

MEETING MINUTES

**ECONOMIC DEVELOPMENT AUTHORITY (EDA)
OF JAMES CITY COUNTY (JCC)
101-D MOUNTS BAY ROAD
WILLIAMSBURG, VA 23185
8:00 AM, THURSDAY, MARCH 14, 2013**

1. CALL TO ORDER

The meeting was called to order by Chairman Gerhardt at 8:02 AM.

2. ROLL CALL

A roll call identified the following members present:

Ms. Leanne DuBois (tardy)
Mr. Paul W. Gerhardt, Chairman
Mr. Tim Harris
Mr. Stephen Montgomery
Mr. Thomas Tingle
Mr. Marshall Warner, Vice Chair

Also Present:

Ms. Cheryl Cochet, EDA Fiscal Agent
Mr. Darryl Gosnell, President and CEO, HREDA
Mr. Chris Henderson, CEO, WindsorMeade
Mr. Jason Hooker, Economic Development Intern, JCC
Mr. Adam Kinsman, EDA Legal Counsel
Ms. Laura Messer, EDA Recording Secretary
Mr. David Richardson, McGuireWoods LLP, Bond Counsel for WindsorMeade
Ms. Kathryn Sipes, Business Development and Retention Coordinator, JCC
Mr. Russell Seymour, EDA Secretary
Mr. Telly Tucker, EDA Assistant Secretary

Absent:

Ms. Robin Carson, Director

3. MINUTES

a. February 14, 2013 Minutes

Mr. Gerhardt asked if there were any changes to the February 14, 2013 EDA meeting minutes. There being no changes, he asked for a motion to approve the minutes. Mr. Montgomery made a motion to approve the minutes, which was seconded by Mr. Tingle. It was approved unanimously by voice vote.

4. FINANCIAL STATEMENTS

a. February Financial Statements

Mr. Gerhardt asked Ms. Cochet for a financial update and she noted that industrial revenue bond fees had been miscoded and would be corrected in Period 9. She discussed the expenditures in Period 8 (February 2013) stating that incubator and interest revenue had been collected.

Ms. Cochet discussed the expenditures and said that they included monthly expenses of the JCCBTI management contract and legal fees. She stated that Enterprise Zone funds had been transferred from the General Fund. Ms. Cochet stated that the quarterly HREDA payment had been made as well as a payment to Virginians for High Speed Rail.

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

5. REPORTS

a. James City County Business and Technology Incubator Liaison

Mr. Gerhardt noted that there was a Regional Incubator Management Team meeting next week. He stated that Mr. Harris would be participating. Mr. Tingle inquired if it was about marketing the new regional incubator. Mr. Gerhardt responded that it was strategic planning for how the regional incubator would be run.

b. Skybox Committee

Mr. Tingle deferred to OED staff to provide a report of the Skybox planning. Mr. Seymour stated that a save the date e-mail had been sent to Skybox invitees. Mr. Seymour noted there would be a joint event like last year's Business Appreciation Event in Colonial Williamsburg. He said that JCC was this year's hosting jurisdiction and that the event would be held at Kingsmill Resort on Thursday, May 2 from 4-7pm.

Mr. Tingle asked if there was still funding in the joint account of the three EDAs and Ms. Sipes stated that there was still funding.

c. Real Estate Holdings

Mr. Tingle deferred to OED staff and Ms. Sipes stated that there had been continued consultant work on the EDA parcel in James River Commerce Center. She stated a meeting was being coordinated for next month.

Mr. Harris inquired about the long-term real estate plan. Mr. Seymour stated this would be discussed at the forthcoming EDA retreat as a component of the strategic plan.

Mr. Montgomery asked for an update on the Dominion Power access on the property that had been previously approved, and Mr. Tingle stated there was no news regarding this matter.

Mr. Tucker stated there had been numerous accounts of recent interest in the parcel from prospects.

d. Rural Economic Development Committee

Ms. DuBois noted that there was a lot of support for the Governor's Agriculture and Forestry Industries Development Fund grant. James City County had submitted an application at the beginning of March. Ms. Sipes stated that JCC had received seven letters of support for the grant application. She also stated there was a variety of positive press coverage.

Ms. DuBois noted that Mr. Andy Bradshaw, Board of Supervisor (BOS) for the Powhatan District had pulled the Resolution of Support from the February 26 BOS agenda in order to highlight the application.

6. PRESENTATION, PUBLIC HEARING, AND ACTION ITEM

Mr. Gerhardt introduced Mr. David Richardson from McGuire Woods and Mr. Chris Henderson from Virginia United Methodist of Williamsburg, Inc. Mr. Gerhardt stated that he serves as Secretary to the Board for Williamsburg Landing and as its General Counsel, so he would abstain from any further discussion to avoid any appearance of a conflict of interest. Mr. Montgomery also stated he would abstain as he serves as the CEO of Williamsburg Landing. Mr. Gerhardt asked Mr. Warner to lead the discussion.

Mr. Richardson briefed the EDA on the WindsorMeade facility and the financial situation of WindsorMeade then let Mr. Henderson provide further explanation. WindsorMeade is a continuing care retirement community in JCC. In January, WindsorMeade sent notice to James City County's EDA, who issued the original bonds in 2007 that it had defaulted on loan payments. WindsorMeade is filing for Chapter 11 to restructure its debt, following a plan agreed to by the debt holders. According to VUMHW, the restructuring will allow the facility to remain open and residents will see no effect from the bankruptcy or the restructuring of debt.

Mr. Richardson stated that the documents should be closed by May 31, 2013.

