

FREDERICKSBURG  
**ECONOMIC**  
**DEVELOPMENT**  
AUTHORITY

706 Caroline Street  
Fredericksburg, VA 22401

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**ECONOMIC DEVELOPMENT AUTHORITY (EDA) MINUTES**

**February 13, 2023**

**8:30 a.m. • Regular Meeting**

**Executive Plaza, 601 Caroline St., Third Floor**

The Economic Development Authority of the City of Fredericksburg, Virginia met in regular session on Monday, February 13, 2023 beginning at 8:30 a.m. at the Executive Plaza, 601 Caroline St., Third Floor.

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

**ABSENT.** None.

**ALSO PRESENT.** Palmer Gosnell Hospitality, LLC: Brian Cook (via Go to Meeting); **EDA Counsel:** Jackson Key; **Department of Economic Development and Tourism:** Bill Freehling, Director; MC Morris, Assistant Director of Tourism (via Go to Meeting); Amy Perego, Economic Development Specialist; Victoria Matthews, Tourism Stadium and Sales Manager.

**DETERMINATION OF QUORUM.** Susan Richey.

**AGENDA.**

**MOTION** by Beth Black, seconded by Suzy Stone the agenda was approved: Ayes (7); Nays.

**PUBLIC COMMENTS.** None.

**PRESENTATION.** Hotel Operation, Branding Leverage and Market Position. Chair Mackintosh introduced Mr. Cook. Mr. Cook discussed his background and informed the board on the following: hotel models/brands, hospitality industry changes, market customer base, Fredericksburg tourism, travel corridors, challenges due to Covid, economy, single source environments, and service levels. Ms. Black questioned hotel tax rates. Mr. Cook stated the difference within rates, locations and itemization brings attention to a customer if there is a large increase. Ms. Richey questioned workforce development. Mr. Cook stated the hotel industry has increased partnerships, training and leveraged reputation as a good employer. Mr. Waller questioned the saturation of Downtown with the construction of the Vakos hotel project. Mr. Cook stated a hotel community brings another level of service and revenue base with a different customer.

**APPROVAL OF MINUTES.**

**MOTION** by Beth Black, seconded by Suzy Stone the minutes from the January 9, 2023 regular meeting were approved: Ayes (7); Nays (0).

**TREASURER'S REPORT.** Mr. Murray presented the January activity. The budget and financial statement will be filed with the minutes.

Mr. Murray reviewed the EDA Financial Report year ended June 30, 2022.

**OLD BUSINESS.** None.

**NEW BUSINESS.**

- a. **Sports Tourism Update and National Capital Region Mustang Club** – Ms. Matthews presented information on the following: types of events being pursued for stadium and Expo Center, types of sports for Fredericksburg facilities, go after sports Spotsylvania/Stafford don't pursue, current marketing challenges, completed and on-going action plan items.

Ms. Matthews presented background on the National Capital Region Mustang Club. She reviewed the economic impact for the city and challenges the client faces.

**MOTION by Mitzi Brown, seconded by Lee Murray the board authorized the allocation of \$10,000 to the National Capital Region Mustang Club for the 2025 year with the stipulation that the National Capital Region Mustang Club return for a second year at which the EDA will allocate \$5,000 dollars to that second event. The client must come up with the \$6,000 funding for the 2025 year: Ayes (7); Nays (0); Absent from Vote (1-Waller).**

- b. **Lodging Tax Discussion** – Mr. Freehling presented information on the City's 6 percent transient occupancy/lodging tax. The data shows the rate being well below Virginia's median rate for cities. The hoteliers seem to be onboard with a modest increase in the rate, as long as the City is investing a significant portion of the funds on initiatives to drive overnight room stays.

**MOTION by Mitzi Brown, seconded by Beth Black the board authorized the Chair to execute a letter to the City Manager in support the City increasing its lodging tax rate up to 8 percent: Ayes (7); Nays (0).**

- c. **InvestFXBG Loan Program, Dexter All In One** – Ms. Black presented information on the business and the following terms: \$25,000; 4 years, 8%, UCC first-lien on all assets of borrowing entity and a full personal guaranty by Dexter Mason.

