

MINUTES
JAMES CITY COUNTY BOARD OF SUPERVISORS
WORK SESSION
County Government Center Board Room
101 Mounts Bay Road, Williamsburg, VA 23185
July 25, 2017
4:00 PM

ADOPTED

A. CALL TO ORDER

SEP 12 2017

B. ROLL CALL

Board of Supervisors
James City County, VA

Board of Supervisors

Ruth M. Larson, Vice Chairman, Berkeley District
Michael J. Hipple, Powhatan District
P. Sue Sadler, Stonehouse District
John J. McGlennon, Roberts District
Kevin D. Onizuk, Chairman, Jamestown District

Bryan J. Hill, County Administrator
Sue Mellen, Director, Financial and Management Services

Economic Development Authority (EDA)

Paul W. Gerhardt
Tim G. Harris
Rick Shippey
Christopher J. Odle
Marshall N. Warner
Robin D. Carson, Vice Chairman-Absent
Thomas G. Tingle, Chairman

Also Present

Amy Jordan, Director of Economic Development
Laura Messer, Event Coordinator

C. BOARD DISCUSSIONS

1. Davenport & Co.

Ms. Sue Mellen, Director of Financial and Management Services (FMS), gave an overview of the County's current statement of fiscal goals and a proposal for revised fiscal policies. She stated that since the Strategic Plan has been adopted, County staff and FMS have taken the opportunity to take it down to a more readable format, taking it from seven to two pages. The staff and FMS are proposing this and have made some changes and run it past Davenport. Davenport has made some suggestions that they will go through in this presentation and if there are any questions we are more than willing to

tweak it, but hopefully FMS staff will bring it back to your next meeting where it can be adopted and replace the old one.

Mr. Courtney Rogers, Senior Vice President of Davenport & Company, stated that the agencies have updated their methodologies and gave an overview of the PowerPoint presentation included in the Agenda Packet. Areas covered in this presentation are:

Discussion regarding rating agencies' General Government and Utilities methodology;

Review key characteristics that constitute a highly regarded, credit worthy locality;

Discuss comparatives with peer AAA Virginia counties as well as regional AAA counties;

Review James City County's financial trends including current outstanding debt and debt ratios;

Provide commentary on the County's Financial Policy Guidelines and discuss revisions due to changes in the credit markets.

Mr. Rogers emphasized that the County has a AAA rating in all four areas across the board and it is rare to have three. The Commonwealth itself has a AAA rating. He noted that not all of the County debt is a AAA rating. The County rating is a AAA, when we lease revenue bonds they are an appropriation debt. They automatically go one notch off the AAA, so as a result you will look at some of the volunteers listed as the least revenue types and they are all listed as AA+, AA1, but that is just one notch off the AAA. That is part of their methodology. There is a little more risk involved because it is an annual appropriation. He commented that in regards to debt and contingent liabilities, it is not unusual to get a Strong rating in Virginia because we have school debt and noted that a Very Strong rating is the highest, which is almost impossible to obtain. In some states schools have their own ratings. He noted to keep your eyes on the reserves if the tax base and wealth levels suddenly change or if the debt burden would suddenly increase. He stated that those were probably not going to happen.

Mr. Rogers reviewed the Formalizing and Reviewing Financial Policies as well as the Key Takeaways sections of the PowerPoint presentation included in the Agenda Packet. He emphasized to try to keep down the amount of debt if possible and to add personal property full value per locality so as to be able to compare apples to apples.

Mr. Rogers reviewed swaps (i.e., interest rate exchange agreements) from the PowerPoint presentation that is available in the Agenda Packet.

Mr. Onizuk asked what situation would a county want to do a swap.

Mr. Rogers replied that it is interesting that in Virginia he does not have any clients that do this. Policies have to be in place first, expressing that his

company is not big on them, it is just a different mindset.

Mr. Rogers stated that James City County is a premier county in that it is one of 50 out of 3,000 counties that has a AAA rating from all three areas. He stated that James City County has the smallest population out of that group of 50, which shows how well it is doing.

Mr. Onizuk asked the Board members if there were any questions or comments.

Mr. Hipple stated great job.

Mr. Onizuk expressed the Board's appreciation to Davenport & Company and the job that they do.

Mr. McGlennon asked Mr. Rogers if he had noticed any trends or things on the horizon to watch out for.

Mr. Rogers stated that one thing they are seeing, not just in Virginia but also in other states, is that there is definitely more economic development activity, definitely more companies out testing the waters and interest rates have hung in there so that is good. We are growing as an economy, but it is slow going.

