

Meeting Minutes
ECONOMIC DEVELOPMENT AUTHORITY
August 23, 2022

At a regular meeting of the Economic Development Authority of York County, Virginia, held on August 23, 2022, at 5:00 p.m. in the Board Room of York Hall, 301 Main Street, Yorktown, Virginia, those present were:

Steven Meade, Chairman
J. Mark Carter, Vice Chairman
Harmon J. Coxton
Jeffrey Clemons
David Murray

Vernon E. Lockwood II and Leslie Henderson-Schultz were absent.

Others present:

Neil A. Morgan, County Administrator
Richard Hill, Deputy County Attorney
Kristi Olsen-Hayes, Secretary/Treasurer and Acting Director of Economic & Tourism Development
Matt Johnson, Assistant Director of Economic Development
Caleb Smith, Management Analyst

CALL TO ORDER

The meeting was called to order at 5:00 p.m. by Mr. Meade.

ROLL CALL

A quorum was established with five members present.

CITIZENS' COMMENT PERIOD

None.

NEW BUSINESS

CONSIDER LANDLORD LIEN SUBORDINATION AND COLLATERAL ACCESS AGREEMENT AMONG THE EDA; GANGSTA DOG, LLC; AND CELTIC BANK CORPORATION

Mr. Johnson informed members that Gangsta Dog has been a tenant in good standing at Riverwalk Landing since January 1, 2021. He explained that the owners of Gangsta Dog were applying for SBA funding that will help them grow their business and that the SBA normally looks for a subordination agreement from the landlord of the property. He stated that it's a fairly straightforward process and, given the facts that Gangsta Dog is a good tenant, always pays their lease on time, and has very little capital equipment in their Riverwalk Landing location, there is practically no risk to the EDA. Mr. Johnson recommended that the EDA approve the execution of the subordination agreement, subject to review by legal counsel, which has already taken place.

Mr. Hill stated that the County Attorney's Office has no issues with the subordination agreement. From a legal standpoint, it is just a business decision for the EDA about whether or not to enter into the agreement. He said that he had already approved it and the Board could move forward, if they chose to do so.

Mr. Meade asked if anyone had questions. Receiving none, he asked for a motion to authorize the EDA Chair to execute the landlord lien subordination and collateral access agreement among the EDA; Gangsta Dog, LLC; and Celtic Bank Corporation.

Mr. Clemons motioned to approve the authorization.

Mr. Carter seconded the motion.

On roll call the vote was:

Yea: (5) Coxton, Clemons, Murray, Carter, Meade
Nay: (0)

CONSIDER OPTIONAL EXTENSION OF LEASE BETWEEN THE EDA AND GANGSTA DOG, LLC

Mr. Johnson stated that Gary Hughes, the owner of Gangsta Dog, has already exercised an option under his original lease for a 5-year renewal that carries him through until December 31, 2027. Mr. Johnson explained that Mr. Hughes is very happy to be in York County, specifically at Riverwalk Landing, and wants to extend his lease even further and line up an additional 5-year option that would be available to him under the same terms – 120 days advance notice before the current option expires at the end of 2027. It would be structured just like the current option, with a 3% annual escalation built-in. Mr. Johnson added that this goes hand-in-hand with the SBA funding being sought, in that one of the requirements is that Gangsta Dog remain in the same location for 10 years. He recommended that the Board should authorize the Chairman to execute the extension of the lease.

Mr. Meade asked if anyone had questions.

Mr. Coxton asked if the EDA had done this with any other Riverwalk Landing tenants.

Mr. Johnson answered that there are several leases that are continuing on a year-to-year basis, as allowed under the original terms of their lease, but the newer leases have been structured to not go year-to-year, but instead have a set deadline. He stated that we look to extend those newer leases so this is very much in line with what we have been doing recently and look to do going forward.

Mr. Morgan mentioned that this particular location in Riverwalk Landing isn't as visible as some of the other businesses so, considering that we have a successful tenant that wants to stay and agrees to a built-in multiplier, this lease extension improves the EDA's portfolio on a piece of property that is more likely to go vacant, otherwise.

Mr. Johnson agreed with that assessment and added that this location was one of the last spaces that was filled and had been listed on previous rent rolls as vacant.

