

MINUTES
JAMES CITY COUNTY ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING

April 18, 2023
4:00 PM

A. CALL TO ORDER

Ms. Gajda called the meeting to order at 4:02 p.m.

B. ROLL CALL

Ellen Smith Gajda, Chair
Lynn Meredith, Vice Chair
Rebecca Mulvain
Joe Stanko
William Turner

Absent:

Vince Campana
Brandon Nice

Also Attending:

Christopher Johnson, Economic Development Authority (EDA) Secretary
Jeff Wiggins, EDA Fiscal Agent
Sue Sadler, Board of Supervisors' Liaison to the EDA – via phone
Adam Kinsman, EDA Counsel
Cameron Boone, Assistant Treasurer

ADOPTED
AUG 15 2023

C. APPROVAL OF MINUTES

1. Minutes Adoption - March 21, 2023

Mr. Johnson stated that draft minutes from the March 21, 2023, meeting included in the Agenda Packet referenced traditional money market accounts available through Old Point National Bank as an investment option. The correct financial institution should have been TowneBank and recommended that a motion include the amendment.

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

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 2

Ayes: Gajda, Meredith, Mulvain, Stanko, Turner

Absent: Campana, Nice

D. FINANCIAL REPORTS

1. March Financial Reports

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

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 2

Ayes: Gajda, Meredith, Mulvain, Stanko, Turner

Absent: Campana, Nice

Mr. Wiggins presented the revenue and expense reports and informed the EDA the cash balance was approximately \$749,500. He stated that the only expense for the month was the James River Commerce Center Association dues for 2023.

E. CLOSED SESSION

Mr. Kinsman stated that his update on the status of the real estate contract for the sale of EDA-owned property at 8930 Columbia Drive did not warrant entering Closed Session. He explained that the contract purchaser had requested a title exception be cleared before setting a closing date. The exception request involved a 2005 land swap with the adjacent Ball Metal property for 0.624-acres that was identified on a recorded plat, not by a recorded deed. Because a small portion of the 0.624-acre property is subject to the sales contract, title researchers requested that a Deed of Exchange be recorded to clear the exception.

Mr. Stanko asked whether the area that is subject of the exception request would impact or limit the contract purchaser from operating on the subject property.

Mr. Kinsman stated that the 0.624-acre area was on the perimeter of the property and would not have an impact on any proposed area of construction.

Ms. Gajda asked if the contract purchaser would need to obtain title insurance with an exception if the Deed of Exchange with Ball Metal is not executed and recorded.

Mr. Kinsman stated that was correct. He added that the contract purchaser's counsel is correct in stating that the proper way to clear the exception is by recording either a Deed of Exchange or a Quit Claim Deed. The sales contract is months past its second extension date and there is no guarantee that the exception request will be resolved in a timely manner to issuing a Notice of Default, per the approved contract, is warranted. The contract purchaser would still have 30 business days to cure or proceed to closing with the title exception request unresolved.

F. NEW BUSINESS

1. EDA Fiscal Year 2024 Proposed Budget

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

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 2

Ayes: Gajda, Meredith, Mulvain, Stanko, Turner

Absent: Campana, Nice

Mr. Johnson presented the proposed budget for consideration and explained the minor changes that had been proposed from the Fiscal Year 2023 adopted budget, specifically noting the increased bond revenue and the inclusion of funds in the Promotion line item for sponsorship of a golf tournament at Kingsmill.

Mr. Turner noted that the proposed budget does not include any interest revenue and asked for an update on the status of the options available to the EDA to transfer the cash balance to an interest-bearing investment.

Mr. Wiggins stated that the EDA would need to approve the creation of an investment account, determine the rate of return, and then make an amendment to the adopted budget at a later date.

Mr. Johnson stated that the next item on the Agenda is the establishment of an account which will address the absence of interest revenue in the proposed budget.

Mr. Boone summarized the investment options available to the EDA and referenced the attachment that was included in the Agenda Packet regarding the Local Government Investment Pool (LGIP). He stated that the rate of return was approximately 4.8%.

Mr. Stanko stated that the cash balance should all be moved to an investment account and both the FY23 and FY24 budgets should be amended to reflect the interest as revenue.

Ms. Mulvain asked if the Marina property revenue was all revenues generated on the property.

Mr. Wiggins responded that only revenue from the Billsburg Brewery lease is included in the proposed FY24 budget.

Ms. Meredith asked if Bond Fee Revenue is based on existing bonds or anticipated bond activity in FY24.

Mr. Wiggins stated that the amount listed in the proposed FY24 budget is from existing bonds for Christopher Newport University and Virginia United Methodist Homes of Williamsburg, Inc.

Mr. Stanko asked how the EDA solicits or is made aware of new bond issuance opportunities.

Mr. Johnson stated that projects that require the issuance of bonds contact Economic Development staff who in turn notify County Administration and Financial and Management Services to determine the capacity and interest of the Board of Supervisors in supporting the proposal. He added that projects do not have to be located in James City County for the EDA to approve a bond issuance request. Word of mouth among the law firms which do bond issuance work and the reputation of the localities Board of Supervisors and Williamsburg City Council, and its EDA based on prior bond requests is a key factor in where developers choose to file their applications.

