

**STAFFORD COUNTY ECONOMIC DEVELOPMENT AUTHORITY  
MINUTES OF ITS REGULAR MEETING  
APRIL 10, 2020**

The regular meeting of The Economic Development Authority (“EDA”), of Stafford County, Virginia was held on April 10, 2020, by Conference Call.

**1. CALL TO ORDER**

This meeting was held (and advertised) by conference call and called to order by Chairman at 9:00 AM. A quorum was present and accounted for.

Members Present

Joel Griffin	Chairman
Don Newlin	Vice Chairman
Howard Owen	Treasurer
Jack Rowley	
Heather Hagerman	
Danielle Davis	
Skip Causey	

Also Present

Charlie Payne	Counsel
Fillmore McPherson	Stafford Planning Commission
John Holden	Secretary, Director ED&T

ED&T Staff

Joshua Summits	Business Development Officer
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**2. APPROVAL OF MINUTES**

Mr. Causey motioned, Ms. Hagerman second, that the minutes of the March 13, 2020 Regular Meeting and the minutes of the Special Board Meeting, March 24, 2020 (establishment of the EDA Covid19 Grant Program) and Special Board Meeting, March 31, 2020 (Review of the EDA Covid19 Grant Program and awarding previous EDA grantees) be approved.

**VOTE: 7-0 Approved**

3. **PUBLIC PRESENTATIONS**

Mr. McPherson complimented the Department in Mr. Summits for their organizing, participation, and content of the special Coronavirus business webinar that was held on April 7. He noted that the Stafford Planning Commission has cancelled its April and May meeting due to the Coronavirus outbreak.

Mr. Griffin asked Mr. McPherson of any input on the EDA's continued dialogue and with the Planning Commission, as discussed at the February meeting and his continued interest in collaboration with the Planning Commission. Mr. McPherson noted that it had been mentioned at the Planning Commission and he, personally, recommended one-on-one dialogue between the representatives from each County District of the Planning Commission and EDA.

4. **TREASURER'S REPORT**

Mr. Owen noted the financials included in the Agenda and highlighted that the EDA has \$3.1M in assets but that with the approval of \$250,000 in cash from CDs and the likely sale of 204 Thompson that will likely be reduced to something closer to \$1.4M. He noted that "cash on hand" was approximately \$500,000 in CDs and \$50,000 in the Stifel account and perhaps the cash from sale of 204 Thompson. Mr. Crowley noted that that would likely be \$714,000.

Mr. Owen recognized that the Board will discuss another round of grants in reaction to the Coronavirus outbreak, but wanted the Board to recognize its cash position.

Mr. Rowley asked if the previous commitments and revenues budget form would be available in future meetings. Mr. Owen noted that he was speaking from it and that it would be and he was working with Mr. Holden on this report. Mr. Holden apologized, explaining he was updating it as of last night.

Mr. Newlin motioned to accept the Treasurer's report, second by Mr. Causey.

**VOTE: 7-0 Approved**

5. **CHAIRMAN'S REPORT**

Mr. Griffin stated that he has been getting a lot of calls and emails in response to the EDA Coronavirus grant program. He has been getting them directly and forwarded by members of the Board of Supervisors. He has been responding with, generally, the message he has shared with the EDA previously. Generally, the inquiries have been positive other than a number of requests to consider business with 1-4 employees.

Mr. Griffin reported generally positive reaction from the Board of Supervisors. He noted that he had a long conversation with one member of the Board of Supervisors that expressed desire to financially support the EDA more so in the future.

6. **SECRETARY'S REPORT**

Mr. Holden updated the EDA that the Board of Supervisors are adjusting and reacting to a significant shortfall in its current, FY2020 and next year FY2021 budget. As a result there will be no new hirings outside of a few public safety positions, including the Marketing Coordinator position for ED&T that was primarily funded by the EDA.

Mr. Griffin asked that the EDA keep the \$50,000 for staff support in the budget and that the EDA would like to work with the Department to support the need for additional economic development staff, particularly in the planned events, additional marketing and administrative support.

Mr. Causey asked if the EDA might not hire its own position that would work with the Department under Mr. Holden's guidance.

Mr. Holden noted that there would likely be human resource issues having an employee of the EDA "directed" by himself and recommended a contract position. Mr. Holden will prepare a list of contracted services (tasks) to support ED&T's efforts and the EDA at its next meeting.

Mr. Holden shared with the Board that ED&T is now able to do electronic signature for Mr. Griffin. This will be helpful as the CV19 grants continue. Mr. Holden will assure that there is an email confirming Mr. Griffin's approval for any use of this signature on checks.

7. **WORKING GROUP REPORTS**

A. Loan Committee

Mr. Holden noted that it has been the Loan Committee plus Mr. Summits reviewing and approving all CV19 grants. Other than that he had no report.

B. Germanna Update

Mr. Rowley shared a story of a Mr. Tibbs, a graduate of Germanna, that is not in Los Angeles working in emergency rooms addressing the coronavirus outbreak. Germanna has moved its classes to online. The State is considering potential cuts to the community college budgets statewide in response to less revenues due to the outbreak. GCC is still in talks and negotiating its expansion to the third floor of the Fried Center.

C. Property Group

(1) 204 Thompson

Mr. Rowley reported that the closing is scheduled for later today, April 10. He reminded the Board, briefly, of the story and recent weeks issues with Old Towne Window Works (OTWW) and praised the help of Ms. Hagerman and EDA's Sales Agent in getting the EDA to closing. The last matter regarding OTWW was his departure and cleaning up after him. The buyer agreed to a \$5,000 credit at closing.

