

FREDERICKSBURG
ECONOMIC
DEVELOPMENT
AUTHORITY

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ECONOMIC DEVELOPMENT AUTHORITY MINUTES (EDA)

November 14, 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, November 14, 2011, beginning at 8:30 a.m. in the Suite of City Hall.

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

ABSENT. Christopher Hornung

ALSO PRESENT. The Free Lance-Star: Bill Freehling; **Thalhimer:** Wilson Greenlaw; **Monkee's of Fredericksburg:** Linda Arnold; **Union First Market Bank:** Sue Bridi; Gayle Henry; **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. Tom Crimmins requested the Main Street Exploratory Committee Report item 11. a. be moved after item 4. Public Comments.

PUBLIC COMMENTS. None

COMMITTEE REPORTS.

- a. **Main Street Exploratory Committee Report** - Wilson Greenlaw presented the findings of the committee to the board regarding the current status of the distribution of information, a positive public interest, and how to fund the program with a business improvement district which received a negative response from some large property owners. The downtown merchants and stakeholders would like to determine the implementation of the program. Scarlett Pons of PONS SHOP Studio would like to partner with Paul Cymrot, a business and property owner, to move forward with the program. After a question and answer segment, Tom Crimmins noted that the committee would present a final report to the City Council at a regular session with the EDA's recommendations. Richard Tremblay and Tom Crimmins suggested that the committee stay as a functioning committee to assist a formation committee with the research of the program. After additional discussion, Chairman Wilson recommended that the committee stay intact for guidance purposes. Tom Crimmins thanked the Main Street Exploratory Committee for their efforts and time. Dana Herlong requested that the formation committee be made aware of the committee's willingness to assist. Ms. Herlong also noted that Chamber of Commerce's Leadership Fredericksburg was working on a marketing program for the Main Street Program as a team project. Mr. Colangelo corrected that the Leadership project was for a downtown marketing program.

APPROVAL OF MINUTES. *Regular Meeting Minutes October 3, 2011* - Upon the motion by Bob Carter, seconded by Tom Crimmins, the minutes were approved as presented.

CONSENT AGENDA. Bob Carter informed the board that the Stellar One CD #714 would be redeemed and deposited into the Union First Market Bank Money Market Account #2312 for the funding of the Prince Hall Masonic Lodge closing.

CHAIRMAN'S REPORT.

Chairman Wilson briefed the board on the positive attention and attendance from the public on the downtown area in regards to the decorations and the involvement of the businesses during the holiday season. He noted that the street musicians are important to the downtown area but the volume levels need to be governed. Ms. Hedelt informed the board that the city attorney was drafting a document that addresses the volume level.

Ms. Hedelt thanked the board for their support of the Window Wonderland contest.

Chairman Wilson discussed an article in the Virginia Business Magazine that featured Mary Washington Healthcare as playing a huge role in the city's economy noting Ms. Hedelt's quotes.

TREASURER'S ACTION ITEMS.

Michael Colangelo noted the redemption of the Stellar One CD as stated above. Mr. Crimmins requested a brief update on the current assets of the authority. Mr. Tremblay briefed the board on all accounts with the assistance of Bob Carter. After a brief discussion of the status of the accounts and the current and upcoming grants. Mr. Tremblay explained the grant funding process and the terms of the \$725,000.00 loan to the city for the purchase of the Prince Hall Masonic property. Blanton Massey informed the board to file the report.

Chairman Wilson asked Mr. Tremblay to inform the board of the status of the University of Mary Washington Foundation's bonds. The Foundation has not yet closed on the bonds; the refunding of the current bonds has not been approved by the Virginia Treasury Board. The Foundation expects the bonds to close in January or February, 2012. The concern with closing taking place in 2012 is any affect on the city's bonding capacity. Mr. Tremblay said that the Foundation has a team working on this issue. All parties are motivated to complete the transaction. Mr. Tremblay will gather further information to update the board. Mr. Massey assured the board of the Foundation's continued efforts. Mr. Tremblay recommended that a letter be sent to the Foundation regarding the concerns of the EDA.

Upon a motion by Tom Crimmins, seconded by Dana Herlong, the board authorized the Chairman to send the letter: Ayes (6); Nays (0).

OLD BUSINESS.

