

Meeting Minutes
Virtual Meeting
ECONOMIC DEVELOPMENT AUTHORITY
October 27, 2020

At a virtual meeting of the Economic Development Authority of York County, Virginia, held on October 27, 2020, at 2:00 p.m. using the Zoom platform, those present were:

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

Others present:

Neil A. Morgan, County Administrator
Mark Bellamy, Deputy County Administrator
James Barnett, County Attorney
James W. Noel, Jr., Assistant Secretary and Director of Economic Development
Melissa M. Davidson, Assistant Director of Economic Development
Tim Wyatt, Deputy Director of Information Technology
Amanda R. Ridings, Coordinator of Economic Development

CALL TO ORDER

The meeting was called to order at 2:00 p.m. by Chairman Meade.

ROLL CALL

A quorum was established with seven members present.

CITIZENS' COMMENT PERIOD

NONE

PRESENTATIONS

Mr. Meade thanked Mr. Moberg for serving 19 years as Chairman of the EDA.

Mr. Noel presented a framed picture of the Yorktown Waterfront to Mr. Moberg for his service as Chairman of the EDA for 19 years. He thanked Mr. Moberg for his dedicated and exemplary work to support economic development in York County.

NEW BUSINESS

ALEWERKS GRANT REQUEST

Mr. Noel reported that Alewerks Brewing Company has submitted an Economic Development Grant application to assist in upgrading their manufacturing capacity. He explained that the COVID-19 pandemic has shifted the craft beer marketplace to a higher demand for packaged beer, which has forced the company to shift from less draft beer to more canned beer production. The total upgrade will cost \$150,000 and they are requesting a grant of \$50,000. He mentioned that Alewerks is the only true production craft brewery in our region and that they have been on a growth trajectory. This increase in manufacturing capacity will create six new jobs and augment their recent capital investments (\$400,000). This project will help them satisfy current demand they can't meet, and expand into new territories. Mr. Noel introduced Alewerks' operations manager, Michael Claar, to give more information on their grant application.

Michael Claar explained that he has been the Operations Director at Alewerks for the past five years. Last fall they began a \$400,000 expansion project to keep up with the market demand. The project has changed scope this year due to COVID. The expansion project will allow them to can beer faster. He expects that they will bring in an additional \$30,000 in meals taxes over the next two and a half years due to their expansion investment in their current location.

Mr. Meade asked what causes the change in the wastewater with the canning operation.

Mr. Claar stated that the canning and bottling would be able to produce less wastewater during the pre and post cleaning process.

Mr. Meade closed the public portion of the hearing and the EDA members continued further discussion on the grant.

Mr. Lockwood motioned to approve the grant for \$25,000 and approve a \$25,000 loan at 1% interest.

Mr. Biagas seconded the motion.

On roll call the vote was:

Yea: (6) Biagas, Carter, Lockwood, Moberg, Schultz, Meade

Nay: (1) Coxton

Mr. Lockwood suggested that moving forward, we request a current balance sheet for the last year as well as an income statement with a cost schedule from the businesses requesting grant funds.

Mr. Noel explained that those requests can be added to the grant application form.

COLONIAL WILLIAMSBURG PROPERTY SITE STUDY FUNDING

Mr. Noel reported that for the past few weeks he has been collaborating with senior management at Colonial Williamsburg on positioning surplus property that they own at the Camp Peary, I-64 interchange for sale. The two parcels total 342 acres, of which about 154 acres are useable. The property has great access and visibility to I-64, and utilities are on site or in proximity. CW has engaged Hanbury, an architecture and planning firm, to assist them in assessing their property assets. During the collaboration CW suggested that we might want to use Hanbury to master plan these parcels for several types of targeted development. He explained that after an initial meeting with Hanbury, the county decided to request a proposal from them to perform this service. The proposal base price is \$41,000.

Mr Noel stated that this type of land planning is critical in marketing raw property. The information effectively becomes marketing material, and helps define what types of uses should be targeted. In order to cement our partnership with CW in getting this property developed, he recommend that we share in the cost of this study. It would seem reasonable for us to absorb roughly half of the expense or \$20,000. If you concur with this request the funds would need to come from our Capital Fund.

