

MEETING MINUTES

**ECONOMIC DEVELOPMENT AUTHORITY (EDA)
OF JAMES CITY COUNTY (JCC)
101-D MOUNTS BAY ROAD
WILLIAMSBURG, VA 23185
8:00 AM, THURSDAY, NOVEMBER 8, 2012**

1. CALL TO ORDER

The meeting was called to order by Chairman Gerhardt at 8:03 AM.

2. ROLL CALL

A roll call identified the following members present:

Ms. Leanne DuBois
Mr. Paul W. Gerhardt, Chairman
Mr. Tim Harris
Mr. Stephen Montgomery
Mr. Marshall Warner

Also Present:

Ms. Cheryl Cochet, EDA Fiscal Agent
Ms. Laura Messer, Recording Secretary, JCC
Ms. Leslie Roberts, Partner, Dixon Hughes Goodman
Mr. Russell Seymour, EDA Secretary
Ms. Kathryn Sipes, Business Development and Retention Coordinator, JCC
Mr. Telly Tucker, EDA Assistant Secretary
Ms. Tara Woodruff, Director of Accounting, JCC

Absent:

Ms. Robin Carson, Director
Mr. Thomas G. Tingle, Director

3. MINUTES

a. October 11, 2012 Minutes

Mr. Gerhardt asked if there were any changes to the October 11 EDA meeting minutes. There being none, he asked for a motion to approve the minutes. Mr. Montgomery made a motion to approve the minutes, which was seconded by Ms. DuBois. It was approved unanimously by voice vote.

4. FINANCIAL STATEMENTS

a. October Financial Statements

Ms. Cochet discussed the expenditures in Period 4 (October 2013) stating that HREDA had paid their contribution to the event related to the Ladies Professional Golf Association (LPGA) at the Kingsmill Championship. She stated that the EDA had cashed in a Certificate of Deposit to increase cash flow.

Ms. Cochet discussed the expenditures and said these expenses were related to the monthly legal fees and the James City County Business and Technology Incubator management contract. She stated that Williamsburg Environmental Group had been paid for part of their work on the JRCC site and also the catering for the LPGA event had been paid. She also said that the majority of the financial audit had been paid.

Ms. Cochet said that both interest revenue and incubator fees had been collected.

Mr. Harris asked if it would be possible to get a year-to-date comparison of expenditures.

There being no more questions, Mr. Montgomery made a motion to approve the October financial report, which was seconded by Mr. Warner and passed unanimously by voice vote.

5. PRESENTATION

a. Annual EDA Financial Audit

Ms. Leslie Roberts, a partner of Dixon Hughes Goodman, discussed the annual EDA financial audit. She said that it was a full disclosure audit and noted several items of interest. She discussed the comparative information and changes and fluctuations throughout the year.

The EDA asked if they could ask questions during the presentation and Ms. Roberts agreed. The EDA inquired about the phrasing on page 5 of the audit of "total net assets" and Ms. Roberts discussed Mainland Farms and how it was now an asset to the EDA because the EDA owns the property.

Ms. Roberts discussed the Incubator and timbering as well as performance-based agreements including expenditures and revenue gained.

Ms. Roberts noted the William & Mary revenue bond that occurred in December 2011.

She stated that the EDA had a strong net asset position.

The EDA inquired about the shell building and website development as assets. The County takes a stance that websites are tangible assets, therefore for continuity the EDA will

consider the Office of Economic Development website an asset. The shell building site plan is valid, and therefore that, too, remains an asset.

Ms. Roberts said that many of the EDA's related-party contracts had been noted in this audit including the grants issued and the incubator management contract.

Ms. Roberts discussed the matured Certificates of Deposit and the reinvestment of them.

Ms. Roberts discussed that the audit was fully compliant and that there were not difficulties during the process and that County staff was all very helpful. She stated that there was one issue with the closing of a business which had been issued a grant, but said that the County is pursuing legal action on the matter.

Mr. Gerhardt noted the fraud prevention interview he had with Dixon Hughes Goodman.

