

**Economic Development Authority
Of
Lancaster County, Virginia
Minutes – June 24, 2020**

A special called meeting of the Lancaster County Economic Development Authority was held on Wednesday, June 24, 2020 via the Zoom platform.

Roy Carter, Chairman, called the meeting to order at 11:06 a.m.

Mr. Carter called the roll call.

Members Jeff Szyperski, Charlotte Silverman, Ronald Davenport, Bruce Sanders, Ed Pittman and Lewis Conway were in attendance via electronic means.

Others present via electronic means were Don G. Gill, County Administrator, James Cornwell, County Attorney and Jimmie Carter.

Roy Carter stated that the purpose of today's meeting was for Jimmie Carter to explain the Community Business Relations Advisory Committee's (CBRAC) initiative and a proposed agreement with the firm, Camoin Associates.

Discussion Concerning the Proposed Agreement with Camoin Associates

Jimmie Carter stated that, a few months ago, the Board of Supervisors asked Julien Patterson, Paul Sciacchitano and him to form a citizens' advisory committee to explore ways to stimulate the local economy. He stated that they have also brought Jeff Szyperski and Susan Cockrell, Kilmarnock Town Manager, into the group for their input. He stated that they have been meeting regularly to discuss the mission and both short-term and long-term goals.

Jimmie Carter stated that Julien Patterson was, at one time, the CEO of a group called the Virginia Economic Development Partnership. He stated that the Virginia Economic Development Partnership is publically funded and is charged with bringing new companies into the state of Virginia. He stated that this group was responsible for bringing such companies as Amazon and Rolls Royce to Virginia. He stated that Mr. Patterson suggested that the CBRAC group meet with Dan Gundersen, who is with Camoin Associates. He stated that the group was impressed with Mr. Gundersen's background and his understanding of the current market place. He stated that Mr. Gundersen had told them that there was \$1.5 billion dollars that had been allocated under the COVID-19 relief money to the National Economic Development Authority and they were charged with getting that money out as fast as they could. He stated that Mr. Gundersen thought that Lancaster County had a compelling economic development story to tell and that the County needed to apply for some grants. He stated that Mr. Gundersen has written a proposal and the CBRAC group was surprised at how affordable it was. He stated that, for \$7,500, Mr. Gundersen will help the County to articulate how it can be eligible for these grants and then to write the grants. He stated that Chesapeake Bank would pay half of the \$7,500. He stated that, after speaking with some members of the Board of Supervisors, they thought that,

while the County would be in support of this agreement, it would be better for the local EDA to pay the remaining \$3,750 to get this initiative going. He stated that Mr. Gundersen said he would start working on this the day after the contract is signed.

Jimmie Carter stated that, after the contract is signed, Mr. Gundersen would make himself available to meet with the EDA and the Community Business Relations Advisory Committee to discuss applying for multiple grants and what would be the best things to do with potential grant funds. He stated that the request today of the EDA is if they would agree, under a public-private partnership, to pay the additional \$3,750 to enter into the contract with Camoin Associates.

Jimmie Carter stated that Mr. Gundersen had said that the grants can range from \$150,000 to \$1 million dollars, with the average grant being around \$650,000.

Mr. Szyperski stated that there were many programs out there. He stated that the one that his bank has been dealing with is the Paycheck Protection Program. He stated that the money that is going to be coming into the County is CARES Act funds and a third pot of money is the Economic Development Administration funds. He stated that they were only speaking of the Economic Development Administration money in this situation.

Mr. Szyperski stated that Camoin Associates was an economic development firm and had done over 1,000 projects and over sixty percent of those projects are targeted in rural communities.

Jimmie Carter stated that, after speaking with Dr. Charlotte Silverman, she had made the statement that, at this price point, even if they were not successful in getting a grant this time, it would be a good exercise to go through so that everyone involved is on the same page.

Dr. Silverman added that this could help the EDA get clarity on its priorities.

Mr. Sanders asked if a potential grant could help with the funding for an economic development officer.

Jimmie Carter replied that it could be a step towards having one.

Roy Carter stated that Mr. Gill had sent out an attachment earlier to all of the EDA members concerning Camoin Associates for their information.

