



TOWN COUNCIL WORK SESSION
Monday, June 14, 2021 @ 7:00pm
Town Hall Conference Room

1. CLOSED MEETING – Personnel
2. Rail to Trail Presentation and Resolution to Support the Acquisition and Conversion of Out-of-Service Railroad Right-of-Way to a Trail for Alternative Transportation and Recreation – *Donald Hindman (Virtual)*
3. Proposed Policy and Procedures to Hold Special Events on Town Property - *Alisa*
4. Continued Discussion on Ordinance Amendment to Remove Credit Card Fees (12-3) - *BJ*
5. Update on the Former Town Hall Building - *Doug*
6. Upcoming Legalization of Marijuana (Cannabis) - *Doug*
7. Proposed Ordinance Pertaining to Medical Freedom in the Town of Front Royal – *Councilman Lloyd*
8. Open Discussion
9. CLOSED – Personnel



Work Session Agenda Statement

Item # 1

Meeting Date: June 14, 2021

CLOSED MEETING

Motion to Go Into Closed Meeting

I move Town Council go into Closed Meeting pursuant to Section 2.2-3711, of the Code of Virginia for the following purposes:

- (A) The purpose of assignment, appointment, promotion, performance, demotion, salaries, discipling or resignation of specific public officers, appointees, or employees of a public body, under subsection A. 1

Motion to Certify Closed Meeting at its Conclusion *[At the conclusion of the Closed Meeting, immediately re-convene in open meeting and take a roll call vote on the following:]*

I move that Council certify that to the best of each member's knowledge, as recognized by each Council member's affirmative vote, that only such public business matters lawfully exempted from Open Meeting requirements under the Virginia Freedom of Information Act as were identified in the motion by which the Closed Meeting was convened were heard, discussed or considered in the Closed Meeting by Council, and that the vote of each individual member of Council be taken by roll call and recorded and included in the minutes of the meeting of Town Council.



Work Session Agenda Statement

Item # 2

Meeting Date: June 14, 2021

Agenda Item: Rail to Trail Presentation and Resolution to Support the Acquisition and Conversion of Out-of-Service Railroad Right-of-Way to a Trail Alternative Transportation and Recreation

Summary: Don Hindman, Project Director of the Shenandoah Rail Trail Exploratory Partnership, will give Council a VIRTUAL slide show presentation on "Rail to Trail". There will be a Q & A period after the presentation as well as a proposal for a resolution of support for Council to consider for approval at their June 28th regular meeting.

Budget/Funding: N/A

Staff Recommendation: Council takes desired action.

GRASSROOTS RAIL-TO-TRAIL PROJECT: A RECIPE



Shenandoah Valley Rail Trail
Broadway to Front Royal
Don Hindman, Project Manager
shenandoahrailtrail.org



WHAT WE HAVE





Begin with Laughter

SHENANDOAH VALLEY RAIL TRAIL EXPLORATORY
PARTNERSHIP





Add Several Pounds of Scenery



Sprinkle in a Few Friends

SHENANDOAH VALLEY RAIL TRAIL EXPLORATORY
PARTNERSHIP





HORMONE MAGNET

SHENANDOAH VALLEY RAIL TRAIL EXPLORATORY
PARTNERSHIP



ROTTING INFRASTRUCTURE

NORTH STREET, WOODSTOCK



SHENANDOAH VALLEY RAIL TRAIL EXPLORATORY
PARTNERSHIP





Healthy Fun on Crush Stone Trail

SHENANDOAH VALLEY RAIL TRAIL EXPLORATORY
PARTNERSHIP





Transport with Fantastic Scenery

SHENANDOAH VALLEY RAIL TRAIL EXPLORATORY
PARTNERSHIP





Dine with Friends in High Places

SHENANDOAH VALLEY RAIL TRAIL EXPLORATORY
PARTNERSHIP





Add Lucky Spice

SHENANDOAH VALLEY RAIL TRAIL EXPLORATORY
PARTNERSHIP





A Dab of Mother's Secret Sauce

SHENANDOAH VALLEY RAIL TRAIL EXPLORATORY
PARTNERSHIP





And Wise Council

SHENANDOAH VALLEY RAIL TRAIL EXPLORATORY
PARTNERSHIP





This is What Public Health Looks Like!

**SHENANDOAH VALLEY RAIL TRAIL EXPLORATORY
PARTNERSHIP**





Dream BIG – Route 42 in Woodstock?

SHENANDOAH VALLEY RAIL TRAIL EXPLORATORY
PARTNERSHIP





Cook Low & Slow

SHENANDOAH VALLEY RAIL TRAIL EXPLORATORY
PARTNERSHIP



- 
- Get on Long Range Plans for Regional Commissions, Counties and Towns.
 - Summit February 2019: 80+ Invitations, 53 Community Leaders!
 - Economic Impact Study October 2019.
 - Partnership Formed November 2019.
 - “Maybe” July 2020.
 - * Feasibility Study October 2020.



Taste Often While Simmering

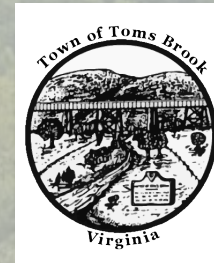
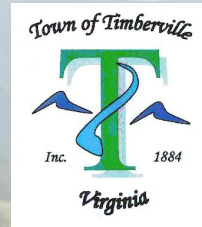
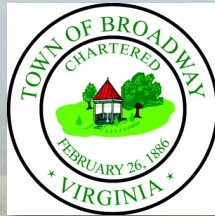
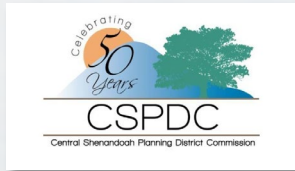




Celebrate & LAUGH AGAIN!

SHENANDOAH VALLEY RAIL TRAIL EXPLORATORY
PARTNERSHIP





SHENANDOAH VALLEY RAIL TRAIL EXPLORATORY
PARTNERSHIP



GRASSROOTS RAIL-TO-TRAIL PROJECT: A RECIPE



Don Hindman, Project Manager
540-325-6500
info@shenandoahrailtrail.org
shenandoahrailtrail.org



**A RESOLUTION TO SUPPORT THE ACQUISITION AND CONVERSION OF OUT-OF-SERVICE
RAILROAD RIGHT-OF-WAY TO A TRAIL FOR ALTERNATIVE TRANSPORTATION AND RECREATION**

WHEREAS 48 miles of the former Manassas Gap Railroad which lie between Riverton Junction, in Warren County, and the Town of Broadway, in Rockingham County, and passing through the Town of Front Royal, are in a state of disuse, all freight and passenger service having ceased; and,

WHEREAS the prospect of restoration of freight or passenger service along the aforementioned section of railroad is very unlikely; and,

WHEREAS the railroad, in its current state of disuse, is a blight on our community, and a danger to youth who may be tempted to trespass; and,

WHEREAS the railroad presents an opportunity to create a world-class trail providing bicycle, pedestrian and equestrian access to extraordinary landscape views and several important Civil War Battlefields; and,

WHEREAS such trail would catalyze tourism-related economic growth; and,

WHEREAS such trail would connect eleven communities including the Town of Front Royal in Warren County, offering the option of safe alternative transportation within and between these communities to a broad segment of the local population, for commuting to work and school, thereby improving the quality of life; and,

WHEREAS *[insert unique local trail benefits here]*; and,

WHEREAS an organization known as the Shenandoah Valley Rail Trail Exploratory Partnership, whose membership includes representation of each locality through which the trail would pass, has been formed to explore trail feasibility; and,

WHEREAS the 2020 Virginia General Assembly directed the state Department of Conservation and Recreation to study trail feasibility and deliver a report no later than November 1st, 2021; and,

NOW THEREFORE BE IT RESOLVED that the Mayor and the Town Council of the Town of Front Royal endorse and support the conversion of the aforementioned 48-mile discontinued railroad to a multiuse trail for alternative transportation and recreation; and join with the other trail localities in seeking the support of regional, state and federal agencies and the railroad's owner, Norfolk Southern Corporation, toward the goal of development of the trail.

APPROVED:

Chris W. Holloway Mayor

ATTEST:

Tina L. Presley, Clerk of Council

This Resolution was approved at the Regular Meeting of the Town of Front Royal, Virginia Town Council conducted on _____, 2021 upon the following recorded vote:

Lori A. Cockrell __Yes __No

Jacob L. Meza __Yes __No

Gary L. Gillispie __Yes __No

Letasha T. Thompson __Yes __No

E. Scott Lloyd __Yes __No

Joseph E. McFadden __Yes __No

Approved as to Form and Legality:

Douglas W. Napier, Town Attorney

Dated: _____

DRAFT



Work Session Agenda Statement

Item # 3

Meeting Date: June 14, 2021

Agenda Item: Proposed Policy and Procedures to Hold Special Events on Town Property

Summary: The change to remove the policies and procedures from Chapter 72 SPECIAL EVENTS is in response to a series of publicly held meetings for business owners, property owners and citizens sharing thoughts, concerns, and ideas related to approving a Special Events Permit over the timespan beginning in October 2019 through June 2021.

In accordance with Chapter 72 SPECIAL EVENTS, the policies and procedures attached are in draft form and Council is requested to review and provide comments and suggestions. All feedback shall be incorporated into the policies and procedures for final approval at the Town Council Regular Meeting on June 28th, 2021.

A series of both in-person and online informational meetings hosted by Staff to garner feedback from business owners, property owners, and citizens is scheduled for the week of the 14th – 28th, 2021. A Public Hearing to receive public concerns and comments will be held on June 28th before final approval of the Policy and Procedures.

Budget/Funding: N/A

Staff Recommendation: Council takes desired action to approve policy as written.

DRAFT

SPECIAL EVENTS PERMIT APPLICATION, POLICY AND PROCEDURES

A Special Events Permit allows the use of public property/space for events in the following three areas:

Downtown Area that includes *Main Street, Chester Street, Crescent Street, Peyton Street, Laura Virginia Hale, High Street, Kidd Lane, Water Street, Jackson Street and portions of Church Street and Blue Ridge Avenue, and the Town Commons Area Parking Lot*. This area also includes the **Town Commons Area** that includes the *Gazebo, Pavilion, Parking Lot, and Visitor Center*.

All Town RIGHT-OF-WAYS.

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APPLICATION

The Town of Front Royal has made available to civic organizations, public property/space for Community and Tourism Special Events. To reserve public property/space, submit a complete application in accordance with the below policies and procedures to the Town Manager's Office, or Manager's designee for review. Information on the application will be used to determine permit eligibility. **The event will not be considered until the entire application is complete.** All applicants will be notified when approved or denied.

The *CODE OF CONDUCT* shall be observed at all times.

SPECIAL EVENTS CATEGORIES

COMMUNITY – Events geared toward Front Royal/Warren County community attendance. Scores between 33 and 42 on Special Events Matrix. Applications accepted between twelve (12) months and thirty (30) days prior to event.

TOURISM – Events geared toward visitor attendance. Scores 43 and above on Special Events Matrix. Applications accepted between twelve (12) and six (6) months prior to event.

MUNICIPAL – Events can be hosted, co-hosted, or sponsored by the Town at any time. Applications accepted between twelve (12) months and thirty (30) days prior to event. Matrix criteria shall not apply.

Applications shall not be accepted for events geared toward an invite-only, private, or a select group of people.

SPECIAL EVENTS MATRIX CRITERIA

All applications will be reviewed by the Town Manager or Manager's designee on the basis of the following criteria to determine the appropriate event category and assist in the decision to approve the application. A score of 33 is required for permit approval. Events scoring between 33 and 42 are categorized as a Community Special Events, and events scoring 43 and above are categorized as a Tourism Special Event. Events scoring above 40 are eligible for discretionary Town support.

1. Purpose - Community & Destination Benefit
2. Demonstrated History of Event Success
3. Evidence of Partnership - multiple businesses participating.
4. Attendance Figures
5. Organizational Structure & Management Capability

6. Business Benefit – Direct Spending
7. Funding Capacity

SPECIAL EVENTS POLICIES AND PROCEDURES

The Town Manager or the Manager's designee may impose, as conditions to granting a permit, such further requirements and restrictions as will reasonably protect the health, safety, welfare, peace, and order to the participants, spectators, or general public.

All events shall have a public benefit and not unreasonably interfere with the normal use of property, right-of-way or facility by the Town or the general public. Community Special Events are limited to four (4) hours and Tourism Special Events are limited to twelve (12) hours within a twenty-four (24) hour period.

COMMUNITY SPECIAL EVENTS

Applications accepted between twelve (12) months and thirty (30) days prior to event from a *CIVIC ORGANIZATION*. Each civic organization is allowed to submit one Special Events Application per quarter each calendar year. Any permit granted under the provisions of this policy shall remain in effect for the duration of the proposed activity.

The applicant has provided a *CERTIFICATE OF LIABILITY INSURANCE* listing insured civic organization exactly matching Event Applicant, underwritten by insurers acceptable to the Town, indemnifying the Town against any perils, suits, claims and losses which may arise in connection with the proposed activity. Such coverage shall be based upon risks associated with the requested special event, in consideration of anticipated attendance and closure(s) of specific public property/space. The Certificate of Liability Insurance shall list the following directly on the certificate:

1. Event Name
2. Event Date
3. Event Location and any specific closures.
4. Town listed as "Additional Insured."

The payment of reasonable fees, subject to change each year, in connection with the proposed permit shall be as follows:

- a. Reservation Fee: \$250.00
- b. Resources Fee: Town shall pass along 50% of the labor and equipment cost to applicant. Fee shall be paid prior to application approval.
- c. Electricity with permit: \$50.00

- d. Water with permit: based upon usage at the current meter rate.

TOURISM SPECIAL EVENTS

In addition to the above Community Special Events terms, the following shall be applied to Tourism Special Events:

Applications accepted between twelve (12) and six (6) months prior to event.

A maximum amount of two (2) permits shall be allowed per month.

Permit limited to twelve (12) hours in any twenty-four (24) hour period from the first gathering of participants.

