



**MEMORANDUM**

*Willie D. Frabky*

**TO:** Timothy J. Baroody, City Manager  
**FROM:** Bill Freehling, Economic Development and Tourism Director  
**DATE:** April 21, 2022, for the April 26, 2022, Council meeting  
**RE:** Regional Industrial Facilities Authority Ordinance

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**ISSUE**

Shall City Council adopt an ordinance creating the Rappahannock Regional Industrial Facilities Authority (RIFA) on second reading?

**RECOMMENDATION**

City Council should approve the attached ordinance on second reading to enter into the RIFA. Council approved it on first reading November 23, 2021. Since then, Stafford and King George counties have also been discussing entering into this Authority. At this time, only King George is prepared to go forward with Fredericksburg. The name of the entity has also been changed from the Fredericksburg Regional Industrial Facilities Authority to the Rappahannock Regional Industrial Facilities Authority. Finally, King George County has requested some clarifications to the proposed agreement and bylaws, which the City Attorney supports.

**DISCUSSION**

City Council recognizes that providing a mechanism for localities in the region to cooperate on economic development projects and facilities is needed and desired. A RIFA is designed to enhance the economic base for its member localities by developing, owning and operating one or more facilities on a cooperative basis. The collaborative and collective action through a RIFA by the City of Fredericksburg and King George could facilitate the development of needed facilities within the region. King George's Board of Supervisors is scheduled to take this up on second reading May 17.

Other area localities could later join the RIFA with a majority vote of the members of the RIFA board. The RIFA board would have two members from each member locality, and each locality could appoint up to two alternate board members. Board members would serve four-year terms.

By entering into the RIFA, Council would establish the framework for future participation agreements on individual projects with member localities. Creating the RIFA itself does not require the City of Fredericksburg to ever enter into a participation agreement.

**FISCAL IMPACT**

Impacts would be nominal unless the City enters into a participation agreement. This simply establishes the framework of the RIFA.

**Attachments:** RIFA Ordinance, RIFA Agreement, RIFA Bylaws



April 26, 2022  
Regular Meeting  
Ordinance No. 21-\_\_,  
*amended*

**MOTION:**

**SECOND:**

**RE:            **Creating a Regional Industrial Facilities Authority****

**ACTION:       **APPROVED: Ayes: 0; Nays: 0****

**FIRST READ: \_\_\_\_\_                    **SECOND READ: \_\_\_\_\_****

**Sec. I.            **Introduction.****

City Council recognizes that providing a mechanism for localities in the region to cooperate in the development of economic development projects and facilities is needed and desired in the Region (as defined below).

City Council acknowledges that the purpose of a regional industrial facility authority is to enhance the economic base for its member localities by developing, owning and operating one or more facilities on a cooperative basis involving its member localities.

City Council finds that economic growth and development of the City of Fredericksburg, Virginia, and the comfort, convenience and welfare of the citizens of the City require the development of facilities, and that the collaborative and collective action through a regional industrial facility authority by the City of Fredericksburg, the County of King George, and the County of Stafford will facilitate the development of the needed facilities within the region that comprises said geographic areas (the "Region").

**Sec. II.            **Creation of Regional Industrial Facilities Authority****

Now therefore, BE IT ORDAINED by the Council of the City of Fredericksburg, Virginia, that:

1.       The name of the Regional Industrial Facility Authority shall be the "~~Fredericksburg~~ *Rappahannock* Regional Industrial Facilities Authority" (the "Authority").

2. The initial member localities shall be the City of Fredericksburg, the County of King George, and the County of Stafford (each, a “Member Locality” and collectively, the “Member Localities”). Each Member Locality’s participation shall become effective on the date their respective governing body enacts an ordinance substantially similar to this ordinance authorizing the creation of the Authority. *However, if one of the Member Localities does not pass an ordinance substantially similar to this ordinance, then this ordinance shall be deemed to automatically remove that Member Locality without further action or vote of the City Council.*

At any time subsequent to the creation of the Authority, the membership of the Authority may, with the approval of the majority vote of the members of the Authority Board (as hereinafter defined and as more fully described in the Bylaws of the Authority), be expanded to include any locality within the region that would have been eligible to be an initial member. The governing body of a locality seeking to become a member shall evidence its intent to become a member by adopting an ordinance substantially similar to this ordinance (and otherwise in conformance with Section 15.2-6402 of the Act). The admission of such member shall be completed upon the Authority Board approving the admission, after being presented with the requisite ordinance adopted by such locality.

