

Front Royal-Warren County Regular Meeting Minutes, 24 Oct 2025

Warren County Government Center: Caucus Room, 220 N. Commerce Ave, Front Royal, VA
September 12, 2025

1. Call to Order – 8:16 AM. The meeting was called to order by Chairman MacDougall on a motion by Mr. Townshend and seconded by Mr. Fox. Meeting was delayed approximately fifteen minutes in order to facilitate the remote attendance of counsel Rodney Young.

A. Roll Call. Mr. MacDougall - present. Mr. Cullers – Present; Mr. Townshend – Present; Mr. McDermott – Absent; Mr. Fox – Present. Guests present in the room were Mr. Joe Petty, Front Royal town manager, and Mr. Curt Tran from IT Federal.

2. Adoption of Agenda – Additions and Deletions. 8:17 AM. On a motion by Mr. Townshend seconded by Mr. Fox and the following vote, the Agenda was adopted. Mr. MacDougall – Aye; Mr. Cullers – Aye; Mr. Townshend – Aye; Mr. Fox – Aye.

3. Approval of Minutes. 8:19 AM. The Minutes from the previous meeting (September, 2025) were distributed. On a motion by Mr. Townshend seconded by Mr. Cullers and the following vote, the Minutes were approved. Mr. MacDougall – Aye; Mr. Cullers – Aye; Mr. Townshend – Aye; Mr. Fox – Aye.

4. Reports. 8:20 AM

A. Executive Committee. 8:20 AM. Mr. Fox recommended amending section 3 of the agreement with Shenandoah Community Capital Fund (SCCF) to allow the EDA Board to approve loans in the absence of a small business loan committee. Mr. Hall, from SCCF, joined the September meeting virtually and will administer the loan programs on behalf of the EDA. Other changes were recommended by counsel Rodney Young on specific language for clarification before any MOUs or loans are finalized. SCCF will maintain records and the EDA will link to them via the EDA website.

B. Asset Committee. 8:30 AM. Chairman MacDougall had a conversation with Mr. Chris Gullickson of the Virginia Inland Port regarding possible collaboration with EDA. Mr. MacDougall sat on a panel last week with the economic directors of both Frederick and Shenandoah Counties.

i. A proposal has been submitted to the Warren County Board of Supervisors by Dr. Miles Friedman on a permanent economic development director position. The proposal is currently tabled in order to coordinate with the Town of Front Royal.

ii. Financial Update – 8:41 AM. Treasurer Dave McDermott absent. Chairman MacDougall will get report and share with the members.

iii. October 31, 2025 closing of sale of 53.37 acres on Baugh Drive to Executive Land Holdings IV, LLC – 8:42 AM. Chmn MacDougall negotiated a favorable price with Executive Land Holdings (Equus) and between FB&T and United Banks at \$3.465M.

iv. Rivermont Acres contracts of sale. 8:53 AM. Counsel Young will draft a standardized amendment document for Prospective buyers regarding all EPA requirements and other notification requirements.

v. Second Forbearance Agreement with First Bank & Trust (FB&T) requires assignment to FB&T of Deed of Trust Note in the original principal sum of \$2,000,000.00 made by ITFederal, LLC and given to the EDA (the “ITF Note”) and the Deed of Trust which secures the ITF Note. 9:03 AM. Resolution and related documents provided by counsel. Banks continuing to forbear under conditions being met by EDA, including EDA assigning the Deed of Trust and the ITF Note to FB&T.

C. Board Member Updates. 9:05 AM. Questions regarding leasing/use of truck lot on the Avtex property, and re-leasing office space in the Kendrick Lane buildings. Tabled for later discussion after consultation with counsel.

Silent Falcon UAS working out of the local airport with drones. James Fox will reach out to them on what they do, why Warren Cty, and how funded/suppliers. Bruce Townshend found various programs available via federal govt that are difficult to access absent a full-time county Economic Director.

James Fox update on website and email migration. He is working with County IT. New emails for all EDA members are set up under the newly created frwceda.com domain. He is also working with county to transfer current emails within the next week or so. Mr. Fox will assist board members to set up with temporary password. With our own Office 365 we also have our own Sharepoint, so we should establish folders with relevant documents (Minutes, Proposals, Working Documents, etc).

5. Closed Session. 9:20 AM – 10:10 AM. On a motion by Mr. Townshend, seconded by Mr. Fox and the following vote, the EDA moved into closed session to discuss the matters below. MacDougall – Aye; Cullers – Aye; Fox – Aye; Townshend – Aye.

A. United Bank Litigation and Related Collection Efforts

B. Lewisburg Way LLC Litigation/Appeal

Motion to convene in closed session pursuant to Virginia Code section 2.2-3711 (A)(7) to consult with legal counsel regarding actual litigation where such consultation in open session would adversely affect the EDA's litigation or negotiating posture

6. Action Items. 10:12 AM. The Board approved the following motions by the votes indicated:

- A. Subject to revision of the terms as advised by EDA legal counsel, the Board approved (1) a Memorandum of Understanding with Shenandoah Community Capital Fund, establishing a small business loan fund of \$330,000; and (2) a Memorandum of Understanding with Shenandoah Community Capital Fund, establishing a small business loan fund of \$220,000. On a motion by Mr. Fox, seconded by Mr. MacDougall and the following vote the motion was approved. MacDougall – Aye; Townshend – Aye; Fox – Aye; Cullers – Aye.
- B. The Board approved and agreed to a Non-Binding Term Sheet dated June 16, 2025, and as revised October 23, 2025, which sets forth terms and conditions to be negotiated and included in a partial settlement agreement between the EDA, the Town of Front Royal, First Bank & Trust. On a motion by Mr. Fox, seconded by Mr. Townshend and the following vote the motion was approved. MacDougall – Aye; Townshend – Aye; Fox – Aye; Cullers – Aye.
- C. The Board approved the October 24, 2025 Resolution of the Board of Directors Approving the Seventh Amendment to the Purchase Contract with Executive Land Holdings IV, LLC for the Sale of 53 .3 7 Acres on Baugh Drive, Front Royal, Virginia. On a motion by Mr. Fox, seconded by Mr. Cullers and the following vote the motion was approved. MacDougall – Aye; Townshend – Aye; Fox – Aye; Cullers – Aye.
- D. The Board approved the October 24, 2025 Resolution of the Board of Directors Authorizing the Assignment to First Bank & Trust of the Deed of Trust Note Made by ITFederal, LLC and Given to the EDA (the "ITF Note") and the Deed of Trust Securing the ITF Note. On a motion by Mr. Fox, seconded by Mr. Townshend and the following vote the motion was approved. MacDougall – Aye; Townshend – Aye; Fox – Aye; Cullers – Aye.
- E. The Board approved the retention of the law firm of Sands Anderson to represent the EDA in connection with the appeal filed by Lewisburg Way, LLC from the judgment entered in favor of the EDA in the matter styled Lewisburg Way, LLC v. Industrial Development Authority of the Town of Front Royal and the County of Warren, Virginia, and the Board authorized the Board Chair and Board Secretary to execute a retainer agreement regarding such representation. On a motion by Mr. Fox, seconded by Mr. Cullers and the following vote the motion was approved. MacDougall – Aye; Townshend – Aye; Fox – Aye; Cullers – Aye.

7. New Business – 10:20 AM. Mr. Cullers offered that his daughter recently began working for CCAP and they are a huge help to the community, using current EDA property.

8. Adjournment. On a motion by Mr. Townshend seconded by Mr. Cullers and the following vote the board adjourned at 10:21 AM. Mac Dougall – Aye; Cullers – Aye; Fox – Aye; Townshend – Aye.