

ECONOMIC DEVELOPMENT AUTHORITY MINUTES (EDA)

**Monday, November 9, 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, November 9, 2009, beginning at 12:00 noon in Conference Room 218 (second floor), City Hall, Fredericksburg, 715 Princess Anne Street, Fredericksburg, Virginia.

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

Absent. None

Also Present: Rappahannock Economic Development Corporation (REDCO), Jeff Rouse; **Olde Towne Steak and Seafood:** Mr. and Mrs. Doug Harding and David Lough; **The Free Lance-Star:** Emily Battle; **Attorney:** Blanton Massey; **Department of Economic Development and Tourism: Interim Director:** Karen Hedelt; **Marketing and Information Specialist:** JoAnn Locklair

Determination of a Quorum.

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

Approval of Agenda.

Chair Herlong asked for changes, additions, or deletions to the agenda. The following was added:

- Item 10c under New Business – Residency

Ms. O'Neill made a motion to approve the agenda as amended. It was seconded by Mr. Pullen and passed by the following recorded votes. Ayes (7). Dana Herlong, Joe Wilson, Mary Jane O'Neill, Rick Pullen, Chris Hornung, Chris Limbrick, and Amy LaMarca. Nays (0). None.

Approval of Minutes.

Regular Meeting Minutes of October 19, 2009.

Mr. Pullen noted that Todd Williams' name should be deleted from absent on the minutes, since he was not sworn in as a member. Chair Herlong directed staff to make the noted change. Ms. O'Neill made a motion to amend the Regular Meeting minutes for October 19, 2009

to include the correction. It was seconded by Mr. Hornung and passed by the following recorded votes. Ayes (5). Dana Herlong, Joe Wilson, Mary Jane O'Neill, Rick Pullen, and Chris Hornung, Nays (0). None. Mr. Limbrick abstained from voting because he did not attend the October 19th meeting.

CHAIRMAN'S REPORT.

Introduction of New Member – Chair Herlong welcomed Amy LaMarca to the Board. She turned the meeting over to Ms. LaMarca who gave a brief history of her background.

New Format of the Agenda – Chair Herlong explained the new format of the agenda. She stated she hopes this concept will make the meetings go more smoothly and quickly.

Approval of Consent Agenda – None today.

Informational Items – Chair Herlong reported that the Board received two thank you letters:

- 1) ***The George Washington Foundation*** – letter from Kathleen A. Carroll, Development Office Coordinator, Historic Kenmore and Washington's Ferry Farm thanking the EDA for their grant award.
- 2) ***Virginians for High Speed Rail*** – letter from Daniel L. Plaughner, Executive Director, thanking the EDA for their continued High Speed Rail support. Staff distributed the High Speed Rail's latest newsletter.

Jeff Rouse, Senior Business Development Officer, Rappahannock Economic Development Corporation (REDCO) – Chair Herlong introduced Mr. Rouse who gave a brief history on REDCO, overview of the 504 Loan Program, and noted a couple of changes in the program that have taken place this year.

Greg Harding, Expansion Project – Mr. Harding presented his proposed expansion project for Olde Towne Steak and Seafood. He stated the expansion will include adding 2,500 square feet to the existing building, resulting in an additional 40 seats to the restaurant. In addition, improvements to the façade on Princess Anne Street would be included. He stated for the improvements the following needs to be done: run a four-inch water line to the building for a sprinkler system and raise the sidewalk up for a handicap ramp in front of the façade on Princess Anne Street.

After briefing the Authority on the expansion project, Mr. Harding stated that he would be submitting a grant request for this project.

Report on 2009 Virginia Business Incubation Association (VBIA) Conference – Chair Herlong gave a brief overview of the VBIA conference that she attended on October 26 and 27, 2009 in Staunton, VA. She stated it is a great opportunity for Fredericksburg and the region to do some business incubations.

She pointed out the following:

- Every dollar invested gives a \$30.00 return
- Business Retention is about 85 to 89 percent
- Businesses will continue to grow from the incubations

Chair Herlong asked the Board if they would be interested in having someone to come and speak during the strategic planning session. If there is an interest, please let her know.

