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Economic Development Authority



Goochland County Administration Building
1800 Sandy Hook Rd., Goochland, VA 23063

DATE: MAY 21, 2014

BOARD CONFERENCE ROOM

TIME: 5:30 P.M.

1. Call to Order
 2. Roll Call: (Bowden, Bowles, Donnelly, Easley, Slone, Spitzer)
 3. Determination Of Quorum
 4. Approval Of Minutes: March 19, 2014
 5. Treasurer’s Report
 6. Citizens’ Comment Period
 7. Scheduled Matters – Economic Development Authority
 - a. Guest: Dr. James Lane, School Superintendent
 - b. Guest: Lisa Pumphrey
 - c. Midpoint Industrial Park Update
 - d. Oilville Industrial Park
 - e. Bills to be Paid: LeClair Ryan - \$1033.50 – Current billing through April 30, 2014 (Re: Midnight Brewery documents)
-
8. Scheduled Matters: Economic Development Director Matt Ryan
 - a. Midnight Brewery Update
 - b. Rural Economic Development Committee (REDC) Update
 9. Other Business
 10. Adjournment: July 16, 2014, 5:30 P.M.

Goochland County Economic Development Authority
Administration Building, Board Conference Room
March 19, 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 March 19, 2014, 5:30 p.m. in the Board Conference Room.
2. **ROLL CALL:** Members present were Ben Slone, Gracie Easley, Marshall Bowden, Kirk Spitzer, Andrew Donnelly and Mark Bowles. Others present: Economic Development Director Matt Ryan, and Secretary Lisa Beczkiewicz. Supervisor Manuel Alvarez was present.
3. **DETERMINATION OF A QUORUM:** There was a quorum for the meeting.
4. **APPROVAL OF MINUTES:** On motion of Mr. Slone, seconded by Ms. Easley, the minutes of January 15 were approved as presented. All ayes: Easley, Bowden, Spitzer, Donnelly, Slone, Bowden (6-0).
5. **TREASURER'S REPORT:** Treasurer Slone gave a brief overview of the Treasurer's report noting: \$191,008.58 in CDs, an approximate total ending balance in checking of \$181,294.57 and a CD coming due (April 2014) with a current interest rate of 1.69%.

Economic Development Director Matt Ryan stated he is still waiting on legal clarification as to what the EDA can and cannot do as far as investment of funds; thinks the EDA has some flexibility in how they invest money, but more importantly is being good stewards of public money. Mr. Ryan stated he is looking at other EDAs as to their diversified land holdings, speculative land holdings, from an investment of funds aspect, but needs further clarification. Mr. Slone noted there is nothing in the code that really shrinks this down as to a requirement for investment. Mr. Donnelly spoke to updated yields with Vanguard, their total bond market index fund rate, rates for Certificates of Deposit, liquidity, market risk, value, etc.

Mr. Spitzer spoke to short term bond accounts that do not go out very far that move that are pretty active and asked if some of those doing better than CDs and believes the risk is pretty low? Mr. Donnelly stated that is right and is the reason he included the Vanguard total bond market index fund because it is short term (5 yrs), thinks average maturity is 7 years, is fairly stable, has tracked it for a few months and the price is pretty stable. Mr. Donnelly stated he is on the investment committee of the Goochland County Historical Society and they have used Vanguard for probably a year or so and they have been satisfied with.

Mr. Donnelly suggested perhaps a minimal investment of \$10,000 to get into the Admiral Share and see how it does. Chairman Bowden asked the expense; Mr. Donnelly stated Vanguard is the lowest in the business, 0.20%.

Mr. Spitzer added there is no short term horizon for this money, it may be worth putting some of it into something a little better versus the low interest on CDs. Chairman Bowden stated when thinking about our Midnight Brewery commitment and some of the upcoming financial commitments that we have talked about, he comes up with almost \$86,000 (Midpoint paving, Midnight Brewery, Oilville, Chamber Dues, etc.) and would consume close to several of the CD amounts.

Mr. Spitzer stated two CDs are maturing fairly close together, we can revisit in May. Mr. Slone stated we can pull the April 26, 2014 CD out and deposit it or re-up it. Mr. Spitzer suggested pulling it out and depositing it. Mr. Slone spoke to the \$2 check return fee stating he will look into and asked if there were any thoughts, concerns with Essex Bank?

6. **CITIZEN COMMENT PERIOD:** Chairman Bowden opened the meeting to citizen comment. Seeing none, the comment period was closed.

7. **SCHEDULED MATTERS:**

- a. **Guests:** Susan Youngs, Tournament Co-Chair and Lea Myers, General Manager of Richmond Country Club spoke to the 2014 Eagle Classic being held the week of August 11. Topics included attendance, sponsors, fans, TV viewers, Fox Sports Network promotion of event, and request for consideration of the Authority's sponsorship.

