

Meeting Minutes  
ECONOMIC DEVELOPMENT AUTHORITY  
May 23, 2017

At a regular meeting of the Economic Development Authority of York County, Virginia, held on May 23, 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  
John F. Biagas  
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 4:00 p.m. by Chairman Moberg.

**ROLL CALL**

A quorum was established with all members present.

**CITIZENS' COMMENT PERIOD**

None.

**CLOSED MEETING**

The Chairman noted that it was in his judgment appropriate for the Authority to enter into closed

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meeting as authorized by the Virginia Freedom of Information Act for the purpose of Prospective Business Section under Section 2.2-3711(A)(4).

Mr. Lockwood 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, Debbie Gardner, be present during the closed meeting. This motion was seconded by Mr. Anderson and approved.

On roll call the vote was:

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

The Authority entered into closed meeting at 4:04 p.m.

### **RETURN FROM CLOSED MEETING**

The Authority returned to open meeting at 4:42 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 Prospective Business Section under Section 2.2-3711(A)(4) were discussed during closed meeting. Mr. Anderson 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: (7) Biagas, Coxton, Lockwood, Meade, Weinstein, Anderson, Moberg  
Nay: (0)

### **ECONOMIC DEVELOPMENT GRANT**

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Mr. Biagas moved to approve an Economic Development Grant from the capital fund in the amount of \$50,000 to York Veterinary Hospital (YVH), to be paid in two increments: (1) \$30,000 upon YVH obtaining a loan commitment letter for the entire project; and (2) \$20,000 upon completion and issuance of a Certificate of Occupancy. Grant funds are to be attributed to providing an access easement to four parcels, a new commercial entrance and storm water improvements.

Mr. Noel stated a Performance Agreement and Resolution would be prepared by the EDA Attorney to reflect this motion.

On roll call the vote was:

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

## NEW BUSINESS

### RIVERWALK LANDING LEASE

Mr. Noel explained the Yorktown Union had recently completed a major renovation of their space. The store owner has asked if the EDA would be willing to offset some of the renovation cost by keeping the rent level. If the rent escalated as per the regular schedule, it would only mean an increase of \$215.78 annually. He noted the Yorktown Union has been a tenant since the inception of Riverwalk Landing.

Mr. Coxton moved to approve the request to maintain the current rental rate with no increase.

On roll call the vote was:

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

### LAUNCHPAD FUNDING

Mr. Noel reported that when the funding was transferred from James City County (JCC) to the Launchpad, (JCC was the fiscal agent), they determined there was a deficit in the amount of \$11,400. This came as a surprise to everyone. He stated he felt much of the shortage occurred from overspending on the buildout in New Town. He stated that both James City County and the City of Williamsburg had agreed to a one-third split off this shortage (\$3,800), as long as all three localities were in. Mr. Noel mentioned the proposed Launchpad budget (FY18) of \$169,500 is contingent upon \$40,000 in client revenue; and \$26,000 in sponsorships from various businesses. Currently there are no business sponsorships and annual rental revenue is \$26,000. The sponsorships and

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increased rental revenue are things that Tim Ryan, the manager, has been tasked to do in the next fiscal year. Mr. Noel recommends funding this one-time contribution to make the Launchpad whole and, in the next six months, re-evaluate where we are.

Mr. Coxton asked what the Authority has gained by having the Launchpad.

Mr. Noel said there were a number of businesses there that had the potential to grow, stating there is a good tenant roster now. He explained the agreement that anyone that graduates from the Launchpad and that lands in one of the three localities, their tax revenue for 5 years goes back to help fund the incubator, with the exception of the real estate taxes. The hope is to get some people graduating and their tax revenue would help to fund the incubator, so that the EDAs would not be doing this forever. He stated he felt it would be a good idea to have Mr. Ryan provide a presentation to the EDA at an upcoming meeting.

Chairman Moberg pointed out that the three EDAs are on the hook for the rent anyway and are on the lease.

Mr. Biagas suggested looking into grant programs to fund the incubator.

Mr. Anderson moved to approve funding the \$3,800 deficit for the Launchpad contingent on James City County and the City of Williamsburg providing the same amount. This funding would be taken from the capital fund.

On roll call the vote was:

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

#### REINVENT HAMPTON ROADS (RHR)

Mr. Noel provided background on the Reinvent Hampton Roads project and its new initiative, Industry Scale-Up Project (ISUP). This organization provides support for the regional GO Virginia Council and other regional economic development ideas. He explained this program is similar to the Economic Gardening program that specialized in marketing assistance, in which two York County companies, Peregrine Technical Solutions and Avid Aerospace, received help. He said that both companies benefited and were able to improve their sales as a result of the assistance. ISUP is focusing on clusters they have identified as being preeminent Hampton Roads. RHR is asking each jurisdiction in Hampton Roads to support this program on a population-scaled basis. For York the request is \$10,000. Mr. Noel stated he felt there were some York companies that could benefit from this assistance.