Ms. Gajda asked how much of the unallocated funds listed under the Contingency line item should be moved to Business Assistance.

Mr. Johnson stated that the amount that was discussed moving to Business Assistance was \$10,000, leaving \$18,324 in Unallocated Funds under the Contingency line item.

Mr. Turner stated that having \$20,000 in Business Assistance was on par with the adopted FY23 budget.

2. LGIP

A motion to Approve was made by Rebecca Mulvain; motion Passed.

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 2

Ayes: Gajda, Meredith, Mulvain, Stanko, Turner

Absent: Campana, Nice

Mr. Wiggins said that the EDA would need to establish an LGIP account and determine how much of the cash balance should be transferred.

Mr. Stanko stated that the entire cash balance of \$749,500 should be the initial investment because there are no penalties for withdrawals and requests only require 24-hour notice.

Ms. Meredith asked if any portion of the cash balance was needed for monthly cash flow needs during the month of July 2023.

Mr. Wiggins stated that the Launchpad and START Peninsula sponsorships are both typically invoiced at the beginning of each fiscal year and recommended leaving \$50,000 in the cash balance and transferring the remainder to the LGIP account once it has been setup.

Ms. Mulvain stated that transferring \$700,000 as an opening deposit would allow enough cash flow to cover payments due early in FY24.

G. OLD BUSINESS

1. Williamsburg-Jamestown Airport Incentive

A motion to Approve a \$100,000 incentive was made by Joe Stanko; motion Passed.

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 2

Ayes: Gajda, Meredith, Mulvain, Stanko, Turner

Absent: Campana, Nice

Mr. Johnson summarized the March EDA meeting discussion with Assistant County Administrator Jason Purse regarding a potential incentive intended to spur construction of additional T-hangars at the Williamsburg-Jamestown Airport. He added that the Office of Economic Development and the County Attorney have not had the opportunity to prepare a draft MOU to memorialize the parameters discussed at the previous meeting.

Mr. Wiggins stated that the previous motion to approve the transfer of \$700,000 to an EDA LGIP account, when it has been created, could be amended to include the allocation of \$100,000 of the account balance as the source of an incentive to the Airport.

Mr. Johnson said that County Administration has solicited feedback from the Board of Supervisors and support for the incentive to the Airport and is willing to support Personal Property Tax revenues derived from airplanes housed in the T-hangar expansions to be returned to the EDA to reimburse the incentive and provide an additional revenue source once the incentive has been repaid in full.

Mr. Stanko asked Mr. Kinsman if he was able to draft a Performance Agreement to memorialize the discussed incentive payment and reimbursement proposal.

Mr. Kinsman stated that his office has done many similar agreements and he could prepare a draft which would protect the EDA and its monetary interests.

Mr. Stanko asked if Mr. Larry Waltrip had requested financial assistance from the County or EDA for the proposed Airport expansion.

Mr. Johnson stated that Mr. Waltrip had discussed his planned expansion of the additional T-hangars with County Administration during the Celebration of Business Event in November 2022 but had not requested financial assistance.

Ms. Mulvain suggested that having a Performance Agreement in hand when County Administration approached Mr. Waltrip would help expedite a decision regarding adding additional T-hangars.

Ms. Meredith stated that it would be a good idea for the EDA to have an Incentive Program MOU drafted which spells out the terms for expected capital investment thresholds that would need to be met for the EDA to consider incentives going forward.

Mr. Kinsman stated that the EDA had done microloans and angel investments to prospective businesses in years past and those agreements lost more money than they generated and chasing the businesses to pay the funding back was taxing for staff.

Mr. Turner stated that the risk to the EDA is incurred during the construction phase if the funding is provided up front and the Airport does not move forward with adding additional T-hangars.

Mr. Johnson suggested that the EDA support the \$100,000 incentive to the Airport subject to a Performance Agreement for the purposes of adding additional T-hangars at the Airport and allow the timing of the incentive be determined by the outcome of the discussion between County Administration and Mr. Waltrip and agreement on the proposed terms.

Mr. Stanko stated support for the provision of an incentive to a maximum of \$100,000 subject to a Performance Agreement between the EDA and the Airport for the purpose of expanding the T-hangars.

H. LIAISON REPORTS

There were no liaison reports.

I. DIRECTOR'S REPORT

Mr. Johnson referred to the report in the Agenda Packet.

J. UPCOMING DATES OF INTEREST

Mr. Johnson mentioned that the Business Appreciation Event at Precarious Beer Project in the City of Williamsburg was scheduled for May 16 from 5-7 p.m.

K. ADJOURNMENT

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

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 2

Ayes: Gajda, Meredith, Mulvain, Stanko, Turner

Absent: Campana, Nice

1. Adjourn until May 16, 2023

At approximately 5:17 p.m., Ms. Gajda adjourned the Authority.



Christopher Johnson, Secretary
Economic Development Authority



Ellen Smith Gajda, Chair
Economic Development Authority