

**Attendance**

Members:

• Josh Gaita, Chair	Chancellor District (McLaughlin)	Present	
• Thomas Welsh	Berkeley District (Marshall)	Present	
• Hart Rutherford	Lee Hill District (Skinner)	Present	
• Edwin Pardue	Livingston District (Benton)	Present	
• Donn Hart	Salem District (Trampe)		Absent
• Mark Miles	Battlefield District (Yakabouski)	Present	
• Al King	Courtland District (Ross)	Present	

Staff and Guests:

- Brendan Hefty, Hefty & Wiley, P.C.
- Mike Graff, McGuire Woods
- Colin Chell, Bonaventure
- Stacy Kaplowitz, KCG Development
- Debbie Sanders, Economic Development and Tourism
- Meggie Roche, Economic Development and Tourism

**Call to Order**

Mr. Gaita called the meeting to order at 8:00 AM and confirmed a quorum.

**Public Hearings for Palmer’s Creek and Jackson Village**

Mr. Graff gave a brief overview of the history of both the Palmer’s Creek and Jackson Village projects. Ms. Kaplowitz is present to answer any questions relating to Jackson Village, and Mr. Chell is present to answer any questions relating to Palmer’s Creek.

Mr. Gaita declared the public hearing for Palmer’s Creek open, and when no one indicated an intention to speak, closed the public hearing.

Mr. Gaita declared the public hearing for Jackson Village open, and when no one indicated an intention to speak, closed the public hearing.

On a motion by Mr. King, seconded by Mr. Pardue, and passed unanimously by the following recorded votes, the EDA adopted the Palmer’s Creek resolution as follows:

*Ayes: 6      Mr. Gaita, Mr. Pardue, Mr. Welsh, Mr. King, Mr. Miles, Mr. Rutherford*  
*Nays: 0*  
*Absent: 1      Mr. Hart*  
*Abstain: 0*

**RESOLUTION APPROVING THE ISSUANCE BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF SPOTSYLVANIA, VIRGINIA OF ITS REVENUE BONDS FOR THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE APPROXIMATELY 200 UNIT PALMERS CREEK APARTMENTS MULTIFAMILY HOUSING FACILITY LOCATED IN THE COUNTY OF SPOTSYLVANIA, VIRGINIA**

WHEREAS, the Economic Development Authority of the County of Spotsylvania, Virginia (the “Authority”) is authorized to advertise and hold public hearings relative to the issuance of private activity bonds; and

WHEREAS, the Authority has considered the application of BWF Palmers Creek, LLC, a Virginia limited liability company (the “Borrower”), requesting that the Authority issue up to \$22,000,000 of its revenue bonds (the “Bonds”) to assist the Borrower in financing the acquisition,

construction and equipping of a multifamily residential rental housing project to be known as Palmers Creek Apartments, consisting of two four-story buildings containing approximately 200 residential units, one community building and one office located on approximately 9.53 acres of land at 8934 Jefferson Davis Highway, Fredericksburg (Spotsylvania County), Virginia 22408 and other eligible expenses (collectively, the “Project”) and has held a public hearing in connection therewith on October 18, 2019; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), provides that the applicable elected representatives of the governmental unit having jurisdiction over the issuer of private activity bonds must approve the issuance of such bonds;

WHEREAS, the Authority issues its bonds on behalf of the County of Spotsylvania, Virginia (the “County”); and

WHEREAS, the Authority, as the issuing governmental unit with respect to the Bonds, has no applicable elected representative, the County constitutes the next highest governmental unit with such a representative, and the members of the Board of Supervisors of the County (the “Board”) constitute the applicable elected representatives of the County; and

WHEREAS, the Authority has previously held a public hearing regarding the Project and adopted a resolution authorizing in principle the issuance of the Bonds; and

WHEREAS, the Authority has recommended that the Board approve the issuance of the Bonds; and

WHEREAS, a copy of the Authority’s resolution authorizing the issuance of the Bonds, subject to the terms to be agreed upon, a Fiscal Impact Statement complying with the requirements of Section 15.2-4907 of the Virginia Code, a certificate of publication of the public hearing, and a reasonably detailed summary of the statements made at the public hearing have been filed with the Board; and

WHEREAS, the Bonds, as exempt facility bonds issued under Section 142(d) of the Code will necessitate that the Authority, on behalf of the Borrower, apply for and secure an allocation of private activity housing bond cap (the “Allocation”) for the Project in order for interest on the Bonds to be exempt from the imposition of federal income tax.