Mr. Meade said that he thought Gangsta Dog has done a nice job and their staff is very friendly. He and his wife go in there every time they are in town so he is very familiar with this tenant. He then asked if there was any further discussion or questions. Receiving none, he asked for a motion to authorize the Chairman to execute the optional lease extension, subject to review by the County Attorney's office.

Mr. Coxton motioned to approve the authorization.

Mr. Murray seconded the motion.

On roll call the vote was:

Yea: (5) Coxton, Clemons, Murray, Carter, Meade
Nay: (0)

CONSIDER MODIFICATIONS TO THE COMMERCIAL PROPERTY DEMOLITION LOAN PROGRAM

Ms. Olsen-Hayes gave an overview of the program which allows the EDA to assist in facilitating the demolition of blighted and relic structures along the commercial corridors of the County. This allows those properties to become much more attractive facilities. She explained that the program had gravitated over the last couple of years into more of a grant program versus a loan program, so the recommendation is to simply change the language to reflect moving from the loan structure to the grant program. This change does not affect any of the terms of the grant program, it is just more reflective of what we've actually been doing.

Mr. Meade asked how much this has been utilized.

Ms. Olsen-Hayes remarked that the last few requests that have come through had proceeded as grants versus loans.

Mr. Johnson agreed and gave Maramy Investments and the former George Washington Hotel as recent examples. He said that, although this program isn't as highly utilized as some others, he felt that it would become a more important tool to have as we look at the need to redevelop versus doing greenfield development.

Ms. Olsen-Hayes added that it better aligns with what our practices have been with the program over the last couple of years.

Mr. Murray said that he thought the George Washington Hotel was one of the first requests that was converted into a grant and it seems like this is what the EDA is doing, anyway.

Mr. Morgan remarked that he remembered two or three that ended up being grants during his time with the County.

Mr. Meade asked if there was any further discussion or questions. Receiving none, he asked for a motion to modify the terms of the Commercial Property Demolition Program to reflect conversion to a grant program with all the pertinent conditions and requirements of the program to remain the same.

Mr. Carter motioned to approve the authorization.

Mr. Clemons seconded the motion.

On roll call the vote was:

Yea: (5) Coxton, Clemons, Murray, Carter, Meade
Nay: (0)

FINANCIAL REPORTS

Mr. Meade asked the Board if they had any questions about the financial reports package for July 2022. There being no questions, he recorded receipt of the Financial Reports.

APPROVAL OF MINUTES

The minutes of the July 26, 2022, meeting of the Economic Development Authority of York County were approved by vote as follows:

Mr. Clemons motioned to approve the July 26, 2022 meeting minutes.

Mr. Carter seconded the motion.

On roll call the vote was:

Yea: (4) Coxton, Clemons, Murray, Carter
Nay: (0)
Abstain: (1) Meade

CLOSED MEETING

Mr. Meade noted it was in his judgment appropriate for the Authority to enter into closed meeting as authorized by the Freedom of Information Act for the purpose of discussion of possible investment of public funds under section 2.2-3711(A)(6) and deemed it necessary as specified by the Virginia Freedom of Information Act that nonmembers Richard Hill, Kristi Olsen-Hayes, Neil Morgan, Caleb Smith, and Matt Johnson be present during the closed meeting.

Mr. Murray motioned to enter into closed meeting for the aforesaid purpose.

Mr. Carter seconded the motion.

On roll call the vote was:

Yea: (5) Coxton, Clemons, Murray, Carter, Meade
Nay: (0)

The Authority entered into closed meeting at 5:17 p.m.

RETURN FROM CLOSED MEETING

The Authority re-entered into open meeting at 5:35 p.m.

ROLL CALL VOTE CERTIFYING COMPLIANCE WITH SECTION 2.2-3711(B) OF THE CODE OF VIRGINIA

After returning from closed meeting, Mr. Meade requested a motion that, to the best of each member's knowledge, only public business matters lawfully exempted from the open meeting requirements specified under the Virginia Freedom of Information Act were discussed in the closed meeting.

Mr. Coxton motioned to confirm the same.

Mr. Clemons seconded the motion.

Mr. Meade stated that if a member of the Authority believed that there was a departure from the requirements of the Virginia Freedom of Information Act, they are required by law to state their objection prior to the vote indicating the substance of the departure that, in their judgment, had taken place. No such objections were raised.

