



REGULAR MEETING MINUTES

June 14, 2024

The regular meeting of the Economic Development Authority (EDA), of Stafford County, Virginia, was held at the George L. Gordon Jr. Government Center, 1300 Courthouse Rd, Stafford, VA 22554 with a virtual option on Friday, June 14, 2024.

1. CALL TO ORDER

This meeting was called to order by Mr. Howard Owen at 9:00 AM. A quorum was present and accounted for.

Members

Howard Owen, Chairman
Heather Hagerman, Vice Chairman (Virtual)
Jack Rowley, Treasurer
Price Jett
Jeff Roosa
Marlon Wilson
Jeanette Holland

ED/EDA Staff Present

Liz Barber
Josh Summits
Joey Peppersack
Christine Mulrooney
Savannah Wimbush
Linzy Browne (Virtual)

Also Present

Jen Morgan, RioT
Megan Cotter, Micah Ministries
Kirsten Maxon, Public

Mr. Owen emphasized the disclosure of any conflicts of interest among members and staff. Mr. Rowley discloses he is involved with the individuals presenting, Micah Ministries.

Mr. Owen introduces Mrs. Holland and welcomes her as the newest EDA member representing the Aquia district.

2. APPROVAL OF MINUTES

Mr. Owen motions to approve meeting minutes. Mr. Rowley seconds.

Approved 7-0

3. PUBLIC PRESENTATIONS

1. Micah Ministries
 - a. Mr. Owen welcomed Mrs. Cotter from Micah Ministries, who began her presentation on the Jeremiah Community. The Jeremiah Community is envisioned as a neighborhood-based model where people can live independently while having access to necessary support services. This model includes individual units, community centers, workforce centers, and market spaces to create jobs and foster relationships and purpose among residents. Mrs. Cotter raised awareness of homelessness in the greater Fredericksburg region (Stafford County, Spotsylvania County, Fredericksburg City, Caroline County, and King George County) and provided key statistical data on individuals experiencing homelessness. Mrs. Cotter concluded by encouraging board members to educate themselves on homelessness's impact on economic development and consider how the EDA might contribute to solutions like the Jeremiah Community. Mrs. Cotter emphasized the need for regional collaboration and ongoing support for addressing homelessness holistically and sustainably.
2. Stafford Economic Development Report
 - a. Mrs. Barber summarizes a department outreach initiative with local businesses. The department sent out a letter to every business on the 2023 Commissioner of Revenue list, introducing the economic development office and highlighting the resources it offers. Businesses were encouraged to scan a QR code to join the email list. This outreach was highly successful, with 139 businesses responding and 53 requesting one-on-one meetings. So far, 13 meetings have been scheduled and more are being arranged. Businesses have expressed appreciation for the efforts to listen to their concerns and provide support. Mrs. Wimbush has been instrumental in managing this initiative.
 - b. Mrs. Barber briefly provides an update regarding the \$26,000 reimbursement from the Go Virginia grant, which has been deposited into the EDA operating account and this grant has been successfully closed out.
 - c. There has been a delay in transitioning the SAM.gov point of contact from Mr. Hendon, who is still the only registered contact for federal grant applications. Mr. Owen offered to follow up with Mr. Hendon to expedite this transition.
 - d. Regarding RV Parkway property, progress is being made on determining easements and developing a plat map. Mrs. Barber expects to have more updates by the next meeting.
 - e. Mrs. Barber provides an update regarding the selection of a retail consultant. Mrs. Barber states that an agreement has been finalized with Retail Strategies, who will begin their research soon. They will provide a detailed report on retail leakage, assisting the department with understanding and addressing why residents are spending money outside the county, and determining our biggest opportunities for expansion.

- f. Mrs. Barber states that Brolin Creative, led by Mrs. Browne, won the bid for a marketing contractor. The Economic Development Department will now contract directly for marketing and events work, which was previously funded by the EDA's budget, ensuring a seamless transition with no changes in service levels for either party. This will reduce the expenditures for the EDA for this line item.
 - g. Mrs. Barber briefly touches on the Virginia Smart Community Testbed, where final discussions are ongoing with the Fredericksburg Regional Alliance for a partnership to manage the testbed. She has emphasized the EDA's interest in having representation on any advisory committee formed.
 - h. Mrs. Barber explains that the Amazon legal fees reimbursement request might need to go to the Board of Supervisors due to the lack of a budget line item for such expenses. Mr. Owen suggested that he follow up with Amazon directly to ensure the correct entity is being communicated with.
3. Public Comment
- a. Mrs. Maxon expressed concerns about the impact of recent ordinances on the homeless and issues related to affordable housing.
 - b. Mr. Owen and Mrs. Barber briefly addressed the inclusivity of the Economic Development email list and event registration process. Mrs. Barber emphasized the importance of open access to these events to bolster business relationships.

