

Meeting Minutes
ECONOMIC DEVELOPMENT AUTHORITY
June 17, 2021

At a regular meeting of the Economic Development Authority of York County, Virginia, held on June 17, 2021, at 4:00 p.m. in the Board Room of York Hall, 301 Main Street, Yorktown, Virginia, those present were:

Steven A. Meade, Chairman
Harmon J. Coxton, Vice Chair
Vernard E. Lockwood, II
J. Mark Carter
Leslie Henderson Schultz

Others present:

Neil Morgan, County Administrator
Mark Bellamy, Deputy County Administrator
James Barnett, County Attorney
Richard King, Deputy County Attorney
James W. Noel, Jr., Secretary/Treasurer and Director of Economic Development
Melissa M. Davidson, Assistant Director of Economic Development
Amanda R. Ridings, Coordinator of Economic Development

CALL TO ORDER

The meeting was called to order at 4:00 p.m. by Chairman Meade.

ROLL CALL

A quorum was established with five members present.

CITIZENS' COMMENT PERIOD

None.

PRESENTATIONS

None.

NEW BUSINESS

Mr. Noel introduced RJ Collins to the board. RJ is an intern for the EDA and will be working through the summer.

Mr. Barnett introduced Mr. Hill to the board. Mr. Hill is the new Deputy County Attorney for York County.

EDA OPERATING BUDGET

Mr. Noel reported that the total budget request for FY2022 is \$265,615 compared to the current budget of \$229,058. This budget request reflects anticipated funding directly from the Board of Supervisors (\$33,000), monies transferred from the Office of Economic Development operating budget (\$35,035), an estimated roll over from FY2021 (\$50,000) and sponsorship dollars (\$3,000). As in prior years, the largest single funding source is the EDA's Capital Fund and this year the request is for \$144,580. Last year's contribution from the Capital Fund was \$128,023.

Mr. Noel explained that, on the expenditure side, the proposed budget is very similar to last year's budget. He noted that we rolled \$10,000 back into sponsorship funds for the LPGA Kingsmill tournament, increased the Greater Williamsburg Partnership contribution to reflect our population growth, and added the annual hosting and maintenance fee for Survey Monkey Apply. The overall request is about \$36,000 higher than last year. The projected expenditures are predicated on an assumption that we will return to more normal marketing operations in the fall. If this does not occur our expenses for travel and related activities could be much less than projected. However, this could be offset by increased costs related to digital marketing like virtual community/site tours. Mr. Noel noted that our current Capital Fund balance is \$588,056.

Mr. Noel stated that he believes this budget will adequately support our planned economic development program and sustain our current level of support for existing businesses.

Mr. Coxton motioned to approve the FY2022 Operating Budget.

Mr. Lockwood seconded the motion.

On roll call the vote was:

Yea: (5) Coxton, Lockwood, Schultz, Carter, Meade
Nay: (0)

COMMERCAIL CORRIDOR PROPERTY IMPROVEMENT GRANT (CCPIG)
PROGRAM REVISIONS

Mrs. Davidson explained that the CCPIG Program Committee met twice to discuss updates to the existing CCPIG rules and language, based on feedback from recent applicants, with the goal of bringing the guidelines into alignment with the EDA's intended purpose and vision for the program. The main changes include the ability for building and shopping center owners to apply for grant funds without needing a business license, the exclusion of properties (i.e. without structures on them), and the inclusion of a monthly application deadline to allow staff and committee members adequate time to review them before the committee meeting.

Mr. Lockwood motioned to approve the changes to the Commercial Corridor Property Improvement Grant.

Mr. Coxton seconded the motion.

On roll call the vote was:

Yea: (5) Lockwood, Schultz, Carter, Coxton, Meade
Nay: (0)

RIVERWALK RESTAURANT/WATER STREET GRILL RENOVATION

Mr. Noel reported that the EDA Evaluation Committee has selected Enteros Design, PC to perform the architectural services for the renovation of the Water Street Grille and Riverwalk Restaurant. Enteros was chosen over four other finalists. Subsequent to the committee's decision, the County's Purchasing Agent, Greg Smith, and Mr. Noel were able to successfully negotiate contract terms with Enteros Design. Mr. Smith is finalizing the actual contract document, and should have that completed Wednesday morning.