Mr. Morgan explained that he has been interested in this property since he became aware of it. The new CW President, Mr. Fleet, is very savvy and interested in monetizing some of the surplus land. He doesn't really know what the right use of the land would be, but a first step would be to figure out how much is developable and what the layout would be. He suggested that we would need to find a serious and artful developer for this.

Mr. Biagas motioned to approve up to \$30,000 for the Colonial Williamsburg property site study.

Mr. Coxton seconded the motion.

On roll call the vote was:

Yea: (7) Carter, Coxton, Lockwood, Moberg, Schultz, Biagas, Meade
Nay: (0)

ALEXANDER'S PHOTOGRAPHY RIVERWALK LANDING LEASE RENEWAL

Mr. Noel reported that Alexander's lease expires this month and he would like to renew for four more years. He has asked that the rent remain static at \$750 per month, without any escalators. He stated that Alexander has been a stellar tenant, never missing a payment, and contributing significantly to the RWL Business Association. However, he is at the lower end of the rental rates for RWL, and his rent was flat over the last four years. Conversely the pandemic's impact on the retail rental market has been dramatic, and finding new tenants for RWL will be difficult.

Mr. Lockwood motioned to approve the lease renewal for Alexander's Photography at \$750 per month for four years without an escalator.

Mr. Coxton seconded the motion.

On roll call the vote was:

Yea: (7) Coxton, Lockwood, Moberg, Schultz, Biagas, Carter, Meade
Nay: (0)

LEEBCOR SERVICES LLC CONSTRUCTION DELAY REQUEST

Mr. Noel stated that the EDA previously sold roughly seven acres to Leebcor in Busch Industrial Park. The property sale contract required them to break ground on their first building no later than November of this year. Due to the impact of the pandemic, they are requesting a six month to one year extension to start construction. Leebcor has gotten a site plan approved for three 20,000 sq. ft. buildings. Leebcor intends to lease a significant portion of their first building and the market may be a bit better in the next 18-24 months. Leebcor's lease for their current space expires at the end of 2021, and they do not want to extend that lease. He recommended that we grant them a one year build extension.

Mr. Coxton motioned to grant a one year extension on the construction requirement for Leebcor Services LLC.

Mr. Biagas seconded the motion.

On roll call the vote was:

Yea: (7) Lockwood, Moberg, Schultz, Biagas, Carter, Coxton, Meade
Nay: (0)

OLD BUSINESS

YORK VETERINARY GRANT MODIFICATION

Mr. Noel reported that roughly three years ago we approved a grant of \$50,000 to the York Veterinary Hospital to help with their renovation and expansion. The project was completed last year, but they have never met the terms of the Performance Agreement. We required them to show that they had secured financing for a minimum of \$1.5M for the project. According to the owner, they ended up only needing to borrow around \$1.3M. Mr. Noel suggested that they provide us with a letter explaining this modest drop in the financing, and we would ask the EDA to modify the agreement. They have not provided us the requested letter and we have not processed the grant payment. The total construction cost ended up being around \$700,000.

Mr. Noel suggested modifying the performance agreement to still provide some sort of grant for the work they did.

Mr. Lockwood motioned to modify the grant to \$25,000 based off of the actual amount spent on the project.

Mr. Coxton seconded the motion.

On roll call the vote was:

Yea: (7) Moberg, Schultz, Biagas, Carter, Coxton, Lockwood, Meade
Nay: (0)

UPDATE ON BEALE'S EAST, RT. 17 DEVELOPMENT

Mr. Noel reported that the site plan for Beale's East brew pub has received preliminary approval and that they hope to break ground in December. They are planning a ground breaking ceremony, and we will provide the details as soon as they are available.

UPDATE ON THORIUM UTILIZATION CONFERENCE

Mr. Noel stated that he has continued to work with Dr. Ganapati Myneni Ph. D. on an international conference focused on Thorium technology. The EDA previously agreed to underwrite a small portion of the conference expenses. The conference has been tentatively scheduled for October 18-21, 2021 at Great Wolf Lodge.

