

## WORK SESSION MINUTES

AT A WORK SESSION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA, HELD ON OCTOBER 12, 2004, IN THE BUILDING C CONFERENCE ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

### 1. CALL TO ORDER

The meeting was called to order by Chairman Campana at 3:01 PM.

### 2. ROLL CALL

A roll call identified the following members present:

Mr. John Berkenkamp  
Mr. Vincent Campana, Jr.  
Mr. Jay Diedzic  
Ms. Virginia Hartmann  
Mr. Bernie Ngo  
Mr. Mark Rinaldi

#### ALSO PRESENT

Sandra Barner, County Economic Development Project Coordinator  
Marcè Musser, EDA Recording Secretary  
Keith A. Taylor, EDA Secretary  
Leo Rogers, EDA General Counsel

#### ABSENT

Mr. Alvin Bush

### 3. PERSONNEL MATTERS

Mr. Campana introduced Mr. Diedzic as the EDA's newest appointed Director.

### 4. APPROVAL OF MINUTES

On a motion by Mr. Rinaldi and a second by Ms. Hartmann the minutes from the July 15, 2004, Regular Meeting, were approved by unanimous voice vote.

**5. ACTION ITEMS**

Mr. Taylor reviewed the negotiated terms of the Performance Based Agreement between the Economic Development Authority of James City County, Virginia and Citizens & Farmers Bank (C&F). Improvements to the building are projected to be \$1.3 million over the County's present taxable value. C&F is stating there will be 50 initial jobs, to increase to 150 jobs within five years.

Mr. Rinaldi stated that he wished to abstain from the discussion and vote on this matter because of the relationship of his firm, LandMark Design Group, with Citizens and Farmers Bank.

Mr. Berkenkamp noted for the record that the County did not run the fiscal impact model on this transaction.

Mr. Berkenkamp made a motion the agreement be approved as presented. The motion was seconded by Hartmann and approved by roll call vote.

Mr. Berkenkamp	aye
Mr. Campana, Jr.	aye
Mr. Diedzic	aye
Ms. Hartmann	aye
Mr. Ngo	aye
Mr. Rinaldi	abstain

Mr. Taylor asked for, and Mr. Campana granted a ten minute recess at 3:14 PM.

Mr. Campana reconvened the Directors at 3:24 PM.

**6. DISCUSSION ITEMS**

Business Assistance, Incentive and Retention Policies Study

Mr. Taylor introduced the Study by reviewing that the request was made of the EDA by County Administrator Wanner. Mr. Campana appointed Mr. Bush and Ms. Hartmann as a Subcommittee to review information, and the Subcommittee chose a survey as the tool to gather information. Ms. Barner visited and interviewed ten economic development organizations for the survey. Mr. Taylor stated the recommendations section was purposely left blank so the EDA can digest the Survey and form a consensus of recommendations to be made to Mr. Wanner.

Mrs. Barner described the survey results as falling into two general categories: 1) Existing Business Programs and 2) Incentives, with some overlap between the two. Among the organizations surveyed, as much emphasis was being placed on assisting and retaining

existing businesses as recruiting new ones, with an abundance of Existing Business program ideas being offered.

As to Incentives, the survey found that organizations do routinely offer them, typically based on a combination of new tax revenue generated and new jobs created. Existing businesses could typically obtain the same (or more) incentives for expansion as new businesses, based on the same criteria. Communities differed, however, in what kinds of businesses were offered incentives, with some focusing narrowly on manufacturing/ distribution, and others taking a broader approach. Communicating the criteria to the existing business community was a common practice, which seemed to alleviate concern that new companies were being treated preferentially.

The one issue that got little response was what, if any, incentive the organizations offered to non-capital intensive companies, whether existing or new, or to existing companies who were expanding, but not necessarily generating new tax base or new jobs in the process. Organizations reported themselves to be struggling with this issue because of a general trend toward service businesses, but they had not yet identified a rational, consistent, predictable basis on which to make an incentive decision.

Discussion of the survey results followed, which included the following:

Observations:

- Locally provided financing
- Consultative assistance
- Publicize assistance vehicles
- Subsidize bank loan interest – EDA incentivized
- What is the impact of losing a business?
- “Seed” money
- Interim Space
- Training
- Third party existing industry interviews to “grade JCC’s paper”
- Focus on the 20% of our businesses that give JCC 80% of the C & I tax revenues
  - Hire a consultant
  - Do survey – mail out to Existing Industries touting services

Weaknesses:

- Chesapeake Bay regulations
- Lack of selected infrastructure
- JCC perception of “difficult to deal with”

Staff recommended a pilot program of existing industry visitation.

1. Use businesses in the directory
2. Sandy Wanner and Keith Taylor continue to visit selected companies
3. Staff will prepare the survey questions and leave-behind materials
4. Training for EDA re: surveying

5. Staff follow-up and data entry
6. Summary report at EDA meetings and at the end of the pilot.

After further discussion, it was decided that Mr. Wanner would be asked to extend his deadline until after the next EDA meeting, at which time the topic would be further discussed and formal recommendations made. In the mean time, the Subcommittee will summarize from today's discussion for circulation before the next EDA meeting.

## **7. OTHER BUSINESS**

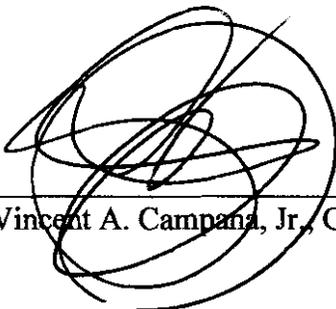
Mr. Taylor stated the Celebration of Business October 7, at Jamestown Settlement was a success, and thanked the EDA for their attendance and participation. The EDA thanked Ms. Barner and Ms. Musser for their work on the new venue and details of the Celebration.

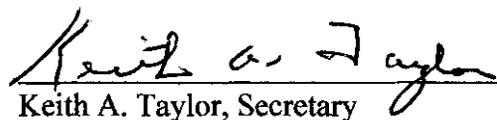
Mr. Taylor reminded the Directors of the Business Leaders' Breakfast scheduled Thursday, October 28, 7:30-8:45 AM, at the Radisson Fort Magruder Hotel and Conference Center. Much of the discussion today will be addressed from a state perspective by a panel of speakers from the Virginia Department of Business Assistance (VDBA), including finance and re-training which is available to small businesses in our community, at the breakfast. Directors were urged to RSVP as soon as possible.

Noting that the first contact with C&F on the project discussed today was via the EDA's sponsorship package at the LPGA 2004 Michelob Ultra Open Golf Championship, and noting discussion at previous EDA meetings on continuing support of the Championship, Mr. Taylor advised the EDA he had committed to a sponsorship package of the Championship on their behalf in a manner similar to previous years. The EDA had approved this commitment with its approval of the FY 2005 budget.

## **8. ADJOURNMENT**

There being no further business, Mr. Campana entertained a motion from Mr. Berkenkamp to adjourn, which passed by unanimous voice vote. The meeting was adjourned at 5:12 PM.

  
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Vincent A. Campana, Jr., Chairman

  
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Keith A. Taylor, Secretary