

BOARD OF SUPERVISORS  
STAFFORD, VIRGINIA  
MINUTES  
JOINT WORK SESSION WITH THE EDA  
July 7, 2020

Call to Order A joint meeting of the Stafford County Board of Supervisors and the Stafford County Economic Development Authority was called to order by Meg Bohmke, Chairman, at 11:38 a.m., on Tuesday, July 7, 2020 in Conference Room 5&6, at Stafford Hospital, 101 Hospital Center Blvd, Stafford, VA 22554.

Roll Call The following members were present: Meg Bohmke, Chairman; L. Mark Dudenhefer; Cindy C. Shelton; and Crystal L. Vanuch. Members of the Economic Development Authority were also in attendance including Mr. Joel Griffin, Chairman; Mr. Donald Newlin, Vice Chairman; Mr. Skip Causey; Ms. Heather Hagerman; Ms. Danielle Davis; Mr. Howard Owen, Treasurer; Mr. Jack Rowley.

Also in attendance were: Frederick Presley, County Administrator; Mike Smith, Deputy County Administrator; Donna Krauss, Deputy County Administrator; Julia Holmes, Assistant Deputy Clerk; associated staff and other interested parties.

Ms. Bohmke welcomed all in attendance, spoke about the opportunities and challenges that Covid-19 has created in Stafford, and acknowledged the work that the EDA has done. Mr. Griffin stated that John Holden, Director of Economic Development would provide a condensed presentation. Mr. Holden provided takeaways regarding CARES act funding in response to COVID-19. Mr. Holden emphasized that more detail would be provided at upcoming CEDC meetings then highlighted the importance of marketing for investment, business, and visitors. He summarized updates regarding the retail market.

Mr. Holden spoke about the CARES act and stated that the EDA granted just over \$450K in two rounds of a grant program. Those grants went to 122 applicants. Mr. Holden said that staff was researching additional grant options and eligibility criteria for the County under the CARES act. He said the focus was on a community development block grant and an investment in new technology for the Smart City Testbed. Mr. Holden spoke about proposed programs funded by CARES act monies. Ms. Vanuch asked if there would be a pre-qualifier to exclude anyone who received PPP loans, or any means funding, to prevent double dipping. Mr. Holden said that would be a part of the discussion to give the EDA guidelines for the programs. Ms. Vanuch stated that hotels were trying to double dip after receiving PPP loans.

Mr. Holden cited research on grant programs from six other counties. He highlighted proposed program guidelines. Mr. Holden spoke about lessons learned after the first round of the grant

program. He discussed the use of lease or mortgage payments as a metric to determine how much funding a business would receive in the next round. Mr. Holden spoke about the KISS method. Mr. Holden said that there was a proposal to expand the VATI grant and place broadband into rural areas within the Aquia district. He provided proposed uses of the CARES act money, spoke about contracted administrative support, and discussed possible EDA involvement. Mr. Holden then asked for Board direction on the use of CARES act funds for businesses.

Ms. Vanuch thanked staff and the EDA for their proactive work. She said that it would be helpful to provide funds specifically to restaurants and salons so that they were not competing against other businesses. Ms. Vanuch spoke about prioritizing funding to business owners that live in Stafford. Mr. Griffin spoke about criticism the EDA received about attempts to support businesses that live and work in Stafford. He said that the emphasis was on supporting existing businesses in Stafford and to try to keep them open. Mr. Griffin said that hotels received PPP funding, but were still drastically under water. He spoke about challenges businesses are facing with customers not feeling comfortable with returning to physical locations. Mr. Causey discussed supporting restaurants and spoke about the varied challenges facing the industry. He said that staff and the EDA researched the degree of viable business a restaurant could conduct before allotting aid. Mr. Causey spoke about the exclusion of franchised business, but acknowledged that many were staples in the County. Ms. Vanuch mentioned Chick-fil-A. Mr. Causey said restaurants with drive through established did not suffer as significantly. He spoke about the difficulty in determining which businesses to provide grants to. Mr. Causey discussed unanticipated businesses that were affected by the virus such as construction. Mr. Holden said that some counties have done random drawings in determining which businesses would receive grants if they met established criteria. Mr. Holden said he thought that approach was skipping a bullet, and the aim was to be open in determining grant eligibility.