- b. **Midpoint Industrial Park Update:** Matt Ryan, Economic Development Director spoke to cost sharing discussions over the last several months to finish the roadwork at Midpoint and to bring to state standards. Mr. Ryan spoke to a bid in October for \$182,000+ and stated they went out last week or the week prior and had a pre-con meeting with the selected contractor that the price has changed due to weather conditions and is about \$202,000 to complete. At the initial bidding of project, Mr. Ryan noted he took the \$182,000, factored in a price of \$10,000 for geo-tech testing and added a 12% contingency for a total of \$218,000+. Barring changes in the original bid, the geo-tech number still stands firm, we come in about \$6,000 under the money that was appropriated in February by the Board of Supervisors (\$103,000 county held bond money, plus an agreed to pay amount of \$55,000 each - BOS & EDA 50/50 match) to get the road project finished.

- c. **Oilville Industrial Park Update:** Chairman Bowden talked about the decommissioning of the tank, that letters were sent to all about the decommissioning

and after that letter went out we learned that Aqua VA may possibly be interested in assuming responsibility for the tank. After conversations with them, they said it doesn't make sense for them to do that... so then back to the decommissioning.

Chairman Bowden spoke to ongoing conversations with Utility Engineer Todd Kilduff who spoke to two different contacts, those being Piedmont Construction and S. B. Cox. Piedmont said they would go in and gut the little building and take pieces/parts out and help us with some of the other capping of utilities, fire plugs, etc. As well, has a quote from S. B. Cox to do the rest of the demolition which would include removing whatever trees we need to remove to get the tank out, demolishing the tank and pump house to include the concrete pad under it and then dispose of the debris, seed and straw. They do not contemplate any hazardous materials and there really shouldn't be, and then capping any utilities for \$7500. Chairman Bowden stated what he does not know, and has not been addressed, is what permitting will be needed for this work, so could be some additional permitting fees on top of. Additionally, instead of abandoning the well i.e. pulling the pump, filling with grout he thought maybe we would leave it capped and then go to Whitney Properties, the surrounding property landowner, and just talk to them to see if they are interested in purchasing that little piece.

Chairman Bowden stated Brewer Communications has approached us to say that once the plugs are out and the water is drained out of the water lines that run on the east side of the road, they want to use that as a raceway to put fiber in, so we could assign the easement to them and move on.

Chairman Bowden stated he is looking for authorization to move forward with S. B. Cox with a "not to exceed figure of \$9,000" to get everything done, is not sure what permitting will be needed.

Mr. Ryan asked if the Authority is looking to turn a profit on the property noting an option would be to deed the property to them, free of charge, and then they are responsible for decommissioning the tank.

Chairman Bowden stated they got the letter, he has not approached them with that but is not sure they would want to deal with it.

Chairman Bowden also added that Matt Brewer suggested the Authority take the fireplugs and donate one to each firehouse, a thought being maybe to commission an artist to paint the fireplugs for each of the firehouses.

On motion of Mr. Donnelly, seconded by Mr. Slone, the Authority moved to authorize the expenditure of up to \$9,000 for S. B. Cox. All ayes: Easley, Bowden, Spitzer, Donnelly, Slone, Bowden (6-0).

Bills to be paid: On motion of Mr. Slone, seconded by Mr. Donnelly, the Authority voted to approve payment to Capital One of \$159,310.50 (upon deposit of check from County for pass thru payment to Capital One). All ayes: Easley, Bowden, Spitzer, Donnelly, Slone, Bowden (6-0).

(Deposits: Virginia Small Business Financing Authority Bond Fee Sharing from Goodwill Industries of Central Virginia, Inc. - \$1005.73, Capital One Pass Thru: County Check #174704 - \$159,310.50).

8. **Scheduled Matters: Economic Development Director Matt Ryan**

a. **Midnight Brewery Update:** Economic Development Director Matt Ryan spoke to Midnight Brewery happenings: a groundbreaking ceremony that a meeting was held with Mr. Cairns several weeks ago on review of his plans and a few minor changes needed, is not sure of status of construction, that hopefully something will be finalized between now and March 28, will check on and update all. When plans are approved is typically when the connection fee would be paid and would trigger loan document.

Chairman Bowden stated initially he was of the understanding the County Attorney would write up the documents but that is not the case. So, he has contacted the Authority's attorney, LeClair Ryan, to write up the performance agreement as well as loan documents associated with that so that we will be ready when Mr. Cairns is ready.

Mr. Ryan added it was determined that the County Attorney did not have the grounds to draw up legal documents for the Economic Development Authority. Since it is an EDA program their counsel should be handling the documents. Mr. Ryan stated the County Attorney did provide a list of bullet points for the Letter of Intent that we originally sent to Mr. Cairns so in theory the documents are already in place; it just needs to be formalized by the EDA's attorney. Chairman Bowden stated the intent is to take the Letter of Intent (LOI), pull the terms, create a performance agreement and associated loan documents.

