

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

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**ECONOMIC DEVELOPMENT AUTHORITY MINUTES (EDA)**

July 13, 2020

8:30 a.m. • EDA Regular E-Meeting  
City Hall, City Council Chambers  
715 Princess Anne St.  
Fredericksburg, VA

The Economic Development Authority of the City of Fredericksburg, Virginia met in regular session on Monday, July 13, 2020 beginning at 8:30 a.m. in City Council Chambers at City Hall.

Chair Black read the following statement, this meeting is being held electronically by telephone, pursuant to City Council Ordinance 20-05, an Ordinance to Address Continuity of City Government during the pendency of a Pandemic Disaster.

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

**ABSENT.** Lee Murray.

**ALSO PRESENT.** EDA Counsel: Blanton Massey; Department of Economic Development and Tourism: Bill Freehling, Director; Angela Freeman, Business Development Manager; Amy Peregoy, Economic Development Specialist.

**DETERMINATION OF QUORUM.** Mitzi Brown.

**AGENDA.**

**MOTION** by Suzy Stone, seconded by Chris Waller, the agenda was approved: Ayes (5); Nays (0); Abstain (1-Richey); Absent from Meeting (1).

**PUBLIC COMMENTS.** Chair Black asked Ms. Peregoy if there were any public comments submitted prior to today's meeting via the instructions on the published agenda. Ms. Peregoy stated, no public comments were received.

**APPROVAL OF MINUTES.**

**MOTION** by Mitzi Brown, seconded by Suzy Stone the minutes from the June 8, 2020 regular e-meeting were approved: Ayes (5); Nays (0); Abstain (1-Richey), Absent from Meeting (1).

**TREASURER'S REPORT.** In Mr. Murray's absence Chair Black provided Mr. Murray's updates: cash is in a good position, though still artificially high because the EDA is essentially a holding tank for cash earmarked for the Gateway Blvd. project. For the month of June, activity was normal, other than \$25,000 sent to Germanna Community College for the annual FredCAT payment. Income for fiscal year 2020 is below budget largely due to a couple of timing issues being the University of Mary Washington's annual bond issuance fee is due early July each

year but they paid the July 2019 payment a couple of weeks early (in June 2019), which placed the deposit into FY2019 instead of FY2020. The first baseball stadium bond issuance fees are due September of this year so there was a mistake in the budget that placed those fees arriving during FY2020; those should have been omitted and are included in the FY2021 budget. Fiscal year 2020 expenses: due to budget cuts, the EDA came in well below the budgeted operating expenses with the exception of the COVID-19 Business Relief Grant Program. As discussed, a fair amount of the funds that went toward the Business Relief Grant Program were absorbed by these budget cuts as well as the Opportunity Fund. However, the EDA dipped into the cash position some in order to achieve the goal. The budget and financial statement are filed with the minutes.

**OLD BUSINESS. *Central Rappahannock Regional Library (CRRL) Digital Maker Lab Report*** – Chair Black gave an update on the CRRL report which was included in the meeting packet. The report stated many of the benchmarks were hit including finding other forms of sponsorship. The EDA devoted a large amount of money to this project to further the commitment to STEM learning and workforce development. Due to COVID-19 there is not a scheduled opening date but Chair Black hopes CRRL will offer virtual experiences. Chair Black requested further comments from Ms. Brown. Ms. Brown had no further comments.

**NEW BUSINESS.**

- a. **EDA Board Elections.** Chair Black noted last month there was a nomination for the FY2021 Slate of Officers. The nominations included: Chair Black remains as Chair; Will Mackintosh, Vice Chair; Lee Murray remains as Treasurer and Mitzi Brown remains as Secretary.

**MOTION by Suzy Stone, seconded by Chris Waller the board approved the Election of Officers presented by Chair Black: Ayes (6); Nays (0); Absent from Meeting (1).**

- b. **CARES Act Small Business Assistance Program** – Mr. Freehling presented background on the program funding stating the City desires to allocate \$500,000 of approximately the \$2.5 million CARES Act funding for a small business assistance program. During the last City Council meeting our department was directed to start taking applications. Tomorrow night City Council will determine how much funding to allocate to the program. Approximately 110 applications were received. The Commissioner of the Revenue is currently verifying each application based on the program's criteria. The next step will be to hold a random drawing to determine which businesses receive funding. Three categories will be determined based on a business' revenue. The recommendation to City Council is to split the \$500,000 with \$250,000 for the small business assistance program and \$250,000 for a small business marketing program. Mr. Freehling stated grants would be awarded to 45 businesses under this program with 10 grants being awarded to the small revenue category; 15 grants being awarded to the middle revenue category and 20 grants being awarded to the high revenue category. There was a brief question and answer segment on the small business marketing program. Chair Black asked about non-profits being folded into this program. Mr. Freehling stated City Council decided the \$250,000 allocation for grants would be for for-profit businesses. The additional money under the CARES Act categories would be suited toward non-profits being assisted. Chair Black asked Mr. Freehling would it be helpful today for the EDA to disburse the grant funds for the City and a motion be put forward. Mr. Freehling stated, yes. No motion was put forward.
- c. **M-D Eats InvestFXBG Loan** – Mr. Waller presented background on Ms. Hunt and M-D Eats including Ms. Hunt's other businesses. The loan request is for \$50,000 to improve the site and building located at 701 Lafayette Blvd. which Ms. Hunt purchased in 2019. Mr. Waller reviewed the terms of the loan, profit and loss/cash flow, program goals which were included in the meeting package.