4. TREASURER'S REPORT

- a. Mr. Rowley expressed satisfaction with the recent improvements in the financial management system, specifically the transition to electronic approval for check signatures and receiving the bank statements electronically. This change has led to more efficient payment processes and quicker financial reporting, allowing the financial statements for May to be prepared in less than a week from statement closing. Mr. Rowley highlighted that the EDA's total assets, including CDs and bank accounts, amounted to approximately \$804,000.
- b. Mr. Rowley pointed out that while the current financial state is healthy, the EDA must remain aware of its expenditures and potential financial commitments. For example, a loan application for \$140,000 is under consideration, which would significantly reduce the cash balance. Mr. Rowley emphasized the need for a detailed itemized budget for 2025. Mr. Rowley states EDA spends about \$30,000 monthly, though this amount could change with adjustments, such as the new contract with Mrs. Browne.
- c. Mr. Jett inquired about the projected financial position a year from now. Mr. Rowley estimated that, without accounting for additional loan applications or grants, the EDA would spend around \$360,000 over the next 12 months based on current spending patterns, nearly halving the current balance. However, unexpected grants or significant loans could further impact this projection.

Mr. Rowley motions to approve the financial statements for the months of March, April and May 2024. Mr. Jett seconds.



Approved 7-0

5. SECRETARY'S REPORT

- a. Mrs. Browne recaps the Business Appreciation Reception held on April 24. Detailed information, including attendee totals, sponsorships, and a financial breakdown, was provided in the packet. Mrs. Browne highlighted that the event incurred zero costs to the EDA, celebrated local businesses, and showcased the advantages of conducting business in Stafford.
- b. Mrs. Browne recaps the May Beer & Business event, sponsored by Express Tech, which saw 48 attendees. Mr. Roosa was commended for his role as the EDA representative and moderator. Fred Brown from Express Tech expressed his enthusiasm and commitment to sponsor the event again next year. The next Beer & Business event is scheduled for August 14, sponsored by Arsenal Events, with 32 people already registered.
- c. Mrs. Browne informs the EDA of the Veterans Business Boot Camp, which is organized in collaboration with the Small Business Development Center (SBDC) at the University of Mary Washington (UMW). This year's event aims to be more regional, including participation from Stafford, Spotsylvania, Fredericksburg, King George, and Culpeper. Mrs. Browne secured Virginia 529 as a sponsor to cover event costs, making it free for participants and regional partners and incurring no costs to the EDA. The event is scheduled for November 13 at UMW, with the exact venue yet to be confirmed, though it is likely to be the Jepson Center.
- d. Mr. Rowley inquired about the costs associated with the Jepson Center. Mrs. Browne clarified that venue fees would be waived since the SBDC is affiliated with UMW. She also mentioned that Virginia 529 would cover the cost of meals.

6. CHAIRMAN'S REPORT

- a. Mr. Owen raised a concern about the process of businesses applying for grants and loans online and suggested a discussion on whether this method is effective. Mr. Rowley expressed reservations about online applications, emphasizing the potential for inappropriate requests due to limited EDA funds. He suggested that more selective criteria might be necessary to manage funds effectively.
 - i. Mrs. Barber clarified that the website has information sheets for each loan type, not direct applications. She proposed creating a similar one-pager for grants to direct applicants to her for pre-qualification before accessing the application.

