

## ECONOMIC DEVELOPMENT AUTHORITY MINUTES (EDA)

**Wednesday, April 22, 2009**  
**Conference Room 214 (Second Floor)**  
**City Hall**  
**715 Princess Anne Street**  
**Fredericksburg, VA**

The Economic Development Authority of the City of Fredericksburg, Virginia met in regular session on Wednesday, April 22, 2009, beginning at 12:00 noon in Conference Room 218 (second floor), City Hall, Fredericksburg, 715 Princess Anne Street, Fredericksburg, Virginia.

**Present.** Conrad Warlick, Dana Herlong, Mary Jane O'Neill, Joe Wilson, and Chris Hornung (arrived 12:10 p.m.).

**Absent.** Chris Limbrick and Rick Pullen

**Also Present: Mark Newton's Homecoming Pickin' Party:** Mark Newton, Suzanne Surles, and Barry Surles; **Attorney,** Blanton Massey; **The Free Lance-Star:** Emily Battle; **Department of Economic Development and Tourism: Interim Director:** Karen Hedelt; **Marketing and Information Specialist:** JoAnn Locklair, **Economic Development Manager:** Kimberly Schill.

### **Determination of a Quorum.**

Ms. O'Neill, Secretary, determined that a quorum was present.

### **Approval of Agenda.**

Chairman Warlick asked for changes, additions, or deletions to the agenda. The following changes were made:

- Add - Item 5f under Chairman's Report – Preservation Virginia
- Add - Item 10a under New Business – DRMI Request
- Move - Item 9a under Old Business -2009 Resolution for Eagle Village, LLC between Item 3 and 4.

There being no further changes Mr. Wilson made a motion to approve the agenda as amended. It was seconded by Ms. O'Neill and passed by the following recorded votes. Ayes (4). Conrad Warlick, Dana Herlong, Mary Jane O'Neill, and Joe Wilson. Nays (0). None.

### **OLD BUSINESS.**

***2009 Resolution for Eagle Village, LLC. – not to exceed \$95,000,000.00.***

Chairman Warlick turned the meeting over to Mr. Nuckols, Attorney with Hirschler Fleischer, who briefed the Board on the 2009 resolution. Mr. Nuckols asked the Authority to pass a

***EDA Meeting  
April 22, 2009  
Page 2***

resolution authorizing the issuance by the Authority of bonds to finance Phase I of Eagle Village. He stated that the financing is for the construction of the student housing complex along with a mixed-use building and a parking facility. He said that this is the second component of a plan of finance that was approved by the Authority on September 8, 2008 and approved by City Council on October 28, 2008.

The purpose of the resolution is to authorize the Authority to issue the bonds and to approve specific bond documents that are set forth in the Resolution.

After discussions, Mr. Wilson made a motion to approve the Resolution as presented. Motion was seconded by Ms. O'Neill and passed by the following recorded votes. Ayes (4). Conrad Warlick, Mary Jane O'Neill, Dana Herlong, and Joe Wilson. (0). None.

Ms. Herlong asked if the Authority would have an opportunity to put a sign up to identify it as an EDA bond project. Mr. Nuckols stated that he would inquire about the EDA putting up a sign and will get back with the Board.

**Approval of Minutes.**

***Regular Meeting Minutes of March 9, 2009.***

Ms. Herlong made the motion to approve the March 9, 2009 regular meeting minutes. Motion was seconded by Ms. O'Neill and passed by the following recorded votes. Ayes (4). Conrad Warlick, Mary Jane O'Neill, Dana Herlong, and Joe Wilson. Nays (0). None. Mr. Hornung abstained from voting because he did not attend the March 9, 2009 meeting.

**Chairman's Report.**

***Virginians for High Speed Rail*** – Chairman Warlick reported that the Authority has been invited to attend the Virginians High Speed Rail Annual Meeting on May 8 at the University of Virginia's campus in Charlottesville.

Staff handed out the Virginians for High Speed Rail Annual Report FY 2008.

***Fredericksburg Area Museum*** – Chairman Warlick reported that the EDA received a thank you letter and a certificate of registration from the Museum for the purchase of an engraved brick to be placed in the *Path to History* to the Fredericksburg Area Museum's new Catherine W. Jones McKann Center. The brick will be ordered in autumn 2009, and the inscription on the brick will read ***Fredericksburg E.D.A. JumpStart!***.

**Wall Street Article on Local Economic Initiatives** – Chairman Warlick addressed the article and stated that is what the Authority has been doing with JumpStart! to help the City of Fredericksburg.

