

FREDERICKSBURG
ECONOMIC
DEVELOPMENT
AUTHORITY

706 Caroline Street
Fredericksburg, VA 22401

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ECONOMIC DEVELOPMENT AUTHORITY MINUTES (EDA)

February 14, 2022

8:30 a.m. • EDA Regular Meeting
718 Venue, 718 Caroline St.

The Economic Development Authority of the City of Fredericksburg, Virginia met in regular session on Monday, February 14, 2022 beginning at 8:30 a.m. at 718 Venue, 718 Caroline St.

EDA MEMBERS PRESENT. Will Mackintosh Chair, presiding. Lee, Murray, Beth Black, Suzy Stone (via Go to Meeting), Mitzi Brown, Chris Waller (via Go to Meeting), and Susan Richey.

ABSENT. None.

ALSO PRESENT. **VA Black Business Directory:** Ernisha M. Hall, President & Founder; **EDA Counsel:** Blanton Massey; **Department of Economic Development and Tourism:** Bill Freehling, Director; Amy Peregoy, Economic Development Specialist; Danelle Rose, Tourism Marketing and Communications Manager; Alex Seitner, Economic Development Intern.

DETERMINATION OF QUORUM. Mitzi Brown.

AGENDA.

MOTION by Beth Black, seconded by Susan Richey, the agenda was approved: Ayes (7); Nays (0).

PUBLIC COMMENTS. None.

VIRGINIA BLACK BUSINESS EXPO – VA BLACK BUSINESS DIRECTORY. Chair Mackintosh introduced Ms. Hall. Ms. Hall briefed the board on the mission and background of the Virginia Black Business Directory. She updated the board on the 2021 VA Black Business Expo to include the following: objectives, shopping, relationship building, education, advertising, generated revenue, ticket sales, attendees and participating businesses and their locations. Ms. Hall submitted an after-action report to the EDA board for their review in the meeting package. She discussed their ongoing programs and initiatives: FXBG Regional Black Restaurant Week, Digital Holiday Gift Guide, Printed Business Directory and Online Black DMV Magazine. She presented an overview of the upcoming 2022 budget and goals: educational opportunities (group mentoring, panel discussions, business presentations), networking initiatives (business after hours, new member onboarding, virtual networking), 2022 Virginia Black Business Expo (showcase up-to 150 vendors and generate 2,000+ attendees). The remainder of the presentation included: membership benefits, Board of Directors, mobile analytics, membership metrics, social media, and member testimonials. Chair Mackintosh thanked Ms. Hall for her time and presentation.

APPROVAL OF MINUTES.

MOTION by Beth Black, seconded by Mitzi Brown the minutes from the January 14, 2022 regular meeting were approved: Ayes (7); Nays (0).

TREASURER’S REPORT. Mr. Murray presented the January activity. The budget and financial statement will be filed with the minutes.

OLD BUSINESS. None.

NEW BUSINESS. None.

COMMITTEE REPORTS

- a. ***Parking Improvement Committee*** – Ms. Black did not attend the February Parking Improvement meeting. She will review the minutes and present a report during the March meeting.
- b. ***Strategic Investments Committee*** – To be discussed during closed session.
- c. ***Workforce Development Committee*** – Ms. Richey and Ms. Brown have an appointment to meet with Dr. Gullickson of Germanna Community College (GCC).
- d. ***InvestFXBG Loan Committee*** – No update.
- e. ***City Relations Committee*** – No update.
- f. ***Tourism Committee*** – No update.
- g. ***Fredericksburg VA Main Street Committee*** - Ms. Brown attended the Main Street board meeting. She will present a report during the March meeting.

STAFF REPORT. Mr. Freehling distributed a draft of the Economic Development Strategic Plan to the board members. He requested the board to review and be ready to discuss during the March or April meeting. He requested the March 14 meeting be rescheduled to March 21. The FredNats season will begin on April 12. The EDA night needs to be scheduled. Ms. Peregoy will poll the board members over the next week to confirm a date.

Ms. Peregoy presented a brief update on the Business Appreciation event planning progress.

CHAIR’S REPORT. Chair Mackintosh briefed the board on the meetings he and Mr. Murray attended with the school board and tour of 2300 Fall Hill Ave. Moseley Architects will be completing a building use study. They will also be assessing the use of the Idlewild property for a middle school and Mary Washington Healthcare offices. The Moseley study completion date is by March 4. Chair Mackintosh noted the Walker Grant middle school reconstruction with use of Cares Act funds to be spent by 2024. There will be a public hearing on March 24 regarding the new school.

BOARD MEMBERS COMMENTS. Mr. Murray stated he will be presenting an update on the Babe Ruth World Series during the March meeting.

Ms. Brown noted the EDA board was accomplishing good work for the community.

Ms. Black stated the video for the Business Appreciation event will be an evergreen marketing tool for the City.

CLOSED SESSION.