Report on 2009 25th Annual Virginia Downtown Development Association Conference – Chair Herlong gave a brief overview of the 25th Annual Virginia Downtown Development Association Conference she, Ms. Hedelt, and Ms. Locklair attended on October 29, 2009 at the Downtown Courtyard by Marriott. She stated it was a great opportunity to see what was going on and to appreciate the City of Fredericksburg and to know that there are a lot of good successes. She indicated she had a chance to talk to several people about the EDA and answer questions about the JumpStart! Program.

TREASURER'S REPORT.

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

Mr. Hornung discussed update of Current Monetary Positions, update of Budget and EDA Expenditures, and CD Renewal Strategy.

The following were noted:

- Total of EDA's cash, CDs, and Money Market Accounts is \$1,172,480.67.
- To date, \$186,000.00 has been committed out of a \$277,000.00 budget, leaving roughly \$91,000.00 to disburse, of that \$79,000.00 has been spent this year.
- Current UB&T MM account balance referenced \$285,647.44 and balance of October 2009 updated per financial statement. Interest rate is now at 1.19% and 1.20% APY.
- \$20,000 transferred from UB&T MM to UB&T checking account on 10/19/09.
- Budget spreadsheet updated to include committed monies, remaining balances, and spent to date.
- Donation of \$2,500.00 for Quantico Regional Business Alliance for Membership fee paid on 10/20/09.
- Donation of \$5,000.00 for Virginians for High Speed Rail paid on 10/26/09.
- \$24,992.00 paid to George Washington Foundation against 2010 grant.
- \$1,000.00 paid to Virginia Downtown Development Association against 2010 grant.

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- All expenses paid to date have been updated.
- Payments of 2010 grants and donations updated.

Mr. Hornung reported on the CD Renewal Strategy stating that CDs 390 and 404 will mature on November 17, 2009. He noted the following CD rates at Union Bank & Trust and Virginia Commerce Bank:

- UB&T CD Rates (Do not have an 11-month CD)
 - 12 month – 1.30% APY
 - 13 month – 1.40% APY
- VCB CD Rates
 - 11 month – 1.00% APY
 - 12 month – 1.80% APY

Mr. Hornung made a motion to approve the transfer of monies from UB& T CDs 390 and 404 into the UB&T MM account and take \$246,000.00 out of the UB&T MM account and put into a 12-month CD at VCB at a rate of 1.80% APY. It was seconded by Mr. Wilson and passed by the following recorded votes. Ayes (7). Dana Herlong, Joe Wilson, Mary Jane O’Neill, Rick Pullen, Chris Hornung, Chris Limbrick, and Amy LaMarca. Nays (0). None.

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

- Grant check to the The Free Lance-Star in the amount of \$20,000.00 for the improvements made to Belman Road and the entry to the Free Lance-Star’s Print Innovators plant.

Ms. Hedelt updated the Board on the status of the The Free Lance-Star Print Company. She said the company is nearing completion of the construction and will receive their Occupancy Permit soon. They will start running their own product through by the end of this calendar year. She stated this is approximately a \$50,000,000.00 investment and the grand opening is scheduled for April 2010.

- Reimbursement check to Dana Herlong for the VBIA Annual Conference in the amount of \$256.00.

It was seconded by Ms. O’Neill and passed by the following recorded votes. Ayes (7). Dana Herlong, Joe Wilson, Mary Jane O’Neill, Rick Pullen, Chris Hornung, Chris Limbrick, and Amy LaMarca. Nays (0). None.

COMMITTEE REPORTS.

Update on Arts Commission – Ms. Hedelt reported that the Arts Commission is meeting regularly, and their Chairman, Roy Jarnecke, will be making a report to Council on December 15th. She stated they are also working on their event for next fall which will be a street festival in the downtown area. In addition, the Office of Economic and Tourism and the University of Mary Washington are going to be working on a new banner program for an artist challenge in the next 18 months.

EDA Strategic Thinking/Planning Committee – Chair Herlong asked if there are any updates or thoughts on the strategic planning session. Mr. Hornung stated that he and Mr. Wilson will get together to discuss possibilities and will report at the next meeting.

