

Meeting Minutes
ECONOMIC DEVELOPMENT AUTHORITY
December 11, 2018

At a regular meeting of the Economic Development Authority of York County, Virginia, held on December 11, 2018 at 4:00 p.m. in the East Room of York Hall, 301 Main Street, Yorktown, Virginia, those present were:

R. Anderson Moberg, Chairman
John Biagas, Secretary
J. Mark Carter
Harmon J. Coxton
Leslie Henderson Schultz

Others present:

James Barnett, County Attorney
James W. Noel, Jr., Assistant Secretary and Director of Economic Development
Melissa M. Davidson, Assistant Director of Economic Development
Deborah L. Gardner, Economic Development Assistant

CALL TO ORDER

The meeting was called to order at 4:00 p.m. by Chairman Moberg.

ROLL CALL

A quorum was established with all members present with the exception of Vernard E. Lockwood, II and Steven A. Meade.

CITIZENS' COMMENT PERIOD

None.

PRESENTATIONS

KROLL COFFEE, LLC (COLUMN 15)

Mr. Noel introduced and welcomed owners James Kroll and Victoria Goldsby from Column 15

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Coffee. They plan to open a craft coffee roastery and retail business in the James York Plaza Shopping Center. He explained that they were formerly working with King of Clubs Coffee, but are now working on their own.

Ms. Goldsby elaborated on the company's business plan. She stated the total 30-month business projection is approximately \$1.4 million and the total 30-month wage projection is approximately \$400,000. She mentioned their sales outlets include farmer markets and community events, wholesale, brick and mortar, online, direct and retail distributions.

Mr. Kroll explained their vision is to build a coffee company from ground up. He stated the facility would be built out to accommodate a two-in-one type operation – one for manufacturing and roasting, and also a retail coffee shop. Mr. Kroll stated that they plan to distribute from Richmond down to the Virginia Beach area. He said they are excited that the roastery could be a potential tourist destination with tastings and interactive tours of the facility, which includes the unique nitro cold brewing.

Mr. Noel asked about their established financing and how they would use an EDA grant.

Mr. Kroll explained that they are currently operating out of a shared-use facility to keep the costs down. He noted their funding is from personal savings, a business line of credit, a credit card with the bank, and also friends and family investment. He stated a grant would be used for build out and equipment for roasting and cold brewing.

Mr. Noel asked what they would have invested if they were opening the space tomorrow in James York Plaza.

Ms. Goldsby stated the buildout would be approximately \$81,000, and that one-half of that amount would be covered by the landlord. She stated the roaster would be approximately \$24k with other equipment being approximately \$16k. She noted they would have approximately \$70K invested.

Mr. Biagas asked about the cost of the roasters and suggested it may be better for them to lease rather than buy.

Ms. Goldsby said that they would initially be buying one roaster for \$24,000.

This presentation concluded at 4:19 p.m.

Chairman Moberg shared some concerns over the business plan for Column 15.

Ms. Davidson noted if a \$20,000 grant was provided for the buildout and something happened to this business, the space could be easily filled with another roaster.

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Discussion took place noting the landlord will be helping with the buildout such as the bathroom and HVAC.

Mr. Carter asked if they got the space built out, and couldn't afford to do the roaster immediately, would they be able to continue doing their shared space concept and operate the business in James York Plaza?

Mr. Biagas stated he thought they should come up with more investor money, perhaps from friends and family, noting they would need to cover start-up expenses.

Chairman Moberg recommended that they provide additional information and a better-defined business plan. He also shared concerns over their former partnership with King of Clubs Coffee and the potential legalities surrounding that relationship.

Mr. Barnett stated they could be required to submit a statement saying they are not currently in litigation.

Ms. Davidson suggested they stipulate that the grant payment would be made once the Certificate of Occupancy is received or until a certain point in the buildout is achieved.

After further discussion, the Authority asked Mr. Noel to collect a financial statement, start-up budget, investment by the owners, lease details, specific build out and bring the matter back to the January meeting.

