

A G E N D A
JAMES CITY COUNTY ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING
101 Mounts Bay Road, Bldg. D
April 18, 2023
4:00 PM

A. CALL TO ORDER

B. ROLL CALL

C. APPROVAL OF MINUTES

1. Minutes for Approval, March 21, 2023

D. FINANCIAL REPORTS

1. Financial Reports

E. CLOSED SESSION

1. Closed Session in accordance with Virginia Code Section 2.2-3711.A(3), discussion or consideration of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body; and 2.2-3711.A(8), consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel pertaining to the properties located at 8915, 8925, and 8930 Columbia Drive.
2. Closed Session Certification

F. NEW BUSINESS

1. EDA FY24 Proposed Budget
2. LGIP Investment

G. OLD BUSINESS

1. Williamsburg-Jamestown Airport Incentive

H. LIAISON REPORTS

I. DIRECTOR'S REPORT

1. Director's Report

J. UPCOMING DATES OF INTEREST

1. Business Appreciation Event - Tuesday, May 16, 5:00-7:00 p.m., Precarious Beer Hall, 110 S. Henry Street, Williamsburg

K. ADJOURNMENT

ITEM SUMMARY


DATE: 4/18/2023

TO: The Economic Development Authority

FROM: Christopher M. Johnson, Director of Economic Development

SUBJECT: Minutes for Approval, March 21, 2023

ATTACHMENTS:

	Description	Type
	Minutes for Approval	Cover Memo

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development	Johnson, Christopher	Approved	4/14/2023 - 4:07 PM

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.

B. ROLL CALL

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 Old Point National 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 or having fees be deducted from interest earnings.

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

ITEM SUMMARY

DATE: 4/18/2023

TO: The Economic Development Authority

FROM: Christopher M. Johnson, Director of Economic Development

SUBJECT: Financial Reports

ATTACHMENTS:

	Description	Type
▣	Financials Expense Report	Cover Memo
▣	Financials Revenue Report	Cover Memo
▣	Financials Balance Sheet	Cover Memo

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development	Johnson, Christopher	Approved	4/14/2023 - 4:08 PM

YEAR-TO-DATE BUDGET REPORT

FOR 2023 09

ACCOUNTS FOR: 300	EDA							
ORIGINAL	APPROP	REVISED	BUDGET	YTD EXPENDED	MTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
259 EDA Operating								
300-259-0200-				Advertising				
	550.00	550.00		516.00	0.00	0.00	34.00	93.8%
300-259-0205-				Promotion				
	46,900.00	46,900.00		10,825.40	0.00	0.00	36,074.60	23.1%
300-259-0220-				Travel And Training				
	1,000.00	1,000.00		0.00	0.00	0.00	1,000.00	.0%
300-259-0235-				Annual Audit				
	11,000.00	11,000.00		11,210.00	0.00	0.00	-210.00	101.9%
300-259-0319-				Office Supplies				
	200.00	200.00		0.00	0.00	0.00	200.00	.0%
300-259-0702-				Bad Debt Expense				
	0.00	0.00		13,028.00	0.00	0.00	-13,028.00	100.0%
300-259-5900-				Regional Econ Devel Support				
	34,500.00	34,500.00		34,500.00	0.00	0.00	0.00	100.0%
300-259-5902-				VA High Speed Rail				
	1,000.00	1,000.00		0.00	0.00	0.00	1,000.00	.0%
300-259-5903-				James River Commerce Ctr-Ops				
	14,800.00	14,800.00		9,117.79	9,117.79	0.00	5,682.21	61.6%
300-259-5904-				Mainland Farm Oper Expenses				
	100.00	100.00		0.00	0.00	0.00	100.00	.0%
300-259-5913-				Small Business Assistance				
	10,000.00	20,000.00		10,000.00	0.00	0.00	10,000.00	50.0%
300-259-5915-				Marina Property				
	101.00	101.00		0.00	0.00	0.00	101.00	.0%
300-259-5918-				Contingency				
	34,544.00	24,544.00		0.00	0.00	0.00	24,544.00	.0%
TOTAL EDA Operating								
	154,695.00	154,695.00		89,197.19	9,117.79	0.00	65,497.81	57.7%
TOTAL EDA								
	154,695.00	154,695.00		89,197.19	9,117.79	0.00	65,497.81	57.7%
TOTAL EXPENSES								
	154,695.00	154,695.00		89,197.19	9,117.79	0.00	65,497.81	

