

MINUTES
ECONOMIC DEVELOPMENT AUTHORITY
| THURSDAY, DECEMBER 13, 2019 |

A meeting of the Frederick County Economic Development Authority was held on Thursday, December 13, 2019, at 8:00A.M. in the County Administration Building, First Floor Conference Room, 107 North Kent Street, Winchester, Virginia.

PRESENT: Stan Crockett, Judy McCann-Slaughter, John Riley, Bryan Fairbanks, Doug Rinker, and Heather McKay

STAFF: Patrick Barker and Donna McIlwee, Frederick County Economic Development Authority, Jay Tibbs, Deputy County Administrator, and Michael Bryan, Attorney

MEETING CALLED TO ORDER: Chairman Crockett called the meeting to order at 8:00 a.m.

APPROVAL OF MINUTES

The minutes from the November 7, 2019, meeting were presented.

On motion duly made by Mr. Rinker and seconded by Ms. McKay, the minutes were approved by the following recorded vote:

J. Stanley Crockett	Aye
Robert Claytor	Absent
Bryan Fairbanks	Aye
Heather McKay	Aye
John Riley	Aye
Doug Rinker	Aye
Judy McCann-Slaughter	Aye

TREASURER'S REPORT

Mr. Barker submitted the following report:

Checking Account - Bank of Clarke County as of November 30, 2019 - \$6354.77.

Savings Account - Scott & Stringfellow as of November 30, 2019 - \$1,304,666.35.

On motion of Mr. Rinker, seconded by Ms. McCann-Slaughter, the Treasurer's Report was approved as submitted by the following recorded vote:

J. Stanley Crockett	Aye
Robert Claytor	Absent
Bryan Fairbanks	Aye
Heather McKay	Aye
John Riley	Aye
Doug Rinker	Aye
Judy McCann-Slaughter	Aye

SMALL BUSINESS MICRO-LOAN PROGRAM

Mr. Barker introduced Christine Kriz, Director, Lord Fairfax Small Business Development Center.

Ms. Kriz explained she is asking the EDA to help support small business by creating a micro-loan program for new and existing businesses. Local commercial banks do not typically want to work with these smaller micro-loans due to federal regulations and laborious paperwork. She is proposing that the EDA partner with Virginia Community Capital (VCC) to create this program.

It is proposed that Virginia Community Capital would prepare the loan application package and make an initial recommendation to the EDA Board. The Board would have full discretion on whether to approve a loan application or not. If approved, VCC would handle management of the loan. The total funding request level is \$50,000 per year.

The Small Business Development Center will work with each applicant to ensure a professional business plan and strategy for repayment are established. Virginia Community Capital will use their expertise to prepare and pre-screen loan applications before they are presented to the EDA Board.

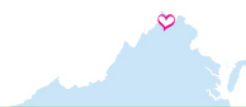
She also stated there are currently several other counties in Virginia that have a similar micro-loan program.

Ms. Kriz then introduced Ms. Leah Fremow, a representative from Virginia Community Capital, who explained that VCC is a community development organization. The EDA Board would set parameters for the program and VCC would package the loans. She then reviewed their Revolving Loan Fund Support Services and pricing.

Mr. Tibbs asked if the program would be restricted to Frederick County businesses or open to all. Ms. Kriz explained the EDA Board would set the guidelines.

Mr. Riley asked if there is a local effort to work with government resources to secure available funding. Ms. Fremow stated the process is tedious.

Mr. Rinker inquired what would be the base amount we would be working with and Ms. Fremow explained that would be up to the EDA Board.



Mr. Riley asked Ms. Fremow to send Mr. Barker the program model being used by Stafford County since they are similar in size to Frederick County.

Mr. Crockett stated he would like more details sent to Mr. Barker so the Board can discuss and make the right decision.

Mr. Rinker asked Mr. Barker to talk to another locality who currently has a micro-loan program to see how much time and staff is involved.

The consensus of the Board was that more information is needed before making a decision. Mr. Barker agreed to check with Roanoke and Stafford County.

LEGISLATIVE POLICY

Mr. Barker stated that last year, the EDA Board created and approved a legislative agenda for the General Assembly session that was unique to the EDA but complimentary to that of Frederick County, the Virginia Association of Counties, and the Virginia Economic Developers Association. In preparation for the 2020 session, staff has updated the agenda for review and discussion. If adopted, a copy will be forwarded to our local legislators.

After review, Mr. Riley asked if the initiatives are consistent with what the BOS wants.

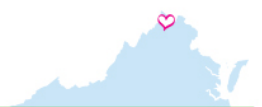
Ms. McCann-Slaughter stated that broadband access and transportation are high on the BOS agenda.

