

Industrial Development Authority of the Clarke County Virginia
Board of Directors
January 24, 2019, Minutes

A meeting of the Industrial Development Authority of the Clarke County Virginia held in the Berryville/Clarke County Government Center, Berryville, Virginia, on Thursday, January 24, 2019, at 1:00 PM.

Directors Present: Mark Cochran, Brian Ferrell, English Koontz, William Waite

Directors Absent: Paul Jones, David Juday [*resigned*], Rodney Pierce

Board of Supervisors Liaison Present: David Weiss

County Staff Present: Len Capelli, Cathy Kuehner, Brianna Taylor, Lora Walburn

Others Present: Janice Kuhn, Jay Arnold, Keith Dalton, Jay Hillerson, Turner Kobayashi, Nathan Stalvey

1. Call to Order

At 1:00 pm, Lora Walburn called the meeting to order.

2. Organizational Items

Elect Chair

Lora Walburn, IDA Clerk, called for nominations for 2019 Chair.

English Koontz, seconded by Bill Waite, moved to nominate and elect Mark Cochran to serve as 2019 Chair.

Lora Walburn, Clerk, called for vote on the motion to nominate and elect.

The motion carried by the following vote:

Mark Cochran	-	Aye
Brian Ferrell	-	Aye
Paul Jones	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Absent
William Waite	-	Aye

Following vote, the meeting was turned over to Chairman Cochran.

David Weiss, Board of Supervisors Chair and liaison to the Industrial Development Authority, informed the Directors that David Juday tendered his resignation on the Authority effective January 2019.

Elect Vice Chair

Chairman Cochran called for nominations for 2019 Vice Chair.

Mark Cochran, seconded by Bill Waite, moved to nominate and elect Brian Ferrell to serve as 2019 Vice Chair. The motion carried by the following vote:

Mark Cochran	-	Aye
Brian Ferrell	-	Aye
Paul Jones	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Absent
William Waite	-	Aye

Elect Secretary/Treasurer

Chairman Cochran called for nominations for 2019 Secretary / Treasurer

Mark Cochran, seconded by Brian Ferrell, moved to nominate and elect William "Bill" Waite to serve as 2019 Secretary / Treasurer. The motion carried by the following vote:

Mark Cochran	-	Aye
Brian Ferrell	-	Aye
Paul Jones	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Absent
William Waite	-	Aye

Set Meeting Date, Time and Location

By affirmation, the Board adopted the schedule as presented.

2019 Meeting Schedule

January 24 – Organizational

April 25

July 25

October 24

January 23, 2020 – 2020 Organizational

1:00 pm, 4th Thursday Quarterly. Meeting Room AB

Adopt Bylaws and Rules and Procedures of the Industrial Development Authority of the Clarke County, Virginia

Following review, **Bill Waite**, seconded **Mark Cochran**, moved to adopt the **Bylaws and Rules of Procedure** as presented. The motion carried by the following vote:

Mark Cochran	-	Aye
Brian Ferrell	-	Aye
Paul Jones	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Absent
William Waite	-	Aye

3. Adoption of Agenda

On a motion by **Bill Waite**, seconded by **Brian Ferrell**, adopted the agenda as presented. The motion carried by the following vote:

Mark Cochran	-	Aye
Brian Ferrell	-	Aye
Paul Jones	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Absent
William Waite	-	Aye

4. Approval of Minutes

Director Koontz requested the following corrections:

- Page 9: Change from marked to marketed
- Page 10: Change from laissez-a-faire to laissez faire

Bill Waite, seconded by **English Koontz**, moved to approve the October 25, 2018, minutes as corrected. The motion carried as follows:

Mark Cochran	-	Aye
Brian Ferrell	-	Aye
Paul Jones	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Absent
William Waite	-	Aye

5. Director Economic Development and Tourism Update

Highlights of Len Capelli's review include:

