

WORK SESSION MINUTES

**ECONOMIC DEVELOPMENT AUTHORITY (EDA)
OF JAMES CITY COUNTY (JCC)
5308 DISCOVERY PARK BLVD. SUITE 203 CONFERENCE ROOM
WILLIAMSBURG, VA 23188
8:00 AM, THURSDAY, OCTOBER 15, 2009**

1. CALL TO ORDER

The work session was called to order by Chairman Tingle at 8:05 AM.

2. ROLL CALL

A roll call identified the following members present:

Mr. Brien Craft
Mr. Douglas M. Gebhardt
Mr. Paul W. Gerhardt
Mr. Lawrence B. Pulley
Mr. Thomas G. Tingle
Mr. Marshall Warner

Also Present:

Ms. Ann Davis, EDA Treasurer
Mr. James G. Kennedy, Board of Supervisors (BOS) Liaison to EDA
Ms. Laura A. Messer, EDA Recording Secretary
Mr. Leo Rogers, EDA Counsel
Mr. Keith A. Taylor, EDA Secretary
Ms. Barbara Watson, Local Enterprise Zone Administrator
Mr. Steven Yavorsky, Assistant EDA Secretary

Absent:

Ms. Leanne DuBois

3. MISCELLANEOUS

Mr. Tingle briefly overviewed the previous evening's event, the Celebration of Business, at the Jamestown Settlement. He thanked the Office of Economic Development for their hard work and stated it was a nice event and that Nicewood Enterprises was surprised with receiving the Captain John Smith award.

4. **PRESENTATION**

Ms. Watson presented information on the applications received from four companies that qualified for Economic Development Authority (EDA) Enterprise Zone Grants. She stated that companies that make a capital investment of \$1 million or more qualify for the EDA Grant. The EDA Grant Program is a five year series of declining grants based on the assessed value of improvements.

Ms. Watson listed the companies that should receive 2009 EDA grants as follows:

- Coresix Precision Glass in the amount of \$8,372 for year 3 and \$3,580 for Machinery & Tools
- Volvo Rents in the amount of \$4,528 for year 1
- Walmart III in the amount of \$94, 032 for year 3 and \$25, 392 for Machinery & Tools
- Ritchie Building in the amount of \$14,088 for year 1

The total amount of the incentive grants equals \$149,992. Ms. Watson stated that the County allocates funds for these incentives during the annual budget process, and therefore sufficient funds are available. Ms. Watson requested that the EDA authorize the payment of these grant requests.

Mr. Tingle asked for a motion as presented by Ms. Watson. Mr. Craft stated he would be abstaining due to conflict of interest. Mr. Gebhardt made a motion, which was seconded by Mr. Warner and approved by a roll call vote:

Mr. Craft	Abstain
Ms. DuBois	Not present
Mr. Gebhardt	AYE
Mr. Gerhardt	AYE
Mr. Pulley	AYE
Mr. Tingle	AYE
Mr. Warner	AYE

Ms. Watson thanked the EDA for their time.

Mr. Yavorsky stated that the Enterprise Zone administration team had met and discussed some potential process improvements; not all eligible Enterprise Zone business apply for the funding. Ms. Watson stated that some businesses do not wish to fill out the same form annually even though it is necessary for verification.

Mr. Craft, who is familiar with the Enterprise Zone program due to his affiliation with a business in the Enterprise Zone, stated that it is not a difficult process and it is simply a two-page application. Mr. Yavorsky stated that a checklist may be a suitable alternative to the same application.

Additionally, Ms. Watson stated that most of the businesses do not apply for applicable state incentives and they are therefore missing out. She said she had recently attended a workshop and had the idea of a potential local forum that included presentations from officials regarding Enterprise Zone incentives.

The EDA reacted positively to putting on such a forum.

5. ACTION ITEM

a. Approval of Additional Certificate for Deposit

Chairman Tingle stated that he would have Vice Chairman Gebhardt chair the next portion of the meeting. Chairman Tingle and Mr. Warner both stated they would have to abstain from further comment due to conflicts of interest.

Mr. Gebhardt stated that Ms. Davis, EDA Treasurer, was once again here to present the proposed rates for an additional Certificate for Deposit (CD). Ms. Davis had asked six local banks for their proposed interest rates. She stated that none the banks had an early withdrawal penalty. Chesapeake Bank, offered a 19-month CD at a rate of 1.8% interest, which the EDA found most attractive.

