

ECONOMIC DEVELOPMENT AUTHORITY MINUTES (EDA)

**Monday, March 8, 2010
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, March 8, 2010, beginning at 12:02 p.m. in Conference Room 218 (second floor), City Hall, Fredericksburg, 715 Princess Anne Street, Fredericksburg, Virginia.

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

Absent. None

Also Present: City Department of Planning: Ray Ocel; **City Department of Parks, Recreation, and Public Facilities:** Bob Antozzi; **Seven Hills Presents, LLC,** Dave Peterson; **The Free Lance-Star:** Emily Battle; **The Virginia Wine Experience:** Edwin Wyant; **Attorney:** Blanton Massey; **Department of Economic Development and Tourism: Economic Development Manager,** Richard Tremblay; and **Marketing and Information Specialist,** JoAnn Locklair.

DETERMINATION OF A QUORUM.

Mr. Pullen, Assistant Secretary, determined that a quorum was present.

APPROVAL OF AGENDA.

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

- Item 10d.1 under Board Members' Comments – Ms. LaMarca's report on Quantico/Belvoir Alliance Meeting and a meeting she attended on January 29th with University of Mary Washington, Stafford County, Germanna Community College and Federal Contractors on Job Training Opportunities.
- The order of Item 10 under New Business was changed to include Lt. Governor Bill Bolling Event on March 25, 2010, and Dave Peterson presentation on an EDA application.

Mr. Limbrick made a motion to approve the agenda as amended. It was seconded by Mr. Hornung and passed by the following recorded votes. Ayes (6). Dana Herlong, Joe Wilson, Rick Pullen, Chris Hornung, Chris Limbrick, and Amy LaMarca. Nays (0). None.

APPROVAL OF MINUTES.

Regular Meeting Minutes of January 11, 2010.

Mr. Hornung made a motion to approve the minutes as submitted. It was seconded by Ms. LeMarca and passed by the following recorded votes. Ayes (6). Dana Herlong, Joe Wilson, Rick Pullen, Chris Hornung, Chris Limbrick, and Amy LaMarca. Nays (0). None.

CHAIRMAN'S REPORT.

Chair Herlong recognized one member of the public in attendance, who introduced himself.

Riverfront Park Plan –Chair Herlong turned the meeting over to Mr. Ocel, Director of Planning, and Dr. Antozzi, Director of Parks, Recreation, and Public Facilities, who gave an update on the Riverfront Park.

Approval of Consent Agenda – None today.

Report on Revisions to Grant Criteria – Chair Herlong stated that Mr. Tremblay, Ms. Locklair, as well as she, herself have done revisions and modifications to the Grant Criteria and will be sending out an electronic draft to the Board for final comments. Once the editing is completed, the updated Grant Criteria will be posted on the website.

EDA Board Appointment Schedule - Chair Herlong informed the Board that Council will be doing board appointment interviews in March. She reported that Mr. Wilson's unexpired term and Mr. Limbrick's second term will be expiring on April 30, 2010. She encouraged Mr. Wilson to apply for reappointment to the Board. She noted that one application has been received.

April Meeting Location - Chair Herlong reported that the EDA has been invited to take an optional tour and have the April 12th meeting at The Free Lance-Star new print facility—Print Innovators. Ms. LeMarca informed the Board that she has been working with Mr. Cadwallender at The Free Lance-Star who has agreed to host Senator Webb at the new print facility. This will be a luncheon event for the combined economic development authorities in the region. The date has not yet been scheduled but will be on a Monday or Friday in late March or early April.

Mr. Pullen made a motion for the EDA to hold their April meeting at Print Innovators, located at 1381 Belman Road, Fredericksburg, Virginia on Monday, April 12, 2010. It was seconded by Mr. Limbrick 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.

TREASURER'S REPORT.

Mr. Hornung noted that the financial statement for January 2010 was e-mailed to the members of the EDA. Chair Herlong directed Ms. O'Neill, Secretary of the EDA, to file the Treasurer's Statement with the minutes. Mr. Hornung presented updates of Current Monetary Positions, Budget and EDA Expenditures, and CD Renewal Strategy.

The following were noted:

- Total of EDA's cash, CDs, and Money Market Accounts is \$1,125,910.17
- \$1,500.00 transferred to checking from UB&T MM on 2.1.10
- Fredericksburg Sister City Grants paid out on 2.8.10—\$3,000.00 for the American Music Festival and \$3,000.00 for the Giant Omelet Festival.
- \$11,000.00 paid to Fredericksburg Regional Alliance grant on 2.15.10 for shared funding with the City for FY2011.
- CD #492 and CD #506 matured on 2.17.10 each with a balance of \$113,797.72. Total combined balance of \$227,595.44, which was deposited into UB&T MM account.
- Budget spreadsheet updated to include committed monies, remaining balances, and spent to date.
- Payments of 2010 grants and donations were updated.
- Mr. Hornung reported on FY2010 budget. He brought to the Board's attention out of \$276,000.00 budgeted, \$205,000.00 has been committed and \$154,000 has been spent, leaving a balance of approximately \$70,000.00 including operating costs remaining for 2010.