YEAR-TO-DATE BUDGET REPORT

FOR 2023 09

ORIGINAL APPROP	REVISED BUDGET	YTD EXPENDED	MTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
GRAND TOTAL 154,695.00	154,695.00	89,197.19	9,117.79	0.00	65,497.81	57.7%
** END OF REPORT - Generated by Jeffrey Wiggins **						

YEAR-TO-DATE BUDGET REPORT

FOR 2023 09

ACCOUNTS FOR: 300 EDA				REMAINING REVENUE	% COLL	
ORIGINAL	ESTIM REV	REVISED ESTIM REV	ACTUAL YTD REVENUE			ACTUAL MTD REVENUE
308 Charges For Services						
300-308-3400-			Lease Income			
	-14,725.00	-14,725.00	-14,725.00	0.00	0.00 100.0%	
TOTAL Charges For Services						
	-14,725.00	-14,725.00	-14,725.00	0.00	0.00 100.0%	
309 Miscellaneous						
300-309-3970-			Marina Property			
	-69,220.00	-69,220.00	-48,829.67	-5,796.37	-20,390.33 70.5%	
300-309-3972-			Bond Fee Revenue			
	-70,750.00	-70,750.00	-69,296.64	0.00	-1,453.36 97.9%	
TOTAL Miscellaneous						
	-139,970.00	-139,970.00	-118,126.31	-5,796.37	-21,843.69 84.4%	
TOTAL EDA						
	-154,695.00	-154,695.00	-132,851.31	-5,796.37	-21,843.69 85.9%	
TOTAL REVENUES						
	-154,695.00	-154,695.00	-132,851.31	-5,796.37	-21,843.69	

YEAR-TO-DATE BUDGET REPORT

FOR 2023 09

ORIGINAL ESTIM REV	REVISED ESTIM REV	ACTUAL YTD REVENUE	ACTUAL MTD REVENUE	REMAINING REVENUE	% COLL
GRAND TOTAL					
-154,695.00	-154,695.00	-132,851.31	-5,796.37	-21,843.69	85.9%
** END OF REPORT - Generated by Jeffrey Wiggins **					

BALANCE SHEET FOR 2023 9

FUND: 300 EDA			NET CHANGE FOR PERIOD	ACCOUNT BALANCE
ASSETS				
300401	0000	General Cash	-3,321.42	749,538.20
300413	8250	Misc Receivables	.00	32,045.25
300415	8275	Lease Receivable	.00	743,088.90
300415	8276	Lease Interest Receivable	.00	3,461.56
300455	0814	Land Improvements	.00	237,988.25
300455	0815	Land	.00	710,794.67
300455	0819	Buildings	.00	290,094.53
300455	0820	Accum Deprec-Buildings	.00	-33,876.81
300455	0831	Infrastructure	.00	182,379.34
300455	0832	Accum Deprec-Infrastructure	.00	-29,124.54
300455	0837	Accum Deprec-Land Improvements	.00	-55,645.56
300455	0840	Land Improvements (ND)	.00	34,200.00
TOTAL ASSETS			-3,321.42	2,864,943.79
LIABILITIES				
300585	0920	Deferred Inflow-Leases	.00	-723,836.95
TOTAL LIABILITIES			.00	-723,836.95
FUND BALANCE				
300601	6138	Net Position - Restatement	.00	32,359.86
300601	6140	Net Pos - Net Invt Cap Assets	.00	-1,362,287.60
300601	6142	Net Pos - Unrestricted	.00	-767,524.98
300601	6150	Revenue-Year To Date	-5,796.37	-132,851.31
300601	6151	Expenditures-Year To Date	9,117.79	89,197.19
TOTAL FUND BALANCE			3,321.42	-2,141,106.84
TOTAL LIABILITIES + FUND BALANCE			3,321.42	-2,864,943.79

