

MEETING 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, JULY 21, 2011**

1. CALL TO ORDER

The meeting was called to order by Chairman Tingle at 8:04 AM.

2. ROLL CALL

A roll call identified the following members present:

Ms. Leanne DuBois
Mr. Paul W. Gerhardt
Mr. Stephen Montgomery
Mr. Thomas G. Tingle
Mr. Marshall Warner

Also Present:

Ms. Laura Hayes, Intern, James City County
Mr. James Kennedy, Board of Supervisors Liaison
Mr. Adam Kinsman, EDA Counsel
Ms. Laura A. Messer, Recording Secretary, James City County
Mr. Russell Seymour, EDA Secretary

3. PERSONNEL MATTERS

Mr. Tingle introduced Mr. Tim Harris, the newest EDA director to be appointed by the BOS. Mr. Harris provided a brief biography stating that he was born in Portsmouth, graduated from William & Mary, and worked at LaTienda, a Harris family business. Mr. Harris stated he and his wife, Amy, have two children.

The EDA welcomed Mr. Harris onboard.

4. APPROVAL OF MINUTES

a. June 16, 2011

Mr. Tingle asked if there were any changes to the June 16 meeting minutes. Mr. Gerhardt noted some minor changes regarding the discussion of timbering. Ms. Messer noted these changes and stated that she would amend the minutes as discussed by the EDA. Mr. Montgomery made a motion to accept the minutes as amended, which was seconded by Mr. Warner and approved unanimously by voice vote.

5. FINANCIAL REPORTS

a. June Financial Report

Ms. Messer noted that Ms. Jenni Tomes, EDA Fiscal Agent, was out on sick leave and that Ms. Tara Woodruff was at home with a sick child. Ms. Messer stated that an invoice had been paid in the amount of \$1,600 for the joint Business Retention Expansion Industry afterhours event. The event occurred in May.

She stated that otherwise nothing other than the normal James City County Business and Technology Incubator revenue had been deposited and the monthly \$500 in legal fees had been paid.

Mr. Tingle asked about the Enterprise Zone funds that appeared to still not be reimbursed by JCC. Ms. Messer stated she would inquire with Ms. Woodruff.

There being no other discussion or questions, Mr. Montgomery made a motion to accept the financial reports. Mr. Gerhardt seconded the motion, which passed unanimously by voice vote.

6. ACTION ITEMS

a. Signing of Timbering Contract

Mr. Seymour reviewed the timbering contract for the final time and said that the EDA would need to vote to execute the contract.

Mr. Tingle asked Mr. Seymour to take a roll call vote:

Ms. DuBois	AYE
Mr. Gerhardt	AYE
Mr. Harris	AYE
Mr. Montgomery	AYE
Mr. Tingle	AYE
Mr. Warner	AYE

The EDA noted it would be important to notify James River Commerce Center and fellow tenants that the timbering would occur in next few months.

b. Approval of Grants (Business Assistance and E-commerce)

Mr. Seymour stated that there was \$5,000 available in e-commerce grant funds and \$51,000 available in business assistance program funds.

Mr. Seymour stated that there were two e-commerce grant applications and five business assistance programs applications. Mr. Seymour said that Ms. Kathryn Sipes was at a business conference, so he would review the e-commerce applications in her absence.

Biome-in-a-Box, a JCC company that produces educational products, had applied for a

\$1,500 e-commerce grant. The owner of Biome-in-a-Box, Ms. Gina Ridgway Bundy, had submitted a two proposals from vendors for website upgrades, with her selected vendor being NetSenses. The proposal for upgrades was \$4,800 including e-commerce features. After a brief discussion noting the successes of Biome-in-a-Box, the EDA unanimously approved Ms. Ridgway Bundy's grant in the amount of \$1,500.

The next applicant was Pennington Financial Group LLC. Pennington is located in the Busch Corporate Center and has been open for four and a half years. They do not currently have a website and had submitted a proposal from OurTown in the amount of \$4,534 and were requesting \$1,500 in e-commerce grant funding.

The EDA questioned the return on investment from Pennington Financial and decided to provide a lesser amount of funding due to the website being static and less interactive based on the proposal. The EDA voted unanimously in favor of providing Pennington Financial \$500 towards their website endeavor.

Mr. Montgomery questioned why the EDA does not process grants on a quarterly basis. He stated that he is a part of the grants committee for the Williamsburg Community Health Foundation and that processing grants on a quarterly basis provides more competition and a better investment. The EDA agreed this would be a good concept to add to the grant programs.

Mr. Gerhardt stated that he had a potential conflict of interest and would not be involved in the discussion or the vote with regard to an assistance request from MODU System as his firm has represented MODU System.

Mr. Seymour stated that five applications had been received for business assistance, but one applicant had decided to hold their application. The applicant choosing to hold their application was Capital Carpet Cleaning, who works with local hotels and is planning on purchasing new equipment. Mr. Seymour noted that he would let the EDA know when the application was able to be processed.

Mr. Seymour discussed the four business applications that had been submitted.

1. MODU System had applied for \$8,000 in business assistance funding. MODU is a JCCBTI graduate and has a location in Stonehouse Commerce Park. The company is planning to double the location size from 5,000 square feet to 10,000 square feet as well as add employees – one full-time and one part-time by December 2011.

