

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

706 Caroline Street  
Fredericksburg, VA 22401

(540) 372-1216  
(540) 372-6587 Fax

**ECONOMIC DEVELOPMENT AUTHORITY MINUTES (EDA)**

July 12, 2021

8:30 a.m. • EDA Regular Meeting  
Executive Plaza, 601 Caroline St., Third Floor  
(Recorded Go to Meeting)

The Economic Development Authority of the City of Fredericksburg, Virginia met in regular session on Monday, July 12, 2021 beginning at 8:30 a.m. at the Executive Plaza, 601 Caroline St., Third Floor to include a recorded Go to Meeting.

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

**ABSENT.** None.

**ALSO PRESENT.** Fredericksburg Regional Alliance: Curry Roberts; Fredericksburg VA Main Street: Ann Glave; Department of Economic Development and Tourism: Bill Freehling, Director; Amy Peregoy, Economic Development Specialist.

**DETERMINATION OF QUORUM.** Mitzi Brown.

**AGENDA.** Chair Mackintosh moved Committee Reports item c. after Fredericksburg Regional Alliance Annual Update.

**MOTION** by Beth Black, seconded by Chris Waller, the amended agenda was approved: Ayes (7); Nays (0).

**PUBLIC COMMENTS.** None.

**FREDERICKSBURG REGIONAL ALLIANCE (FRA) ANNUAL UPDATE** – Chair Mackintosh introduced Mr. Roberts. Mr. Roberts presented an update to include: FRA fast facts, FRA’s vision statement, FRA’s mission statement, metrics comparison between March 2021 and March 2020, growth and decline of regions, COVID-19 pandemic and impact, recent announcements, entrepreneurial ecosystem and FRA’s investors. The board directed questions to Mr. Roberts during his presentation. There was a brief discussion at the conclusion of the presentation. Chair Mackintosh thanked Mr. Roberts for his time and presentation.

**COMMITTEE REPORTS.**

- c. **Workforce Development Committee** – Ms. Richey presented background on the Peace in da Paint event from the meeting in June. A meeting was held between the Committee and Fredericksburg VA Main Street to discuss the workforce development aspect of the event. Ms. Glave stated she conducted a survey of Downtown business for interest in reserving a table at the event to search for employees. The event was listed in the business newsletter and posted on closed Facebook pages. There has not been any response

from the businesses. Ms. Black stated she signed up on day one of the survey. Ms. Glave will check the survey, retest and resend to the businesses. The EDA will setup a table to promote the InvestFXBG loan program. Ms. Stone, Ms. Richey and Ms. Brown volunteered to attend the event. The event will be held on Saturday, July 31 from 10 a.m. to 2 p.m. The board requested an item to give to attendees with a QR code to lead to the InvestFXBG webpage. Ms. Glave will create a flyer to distribute to Downtown businesses regarding the event. Chair Mackintosh thanked Ms. Glave for her time.

***APPROVAL OF MINUTES.***

**MOTION by Mitzi Brown, seconded by Suzy Stone the minutes from the June 14, 2021 regular meeting were approved: Ayes (7); Nays (0).**

***TREASURER'S REPORT.*** Mr. Murray presented June account activity. The budget and financial statement will be filed with the minutes. Mr. Murray summarized overall activity for FY21. Chair Mackintosh noted he had conversations with Mr. Murray and Mr. Freehling regarding the board locating potential income possibly with bonds. The board held a brief discussion.

Mr. Murray thanked Ms. Peregoy for her work with transferring the EDA accounts from Atlantic Union Bank to Community Bank of the Chesapeake. He presented the following report to the board.

The money market and the Urban Slide accounts have been closed at Atlantic Union Bank and opened at Community Bank of the Chesapeake.

The operating account will be closed this week at Atlantic Union Bank and transferred to Community Bank of the Chesapeake. Outstanding checks need to clear the account.

