

Meeting Minutes
ECONOMIC DEVELOPMENT AUTHORITY
September 27, 2022

At a regular meeting of the Economic Development Authority of York County, Virginia, held on September 27, 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
Leslie Henderson-Schultz
Jeffrey Clemons

David Murray arrived at 5:05 p.m.

Vernon E. Lockwood, II arrived at 5:30 p.m.

Others present:

Neil Morgan, County Administrator
Mark Bellamy, Deputy County Administrator
James Barnett, County Attorney
Richard Hill, Deputy County Attorney
Kristi Olsen-Hayes, Secretary/Treasurer and Acting Director of Economic & Tourism Development
Matt Johnson, Assistant Director of Economic Development

CALL TO ORDER

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

ROLL CALL

A quorum was established with four members present.

CITIZENS' COMMENT PERIOD

None.

NEW BUSINESS

CONSIDER A DEVELOPMENT INCENTIVE GRANT REQUEST FROM SOUTHPORT HOLDINGS, LLC

Mr. Johnson informed members that the property being considered is located at 144 Stafford Court, which is in the Busch Industrial Park, and showed them the location on a

map. He mentioned that Mr. John Karafa, Managing Partner for Southport Holdings, was in attendance and was available to answer any questions. Mr. Johnson explained that the EDA had entered into an agreement with Southport Holdings in 2018 for the purchase of this property at a discounted rate of \$141,000. The assessment at that time was approximately \$293,000. Mr. Johnson showed members the site plan that has been developed and is close to final approval. The plan includes three main structures measuring 20,000 square feet, 20,000 square feet, and 14,000 square feet that are intended to be warehouse or flex space. He shared that the last two buildings could be redesigned as a single structure, which allows flexibility for the ultimate tenant. When the property was purchased, an easement was conveyed at the entrance of the property that allows access to this site as well as a larger property that exists behind it. As part of their site plan process, Southport Holdings is improving this ingress/egress to serve for heavier-duty loads to serve their needs as well as the neighboring property's needs. The anticipated cost of this improvement is \$90,000 and they have asked the EDA to consider sharing this cost. Mr. Johnson stated that staff proposes a \$30,000 incentive grant that would be paid out in three installments, each one dependent upon completion of approximately 20,000 square feet of construction. If approved, this incentive, along with the discounted cost for land acquisition, would equate to approximately \$180,000 in total incentives, which is in line with what would be estimated for a three-year tax benefit to the County that will come as a result of this project.

Mr. Meade thanked Mr. Johnson and asked members if there were any questions.

Mr. Coxton asked if the EDA had already given Southport Holdings a grant.

Mr. Johnson answered that the only other incentive he was aware of was the incentive land price that he mentioned previously, which was about \$150,000.

Mr. Carter asked if the joint driveway could be designed so that it will not be difficult to stub it out and enter into the adjacent property or if it will have to be torn up and reconstructed when that day comes.

Mr. Johnson answered that there is a possibility that some sort of curb cut may be necessary down the road, but that some of that burden would be borne by the owners of the adjacent property when it is developed. When that time comes, an ongoing maintenance agreement for that portion of roadway would need to be developed among all the interested parties.

Mr. Meade thanked Mr. Karafa for attending and asked if there was any discussion among the Board members.

Mr. Coxton asked what is going to be the amount of square footage for the buildings and the amount of dollars Southport Holdings can put in.

Mr. Johnson answered that it was about \$3 million per building, roughly.

Mr. John Karafa, managing partner for Southport Holdings, shared there is additional space on the site that can be developed into the Dominion easement and room for a large gravel lot in the back of the property.

Mr. Karafa added that, with this configuration, additional facilities could bump this to about a \$12 million build-out. He added that these are pre-engineered metal buildings and Building One is partially pre-leased to OPTECH which is relocating from James City County. There is tremendous potential for other facilities that could bump the unit price up even more.

Mr. Meade asked if there were any additional questions. Hearing none, he requested a motion to authorize the EDA Chairman to execute a Development Incentive Grant Agreement between the EDA and Southport Holdings, LLC in the amount of \$30,000 to be paid as follows: \$10,000 payable upon completion of an initial approximately 20,000 square feet of new building construction; a second \$10,000 payable upon completion of approximately 20,000 square feet of additional new building construction; and a final \$10,000 payable upon completion of full build-out of all new building construction, subject to review and approval by EDA legal counsel.

