

ECONOMIC DEVELOPMENT AUTHORITY MINUTES (EDA)

Monday, June 8, 2009
Conference Room 218 (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 Monday, June 8, 2009, beginning at 12:00 noon in Conference Room 218 (second floor), City Hall, Fredericksburg, 715 Princess Anne Street, Fredericksburg, Virginia.

Present. Dana Herlong, Mary Jane O'Neill, Chris Hornung, Chris Limbrick, and Rick Pullen.

Absent. Conrad Warlick and Joe Wilson

Also Present: Troutman Sanders, LLP: Attorney: Charles P. Shimer; **Hirschler Fleischer: Attorney,** Gary M. Nuckols; **Quantico/Belvoir Regional Business Alliance, Inc.:** Miles Friedman; **Attorney:** Blanton Massey; **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.

Vice Chair Herlong asked for changes, additions, or deletions to the agenda. Mr. Limbrick made a motion to approve the agenda as submitted. Motion was seconded by Mr. Pullen and passed by the following recorded votes. Ayes (5). Dana Herlong, Mary Jane O'Neill, Chris Hornung, Chris Limbrick, and Rick Pullen. Nays (0). None.

Approval of Minutes.

Regular Meeting Minutes of May 11, 2009.

Mr. Pullen made a motion to approve the May 11, 2009 regular meeting minutes. Motion was seconded by Mr. Limbrick and passed by the following recorded votes. Ayes (5). Dana Herlong, Mary Jane O'Neill, Chris Hornung, Chris Limbrick, and Rick Pullen. Nays (0). None.

CHAIRMAN'S REPORT.

Miles Friedman, Quantico/Belvoir Regional Business Alliance, Inc. – Ms. Schill introduced Mr. Friedman who gave a presentation on the Quantico Belvoir Regional Business Alliance, Inc. He pointed out the following on the Alliance:

- A not-for-profit business organization that was started in anticipation of the huge impact on this region of the BRAC mandated changes at Fort Belvoir, Quantico, Fort Lee, and A.P. Hill.
- The objective of the Alliance is to ensure the community the maximum benefits of the above noted expansions – including opportunities for business and job growth.
- The organization was formed in April 2008 and includes 45 members from businesses, community groups, education, and local government.
- There will be 20,000 positions to be relocated at Ft. Belvoir and Quantico and 8 million square feet of new construction as a result of BRAC. The construction projects must be done by September 15, 2011 and all new people in place at their jobs.
- The Alliance started in Prince William County and has expanded to Stafford and Fairfax Counties.
- The Alliance's activities to date, events, new programs, and issues of ongoing concerns were presented.
- All five of the Naval Criminal Investigation Services (NCIS) are moving to Quantico.

Mr. Friedman stated that the Alliance is exploring partnerships and asked the Authority if they would consider becoming a partner. He addressed the following forms of partnering:

- Membership – Group/organizational range from \$500.00 up to \$5,000.00
- Group sponsored workforce and industry events
- Focus groups
- Networking events
- Contractual
- Open to other forms of partnering

Following discussion, the EDA indicated they would table the request and consider partnership in the next couple of months.

UMW Amended Resolution – Vice Chair turned the meeting over to Mr. Nuckols, Attorney with Hirschler Fleischer, representing University of Mary Washington Foundation regarding their 2009 Eagle Village Bond.

Mr. Nuckols briefed the Board on the amendment of the Resolution that the Authority passed on April 22, 2009. He presented the two changes to the Resolution. They are as follows: 1) The most substantive change is in the plan of finance. He noted on the advice of the Underwriter and to save interest costs, the foundation has elected to use a draw down schedule. He explained the procedure to the Board. 2) He commented that a provision for a second financial institution to participate was in the April Resolution which has been eliminated in the amended Resolution. The Board was informed that the change in the draw down schedule will affect the authority's fee. The fee will be paid pro-rata during the construction period with the draw schedule. The amount paid in any one year will not exceed the maximum amount allowed by the IRS guidelines. Once the construction period is over, the fee will be paid annually. Mr. Shimer, Bond Counsel for the Authority, discussed further the procedure for the bond issuance fee. After discussion, Mr. Hornung made a motion to table the amended resolution so that the attorneys could discuss the proper rewording of the Amended Resolution for reconsideration later on in the agenda of this meeting. Motion was seconded by Ms. O'Neill and passed by the following recorded votes. Ayes (5). Dana Herlong, Mary Jane O'Neill, Chris Hornung, Chris Limbrick, and Rick Pullen. Nays (0). None.