DEFINITIONS

CERTIFICATE OF LIABILITY INSURANCE (COI) – a document that verifies the existence of general liability insurance coverage and summarizes the key aspects and conditions of the policy.

CIVIC ORGANIZATION – a community-based company, club, committee, association, corporation, or other organization which is primarily established to further educational, charitable, religious, cultural, or local economic development purposes.

RIGHT-OF-WAY – an area over which a right-of-way exists, the strip of land over which is built a public road, the land occupied by a railroad especially for its main line, the land used by a public utility (as for a transmission line).

ATTACHMENTS

1. TOWN CODE CHAPTER 72 SPECIAL EVENTS
2. CODE OF CONDUCT
3. APPLICATION INSTRUCTIONS & GUIDELINES
4. MATRIX
5. AFTER ACTION REPORT

Historical Timeline of Special Events Policy & Procedures

Town Council Approval – June 28th, 2021 (Proposed)

Event Name:	Unacceptable	Less than Acceptable	Acceptable	Above Average	Much more than Acceptable
Event Applicant:	1	2	3	4	5
Event Criteria (Maximum 5 Possible Points Each)					
1. Purpose - Community Benefit					
2. Demonstrated History of Event Success					
3. Evidence of Partnership - multiple businesses participating					
4. Attendance Figures					
5. Organizational Structure & Management Capability					
6. Business Benefit - Direct Spending					
7. Funding Capacity					
8. Option					
9. Option					
10. Option					
Event Score: 0					

33 Minimum Permit Requirement

33 - 42 Community Special Event

40 Minimum Discretionary Town Support Requirement

43 - 50 Tourism Special Event

50 Maximum Possible Points



CODE OF CONDUCT

The following conduct is PROHIBITED

- Spitting; use of loud, abusive or profane language, or other disruptive behavior.
- Possession of alcohol unless specifically authorized by the Town of Front Royal and the Virginia ABC Board pursuant to special permit.
- Use of portable sound systems (except with earphones) unless specifically authorized by the Town of Front Royal pursuant to special permit.
- Camping anytime, or sleeping during the hours 10:00 p.m. to 6:00 a.m.
- Use of bicycles, skateboards, roller blades, or any other vehicles or mobility devices unless used to assist with a physical disability.
- Presence of children eleven (11) years of age and under unless accompanied by an adult eighteen (18) years of age or older.
- Any conduct which is illegal under local, state or federal law.

The Town of Front Royal and/or its agents reserve the right to require any person violating the "Code of Conduct" to immediately leave Town-owned property, and may notify such person not to enter upon the property for a period of one (1) year, under threat of prosecution pursuant to T.C. §154-1 To report non-criminal violations of this Code of Conduct, please contact the Town Manager, 540-635-8007. To report suspected criminal activity, please contact the Front Royal Police Department, 540-635-2111 or dial 911.

Chapter 72SPECIAL EVENTS HELD ON TOWN STREETS AND PUBLIC PROPERTY**72-1 PURPOSE OF CHAPTER****72-2 TOWN STREETS AND PUBLIC PROPERTY REQUESTED FOR USE****72-3 APPLICATION, POLICY AND PROCEDURES AND PERMIT****72-4 PERMIT EXCEPTIONS****72-5 PERMIT REVOCATIONS/SUSPENSION****72-6 PROVISIONS OF THIS CHAPTER****72-7 VIOLATIONS OF THIS CHAPTER****72-8 APPEALS**

Adopted by the Town Council of the Town of Front Royal 3-11-85 (*formerly adopted 11-26-73. Section 72-8 added at time of adoption of Code.* Amended 3-13-06, 8-27-07 AND 1-14-10. Entire Chapter was amended 1-23-12 (*formerly Entertainment Festival*).; Revised/Reorganized Content and Added Subsections 1-14-19. Amended in its entirety 6-1-21 to remove reference to policy and procedures. Other amendments noted where applicable.

72-1 PURPOSE OF CHAPTER

The purpose of this chapter is to accommodate competing demands for the public use of Town streets, and public property that are requested to be used for a special event. Policy and Procedures regulating these areas of demand is necessary to maintain public peace, safety, acceptable conditions of traffic flow and prevention of any illegal or unlawful activity.

72-2 TOWN STREETS AND PUBLIC PROPERTY REQUESTED FOR USE

Town streets and public property may be requested for public use in the following areas.

1. Downtown Area that includes Main Street, Chester Street, Crescent Street, Peyton Street, Laura Virginia Hale, High Street, Kidd Lane, Water Street, Jackson Street and portions of Church Street and Blue Ridge Avenue. This area also includes the Town Commons Area that includes the Gazebo, Pavilion, Parking Lot and Visitor Center.

2. All Other Areas that are not included in the Downtown Area mentioned in 72.2.1 but are Town Streets or a public place.

72-3 APPLICATION, POLICY AND PROCEDURES AND PERMIT

No special events shall be held on Town streets and public property without an authorized permit from the Town Manager or his designee. Policy and Procedures including the application shall be found in the Town Manager's Office or on the Town's website.

72-4 PERMIT EXCEPTIONS

This Chapter shall not apply to:

1. Gatherings or events on private property;
2. Gatherings or events on Warren County owned property located within the Town's corporate limits;
3. Gatherings or events on public or privately owned school property;
4. Activities the Town Manager or his designee deem acceptable as an exception.

72-5 PERMIT REVOCATIONS/SUSPENSION

The Town Manager or his designee shall be authorized to revoke or suspend any permit previously granted:

1. For violation of any provisions of this Chapter;
2. For any material misrepresentation, intentional or otherwise, made in connection with the application or the permit;
3. When weather conditions render the subject activity unsafe;
4. When otherwise required in the interest of public health, safety and welfare or environmental considerations.

72-6 PROVISIONS OF THIS CHAPTER

The Town Manager may designate one or more officers and/or employees of the Town to administer the provisions of this Chapter and be the final authority for all events held on Town streets and public property.

72-7 VIOLATIONS OF THIS CHAPTER

Any person who shall violate any provision of this Chapter shall be suspended from having any future events for one year from time of event or as the Town Manager or designee deems appropriate based on the violation.

72-8 APPEALS OF ANY DECISIONS

Appeals of any decisions made by the Town Manager or his designee must be made to the Town Council within thirty days of decision.

(Entire Chapter Amended 6-1-21-Effective Upon Passage)



Work Session Agenda Statement

Item # 4

Meeting Date: June 14, 2021

Agenda Item: Continued Discussion Removal of Credit Card Fees

Summary: Council requested to have continued discussion related to the removal of Credit Card Fees during the May 24th Council meeting.

Following this coversheet is researched provided by staff for Council's review.

If Council decides to proceed with permanent removal of the credit card fees the following ordinance amendment will be required to remove a portion of Town of Front Royal Municipal Code Chapter 12-3 Finance Fees and would require the Town to absorb approximately \$140,000 in expense associated with credit card fees for the FY21-22 Budget. (Note the \$140,000 is an estimate and is subject to change based upon items shown in the attached memo)

Town of Front Royal Municipal Code Section 12-3 would need to be amended as follows:

12-3 FINANCE FEES

A. FEE FOR RETURNED CHECK: If any check or other means of payment tendered to the Town in the course of its duties is not paid by the financial institution on which it is drawn, because of insufficient funds in the account of the drawer, no account is in the name of the drawer, or the account of the drawer is closed, and the check or other means of payment is returned to the Town unpaid, the amount thereof shall be charged to the person on whose account it was received, and his liability and that of his sureties shall be as if he had never offered any such payment. A penalty of \$35.00 or the amount of any costs, whichever is greater, shall be added to such amount, and said penalty shall be in addition to any other penalty provided by law.

~~*There is hereby added to any amount due to the Town a fee of 2.35% when payment of such amount is tendered by either credit card or debit card or any other means of payment by which the Town incurs a charge.*~~

Budget/Funding:

PROPOSED FY22 BUDGET AMENDMENT

GENERAL FUND

1000-3120101	General Fund Revenue Sales Tax	+\$43,780.00
1000-3510102	Transfer from Electric Fund to G/F	+\$59,300.00
1000-3510101	Transfer from Water Fund to G/F	+\$15,680.00
1000-3510107	Transfer from Sewer Fund to G/F	+\$18,080.00
1000-3510104	Transfer from Solid Waste Fund to G/F	+\$3,160.00
1215-43076	Finance Customer Service Credit Card Fees	+\$140,000.00

ELECTRIC FUND

9499-49004	Transfer to General Fund	+\$59,300.00
9499-49999	Reserve for Contingency	<\$59,300.00>

WATER FUND

9699-49004	Transfer to General Fund	+\$15,680.00
9699-49999	Reserve for Contingency	<\$15,680.00>

SEWER FUND

9899-49004	Transfer to General Fund	+\$18,080.00
9899-40005	Sewer Fund Interest on Debt Service	<\$18,080.00>

SOLID WASTE FUND

4203-49999	Transfer to General Fund	+\$3,160.00
4203-40005	Reserve for Contingency	<\$3,160.00>

Note: This ordinance amendment has been advertised for another public hearing on June 28th.

Staff Recommendation: As seen in the memo provided, charging or waiving credit card fees has many different aspects to take into account. Based on the pros & cons of the attached memo; staff recommends for Council to permanently remove credit card fees by approving the budget amendment & revision and amending Town Code.



TOWN OF FRONT ROYAL

DEPARTMENT OF FINANCE

102 E. MAIN STREET

P.O. BOX 1560

Front Royal, Va. 22630

B.J. Wilson
Director of Finance
bwilson@frontroyalva.com

(540) 635-7799
(540) 635-2298 fax

DATE: MARCH 10, 2021

TO: FRONT ROYAL MAYOR & TOWN COUNCIL

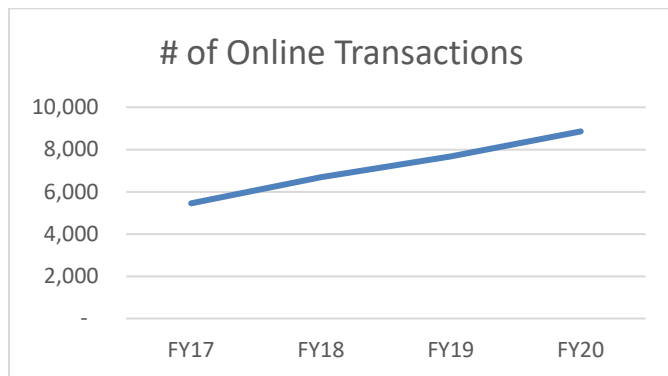
FROM: B. J. WILSON, DIRECTOR OF FINANCE

CC: STEVEN HICKS, TOWN MANAGER

RE: CREDIT CARD FEES

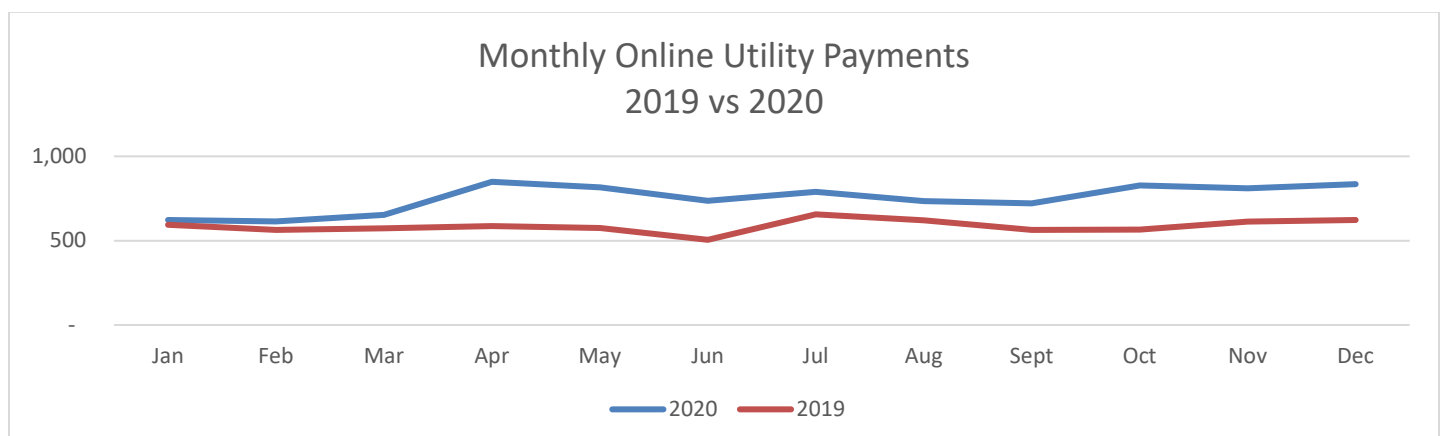
During the March 8th, 2021 work session, Council requested staff to research, provide information, and provide a recommendation regarding the removal of credit card fees charged to citizens for payment transactions. There are valid reasons for both removing and charging credit card fees; as well as many unknown variables that could have a material impact in the future. The information provided below should help provide a better understanding of historic values and potential impacts moving forward.

The amount of payments collected via credit card from the Town of Front Royal's website have increased year over year for the last three years on average of 17.6% and appears to be continuing into FY21.



	# of Online Transactions	% Increase
FY17	5,453	
FY18	6,690	22.7%
FY19	7,668	14.6%
FY20	8,857	15.5%

From March to April 2020, during the beginning impacts of COVID-19 the Town's online utility payments increase roughly 30%; from December 2019 to December 2021 online utility payments increased 34%.



Although the number of online credit card payments have increased, the number of credit card payments received in the Town Hall lobby and drive thru continue to be greater.

Jan-Dec 2020					
	<u># Credit Card Payments Online</u>	<u># Credit Card Payments from Lobby/Drive Thru</u>	<u># Total Credit Card Payments</u>	<u>Total # Receipts</u>	<u>% of Credit Card Payments of Total Receipts</u>
Utility Payments	10,972	11,377	22,349	86,338	26%
Tax Payments	1,024	1,277	2,301	66,917	3%

As seen above, roughly 26% of utility payments received are from a credit card transaction and only 3% of tax payments are received from a credit card transaction. Majority of tax payments are and most likely will continue to be paid by check. Mortgage companies pay real estate taxes by check and majority of businesses pay for business licenses by check.

