

**Economic Development Authority  
Of  
Lancaster County, Virginia  
Minutes – December 8, 2020**

The Lancaster County Economic Development Authority meeting was held in the Board/Commission Meeting Room of the Lancaster County Administrative Building and through the Zoom platform on Tuesday, December 8, 2020.

Roy Carter, Chairman, called the meeting to order at 8:30 a.m.

Members Attending: Chairman Roy Carter, Vice Chair Dr. Charlotte Silverman, Jeff Szyperski and Taryn Brice Rowland. Member Michael Laws participated through Zoom. Lewis Conway was absent.

Others Present: Don Gill, County Administrator and Glenn Rowe, Information Technology Director.

**Adoption of an Electronic Meeting Participation Policy**

Mr. Carter stated that their first order of business was to adopt the electronic meeting participation policy. He stated that the recommendation was to adopt the following policy *“It shall be the policy of the Lancaster County Economic Development Authority to allow no more than three of its members to participate electronically in any of its meetings when those members are not physically present at the meeting location pursuant to the terms and conditions of the Code of Virginia Section 2.2-3708.2”*.

Mr. Szyperski asked if having a quorum required a member to be present physically and a member that participated through Zoom was counted as present and could vote, but could not be considered a part of a quorum.

Mr. Gill replied yes. He stated that, after the meeting is opened, the authority needs to make a motion to allow any member who is zooming in or calling in to participate in that particular meeting. He stated that a member of any board can only participate electronically twice in a calendar year, unless there are medical reasons.

Mr. Szyperski made a motion and Dr. Silverman seconded to adopt the electronic meeting participation policy. **VOTE: 4-0.**

Mr. Carter stated that, in accordance with the policy that was just adopted by the Economic Development Authority allowing members to participate electronically in an authority meeting, subject to the terms and conditions of the Code of Virginia Section 2.2-3708.2, he moved that the

EDA allow Mr. Laws to participate electronically in today's meeting. Mr. Szyperski seconded the motion. **VOTE: 4-0.**

Mr. Carter asked Mr. Rowe to allow member Michael Laws into the meeting.

**Consideration of a local grant match request of \$20,000 per year for 3 years for the U.S. EDA CARES Act Grant**

Mr. Carter stated that the focus of today's meeting is to consider a local grant match request of \$20,000 per year for 3 years for the U.S. EDA CARES Act Grant with the submission by Camoin Associates. He stated that they also needed to discuss the associated financial impacts and proposed alternatives. He asked Mr. Gill about the County's position on the grant.

Mr. Gill replied that the County would be the applicant for the grant. He stated that the Business Relations Advisory Committee (BRAC) made a request of the County at the Board of Supervisors' October meeting for a \$30,000 commitment that would go towards the local match. He stated that the Board of Supervisors approved the request and the money would be spread out over three years at \$10,000 per year.

Mr. Carter stated that the EDA has been asked to consider a \$60,000 request that would be spread out over three years at \$20,000 per year.

Mr. Gill stated that was the recommendation of the Business Relations Advisory Committee. He stated that he understood that there was a private business component to it as well.

Mr. Szyperski stated that, with the County's and the EDA's matches, they will get to the required twenty percent match for the grant. He stated that, it was his understanding, that the corporate funding would supplement the outbound years of four and five.

Mr. Carter stated that it was his understanding that this grant request was based on whether the County is awarded the grant from the U.S. EDA.

Mr. Gill stated that was correct. He stated that, if the grant is not awarded, the funds will not be expended.

Mr. Carter stated that it was his understanding that if the grant came in for an amount lower than \$450,000, then they would have to match it with a lower figure than the total of \$60,000.

Mr. Szyperski stated that some speed bumps had been encountered along the way with this grant application and it was found out later that they would have to demonstrate the matching funds commitment up front.

Dr. Silverman stated that it sounded like more research should have been done in the beginning.

Mr. Szyperski stated that it was a new program associated with the CARES Act and there was little guidance.

Dr. Silverman stated that she thought Camoin Associates was supposed to be guiding the process, but it sounded to her like there were some speed bumps in the process.

Mr. Carter stated that one of the concerns he had in the application was that the \$60,000 from the Lancaster County EDA would be available on September 1, 2020. He stated that he thought the understanding was that it would \$20,000 spread out over three years.

Mr. Szyperski stated that there was a \$60,000 commitment, but there would only be disbursements on a yearly basis.