UPDATE ON T-REX VENTURES, LLC

Mr. Noel stated that included in the meeting material is a letter from T-Rex's attorney terminating their option agreement for the property in the York River Commerce Park. This termination also voids the grant agreement they have with the EDA/County. He also attached a copy of a memorandum from the County Administrator to the Board of Supervisors regarding this new information. Unfortunately he doesn't have many details as to why this decision was made.

Mr. Noel explained that part of the current ownership team, OWC Development, wants to continue on with the project. Dominion is willing to consider giving them the option on the property, for another six months. If this group is able to find a new financial partner they would be well suited to continue this endeavor.

NEW MATTERS

NONE.

FINANCIAL REPORTS

The Chairman duly noted the receipt of the August 2020 financial reports.

APPROVAL OF MINUTES

The minutes of the August 25, 2020, meeting of the Economic Development Authority of York County were approved by vote as follows:

Yea: (7) Schultz, Biagas, Carter, Coxton, Lockwood, Moberg, Meade
Nay: (0)

CLOSED MEETING

NONE.

COUNTY ADMINISTRATOR COMMENTS

Mr. Morgan reported that Board of Supervisor's member Jeff Wassmer has resigned. They have started the process to solicit applicants and the application process will close on November 6th. The goal is to have the person selected before Christmas, so they can attend the organizational meeting on January 4th.

Mr. Morgan stated that he sent a document called *Moving into the 2020's* that he would like everyone to read. It explains that residential real estate is doing well and all other

real estate is not doing as well. Brick and mortar retail is not doing well. There are a lot of vacant buildings. They are finding that about ten percent of our workforce doesn't really need to be in a building with office space. Hotel lodging on an annual basis is down by eighty percent which provides all of the money for our tourism fund. The meals tax is down by forty percent. Sales, personal property and residential real estate seem to be holding up okay.

DIRECTOR OF ECONOMIC DEVELOPMENT COMMENTS

Mr. Noel explained we had previously approved a land sale of roughly two acres in the York River Commerce Park South to Smith Electric and a company called Metal Works. The buyers asked for more time because they were going to form an LLC. Our staff tried to get the purchase agreement signed multiple times, but they were non-responsive. He requested that we consider whether or not we want to proceed, after meeting with the EDA Real Estate Committee.

Mr. Noel reported that staff will be coming up with a proposal for a new type of grant program focused on providing funds for either property owners or prospective tenants, to transition retail space for alternative uses. These uses could range from small scale manufacturing/assembly to back office operations.

ASSISTANT DIRECTOR OF ECONOMIC DEVELOPMENT COMMENTS

Mrs. Davidson reported that the school system is currently showing the workforce development videos that the EDA contracted with Two Rivers Media to produce last year. The videos are being shown more because of the virtual schooling, giving them increased coverage and exposure to more students.

Mrs. Davidson stated that the York Cares grant has been fully exhausted. The COVID-19 Small Business grant has about \$70,000 left and we have helped 102 businesses.

MEMBERS' COMMENTS

Mr. Coxton stated that he thinks we should form a business committee to develop more ways to help York County businesses who have suffered from the pandemic.

Mr. Lockwood reported that he thought the decline in retail and office uses was coming anyway. More of the next generation will be working from home and online sales are accelerating.

CHAIRMAN'S COMMENTS

October 27, 2020

None.

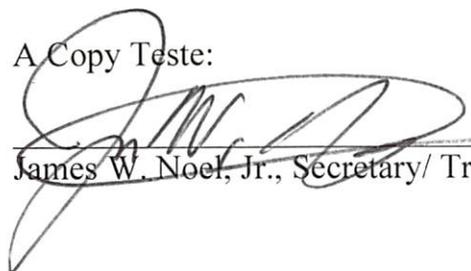
ADJOURN

There being no further business, the Chairman adjourned the meeting at 3:51 p.m.



Steven A. Meade, Chairman

A Copy Teste:



James W. Noel, Jr., Secretary/ Treasurer