Mr. Noel stated that the next step in this process will be executing a new lease and cost sharing agreement with Marconn Inc. (Mario Buffa). The rough estimate for the renovation is \$2.7MM and the total architectural fees will be \$271,515, which includes construction administration. He explained that we have asked Enteros Design to structure their work in phases, and our contract will reflect that we are only obligated for payment at the conclusion of each phase. Furthermore, we can terminate the contract at the conclusion of any phase of the project. Phase One, Programming/Existing Conditions, has a fee of \$28,550. Mr. Noel stated that he is hoping to be able to present a new lease/cost sharing agreement to the EDA at the July meeting, which should be before Phase One is completed. This structure will protect the EDA financially, should we be unable to come to terms with Marconn Inc. for a new lease/cost sharing agreement.

Mr. Lockwood motioned to approve the architectural services contract with Enteros Design for the Riverwalk Landing/Waterstreet Grill Renovations, subject to approval by the Purchasing Agent and County Attorney.

Mr. Carter seconded the motion.

On roll call the vote was:

Yea: (5) Schultz, Carter, Coxton, Lockwood, Meade
Nay: (0)

BUSCH INDUSTRIAL PARK LAND SALE

Mr. Noel reported that Delorean Power, a prospect interested in purchasing five acres in Busch Industrial Park, plans to construct a battery storage facility at utility scale on the site. These facilities utilize lithium-ion battery technology and the estimated capital investment would be roughly \$90M. This type of project requires an interconnection agreement with Dominion Energy that can take an extended period of time to obtain. He explained that Delorean is asking for one year to perform site due diligence and then a two year option period. They are proposing a purchase price of \$250,000, with an initial payment of \$5,000, year one payment of \$10,000, and year two payment of \$15,000. They are not initially specifying a specific five acre area on our 20 acre tract. The LOI does contain a requirement for a revenue sharing agreement that would be paid, in addition to local taxes. This will be necessary, as recent state legislation severely restricts our ability to tax a facility of this nature.

Mr. Noel suggested a revenue sharing agreement with Mike Herbert, Delorean Managing Partner, equal to our Machinery & Tool tax rate. An agreement based on that formula would result in an annual payment to the County of \$900,000. He did not think that would be an unreasonable request.

Mr. Meade mentioned that while it may seem like a longtime, the time frame is pretty standard for what they are doing.

Mr. Coxton motioned to approve the Letter Of Intent with Delorean Power for Busch Industrial Park subject to final approval of the terms by the Economic Development Director and County Attorney.

Mrs. Schultz seconded the motion.

On roll call the vote was:

Yea: (5) Carter, Coxton, Lockwood, Schultz, Meade
Nay: (0)

COMMERCAIL PROPERTY DEMOLITION LOAN REQUEST

Mr. Noel shared that J.D. Construction Management, Inc. on behalf of CVI/Williamsburg, LLC, requested a demolition loan to assist with the conversion of the former George Washington Hotel into 125 market-rate luxury apartments. This project has received County zoning approval and will transform an obsolete hotel property into an attractive apartment complex. The renovated facility will significantly upgrade the appearance of the “Edge District” and provide customers for the restaurants and retailers in the area.

Mr. Noel explained that the hotel property is located on three parcels and therefore may qualify for three separate demolition loans. Under our program, each loan can be a maximum of \$20,000, if the cost exceeds \$40,000. The program regulations require the EDA to approve each demolition loan application, and whether or not we will issue loans for each parcel involved in the same project. According to the applicant their budget for demolition is \$225,000.

Mrs. Schultz asked how long the property has been vacant.

Mr. Noel replied that they haven’t been completely vacant. They have been operating somewhat on a marginal level. The former pancake house on the property has been vacant for at least ten years.

Mr. Meade suggested that we approve the loan to help out to some extent. The Board of Supervisors has already approved the project.

Mr. Morgan explained that he is in support of the project. It was a 2-3 vote with the Board of Supervisors. He believes it should be one project and not three, for the purpose of the loan.

Mr. Carter shared that he is in favor of the project, but it should be considered one project.

Mr. Meade suggested that we do one grant in the amount of \$30,000.

Mr. Coxton motioned to approve the demolition loan in the amount of \$30,000 with forgiveness at the end of the loan, funded from the EDA Capital Fund account.

Mrs. Lockwood seconded the motion.

On roll call the vote was:

Yea: (5) Coxton, Lockwood, Schultz, Carter, Meade
Nay: (0)

MEMBER RECOGNITION

Mr. Meade explained that Mr. Moberg and Mr. Biagas' terms on the EDA expire June 30, 2021. They have both notified us that they do not wish to be reappointed.

Mr. Meade suggested we do something to honor the members and their long standing service.