There being no more questions, Mr. Gerhardt asked if there was a motion to approve the audit as presented. Mr. Montgomery made a motion to approve the presented audit, which was seconded by Mr. Harris and approved unanimously by voice vote.

The EDA thanked Ms. Roberts and she left.

The EDA had a brief discussion about the business closing that was discussed during the audit. Mr. Montgomery noted that the EDA should be notified of such closings.

6. REPORTS

a. Grants Committee

Mr. Warner noted there had been a community banker's forum organized by Ms. Sipes. He stated that six banks had participated and it looked as if each was going to contribute to a regional fund for businesses.

He stated that it would be meaningful to have such a regional pool and that it spread the risk. He said it would be a revolving loan fund, but more research needed to be done to see if other similar funds exist and the matter of who would administer the program.

Mr. Warner stated it was a positive effort and would produce some valuable positive public relations. He stated there would be another meeting in early December.

b. Miscellaneous Business

Mr. Montgomery noted the importance of knowing about business closings in the County. The EDA had a brief discussion on the closure of the Polo Club restaurant in Colony Square Shopping Center. Mr. Seymour stated it was a declining business issue and that OED was aware of the closing. He stated he planned to meet with other businesses in the Colony Square shopping center the following week.

Mr. Harris noted targeting food businesses as a potential sector moving forward. He stated that one of his companies had received lots of interest for food packaging and stated that it may be good to contact companies, because JCC is such an ideal ground shipping location.

Mr. Gerhardt noted the regional incubator being discussed at the December 11 Board of Supervisors (BOS) meeting.

There was a brief discussion on the Celebration of Business. The EDA noted the positive number of businesses in attendance. Mr. Gerhardt suggested a local food offering next year.

7. OED STAFF REPORT

Ms. Sipes began the staff report discussing the work on the EDA parcel in James River Commerce Center. She stated it appeared that 40 acres of the site were useable, however Dominion Power's potential line, that is now under public discussion, cuts diagonally across the property.

Ms. Sipes discussed the outcome of the new Mainland Farms contract stating that Mr. David Hula was the only proposal submitted. It was a simplified contract with two payment options: one as a flat fee and the other based on yield with potential for higher revenue. The review committee decided it was best to use the flat fee with a contract term of three years with potential to renew for an additional two years.

She briefly noted doing some positive public relations on Mainland Farms because it is the longest working farm in the country and Mr. Hula has such high corn yields. She also noted the potential to have a future fall corn maze at Mainland Farms since Mr. Hula was closing the corn maze at Renwood Farms in Charles City.

Mr. Seymour noted aerial photos were taken of Warhill Sports Complex and Stonehouse Commerce Park. He said that some video footage had also been taken. Both would be used in continued online marketing strategies.

Mr. Seymour noted that at the November 13 BOS meeting, there would be Resolutions of Appreciation presented to both Anheuser-Busch InBev and Ball Metal in honor of their 40th anniversaries in JCC. He stated that both companies had confirmed their attendance at the meeting.

Mr. Seymour stated that continued effort was being put into tourism and sports marketing from OED.

He noted a company came forward as a project and that they were seeking more space due to company growth.

The EDA thanked Ms. Sipes and Mr. Seymour for their updates.

8. **MISCELLANEOUS BUSINESS**

a. EDA Strategy

The EDA had a brief discussion about strategy. Mr. Montgomery noted that the EDA retreat had never been completed and it seemed that the EDA still needed a work plan with goals and strategies.

The EDA decided that it would be best to handle a retreat after the first of the new year and that it may be best to assign some research and planning to each director prior to the meeting. It was noted to hopefully use Mr. Ron Monarck again as the moderator.

Mr. Montgomery offered to host the meeting at Williamsburg Landing.

The EDA noted that December's meeting would have annual business including adoption of the proposed 2013 meeting calendar.

9. **ADJOURNMENT**

There being no more further business, Mr. Montgomery made a motion to adjourn. The meeting was adjourned at 9:46 AM.


Paul W. Gerhardt, Chairman


Russell C. Seymour, Secretary