



CITY OF FAIRFAX ECONOMIC DEVELOPMENT AUTHORITY  
MEETING MINUTES

Wednesday, September 27<sup>th</sup>, 2023 3:00 pm  
In Person at Economic Development Offices

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10300 Eaton Place, Small Conference Room, VA 22030

**Commissioners Present:**

Chair Beth Young  
Treasurer Dawn McGruder  
Secretary Tom Ross  
Commissioner Fred Cornett  
Commissioner Mitchell Cho  
Commissioner Jeffrey Hermann

**Others Present:**

Christopher Bruno, *Executive Director*, Economic Development Office  
Nicole Toulouse, *Senior Vice President*, Economic Development Office  
Matthew Easley, *Vice President*, Economic Development Office  
Joey Peppersack, *EDA Associate*, Economic Development Office  
Kyle Laux, *Senior Vice President*, Davenport & Company  
Chris Kulp, *Partner*, Hunton Andrews Kurth LLP

1. Call to order
  - a. Special Meeting called to order at 3:00pm. *Chair Young*
  
2. Adoption of September Special Meeting Agenda [VOTE] *Chair Young*
  - a. Motion to adopt the meeting agenda motioned by Secretary Ross.
  - b. Seconded by Treasurer McGruder.
  - c. Passes unanimously.
  
3. Informational Meeting Regarding Proposed 2023 Public Facility Revenue Bonds via the City of Fairfax – Presented by the City’s Financial Advisors Davenport & Company. *Kyle Laux & Chris Kulp*
  - a. Kyle Laux begins informational discussion regarding upcoming action meeting.
    1. States that everything done in conjunction with JC Martinez and Christopher Bruno is to maintain Fairfax City’s AAA credit rating.
    2. States that \$130 million will be borrowed within the next 5 years purposely in increments or (tranche’s).
    3. The first \$24 million is the financing in question currently being worked through.
    4. All towards projects that have been vetted and approved by city council.
  - b. Secretary Ross asks if the first \$24 million is all borrowed.

1. Kyle Laux states that in the aggregate amount of \$220 million, \$130 million will be borrowed and the difference will be cash flow/stimulus.
- c. Commissioner Cornett asks if expenditures for projects have been identified.
1. Kyle Laux confirms that expenditures have been identified.
  2. Kyle Laux states that borrowing in these amounts is normal for well-run cities such as the City of Fairfax and is typically used for long-term assets that benefit people for periods of 20-30 years.
- d. Motion to approve of electronic participation for Jeffrey Hermann  
**[VOTE]**
1. Moved by Tom Ross
  2. Seconded by Commissioner Cornett
  3. Passes Unanimously at 3:11pm
  4. Presentation by Davenport & Company continues
- e. Kyle Laux informs timeline of action to move forward with first tranche of financing.
- f. Kyle Laux raises issue of current interest rates and reaffirms that the interest rates are still favorable and in-line with historical expectations.
- g. Kyle Laux introduces Chris Kulp to inform commissioners of the legal mechanics of public facility revenue bonds.
1. Chris Kulp reaffirms that this financing structure has been used by the Fairfax EDA in the past, most recently in 2020, and by many other EDA's in the surrounding area.
  2. City of Fairfax has prepared an appendix full of demographic and financial information available to bond holders to inform what type of security they are buying.
  3. Chris Kulp informs commissioners what documents they will be voting to approve at the following action meeting.
- h. Secretary Ross asks why the city cannot do this function directly.
1. Chris Kulp answers that the city under its charter has a limited ability to issue debt without going to referendum. In other localities utilizing an EDA is to ensure access to market can happen quickly.
- i. Commissioner Cornett asks for clarification on the maturity of the bonds.
1. Chris Kulp states the bonds mature in 20 years.

