

FREDERICKSBURG
ECONOMIC
DEVELOPMENT
AUTHORITY

706 Caroline Street
Fredericksburg, VA 22401

(540) 372-1216
Fax (540) 372-6587

ECONOMIC DEVELOPMENT AUTHORITY MINUTES (EDA)

April 9, 2012

**Courtyard by Marriott Hotel, Mary Washington Room
620 Caroline Street
Fredericksburg, VA**

The Economic Development Authority of the City of Fredericksburg, Virginia met in regular session on Monday, April 9, 2012, beginning at 10:10 a.m. in the Mary Washington Room in the Courtyard by Marriott.

EDA MEMBERS PRESENT. Joe Wilson, Chairman, presiding. Chris Hornung, Tom Crimmins and Michael Colangelo.

ABSENT. Amy LaMarca, Dana Herlong and Bob Carter.

ALSO PRESENT. **Fredericksburg Area Museum and Cultural Center:** Ellen Killough, Director; Christa Stabler, COO; **Inn at the Olde Silk Mill:** Ed Whelan, Owner; **Free Lance-Star:** Bill Freehling; **EDA Counsel:** Blanton Massey; **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. Joe Wilson determined that a quorum was present.

AGENDA. Karen Hedelt added Children's Museum as a Staff Report item, the agenda was approved.

PUBLIC COMMENTS. Ellen Killough, Director, Fredericksburg Area Museum and Cultural Center, presented a package to the board which included a tracking tool for visitation to the museum. Ms. Killough also reviewed the grants that were submitted during this cycle, she thanked the EDA for their support.

APPROVAL OF MINUTES. *Regular Meeting Minutes March 12, 2012* - Minutes were approved as presented.

Upon a motion by Chris Hornung, seconded by Tom Crimmins, the minutes were approved.

CONSENT AGENDA. None

TREASURER'S REPORT. The March financial statement and budget update reports were accepted for the record.

Action Items. None

CHAIRMAN'S REPORT.

Chairman Wilson updated the board on his and Dana Herlong's attendance at the HFFI awards ceremony, where the EDA received recognition for the façade grant program.

Chairman Wilson mentioned the article in the Free Lance-Star and his disappointment regarding the Rappahannock River sediment study deadline being missed by the Army Corps of Engineers. He requested Ms. Hedelt keep the board informed of City Council's updates regarding this issue.

- a. **Strategic Plan Review, April 9, 2012, Recap** - Chairman Wilson opened up conversation regarding private investment for Sophia Street along the Riverfront. After a brief discussion, he asked Michael Colangelo and Tom Crimmins to meet and come up with the first step in determining property owner and developer interest in building new projects in the corridor.
- b. **Oktoberfest Event** - Chairman Wilson addressed the petition being circulated by Jerry Ulman for the relocation of the event to Sophia Street from Caroline Street. Matt Simmons, owner of Capital Ale House, said he will not be a participant if the event is moved. Chairman Wilson explained the ABC regulations and how it affects the event location. Ms. Hedelt informed the board on previous attendance and success of the event.

Upon a motion by Michael Colangelo, seconded by Tom Crimmins, the EDA voted to inform the City Manager of the EDA's support of keeping Oktoberfest on Caroline Street: Ayes (4); Nays (0).

COMMITTEE REPORTS.

- a. **Incentive Review Committee** - Amy LaMarca was not attendance; Mr. Tremblay briefed the board on the Committee's March 15th meeting and the recommendation that the Technology Zones be citywide. Ms. Hedelt requested this item be tabled until the May meeting to allow for additional staff research and an additional meeting to focus on tourism zone incentives.
- b. **Grants Committee Report – Dana Herlong and Richard Tremblay** - Mr. Tremblay gave a brief overview of the Grants Committee recommendations for the March 1, 2012 grant cycle.

Upon a motion by Chris Hornung, seconded by Michael Colangelo, the EDA approved the grants as recommended by the committee: Ayes (3); Nays (1) Tom Crimmins; motion carries.

STAFF REPORT.

