

Meeting Minutes
ECONOMIC DEVELOPMENT AUTHORITY
January 31, 2017

At a regular meeting of the Economic Development Authority of York County, Virginia, held on January 31, 2017 at 4:00 p.m. in the Conference Room of the County Administration Center, 224 Ballard Street, Yorktown, Virginia, those present were:

R. Anderson Moberg, Chairman
Tom Anderson, Vice-Chairman
Harvey Weinstein, Secretary
Vernard E. Lockwood, II, Treasurer
H. Junior Coxton
Steven A. Meade

Others present:

Neil A. Morgan, County Administrator
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 4:04 p.m. by Chairman Moberg.

ROLL CALL

A quorum was established with all members present with the exception of John F. Biagas.

CITIZENS' COMMENT PERIOD

None.

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 Prospective Business under Section 2.2-3711(A)(5)

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Mr. Anderson 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 Neil Morgan, Jim Barnett, Jim Noel, Melissa Davidson and Debbie Gardner be present during the closed meeting. This motion was seconded by Mr. Meade and approved.

On roll call the vote was:

Yea: (7) Anderson, Coxton, Lockwood, Meade, Weinstein, Moberg
Nay: (0)

The Authority entered into closed meeting at 4:05 p.m.

RETURN FROM CLOSED MEETING

The Authority returned to open meeting at 5:25 p.m.

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

Mr. Anderson 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 Prospective Business Section 2.2-3711(A)(5) were discussed during closed meeting. Mr. Meade 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: (6) Coxton, Lockwood, Meade, Weinstein, Anderson, Moberg
Nay: (0)

OLD BUSINESS

FOURTH AMENDMENT TO DEED OF LEASE AND SUB-LEASE, VIRGINIA FUEL FARM PROPERTY

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Mr. Noel reported that the Fourth Amendment to the Deed of Lease and Sub-Lease for the Virginia Fuel Farm Property has just been received after a lengthy delay. He noted that the Lease could be terminated for a number of things if the state deemed Mr. Smith to be in violation without a cure period. Mr. Noel stated that he, Mr. Barnett and Mr. Smith went over the lease, made modifications and sent it back to the state for approval.

Chairman Moberg said that Ms. Holly Eve, Virginia Department of General Services, Real Estate Manager, contacted him concerning work that needs to be done to the Fuel Farm property. She stated that the work needed was in excess of \$200,000 based on compliance with the Corrective Action Plan. Some of those items include general maintenance, tank repair, fence repair and removal of bee hives. Ms. Eve has requested that Chairman Moberg, Mr. Noel and Mr. Smith meet to discuss Mr. Smith's repeated requests for renewal of the lease. Chairman Moberg said that Ms. Eve suggested replacing Mr. Smith's plan for a golf course with an alternative use. He stated that Mr. Smith is currently not allowed on the property because the violations of the Corrective Action Plan have not been taken care of. Chairman Moberg noted that the repair items are not Mr. Smith's to take care of; the state has to make the repairs and until they do, no one can enter the property.

Discussion ensued concerning issues surrounding the property.

NEW BUSINESS

GREATER WILLIAMSBURG PARTNERSHIP (GWP)

Mr. Noel noted that James City County (JCC) and Williamsburg EDA's passed resolutions authorizing the funding of the GWP and transferring all regional economic initiatives to the GWP. He stated that the proposed Resolution needed to be formally passed by York County as well.

Mr. Lockwood moved to approve the Resolution as follows:

RESOLUTION AUTHORIZING THE FUNDING OF THE GREATER
WILLIAMSBURG PARTNERSHIP (GWP) AND THE TRANSFER OF ALL
REGIONAL ECONOMIC DEVELOPMENT INITIATIVES TO GWP

WHEREAS, the Economic Development Authorities of James City County, York County, and the City of Williamsburg, Virginia (the "EDAs") acknowledge the importance of regional economic development efforts; and

WHEREAS, in recognition of the value of economic collaboration, the EDAs created the Greater Williamsburg Partnership, Inc. ("GWP") to strengthen and expand their joint economic development efforts; and

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WHEREAS, the EDAs previously resolved to contribute \$0.95 per capita to support a joint, regional effort by the EDAs; and

WHEREAS, the GWP Articles of Incorporation call for the initial Board of Directors to be composed of six (6) directors, consisting of the Economic Development Director of each participating jurisdiction and the Chair, or a Chair's designee, of each of the EDAs; and

WHEREAS, York County Economic Development Authority annually appoints the Assistant Secretary of the Economic Development Authority; and

WHEREAS, the EDAs desire that all regional efforts currently undertaken jointly by the EDAs, such as the business incubator, become part of GWP.

