

FREDERICKSBURG
ECONOMIC
DEVELOPMENT
AUTHORITY

706 Caroline Street
Fredericksburg, VA 22401

(540) 372-1216
(540) 372-6587 Fax

ECONOMIC DEVELOPMENT AUTHORITY MINUTES (EDA)

August 12, 2019

8:30 a.m. • EDA Regular Meeting
Courtyard by Marriott, Kenmore Room
620 Caroline St.
Fredericksburg, VA

The Economic Development Authority of the City of Fredericksburg, Virginia met in regular session on Monday, August 12, 2019 beginning at 8:30 a.m. in the Kenmore Room, at the Courtyard by Marriott.

EDA MEMBERS PRESENT. Beth Black Chair, presiding. Lee Murray, Chris Waller, Suzy Stone, Mitzi Brown, Bill Beck and Will Mackintosh.

ABSENT. None.

ALSO PRESENT. REDCO: Joe DiStefano; EDA Counsel: Blanton Massey; Department of Economic Development and Tourism: Bill Freehling, Director; Angela Freeman, Business Development Manager; Amy Peregoy, Economic Development Specialist.

DETERMINATION OF QUORUM. Mitzi Brown.

AGENDA.

MOTION by Mitzi Brown, seconded by Will Mackintosh, the agenda was approved: Ayes (7); Nays (0).

PUBLIC COMMENTS. None.

APPROVAL OF MINUTES.

MOTION by Bill Beck, seconded by Will Mackintosh the minutes from the June 10, 2019 regular meeting were approved: Ayes (6); Nays (0); Abstain (1-Stone).

TREASURER'S REPORT.

- a. **EDA Budget Update and Financial Statement** - The financial statement and budget reports for June & July 2019 were filed with the minutes.
- b. **Action Items** – Mr. Murray notified the board Atlantic Union Bank increased the interest rate on the money market account from .2% to .25%. The increase will add approximate income of \$20,000.

STAFF REPORT. Mr. Freehling updated the board on the following: the joint work session with City Council will be held on September 24 from 5:30-7 p.m. at City Hall. The Parks, Recreation & Events Department will be completing a Strategic Plan and have requested two EDA board members to participate in a focus group meeting on

August 13. Ms. Brown and Mr. Waller will attend the focus group meeting. Mr. Freehling distributed The New Geography of Jobs book to the board members for their reference. Mr. Freehling presented the participation of the City in the Rappahannock United Way Golf Tournament. He reviewed the costs and sponsorships. Mr. Freehling, Mr. Waller, Mr. Murray and Ms. Stone will tentatively participate individually on their own to form a team. No motion was made by the board.

EDA LOAN PROGRAM. Chair Black discussed the formation of an EDA Loan Program. She would like the program to launch by Spring 2020. The program should follow other successful locality programs. Mr. Mackintosh gave background regarding the need from the business community for a loan program. He reviewed a former request from M-D Eats as an example. Chair Black stated she and Mr. Macintosh attended a VEDA conference where they learned about the City of Harrisonburg's loan program. Their program began with \$100,000 grant from the Department of Agriculture. Chair Black introduced Mr. DiStefano.

- a. **Presentation by Joe DiStefano, President, REDCO, EDA Loan Programs** – Mr. DiStefano presented the board with background on REDCO. He informed the board on REDCO's partnership with the Stafford County EDA and Virginia Community Capital (VCC) to include: credit policy, economic development goals, applicant requirements to meet goals, various processes/structures, underwriting, administration, fees, application review, approvals, loan portfolios, management of funds/payments, reporting, loan types, grant programs, GAP funding program, interest rates, loan terms, personal guarantees and referring businesses to the UMW Small Business Development Center for counseling. There was a brief question and answer segment. The board asked if there were grants to fund the program for the EDA. Ms. Freeman and Mr. DiStefano reviewed resources. Ms. Freeman noted partnerships within the region for entrepreneurship and read a general mission statement.
- b. **Identify goal of loan program** – Chair Black reviewed City Council's 2036 Vision Statement. She called for discussion. The board discussed the following: types of loans, small business needs, risk/protection of EDA funds, total program funding, increase EDA income, loan terms and maximum/minimum loan amounts. Chair Black requested Mitzi Brown and Will Mackintosh create a mission statement and goals. Chair Black requested Lee Murray to assist her with a draft budget. Ms. Freeman will forward the general mission statement.
- c. **Create mission statement** – Discussed under item 8b.
- d. **Create broad parameters of the program: budget, loan ranges, key strategic goals, types of loans, loan applications** – Chair Black noted the budget had been discussed under item 8b. She suggested to use REDCO's and VCC's documentation and servicing. She called for discussion. Board discussions included: business capital investments, revitalization, job creation, structuring loan amounts by policy beginning with \$15,000 and the loan process. Chair Black called for a motion for two board members to form a Loan Committee to review credit memos and present recommendations to the board. Mr. Murray and Mr. Waller were appointed.