Mrs. Rowland stated that it was her understanding that they were trying to form a public-private partnership that would help with economic development in the County, but the property is owned by a private member of the community.

Mr. Szyperski stated that there was no commitment to any property associated with the grant application at the present time. He stated that the location would be determined through the RFP process.

Mrs. Rowland stated that she wondered about how many available sites in the County that would be truly viable. She stated that the King Carter site would almost be a de facto site selection. She asked if there would be a memorandum of understanding between the private sector element and the County that outlined the business relationship.

Mr. Gill replied yes.

Mr. Szyperski stated that, if the grant was awarded, an RFP would go out for an available facility. He stated that Jimmie Carter happens to have an available property, but he knows that there will be an RFP process.

Mrs. Rowland asked that, since this grant is attached to CARES Act funding, was there a deadline that they needed to consider.

Mr. Gill stated that he had always been told that anything associated with the CARES Act had a deadline of the end of the year.

Mr. Carter stated that Mr. Gill had provided the members with the financial report. He stated that it was important to look at the report because they needed to consider the impact of giving \$20,000 a year for three years. He stated that, in the EDA's by-laws, there is a top limit of \$10,000 for any one request, unless it is a special request. He stated that, in the past, they also had an issue with a grant that was to be paid out over more than one year. He stated that the authority needed to decide if they were going to go over the \$10,000 limit and also if they wanted to approve a grant for multiple years. He stated that he thought this grant would be a great opportunity for the County and the EDA to help stimulate some growth here. He stated that when someone moves into the County, it's not just one more job or resident that will be paying

taxes. He stated that person may be buying a piece of property and affecting many businesses like construction, insurance, title companies, real estate, retail and many other things.

Mr. Szyperski stated that he felt this request was different from their other requests, in that, their money would only be used if the County was to receive the federal grant funds. He stated that their funds would be leveraged and not just a giveaway in this case.

Dr. Silverman asked that, if they commit to these matching funds, will it impede giving money to other grantees in January or at subsequent meetings. She stated that she liked the idea, but there had been similar initiatives done a few years ago. She stated that there were promises in this proposal and she did not know if they necessarily had the data to back it up.

Mr. Szyperksi referred to Dr. Silverman's question and stated that the EDA has \$62,000 set aside in a certificate of deposit, so that could be considered excess funds. He stated that, in his opinion, those funds could be used for the match and they keep operating out of the separate checking account. He stated that he thought the capacity would still be there for future grantees. He stated that his thought was that the reserve funds could be committed in the event that the grant is successful from a cash flow standpoint.

Dr. Silverman stated that there was another initiative, about five years ago, called the Center for Innovation Development (CID) and the purpose was to try to get people and companies to come to Lancaster County and the primary focus was on coding and having people work remotely. She stated that it did not work so well and she was the only customer. She stated that she had been asking herself why would the new proposal be successful when CID was not.

Mr. Carter stated that timing is everything and the COVID crisis has changed the landscape. He stated that the real estate market here is on fire right now and five years ago, it was dead. He stated that, in his opinion, people are looking for a way to get out of the urban areas. He stated that the County is well situated and offers a great quality of life. He stated that the infrastructure here is better than it was five years ago as well.

Dr. Silverman stated that she agreed with Mr. Carter, but asked if they had anything concrete, such as a market analysis. She stated that the perception is that things are changing, but did they have actual numbers and data to show it.

Mrs. Rowland stated that she understood what was being seen with the COVID crisis currently, but with the vaccine on the way, she asked if they anticipate things changing back. She stated that the area is wonderful, but from the perspective of people who have grown up with a convenience economy, there is a lot left to be done here. She referred to the people moving into the County and asked if these were retired people or people who were still in the workforce.

Mr. Szyperski stated that there were a lot of people who work from home in the County because they cannot go back to their offices. He stated that part of the proposal is providing a place to retain those people and, in his opinion, there is an element of urban flight related to the COVID crisis. He referred to CID and stated that he was not exactly sure why it didn't work, but now so

many people are already working from home and a business center would help with retaining those people.

Mr. Szyperski stated that there is no market analysis for this proposal and time is of the essence.

Mr. Gill stated that he receives the monthly real estate transfer sheets and that report has gone from six to eight pages a month to fourteen to sixteen pages a month. He stated that the real estate market has been doing very well here.

