

ECONOMIC DEVELOPMENT AUTHORITY
OF THE
CITY OF MANASSAS
REGULAR MEETING MINUTES
November 20, 2018

DETERMINATION OF QUORUM

MEMBERS PRESENT: Mark T. Olsen, Chairman
Gary Jones, II, Vice-Chairman
Scott Hepburn, Treasurer
Miguel Pires, Secretary
Denise Harrover
Thomas O. Murphy
Holmes Steele Smith

Martin Crim, EDA Attorney

Sheryl Bass, Vice-Mayor, Council Liaison
W. Patrick Pate, City Manager, *ex-officio*
Patrick J. Small, ED Director, *ex-officio*

MEMBERS ABSENT: None

OTHERS PRESENT: Jody Keenan, Mason Enterprise Center
Timm Johnson, MEC

Chairman Mark Olsen called the meeting to order at 7:30PM. The meeting opened with an Invocation and the Pledge of Allegiance. A quorum was present.

MINUTES

Chairman Olsen presented the Minutes of the September 18 meeting in the absence of Secretary Pires and asked if there were any comments. Denise Harrover made a motion to approve the September Minutes which was seconded by Scott Hepburn. There being no further discussion Vice-Chairman Jones called the roll.

Smith – AYE
Murphy – AYE
Jones – AYE
Olsen – AYE
Hepburn – AYE
Harrover – AYE

The motion passed 6-0.

FINANCIAL REPORTS

Treasurer Scott Hepburn presented the City Treasurer's Report and bank statement for September. He noted the only debit was a wire transfer fee of \$15.00. Mr. Hepburn reported one deposit of \$153.35 for an interest payment.

Gary Jones made a motion to accept the September City Treasurer's Report which was seconded by Denise Harrover.

There being no further discussion Vice-Chairman Jones called the roll.

Smith – AYE
Murphy – AYE
Hepburn – AYE
Jones – AYE
Olsen – AYE
Harrover – AYE

The motion passed 6-0.

Miguel Pires arrived.

Scott Hepburn presented the City Treasurer's Report and bank statement for October. He noted no debits and one deposit of \$158.50 for an interest payment.

Denise Harrover made a motion to accept the October City Treasurer's Report which was seconded by Gary Jones.

There being no further discussion Secretary Pires called the roll.

Smith – AYE
Murphy – AYE
Hepburn – AYE
Jones – AYE
Olsen – AYE
Harrover – AYE
Pires- AYE

The motion passed 7-0.

Patrick Small presented an itemized invoice from the City of Manassas for expenses incurred on behalf of EDA in the amount of \$17,387.90. He noted each of the charges on the invoice. Scott Hepburn made a motion to accept the invoice and authorize its payment which was seconded by Gary Jones.

There being no further discussion Secretary Pires called the roll.

Smith – AYE
Murphy – AYE
Hepburn – AYE
Jones – AYE
Olsen – AYE
Harrover – AYE
Pires- AYE

The motion passed 7-0.

ADMISTRATIVE AGENDA

Patrick Small presented a PPT he had delivered at a recent Chamber of Commerce luncheon which Chairman Olsen had requested be shared at the EDA meeting. The presentation covered the objectives and accomplishments of the City in economic development over the past year. There was no discussion.

NEW BUSINESS

Patrick Small updated the EDA on the pending dissolution of the Dr. William E.S. Flory Small Business Center and some initiatives the City was engaged in to ensure continuity of small business development services. He introduced Jody Keenan with the Mason Enterprise Center (MEC). Mr. Small noted he would be requesting financial support from the EDA to help establish an office of the MEC in the City. Ms. Keenan delivered a PPT and provided members with handouts detailing the activities of the Virginia Small Business Development Centers (SBDC) and the MEC. The members asked numerous questions about the services and made comments about the importance of small business development. Mr. Small noted that the City had funded the Flory Center for the entire fiscal year and had no more resources budgeted to support an SBDC. He asked EDA to appropriate \$15,000 to support establishing an SBDC office in the City one day per week for the remainder of the fiscal year. Mr. Small added that the request was specific to the current fiscal year and any future funding would be discussed as part of upcoming budget discussions. After additional discussion, including stipulations that the services be advertised and promoted, Gary Jones made a motion to appropriate \$15,000 to support establishing an SBDC office one day per week in the City which was seconded by Scott Hepburn.

There being no further discussion Secretary Pires called the roll.

Smith – AYE
Murphy – AYE
Hepburn – AYE
Jones – AYE
Olsen – AYE
Harrover – AYE
Pires- AYE

The motion passed 7-0.

OLD BUSINESS

Patrick Small introduced an Amendment to the Holladay Property Purchase and Sale Agreement by and between the EDA and Manassas Gateway Hotel, LLC. He stated that in September, 2016 the Economic Development Authority (EDA) executed a Purchase and Sale Agreement with Holladay Property to construct a hotel at the Landing at Canon Branch. The contract was last amended in April, 2018 to extend certain study periods and to extend Closing to January, 2019. Holladay Properties is requesting the Agreement be amended again.

Mr. Small pointed out the proposed Amendment does the following:

- Extends Closing to April 15, 2019.
- Causes the final deposit to be posted at signing and makes the deposit refundable only if the Master Developer fails to begin construction on a commercial building. Also eliminates the requirement that the building contain a restaurant.
- Concludes the Due Diligence Period.
- Concludes the Inspection Period.
- Amends the terms of the incentive to extend the grant associated with the Real Estate Taxes by one year. Previously the City and EDA agreed that the company would receive a cash grant equal to the difference between the Real Estate Taxes based on the property value calculated at Closing and the Real Estate Taxes based on the property value thereafter for a period of two years.
- Eliminates submission of a Site Plan as a condition precedent to Closing.
- Acknowledges and approves the franchise – TRU by Hilton.

Patrick Small advised the EDA that the Developer has concluded Due Diligence; applied, paid for and received a Franchise; submitted a preliminary site plan; appeared before the Land Use Committee to present architectural renderings; and begun work on the site plan. Mr. Small noted that City Council had reviewed the Amendment in a public meeting and recommended it to the EDA for approval

Vice-Chairman Gary Jones advised the EDA that Fauquier Bank was submitting a proposal to the developer for financing the Gateway Hotel project but that, notwithstanding the personal interest in the outcome, he was able to participate in the transaction fairly, objectively, and in the public interest. Attorney Martin Crim advised the EDA that Mr. Jones should enter a conflict of interest declaration into the Minutes and that he would draft a document for this purpose.

Miguel Pires made a motion to approve the Amendment and authorize the Chairman to sign it which was seconded by Denise Harrover. There being no further discussion Secretary Pires called the roll.

Smith – AYE
Murphy – AYE
Hepburn – AYE
Jones – AYE
Olsen – AYE
Harrover – AYE
Pires - AYE

The motion passed 7-0.

CLOSED SESSION

None

ADJOURNMENT

There being no further business, the meeting was adjourned at 8:30PM.