BALANCE SHEET FOR 2023 9

FUND: 300 EDA	NET CHANGE FOR PERIOD	ACCOUNT BALANCE
---------------	--------------------------	--------------------

FUND BALANCE

** END OF REPORT - Generated by Jeffrey Wiggins **

ITEM SUMMARY

DATE: 4/18/2023

TO: The Economic Development Authority

FROM: Christopher M. Johnson, Director of Economic Development

SUBJECT: Closed Session Certification

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development	Johnson, Christopher	Approved	4/14/2023 - 4:12 PM

ITEM SUMMARY

DATE: 4/18/2023


TO: The Economic Development Authority

FROM: Christopher M. Johnson, Director of Economic Development

SUBJECT: EDA FY24 Proposed Budget

The EDA adopts a budget for each fiscal year. Staff met with the Mr. Wiggins and Ms. Gajda to prepare a draft budget in advance of the EDA meeting. The draft budget is proposed and open for discussion. If consensus can be reached by the full EDA, Mr. Wiggins requests that the EDA vote to adopt a budget at the April meeting.

ATTACHMENTS:

	Description	Type
	FY24 Draft Budget	Cover Memo

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development	Johnson, Christopher	Approved	4/14/2023 - 4:13 PM

Account Code	Account Name	Approved FY 2022 Budget	Approved FY 2023 Budget	Amended FY 2023 Budget	Draft FY2024 Budget	Explanation/Details
	Revenue:					
300-305-3511	Interest Revenue	\$ 3,500	\$ -	\$ -	\$ -	No interest earning items
300-308-3400	Renwood Farm Income from Mainland Farm	14,725	14,725	14,725	14,725	New contract began was signed in January 2023 and expires in December 2027 with two five-year renewal options upon mutual agreement of both parties.
300-309-3970	Marina Property	75,239	69,220	69,220	69,925	* \$5,796.37 for two months and then \$5,833.33 for 10 months for a total of \$69,925.
300-309-3972	Bond Fee Revenue	15,000	70,750	70,750	69,700	CNU \$2,700; VA United Methodist Homes of Williamsburg, Inc. \$67,000
300-310-3014	JCC Contribution	-	-	-	-	Holding account for potential projects partnering with County
300-399-3100	Strategic Initiatives (Cash Reserves)	7,537	-	-	-	Unallocated EDA funds
	Total EDA Revenue:	\$ 116,001	\$ 154,695	\$ 154,695	\$ 154,350	
	Expenses:					
300-259-0200	Advertising	\$ 550	\$ 550	\$ 550	\$ 750	Publishing audit report (required by law), unforeseen expenses in the event of an emergency
300-259-0205	Promotion	46,500	46,900	46,900	50,325	** START! Peninsula \$7,825 - Per MOU and based on 2020 Census Data; LPGA \$35,000 (includes caterer); Special Events \$7,500 (potential uses include COB and BAE)
300-259-0220	Travel & Training	1,000	1,000	1,000	1,000	Potential EDA Member participation in VIDA conferences and training programs
300-259-0222	Local Travel	500	-	-	-	Meals and beverages for EDA meetings
300-259-0235	Annual Audit	10,750	11,000	11,000	13,200	New audit firm/contract negotiated with FMS for all County entities
300-259-0318	Supplies/Materials	200	200	200	250	Printing for copies of meeting materials
300-259-0710	Legal Fees	6,000	-	-	-	Legal fees for EDA Counsel
300-259-5900	Regional Economic Development Support	34,500	34,500	34,500	34,500	JCC Launchpad contribution per MOU which expires in December 2024 with two five-year renewal options upon agreement of all parties
300-259-5902	Virginians for High Speed Rail	1,000	1,000	1,000	1,000	Annual contribution toward regional transportation
300-259-5903	James River Commerce Center	14,800	14,800	14,800	14,800	JRCC Commercial Association Maintenance Fees (\$9,113.84 for annual dues for all three parcels); remainder for mowing maintenance and signage
300-259-5904	Mainland Farm	100	100	100	100	Costs related to power and incidental expenses (signs, etc.) at Mainland Farm
300-259-5913	Business Assistance	-	10,000	20,000	10,000	Expenses related to various business assistance initiatives (Shop Local Boost)
300-259-5915	Marina Property	101	101	101	101	\$1 for annual lease agreement, \$100 for unexpected costs
300-259-5918	Contingency	-	34,544	24,544	28,324	Unallocated EDA funds
	Total EDA Expenses:	\$ 116,001	\$ 154,695	\$ 154,695	\$ 154,350	
						* Per the Lease Agreement, rent increases occur annually in September until August 2024 when increases occur at five-year intervals.
						** The Memorandum of Understanding for START! Peninsula was renewed in 2021 and is valid until June 30, 2026. Contribution is adjusted annually based upon population