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF SPOTSYLVANIA, VIRGINIA THAT:

1. The Board approves the issuance of the Bonds by the Authority for the benefit of the Borrower, as required by Section 147(f) of the Code, Section 15.2-4906 of the Code of Virginia of 1950, as amended (the “Virginia Code”) to permit the Authority to assist in the financing of the Project. Each of the County Administrator and any Deputy County Administrator are hereby authorized to take such further actions and execute and deliver such other documents, instruments, or certificates as are not inconsistent with this resolution and may be necessary or appropriate to secure the Allocation and otherwise for the issuance of the Bonds by the Authority.

2. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Project or the Borrower.

3. The Bonds shall provide that neither the Commonwealth of Virginia nor the County nor the Authority shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto except from the revenues and monies pledged thereto and that neither the faith and credit nor the taxing power of the Commonwealth of Virginia nor the County or the Authority is pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto.

4. In adopting this resolution, the County, including its elected representatives, officers, employees and agents, shall not be liable for, and hereby disclaim all liability for, any damages to any person, direct or consequential, resulting from the Authority's failure to issue the Bonds for any reason.

5. This resolution shall take effect immediately upon its adoption.

On a motion by Mr. King, seconded by Mr. Rutherford, and passed unanimously by the following recorded votes, the EDA adopted the Jackson Village resolution as follows:

Ayes: 6      *Mr. Gaita, Mr. Pardue, Mr. Welsh, Mr. King, Mr. Miles, Mr. Rutherford*  
Nays: 0  
Absent: 1     *Mr. Hart*  
Abstain: 0

**RESOLUTION APPROVING THE ISSUANCE BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF SPOTSYLVANIA, VIRGINIA OF ITS REVENUE BONDS FOR THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE APPROXIMATELY 187-UNIT THE HEIGHTS AT JACKSON VILLAGE MULTIFAMILY HOUSING FACILITY LOCATED IN THE COUNTY OF SPOTSYLVANIA, VIRGINIA AND THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE APPROXIMATELY 198-UNIT THE HEIGHTS AT JACKSON VILLAGE II MULTIFAMILY HOUSING FACILITY LOCATED IN THE COUNTY OF SPOTSYLVANIA, VIRGINIA**

WHEREAS, the Economic Development Authority of the County of Spotsylvania, Virginia (the "Authority") is authorized to advertise and hold public hearings relative to the issuance of private activity bonds; and

WHEREAS, the Authority has considered the application of The Heights at Jackson Village, LP, a Virginia limited partnership ("The Heights"), requesting that the Authority issue up to \$39,200,000 of its revenue bonds ("The Heights Bonds") to assist The Heights in financing the acquisition, construction and equipping of a multifamily residential rental housing project to be known as The Heights at Jackson Village, consisting of two multi-story buildings containing approximately 187 residential units ("The Heights Project"), which The Heights Project may, but not necessarily will, include a swimming pool, clubhouse, woodshop, art studio, fitness center, on-site management, tenant storage and approximately 200 parking spaces, located on approximately 4.2 acres of land in the Lee Hill District of Spotsylvania County, Virginia, southeast of the intersection of Spotsylvania Parkway and U.S. Route 1 and other eligible expenses and has held a public hearing in connection therewith on October 18, 2019; and

WHEREAS, the Authority has considered the application of The Heights at Jackson Village II, LP, a Virginia limited partnership ("The Heights II"), requesting that the Authority issue up to

\$40,800,000 of its revenue bonds (“The Heights II Bonds,” and together with The Heights Bonds, the “Bonds”) to assist The Heights II in financing the acquisition, construction and equipping of a multifamily residential rental housing project to be known as The Heights at Jackson Village II, consisting of two multi-story buildings containing approximately 198 residential units, which The Heights II Project may, but not necessarily will, include a library, business center, community room, on-site management, tenant storage and approximately 225 parking spaces, located on approximately 4.2 acres of land in the Lee Hill District of Spotsylvania County, Virginia, southeast of the intersection of Spotsylvania Parkway and U.S. Route 1 and other eligible expenses and has held a public hearing in connection therewith on October 18, 2019; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), provides that the applicable elected representatives of the governmental unit having jurisdiction over the issuer of private activity bonds must approve the issuance of such bonds;

WHEREAS, the Authority issues its bonds on behalf of the County of Spotsylvania, Virginia (the “County”); and

WHEREAS, the Authority, as the issuing governmental unit with respect to the Bonds, has no applicable elected representative, the County constitutes the next highest governmental unit with such a representative, and the members of the Board of Supervisors of the County (the “Board”) constitute the applicable elected representatives of the County; and