**Work Session with City Council** – Chairman Warlick informed the Authority that the work session went exceptionally well and was very productive.

**Signage** – Chairman Warlick informed the Board that the JumpStart! signs may be put up without a permit; however, the size of the signs cannot be more than 20 square feet in area and can stay up during the construction/renovation process. He said the Authority needs to decide sign size. Staff researched the following to be considered: banners, plywood signs, and plaques.

Mr. Wilson made a motion that the Board appropriate up to \$800 for signage and for staff to determine the type and size of signs. Motion was seconded by Mr. Hornung and passed by the following recorded votes. Ayes (5). Conrad Warlick, Mary Jane O’Neill, Dana Herlong, Joe Wilson, and Chris Hornung. Nays (0). None.

**Preservation Virginia** – Chairman Warlick told the Board that he received a letter from APVA Preservation Virginia stating they have officially changed their name to Preservation Virginia.

### **Treasurer’s Report.**

Mr. Hornung noted that the financial statement for February 2009 was emailed to the members of the EDA. Chairman Warlick directed Ms. O’Neill, Secretary of the EDA, to file the Treasurer’s Statement with the minutes.

Mr. Hornung discussed CD Renewal Strategy, Current Monetary Positions, and EDA Expenditures. The following were noted:

- Two new CDs were opened on 2/17/09 ending in 506 and 492, each in the amount of \$111,323.76. Balance of CD 442 was transferred to CD 492 and balances of CDs 450 and 469 were transferred to CD 506. A Union Bank Money Market contribution was made to 506 and 492 in the amount of \$6,250.00.
- CDs ending in 745, 370, and 087 matured on 4/14/09. All funds were deposited in the Union Bank Money Market account, totaling \$323,193.48.
- CD rates from other banks were researched. They are as follows: Virginia Commerce Bank 2.1%, PNC 1.5%, and Union Bank comparable with Virginia Commerce Bank.

- After a brief discussion, Mr. Hornung made a motion to move \$220,000.00 from Union Bank Money Market Account to a new CD at Virginia Commerce Bank. Motion was seconded by Ms. O'Neill and passed by the following recorded votes. Ayes (5). Conrad Warlick, Mary Jane O'Neill, Dana Herlong, Joe Wilson, and Chris Hornung. Nays (0). None.

**Auditor's Invoice for Financial Report Fiscal Year 6/30/08** – Mr. Hornung stated that a check in the amount of \$825.00 for the Financial Report for Fiscal Year 6/30/08 was mailed out to the Robinson, Farmer, Cox Associates.

**Bond Issuance Fees – Rappahannock Family YMCA and Heritage Park I & II.**

Mr. Hornung informed the Board that the EDA received bond issuance fees from Rappahannock Family YMCA in the amount of \$12,344.09 and Heritage Park I and II in the amount of \$10,325.00.

**Preliminary Budget Review** – Mr. Hornung distributed and discussed the budget for 2010. He stated that the preliminary budget does not include the second phase of the bond issuance fee for Eagle Village. The Authority had a lengthy discussion concerning the budget, and it was suggested that the Authority consider putting a cap on how much of the reserves to be used every year. Mr. Hornung will discuss a projected budget at the next meeting.

**Review of City's Investment Policy** – Mr. Hornung will review the City's Investment Policy and report on a draft EDA investment policy at the next meeting.

Mr. Hornung made a motion to approve two checks: Eileen's Bakery and Café and Ulman's. Motion was seconded by Ms. Herlong and passed by the following recorded votes. Ayes (5). Conrad Warlick, Mary Jane O'Neill, Dana Herlong, Joe Wilson, and Chris Hornung. Nays (0). None.

**Committee Report.**

**Update on Riverfront Task Force** – Ms. O'Neill reported that the Riverfront Task Force will submit a Riverfront Park Development grant request in May 2009 for the properties at 700 block of Sophia Street. Ms. Hedelt informed the Authority that it could be several years before all the improvements can be made, and the City wants to make use of the property in the interim.

**Update on Arts Commission** – In Mr. Limbrick's absence, Ms. Schill informed the Board that the Arts Commission cultural survey online is going well. Ms. Herlong reported that the Arts Commission has been asked to co-sponsor with the Arts and Cultural Council of the

Rappahannock, the Virginia Association of Local Arts Agencies Conference on May 15<sup>th</sup>. The conference will be held at the Fredericksburg Area Museum and Cultural Center.

Ms. Hedelt informed the Authority that the City Attorney is preparing an ordinance that would establish an arts and cultural district in downtown Fredericksburg. She stated that the Arts Commission would be asked to define the district. Hopefully, the district would be defined this summer.