Currently, the Town has 8,481 active utility accounts and \$30,814,005 represents utility sales for the FY22 Proposed Budget. If all utility account customers were to pay with a credit card and be charged a 2.35% credit card fee, plus a \$0.25 transaction fee; the Town would receive \$726,822.00 in credit card fees. Although this is an unrealistic scenario, this figure provides an idea of a worst case scenario for credit card fees related to utility payments.

The Town's expense for credit card fees for calendar year 2020 was \$103,433.46; if we anticipate a 30% increase as seen from Dec 2019 to Dec 2020 the credit card fees would equate to approximately \$135,000. If the Town were to continue with the same merchant service with current rates and anticipate an additional 30% increase in credit card users the expense would be approximately \$180,000. If the \$180,000 expense were able to be disbursed equally across the 8,481 active utility accounts; each account would be charged an additional \$1.77 per month; if broken down by service (electric, water, sewer, & garbage) the charge would be approximately \$0.44 per month for each service.

Pros of Waiving Credit Card Fees

1. Ability to procure merchant services at a lower rate, thus reducing the Town's credit card fees incurred.
 - a. Software vendors limit the merchant services that are able to interface with their software, finding a merchant that can interface with both the Town's tax and utility software as well as willing to pass along convenience fees without having multiple convenience fees/tiers or requiring users to pay convenience fee separately, severely limits competition.
2. The Town pays approximately \$12,000 annually for custom software to be able to accept online payments and charge the convenience fee; this custom could be eliminated, thus reducing expense by \$12,000.
3. Will make software conversion easier when Town upgrades utility billing & financial software; and potentially allow more options for vendors and online modules for our citizens.
4. May assist citizens that are unable to pay their monthly utility bill by regular cash/check payments
4. Convenience of paying online without fee
5. Perception from some citizens; even after staff provides explanation. Some citizens feel the charge is unfair because other businesses do not charge a fee
6. Common practice of electric utilities is to absorb credit card fee; closer to a standard process

Cons of Waiving Credit Card Fees

1. Expense would be absorbed by the Town thereby being passed on to all citizens/accounts
2. Expense will continue to increase year over year, as utility rates increase expense will increase

Unknown Variables

1. Potential increase in amount of payments received by credit card thereby increasing expense?
2. Potential reduction of bad debt/delinquent accounts?
3. Potential reduction of staff time due to less payments being mailed or in-person payments?
4. Several years ago, the Town was challenged on the charging of convenience fees; and temporarily stopped accepting certain credit card payments. At the time, a fairly major court case was on-going in New York which provided a ruling that convenience fees were allowed. The case was appealed and spanned over several years, at one point went to the Supreme Court which sent it back to Second Circuit Court; the outcome permitted the charging of convenience fees. Similar cases continue to be filed. Some states have banned the charging credit card fees.

OTHER SCENARIOS DISCUSSED

Waiving Credit Card Fees for Utility Payments and Charging Credit Card Fee on Taxes – Not Recommended

- A. Credit card fees for tax payments make up a small portion of credit card fees, currently around \$5,000.
- B. Explaining to citizens which transactions require credit card fees would be a bit confusing.
- C. Handling of Payment In Lieu Of Tax (P.I.L.O.T.) utility payments would need to be further researched because the intention of PILOT is to charge based upon if the business were to be taxed; so would a credit card fee be charged only on the PILOT and remaining utilities not receive a credit card fee?
- D. Town's ability to procure lower credit card fees would continue to be limited; or the Town would need to use two separate merchant services with multiple subsidiary accounts due to in-lobby payments & online payments for each.

Incentive for paying via cash or check – Not a viable solution

Providing an incentive for paying by cash or check is a violation of the bylaws for credit card companies; so the Town would lose all capabilities to process credit cards

Reduction of credit card fees – Not recommended, unless implementing for a long period

- A. Custom programs would need to be updated, causing additional expense and likely delay on implementation
- B. Many Town forms would need to be updated, involving multiple vendors
- C. Will not enable more competition for merchant services to obtain lower rates
- D. Would not be a significant savings to citizen



Work Session Agenda Form

Item # 5

DATE: June 14, 2021

AGENDA ITEM: Update on Former Town Hall Building

SUMMARY: In 2014, Town Council (the Town), the Warren County EDA (WEDA), and the Afton Inn, L.L.C. (Afton Inn) entered into two land exchange agreements contemporaneously. The Town chose the WEDA as its partner for these exchanges because, by law, EDAs have much more legal flexibility to invest in and deal in real estate transactions: EDAs are by their nature created by statute to be investment arms of local governments. In 2014, no one knew the WEDA would soon become a corrupt entity. In 2014, Afton Inn, LLC owned the Afton Inn building, and because of long standing enmity the owner of that company had toward the Town, the Afton Inn building had sat in a decrepit state beside the new Town Hall on Main Street, and the owner of the Afton Inn building had made it clear the Afton Inn building was going to remain in a decrepit state for the foreseeable future. The plan which the three parties agreed to in 2014 was that the (1) Town would deed the Old Town Hall to the WEDA; (2) the WEDA would exchange, in a tax free like-kind exchange, pursuant to Section 1031 of the Internal Revenue Code, the Old Town Hall for the Afton Inn Building, to Afton Inn LLC; (3) Afton Inn LLC would now own the Old Town Hall; (4) the WEDA would now own the Afton Inn building; and (5) the WEDA was to sell the Afton Inn building to a buyer who was to re-develop the Afton Inn building and turn it into an asset to Main Street and the Town in general.

As it turned out, the WEDA for years did nothing with the Afton Inn building, other than recently sell it to a third party, who to date has still done little except to shore up the building to keep it reasonably safe to passers-by.

The Old Town Hall is still owned by Afton Inn, LLC. In the Land Exchange Agreement, attached, the most relevant portions of the Agreement are that the Afton Inn LLC, subject to the attached "Restrictive Covenants", can use the Old Town Hall: 2. *"in any manner permitted by the Town's Zoning Ordinance or other applicable laws or regulations"*, with the following specific provisions:

- (a) *"The Town Hall shall be photographed contemporaneously with Closing, and copies given to Afton Inn, L.L.C. and the EDA. The exterior appearance of the Town Hall shall retain the stone face appearance, the white trim, the appearance and style of windows and doors, including the historic, multi-pane appearance thereof, that they had at the time of Closing (provided, however, that replacement windows and doors may be of currently manufactured material that maintains the aesthetic appearance of wood).*
- (b) *"Roofing material of the Town Hall shall be metal.*
- " (c) *No portion of the Town Hall or the building to the immediate west (rear) of the former Town Hall building itself (which will convey to Afton Inn, L.L.C. with the Town Hall itself) shall be demolished without the written consent of the Town Council.*
- "(d) The former Town Hall building itself and the building to the immediate west (rear) of the former Town Hall building itself shall at all times be kept and maintained in a good state of repair.*
- "(f) A metal plaque signifying the historical significance of Town Hall, approved in advance prior to its placement upon Town Hall by Town Council as to the plaque's appearance, informative content, and place of placement, which approval shall not unreasonably be withheld, shall be erected, at the expense of Afton Inn, L.L.C. within one (1) year of Afton Inn, L.L.C.'s acquisition of Town Hall, and permanently maintained on the exterior premises of Town Hall. Employees, officers, agents, and contractors of the Town shall have and retain the right in perpetuity to enter upon, go onto, and remain upon the exterior premises of the Town Hall Property from time to time, at reasonable times upon the giving of reasonable advance notice to the owner of the Town Hall, using reasonable care not to unreasonably damage the Town Hall Property, for the purpose of*

maintaining, repairing, or replacing the plaque, and to cut or remove any shrubbery, plant material or other items that may be obstructing the view of the plaque from ordinary observation from passersby from North Royal Avenue or from the sidewalk on the West side of North Royal Avenue, and without liability to the owner of the Town Hall property for the same and, further, without liability to the Town its employees, officers, agents, and contractors by the owner of the Town Hall property for the same.

“ (g) The Restrictive Covenants may be amended from time to time by written mutual agreement by the then owner of the Town Hall property and the Town Council.

5. DELIVERIES OF MATERIALS.

Promptly, but in no event later than five (5) days following the Effective Date of this Agreement, each party shall deliver to the other party the following:

(e) Copies of any development plans, whether complete or preliminary, for any past or present contemplated repairs, renovations and/or improvements to the Exchange Property, including, but not limited to, past plans for the redevelopment of the Afton Inn for mixed commercial uses.

6. TESTS AND INSPECTIONS.

(a) Each Exchange Party, its respective agents, servants, employees, engineers, invitees and/or designees, at each's respective risk and expense, shall have the full right from and after the Effective Date to enter upon the other Exchange Party's Exchange Property at any reasonable time and from time to time, for purposes of conducting studies, environmental audits, investigations and the like with respect to such Exchange Property.

15. CONDITION OF EXCHANGE PROPERTY

(b) Afton Inn LLC represents and warrants to EDA that its intentions with respect to the Town Hall are to accomplish the highest and best use of the property with all deliberate speed and consistent with all applicable statutes, codes, rules and regulations affecting the property. Afton Inn LLC agrees that it, and its successors and assigns, will submit to the appropriate governmental authority all required applications and permits with supporting documentation required by any and all statutes, code, rules and regulations, observe the standards of applicable building codes, submit to any and all required inspections by appropriate governmental authority and at all times abide by the Restrictive Covenants imposed upon the Property as described hereinabove.

(c) Afton Inn, LLC, and its successors and assigns, at all times after Closing shall keep and maintain the former Town Hall building and the building to the immediate west (rear) of the former Town Hall building in a good state of repair. Within fifteen (15) days immediately prior to Closing, the County Building Code Official or his designee shall inspect the former Town Hall building and the building to the immediate west (rear) of the former Town Hall building, and shall make a record, including photographs, of the conditions of the said buildings. The same Official or his designee, or a Town Building Codes Official or his designee in the event the Town creates such a position, shall have the right, at reasonable times thereafter and upon reasonable advance notice to Afton Inn LLC, its successors and assigns, periodically to re-enter the buildings for further inspection to ensure that the buildings are being kept and maintained in a good state of repair, without deterioration, and that necessary repairs are being accomplished to maintain the good state of repair.

(d) In the event Afton Inn, LLC, and its successors and assigns fail to maintain the said buildings described in subparagraphs (b) and (c) above, the Town Council and/or the EDA shall

have the right to purchase the Town Hall from the owner thereof at a price to be determined by the average of three independent appraisers, one retained by the Town Council or EDA, one retained by the owner of Town Hall, and a third to be selected by the first two and paid equally by the Town Council or EDA and the owner of Town Hall. This term shall survive Closing.

BUDGET/FUNDING: None at this time.

STAFF RECOMMENDATION: Staff has no specific recommendation at this time.

LAND EXCHANGE AGREEMENT

THIS LAND EXCHANGE AGREEMENT ("AGREEMENT") is made as of this day of June 11th, 2014, by and between **AFTON INN, L.L.C.**, a Virginia Limited Liability Company; party of the first part, hereinafter referred to as "Afton Inn, L.L.C.", and the **ECONOMIC DEVELOPMENT AUTHORITY**, a political subdivision of the Town of Front Royal and the County of Warren as authorized by the Commonwealth of Virginia, party of the second part, hereinafter referred to as the "EDA".

WHEREAS, Afton Inn, L.L.C. is the owner of the real property located within the Town of Front Royal, County of Warren, Virginia 22630 (hereinafter, the "Town") at the intersection of East Main Street and Crescent Street with an official property address of 2 East Main Street, Town of Front Royal, Warren County, Virginia, 22630, also known as Tax Map 20A8 4 14, upon which is located a structure commonly known as the "Afton Inn", or as the "Afton Inn Hotel", and is hereinafter referred to as the "Afton Inn"; and

WHEREAS, the EDA is the owner or contract owner of the building situate on real property located at 16 North Royal Avenue, Town of Front Royal, Warren County, Virginia 22630, formerly being the Town Hall for the Town of Front Royal, situate between the Front Royal United Methodist Church and the First Baptist Church of Front Royal, as well as a two story building immediately to the west (rear) of the former Town Hall, both of which buildings are hereinafter referred to as the "Town Hall", which said property does not include the parking lot on the west side of Union Street that has heretofore served the Town Hall property; and

WHEREAS, Afton Inn, L.L.C. and the EDA wish to exchange their properties under the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. DEFINITIONS.

The Afton Inn and the Town Hall are hereinafter sometimes individually referred to as the "Exchange Property" or collectively as the "Exchange Properties."

A party who is intending to convey title to an Exchange Property at Closing is sometimes referred to hereinafter as "Grantor Party" and a party who is intending to accept title to an Exchange Property at Closing is sometimes referred to hereinafter as "Grantee Party."

2. THE EXCHANGE TERMS.

Afton Inn, L.L.C. and the EDA acknowledge that the Afton Inn and the Town Hall are of like kind and equal value. Pursuant to Section 1031 of the Internal Revenue Code (26 U.S.C. § 1031), Afton Inn, L.L.C. will convey the Afton Inn to the EDA and the EDA will convey the Town Hall to the Afton Inn, L.L.C. at closing. At closing, each Grantor Party will execute and deliver at that Grantor Party's expense a special warranty deed with English covenants of title conveying marketable title to each respective Exchange Property to the other Grantee Party, as follows: Title to the Exchange Property shall be good of record and fact, free of liens and encumbrances, subject only to those restrictions to which Buyer has not objected in accordance with Section 7 (the "Permitted Exceptions").