The money market has four signers on the account: Lee Murray, Will Mackintosh, Beth Black, Suzy Stone

The Urban Slide has four signers on the account: Lee Murray, Will Mackintosh, Beth Black, Suzy Stone. Amy Peregoy and Danelle Rose will have debit cards with a daily limit of \$500 and no access to ATM transactions. These debit cards will only be used for the Urban Slide event.

Once the operating account is opened at Community Bank of the Chesapeake there will be four signers: Lee Murray, Will Mackintosh, Beth Black, Suzy Stone. Bill Freehling and Amy Peregoy will have debit cards with a daily limit of \$500 and no access to ATM transactions. These debit cards will only be used for miscellaneous purchases for the EDA such as catering with approval by Lee Murray, Will Mackintosh, Beth Black, Suzy Stone.

Mr. Murray will be the administrator of online banking granting Ms. Peregoy and the EDA accountant, Lori Casto, read-only access.

All checks will be written by Ms. Peregoy, in her absence Ms. Rose. All checks over \$250 will require two signatures.

All transfers and wires are approved by Mr. Murray after receiving an e-mail from Ms. Peregoy listing the reason for the transfer and at times including invoices. Ms. Peregoy will e-mail Gale Marshall, Branch Manager, with a copy to Mr. Murray, Chair Mackintosh, Ms. Black and Ms. Stone. Ms. Peregoy will attach correspondence electronically signed by Mr. Murray. Ms. Marshall will call Mr. Murray for verbal approval. If Mr. Murray is unavailable. Ms. Marshall will call Chair Mackintosh, Ms. Black or Ms. Stone for approval. Ms. Marshall will e-mail Ms. Peregoy and the approving board member verification of the completed transfer.

Loan payments and bond fees are received by Ms. Peregoy and deposited within 48 hours to the money market account.

**MOTION by Susan Richey, seconded by Mitzi Brown the board authorized and approved the following: the origination of the EDA operating checking account, money market account and Urban Slide checking account; Chair Mackintosh, Lee Murray, Mitzi Brown and Beth Black to be signers on all three accounts;**

Bill Freehling and Amy Perego to have restricted use debit cards on the operating checking account and Danelle Rose and Amy Perego to have restricted use debit cards on the Urban Slide checking account at Community Bank of the Chesapeake; online banking; the process of checks requiring two signatures; transfers between accounts; wiring funds; Amy Perego processing deposits of bond fees and InvestFXBG loan payments: Ayes (7); Nays (0).

**OLD BUSINESS.** None.

**NEW BUSINESS.**

- a. **InvestFXBG Loan Program Discussion** – Chair Mackintosh verified the logistics of the Peace in da Paint event for the EDA table and what is required from the board members. He stated he would assist Ms. Perego with the creation of collateral materials with a QR code for informational purposes at the EDA table. There was a discussion of bottles of water with relabeling with the InvestFXBG QR Code. Ms. Perego will research and order a proper giveaway. The item will be paid for from previously approved marketing funding for the program
- b. **Xquizit Coffee InvestFXBG Loan Request** – Mr. Waller presented background on Xquizit Coffee. He stated the borrower will utilize loan proceeds to purchase three pieces of equipment: \$6,000 for a Taylor C707-333 Phase Air Cooled Slush Machine w/ Flavor Burst (8 Flavors); \$3,200: Estella Caffè ECEM2 Two Group Automatic Espresso Machine; \$750: 20" Cold Brew Coffee Single Tap Stainless Still Kegerator. Equipment total of \$9,950 and \$1,050 of shipping and install costs for a grand total of \$11,000.

The proposed loan structure and terms are as follows:

|                  |  |
|------------------|--|
| Borrower         | Xquizit Coffee Roasters, LLC   |
| Ownership        | Mr. Gustavo Lopez  |
| Loan Amount      | \$10,000   |
| Term             | 3 Years (fully amortizing on 36 payments)                                      |
| Interest Rate    | 5.0%   |
| Monthly Payments | \$299.71   |
| Total Payments   | \$10,789.56  |
| Collateral       | UCC first-lien on assets acquired with loan funding (serial numbers required). |
| Closing Costs    | To be paid by Borrower   |
| Guarantors       | Mr. Gustavo Lopez (full guaranty)  |

The EDA loan program meets the following goals: relatively new business to the City, with limited access to conventional financing and minority-owned business.

