

Fredericksburg Economic Development Authority FY 2022 Annual Report

FREDERICKSBURG
ECONOMIC
DEVELOPMENT
AUTHORITY

FREDERICKSBURG
ECONOMIC
DEVELOPMENT
AUTHORITY

The Fredericksburg Economic Development Authority (EDA) acts as a catalyst for responsible economic development that improves Fredericksburg's quality of life and enhances the city's tax base. City Council appoints the seven members of the EDA, each of whom serves four-year terms. Current members are Will Mackintosh (Chair), Suzy Stone (Vice Chair), Lee Murray (Treasurer), Susan Richey (Secretary), Mitzi Brown, Chris Waller and Beth Black.

The EDA receives no City of Fredericksburg tax dollars. Its funding comes from a variety of sources, including:

- Annual fees derived from the issuance of bonds for qualified borrowers such as Mary Washington Healthcare and the Fredericksburg Nationals
- Loan payments from borrowers through the InvestFXBG program
- An insurance premium from the City of Fredericksburg for the EDA's role in the stadium agreement
- Proceeds from a loan to the City of Fredericksburg on the National Bank Building project downtown (900 Princess Anne Street)
- Interest income on deposits held in the Community Bank of the Chesapeake

The EDA's annual budget was approximately \$284,000 in the 2022 fiscal year.

The EDA has ample flexibility on how to pursue its economic development objectives. In 2022, the EDA focused primarily on enhancing gateway corridors, growing the tourism base and fostering workforce development programs. Additionally, the EDA advises the City Manager and City Council on fostering economic and industrial development.

The EDA was extremely active in 2022, investing a significant amount on numerous key initiatives.

Here is a list of some of the larger ones:

1. At the end of 2022, the EDA closed on the purchase of the Visitor Center building and parking lot at 700-706 Caroline Street. This \$1.26 million acquisition from the City of Fredericksburg was one of the EDA's largest ever and sets the stage for additional strategic acquisitions to come. The EDA will lease the property back to the City of Fredericksburg for at least a year while the City builds out a new Visitor Center and office for the Department of Economic Development and Tourism at 601 Caroline Street.
2. The EDA also played a key role in a three-party agreement with the City of Fredericksburg and the operator of the Fredericksburg Expo & Conference Center. The EDA loaned \$250,000 to the Expo Center operator to help facilitate a \$500,000 upfront investment in the facility. An additional \$250,000 will be invested in the facility over the next five years, which should play a key role in helping it achieve its full potential as a tourism driver.
3. The EDA continued to market and make loans through its InvestFXBG program. At the end of 2022, there were five businesses in the program: Haley's Honey Meadery, Eats Burgers, Metro Nova Creative, Kickshaws Gluten-Free Bakery and the Fredericksburg Expo Center.
4. The EDA made a key \$75,000 sponsorship to bring the Babe Ruth World Series (for 13-to-15-year-olds) to Fredericksburg in 2022. The tournament led to nearly 1,000 room nights in the City of Fredericksburg and had an estimated economic impact of about \$300,000. The Babe Ruth World Series for 14-year-olds will be in Fredericksburg in 2023.
5. The EDA continued its three-year sponsorship of the Marine Corps Historic Half Marathon with a \$25,000 sponsorship. This greatly helped the organization put on the large annual event in Fredericksburg.
6. The EDA set aside \$50,000 to attract film productions to Fredericksburg.



7. The EDA pledged \$15,000 over three years to an entrepreneurial ecosystem initiative being spearheaded by the Fredericksburg Regional Alliance (FRA). The EDA also invested \$12,325 into the FRA organization itself in 2022.
8. The EDA continued to support the operation of the Fredericksburg Department of Economic Development & Tourism with investments in the Window Wonderland and Diverse City programs (a \$8,000 investment).
9. The EDA invested \$21,500 in the Virginia Black Business Directory Expo to encourage the formation and expansion of Black-owned businesses in Fredericksburg.
10. The EDA helped businesses along the U.S. 1 corridor to cover the costs of their addresses changing to Emancipation Highway. This investment was \$29,250 in 2022.
11. The EDA fulfilled the third year of a five-year pledge to support the Central Rappahannock Regional Library's creation of a MakerLab at 1616 Princess Anne Street. The EDA's investment into the space in 2022 was \$11,000.
12. The EDA helped Fredericksburg VA Main Street launch the reimagined First Friday event, Sip & Stroll, with a \$14,000 investment.
13. The EDA funded a \$50,000 feasibility study that resulted in detailed architectural and potential redevelopment plans for the former hospital at 2300 Fall Hill Avenue. This report has been sent to a number of potential re-developers.
14. The EDA put on another successful Business Appreciation Event at the Virginia Credit Union Stadium to recognize the achievements of the local business community.



All told, these investments in 2022 totaled nearly \$2 million. Although the fiscal impact for the City of Fredericksburg from these investments is difficult to quantify and dependent on a number of outcomes, it could conservatively be estimated at more than a half-million dollars a year.

More information about the EDA – including a description of its programs, minutes, agendas and schedules – can be found at Fredericksburgva.com under “Resources.”

Bill Freehling and Amy Peregoy of the Fredericksburg Department of Economic Development and Tourism (EDT) provide staff support to the EDA. Fredericksburg attorney Blanton Massey serves as legal counsel.

People wishing to contact the EDA can do so through the following EDT staff members, each of whom can also be reached by calling 540-372-1216:

Bill Freehling, Director of Economic Development and Tourism
bfreehling@fredericksburgva.gov

Amy Peregoy, Economic Development Specialist
aperegoy@fredericksburgva.gov

FREDERICKSBURG
ECONOMIC
DEVELOPMENT
AUTHORITY