Mr. Hornung made a motion to reopen a new CD in the amount of \$246,000.00 at UB&T for a one year CD at a current rate of 1.2%. 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.

Mr. Hornung asked for approval of the following checks:

- Blanton Massey services fee for February in the amount of \$500.00
- Robinson, Farmer, and Cox Associates in the amount of \$825.00 for the Fiscal Year Audit Ended June 30, 2009
- Camille's in the amount of \$103.00 for EDA Luncheon 3/08/10.

Mr. Pullen made a motion to approve the checks. It was seconded by Mr. Limbrick 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.

EDA Strategic Thinking/Planning Committee – Mr. Hornung reported that Ms. Worrell was working with him to find a speaker for the event. She was able to get Lieutenant Governor Bill Bolling who agreed to come and speak at the end of March. Mr. Hornung stated, due to the type of event we should have for the Lieutenant Governor, it was decided to split the events. He said that Mr. Tremblay would discuss the Bolling visit under New Business. In the meantime, Mr. Hornung said he is still working with the group consisting of Ms. Worrell, Mr. Tremblay, Mr. Wilson, and Mr. Massey on concepts and ideas for the Strategic Planning Session. He stated that Ms. Worrell will be attending the April 12th meeting to discuss her ideas for the planning session.

STAFF REPORT.

Briefing on American Recovery & Reinvestment Act Recovery Zone Facility Bond for Kalahari – Mr. Tremblay gave a few updates to the one page summary of the Recovery Zone Facility Bonds that was sent to the members of the board. They are as follows:

- \$25 million was allocated to Kalahari Resort on the bonds that Governor Kaine approved on January 15, 2010. It was the largest allocation for a single project in the State. There were allocations for eight communities, a total of \$112 million.
- Bonds will come through the EDA.
- Normal fees will apply (1/8 of one percent plus \$1,000.00 application fee).
- Whatever Kalahari will place as security will back the tax-exempt bonds.
- They are part of the \$700+ billion Federal stimulus bill.
- They have had the intended effect of stimulating the financing of the project along with the City's incentives that were approved two years ago.
- A definite schedule has to be met.
- Bonds have to be closed by June 15, 2010.
- Kalahari is going to submit their application this month for the public hearing to be held at the April 12th meeting. This will be for the Inducement Resolution.
- There was a target date in the application that Kalahari filed at the end of this month to sell the bonds but was subject to the balance of their financing, which is not all in place.
- Kalahari and EDA attorneys are working to get the application in by March 25, 2010.
- Final documents will come back for approval at the EDA's May meeting.
- City Council will endorse the bonds at its second meeting in April 2010.
- Kalahari businesses in Wisconsin and Ohio have been up significantly for the past two years.

Update on Surgi-Center Groundbreaking - Mr. Tremblay informed the Board that the groundbreaking for the Surgi-Center will be March 23, 2010. Mr. Tremblay said that Surgi-Center will have their Land Disturbance Permit soon, site work will start in April, and building construction to start in late May or early June.

Report on Performance Agreements – Mr. Tremblay informed the Board that the City has had a Tourism and Technology Zone for several years. He said the Technology Zone is just at Route 3 and Interstate 95, and it has not had any applicants or any development. He indicated there have been a number of requests to expand the Technology Zone. He told the Board that the Economic Development and Tourism Department is working on a proposal to come before Council this spring to expand the Technology Zone along Route 1 and possibly some portions of downtown. He pointed out that the Tourism Zone has had some agreements approved. They are as follows:

- Kalahari
- Wegmans – Potential value of \$1.7 million in reimbursement of taxes, qualified and opened on time, significantly more business than their thresholds, and created a minimum of 450 jobs. They qualified for the full value of the agreement.
- Capital Ale House – Potential value of \$100,000.00, met their performance requirements for the first year for job creation and tax generation. Will qualify to get their maximum incentive of \$25,000.00 for the first year.
- Kybecca – Incentive is valued at \$80,000.00, have met their performance measures for the first year in terms of investment and sales. Will qualify for their incentive as well. They still need to go through a reporting process but have met the thresholds.

OLD BUSINESS.

EDA Logo Concepts

Mr. Pullen passed out a sheet showing three logo concepts by a designer for the Board to decide which logo is preferred. The Board selected logo #1.

NEW BUSINESS.

Dave Peterson Presentation on an EDA Application – Chair Herlong turned the meeting over to Richard Tremblay who introduced Dave Peterson from Seven Hill Presents. Mr. Peterson is the organizer and promoter of the Celebrate Virginia Live Series, which started last year and is coming back to Celebrate Virginia this spring and summer. Mr. Tremblay noted that Mr. Peterson has submitted an application to the EDA for a JumpstART! grant in support of the Celebrate Virginia Live Series. Mr. Tremblay turned the meeting over to Mr. Peterson who gave an overview of the Celebrate Virginia Live Series and his request for assistance with the cost of purchasing a stage. Discussion followed with the Board requesting Mr. Massey to check on the legality of collecting admission taxes.

