

FREDERICKSBURG
ECONOMIC
DEVELOPMENT
AUTHORITY

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ECONOMIC DEVELOPMENT AUTHORITY MINUTES (EDA)

June 14, 2021

8:30 a.m. • EDA Regular Meeting
Executive Plaza, 601 Caroline St., Third Floor
(Recorded Go to Meeting)

The Economic Development Authority of the City of Fredericksburg, Virginia met in regular session on Monday, June 14, 2021 beginning late at 8:40 a.m. due to technical issues at the Executive Plaza, 601 Caroline St., Third Floor to include a recorded Go to Meeting.

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

ABSENT. None.

ALSO PRESENT. Fredericksburg Nationals: Seth Silber; Kaufman & Canoles: Eric Ballou; Kutak Rock LLC: George Scruggs, Jr.; The Riverlink Group: Elizabeth Povar; Alpha Digital: Amy Houston; Fredericksburg VA Main Street: Ann Glave; Peace in da Paint: Kentrale Washington; EDA Counsel: Blanton Massey; Department of Economic Development and Tourism: Bill Freehling, Director; Amy Peregoy, Economic Development Specialist; Danelle Rose, Tourism Services Manager.

DETERMINATION OF QUORUM. Mitzi Brown.

AGENDA. Chair Black moved New Business item a. after Public Comments.

MOTION by Suzy Stone, seconded by Lee Murray, the amended agenda was approved: Ayes (7); Nays (0).

PUBLIC COMMENTS. None.

NEW BUSINESS.

- a. Resolution approving the issuance of up to \$5,600,000 of additional bonds for SAJ Baseball, LLC to fund working capital for the baseball stadium project and to capitalize a portion of the interest on the additional bonds and on the Series 2019B Bonds previously issued by the Authority for the project, and approving documents necessary to effect the transaction, including amendments to the 2019 bond documents – Mr. Freehling yielded to Mr. Silber, Mr. Ballou and Mr. Scruggs. Mr. Ballou presented a synopsis of the previous year for the Fredericksburg Nationals, how the pandemic affected the season and the need for the additional bonds. Mr. Ballou reviewed how the bonds would be amended and reinstated. Mr. Silber gave an overview of the current season along with his appreciation to the EDA. Mr. Scruggs has reviewed and approved the bond documents on behalf of the EDA. There was a brief question and answer segment.

MOTION by Mitzi Brown, seconded by Suzy Stone the board approved Resolution 21-12 for the additional issuance of up to \$5,600,000 of bonds to be amended and reinstated for SAJ Baseball, LLC: Ayes (7); Nays (0).

Chair Black requested Mr. Silber report back to the EDA on how small businesses are utilized at the stadium.

ECONOMIC DEVELOPMENT AUTHORITIES IN VIRGINIA – Chair Black introduced Ms. Povar to the board. Ms. Povar presented information on Economic Development in Virginia to include: economic development responsibilities, creation of jobs, drawing new income, sustained economic prosperity, quality of life, economic development shift, traditional economic development, new model of economic development and partnerships. She completed her presentation with a discussion overview and the next steps for economic development. There was a brief question and answer segment. Chair Black thanked Ms. Povar for her time and presentation.

THE ALPHA MEDIA DIGITAL PROJECT – Chair Black introduced Ms. Rose, Ms. Glave and Ms. Houston to the board. Ms. Houston presented the final report to include: FXBG Fun in 2021 background, developing a customer base, mobile polygonning, step by step creation of a hyper-targeted audience base, device ID integration: social, campaign goals and objectives, branding, increased traffic and recognition lift, reporting, examples of exclusive offers, overall statistics, Google analytics and a mobile-to-social campaign lifetime report. Ms. Glave reported information captured from Downtown visits and shopping. Chair Black thanked Ms. Rose, Ms. Houston and Ms. Glave for their time and presentation.