MOTION by Suzy Stone, seconded by Bill Beck the EDA hereby approves Lee Murray and Chris Waller as EDA Loan Committee members: Ayes (6); Nays (0); Absent from Vote (1-Waller).

Mr. Mackintosh noted there would need to be program branding/brand identity and to allocate funding for marketing.

Chair Black thanked Mr. DeStefano for his time and expertise.

NEW BUSINESS. Upcoming work session with City Council. Chair Black reminded the board of the date and time of the joint work session with City Council. Ms. Brown gave background on workforce development, graduation rates, employment and economic development. There was a brief discussion regarding the school board, City Council and the working group.

MOTION by Suzy Stone, seconded by Lee Murray to adopt the amended Resolution 19-14, the EDA hereby authorizes Mitzi Brown and Suzy Stone to participate in future Working Group meetings with the Fredericksburg School Board and City Council: Ayes (7); Nays (0).

Suggested discussion items with City Council: new incentive policy process previously submitted to City Council, properties, schools, educational partnerships, workforce development and the increased homeless population within the City and tourism. Ms. Brown discussed different programs for the homeless. Chair Black requested Meghann Cotter present Micah's workforce development program to the board at the September meeting.

CHAIR'S REPORT. Chair Black requested updates from the committees.

- a. **Parking Improvement Committee** – No update.
- b. **Branding Committee** – Chair Black noted the branding process will possibly be restarted. She requested Ms. Brown join Mr. Mackintosh on the committee. Ms. Brown accepted.
- c. **Strategic Acquisitions Committee** – No update. Chair Black requested Mr. Waller join Mr. Mackintosh on the committee. Mr. Waller accepted.
- d. **Main Street Loan Program Committee** – No new applications. Chair Black requested Mr. Beck join the committee. Mr. Beck accepted.
- e. **Workforce Development Committee** – No update.

ADJOURNMENT. There being no further business to come before the Economic Development Authority at this time, Chair Black declared the meeting officially adjourned at 11:05 a.m.


Mitzi Brown, Secretary

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MOTION: Stone

**August 12, 2019
Regular Meeting
Resolution 19-14**

SECOND: Murray

RE: Authorizing the Fredericksburg Economic Development Authority to appoint two members to participate in future Working Group meetings with the Fredericksburg School Board and City Council.

WHEREAS, the City, the School Board and the Economic Development Authority (EDA) have participated in working group meetings to investigate and evaluate possible opportunities to advance workforce development in the City, and other related matters where the City and the Schools intersect and have a direct impact on economic development, and

WHEREAS, The City Attorney recommended that the working group be formalized to meet all legal requirements as a public meeting, and

WHEREAS, the EDA fully supports the City's and the School Board's efforts to advance effective workforce development and other economic development measures and desires to actively participate in those efforts,

Therefore, the Economic Development Authority resolves that:

- The EDA hereby authorizes and directs its Chair to appoint two members, Mitzi Brown and Suzy Stone to participate in future Working Group meetings with the Fredericksburg School Board and City Council.

Votes:

Ayes: 7

Nays: 0

Absent from Vote: 0

Absent from Meeting: 0

Secretary's Certificate

I, the undersigned, certify that I am Secretary of the Fredericksburg Economic Development Authority, and that the foregoing is a true copy of Resolution No. 19-14 duly adopted at a meeting of the Fredericksburg EDA held August 12, 2019, at which a quorum was present and voted.



Mitzi Brown
Secretary, Fredericksburg EDA