

**THE ECONOMIC DEVELOPMENT AUTHORITY
OF STAFFORD COUNTY, VIRGINIA**

**REGULAR MEETING MINUTES
July 12, 2019**

1. CALL TO ORDER

The regular meeting of The Economic Development Authority (“EDA”), of Stafford County, Virginia was held on July 12, 2019, in the County Chambers of the George L. Gordon, Jr. Administration Center, located at 1300 Courthouse Road Stafford, Virginia at 9:04 A.M. A quorum was present.

Members Present

Joel Griffin	Chairman
Don Newlin	Vice-Chairman
Howard Owen	Treasurer
Jack Rowley	
Heather Hagerman	
Skip Causey	(via telephone)

Members Absent

Danielle Davis

Also Present

Charlie Payne	Counsel
John Holden	Secretary

ED&T Staff

Marc Smith
Shyrah Moran

Jo Knight
Andrew Gordon, ACE Flight Solutions (guests)
Members of the Public

2. **APPROVAL OF MINUTES**

A. June, 2019

Mr. Newlin motioned for approval of the June, 2019 minutes. Mr. Rowley seconded.

VOTE: 6-0 Approved

3. **PUBLIC PRESENTATIONS**

A. CEDC Report.

Ms. Knight provided a summary of the preceding two Board of Supervisors Community Economic Development Committee meetings. Subjects covered included:

New design of County's Transfer of Development Rights Program

Bicycle & Pedestrian Trail Plan (updated portion Comprehensive Plan)

Broadband initiative

Continued discussion plans for Falmouth Beach

Patawomeck living village (lease at Duff Park)

Consideration of changes to Highway Corridor District

County bond for road projects

B. ACE Flight Solutions

Mr. Andrew Gordon presented the plans for the new business ACE Flight Solutions at the Stafford Airport (presentation included as part of minutes). Mr. Gordon and his company is seeking capital to assist in the launch of the business.

Staff will work with Mr. Gordon to assist and advise in preparing a formal grant application.

In the interest of time and to accommodate members of the public in attendance Old Business (Agenda Item 8) was moved to this part of the meeting (see minutes below).

4. **TREASURER'S REPORT**

A. As of May 28, 2019

Mr. Owen shared the current financials and acknowledged the work of County Finance and ED&T Staff in preparing these reports.

Mr. Rowley moved to accept the March treasurer report. Mr. Newlin seconded.

VOTE: 6-0 Approved

5. **CHAIRMAN'S REPORT**

Mr. Griffin shared that he attended the announcement of the Patawomeck living village at Duff Green (recalling the Tribe presented their plans to the EDA recently). He also attended the opening of a new business, Kick'n Axe that offers indoor axe throwing lessons and noted the announcement of Publix plans to open store in Stafford at corner of Mine Road and Courthouse.

6. **SECRETARY'S REPORT**

A. ED&T Update

Mr. Holden's monthly update was provided as part of Agenda package and incorporated into these Minutes.

Mr. Holden noted and praised staff, Marc Smith and Shyrah Moran for their work with the EDA, notably over last two months. He also noted the Department will be posting for an Economic Development Specialist in the coming weeks. Mr. Holden explained that the role of all staff in support the EDA effort is critical and all staff plays a role in helping create an efficient economic development program.

7. **WORKING GROUP REPORTS**

A. Germanna Update

Mr. Rowley asked to defer Germanna update to Closed Session.

B. Budget Group

Mr. Holden suggested that review of Fiscal Year 2020 budget differed until after discussion on Loan Program (Agenda 7.C). After Loan Program Discussion, the proposed Fiscal Year 202 Budget was presented. Mr. Holden presented the

proposed revenues and expenditures. Mr. Rowley offered additional details to support revenue and expenses for 204 Thompson. Mr. Rowley added that the budgeted “Roof Repairs” to 204 Thompson might be reconsidered depending on the continuation of the lease to current tenant or a new lease to a new tenant.

Mr. Holden noted that this Budget is for planning purposes and does not replace the financials prepared by the County Finance Office. He also noted that this Budget does not include capital assets (value of 204 Thompson) or the Certificate of Deposits held by the EDA (totaling approximately \$750,000).

Mr. Holden noted that it is still for Board consideration how to reserve or allocate the down payment and budgeted principal payments for the sale of US Route One property to honor the Board’s commitment of those proceeds to Germanna Community College (as a matching grant up to the sale price).

Mr. Griffin suggested that the Sponsorship revenue line be equal to the anticipated expenses for the Business Appreciation Reception.

With the change recommended by Mr. Griffin, Ms. Hagerstown made a motion and Mr. Rowley seconded to approve the Fiscal Year 2020 budget. Final version incorporated into these Minutes.

VOTE: 6-0 Approved

C. Loan Group

Mr. Holden reviewed the three primary documents for the Board’s consideration. There were some grammatical changes recommended and shared with the Board but Mr. Holden reviewed the “policy matters” for consideration in the documents.

Mr. Holden walked through those changes as presented in a cover memo (incorporated herein to these Minutes). The Board acknowledged and accepted the changes reflected in the cover memo with the following additions or changes:

- i. Page 4, EDA Incentive and Loan Policy. Individual grants limited to \$25,000 and in total to the amount allocated in the annual budget. Language to be added to allow for exceptions to maximum grant with unanimous Board approval for such exceptions.
- ii. Page 5 (and also reflected in the Credit Policy Manual), EDA Incentive and Loan Policy. EDA gap financing to require at least 50% additional applicant cash or commercial financing.
- iii. Page 6, EDA Credit Policy Manual. EDA Loan Committee is authorized to approve loans up to \$25,000.

