

FREDERICKSBURG  
**ECONOMIC**  
**DEVELOPMENT**  
AUTHORITY

706 Caroline Street  
Fredericksburg, VA 22401

(540) 372-1216  
(540) 372-6587 Fax

**ECONOMIC DEVELOPMENT AUTHORITY MINUTES (EDA)**

**October 17, 2022**

**8:30 a.m. • EDA Regular Meeting**

**Executive Plaza, 601 Caroline St., First Floor**

The Economic Development Authority of the City of Fredericksburg, Virginia met in regular session on Monday, October 17, 2022 beginning at 8:30 a.m. at the Executive Plaza, 601 Caroline St., First Floor.

**EDA MEMBERS PRESENT.** Will Mackintosh Chair, presiding. Lee, Murray, Beth Black, Suzy Stone (via phone), Mitzi Brown, Chris Waller and Susan Richey.

**ABSENT.** None.

**ALSO PRESENT.** Butler Snow LLP: Kevin White; Mary Washington Healthcare: Sandra Brown; EDA Counsel: Blanton Massey; Department of Finance: Donna Leahy; Department of Economic Development and Tourism: Bill Freehling, Director; Amy Peregoy, Economic Development Specialist; MC Morris, Assistant Director of Tourism.

**DETERMINATION OF QUORUM.** Susan Richey.

**AGENDA.**

**MOTION** by Beth Black, seconded by Mitzi Brown, the agenda was approved: Ayes (7); Nays (0).

**PUBLIC COMMENTS.** None.

**APPROVAL OF MINUTES.**

**MOTION** by Mitzi Brown, seconded by Susan Richey the minutes from the September 12, 2022 regular meeting and the minutes from the October 3, 2022 special meeting were approved: Ayes (6); Nays (0); Absent from Vote (1-Stone).

**TREASURER'S REPORT.** Mr. Murray presented the September activity. The budget and financial statement will be filed with the minutes.

**OLD BUSINESS.** None.

**NEW BUSINESS.**

- a. **Mary Washington Healthcare – Series 2016 Bond Modification** – Mr. Freehling introduced Mr. Kevin White. Mr. White presented background on the Mary Washington Healthcare Obligated Group, Series 2016 bond. The original principal amount of \$30,405,000, as amended by an Amendment to Bond dated

December 19, 2019, for the benefit of Mary Washington Healthcare, Mary Washington Hospital, Inc., Mary Washington Hospital Foundation, Inc., MediCorp Properties, Inc. and Stafford Hospital, LLC. The Bond is held by Atlantic Union Public Finance, Inc. pursuant to a Bond Purchase and Financing Agreement dated as of November 22, 2016, originally, as amended by a Modification Agreement dated as of December 19, 2019. Mr. White requested the Agreement and the Bond be amended to change the method of calculating the interest rate from a LIBOR-based index to a Term SOFR-based index, and to include certain terms relating to the determination of such Term SOFR-based index. Mr. White requested approval and to proceed with the amendments

**MOTION by Beth Black, seconded by Mitzi Brown the board approved Resolution 22-11 and authorized the Chair, to execute the Modification Agreement and the Bond Amendment. The Secretary is authorized to affix the EDA seal to the Bond Amendment and to attest such seal. Each officer is authorized to execute such further instruments, documents or certificates, without limitation, a Tax Certificate and Compliance Agreement in a form approved by Bond Counsel: Ayes (6); Nays (0); Absent from Vote: (1-Stone).**

*b. Fredericksburg Expo Performance Agreement* – Mr. Freehling presented background on the performance agreement between the City of Fredericksburg, the Economic Development Authority and SAJ Entertainment, LLC (tenant of the Expo Center). City Council approved the agreement on October 11. The EDA is a pass-thru. Funds of \$250,000 will be transferred to the EDA from the City of Fredericksburg. Once required improvements have been fulfilled by SAJ Entertainment, LLC the EDA will release the funds.

**MOTION by Mitzi Brown, seconded by Beth Black the board authorized the Chair to execute the performance agreement by and between the City of Fredericksburg, Economic Development Authority and SAJ Entertainment, LLC: Ayes (7); Nays (0).**

*c. InvestFXBG Loan – SAJ Entertainment, LLC* – Mr. Freehling noted the approved performance agreement states SAJ Entertainment, LLC will provide a \$250,000 investment. Mr. Freehling requested the EDA approve a loan from the InvestFXBG program. The loan will have a 5% interest rate for 5 years. The loan is personally guaranteed by Mr. Art Silber. The underwriting has been completed by REDCO.