3. The Authority shall be governed by an initial board (the “Authority Board”) consisting of two board members from each Member Locality. Authority Board members shall be appointed by their respective Member Locality’s governing body.

Each governing body of each Member Locality may appoint up to two alternate Authority Board members. Alternates shall be appointed for terms that coincide with one or more of the Authority Board members from the Member Locality that appoints the alternate. If either Authority Board member for a Member Locality is not present at a meeting of the Authority, an alternate shall have all the voting and other rights of the Board member not present and shall be counted for purpose of determining a quorum and all other purposes of that meeting.

In the event that additional Member Localities shall enact an ordinance to join the Authority and are admitted upon the Authority Board approving the admission, the number of members of the Authority Board shall be increased by two members for each additional Member Locality, with Authority Board members to be appointed in accordance with the criteria set forth above for initial Authority Board Members and alternates.

Each member of the Authority board shall take an oath of office. Each member of the Authority Board shall serve for a term of four years and may be reappointed for as many terms as the governing body from said Authority Board member's Member Locality desires.

4. The Authority Board shall have such authority and exercise such powers as are permitted by the Code of Virginia, the Agreement Creating Authority (as defined below), and in the Bylaws of the Authority Board (a draft copy of which is attached hereto and which shall be approved by the Authority in substantially the same form as said draft).

5. The Authority Board shall elect from its membership a Chair, Vice Chair, Treasurer and Secretary for each calendar year. The Authority Board may also appoint an Executive Director and staff who shall discharge such functions as may be directed by the Authority Board. The Executive Director and staff may be paid from funds received by the Authority.

6. This City Council authorizes approval, by appropriate execution by the designated representative of the City, an agreement (the "Agreement Creating Authority") among the Member Localities whereby the Authority shall be established and further whereby the respective rights and obligations of the Member Localities with respect to the Authority, in accordance with the provisions of the Act, shall be set forth (a draft copy of which is attached hereto and which shall be approved by the Authority in substantially the same form as said draft). The Agreement Creating Authority shall (i) establish the terms for participation in the Authority by Member Localities and (ii) further describe the participation agreements (the "Participation Agreements") that the Authority may enter into with one or more Member Localities by which any facilities allowed by the Act may be constructed and developed. This authorization includes, but is not limited to, authority for this City Council to approve, by ordinance, Participation Agreements by which Authority projects shall be constructed and developed and which may be funded from this City Council's commitment of loans or grants and in the event that a facility will be located within the City, future tax revenue derived from the Authority's project facilities located within the City, pursuant to Section 15.2-6406 of the Act.

7. If and to the extent one or more of the Member Localities named herein does not pass an ordinance substantially similar to this ordinance, this ordinance shall be deemed to

automatically remove said Member Locality without further action or vote of this City Council; it being the intent of this ordinance that it shall be adopted with any number and composition of the Member Localities named herein so long as said ordinance, and the Authority created herein, shall be in compliance with all applicable statutes.

**Sec. III. Effective date.**

This ordinance shall take effect immediately.