Afton Inn, L.L.C. shall convey to the EDA all of the Afton Inn, L.L.C.'s right, title and interest to the Afton Inn, which includes the improvement thereon, together with all easements, rights, privileges, and appurtenances belonging to same, together with any restrictions of record which do not interfere or prevent the EDA from utilizing the Afton Inn in any manner deemed appropriate by the EDA, but free and clear of all liens, encumbrances, encroachments and special assessments levied or assessed. The EDA shall convey the Town Hall to the Afton Inn, L.L.C. all of the EDA's right, title and interest to the Town Hall, which includes the improvements thereon, together with all easements, rights, privileges, and appurtenances belonging to same, together with any restrictions of record (except the "Restrictive Covenants" hereinafter described) which do

not interfere or prevent Afton Inn, L.L.C. from utilizing the Town Hall in any manner permitted by the Town's Zoning Ordinance or other applicable laws or regulations, but free and clear of all liens, encumbrances, encroachments and special assessments levied or assessed, and subject to the restrictive covenants (the "Restrictive Covenants") hereinafter set forth. Afton Inn, L.L.C. acknowledges the exterior of the Town Hall has historical and aesthetic value that the Town Council of Front Royal, Virginia (hereinafter, the "Town Council") requires to be preserved in accordance with said Restrictive Covenants, which Restrictive Covenants shall not merge with the deed to the Town Hall from the EDA to Afton Inn, L.L.C. or any subsequent deed, and shall be covenants real and shall pass with the title to the Town Hall and shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest in and to the real property or any part or parts thereof subject to such Restrictive Covenants. These Restrictive Covenants shall be as follows:

(a) The Town Hall shall be photographed contemporaneously with Closing, and copies given to Afton Inn, L.L.C. and the EDA. The exterior appearance of the Town Hall shall retain the stone face appearance, the white trim, the appearance and style of windows and doors, including the historic, multi-pane appearance thereof, that they had at the time of Closing (provided, however, that replacement windows and doors may be of currently manufactured material that maintains the aesthetic appearance of wood).

(b) Roofing material of the Town Hall shall be metal.

(c) No portion of the Town Hall or the building to the immediate west (rear) of the former Town Hall building itself (which will convey to Afton Inn, L.L.C. with the Town Hall itself) shall be demolished without the written consent of the Town Council.

(d) The former Town Hall building itself and the building to the immediate west (rear) of the former Town Hall building itself shall at all times be kept and maintained in a good state of repair.

(e) Five (5) Year Right of First Refusal. During the first five (5) years from the date of closing hereunder, prior to the consummation of a sale or other conveyance of the Town Hall to any other person or entity, Afton Inn, L.L.C. shall notify the Town Manager of the Town, by personal delivery or by certified mail, return receipt requested, at 102 East Main Street, Front Royal, Virginia 22630, as to the terms and conditions of the proposed sale or other conveyance. Within thirty (30) days of delivery or receipt of said notice the Town shall notify Afton Inn, L.L.C. of the Town's intention to purchase the Town Hall upon identical terms and conditions as the proposed sale or other conveyance; subject, however, to the provision that, if Afton Inn, L.L.C. notifies Town Council's of its intent to sell or convey the Town Hall to any other person within five (5) years from the date Afton Inn, L.L.C. acquires title to the Town Hall, Town Council must vote, by not less than an ordinance or resolution passed by a recorded affirmative vote of three fourths of all members elected to Town Council, to purchase or accept title to the Town Hall upon such terms and conditions as aforesaid. The Town shall then consummate the purchase of the Town Hall within Sixty (60) days of the receipt of notification of the proposed sale or other conveyance.

(f) A metal plaque signifying the historical significance of Town Hall, approved in advance prior to its placement upon Town Hall by Town Council as to the plaque's appearance, informative content, and place of placement, which approval shall not unreasonably be withheld, shall be erected, at the expense of Afton Inn, L.L.C. within one (1) year of Afton Inn, L.L.C.'s acquisition of Town Hall, and permanently maintained on the exterior premises of Town Hall. Employees, officers, agents, and contractors of the Town shall have and retain the right in perpetuity to enter upon, go onto, and remain upon the exterior premises of the Town Hall Property from time to time, at reasonable times upon the giving of reasonable advance notice to the owner of the Town Hall, using reasonable care not to unreasonably damage the Town Hall Property, for the purpose of maintaining, repairing, or replacing the plaque, and to cut or remove any shrubbery, plant material or other items that may be obstructing the view of the plaque from ordinary observation from passersby from North Royal Avenue or from the

sidewalk on the West side of North Royal Avenue, and without liability to the owner of the Town Hall property for the same and, further, without liability to the Town its employees, officers, agents, and contractors by the owner of the Town Hall property for the same.

(g) The Restrictive Covenants may be amended from time to time by written mutual agreement by the then owner of the Town Hall property and the Town Council.

3. NO FURTHER ENCUMBRANCES.

Each Grantor Party covenants that it will not further encumber its Exchange Property prior to Closing without the written consent of the Grantee Party and that it will not voluntarily create or cause or permit a lien or encumbrance to attach to the Exchange Property between the date of this Contract and Closing; any monetary lien or encumbrance so attaching, as well as any existing monetary lien or encumbrance, including any existing mortgage, deed of trust, judgment lien or similar lien against the Exchange Property which can be discharged by the payment of money, shall be discharged by the Grantor Party at or prior to Closing.

4. DEDICATIONS AND EASEMENTS.

After the Effective Date of this Agreement, but prior to Closing, neither Grantor Party will dedicate, gift, transfer, mortgage or convey any interest in Grantor Party's Exchange Property without written consent from Grantee Party, which may be withheld for any reason.

5. DELIVERIES OF MATERIALS.

Promptly, but in no event later than five (5) days following the Effective Date of this Agreement, each party shall deliver to the other party the following:

(a) A true and complete copy of all owners' policies of title insurance, if any, previously obtained by or in the actual or constructive possession of the Grantor Party with respect to the Grantor Party's Exchange Property.

(b) All surveys, engineering, geotechnical, environmental or similar reports in the Grantor Party's actual or constructive possession relating to the Exchange Property.

(c) Copies of all notices of any violation relating to the Exchange Property which is uncorrected, if any.

(d) Copies of documents related to work done on the Exchange Property by Grantor Party, its agents or contractor, of which the Grantor Party has in its actual or constructive possession or control.

(e) Copies of any development plans, whether complete or preliminary, for any past or present contemplated repairs, renovations and/or improvements to the Exchange Property, including, but not limited to, past plans for the redevelopment of the Alton Inn for mixed commercial uses.

6. TESTS AND INSPECTIONS.

(a) Each Exchange Party, its respective agents, servants, employees, engineers, invitees and/or designees, at each's respective risk and expense, shall have the full right from and after the Effective Date to enter upon the other Exchange Party's Exchange Property at any reasonable time and from time to time, for purposes of conducting studies, environmental audits, investigations and the like with respect to such Exchange Property.

(b) Each Exchange Party shall have the right to terminate this Contract, by written notice to the other Exchange Party sent on or before **Thirty (30)** days after the Effective Date (the "Study Period"), in its sole and absolute discretion, (i) if an Exchange Party is dissatisfied with the results of any inspections, studies or due diligence conducted with respect to the Exchange Property or (ii) if an Exchange Party is dissatisfied with any materials furnished to it pursuant to the terms of this Contract. In the event that one Exchange Party shall terminate this Contract pursuant to the provisions of this paragraph, this Agreement shall immediately become null and void and no party shall have any further liability to the other. The failure of the a respective Exchange Party to give the other Exchange Party written notice of termination by the end of the Study Period shall constitute a waiver of this contingency by that Exchange Party.

(c) If a Grantee Party enters the Exchange Property prior to settlement, the Grantor Party shall: (i) keep the Exchange Property free and clear of any and all liens or claims resulting therefrom; (ii) to the extent allowed by the Constitution and laws of Virginia, defend, indemnify and hold harmless the other Grantor Party against and from any claim or liability imposed or sought to be imposed upon the entering Exchange Party as a result of actions by the entering Grantee Party, its employees, agents, architects and engineers on the Exchange Property; and (C) agree not to unreasonably damage or harm the Exchange Property.

(d) Afton Inn L.L.C. acknowledges that it has received and has had the opportunity to review all currently-available environmental and asbestos-testing reports in the possession of the EDA or in the possession of the Town of Front Royal, and that Afton Inn L.L.C. agrees to complete the exchange of the properties in their as-is, where-is condition with full knowledge of the contents of such reports.

(e) Afton Inn L.L.C. acknowledges that it has had the opportunity to tour and inspect the interior and exterior of the former Town Hall building and property, and that Afton Inn L.L.C. agrees to complete the exchange of the properties in their as-is, where-is condition with full knowledge of the physical condition of the former Town Hall buildings, including the present condition of the electrical, plumbing, heating and air conditioning systems of the buildings, as well as the physical condition of the windows, window sills, doors, framing, floors and stairs of the buildings.

(f) Afton Inn L.L.C. acknowledges that it will make no demands for repairs, maintenance, upkeep, demolition, remodeling, or renovations of the former Town Hall buildings as a condition of the completion of the exchange.

(g) Afton Inn L.L.C. acknowledges that, as a result of the exchange, it will acquire no rights to any parking spaces other than those contained within the Town Hall

property, as defined above, and that the lack of other parking spaces shall not be an impediment to the completion of the property exchange.

7. TITLE INSURANCE.

Within a reasonable time, not to exceed thirty (30) days after the Effective Date, each Grantee Party shall obtain a title insurance commitment (the "Commitment") from a title insurance company of the Grantee Party's choice and at the cost of each Grantee Party, on the Exchange Property to be acquired by each Grantee Party. Within fifteen (15) days after receipt of such Commitments, each Grantee Party shall deliver to Grantor Party a copy of a title insurance commitment (the "Commitment") bearing an effective date subsequent to the Effective Date hereof in favor of Grantee Party for an owner's title insurance policy insuring marketability of the title to the Exchange Property in the amount of the Exchange Property's appraised value underwritten by a title insurance company acceptable to and selected by Grantee Party which is licensed to do business in the Commonwealth of Virginia for an owner's title insurance policy on the most recent Standard ALTA Policy form. The copy of the Commitment shall be accompanied by a written statement of any objections to Grantor Party's title to the Exchange Property as disclosed by the Commitment. Any matter not objected to by Grantee Party within fifteen (15) days of its receipt of such Commitment shall be deemed approved exceptions to title by Grantee Party. Prior to Closing, Grantor Party shall deliver to Grantee Party a written statement of any objections which Grantor Party could not, upon the exercise of due diligence in good faith, cure prior to or concurrent with Grantee Party's acquisition of the Exchange Property. If Grantor Party gives notice to Grantee Party of any objections which cannot be cured, then Grantee Party shall have the option of: (i) waiving such objections and proceeding with this Agreement or (ii) terminating this Agreement, and thereupon this Agreement shall be null and void and neither Grantor Party nor Grantee Party shall have any further obligations hereunder. In addition to the terms and conditions of this Agreement, land title law of Virginia and the title standards approved by the Virginia Bar Association to the date of examination of title shall serve as a guide of marketability of title. Grantee Party shall be responsible for the expense of a title

insurance policy issued on the Exchange Property to be transferred to the Grantee Party.

8. COVENANTS, REPRESENTATIONS AND WARRANTIES OF GRANTOR PARTIES.

In order to induce the Grantee Parties to enter into this Agreement and to exchange the Exchange Properties, and in addition to the warranties and representations contained elsewhere in this Agreement, the Grantor Parties make the following representations, warranties and covenants, each of which is material and is relied upon by the Grantee Parties, and each of which shall be true as of the date hereof and as of the date of Closing.

(a) Grantor Party owns good and marketable fee simple title to its Exchange Property, free and clear of liens, encumbrances, restrictions and easements of any kind whatsoever, excepting only those matters disclosed herein.

(b) No actions, suits or proceedings have been instituted or threatened against or affecting the Grantor Property or the Exchange Property at law or in equity or before any federal, state, municipal or local governmental authority, department, commission, board, bureau, agency or instrumentality thereof.

(c) Grantor Party has not received notice of violation of any building, zoning, health or other ordinances, resolutions, statutes or regulations of any government or governmental agencies, with respect to the use, occupation, maintenance, condition or operation of the Property or any part thereof which has not been cured.

(d) None of the materials which have been provided to Grantee Party pursuant to the terms of Paragraph 5 hereof are untrue or incomplete in any material adverse respect as of the date they were prepared, and that none of the materials, documents and financial information which have been provided to Grantee prior to execution of this Contract are untrue or incomplete in any material adverse respect as of the date they were prepared. Grantor Party shall continue to provide Grantee Party with

copies of all material documents of the nature described in Paragraph 4 hereof, which Seller receives prior to Closing.

(e) Neither the execution of this Contract nor the consummation of the transactions contemplated hereby will: (A) conflict with, or result in a breach of, the terms, conditions or provisions of, or constitute a default under, any agreement or instrument to which the Grantor Party is a party; or (B) violate any restriction to which the Grantor Party is subject.

(f) Grantor Party, its agents, tenants or licensees have not placed or allowed to be placed on the Exchange Property, and Grantee Party's inspection during the Study Period reveals the Exchange Property (including the land, and any improvements) are free of, any material amounts of waste or debris, and Grantor Party, its agents, employees, members and managers have not placed or allowed to be placed on the Exchange Property, and to the knowledge of the Grantor Party, the Exchange Property is free of all contamination including: (i) any "Hazardous Waste" as defined by the Resource Conservation and Recovery Act of 1976, as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, and regulations promulgated thereunder; (iii) any substance the presence of which on the Exchange Property is prohibited by any other federal, state, or local law applicable to the Exchange Property; (iv) underground storage tanks; and (v) no landfill has occurred on the Exchange Property and no debris has been buried or placed on the Exchange Property .

(g) The Exchange Property does not contain any cemeteries or graveyards, and the Exchange Property is not subject to any easements for access to any cemeteries or graveyards.

(h) Grantor Party is not bankrupt or insolvent under any applicable federal or state standard, nor has filed for protection or relief under any applicable bankruptcy or creditor protection statute nor has any such Party been threatened by creditors with an involuntary application of any applicable bankruptcy or creditor protection statute.

