

MINUTES
JAMES CITY COUNTY ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING

March 21, 2023
4:00 PM

A. CALL TO ORDER

Ms. Gajda called the meeting to order at 4:00 p.m.

ADOPTED

B. ROLL CALL

APR 18 2023

Ellen Smith Gajda, Chair
Lynn Meredith, Vice Chair
Vince Campana
Rebecca Mulvain
Brandon Nice
William Turner

Absent:

Joe Stanko

Also Attending:

Christopher Johnson, Economic Development Authority (EDA) Secretary
Jeff Wiggins, EDA Fiscal Agent
Cameron Boone, Assistant Treasurer
Jason Purse, Assistant County Administrator

C. APPROVAL OF MINUTES

1. Minutes Adoption - January 17, 2023

A motion to Approve was made by Lynn Meredith; motion Passed.

AYES: 6 NAYS: 0 ABSTAIN: 0 ABSENT: 1

Ayes: Campana, Gajda, Meredith, Mulvain, Nice, Turner

Absent: Stanko

2. Minutes Adoption - February 21, 2023

A motion to Approve was made by William Turner; motion Passed.

AYES: 6 NAYS: 0 ABSTAIN: 0 ABSENT: 1

Ayes: Campana, Gajda, Meredith, Mulvain, Nice, Turner

Absent: Stanko

D. FINANCIAL REPORTS

1. February Financial Reports

A motion to Approve was made by Lynn Meredith; motion Passed.

AYES: 6 NAYS: 0 ABSTAIN: 0 ABSENT: 1

Ayes: Campana, Gajda, Meredith, Mulvain, Nice, Turner

Absent: Stanko

Mr. Wiggins presented the revenue and expense reports and informed the EDA the cash balance was approximately \$752,000. He noted that the revenue report reflected the reduced January rent payment from Billsburg Brewery approved by the EDA at the February meeting.

E. CLOSED SESSION

There was no Closed Session.

F. NEW BUSINESS

1. Investment Options

Mr. Johnson introduced Mr. Cameron Boone, Assistant Treasurer for James City County.

Mr. Boone provided an overview of the Local Government Investment Pool (LGIP) program for public entities in the Commonwealth, administered by the Virginia Department of the Treasury. The program offers two professionally managed investment portfolios that comply with the Investment of Public Funds Act. Both investment portfolios offer public finance officials the benefits of large-scale institutional investment management provided by the Investment Division of the State Treasurer's Office. Mr. Boone also highlighted Certificates of Deposit and traditional money market accounts available through Towne Bank as two other options.

Mr. Turner asked if the principal in a LGIP account is insured up to \$250,000 and what management fees would be associated with a LGIP account.

Mr. Boone stated that all funds must be insured and secured and public entities such as the EDA would not be subject to paying an annual management fee. He added that while the County and other fiscal agencies do not record the deduction of interest earned as a "fee", the LGIP does in fact reduce interest earnings as a management fee.

Mr. Campana asked how interest earnings would be taxed and whether there are any early withdrawal penalties.

Mr. Boone stated that public funds and interest earned are considered accounting transfers between accounts and not subject to tax. He added that there is no penalty for withdrawing funds but there is a minimum balance of \$1,000 that must be maintained to keep the account active.

Mr. Johnson stated that no vote needed to be taken on this matter. When the draft budget is presented to the EDA for consideration, a decision can be made to appropriate funds in the Fiscal Year 2024 budget toward one of these investment options.

2. Williamsburg-Jamestown Airport Facility Expansion

A motion to Approve drafting a Memorandum of Understanding explaining the parameters of an Incentive Agreement for an amount not to exceed \$100,000 between the EDA and the Williamsburg-Jamestown Airport for development of additional T-hangars was made by Rebecca Mulvain; motion Passed.

AYES: 6 NAYS: 0 ABSTAIN: 0 ABSENT: 1

Ayes: Gajda, Meredith, Campana, Mulvain, Nice, Turner

Absent: Stanko

Mr. Johnson introduced Mr. Jason Purse, Assistant County Administrator, who provided an overview of an opportunity for the EDA to utilize \$100,000 of cash reserves to serve as an incentive grant to the Williamsburg-Jamestown Airport to encourage the development of additional T-hangars. He noted the additional hangars will generate personal property revenue for the County which County Administration and the Board of Supervisors have conceptually blessed as a revenue stream for the EDA.

Mr. Turner asked how the use of EDA cash reserve funds would produce a revenue stream that would justify the incentive grant.

Mr. Johnson stated that based on communication with the Commissioner of the Revenue, every airplane housed at the Airport is assessed a personal property tax bill annually at \$4 per \$100 of assessed value. For every \$100,000 in assessed value, the County receives \$1,000 in revenue so a T-hanger capable of housing 18 airplanes of even modest value returns \$18,000-\$20,000 in revenue annually. With a waiting list of approximately 70 airplanes, Airport Owner Mr. Larry Waltrip hopes to develop several additional T-hangers beyond the one currently under construction. The tax revenue for those 70 planes on the waiting list is currently received by the localities where the planes are housed, not where the owner resides. If the EDA supports use of \$100,000 of cash reserves as an economic incentive to spur the construction of additional T-hangers and County Administration and the Board of Supervisors agree to support providing the net increase in personal property tax revenue to the EDA in return for offering the incentive to the Airport, the revenue would reimburse the incentive over a 4-5 year period and provide a new revenue source going forward.