**Votes:**

**Ayes:**

**Nays:**

**Absent from Vote:**

**Absent from Meeting:**

Approved as to form:

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Kathleen Dooley, City Attorney

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***Clerk's Certificate***

*I, the undersigned, certify that I am Clerk of Council of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Ordinance No. 21- duly adopted at a meeting of the City Council meeting held Date, 2021 at which a quorum was present and voted.*

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***Tonya B. Lacey, MMC***  
***Clerk of Council***

**AGREEMENT CREATING THE ~~RAPPAHANNOCK~~FREDERICKSBURG  
REGIONAL INDUSTRIAL FACILITIES AUTHORITY**

RECITALS

A. The Virginia Regional Industrial Facilities Act, Chapter 64, Title 15.2, Section 15.2-6400. et seq., Code of Virginia, 1950, as amended (the “**Act**”) was enacted by the General Assembly of the Commonwealth of Virginia to provide a regional authority mechanism for member localities of such an authority to cooperate in developing, owning, and operating one or more facilities through combined action; and

B. The exercise of the power granted by the Act is to be in all aspects for the benefit of the inhabitants of the geographic region included within the Member Localities, as defined below (the “**Region**”) for the increase of their commerce, and for the promotion of their safety, health, welfare, convenience and prosperity; and

C. The governing bodies of the Member Localities (as defined below) have determined that joint action through a regional industrial facility authority will facilitate the development of needed and desired facilities in the Region; and

D. Pursuant to the Act, the governing bodies of the ~~City of Fredericksburg, and the County of King George~~ (each, a “**Member Locality**” and collectively, the “**Member Localities**”) by adoption of concurrent ordinances, have proposed to create the Fredericksburg Regional Industrial Facilities Authority (the “**Authority**”) for the purpose of enhancing the economic base for the Member Localities by developing, owning, and operating one or more facilities on a cooperative basis involving its Member Localities, which concurrent ordinances will be filed with the Secretary of the Commonwealth causing the creation of the Authority; and

E. The Member Localities have agreed to enter into this Agreement Creating the ~~Fredericksburg-Rappahannock~~ Regional Industrial Facilities Authority (this “**Agreement**”) establishing and describing the respective rights and obligations of the Member Localities with respect to the Authority.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises of the parties and other good and valuable consideration herein stated, the Member Localities hereto agree as follows.

ARTICLE 1

NAME AND OFFICE

The name of the authority shall be the "~~Fredericksburg-Rappahannock~~ **Regional Industrial Facilities Authority**" (the "Authority"), and the address of its initial office is c/o Fredericksburg Regional Alliance, Inc., 1125 Jefferson Davis Highway, Suite 240, Fredericksburg, Virginia 22401.

ARTICLE 2  
PARTIES TO THE ~~FREDERICKSBURG~~RAPPAHANNOCK  
REGIONAL INDUSTRIAL FACILITIES AUTHORITY AGREEMENT

2.1. The initial Member Localities of the Authority are (subject to adoption of ordinances approving membership within thirty days of April 26, 2022, or such lesser number of members so adopting ordinances):

City of Fredericksburg  
County of King George

2.2. At any time subsequent to the creation of this Authority, the membership of the Authority may, with the approval of the Authority Board, be expanded to include any locality within the Region that would have been eligible to be an initial member. The governing body of a locality seeking to become a member shall evidence its intent to become a member by adopting an ordinance proposing to join the Authority that conforms to the requirements established by Section 15.2-6402 of the Code of Virginia. The admission of such additional member shall be completed upon majority vote of the Authority Board approving the admission, after presented with the requisite ordinance adopted by such locality, which then shall be a Member Locality for all purposes, and with all rights, under this Agreement and the Bylaws (as defined below).

ARTICLE 3  
FINDINGS AND PURPOSE OF THE AUTHORITY; POWERS OF THE AUTHORITY

The Member Localities agree that this Authority has been established for the following purpose and function.

3.1. The Member Localities agree that the creation of the Authority provides a mechanism for the Member Localities to cooperate in the development, owning, or operating of facilities needed and desired in the Region.

3.2. The exercise of the powers granted by the Act shall be in all aspects for the benefit of the inhabitants of the Region for the increase of their commerce, and for the promotion of their safety, health, welfare, convenience and prosperity. Special emphasis shall be placed on directing these benefits to the inhabitants of the Member Localities,

while recognizing the regional benefit of the Member Localities' economic development projects.