### **Staff Report.**

#### *Grant Applicants.*

Ms. Schill distributed the information on the grants to be approved (see attached --Summary of Applications for EDA Grants).

### **Event Grant Program**

*Mark Newton's Homecoming Pickin' Party – Request the EDA become a sponsor of the event. Sponsorship level amounts range from \$250 to \$5,000.*

Mr. Wilson introduced Mark Newton, Committee Members (Barry and Suzanne Surles). Mr. Newton is a James Monroe High School alumnus and has organized this event to raise money for the high school's Athletic Department. He gave a brief presentation on the event. He noted the following:

- Event is taking place on Saturday, September 19, 2009 at Maury Stadium.
- There will be several well known bluegrass artists at the event including the Mark Newton Band.
- The proceeds from the ticket sales will go to the high school Athletic Department.
- Rain or shine event. Ticket sales are final.

Ms. O'Neill made a motion to approve staff recommendation of \$2,500.00 for Gold sponsorship for this event. Motion was seconded by Mr. Wilson and passed by the following recorded votes. Ayes (5). Conrad Warlick, Mary Jane O'Neill, Dana Herlong, Joe Wilson, and Chris Hornung. Nays (0). None.

***Leadership Fredericksburg Program, Fredericksburg Regional Chamber of Commerce – Request for funds in the amount of \$5,000.00 to sponsor the 2010 Leadership Fredericksburg class.***

Chairman Warlick indicated that the Authority discussed this before and had an interest in sponsoring. He stated that this is a yearly event and is funded by businesses, government, and other EDAs.

Chairman Warlick informed the Authority that annual sponsorship comes with a slot for one class participant and that would be decided at a later date.

Ms. Herlong made a motion to approve staff recommendation of \$5,000.00. Motion was seconded by Ms. O'Neill and passed by the following recorded votes. Ayes (5). Conrad Warlick, Mary Jane O'Neill, Dana Herlong, Joe Wilson, and Chris Hornung. Nays (0). None.

***First Fridays at the Museum – Fredericksburg Area Museum & Cultural Center – Request grant in the amount of \$3,000.00 to fund First Fridays at the Museum.***

The Authority had a brief discussion on First Fridays. Ms. Herlong stated she would like to see numbers on this event. Ms. Hedelt informed the Board that the Department of Economic Development and Tourism places the First Friday ads in the weekender section every month.

Mr. Wilson made a motion to accept staff recommendation of no grant recommended. Motion seconded by Ms. O'Neill and passed by the following recorded votes. Ayes (5). Conrad Warlick, Mary Jane O'Neill, Dana Herlong, Joe Wilson, and Chris Hornung. Nays (0). None.

Ms. Herlong reported that Mr. Pullen posed that the EDA consider a policy where the grant applicants are not considered the same day that they are presented to the Board. He thinks the process needs to have more time for deliberation. The Authority had a brief discussion concerning this issue.

Ms. O'Neill made a motion that the applicant must submit 10 copies of the application. Staff needs to add on the grant application that all requirements must be met and failure to meet the requirements will cause the application not to be considered. Motion was seconded by Ms. Herlong and passed by the following recorded votes. Ayes (5). Conrad Warlick, Mary Jane O'Neill, Dana Herlong, Joe Wilson, and Chris Hornung. Nays (0). None.

**Non-Profit Grant Program.**

***Central Rappahannock Regional Library, 1201 Caroline Street – City of Fredericksburg – Request grant in the amount of \$4,940.00 to replace the existing main entry doors to the Library.***

The Authority discussed the grant request and concluded that this request is not within the economic development scope required in order to make a contribution. Ms. O'Neill made a motion to approve staff recommendation of no grant recommended. Motion seconded by Mr. Hornung and passed by the following recorded votes. Ayes (5). Conrad Warlick, Mary Jane O'Neill, Dana Herlong, Joe Wilson, and Chris Hornung. Nays (0). None.

***Virginia Association of Local Arts Agencies (VALAA Conference) – Arts and Cultural Council of the Rappahannock – Request for funds in the amount of \$3,000.00 to sponsor the VALAA Conference.***

The Conference will take place on May 15, 2009 at the Fredericksburg Area Museum and Cultural Center from 9:00 a.m. to 4:00 p.m. The focus of the conference will be on cultural tourism as a component of economic development, finding funds for arts organizations, and an overview of Arts and Cultural districts.

Ms. O'Neill made a motion to approve staff recommendation of \$3,000.00. Motion was seconded by Mr. Hornung and passed by the following recorded votes. Ayes (4). Conrad Warlick, Mary Jane O'Neill, Joe Wilson, and Chris Hornung. Nays (0). None. Ms. Herlong abstained from voting because she is a member of the Board.