(2) Centreport

Mr. Holden told the Board that just this week, he got notice from VDOT in regards to their desire or need for land for the new expanded “Hot Lanes” on I-95. Mr. Holden will review their need with County staff next week. The potential buyer is still interested in the property and sent additional information this morning. Mr. Holden will review that and report back to the EDA on both matters at its next meeting.

**8. NEW BUSINESS**

None

**9. OLD BUSINESS**

Mr Griffin explained the basis and background of the Partnership Agreement with Dahlgren, noting it would put the EDA and Stafford as a primary contact for future R&D technology transfer from Dahlgren—as what First Line Technologies has done. As discussed at previous Board Meeting and confirmed by legal counsel, this Agreement has not financial or other requirement on the EDA. He will ask Dahlgren to make the changes requested by the Board—changing “Stafford County” to “Stafford County EDA” and sign the agreement if there was no objecting. There was no objection.

Covid19 Grant Program

Mr. Holden gave a summary of Round One of the grants including 109 applications and approximately 43 businesses receiving grants, some still pending complete documentation and applications. He thanked the Loan Committee for their work in reviewing applications.

The Board considered if and how to proceed with a Round Two of CV19 grants. Mr. Holden summarized a document that offered some suggestions for guidelines on a Round Two program.

Mr. Holden reminded the Board and encouraged that the grant continue to be a reimbursement on payroll, indicating the business is keeping persons employed. Mr. Rowley offered guidance on how to find owner income on an owner’s 1040 Schedule C.

Mr. Griffin asked the Board to consider a second round and to include business with 1-4 employees. He emphasized his opinion that the program be targeted to support businesses that are maintaining some payroll (employees). Although he recognizes their issues, he is not supportive of consultants with no payroll with contract “1099” employees as EDA funds may essentially pay for home mortgage or other living expenses.

Ms. Davis also supported EDA supporting though a payroll verification process.

Mr. Rowley agreed and would like to support those with 1-4 employees at something less than the \$5,000 per business. Others generally agreed.

Mr. Griffin again asked other thoughts on how to consider single contractors (no

employees). Ms. Hagerman suggested that it is important to recognize the single proprietor and those with 1099 employees. Other and overall, the Board did not wish to include these into the grant program, feeling that the grants should try to have largest impact on possible and that includes business that generates jobs and can be documented through payroll. The Members agreed that sole proprietors that secure a major portion of income from the business should be considered.

Ms. Davis stated that she understood the exclusion of national franchises in Round One but stated she would like to include those in Round Two. Mr. Cause expressed concern that just a few national franchise applicants would deplete the funds and not allow the EDA to help as many as possible. Others on the Board, recognizing that these are often locally owned, hoped that the franchisors would be offering help to their franchisees.

Mr. Griffin asked the Board to identify an amount of funds it would like to allocate to Round Two and asked Mr. Owen for his recommendation. Mr. Owen suggested \$200,000. There was general agreement on that amount.

Mr. Griffin proposed the following motion:

The EDA will issue a Round Two of CV19 grants making use of \$200,000 in EDA funds. The grants will be available to business of 1-5 employees in an amount of \$2,000; businesses of 6-20 employees of \$5,000; and businesses of 21-50 of \$7,500. As in Round One the grants will be based on a payroll reimbursement and will exclude national franchises.

Mr. Newlin seconded.

#### **VOTE: 6-1 Approved**

Ms. Davis voted against, stating that she fully support the second round of grants but that she feels the EDA is doing a disservice to our county franchises by eliminating them from the funding availability.

Mr. Griffin thanked the Board for its open and candid input and dialogue. Further, he suggested there may be need for a "Round Three" of grants.

The Board encouraged a media release on the efforts of EDA and Mr. Holden said he would contact the press later in the day.

In subsequent email communication on April 16, 2020 the Board further confirmed the following changes to the EDA Micro Loan Credit Policy in order to offer micro loans to all businesses (including franchise owners). **This change was recorded by five affirmative votes and no negative votes**

The EDA special CV19 Micro Loan program would have the following terms and interest:

1. 36-month amortization
2. If principal paid back in full within 24 months, interest would be forgiven and rebated.
3. Loan amounts between \$5,000 and \$15,000

In a subsequent email communication on April 24, 2020, The CV19 grant review

committee asked for clarification from the Board as there are a number of applicants (many who had applied and been denied in Round 1) that were forced to close (hair salons, barbershops, massage studios, gyms, etc.). In Round One those were denied on the basis of not maintaining payroll.

Having completed its first review of the second round of applications, many of those alluded to above that were denied had re-applied, as well as some new ones. The Committee proposed approving such operations due to the fact they were forced to close and the ongoing “shut down.” There are funds available and the Committee may consider a grant of fixed amount to these businesses—allowing the EDA funds to support as many as possible. The Committee asked by email reply for any input and guidance as it proposes to support those types of businesses, leaving distribution (amount) of grant funds to the Committee. **By email reply, five members approved these awards in a distribution decided upon by the Committee.**

10. **CLOSED SESSION**

None

11. **ATTORNEY’S REPORT**

None

12. **ADIJOURNMENT**

There being no further business brought before the Economic Development Authority, Mr. Griffin adjourned the meeting at 10:57 AM.

**MINUTES APPROVED BY:**



Joel Griffin  
EDA Chairman

**MINUTES SUBMITTED BY:**



John Holden  
EDA Secretary