**MOTION by Will Mackintosh, seconded by Suzy Stone the board approved a loan for \$50,000 to M-D Eats for improvements to the site and building located at 701 Lafayette Blvd. based on the terms outlined in the memorandum from the InvestFXBG Loan Committee: Ayes (6); Nays (0); Absent from Meeting (1).**

Chair Black noted Mr. Murray is no longer able to serve on the InvestFXBG Loan Committee. Ms. Stone has agreed to join this committee and work with Mr. Waller on the program.

Chair Black requested to go back to New Business item b. CARES Act Small Business Assistance Program. Chair Black requested to put forth a motion to disburse the grant funds for the City

***MOTION by Will Mackintosh, seconded by Suzy Stone the board approved the EDA to disburse the CARES Act Small Business Assistance Program grant checks as allocated by City Council: Ayes (6); Nays (0); Absent from Meeting (1).***

### **COMMITTEE REPORTS**

- a. ***Parking Improvement Committee*** – No update. A second board member will not be added to this committee at this time per Mr. Mackintosh.
- b. ***Strategic Investments Committee*** – No update.
- c. ***Workforce Development Committee*** – Ms. Stone is stepping off this committee and Ms. Richey will be Ms. Stone's replacement. No update.
- d. ***InvestFXBG Loan Committee*** – Mr. Waller presented under New Business.
- e. ***Chatham Bridge Rehab Committee*** – Ms. Brown stated the “We Build a Bridge” marketing is moving forward with visits to the businesses.
- f. ***Business Assistance Committee*** – Mr. Freehling presented under New Business.

**STAFF REPORT.** Mr. Freehling welcomed Susan Richey and congratulated her on her appointment to the board. No report from Ms. Freeman or Ms. Peregoy.

**CHAIR'S REPORT.** Chair Black stated we must continue to find ways to help the city's businesses through COVID-19. She has spoken with a number of small business owners, and each person fears that some of the liberties in Phase 3 – or even Phase 2 – may be rolled back. The greatest challenge is to help make sure these businesses don't disappear because of this pandemic. She knows how hard each and every one is working to help them. She thanked everyone. She stated the board's jobs are far from over, so to keep working offline. She urged the board to continue to get out there, talk to business owners about what they need, and report information back to the board, EDT staff, and to city leaders.

**BOARD MEMBERS COMMENTS.** Mr. Mackintosh referred the board to the e-mail on July 9<sup>th</sup> that was sent by Mr. Freehling regarding businesses with Jefferson Davis Highway addresses. Tomorrow night City Council will be discussing changing the name of Jefferson Davis Highway. The state is also discussing this matter. It is possible within the next couple months the name change will occur. Mr. Mackintosh requested Mr. Freehling to provide names of businesses on Jefferson Davis Highway for the board to discuss providing small grants for the businesses to use to help cover the costs of the name change. Mr. Mackintosh stated it was important for the City and it was no fault of these businesses located on the highway so he requested \$250 for each business with total possible exposure of \$35,000.

Chair Black read the opinion of the Treasurer Mr. Murray, quoting, that “As the Treasurer, I do not believe that it is appropriate that we use EDA funds for something along these lines. Per the EDA's website, our board's overview is as follows:

**The Economic Development Authority acts as a catalyst for responsible economic growth that improves Fredericksburg's quality of life. The EDA receives its funding from annual fees derived from the issuance of bonds for qualified borrowers. Additionally, the EDA advises the City Manager and City Council on fostering economic and industrial development.**

Mr. Murray goes on to say.... “We are fiduciaries of this money and I do not see where this aligns with the board’s mission of “responsible economic growth”. To that end, this is the same argument that I had when the discussion came up as to whether or not the EDA should allocate money toward the restoration of the Fallen Heroes Memorial after it was damaged in the fire several weeks ago. While I believe that’s a worthy cause, I do not believe that it is appropriate, as fiduciaries of this money, that we use EDA funds for a project along those lines”.

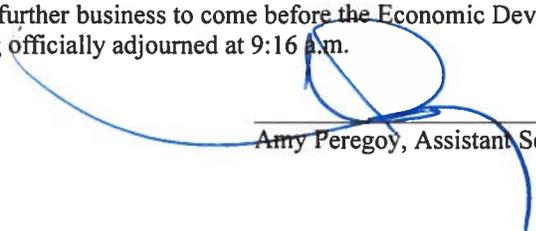
Chair Black stated she thanked Mr. Murray for his opinion and told him a number of people in this city will feel that the name change will make Fredericksburg more inviting, thus improving its quality of life, which will in turn act as a catalyst of growth. Mr. Murray agreed those were fair points. Chair Black stated she also felt the same regarding the Fallen Heroes Memorial.

Ms. Brown stated she respectfully disagreed with Mr. Murray and she would support the motion. Mr. Waller had no comment. Ms. Stone stated she was in favor of the motion. Ms. Richey agrees with spending the money. Her only disagreement is around the rhetoric and not to view this in the terms of it being a worthy cause or the fault of the businesses on Jeff Davis. It should be an unanticipated business expense that the businesses could not build into their budget just as COVID-19. The money should allocated.

***MOTION by Mitzi Brown, seconded by Will Mackintosh if the name of Jefferson Davis Highway is changed the board approve to allocate up to \$35,000 to help business owners incorporate the name change into their businesses: Ayes (6); Nays (0); Absent from Meeting (1).***

Chair Black announced a Certificate of Appreciation for Bill Beck was sign by Mayor Mary Katherine Greenlaw. Mr. Beck will be missed but conversations will continue as he is an advocate for Downtown.

***ADJOURNMENT.*** There being no further business to come before the Economic Development Authority at this time, Chair Black declared the meeting officially adjourned at 9:16 a.m.

  
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Amy Peregoy, Assistant Secretary