

Goochland County Economic Development Authority
Administration Building, Board Conference Room
May 21, 2014, 5:30 p.m.
Brief Summary

1. **CALL TO ORDER:** Chairman Bowden called the meeting of the Goochland County Economic Development Authority to Order on May 21, 2014, 5:30 p.m. in the Board Conference Room.
2. **ROLL CALL:** Members present were Marshall Bowden, Kirk Spitzer and Andrew Donnelly. Arrived late: Gracie Easley, Mark Bowles. Absent: Ben Slone. Others present: Economic Development Director Matt Ryan, and Secretary Lisa Beczkiewicz. Supervisor Manuel Alvarez was present.
3. **DETERMINATION OF A QUORUM:** There was no quorum at the opening of the meeting.
4. **CITIZEN COMMENT:** Chairman Bowden opened the meeting to citizen comment, seeing none the citizen comment period was closed.
5. **Guest Dr. James Lane, School Superintendent:** Chairman Bowden thanked Dr. James Lane, School Superintendent for attending the EDA meeting this evening. Chairman Bowden stated Dr. Lane has visited two real estate offices of Long & Foster and presented the good news that is occurring in Goochland County Public Schools and the need to get this out to folks.

Dr. James Lane, School Superintendent stated he spoke at the realtor meeting held spring of last year and was around the time they started to see a spike in students coming back into the public school system from private schools. Dr. Lane stated inside of our community we know we have great schools, inside the educational community superintendents think of Goochland as a leader in education, thinks sometimes when people are new to the community and trying to choose where to go, Goochland is often thought of as the country community west of Richmond/Short Pump, thinks when folks see what we have to offer, not only from a community standpoint but from a school standpoint, they can see a different picture.

Dr. Lane presented some fast fact slides on GCPS: 5 schools, 2,470 students, fully accredited, data points, by 2019 we will be 1:1 essentially we have begun an initiative where all of our students are going to be issued IPADs, spend about \$11,500 per student, graduation rate is 92%, composite test scores top 3 in all categories, most of class sizes are under 20:1 at elementary level and actually throughout the division, test score comparisons of Goochland and surrounding counties, 89% directly go to college, STEM program, ROTC program, dual enrollment with Associates Degree, JMU Courses, Strategic Plan, salaries, etc.

Dr. Lane was asked how he is getting this fantastic information out to the public. Dr. Lane stated they have a public relations plan, his team is getting engaged with the community, and while all of this information can be put on the website, if we do not drive traffic to the website, no one is going to see it. We are not going to use tax payer dollars to put commercials on the radio; we flood our local newspaper with articles, we are constantly in contact with the Richmond Times Dispatch, we are making sure we are part of regional programs so when doing comparisons of the big four they are starting to call it the big five, that kind of work will make a difference, but thinks the best approach is engaging with citizens one on one such as town halls.

6. **APPROVAL OF MINUTES:** On motion of Mr. Donnelly, seconded by Mr. Spitzer, the minutes of March 19 were approved with an amendment to strike the parenthetical (5 yrs) on first page. All ayes: Easley, Bowden, Spitzer, Donnelly, Bowden (5-0).
7. **TREASURER'S REPORT:** Chairman Bowden gave a brief overview of the Treasurer's report noting: \$191,116.05 in CDs, an approximate total ending balance in checking of \$183,058.30 and a CD coming due (May 18, 2014). Chairman Bowden noted a pass thru payment to write for \$159,310.50 to reimburse Capital One and a couple of invoices to approve this evening.

Mr. Donnelly gave an update on CD rates and average maturity. Mr. Spitzer asked if there is a determination about what we can or cannot do with funds. Chairman Bowden stated officially no, but thinks the general consensus is that we have the authority to move beyond what we are doing. When speaking with our attorney Katja Hill of LeClair Ryan, she shared she didn't know of any prohibition.

Mr. Spitzer stated when looking at a two year CD of .55%, why bother; thinks it is time to take some of this non-short term money and put it into one of these. Mr. Spitzer spoke about his experience with a short term bond fund and between what it throws off in terms of yield and their selling/buying/selling bonds, the percentage basis makes far more than doing anything else and although there are months with depreciation it has done very well compared to his other options. Mr. Spitzer stated he thinks the Authority can put a percentage of money into this at minimal risk.