- a. **Consider Resolution No. 11-18 approving the Chairman to enter into an e-commerce matching grant program with Vectec for a maximum FY2012 amount of \$15,000.00** - Chairman Wilson mentioned a letter from Debbie Girvan regarding the program. The board discussed the program and Ms. Girvan's concerns.

Chairman Wilson exercised his right to call for a motion. A motion was made by Bob Carter, seconded by Tom Crimmins, that the board approve the \$15,000.00 matching grant program for FY2012 with an emphasis on the use of web vendors in the city and area.

Chairman Wilson continued the discussion for the members of the board, Dana Herlong and Amy LaMarca expressed opposition to using out-of-town manager for the program.

Chairman Wilson called for the question.

The matching grant program was approved (3-2-1): Ayes (3) Tom Crimmins; Bob Carter, Michael Colangelo; Nays (2) Dana Herlong, Amy LaMarca; Chairman Wilson abstained from the vote; motion carries (3-2).

NEW BUSINESS.

- a. **Consider Resolution No. 11-19 approving the Performance Agreement with Capital Catering, LLC d/b/a F. W. Sullivan's Old Town Bar and Grill, 407-409 William Street for tax incentives in the Downtown/Princess Anne Street Tourism Zone** – Chairman Wilson called for no discussion of the item.

Upon a motion by Bob Carter, seconded by Amy LaMarca, the board authorized the approval of Resolution No. 11-19: Ayes (6); Nays (0).

- b. **Consider Resolution No. 11-20 approving the Performance Agreement with Greenbrier Percussion, LLC, 721 Caroline Street, for the tax incentives in the Downtown/Princess Anne Street Tourism Zone** – Chairman Wilson called for no discussion of the item.

Upon a motion by Bob Carter, seconded by Tom Crimmins, the board authorized the approval of Resolution No. 11-20: Ayes (6); Nays (0).

COMMITTEE REPORTS – CONTINUED.

- b. **Grants Committee Report** – Chairman Wilson made a brief statement to the board regarding the expenditures of the board as they reviewed the grants. Tom Crimmins included that the board take into consideration the economic development impact of each grant. Chairman Wilson requested Bob Carter present the grants individually.

Tree Fredericksburg was discussed by the board, Mr. Colangelo suggested that a \$2,500.00 grant be awarded. Upon a motion by Michael Colangelo, seconded by Dana Herlong, the board authorized the approval of a \$2,500.00 matching grant: Ayes (4) Joe Wilson, Amy LaMarca, Michael Colangelo, Dana Herlong; Nays (2) Tom Crimmins, Bob Carter; motion carries (4-2).

Fredericksburg First Night was briefly discussed by the board. The grant was approved as presented; a \$2,589.00 matching grant: Ayes (6); Nays (0).

UMW Philharmonic was briefly discussed by the board. The grant was approved as presented; a \$3,000.00 matching grant: Ayes (6); Nays (0).

Atrium Gallery was discussed by the board; upon a motion by Bob Carter, seconded by Dana Herlong, the board authorized the approval of a \$842.00 matching grant: Ayes (5) Joe Wilson, Amy LaMarca, Michael Colangelo, Dana Herlong, Bob Carter; Nays (1) Tom Crimmins; motion carries (5-1).

Arts & Cultural Council of the Rappahannock was discussed by the board. Upon a motion by Joe Wilson, seconded by Bob Carter no funding was approved and additional information will be requested: Ayes (5) Tom Crimmins; Amy LaMarca, Joe Wilson, Bob Carter, Michael Colangelo; Nays (0); Dana Herlong abstained from the vote.

Carole Green, 1122 Caroline Street, was discussed by the board; Mr. Crimmins recommended a \$2,500.00 grant be awarded. Upon a motion by Tom Crimmins, seconded by Amy LaMarca: Ayes (4) Tom Crimmins; Amy LaMarca, Joe Wilson, Michael Colangelo; Nays (2) Bob Carter, Dana Herlong; motion carries (4-2).

Thomas Mitchell, 721 Caroline Street, was discussed by the board. Upon a motion by Bob Carter, seconded by Michael Colangelo a \$1,710.00 matching grant will be awarded: Ayes (4) Bob Carter, Dana Herlong, Joe Wilson, Michael Colangelo; Nays (2) Amy LaMarca, Tom Crimmins; motion carries (4-2).

Prince Edward Holdings, LLC, 1008 Prince Edward Street, was discussed by the board. Upon a motion by Bob Carter, seconded by Tom Crimmins a matching grant of \$10,000.00 was awarded: Ayes (5) Tom Crimmins; Joe Wilson, Bob Carter, Michael Colangelo; Nays (0); Amy LaMarca abstained from the vote.