Mr. Onizuk asked if there were any more questions or comments.

Mr. Hill asked Mr. Rogers if he could stay to provide more insight on economic development.

Mr. Rogers replied yes.

Mr. Hill spoke to the Board regarding the Strong, and the Very Strong ratings. He commented that our Strategic Plan is structured for long-term debt to be even more flexible than it is today. In 2014 we had seven categories that were Strong and today we have 13 categories that are Very Strong and two that are Strong. He thanked the Board for allowing staff to move forward and pushing them to be strong financial stewards for the residents of James City County.

Mr. McGlennon asked Ms. Mellen if she was bringing these items back to the August meeting.

Ms. Mellen replied yes.

Mr. McGlennon asked how quickly the feedback is needed.

Ms. Mellen replied within the next week or so.

Mr. Hill stated that he would attach them to the Board recap.

2. Joint Work Session with Economic Development Authority

Mr. Tingle called the EDA meeting to Order.

Ms. Jordan took the Roll Call and gave a partial overview of the PowerPoint presentation included in the Agenda Packet.

Mr. Tingle stated that they had met with the Board last fall and two items were stressed; work ethnicity and more focus.

Mr. Tingle continued on the overview of the PowerPoint presentation included in the Agenda Packet. He gave brief updates on the FY 17 Accomplishments that are outlined in the Agenda Packet.

Mr. Onizuk asked to be more specific about what kind of things the Greater Williamsburg Partnership (GWP) is working on.

Mr. Tingle responded that they are doing several things, identifying our partners around the state; site selection consultants as well as building partnerships with the Virginia Economic Development Partnership; Ms. Jordan participated in a site familiarization tour; entertained the new Director, Steven Moray, from the Business and Economic Development Programs (BEDP); we are being identified as one of the 16 regions in the state by the BEDP's material as well as bringing prospects to us. The other thing they are doing is really trying to identify specific businesses that are a fit for the Greater Williamsburg region.

Ms. Larson commented that recently there was one that was a result of the GWP.

Mr. Tingle reviewed some of the Goals for FY 18 as outlined in the PowerPoint presentation included in the Agenda Packet.

Mr. Odle picked up reviewing the Goals for FY 18 as outlined in the PowerPoint presentation included in the Agenda Packet. He touched base on where James City County is in regards to infrastructure. He stated that he hopes to put out a Request for Proposal before the end of the year in an effort to solicit a private development group to come in and put up a spec warehouse or to attract some new industry to the County.

Mr. Odle reviewed Skiffe's Creek Connector and the Jamestown Marina and Beach as outlined in the PowerPoint presentation included in the Agenda Packet. He stated that they are evaluating the future of the balance of acreage at the Marina and how it will interact with the balance of the property across the road at Jamestown Beach Event Park and the Jamestown Beach area. He mentioned ideas of use for the property as photos reflect in the PowerPoint presentation in the Agenda Packet.

Ms. Larson asked if it will come to the Board once the concept is decided on, but in the meantime some of the photos are of concern. She asked what the timeframe is before seeing a report on what is envisioned. What can the Board do to help that along?

Mr. Odle suggested that the Board get with Parks & Recreation staff and talk jointly about the ongoing business of the property, marine operations, landscape and maintenance, and to discuss if there are any funds in the budget

where nominal improvements could be made making it feel more inviting. Things that are short-term, such as flowers, are visually impacting. In the same process, more understanding of long-term improvements that are anticipated for the Marina need to be discussed. He stated that he would like to think that by the first quarter of next year there should have been enough discussions to be able to come to the Board with some options.

Ms. Larson stated that she believes Billsburg is working with the Chamber to promote “Drinking Responsible in Williamsburg-James City County” or the “Williamsburg Tasting Trip.” She stated that she supports Billsburg and wants it to be successful.

Ms. Sadler asked if a restaurant were to go in, where would it be located.

Mr. Odle restated that the EDA thinks there needs to be something besides a brewery there to support and play off of it.

Mr. Hill stated that to make it work there needs to be a lot of landscaping at the site. He stated that we do plan on having a jump start on making sure we have something out there to bring people to it, we have had First Fridays, Harvest Celebration and he and Ms. Jordan have talked about multiple ideas to bring people out there. He stated that the goal is to get where we open in September and see that the amount of people coming out there will facilitate us and the Board to do more to that area. He commented that in Fiscal Years 19 and 20 there is about \$ 3.5 or 4 million budgeted for the upgrade at the Marina that has been planned out way in advance. He further commented that there are some significant repairs to make that have not been done since the County purchased the property, so it is still a work in progress.