NEW BUSINESS

WORKFORCE DEVELOPMENT VIDEOS

Mr. Noel reported on staff and EDA members working cooperatively with the school division and the school's business advisory council to develop a workforce development video series. He stated that many of our businesses' chief complaint is the difficulty in finding tradespeople and these videos are intended to highlight the benefits of considering technical training instead of a college degree. Mr. Noel described some of the video clips that will show students alternative career paths and the merits of going into the trades, or starting a business.

Mr. Coxton stated that sixteen percent of the kids that leave high school without specific direction or plans and that sixteen percent is who they are trying to capture. He encouraged on-the-job training and said they would like to see these young folks directed to businesses that will provide a career path.

Ms. Davidson explained that the goal of the video series is to get the kids thinking about various

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career options they may not be familiar with or have considered. She also explained that the schools' goal is to have every student have actual on-the-job work experience by graduation year 2022. Ms. Davidson noted the idea is for every child to see the video series in 10th grade, before they are choosing courses and internships related to careers in which they are interested. Because all 7th grade students will have to have a career plan, that can be modified as they grow older, she mentioned they would eventually like to create another video series to be shown to 7th graders. She then played the video.

Mr. Noel stated he has found money in his budget for the first two videos in Series #1, and the goal is to have nine videos in the first series for 10th graders - one for each month of the school year. He explained the need for funding the additional seven videos.

Ms. Davidson noted the cost to complete the first series would be \$21,000, which is \$3,000 for each video. Eventually they will come back and ask for more, to complete the second series for 7th graders. If they do proceed with the second series, it would be an additional \$27K, or \$48K total for both series.

Mr. Biagas moved to fund the full \$48,000 from the capital fund to procure the balance of the production of both workforce development video series.

On roll call the vote was:

Yea: (5) Biagas, Carter, Coxton, Schultz, Moberg
Nay: (0)

SPENDING AUTHORIZATION

Mr. Noel stated the County Administrator encouraged him to ask the EDA for a blanket authorization for minor expenditures so those items would need not to be on the agenda. An example of this type of authorization is the contract for the sewer extension to the EDA's property on Route 17 that came in \$300 higher than what the EDA approved. Mr. Noel reported that it came in at \$35,800 instead of \$35,500. This was due to the contractor's insurance not being high enough for the County requirements. This caused an increase of \$300 and Mr. Noel is asking for approval of the increase.

Mr. Coxton moved to fund the additional \$300 from the capital fund to cover the increase in the sewer extension contract at 7120-7124 George Washington Memorial Highway.

On roll call the vote was:

Yea: (5) Carter, Coxton, Schultz, Biagas, Moberg
Nay: (0)

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Mr. Noel said that if he had the latitude to approve this extra expenditure, he would not have to bring it before the board and, if there were an emergency procurement to be made, he would have the authority to move on it.

Mr. Biagas moved to approve Mr. Noel authorizing expenses up to \$2,500, per occurrence, from the capital fund on an as needed basis.

On roll call the vote was:

Yea: (5) Coxton, Schultz, Biagas, Carter, Moberg
Nay: (0)

OLD BUSINESS

None.

APPROVAL OF MINUTES

Mr. Coxton moved that the minutes of the October 23, 2018 Regular Meeting be approved.

On roll call the vote was:

Yea: (4) Coxton, Biagas, Carter, Moberg
Nay: (0)
Abstention: (1) Schultz

CLOSED MEETING

The Chairman noted that it was in his judgment appropriate for the Authority to enter into closed meeting as authorized by the Virginia Freedom of Information Act for the purpose of public property under Section 2.2-3711(A)(3) and public contract under Section 2.2-3711(A)(29).

Mr. Biagas moved that the Authority enter into a closed meeting for the aforesaid purpose(s) and that the Authority deemed it necessary, as specified by the Virginia Freedom of Information Act, that Jim Barnett, Jim Noel, Melissa Davidson, Debbie Gardner, be present during the closed meeting. This motion was seconded by Mr. Carter and approved.

On roll call the vote was:

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Yea: (5) Biagas, Carter, Coxton, Schultz, Moberg
Nay: (0)

The Authority entered into closed meeting at 5:18 p.m.

RETURN FROM CLOSED MEETING

The Authority returned to open meeting at 5:56 p.m.