**MOTION by Suzy Stone, seconded by Mitzi Brown the board authorized the funds as presented: Ayes (7); Nays (0).**

- d. **Remote Participation Policy Update** – Chair Mackintosh presented background on establishing the policy as presented in the resolution.

**MOTION by Suzy Stone, seconded by Beth Black to approve Resolution 23-01 adopting a policy to govern remote participation in economic development authority meetings by members unable to attend due to a medical condition or personal matter: Ayes (7); Nays (0).**

**COMMITTEE REPORTS**

- a. **Parking Improvement Committee** – Ms. Black stated there is a January tonight.
- b. **Strategic Investments Committee** – No update.
- c. **Workforce Development Committee** – No update.
- d. **InvestFXBG Loan Committee** – Ms. Black stated an initial application is being reviewed.

- e. **City Relations Committee** – Chair Mackintosh stated there was a meeting with the Mayor Greenlaw, Councilman Duffy, Mr. Baroody, Mr. Murray, Mr. Freehling, and Ms. Peregoy. The discussion included interest in EDA initiatives, city owned properties and a meeting with Germanna Community College representatives. Mr. Murray stated there was a meeting with Chair Mackintosh, Mr. Freehling, Mr. Baroody, Dr. Paino, UMW President and Mr. Patrick Catullo, UMW Athletic Director. There was a discussion of the City using UMW fields for sports tourism. The City will split the cost of an economic impact report on the impact of sports tourism. There would be a three-week turnaround. Mr. Waller stated he would like to arrange a tour of the Old Stone Warehouse. Mr. Freehling will setup a tour.
- f. **Tourism Committee** – No update.
- g. **Fredericksburg VA Main Street Committee** – Ms. Brown stated she will ask Mr. Kelly to present to the EDA.

**STAFF REPORT.** Mr. Freehling updated the board on the Commercial Fats, Oils & Grease (F.O.G.) for food establishments program. Businesses are becoming compliant so the EDA will see the distribution of funding once applications and inspections are approved by Jamie R. Roberson, Utility Programs Administrator.

There is a clawback from the state for the Strangeways AFID grant of \$70,000. The EDA does not desire clawback of their funds. Mr. Freehling read a portion of the agreement listing the EDA as a pass-thru of grant funds.

**MOTION** by Lee Murray, seconded by Suzy Stone the board authorized the Chair to execute a letter stating the EDA's position as presented in the original agreement: Ayes (7); Nays (0).

**CHAIR'S REPORT.** Chair Mackintosh noted he discovered the State of Vermont owns property behind Madonna House. Vermont's troops were stationed there during the war. The property is under a conservation easement.

**BOARD MEMBERS COMMENTS.** None.

**CLOSED SESSION.**

Ms. Richey moved for adoption of Resolution 23-02, the Economic Development Authority of the City of Fredericksburg, Virginia convene a closed meeting pursuant to Virginia Code 2.2-3711(A)(3) for the purpose of discussion and consideration of disposition of publicly held real property, specifically, the Visitor Center and parking lot located at 706 & 700 Caroline Street, and review bids received for its purchase, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Economic Development Authority of the City of Fredericksburg, Virginia.

**MOTION** by Susan Richey, seconded by Mitzi Brown: Ayes (5); Nays (0); Absent from Meeting (2-Waller and Black).

Where upon the members went into closed session.

Upon coming out of closed session.

**MOTION** by Susan Richey, to adopt Resolution 23-03, certifying the proper conduct of the closed session. Seconded by Mitzi Brown: Ayes (5); Nays (0); Absent from Meeting (2-Waller and Black).

**MOTION** by Lee Murray, seconded by Susan Richey, to empower Suzy Stone to continue to negotiate the deal pursuant to the discussion in closed session: Ayes (4); Nays (0); Abstain (1-Stone); Absent from Meeting (2-Waller and Black).