Ms. Brown moved for adoption of Resolution 22-03, for the purpose of discussion or consideration of the acquisition of real property for a public purpose, specifically, the acquisition of an existing commercial lot and building situate thereon located in the City of Fredericksburg, Virginia, 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.

MOTION by Mitzi Brown, seconded by Beth Black: Ayes (6); Nays (0); Absent from Vote (1-Murray).

Mr. Freehling, Ms. Peregoy and Mr. Seitner excused themselves from the meeting.
Where upon the members went into closed session.

Upon coming out of closed session.

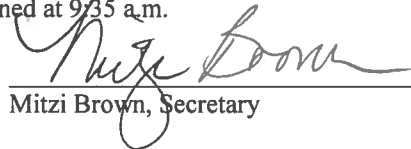
Mr. Freehling and Ms. Peregoy returned to the meeting.

**MOTION by Mitzi Brown, to adopt Resolution 22-04 certifying the proper conduct of the closed session.
Seconded by Beth Black: Ayes (7); Nays (0).**

MOTION by Mitzi Brown, seconded by Beth Black, to move forward with the terms sheet to be attached to the minutes: Ayes (7); Nays (0).

MOTION by Beth Black, seconded by Mitzi Brown to appropriate funding of up to \$7,500 to execute a contract for the properties mentioned in the minutes.

ADJOURNMENT. There being no further business to come before the Economic Development Authority at this time, Chair Mackintosh declared the meeting officially adjourned at 9:35 a.m.



Mitzi Brown, Secretary

**Resolution 22-03 for Economic Development Authority to Hold Closed Meeting Under
The Virginia Freedom of Information Act**

Date of Adoption: February 14, 2022

Proposed by: Brown

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, more particularly, the performance of the Director of the Department of Economic Development & Tourism of the City of Fredericksburg, VA.

Real Property -

the acquisition of real property

for the purpose of discussion or consideration of the acquisition of real property for a public purpose, specifically, the acquisition of an existing commercial lot and building situate thereon located in the City of Fredericksburg, Virginia, 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 holding a discussion concerning: _____, 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 22-04

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.3, 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: February 14, 2022

AYES: 7


NAYS: 0

CERTIFICATION: Secretary's Certificate

I, the undersigned, certify that I am the Secretary for the Economic Development Authority of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution 22-04 duly adopted at a meeting of the Economic Development Authority held on February 14, 2022, 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: 3/21/2022


Secretary, EDA

NON-BINDING TERMS SHEET for
PROPOSAL by FREDERICKSBURG ECONOMIC DEVELOPMENT AUTHORITY to
PURCHASE REAL PROPERTY from the CITY of FREDERICKSBURG

Identifying Information:

Seller	City of Fredericksburg, Virginia (City)	
Buyer	Fredericksburg Economic Development Authority (EDA)	
Property	Two adjacent parcels of land on Caroline Street in Fredericksburg, Virginia, one parcel located at the corner with Charlotte Street improved with a parking lot and the other parcel improved with a multistory commercial building containing approximately 5,319 square feet of area.	
Parcel Names	<u>Parking Lot Parcel</u>	<u>Building Parcel</u>
Tax ID Nos.	7789-14-9209	7789-14-8383
Caroline Address	700 - 702	706
Area (Acres)	0.166758	0.099793

<u>Proposed Terms:</u>	<u>Parking Lot Parcel</u>	<u>Building Parcel</u>	<u>TOTAL/Combined</u>
Purchase Price	\$380,000	\$880,000	\$1,260,000
Deposit	None	None	
Due Diligence Period	90 Days	90 Days	
Closing Period	30 Days	30 Days	
Closing Date	July 1, 2022	July 1, 2022	

Lease-Back to City The EDA will lease-back the Building Parcel and the Parking Lot Parcel to the City for continued use as the Visitor Center and use by the Department of Economic Development and Tourism for a period of two years for a rental amount of \$19.50/SF per annum (\$103,721 annually) on a triple-net basis with the City to pay all operating and maintenance costs, except for costs associated with any structural, foundation or roof repairs to be incurred by the EDA. The EDA will also lease-back the Parking Lot Parcel to the City for \$75 per space monthly, equivalent to 14 spaces multiplied by \$75 equals \$1,050 per month and \$12,600 annually. Combined net rent payments for the Combined Properties by the City to the EDA will be \$116,321 with a 3.0% annual escalator. The City will have the right to terminate the lease after one year with a 90-day prior notice and the option to extend the lease for a third year. The public bathrooms accessed from the parking lot parcel will be closed upon termination of the lease to the City and opening of public restrooms at 601 Caroline Street in the new Visitor Center. The first-year rent (\$116,321) will be pre-paid by the City at settlement and is to be included in the settlement statement and hence reduce the amount owed by the EDA at closing. The term of the first-year lease shall be July 1, 2022, to June 30, 2023.