Chairman Wilson listed the following grants be approved as presented and requested a vote, a motion was made by Bob Carter, seconded by Amy LaMarca the following grants were approved as presented: Ayes (6); nays (0).

Thomas Mitchell, 720 Caroline Street, a \$2,575.00 matching grant was approved as presented.

Roger & Mary Carson, 826 Caroline Street, a \$10,000.00 matching grant was approved as presented.

Roger & Mary Carson, 206 George Street, a \$6,800.00 matching grant was approved as presented.

Teresa Bonilla, 422 William Street, a \$10,000.00 matching grant was approved as presented.

Dorothy McGinnis, 822 Caroline Street, a \$7,400.00 matching grant was approved as presented.

Estate of B.T. Pitts, 1013 Caroline Street, a \$5,000.00 matching grant was approved as presented.

Estate of B.T. Pitts, 1015 Caroline Street, a \$5,000.00 matching grant was approved as presented.

Primavera Pizza, 600 William Street, was discussed by the board. Upon a motion by Bob Carter, seconded by Amy LaMarca no funding will be issued, a resubmission of a complete application will be requested: Ayes (6); Nays (0).

MacDoc Realty, 1601 Princess Anne Street, was discussed by the board. Upon a motion by Bob Carter, seconded by Michael Colangelo a matching grant of 2,200.00 was awarded: Ayes (6) Amy LaMarca, Tom Crimmins; Joe Wilson, Bob Carter, Michael Colangelo; Nays (0).

Mr. Tremblay presented two grant extensions: Eyclopes Studio grant completion date is to be extended for six months and Castigila's grant expiration completion date extended to April 30, 2012. Upon a motion by Bob Carter, seconded by Amy LaMarca both extensions were approved: Ayes (6); Nays (0).

Dana Herlong requested that on the next grant cycle the board submit their grant comments before the board meets to vote.

STAFF REPORT.

Mr. Tremblay distributed and gave a brief overview of the following reports:

- a. Distribution of Annual Report, Virginians for High Speed Rail*** – Chairman Wilson noted to the board that there were only four economic development authorities that supported this program, they are listed as follows: Norfolk, James City County, Chesapeake, and the city's EDA. Chairman Wilson stated that Stafford and Spotsylvania also should be contributing. Hilldrup was the only local sponsor, Bill Greenup, who is on the board, is the only individual sponsorship. Chairman Wilson suggested reuse of the grant monies but after a brief discussion the board

requested that the future grants will be considered by the EDA.

- b. Distribution of FY2011 Financial Report, Robinson, Farmer, Cox Associates*
- c. Distribution of Frazier Report, Downtown Façade & Above-Ground Infrastructure Assessment*
- d. Update on Prince Hall Masonic Lodge Property Closing* – Richard Tremblay gave a brief update on the closing. The checks and contracts will be executed by Chairman Wilson and closing is set for just before Thanksgiving.

Mr. Tremblay notified the board that the City Council is considering expanding the technology zone incentives to include the entire city to give more businesses the ability to qualify for the incentives. Mr. Crimmins requested notification of presentations so the EDA may offer their support. Mr. Tremblay noted that the zoning changes will be presented at the December meeting of City Council.

BOARD MEMBERS COMMENTS.

Bob Carter notified the board that he and Dana Herlong attended the recent Unified Development Ordinance Steering Committee meeting. The Committee will streamline the review of development plans within the city with improvements to the zoning ordinances.

Chairman Wilson requested a work session to review the grants program; the board will submit updates for the grants program to Mr. Tremblay to form a report for discussion by the EDA at the December meeting.

Dana Herlong notified the board that at the last meeting of the UDO that the 2006 JumpStart! Criteria should be updated due to its use by Ray Ocel and the public. Mr. Crimmins will be making a recommendation in the future to budget funds for the update of the report. Ms. Herlong updated the board that at last meeting of the Riverfront Task Force the JumpStart! criteria was also discussed. Chairman Wilson brought up the dredging of the river and for an update.

Ms. Herlong also briefed the board on her attendance at the Business Incubator meeting in Roanoke.