WHEREAS, the Authority has previously held public hearings regarding the Projects and adopted a resolution authorizing in principle the issuance of the Bonds; and

WHEREAS, the Authority has recommended that the Board approve the issuance of the Bonds; and

WHEREAS, a copy of the Authority’s resolution authorizing the issuance of the Bonds, subject to the terms to be agreed upon, a Fiscal Impact Statement complying with the requirements of Section 15.2-4907 of the Virginia Code, a certificate of publication of the public hearings, and a reasonably detailed summary of the statements made at the public hearings have been filed with the Board; and

WHEREAS, the Bonds, as exempt facility bonds issued under Section 142(d) of the Code will necessitate that the Authority, on behalf of the Borrower, apply for and secure allocations of private activity housing bond cap (the “Allocations”) for the Projects in order for interest on the Bonds to be exempt from the imposition of federal income tax.

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF SPOTSYLVANIA, VIRGINIA THAT:

1. The Board approves the issuance of the Bonds by the Authority for the benefit of The Heights and The Heights II, respectively, as required by Section 147(f) of the Code, Section 15.2-4906 of the Code of Virginia of 1950, as amended (the “Virginia Code”), to permit the Authority to assist in the financing of the Projects. Each of the County Administrator and any Deputy County Administrator are hereby authorized to take such further actions and execute and deliver such other documents, instruments, or certificates as are not inconsistent with this resolution and may be necessary or appropriate to secure the Allocations and otherwise for the issuance of the Bonds by the Authority.

2. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Projects or The Heights or The Heights II.

3. The Bonds shall provide that neither the Commonwealth of Virginia nor the County nor the Authority shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto except from the revenues and monies pledged thereto and that neither the faith and credit nor the taxing power of the Commonwealth of Virginia nor the County or the Authority is pledged to the payment of the principal of the Bonds or the interest thereon or other costs incident thereto.

4. In adopting this resolution, the County, including its elected representatives, officers, employees and agents, shall not be liable for, and hereby disclaim all liability for, any damages to any person, direct or consequential, resulting from the Authority's failure to issue the Bonds for any reason.

5. This resolution shall take effect immediately upon its adoption.

#### **Unfinished Business**

Mr. Gaita informed the EDA that a name would need to be chosen for the Back 40 Access Road. "Momentum Drive" had been placed on hold by County staff following the previous EDA meeting discussion relating to the name of the road. Mr. Pardue suggests approving "Momentum Drive" as the EDA's official recommendation, but to wait on finalizing the road name until a business has decided to locate there in case that business would like to name the road. Mr. King motioned to approve "Momentum Drive" as the official EDA recommendation for the name of the back 40 access road. The motion was seconded by Mr. Welsh, and passed by the following recorded votes:

Ayes: 6      Mr. Gaita, Mr. Pardue, Mr. Welsh, Mr. King, Mr. Miles, Mr. Rutherford  
Nays: 0  
Absent: 1      Mr. Hart  
Abstain: 0

Mr. Gaita and Mr. Pardue also encouraged the rest of the EDA members to review the draft Strategic Plan document that Mr. Pardue distributed at the previous meeting, and be ready to discuss it at the next EDA meeting.

#### **Closed Session**

*Mr. Pardue moved that the EDA convene in closed session pursuant to section 2.2.-3711(A)(3) of the Code of Virginia for discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, concerning the Back 40 property where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Economic Development Authority and under section 2.2-3711(A)(5) for discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the county. The motion was seconded by Mr. Rutherford and passed by the following recorded votes:*

Ayes: 6      Mr. Gaita, Mr. Pardue, Mr. Welsh, Mr. King, Mr. Miles, Mr. Rutherford  
Nays: 0  
Absent: 1      Mr. Hart  
Abstain: 0

*Economic Development Authority Special Meeting, October 18th, 2019 Minutes*

*Mr. King moved that the EDA certify by roll call vote that only the matter identified in the motion to convene in closed session and lawfully exempted under the Virginia Freedom of Information Act was heard, discussed, or considered. Mr. Pardue seconded the motion, which passed by the following recorded votes:*

*Ayes: 6      Mr. Gaita, Mr. Pardue, Mr. Welsh, Mr. King, Mr. Miles, Mr. Rutherford*  
*Nays: 0*  
*Absent: 1     Mr. Hart*  
*Abstain: 0*

**Adjournment**

The next EDA meeting will take place on Friday, November 22<sup>nd</sup> at 8:00 AM. On a motion by Mr. Welsh, seconded by Mr. King and carried unanimously, the meeting was adjourned.