

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, AUGUST 26, 2010**

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. Douglas M. Gebhardt
Mr. Paul W. Gerhardt
Mr. Steven H. Montgomery
Mr. Lawrence B. Pulley
Mr. Thomas G. Tingle
Mr. Marshall Warner

Also Present:

Mr. Jack Fraley, Planning Commission (Roberts District), JCC
Ms. Mary Jones, Board of Supervisors Liaison
Ms. Laura A. Messer, EDA Recording Secretary
Mr. Robert C. Middaugh, County Administrator, JCC
Mr. A. Reese Peck, Program Manager – Enterprise Zone, Virginia Department of Housing
and Community Development
Mr. Mark Rinaldi, JCC Citizen
Mr. Keith A Taylor, EDA Secretary
Mr. Steven T. Yavorsky, Assistant EDA Secretary
Ms. Barbara Watson, Local Enterprise Zone Administrator, JCC

Absent:

Ms. Leanne DuBois, EDA Director

3. PERSONNEL MATTERS

a. Introduction to Stephen H. Montgomery

Mr. Tingle introduced Mr. Montgomery, the newest director of the EDA. Mr. Montgomery is the President & CEO of Williamsburg Landing and earned his Master's Degree in Health Administration from the Medical College of Virginia, which is now a part of Virginia Commonwealth University. He is also a graduate of Virginia Tech. Mr. Montgomery has a

wealth of experience in healthcare administration having worked for Bon Secours. The EDA welcomed Mr. Montgomery.

b. Introduction to County Administrator Robert C. Middaugh

Mr. Taylor introduced new County Administrator, Robert Middaugh. Mr. Middaugh was previously an Assistant City Manager in Miami Beach, FL.

Mr. Middaugh briefly provided his professional background and reinforced a commitment to economic development as an important program to JCC. The EDA welcomed County Administrator Middaugh.

c. Recruitment of Economic Development Director

Mr. Middaugh stated that a search began in early August to fill the Economic Development Director position that Mr. Taylor will vacate upon his retirement in early November. The application period will close on Friday, August 27 after being open for three weeks. Mr. Middaugh emphasized the importance of filling the position quickly and added that he had chosen to forgo the 90 day waiting period that the County typically used following a vacancy.

Mr. Middaugh stated that the process would be multi-layered in nature and begin with two panel interviews, one conducted by phone, the other in person. Each panel will include representatives from the EDA and various local and regional organizations. Mr. Middaugh said that Mr. Tingle, EDA Chairman, would sit on the interview panel. Mr. Middaugh stated that during the panel interview, he would like for applicants to perform a brief project that would demonstrate their research and critical thinking skills. He asked the EDA for their input. After some discussion, it was decided that the scenario for the project should be difficult and not an "easy task".

Mr. Middaugh identified the need for an EDA representative on the phone interview panel. Mr. Montgomery said that he could be available and everyone thanked him for volunteering.

Mr. Taylor noted that he appreciated Mr. Middaugh's interest in economic development and in filling the position in a timely manner.

Mr. Middaugh stated that Mr. Taylor had been helpful identifying avenues of advertisement for the position. Many economic development electronic publications had been contacted for advertisement of the job opening by Ms. Cynthia Monk from Human Resources.

The EDA thanked Mr. Middaugh for allowing its participation in filling the Director position.

4. ACTION ITEM

a. Approval of Applicants for Business Assistance Program

Mr. Gebhardt began a review of two applicants for the EDA's Business Assistance Program. Biome in a Box and Breathe Healthy, an incubator client, both applied for grants to assist manufacturing and marketing purposes, respectively.

Mr. Gebhardt stated that the parameters of the assistance for Biome in a Box would be a \$5,000 loan that converts to a grant if, after five years, the projected sales of \$500,000 have been met. Mr. Gebhardt stated that Biome in a Box needed assistance with manufacturing mold costs.

Mr. Rogers stated that the loan was equivalent to one percent of their projected taxable sales and that each year on March 31, the sales revenue would be confirmed with the JCC Commissioner of the Revenue.

Biome in a Box's owner, Ms. Regina Ridgway, has verbally agreed to sign a personal guaranty for the loan. Mr. Gebhardt and Mr. Rogers agreed that it was positive she was willing to sign such a guarantee.

Mr. Gebhardt noted that the point of sale for Biome in a Box was JCC and a brief discussion about the guarantee and relocation or buyouts occurred. Mr. Gerhardt stated that the guarantee would follow the ownership of the business.

Mr. Pulley asked if the terms of the agreement could be extended and if it was possible to offer an extension. Mr. Rogers responded that it would be possible.

Mr. Gebhardt made a motion to offer the agreement as discussed and to authorize Chairman Tingle to execute the final agreement as necessary. The motion was seconded by Mr. Pulley and approved unanimously by voice vote.

Mr. Taylor noted that recently Ms. Ridgway had secured a partnership to include her product in national science education teaching kits and that this could translate into significant growth beyond her initial projections.

Mr. Gebhardt stated that the Breathe Healthy agreement for business assistance was modeled directly after the award of assistance for Biome in a Box. The amount of assistance for Breathe Healthy was \$4,000 with a total sales estimate of \$400,000. Mr. Gebhardt stated that Mr. Mike Vahey of Breathe Healthy was also willing to sign a personal guaranty.

Breathe Healthy will use their funds for a creation of a social media marketing program.