**MOTION by Beth Black, seconded by Susan Richey the board approved the Chair to execute an InvestFXBG loan in the amount of \$250,000 at 5% for five years to SAJ Entertainment, LLC: Ayes (7); Nays (0).**

### **COMMITTEE REPORTS**

- a. Parking Improvement Committee* – No update.
- b. Strategic Investments Committee* – No update.
- c. Workforce Development Committee* – Ms. Richey noted she and Ms. Brown have been invited to join a committee with the Fredericksburg School system to discuss grades 1-12 workforce development issues. During the first meeting they were asked to help locate dedicated kitchen space for culinary arts. The school system will handle travel for the students.
- d. InvestFXBG Loan Committee* – Mr. Waller stated there are pending applications. Ms. Black noted the applicants are strong with home grown businesses. Mr. Waller noted interest rates will need to be increased. Ms. Black suggested partnering with a local bank for future loan funds. Ms. Black and Mr. Waller will research options for GAP resources. There was a brief discussion by the board.
- e. City Relations Committee* – Chair Mackintosh noted the \$2 fee change. He gave an update on the parking garage to include the EDA assisting with funding for parking validation software. Ms. Brown stated Main Street is happy but businesses are concerned with the time period for the \$2 fee. Chair Macintosh will reach out to Mr. Baroody.

- f. **Tourism Committee** – Ms. Brown stated meetings continue with the owners of the Black Business Directory. The meetings are very productive with discussions of 3 or 4 black business owners to assist with black tourism. Claudia Barnes (Better4You Juices), Gaila Simms (Curator of African American for FAM) and Cori Blanch (Curitiba Art Café) other people have been asked. Organize a one-time focus group to bring in other people.

Mr. Murray asked about the Film Incentive program. Mr. Freehling noted Ryan Cudahy will present an update at the next meeting. The Virginia Film Office took a tour of Fredericksburg and were excited especially about homes. Ms. Black stated there is a website for homes to be listed for film production.

- g. **Fredericksburg VA Main Street Committee** - Ms. Brown stated there is a meeting on Wednesday. Downtown Affair was a success along with Sip N’ Stroll. Mr. Kelley continues to work towards goals for Main Street. Ms. Brown noted a discussion between Main Street and City Council representatives about the homeless to include solutions for the winter months and volunteers assisting with resources. Cares Act funding ended with the homeless being back on the street. The City, Mary Washington Healthcare and Micah have entered into a MOU to start working on housing solutions along with Virginia Supportive Housing.

**STAFF REPORT.** Mr. Freehling presented updates on the following: hiring an architect for the Visitor Center, the closing is moving forward, the Babe Ruth World Series is returning and may ask for support. Mr. Freehling will obtain tax base numbers per the board’s request. Ms. Morris stated the new Visitor Guide is out. She will continue to research grants for tourism and working with two grant writers.

**CHAIR’S REPORT.** None.

**BOARD MEMBERS COMMENTS.** Ms. Black requested a representative from the Marriott be asked to attend a meeting regarding attracting a hotel. Chair Mackintosh stated a vision for the parking lot needs to be developed. Ms. Black stated the board will learn from the Marriott representative. The parking lot will best be used to benefit Downtown. There was a brief discussion. Ms. Brown requested the EDA annual report. Staff will draft a report.

**CLOSED SESSION.**

Ms. Richey moved for adoption of Resolution 22-12, for the purpose of discussion or consideration of the acquisition of real property for a public purpose, specifically, the acquisition of an existing underutilized, vacant commercial lot and building situate thereon located in the City of Fredericksburg, Virginia, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Economic Development Authority, under Virginia Code 2.2-3711.A.3.

**MOTION by Susan Richey, seconded by Beth Black: Ayes (7); Nays (0).**

Where upon the members went into closed session.

Upon coming out of closed session.

**MOTION by Susan Richey, to adopt Resolution 22-13, certifying the proper conduct of the closed session. Seconded by Beth Black: Ayes (7); Nays (0).**

Mr. Blanton Massey excused himself from the meeting.

Ms. Richey moved for adoption of Resolution 22-14, for the purpose of discussion concerning a specific employee of the Economic Development Authority of the City of Fredericksburg, Virginia (EDA), for the purpose of considering such person’s job description, appointment, performance, compensation, and/or resignation, under Virginia Code §2.2-3711.A.1, more particularly, pertaining to the position of legal counsel to the EDA.

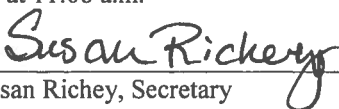
**MOTION by Susan Richey, seconded by Lee Murray: Ayes (7); Nays (0).**

Where upon the members went into closed session.

