS appropriation but costs now exceed what an appropriation can cover. Davenport is working with the county for financing proposals. In response to a Davenport RFP Sterling National Bank has offered the most attractive proposal: 15 year \$2.5 million fixed loan at 2.6% fully amortized interest. Closing date on this proposal is April. 28 or 29. Dan Siegel (attorney) from Sands Anderson and RT Taylor (finance officer) from Davenport were in the meeting to give the Authority an overview and to answer questions.

*Discussion:* White: Our problem with this request is the lack of time for the Authority to examine it carefully ... expressed satisfaction that it is a routine strategy, but we should have been informed earlier. Anzivino: has experience with this approach in past county administrative positions in the Commonwealth and it is fairly standard, used throughout the Commonwealth. There is no risk to the

EDA. He shares the concern for the lack of time and that should be conveyed to the County. Riggs: We would need an electronic schedule of bond fee payments due. Is there an opportunity for changes in the outstanding bond balance? Taylor: Proposed numbers are being prepared for the working group. Once the proposal is accepted the final debt service schedule will reflect the principal and interest and the outstanding balance. Riggs: Is there allowance for pre/additional payments? RT: After the first 7 years the county can make additional payments and we would work with the bank for re-amortization. Siegel: The EDA fee of 1/8 of 1% fee of the declining balance would be reported separately for tracking. White: Who is this paid by? Taylor/Siegel: From the county to the EDA. Riggs: The EDA lost fees when a prior bond was redeemed prior to the end of the one-year payment date. EDA fees timed on a prorated basis would be helpful to avoid this loss. The bond documents should permit the EDA's fee to be prorated if the bonds are refinanced, rather than cancelled for the full year. Siegel: Documents will be amended accordingly. White: The issue of late fees according to EDA policy causes a problem currently because EDA has no late fee policy. Shortly Mr. White will offer a policy for Authority members to vote on. The document before us does not have dates. Siegel: The dates will be detailed soon along with final numbers. White: We will need a chance to review before signing. Riggs: Late fees policy should be inserted in the document rather than reference to EDA policy. Siegel: We are bound by EDA policy. There used to be an EDA policy but if unavailable it can be changed. *Action:* Mr. White offered a motion, seconded by Mrs. Riggs, to authorize the Authority Chair or Vice Chair to sign the necessary documents, when they are ready. Mr. Anzivino: EDA policy provides the secretary can sign if Chair or Vice Chair are unavailable. Siegel: The Chair or Vice Chair must sign the document; the Secretary signs the bond. Motion passed by roll call unanimously.

#### **New Business: EDA Late Fee Policy**

*Issue:* The Resolution regarding the bonds in Item 11 directs that if the County fails to pay required fees & expenses due the Authority on time "shall result in the assessment of late fees against the County in accordance with adopted Authority policies related thereto., "etc. With no apparent EDA adopted late fee policy, the motion below sets such a policy.

*Action:* Mr. White moved, seconded by Mrs. Riggs: "Unless otherwise provided, the Authority shall assess a late fee of 15% of any amount due the Authority not paid within five (5) days of the due date, with an additional amount of five (5) percent per month or portion thereof of any amount that remains unpaid." Passed unanimously by roll call.

#### **New Business: Time requirements for bond issue requests before the EDA.**

*Issue:* Section 7 provides that expenses of Authority counsel be paid out of the bond proceeds, thus implying that we should be given sufficient time (which in this case we did not have), to engage counsel to examine this proposal. The following motion offers a policy for sufficient time to have counsel examine such proposals.

*Action:* Mr. White offered a motion, seconded by Mr. Cawthorn: "In all cases of requests for the EDA to facilitate bond issues, the EDA be given sufficient time to allow EDA counsel to examine such proposals, not to be less than 30 days." Passed unanimously by roll call.

Mr. Anzivino: Make sure these policies are available other than in minutes (e.g., policy notebook). Mr. White: They will go with other EDA documents.

#### **Economic Development and Tourism Report**

**GoVA LaGrange Industrial Park Project** - Mr. Anzivino introduced EDA to the LaGrange Industrial Park Project in Essex County that has been created with VEDP help through the Regional Industrial

Financing Authority. While not in our county, this project offers the potential for jobs closer to home, for example, than Hanover County. This Authority provides for the sharing of expenses for regional industrial parks that benefit the entire region represented and has been used in the Northern Neck (Westmoreland County/Montross and Richmond County/Warsaw), Fredericksburg, the Tidewater Area, etc. We do not have Tier 3, 4 or 5 sites available at the moment in Middlesex County to create an industrial park but long range we need to be thinking about our own strategies for economic development. Mr. White asked Authority members to think about what we can do to increase economic development in the county and bring ideas when we next have an in-person meeting.

**Virginia's River Realm (VRR) March Analytics** - Mrs. Brown reports the VRR March numbers are higher due to an infusion of \$10,000 Middlesex County grant from VA Tourism used to support tourism campaigns. The social media largest hits: Events and Girls Get Away. Facebook sends the hits to the VRR website. Most frequent visitors: VA Beach, Washington DC, Richmond and Fredericksburg. Numbers are up on Instagram. Email marketing planned for next month should result in even higher numbers.

**Spring Campaign** - Mrs. Brown shared information on videos for three paid Spring campaigns: Outdoor, Family and Where in the World is VRR. Funding for the videos came from the \$10,000 tourism grant.

**Videographer 8 Great Small Towns** - Mrs. Brown reports VRR funding is being used for videography of the 8 great small towns in the River Realm. Urbanna is the first town scheduled to be filmed; Urbanna video should be available on June 1.

**Middlesex County Broadband Authority Update - Kevin Gentry**

The County Broadband Authority is working on a MOU with Dominion Energy and All Points Broadband for coverage in broadband dead zones in the county. This presumes wireless rather than wired service, but in areas where wireless is not possible wired service would be available. Those parts of the county currently served or proposed for service through Atlantic Broadband or proposed would be exempt from the wireless contingency. The Broadband Authority is also moving forward with the proposed wireless service to the Jamaica area.

**Adjournment:** Motion by Mr. Feigum, seconded by Mr. Cawthorn to adjourn. Passed unanimously by roll call.

**Next Scheduled Meeting:** May 20, 2021.

Submitted by:

Approved by:

---

Celane Roden, Secretary

---

Gordon White, Chairman