Roy Carter stated that he had spoken to Julien Patterson a few years ago when the Town of White Stone was trying to get a revitalization grant. He stated that Mr. Patterson told him then that the most important thing when trying to obtain a grant is to have a grant writer. He stated that he thought they would be taking a step in the right direction with this firm.

Mr. Szyperski asked Mr. Cornwell if there would be a conflict of interest with his vote because he was a member of the EDA, an informal member of the Community Business Relations Advisory Committee and the representative for Chesapeake Bank that would be contributing half of the money to enter into the agreement.

Mr. Cornwell replied that, in his opinion, it was not a conflict of interest since Mr. Szyperski was representing the entity that would be contributing money to the endeavor and not taking money from it.

Mr. Cornwell stated that he had two concerns with the contract that he wanted to mention to the EDA members. He stated that they may not be major issues, but he wanted to point them out. He stated that there was a limitation on damages. He stated that, with the amount of money that they would be paying, he was not sure how they could be damaged, but he wanted everyone to know that the damages are capped. He stated that the second issue was that the firm's jurisdiction is in the state of New York, so if a dispute were to arise, he did not know if it would be worth the time and money to go there, but that is where a potential dispute would have to be settled.

Mr. Cornwell stated that he did not see a scope of work on the contract that he had reviewed as well, but that can be worked out.

Dr. Silverman stated that it was standard procedure that the potential litigation would be in the state where the company was based, so, for her, that was not an issue. She stated that she did not have a problem with the limitation on damages either. She referred to the scope of the work and stated that they may have some opportunities to add some other items if they deemed them to be important. She stated that the firm may be able to use the 2018 Northern Neck Planning District Commission Comprehensive Economic Development Strategy, which contains a lot of information, and they may be able to tap into that during their research. She stated that she supported entering into a contract with Camoin Associates.

Mr. Davenport asked that, after the contract was signed, who would be responsible for the \$10,000 for the Blueprint for Action that was mentioned in the cover letter.

Mr. Cornwell stated that the proposed contract does not cover the \$10,000 and they may be able to include it under the scope of services, but he thought that they would need an additional contract.

Mr. Szyperski stated that the way he read it was that the \$10,000 would be triggered if they received a grant.

Jimmie Carter stated that was his understanding as well.

Dr. Silverman made a motion to enter into the contract with Camoin Associates and the Economic Development Authority pay \$3,750. Roy Carter seconded the motion. A roll call vote was taken:

Carter-Aye

Silverman-Aye

Szyperski-Aye

Pittman-Aye

Sanders-Aye

Davenport-Aye

VOTE: 6-0 (Lewis Conway was unavailable to comment.)

Jimmie Carter stated that he would be in touch with the EDA after he knew Mr. Gundersen's schedule so that a meeting could be set. He stated that he also intended to speak to the Board of Supervisors at their regular meeting on Thursday night to give them an update.

Mr. Gill stated that the next regular EDA meeting is scheduled for Thursday, July 16th. He asked Jimmie Carter if he could ask Mr. Gundersen if that date might work for him.

Jimmie Carter said he would try to do that.

Discussion Concerning the Upcoming July 16, 2020 EDA Meeting

Mr. Gill stated that there were two grant requests for the EDA to consider at its next meeting. He stated that those requests were from Lead Northern Neck for \$5,000 and the new Chesapeake Doughnut Company for \$25,000.

Mr. Gill stated that they will also need to discuss the CARES Act funds. He stated that the Town of Kilmarnock is interested in having an agreement with the EDA to act as their dispersing agent for a portion of their CARES Act funds. He stated that the EDA would not have any decision making involved with dispersing funds from the town. He stated that, where the EDA would make decisions, is if the Board of Supervisors decides to funnel some of the CARES Act money to businesses located with the County's jurisdiction.

Dr. Silverman asked how much work and how involved will the EDA need to be in these requests.

Mr. Carter replied that he was in touch with Susan Cockrell, the Kilmarnock Town Manager, and she would be getting more information to him soon. He stated that the Town of Kilmarnock was going to be receiving approximately \$130,000 from the CARES Act and the town would be doing all of the vetting and paperwork. He stated that, because municipalities cannot give the grants to businesses directly, they are asking the EDA to disperse the funds. He stated that they would mainly be just writing the checks.