NOW, THEREFORE, BE IT RESOLVED that the Economic Development Authority of York County, Virginia (the "Authority"), hereby authorizes the application of \$0.95 per capita previously identified for regional initiatives to fund the Greater Williamsburg Partnership, Inc. ("GWP").

BE IT FURTHER RESOLVED that the Authority hereby appoints its Assistant Secretary and Chairman as directors of GWP. The Chairman may designate a different member of the Authority to serve in his place, and may appoint additional members of the Authority as directors of GWP, consistent with the Articles of Incorporation and by-laws of GWP.

BE IT FURTHER RESOLVED that the Authority hereby authorizes its Chairman to execute those documents necessary to transfer all aspects of existing regional initiatives, including the business incubator, to GWP.

NOW, THEREFORE, The undersigned hereby certifies that the above Resolution was duly adopted by the directors of the Economic Development Authority of York County, Virginia at a meeting duly called and held on January 31, 2017 and that such resolution is in full force and effect on the date hereof.

On roll call the vote was:

Yea: (6) Lockwood, Meade, Weinstein, Anderson, Coxton, Moberg
Nay: (0)

GREATER WILLIAMSBURG LAUNCHPAD

Mr. Noel reported on the Requests for Proposals (RFP) for management of The Launchpad because

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the current contract will terminate at the end of January. He noted there was only one response submitted which was from Tim Ryan's company, Arcphor. Mr. Ryan is the current director of The Launchpad and he has been asked to continue on through the end of the calendar year. Mr. Noel stated the board is determining whether it wants to go out for another RFP or try and renegotiate a new contract with Mr. Ryan.

Mr. Coxtan asked what Mr. Ryan had proposed in the RFP regarding his payment.

Mr. Noel stated his proposal was for more than he was being paid now but noted that Mr. Ryan is at The Launchpad on a part-time basis; his proposal is for full-time.

START! PENINSULA

Mr. Noel stated the next START! Peninsula will be hosted by the Greater Williamsburg communities with the City of Williamsburg taking the lead. He mentioned that plans have already begun for 2017. Ms. Davidson mentioned the report in the agenda packet and noted the suggested goals on improving the event. She reported there was a fund balance of \$12,000 and the directors voted to carry that through to help reach the new goals.

YORK COUNTY CHAMBER OF COMMERCE (YCCC) LIAISON

Chairman Moberg said that a member of the EDA needed to serve as liaison to the York County Chamber of Commerce to fill the spot previously held by Brad Berrane.

Mr. Coxtan volunteered to serve on as Chamber liaison.

FINANCIAL REPORTS

The Chairman duly noted the receipt of the June, July, August, September, October, November 2016 Treasurer and Financial Reports.

Mr. Noel mentioned the Finance Department has been shorthanded recently and the noted the delay in the financials. He stated he thought they will be up to date moving forward.

APPROVAL OF MINUTES

Mr. Anderson moved that the minutes of the December 21, 2016 Regular Meeting be approved.

On roll call the vote was:

Yea: (5) Meade, Anderson, Weinstein, Moberg
Nay: (0)
Abstention: (2) Coxton, Lockwood

COUNTY ADMINISTRATOR'S COMMENTS

Mr. Morgan reported attending a meeting of the Greater Williamsburg Partnership (GWP) as an ex-officio member. He stated he felt that he, the JCC Administrator and the Williamsburg City Manager should be allowed to stay for the Closed Session.

Chairman Moberg stated he will contact the Chairman with this request.