3.3. The Authority shall be nonprofit and no part of its earnings remaining after payment of its expenses and fulfillment of commitments in furtherance of the Authority's purposes shall inure to the benefit of any individual, firm or corporation, and if the Authority is dissolved in accordance with the provisions of the Act, the title to all funds and other property owned by the Authority shall vest in the Member Localities which have contributed to the Authority in proportion to their respective contributions as provided by the Act. In order to benefit from the dissolution, the Member Locality must be in good standing with this Agreement, the Authority's Bylaws and other documents describing the Member Localities' obligations to the Authority.

3.4. The Act provides the Member Localities with powers by which the Member Localities may interact as one body or as individual participating groups consisting of more than one Member Locality of the Authority which the members believe will give each local government an opportunity to establish successful partnerships for the development of economic projects which will serve the region.

3.5. The governing body of each Member Locality has found that the economic growth and development of the localities, and the comfort, convenience and welfare of the citizens of the Member Localities require the development of facilities and that joint action through the Authority will facilitate the development of such facilities.

3.6. The Authority is vested with the powers of a body corporate, including the power to sue and be sued in its own name, plead and be impleaded, and adopt and use a common seal and alter the same as may be deemed expedient. In addition to the powers set forth elsewhere in the Act, the Authority is vested with all of the powers set forth in Va. Code §15.2-6405.

#### ARTICLE 4 BOARD OF THE AUTHORITY

4.1. All powers, rights and duties conferred by the Act, or other provisions of law, upon the Authority shall be exercised by a Board of Directors, each of whom shall be a resident of the Commonwealth of Virginia (the "**Board**"). The Board shall consist of two board

members from each Member Locality appointed by the governing body of each Member Locality pursuant to Section 15.2-6403 (A) of the Act. Each Board member shall serve for a term of four years and may be reappointed for as many terms as the Member Locality's governing body desires. If a vacancy occurs by reason of death, disqualification or resignation, the governing body of the Member Locality that appointed the Authority Board member shall appoint a successor to fill the unexpired term.

4.2. The governing body of each Member Locality may appoint up to two alternate Board members. An alternate may serve as an alternate for either Board member from the Member Locality that appoints the alternate. Alternates shall be appointed for terms that coincide with one or more of the Board members from the Member Locality that appoints the alternate. If either Board member for a Member Locality is not present at a meeting of the Authority, an alternate shall have all the voting and other rights of the Board member not present and shall be counted for purpose of determining a quorum and all other purposes at that meeting.

4.3. Each member and alternate member of the Board shall, before entering upon the discharge of the duties of office, take and subscribe to the oath prescribed in Va. Code §49-1.

4.4 The Board shall elect from its membership, for each calendar year, a Chair, Vice Chair, Treasurer, and Secretary.

4.5. Appointments, officers, Board meetings and procedures shall be held and conducted in accordance with the Act, this Agreement, and with the Bylaws of this Authority, attached hereto as Exhibit A and fully incorporated into this Agreement (the "**Bylaws**").

4.6. The Board shall submit an annual report of the Authority's activities of the preceding year to the governing bodies of the Member Localities, including a complete operating and financial statement.

4.7. The Board may establish dues or other annual financial fees for the operation of the Authority and its approved purposes ("**Operational Dues**") to be paid by the Member Localities. Such Operational Dues shall be approved by all Member Localities, by appropriate resolutions or ordinances. Such Operational Dues may be separate from amounts due in accordance with Participation Agreements (as defined in Article 5 below). Member Localities

who agree to a Participation Agreement in accordance with Articles 5 below may agree to have Operational Dues assessed pro rata by the Board against a Project (as defined in Section 5.2 below), or split among the various Projects as determined by the Board.

4.7 No Board member shall receive compensation, but shall be reimbursed for actual expenses incurred in the performance of his or her duties from funds available to the Authority.

## ARTICLE 5 PARTICIPATION AGREEMENTS FOR FACILITIES

5.1. The Authority may enter into participation agreements with one or more Member Localities by which any facilities allowed by the Act may be constructed, developed and operated in the Region (“**Participation Agreement(s)**”). Such Participation Agreements may include participation by public and private entities who are not Member Localities of the Authority (“**Other Participants**”) and the activities covered by such a Participation Agreement shall be defined herein as a “Project”. The Authority, and the Board (to the extent applicable) shall not have the authority or right to vote on any Project level decision among the Member Localities who elect to participate in a Project.

