

FREDERICKSBURG
ECONOMIC
DEVELOPMENT
AUTHORITY

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ECONOMIC DEVELOPMENT AUTHORITY MINUTES (EDA)

June 11, 2012

**City Hall, Council Chambers
715 Princess Anne Street
Fredericksburg, VA**

The Economic Development Authority of the City of Fredericksburg, Virginia met in regular session on Monday, June 11, 2012, beginning at 8:30 a.m. in Council Chambers at City Hall.

EDA MEMBERS PRESENT. Chris Hornung, Vice-Chairman, presiding. Tom Crimmins, Bob Carter, Amy LaMarca and Michael Colangelo.

ABSENT. Joe Wilson and Steve D'Lugos.

ALSO PRESENT. EDA Counsel: Blanton Massey; **Department of Economic Development and Tourism:** Karen Hedelt, Director; Richard Tremblay, Assistant Director for Economic Development.

DETERMINATION OF QUORUM. Amy LaMarca determined that a quorum was present.

PUBLIC COMMENTS. None.

PRESENTATION BY LEADERSHIP FREDERICKSBURG CLASS – DOWNTOWN ECONOMIC RESTRUCTURING STRATEGY.

Vice-Chairman Hornung recognized the Leadership Fredericksburg “Downtown Gang” team members to give its presentation on downtown economic restructuring. Approximately 40 people attended the presentation. The team members presented a PowerPoint slide show on the results of their survey and recommendations on how the downtown economy could be strengthened. There were over 1,100 survey respondents. The group answered a number of questions from the audience and EDA. At 9:30 a.m., Vice-Chairman Hornung thanked the team members for their excellent work and said there would be a brief break before the EDA continued with its meeting.

ARTS COMMISSION UPDATE

Roy Jarnecke, Vice-Chairman of the Arts Commission gave an update on the activities of the Commission. He thanked the EDA for its support of the Commission’s new arts website and this year’s Via Colori arts event.

AGENDA. The agenda was approved as presented.

NEW BUSINESS.

- a. Public Hearing – Issuance of qualified non-profit revenue bonds for Employment Resources, Inc. in an amount not to exceed \$1.7 million for the acquisition of its 404 Willis Street property –*
Mr. Tremblay summarized the request by Employment Resources, Inc, for non-profit revenue bonds through the EDA not to exceed \$1.7 million for the acquisition of 404 Willis St., The Gladys H. Oberle

School. Mr. Tremblay recognized EDA bond counsel Chuck Shimer, Employment Resources bond counsel Dan Seigel, Joan McLoughlin, President of ERI and Michael Torosian of Union First Market Bank, member of the ERI board. Mr. Seigel expressed ERI's appreciation for the EDA's approval of the bond financing and said final bond documents would be presented for approval at the July meeting. Vice-Chairman Hornung opened the public hearing. There were no speakers from the public. The EDA members had no questions.

Upon a motion by Amy LaMarca, seconded by Tom Crimmins, the EDA approved the inducement resolution: Ayes (5); Nays (0).

APPROVAL OF MINUTES.

Upon a motion by Tom Crimmins, seconded by Bob Carter, the May 14, 2012 minutes were approved with two edits: Ayes (5); Nays (0).

CONSENT AGENDA. None

TREASURER'S REPORT.

Mr. Carter briefly presented the budget update and May financial statement.

Upon a motion by Bob Carter, seconded by Amy LaMarca, the financial statement and budget were approved: Ayes (5); Nays (0).

Mr. Carter requested to utilize the Stellar One bank account for grant funding. Vice Chairman Hornung said that was the Treasurer's discretion.

CHAIRMAN'S REPORT. None.

COMMITTEE REPORTS.

- a. Technology Zones – Amy LaMarca*** – Ms. LaMarca said the Technology Zones Advisory Committee continues to meet and should have recommendations for the EDA at the July meeting. She asked that Councilman Ellis, Paul Quinn and Drew Thomas of ARTTRA be added to the committee.
- b. Tourism Zones – Richard Tremblay*** – Mr. Tremblay noted that the Tourism Zones Advisory Committee has met twice and should have recommendations for the EDA at the July meeting.
- c. Sophia Street/Riverfront Development – Tom Crimmins and Michael Colangelo*** – Mr. Crimmins said the Sophia Street Corridor/Riverfront Development committee is gathering information and expects to have recommendations in 2-3 months.
- d. FY2013 Budget – Bob Carter and Chris Hornung*** – Mr. Hornung presented the FY2013 EDA draft budget and said it would be considered for adoption at the July meeting. Hornung said he would speak with members of Council about taking over full responsibility for the cost of the July 4th fireworks beginning 2013.