ROLL CALL VOTE CERTIFYING COMPLIANCE WITH SECTION 2.2-3711.1 D OF THE CODE OF VIRGINIA

Mr. Biagas moved that, to the best of each members' knowledge, only public business matters lawfully exempted from the open meeting requirements specified under the Virginia Freedom of Information Act were discussed in closed meeting, and that only such public business matters related to public property under Section 2.2-3711(A)(3) and public contract under Section 2.2-3711(A)(29) were discussed during closed meeting. Mr. Coxton seconded this motion.

The Chairman stated that if any member of the Authority believed that there was a departure from the requirements of the Virginia Freedom of Information Act, that the member was required by law to state his objection prior to the vote, indicating the substance of the departure that in his judgment had taken place. No such objection was raised. The roll call was as follows:

On roll call the vote was:

Yea: (5) Carter, Coxton, Schultz, Biagas, Moberg
Nay: (0)

Mr. Biagas moved to approve the Sales Contract from the Miller Group for 3.66 acres in the Busch Industrial Park for the gross amount of \$20,000, with the stipulations: 1) the road must meet VDOT road standards 2) verification of the site costs including quantities and materials and 3) include the road maintenance agreement into sales agreement.

On roll call the vote was:

Yea: (5) Coxton, Schultz, Biagas, Carter, Moberg
Nay: (0)

Mr. Coxton moved to reduce the monthly rental rate of the Yorktown Onion from \$617.39 to \$565.00 per month, with no escalator, for a two-year period beginning April 1, 2019.

On roll call the vote was:

Yea: (5) Schultz, Biagas, Carter, Coxton, Moberg
Nay: (0)

DIRECTOR OF ECONOMIC DEVELOPMENT COMMENTS

Mr. Noel stated he has an idea for the corridor of Merrimac Trail and Second Street. This is where Casa Pearl, Virginia Beer, Emily's Donuts and more are located. He noted this corridor is bordered by three localities – the City of Williamsburg, James City County and York County. He plans to have a meeting with all of these restaurants and businesses and the Virginia Beer Company has agreed to host the meeting. The basic idea would be to brand the corridor the “Edge District” and ask the three EDA's to provide seed money for cooperative advertising, banners, website, etc. Mr. Noel reported that the Real Estate committee met and focused on some available property owned by Doug Truston off of Wolfrap Road that could be an option for acquisition. He reported on the GoVA Unmanned Systems Facility project and stated the RFP for the engineering of the first phase of the A&E work will soon be issued. He mentioned there is still no resolution on the land. Mr. Noel reported that Mr. Morgan has requested a meeting of the CAO's and the ED directors to talk about speeding up the implementation of the GoVA Virginia Project. He noted that VEDA is actively working to put in a Bill to have any surplus state property available to the local economic development agency for a period of five years.

ASSISTANT DIRECTOR OF ECONOMIC DEVELOPMENT COMMENTS

Ms. Davidson wished everyone a Merry Christmas and Happy New Year.

MEMBERS' COMMENTS

None.

CHAIRMAN'S COMMENTS

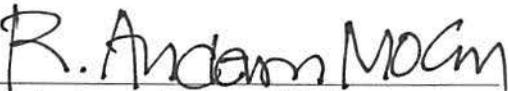
Chairman Moberg mentioned that he was on the Comprehensive Planning Committee and will keep them informed of the discussions on the committee.

ADJOURN

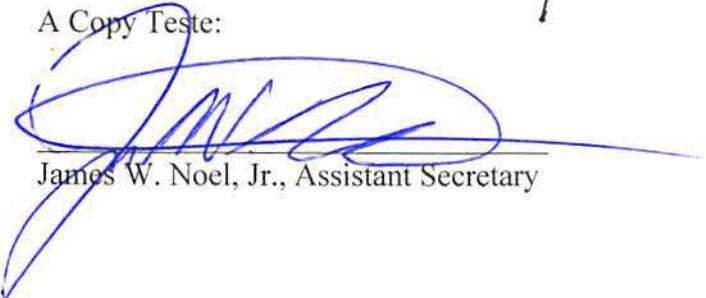
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There being no further business, the Chairman adjourned the meeting at 6:06 p.m.

(SEAL)


R. Anderson Moberg, Chairman

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James W. Noel, Jr., Assistant Secretary