5.2. Each Member Locality may consider its terms in the participation in each proposed economic development ~~project (a “Project”)~~. The cost for such Participation Agreements and any remuneration from the creation of a Participation Agreement shall only be shared by the Member Localities and Other Participants in accordance with the Participation Agreement for that ~~Project~~. Any individual Member Locality may, at its discretion and as allowed by law, choose to enter into, or not enter into, any particular Project. Any Member Locality not entering into a Participation Agreement for a Project (i) shall have no monetary obligation or other duty or responsibility in relation to that Project, and (ii) its Member Locality status and participation in other Projects shall not be modified by any decision not to participate in any particular Project. A Project’s Participation Agreement shall include a provision to cover the costs associated with administration of the agreement as part of the Project costs.

5.3 The Authority may from time to time finance a Project pursuant to a Participation Agreement through the issuance of notes and bonds by the Authority (“**Bonds**”). Such Bonds shall be limited obligations of the Authority to be paid solely from revenues

and receipts of that particular Project and from revenues that may be received pursuant to any Participation Agreement or other agreement related to the Project being financed, and may be secured by collateral encumbered or pledged in support of the financing (“**Project-Based Financing**”). Project-Based Financing is approved and consented to by the governing bodies of the applicable Member Localities.

ARTICLE 6  
DONATIONS; REMITTANCE OF TAX REVENUE;  
REVENUE SHARING AGREEMENTS

6.1 Member Localities, ~~including (without limitation) by~~ may directly, or through a Member Locality’s Economic Development Authority, ~~are hereby authorized to~~ lend, or donate money or other property to the Authority for any of its purposes. The Member Locality, including (without limitation) by or through a Member Locality’s Economic Development Authority, making a grant or loan may restrict the use of such grants or loans to a specific facility owned by the Authority within or outside of that Member Locality.

6.2 The governing body of the Member Locality in which a facility owned by the Authority is located may direct, by resolution or ordinance, that all tax revenues collected with respect to the facility shall be remitted to the Authority. Such revenues may be used for the payment of debt service on bonds of the Authority and other obligations of the Authority incurred with respect to such facility. The action of such governing body shall not constitute a pledge of the credit or taxing power of such Member Locality.

6.3 Notwithstanding the requirements of Chapter 34 of Title 15.2 of the Code of Virginia (Section 15.2-3400 et seq.), the Member Localities may agree to a revenue and economic growth sharing arrangement with respect to tax revenues and other income and revenues generated by any properties owned, controlled or managed by the Authority. The obligations of the parties to any such agreement shall not be construed to be debt within the meaning of Article VII, Section 10, of the Constitution of Virginia. Any such agreement shall be approved by a majority vote of the governing bodies of the Member Localities reaching such an agreement, but shall not require any other approval.

ARTICLE 7  
BOND ISSUES

The Authority may, including by request of Project participants, at any time issue bonds for any valid purpose, including the establishment of reserves and the payment of interest only in accordance with the Act. Any such bonds issued pursuant to the Act shall comply with all terms and conditions identified in Sections 15.2-6409, 15.2-6410, 15.2-6411, and 15.2-6412 of the Code of Virginia, as amended.

ARTICLE 8  
ACCOUNTS AND RECORDS

The accounts and records of the Authority showing the receipt and disbursement of funds from whatever source derived shall be in such form as the Auditor of Public Accounts prescribes, provided that such accounts correspond as nearly as possible to the accounts and records for such matters maintained by corporate enterprises. The accounts and records of the Authority shall be subject to audit pursuant to Section 30-140 of the Code of Virginia and the costs of such audit services shall be borne by the Authority. The Authority's fiscal year shall be the same as the Commonwealth's.