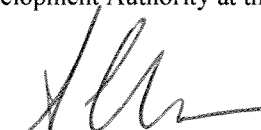
Michael Colangelo briefed the board on improvements to the alley way at Market Place which was mentioned in the Frazier Report to be added as a possible discussion item at the December meeting. Mr. Colangelo also referred to the discussion of the façade improvement to be worked on over the next two years and to consider larger projects within the city. As an example he used the Riverfront Park funds should have been allocated for many uses and for the EDA maintain a stronger role with these projects within the downtown tourism zone. Committee members for these projects should include developers and business owners. Chairman Wilson took into account Mr. Colangelo's comments with the support by Mr. Crimmins to be addressed by the board and be more involved with projects. Chairman Wilson recommended Mr. Colangelo develop a proposal to present to the board.

Amy LaMarca commented that the EDA expand their horizons across the city for current and new opportunities.

Chairman Wilson requested the board members send their comments to Mr. Tremblay regarding the grant criteria updates, the structure of the grants committee be discussed, who is eligible for grant funds and the allocation of funds.

ADJOURNMENT.

There being no further business to come before the Economic Development Authority at this time, Chairman Wilson declared the meeting officially adjourned at 11:26 a.m.



Amy LaMarca, Secretary

Resolution No. 11- 18
Economic Development Authority of the City of Fredericksburg
Regarding an E-Commerce Matching Grant Program with Vectec

Date: October 3, 2011

WHEREAS, the Economic Development Authority (EDA) of the City of Fredericksburg supports the expansion and continued growth of small businesses in the city which results in new job creation, economic growth and increased revenues; and

WHEREAS, Vectec, located in Newport News, Virginia, administers a matching grant program utilized by almost 50 local EDA's in the state to assist small businesses develop their companies through e-Commerce; and

WHEREAS, the EDA desires to partner with Vectec to expand the e-Commerce matching grant program to the City of Fredericksburg and further desires to allocate up to \$15,000 in FY 2012 funding for individual grants up to \$2,500, not exceeding 50% of the project cost (\$3,500 for SWAM businesses);

NOW THEREFORE BE IT RESOLVED, that the EDA hereby approves the agreement as presented between Vectec and the EDA and authorizes the Chairman or Vice-Chairman to execute all necessary documents.

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MOTION: Carter
SECOND: LaMarca

November 14, 2011
Regular Meeting
Resolution No. 11-19

AUTHORIZING THE CHAIRMAN TO EXECUTE A PERFORMANCE AGREEMENT WITH CAPITAL CATERING, LLC d/b/a F.W. SULLIVAN'S (SULLIVAN'S), THE CITY OF FREDERICKSBURG AND THE FREDERICKSBURG ECONOMIC DEVELOPMENT AUTHORITY, FOR TAX INCENTIVES IN THE DOWNTOWN/PRINCESS ANNE STREET TOURISM ZONE

ACTION:

DATE OF ADOPTION: November 14, 2011

WHEREAS, the City Council adopted Ordinance 07-31 on July 10, 2007, establishing the "Downtown/Princess Anne Street Corridor" as a Tourism District, as amended by Ordinance 10-33 adopted by City Council on October 26, 2010, by authority of Virginia Code §58.1-3851. The purpose of the District is to provide economic incentives and regulatory flexibility for eligible business entities which will attract visitors from the Fredericksburg region, make a substantial investment, and create new jobs. The new and expanded businesses that participate in this Tourism Zone will enhance the revitalization efforts in the historic heart of the City;

WHEREAS, Fredericksburg Comprehensive Plan (2007) identifies the Downtown as a "Key Area," "critical to the economic health and well-being of Fredericksburg." The Comprehensive Plan's Downtown Goals include the protection of the character of Fredericksburg's historic area and city center environment, to preserve a sense of place, promote economic strength, and ensure the City's continuing appeal to residents, business people, and visitors. The Comprehensive Plan includes a Downtown Policy to encourage development of "destination" activities and unique uses downtown, and a Downtown Initiative to pursue innovative financing strategies to encourage and facilitate development in the downtown, including the establishment of the tourism zone;

WHEREAS, Capital Catering, LLC is establishing a restaurant at 407-409 William Street to be named F. W. Sullivan's Old Town Bar & Grill with seating for approximately 175 people in substantial accordance with its Incentive Application dated September 6, 2011 ("the Restaurant"). This location lies within the City's Downtown/Princess Anne Street Corridor Tourism District;

WHEREAS, the City Manager has negotiated a proposed Performance Agreement ("Agreement"), whereby the City and the Fredericksburg Economic Development Authority (EDA) will provide certain incentives to Sullivan's in exchange for operation of the restaurant; and

WHEREAS, City Council adopted Resolution No. 11- 993 at its November 8, 2011 meeting which authorizes the City Manager to execute, deliver and carry out the terms of the Agreement on behalf of the City of Fredericksburg, and

WHEREAS, the EDA wishes to authorize the Chairman to execute the Agreement for Sullivan's, with the EDA functioning as the conduit for the performance grant as provided in the Agreement.