Mr. Holden provided the Board with a series of motions to enact the Loan Program, with the changes noted above. Those, revised as discussed include the following:

To approve edits to the Stafford EDA Grant Incentive Program Policy as per the revised draft presented and dated July 12, 2019 with modifications as per the Summary Cover Memo (attached herein to these Minutes) with changes noted above.

- a. To Approve the EDA Loan Program as outlined in the Credit Policy Manual Draft presented July 12, 2019 with modifications as per the Summary Cover Memo (attached herein to these Minutes) with changes noted above.
- b. To Authorize the Chairman to enter into the Memorandum of Understanding with the Rappahannock Economic Development Corporation, Virginia Capital Corporation, and University of Mary Washington Small Business Development Centers for the purpose of managing the Stafford EDA Loan Program.
- c. To authorize the Chairman to enter into agreement (contract) with Rappahannock Economic Development Corporation for the purposes of underwriting EDA Loans as per the EDA Loan Program and Credit Policy Manual for the term of one year at no cost to the EDA and subject to any additional legal review.
- d. To authorize the Chairman to enter into agreement (contract) with Virginia Capital Corporation for the purposes of servicing EDA Loans as per the EDA Loan Program and Credit Policy Manual for the term of one year at a one-time cost of \$2,500 to the EDA and subject to any additional legal review.
- e. To amend the Stafford EDA Bylaws as presented to authorize establishment of a Stafford EDA Loan Committee, as presented.
- f. To authorize transfer of \$100,000 of funds from the EDA bank account to Virginia Capital Corporation for the purposes of capitalizing EDA Loans

Mr. Newlin made a motion to accept all the above draft motions into one motion
Mr. Rowley seconded.

VOTE: 6-0 Approved

D. Property Group

(1) 204 Thompson

Mr. Rowley provided a brief update to the Board. After some discussion the contracted Property Manager was not brought in on a call but the Board requested her presence or report for future meetings. Mr. Rowley noted that along with staff and Mr. Owen the listing agent and property manager met and discussed moving all tenants to more market aligned rents. Mr. Rowley noted that some tenants may not be prepared to adjust to new or renewed leases closer to market rates with NNN and CAM enforced. In particular he suggested Rogers Enterprises may likely voice objection. Mr. Holden noted that he has indeed called the office and he and staff had spoken to him and indicated the intent of the EDA was to move in

that direction (to market rents). Marc Smith and the leasing and property management agent will meet with the tenant and suggest an alternative location in the building. Mr. Rowley stated again a firm approach to secure market rents and tenant leases. The Board acknowledged approval.

Mr. Rowley also noted that the EDA may wish to list the property for sale. Mr. Smith noted his experience and recommendation. The Board agreed to list the property with an asking price of \$850,000.

8. OLD BUSINESS

A. Broadband

Three members of the public from the Widewater and Marlboro Point area spoke in favor of the County's efforts to apply for Virginia Technology Infrastructure grant. Two members of the public who spoke note the need for children to use internet for school work and, in their case, they often loose service 2-3 days into their monthly service agreement.

Mr. Holden noted that staff had just that week received and were reviewing the only submission for private participation in that grant from KGI. Staff will be meeting with KGI in the following week to review that submission and to help organize and finalize the grant application.

9. NEW BUSINESS

Mr. Holden brought forward one item of new business as shared with the Board in a Memo to the Board (incorporated herein). In summary, Mr. Holden explained the County Tourism Sponsorship Program and requested the EDA Board act as the fiscal or contracting agent for the program. The County has approved the Program and allocated funds in its fiscal year 2020 budget and will transfer those funds to the EDA for contracting purposes.

After some discussion for clarification, Ms. Hagerstown motioned that the EDA act in this capacity on behalf of the County Tourism Program, Mr. Rowley seconded.

VOTE 4-0 Approved, one abstain (Mr. Newlin)

10. ATTORNEY'S REPORT

NONE

CLOSED SESSION

The EDA Board went into closed session in accordance with Section 2.2-3711.A.3 and 5, et al. of the Code of Virginia 1950, as amended. No Votes were taken while in closed session. Members of the EDA and Economic Development staff present at the meeting were in the closed session.

Mr. Griffin motioned to move into closed session. Mr. Rowley seconded

VOTE 5-0 Approved

Mr. Rowley motioned to come out of closed session. Mr. Griffin seconded.

VOTE 5-0 Approved

Upon existing Closed Session, Mr. Griffin made a motion to support the grant application from 6 Bears and A Goat for \$50,000, over two years with \$25,000 upon execution of an agreement and \$25,000 in year two.

VOTE 5-0 Approved

11. ADJOURNMENT

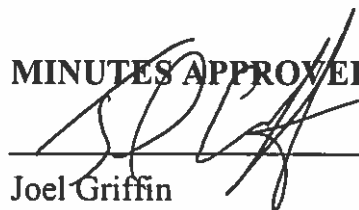
There being no further business brought before the Economic Development Authority, Mr. Griffin adjourned the meeting at 11:45 A.M. The next Regular Meeting is scheduled for Friday, August 9, 2019.

MINUTES SUBMITTED BY:



John Holden
EDA Secretary

MINUTES APPROVED BY:



Joel Griffin
EDA Chairman