ARTICLE 9  
MEMBER LOCALITIES APPROVALS

The Authority may request action or approvals by the governing bodies of the Member Localities for any appropriate matters or actions in accordance with the Act. The Authority shall not act without approvals of the governing bodies of the Member Localities for any of the following:

- (i) Participation Agreements for individual Projects in accordance with Article 5 of this Agreement;
- (ii) tax revenue remittances in accordance with Section 15.2-6406.B of the Act;
- (iii) revenue sharing agreements in accordance with Section 15.2-6407 of the Act and Article 6 of this Agreement;

- (iv) Operational Dues in accordance with Article 4, Section 6-7 of this Agreement;
- (v) Any modification of the Board provisions in Article 4, Sections 1 and 2 of this Agreement; and
- (vi) Any other requirement or limitation as may be imposed by the Act, as may be amended.

Any Member Locality which does not elect to participate in a Project (in accordance with Article 5) shall not have any right or authority to vote on or interfere with any Project level decision.

#### ARTICLE 10 DISSOLUTION OF AUTHORITY

10.1. Any Member Locality of the Authority may withdraw from the Authority (i) upon dissolution of the Authority as set forth herein, or (ii) with majority approval of all other Member Localities of the Authority, upon a resolution adopted by the governing body of such Member Locality and after satisfaction of such Member Locality's legal obligations, including repayment of its portion of any debt incurred with regard to the Authority, or after making contractual provisions for the repayment of its portion of any debt incurred with regard to the Authority, as well as pledging to pay any Operational Dues for the Authority for the current and succeeding fiscal year following the effective date of withdrawal.

No Member Locality seeking withdrawal shall retain, without the consent of a majority of the remaining Member Localities, any rights to contributions made by such Member Locality, to any property held by the Authority or to any revenue sharing as allowed by the Act.

Upon withdrawal, the withdrawing Member Locality also shall return to the Authority any dues or other contributions refunded to such Member Locality during its membership in the Authority.

10.2. Whenever the Board determines that the purpose for which the Authority was created has been substantially fulfilled or is impractical or impossible to accomplish and that all obligations incurred by the Authority have been paid or that cash or sufficient amount of approved securities has been deposited for their repayment, or provisions satisfactory for the timely payment of all its outstanding obligations have been arranged, the Board may adopt resolutions declaring and finding that the Authority shall be dissolved.

Appropriate attested copies of such resolutions shall be delivered to the Governor so that legislation dissolving the Authority may be introduced in the General Assembly. The dissolution of the Authority shall become effective according to the terms of such legislation. The title to all funds and other property owned by the Authority at the time of such dissolution shall vest (i) in the Member Localities which have contributed to the Authority in proportion to their respective contributions, (ii) as stated in the Authority's dissolution resolution(s), or (iii) as otherwise mutually agreed upon by the Member Localities.

#### ARTICLE 11 MISCELLANEOUS

This Agreement may be amended or altered, from time to time, in any manner not inconsistent with the provisions of the Act and other applicable law. This Agreement shall be amended or altered only by an amendment, resolution or other approval of all of the governing bodies of the Member Localities. No such amendment shall reduce the rights, or modify the obligations of a Member Locality, for any previously approved Participation Agreement. All amendments shall be in writing and shall be signed by the Authority Chairman and Secretary after approval in accordance with this Agreement and the Bylaws. The Authority shall provide a copy of any amendment to each Member Locality not later than ten (10) days after final approval of all Member Localities.

The title of and article headings in this Agreement are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

If any clause, provision or section of this Agreement shall be held illegal or invalid by

any court, the illegality or invalidity of such clause, provision or section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement. If any agreement or obligation contained in this Agreement is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the parties hereto only to the extent permitted by law. In the event that the General Assembly amends the Act in a manner that conflicts herewith, the provisions of this Agreement are hereby amended in conformity with such amendment of the Act.

*(Signatures on the following pages)*

IN WITNESS WHEREOF, the governing bodies identified, by authorized action, have caused this Agreement to be executed and their respective seals to be affixed hereto and attested by their respective clerks or secretaries commencing effective on the date when fully executed.