PEACE IN DA PAINT SPONSORSHIP – Chair Black introduced Mr. Washington. Mr. Washington presented background on the event which has been held for 8 years at the Mayfield playground. He spoke of many things the event offered to the community to include: a basketball tournament, food, games, music, giveaways, face painting, arts and crafts, and a clothes station. He stated the event was free and would bring the community together safely due to the pandemic. In the past few years' businesses had participated but 2020 was a hard year for everyone. He would like to provide the attendees with services and information that would normally be out of their reach. The event will be held on July 31, 2021 from 10 a.m. – 4 p.m. The board requested a workforce development aspect be added to the event and requested a space to provide information on the InvestFXBG loan program. Ms. Brown, Ms. Richey and Mr. Mackintosh will assist Mr. Washington. Chair Black requested a partnership with Main Street for the event; Ms. Glave agreed. Mr. Waller requested an itemized budget and an event outline from Mr. Washington. Mr. Murray and Mr. Waller requested Ms. Peregoy introduce Mr. Washington to Susan Ball of the University of Mary Washington's Small Business Development Center to further the event. Chair Black thanked Mr. Washington for his time and presentation.

MOTION by Mitzi Brown, seconded by Suzy Stone the board approved to allocate \$5,000 to Mr. Washington for the Peace in da Paint event to include a workforce development aspect approved by the Workforce Development Committee and a partnership with Main Street after receipt of a budget: Ayes (7); Nays (0).

APPROVAL OF MINUTES.

MOTION by Suzy Stone, seconded by Chris Waller the minutes from the May 10, 2021 regular meeting and June 1, 2021 special e-meeting were approved: Ayes (7); Nays (0).

TREASURER'S REPORT. Mr. Murray presented account activity. The budget and financial statement are filed with the minutes.

Mr. Murray discussed the current interest rate at Atlantic Union Bank. He contacted Community Bank of the Chesapeake who offered a higher interest rate for one year and full FDIC coverage. He requested to close the EDA accounts at Atlantic Union Bank and transfer the EDA accounts to Community Bank of the Chesapeake. There was a brief discussion.

MOTION by Mitzi Brown, seconded by Lee Murray the board approved the EDA accounts be closed at Atlantic Union Bank and be transferred to the Community Bank of the Chesapeake: Ayes (7); Nays (0).

Mr. Murray and Ms. Perego will begin the transfer process between the banks.

Mr. Murray presented an overview of the draft budget for FY22 noting comparisons from FY21 and current line items to the board.

MOTION by Chris Waller, seconded by Will Mackintosh the board approved the FY22 budget as presented: Ayes (7); Nays (0).

OLD BUSINESS. **Jefferson Davis Highway Renaming Small Business Grant Program** – Mr. Mackintosh briefed the board on the highway name change. He met with Ms. Perego to review the business license list received from Lois Jacob. He stated there needs to be clarification on the small business grant program before the program begins. Mr. Mackintosh and Ms. Perego would like the businesses to have a current city business license, located directly on Jefferson Davis Highway within City limits, must be considered a small business or franchise, \$250 per business, compliant on taxes, fees, permits and the grant funds will be reimbursable upon paid receipts received from the businesses. A mass mailing will be created from the business license list to offer the grant program to the businesses on Jefferson Davis Highway in the City of Fredericksburg. There was a brief discussion.

MOTION by Will Mackintosh, seconded by Suzy Stone, the board approved the grant program requirements and eligibility as listed: businesses must have a current city business license, must be considered a small business or franchise, \$250 per business, compliant on taxes, fees, permits and the grant funds will be reimbursable upon paid receipts received from the business and \$100 for postage for mass mailing to businesses located on Jefferson Davis Highway within City limits: Ayes (7); Nays (0).

NEW BUSINESS - CONTINUED.

- b. *Property Visioning Discussion*** – Mr. Waller discussed the Roxbury Mills property owned by RACSB which will be placed on the market in one month. A possible mixed-use project on a very prominent corridor leading to Downtown has been discussed. The EDA has an opportunity to assist with the marketing of the property with a concept plan estimated to cost \$15,000 from Commonwealth Architects. The EDA will be part of the development and vision of the property along with City staff review. There was a discussion.

Mr. Murray excused himself from the meeting.

MOTION by Will Mackintosh, seconded by Chris Waller to authorize the Strategic Investment Committee to spend up to \$15,000 to assist RACSB with marketing and the EDA's vision of the Roxbury Mills property. Authorize the Strategic Investment Committee to move forward with conversations of development and investment of the parcel: Ayes (3); Nays (3); Absent from Vote (1-Murray). Motion fails.

The board discussed a possible Special Session.