ITEM SUMMARY

DATE: 4/18/2023

TO: The Economic Development Authority

FROM: Christopher M. Johnson, Director of Economic Development

SUBJECT: LGIP Investment Opportunity

At the March 21, 2023 meeting, the EDA heard a presentation from Assistant County Treasurer Cameron Boone regarding the Local Government Investment Pool (LGIP) Program for public entities of the Commonwealth. If the EDA desires to invest a portion of its reserve balance in the LGIP, the funds must be appropriated by a vote of the EDA.

ATTACHMENTS:

	Description	Type
📎	LGIP Overview	Cover Memo

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development	Johnson, Christopher	Approved	4/14/2023 - 4:13 PM

OVERVIEW

INTRODUCTION

The Virginia Department of the Treasury (Virginia Treasury) administers the Local Government Investment Pool program for public entities of the Commonwealth. This 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.

The Virginia Treasury LGIP portfolio is a diversified portfolio structured to provide public entities an investment alternative that seeks to minimize the risk of principal loss while offering daily liquidity, a stable Net Asset Value (NAV), and a competitive rate of return. The Virginia Treasury LGIP is rated 'AAAm' by Standard & Poor's (S&P).

The Virginia Treasury LGIP EM portfolio is a diversified portfolio structured to provide public entities an investment alternative for those Virginia public fund investors who wish to invest monies not needed for daily liquidity. The LGIP EM holds only high quality fixed income securities with maximum maturity of five years and an expected weighted average maturity of one year. The LGIP EM is a floating NAV portfolio. The LGIP EM is rated 'AAAF/S1+' by S&P.

Unlike the LGIP portfolio, which targets a stable NAV and a 60 day maximum weighted average maturity, the LGIP EM portfolio targets a one year weighted average maturity to provide additional yield. As a result of the longer maturity, the value of the LGIP EM shares fluctuate with changes in the market value of the portfolio and the redemption of shares may result in a capital gain or loss. Only investors who can tolerate gains and losses on invested funds that are not needed for near term liquidity should consider the LGIP EM portfolio. As an example, an immediate 1.0% change in interest rates would be expected to result in approximately a 1.0% increase or decrease in the NAV of a portfolio with a weighted average maturity of 1.0 year such as the LGIP EM.

STATUTORY AUTHORITY

The 1980 session of the Virginia General Assembly enacted the Local Government Investment Pool Act, Sections 2.2-4600 through 2.2-4606 of the *Code of Virginia*, authorizing the Treasury Board to administer the Local Government Investment Pool program for the benefit of public entities of the Commonwealth. As permitted by law, the Treasury Board has delegated the administrative aspects of managing the program to the State Treasurer subject to the regulations and guidelines established by the Treasury Board. The Treasury Board has determined that it is in the best interest of program participants to offer two investment options to meet the overnight and extended maturity investment objectives of public entities.