CITY OF FREDERICKSBURG

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Approved as to form:

By: \_\_\_\_\_

\_\_\_\_\_, City Attorney

IN WITNESS WHEREOF, the governing bodies identified, by authorized action, have caused this Agreement to be executed and their respective seals to be affixed hereto and attested by their respective clerks or secretaries commencing effective on the date when fully executed.

COUNTY OF KING GEORGE

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Approved as to form:

By: \_\_\_\_\_  
\_\_\_\_\_, County Attorney

**EXHIBIT A**

**BYLAWS**

**FREDERICKSBURG-RAPPAHANNOCK REGIONAL INDUSTRIAL FACILITIES AUTHORITY**

**BYLAWS**

**ARTICLE I**

**OBJECTIVES**

**Section 1**

These bylaws ("**Bylaws**") set forth the rules for the transaction of business by the Board of the Fredericksburg-Rappahannock Regional Industrial Facilities Authority, which operates under the authority of the laws of Virginia and the ordinances of its Member Localities.

The Authority was formed in accordance with the Virginia Regional Industrial Facilities Act, Chapter 64, Title 15.2, Section 15.2-6400 et seq., Code of Virginia, 1950, as amended (the "**Act**"). The initial Member Localities have entered into that certain Agreement Creating the Fredericksburg-Rappahannock Industrial Facilities Authority, as the same may be amended from time to time (the "**RIFA Agreement**").

**ARTICLE II**

**BOARD**

**Section 1**

The Authority shall be governed by a board as prescribed in Section 15.2-6403 of the Act and provided in the RIFA Agreement (the "**Board**"). The Board shall consist of such number of Board members as provided in the RIFA Agreement. Board members and alternate Board members

shall be appointed and shall serve for such terms as provided in the RIFA Agreement. The chair (the “**Chair**”), vice chair (“**Vice Chair**”), treasurer (“**Treasurer**”) and secretary (“**Secretary**”) of the Board shall be ~~appointed as provided~~ elected by the board from its Membership at the first regular Board meeting held in the RIFA Agreement each calendar year. The office of Treasurer and Secretary may be held by the same person and may be held by staff or contractors of the Authority or any of its individual Member Localities.

## Section 2

A. The Chair of the Board shall conduct the meetings of the Board, execute documents on behalf of the Board, function as the chief executive officer of the Authority, and execute such duties as the Board may delegate to the Chair by resolution.

B. The Vice Chair of the Board shall serve in the place and stead of the Chair when he or she is unable or unwilling to serve in such capacity.

C. The Secretary shall have the responsibility for preparing and maintaining custody of minutes of the Board’s meetings, for maintaining the records, and for authenticating records of the Authority. The Secretary shall also perform such other duties as may be assigned from time to time by the Board.

D. The Treasurer shall keep or cause to be kept complete and accurate books of account. Whenever required by the Board, the Treasurer shall render a financial statement showing all transactions of the Authority and the financial condition of the Authority. The Treasurer shall also perform such other duties as may be assigned from time to time by the Board.

## Section 3

The Board may appoint an executive director (“**Executive Director**”) and such other staff who shall discharge such functions as may be directed by the Board. The Executive Director and any staff members shall be paid from funds received by the Authority.

## Section 4

Each member of the Board shall, before entering upon the discharge of the duties of his

or her office, take and subscribe to the oath prescribed in Section 49-1 of the Code of Virginia, 1950, as amended. Each member of the Board is an “officer” under the State and Local Government Conflict of Interests Act (Va. Code § 2.2-3100 et seq.) (“**COIA**”).

### Section 5

Members of the Board shall be reimbursed for actual expenses incurred in the performance of their duties from funds available to the Authority. No Board member shall receive compensation.

### Section 6

6.1 The regular meetings of the Board shall occur not less than once every six months on such dates and at such places and hours as may be agreed upon by the members of the Board. The Board may agree to modify the frequency, dates, schedule or other details for regular meetings by a regular vote of the Board in accordance with these Bylaws. All meetings of the Authority and its committees shall comply with the Virginia Freedom of Information Act (Title 2.2, Chapter 37 of the Code of Virginia, 1950, as amended); and the Board and its committees may hold closed sessions as permitted therein.