- Amazon move to Virginia frequently asked questions:
 - o Anticipate creation of 25,000 new jobs.
 - o Anticipate average salary for Amazon employees to be \$150,000.
 - o Clarke could benefit from the potential 33,000 additional jobs created in service and support businesses.
- Attended regional GoVirginia Meeting that morning. Discussed recently awarded grant for the study of training and retention. Anticipate completion of plan by end of year 2019.
- Virginia Economic Development Partnership:
 - o Meeting February 11. Discussion will include lowering the minimum size of site requirements and the shell building program.
 - o Tour February 21. Business team specializing in agriculturally-related food processing and bottling will tour Clarke. Directors are invited to join VEDP and Len Capelli at The Berryville Grill at 9 am that day.
- Farm2Fork event March 5.
- Top of Virginia Regional Chamber:
 - o Meeting February 5 at the Bank of Clarke County.
 - o Agreed to allow Clarke to join as a not-for profit community organization at a reasonable rate.
- Tourism:
 - o 2016- 2017 tourism revenues in Clarke increased by over a million dollars, approximately 5.6%, the second highest percentage increase of any county in the state, taking Clarke from 106th position to 95th.
 - o Increase attributable to multiple things including: more local shopping, Lucketts' spring sale, event promotion, Christmas tree farm package, Berryville Cruise-in, Wayside Fun Farm – up approximately 25% over last year.
 - o More revenue could be generated with increased over-night accommodations.

6. Treasurer's Report

William Waite presented the quarterly report. He stated that he continued to maintain transparency by identifying each of the checks and income over the fiscal year. He informed the Directors that just prior to the meeting the last bond revenue check for \$3,900 was received bringing revenues fiscal-year-to-date to almost \$11,000, which is just below budget but still on target for the year. Director Waite opined that everything appeared to be working as planned with bond revenue collections.

Fiscal-Year-to-Date Checking Account Log:

FY	Status	Check No.	Date	Description	Category	Credit	Debit	Balance	Additional Information
2019	C	562	7/5/2018	VACorp	Insurance	\$-	\$1,338.00	\$52,212.37	07/01/2018 thru 06/30/ 2019
2019	C	563	8/1/2018	Mark Cochran	Director Fees	\$-	\$50.00	\$52,162.37	Meeting 07/26/2018
2019	C	564	8/1/2018	English Koontz	Director Fees	\$-	\$50.00	\$52,112.37	Meeting 07/26/2018
2019		565	8/1/2018	Brian Ferrell	Director Fees	\$-	\$50.00	\$52,062.37	Meeting 07/26/2018
2019	Void	566	6/11/2018	VACorp	Insurance	\$1,338.00	\$1,338.00	\$52,062.37	Voided, Reissued 07/05/2018 #562
2019	C	567	8/1/2018	Bill Waite	Director Fees	\$-	\$50.00	\$52,012.37	Meeting 07/26/2018
2019	C	568	10/25/2018	Bill Waite	Director Fees	\$-	\$50.00	\$51,962.37	Meeting 10/25/2018
2019	C	569	10/25/2018	David Juday	Director Fees	\$-	\$50.00	\$51,912.37	Meeting 10/25/2018
2019	C	570	10/25/2018	Mark Cochran	Director Fees	\$-	\$50.00	\$51,862.37	Meeting 10/25/2018
2019	Void	571	10/25/2018		Void	\$-	\$-	\$51,862.37	
2019	C	572	10/25/2018	English Koontz	Director Fees	\$-	\$50.00	\$51,812.37	Meeting 10/25/2019
2019	C	573	10/25/2018	Rodney Pierce	Director Fees	\$-	\$50.00	\$51,762.37	Meeting 10/25/2021
2019	C	574	11/19/2018	FFSBDC	Civic Contributions	\$-	\$6,000.00	\$45,762.37	LFSBDC Annual Contribution
2019	C	Dep	12/26/2018	Grafton School	Bond Fees	\$1,072.50	\$-	\$46,834.87	2018 Bond Fee
2019	C	Dep	12/31/2018	LFCC	Bond Fees	\$3,228.18	\$-	\$50,063.05	2018 Bond Fee

Fiscal-Year-to-Date Bond Database:

