

FREDERICKSBURG
ECONOMIC
DEVELOPMENT
AUTHORITY

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ECONOMIC DEVELOPMENT AUTHORITY MINUTES (EDA)

October 3, 2011
The Suite (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, October 3, 2011, beginning at 8:30 a.m. in the Suite of City Hall.

EDA MEMBERS PRESENT. Joe Wilson, Chairman, presiding. Chris Hornung, Dana Herlong, Michael Colangelo, Bob Carter, Amy LaMarca and Tom Crimmins.

ABSENT. None

ALSO PRESENT. **The Free Lance-Star:** Bill Freehling; **University of Mary Washington Foundation:** Jeff Rountree, Chief Executive Officer; **University of Mary Washington:** Rick Pearce, Vice President, Administration and Finance and CFO; **Hirschler Fleisher:** Gary Nuckols; **Kaufman & Canoles, P.C.:** Kevin White; **Kutak Rock, LLP:** Charles Shimmer; **Department of Economic Development and Tourism:** Karen Hedelt, Director; Richard Tremblay, Assistant Director for Economic Development; Amy Peregoy, Marketing and Information Specialist.

DETERMINATION OF QUORUM. Dana Herlong determined that a quorum was present.

AGENDA. Karen Hedelt requested the Downtown Holiday Promotion be added to the Staff Report section of the agenda.

APPROVAL OF MINUTES. *Regular Meeting Minutes September 12, 2011-* Minutes were approved as presented.

NEW BUSINESS.

- a. **Public Hearing to consider Resolution No. 11-17 authorizing the issuance of Fredericksburg Economic Development Authority refunding revenue bonds in a principal amount not to exceed \$88 million for Eagle Housing, LLC, an affiliate of the University of Mary Washington Foundation in order to refinance the series 2009A prior bonds and related costs for Eagle Village student housing and parking deck -** Richard Tremblay presented the request to the board noting that the new bond would have a fixed rate. The principal amount has yet to be determined but will be in the \$80M range. The bonds are scheduled to close November 2011. City Council approval must be obtained after EDA authorization. The bond issuance fee would remain at the current rate of 1/8 of 1% with the same anniversary fee payment of June 24th. The public hearing has been advertised twice in The Free Lance-Star as per code. Mr. Tremblay referenced the copy of the resolution and a letter from Kevin White of Kaufman & Canoles, bond counsel, outlining the request. Kevin White addressed the board on behalf of the University of Mary Washington Foundation. He requested that Section 9 of the Resolution be amended to state that payment of the bond issuance fee be paid on each anniversary date. Rick Pearce and Jeff Rountree then addressed the board. Chuck Shimmer

NEW BUSINESS – Continued

of Kutak Rock, bond counsel, announced to the board that as counsel for UMWF he had reviewed and commented on the documents. Mr. Shimmer requested Mr. White brief the board on how termination penalties increase the refinanced bond principal. A question and answer segment then followed. Chairman Wilson asked if any members of the public would like to address the request; no comments were made, Chairman Wilson then closed the public meeting.

Upon the motion by Amy LaMarca, seconded by Chris Hornung, the resolution was approved: Ayes (7); Nays (0).

CONSENT AGENDA. Mr. Tremblay announced that the EDA budget and financial statement would be presented at a later date due to the timing of the meeting.

CHAIRMAN'S REPORT.

Chairman Wilson briefed the board on meetings with Dan Finnegan, Dave Lough and Paul Cymrot regarding the Main Street Exploratory Committee. Chairman Wilson addressed their concerns and questions. He requested that the public be made more aware of the purpose of the exploratory committee. Karen Hedelt explained to the board that private meetings had also taken place. Ms. Herlong suggested another public meeting to be held by the exploratory committee.

Chairman Wilson requested that a public comment period be inserted into the agenda not to exceed 3 minutes per person.

TREASURER'S ACTION ITEMS.

Bob Carter briefed the board on the closing of the Union First Market Bank CD #521 and the Stellar One CD#714 for the upcoming closing on the Masonic Lodge property. A possible penalty may be incurred.

Upon the motion by Bob Carter, seconded by Chris Hornung, the closing on both CD's was approved: Ayes (7); Nays (0).

OLD BUSINESS. None.

CHAIRMAN'S REPORT – Continued.