STAFF REPORT.

Fredericksburg Roundtable – Ms. Hedelt reported on the Fredericksburg Roundtable held on November 3, 2009. She stated the speaker was Dr. Casey Reardon, who addressed stress in the holiday season. The next meeting is scheduled for Tuesday, December 1st at the Courtyard by Marriott beginning at 8:00 a.m.

Since there is a desire for the Fredericksburg Roundtable to continue, Ms. Hedelt informed the Authority once she has an Economic Development Manager in place, she suggests a small group consisting of representatives from the Chamber, EDA, and the Department of Economic Development and Tourism be formed to set a calendar of effective business related speakers for the Roundtable.

OLD BUSINESS.

Reimbursement Expenses for VBIA Conference – Chair Herlong noted that the reimbursement of expenses was approved under the Treasurer's Report.

Grant Applications – Chair Herlong reported that the Authority has received three grant applications, and the grant committee has reviewed and determined recommendations to be proposed to the Board. Chair Herlong turned the meeting over to Ms. Hedelt who presented the following recommendations:

Ms. Hedelt noted in 2010 the Fredericksburg Sister City Association will be celebrating their 30th anniversary. She stated they submitted two large public event requests for support: the American Music Festival and the Giant Omelet Festival.

Fredericksburg Sister City Association, American Music Festival in 2010 – the Grant Committee recommended giving the Association a grant in the amount of \$3,000.00.

Mr. Pullen made a motion to approve a \$3,000.00 grant to the Fredericksburg Sister City Association for the American Music Festival in 2010. It was seconded by Mr. Wilson and passed by the following recorded votes. Ayes (7). Dana Herlong, Joe Wilson, Mary Jane O'Neill, Rick Pullen, Chris Hornung, Chris Limbrick, and Amy LaMarca. Nays (0). None.

Fredericksburg Sister City Association, Giant Omelet Festival in 2010 – the Grant Committee recommended giving the Association a grant in the amount of \$3,000.00.

Mr. Hornung made a motion to approve a \$3,000.00 grant to the Fredericksburg Sister City Association for the Omelet Festival in 2010. It was seconded by Ms. O'Neill and passed by the following recorded votes. Ayes (7). Dana Herlong, Joe Wilson, Mary Jane O'Neill, Rick Pullen, Chris Hornung, Chris Limbrick, and Amy LaMarca. Nays (0). None.

Gatley – UMW Music Professor to produce a CD for a music project – the Grant Committee recommended denying this grant request. The project was not clearly defined and not within the Authority's scope to make a contribution.

Ms. Hedelt stated this is a request by a professor of music at the University of Mary Washington for a private, personal music project in the amount of \$17,500.00. He wanted funding to produce a CD of musical performances with compositions presented in various musical genres that would depict historical events and locations in the city.

Mr. Pullen made a motion to deny the grant request. It was seconded by Mr. Wilson and passed by the following recorded votes. Ayes (7). Dana Herlong, Joe Wilson, Mary Jane O'Neill, Rick Pullen, Chris Hornung, Chris Limbrick, and Amy LaMarca. Nays (0). None.

NEW BUSINESS.

EDA Logo – Chair Herlong stated she would like for the EDA to create their own logo to be distinguished between the city and the Economic Development Authority. She opened the floor for comments. After several comments, staff was directed to work with the City's Graphics Coordinator to create a logo.

Donation – Fredericksburg Area Museum Annual Appeal – Chair Herlong informed the Board that the Authority received a letter from the Fredericksburg Area Museum. She said in the letter, Mr. Hunter Morin, Fredericksburg Area Museum Board of Directors, asked the EDA to consider making a gift to the Museum's annual appeal.

The Authority did not take action on this request.

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Residency – Mr. Limbrick informed the Authority that he will be moving to Stafford County and will temporarily be residing there for about three or four months.

Chair Herlong directed staff to check on this issue with the City Attorney and report back to the Board in December.

Adjournment.

There being no further business to come before the Economic Development Authority, at this time, the meeting adjourned at 1:12 p.m.


Secretary