Grantor Party is not entering into the transactions described in this Agreement with intent to defraud any creditor or to prefer the rights of one creditor over any other. The Exchange Parties have each negotiated this Agreement at arms'-length and the consideration to be exchanged represents fair value for the assets to be transferred.

(i) No petition, application or proceeding is pending or threatened to alter the zoning of the Exchange Properties. Except for the Permitted Exceptions, Grantor Parties have made no commitments relative to the Exchange Properties whether verbally or in writing, to any governmental authority or any neighboring property owner, which would be binding on the Exchange Parties, except as contained herein, after the Closing.

(j) There are not now pending or threatened eminent domain or condemnation proceedings which would affect the Exchange Properties or any part thereof.

(k) There is no pending moratorium on, or other impediment to, immediate public sewer and water availability which is applicable to any portion of the Exchange Properties.

(l) The Exchange Properties have not been used for purposes of mining or explorations for mineral, chemicals or other natural resources.

(m) The Grantor Parties will not take or cause to be taken any action, or fail to perform any obligation, which would cause any of the foregoing representations or warranties to be untrue as of the Closing. The Grantor Parties shall immediately notify the Grantee Party, in writing, of any event or condition known to Grantor Party which occurs prior to Closing hereunder, which causes a change in the facts relating to, or the truth of, any of the above representations or warranties.

(n) In addition to, but not in limitation of, other default remedies herein elsewhere stated, in the event that any of the aforesaid representations and/or warranties are not true, shall not have been complied with or shall not have transpired now or at the time of Closing, Grantee Party, at any time prior to or at Closing, may declare this Agreement null and void and of no further effect. In addition, Grantee Party may

exercise any and all of its other rights at law or in equity with respect to any breach or untruth concerning said covenants, representations and/or warranties.

9. POSSESSION; RISK OF LOSS.

(a) Except for Grantee Party's right of inspection as set forth in paragraph 6 above, possession of the Exchange Property shall be given to the Grantee Party as of the date of Closing, free and clear of any personal property and/or possessory interests of any parties, other than demolition debris and materials within the interior of the Afton Inn.

(b) The Exchange Property shall be held at the risk of Grantor Party until Closing hereunder or possession has been given to Grantee Party, whichever occurs first.

10. GRANTOR PARTY'S DELIVERIES AND CONDITIONS PRECEDENT TO GRANTEE PARTY'S OBLIGATIONS.

In addition to other conditions precedent set forth elsewhere in this Agreement, Grantor Party shall deliver to Grantee Party at the Closing all of the following, the delivery of which shall be a condition to Grantee's obligation to consummate the purchase of the Property.

(a) Warranty Deed. A General Warranty deed containing English Covenants of Title, said document shall be prepared by Grantor Party at its expense.

(b) Original Documents. Originals of all surveys, plats, engineering reports, studies, environmental studies and other documents delivered by Grantor Party to Grantee party under Paragraph 5 hereof, together with an assignment of all of Grantor Party's right, title and interest in any construction drawings and subdivision documents, and an assignment of Grantor Party's contract with the engineer preparing such documents (with all obligations of Grantor Party paid in full) in a form reasonably acceptable to Grantor Party.

(c) Additional Documents. Such additional customary documents as may be reasonably requested by Grantee Party or Grantee Party's title company to consummate the transactions described herein and to cause the title company to issue and deliver its title policy subject only the Permitted Exceptions and such other exceptions to which Grantee party consents.

(d) Conditions to Grantee's Obligation. Grantee Party's obligation hereunder to complete Closing shall be conditioned upon the following:

- (i) Each of Grantor Party's representations and warranties as set forth in Section 8 being true as of the date of Closing. Notwithstanding that certain of Grantor Party's representations and warranties may be limited to the extent of Grantor Party's knowledge of the facts stated therein, the condition precedent to Grantee Party's obligation to settle hereunder set forth in this Section 8(b) shall not be so limited [except as to paragraphs 6(g), 6(h) 6(j), and 6(o)], and the satisfaction of said conditions shall depend upon the actual correctness as of the time of settlement of the facts stated in all such representations and warranties.

(e) Restrictive Covenants. EDA must have delivered, no less than twenty (20) days after the effective date hereof, in writing to Afton Inn, LLC for its review and approval, which approval shall not be unreasonably withheld in the form and content in which they are to be recorded, Restrictive Covenants as referred to herein and listed above in Section 2(a) through 2(g), both inclusive. If, after having received such written Restrictive Covenants in a timely fashion, Afton Inn has raised no objection in writing with EDA prior to the end of the Study Period, said Restrictive Covenants shall be deemed to be agreed to by Afton Inn, LLC on behalf of itself and/or its successors in title. Said Restrictive Covenants shall not be personal to Afton Inn, LLC but shall be considered to be covenants running with the land.

11. TAXES.

Real estate taxes on the Exchange Property prior to the date of Closing shall be paid by Grantor Party. Real estate taxes on the Exchange Property after the date of Closing shall be paid by Grantee Party. The taxes for the year of the date of Closing shall be prorated based upon the then most current property valuations and upon the most current tax rate as determined by law.

12. CLOSING.

Closing shall occur within Ninety (90) days from the Effective Date of this Agreement; provided that the title commitments have been completed and the agreed Closing Agent shall be prepared to conduct the Closing within that time.

13. ADJUSTMENTS, PRORATIONS, AND CLOSING COSTS.

(a) Any taxes, general or special, and all other public or governmental charges or assessments against the Exchange Property which are, or may be, payable on an annual basis (including benefit charges, assessments, liens or encumbrances for sewer, water, drainage or other public improvements, completed or commenced, on or prior to the date hereof, or subsequent thereto), shall be adjusted and apportioned as of the date of Closing and are to be assumed and paid thereafter by Grantee Party, said adjustment apportionment to be on the basis of the fiscal year for which assessed, whether or not such assessments had been levied as of the date of Closing.

(b) All other charges, if any and fees customarily pro-rated and adjusted in similar transactions shall be pro-rated and adjusted in similar transactions shall be pro-rated at Closing and thereafter assumed by the Grantee party. In the event that accurate prorations and other adjustments cannot be made at Closing because current bills or statements are not obtainable, the parties shall pro-rate on the best available information, subject to adjustment upon receipt of the final bill or statement.

(c) The parties shall each pay the cost of all documentary stamps, recordation taxes and transfer taxes in accordance with their respective obligations imposed by applicable provisions of the Code of Virginia.

14. NO REAL ESTATE COMMISSION AND FINDER'S FEE.

The parties agree that no party hereto shall be liable for any real estate broker's commission, agent's commission, or finder's fee, in connection with the transaction contemplated by this Agreement. Each party warrants to the other party that it shall indemnify and hold harmless for any and all claims of any person for broker's or agent's commissions or finder's fees in connection with this transaction.

15. CONDITION OF EXCHANGE PROPERTY.

(a) Grantee Party acknowledges that its representatives or agents have examined the Exchange Properties prior to entering into this Agreement. This Agreement is based upon Grantee Party's inspection of the Exchange Property and not upon any representation or warranties or conditions by Grantor Party's agents. Grantee Party acknowledges Grantor Party is conveying the Exchange Property on an "as is" basis, except for the warranties and representations as provided in this Agreement and the warranties in the general warranty deed.

(b) Afton Inn LLC represents and warrants to EDA that its intentions with respect to the Town Hall are to accomplish the highest and best use of the property with all deliberate speed and consistent with all applicable statutes, codes, rules and regulations affecting the property. Afton Inn LLC agrees that it and its successors and assigns, will submit to the appropriate governmental authority all required applications and permits with supporting documentation required by any and all statutes, code, rules and regulations, observe the standards of applicable building codes, submit to any and all required inspections by appropriate governmental authority and at all times abide by the Restrictive Covenants imposed upon the Property as described hereinabove.

(c) Afton Inn, LLC, and its successors and assigns, at all times after Closing shall keep and maintain the former Town Hall building and the building to the immediate west (rear) of the former Town Hall building in a good state of repair. Within fifteen (15) days immediately prior to Closing, the County Building Code Official or his designee shall inspect the former Town Hall building and the building to the immediate west (rear) of the former Town Hall building, and shall make a record, including photographs, of the conditions of the said buildings. The same Official or his designee, or a Town Building Codes Official or his designee in the event the Town creates such a position, shall have the right, at reasonable times thereafter and upon reasonable advance notice to Afton Inn LLC, its successors and assigns, periodically to re-enter the buildings for further inspection to ensure that the buildings are being kept and maintained in a good state of repair, without deterioration, and that necessary repairs are being accomplished to maintain the good state of repair.

(d) In the event Afton Inn, LLC, and its successors and assigns fail to maintain the said buildings described in subparagraphs (b) and (c) above, the Town Council and/or the EDA shall have the right to purchase the Town Hall from the owner thereof at a price to be determined by the average of three independent appraisers, one retained by the Town Council or EDA, one retained by the owner of Town Hall, and a third to be selected by the first two and paid equally by the Town Council or EDA and the owner of Town Hall. This term shall survive Closing.

16. DEFAULT.

If all conditions and other events precedent to the Grantor Party's obligations to consummate the transactions contemplated by this Contract have been satisfied or waived, but the Grantor Party fails, refuses or is unable to consummate the exchange contemplated by this Agreement, or to perform any other obligation required by this Agreement, then the Grantee Party shall be entitled to any right or remedy at law or equity, including actions for specific performance and/or damages.

17. NON-FOREIGN STATUS.

At the date of Closing, Afton Inn, L.L.C. shall deliver to the EDA the Certification of Non-Foreign Status duly executed and containing such other information as may be required by Internal Revenue Code Section 1445 and the Regulations issued thereunder.

18. ASSIGNMENT.

In the case of the assignment of this Agreement by either of the parties, prompt notice shall be given to the other party, who shall at the time of such notice be furnished with a duplicate of such assignment by such assignors. Any such assignment shall not terminate the liability of the assignor to perform, unless a specific release in writing is given and signed by the other party to this Agreement.

19. SEVERABILITY.

If any non-economic mutual term or provision of this Agreement or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

20. FURTHER ASSURANCES.

Each undersigned party will, except as otherwise provided herein, whenever it shall be necessary to do so by the other, promptly execute, acknowledge, and deliver, or cause to be executed, acknowledged, or delivered, documents as may be necessary or proper to effectuate the covenants, contingencies and agreements herein provided. The Exchange Parties agree to use their best efforts in cooperation to carry out the intent of this Agreement and to provide quality and efficient development sites for both Exchange Parties.

21. INTERPRETATIONS.

Any uncertainty or ambiguity existing herein shall not be interpreted against either party because such party prepared any portion of this Agreement, but shall be interpreted according to the application of rules of interpretation of contracts generally.

22. CONSTRUCTION.

Whenever used herein including acknowledgments, the singular shall be construed to include the plural, the plural the singular, and the use of any gender shall be construed to include and be applicable to all genders as the context shall warrant.

23. MERGER.

All representations and warranties made herein are **not** intended to survive Closing and shall be merged in the deed unless otherwise stated in this Agreement.

24. ENTIRE AGREEMENT.

This Agreement contains the entire agreement of the parties relating to the transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, warranties and statements, oral or written, are merged herein. This Agreement cannot be modified or altered unless reduced to writing and consented to by all the undersigned parties.

25. NOTICE AND DEMANDS.

Notice, demand, or other communication mandated by this Agreement by either party to the other shall be sufficiently given or delivered if it is sent by registered or

certified mail, postage prepaid, return receipt requested, or delivered personally at the address stated below.

26. EXECUTION IN COUNTERPARTS.

This Agreement may be executed in two (2) or more counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

27. GOVERNING LAW.

All aspects of this Agreement shall be governed by the laws of the Commonwealth of Virginia.

28. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legatees, devisees, personal representatives, successors and assigns.

29. NOTICES.

Neither party shall be deemed to be in default hereunder, unless and until, it shall have been sent Notice of such default by the other party, and shall have failed to cure the default within ten (10) days of the date of such notice. Each party shall be responsible for Notices. Any notice or demand under this Agreement shall be in writing and sent by (a) registered or certified mail, return receipt requested, postage prepaid, (b) by recognized overnight courier service such as Federal Express, as follows, or (c) by facsimile transmission as long as a copy is sent by the methods described in clauses (a) or (b).

Notice to Afton Inn, L.L.C:

**Afton Inn, LLC
8201 Euclid Avenue
Manassas Park, VA 20111**

**With a copy to:
John E. Carter, PC.
4103 Chain Bridge Road - Suite 101
Fairfax, VA 22030**

Notice to EDA:

**Executive Director
400-D Kendrick Lane
Front Royal, VA 22630**

**With a copy to:
Blair D. Mitchell, Esq.
County Attorney
220 N. Commerce Avenue, Suite 100
Front Royal, VA 22630**

Notice to Town:

**Town Manager
102 East Main Street
Front Royal, VA 22630**

**With a copy to
Town Attorney
102 East Main Street
Front Royal, VA 22630**

Any such notice or demand shall be deemed given three (3) days after same has been deposited in the United States mail as aforesaid, or the next business day after deposited with a recognized overnight courier. Either party by notice to the other in accordance with the above, may designate a substitute address for such notice or demand and thereafter such substitute address shall be used for the giving of notice or demand.

30. EFFECTIVE DATE OF AGREEMENT.

The Effective Date of this Agreement shall be the date upon which both Parties agree to all of the terms and conditions set forth herein, as evidenced by the latest date set forth next to the parties signatures below.

31. MISCELLANEOUS.

(a) The titles of the paragraphs are inserted as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the intent of any provision thereof.

(b) This Agreement is the result of the combined draftsmanship and/or review of both parties and/or their respective agents; accordingly, there shall be no presumption or interpretation of this Contract based on its having been drafted by one or the other.

(c) Each party shall reasonably cooperate with the other in connection the satisfaction of any condition or obligation which must be satisfied by closing pursuant to the terms of this Agreement, and in connection therewith each party agrees to execute any document contemplated by the terms of this Agreement, which may be reasonably requested by the other party. Specifically, each party agrees to sign all applications, documents and governmental submissions in connection with the exchange of the exchange Properties by the Parties, and to appear at any governmental hearings in support of these exchanges.