Borrower	Bond Type	Date Issued / Resolution	Purchaser / Trustee	Original Amount \$MM	2018 Fees \$K
BCCGC County of Clarke	Lease Revenue Bond	5/16/2007	RDA	\$4,822,000	N/A
BCCGC Town of Berryville	Lease Revenue Bond	5/16/2007	RDA	\$2,327,000	N/A
Grafton School, Inc.	Tax-exempt Educational Facilities Revenue Refunding Bonds Series 2010	Loan 5/1/2010; Issued 5/28/2010	Wells Fargo Bank, National Association	\$9,225,000	\$1,073
Lord Fairfax Community College Educational Foundation, Inc.	Educational Facilities Revenue Bond Series 2012A [Tax-exempt] \$8,400,000	11/14/2012; 12/28/2012	United Bank	\$8,400,000	\$3,228.18
Shenandoah University	Educational Facilities	12/08/2011;	BB&T	\$7,815,000	

Approved 04/25/2019

Project Revenue Bonds, Series 12/15/2011;
2011 12/27/2011; Issue
Date 5/31/2012

\$4,301

Fiscal-Year-to-date Budget:

<i>Expenditures Category</i>	<i>Amount</i>	<i>Jul-18</i>	<i>Aug-18</i>	<i>Sep-18</i>	<i>Oct-18</i>	<i>Nov-18</i>	<i>Dec-18</i>	<i>Expended YTD</i>	<i>Remaining Balance</i>
Advertising	\$ 400	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$400
Audit	\$ 1,675	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$1,675
Civic Contributions	\$ 6,000	\$-	\$-	\$-	\$-	\$6,000	\$-	\$6,000	\$-
Director Fees	\$ 1,400	\$-	\$200	\$-	\$250	\$-	\$-	\$ 450	\$950
Insurance	\$ 1,300	\$1,338	\$-	\$-	\$-	\$-	\$-	\$1,338.00	\$ (38)
Postage	\$ 25	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$25
Professional Services	\$ 1,250	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$1,250
Total Expenditures:	\$ 12,050	\$1,338	\$200	\$-	\$250	\$6,000	\$-	\$7,788	\$4,262

<i>Estimated Revenues</i>	<i>Estimated Amount</i>	<i>Actual Revenue</i>	<i>+/- Estimate</i>
Bonds:			
Grafton School, Inc. Bond	\$ 1,100	\$1,073	\$(28)
LFCC Bond	\$ 3,400	\$3,228	\$(172)
Shenandoah University Bond	\$ 3,800	\$3,908	\$108
	\$ 8,300	\$8,208	\$(199)
Interest Income:	\$ 3,000	\$2,595	\$(405)
Total Revenue:	\$ 11,300	\$10,803	\$(497)

Following review, English Koontz, seconded by Mark Cochran, moved to accept the Treasurer's Report as presented. The motion carried as follows:

Mark Cochran - Aye
 Brian Ferrell - Aye
 Paul Jones - Absent
 English Koontz - Aye
 Rodney Pierce - Absent
 William Waite - Aye

7. New Business

Investment Options Review with Janice Kuhn

Fiscal-Year-to-Date Investment Summary

Asset Summary	Jul '18	Aug '18	Sep '18	Oct '18	Nov '18	Dec '18	FY2019 YTD
Beginning Balance	\$101,143.09	\$103,037.93	\$103,607.30	\$ 103,851.44	\$100,807.14	\$101,919.53	
Dividends, Interest, & Other Income	\$ 256.31	\$ 240.89	\$ 241.16	\$ 274.62	\$ 237.28	\$ 1,344.45	\$ 2,594.71
Net Change in Portfolio	\$ 1,638.53	\$ 328.48	\$ 2.98	\$ (3,318.92)	\$ 875.11	\$ (4,782.35)	\$ (5,256.17)
Ending Balance	103,037.93	103,607.30	103,851.44	100,807.14	101,919.53	98,481.63	

– Highlights of review:

- The IDA has followed its investment plan to ensure liquidity to keep risk low and still get a return; and, while the market has turned, the investments have outperformed the market enough to be positive.
- Distributed and reviewed year-end statement.
- Approximately fifteen trading days in January during which the market has rebounded to about half following a major sell off in the market on Christmas Eve.
- Account \$100,000 in May 2018; year-end \$98,481; close of business last evening, January 23, 2019, \$101,132.
- IDA invests in funds that are considered conservative to moderate nothing aggressive in the portfolio for all four funds and all pay dividends.
- Dividends and capital gains are reinvested in buying more shares. Dividends generated \$2,243 from May to December; paid out a capital gains distribution of \$919.
- Proposed recommendation: Move from Franklin US Government Securities Fund to Franklin Floating Rate Fund.
 - Securities Fund is the lowest dividend paying fund. Is the most conservative, triple-A rated government bonds at 2.5% to 3% yield.
 - Floating Rate Fund yield is 4.7%. Still considered a conservative investment.
 - Portfolio contains Franklin US Government Securities Fund A and C.
 - Projected income based on current 2019 allocation, if do nothing, will be \$3,053 or slightly over 3%. If 25% of funds are exchanged, it will result in a higher return.
 - Funds can be tweaked or exchanged without charge, penalty, or one-year holding period.

Director Waite, seconded by Director Koontz, moved to exchange the Franklin US Government Security Funds, both Class A and C, for the Franklin Floating Rate Funds. The motion carried by the following vote:

Mark Cochran - Aye

Approved 04/25/2019

Brian Ferrell	-	Aye
Paul Jones	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Absent
William Waite	-	Aye

Chairman Cochran expressed the Board's appreciation for the update and her handling of accounts.

Director Waite reiterated his desire to continue annual review of investments at the Board's organizational meeting.

Janice Kuhn assured that she is available to answer questions throughout the year.

8. Old Business

Economic Development Strategic Plan Review - 2019 Priorities

– Highlights of review:

- David Weiss, Board of Supervisors liaison, provided the following:
 - The Supervisors are interested in the IDA's, as well as the Economic Development Advisory Committee [EDAC], comments on the plan overall to help it direct its efforts.
 - Len Capelli will draft a new plan from direction received from the IDA and EDAC comments.
 - That plan will be forwarded to the Planning Commission for its review.
 - The Planning Commission will forward its approved version to the Board of Supervisors for final review and approval.
 - If a business meets the State's definition of agriculture, it is then a by-right use; and, while the County may have concerns about placement and usage, the state controls water use.
- Len Capelli and Brandon Stidham, Director Planning and Zoning and Planning Commission Clerk, are working to establish a baseline.
- Federal government defines a small business with 250 employees or less and up to \$21 million.
- At its January 23, 2019, meeting, the Economic Development Advisory Committee gave its preliminary approval to the priorities distributed to the IDA after ensuring that a hotel study, if deemed necessary, and seeking investors and seeking ways to assist was listed as its top priority under Goal C for increased accommodation capacity.
- Quarterly update will be a feature of the new strategic plan with distribution to the BoS, EDAC, IDA, and Planning Commission.

Funding for Berryville Main Street Hotel Market Study

Mark Cochran recapped the Authority's action at its October 25, 2018, quarterly meeting to unanimously approve Berryville Main Street's [BMS] request to fund a hotel feasibility study. He stated that Director Koontz expressed reservation after the vote and asked if she wished to address her concerns.

Director Koontz reminded that the motion carried with a caveat that the IDA could potentially amend the RFP that had already been sent.

Motion from October 25, 2018, meeting:

Director Waite moved to endorse the request for funds with two contingencies for funding 1) circulation of the RFP to the Board of Directors; and 2) should the project go forward, requesting a refund of the initial IDA investment.

Director Pierce seconded the motion.

Director Juday called for amendment of the original motion by Director Waite, seconded by Director Pierce, adding under contingency 1) circulation of the RFP to the Board of Directors with seven days to review and provide input to Berryville Main Street; 2) should the project go forward, request for refund of initial IDA investment be included in the documents.