Mr. Carter stated that another thing working in their favor now that they did not have five years ago is that the County has a broadband initiative and a Broadband Authority and they know how crucial that is to businesses.

Dr. Silverman asked, if they have 45 people working out of one location and potentially zooming at the same time, does the County have that infrastructure to support that.

Mr. Szyperski replied that fiber is located within the triangle. He stated that he has 60 employees located at his sites and there is capacity to run his business. He stated that it depends on what location of the County when it comes to broadband capacity.

Mrs. Rowland stated that she loved the concept with the proposal, but had some concerns about the long-term viability. She stated that she loved the idea of having a center where she could go to work and network with others, but once people have broadband at their home, she wondered how they can ensure that they will still want to go to the center. She stated that there were also some funding gaps in years four and five and she would like to see the proposal more comprehensive.

Mr. Szyperski stated that part of the dilemma in the County is the need for an economic development director and currently, there is no one to do that. He stated that the County Administrator has a million different other duties and there are volunteers on boards that have plenty to do as well. He stated that part of this proposal was trying to get personnel to focus on just economic development. He stated that hiring that person would be the first step to making this proposal successful, if they get the grant.

Dr. Silverman asked if this proposal was waiting for the matching funds.

Mr. Szyperski replied that the application has been submitted with a proviso that they hoped to get the matching funds approved.

Mr. Carter referred to impacts on what the EDA would be able to do for other grantees and asked Mr. Gill if there were any pending grant requests for the January meeting.

Mr. Gill replied that he had not received any grant requests to date.

Mr. Carter stated that if they can offer a concierge service for people coming into the County, it would help with retention.

Mrs. Rowland agreed and stated that she was glad to know that it would be more than just a coworking center.

Mr. Laws asked about the perceived schedule of the proposal if the grant is awarded.

Mr. Szyperski replied that nothing would happen until they find out if the grant has been awarded and he thought they may find that out sometime early to the middle of next year. He stated that, if they are awarded the grant, the first thing to do would be to hire an economic development person.

Mrs. Rowland stated that she would think that the County would be the first customer and then they would go through the RFP process for the site location. She stated that her best guess would be a start time of 2022.

Mrs. Rowland stated that she knew the application had been submitted, but asked if it was too late to amend it because she had serious concerns about years four and five. She stated that those years don't look viable and that the County might be subsidizing the operations. She asked if there was something that could be done to fortify the proposal.

Mr. Szyperski replied that he would defer to Jimmie Carter, a member of the Business Relations Advisory Committee, on that.

Jimmie Carter, who was calling in to the meeting, stated that their consultant, Camoin and Associates, said that they had to show those two outer years in the proposal. He stated that he had asked them, if the proposal doesn't work, would they be legally bound to do years four and five and he was told no. He stated that they have been struggling for years trying to figure out how to grow the County economically and the County is surrounded by three millennial markets, which are the Hampton Roads area, Richmond and the Washington DC area. He stated that the County needed to brand itself to attract more people and this proposal could help with that.

Mrs. Rowland stated that, as far as millennials go, they expect a convenience economy. She stated that she loved this area, but this was something that she struggled with every day. She stated that she was thirty minutes away from everything. She stated that she would like to see more focus on making the County more attractive to the millennial community.

Jimmie Carter stated that he understood Mrs. Rowland's point, but if someone wants an authentic life in an area, there has to be a quid pro quo in giving up some things for other things. He stated that, if someone looks at eastern rural Virginia, Lancaster County is the best county for the infrastructure and other things that will move it forward into the future.

Mrs. Rowland stated that she agreed and that they had the opportunity to redefine what rural convenience looks like. She stated that she was hoping that this proposal would help to do that. She stated that her concern with the application was that she thought they should amend it to make it look stronger for years four and five because it does not appear to be self-sustaining in those years.

Mr. Carter stated that what they were deciding today was just for the first three years of the proposal and it also depends on whether they actually get the grant. He stated that time is of the essence while they have a quorum.

Mr. Carter made a motion to approve the matching grant funds for the U.S. EDA CARES Act Grant of \$20,000 per year for a three-year period or 20 percent of the total grant that is awarded to the County, with a cap of no more than \$20,000 a year, for a three-year period. Mr. Szyperski seconded the motion. **VOTE: 5-0.**

### **Adjournment**

Mr. Carter made a motion to adjourn the meeting. Dr. Silverman seconded the motion. **VOTE: 5-0.**