7. COMMITTEE AND WORKING GROUP REPORTS

- a. LOAN COMMITTEE (J Rowley, J Summits)

- i. Mr. Summits states that April payments were standard with no issues. However, in May, there were some notable developments. Vitae Visual has entered its deferral period. Santana Holdings, listed as Locust Billing, MSQ, had an issue with their payments. Although a payment of \$3,000 was made on April 17 to catch up on past dues, the June payment bounced. Mr. Summits plans to reach out directly to the borrower and work with Locust to address the issue.
 - i. Mr. Roosa inquired about Next Level Mosaic and their payment status. Mr. Summits explained that the payments are being made directly by one of the LLC members. Contact has been made with other LLC members.
 - ii. Mr. Owen asked if any loan recipients were currently in default. Mr. Summits confirmed that none are currently in default, but Santana Holdings could potentially default if the June payment issue isn't resolved.
 - iii. Mr. Rowley asked about communication with the borrower from Santana Holdings. Mr. Summits confirmed he would be reaching out to them shortly. Mr. Summits also noted that the loan, closed in October 2023, had a balance of just over \$46,000 from an original \$50,000 loan. There is a need to look into the loan's security details to determine if there are any personal guarantees or additional collateral.
- ii. Mr. Summits introduces a loan application from the Business Growth Fund for the Stafford Regional Handbell Association, operating under the name Global Bronze Foundation. The loan request is \$140,000 with an 8.5% interest rate over a 10-year term, including a three-month interest-only period to facilitate leasehold improvements and opening collateral at their new 106 Banks Ford Road location. The loan would be secured with a mortgage lien on a personal residence of the LLC chair, along with guarantees from the Global Bronze Foundation. The organization is moving from an 8,000 square foot industrial space to a new 10,000 square foot facility to expand their instructional and performance space. The total project cost is approximately \$750,000, with \$100,000 allocated for tenant improvements and over \$500,000 provided in cash by the organization.
 1. Mr. Rowley raised concerns about the personal residence being used as collateral, given its high value and the possibility of the applicant securing a home equity loan from a bank instead. Mr. Summits clarified that the applicant has no credit history, which might hinder traditional bank financing.
 2. Mrs. Barber expressed reservations about the EDA providing a substantial loan to a nonprofit, emphasizing that the EDA is not a bank and should consider the broader impact on the business community, including potential tax revenue generation. Mr. Jett

voiced concerns about the financial risk, noting the significant percentage of the EDA's cash reserves that the loan would consume and the ethical dilemma of foreclosing on a property with vulnerable individuals as occupants.

3. Mr. Owen suggested tabling the decision until the next meeting to allow for a thorough review of the legal aspects and the trust documentation. Mr. Rowley agreed, stressing the importance of ensuring all legal requirements are met and that the borrower understands the closing costs involved. The board decided to table this item to the July agenda.
 - ii. Mr. Summits gives an update on Vitae Visual. They reported having received documentation from legal counsel's office in late April regarding an amendment. However, due to travel in May, confirmation of the amendment's execution is pending. As of mid-May, there has been no indication of the amendment being carried out, and there was no payment made in June. Vitae Visual is currently waiting to coordinate further with the concerned party to potentially execute the amendment to the loan.
 - iii. Mr. Rowley inquired about the status of Emery Mills Urgent Care. Mr. Summits reported that there was a missed payment. This occurred a few months after opening, during which they had not yet started receiving their Medicare repayments, a significant source of cash flow. Mr. Owen noted that there is typically a minimum 90-day delay for such payments, which had been further extended for some reason, possibly due to paperwork issues. They are currently up to date on payments.
 - iv. Mr. Owen expressed his interest on sitting on the loan committee to fill the vacancy.
- B. BUSINESS RESOURCE COMMITTEE (J Rowley, P Jett, L Barber)
- a. Mr. Jett discussed a grant request from the Ferry Farm pool totaling \$65,000 for repairs. Mr. Jett expressed that this request did not align with the guidelines for business community improvement grants and recommended against approving it, suggesting instead that the pool should instead seek a small loan.
 - i. Mr. Owen asked for input from involved parties. Mr. Rowley confirmed that Mr. Jett had discussed this with Supervisor Diggs, who was open to the idea of a loan rather than a grant. Mr. Jett confirmed he had not yet reached back to the pool with this suggestion.
 - ii. Mrs. Barber agreed to inform the pool of the EDA's decision and to recommend exploring different loan options. Mr. Summits noted that the pool was already aware of the loan program and that they were fundraising.
 - iii. Further discussion highlighted the need for the pool to show a financial commitment and potentially provide security for any loan over \$15,000. Mrs. Barber added that the loan application process would help determine the pool's eligibility and alignment with the EDA's mission. The discussion



moved to a decision to steer the pool towards applying for a loan with Liz and Josh coordinating the follow-up.