Thank You Letter from the Arts & Cultural Council of the Rappahannock - Vice Chair
Herlong reported that the EDA received a letter from Kathryn Willis, Director of the Arts and Cultural Council of the Rappahannock, thanking the Authority for their grant award for the statewide Arts and Cultural Districts Conference that was held on Friday, May 15, 2009. She stated that the event was very successful.

Applicants for the EDA Board – Vice Chair Herlong reported that Mr. Todd Williams, Fredericksburg Regional President of Commercial Banking for Wachovia, and Ms. Amy LaMarca, Director of Administration for SBG Technology Solutions, have applied for membership on the EDA Board. She indicated that City Council will interview them on Tuesday, June 9th.

Economic Development Authority Meeting in July – Vice Chair Herlong informed the Board that The George Washington Fredericksburg Foundation would like to host the July EDA meeting. In addition, would be happy to offer tours before the meeting to any EDA member that is interested. Ms. Schill commented that the Foundation is one of the grant applicants to be discussed at the meeting. The Authority discussed its concerns of it being a conflict of interest and turn down the invitation for the July meeting to be held at Kenmore but would entertain a future invitation.

Vice-Chair Herlong asked if there are no compelling issues would the EDA entertain taking a month off in August. Mr. Limbrick made a motion to cancel the August 10, 2009 meeting. Motion was seconded by Ms. O'Neill and passed by the following recorded votes. Ayes (5). Dana Herlong, Mary Jane O'Neill, Chris Hornung, Chris Limbrick, and Rick Pullen. Nays (0). None.

The next meeting is scheduled for Monday, September 14, 2009.

Treasurer's Report.

Mr. Hornung noted that the financial statement for April 2009 was emailed to the members of the EDA. Vice Chair Herlong directed Ms. O'Neill, Secretary of the EDA, to file the Treasurer's Statement with the minutes.

Mr. Hornung discussed updates on Current Monetary Positions and EDA Expenditures since last month, Final Budget, and CD Renewal Strategy. The following were noted:

- Total of EDA's cash, CDs, and Money Market Accounts is \$1,011,838.91.
- Preferred rate of three percent for Money Market Account at Union Bank and Trust expires at the end of the month. The rate will drop down to 1.9%.
- Distributed and discussed the 2010 Final Budget.

After discussion concerning the Money Market Account at PNC Bank, Mr. Hornung made a motion to move the money from the PNC Money Market Account into the Union Bank and Trust Money Market Account. Motion was seconded by Mr. Pullen and passed by the following recorded votes. Ayes (4). Mary Jane O'Neill, Chris Hornung, Chris Limbrick, and Rick Pullen. Nays (1). Dana Herlong.

Based on the EDA's CD Renewal Strategy, Mr. Hornung made a motion to move \$220,000.00 from the Union Bank and Trust Money Market Account into a Virginia Commerce Bank 12-month CD which is currently at 2.1%. Motion was seconded by Mr. Pullen and passed by the following recorded votes. Ayes (5). Dana Herlong, Mary Jane O'Neill, Chris Hornung, Chris Limbrick, and Rick Pullen. Nays (0). None.

Mr. Hornung reported on the cost of 2009 Business Appreciation Event. He said on April 22, 2008 the Authority approved up to \$1,800.00 for the event and a total of \$464.40 was spent.

Mr. Hornung made a motion to approve the following checks:

- Fredericksburg Visitor Center - \$100.00 for door prizes for the 2009 Business Appreciation Event
- Eileen's - \$97.50 for today's lunch

Motion was seconded by Mr. Pullen and passed by the following recorded votes. Ayes (5). Dana Herlong, Mary Jane O'Neill, Chris Hornung, Chris Limbrick, and Rick Pullen. Nays (0). None.