Upon coming out of closed session.

**MOTION by Susan Richey, to adopt Resolution 22-13, certifying the proper conduct of the closed session.  
Seconded by Beth Black: Ayes (7); Nays (0).**

**ADJOURNMENT.** There being no further business to come before the Economic Development Authority at this time, Chair Mackintosh declared the meeting officially adjourned at 11:08 a.m.

  
Susan Richey, Secretary

**RESOLUTION 22-11 OF THE ECONOMIC DEVELOPMENT AUTHORITY  
OF THE CITY OF FREDERICKSBURG, VIRGINIA,  
APPROVING THE SECOND MODIFICATION OF ITS  
HOSPITAL FACILITIES REFUNDING REVENUE BOND  
(MARY WASHINGTON HEALTHCARE OBLIGATED GROUP), SERIES 2016**

WHEREAS, the Economic Development Authority of the City of Fredericksburg, Virginia (the “Issuer”) previously issued its Hospital Facilities Refunding Revenue Bond (Mary Washington Healthcare Obligated Group), Series 2016, in the original principal amount of \$30,405,000, as amended by an Amendment to Bond dated December 19, 2019 (collectively, the “Bond”), for the benefit of Mary Washington Healthcare, Mary Washington Hospital, Inc., Mary Washington Hospital Foundation, Inc., MediCorp Properties, Inc. and Stafford Hospital, LLC (collectively, the “Obligated Group”);

WHEREAS, the Bond is held by Atlantic Union Public Finance, Inc. (the “Bondholder”) pursuant to a Bond Purchase and Financing Agreement dated as of November 22, 2016, originally among the Issuer, Union Bank & Trust, and the Obligated Group, as amended by a Modification Agreement dated as of December 19, 2019 (collectively, the “Agreement”), among the Issuer, the Bondholder and the Obligated Group;

WHEREAS, the Obligated Group has requested, and the Bondholder has agreed, that the Agreement and the Bond be amended to change the method of calculating the interest rate from a LIBOR-based index to a Term SOFR-based index, and to include certain terms relating to the determination of such Term SOFR-based index;

WHEREAS, the Obligated Group has requested that the Issuer approve and proceed with the amendments described above by the execution and delivery of (i) a Second Modification Agreement to be dated on or before December 31, 2022 (the “Modification Agreement”), among the Issuer, the Bondholder, and the Obligated Group, and (ii) a Second Amendment to Bond to be dated on or before December 31, 2022 (the “Bond Amendment”), the forms of each of which have been presented to this meeting; and

WHEREAS, the Issuer has been advised by Butler Snow LLP, as bond counsel (“Bond Counsel”), that no public hearing or elected official approval is required to implement the modification of the Bond.

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

1. The Issuer agrees to proceed with the amendments and modifications set forth in the Modification Agreement and the Bond Amendment.
2. The Chair or Vice Chair of the Issuer, either of whom may act, is hereby authorized and directed to execute the Modification Agreement in substantially the form submitted to this meeting, with such changes, insertions or omissions which do not materially adversely affect the interests of the Issuer as may be approved by the Chair or Vice Chair, which approval shall be evidenced conclusively by the execution and delivery of the Modification Agreement.

3. The Chair or Vice Chair of the Issuer, either of whom may act, is hereby authorized and directed to execute the Bond Amendment in substantially the form submitted to this meeting, with such changes, insertions or omissions which do not materially adversely affect the interests of the Issuer as may be approved by the Chair or Vice Chair, which approval shall be evidenced conclusively by the execution and delivery of the Bond Amendment. The Secretary or Assistant Secretary of the Issuer is authorized to affix the seal of the Issuer on the Bond Amendment and to attest such seal.

4. Each officer of the Issuer is authorized to execute and deliver on behalf of the Issuer such further instruments, documents or certificates (including, without limitation, a Tax Certificate and Compliance Agreement of the Issuer and the Obligated Group in a form approved by Bond Counsel), and to do and perform such other things and acts, as they shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Modification Agreement; and all of the foregoing previously done or performed by such officers of the Issuer are in all respects approved, ratified and confirmed.

5. All costs and expenses in connection with the modification of the Bond, including the fees and expenses of the Issuer and its counsel, shall be paid promptly by the Obligated Group. Following the execution and delivery of the Modification Agreement, the Obligated Group shall continue to pay the Issuer's annual administrative fee in the amounts required by the Agreement. The Obligated Group agrees to continue to indemnify and save harmless the Issuer, the Issuer's directors, employees, agents and counsel from and against all liabilities, obligations, claims, penalties, losses, costs and expenses in any way connected with the Bond and the Agreement, as modified.