Ms. Larson stated that she sees the location still gets a lot of visitor traffic being in its present condition. She emphasized that she is excited, but stresses to keep that forward moving direction and to get together that first quarter and talk again.

Mr. McGlennon stated that he appreciates the thoughts going into and moving forward with the Marina project. He stated that his own vision is what Parks & Recreation as well as General Services are going to be able to do in that area and the Economic Development aspect is really a subsidiary to the site as it is being described. He commented that he was wondering if there are better ways to make use of energies, time and skills. In particular he would be very interested in having the EDA looking strongly at the question of our priorities for capital investment. He stated that as pointed out earlier, there are some significant capital investments needed here and it does not strike him that this would be a high priority for the investment of funds that the group is thinking about for Economic Development. He stated there will be many claims on that money for things that are probably more significant as far as Economic Development is concerned. He further stated that he would like to know what is the best bang for the buck, is it going to be in terms of investment in fiber, is it going to be shell buildings, is it going to be the southern end of the County location or is it going to be some of the properties that we recently redesignated for commercial, residential or industrial development. He commented that focusing attention on those areas would be helpful on where

the County commits those dollars and evaluate the relative opportunities available to the County in terms of tax revenue to offset the cost of government for our citizens, also where the County might be able to find the opportunities for the limited number of increased job opportunities for citizens. He stated he would also like for the group to think about ways in which they could be an exporter of our labor, services and skills. He stated that perhaps we could have some of our construction folks trained in energy retrofit fields in both residential and commercial, go out in Hampton Roads and help businesses and homeowners figure out ways to reduce the cost of energy. He also commented that another idea would be building a cluster around agriculture/food supply, maybe refrigeration available for farmers regionally to take advantage of. Mr. McGlennon stated that his opinion of focusing on those kinds of questions seem to be very good uses of the kinds of skills that we have assembled on this committee. He stated that the ideas about the Marina are useful, interesting and worth considering, but he does not think that is the best use of time and energy.

Mr. Onizuk concurred and stated that he remembered when the Board voted to keep the Marina as a County asset. He stated he remembered speaking with Mr. Hipple of keeping the Marina as an asset to our community, our citizens and access to water. He agreed with the vision that it should continue to be something that gives use and enjoyment to our citizens, offering Billsburg Brewery, whose product is exceptional, but he thinks that it can be stretched to have an economic development benefit. He stated that ultimately he believes that the Jamestown Beach Event Park and the Marina is not what he would necessarily think would be the best use of assets. He further stated that he thinks it is a priority of the County but is not sure it is a priority of the EDA. He stated he appreciated the vision and County staff would appreciate the input, but he is not sure it is the best use of EDA time. He stated there is already money designated and planned to fix the major problems at the Marina and commented that he would not make it a huge priority.

Mr. Hill stated that he believes that because of the agreement that the EDA has with the County, there is a monetary concern to make sure that they get back what they put into the deal. He does not disagree with what anyone is saying; however, the EDA has a vested interest financially as well as the County, so we need to be collaborative to work together towards Billsburg to made whole as well as the Marina is a viable option for all residents of the County, so there is a balancing act that we are going to need to do. He stated that the more information we are given today, the easier it is to make a path to move forward.

Mr. McGlennon stated that he thinks the Board understands that responsibility and feels that everyone has a stake in it to succeed.

Mr. Onizuk concurred that both parties have a stake in it.

Mr. Hipple stated that he feels this is part of a balancing act with the Marina. He asked what could we do with the land that we paid for that is sitting idle. He stated he thinks it is part economic development because it gives something back to our citizens that enhances our community and our character which is drawing people to our area. He commented that if we do not have the

infrastructure we can forget about anyone coming to the County.

Mr. Tingle stated that the EDA does not disagree with anything that has been said. He stated that first we need to protect our investment, but the bigger interest is quality of life and tourism to some degree. He commented that while the group has been talking about the Marina, they have been talking more in economic development about what can be done more effectively to make sure properties are ready for businesses that want to locate here. He stated that if business comes here and wants to start-up in 90-180 days, it is hard to show a piece of property with trees on it and be able to say we think we can do that for you, it just is not possible.

Mr. Hill stated that perhaps it is time to think of the landowners with whom we might be able to create some synergy with infrastructure to then build and bring in the type of business that this Board wants. he stated that perhaps it is time to put some incentives together to promote what we have here in the County for the business side so that we can move forward as a community, find the land, get the infrastructure in place and then move forward.