Mr. Dudenhefer asked if the real estate market and realtors had been looked into. Ms. Hagerman said that the residential market was killing it, but commercial brokers that work in investment real estate were struggling mightily. Ms. Shelton said that she supported Ms. Vanuch's idea of including restaurants in the decision matrix. She said she would also like to see a prioritization of businesses that are locally owned. Mr. Owen said that home addresses were included on the application, and the majority of applicants were Stafford County restaurants. Ms. Vanuch asked if Sam's Pizza was excluded as a part of the franchise exclusion. Mr. Causey clarified that nationally franchised were excluded, so Sam's was able to qualify. Mr. Owen said that the grant program was open to everyone, and specific business types were not solicited. He suggested marketing to businesses who may not have known about the program for the next round. Ms. Vanuch mentioned Facebook advertising. Discussion ensued about program criteria for franchises, restaurants, and hotels.

Ms. Bohmke asked how you are able to ascertain if a business will be an ongoing business, or if it will have to close. She spoke about not wanting to issue grant money if a business would have to close soon afterward. Mr. Owen said that the staff and the EDA worked to gain substantial information from the applicant. He spoke about getting an intern who would call everyone who received a grant to determine the impact of the money, and if they are still in business. Ms. Vanuch spoke about having an intern who could assist in that matter. Josh Summits, Business Development Officer stated that some of the questions posed to business owners were about what steps they had taken to modify their business plans and operations to sustain through COVID-19. The businesses were denied for the reasons such as being closed, or not meeting the spirit of the program. Discussion ensued about reasons for denial. Ms. Bohmke spoke about eligibility of salons for the program and the basis of payroll. She suggested that the grant program be structured on rent payments instead of payroll. Mr. Causey said that the second round did not have payroll criteria. Discussion ensued about the intention of keeping individuals employed through the grant funding. Mr. Griffin said the proposed programs would not solve problems for each person, but the intent was to retain jobs and keep businesses open.

Ms. Vanuch asked if healthcare providers and dentists would be excluded from this round of grants. Mr. Summits said they received some funding in the first round. Ms. Vanuch spoke about separate CARES act funding those businesses could apply for through the Federal government, and encouraged excluding them from this round. Discussion ensued about Federal requirements. Mr. Holden said that the upcoming EDA meeting would continue that discussion. Discussion ensued about potential program prioritization. Ms. Vanuch spoke about adding criteria to ensure that a business had no Health Department violations or violations of social distancing standards. Mr. Smith suggested that the Board decide at the evening's meeting the distribution of funding. He explained that the EDA would then determine criteria, which would later be presented to the Board of Supervisors. Mr. Griffin expressed that even with a Board of Supervisors vote tonight, the EDA could still present updates on criteria to the Board for feedback and advisement. Ms. Vanuch asked Mr. Griffin to come to the Board's Public Hearing. Discussion ensued about the Board meeting agenda.

Mr. Holden continued the meeting's discussion by stating that technology zones and tourism zones were marketing tools. He said that Stafford had a technology zone. Mr. Holden spoke about marketing incentives and ways to tweak the tech zone. He spoke about redesigning the Opportunity Fund as an Economic Investment fund. He explained that there was a need to have sites ready for potential projects which would boost Economic Development efforts. Ms. Vanuch said that Economic Development needed to work with Planning and Zoning to prioritize all commercial development over residential. Mr. Griffin said that the EDA would work on recommendations and a formal plan to present to the Board of Supervisors. He suggested a

committee be formed to hold monthly meetings. Ms. Bohmke said having an ad hoc committee would be awesome.

