

**Economic Development Authority
Of
Lancaster County, Virginia
At
Chesapeake Bank Operations Center
Minutes – August 14, 2019**

Members Attending: Roy Carter, Charlotte Silverman, Jeff Szyperski, Ed Pittman, Ronald Davenport, Lewis Conway and Bruce Sanders.

Others Present: Don Gill, County Administrator.

Mr. Carter called the meeting to order at 8:30 a.m.

New Business #1

EDA Mission

Dr. Silverman stated that there were some things that the EDA needed to work on at this meeting. She stated that they needed to create their mission statement and decide, as a group, what they want to support. She stated that criteria for granting funds should be a part of the EDA's mission statement. She stated that the second part of the meeting should be focused on what their strategic goals are. She stated that, instead of starting from scratch, she thought they should consider reviewing, possibly modifying and adopting the goals of the Northern Neck Planning District Commission's 2018 Comprehensive Economic Development Strategy.

Dr. Silverman stated that the EDA has two mission statements at the present time. She stated that there was one on the website and another one in the by-laws. She stated that a mission is a mental picture of what they want to become and how that will be achieved. She stated that the mission statement on the website reads "Duties: Receives applications for economic development bonds and makes recommendations to the Board of Supervisors. Considers the issuance and payoff of approved bonds. These bonds finance projects that will benefit the community by employment or economic growth." She stated that the mission statement in the EDA's by-laws reads "The goal of the Authority shall be the fostering and stimulating of the development of business, industry and trade in the County of Lancaster for the general good of its people and the Commonwealth of Virginia."

Dr. Silverman stated that she combined those statements and her suggested mission statement reads "The mission of the Authority is to foster and stimulate economic development and employment through entrepreneurship in business, industry and trade in the County of Lancaster for the general good of its people and the Commonwealth of Virginia."

Dr. Silverman stated that when the EDA entertains grant requests in the future, it must have criteria in place that applies to both for profit and non-profit organizations. She stated that some of the language relating to criteria could be added to the suggested mission statement if that is what the members wanted.

Mr. Sanders stated that he thought developing criteria for granting is going to take quite a bit of work. He stated that he did not think that level of detail should be included in the mission statement. He stated that he thought the key word that was not included before is “entrepreneurship”. He stated that helps them to say that the EDA is going to try to help people who really want to make a difference in economic development and that the EDA is branching out to for profit organizations as well.

Mr. Pittman stated that he thought the updated mission statement was fine, but he thought the EDA’s duties should be listed. He stated that the EDA’s lending authority is their primary duty and why the EDA was established. He stated that he did not think that could be left out when it came to the duties. He stated that, as they create criteria, they need to add duties.

Mr. Carter stated that he thought the mission statement should be fairly concise.

Dr. Silverman stated that ironing out the details of the criteria for granting will take some time and the members may have to do some emailing back and forth outside of the meetings to achieve that.

Dr. Silverman asked if the members were in favor of the updated mission statement.

Mr. Carter made a motion to adopt the updated version of the EDA’s mission statement. Mr. Sanders seconded the motion. **VOTE: 7-0.**

New Business #2

EDA Strategic Direction/Goals

Dr. Silverman stated that she had sent a link with the Northern Neck Planning District Commission’s 2018 Comprehensive Economic Development Strategy out to all of the EDA members. She referred to the five goals included in that report and stated that they were: 1) Infrastructure that facilitates the expansion of existing businesses and attracts new, higher-wage industry sectors, 2) A workforce equipped with the skills and flexibility needed to succeed in a technology-based economy, 3) A more business-friendly atmosphere across the Northern Neck, 4) Effective and sustainable use of the region’s natural beauty, cultural amenities and tourism opportunities and 5) Community Resilience.

Dr. Silverman stated that when the EDA awards grants, they should keep those points in mind and prioritize the grant requests that fall in those categories.

Mr. Szyperski referred to grants given to the River Realm Branding Initiative for tourism and asked what slot would that fit in.

Dr. Silverman replied that she thought that request would fit in the fourth point.

Dr. Silverman asked if there was anything else that should be added to those five goals.

Mr. Sanders stated that he thought the document put out by the Northern Neck Planning District Commission was very comprehensive. He stated that it could also be used when developing criteria for granting. He stated that, regardless of what they do, he thought their focus should be on the creation of jobs in the County.

Mr. Sanders stated that he liked the goals in the economic development strategy.

Dr. Silverman stated that it would be good to partner with the Northern Neck Planning District Commission when they can.

Mr. Gill stated that the Northern Neck Planning District Commission also writes grants for larger funding opportunities and have been very successful in the past in obtaining those grants.

Mr. Szyperski asked under what circumstances would the County's Poorhouse Tract Fund be used.

Mr. Gill replied that the Hickory Hollow property was sold to the Audubon Society in the 1990's and the proceeds were put into basically a savings account for the County and earmarked for economic development. He stated that the only time the Board of Supervisors has used those funds was this past budget season when the Broadband Authority made a budget request of \$52,500.00. He stated that he thought if the EDA had a project that they were interested in funding and made a recommendation to the Board of Supervisors that the Poorhouse Tract account funds could possibly be tapped for that.