The motion carried by the following vote:

<i>Mark Cochran</i>	-	<i>Aye</i>
<i>Brian Ferrell</i>	-	<i>Absent</i>
<i>Paul Jones</i>	-	<i>Absent</i>
<i>David Juday</i>	-	<i>Aye</i>
<i>English Koontz</i>	-	<i>Aye</i>
<i>Rodney Pierce</i>	-	<i>Aye</i>
<i>William Waite</i>	-	<i>Aye</i>

Director Koontz distributed and reviewed the following memorandum:

MEMO

Date: January 24, 2019

To: Members of the Industrial Development Authority of Clarke County, Virginia

From: English Koontz

Re: Old Business Item- Hotel Feasibility Study 1

Fellow Members of the Clarke County IDA,

I request that the previous conditional approval for funding of the hotel feasibility study be blocked pending clarification. Several matters are concerning about the process. The following is a list of questions and concerns that should be addressed regarding the proposed funding of a hotel feasibility study for Berryville Main Street.

- 1. The IDA conditionally approved the request for funding at our October 25, 2018, meeting. One of the conditions at that time was the ability of IDA members to review and comment so that the RFP could be amended. There was not full disclosure at the October 25 meeting. We were told that the RFP had been sent, but not having seen it, we were not informed that the closing date for submissions was October 23, 2018. It is not possible to "amend" an RFP which has already been sent and closed.*
- 2. At the October 25 meeting, we addressed the fact that the request should have been made PRIOR to sending the RFP. Furthermore, the IDA was not presented with copies of the bids received by the October 23, 2018, deadline. This information would have been helpful in understanding the scope of work and assessing the cost.*

Director Waite clarified that the received bids were available at the October 25 meeting.

Director Koontz responded that she would accept that although she was not aware that the bids were available; however, the RFP was not presented at the meeting.

Director Waite affirmed that the RFP was not presented.

- 3. The IDA agreed at the October 25 meeting to review and send comments regarding the RFP that we received October 26, 2018. At this time, have any of the comments been sent to Berryville Main Street? And, if so, to whom were the comments directed?*
- 4. Given the lack of Berryville Main Street letterhead and the fact that the RFP submissions were sent to a private individual instead of a Berryville Main Street officer, we need full assurance and understanding that (1) none of the "private investors" are board members of the IDA or Berryville Main Street and (2) none of the respondents to the October 23, 2018 RFP are entities with any direct or indirect interest or participation by any IDA or Berryville Main Street board member.*
- 5. We were repeatedly assured (10/25/18) that Berryville Main Street would "own" this study. We need some understanding of how Berryville Main Street intends to use this study and who is charged with using the study? What is the plan for this "tool"?*
- 6. How did Berryville Main Street decide who would appear at the IDA meeting to request funding on its behalf?*

Director Waite stated that he could address some of the comments. He noted that members of Berryville Town Council and Berryville Main Street were present at the meeting. Highlights of Director Waite's comments include:

- Funding for a hotel study has been discussed for almost a year.
- Most everyone has seen, heard, or been supportive of moving forward with a feasibility study once all were informed that the old [2013] feasibility study wasn't going to satisfy the new program.
- Responding to a statement indicating that there are private investors, he stated that he was not aware of any private investors; and, to his knowledge, no one had any money in this.
- Assured the Board that Allen Kitselman, Turner Kobayashi, and he did not try to scam the Board nor present a bogus RFP in this case as was identified in an earlier email. The fourth person not mentioned in this email was John Milleson, who was in the team that helped put this together. Stated for the record that he thought it was important to understand from a credibility and personal perspective that this has been communicated in numerous ways and fashions and under no circumstances did anyone on this committee ever believe that they were doing anything underhanded.
- BMS issued a Request for Information [RFI] and presented a new procurement proposal within the BMS, which was endorsed.
- BMS received three bids from the RFI, which allowed them to know what dollar figure to request from the IDA to fund the feasibility study.
- BMS is now issuing a Request for Quotes [RFQ] to get a final bid.
- Bids will be opened at the same time by BMS's executive committee consisting of Nathan Stalvey – President; Julie Ashby - Vice President; Liz Couture – Secretary; Kim Ragland – Treasurer.
- Funding will not be released from the IDA until a contract is in place and a payment is due.
- All items suggested in the last review will be added into the RFQ.
- One item that is not in the feasibility study is the pay back of the IDA's \$10,000. The marketing group would be tasked with securing pay back.
- The feasibility study is intended to gain the knowledge necessary to market a piece of property.
- The IDA received letters of support from Berryville Town Council and Berryville Main Street asserting that a hotel is a good idea and a necessary component of economic development.
- Material will be open to help market a hotel by persons that could use it to help grow this economic opportunity.
- One of BMS's charges is to grow the economic development community and to see where the values are for downtown. A hotel is a top priority.