Chairman Wilson commended the work of the city on the downtown area stating that the letter that was sent to Beverly Cameron from the EDA assisted with these improvements. Karen Hedelt was asked to draft an additional letter on behalf of the EDA thanking Mr. Cameron with a copy to Mr. Fawcett for the city's efforts and continued attention to the downtown area.

Chairman Wilson requested information on the delivery of the new trash receptacles, Ms. Hedelt responded that the receptacles were due to be delivered mid-October and the improvements in place by November 12th and 13th.

NEW BUSINESS – Continued.

- b. Consider Resolution No. 11-18 authorizing the Chairman to enter into an e-commerce matching grant program with Vectec for a maximum FY2012 amount of \$15,000.00. The new grant program is to assist small city of Fredericksburg-based businesses in developing their companies through e-commerce –** Chairman Wilson referred to the Vectec agreement, Chris Hornung requested that other website service providers be considered in the future by the board. Dana Herlong requested an update on the Vectec proposal; Bob Carter outlined the proposal and agreement. Chairman Wilson suggested that the language within the agreement be

amended for the use of Fredericksburg/22401 vendors. After a question and answer segment, Chairman Wilson requested that Blanton Massey review and update the documents. The board agreed to table Resolution 11-18 until the next meeting of the EDA.

STAFF REPORT.

Downtown Holiday Promotion – Karen Hedelt briefed the board on the new holiday decorations, and a new window decoration promotion to include the support of the Free Lance-Star. The contest encourages business owners to participate by decorating their storefronts to include a riddle; prizes will be given based on the top public votes and also have prizes for charities to be included by decorating vacant storefronts. The promotion will begin on November 12th. The Free Lance-Star will advertise the promotion. Due to the fast development of the promotion Ms. Hedelt requested \$4,000.00 from the EDA to begin promotion immediately.

Upon the motion by Tom Crimmins, seconded by Dana Herlong, the request up to \$4,000.00 for the promotion was approved: Ayes (7); Nays (0).

COMMITTEE REPORTS.

- a. **Main Street Exploratory Committee – Update, Tom Crimmins** – Chairman Wilson briefed Mr. Crimmins of the comments that were made during the Chairman’s report on the Main Street program. Mr. Crimmins notified the board of the continued public support of the program. Mr. Crimmins also noted that questions from the public continue regarding the funding mechanisms and who will be making the decisions for the program. A progress presentation of the committee’s findings will be given to the City Council on November 4th during their annual retreat. After a brief discussion, the board requested one final public meeting to present the committee’s findings and to field questions.

STAFF REPORT – Continued.

- a. **Grant application status and Grants Committee meeting schedule** – Richard Tremblay stated that the grant applications were due today, ten had been received and six more expected to be submitted. A summary chart will be prepared for the board’s review at the next meeting. The façade grant applications were listed by Mr. Tremblay.
- b. **Prince Hall Masonic Lodge purchase – status report** – Mr. Tremblay stated the closing was expected to take place next month. Mr. Crimmins commented on the building and who would make any decisions regarding the use. Chairman Wilson informed the board that it is Council’s decision and that Dana Herlong was appointed to work with Councilman Solley’s committee.
- c. **Recent business group meetings** – Richard Tremblay updated the board on the recent Rt. 1 Corridor meeting attended by business and property owners in which an update was given on the hotel and connector road at Eagle Village. On October 23rd the Commercial Brokers and Property Managers breakfast meeting was well attended, updates were given on the Main Street program and on current and future plans for Central Park, Celebrate Virginia South and Eagle Village.
- d. **Upcoming conference opportunities** - Dana Herlong will be attending the VBIA conference in Roanoke on business incubators and economic gardening; the estimated cost for this conference is \$800.00 which is a line item on the EDA’s budget.

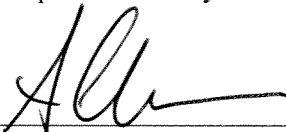
BOARD MEMBERS COMMENTS.

Amy LaMarca commented on the Fredericksburg Jaycees Halloween event to bring business to the downtown area. Ms. LaMarca will also be chairing the Christmas parade.

Bob Carter requested an update on the correspondence with the city regarding the painting of the train station. Ms. Hedelt informed the board of the exchange of e-mails between her and Beverly Cameron and will update Chairman Wilson and the board. Mr. Carter requested the assistance of the EDA to pursue a solution regarding this issue.

ADJOURNMENT.

There being no further business to come before the Economic Development Authority at this time, Chairman Wilson declared the meeting officially adjourned at 10:15 a.m.



Amy LaMarca, Secretary