6. The Bond, as amended by the Bond Amendment, and the interest thereon, shall be a limited obligation of the Issuer payable solely from the revenues and receipts of the Obligated Group. The Bond and the interest thereon shall not be deemed to constitute a debt, liability or general obligation of the Commonwealth nor of any political subdivision thereof, including the Issuer and the City of Fredericksburg, and shall not constitute an obligation to pay the Bond and the interest thereon or other costs incident thereto except from the sources provided in the Agreement, as modified by the Modification Agreement, and neither the faith and credit nor the taxing power of the Commonwealth nor any political subdivision thereof, including the Issuer and the City of Fredericksburg, is pledged to the payment of the principal of, or the interest on, the Bond. The Issuer has no taxing power. No covenant, condition or agreement contained in the Bond or in any financing instrument executed and delivered in connection therewith shall be deemed to be a covenant, agreement or obligation of any present, past or future director, officer, employee or agent of the Issuer in his individual capacity, and no officer of the Issuer executing the Bond or any other financing document or instrument shall be liable personally thereon or subject to any personal liability or accountability by reason of the issuance or execution thereof.

7. The adoption of this Resolution is not construed as an endorsement by the Issuer of the transaction contemplated by the Modification Agreement or of the creditworthiness of the Obligated Group, nor as a recommendation by the Issuer to any party to enter into the Modification Agreement or to purchase the Bond. The Issuer has made no evaluation of or investigation with respect to the suitability of the transaction contemplated by the Modification Agreement or of the Bond for any party's purchase, investment or any other purpose.

8. This Resolution shall take effect immediately upon adoption.

CERTIFICATE

The undersigned hereby certifies that the above Resolution was duly adopted by an affirmative roll call vote of a majority of the directors of the Economic Development Authority of the City of Fredericksburg, Virginia, at a regular meeting duly called and held on October 17, 2022, and that such Resolution has not been repealed, revoked or rescinded, but is in full force and effect on the date hereof.

Dated: October 17, 2022

[SEAL]

*Susan M. Richey*  
Secretary, Economic Development Authority  
of the City of Fredericksburg, Virginia



**Resolution 22-12 for Economic Development Authority to Hold Closed Meeting Under  
The Virginia Freedom of Information Act**

Date of Adoption: October 17, 2022

Proposed by: Richey

Resolved that the Economic Development Authority convene a closed meeting under the Virginia Freedom of Information Act in order to discuss:

**Personnel** – specific City officers, appointees, or employees, for the purpose of considering such person’s assignment, appointment, promotion, performance, demotion, salary, disciplining, or resignation, under Virginia Code §2.2-3711.A.1, more particularly, the performance of the Director of the Department of Economic Development & Tourism of the City of Fredericksburg, VA.

**Real Property** -

**the acquisition of real property**

for the purpose of discussion or consideration of the acquisition of real property for a public purpose, specifically, the acquisition of an existing underutilized, vacant commercial lot and building situate thereon located in the City of Fredericksburg, Virginia, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Economic Development Authority, under Virginia Code 2.2-3711.A.3.

**the disposition of publicly held real property,**

**Prospective Business** -

**a prospective business or industry, OR**

**the expansion of an existing business or industry,**

for the purpose of holding a discussion concerning: \_\_\_\_\_, where no previous announcement has been made of the business or industry’s interest in locating or expanding its facilities in the community, under Virginia Code §2.2-3711.A.5.

**Legal Matters** -

**actual litigation** specifically, \_\_\_\_\_

\_\_\_\_\_ with legal counsel, where such consultation in open session would adversely affect the negotiating or litigating posture of the Economic Development Authority, **OR**

**probable litigation** with legal counsel, staff, or consultants, where (1) litigation has been specifically threatened or on which the Economic Development Authority or its counsel has a reasonable basis to believe will be commenced by or against a known party, and (2) such consultation in open session would adversely affect the negotiating or litigating posture of the Economic Development Authority, **OR**

**legal matters,** \_\_\_\_\_, with counsel, where such matters require the provision of legal advice, under Virginia Code §2.2-3711.A.7.