Committee Report.

Update on Arts Commission – Mr. Limbrick informed the Board that the Arts Commission is working on the results of the cultural survey to date.

Vice Chair Herlong encouraged the members of the Authority to fill out a survey.

Mr. Limbrick told the Board that he has a conflict and will not be able to attend some of the Arts Commission meetings. Vice Chair Herlong appointed Mr. Pullen to be a back up for Mr. Limbrick.

Staff Report.

Grant Applicants.

Ms. Schill passed out copies of eight grant requests to the Board for their review. A committee consisting of two staff personnel and one board member will score the applications and make a recommendation to the Board for approval on July 13th.

Ms. Schill asked the Board if they have any questions for the applicants or an opinion about the application; please let her know within a week.

Business Appreciation Event - Ms. Schill reported that the Business Appreciation Event went very well. She said about 80 to 90 people attended. A thank you letter will be sent to Xavier Richardson, Mary Washington Hospital Foundation for hosting the event.

Virginia Industrial Development Authorities Institute Seminar – Ms. Schill reported to the Authority that she and Ms. Locklair attended the seminar on May 19-20, 2009. The seminar topics were about the powers of the IDA/EDAs, FOIA, Bonds, Performance Agreements, Financing Structures, and International Exporting.

Old Business.

Lafayette Boulevard Corridor Overlay Study – The Authority discussed the study and concluded at this time the EDA does not want to pursue it. It was tabled again for discussion in the future.

VECTEC – Ms. Schill reported to the Authority that she met with a company that might be interested in hiring VECTEC to help advance their website. If they are interested in doing it, she would like to bring a draft Memorandum of Understanding between VECTEC and the EDA to show how it would be a benefit to create a matching grant program.

New Business.

Review of the By-Laws regarding Name Change – Mr. Massey reported that the name change from the Industrial Development Authority of the City of Fredericksburg to Economic Development Authority of the City of Fredericksburg has been changed with the State and City Council. He stated that the by-laws need to be changed and require a full seven day notice. Ms. Locklair will send out a notice stating that the amendment to the by-laws will be presented for vote at the July 13th meeting.

The attorneys returned with the rewording for the UMW Amended Resolution for the 2009 Eagle Village Bond. Mr. Hornung made a motion to take the UMW Amended Resolution off the table. Motion was seconded by Mr. Pullen and passed by the following recorded votes. Ayes (5). Dana Herlong, Mary Jane O’Neill, Chris Hornung, Chris Limbrick, and Rick Pullen. Nays (0). None.

Mr. Massey read the rewording of the UMW Amended Resolution listed below for the 2009 Eagle Village Bond.

The Company shall also pay the Authority’s one-eighth of one percent initial and ongoing annual administrative fees as required by the Loan Agreement at the time of each Advance of Series 2009 Bonds and on each anniversary of the initial issuance of the Series 2009 Bonds in such manner that the administrative fees on each Advance and each anniversary date of the initial issuance for any year shall, in the aggregate, total the maximum amount, but shall not exceed the maximum amount, payable at the earliest possible date, permitted by the Internal Revenue Code

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of 1986, as amended, and the Treasury Regulations promulgated thereunder, to be charged on the Advances and on the aggregate outstanding principal balance of the Series 2009 Bonds, provided that the language providing for the Authority's fees in the Loan Agreement shall be acceptable to the Authority's Bond Counsel and General Counsel.

After discussion, Mr. Hornung moved to adopt the UMW Amended Resolution with the changes as amended for the 2009 Eagle Village Bond. Motion was seconded by Ms. O'Neill and passed by the following recorded votes. Ayes (5). Dana Herlong, Mary Jane O'Neill, Chris Hornung, Chris Limbrick, and Rick Pullen. Nays (0). None.

Adjournment.

There being no further business to come before the Economic Development Authority at this time, the meeting adjourned at 1:35 p.m.

A handwritten signature in cursive script that reads "Mary Jane O'Neill".

Mary Jane O'Neill, Secretary