NOW, THEREFORE, BE IT RESOLVED that the EDA authorizes the Chairman to execute, deliver and carry out the terms of the Agreement entitled, "Performance Agreement, City of Fredericksburg, Fredericksburg Economic Development Authority and Capital Catering, LLC d/b/a F. W. Sullivan's Old Town Bar & Grill" on behalf of the EDA, in substantially the form submitted for approval.

Votes:

Ayes: 6

Nays: 0

Absent from Vote: 1

Absent from Meeting: 1

CERTIFIED COPY: _____



EDA Secretary

FREDERICKSBURG
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MOTION: Carter
SECOND: Crimmins

November 14, 2011
Regular Meeting
Resolution No. 11-20

AUTHORIZING THE CHAIRMAN TO EXECUTE A PERFORMANCE AGREEMENT WITH GREENBRIER PERCUSSION (GREENBRIER), THE CITY OF FREDERICKSBURG AND THE FREDERICKSBURG ECONOMIC DEVELOPMENT AUTHORITY, FOR TAX INCENTIVES IN THE DOWNTOWN/PRINCESS ANNE STREET TOURISM ZONE

ACTION:

DATE OF ADOPTION: November 14, 2011

WHEREAS, the City Council adopted Ordinance 07-31 on July 10, 2007, establishing the “Downtown/Princess Anne Street Corridor” as a Tourism District, as amended by Ordinance 10-33 adopted by City Council on October 26, 2010, by authority of Virginia Code §58.1-3851. The purpose of the District is to provide economic incentives and regulatory flexibility for eligible business entities which will attract visitors from the Fredericksburg region, make a substantial investment, and create new jobs. The new and expanded businesses that participate in this Tourism Zone will enhance the revitalization efforts in the historic heart of the City;

WHEREAS, Fredericksburg Comprehensive Plan (2007) identifies the Downtown as a “Key Area,” “critical to the economic health and well-being of Fredericksburg.” The Comprehensive Plan’s Downtown Goals include the protection of the character of Fredericksburg’s historic area and city center environment, to preserve a sense of place, promote economic strength, and ensure the City’s continuing appeal to residents, business people, and visitors. The Comprehensive Plan includes a Downtown Policy to encourage development of “destination” activities and unique uses downtown, and a Downtown Initiative to pursue innovative financing strategies to encourage and facilitate development in the downtown, including the establishment of the tourism zone;

WHEREAS, Stephen Whitesides, owner of Greenbrier Percussion, is opening a 1,800 square foot music store at 721 Caroline Street in substantial accordance with its Incentive

Application dated October 6, 2011 (“the Music Store”). This location lies within the City’s Downtown/Princess Anne Street Corridor Tourism District;

WHEREAS, the City Manager has negotiated a proposed Performance Agreement (“Agreement”), whereby the City and the Fredericksburg Economic Development Authority (EDA) will provide certain incentives to Greenbrier in exchange for operation of the music store; and

WHEREAS, City Council adopted Resolution No. 11- 94 at its November 8, 2011 meeting which authorizes the City Manager to execute, deliver and carry out the terms of the Agreement on behalf of the City of Fredericksburg, and

WHEREAS, the EDA wishes to authorize the Chairman to execute the Agreement for Greenbrier, with the EDA functioning as the conduit for the performance grant as provided in the Agreement.

NOW, THEREFORE, BE IT RESOLVED that the EDA authorizes the Chairman to execute, deliver and carry out the terms of the Agreement entitled, “Performance Agreement, City of Fredericksburg, Fredericksburg Economic Development Authority and Greenbrier Percussion, LLC” on behalf of the EDA, in substantially the form submitted for approval.

Votes:

Ayes: 6

Nays: 0

Absent from Vote: 1

Absent from Meeting: 1

CERTIFIED COPY: _____



EDA Secretary