- c. *Slate and Election of Officers*** – Chair Black spoke for Ms. Richey who was unable to speak due to a recent surgery. Chair Black presented the Slate of Officers: Will Mackintosh, Chair; Suzy Stone, Vice Chair; Lee Murray, Treasurer; Mitzi Brown, Secretary.

MOTION by Chris Waller, seconded by Mitzi Brown, the board approved and elected the Slate of Officers as presented: Ayes (6); Nays (0); Absent from Vote (1-Murray).

COMMITTEE REPORTS

- a. *Parking Improvement Committee*** – Mr. Mackintosh noted there was a discussion on keeping the 15-minute parking spaces in place until October. Ms. Stone stated Main Street completed a survey which there were mixed feelings from restaurants and retailers on relocating the parking spaces around Downtown.

- b. *Strategic Investments Committee* – Mr. Mackintosh announced the closing on the Technautics, LLC property had taken place. He thanked Mr. Freehling and Ms. Peregoy for their work.
- c. *Workforce Development Committee* – No update.
- d. *InvestFXBG Loan Committee* – No update. Haley’s Honey Meadery received their Special Use Permit.

Mr. Murray rejoined the meeting via Go to Meeting.

- e. *Chatham Bridge Rehabilitation Marketing Committee* – Ms. Brown will request an update from CTP Marketing.

Mr. Mackintosh excused himself from the meeting.


- f. *COVID Assistance Committee* – Mr. Freehling reported the US EDA representative stated the policies are being drafted and they were not ready for applications. Ms. Brown requested an update on City plans. Mr. Freehling will obtain more information for the July meeting.

STAFF REPORT. Mr. Freehling thanked Mr. Mackintosh for his kind words. Mr. Freehling will continue to work with Mr. Schwartz on marketing the remaining 6 acres. He thanked Mr. Waller, Mr. Mackintosh and Ms. Peregoy for their work. He reported on the Babe Ruth scholarship. Mr. Murray and he will continue to meet on how to structure the grant. He reminded the board of Thursday’s social event at Mr. Murray’s home.

CHAIR’S REPORT. None.

BOARD MEMBERS COMMENTS. None.

ADJOURNMENT. There being no further business to come before the Economic Development Authority at this time, Chair Black declared the meeting officially adjourned at 11:30 a.m.


Mitzi Brown, Secretary

RESOLUTION 21-12 APPROVING THE AMENDMENT AND RESTATEMENT OF CERTAIN DOCUMENTS RELATED TO REVENUE BONDS (FREDERICKSBURG STADIUM PROJECT), TAXABLE SERIES 2019B, ISSUED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF FREDERICKSBURG, VIRGINIA, AS A CONDUIT ISSUER ON BEHALF OF SAJ BASEBALL LLC AND ITS AFFILIATES, AND AUTHORIZING THE ISSUANCE OF REVENUE BONDS (FREDERICKSBURG STADIUM PROJECT), TAXABLE SERIES 2021A (STADIUM REVENUES) BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF FREDERICKSBURG, VIRGINIA, AS A CONDUIT ISSUER ON BEHALF OF SAJ BASEBALL LLC AND ITS AFFILIATES

WHEREAS, the Economic Development Authority of the City of Fredericksburg, Virginia (the “Authority”), upon the application of SAJ Baseball LLC, a Virginia limited liability company (the “Company”), and its affiliate, Potomac Baseball LLC (the “Baseball Club”), issued its \$15,180,000 Revenue Bonds (Fredericksburg Stadium Project), Taxable Series 2019A (City Use Revenues) (the “Series 2019A Bonds”), and \$24,670,000 Revenue Bonds (Fredericksburg Stadium Project), Taxable Series 2019B (Stadium Revenues) (the “Series 2019B Bonds,” and together with the Series 2019A Bonds, the “Bonds”), and loaned the proceeds of the Bonds to the Company to (a) finance the costs associated with the design, engineering, acquisition, development, construction and equipping of a multi-purpose minor league baseball stadium (the “Stadium”) with a seating capacity of approximately 5,000 and associated surface parking, together with related land and support facilities for the benefit of the Company and the Baseball Club, all located on a site adjoining Interstate-95 in the Celebrate South Virginia Development located in the City of Fredericksburg, Virginia (the “City”); (b) fund a deposit to the debt service reserve fund with respect to all or either series of the Bonds; (c) provide for funded interest on all or either series of the Bonds during construction and a period not exceeding one year after completion of construction, and (d) pay certain costs of issuance of the Bonds (collectively, the “Stadium Project”);