Dr. Silverman asked if there was a way to get as much information upfront, prior to the meeting, as possible.

Mr. Carter stated that Mrs. Cockrell will be sending him the information and he will email it to the other EDA members once he receives it.

Dr. Silverman asked Mr. Gill about what the EDA might have to do with the County businesses and the CARES Act funds.

Mr. Gill replied that would still need to be determined by the Board of Supervisors about how much money, if any, they would want to give. He stated that the EDA would be responsible for vetting any business applications that were in the County's jurisdiction. He stated that he would

like for Mr. Cornwell to comment on this, but there would probably need to be some sort of an agreement between the EDA and the Town of Kilmarnock to disperse those funds.

Mr. Cornwell stated that the CARES Act funds came from the federal government which dispersed them to the state and then the state dispersed them to the counties and cities. He stated that the funds were dispersed based on population. He stated that the counties were to grant a share of the funds to the towns located in the counties on an equitable basis. He stated that the County has an agreement with the towns that says that the towns were to administer the payout of those funds and guarantee the County that the money was used correctly. He stated that the County would be the one to take the hit if the funds are misused. He stated that the towns must make sure that all of the federal guidelines are met. He stated that localities cannot distribute money to for-profit entities and they could use the Chamber of Commerce or the EDA. He stated that they will probably need some sort of agreement to make sure all state and federal guidelines are being met.

Mr. Szyperki stated that if the EDA does receive any of the money from the CARES Act funds through the County it would be helpful to know what guidelines they should follow to make sure the funds are dispersed the way they were intended.

Mr. Cornwell stated that was still a work in progress across Virginia. He stated that he belonged to a local government attorneys' association and they are still working on those guidelines on who should receive those funds. He stated that he did not have anything to share at this point.

Dr. Silverman stated that the EDA has traditionally not given money to for-profit entities, so it has no experience with that. She asked if the funds they were speaking of be for both for-profit and non-profit entities.

Mr. Cornwell replied that the funds that they were speaking of would primarily be for economic development for for-profits. He stated that non-profit entities can be funded directly from the localities and not from the EDA. He stated that the Board of Supervisors has not made any decisions on this yet.

Dr. Silverman asked if Mr. Gill had an idea about when the Board of Supervisors might make a decision on this issue.

Mr. Gill replied that the issue will be discussed some at the next Board meeting and they may make a decision by the end of July. He stated that they have until December 30th to spend the funds. He stated that the original email he received about this included a 21-page document of guidelines of what the funds could be used for and he would share that document with the EDA members. He stated that the County has some direct expenses that will need to be paid with the CARES Act funds. He stated that Mr. Cornwell had brought up a good point about the towns and counties directly funding non-profits and possibly the EDA funding the for-profits.

Mr. Szyperki stated that the vast majority of local businesses have received some relief during the COVID-19 crisis through the Paycheck Protection Program and bank payment deferrals, so they may have not felt a lot of pressure, cash flow wise, in the last 12 weeks, but now they are

going to begin to feel the pinch, despite the partial reopenings, in his opinion. He stated that getting the funds out in a timely manner will be critical for some of these local businesses.

Mr. Gill stated that he agreed.

Mr. Carter stated that he would get the information he receives from Susan Cockrell out to his fellow EDA members concerning the Town of Kilmarnock.

Mr. Carter stated that he had met with the owners of the Chesapeake Doughnut Company because they had given a request for \$25,000. He stated that a meeting or two ago the EDA had limited the cap on requests to \$10,000 and he wanted them to be aware of that.

Adjournment

Mr. Carter made a motion to adjourn the meeting at 11:53 a.m. **VOTE: 6-0.**

Action Items

- Mr. Carter will email fellow members the information he receives from Susan Cockrell concerning the Town of Kilmarnock and the CARES Act funds.
- Mr. Gill will email EDA members the 21- page document concerning guidelines concerning the CARES Act funds.
- The Camoin Associates contract is to be signed and a \$3,750 check to be prepared.