Ms. Easley asked about the past handling of businesses coming in for the EDA and who drew those up. Chairman Bowden stated he is only aware of Aw-shucks/PT Land and that was more the County -- it was more of a County program as opposed to this. Mr. Slone noted the Authority's did review that as well.

Mr. Ryan stated in theory, if this program were to become a stand-alone/ standardized program, you would not need to recreate, you could use the same documents again, so is almost creating a generic.

Mr. Ryan passed out a document entitled, "TCSD Business Expansion Grant and Loan Program" that was used when creating the LOI for Midnight, so is a working document-- feel free to make any suggestions, changes, is kind of a first stab at something, thinks everyone has a copy of the Letter of Intent.

There was discussion on item b. under "Applicant Eligibility" - "Applicants must have at least ___ percent (___ %) ownership interest or equity position in the business."

Mr. Ryan stated this program is more suited for a small business rather than a corporation like Capital One. Mr. Donnelly mentioned 30% comes to mind for what it is worth. Mr. Ryan stated this is more just something to look at, at some point down the road, pending available funds, is something that could be utilized for future businesses.

b. Rural Economic Development Committee (REDC) Update: Economic Development Director Matt Ryan stated we are five months into a six month process with the Rural Economic Development Committee. The group was originally formed to bring together stakeholders in the agri/tourism rural economic component of the county with the mission to come up with suggestions to the Board of Supervisors on implementing a plan to retain and recruit agri-tourism in the county. Mr. Ryan stated it has taken the group five months to define what is rural business/agri business, is like opening Pandora's box, tough to define that type of business, so we are struggling with that. We have come up with a few suggestions that will be finalized in a plan submitted to the Board of Supervisors probably early summer. Hopefully, we will implement some of the suggestions one of which is going to be creating a full time committee whether a sub-committee of the EDA or free standing. Mr. Ryan referenced Loudoun County as an example, they have an Economic Development Authority, then below that they have a Rural Economic Development Committee and also an Economic Development Committee that is a working group that meets monthly, 27 members on each committee, they have full time staff devoted to them who basically do the brainstorming and daily work then report to the Authority who actually make the decisions.

Mr. Ryan stated he does not know how a committee as such would be implemented in Goochland, could be a freestanding committee that really has no authority but a group that is able to bounce ideas off of one another...more to come.

Mr. Ryan stated realizing agriculture/forestry is the largest economic sector in the state of Virginia, noting last year the numbers were astronomical, completely blows away every other industry, and so is trying to figure out ways to tap into that. Mr. Ryan stated he feels like the county is suited for that, there is definitely a rural heritage here, we certainly have the landscape for it, so a lot of the factors are in place to be successful, and we just need to get a plan moving forward.

Mr. Spitzer asked for examples of agri-business, Mr. Ryan stated that is the hard part...defining what exactly that is...farmers markets, farm to table restaurant, cattle farms, dairy farms, referred to the state code definition that could be sent out to the Authority. Farm brewery (is a prime example of what should be considered agri business but what defines them as a farm winery)...how do you give a separate set of rules that apply to them but do not apply to Midnight Brewery just because they are in an industrial park? Or, if you look at any kind of value added food operation, you can make the argument that a grocery store is an extension of a farmers market, so is hard to really define what truly is an agri -business versus a regular business and part of the thought behind this was trying to stream line the process. Not necessarily give it a different set of rules to play by but make it easier for the guy that owns 100 acres and grows fruits and vegetables and wants to have a road side stand - should he have to go through the same process that Capital One has to go through to sell its \$15 worth of cucumbers every week? Is how it is set up now...? Another prime example, with Lickinghole, because of the County's requirements for building and certificate of occupancy, they essentially, if they want to grow, they are going to have to pave the road coming in, following the same rules as a business in West Creek. Here you have a rural 200 acre farm that happens to have a brewery on it; there is no differentiation in the process. So the thought was to come up with ways to help grow the agri-business component, the challenge has been defining differentiation, one of the biggest challenges of the group. Same thing with agri -tourism, essentially a farmers market can be considered agri-tourism. In Goochland, a farmers market in Centerville, can you separate them out and let them use different guidelines to operate when essentially they are in the middle of a mixed use development? Is hard to be able to separate the two, we are trying to find ways to encourage expansion, recruitment and retention of those types of businesses.

Chairman Bowden spoke to an example of a peanut farm in agricultural...they decide to take peanuts and process them on the farm and sell peanut butter... that throws me into another category. We are trying to figure out how I can sell a couple cases of peanut butter a weekend off my farm without having to go through hoops and hurdles. Then you have the equity side, if I am buying Bowden's peanuts, running it downtown, processing it or running it to Centerville or West Creek and processing the peanuts in a factory setting and churning out peanut butter to Martin's or whomever, there is an equity situation. Bowden can sell his peanut butter on the farm but as soon as he goes down to West Creek, am I giving the farm/manufacturing distribution a leg up over the other guys....