WHEREAS, the Authority issued the Series 2019B Bonds pursuant to a Series 2019B Indenture between the Authority and U.S. Bank National Association (the “Original Trustee”) (the “Series 2019B Indenture”), dated as of July 1, 2019, and loaned the proceeds of the Series 2019B Bonds to the Company pursuant to a Series 2019B Loan Agreement between the Authority and the Borrower (the “Series 2019B Loan Agreement”), dated as of July 1, 2019, under the terms of which the Company issued that certain Series 2019B Promissory Note dated July 18, 2019 to evidence the loan of the Series 2019B Bond proceeds (the “Series 2019B Note,” collectively with the Series 2019B Indenture and the Series 2019B Loan Agreement, the “Original 2019B Bond Documents”), and UMB Bank National Association (the “Successor Trustee”) has succeeded the Original Trustee and is the current trustee under the Series 2019 Indenture.

WHEREAS, the Authority has been duly created and is existing and operating as a political subdivision of the Commonwealth of Virginia under the Industrial Development and

Revenue Bond Act, Chapter 49, Title 15.2 of the Code of Virginia of 1950, as amended (the “Act”);

WHEREAS, in order to reflect the terms of a certain forbearance agreement with the holders of the Series 2019B Bonds, the Company has requested that the Authority approve the execution and delivery of amendments and restatements to the Original 2019B Bond Documents, and further requested that the Authority issue in an aggregate principal amount not to exceed \$5,600,000 of its Revenue Bonds (Fredericksburg Stadium Project), Taxable Series 2021A (Stadium Revenues) (the “Series 2021A Bonds”) for the purpose of funding (a) working capital for the Stadium Project for approximately 24 months, (b) capitalized interest on the Series 2019B Bonds through approximately March 1, 2022 and on the Series 2021A Bonds through approximately March 1, 2023, and (c) certain costs of issuance of the Series 2021A Bonds (collectively, the “2021 Stadium Financing”), all pursuant to the terms of the following documents (collectively, the “Bond Documents”), drafts of which have been presented at this meeting:

- (a) An Amended and Restated Series 2019B Indenture (the “Amended and Restated Indenture”) between the Authority and UMB Bank National Association, as successor trustee (the “Bond Trustee”), with respect to the Series 2019B Bonds;
- (b) An Amended and Restated Series 2019B and 2021A Loan Agreement (the “Amended and Restated Loan Agreement”), between the Authority and the Company, with respect to the Series 2019B Bonds and the Series 2021A Bonds, including forms of the promissory notes for the Series 2019B Bonds and the Series 2021A Bonds;
- (c) A First Supplemental Trust Indenture (the “First Supplemental Indenture”) between the Authority and the Bond Trustee, with respect to the Series 2021A Bonds, authorizing the issuance by the Authority of the Series 2021A Bonds and including the form of the Series 2021A Bonds as an exhibit thereto; and
- (d) A Placement Agreement (the “Placement Agreement”) among the Authority, the Company, and UBS Financial Services Inc. (the “Placement Agent”), for the placement of the Series 2021A Bonds to the current holders of the Series 2019B Bonds; and

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 amendment and restatement of the Original 2019B Bond Documents and the issuance of the Series 2021A Bonds and the loan of the proceeds thereof to the Company for the purposes described above will promote the health and welfare of the inhabitants of the City and the Commonwealth of Virginia (the “Commonwealth”), and otherwise serve the purposes of the Act.

2. The amendment and restatement of the Original 2019B Bond Documents and the issuance of the Series 2021A Bonds as described above is hereby approved. The 2021A Bonds shall be in the original aggregate principal amount not to exceed \$5,600,000, shall mature not later than September 1, 2026, shall bear interest at the interest rate not to exceed 7% per annum, and shall be payable and have such other terms as are set forth in the Amended and Restated Indenture and the First Supplemental Indenture.