Mr. Rinker made a motion to approve the updated agenda as presented. The motion was seconded by Mr. Fairbanks and approved by the following recorded vote:

J. Stanley Crockett	Aye
Robert Claytor	Absent
Bryan Fairbanks	Aye
Heather McKay	Aye
John Riley	Aye
Doug Rinker	Aye
Judy McCann-Slaughter	Aye

LEGISLATIVE EVENT

Mr. Barker presented a background on the legislative event held in previous years. In September, the Board discussed the possibility of having a local event but, due to scheduling conflicts with our legislators, the consensus was to revisit discussion of this event in December after the State elections. Staff is seeking guidance whether there is interest in proceeding with



the annual reception in Richmond in January or should we focus on a local complementary event outside the General Assembly session.

If the Board wishes to proceed with the reception in Richmond in 2020, an appropriation from the Board not to exceed \$5000 would be needed to cover expenses. If the Board wishes to focus on a local event, no appropriation would be needed at this time and staff would refine the agenda and determine a date/time/location and bring it back to the Board for endorsement.

Mr. Riley stated he believes this event has value but it is late in the year to plan anything in Richmond.

Mr. Rinker said he believes we are in a situation where we need to rethink this event and try something different. He suggested we could ask those we normally invite to give suggestions.

Mr. Riley suggested we try a “meet and greet” and social hour one evening somewhere like the GW Hotel and invite clients, CEOs from companies in Frederick County, industry people, and local elected officials as a way to show our appreciation.

Mr. Barker volunteered to check with some other areas to see if they are doing something similar and see how successful their efforts are.

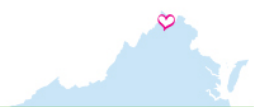
Mr. Crockett stated he feels it is important to get business and State legislators together.

Mr. Riley suggested we wait until the spring after the General Assembly recesses.

Mr. Barker was requested to submit some options for this event.

AMENDMENT REQUEST TO THE CHAPTER 36 TAX EXEMPT PROPERTY OF VA STATE CODE

Mr. Barker stated that the EDA’s business retention activities yielded a request to modify the Virginia State Code pertaining to certified recycling requirements. As it currently reads, a business can request exemption of local machinery and equipment taxes if they are used to manufacture, process, compound or produce for sale recyclable items of tangible personal property at fixed locations in the Commonwealth. A letter from the Department of Environmental Quality must accompany the exemption request, which certifies that the machinery and equipment is integral to the recycling process and for use primarily for the purpose of abating or preventing pollution of the atmosphere or waters of the Commonwealth. As currently stated, if a business had operated any eligible machinery or equipment as of January 1st but does not yet have the DEQ letter, the business must pay taxes on that machinery or equipment. There is no provision for reimbursement should the business receive their DEQ letter within a reasonable period.



Staff recommends the EDA Board support a modification to the Virginia State Code 58.1-3361 to permit reimbursement of local taxes paid if DEQ issues a certification letter within 12 months of a business operating eligible machinery or equipment.

Mr. Riley inquired if this was a Frederick County initiative or a State-wide one.

Mr. Riley then made a motion that the EDA support the proposed modification. This was seconded by Mr. Rinker and approved by the following recorded vote:

J. Stanley Crockett	Aye
Robert Claytor	Absent
Bryan Fairbanks	Abstain
Heather McKay	Aye
John Riley	Aye
Doug Rinker	Aye
Judy McCann-Slaughter	Aye

PERFORMANCE MEASURES

Mr. Barker reviewed this document and explained its purpose is to measure the success of EDA strategies.

Mr. Riley inquired how interest in Frederick County has been this quarter.

Mr. Barker stated that he is hearing from State officials that there are lots of possible projects but they are just in the information stage.

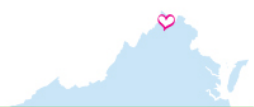
SUCH OTHER BUSINESS AS MAY COME BEFORE THIS AUTHORITY

Mr. Riley stated there had been no discussion about recognizing Mr. Lofton for his service on the EDA Board. Mr. Crockett asked Mr. Barker to prepare a resolution to do so.

Mr. Crockett mentioned the airport's acquisition of the ProJet hangars. Mr. Bryan stated that the airport can now accommodate large jets and activity at the airport has been good. Negotiations with a user for one of the hangars is ongoing and the other hangar is always full with use by small aircraft. He also stated the airport's goal is to become self-sufficient. Mr. Crockett suggested the EDA hold a future Board meeting at the airport and asked Mr. Barker to check on the availability.

ADJOURN

There being no further business to come before this Authority, the meeting was adjourned at 9:05 a.m.



Stan Crockett
Chairman

Jay Tibbs
Secretary