9. **Eagle Classic:** Chairman Bowden asked the Authority their thoughts on the role of the EDA's participation in the Eagle Classic. Mr. Spitzer stated while it is an interesting and fun thing to do, is not sure what the EDA's role in it is, if any. Mr. Ryan spoke to his last year's remarks about it not being a good idea, there is no return for the investment noting he bought two banners last year and put them up on the property across the

street, a one-time purchase with the same visibility for free. Mr. Ryan stated the attendance gets smaller each year, that he attended last year, did not see a lot of time spent talking with the vendors...saw folks saying hello, then off to the next thing. As far as things to spend money on and getting a return on... this is not the event to do. Is a good event, has a great cause, but would rather see someone cut a check to Feed More than support the tournament; certainly we want to support Eagle who is building a house in County turning all profits over to Feed More, is a great cause. If there is a desire to get involved, there are better ways to get publicity and better return. As well, it was noted there is no reference to Goochland really, just Richmond Country Club.

It was the consensus of the Authority to not support the Eagle Classic.

- 10. Adjournment:** As there was no further business, the Authority adjourned to May 21st, 2014 at 5:30 p.m. All ayes: Easley, Bowden, Spitzer, Donnelly, Bowles, Slone (6-0).

EDA - ACCOUNT BALANCES		
<u>ECONOMIC DEV. FUND-RECONCILIATION</u>		
<u>CERTIFICATES OF DEPOSIT</u>	<u>Approximate Current Value</u>	<u>Maturity Date</u>
Bank Of Essex (2.10%)Acct. 837	\$ 18,001.02	10/27/2014
Bank Of Essex (1.69%)Acct 2068	\$ 66,446.03	5/26/2015
C&F Bank (1.00%) Investors Choice 41317	\$ 106,669.00	5/18/2014
	\$ 191,116.05	
<u>ECONOMIC DEVELOPMENT AUTHORITY CHECKING (2112)</u>		
<u>AUTHORITY WRITES CHECKS</u>		
<u>Begining Balance:</u>		\$ 160,583.32
7/23/2013 Check #1378 VA Corp		(2,670.00)
7/23/2013 Check #1379 LeClair Ryan		(640.00)
9/19/2013 #1380 LeClair Ryan		(78.75)
1/22/2014 #1381 Goochland Chamber of Commerce		(750.00)
1/22/2014 #1382 Goochland Chamber of Commerce		(140.00)
5/14/2014 #1383 Capital One		(159,310.50)
7/31/2013 Monthly Check Return/Image Stmt Fee		(2.00)
8/30/2013 Monthly Check Return/Image Stmt Fee		(2.00)
9/30/2013 Monthly Check Return/Image Stmt Fee		(2.00)
10/31/2013 Monthly Check Return/Image Stmt Fee		(2.00)
1/31/2014 Monthly Check Return/Image Stmt Fee		(2.00)
<u>Deposits</u>		
12/13/13 Goochland County CK#173479 PT Land Installment		25,000.00
3/21/14 Goochland County CK#174704 FY14 Cap 1 Contribution		159,310.50
3/21/14 Deposit		1,763.73
<u>Ending Balance:</u>		\$ 183,058.30
	EDA Secretary:	
	Approval Date:	
5/15/2014		



LECLAIRRYAN

A Virginia Professional Corporation
P.O. Box 2499
Richmond, Virginia 23218-2499

EIN NO: 41-2252451

Lisa Beczkiewicz
Goochland County
P.O. Box 10
Goochland, VA 23063

May 8, 2014
File Number: 06377.0004
Invoice No: 581036

Matter: Goochland EDA

CURRENT BILLING THROUGH APRIL 30, 2014

Fees for Professional Services	\$1,033.50
Expenses and Advances	\$0.00
Costs Incurred not Advanced	\$0.00
Less Payments Applied	\$0.00
CURRENT BILL	\$1,033.50
Previous Balance Due	\$577.30
Payments/Adjustments	(\$577.30)
TOTAL BALANCE DUE	\$1,033.50
MONIES HELD IN TRUST	\$0.00

THIS INVOICE IS PAYABLE UPON RECEIPT.

**THE FIRM'S HOURLY RATES ARE REVIEWED ANNUALLY AND MAY
CHANGE EFFECTIVE JANUARY 1ST UNLESS OTHERWISE AGREED**

FOR ALL BILLING INQUIRIES
PLEASE CONTACT THE ACCOUNTS RECEIVABLE DEPARTMENT – 1.888.783.2003
Client.billing@leclairryan.com