ADVANTAGES

The LGIP and the LGIP EM portfolios offer the public investor diversification and professional management in compliance with the *Code of Virginia* Investment of Public Funds Act. Through participation in the portfolios, public entities can take advantage of additional benefits:

1. *Convenience and Compliance* - Participants own shares of a diversified portfolio managed in compliance with Virginia's Investment of Public Funds Act and safekeeping statutes as well as required Governmental Accounting Standards Board (GASB) reporting standards.
2. *Cash Management* - Same day liquidity in the LGIP permits flexibility and fine-tuning of cash management needs while weekly liquidity in the LGIP EM offers the opportunity to pursue higher investment yields through longer maturity securities.
3. *Costs* - All administrative and management fees are deducted prior to calculating the portfolio yield and prior to distribution of the earnings to participants; therefore, fees are totally transparent to participants. (See Management Fees for fee calculation).
4. *Online Account Services* through a secure website available 24/7 - Purchase or Redeem investments in the LGIP using Treasury's Funds Management System (FMS). View account balances, historical activity, and monthly statements using LGIP Online Access (FANWEB). While we plan to offer the FMS service to participants in the LGIP EM, initially purchases and redemptions will only be accepted via telephone.
5. *Electronic Data Interchange (EDI)* - Direct investment of EDI payments from the State into the locality's LGIP account is permissible. This ensures immediate investment without the necessity of prior notification and eliminates the need and cost to wire funds to the LGIP. EDI information may be obtained online from the Department of Accounts (DOA) www.doa.virginia.gov/
6. *Statements* - Monthly statements are mailed by the fifth business day and are also available electronically through FANWEB.
7. *Competitiveness* - The LGIP and the LGIP EM offer competitive rates of return relative to other portfolios with similar risk and maturity profiles.

MANAGEMENT AND COMPLIANCE

INVESTMENT MANAGEMENT

The Treasury Board of the Commonwealth of Virginia serves as investment adviser to the LGIP and the LGIP EM portfolios and provides fiduciary oversight on behalf of the participating local officials subject to regulations and guidelines adopted by the Treasury Board. The Treasury Board is authorized pursuant to Section 2.2-4605 of the *Code of Virginia* to delegate the administrative aspects of daily operations to the State Treasurer.

The Treasury Board, created by Section 2.2-2415 of the *Code of Virginia*, consists of the State Treasurer (Chair), the Comptroller, the Tax Commissioner, and four citizen members appointed by the Governor. The four citizen members must have a background and experience in financial management and investments.

The State Treasurer is responsible for the direct management of approximately \$38 billion in investments; the custody of all investments of the Commonwealth or held by the Commonwealth in a fiduciary capacity; the development of cash management policies; procurement of statewide banking services; issuance and management of Commonwealth debt; administration of the Security for Public Deposits Act; administration of the Unclaimed Property Act and Escheat statutes; and risk management for the Commonwealth. The State Treasurer also serves as a member of nine additional State boards and authorities.

The State Treasurer's investment staff, subject to approved policies and guidelines issued by the Treasury Board, makes investment decisions for the LGIP and the LGIP EM. Virginia Treasury has contracted with JPMorgan Chase Bank to provide master custody services for the Commonwealth, and US Bancorp Fund Services, LLC to provide specialized mutual fund services for the LGIP and the LGIP EM portfolios.

MANAGEMENT FEES

Portfolio participants are charged an all-inclusive annual management fee, which is calculated daily and deducted from the daily earnings accrual prior to distribution to participants. The annual management fee for the LGIP portfolio is four basis points. For example, the annual fee for each \$1,000 invested is \$0.40. The annual management fee for the LGIP EM portfolio is eight basis points or \$0.80 for each \$1,000 invested. The annual management fee is the only fee or expense paid by participants. Any excess fee income net of expenses for the LGIP portfolio will be transferred to the LGIP Operating Reserve at fiscal year-end for the benefit of LGIP participants. Any excess fee income net of expenses for the LGIP EM portfolio will remain in the LGIP EM fee account.