The funds would be used to create a stronger marketing presence using a local marketing firm. MODU plans to spend a total of \$16,000 on expanding their marketing presence.

Staff recommended approval on this application.

2. Mrs. Bryant's Specialty Foods had applied for \$99,000 in business assistance funding. Mrs. Bryant's has opened a location in McLaws Circle and specialize in applesauce and the Virginia's Finest product line. They signed a seven year lease at the location and plan on hiring 6-8 additional positions.

Staff recommended that a smaller amount be approved and be used specifically for equipment. Mrs. Bryant's will provide both sales tax and machinery and tools tax to JCC. After a brief discussion, the EDA decided \$10,000 would be an adequate amount that would provide opportunity for growth.

3. Computer Concepts had applied for \$7,000 in business assistance. Computer Concepts is located in New Town and has four years left on their current lease. They currently have 14 on staff and intend to add an additional staff member. The funding would assist Computer Concepts in becoming an Epson-pro dealer and would help them to purchase equipment.

Computer Concepts focuses on selling and repairing equipment. The EDA questioned the return on investment, and a brief discussion on sales tax occurred.

Staff recommended approval in a smaller amount.

4. Brass Cannon Brewery was seeking funding to assist in the purchase of equipment including brewing machines. They are located in the upper part of JCC on Richmond Road. Brass Cannon is a start-up business.

During the application process, it had been noted that Brass Cannon had minor legal and financial issues that would need to be resolved prior to business assistance funds being awarded.

The EDA agreed that it was important to support microbreweries considering the success of other microbreweries in other jurisdictions.

After Mr. Seymour's descriptions of the business assistance applications, the EDA had a brief discussion and decided to vote on each applicant.

Mr. Montgomery made a motion to approve MODU Systems in the amount of \$8,000 to help expand the breadth of their marketing efforts. Mr. Harris and Mr. Gerhardt noted their abstentions in this vote due to conflict of interests. The motion was seconded by Mr. Warner and also approved by Ms. DuBois and Mr. Tingle.

Mr. Montgomery made a motion to approve Mrs. Bryant's Specialty Foods in the amount of \$10,000 for the purchase of equipment. It was seconded by Mr. Warner and approved unanimously by voice vote.

Mr. Montgomery made a motion to approve Computer Concepts in the amount of \$5,000 for the purchase of equipment. Ms. DuBois seconded the motion and it was approved unanimously by voice vote.

Mr. Warner made a motion to approve Brass Cannon Brewery in the amount of \$5,000 pending the resolution of any related issues. Mr. Montgomery seconded this motion and it was approved unanimously by voice vote.

Mr. Seymour thanked the EDA for their patience with grant matters.

- c. Owens-Illinois Performance-Based Agreement Amendment (PBA)

Mr. Seymour said that Owens-Illinois had called regarding their performance-based agreements. He reminded the EDA that all of the performance-based agreements were incentive-based and involved the upgrade of materials. The first and second performance-based agreements were signed in April 2009. The outlined tasks from the first PBA were now completed and O-I was requesting the dispersal of the incentive. Ms. Messer reminded the EDA that this agreement included the diversification of products at the Toano plant. She stated not only did O-I produce glass bottles, but also baby food jars.

Mr. Seymour said that in May 2010, the second performance agreement was amended and a third PBA was agreed upon.

Mr. Seymour stated that O-I was requesting to amend the second PBA to extend the timeframe.

Mr. Seymour reviewed the document, which simply moved the replacement of a furnace into a different quarter. He reminded the EDA that this was positive news because the plant continues to do well.

Mr. Warner made a motion to approve the amendment to the PBA, which was seconded by Mr. Montgomery and approved unanimously by voice vote.

7. DISCUSSION ITEMS

a. Business/Professional/Occupational License (BPOL)

Mr. Seymour reviewed the BPOL information that had been discussed at the May meeting and discussed potential changes in revenue projections if the current BPOL was revised. He discussed the marketing buzz that BPOL has, but stated the current BPOL was in alignment with other jurisdictions in the region.

He stated that the only change considered was to raise the minimum threshold for BPOL from its current \$100,000 to \$200,000.

The EDA briefly discussed the matter, but decided it was best to not make a recommendation for changing BPOL at this time.

b. Tracking of OED Activity

Mr. Seymour discussed OED's new activity reporting system and stated it provides a snapshot of OED's work. He briefly reviewed the June activity for OED.

Mr. Tingle questioned the difference between an inquiry and a project. Mr. Seymour stated that OED receives inquiries about available sites and land, but projects have submitted sites and/or land.

Mr. Seymour briefly reviewed the website analytics and said that in the future, OED will more closely review what companies visit the OED webpage.

Mr. Seymour stated that OED will also closely review data from the Commissioner of the Revenue regarding business openings and closing, as well as sales tax.

Mr. Tingle thanked Mr. Seymour for revitalizing and revising the OED monthly activity reports.

8. **REPORTS**

a. Board of Supervisors Liaison

Mr. Kennedy noted continued discussion of the Economic Opportunity Zone and briefly discussed Development Management.

b. Sports Committee


Mr. Montgomery told the EDA that one grant had been approved, and one was denied.

9. **ADJOURNMENT**

There being no further business, Mr. Montgomery made a motion to adjourn. The work session was adjourned at 10:16 AM.



Thomas G. Tingle, Chairman



Russell C. Seymour, Secretary