- a. **Annual Business Appreciation Event, week of June 4, 2012** - Ms. Hedelt presented a budget to the board for the event. She requested \$7,000 for funding the event catering, invitations, advertisements, etc. Mary Washington Healthcare will be hosting the event at Snowden House.

Upon a motion by Michael Colangelo, seconded by Tom Crimmins, the EDA approved a budget of up to \$7,000 for the Business Appreciation Event: Ayes (4); Nays (0).

- b. **2012 Heritage Festival, Fredericksburg Heritage Festival Committee letter of March 27, 2012** - Ms. Hedelt briefed the board on the Heritage Festival Coordinator, Roberta Gold's efforts regarding consistent funding for the event. Chairman Wilson requested \$5,000 be approved as a contribution towards the fireworks at the 2012 Heritage Festival with the \$7,500 balance of the city's funding expected to come from City Council.

Upon a motion by Michael Colangelo, seconded by Chris Hornung, the EDA approved \$5,000 for the fireworks display at the 2012 Heritage Festival: Ayes (4); Nays (0).

- c. **Itty Bitty City, Summer 2012 Contest Promotion, Free Lance-Star funding request for prize money** - Ms. Hedelt requested \$1,000 sponsorship grant for prize money for the event.

Upon a motion by Tom Crimmins, seconded by Chris Hornung, the EDA approved a \$1,000 grant for the prize money for the Itty Bitty City, Summer 2012 Contest Promotion: Ayes (4); Nays (0).

- d. *Vectec E-Commerce Matching Grant program, Quarterly Report, January – March 2012* - Mr. Tremblay briefed the board on the current approved applicants and pending applicants.

OLD BUSINESS. None

NEW BUSINESS.

- a. *Princess Anne Restoration, LLC, 1707 Princess Anne Street, Downtown/Princess Anne Street Tourism Zone Incentive Agreement* - Mr. Tremblay presented the City Council approved incentive agreement.

Upon a motion by Tom Crimmins, seconded by Chris Hornung, the EDA approved the incentive agreement: Ayes (4); Nays (0).

- b. *Eagle Village Hospitality, LLC, Eagle Village Hotel, Amendment to Performance Agreement for Virginia Tourism Development Financing* - Ms. Hedelt updated the board on the state tourism incentive program. The existing performance agreement must be updated. After a brief discussion of any financial implications, the board approved the amendment of the Performance Agreement: Ayes (4); Nays (0).

- c. *Children's Museum* - Ms. Hedelt requested recruitment assistance from the EDA. Chairman Wilson requested Michael Colangelo assist; Mr. Colangelo accepted.

BOARD MEMBERS COMMENTS. None

CLOSED SESSION.

Tom Crimmins made a motion that the EDA adopt a Resolution for the purpose of discussing a potential incentive agreement related to a prospective business where no previous announcement has been made of the business's interest in locating its facilities in the City of Fredericksburg. The closure is pursuant to Virginia Code 2.2-3711.A.5. It was seconded by Chris Hornung and passed by the following recorded votes; Ayes (4); Nays (0).

Whereupon the members went into closed session.

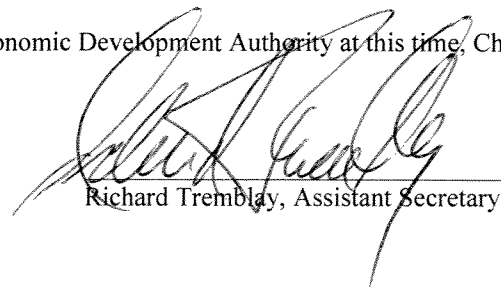
After the closed meeting, the Chairman, Joe Wilson, declared the EDA back in open session.

A motion was made by Tom Crimmins, to adopt a Resolution, certifying the proper conduct of the closed session. It was seconded by Chris Hornung; the motion was passed upon affirmation: Ayes (4); Nays (0).

No action was taken on the matter.

ADJOURNMENT.

There being no further business to come before the Economic Development Authority at this time, Chairman Wilson declared the meeting officially adjourned at 11:55 a.m.