**Other** – (Specify subject matter, purpose of discussion, and applicable Code Section)

\_\_\_\_\_

FREDERICKSBURG  
**ECONOMIC**  
**DEVELOPMENT**  
AUTHORITY

706 Caroline Street  
Fredericksburg, VA 22401

(540) 372-1216  
(540) 372-6587 Fax

**RESOLUTION 22-13**  
**CERTIFICATION OF CLOSED EDA MEETING**

Proposed by: Richey  
Seconded by: Black

**IT IS HEREBY RESOLVED** by the Economic Development Authority of the City of Fredericksburg, Virginia, as follows:

**WHEREAS**, the Authority has convened a closed meeting under Virginia Code §2.2-3711.A.1, pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

**WHEREAS**, §2.2-3712.D of the Code of Virginia requires a certification by this Authority that such closed meeting was conducted in conformity with Virginia law;

**NOW, THEREFORE, BE IT RESOLVED** that the Authority hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law (Chapter 37 of Title 2.2) were heard, discussed or considered in such closed meeting, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the closed meeting by the Authority.

**Date of Adoption: October 17, 2022**

**AYES: 7**

**NAYS: 0**

CERTIFICATION:

Secretary's Certificate

I, the undersigned, certify that I am the Secretary for the Economic Development Authority of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution 22-13 duly adopted at a meeting of the Economic Development Authority held on October 17, 2022, at which a quorum was present and voted.

Given under my hand and the official seal of the Economic Development Authority of the City of Fredericksburg, Virginia.

Date: 11/15/22

Susan Richey  
Secretary, EDA

**Resolution 22-14 for Economic Development Authority to Hold Closed Meeting Under  
The Virginia Freedom of Information Act**

Date of Adoption: October 17, 2022

Proposed by: Richey

Resolved that the Economic Development Authority convene a closed meeting under the Virginia Freedom of Information Act in order to discuss:

**Personnel** – concerning a specific employee of the Economic Development Authority of the City of Fredericksburg, Virginia (EDA), for the purpose of considering such person’s job description, appointment, performance, compensation, and/or resignation, under Virginia Code §2.2-3711.A.1, more particularly, pertaining to the position of legal counsel to the EDA.

**Real Property** -

the acquisition of real property

for the purpose of discussing acquisition of real property for a public purpose, specifically, the expansion of an existing recreation facility, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Economic Development Authority, under Virginia Code 2.2-3711(A)(3).

the disposition of publicly held real property,

**Prospective Business** -

a prospective business or industry, OR

the expansion of an existing business or industry,

for the purpose of holding a discussion concerning: \_\_\_\_\_, where no previous announcement has been made of the business or industry’s interest in locating or expanding its facilities in the community, under Virginia Code §2.2-3711.A.5.

**Legal Matters** -

actual litigation specifically, \_\_\_\_\_

\_\_\_\_\_ with legal counsel, where such consultation in open session would adversely affect the negotiating or litigating posture of the Economic Development Authority, OR

probable litigation with legal counsel, staff, or consultants, where (1) litigation has been specifically threatened or on which the Economic Development Authority or its counsel has a reasonable basis to believe will be commenced by or against a known party, and (2) such consultation in open session would adversely affect the negotiating or litigating posture of the Economic Development Authority, OR

legal matters, \_\_\_\_\_, with counsel, where such matters require the provision of legal advice, under Virginia Code §2.2-3711.A.7.

Other – (Specify subject matter, purpose of discussion, and applicable Code Section)

\_\_\_\_\_

FREDERICKSBURG  
**ECONOMIC**  
**DEVELOPMENT**  
AUTHORITY

706 Caroline Street  
Fredericksburg, VA 22401

(540) 372-1216  
(540) 372-6587 Fax

**RESOLUTION 22-15**  
**CERTIFICATION OF CLOSED EDA MEETING**

Proposed by: Richey  
Seconded by: Black

**IT IS HEREBY RESOLVED** by the Economic Development Authority of the City of Fredericksburg, Virginia, as follows:

**WHEREAS**, the Authority has convened a closed meeting under Virginia Code §2.2-3711.A.3, pursuant to an affirmative recorded vote adopting and in accordance with the provisions of the Virginia Freedom of Information Act; and

**WHEREAS**, §2.2-3712.D of the Code of Virginia requires a certification by this Authority that such closed meeting was conducted in conformity with Virginia law;

**NOW, THEREFORE, BE IT RESOLVED** that the Authority hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law (Chapter 37 of Title 2.2) were heard, discussed or considered in such closed meeting, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the closed meeting by the Authority.

**Date of Adoption: October 17, 2022**

**AYES: 7**

**NAYS: 0**

CERTIFICATION:

Secretary's Certificate

I, the undersigned, certify that I am the Secretary for the Economic Development Authority of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution 22-15 duly adopted at a meeting of the Economic Development Authority held on October 17, 2022, at which a quorum was present and voted.

Given under my hand and the official seal of the Economic Development Authority of the City of Fredericksburg, Virginia.

Date: 11/15/22

Susan M. Richey  
Secretary, EDA