Mr. Richardson asked if there were any questions regarding this matter. Mr. Warner asked about the dollar amount of the restructured debt and Mr. Richardson said including fees, it would be no more than \$50 million. Mr. Richardson continued and said that following Chapter 11 bankruptcy, \$15 million of the previous debt would be written off.

There being no questions for WindsorMeade, Mr. Warner asked Mr. Adam Kinsman, EDA Legal Counsel, for his advisement on the matter. Mr. Kinsman said that approval will allow VUMHW to restructure its previous debt by issuing new bonds at a lower amount and interest rate. There will be no liability of the EDA from passing of this resolution. He noted that the fee option was not checked in the application and Mr. Henderson stated WindsorMeade had not yet decided which option it would like to take.

Mr. Tingle made a motion to approve the resolution, which was seconded by Ms. DuBois and approved by a roll call vote:

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

Mr. Richardson and Mr. Henderson thanked the EDA for their time.

7. **DISCUSSION ITEM**

a. Hampton Roads Economic Development Alliance (HREDA) Update

Mr. Gerhardt introduced Mr. Darryl Gosnell, President and CEO of HREDA.

Mr. Gosnell thanked the EDA for inviting him to provide an update. He reviewed the regional focus of HREDA. He stated that there are many benefits to HREDA including HREDA participating in marketing trips that localities may not be able to fund. He stated that there are a variety of research databases that are accessible and beneficial to the jurisdictions involved with HREDA.

Mr. Gosnell reviewed a recent trip to Spain and the follow-up for that resulted in a visit by a company to Hampton Roads. He stated that the company was looking at properties in Florida, Texas, and Hampton Roads.

Mr. Gosnell stated that HREDA receives public and private investments. He reminded the EDA that investments for localities are based on per capita. The EDA inquired how much of their funding is private and Mr. Gosnell estimated it around \$1 million.

Mr. Gosnell stated that HREDA participates in quarterly breakfasts with the Virginia Economic Development Partnership (VEDP). Mr. Gosnell explained that HREDA had been working on creating a more positive relationship with VEDP.

Mr. Gosnell noted that there was a new focus on office space users. He stated HREDA was working with local brokers to focus on recruiting office users. He stated that last year there

were 600 office space transactions in Hampton Roads, the majority of which were 5,000 SF or less.

The EDA had a brief discussion about the percentage of commuters both in and out of JCC in relation to the vitality of the regional economy. Approximately 60% of JCC residents leave JCC to work. The EDA noted that it may be positive to discuss this aspect in their scheduled retreat in two weeks. Mr. Gosnell discussed how industry sectors tie into this including stating that advanced manufacturing was not always a fit for the region. He stated that half of the activity is international because of the Port of Virginia.

Mr. Montgomery asked for three weaknesses of the region. Mr. Gosnell responded that image remained an issue. He said people do not know where Hampton Roads is. He continued and said that Hampton Roads is not a low cost area and that the region is competitive with incentives because of a quality over quantity mentality. Mr. Gerhardt asked if transportation was an issue and Mr. Gosnell said he did not feel it was.

Mr. Gosnell added that HREDA was working on building supplier relationships as a lead generator.

Mr. Tingle asked who the private investment funders for HREDA were. He stated it was a variety of banks and 5 law firms with the lowest investment of \$2,500.00. Mr. Gosnell reminded the EDA that HREDA is not a Chamber of Commerce or a Tourism Alliance. He stated that there were no networking opportunities or services offered. He stated this was why more businesses did not participate.

Mr. Gosnell briefly updated the EDA on VEDP, specifically staffing changes within the existing business and retention department.

Mr. Tingle noted that it was good to look at office space users and stated it was a good catalyst for JCC. He said that this was a great opportunity for JCC.

Mr. Gosnell reviewed activity stating that HREDA has about 50 visits annually with five announcements being made. He stated all localities received the inquiries that come into HREDA.

The EDA thanked Mr. Gosnell for the update.

8. STAFF REPORT

Mr. Seymour began the OED staff report. He briefly discussed the Business Appreciation Event that would be held at Kingsmill Resort on Thursday, May 2 from 4-7 PM.

He discussed tourism and how another hotel and timeshare meeting had been held. He discussed tourism numbers and noted that the Tourism Committee would be meeting again next week. Mr. Harris asked about funding for the tourism initiatives. Mr. Seymour responded that funding for tourism initiatives was coming from what had been pulled from

the contribution to the Greater Williamsburg Chamber and Tourism Alliance. He stated that the Tourism Committee would be working with County Administration to decide on the proper initiatives.

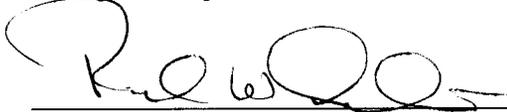
Mr. Seymour said that REV3 would be planning a family event in New Town during the weekend of their event.

He noted that OED Staff would be participating in SEcon at the College of William & Mary. He stated that it was a Social Entrepreneurship Conference.

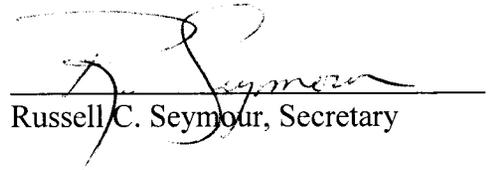
Mr. Seymour reminded the EDA of the forthcoming EDA retreat on March 29 from 8 AM - 12 PM. Mr. Harris asked about the agenda and whether or not it would be beneficial to have someone from HREDA participate in sector discussion. The EDA briefly discussed this matter.

9. **ADJOURNMENT**

There being no more further business, Mr. Montgomery made a motion to adjourn. The meeting was adjourned at 9:34 AM.



Paul W. Gerhardt, Chairman



Russell C. Seymour, Secretary