Mr. Turner stated that the proposal may necessitate two agreements, one between the Airport and the EDA in the form of a forgivable loan with certain performance requirements for construction of T-hangars within a certain period and a second agreement between the EDA and the County regarding revenue sharing.

Mr. Purse responded that the Board of Supervisors cannot enter into an agreement that would obligate a future Board to contribute Airport-related personal property tax revenues to the EDA, but County Administration has consulted with the current Board of Supervisors and is supportive of the proposal to reimburse the EDA for the amount of the incentive and establish a new revenue stream going forward.

Ms. Meredith asked whether the proposed agreement would include a requirement that verified that the recipient was current on their tax payments with the County and in good standing with the County Attorney with no pending legislation.

Mr. Johnson stated that the requirement placed upon applicants for the Small Business Relief Grant Program was that they possess a current business license, be current on their tax payments, and not have any legal matters pending against the County. Those requirements were not a part of the Department of Housing and Community Development grant program but were added as requirements by the County to establish that recipients were in good standing and not seeking funds to repay obligations owed to the County.

Mr. Purse stated that the obligation that Mr. Waltrip owes to the County is tied to the property located on Lake Powell Road. The agreement that would be established for the proposed incentive would be between the EDA and the Airport, not Mr. Waltrip.

Mr. Campana asked in the absence of an agreement between the County and the EDA to reimburse the outgoing incentive with personal property tax revenue how the EDA justifies the agreement to provide the incentive to the Airport.

Mr. Purse stated that all revenue belongs to the County whether it comes through the Treasurer or is paid to the EDA and County Administration always retains the ability to make modifications if economic conditions warrant such a change.

Mr. Campana asked how the agreement could be memorialized to make it clear to the public or another business that requests assistance what the purpose of the incentive agreement was in this case and clarifies what the expectation was for reimbursement from revenues generated by Airport-related personal property taxes.

Ms. Meredith stated that the proposed incentive agreement represents a new avenue for the EDA to help stimulate economic growth and the EDA wants to be fair and equitable in how this agreement is established and the criteria that would be used if a dedicated funding stream were established in the EDA budget.

Mr. Purse responded that the conversations that have occurred between County Administration and the Board of Supervisors demonstrated that there was support for this incentive to help spur economic development that will produce measurable new development and revenues for a strategic business in a targeted market sector.

Ms. Meredith suggested that it would be advantageous for the EDA to create a document such as a Memorandum of Understanding to clearly spell out the terms, conditions, and expectations for consideration of other potential incentive agreements in the future.

Mr. Purse stated that the amount of revenue that is anticipated to be generated from a \$100,000 incentive agreement, once the agreement is fully reimbursed, is unlikely to result in the Board of Supervisors opposing it being used by the EDA to fund future grant programs or other programs that the EDA funds annually in its adopted budget.

Ms. Mulvain asked if the additional T-hangars and airplanes stored at the Airport indicated that the runway would be extended in the future.

Mr. Johnson responded that the Airport runway length limits the size of the aircraft that can use the facility. Federal Aviation Administration (FAA), Board adopted Master Plan and Special Use Permit conditions, and a myriad of other factors make it highly unlikely that the runway would be extended to accommodate larger aircraft.

Mr. Campana asked if there were any plans in place to renovate the old Marina located on the Airport property or develop residential housing that allowed residents to park their plane adjacent to their home.

Mr. Johnson stated that the Marina renovation was unlikely given current FAA regulations and Environmental requirements. The residential project has been discussed in the past with County officials but does not appear likely to move forward.

Ms. Mulvain asked when construction of additional T-hangars would commence.

Mr. Johnson stated that construction is already underway for one T-hangar and the hope is that an incentive agreement could spur the development of additional T-hangars.

Mr. Turner requested that the Fiscal Year 2024 draft budget be prepared to provide two options; one to appropriate funds toward an Incentive Agreement for the Airport and one without the appropriation.

Mr. Wiggins stated that an appropriation would only be necessary if Fiscal Year 2023 funds were going to be used as those funds are unallocated at the present time.

G. OLD BUSINESS

There was no old business.

H. LIAISON REPORTS

There were no liaison reports.

I. DIRECTOR'S REPORT

Mr. Johnson referred to the report in the Agenda Packet noting two items regarding the Annual Meeting of the Hampton Roads Alliance and the Policy Committee meeting regarding ranking County projects included in the Capital Improvements Program.

J. UPCOMING DATES OF INTEREST

Mr. Johnson mentioned that the Grand Opening for the Virginia Peninsula Community College Trades Center is scheduled for Thursday, April 13 at 9:00 a.m. at 236 Industrial Boulevard in the Jacob's Industrial Center in Toano. Mr. Johnson also mentioned the Annual Business Appreciation Event which is hosted by the EDAs of the City of Williamsburg, York County, and James City County. This year's event will be held on Tuesday, May 16 from 5:00-7:00 p.m. at Precarious Beer Project, 110 S. Henry Street in Williamsburg.

K. ADJOURNMENT

A motion to Adjourn was made by Vince Campana; motion Passed.


AYES: 6 NAYS: 0 ABSTAIN: 0 ABSENT: 1

Ayes: Gajda, Meredith, Campana, Mulvain, Nice, Turner

Absent: Stanko

1. Adjourn until April 18, 2023

At approximately 4:59 p.m., Ms. Gajda adjourned the Authority.



Christopher Johnson, Secretary
Economic Development Authority



Ellen Smith Gajda, Chair
Economic Development Authority