***ADJOURNMENT.*** There being no further business to come before the Economic Development Authority at this time, Chair Mackintosh declared the meeting officially adjourned at 10:49 a.m.

  
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Susan Richey, Secretary

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**RESOLUTION 23-01**  
**ECONOMIC DEVELOPMENT AUTHORITY**  
**OF THE CITY OF FREDERICKSBURG, VIRGINIA**

Proposed by: Stone

Seconded by: Brown

**RE: RESOLUTION 23-01 ADOPTING A POLICY TO GOVERN REMOTE PARTICIPATION IN ECONOMIC DEVELOPMENT AUTHORITY MEETINGS BY MEMBERS UNABLE TO ATTEND DUE TO A MEDICAL CONDITION OR PERSONAL MATTER**

**WHEREAS**, the Virginia Freedom of Information Act permits a member of a public body who cannot attend a meeting in person due to a medical condition or personal matter to use remote participation instead of attending a public meeting in person, if, in advance of the public meeting, the public body has adopted a policy permitting remote participation, and the member notifies the public body of the reason for his or her remote participation.

The 2022 General Assembly amended the law to require the adopted policy to describe the process the public body will use for making requests for remote participation, approving or denying such requests, and creating a record of such requests. The policy shall also “fix” the number of times remote participation for a “personal matter” can be used per calendar year, not to exceed the limitation set forth in state law.

The purpose of this resolution is to update the Economic Development Authority of the City of Fredericksburg, Virginia’s remote participation policy to conform with state law.

**NOW THEREFORE, BE IT RESOLVED** that the Economic Development Authority of the City of Fredericksburg, Virginia adopts the following policy to govern remote participation in Economic Development Authority meetings by members unable to attend due to a medical condition or personal matter:

**ECONOMIC DEVELOPMENT AUTHORITY**  
**OF THE CITY OF FREDERICKSBURG, VIRGINIA**  
**REMOTE PARTICIPATION POLICY**

“Remote participation” means participation by an individual member of the Economic Development Authority of the City of Fredericksburg, Virginia by electronic communication means (audio + optional video) in a public meeting where a quorum of the Economic Development Authority is physically assembled.

It is the policy of the Economic Development Authority of the City of Fredericksburg, Virginia that individual Economic Development Authority members may participate in meetings of the Economic Development Authority by electronic communication as permitted by Va. Code §2.2-3708.3. This policy shall apply to the entire membership and without regard to the identity of the member requesting remote participation or the matters that will be considered or voted on at the meeting. The grounds for remote participation are the following:

1. The member has a temporary or permanent disability or other medical condition that prevents the member's physical attendance;
2. A medical condition of a member of the member's family requires the member to provide care that prevents the member's physical attendance;
3. The member's principal residence is more than 60 miles from the meeting location identified in the meeting notice; or
4. The member is unable to attend the meeting due to a personal matter, the nature of which is identified with specificity.

Whenever an individual member wishes to participate from a remote location, a quorum of the Economic Development Authority must be physically assembled at the primary or central meeting location.

When such individual's remote participation is due to a personal matter, such participation is limited by law to two meetings per calendar year or 25 percent of the meetings held per calendar year rounded up to the next whole number, whichever is greater.

A member who wishes to use remote participation will notify the Economic Development Authority to make the request in sufficient time for staff to make any necessary technical arrangements.

Unless a member of the Economic Development Authority objects to the remote participation at the beginning of the meeting, it is deemed approved without action by the Economic Development Authority. If a member of the Economic Development Authority does object to the remote participation, it may be disapproved, but only if it would violate the Virginia Freedom of Information Act or this policy.

The minutes of the meeting shall record all of the information required by Va. Code §2.2-3708.3.