Mr. Gerhardt noted that Breathe Healthy was also the recent recipient of a \$2,000 e-commerce grant to expand and update their company website. He stated that the e-commerce grant award represents the County's support of the business venture. He clarified the e-commerce grant should not affect the decision for business assistance as they are for two complementary, but separate tasks.

After a brief discussion, Mr. Gebhardt made a motion to offer the agreement as proposed

for Breathe Healthy, which was seconded by Mr. Pulley and unanimously approved by voice vote.

Mr. Gebhardt asked Mr. Rogers when the agreements would be ready for signature. Mr. Rogers responded that it should not be more than a few working days.

Mr. Gebhardt noted that the Business Assistance Program may need to be redesigned and reformatted to accommodate needs.

A brief discussion about the timing for publicizing the two grant approvals took place.

5. PRESENTATION

a. Virginia Department of Housing and Community Development regarding the Virginia Enterprise Zone Program

Mr. Reese Peck, Enterprise Zone Program Manager with the Virginia Department of Housing and Community Development, introduced himself and stated that he also chairs the JCC Planning Commission.

Mr. Peck reviewed the handout packet materials and began a PowerPoint presentation about Virginia Enterprise Zones and the Enterprise Zone in James City County. He stated that Enterprise Zones enabling legislation was created in 1982 for distressed communities, but has since changed in focus and application.

Mr. Peck summarized that there were now a variety of opportunities to reallocate portions of the Enterprise Zone in JCC. He stated that much of the area in lower JCC included residential housing, which no longer fully utilizes the benefits of an Enterprise Zone.

Mr. Peck referenced several methods of reutilizing Enterprise Zone areas that have been used by other jurisdictions, particularly retail development. He reviewed the different improvements that can help retail development if they are in an Enterprise Zone. Mr. Peck also discussed mixed use development as a viable option.

The EDA asked several questions about the timeline and guidelines for reallocating Enterprise Zone areas. Mr. Peck responded that local zone amendments can be requested once every 12 months.

Ms. Barbara Watson, Local Enterprise Zone Administrator, stated that there had been a shift in philosophy about Enterprise Zones since the State granted JCC an Enterprise Zone in 1995.

Mr. Jack Fraley of the Planning Commission stated that it was vital to reallocate unused acreage of the James River Enterprise Zone.

Mr. Yavorsky asked the EDA for their thoughts in identifying an area or areas they would like to designate an Enterprise sub-Zone. The EDA had a brief discussion about locations that would benefit from identification as an Enterprise Zone.

Mr. Gebhardt felt that the EDA should move forward with reallocation. Mr. Tingle stated that the EDA would suggest putting a group together to decide the best proposal for this matter and everyone concurred with a voice vote.

6. DISCUSSION ITEMS

a. Preparation for September 28 Joint BOS/EDA Work Session

In lieu of time constraints, Mr. Tingle stated the EDA would work on the strategy for their joint Board of Supervisors work session in September via e-mail.

b. Timbering of EDA Property at James River Commerce Center

Mr. Yavorsky updated the EDA on the timbering proposals. He stated that one bid had been placed and withdrawn, but that a new bid had been placed. The bid totaled \$25,000, which seems low, but Mr. Yavorsky stated that much of the forestry in JRCC is hardwood and pine pulpwood and thus not valuable.

Mr. Gebhardt asked if there was any sign of a rise or drop in timbering prices in the upcoming months. Mr. Yavorsky stated that there was no way of knowing. Mr. Gerhardt, who is familiar with timbering, added that it was impossible to tell.

The EDA briefly discussed the purpose of timbering and stated that it was first, to exercise good timbering practices and second, to provide access to the EDA's 70-acre site being marketed at James River Commerce Center.

This being said, Mr. Warner made a motion to accept the proposal, which was seconded by Mr. Pulley and approved unanimously by voice vote.

Mr. Yavorsky thanked the EDA for their discussion and decision and stated that Williamsburg Developments Inc is also timbering its site there.

c. Promotional Video for New Town/JCC

Mr. Yavorsky stated that OED and the EDA had been approached about participating in a promotional video for New Town. After discussion with the production company, OED decided that a JCC promotional video could be constructed for a modest additional fee as a follow-on to a promotional video about New Town. Mr. Yavorsky said that a video only about New Town was limited as a marketing tool for the County and EDA.

Mr. Yavorsky briefly reviewed suggested lengths of the videos and discussed the partners in the video. The JCC video will be 5 to 7 minutes in length and feature narration scripted for the OED audiences. Mr. Yavorsky stated he would assist in writing the script for the JCC video.

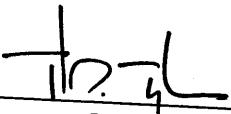
Mr. Warner asked about the monetary savings of the video by adding onto a video. Mr. Taylor stated that producing such a video without additional partners would be well over \$25,000.

Mr. Yavorsky and Mr. Tingle both stated that the EDA would contribute \$5,000 to the New Town video and OED would allocate up to \$7,000 to fund the JCC promotional video.

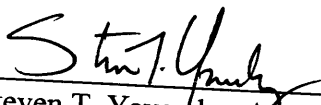
Mr. Warner made a motion to accept this as proposed, which was seconded by Mr. Montgomery and approved unanimously by voice vote.

7. **ADJOURNMENT**

There being no further business, Mr. Gebhardt made a motion to adjourn. The work session was adjourned at 10:17 AM.



Thomas G. Tingle, Chairman



Steven T. Yavorsky, Asst. Secretary