Mr. Clemons motioned to approve the authorization.

Ms. Schultz seconded the motion.

On roll call the vote was:

Yea: (6) Meade, Carter, Schultz, Clemons, Coxton, Murray
Nay: (0)

CONSIDER CANCELLATION OF THE UNUSED PORTION OF A DEVELOPMENT INCENTIVE PREVIOUSLY AWARDED TO DIRTY QUADS MOTORSPORTS & GRAPHICS, LLC.

Mr. Johnson reminded members of a Development Incentive Grant that was awarded to Dirty Quads Motorsports & Graphics, LLC earlier this year totaling \$12,040. That grant was divided into two different things: \$8,010 was to be used to reimburse the company for installation of a building-mounted exterior sign at their new location, which was backfilling the former Dress Barn space in the Kiln Creek Village Square shopping center; the additional \$4,030 was to assist the company in acquiring additional software that would allow them to do custom graphics, embroidery, and screen-printing in-house. Mr. Johnson said that, to date, the \$4,030 has been paid out but the \$8,010 has not as they vacated the space in the shopping center prior to installation of the signage. The electric-vehicle (EV) sport bikes and golf carts portion of the business is now operating in a home-based format. The graphic screen-printing portion is operating in a new space on Route 17 called "Pink Hillbilly". Mr. Johnson explained that the company hopes to someday open a retail space focusing on EV products, but that is not feasible right now, which is why the EDA is being asked to take formal action to cancel that portion of the grant incentive that was previously awarded.

Mr. Meade asked if Dirty Quads Motorsports had been contacted about this so they would not be surprised.

Mr. Johnson confirmed there had been conversations with the company along these lines.

Mr. Meade asked members if there were any questions. Receiving none, he requested a motion to authorize cancellation of the undisbursed \$8,010 of development incentive grant funding previously awarded by the EDA to Dirty Quads Motorsports & Graphics, LLC for the installation of exterior signage that did not happen.

Mr. Carter motioned to approve the authorization.

Mr. Coxton seconded the motion.

On roll call the vote was:

Yea: (6) Meade, Carter, Schultz, Clemons, Coxton, Murray

Nay: (0)

CONSIDER EXECUTION OF AN OPTIONAL SECOND YEAR EXTENSION TERM FOR THE CONTRACT WITH RETAIL STRATEGIES

Ms. Olsen explained that the EDA entered into a contract with Retail Strategies last year to assist with attracting new retail to the County, particularly backfilling retail vacancies, as well as creating new opportunities for key undeveloped sites that would be appropriate and conducive to new retail business. She said that a lot of information has been gathered and many meetings have been held to lay the foundation from which efforts will springboard in the next couple of years. She informed the Board that they are preparing a presentation to provide an update on their work and the direction they are heading which they will share at an upcoming meeting. Ms. Olsen-Hayes recommended approval of the optional second year extension of the contract with Retail Strategies for \$35,000 in accordance with the proposal originally received from Retail Strategies and executed by the EDA last year.

Mr. Meade asked members if they had any questions. Receiving none, he requested a motion to authorize the optional second year extension to the contract between the EDA and Retail Strategies for a total amount of \$35,000 in accordance with the original proposal.

Mr. Coxton motioned to approve the authorization.

Ms. Schultz seconded the motion.

On roll call the vote was:

Yea: (6) Meade, Carter, Schultz, Clemons, Coxton, Murray

Nay: (0)

APPROVAL OF MINUTES

The minutes of the August 23, 2022, meeting of the Economic Development Authority of York County were approved by vote as follows:

Mr. Murray motioned to approve the August 23, 2022 meeting minutes.

Mr. Clemons seconded the motion.

On roll call the vote was:

Yea: (6) Meade, Carter, Schultz, Clemons, Coxton, Murray
Nay: (0)

CLOSED MEETING

Mr. Meade noted it was in his judgment appropriate, under sections 2.2-3711(A)(3) and 2.2-3711(A)(6) of the Virginia Freedom of Information Act, for the Authority to enter into closed meeting for the purpose of discussion or consideration of the acquisition of real property for a public purpose or of the disposition of publicly held real property where discussion and an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, and discussion of possible investment of public funds to preserve a local asset where competition and bargaining is involved and where, in the judgment of the EDA, the financial interests of the EDA would be adversely affected if made public and deemed it necessary, as specified by the Virginia Freedom of Information Act, that nonmembers James Barnett, Kristi Olsen-Hayes, Neil Morgan, Mark Bellamy, Richard Hill, and Matt Johnson be present during the closed meeting.