- j. Kyle Laux states that the city still has to go through city council processes.
  - 1. CEO Bruno affirms that this process is highly normal among other localities.
- k. Chair Young asks for clarification regarding the amount of \$102 million outstanding existing debt profile.
  - 1. Kyle Laux explains that a city is a perpetual entity that constantly needs to do improvements. Within the next 15 years, existing debt is paid off.
- l. Treasurer McGruder asks if the city will come back to the EDA for the tranches after the initial, and why the last few tranches have a maturity of 25 years instead of 20.
  - 1. Kyle Laux states that this correct and that the current five-year plan may have very minor changes.
  - 2. Kyle Laux states that the reason for the difference between 25- and 20-year maturity of the tranches is the nature of the projects being completed.
- 4. Consideration of a Resolution in Support of Increasing the Small Purchase / Sole Source Limit for Purchases Made by the EDA. **[VOTE]**
  - a. Vice President Easley reviews the occurrence of last meeting where this resolution was tabled due to concerns raised by commissioners.
    - i. Secretary Ross asks how often the EDA issues contracts over \$25,000.
      - a. Executive Director Bruno states that this does not happen often, but it does happen.
      - b. Senior Vice President Toulouse raises an example of an instance in which this has happened, most notably with “Town-Gown” contractors.
      - c. Vice President Easley mentions that most economic development authorities have a procurement limit of over \$100,000.
    - ii. Treasurer McGruder asks for clarification regarding the EDA policy of bringing any purchase of \$10,000 or more to the EDA commission for a recommendation.
    - iii. Executive Director states that even if the EDA does not formally bring this forward to the commission, it is often common practice that it will be emailed out to commissioners to ensure there is consensus.
  - b. Commissioner Cornett asks if the process is cumbersome when the EDA has to go out and bid for something over \$25,000.
    - i. Vice President Easley states that it depends on the type of contract that they are going for.
    - ii. Executive Director Bruno states that it can take months if not years.
    - iii. Senior Vice President Toulouse raises an example of the website taking a large amount of time due to this.
  - c. Treasurer McGruder motions to vote on resolution.
    - i. Commissioner Hermann seconds.
      - a. Chair Young votes aye.

*Vice President Easley*

- b. Treasurer McGruder votes aye.
- c. Commissioner Cornett votes aye.
- d. Commissioner Hermann votes aye.
- e. Commissioner Cho votes aye.
- f. Vice Chair Paley is absent.
- g. Secretary Ross votes nay.
- h. Motion passes 5-1.

5. Consideration of a Resolution in support of Reducing Paper Consumption for EDA Meetings. **[VOTE]**

*CEO Bruno*

- a. Executive Director Bruno states that Secretary Ross and other EDA Commissioners have expressed interest in the EDA reducing paper consumption.
- b. Secretary Ross provides a brief explanation for the reasoning of reducing paper usage citing that meeting packets are thrown away regardless of importance. Clarifies that this only applies to commissioner packets and that physical public packets will still be provided.
- c. Executive Director Bruno adds that outside speakers will begin to be enforced to send their materials to the EDA the Friday prior to an EDA meeting to ensure commissioners will have time to view the electronic files on Monday morning.
- d. Chair Young calls for a movement to adopt the resolution.
  - i. Secretary Ross motions.
  - ii. Commissioner Cho seconds.
  - iii. Resolution passes unanimously.

6. Public Comment

*Public*

- 1. There is no public comment.

7. Adjourn

*Chair Young*

- 1. Meeting adjourns at 3:45pm.

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**\*\*\*Next Special Meeting: Wednesday September 27, 2023\*\*\***

**3pm, 10300 Eaton Place Small Conference Room Fairfax, Virginia 22030**

**\*\*\*Next Meeting: Wednesday October 11, 2023\*\*\***

**4pm, 10300 Eaton Place, Conference Room B, Fairfax Virginia 22030**

**Subject to Change. Please Check [fairfaxcityconnected.com](http://fairfaxcityconnected.com) for more information.**