Richard Tremblay, Assistant Secretary

FREDERICKSBURG
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AUTHORITY

MOTION: Crimmins

April 9, 2012
Regular Meeting
Resolution No. 12-10

SECOND: Hornung

AUTHORIZING THE CHAIRMAN TO EXECUTE A PERFORMANCE AGREEMENT WITH PRINCESS ANNE RESTORATION, LLC, INN AT THE OLD SILK MILL. LLC, THE CITY OF FREDERICKSBURG AND THE FREDERICKSBURG ECONOMIC DEVELOPMENT AUTHORITY, FOR TAX INCENTIVES IN THE DOWNTOWN/PRINCESS ANNE STREET TOURISM ZONE

ACTION: Approved

DATE OF ADOPTION: April 9, 2012

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, the Princess Anne Street Gateway Corridor Overlay District encourages redevelopment in order to preserve the aesthetic, natural and historic values of the Princess Anne Street corridor;

WHEREAS, Princess Anne Restoration proposes to complete the restoration of the 1880's silk mill factory building located at 1707 Princess Anne Street for use as a public assembly space, including banquets, meetings, conferences, tour group dinners, weddings, receptions and concerts. This project advances the City's historic preservation and economic development goals and the property 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 Princess Anne Restoration, LLC and Inn at the Old Silk Mill, LLC in exchange for completion of the silk mill factory renovations as a public assembly space and expanded operations of the Inn at the Old Silk Mill; and

WHEREAS, City Council adopted Resolution No. 12-20 at its March 27, 2012 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 with Princess Anne Restoration, LLC and Inn at the Old Silk Mill, LLC 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, Princess Anne Restoration, LLC and Inn at the Old Silk Mill, LLC." on behalf of the EDA, in substantially the form submitted for approval.

Votes:

Ayes: 4

Nays: 0

Absent from Vote: 3

Absent from Meeting: 3

CERTIFIED COPY: _____


EDA Assistant Secretary

FREDERICKSBURG
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DEVELOPMENT
AUTHORITY

April 9, 2012
Regular Meeting
Resolution No. 12-11

AUTHORIZING THE CHAIRMAN TO EXECUTE A PERFORMANCE AGREEMENT WITH THE UNIVERSITY OF MARY WASHINGTON FOUNDATION, EAGLE HOSPITALITY, LLC, THE CITY OF FREDERICKSBURG AND THE FREDERICKSBURG ECONOMIC DEVELOPMENT AUTHORITY, FOR TAX INCENTIVES IN THE DOWNTOWN/PRINCESS ANNE STREET TOURISM ZONE

ACTION: Unanimous Consent, 4-0

DATE OF ADOPTION: April 9, 2012

WHEREAS, the City Council of the City of Fredericksburg established the Eagle Village Tourism Zone by the adoption of Ordinance 10-32 on October 26, 2010, pursuant to the authority of Virginia Code §58.1-3851;

WHEREAS, the City of Fredericksburg, the Fredericksburg Economic Development Authority, and the University of Mary Washington Foundation entered into a Performance Agreement dated May 16, 2011 which provides for an economic incentive using local sales and use tax revenues, for the proposed re-development of a site within the Eagle Village mixed use shopping center as a new hotel (“the Hotel”);

WHEREAS, pursuant to Virginia Code §58.1-3851.1, the Virginia Tourism Authority approved a tourism plan submitted by the City of Fredericksburg entitled “City of Fredericksburg Tourism Development Plan: Who We Are, Situation Analysis, Target Markets, Objectives, Strategies and Tactics”, dated February 2012, which describes the overall scope and concept of the Hotel and identifies the specific deficiency in the local tourism economy that the Hotel is proposed to fill;

WHEREAS, the Virginia Comptroller has certified the Hotel project as qualifying for the entitlement to state sales tax revenues provided in Virginia Code §58.1-3851.1;

WHEREAS, the Foundation wishes to access entitled state tax revenues pursuant to Virginia Code §58.1-3851.1, and has proposed to enter into an amended performance agreement in order to qualify for these revenues;