Chairman Cochran commented that one of his specific questions before the IDA's October vote was that this would be a tool that could be used by different groups as well as Berryville Main Street.

Director Waite confirmed that it was not a private study and would be made available. He continued that Berryville Town Council voted unanimously in support with Mayor Dickinson asking how soon the Town could get a hotel.

Director Waite assured that BMS had not progressed the matter further but continued to develop the RFQ, which will be on BMS letterhead. He offered to transfer responsibility for writing the RFQ from BMS to the IDA although he felt that BMS was better positioned to write the RFQ.

Director Koontz agreed with Director Waite that the IDA did not have to write the RFQ; however, minimally, if the IDA was being asked to fund the study, it should see the study before it was sent.

Director Koontz posed the following questions:

- Is the 2013 feasibility study tool enough to solicit potential interest from investors?
- Told, but has not seen, Mr. Parrot, fairly recently, did a feasibility study that he is willing to share.
 - o Director Waite clarified that directly asked Mr. Parrot for the study; however, Mr. Parrot has not released yet over the last six months.

David Weiss raised a point of order noting that a vote had been taken and a motion passed. He then asked Director Koontz if she were asking for a motion for reconsideration noting that since she had voted for the motion she was within her right to call for reconsideration.

Director Koontz responded in the affirmative stating she wished to move to request that the IDA block the previous conditional approval for funding of the hotel feasibility study pending clarification. She stated that one of the conditions could not be accomplished; therefore, while there had been clarification, she believed that, minimally, it should be represented as a request.

Chairman Cochran asked for confirmation from Director Koontz that she was making a motion to vote on the blocking of the previous conditional approval vote taken at the October 25, 2018, quarterly meeting.

Director Koontz confirmed opining that since there was no potential to comment or amend if the RFP had already been set and closed; therefore, if the item would come for approval, it should come without those conditions and the approval be amended.

Director Waite commented that the minutes reflect that amendments could be made. He noted that the final RFQ had not gone out and would be approved by BMS's executive committee; therefore, any amendments that needed to be made could be made before the RFQ, Request for Quotes, went out. He further clarified that an RFI, Request for Information, had been sent and responses received; and, from the responses, the amount needed for the study was derived.

Approved 04/25/2019

Len Capelli asked if a Request for Proposal [RFP] had gone out.

Director Waite clarified that multiple headings/terms, RFP, RFI, RFQ were used in error and all knew they would have to rebid.

Chairman Cochran opined that making a mistake in terminology on an exercise that BMS may never have done before is completely different than a facetious sham.

Director Koontz referenced the following email exchange.

From: "Mark Cochran" <mark@cochranslumber.com>
To: "Lora Walburn" <lwalburn@clarkecounty.gov>
Cc: "David Weiss" <dweiss@clarkecounty.gov>
Sent: Wednesday, October 31, 2018 9:34:58 PM
Subject: Fwd: Hotel Feasibility Study RFP from Berryville Main Street 10-2018

FYI

Sent from my iPhone

Begin forwarded message:

From: "Koontz, English" <>
Date: October 31, 2018 at 9:04:30 PM EDT
To: Mark Cochran <>
Subject: Re: Hotel Feasibility Study RFP from Berryville Main Street 10-2018

Mark:

I did not characterize your proposal as an "official meeting". I wrote that it would constitute an "illegal meeting" in violation of the Virginia Code. And it would.