- b. Mrs. Barber provided an update on payments made to Kilroy Robotics, noting some confusion due to the various names the organization used. Since 2014, the EDA had supported this project with grants ranging from \$5,000 to \$10,000, the most recent being \$10,000 in 2022.
 - i. Mr. Rowley stated that he believed that Kilroy Robotics had not yet submitted a grant application for the current year but indicated that the EDA had a long history of supporting the program. Mr. Owen explained the nature of the project, emphasizing its STEM focus and the involvement of community mentors. Mr. Roosa mentioned other potential funding sources, such as Amazon Web Services and industry-specific STEM grants, suggesting these could be pursued in addition to EDA support.
 - ii. After clarification, Mr. Rowley mentioned that Kilroy Robotics had submitted a new grant application requesting \$16,000. Mr. Jett clarified that the Business Resource Committee recommended up to \$10,000 for the grant, a stance he supported. Liz Barber agreed to share the application with the full EDA for further review. Further decision was tabled until next meeting.
 - iii. Mr. Rowley introduced a request from "Be Bold, Be Brave, Be Leave," seeking \$100,000 to collaborate with Stafford schools on mental health and nutrition initiatives for students. Both Mr. Rowley and Mr. Jett expressed concerns about the application's alignment with the EDA's mission, suggesting that if the initiative had official support from the school superintendent, it might be considered. Mr. Roosa noted that state-level mental health initiatives might intersect with the project's goals. This application was not approved.
- C. PROPERTY GROUP (H Hagerman)
 - a. Mr. Owen inquired about updates regarding the RV Parkway property and related easements. Mrs. Barber responded that a company had been hired to develop a plat, including recommendations for utility and roadway easements, and they were currently working on it.
- D. TECHNOLOGY COMMITTEE (M Wilson, J Roosa)
 - a. Mr. Roosa expressed that having a seat on the board for the testbed advisory committee would be the best course of action to serve the EDA's strategic objectives and mission.

7. CONSENT AGENDA

- a. Mr. Owen provided background on the consent agenda which contains the audit contract with PB Mares, insurance renewal, and a memorandum of understanding between the EDA and RIoT, delegating expenditure management on the Go Virginia grant.

Motion to approve by Mr. Jett, seconded by Mr. Rowley.



Approved 7-0

9. OLD BUSINESS

- a. The EDA MOU committee, comprised of Mr. Roosa and Mr. Jett, had met with Mrs. Barber multiple times to draft an MOU “division of duties” chart detailing the responsibilities of the EDA and the Economic Development Department, along with shared responsibilities. The goal was to align with the county's strategic vision and address gaps between the EDA and the Economic Development Department. The MOU covered areas such as General Administration, funding, banking, and marketing.
- b. The board agreed to review the MOU, and discuss in detail at the next meeting. Once approved, the document would be sent to the county attorney to draft a formalized MOU, which would then undergo further review by the EDA before being presented to the Board of Supervisors for final approval.

10. NEW BUSINESS

- a. Mr. Owen informed the group that for the past two years, the EDA has served as the pass-through entity for the Christmas Tree Lighting. Due to excess funds from the event, the EDA will return \$32,088 to the county. Per Mr. Owen’s request, Mrs. Barber prepared an memo stating that the EDA merely handled the funds and did not make any spending decisions.

Mr. Jett motioned to approve. Mr. Rowley seconded

Approved Unanimously.

- b. Mrs. Browne was awarded a contract by the Stafford County Economic Development Department to provide services similar to the services she provides to the EDA. Mrs. Browne proposed an amendment to her current contract with the EDA, reducing her payment by half for June and July, since she is now compensated by the county for some of her as originally outlined in the EDA contract. She also updated the deliverables specific to the EDA needs for the remaining two months of the contract.

Mrs. Barber confirmed that the level of service provided to the EDA would remain unchanged despite the reduction in payment.

Mr. Owen motioned to approve contract amendment, seconded by Mr. Roosa.

Approved Unanimously.

11. CLOSED SESSION

There were no closed session items to discuss.



12. ADJOURNMENT

The next regular meeting is Scheduled for July 12, 2024 at 9:00 AM at the Board of Supervisors Chambers, 1300 Courthouse Rd, Stafford, VA 22554.

MINUTES APPROVE BY:

A handwritten signature in black ink that reads 'Howard C. Owen'.

Howard Owen
EDA Chairman

MINUTES APPROVED BY:

A handwritten signature in black ink that reads 'Jack Rowley'.

Jack Rowley
EDA Treasurer