WHEREAS, the City Council at its meeting of March 13, 2012, adopted ordinance 12-05 approving the Tourism Development Plan and authorizing the City Manager to execute, deliver and carry out, on behalf of the City of Fredericksburg, the terms of the Performance Agreement between the City, the Fredericksburg Economic Development Authority, University of Mary Washington Foundation, and Eagle Hospitality, LLC, in order for Eagle Hospitality to pay the required access fee and receive the entitled state sales tax revenues generated by transactions taking place on the premises of the Hotel, along with matching local sales tax revenues;

WHEREAS, the EDA wishes to authorize the Chairman to execute the Performance Agreement with The University of Mary Washington Foundation and Eagle Hospitality, LLC, 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 the University of Mary Washington Foundation" on behalf of the EDA, in substantially the form submitted for approval.

Votes:

Ayes: 4

Nays: 0

Absent from Vote: 3

Absent from Meeting: 3

CERTIFIED COPY: _____


EDA Assistant Secretary

**Resolution 12-12 for Economic Development Authority to Hold Closed Meeting Under
The Virginia Freedom Of Information Act**

Date of Adoption: April 9, 2012

Proposed by: _____

Resolved that the Economic Development Authority convene a closed meeting under the Virginia Freedom of Information Act in order to discuss:

Personnel – specific City officers, appointees, or employees, for the purpose of considering such person’s assignment, appointment, promotion, performance, demotion, salary, disciplining, or resignation, under Virginia Code **§2.2-3711.A.1**

Real Property -

the acquisition of real property

for the purpose of discussing acquisition of real property for a public purpose, specifically, the expansion of an existing recreation facility, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Economic Development Authority, under Virginia Code 2.2-3711(A)(3).

the disposition of publicly held real property,

Prospective Business -

a prospective business or industry, OR

the expansion of an existing business or industry,

for the purpose of, a potential performance incentive agreement, where no previous announcement has been made of the business or industry’s interest in locating or expanding its facilities in the community, under Virginia Code **§2.2-3711.A.5.**

Legal Matters -

actual litigation specifically, _____

_____, with legal counsel, where such consultation in open session would adversely affect the negotiating or litigating posture of the Economic Development Authority, **OR**

probable litigation with legal counsel, staff, or consultants, where (1) litigation has been specifically threatened or on which the Economic Development Authority or its counsel has a reasonable basis to believe will be commenced by or against a known party, and (2) such consultation in open session would adversely affect the negotiating or litigating posture of the Economic Development Authority, **OR**

legal matters, _____, with counsel, where such matters require the provision of legal advice, under Virginia Code **§2.2-3711.A.7.**

Other – (Specify subject matter, purpose of discussion, and applicable Code Section)

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RESOLUTION 12-13

CERTIFICATION OF CLOSED MEETING

IT IS HEREBY RESOLVED by the Economic Development Authority of the City of Fredericksburg, Virginia, as follows:

WHEREAS, the Authority has convened a closed meeting under Virginia Code §2.2-3711.A.5, pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, §2.2-3712.D of the Code of Virginia requires a certification by this Authority that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law (Chapter 37 of Title 2.2) were heard, discussed or considered in such closed meeting, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the closed meeting by the Authority.

Date of Adoption: April 9, 2012

AYES: 4

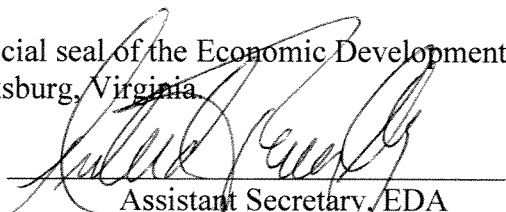
NAYS: 0

CERTIFICATION: Secretary's Certificate

I, the undersigned, certify that I am the Assistant Secretary for the Economic Development Authority of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution 12-13 duly adopted at a meeting of the Economic Development Authority held on April 9, 2012 at which a quorum was present and voted.

Given under my hand and the official seal of the Economic Development Authority of the City of Fredericksburg, Virginia

Date: 4/12/12


Assistant Secretary, EDA