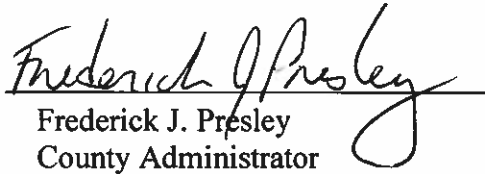
Mr. Holden presented a video on retail shopping patterns. Mr. Holden then spoke about economic strategies to attract retail, the evolving market, the response to increased ecommerce sales, and the change in consumer buying habits. He said that there was an increase in consumers seeking experiences. He stated that there was growth in food and beverage spaces due to the experience driver. Mr. Holden discussed location and population density factors in attracting businesses. Mr. Holden noted that communities are now also focused on the health and safety role in retail and shopping experiences. He spoke about contributing factors for the gap in retail in Stafford. Mr. Holden summarized by providing the following points: rapid change, innovation, new retail around technology, and authentic and unique experiences. Mr. Griffin spoke about the gap mindset and noted that there are no walkable spaces in Stafford. He stated that Downtown Stafford would provide a walkable space without box stores and without a strip mall mindset. He spoke about a need for housing density and provided the example of Trader Joe's, and the criteria they use for determining new locations. He spoke about millennials how they spend money outside of the County because of experience based restaurants and retail. Discussion ensued about criteria used by businesses to determine population density, new development viability, and potential downzoning.

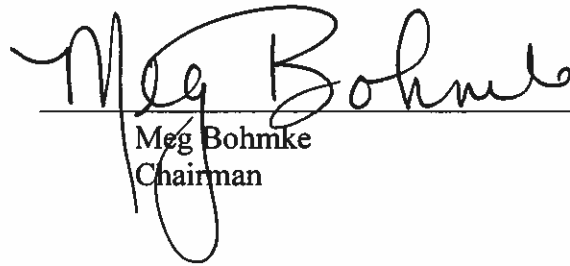
Ms. Davis spoke about the unique opportunity that was in front of Stafford County to put a stamp on its identity. She highlighted the strong school systems in Stafford and noted that the students later leave to find employment in surrounding counties. She said that there was a need for that education to be used to bring business into the County. Mr. Holden discussed the importance of messaging and marketing. Mr. Holden then stated that in partnership with the EDA, an Entrepreneur Development program had been launched and would start on July 30 with a virtual town hall.

Ms. Bohmke asked if there were any final comments or questions for the EDA. Mr. Dudenhefer commented that if growth was controlled in A-1, he could see himself voting for development in the Urban Services Area. Mr. Griffin said that developers were ready to work with the County, as long as the expectations and goal line remained the same. Ms. Vanuch said she never voted for a single rezoning while serving on the Planning Commission because it either did not match the Comprehensive Plan, or growth could not be managed. She spoke about growth on the outskirts of the County which opposed the Comprehensive Plan. She said that the Board wanted strategic growth to drive businesses. She said growth inside the Urban Services Area could be managed and would provide more certainty. Mr. Griffin spoke about the importance of clear expectations for development. He said clarity allowed for easier marketing and recruitment for businesses. Mr. Dudenhefer mentioned Downtown Stafford as being a prime example. Ms.

Bohmke said that the key focus for the future was the experiential retail model. Mr. Causey spoke about an EDA retreat that focused what sort of businesses the County should be pursuing. He said that the businesses with a focus experience, and recreational components were seen to be the most desirable. Ms. Hagerman said she hoped that with moving forward with projects like Fountain Park, that the Board would be flexible with density. Ms. Bohmke said that even if the Board did not approve the item at the evening's meeting, that it was not dead. Ms. Bohmke and Ms. Hagerman agreed about the need for flexibility.

Adjournment At 12:48 p.m., Chairman Bohmke adjourned the July 7, 2020 Joint Board of Supervisors and Stafford Economic Development Authority work session.

  
Frederick J. Presley  
County Administrator

  
Meg Bohmke  
Chairman