(d) This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument time shall be of the essence of each and every provision of this Agreement.

(e) No party hereto shall be deemed to have waived the exercise of any right which it holds hereunder unless such waiver is made expressly and in writing (and no delay or omission by any party hereto in exercising any such right shall be deemed a waiver of its future exercise). No such waiver made as to any instance

involving the exercise of any such right shall be deemed a waiver as to any other such instance, or any other such right.

(f) No determination by any court, governmental or administrative entity or otherwise that any provision of this Agreement or any amendment hercof is invalid or unenforceable in any instance shall affect the validity or enforceability of (i) any other such provision, or (ii) such provision in any circumstance not controlled by such determination. Each such provision shall be valid and enforceable to the fullest extent allowed by, and shall be construed wherever possible as being consistent with, applicable law.

(g) Nothing in the provisions of this Agreement shall be deemed in any way to create between the parties hereto any relationship of partnership, joint venture or association, and the parties hereto hereby disclaim the existence of any such relationship.

SIGNATURE LINES APPEAR ON THE FOLLOWING PAGES

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day and year below shown.

AFTON INN, LLC
a Virginia Limited Liability Company

By: *Francisco S. S.*
Managing Member

STATE OF VIRGINIA

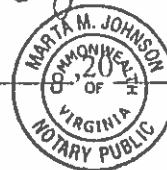
CITY/COUNTY OF *Fauquier*, TO-WIT:

The undersigned, a Notary Public in and for the jurisdiction aforesaid, does hereby certify that *Francisco S. S.* whose signature as Managing Member of Afton Inn, L.L.C., a Virginia limited liability company, is affixed to the foregoing document, appeared before the undersigned in said jurisdiction and acknowledged the same to be his free act and deed on behalf of said limited liability company

WITNESS the following signature and seal this *2nd day of June*, 2014.

My Commission expires on the ___ day of _____

[Signature]
Notary Public
Registration Number _____



Marta M. Johnson
NOTARY PUBLIC
Commonwealth of Virginia
Reg. #127647
My Commission Expires
August 31, 2014



Marta M. Johnson
NOTARY PUBLIC
Commonwealth of Virginia
Reg. #127647
My Commission Expires
August 31, 2014

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day and year below shown.

**ECONOMIC DEVELOPMENT AUTHORITY, a
political subdivision of the Town of Front
Royal and the County of Warren**

By: Patricia S. Wines
Patricia S. Wines, Chairman

**STATE OF VIRGINIA
COUNTY OF WARREN, TO-WIT:**

The undersigned, a Notary Public in and for the jurisdiction aforesaid, does hereby certify that PATRICIA S. WINES, Chairman of the Board of Directors of the EDA, whose signature as such is affixed to the foregoing document on behalf of the Economic Development Authority acknowledged the same to be her free act and deed on behalf of said Authority.

WITNESS the following signature and seal this June 11, 2014.

My commission expires on the 30 day of April, 2018.

Michael D. Henry
Notary Public
7360170
Registration Number



OFFICIAL RECEIPT
WARREN COUNTY CIRCUIT
DEED RECEIPT

DATE: 06/24/14 TIME: 15:30:05 ACCOUNT: 187CLR140002928 RECEIPT: 14000006234
CASHIER: JXS REG: WK35 TYPE: DOD PAYMENT: FULL PAYMENT
INSTRUMENT : 140002928 BOOK: PAGE: RECORDED: 06/24/14 AT 15:30
GRANTOR: TOWN COUNCIL OF THE TOWN OF FRONT ROYAL VA EX: N LOC: CO
GRANTEE: TOWN COUNCIL OF THE TOWN OF FRONT ROYAL VA EX: N PCT: 100%
AND ADDRESS : , .
RECEIVED OF : TOWN OF FRONT ROYAL
CHECK: \$17.00 034561
DESCRIPTION 1: DEED OF DEDICATION PAGES: 5 OP 0
2: NAMES: 0
CONSIDERATION: .00 A/VAL: .00 MAP:
PIN:
301 DEEDS 14.50 145 VSLF 1.50
035 VOF FEE 1.00
TENDERED : 17.00
AMOUNT PAID: 17.00
CHANGE AMT : .00

CLERK OF COURT: JENNIFER R. SIMS

PAYOR'S COPY
RECEIPT COPY 1 OF 2

WARREN COUNTY, VIRGINIA
LAND RECORDS

000074 JUN 24 ±

This deed is exempt from the recordation taxes imposed pursuant
to §58.1-811(A)(3) – Grantee's and §58.1-811(C)(4) – Grantor's

Consideration: \$0.00
Assessment \$0.00

Prepared by: Douglas W. Napier
County Attorney
102 E. Main Street
Front Royal, Virginia 22630
Telephone: (540) 635-7872

Tax Map Reference No.: 20A5-11-15

DEED OF DEDICATION OF RESTRICTIVE COVENANTS

THIS DEED OF DEDICATION OF RESTRICTIVE COVENANTS, made and dedicated by the Town Council of the Town of Front Royal, Virginia (the "Town Council"), to and upon that improved real property, being a stone façade building, located on the west side of North Royal Avenue at 16 North Royal Avenue, Town of Front Royal, Warren County, Virginia, formerly being the Town Hall for the Town of Front Royal, Virginia, situate between the current Front Royal United Methodist Church, and the current First Baptist Church of Front Royal, as well as a two story building immediately to the west (rear) of the said stone facade structure which was the former Town Hall building property, both of which buildings and the real estate upon which they are located are hereinafter referred to collectively as the "Town Hall", which said property does not include the current parking lot on the west side of Union Street that has heretofore served the Town Hall property; which restrictive covenants contained herein shall run with the land and shall inure to the benefit of, and be binding upon, the owners, heirs, executors, administrators, successors in title, and assigns of the owners of the Town Hall.

WHEREAS, Town Council acknowledges the exterior of the Town Hall has historical and aesthetic value that the Town Council desires and requires to be preserved in accordance with these Restrictive Covenants, which Restrictive Covenants shall not merge with or be extinguished by any successive deeds or conveyances to the Town Hall from any owner of the Town Hall to any subsequent owner or lien holder, and shall be covenants real and shall pass with the title to the Town Hall and shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest in and to the real property or any part or parts thereof subject to such Restrictive Covenants. These Restrictive Covenants shall be as follows:

WARREN COUNTY, VIRGINIA
LAND RECORDS

000075 JUN 24 ±

(a) The Town Hall shall be photographed contemporaneously with the Closing and settlement of the title from the Economic Development Authority ("EDA") a political subdivision of the Front Royal and the County of Warren as authorized by the Commonwealth of Virginia, and Afton Inn, L.L.C., and copies given to Afton Inn, L.L.C. and the EDA. The exterior appearance of the Town Hall shall retain the stone face appearance, the white trim, the appearance and style of windows and doors, including the historic, multi-pane appearance thereof, that they had at the time of Closing (provided, however, that replacement windows and doors may be of currently manufactured material that maintains the aesthetic appearance of wood).

(b) Roofing material of the Town Hall shall be metal.

(c) No portion of the Town Hall or the building to the immediate west (rear) of the former Town Hall building itself (which will convey to Afton Inn, L.L.C. with the Town Hall itself) shall be demolished without the written consent of the Town Council.

(d) The former Town Hall building itself and the building to the immediate west (rear) of the former Town Hall building itself shall at all times be kept and maintained in a good state of repair.

(e) Prior to the consummation of a sale or other conveyance of the Town Hall to any other person or entity, Afton Inn, L.L.C. shall notify the Town Manager of the Town of Front Royal, by personal delivery or by certified mail, return receipt requested, at 102 East Main Street, Front Royal, Virginia 22630, as to the terms and conditions of the proposed sale or other conveyance. Within thirty (30) days of delivery or receipt of said notice the Town may notify Afton Inn, L.L.C. of the Town's intention to purchase the Town Hall of its intention to purchase the Town Hall upon identical terms and conditions as the proposed sale or other conveyance; subject, however, to the provision that if Afton Inn, L.L.C. notifies Town Council's of its intent to sell or convey the Town Hall to any other person within five (5) years from the date Afton Inn, L.L.C. acquires title to the Town Hall, that Town Council has voted, by not less than by an

000076 JUN 24 17

ordinance or resolution passed by a recorded affirmative vote of three fourths of all members elected to Town Council, to purchase or accept title to the Town Hall upon such terms and conditions as aforesaid. The Town shall then consummate the purchase of the Town Hall within Sixty (60) days of the receipt of notification of the proposed sale or other conveyance.

(f) A metal plaque signifying the historical significance of Town Hall, approved in advance prior to its placement upon Town Hall by Town Council as to the plaque's appearance, informative content, and place of placement, which approval shall not unreasonably be withheld, shall be erected, at the expense of Afton Inn, L.L.C. within one (1) year of Afton Inn, L.L.C.'s acquisition of Town Hall, and permanently maintained on the exterior premises of Town Hall. Employees, officers, agents, and contractors of the Town shall have and retain the right in perpetuity to enter upon, go onto, and remain upon the exterior premises of the Town Hall Property from time to time, at reasonable times upon the giving of reasonable advance notice to the owner of the Town Hall, using reasonable care not to unreasonably damage the Town Hall Property, for the purpose of maintaining, repairing, or replacing the plaque, and to cut or remove any shrubbery, plant material or other items that may be obstructing the view of the plaque from ordinary observation from passersby from North Royal Avenue or from the sidewalk on the West side of North Royal Avenue, and without liability to the owner of the Town Hall property for the same.

(g) The Restrictive Covenants may be amended from time to time by written mutual agreement by the then owner of the Town Hall property and the Town Council.

(h) The right to monitor and enforce these covenants against Afton Inn LLC and its successors is hereby reserved unto the employees, officers and agents of the Town of Front Royal, Virginia.

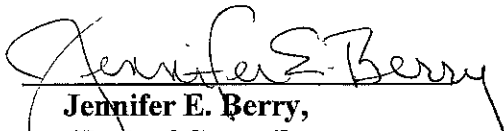
[SIGNATURES AND ACKNOWLEDGMENT PAGE FOLLOWING]

WARREN COUNTY, VIRGINIA
LAND RECORDS

000077 JUN 24 2014

Town of Front Royal, Virginia,
A Municipal Corporation

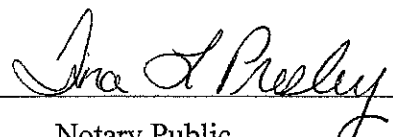
ATTEST:


Jennifer E. Berry,
Clerk of Council

By: 
Timothy W. Darr, Mayor

STATE OF VIRGINIA
COUNTY OF WARREN, TO-WIT:

The foregoing instrument was acknowledged before me this 23 day of June,
2014, by Timothy W. Darr, Mayor of the Town of Front Royal, Virginia, a Municipal
Corporation, on behalf of said Municipal Corporation.

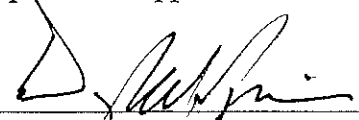

Notary Public

My commission expires: 7/31/14

Registration No: 173753



Prepared and approved as to form:


Douglas W. Napier, Town Attorney

Date 06-24-2014

WARREN COUNTY, VIRGINIA
LAND RECORDS

000078 JUN 24 2

INSTRUMENT #140002928
RECORDED IN THE CLERK'S OFFICE OF
WARREN COUNTY ON
JUNE 24, 2014 AT 03:30PM

JENNIFER R. SIMS, CLERK
RECORDED BY: JXS





Work Session Agenda Form

Item # 6

DATE: June 14, 2021

AGENDA ITEM: Upcoming Legalization of Marijuana (Cannabis)

SUMMARY:

- Governor Northam signed [SB1406](#) / [HB2312](#) on April 7, 2021. The bills:
- Legalize on July 1, 2021, the personal possession of up to one ounce; growing of up to four plants per household. Currently there is no legal avenue for purchasing marijuana, plants, or seeds
- The sale of retail marijuana begins January 1, 2024.
- 21% state tax rate for state and a local option sales tax of 3 percent on retail sales in addition to regular retail sales and use tax.
- The Virginia Cannabis Control Authority is a new agency created to regulate the process for licensing the growing, distribution, testing, and sale of marijuana and related products.
- Localities can regulate hours of operation of retail shops, retain authority to regulate land use through local zoning.
- Localities may opt out of retail sales prior to Dec. 31, 2022, by a referendum which can be initiated by local ordinance.
- Retail operations, expungement of prior offenses, and regulatory goals are still subject to re-enactment and require action by the 2022.

BUDGET/FUNDING: There are budgetary implications to consider, which have not been developed or fleshed out, including from further study and input from the Commonwealth.

STAFF RECOMMENDATION: Staff has no recommendation at this time, as there are policy and budgetary implications, some of which may be dependent on further study and input from the Commonwealth.

MEMORANDUM

TO: MAYOR AND MEMBERS OF TOWN COUNCIL

FROM: DOUGLAS W. NAPIER, TOWN ATTORNEY

DATE: MAY 21, 2021

RE: 2021 VIRGINIA CANNABIS (MARIJUANA) CONTROL ACT

MARIJUANA (CANNABIS) LEGALIZATION IN VIRGINIA

OVERVIEW:

Marijuana Legalization in Virginia: What You Need to Know

Virginia became the first southern U.S. state to legalize marijuana on April 7, 2021.

When is marijuana officially legal in Virginia?

Adults aged 21 and older can possess and cultivate small amounts of the drug starting July 1.

How much can you possess?

Adults may legally possess no more than one ounce (28.3 grams) of cannabis without the intent to distribute. People who possess more than one pound of marijuana can face up to 10 years in prison.

Can you use marijuana publicly?

Public use of the drug will be prohibited.

How much cannabis can you cultivate?

Adults can cultivate up to four plants for personal use per household. The plants must be kept away from public view, and each one should have a legible tag that include the person's name and driver's license or identification number.

What does the law say about sharing marijuana?

Adults sharing marijuana or marijuana products that do not exceed one ounce will not face civil or criminal penalties.