English Koontz
Small Business Specialist

From: "Mark Cochran" <>
Date: Wednesday, October 31, 2018 at 5:24:27 PM
To: "Koontz, English" <>
Subject: Re: Hotel Feasibility Study RFP from Berryville Main Street 10-2018

English,
Bill Waite, you and myself would not constitute an official meeting in that we would not have a quorum and that was intentional on my part. At any rate i need to give some thought to how to proceed.
I'll get back with you in a couple of days or so.
Thanks,
Mark

Approved 04/25/2019

Sent from my iPhone

> On Oct 31, 2018, at 4:24 PM, Koontz, English < > wrote:

>

> Mark,

>

> I appreciate your legwork in seeking and providing clarity on this matter. What you propose, however, would constitute an illegal public meeting in violation of Virginia Code §2.2-3707 (definition of meetings is set forth in Virginia Code §2.2-3701). Surely no one wishes to engage in such illegal activity.

>

> Moreover, I do not believe that I alone seek clarity. And since my last communication, other facts have presented themselves which call into question the propriety of the funding, even assuming arguendo that Berryville Main Street is the real party in interest making the request. For these reasons, I believe that any "clarification" should be presented at a properly called public meeting of the entire Industrial Development Authority ("IDA"). And I certainly do believe that the whole matter needs to be revisited and the entire IDA given the opportunity to consider all relevant information before any expenditure of public monies.

>

> Thank you,

>

> English Koontz

>

> -----Original Message-----

> From: Mark Cochran

> Sent: Wednesday, October 31, 2018 3:12 PM

> To: Koontz, English

> Cc: wwaite@clarkecounty.gov; dweiss@clarkecounty.gov; lwalburn@clarkecounty.gov

> Subject: Re: Hotel Feasibility Study RFP from Berryville Main Street 10-2018

>

> English,

> Nathan Stalvey in behalf of BMS has agreed to meet and address your concerns if you would be willing I propose that Bill Waite, David Weiss, and myself meet with Nathan as soon as we can schedule a meeting. This is not an official IDA meeting, but intended to gain some clarity.

> Thanks

> Mark

>

> Sent from my iPhone

>

>> On Oct 30, 2018, at 4:19 PM, Koontz, English < > wrote:

>>

>> I am requesting at this time that the Industrial Development ("IDA") reject the request for funding submitted on behalf of Berryville Main Street ("BMS"). The current RFP is a sham, and not a BMS request.

>>

>> At our July meeting, a group of private citizens (Bill Waite on behalf of Allen Kitselman) approached the IDA requesting funds for a feasibility study. There was no quorum at the meeting, so the request was discussed but not put to vote. Concern was voiced during the discussion about using County funds for a private request.

>>

>> At the October meeting, Allen Kitselman, supposedly on behalf of BMS, came to request funds

to pay for the feasibility study. Funding should have been approved prior to the issue of this RFP.

>>

>> The IDA voted to approve the request with a few conditions, one of which was the ability to review and amend the RFP. On Friday, October 26, the RFP was sent to IDA members for review.

>>

>> Dave Juday has done a fantastic job of noting many omissions, calling into question the BMS RFP. This response will only address other and additional items.

>>

>> The contact person for the BMS RFP is Turner Kobayashi, who is not a BMS officer. It is important to note that Mr. Kobayashi was one of the original group of individuals interested in pursuing the feasibility study. The BMS concept "Where Town Meets Country" is misstated in the RFP. Presumably, if BMS drafted this RFP, such an error would be unlikely. The RFP is not on BMS letterhead, and not signed by anyone and does not name any individual other than Turner Kobayashi, to whom questions and submissions be directed. In my discussions with members of the BMS executive committee, no one could confirm that BMS authorized such action. Indeed, they were surprised that BMS was being used in such a fashion. According to BMS executive committee members, there has been some mention of a hotel and a feasibility study, but the executive committee of BMS has not voted to move forward with issuing an RFP or requesting funding for the study.

>>

>> Based upon these facts, and those addressed by Dave, it seems clear, or at least more likely than not, this is not a BMS RFP. It is clear that the same individuals used BMS, a non-profit organization with which a few of them are affiliated (or at least pay dues) to issue a bogus RFP.