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

Mr. Carter seconded the motion.

On roll call the vote was:

Yea: (6) Meade, Carter, Schultz, Clemons, Coxton, Murray
Nay: (0)

The Authority entered into closed meeting at 5:25 p.m.

The Authority re-entered into open meeting at 6:06 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. Clemons motioned to confirm the same.

Ms. Henderson-Schultz 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.

On roll call the vote was:

Yea: (7) Meade, Carter, Schultz, Clemons, Coxton, Lockwood, Murray
Nay: (0)

COUNTY ADMINISTRATOR COMMENTS

Mr. Morgan updated members on the progress made by the Historic Triangle Recreational Facilities Authority. At their last meeting, they voted to enter into negotiations with one of the two proposals that had been considered to take the project design to the 30% level. After the 30% designs are obtained, enough information will be known about the project and the cost to then go to all the elected officials with the three communities and try to get a decision to move forward. Mr. Morgan then mentioned that, on September 15, he and Chairman Noll hosted a State of the County presentation that is now available on-demand on the County's website. He encouraged members to watch it as it contains quite a bit of information about what is going on in the County and in the region. Mr. Morgan finished his comments by mentioning the new organizational structure that merged Economic Development and Tourism Development has been in place for approximately 90 days. He said that he was very pleased with how that is going and also very pleased with how Ms. Olsen and Mr. Johnson are working together, as well as how they are working with the rest of the staff. Mr. Morgan stated that, while he was not prepared to make any announcements at this time, he will probably make these roles permanent going forward. He asked for input on this from EDA members over the next 30 days.

ACTING DIRECTOR OF ECONOMIC & TOURISM DEVELOPMENT COMMENTS

Ms. Olsen-Hayes shared that the Workforce Council was having their Innovation Awards the coming Thursday and that she could get tickets for anyone that was interested in attending.

Mr. Morgan said that the Chairman of the Board of Supervisors knew about it and that he thought she was going.

Ms. Olsen mentioned that she and Mr. Johnson had been discussing the upcoming EDA meetings schedule and, given the holidays, were considering combining the November and

December meetings into one meeting on December 13. She asked members to consider this and let her know if they felt differently so that action could be taken at the October meeting.

ASSISTANT DIRECTOR OF ECONOMIC DEVELOPMENT COMMENTS

Mr. Johnson informed members that interviews were about to take place on the RFP for Kings Creek Commerce Center and that he hoped to be able to move forward with that and come to the Kings Creek Commerce Center Committee at their October meeting with a contract recommendation. As an EVRIFA regional project, the evaluation committee is comprised of people from multiple jurisdictions. He mentioned the good progress made at the Beale's Brewery site. Mr. Johnson finished his comments by informing members that Matt Stewart, with whom he had worked closely on EDA financial reports, was leaving the County's Finance Department and that he wished him well.

MEMBERS' COMMENTS

None.

COUNTY ATTORNEY'S OFFICE

None.

CHAIRMAN'S COMMENTS

Mr. Meade commented that Mr. Coxton had told him that there used to be EDA business dinners that were well received. He said that he wanted members to consider reintroducing those events as public outreach opportunities to get out and talk to people and get their feedback on what the EDA is doing in the community. He also mentioned increasing EDA-member coverage for ribbon-cutting ceremonies and said that he wanted to talk about that with Ms. Olsen and Mr. Johnson.

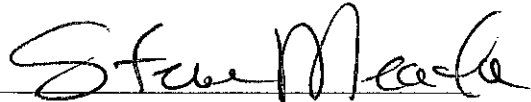
Ms. Olsen added that Terry Banez, with the Greater Williamsburg Chamber of Commerce, has offered to possibly assist with ribbon-cuttings in the Upper County, similar to the way the Greater Williamsburg Chamber assists with ribbon-cuttings for some of the other localities in its coverage area. Ms. Olsen stated that Staff was interested in continuing those conversations.

Mr. Meade said it might be helpful to consider a weekly or bi-weekly update for the Board of upcoming ribbon-cutting ceremonies so members can add them to their calendars.

September 27, 2022


ADJOURN

There being no further business, the Chairman adjourned the meeting at 6:19 p.m.



Steven A. Meade, Chairman

A Copy Teste:



Kristi Olsen-Hayes, Secretary/Treasurer