Chairman Bowden asked for a recommended percentage noting the Citizen and Farmer CD maturing three days ago. Messrs. Spitzer and Donnelly suggested maybe 50% (\$50,000 of \$106,000), ladder the money, if we took \$50,000 and spread it out in a 3,4, and/or 5 year maturity that enhances our yield and at the same time gives us money coming due periodically so that if interest rates go up we can take advantage of that. Mr. Spitzer spoke to the Authority's lack of any substantial short term obligations coming due; Chairman Bowden stated we have Midnight and Midpoint that will come which is about \$52,000, we have S. B. Cox as soon as the storage tank comes down that is going to be circa \$8,000 plus some odds and ends to pay, so nothing serious. Mr. Spitzer stated he thinks the EDA can take some reasonably calculated/manageable risk, given our circumstances.

Chairman Bowden suggested the opportunity to come back with a proposal that can be considered.

8. SCHEDULED MATTERS

a. Lickinghole Creek Craft Brewery: Guests Lisa and Sean Thomas O'Conner Pumphrey of Lickinghole Craft Creek Brewery gave a presentation on their farm brewery noting they are the very first farm brewery in the Commonwealth. Topics of overview included, " how the brewery was named, label design, tourism benefit, Goochland entrepreneurs participate with us in events, Dover Hall and other events, family friendly brewery, Goochland heritage, open about 8 months, limited tasting hours, limited to nine parking places majority of the time, events held were large crowd so the need for specialty permits, series of County requirements, occupancy limits, parking limits, working on a proposed waiver to pave a portion thereof, a small start up business, folks coming from out of state, getting national press, worked to get SB430 passed defining a farm brewery, meeting with Department of Agriculture, VA Tech on testing of what beer ingredients would grow well in soil, wildlife, enhance natural habitat for bob white quail, specie planting, expanse of media coverage, sponsorship of non profits and for profit businesses, neighbors not happy with dust from gravel road, community support, days/hours of operation, in restaurants, marketing via Kroger, Total Wine, Whole Foods".

Mr. Donnelly asked if Senate Bill 430 offered relief from the parking restrictions. Ms. Pumphrey stated it gives the County the option to give us relief from the parking restrictions. It doesn't require the County to give us relief; it is up to each County what to do in those specific situations.

The Pumphrey's spoke to their growing needs: may have to pave a large portion of road leading to brewery, cost to expand into new markets (cans, growing keg needs, more fermentation vessels, expand tasting room). Ms. Pumphrey spoke to their huge investment in the land (228 acres), of approximately \$1.5 million in expenditures thus far, meeting with distribution companies, tasting room sales and large events help us get the extra capital to buy kegs, cans, three tier system of beer: producer (us), a wholesaler such as Brown Distributing and a retailer such as Nadolski's. Mr. Pumphrey spoke about the distribution process: Lickinghole sells to a Distribution partner, who sells to a retailer who then sells the product for a mark-up noting as a producer we lose about two of those tiers. When we are able to sell directly to the customer we can sell at retail price, get a larger gross margin and increase the amount we make.

Chairman Bowden stated the EDA is new to this type loan process and is trying to establish some policies and procedures on how all of this would work, given that, doesn't know that tonight he can guarantee an answer. Chairman Bowden asked the Pumphrey's what they are looking to the Authority for. Ms. Pumphrey stated their most pressing need is the parking issue, today we were at nine cars and it was all employees, we cannot hire another person until we can have more parking, wants to add jobs, at risk of being shut

down for being in violation of our Plan of Development, has to get passed the nine car limitation, does not have the revenue to pave three fourths of a mile and everything around the brewery, has obtained several quotes thus far, the best from Barton & Boyd at \$34,975 to do the 16 ft. wide road with three speed bumps, (that would have been us going into canning - cost of cans can be recouped). Ms. Pumphrey stated she is having a hard time getting investors excited about paying for the road.

Chairman Bowden asked about incoming sales tax to the county, Ms. Pumphrey spoke to the cost of a large crowd permit: \$200, police for the day: \$850 - has to create a lot of buzz to cover the cost for port-a-potties, large crowd cost, security, etc.