6.2 A quorum for the transaction of business at any meeting of the Board shall exist when a majority of the Member Localities are represented by at least one member of the Board. Except as otherwise provided in these Bylaws, the affirmative vote of a quorum of the Board shall be necessary for any action taken by the Board. No vacancy in the membership of the Board shall impair the right of a quorum to exercise all the rights and perform all of the duties of the Board.

6.3 The affirmative vote of members of the Board representing two-thirds of the total number of members of the Board, but including no less than one member of the Board representing each Member Locality in the event of an odd number of Member Localities (a “**Supermajority**”) shall be required for the following actions of the Board:

- (i) sale or transfer ~~of all or substantially all~~ of the Authority assets exceeding \$50,000 except as provided in 6.3(v);
- (ii) causing or permitting the Authority to incur any indebtedness for borrowed

money in excess of \$50,000 over the term of such borrowing (taking in to account any permitted renewals or extensions thereof), except pursuant to a budget that has been approved by a Supermajority;

- (iii) causing or permitting the Authority to make any loan, capital expenditure, call or other contribution with respect to any security, asset, venture or investment project or item held or engaged in by the Authority, or any series of related loans, expenditures, calls or other contributions, except pursuant to a budget that has been approved by a Supermajority;
- (iv) causing or permitting the Authority to enter into any contract or agreement with a term in excess of one year, other than in the ordinary course of business, or involving payments by or to the Authority in excess of \$50,000 over the term of such contract or agreement (taking in to account any permitted renewals or extensions thereof), except pursuant to a budget that has been approved by a Supermajority;
- (v) making any distributions of Authority cash or other property, except as specifically provided in the RIFA Agreement, these Bylaws or any Participation Agreement; and
- (vi) issuance of any Bonds by the Authority.

6.4 Any two or more Board members representing two or more Member Localities may call a special meeting of the Board. Any such request for a special meeting shall be in writing, and the request shall specify the time and place of the meeting and the matters to be considered at the meeting. It shall be the duty of the Board members calling the special meeting to provide reasonable, actual notice of the meeting to each member of the Board. Public notice, reasonable under the circumstance, of the special meeting shall be given contemporaneously with the notice provided to the members of the Board. No matter not specified in the notice shall be considered at such special meeting unless all the members of the Board are present. Special meetings may be adjourned or continued, with further public notice, from day to day or from time to time or from place to place, not beyond the time fixed for the next regular meeting, until the business before the Board is completed.

#### Section 7

The Authority's fiscal year shall be the same as the fiscal year of the Commonwealth of Virginia. The Board, within one hundred twenty (120) days following the close of the fiscal year, shall submit an annual report of the Authority's activities of the preceding year to the governing body of each Member Locality. Each such report shall set forth a complete operating and financial statement covering the operation of the Authority during such year. The Authority's books and records shall be kept in such form as the Auditor of Public Accounts prescribes, but otherwise shall correspond as nearly as possible to accounts and records maintained by corporate enterprises, all subject to and in accordance with Section 15.2-6413 of the Act.

**ARTICLE III**  
**OFFICE OF AUTHORITY; TITLE TO PROPERTY**

The Board shall maintain the principal office of the Authority within a Member Locality. All records shall be kept at such office. The title to all property of every kind belonging to the Authority shall be titled to the Authority, which shall hold it for the benefit of the Member Localities.

**ARTICLE IV**  
**AMENDMENT OF BYLAWS**

These Bylaws may be altered, amended or repealed only by an amendment, ~~resolutions, or ordinance~~ approved by the affirmative vote of members of the Board ~~representing two-thirds of the total number of the Board~~ in accordance with Section 6.3. No such amendment shall be inconsistent with the Act, the RIFA Agreement, or other applicable law, nor shall any such amendment reduce the rights, or modify the obligations of a Member Locality, for any previously approved Participation Agreement (as defined in the RIFA Agreement).

Adopted as of \_\_\_\_\_, 202\_\_  
for the Authority

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chair

Attest:

\_\_\_\_\_  
, Secretary