A brief discussion took place and it was recommended that the EDA invest in five CD's at \$100,000 each to total \$500,000.

Mr. Rogers asked Ms. Davis if there was a one-time withdrawal clause and she stated she had not asked this time, but there was no penalty for withdrawal.

Mr. Gebhardt asked if there was a motion to complete the recommended action. Mr. Craft made a motion, which was seconded by Mr. Pulley and unanimously approved by a roll call vote:

Mr. Craft	AYE
Ms. DuBois	Not Present
Mr. Gebhardt	AYE
Mr. Gerhardt	AYE
Mr. Pulley	AYE
Mr. Tingle	Abstain
Mr. Warner	Abstain

Vice Chairman Gebhardt returned the chairmanship to Chairman Tingle.

6. DISCUSSION ITEMS

a. EDA Business Assistance Program and Guidelines

Mr. Gebhardt thanked Ms. Messer for the fine tuning and updating of the business

assistance program guidelines and application form. He stated that all EDA directors had submitted their final comments. The EDA briefly discussed the final draft. Mr. Gerhardt noted one error and Ms. Messer stated she would correct it.

It was stated that Mr. Tingle would take the program to the Board of Supervisors for their review at their November 10 meeting.

The EDA discussed the reason why presenting it to the Board of Supervisors was necessary; they concluded that they wanted BOS support for the program, but did not think it was necessary for the BOS to approve every application.

A discussion about a potential applicant for business assistance took place. The EDA highlighted the importance of a return on investment specifically due to public funds being used.

The differences between grants and loans were discussed.

Mr. Pulley stated that the EDA should be able to expect a return to the County on any investment and that it should not be participating in any venture fund investments.

The EDA continued the discussion on taking risks and the potential for positive returns. Mr. Warner stated that a company should be willing to assume form of pay-back liability in situations involving under- or non-performance. Mr. Kennedy expressed his concern as an elected official regarding non-reimbursement of public monies in under- or non-performance situations.

Mr. Tingle asked if the EDA approved the program as a whole and everyone agreed that it was a positive step. Mr. Tingle then asked if there was a motion to endorse and present the program to the BOS. Mr. Gerhardt made a motion, which was seconded by Mr. Warner and unanimously approved by a voice vote.

b. Miscellaneous

Mr. Kennedy briefly overviewed the on-going activities of the BOS including the upcoming consideration of the Comprehensive Plan draft.

He also mentioned that Nick's Lawn and Garden was having some permitting issues although they were very complimentary of Ms. Brittle, the Business Facilitator.

c. James City County Technology Incubator (JCCTI)

Mr. Craft led a discussion on JCCTI including the potential need for modifying the existing management agreement. Mr. Craft stated that a link to the College of William & Mary may assist in growth of the incubator's client roster. A discussion on the current structure occurred as well as theorizing what structural changes may benefit the incubator with the understanding that the Hampton Roads Technology Council would continue to play a vital supporting role.

Mr. Craft stated that he had a meeting set up with Mr. Bill Bean, Director of the College of William & Mary Technology and Business Center and also would see Mr. Bean at the Virginia Business Incubator Annual Conference.

Mr. Bean will detail a proposal in the coming weeks as to his management ideas for the incubator.

Mr. Craft mentioned that in the future it may be best for the incubator to be reengineered as a collaborative effort of the three Historic Triangle municipalities. He also stated that it may be best for it to be a technology and business incubator rather than simply a technology incubator.

A discussion of suspending payment to Hampton Roads Technology Council (HRTC) took place. Mr. Taylor stated that he would speak to Mr. Early of HRTC at an event the following day, October 16.

7. **REPORT ITEM**

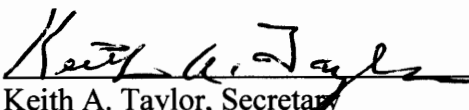
Mr. Taylor stated that AVID Medical, Inc. was up for a fourth performance-based agreement extension to December 31, 2010. AVID has more than satisfied its increased capital investment threshold, but needs to add an additional 150 jobs. Mr. Taylor reminded the EDA that they had previously authorized the EDA Chairman to grant such extensions and that he would be drafting a letter to accomplish this for Chairman Tingle's signature before the end of October.

8. **ADJOURNMENT**

There being no further business, Mr. Pulley made a motion to adjourn. The work session was adjourned at 10:13 AM.



Thomas G. Tingle, Chairman



Keith A. Taylor, Secretary