Mr. Noel stated that Mr. Moberg was originally appointed in 1997 and Mr. Biagas was appointed in 2015. They have both served the EDA with distinction and provided us with invaluable expertise in their respective fields. We usually present something to all outgoing members.

Mr. Noel suggested sending Mr. Biagas a framed photo of Riverwalk Landing and a proclamation for Mr. Moberg.

CLOSED MEETING

None.

NEW MATTERS

None.

FINANCIAL REPORTS

The Chairman duly noted the receipt of the April 2021 financial reports.

APPROVAL OF MINUTES

The minutes of the April 27, 2021, meeting of the Economic Development Authority of York County were approved by vote as follows:

Yea: (5) Schultz, Carter, Coxton, Lockwood, Meade
Nay: (0)

COUNTY ADMINISTRATOR COMMENTS

Mr. Morgan reported that he and Mr. Noel will be coming up with a report to share with the Board of Supervisors on the Riverwalk Landing renovations and what to expect moving forward.

Mr. Morgan stated that the Board of Supervisors has an Economic Development fund balance of \$1.4M, should we need to go to them with a proposal. There is also a full Capital Improvement Plan approved that includes \$250,000 for Economic Development. That amount will roll over to the EDA Capital Fund. Our Capital Improvement Plan is three times larger than it was six years ago.

Mr. Morgan reported that the ground breaking for the \$7M library renovation and expansion has started. Work on the new Sheriff's Office will begin this fall. There will also be a seventh fire station off of Mooretown Rd. York County is getting \$13.6M in American Rescue Plan Act money over the next year. The first half has already been received. We have a three year period to commit it and a five year period to spend it.

DIRECTOR OF ECONOMIC DEVELOPMENT COMMENTS

Mr. Noel reported that the Back Creek Entrance Channel dredging project study is continuing to move forward. The Corps of Engineers are working to calculate what the amount of dredged material would be and finding a place to put it. The Goodwin Islands are being investigated as a location for depositing the dredged material. If the Goodwin Islands are approved for receiving the dredged material it would help keep the project's cost down.

Mr. Noel stated that the owner of the Carrot Tree contacted him with a request to approve serving people on the beach using robots. Mr. Barnett pointed out that this violates our codes and cannot be done. The owner of the Carrot Tree spoke at the BOS meeting in hopes to have the denial reversed.

Mr. Noel suggested that the EDA take the lead in creating a committee to look at the commercial use of unmanned systems in the future.

Mr. Meade and Mr. Coxton have volunteered to be a part of the commercial unmanned systems review committee.

Mr. Noel stated that the Fuel Farm property sale should be closing in August.

Mr. Bellamy reported that there will be some sidewalk projects getting ready to start. One on Bypass Rd and another on Hampton Highway. VDOT has agreed to add a crosswalk on Hampton Highway to access the YMCA.

ASSISTANT DIRECTOR OF ECONOMIC DEVELOPMENT COMMENTS

June 17, 2021

Mrs. Davidson explained that additional COVID related business grant funding from the CDBG program has been approved by the state. The total is \$1.4M which will be shared between York, Williamsburg, and Poquoson. The individual grant amount is up to \$15,000 max per business and is only for rent or mortgage relief.

MEMBERS' COMMENTS

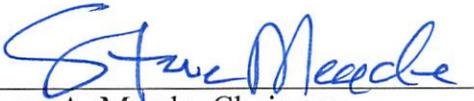
None.

CHAIRMAN'S COMMENTS

Mr. Meade shared that we have two new members, David Murray and Jeff Clemons that will begin serving at the July EDA meeting.

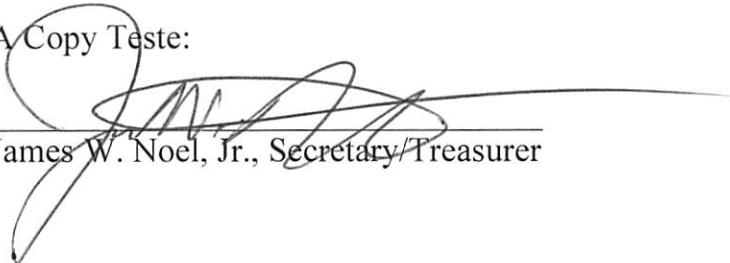
ADJOURN

There being no further business, the Chairman adjourned the meeting at 5:19 p.m.



Steven A. Meade, Chairman

A Copy Teste:



James W. Noel, Jr., Secretary/Treasurer