Fiscal impact for the EDA and City with a \$10,000 loan to Xquizit Coffee Roasters will provide an average of approximately \$263.19 in annual interest income to the EDA over the three-year term of the loan. Additionally, based upon Xquizit's projected food and beverage sales of approximately \$51K in the first year of stabilized operations, the loan will assist in generating additional meals and sales tax income to the City of as much as approximately \$3,600.

There was a brief discussion by the board.

**MOTION** by Mitzi Brown, seconded by Beth Black, the board approved a \$10,000 InvestFXBG loan to Xquizit Coffee Roasters, LLC under the above stated use of loan proceeds, loan structure and terms, and fiscal impacts for the EDA and City: Ayes (7); Nays (0).

### **COMMITTEE REPORTS**

- a. **Parking Improvement Committee** – Ms. Stone stated a meeting was scheduled for this evening.

- b. Strategic Investments Committee* – Mr. Waller and the board discussed the RACSB sale of the Roxbury Mills property. The committee will research similar opportunities. The board discussed a possible co-working space and the creation of an Ad Hoc Committee between the Strategic Investments Committee and the Workforce Development Committee (one board member from each committee) to research opportunities for the board to review and possibly offer assistance. Individual board members will reach out to stakeholders in the community to discuss ideas.
- d. InvestFXBG Loan Committee* – Ms. Peregoy stated there is one loan currently being reviewed.
- e. Chatham Bridge Rehabilitation Marketing Committee* – Ms. Brown reported on CTP Marketing activities, Road Scholar scavenger hunt and restarting publicizing the history of the bridge. There is public excitement of the reopening of the bridge and organizing a grand opening event.
- f. COVID Assistance Committee* – Ms. Richey noted there was a discussion with Mr. Freehling on the American Rescue Plan funds. Mr. Freehling submitted a formal request to Mr. Whitley regarding City funds which led to a discussion. Mr. Freehling will report back to the board from the City Council meeting and will stay in communication with the U.S. EDA representative on their progress with their programs. The board briefly discussed funding for sports tourism.

**STAFF REPORT.** Mr. Freehling reported on the following: construction activity, permits, a future ground breaking and retail space for William Square (Mr. Waller offered information on the project), meals and lodging tax increases, FredNats continued success, Riverfront Park opening later in the Summer and the Chatham Bridge reopening in the Fall.

**CHAIR'S REPORT.** Chair Mackintosh noted as the Chair he was discovering the effort Ms. Peregoy performs to prepare the agenda. He requested the board members to submit agenda items to Ms. Peregoy with a copy to him by the last Friday of the preceding month.

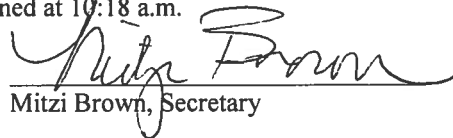
Chair Mackintosh feels the need for a reappointment on the Parking Committee as he is stepping down. Ms. Black volunteered with Chair Mackintosh accepting.

**BOARD MEMBERS COMMENTS.** Ms. Black commented on the American Rescue Plan funds. She would like staff to start planning for the return of the Marine Corps Marathon.

There was an overall discussion on sports tourism. Chair Mackintosh requested board members to reach out to members of City Council. Ms. Richey and Ms. Brown will meet with Victoria Matthews.

Ms. Brown asked if Urban Slide is returning to the City. Mr. Freehling stated the event has been postponed until 2022.

**ADJOURNMENT.** There being no further business to come before the Economic Development Authority at this time, Chair Mackintosh declared the meeting officially adjourned at 10:18 a.m.

  
Mitzi Brown, Secretary