STAFF REPORT. None.

OLD BUSINESS. None.

NEW BUSINESS – CONTINUED.

- b. ***Election of Officers*** - Mr. Tremblay read the Nominating Committee's proposed slate of officers for FY2013: Chris Hornung – Chairman, Tom Crimmins – Vice-Chairman, Bob Carter – Treasurer, Amy LaMarca – Secretary, Richard Tremblay – Assistant Secretary.

Upon a motion by Bob Carter, seconded by Michael Colangelo, the slate was elected: Ayes (5); Nays (0).

- c. ***Approval of Robinson, Farmer, Cox Associates proposal for FY2013 services on bond tracking, CD tracking and monthly budget and financial reports*** -

Upon a motion by Bob Carter, seconded by Amy LaMarca, the EDA approved the Robinson, Farmer and Cox proposal for \$1,100 for FY2013 financial reporting and bond tracking services: Ayes (5); Nays (0).

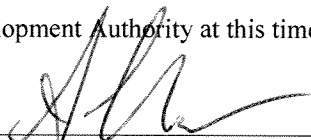
BOARD MEMBERS COMMENTS.

The EDA discussed the expenditure of up to \$1,000 to organize a downtown gift card program for the 2012 holiday season, including contracting with someone on an hourly basis to assist the effort. The total estimated cost of the start-up is approximately \$10,000 said Mr. Colangelo. Mr. Colangelo is leading this initiative working with EDT staff.

Upon a motion by Chris Hornung, seconded by Tom Crimmins, the EDA approved the expenditure of up to \$1,000: Ayes (5); Nays (0).

ADJOURNMENT.

There being no further business to come before the Economic Development Authority at this time, Vice Chairman Hornung declared the meeting officially adjourned at 10:22 a.m.



Amy LaMarca, Secretary

FREDERICKSBURG
ECONOMIC
DEVELOPMENT
AUTHORITY

June 11, 2012
Regular Meeting
Resolution No. 12-17

**RESOLUTION OF THE ECONOMIC
DEVELOPMENT AUTHORITY OF
OF THE CITY OF FREDERICKSBURG, VIRGINIA
AUTHORIZING THE ISSUANCE OF QUALIFIED NON-PROFIT
REVENUE BONDS NOT TO EXCEED \$1.7 MILLION FOR
EMPLOYMENT RESOURCES, INC.**

WHEREAS, there has been described to the Economic Development Authority of the City of Fredericksburg, Virginia (**the “Authority”**) the plan of financing of Employment Resources, Inc., a non-profit corporation (**the “Borrower”**) whose principal place of business is 404 Willis Street, Fredericksburg, Virginia 22401;

WHEREAS, the Borrower has requested that the Authority issue its qualified non-profit revenue bonds in an amount not to exceed \$1,700,000 (**the “Bonds”**) pursuant to the Industrial Development and Revenue Bond Act, Title 15.2, Chapter 49 of the Code of Virginia of 1950, as amended (**the “Act”**), the proceeds from which Bonds will be used to assist the Borrower in the acquisition of its principal place of business and classroom facility in a converted brick building of approximately 21,710 square feet on a lot of approximately 0.72 acres located at 404 Willis Street (**the “Facility”**) wherein the Borrower operates the Gladys H. Oberle School, which specializes in educating and training youth with disabilities and other barriers to learning and employment, located in the City of Fredericksburg (**the “City”**) and to pay cost of issuance of the Bonds;

WHEREAS, the Borrower has described the benefits to the City and the Commonwealth of Virginia and has requested that the Authority recommend to the City Council of the City approval of the issuance of the Bonds by the Authority under the Act, in such amounts as may be necessary to finance the cost of the Facility; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (**the “Code”**) and Section 15.2-4906 of the Act require approval of the issuance of the Bonds by the City Council of the City after a public hearing;