Dr. Silverman referred to the breakdown of each of the goals with actions, timelines, contacts, responsible parties and measurements and asked if the members wanted to go through each page.

Mr. Pittman stated that, unless anyone has any changes, he would recommend that they adopt the goals as they have been presented. He made a motion to adopt the goals as presented. Mr. Sanders seconded the motion. **VOTE: 7-0.**

Dr. Silverman asked if there was anything else that should be added to what they have decided are the goals of the EDA.

Mr. Szyperski stated that he thought the minutes should reflect that the Lancaster County's EDA is in favor of economic development on a regional basis and it has

adopted the goals listed in the Northern Neck Planning District Commission's study as they relate to Lancaster County.

Mr. Sanders stated that goal number two concerning a well-equipped workforce was just as important as goal number one concerning infrastructure because if the community does not have a well-equipped and skilled workforce, it is not going to matter about the infrastructure and attracting new businesses.

There was much discussion about the need for good jobs and a skilled labor force and the ways that could be achieved. There was also discussion about how the area could be more attractive for younger people to want to come back to work and live here.

Financial Status Report

Mr. Gill stated that not a lot had changed since last month's meeting. He stated that \$60,000.00 was moved into the Community Partnership Certificate of Deposit per the EDA's vote from last month and in one month's time it has earned over a hundred dollars in interest. He reminded everyone that there could only be one withdrawal from that account per year, but the withdrawal could be the entire amount.

Mr. Gill referred to the checking account balance of \$18,823.07 and stated that amount did not reflect the Visions/Lead River Counties check of \$5,000.00 that was approved at last month's meeting.

Mr. Gill stated that Paul Sciacchitano had called him recently and asked him to research all prior payments from the EDA to Visions because he did not think that the Oyster Trail had received all of the money that the EDA had approved. He stated that Visions encompasses many different things. He stated that it includes the Lead River Counties program that has become an annual contribution of \$5,000.00, the Oyster Trail branding initiative, that was presented by Joni Carter and Susan Cockrell and also the YouthWorks Program that the Lancaster Community Library used to help sponsor. He stated that he researched the EDA's minutes back to 2013 to look for all of the payments that had been approved and made to Visions. He stated that it was confusing because some checks had been written to Visions, with no explanation in the memo line. He referred to the minutes from the July 20, 2017 and the Virginia's River Realm Oyster Tourism Marketing Funding Request and stated that Mr. Pennell made a motion to approve the \$20,000.00 request over the next two years and allow Mr. Pleva to administer the funds as needed. He stated that \$5,000.00 of that request was paid almost immediately and the check was written to the Town of Kilmarnock. He stated that the other \$15,000.00 has never been paid, nor has there been a request to do so, but he thought the request was forthcoming. He stated that the EDA has already approved it, but he wanted to make everyone aware of it.

Dr. Silverman asked if there were any limitations on the time that a request could be honored.

Mr. Gill stated that the request was approved in July 2017 and in January 2018, Mr. Pleva suffered a stroke and never returned to work and possibly because of the circumstances, the request was deferred. He stated that Mr. Sciacchitano called him a couple of weeks ago to bring it to his attention. He stated that he was not aware of any time limitations on grant requests.

Mr. Szyperski stated that, in general, he would be supportive of the request, but he asked where the money came from that funded Joni Carter's salary. He stated that he would like to know where the \$15,000.00 would be used. He stated that one could argue that the EDA has made subsequent decisions based on the balances in its account that they may or may not have made if they had known they had \$15,000.00 less.

Mr. Gill replied that he did not know if Ms. Carter was paid through Visions and he would have to ask Mr. Sciacchitano. He stated that Mr. Sciacchitano has not officially told him that they would like to have \$15,000.00, but wanted to make the EDA aware of it.

Mr. Szyperski stated that they should fulfill their commitments, but he did not think it should be an automatic decision without knowing how the money will be used, since the request is an older one.

Mr. Pittman stated that he thought it would be good to have someone from Visions come to the EDA's January meeting and state what the \$15,000.00 would be used for.

Mr. Gill stated that since this issue has come up, he would suggest that multi-year grants not be considered because of the potential confusion on everyone's part.

Mr. Pittman stated that the language in the motion says "over the next two years" and that time period had expired.

Mr. Gill stated that he would ask Mr. Sciacchitano to come to the January meeting to speak about the request.

Mr. Gill referred to another financial topic and stated that the EDA can issue up to \$10 million dollars worth of bonds each year and the EDA collects administrative fees of .00125 percent of those bonds. He stated that the most fees that the EDA could collect in a year would be \$12,500.00. He stated that most of the bonds have a ten-year maturity period, so theoretically if the EDA was maximizing its potential, there could be ten issued bonds at once, which would make the yearly administrative fees total \$125,000.00.