>>

>> The IDA has been misled. BMS has not issued an RFP. Accordingly, the purported "BMS" request for funding must be rejected. It is the same request heard in July by the IDA, but with different window dressing. Our group should NOT be in the business of providing funding to private investors.

>>

>> Respectfully,

>>

>> English Koontz

>>

>>

>> -----Original Message-----

>> From: Lora Walburn [<mailto:lwalburn@clarkecounty.gov>]

>> Sent: Friday, October 26, 2018 8:58 AM

>> To: Cochran, Mark; Ferrell, Brian; Jones, Paul; Juday, David; Koontz, English; Pierce, Rodney; Waite, Bill; Weiss, David; Len Capelli

>> Subject: Hotel Feasibility Study RFP from Berryville Main Street 10-2018

>>

>> [* This email contains attachments or links from an unverified sender. DO NOT open attachments or click links without verifying the sender. *]

>>

>> Good Morning All: As requested at the Thursday, October 25, 2018, IDA meeting, attached is Berryville Main Street's Request for Proposals to Conduct a Hotel Feasibility Study for a Site Located in Berryville, Virginia. Please review and provide input to me by Friday, November 2. Comments will be compiled and forwarded to Bill Waite, Secretary / Treasurer, who will present to Berryville Main Street as part of the IDA's approval commitment.

>>

>> Thanking you in advance . . .

>>
>> *Lora B. Walburn*
>> *Deputy Clerk to the Board Supervisors*
>> *Executive Assistant - County Administration County of Clarke*
>> *101 Chalmers Court, Suite B*
>> *Berryville, Virginia 22611*
>> *[540] 955-5175*
>> lwalburn@clarkecounty.gov

Director Koontz stated her email was in no way an accusation. She continued that once the IDA received the RFP, understand that at the July meeting, there was a group of private investors with three named at the meeting and the fourth was not, a request for funding was made. There was not a quorum at that meeting; and, at the following meeting, one of the people named as a private investor, or at least a part of this group that is looking at this potential, came on behalf of a different organization for funding. She opined that at minimum, accidental or not, there is an appearance of impropriety; and, it is up to the IDA to make this right. She reiterated that she did not mean that the conduct was villainous in any way.

Director Waite commented that unfortunately it is perception; but, at the end of the day, there are no investors. Further, no one from BMS was available to present to the IDA; so, Allen Kitselman was asked to present for Nathan Stalvey, BMS President. Director Waite explained that there was a group working to organize the hotel study that consisted of Turner Kobayashi, Allen Kitselman, John Milleson, and he; but, none of them are investing in this project and no private investors have been named.

Chairman Cochran called for motion.

Director Koontz moved that the original funding request be blocked in preparation for a renewed funding request today given the new circumstances.

The motion died for lack of a second.

9. Citizen Comment

Jay Hillerson, former member and chair of the IDA, commented that he was on the IDA during the period when it sold the Business Park lots and issued various bonds that created the investment funds reviewed earlier in the meeting. He expressed concern about repayment of IDA investment opining that the whole point of raising the money, the mission statement, is to promote activity that bears economic rewards without provision for repayment. He opined that for money just to sit in the bank doing nothing, while liquidity is great, it is time to invest the money and promote Berryville and what it needs; and, with pending contracts on various properties in Berryville, this is an excellent time to write bonds. He suggested that the IDA could provide funds at a reasonable rate for buyers to develop what they have already purchased. He concluded by stating that he appreciated the Director's allowing him time to present his opinion.

Approved 04/25/2019

David Weiss responded that the IDA was ready to listen to offers and invited Mr. Hillerson to provide contact information to Len Capelli, Director of Economic Development and Tourism.

Next Meeting

The next meeting is scheduled for Thursday, April 25, 2019, 1:00 pm.

10. Adjournment

At 2:06 pm, **Director Koontz, seconded by Director Waite, moved to adjourn the meeting. The motion carried by the following vote:**

Mark Cochran	-	Aye
Brian Ferrell	-	Aye
Paul Jones	-	Absent
English Koontz	-	Aye
Rodney Pierce	-	Absent
William Waite	-	Aye

Minutes recorded and transcribed by: Lora B. Walburn, Executive Assistant - County Administration