Mr. Onizuk stated that the conversation at his first EDA meeting was a repeat of this conversation. He stated that if we have a shell concept, let's put together a proposal and see if it makes sense to the Board to finance it or to work with the EDA to finance it.

Ms. Larson stated that she wants to be clear regarding the Marina. She stated the EDA needs money in order to bring more projects to the County. Billsburg needs to be successful. She also asked when James River Commerce Center could get fiber.

Ms. Jordan stated that discussions have begun with the County's Information Technology director and various providers. She stated that quotes are being obtained and staff is hopeful to have that information back soon.

Mr. Hill stated that there has been communications with several entities to see how to have better prepared data and architecture in the County. He stated that since we are in a world of technology, the County needs to put investment into its infrastructure, which it has done in other areas, now that we are coming into the world of technology. He stated that once the infrastructure is in place, the County should be able to get companies to locate in the area.

Ms. Jordan stated that there is a good fiber network in the County. She stated that in the case of James River Commerce Center, the County has fiber that runs to the school. She explained that Cox runs cable to the front of the industrial park but does not run all the way back and Lumos is looking at extending its network and region. She further commented that this creates different options that can be looked at as currently, there is no fiber that is running all the way down to Green Mount Industrial Park. She stated that this is not an EDA property; however, it is developable land that could support up to a one-million-square-foot user. She also commented that in looking at those advanced manufacturing opportunities it is important to make sure to get that last mile in place and staff is looking county-side to find where there might be other gaps in the network.

Ms. Larson asked if these are the two things that the EDA is going to be concentrating on and hopefully coming to the Board with a proposal or a shell building or something as soon as these things are worked out. She stated that the County is in a really strong financial position right now, so it seems that we would be hopefully attractive for a lot of reasons to businesses coming to the County.

Mr. Onizuk directed a question to Ms. Jordan, commenting on her being new to the team for approximately three months. He asked Ms. Jordan if she could tell the Board what she has found that we are doing right and what needs to be done differently in regards to the EDA and working with the Board of Supervisors or the office of Economic Development.

Ms. Jordan stated that she feels the quality of life in the County is second to none and does not think we do enough to capitalize and harness that. She stated that she feels because we do have some land to develop, advanced manufacturing opportunities and large distribution centers, there are more opportunities for us to focus on. She commented that there have been conversations with Thomas Nelson Community College about the growth and expansion of mechatronics. She stated that she mentioned Green Mount Industrial Park and the one-million-square-foot user space available, which is only one of a handful of sites in Hampton Roads and the only one on the peninsula that we could create more opportunities with. She stated that the Skiffe's Creek connector is vital because if you cannot get the truck traffic in and out, you are not going to be able to get another large distribution center in the area. It is vital to existing businesses, retaining businesses, expansions and new businesses. She stated that there are things to look at with the marina such as other restaurant uses, perhaps some small complementary retails, for example a kayak/bike share rental business. She further stated that she feels there are still things that will contribute to that element and will be looked at.

Ms. Larson stated that at another time she would be interested in getting feedback on things that the Board could do different, or keep the same and also ways to make the synergy work better between the two bodies. She inquired is the Ombudsman position working and stated that it seems as though it is working, but would like an update.

Mr. Hill replied that an update could be provided.

Ms. Larson inquired if a retreat is a possibility.

Ms. Jordan replied that the EDA is working on two possibilities. The first one is trying to obtain a date for an industrial site tour. Members of the Board of Supervisors who would want to participate would be more than welcome. The other is doing a fall retreat since the recent adoption of the County Strategic Plan.

Mr. Hill stated that the reason we do the Strategic Plan is so the Board can talk to the EDA or Planning Commission and all the other entities that the County has.

Mr. Onizuk stated to the EDA members that they are all leaders in the community and are successful in individual industries. He expressed his appreciation for everything that they do and stated that he wants the EDA to go at this with the same excitement, zest and commitment that each individual shows to their personal careers. He stated that if you feel you are not getting what you need to make the EDA successful, to reach out to the Board for guidance.

Ms. Larson expressed her gratitude for the efforts of the members of the EDA.

Mr. Onizuk echoed those sentiments expressed by Ms. Larson.

D. CLOSED SESSION

None.

E. ADJOURNMENT

1. Adjourn until 5 p.m. on August 8, 2017 for the Regular Meeting

A motion to Adjourn was made by Mr. Odle.



Bryan J. Hill, County Administrator