

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

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**ECONOMIC DEVELOPMENT AUTHORITY MINUTES (EDA)**

**September 12, 2016**  
**8:30 a.m. • EDA Regular Meeting**  
**City Hall, The Suite**  
**715 Princess Anne St.**  
**Fredericksburg, VA**

The Economic Development Authority of the City of Fredericksburg, Virginia met in regular session on Monday, September 12, 2016 beginning at 8:30 a.m. in the Suite at City Hall.

**EDA MEMBERS PRESENT.** Amy LaMarca, Chair, presiding. Joe Wilson, Michael Colangelo, Chris Muldrow, Bob Carter and Bill Beck.

**ABSENT.** Tom Crimmins.

**ALSO PRESENT.** **BzzNizz, LLC DBA Hapcast:** Kris Carter, Stephen Labrador, Charlie Kaiman; **Fredericksburg Today:** Susan Larson; **Free Lance-Star:** Lindley Estes; **City of Fredericksburg:** Timothy Baroody, City Manager; **EDA Counsel:** Blanton Massey; **Department of Economic Development and Tourism:** Bill Freehling, Interim Director; Amy Peregoy, Economic Development Specialist; Julie Perry, Tourism Services Manager.

**DETERMINATION OF QUORUM.** Michael Colangelo.

**AGENDA.** Upon a motion by Bob Carter, seconded by Bill Beck, the agenda was approved as presented: Ayes (6); Nays (0); Absent from Meeting (1).

**PUBLIC COMMENTS.** None.

**PRESENTATION BY JULIE PERRY, TOURISM SERVICES MANAGER, REGIONAL TOURISM UPDATE** – Chair LaMarca introduced Ms. Perry. Ms. Perry presented a background of the regional tourism effort between the city, Stafford and Spotsylvania Counties. The memorandum of understanding is for a three year period with each participant allocating \$171,000 and operates under the Fredericksburg Timeless brand. Ms. Perry works with BCF marketing agency from Virginia Beach. She reviewed FY16 successes to include: Google analytics, public relations clip report, sales team overview and recent programs. She presented upcoming FY17 initiatives to include: continuing to develop Fredericksburg Stories videos, strategically identify a targeted PR approach to attract Top Tier publications, refresh regional photography, conduct a website overhaul to conform to responsiveness standards, add sports marketing, and expand mapping features. After a brief question and answer period; Chair LaMarca thanked Ms. Perry for the presentation.

**PRESENTATION BY CHARLIE KAIMAN, KRIS CARTER AND STEVE LABRADOR, HAPCAST** – Chair LaMarca requested Hapcast to introduce themselves; Mr. Kaiman, Mr. Carter and Mr. Labrador. Mr. Carter presented a mobile messaging program smart phone application which gives time-sensitive and location mobile messaging for businesses and community groups to promote events and sales. The Hapcast application will offer a

better tool to drive traffic and compete with online retailers with filters for the user. After a brief question and answer period; Chair LaMarca thanked Mr. Kaiman, Mr. Carter and Mr. Labrador for the presentation.

**APPROVAL OF MINUTES.** Upon a motion by Bob Carter, seconded by Bill Beck the minutes from the July 11, 2016 and August 8, 2016 meetings were approved: Ayes (6); Nays (0); Absent from Vote: (1).

**TREASURER'S REPORT.** The financial statement and budget report for July and August were accepted and filed with the minutes.