**DATE OF ADOPTION: February 13, 2023**

**VOTE: AYES: 7 NAYS: 0**

**CERTIFICATION:**

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***Secretary's Certificate***

*I, the undersigned, certify that I am the Secretary of the Economic Development Authority of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution 23-01 duly adopted at a meeting of the Economic Development Authority of the City of Fredericksburg, Virginia meeting held February 13, 2023, at which a quorum was present and voted.*

Date: 3/13/23

Susan Richey  
Secretary, Economic Development Authority  
of the City of Fredericksburg, Virginia

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**RESOLUTION 23-02**  
**CERTIFICATION OF CLOSED ECONOMIC DEVELOPMENT AUTHORITY**  
**OF THE CITY OF FREDERICKSBURG, VIRGINIA MEETING**

Proposed by: Richey

Seconded by: Brown

**RE: RESOLUTION 23-02 FOR THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF FREDERICKSBURG, VIRGINIA TO CONVENE A CLOSED MEETING UNDER THE VIRGINIA FREEDOM OF INFORMATION ACT TO DISCUSS AND CONSIDER DISPOSITION OF THE VISITOR CENTER AND PARKING LOT.**

WHEREAS, the Virginia Freedom of Information Act authorizes public bodies to hold closed meetings for certain limited purposes.

NOW THEREFORE, BE IT RESOLVED that the Economic Development Authority of the City of Fredericksburg, Virginia convene a closed meeting pursuant to Virginia Code 2.2-3711(A)(3) for the purpose of discussion and consideration of disposition of publicly held real property, specifically, the Visitor Center and parking lot located at 706 & 700 Caroline Street, and review bids received for its purchase, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Economic Development Authority of the City of Fredericksburg, Virginia.

**DATE OF ADOPTION: February 13, 2023**

**VOTE: AYES: 7 NAYS: 0**

**CERTIFICATION:**

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**Secretary's Certificate**

*I, the undersigned, certify that I am the Secretary of the Economic Development Authority of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution 23-02 duly adopted at a meeting of the Economic Development Authority of the City of Fredericksburg, Virginia meeting held February 13, 2023, at which a quorum was present and voted.*

Date: 3/13/23

Susan Richey  
Secretary, Economic Development Authority  
of the City of Fredericksburg, Virginia



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**RESOLUTION 23-03**  
**CERTIFICATION OF CLOSED ECONOMIC DEVELOPMENT AUTHORITY**  
**OF THE CITY OF FREDERICKSBURG, VIRGINIA MEETING**

Proposed by: Richey

Seconded by: Black

**IT IS HEREBY RESOLVED** by the Economic Development Authority of the City of Fredericksburg, Virginia, as follows:

**WHEREAS**, the Economic Development Authority of the City of Fredericksburg, Virginia has this date convened a closed meeting under Virginia Code 2.2-3711(A)(3), pursuant to an affirmative recorded vote adopting **Resolution 23-02** and in accordance with the provisions of the Virginia Freedom of Information Act; and

**WHEREAS**, §2.2-3712.D of the Code of Virginia requires a certification by this Economic Development Authority of the City of Fredericksburg that such closed meeting was conducted in conformity with Virginia law;

**NOW, THEREFORE, BE IT RESOLVED** that the Economic Development Authority of the City of Fredericksburg hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law (Chapter 37 of Title 2.2) were heard, discussed or considered in such closed meeting, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the closed meeting by the Economic Development Authority of the City of Fredericksburg, Virginia.

**DATE OF ADOPTION: February 13, 2023**

**VOTE: AYES: 7 NAYS: 0**

**CERTIFICATION:**

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***Secretary's Certificate***

*I, the undersigned, certify that I am the Secretary for the Economic Development Authority of the City of Fredericksburg, Virginia, and that the foregoing is a true copy of Resolution 23-03 duly adopted at a meeting of the Economic Development Authority of the City of Fredericksburg, Virginia held on February 13, 2023, at which a quorum was present and voted.*

Date: \_\_\_\_\_

\_\_\_\_\_  
*Secretary, Economic Development Authority  
of the City of Fredericksburg, Virginia*