However, the law states that adults cannot gift marijuana in conjunction with the sale of goods or services.

How about transporting marijuana?

Marijuana or marijuana products cannot be imported, shipped, transported or brought into Virginia.

When will retail sale begin?

It will be years before legal retail sales follow legalized possession. The bill lays out the complex process of creating a new state agency to oversee the marijuana marketplace, with sales beginning and regulations taking effect on Jan. 1, 2024.

SUMMARIZED DETAILS OF LAW:

VIRGINIA ASSOCIATION OF COUNTIES

The Voice of the
COMMONWEALTH'S COUNTIES

General Assembly votes to legalize marijuana

March 2, 2021

Ultimately, a **compromise version of HB 2312/SB 1406** passed with lengthy delays incorporated in the legislation. As it currently stands, both the legalization of possession of marijuana as well as the establishment of retail sales are delayed until January 1, 2024. The Commonwealth can begin to act as of July 1, 2021, to establish and develop the Virginia Cannabis Control Authority, the regulatory body that will provide oversight to this new industry.

As with earlier drafts, the final legislation agreed to is sweeping in nature, covering numerous topics (ranging from criminal code revisions to tax policy) and clocking in at 264 pages. For the sake of brevity, three main local government concerns will be addressed here: local option, tax, and land use.

Local Option for Retail Stores

Va. Code § 4.1-629, Lines 6816-6849

The wording in this statute is tricky: without a voter referendum, retail cannabis stores will automatically be permitted statewide, as of January 1, 2024. However, there is a referendum mechanism.

The approved legislation provides that a local referendum may be held on the possible prohibition of retail marijuana stores in each locality. Per **Va. Code § 4.1-629**, the governing body of a locality may, by resolution, petition the circuit court for the locality for a referendum on the question of whether retail marijuana stores should be prohibited in the locality.

[NOTE: UNLESS THE GOVERNING BODY OF A LOCALITY PETITIONS THE CIRCUIT COURT FOR A REFERENDUM ON THIS QUESTION, RETAIL MARIJUANA STORES SHALL AUTOMATICALLY BE PERMITTED IN THE LOCALITY.]

If a majority of the voters in such referendum vote “No,” retail marijuana stores shall be permitted to operate within the locality 60 days after the results are certified or on January 1, 2024, whichever is later.

[NOTE: IF THE GOVERNING BODY PETITIONS THE CIRCUIT COURT FOR A REFERENDUM, AND AT THE REFERENDUM VOTE, THE VOTERS OF THE LOCALITY VOTE “NO”, THEN RETAIL MARIJUANA STORES SHALL BE PERMITTED, OTHERWISE RETAIL STORES SHALL BE PERMITTED.]

Additionally, no subsequent referendum may be held pursuant to this section within such locality. If, however, a majority of voters vote “Yes” on the question, retail marijuana stores shall be prohibited in the locality effective January 1 of the year immediately following the referendum.

[NOTE: IF THE GOVERNING BODY PETITIONS THE CIRCUIT COURT FOR A REFERENDUM, AND AT THE REFERENDUM VOTE THE VOTERS OF A LOCALITY VOTE “YES”, THEN RETAIL MARIJUANA STORES SHALL BE PROHIBITED, OTHERWISE RETAIL STORES SHALL BE PERMITTED.]

A referendum on the same question may be held subsequent to a vote to prohibit retail marijuana stores, but not earlier than four years following the date of the previous referendum. Any subsequent referendum shall be held pursuant to the provisions of this section.

TOWNS:

When any referendum is held pursuant to this section in a town, separate and apart from the county in which such town or a part thereof is located, such town shall be treated as being separate and apart from such county. When any referendum is held pursuant to this section in a county, any

town located within such county, shall be treated as being part of such county.[NOTE: THIS MEANS IF THE COUNTY HOLDS A REFERENDUM, THE COUNTY'S REFERENDUM VOTE IS BINDING ON THE TOWN. THE ACTUAL STATUTES ARE FOUND BELOW.]

Finally, Enactment Clause #22 of the legislation stipulates that the initial referendum authorized under § 4.1-629 shall be held and results certified by **December 31, 2022**. A referendum on such question shall not be permitted in a locality after January 1, 2023, unless such referendum follows a referendum held prior to December 31, 2022, and any subsequent referendum, in which a majority of voters voted "Yes" to prohibit the operation of retail marijuana stores.

SELECTED VIRGINIA STATUTES REGARDING MARIJUANA EFFECTIVE JULY 1, 2021

Va. Code § 4.1-629. [Effective July 1, 2021) Local referendum on prohibition of retail marijuana stores.

A. The governing body of a locality may, by resolution, petition the circuit court for the locality for a referendum on the question of whether retail marijuana stores should be prohibited in the locality. Upon the filing of a petition, the circuit court shall order the election officials to conduct a referendum on the question on the date fixed in the order. The date set by the order shall comply with the provisions of § 24.2- 682, but in no event shall such date be more than 90 days from the date the order is issued. The clerk of the circuit court shall publish notice of the referendum in a newspaper of general circulation in the locality once a week for three consecutive weeks prior to the referendum. The question on the ballot shall be: "Shall the operation of retail marijuana stores be prohibited in _____ (name of county, city, or town)?" The referendum shall be held and the results certified as provided in § 24.2-684. In addition to the certifications required by such section, the secretary of the local electoral board shall certify the results of the referendum to the Board of Directors of the Virginia Cannabis Control Authority and to the governing body of the locality.

B. If a majority of the qualified voters voting in such referendum vote "No" on the question of whether retail marijuana stores shall be prohibited in the locality, retail marijuana stores shall be permitted to operate within the locality 60 days after the results are certified or on January 1, 2024, whichever is later, and no subsequent referendum may be held pursuant to this section within such locality. If a majority of the qualified voters voting in such referendum vote "Yes" on the question of whether retail marijuana stores shall be prohibited in the locality, retail marijuana stores shall be prohibited in the locality effective January 1 of the year immediately following the referendum. A referendum on the same question may be held subsequent to a vote to prohibit retail marijuana stores but not earlier than four years following the date of the previous referendum. Any subsequent referendum shall be held pursuant to the provisions of this section. 139 of 283

C. When any referendum is held pursuant to this section in a town, separate and apart from the county in which such town or a part thereof is located, such town shall be treated as being separate and apart from such county. When any referendum is held pursuant to this section in a county,

any town located within such county, shall be treated as being part of such county. [NOTE: COUNTY REFERENDUM VOTE RESULTS ARE BINDING ON THE TOWN. HOWEVER, WHAT IF TOWN REFERENDUM IS HELD FIRST, BEFORE COUNTY?]

D. The legality of any referendum held pursuant to this enactment shall be subject to the inquiry, determination, and judgment of the circuit court that ordered the referendum. The court shall proceed upon the complaint of 15 or more qualified voters of the county, city, or town, filed within 30 days after the date the results of the referendum are certified and setting out fully the grounds of contest. The complaint and the proceedings shall conform as nearly as practicable to the provisions of § 15.2-1654 of the Code of Virginia, and the judgment of the court entered of record shall be a final determination of the legality of the referendum.

Va. Code § 4.1-630. Local ordinances or resolutions regulating retail marijuana or retail marijuana products. *A. No county, city, or town shall, except as provided in §§ 4.1-629 and 4.1-631, adopt any ordinance or resolution that regulates or prohibits the cultivation, manufacture, possession, sale, wholesale distribution, handling, transportation, consumption, use, advertising, or dispensing of retail marijuana or retail marijuana products in the Commonwealth.*

B. However, the governing body of any county, city, or town may adopt an ordinance (i) that prohibits the acts described in § 4.1-1108, or the acts described in § 4.1-1109, and may provide a penalty for violation thereof and (ii) that regulates or prohibits the possession of opened retail marijuana or retail marijuana products containers in its local public parks, playgrounds, public streets, and any sidewalk adjoining any public street.

C. Nothing in this chapter shall be construed to supersede or limit the authority of a locality to adopt and enforce local ordinances to regulate businesses licensed pursuant to this chapter, including local zoning and land use requirements and business license requirements. [NOTE: NOT SURE WHAT THE OUTER PARAMETERS OF THIS INCLUDE. WILL PROBABLY NEED TO WAIT FOR FURTHER INFORMATION.]

D. Except as provided in this section, all local acts, including charter provisions and ordinances of counties, cities, and towns, inconsistent with any of the provisions of this subtitle, are repealed to the extent of such inconsistency. § 4.1-631. Local ordinances regulating time of sale of retail marijuana and retail marijuana products. The governing body of each county may adopt ordinances effective in that portion of such county not embraced within the corporate limits of any incorporated town, and the governing body of each city and town may adopt ordinances effective in such city or town, fixing hours during which retail marijuana and retail marijuana products may be sold. Such governing bodies shall provide for fines and other penalties for violations of any such ordinances, which shall be enforced as if the violations were Class 1 misdemeanors with a right of appeal pursuant to § 16.1-106. A copy of any ordinance adopted pursuant to this section shall be certified by the clerk of the governing body adopting it and transmitted to the Board. On and after the effective date of any ordinance adopted pursuant to this section, no retail marijuana store shall sell retail marijuana and retail marijuana products during the hours limited by the ordinance.

***Va. Code § 4.1-631. Local ordinances regulating time of sale of retail marijuana and retail marijuana products.** The governing body of each county may adopt ordinances effective in that portion of such county not embraced within the corporate limits of any incorporated town, and the governing body of each city and town may adopt ordinances effective in such city or town, fixing hours during which retail marijuana and retail marijuana products may be sold. Such governing bodies shall provide for fines and other penalties for violations of any such ordinances, which shall be enforced as if the violations were Class 1 misdemeanors with a right of appeal pursuant to § 16.1-106. A copy of any ordinance adopted pursuant to this section shall be certified by the clerk of the governing body adopting it and transmitted to the Board. On and after the effective date of any ordinance adopted pursuant to this section, no retail marijuana store shall sell retail marijuana and retail marijuana products during the hours limited by the ordinance.*

Tax and Revenue

§ 4.1-614, Lines 6639-6665; § 4.1-1003, Lines 7520-7533; § 4.1-1004, Lines 7534-7553

Per § 4.1-1003 of HB 2312/SB 1406, a **tax of 21 percent** shall be levied on the sale of retail marijuana, retail marijuana products, marijuana paraphernalia sold by a retail marijuana store, non-retail marijuana, and non-retail marijuana product. This new tax shall be *in addition* to any tax imposed under Chapter 6 (§ 58.1-600 et seq.) of Title 58.1 or any other provision of federal, state, or local law.

The revenue from this 21 percent tax is already accounted for in the legislation. Per § 4.1-614:

- Forty percent of the revenue is allocated for pre-kindergarten programs for at-risk three-year-olds and four-year-olds;
- Thirty percent is allocated to the Cannabis Equity Reinvestment Fund (established pursuant to § 2.2-2499.4 of the legislation);
- Twenty-five percent is allocated to the Department of Behavioral Health and Developmental Services (DBHDS), to be distributed to community services boards (CSBs) for the purpose of administering substance use disorder prevention and treatment programs; and
- Five percent is allocated to public health programs.

Pursuant to § 4.1-1004, there is also an **optional three percent local tax** that may be levied on any sale taxable under § 4.1-1003. The legislation clarifies that this new local tax shall be in addition to any other local sales tax imposed under Chapter 6 (§ 58.1-600 et seq.) of Title 58.1, any food and beverage tax imposed under Article 7.1 (§ 58.1-3833 et seq.) of Chapter 38 of Title 58.1, and any excise tax imposed on meals under § 58.1-3840. This three percent tax may be levied by ordinance. If a town imposes a tax under this section, any tax imposed by its surrounding county under this section shall not apply within the limits of the town (to prevent an accidental double-tax).

All local tax revenues collected under § 4.1-1004 shall be paid into the state treasury and credited to a special fund called “Collections of Local Marijuana Taxes.” The revenues shall be credited to the account of the locality in which they were collected. If revenues were collected from a marijuana establishment located in more than one locality by reason of the boundary line or lines passing through the marijuana establishment, tax revenues shall be distributed pro rata among the localities. Payments shall be made to each locality on a quarterly basis.

Land Use Authority

§ 4.1-630, Lines 6850-6865; § 4.1-631, Lines 6866-6876

A consistent theme in the debate over these bills was the extent to which local governments had authority over the commercialization of marijuana. Simply put, the legislation does seek to broadly limit the authority a locality has to adopt future ordinances or resolutions regarding the cultivation, manufacture, possession, sale, wholesale distribution, handling, transportation, consumption, use, advertising, or dispensing of retail marijuana or retail marijuana products in the Commonwealth. Despite this language, however, the legislation does provide several key provisions that help local governments:

First, as described in depth earlier, localities do have the option to hold a referendum on the prohibition of retail sales of marijuana.

Second, any county, city, or town may adopt an ordinance (i) that prohibits the acts described in § 4.1-1108, or the acts described in § 4.1-1109, and may provide a penalty for violation thereof; and (ii) that regulates or prohibits the possession of opened retail marijuana or retail marijuana products containers in its local public parks, playgrounds, public streets, and any sidewalk adjoining any public streets.

Additionally, the legislation does include language (§ 4.1-630(C)) that was proposed by VACo and other local government representatives that clarifies that “nothing in this chapter shall be construed to supersede or limit the authority of a locality to adopt and enforce local ordinances to regulate businesses licensed pursuant to this chapter, including local zoning and land use requirements and business license requirements.” [NOTE: THIS SEEMS TO MEAN THAT LOCALITIES CAN ZONE WHERE RETAIL ESTABLISHMENTS CAN BE LOCATED, ALTHOUGH THERE DOES SEEM TO BE SOME AMBIGUITY IF A LOCALITY OPTS TO NOT HOLD A REFERENDUM, OR IF A REFERENDUM IS HELD, AND THE VOTERS VOTE “NO”. FURTHER GUIDANCE SEEMS TO BE CALLED FOR. SEE “NEXT STEPS’ BELOW.]

