

ECONOMIC DEVELOPMENT AUTHORITY
OF THE
CITY OF MANASSAS
REGULAR MEETING MINUTES
August 21, 2018

DETERMINATION OF QUORUM

MEMBERS PRESENT:

Mark T. Olsen, Chairman
Gary Jones, II, Vice-Chairman
Scott Hepburn, Treasurer
Denise Harrover
Thomas O. Murphy
Holmes Steele Smith

Martin Crim, EDA Attorney

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

MEMBERS ABSENT:

Miguel Pires, Secretary

OTHERS PRESENT:

Quinn Redding, APP Jet
John Hornberger, Crossroads

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

MINUTES

Chairman Olsen presented the Minutes of the July 17 Meeting and asked if there were any comments. Gary Jones made a motion to approve the July 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

Scott Hepburn presented the City Treasurer's Report and bank statement for July. He noted the only debit was a transfer to the City of \$11,278.86 remitting payment for operational expenses paid for by the City as approved at the July meeting. Mr. Hepburn reported a deposit of \$161.27 for an interest payment of \$163.68.

Gary Jones made a motion to accept the May 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
Hepburn - AYE

The motion passed 6-0.

PUBLIC HEARING

Patrick Small provided the members with an overview of a proposed Industrial Revenue Bond issue in the amount of \$15 million by APP Jet Center. The proceeds of the bond issue will be used to acquire three hangers at the Manassas Regional Airport. Mr. Small noted that a representative of the company was present; that there was no financial liability that would accrue to the EDA as a result of the issue; that APP Jet would be responsible for all fees incurred by EDA during the process; that a public hearing had been properly advertised; that the Airport Commission was responsible for all matters related to the franchise agreements and operations at the airport; and that the application fee of \$750 had been paid.

Martin Crim disclosed to the members in the interest of transparency that another attorney in the law firm of VF&N represented the seller but they had determined that no conflict of interest was present and no waiver by the EDA for conflict was necessary. Chairman Olsen made a motion to acknowledge that the EDA is aware that the firm of Vanderpool, Frostick & Nishanian, PC is representing the sellers of the hangars to APP Jet, the transaction for which the EDA has been asked to issue a bond, and that the EDA does not object to this representation. The motion was seconded by Gary Jones.

There being no further discussion, Chairman Olsen asked Vice-Chairman Jones to call the roll.

Smith – AYE
Murphy – AYE
Harrover – AYE
Jones – AYE

Olsen – AYE
Hepburn - AYE

The motion passed 6-0.

Chairman Olsen declared that the meeting was a Public Hearing and read the following statement:

This noticed public hearing is required by Section 147(f) of the Internal Revenue Code of 1986, as amended. The hearing is on the proposed issuance by the Economic Development Authority of the City of Manassas (the “Authority”) of bonds in an aggregate principal amount not to exceed \$15,000,000 (the “Bonds”) for the following Project.

The proceeds of the Bonds will be made available by the Authority to APP Properties, Inc., whose address is 871 West Road, New Canaan, Connecticut 06840, or any parent, subsidiary or other affiliate (collectively, the “Borrower”) to assist the Borrower in financing all or a part of the following plan of financing (collectively, the “Plan of Financing”) for the benefit of the Borrower in connection with its full-service fixed base of operations (“FBO”) private and corporate jet aviation facility located at the Manassas Regional Airport: (a) the acquisition, renovation, improvement, furnishing and equipping of three aircraft storage hangars and associated office space totaling approximately 65,500 square feet, located at the Manassas Regional Airport at 10671 and 10661 Frank Marshall Lane and 10660 Aviation Lane in the City of Manassas, Virginia, and (b) certain other costs associated with the foregoing Plan of Financing, which may include, but may not be limited to, costs of issuance and other eligible expenditures (collectively, the “Project”).

The City Council is considering the adoption of a resolution approving the bonds at their regular City Council meeting on September 10th, 2018.

If there are parties present who wish to voice their opinion and provide comments on the proposed issuance of Bonds or the Project, I would ask that they be recognized now by raising their hand. I will then let each person provide any written or oral testimony that they wish to provide on this matter.

