

Mount Jackson
Economic Development Authority Meeting
November 5, 2019

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Chairman Rick Koontz called the meeting to order at 5:00 PM in the council chambers at 5901 Main Street. Authority members in attendance were Mike Jones, Mike Koontz, Rod Shepherd, Ken Hackenbracht and Steve Povlish. Authority member Joe Proctor was absent. Also in attendance were Neil Showalter, Acting Town Manager; Joseph S. Paxton, Consultant; Daniel R. Lauro, Attorney; and Debbie Stover, Town Clerk. Max Thornberry from the Northern Virginia Daily was also present.

Agenda Additions/Deletions/Changes: None

Old Business: Approval of Minutes – May 30, 2019

Member M. Koontz MOVED, seconded by Member Jones to APPROVE the Minutes of the Meeting on May 30, 2019. There was no roll call vote, and all members present signified AYE.

New Business:

1. Appointments

Mr. Showalter stated staff recommendation is to appoint Deborah Stover as Secretary to the EDA. Mr. Paxton added in looking at EDA statutes the Authority also needs to appoint a Treasurer and staff recommendation is the Finance Director, appoint legal counsel and staff recommendation is Bodkin Rose, and appoint an auditor and staff recommendation is Robinson, Farmer, Cox.

Member M. Koontz MOVED, seconded by Member Hackenbracht to APPROVE appointing Deborah Stover as secretary, the Finance Director as treasurer, Bodkin Rose as legal counsel, and Robinson, Farmer, Cox as auditor. There was no roll call vote, and all members present signified AYE.

Mr. Paxton stated also there is only one member remaining on the Board who is authorized to sign checks for the Authority, and the requirement is two members. Staff recommendation is to authorize the Chairman, Vice-Chairman, and Treasurer, any two of which can sign checks, and have new signature cards put in place. There was some discussion on who is currently the Vice-Chairman, and it was determined to be Mr. Hackenbracht. Mr. Paxton added the EDA statutes probably require an organizational meeting yearly to elect officers.

Member Hackenbracht MOVED, seconded by Member M. Koontz to APPROVE authorizing any two of the Chairman, Vice-Chairman, and Treasurer to sign checks for the Authority. There was no roll call vote, and all members present signified AYE.

2. Documents

a. Term Sheet for Borrowers. Mr. Paxton distributed an updated Term Sheet for Borrowers document, asking members to take a fresh look at it. The only changes of a substantive nature are as follows: 1) it was previously stated that the administrative fee is based on 1/10th of 1% of principal bonds per bond issue outstanding on January 1 of each year, which is proposed to be changed to December 31 of each year; 2) the proposed revision adds detail (including what information is required and when it is to be submitted) to the borrower's responsibility to report to the Authority the debt service they have paid in the prior year, which is critical from an audit standpoint; and 3) the counsel for the Authority is updated to Bodkin Rose. Mr. Lauro noted that this is the first document that borrowers ask for when considering borrowing through the Authority.

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b. Business Loan Program. Mr. Paxton recommended the Authority also look at the Business Loan Program Guidelines for the Revolving Loan Fund, which has no changes, to make sure these guidelines are still in keeping with the views of the Board members. He stated in 2001, the EDA received a rural development grant to be able to provide loans for business development in the town. There was initially a flurry of activity but there hasn't been much in approximately 10 years, and funds are still available. It's a great opportunity to assist small businesses and this document lays out the guidelines. Staff advised that they will consult with rural development to determine if there are any stipulations on how those funds may be used and if the initial guidelines still apply, or if the town can now approve whatever program they choose. Mr. Showalter added that when rural development has come in for compliance audits they have asked if we intend to continue to the loan program or if not if the funds will be returned.

c. Façade Enhancement Grant program. Mr. Paxton presented a draft Façade Enhancement Grant, as an example of a grant program that would give the EDA some guidelines if the Board is inclined to set up this type of program. This example is based on a program from the Town of Dayton, which he noted was pretty successful for them. He pointed out that there are some missing items (minimum and maximum grant amounts, for example) that would have to be included, but this draft document provides the Board with a framework to give the program structure and provide for consistency in application. Mr. Paxton added most localities he's seen only have the program in the B-1 district, but the draft also includes the historic district, which may be something unique to the town that the Board may want to consider. Mr. Paxton provided a copy of the most recent historic district map on file. Mr. Paxton recommended that the Board have a meeting in 30 days or so to formally adopt these documents. Mr. Lauro added Woodstock and other towns have similar programs, but each town is different, and the Board should adapt the guidelines to their specific needs.

3. Consideration of Request for support for Nelson Theatre Restoration

Chairman Koontz stated the Authority should wait to discuss this request until after they adopt a formal policy as discussed above. Mr. Paxton stated the Authority could ask the owner to fill out the application form to get started on the process. Mr. Shepherd asked staff to research the grant range used by other programs to assist the Mount Jackson EDA in establishing theirs. Mr. M. Koontz asked how much we had in the fund currently, and Mr. Showalter stated \$153,882.08 in total. Mr. Showalter added the original grant from rural development was \$100,000, and we currently have out two revolving loans, one with a balance of \$8,680 and the other \$9,079. Mr. Paxton stated the question for rural development is can the EDA use those funds however they want, now that the initial program is complete, or does that \$100,000 have to stay earmarked for loans only. Mr. Showalter stated we have \$17,000 out, leaving \$83,000 of the \$153,000 on the revolving loan side, and \$70,000 free from any potential restrictions. Mr. Paxton stated additional funding will come from administrative fees charged on the outstanding bonds, which are with Route 11 Chips and Shenandoah University. Mr. Paxton added notices were sent this week to both organizations asking for debt schedules for the last few years, so staff can make sure the bond issuers are up to date.

The next meeting was set for Wednesday, December 11 at 5:00 PM. Chairman R. Koontz requested to make this the yearly organizational meeting.

Member M. Koontz made a motion to adjourn the meeting at 5:30 PM.

Submitted By:
Debbie Stover
Town Clerk