Finally, § 4.1-631 authorizes counties, cities, and towns to adopt ordinances that regulate the hours during which retail marijuana and marijuana products may be sold.

Next Steps

Having now passed both the House and Senate, HB 2312/SB 1406 will be communicated to the Governor for analysis and eventual action. While not highlighted in this particular write-up, there are numerous questions and issues that stakeholders – both supporters and opponents of the legislation – have continued to raise, particularly related to the criminal justice aspects of this legislation (especially in regard to the 2024 legalization date). It is unclear what – if any – amendments the Governor may send back to the General Assembly.

VACo will continue to monitor this legislation and will provide updates, as necessary.

Marijuana

What happened in 2021; what's to come

VML Legislative Committee

June 3, 2021



- ▶ Governor Northam signed **SB1406** / **HB2312** on April 7. The bills:
- ▶ Legalize on July 1, 2021, the personal possession of up to one ounce; growing of up to four plants per household
 - ▶ Currently no legal avenue for purchasing marijuana, plants, or seeds
- ▶ **Sale of Retail Marijuana Begins January 1, 2024**
 - ▶ 21% state tax rate for state and a local option sales tax of 3 percent on retail sales in addition to retail sales and use tax
 - ▶ Virginia Cannabis Control Authority is a new agency created to regulate the process for licensing the growing, distribution, testing, and sale of marijuana and related products
 - ▶ Localities can regulate hours of operation of retail shops, retain authority to regulate land use.
 - ▶ Localities to opt out of retail sales prior to Dec. 31, 2022, by a referendum which can be initiated by local ordinance.
- ▶ **Retail operations, expungement of prior offenses, and regulatory goals are still subject to re-enactment and require action by the 2022**



Marijuana, cont'd

▶ Authorizes:

- ▶ New independent regulatory agency, permitting process for licensing the growing, distribution, testing, and sale of marijuana and related products beginning July 1, 2024
- ▶ A 21 percent tax rate for state and a local option sales tax of 3 percent on retail sales in addition to retail sales and use tax
- ▶ Other locally imposed taxes: meals, businesses licensing; revenues retained by the locality
- ▶ Localities to regulate hours of operation of retail shops, retain authority to regulate land use.
- ▶ Localities to opt out of retail sales prior to Dec. 31, 2022, by a referendum which can be initiated by local ordinance.



Marijuana Legalization: Local authority

- 4.1-630 Local Authority to regulate retail marijuana by ordinance and local zoning authority. (Line 6850)
 - Prohibits regulation by localities of marijuana cultivation, distribution or manufacturing
- A locality may by ordinance:
- Prohibit public consumption or offering of marijuana and marijuana products.
 - Prohibit possession or consumption of marijuana and marijuana products on the grounds of any public K-12 school property during school hours or during school or student activities.
 - Prohibit or regulate possession of opened retail marijuana or retail marijuana products or retail products containers in public parks, playgrounds, public streets, and any sidewalks adjoining public streets.



June 9, 2021,
11:30 a.m. - 12:30 p.m.

Marijuana: Legal Considerations for Local Governments

Presented by VML and Sands Anderson

Registration and more information at

<https://www.vml.org/marijuana-legal-considerations-webinar/>



Work Session Agenda Statement

Item # 7

Meeting Date: June 14, 2021

Agenda Item: Ordinance Pertaining to Medical Freedom in the Town of Front Royal

Summary: Councilman Lloyd is proposing an Ordinance that if approved would prohibit any business or entity from operating in town from requiring its employees, volunteers, members, etc., to receive any of the COVID vaccines as a condition of employment, membership, etc. There are two proposed options to the ordinance.

Note: Council discussed this ordinance in work sessions held on February 16th and March 8th, 2021.

Budget/Funding: N/A

Staff Recommendation: Council takes desired action

Potential Agenda Item 6: Medical Freedom Ordinance

Summary: The ordinance would prohibit any business or entity from operating in town from requiring its employees, volunteers, members, etc., to receive any of the COVID vaccines as a condition of employment, membership, etc.

Proposed Language:

OPTION 1 (COVID-specific)

XXX-X LEGISLATIVE AUTHORITY; PURPOSE

This Chapter is enacted pursuant to the provisions of Section 18, Subparagraphs (8), (9), and (25) of the Charter of the Town, particularly for the purposes of securing Town inhabitants from contagious, infectious, or other dangerous diseases, promoting or maintaining the security, general welfare, comfort, education, morals, peace, government, health, trade, commerce, and industries of the Town and its inhabitants, not in conflict with the Constitution of the State, or the Constitution of the United States.

XXX-X POLICY

The residents of Front Royal have a natural right to be secure in their persons and to be free of economic or moral coercion to take actions with which they disagree, including and especially actions that involve the violation of one's person. This principle is at the heart of laws ensuring the free exercise of religion, freedom of speech, and freedom of assembly and association. They are furthermore at the heart of laws prohibiting unreasonable searches and seizures, battery, sexual violence, assault, defamation, and harassment. Our society has yet to carry this principle to its proper extent, particularly with regard to medical practices and interventions. The Town of Front Royal seeks to ensure the freedom and liberty of its residents and inhabitants in all aspects of their life, including in matters of health, medicine, and welfare.

XXX-X MEDICAL FREEDOM

(A) It shall be unlawful for any entity operating within the Town of Front Royal

(1) to fail or refuse to hire or confer any lawful public or generally available benefit or service, including education and medical services or care, to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because such individual has declined to take any of the vaccines available for the prevention and / or treatment COVID-19 or any of its mutations known or unknown; or

(2) to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee for the same.

XXX-X PENALTIES

Any entity found to be in violation of this section shall XXXXXXXX and shall be civilly liable for not less than \$XXXXX for each violation.

OPTION 2 (Broader)

XXX-X LEGISLATIVE AUTHORITY; PURPOSE

This Chapter is enacted pursuant to the provisions of Section 18, Subparagraphs (9) and (25) of the Charter of the Town, particularly for the purposes of promoting or maintaining the security, general welfare, comfort, education, morals, peace, government, health, trade, commerce, and industries of the Town and its inhabitants, not in conflict with the Constitution of the State, or the Constitution of the United States.

XXX-X POLICY

The residents of Front Royal have a natural right to be secure in their persons and to be free of economic or moral coercion to take actions with which they disagree, including and especially actions that involve the violation of one's person. This principle is at the heart of laws ensuring the free exercise of religion, freedom of speech, and freedom of assembly and association. They are furthermore at the heart of laws prohibiting unreasonable searches and seizures, battery, sexual violence, assault, defamation, and harassment. Our society has yet to carry this principle to its proper extent, particularly with regard to medical practices and interventions. The Town of Front Royal seeks to ensure the freedom and liberty of its residents and inhabitants in all aspects of their life, including in matters of health, medicine, and welfare.

XXX-X MEDICAL FREEDOM

(A) It shall be unlawful for any entity operating within the Town of Front Royal

(1) to fail or refuse to hire or confer any lawful public or generally available benefit or service, including education and medical services or care, to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because such individual has declined to take a vaccine, a drug test, or a medical test, or any other medicine or medical or diagnostic intervention, or has declined to take any other action involving the acceptance into one's body, including the threshold of any orifice, any food or foreign substance or object, or has declined to share, turn over, or relinquish custody of any part of one's body, including his or her blood, plasma, hair, skin, DNA, or any other bodily fluids or substance, or has declined to share any measures or metrics regarding one's body or its functions, including, but not limited to, weight, bodily temperature, heart rate, body mass index, or any other measurement; or

(2) to limit, segregate, or classify his employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee for the same.

(B) All entities operating within the Town of Front Royal must conduct the voluntary involvement in actions described in Section (A)(1) in an environment of free and fully informed consent.

XXX-X PENALTIES

Any entity found to be in violation of this section shall XXXXXXXX and shall be civilly liable for not less than \$XXXXX for each violation.

Budget / Funding: Potential funding may be needed related to communicating the ordinance and posting notices in Town properties.

DRAFT

In support of this ordinance, I have drafted the following opinion piece to help articulate my thinking on this topic. I haven't attempted to get it published, yet. I'd welcome any feedback before I do.

Liberty and the Coronavirus by Scott Lloyd

If you read the news, you'll find that across the Country, Americans are facing both the threat and the reality of coercive medical interventions paved with the good intention of halting the spread of the coronavirus. One New Jersey nursing school has issued an [ultimatum](#): get the COVID vaccine or be forced to leave the program. [Airlines](#) have floated the possibility that they will require vaccination for air travel, and as always there is the question of whether public schools will [require](#) the vaccination for attendance and if so under what conditions.

Beyond this is the broader question of COVID tests, which also involve these same issues, and are a more common requirement. Now that China has begun using penetrative anal [coronavirus swabs](#), the invasiveness of these preventative measures has come into focus, and has put the question to us as starkly as we could ever hope to have it put to our collective humanity.

In America, we fiercely guard the freedoms for which so many of our patriots have died. Discussion of coercive, painful, risky, and humiliating medical practices raises urgent questions that spring from those protective instincts. At bottom, a practice that seeks to force people into doing something they oppose is about one thing: are we free in America or not? As far as I am concerned, as an American and as a Front Royal Town Councilman, there can be only one answer to that question.

It is not a new question for us here in America. Since at least 1973, federal law has prohibited any health program receiving federal funds from instituting any religiously or morally coercive practices. The federal "Church Amendments," which are just one example of these, state:

No individual shall be required to perform or assist in the performance of any part of a health service program or research activity funded in whole or in part under a program administered by the Secretary of Health and Human Services if his performance or assistance in the performance of such part of such program or activity would be contrary to his religious beliefs or moral convictions.

These federal laws represent a partial recognition of a broader set of principles: men and women have a natural right to be secure in their persons and to be free of legal, moral, or economic coercion to take actions with which they disagree. This principle is especially the case when the action in question involves the violation of one's person.

This set of principles is at the heart of laws ensuring the free exercise of religion, freedom of speech, and freedom of assembly and association. They are furthermore at the

heart of laws prohibiting unreasonable searches and seizures, battery, sexual violence, assault, defamation, and harassment. They are at the heart of our 14th Amendment protections prohibiting states from depriving any person of life, liberty, or the pursuit of happiness without the due process of law, and the Civil Rights Act, which prohibits discrimination on the basis of religion.

Carried out to their natural conclusion, these principles also clearly prohibit coercive medical practices. In reality, however, there are few if any laws that articulate this freedom clearly enough to provide protection to people in all of the settings where they may need protection.

In my capacity as Town Councilman, I am hoping to begin to change that. In the coming days, I will be working with my fellow councilmen in the hopes of finding a way to use our authority to protect Front Royal residents from any sort of coercion to participate in a medical intervention they would rather avoid.

The countervailing concern is whether recognizing this natural freedom will inhibit our ability to combat the Coronavirus and other infectious disease. The answer is that it may change it, but any good organization can work within a framework that respects the rights of others. If an entity cannot operate in an environment where it cannot medically coerce other people, it needs to change.

To illustrate this point, consider the risks we are taking to guard the other freedoms we cherish. In America, for example, even if a person is guilty of a crime, the state must presume that he is innocent until the state proves that he is guilty. The risk we run here is that a guilty person may go free, but it is a risk that we run to avoid the phenomenon of treating an innocent person as a criminal.

Furthermore, in America, a person is free to believe the “wrong” thing about religion, even if it might lead souls astray. As a result of the bitter experience of religious war in Europe, our forefathers thought that it would be better to leave it to a person’s conscience and a religion’s ability to attract members than to employ the coercive power of the state to make the determination for people.

We can summarize the common justification for taking these very serious risks in a single word: liberty. We are a nation “conceived in liberty,” with a government that exists to “secure the blessings of liberty.” If we are a society that takes such serious risks to protect liberty, we must also give proper consideration to what this means in the context of the medical field.

If the Constitutional principle of freedom of religion has its analogue in the medical realm, it would be that people have medical freedom, even if this makes it more difficult to combat a disease. If the common law mainstay of “innocent until proven guilty” has its analog in the medical realm, it would be “healthy until proven sick.” Should a person in America be free to believe the “wrong” thing about medicine? Should the government

work to preserve the presumption that a person is healthy until proven sick? I think we know which way to go if we let our commitment to liberty be our guide.

Our struggle with the coronavirus is about a year old. In the effort to combat it, we have witnessed sustained assaults on the freedoms we have come to enjoy as Americans, freedoms for whom many patriots gave their lives. As we watch these phenomena play out, one gets the sense that we have reached a crossroads, where we will either stand for our freedoms or lose them in many critical respects.

While Front Royal Town Council cannot fix the entire problem, we can attempt to articulate a framework to guarantee that within our own boundaries we properly respect the freedoms that our residents have come to cherish, even while doing everything we can to address the coronavirus.

Our constitutional guarantees of liberty remain guarantees in times of both sickness and health. We have always experienced temptations to sacrifice our cherished liberties in response to some crisis, and we always will, whether it is health-related or something else. We cannot succumb to that temptation. Here in Front Royal, I hope that we can strike a balance that helps to ensure that we do not.

Scott Lloyd is a Front Royal Town Councilman



Work Session Agenda Statement

Item # 9

Meeting Date: June 14, 2021

CLOSED MEETING

Motion to Go Into Closed Meeting

I move Town Council go into Closed Meeting pursuant to Section 2.2-3711, of the Code of Virginia for the following purposes:

- (A) The purpose of assignment, appointment, promotion, performance, demotion, salaries, discipling or resignation of specific public officers, appointees, or employees of a public body, under subsection A. 1

Motion to Certify Closed Meeting at its Conclusion *[At the conclusion of the Closed Meeting, immediately re-convene in open meeting and take a roll call vote on the following:]*

I move that Council certify that to the best of each member's knowledge, as recognized by each Council member's affirmative vote, that only such public business matters lawfully exempted from Open Meeting requirements under the Virginia Freedom of Information Act as were identified in the motion by which the Closed Meeting was convened were heard, discussed or considered in the Closed Meeting by Council, and that the vote of each individual member of Council be taken by roll call and recorded and included in the minutes of the meeting of Town Council.