There being no one present to speak, Chairman Olsen declared the public hearing closed. There were several questions about the bond fees and Mr. Small clarified the manner in which fees are assessed and pointed out a typo in the Authority’s Rules and Procedures.

There being no further discussion Chairman Olsen requested that a member of the Authority make a motion to adopt the inducement resolution. Treasurer Scott Hepburn made a motion to adopt the resolution and authorize the appropriate officers to sign the documents which was seconded by Vice-Chairman Gary Jones. There being no further discussion, Mr. Jones called the roll:

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

The motion passed 6-0.

Treasurer Scott Hepburn made a motion to correct the typo in the EDA Rules and Procedures dealing with fees that Mr. Small had referenced which was seconded by Denise Harrover. There being no further discussion, Chairman Olsen requested that Vice-Chairman Jones call the roll.

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

The motion passed 6-0.

ADMISTRATIVE AGENDA

Patrick Small handed out a copy of the City's incentives brochure and a list of all incentives granted in 2016 and 2017. Mr. Small noted that many of the City's incentives programs did not involve EDA and were not reviewed by that body. He stated that City Council had delegated its review authority for all City programs like the façade and landscape grants and arts and tourism districts as well as all discretionary grants less than \$10,000.00 to the Land Use Committee of City Council. Every new or expanding business prospect eligible for incentives is first negotiated by City staff and then reviewed by the Land Use Committee. For any incentive larger than \$10,000.00, and for any incentive involving the passing through of grant funds from the Commonwealth of Virginia, all proposals are reviewed by the entire City Council. Recommendations for approval of all grants, whether reviewed by the Committee or full City Council, are made on behalf of City Council.

NEW BUSINESS

Patrick Small provided a brief overview of the recent Aurora Flight Sciences announcement. He advised EDA that Aurora was the recipient of a \$500,000.00 grant by Governor Ralph Northam from the Commonwealth's Opportunity Fund and the City Council would be requesting EDA pass the incentive through.

OLD BUSINESS

Patrick Small reintroduced the grant EDA had previously awarded to Cross Roads: A Tabletop Tavern (formerly Holy Grail Games). He reminded the members that the grant had been reviewed and approved by the City Council's Land Use Committee and only the location of the business had changed. He noted the business had chosen Historic Downtown Manassas in part based on the previous grant award. Mr. Small showed a brief video about the business and introduced its owner, John Hornberger, to answer any questions EDA might have. After several questions and comments by the members, Scott Hepburn made a motion to approve the \$10,000.00 EOF grant to Crossroads using EDA funds which was seconded by Gary Jones. Chairman Olsen asked Vice-Chairman Jones to call the roll.

Smith – NO
Murphy – AYE
Harrover – AYE
Jones – AYE
Olsen – AYE
Hepburn - AYE

The motion passed 5-1

Patrick Small notified the members that Heritage Brewing Company was not proceeding with its plans to establish a commercial brewing operation at the Landing. He stated the AFID grant funds would be returned to the Commonwealth and no City incentive funds had been paid to Heritage. Mr. Small stated the City was continuing to work with the Master Developer to identify prospective tenants for the commercial portion of the project.

CLOSED SESSION

Patrick Small advised the EDA that he had one Closed Session item regarding the acquisition or disposition of property in Historic Downtown.

The following motion was introduced.

I, Gary Jones, move that the Economic Development Authority of the City of Manassas convene in closed session for discussion or consideration of the acquisition of real property for a public purpose, or the disposition of publicly held real property, since discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the City as permitted by Virginia Code Section 2.2-3711 Paragraph A (3) for which the Virginia Freedom of Information Act permits discussion in Closed Session.

Scott Hepburn seconded the motion and the Secretary called the roll;

Smith – AYE

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

The motion passed 6-0.

Following closed session the following motion was introduced;

I, Denise Harrover, move that the Economic Development Authority of the City of Manassas certify that, in the closed session just concluded, nothing was discussed except the matter (1) specifically identified in the motion to convene in closed session and (2) lawfully permitted to be discussed under the provisions of the Virginia Freedom of Information Act cited in the motion.

Tom Murphy seconded the motion and the Secretary called the roll;

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

The motion passed 6-0.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:30PM.