The LGIP EM portfolio may invest up to 15% of net assets in the LGIP portfolio for liquidity management and the LGIP EM is assessed a four basis point management fee like all other participants in the LGIP.

SAFEKEEPING POLICIES

Established safekeeping policies of the LGIP and the LGIP EM portfolios ensure that securities purchased by the State Treasurer's staff are held in a manner that maximizes the State Treasurer's ability to maintain control over such securities at all times. All security transactions are delivery versus payment (DVP), i.e. the master custody bank will not release the funds to pay for purchased securities until securities are delivered, regardless of settlement date. LGIP and LGIP EM securities are required to be held in the respective master custody account and kept separate from all securities owned by the custody bank. The

ownership and title to such securities remain vested in the Treasurer of Virginia, the legal custodian of the securities. The Global Custody Department of JPMorgan Chase Bank holds LGIP and LGIP EM securities in custody.

Repurchase agreements are collateralized by obligations issued or guaranteed by the U. S. government, an agency thereof, Government Sponsored Enterprises (GSEs), or the World Bank. A custodial bank holds the securities for the LGIP and the LGIP EM until the agreement(s) matures. Provisions of the repurchase agreement require the securities to be marked-to-market on a daily basis.

AUDIT AND COMPLIANCE

The Virginia Auditor of Public Accounts (APA) examines the financial statements and per share data of the LGIP and the LGIP EM as of June 30 following the close of each fiscal year. The APA also assesses the accounting principles used and the management of the LGIP and the LGIP EM and evaluates the overall financial statement presentation. The APA issues an opinion based on the audit. The audited financial statements and the Independent Auditor's Report are provided to participants annually. The LGIP and the LGIP EM financial statements are issued in compliance with GASB. In addition to the independent auditor's examination, the LGIP and the LGIP EM are included in the Department of the Treasury's internal audit plan.

The LGIP and the LGIP EM present monthly performance and compliance data and portfolio market valuation to the Treasury Board for their review.

PricewaterhouseCoopers LLP has issued reports on the Suitability of the Design and Operating Effectiveness of Controls for the following: 1) JPMorgan Chase Bank, N.A. Investor Services (J.P. Morgan) Global Custody Report on Investor Services' Description of its Global Custody System, 2) JPMorgan Chase Bank, N.A., Institutional Accounting Report on Investor Services' Description of its Institutional Accounting System; and 3) JPMorgan Chase & Co., Corporate & Investment Bank's (J.P. Morgan) Information Technology Report on the Corporate & Investment Bank's Description of its Information Technology General Controls System (SOC 1). The latest report is available upon request.

Ernst & Young LLP has issued a report on the Suitability of the Design and Operating Effectiveness of Controls by U.S. Bancorp Fund Services, LLC of its Mutual Fund Transfer Agent Processing System (SOC 1). The latest report is available upon request.

INSURANCE

The Department of the Treasury administers risk management programs providing property, general (tort) liability, medical malpractice, automobile and surety bond exposures for the Commonwealth of Virginia as provided in Sections 2.2-1834 through 2.2-1838 and Section 2.2-1840 of the *Code of Virginia*. Established subject to the approval of the Governor, risk management plans provide state agencies with protection through purchase insurance, self-insurance or a combination thereof.

ITEM SUMMARY

DATE: 4/18/2023

TO: The Economic Development Authority

FROM: Christopher M. Johnson, Director of Economic Development

SUBJECT: Williamsburg-Jamestown Airport Incentive

On April 21, 2023, Assistant County Administrator Jason Purse provided an overview of a proposal using EDA reserve funds as an incentive to spur development of additional infrastructure at the Williamsburg-Jamestown Airport that could become a source of income for the EDA once the incentive has been repaid with new revenues created by the added infrastructure. If the EDA desires to provide the incentive from its reserve funds, the funds must be appropriated by a vote of the EDA.