Chairman Bowden spoke to the Authority formulating a grant loan program i.e. how that is formulated for the Pumphrey's and others that may come along, that is the challenge. Chairman Bowden referenced Midnight and their grant loan component, and then based on some performance measure and commitment on their part, a commitment on the back end and proceeding with application.

Mr. Spitzer stated he believes the Authority needs a formal, definitive request from Lickinghole Creek Craft Brewery; the Pumphrey's will provide the Chairman and/or Mr. Ryan with their request.

Mr. Pumphrey referred to an ordinance in Goochland that if you have more than nine parking spaces, say you go to ten, you have to then pave the entire parking lot and every surface that leads to that parking lot and all access roads to it.

Mr. Pumphrey stated they have nine parking spaces with the ability to park many more vehicles; we will have paved handicap parking and accessibility at the brewery. If you look throughout the county and visit some of the places, they have gravel parking lots that service well over nine cars and nothing is paved, that wineries are not required to.

b. Oilville: Chairman Bowden stated Piedmont has come out; S. B. Cox is coming out in the next week or two to start tearing the tank out. S. B. Cox's quote was \$7500, we did not have to pay any permit fees upfront, we may end up paying Piedmont some money to pull and cap the fire plugs.

c. Midpoint: Chairman Bowden stated the road is paved, VDOT has asked us that prior to submitting into the state's road system, they asked us to clean out some of the pipes underneath the road and to clear some of the rights of way, quote for that is \$4,500, there is still money in the budget to do that. There was some question about a bond but hasn't heard anymore. If we have to bond the road, we will probably go over.

Chairman Bowden stated he will need the Authority's approval to write a check for \$202,800 to Barton & Boyd, we have the \$152,780.40 from County (\$103,000 plus county's share), so he will deposit that and then would need approval to write the check.

On motion of Mr. Spitzer, seconded by Mr. Bowles, Chairman Bowden was given the authority to move ahead with completing the Midpoint process. All ayes.

d. Bills to be paid:

- LeClair Ryan - legal work for Midnight Performance Agreement \$1033.50. On motion of Mr. Donnelly, seconded by Ms. Easley, the Authority approved payment as presented. All ayes: Easley, Bowden, Spitzer, Donnelly, Bowden (5-0).

Note: Chairman Bowden stated he strongly proposes that in the future, our grants include language that applicant assumes any legal fees.

- Goochland Chamber of Commerce \$640.00. On motion of Mr. Donnelly, seconded by Mr. Bowles, the Authority approved payment as presented. All ayes: Easley, Bowden, Spitzer, Donnelly, Bowden (5-0).

e. Midnight Brewery: Chairman Bowden stated you have seen what was circulated, there are some gaps to fill in, we have been in touch with him, pieces/parts to the agreement that we need to take care of as soon as we get those things down we can enter that.

Chairman Bowden spoke briefly about inquiries as to what this body can do as far as bonding, issuing bonds, etc. We have talked about this for as long as he has been here but doesn't know noting his only experience is the conduit financing done with Collegiate School. Those folks went out and secured the loan and we signed our name to it so to give to them at a reduced rate, all work and labor was done by Collegiate Schools. Chairman Bowden spoke briefly about a document that Ms. Dickson forwarded to him on a Bond Financing Program from the County of Spotsylvania that he will forward to the Authority. The goal being that we would have something like this for Goochland County, Board of Supervisors would weigh in on this as well. Perhaps we can, at a future meeting, ask LeClair to bring their bond folks in to talk about and then look to them to bring us some other programs that we can copy.

f. Presentation of Plaque to Gracie Easley: Chairman Bowden presented Gracie Easley who was transitioning off the Board with a plaque for her years of service to the Economic Development Authority.

Scheduled Matters: Economic Development Director Matt Ryan

Rural Economic Development Committee (REDC) – Economic Development Director Matt Ryan stated on June 3 he will be making a high level presentation to the Board of Supervisors with a full report to follow this summer.

Adjournment: As there was no further business, the Authority adjourned to a date to be determined in June, 2014 followed by its Regular Meeting on July 16 at 5:30 p.m.