**For –Profit Grant Program.**

***The Free Lance-Star Publishing Company- Battlefield Industrial Park – Request grant in the amount of \$20,000.00 to assist in completion of the road entry into new industrial development land.***

Mr. Wilson discussed his concerns and would like to see the money go toward the redevelopment of the William Street property. Conrad Warlick reported that this project opens up two more prime industrial sites for economic development. Ms. Herlong made a motion to approve staff recommendation of \$20,000.00. Motion seconded by Mr. Wilson and passed by the following recorded votes. Ayes (5). Conrad Warlick, Dana Herlong, Mary Jane O'Neill, Joe Wilson, and Chris Hornung. Nays (0). None.

For the record, Ms. Hedelt noted that she did not participate in the evaluations.

***Art First Gallery, Inc. – 824 Caroline Street – Request grant to assist with costs for expanding and making interior renovations.***

The Authority discussed the grant request and concluded that this request is not within the economic development scope required in order to make a contribution.

Ms. O'Neill made a motion to approve staff recommendation of no grant recommended. Motion seconded by Mr. Wilson and passed by the following recorded votes. Ayes (5). Conrad Warlick, Mary Jane O'Neill, Dana Herlong, Joe Wilson, and Chris Hornung. Nays (0). None.

***Mark Newton's Homecoming Pickin' Party Request – Reconsider Motion***

Mr. Wilson made a motion to reconsider Mark Newton's Homecoming Pickin' Party Request. Motion was seconded by Ms. Herlong and passed by the following recorded votes. Ayes (5). Conrad Warlick, Mary Jane O'Neill, Dana Herlong, Joe Wilson, and Chris Hornung. Nays (0). None.

Mr. Wilson made a motion that the EDA appropriate \$3,000.00 to Mark Newton's Homecoming Pickin' Party. Motion was seconded by Ms. Herlong and passed by the following recorded votes. Ayes (5). Conrad Warlick, Mary Jane O'Neill, Dana Herlong, Joe Wilson, and Chris Hornung. Nays (0). None.

***Lafayette Boulevard Corridor Overlay Study*** – Ms. Schill advised the Authority that the study came up at the Council Work Session. The EDA expressed an interest in funding the study.

Ms. Hedelt further explained to the Board that this is a city project. The overlay district gives the City the capability to go out and seek grants and funding for improving projects beyond the City's capacity. She stated the estimated cost for the study would be approximately \$28,000.00. Ms. Hedelt informed the Board that the city would not be able to do the study without the EDA's support.

After a brief discussion, Ms. Herlong recommended that Mr. Ocel be invited to the May meeting to discuss the study and the RFP.

***Business Appreciation Event*** - Ms. Schill handed out the invitations for the Business Appreciation Event to be held on Thursday, May 14<sup>th</sup> from 5:30 – 7:30 p.m. at the Snowden House, 2600 Mary Washington Boulevard. It will be the same format as last year and will be hosted by MediCorp Health System.

Ms Hedelt informed the Authority that the theme for this year Business Appreciation Event will be "Shop Local".



***EDA Meeting  
April 22, 2009  
Page 9***

In addition, Ms. Schill asked the EDA if they would approve up to \$1,764.00 to support the event. Ms. O'Neill made a motion to approve up to \$1,800.00 for the Business Appreciation Event. Motion was seconded by Ms. Herlong and passed by the following recorded votes. Ayes (5). Conrad Warlick, Mary Jane O'Neill, Dana Herlong, Joe Wilson, and Chris Hornung. Nays (0). None.

***VECTEC Speaker*** – Ms. Schill noted that a speaker from VECTEC will be attending the May Meeting.

**New Business.**

***DRMI Request – Benjamin Walker – Grant request for Christmas Decorations and Street Light Lamp Upgrades.***

Chairman Warlick presented information on a DRMI Request for Christmas decorations and street light lamp upgrades.

Ms. Hedelt informed the Authority that the City's general fund usually provides some minimal funding annually for downtown decorations. The City's Public Works department does the installation of the decorations. The City has totally limited all funding for decorations due to budget challenges.

The Authority discussed the request and recommended that the DRMI should apply for the next grant period. Chairman Warlick asked Ms. Schill to notify Mr. Walker and to work with him on the DRMI grant request.

**Adjournment.**

There being no further business to come before the Economic Development Authority at this time, the meeting adjourned at 2:35 p.m.



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Mary Jane O'Neill, Secretary