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development	Johnson, Christopher	Approved	4/14/2023 - 4:13 PM

ITEM SUMMARY

DATE: 4/18/2023

TO: The Economic Development Authority

FROM: Christopher M. Johnson, Director of Economic Development

SUBJECT: April 18, 2023 - Director's Report

ATTACHMENTS:

	Description	Type
	Director's Report	Cover Memo

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development	Johnson, Christopher	Approved	4/14/2023 - 4:14 PM

MEMORANDUM

DATE: April 18, 2023

TO: The Economic Development Authority

FROM: Christopher M. Johnson, Director of Economic Development

SUBJECT: Director's Report, March-April 2023

Virginia Business Ready Sites Program - The \$485,500 in grant funding announced by the Governor in January will support the Board of Supervisors' adopted Capital Improvements Program funding to conduct due diligence studies and design and engineering of water and sanitary sewer extensions to serve the Hazelwood Farms Enterprise Center development. A performance agreement will be executed between the Commonwealth of Virginia and the County by mid-May. Staff have been working with the County Purchasing Office and Timmons Engineering to prepare the scope of work documents so survey work can begin as soon as the performance agreement has been signed. Staff expect to present a summary to the Board of Supervisors at its Business Meeting on April 25 for consideration, approval, and appropriation.

James River Commerce Center - Economic Development Authority counsel continues to work with Ball Corporation counsel to resolve a title exception issue. Once the Deed of Exchange has been signed and recorded, closing on the 58-acre property at 8930 Columbia Drive will be scheduled as soon as possible.

Launchpad - The William & Mary Raymond A. Mason School of Business announced the hiring of Mr. Brandon Hennessey as its new Director of the Alan B. Miller Entrepreneurship Center which runs the Launchpad. Mr. Hennessey was the Director of Research, Innovation, and Entrepreneurship at Longwood University and will be starting work on May 10.

Clean Business Awards - The Clean County Commission announced La Tienda, a direct-to-consumer e-commerce business in the Stonehouse Commerce Park, as its 2023 First Quarter Clean Business Award winner for their recycling efforts which included recycling over 100,000 pounds of corrugated cardboard and plastics last year.

Regional Events/Initiatives:

- Staff attended the Annual Meeting of the James River Commerce Center Board of Directors and Board of Trustees on March 22. Mr. Christopher Johnson was re-elected as President of the Association and Ms. Michelle Lawson of Coresix Precision Glass was re-elected as Vice President.
- Staff met with Greater Williamsburg Chamber of Commerce CEO Terry Banez, City of Williamsburg Economic Development Director Yuri Adams, and York County Director of Tourism and Economic Development Kristi Olsen on March 23 for a bi-monthly update meeting.
- Staff attended the Community Collaboration Ribbon Cutting ceremony for Fascial Treatment Center on March 28.
- Staff met with brokers from Divaris Real Estate on March 29 to discuss their listing of two of the vacant buildings at the Williamsburg Pottery.
- Staff attended the Peninsula Economic Recovery Team meeting on March 30 and heard a presentation on a potential regional partnership to create a wetlands mitigation bank using wetlands on publicly owned lands.
- Staff attended the Hampton Roads Alliance meeting in Chesapeake on April 5 and discussed plans for the upcoming Virginia Consultants Forum in Virginia Beach, May 15-18.
- Staff participated in the Virtual Town Hall Meeting presenting the proposed Fiscal Year 2024 Budget on April 6.

- Staff participated in a conference call with Virginia Economic Development Partnership European Office staff on April 11 regarding the Interpack Food & Beverage Packaging and Processing Trade Show in Dusseldorf, Germany, May 4-10.

Upcoming Dates of Interest:

- Greater Williamsburg Business Appreciation Event, Precarious Beer Project, 110 S. Henry Street, Williamsburg, May 16, 5-7 p.m.

CMJ/md

DirRptMar-Apr23-mem