On roll call the vote was:

Yea: (5) Coxton, Clemons, Murray, Carter, Meade
Nay: (0)

COUNTY ADMINISTRATOR COMMENTS

Mr. Morgan began his comments by giving an overview of the County's recent decision to refund a portion of the windfall personal property taxes received as a result of unusual Blue Book increases in valuations of used vehicles. His next topic of discussion was the lack of bids received for the Riverwalk Restaurant/Water Street Grille renovation project and what the next step should be going forward. He identified four options:

- 1) Wait a while and send it out for bid again when the economy slows down and more contractors may be interested in bidding the job.
- 2) Analyze all of the special conditions in the bid and see if some of them could be loosened up to make the project more attractive to potential bidders.
- 3) Go to a design/build process and select a builder that staff can negotiate with for the final price and conditions.
- 4) Pull out portions of the work to be bid and performed in an incremental manner.

Mr. Morgan stated that a meeting was planned with the owner of Riverwalk Restaurant/Water Street Grille to go over the options and report back to the EDA. He mentioned that three private businesses on the opposite side of Water Street had been making some investments in improvements and that they have not received a lot of attention from the County over the years – he identified those as the Yorktown Beach Hotel, Larry's, and the Yorktown Pub. He informed the EDA that the Historic Yorktown Design Committee (HYDC) was calling for the removal of the tents currently being used by Larry's and the Pub because they violate the HYDC design guidelines. The tents were allowed temporarily during COVID to offer outside dining and help with social distancing requirements. Mr. Morgan explained that, since there are still many people that are nervous about COVID and lots of people enjoy eating outside, he recommended, and the York County Board of Supervisors agreed, to a one-year extension for the tents. He informed the EDA that a design consultant would be brought in to help develop a plan to revitalize that section of the waterfront and allow for outside dining and more pedestrian access while adhering to the HYDC design requirements.

ACTING DIRECTOR OF ECONOMIC & TOURISM DEVELOPMENT COMMENTS

Ms. Olsen-Hayes mentioned the recent York County Chamber of Commerce's "Business After Hours" event that was held in the Freight Shed and thanked Mr. Murray and Mr. Carter for attending. Her next topic was business grant programs and the possibility of updating procedures to incorporate a committee structure as one idea of improvement. She said that she and Matt Johnson would be doing some legwork to present additional recommendations to the Authority, based on current trends.

ASSISTANT DIRECTOR OF ECONOMIC DEVELOPMENT COMMENTS

Mr. Johnson concurred with Mr. Morgan's remarks regarding the design services RFP for Water Street, between Read Street and Ballard Street, and mentioned that there was another

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RFP out for conceptual planning and civil design work for the Kings Creek Commerce Center which is the EVRIFA-owned property located in York County.

MEMBERS' COMMENTS

Mr. Coxton asked if any contractors from York County had been identified for the Riverwalk Restaurant/Water Street Grille project.

Mr. Morgan stated that a couple of County-based contractors had come to the pre-bid meeting but said they were too busy to submit a formal bid. He said that if we end up going with the design/build approach we would actively recruit local firms.

COUNTY ATTORNEY'S OFFICE

None.

CHAIRMAN'S COMMENTS

Mr. Meade asked for an update on Beale's Brewery construction.

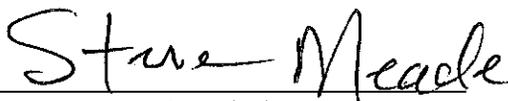
Mr. Johnson answered that a lot of site work had been completed and mechanical, electrical, and plumbing work is proceeding on the inside of the building.

Mr. Murray asked if there was a timeframe for completion.

Mr. Johnson answered that it would likely be sometime this winter.

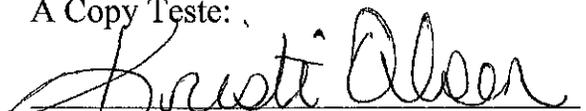
ADJOURN

There being no further business, the Chairman adjourned the meeting at 6:01 p.m.



Steven A. Meade, Chairman

A Copy Teste: ,



Kristi Olsen-Hayes, Secretary/Treasurer