Mr. Morgan mentioned that David Denny, from the GWP, and two EDA members, would attend the next Board of Supervisors' Work Session to discuss the Partnership. He then provided some background surrounding the controversy related to the airport and People's Express, as has been reported in current newspaper articles. He explained that York had no governing role in the Peninsula Airport Commission nor did it have any involvement in the decision to offer a loan guarantee and how it was reported. Mr. Morgan went back and looked at some of the funding for the Regional Air Service Enhancement Fund (RAISE) and, in January 2013, RAISE put funds up for the first effort to get People's Express operational. In May 2013, the airline failed to become functional and all of the money was returned to the Newport News EDA, the fiscal agent for the RAISE money. In June 2014, the executive director of the airport and the Peninsula Airport Commission (PAC) tried again to work with People's Express. During that timeframe, RAISE voted to give \$700k as a match to a federal grant for air service. Mr. Morgan stated that it now appeared that, once the money was disbursed to the Airport Commission for the RAISE purpose, a subsequent decision was made to spend the money as part of the payback of the loan guarantee. Mr. Morgan reported that the decision to do the \$5M loan guarantee was by the PAC. He said that of the \$5M disbursed back to the bank when People's Express collapsed, approximately \$700,000 was the RAISE money, even though it was debatable whether RAISE voted to allow it to be used for that purpose. He said that roughly \$100K of that \$700K was York County's money.

Mr. Morgan informed the BOS that the RAISE Agreement will expire this summer and he did not intend to allocate any more money to RAISE until the situation clarifies with the Airport Commission. He explained this was also the position of Mary Bunting in Hampton and Bryan Hill in James City County.

Chairman Moberg mentioned it was incentive money and was not given for use as a loan guarantee.

DIRECTOR OF ECONOMIC DEVELOPMENT REPORT

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Mr. Noel reported on the Rt. 17 Revitalization Property Acquisition Program and noted that three formal responses to the letters of interest were received. He provided the responses and their asking prices. He will call the Route 17 Committee back together to review the ones that have indicated an interest in selling, and make a recommendation on moving forward, and then start negotiating with the committee's first choice. He said that the BOS has set aside \$500,000 for this program.

Mr. Morgan stated that at the BOS retreat, the Board approved the strategic priorities including this project. He stated he thinks the obvious thing to consider is return on investment and, considering the available resources, the EDA will have to take small steps. Mr. Morgan encouraged the EDA to also consider visual upgrades that could occur as a result of the purchase and the likelihood that someone in the private sector might want to look at assembling adjacent parcels to create a larger developable area. As for the salvage yards, Mr. Morgan stated that the County could support or play a role if there was a private player close to being ready to do something. He noted the County cannot possibly come up with the resources to be the principal owner/developer. He supported Mr. Noel's proposal.

Discussion took place on potential properties to consider acquiring, including Route 17, the salvage yards and the airport property.

Mr. Noel mentioned the JLARC study of the Virginia Economic Development Partnership (VEDP) in Richmond, which was prompted, in part, by the fact that a Chinese company received incentives but it turned out to be a fraudulent company. This led to a deeper look at the practice of incentives. The JLARC Committee did a year-long analysis and came up with a lot of criticisms of VEDP's handling of incentives. He provided an article on the importance of economic development in general and the use of incentives to boost the state's economy.

ASSISTANT DIRECTOR OF ECONOMIC DEVELOPMENT REPORT

Ms. Davidson reminded everyone of the Distinguished Business Award coming up on February 9th where Spain Commercial will be recognized with the Poor Potter Award for their new building in the York River Commerce Park.

MEMBERS' COMMENTS

No comments.

CHAIRMAN'S COMMENTS

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Chairman Moberg said this was a good meeting.

ADJOURN

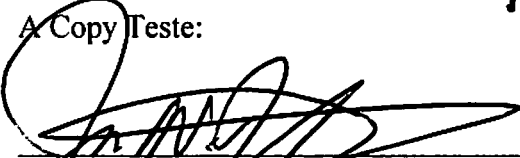
There being no further business, the Chairman adjourned the meeting at 6:18 p.m.

(SEAL)



R. Anderson Moberg, Chairman

A Copy Teste:



James W. Noel Jr., Assistant Secretary