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Mr. Morgan explained that he was briefed on this initiative last month and noted that the Hampton Roads economy is not growing. He said that since the recession, Hampton Roads hasn't recovered and that the area is performing second to the worst of all metro areas in the Country with respect to job growth. He acknowledged that this effort is part of the regional economic development effort and he would not want York to be the only locality not participating. He encouraged the members to support the proposal.

Mr. Noel felt there are some York companies that can benefit from this type of program that would provide direct assistance for growth, specifically the ones that have a proven track record to start with. He stated we have to look at more ways to build wealth into the economy and this is a way that has been successful in other parts of the Country.

Mr. Biagas questioned if this would be a yearly funding request.

Mr. Morgan stated it would be dependent on the results of the program whether they could expect further participation.

Mr. Biagas asked if there was mention of workforce development. He stated one of the biggest issues in this area is that the baby boomers are retiring and there are no replacements in the market.

Mr. Morgan noted that this group wasn't really having that conversation, but the two regional workforce development groups are discussing this issue.

Mr. Anderson moved to approve funding the Industry Scale-Up Project (ISUP), sponsored by Reinvent Hampton Roads, in the amount of \$10,000 from the capital fund.

On roll call the vote was:

Yea: (6) Weinstein, Anderson, Biagas, Lockwood, Meade, Moberg  
Nay: (1) Coxton

## **OLD BUSINESS**

### **HAWK'S NEXT DEED OF LEASE AND SUBLEASE**

Mr. Noel noted receipt of the deed Fourth Deed and Sublease for the Fuel Farm property, and stated the document was essentially the same terms they outlined before, and the terms were objected to by Mr. Smith. This document has a take-it-or-leave-it deadline of tomorrow at 5:00 p.m. He stated that Mr. Smith has now engaged Preston Bryant, former Secretary of Natural Resources, and Senator Thomas Norment as consultants. They are negotiating with the Attorney General's Office on a purchase agreement. He said that technically the state can't sell directly Mr. Smith, but they can sell

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to the EDA, who could sell to Mr. Smith.

Mr. Barnett stated that he had spoken with two of the state attorneys involved with this potential sale. He is waiting for further clarifications from the state regarding this matter.

Mr. Noel stated he is not asking for any action to be taken at this time, he is just providing an update. He stated that Mr. Smith is not interested in the lease proposal, so there was no point in the EDA acting. If it moves to a purchase agreement, and they are asking the EDA to be the middle man, and a called meeting might need to take place, he will let them know.

### **FINANCIALS**

The Chairman duly noted the receipt of the March 2017 and April 2017 Financial Reports.

### **APPROVAL OF MINUTES**

Mr. Coxton moved that the minutes of the March 28, 2017 Regular Meeting be approved.

On roll call the vote was:

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

### **COUNTY ADMINISTRATOR COMMENTS**

Mr. Morgan reported on the adoption of the FY18 budget. He noted the real estate tax increase, the elimination of the boat tax, and stated that York's tax profile is favorable compared to most localities in Hampton Roads. He mentioned that York's sustainable path is dependent on the Hampton Roads economy. He mentioned the land use buzz involving people worrying about new residential development, noting the flip side would be a stagnant place where nothing is going on. He talked about the rezoning of the Bulifants property for a significant planned residential development, that will have a trail system connecting it to the Williamsburg Marketplace. Mr. Morgan mentioned that the Comprehensive Plan will have to be updated next year. He stated that staff will soon be having brainstorming sessions about the design of the next Comprehensive Plan, noting an opportunity to engage the public and the EDA in the process. He stated the Peninsula Airport Commission never responded to York's efforts to acquire some of its land. He mentioned there have also been brief conversations with the Peninsula Mayors & Chairs and his counterparts about acquiring airport property.

## **DIRECTOR OF ECONOMIC DEVELOPMENT REPORT**

Mr. Noel noted the approved Capital Improvement Budget included additional funds for the EDA in the amount of \$250,000, with the amount to increase to \$500,000 the following year.

He reported that the closing took place on the two Route 17 redevelopment parcels and the Public Works Department is getting the structures prepared for demolition. He said that it was time to identify the next targeted property and will get the Route 17 committee together to discuss options. He provided an update on the two recent economic development grants to ITA and the Snow Companies. ITA has put a contract on the property in Commonwealth Green and the Snow Companies have acquired the property on Waller Mill Road and sold their building in Michael Commons. He mentioned there are two prospects vying for the EDA property on Old York-Hampton Highway, which are both Newport News companies. He has had a concept plan prepared for one of the companies and will soon discuss this further with the prospect. He reported The Kerner Companies pulled out of their contract for the Busch Industrial Park due to some internal business moves of their own; however, the EDA will retain their \$10,000 non-refundable deposit. He reported Bicast is still moving forward with the small purchase in the Busch Industrial Park and the Whitley's Peanut project has officially been put on hold. He mentioned Leigh Armistead, with Peregrine Technical Solutions, a cybersecurity company, that is one of the aspirational clusters for Hampton Roads and he stated there were a fair amount of those companies in York County. Mr. Armistead has asked if he can spearhead a committee for the EDA to explore that cluster and then asked if any of the members were interested in participating on that committee. Mr. Noel reported there was an inquiry from the architect for Sam's Club about their approved building plans. He tried to get a definitive answer about Sam's moving forward but got no answer.