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EDA Meeting Schedule —Chair Herlong asked if there are no compelling issues would the EDA entertain taking a month off in August. Ms. O'Neill made a motion to cancel the August 9, 2010 meeting. It was seconded by Ms. LaMarca 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. Wilson brought forth for discussion to consider moving the EDA meetings to every other month as opposed to monthly. Discussion followed. Chair Herlong recommended that this issue be addressed at the Strategic Planning Session.

Distribution of EDA Grant Application - Mr. Tremblay passed out the following Grant Applications for the Board's review and approval at the April 12th meeting:

- Downtown Retail Merchants Association applied for an \$8,000.00 JumpstART! grant for artwork on Caroline Street.
- Seven Hills Presents applied for \$60,000.00 for five consecutive years for acquisition of a stage
- Twin Rivers applied for \$5,000.00 non-profit grant.
- Madeline Ruth a downtown business applied for a \$4,900.00 For-Profit grant for the following improvements: façade, awnings, and signage.
- Old Town Steak and Seafood applied for a \$40,000.00 For-Profit grant for expansion of an additional room that would accommodate 40 additional seats.

Mr. Tremblay stated the committee would meet later in March to evaluate and recommend approval to the Board at the April 12th meeting. Chair Herlong asked that comments and questions be sent to Ms. Locklair prior to the committee meeting on March 16, 2010.

Discussion followed with Mr. Wilson and Ms. LaMarca stating that in reviewing the applications keep in mind what would be the real impact to economic development in the city and would it really make a difference. Mr. Wilson also recommended having a separate program for façade improvement projects. Ms. LaMarca proposed that the EDA consider extending a line of credit or matching funds for façade improvements. Mr. Hornung suggested that the grant committee ask for additional façade information from Olde Town Steak and Seafood.

Chair Herlong stated that we need another person to serve on the Princess Anne Corridor Façade Improvement Committee to review the \$5,000 façade improvement application from Olde Towne Steak & Seafood.

Mr. Limbrick asked if the EDA could do a grant to fund a city position to enforce the maintenance code.

2010 Business Appreciation Event – Mr. Tremblay reported that the 2010 Business Appreciation Event will be held on Tuesday, May 18, 2010 at the Snowden House. Mary Washington Healthcare is going to host the event.

Lieutenant Governor Bill Bolling Event – Mr. Tremblay reported that Lieutenant Governor Bill Bolling will be at the Expo Center Thursday, March 25, 2010. He stated it will be a continental breakfast and Lt. Governor Bolling's presentation will start at 8:30 a.m. The EDA is hosting the event. He presented the following budget estimate:

- No rental fee for the facility
- Cost would be for the continental breakfast
- Other incidentals

He stated that he has not received the contract from the Expo Center but suggest a budget earmark of \$1,200 for the event. He said an attractive flyer would go out on Wednesday by e-mail. The invitation list would include the following: City Council, Fredericksburg EDA, Planning Commission, City Senior Staff, and from the surrounding counties the Boards of Supervisors, Boards of the EDA's, Economic Development Staff, Administrators, Fredericksburg Regional Alliance Board and Staff, Small Business Development Center Staff, Chamber of Commerce Board and Senior Staff, REDCO Board and Senior Staff, Germanna Workforce Development Center, George Washington Regional Commission Board and Senior Staff, Military Affairs Council, and State elected officials from the region that represent the area. Mr. Tremblay stated that he expects a turnout of around 50 to 75 people.

Ms. LeMarca made a motion to approve a budget for the event of \$1,200. It was seconded by Mr. Wilson passed by the following recorded votes. Ayes (6). Dana Herlong, Joe Wilson, Mary Jane O'Neill, Chris Hornung, Chris Limbrick, and Amy LaMarca. Nays (0). None.

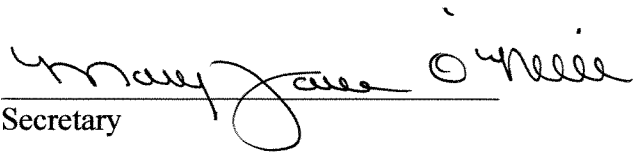
Board Members' Comments – Ms. LaMarca reported that she attended a BRAC Regional Alliance meeting. She stated that Stafford and Prince William are being very aggressive courting federal agencies and large contractors to provide job opportunities.

She reported that Stafford County has engaged the University of Mary Washington and Germanna for Workforce Development Programs for federal contractors. She recommended that the EDA network with Germanna and University of Mary Washington to offer programs on health care management courses.

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ADJOURNMENT.

There being no further business to come before the Economic Development Authority, at this time, the meeting adjourned at 2:17 p.m.


Secretary