3. The Bond Documents are hereby approved in substantially the forms submitted to this meeting, with such changes, insertions or omissions, subject to the provisions of Section 2 above, as may be acceptable to the Company and approved by the Chairman or Vice Chairman, either of whom may act, upon advice of counsel to the Authority, which approval shall be evidenced conclusively by the execution and delivery of such Bond Documents.

4. The execution and delivery of the Bond Documents in substantially the forms presented at this meeting, with such changes, insertions or omissions as may be approved in accordance with this Resolution, the execution and delivery of the Series 2021A Bonds upon payment therefor, the use of the proceeds of the Series 2021A Bonds as set forth in the First Supplemental Indenture, and the assignment to the Bond Trustee of certain rights of the Authority against the Company as described in the Bond Documents, are all hereby approved.

5. The Chairman or the Vice Chairman, either of whom may act, is authorized and directed to execute the Series 2021A Bonds by manual or facsimile signature, and the Secretary of the Authority or any Assistant Secretary, either of whom may act, is authorized and directed to have the seal of the Authority affixed or printed thereon and to attest such seal by manual or facsimile signature.

6. Each officer of the Authority, any of whom may act, is authorized to execute and deliver on behalf of the Authority such additional instruments, documents or certificates and to do and perform such further things and acts as they shall deem necessary or appropriate in carrying out the transactions authorized by this Resolution or contemplated by the Bond Documents, and all of such actions previously done or performed by the officers or directors of the Authority are in all respects approved, ratified and confirmed.

7. All costs and expenses in connection with the 2021 Stadium Financing, including but not limited to the fees and expenses of the Authority and the fees and expenses of Bond Counsel, counsel to the Authority, counsel to the Company, counsel to the Bond Trustee, and the fees and expenses of other experts, advisors or consultants retained by the Company or in respect of the 2021 Stadium Financing shall be paid promptly from the proceeds of the Series 2021A Bonds (to the extent permitted by law) or from funds provided by the Company or its affiliates. If for any reason the Series 2021A Bonds are not issued, it is understood that all such fees and expenses shall be paid promptly by the Company upon presentation of an invoice and that the Authority shall have no responsibility therefor. If the Series 2021A Bonds are issued, the Company shall also pay the Authority's annual administrative fee as required by the Bond Documents, such fee equaling 1/10 of 1% of the outstanding principal balance of the Series 2021A Bonds payable on each anniversary of the date of issuance of such Bonds.

8. The Series 2021A Bonds, and each series thereof, shall be limited obligations of the Authority payable solely from the revenues and receipts derived by the Authority from the Company and the Baseball Club. The principal and purchase price of, premium, if any, and interest on the Series 2021A Bonds shall not be deemed to constitute a debt or a pledge of the faith or credit of the Commonwealth or any political subdivision thereof, including the Authority and the City. Neither the Commonwealth nor any political subdivision thereof, including the Authority and the City, shall be obligated to pay the principal or purchase price of, premium, if any, or interest on the Series 2021A Bonds or other costs incident thereto except from revenues and receipts derived by the Authority from the Company and its affiliates identified above, and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof, including the City, will be pledged to the payment of principal of, premium, if any, or interest on the Series 2021A Bonds or other costs incident thereto. The Authority has no taxing power. No covenant, condition or agreement contained in the Series 2021A Bonds or in any financing instrument executed and delivered in connection therewith shall be deemed to be a covenant, agreement or obligation of any past, present or future director, officer, employee or agent of the Authority in his or her individual capacity, and no officer of the Authority executing the Series 2021A Bonds or any other financing document or instrument shall be personally liable thereon or subject to any personal liability or accountability by reason of the issuance or execution thereof.

9. Neither the Authority nor the City has endorsed the creditworthiness of the Company, or its affiliates, or the ability of the Company, or its affiliates, to repay the Series 2021A Bonds.

10. All other acts of the officers and agents of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the 2021 Stadium Financing and the amendment and restatement of the Original 2019B Bond Documents and the issuance of the Series 2021A Bonds are hereby authorized, approved and ratified.

11. This Resolution shall take effect immediately upon its adoption.

The undersigned hereby certifies that the above Resolution was duly adopted by vote of a majority of the Directors of the Economic Development Authority of the City of Fredericksburg, Virginia at a meeting duly called and held on June 14, 2021, and that such Resolution is in full force and effect on the date hereof.

Dated: 7/12/2021, 2021



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