Mr. Morgan mentioned that Shawn Todd, the Marquis owner, is trying to move forward on the residential portion of the property. Mr. Todd is trying to get VDOT to define what changes have to be made for the primary road to become a public road, which a prerequisite for the residential development and ultimately a school. He stated on June 6<sup>th</sup>, the BOS meeting will appropriate the preliminary design money for the elementary school.

Mr. Noel noted that was important because Shawn's agreement is that they have to move forward with that for him to extend the infrastructure to the site.

## **ASSISTANT DIRECTOR OF ECONOMIC DEVELOPMENT REPORT**

Ms. Davidson reminded everyone of the joint Business Appreciation event on May 25, 2017 at the Freight Shed. She noted this year is York's turn to host, jointly with the City of Williamsburg and James City County to host in the upcoming years. She reported that the Development Services Office has recently updated the Developer's Guide development professionals. She stated a handful of developers have been invited to a breakfast for the new guide to be presented to them, plus they

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will be asked for feedback on our development review processes. She also encouraged the EDA members to attend to attend both events.

Mr. Noel noted that the EDA is a sponsor of the breakfast but that Susan Kassel, Director of Development Services, has the lead on this forum. He stated she genuinely wants the developer's input and feedback on how the development processes can be improved.

Ms. Davidson reported on the National Association of Counties (NACo) Award that was given for the Home-Based Business programs. She stated this was an innovative program since there are not many home-based business programs offered across the Country.

Mr. Noel noted that Ms. Davidson was the architect of this program and that she put the NACo application together. He stated she deserved the credit for the award.

### **MEMBERS' COMMENTS**

Mr. Meade updated the members on the VDOT negotiations for the easement in the Busch Industrial Park. The Authority approved at \$112,500 for the sale of the property and he negotiated \$136,400.

Mr. Coxton mentioned that businesses can't grow without qualified employees and stated he thought the Hampton Roads area is in need of young workers with technical skills. He stated he felt it went back to the high schools and kids who do not have a focus or skill when they leave school. He stated something needed to be done in an effort to have skilled employees available.

Mr. Morgan suggested that a workforce development representative attend an EDA meeting.

Mr. Coxton suggested asking New Horizons for some help. He said the training of young people was one of the most important things they could do for the community.

Mr. Biagas recalled a decade ago when the state authorized all of the funding to go the community colleges and took it out of the high schools. He stated that when taken out of the high schools or middle schools, there isn't an impetus for people to attend Thomas Nelson. He reported some of the best apprentices came from high schools and he was able to move them into a four-year apprenticeship program, but that pipeline is gone now.

Ms. Davidson told about a CTE program within the schools. The program was approved this year and provides that every student in high school, who is seeking a regular diploma and not an advanced degree, is required to have some kind of certification before leaving high school. She noted the state has money to help pay for the training.

Mr. Morgan suggested the Chairman could ask staff for a good way to secure a brief on these types



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of programs.

Discussion ensued on the lack of qualified labor force in the Hampton Roads areas.

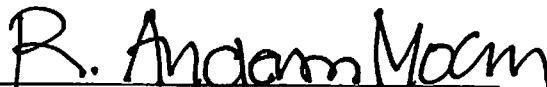
**CHAIRMAN'S COMMENTS**

Chairman Moberg introduced and welcomed Vicki Gaydos, the Development Facilitator for the County, to the EDA meetings.

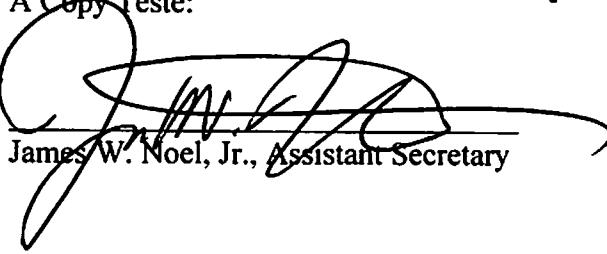
**ADJOURN**

There being no further business, the Chairman adjourned the meeting at 6:02 p.m.

(SEAL)

  
R. Anderson Moberg, Chairman

A Copy Teste:

  
James W. Noel, Jr., Assistant Secretary