Mr. Pittman stated that because the County has been borrowing for Revenue Anticipation Notes in the last few years, that brings the amount of money down that would be available for bonds. He stated that he also sees that organizations may go to other authorities that don't charge a fee. He stated that when he first became a member, no administrative fees were charged.

Dr. Silverman asked what could they do to try to maximize their bond issuances.

Mr. Gill replied that there were few bond counsels in the state like Dan Siegel with Sands Anderson and he knew that he was always looking for bond opportunities for the Lancaster County EDA.

Dr. Silverman asked how Mr. Siegel prioritized the requests that he sees.

Mr. Gill replied that he did not know that process.

Mr. Sanders asked about other potential sources.

Mr. Pittman replied that the EDA could submit a budget request to the County.

Mr. Sanders asked about private donations.

Mr. Gill replied that he would have to ask the County Attorney and possibly Mr. Siegel as well.

Dr. Silverman referred to the administrative fee of .00125 percent and stated that was a fee that was set by the EDA.

Mr. Pittman stated that it was set by the EDA through advice from legal counsel.

There was discussion about possibly lowering the administrative fee rate in an effort to attract more bonds.

Mr. Carter mentioned about the EDA going to the duPont Fund. He asked Mr. Gill if he would ask Mr. Siegel about the EDA being able to receive funding from private donors or groups as well.

Mr. Szyperski stated that the duPont funding is usually very targeted for projects.

Mr. Szyperski made a motion to approve the Financial Report. Mr. Sanders seconded the motion. **VOTE: 7-0.**

Other Business

Mr. Pittman stated that, after the last EDA meeting, Dr. Silverman sent a pretty scathing email to the EDA members admonishing them for not speaking towards the grant request from Rogue Oysters. He stated that he did not think that grant request should have come before them and did not think they were ready for the request. He stated that to be admonished for the decision seemed harsh.

Dr. Silverman said okay.

Mr. Carter stated that he thought that they all realized at that meeting, that it was a different request than they had seen in the past. He stated that they would probably getting those types of requests in the future and will have to make decisions on an individual basis. He stated that, fortunately because Jerry Cronin was in attendance that day, he got together with the couple to give them some direction.

Dr. Silverman stated that she was surprised at the vote and thought that the EDA would support the request from Rogue Oysters. She stated that in the information that she had read, including the EDA's by-laws, there was no indication that the EDA would not support for-profit organizations. She stated that, in hindsight, the EDA was not ready for the request.

Mr. Sanders stated that he had assumed that the EDA had no authority to support for-profit organizations. He stated that he was glad it had been brought up so they can figure out where the EDA needs to be going in the future.

Mr. Pittman stated that, in the past, the for-profit organizations were not allowed to make a request of the EDA because they were not set up for it. He stated that there was no criteria set and there still is not. He stated that if a request comes up for the January meeting, he would have an issue approving it.

Mr. Sanders agreed and stated that they need to do some work and nail down the criteria.

Mr. Szyperki stated that it was just like having a lending policy and it makes the decision process easier.

Dr. Silverman stated that they needed consistency in their decisions as well.

Mr. Szyperki stated that the next scheduled EDA meeting is January 16th and asked what will the EDA be doing in the meantime.

Dr. Silverman replied that she hoped that they could continue to work on the criteria and asked if they should meet or try to exchange email.

Mr. Szyperki stated that the EDA meetings are public, so they couldn't approve the criteria outside of a public meeting, but they could discuss it and make some decisions.

Mr. Carter stated that the members could also meet in sub-committees of three members or less.

Dr. Silverman stated that she knew that traditionally the EDA met for two regular meetings a year. She stated that they could do a lot of work behind the scenes or have more meetings during the year. She suggested having a meeting each quarter.

Mr. Carter stated that each member gets a \$100.00 stipend for each meeting and he was concerned about the budget. He suggested getting paid for two meetings even if they have four. He stated that he did not want to take more money from their budget as it stands now.

Mr. Sanders stated that it would be hard to move this forward if they are only meeting on a semi-annual basis.

Mr. Szyperski suggested changing the stipend from \$100.00 to \$50.00 per meeting until they get through the criteria creation and other organizational issues. He stated that after that, they might be able to go back to just two meetings a year.

Mr. Davenport stated that there are sometimes more than two meetings a year, because meetings are called when there is a bond request.

Mr. Gill read that annual meetings may be called by the Chairman, Vice-Chair, Secretary-Treasurer or any two directors of the EDA by giving notice by the mode and manner described by the by-laws. He read that special meetings may be called by or at the request of the Chairman, Vice-Chair, Secretary-Treasurer or any two directors of the EDA.

Mr. Szyperski made a motion that the EDA meet on a quarterly basis. Mr. Sanders seconded the motion. **VOTE: 7-0.**

The consensus was that the next meeting would be held on Thursday, October 17th at 8:30 a.m.

Mr. Gill referred to the upcoming meetings and asked if the members were in agreement about receiving meeting materials via email. The consensus was that they were in agreement.

Adjournment

Mr. Carter moved to adjourn the meeting. Mr. Pittman seconded the motion. **VOTE: 7-0.**