**OLD BUSINESS.** None.

**NEW BUSINESS.**

- a. **Partnership with City of Fredericksburg on Parking Analysis** – Mr. Freehling presented an overview of City Council seeking to build a second downtown parking deck and has tasked staff with pursuing the initiative. Before committing to purchasing a downtown property suitable for a deck and developing the garage, staff wants a final analysis of the current parking situation in downtown Fredericksburg. This type of analysis was last completed by Desman Associates in January 2006 (some additional work focused on potential sites for a second downtown parking garage was completed by Walker Parking Consultants in 2014). Staff has already done ample work to analyze current downtown parking supply and demand, and how both have changed since the January 2006 analysis. Mr. Baroody, City Manager, noted the request was from his office as directed by city council; as a joint effort between the city and the EDA. The estimated cost is \$25,000-\$30,000 for the analysis. After a brief discussion, upon a motion by Joe Wilson, seconded by Chris Muldrow the EDA would enter into a joint study with city council up to \$12,500. Chair LaMarca opened the motion for discussion. Upon a motion by Bill Beck, seconded by Michael Colangelo a substitute motion was approved to allocate a matching amount not to exceed \$15,000 for the parking analysis as a joint study with the city: Ayes (6); Nays (0); Absent from Meeting (1).
- b. **EDA and City Council Work Session, November 15, 7 p.m.** – Mr. Freehling notified the board the work session with city council will be held on November 15 at 7:00 p.m. Please note on your calendars.
- c. **Discussion of a joint performance agreement with the Economic Development Authority, City of Fredericksburg and NBB, LLC for a mixed use development at the National Bank Building property** – Mr. Freehling presented to the board NBB, LLC has offered to revise the design of its George Street townhomes. The redesigned project reduces the number of units from seven to five, reduces the height of the units to 44'4", removes one of the stories of the units, lowers the cornice, and provides a front yard on George Street and a side yard on Charles Street. Fredericksburg City Council has offered to consider an economic incentive for the whole mixed-use project – including NBB's investment of about \$1.2 million in the rehabilitation of the National Bank Building. If the City Council is able to approve the redesign through a public hearing process, and if the City Council and EDA approve the economic incentive, then the parties would dismiss the pending lawsuits.

The proposed economic incentive to NBB, LLC is \$300,000, paid in two \$150,000 installments along the following schedule:

- First payment: Upon certificate of occupancy being issued for bank building and first two townhomes
- Second payment: Upon certificate of occupancy being issued for remaining three townhomes

NBB, LLC would have five years from the date of the performance agreement to complete the project.

The EDA is asked to make the upfront payments to NBB, LLC along the aforementioned terms. City Council proposes to pay the EDA back in full from the incremental real estate tax revenue expected from the project. At project completion, it is anticipated that the real estate revenue increment will be about

\$48,500 annually. It is anticipated that the EDA will be paid back in about seven years. Payments will be made annually, on or about September 1.

City Council also proposes to pay the EDA 3 percent interest on the outstanding balance. That payment will also be made annually at the same time as the real estate increment transfer. The EDA received this same 3 percent interest rate for the funds lent to the City of Fredericksburg for the Masonic Lodge acquisition in 2011.

If the EDA agrees to enter into a performance agreement with the City of Fredericksburg and NBB, LLC to help resolve the litigation surrounding the National Bank Building project, move the matter to a successful resolution and obtain a higher return on its existing funds.

Joe Wilson moved for the EDA to accept the proposal as presented, seconded by Bob Carter. Chair LaMarca opened the motion for discussion. Mr. Beck made a substitute motion for the interest rate be decreased to 2%. The substitute motion was not seconded. The EDA authorizes its Chairwoman to execute on behalf of the EDA, the Performance Agreement with the city and NBB, Inc. subject to the terms listed above with staff and EDA counsel review and approval and passed by the following recorded votes: Ayes (5); Nays (0); Absent from Meeting (1); Abstain (1-Amy LaMarca).

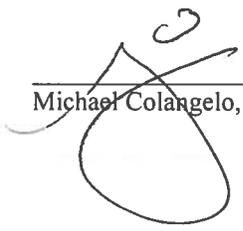
**COMMITTEE REPORTS.** *Fredericksburg VA Main Street (FVMS) Committee* – Mr. Freehling noted the city is working with Streetsense on neighborhood planning and requested a member(s) of the EDA to attend a meeting on September 20 at 4 or 4:30 p.m. Mr. Carter and Mr. Muldrow will attend or ask Mr. Crimmins if he would like to attend on one of their behalves.

**STAFF REPORT.** None.

**CHAIRWOMAN'S REPORT.** Chair LaMarca notified the board Mr. Chris Hornung is finalizing the strategic planning report and it should be distributed via e-mail at the end September.

**BOARD MEMBERS COMMENTS.** The board continued a brief parking discussion. Mr. Carter requested an update on the Spencer Devon Brewing state grant. Mr. Freehling noted the document is being finalized. Mr. Wilson requested if a grant was approved for the Spencer Devon Brewing. Mr. Carter noted a \$2,000 grant was awarded. Mr. Carter noted the need of more trash receptacles with cigarette butt containers.

**ADJOURNMENT.** There being no further business to come before the Economic Development Authority at this time, Chair LaMarca declared the meeting officially adjourned at 10:23 a.m.

  
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Michael Colangelo, Secretary