**NOW THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT
AUTHORITY OF THE CITY OF FREDERICKSBURG, VIRGINIA:**

1. It is hereby found and determined that the plan of financing of the Facility will promote the health and welfare of the inhabitants of the Commonwealth of Virginia, will be in the public interest and will be consistent with the purposes of the Act.
2. The Authority hereby recommends and requests that the City Council of the City approve the plan of financing for the Facility and the issuance of the Bonds by the Authority in an amount now estimated not to exceed \$1,700,000 upon terms and conditions to be mutually agreed upon between the Authority and the Borrower.
3. All costs and expenses in connection with the financing of the Facility, including the fees and expenses of Bond Counsel and Authority Counsel, shall be paid from the proceeds of the Bonds or funds provided by the Borrower.
4. In adopting this Resolution, the Authority intends to declare its “official intent” to allow for the use of the proceeds of the Bonds to reimburse the Borrower for “original expenditures” associated with the development or financing of the Facility to the full extent permitted by Treasury Regulation Section 1.150-2. The Borrower reasonably expects that it will reimburse the “original expenditures” with the proceeds of the Bonds.
5. The Borrower by acceptance of this Resolution agrees to indemnify and save harmless the Authority, its officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, losses, costs and expenses in any way connected with (a) the Facility that are caused by the Borrower, (b) any application submitted by the Borrower or (c) the issuance of the Bonds.
6. At the request of the Borrower, the Authority hereby appoints Sands Anderson PC, as bond counsel to supervise the proceedings and approve the issuance of the Bonds.
7. Neither the Authority, including its officers, directors, employees and agents, nor the City shall be liable, and each hereby disclaims all liability to the Borrower and all other persons or entities for, any damages, direct or consequential, resulting from the failure of the Authority to issue the Bonds for any reason.
8. As required by the Act, the issuance of the Bonds as requested by the Borrower will not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or the City. Neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority or the City shall be obligated to pay the Bonds, or the interest thereon, or other costs incident thereto, except from the

revenues and monies pledged therefore, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia nor any political subdivision thereof, including the Authority and the City will be pledged to payment of principal of such Bonds or the interest thereon or other costs incidental thereto.

9. The Authority hereby designates the Bonds as “qualified tax-exempt obligations” for the purpose of Section 265(b)(3) of the Code. The Authority and the City do not reasonably anticipate issuing more than \$10,000,000 in qualified tax-exempt obligations during calendar year 2012 and neither the Authority nor the City will designate more than \$10,000,000 of qualified tax-exempt obligations pursuant to Section 265(b)(3) of the Code during such calendar year.
10. The officers of the Authority are hereby authorized and directed to deliver to the City Council of the City (a) a reasonably detailed summary of the comments expressed at the public hearing held with respect to the issuance of the Bonds, (b) a fiscal impact statement concerning the Facility, and (c) a copy of this resolution, which constitutes the recommendation of the Authority that the City Council of the City approve the financing of the Facility and the issuance of the Bonds by the Authority and designate the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.
11. By its request and acceptance of this resolution, the Borrower has agreed to pay the Authority's annual fee of $1/8^{\text{th}}$ of 1% of the outstanding principal amount of the Bonds each year on the anniversary date of the issuance thereof.
12. All other acts of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds and the undertaking of the Facility are hereby ratified, approved and confirmed.
13. The issuance of the Bonds shall be contingent upon the approval thereof by the City Council of the City.
14. This resolution shall take effect immediately upon its adoption, but shall expire on the first anniversary of the date of adoption hereof if the Bonds have not been issued by such date.

ADOPTED this 11th day of June, 2012.

CERTIFICATE

The resolution set forth above was adopted at an open meeting during a regular meeting of the Economic Development Authority of the City of Fredericksburg, Virginia (**the "Authority"**), all in accordance with law, by the following votes:

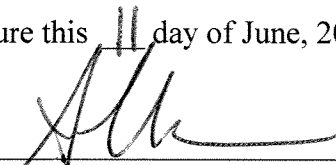
AYES: Robert Carter, Michael Colangelo, Tom Crimmins, Chris Hornung and Amy LaMarca

NAYS: None

ABSTENTIONS: None

The undersigned Secretary of the Authority hereby certifies that the foregoing is a true, correct and complete copy of a Resolution adopted by a majority of the Directors of the Authority present and voting during an open meeting at a meeting duly called and held on June 11th, 2012, in accordance with law, and that such Resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on the date hereof.

WITNESS the following signature this 11 day of June, 2012.



Secretary of the Economic Development Authority of the City of
Fredericksburg, Virginia