

FREDERICKSBURG
ECONOMIC
DEVELOPMENT
AUTHORITY

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ECONOMIC DEVELOPMENT AUTHORITY MINUTES (EDA)

April 8, 2019

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, April 8, 2019 beginning at 8:30 a.m. in the Suite at City Hall.

EDA MEMBERS PRESENT. Bob Carter, Chair, presiding. Tom Crimmins, Beth Black, Hap Connors, Mitzi Brown, and Will Mackintosh.

ABSENT. Bill Beck.

ALSO PRESENT. Fredericksburg Area Museum: Sara Poore, Melanie Johnson; Fredericksburg VA Main Street, Inc.: Ann Glave; Central Rappahannock Regional Library: Martha Hutzler, Rebecca Purdy; City of Fredericksburg: Tim Baroody; Susanna Finn; EDA Counsel: Blanton Massey; Department of Economic Development and Tourism: Bill Freehling, Director; Angela Freeman, Business Development Manager; Amy Peregoy, Economic Development Specialist; Victoria Matthews, Tourism Sales Manager; Danelle Rose, Visitor Center/Tourism Services Manager.

DETERMINATION OF QUORUM. Mitzi Brown.

AGENDA. .

MOTION by Hap Connors, seconded by Tom Crimmins, the agenda was approved: Ayes (6); Nays (0); Absent from Meeting (1-Beck).

PUBLIC COMMENTS. None.

PRESENTATION BY VICTORIA MATTHEWS AND DANELLE ROSE, FREDERICKSBURG REGIONAL TOURISM PARTNERSHIP. Mr. Freehling presented background and upcoming initiatives regarding tourism. He introduced Ms. Matthews and Ms. Rose. Ms. Rose presented an overview of the regional tourism to include: marketing, partners, representatives, responsibilities, Memorandum of Understanding, budget allocations, branding, locality visitor center locations/events/websites, 2017 site visitation numbers, target markets, current campaign "Take the Scenic Route", social media numbers, public relations clip report, publication impressions, and the media plan budget. Ms. Matthews presented an overview of her work with the following: meetings, government, reunions (family and military), group tours (including students), and weddings. She presented a sales and services overview of the market to include market ad placement and tradeshow. She also spoke to the targeted international market and national memberships. She explained her work with FAMS, sales missions, partnerships and overall services she provides for tourism. Her presentation included information on the numbers of meetings, conventions, reunions, SMERF and the regional hotel inventory. She closed with economic

impact data, statistics and upcoming tourism initiatives and events. There was a brief question and answer segment. Chair Carter thanked Ms. Rose and Ms. Matthews for their work and time promoting the City and the region.

APPROVAL OF MINUTES.

MOTION by Hap Connors, seconded by Beth Black the minutes from the March 11, 2019 regular meeting and March 25, 2019 special meeting were approved: Ayes (6); Nays (0); Absent from Meeting (1-Beck).

TREASURER'S REPORT. The financial statement and budget report for March 2019 were filed with the minutes.

OLD BUSINESS.

- a. ***CRRL MakerLab Update*** – Ms. Freeman gave information presented during previous board meetings and meetings with CRRL and the Workforce Committee. Ms. Freeman reviewed the requirements of the project costs and lease buy down for the CRRL MakerLab. Mr. Connors noted support of this project to the workforce and the community. Ms. Brown stated the board should focus on projects that are transformative with pathways to education and workforce development. Ms. Hutzel gave a presentation on the following: current offerings/numbers, description/hours, partnerships, attendee education/training/skills, equipment, discounted lease, examples of other MakerLabs and marketing. After a discussion, the board approved the funding request for the CRRL Digital Maker's Lab.

MOTION by Hap Connors, seconded by Mitzi Brown the board approved \$82,497.22 for the CRRL Digital MakerLab lease to be located at 1616 Princess Anne St. over a five year schedule: Ayes (6); Nays (0); Absent from Meeting (1-Beck).

- b. ***Termination 2017 Performance Agreement with Liberty Place Partners, LLC and Authorization 2019 Performance Agreement with Liberty Place Partners, LLC*** – Mr. Freehling gave background on the project and economic impact. In March, City Council and the EDA entered into a Letter of Intent with Liberty Place Partners outlining the terms of a Performance Agreement to be developed. The LOI required Liberty Place Partners to satisfy certain conditions – including submitting plans to subdivide the property, providing architectural designs and budgets for the 43,000-square-foot structure, obtaining the 124 parking spaces and demonstrating the need for the financial assistance. These conditions have now been satisfied to staff's satisfaction. Under the proposed Performance Agreement, for each of the 10 years of the term, Liberty Place would need to generate at least \$400,000 in local tax revenue from the commercial building in order to receive the \$375,000 payment from the City. Under the proposed Agreement, Liberty Place Partners would not be eligible for the incentive until the garage and the commercial building are substantially completed (for the commercial building, this would be evidenced by the issuance of certificates of occupancy for at least 75 percent of the total building square footage). Both structures would need to be substantially completed by December 31, 2021. The first annual performance grant would be payable on the first day of September that follows twelve months after Substantial Completion. Subsequent annual performance grants would be payable on September 1 for the following nine years. The payment would flow from the City to the EDA to Liberty Place Partners. By approving this Performance Agreement, City Council and the EDA would also be terminating the 2017 Performance Agreement with Liberty Place Partners, LLC. The City would not award any additional economic incentives to the Liberty Place Mixed Use Building or its tenants for the duration of the 10-year Incentive Period. After a brief discussion on parking, tax revenue, construction and design the board authorized the Chair to execute the Performance Agreement upon review and approval by counsel.

MOTION by Hap Connors, seconded by Will Mackintosh to adopt Resolution 19-10, that the EDA hereby approves the said Performance Agreement and authorizes its Chair, Robert Carter, on behalf of the EDA, to execute, deliver and carry out the Performance Agreement in substantially the form submitted for approval by EDA Counsel: Ayes (6); Nays (0); Absent from Meeting (1-Beck).

- c. ***Fredericksburg VA Main Street, Inc. Loan Program Quarterly Report*** – Ms. Glave provided the board with an update to include: one application rejection, one applicant to meet with the UMW Small Business Development Center for guidance, a \$5,000 loan to Vivify Burger and Lounge for improvements to the rooftop lounge, and a \$5,000 loan to DermaEnvie for equipment. The committee meets monthly. Applications are being submitted on a regular basis with the total application goal to be met by the end of the year. Chair Carter thanked Ms. Glave for her report.

NEW BUSINESS.

- a. ***Fredericksburg Area Museum Sounds of Summer Sponsorship Request*** – Ms. Peregoy presented the \$10,000 sponsorship request from the Fredericksburg Area Museum for the 2019 Sounds of Summer concert series noting without the support of the EDA the concert series will be shortened. Mr. Crimmins, Ms. Black and Ms. Brown referenced previous years support, the increased attendance from other counties and tax revenue. Ms. Poore, President and CEO, answered questions from the board. Mr. Mackintosh and Ms. Brown requested furthering private sponsorships so the EDA's funding request will decrease. Chair Carter thanked Ms. Poore and Ms. Johnson for their time.

MOTION by Will Macintosh, seconded by Tom Crimmins the board approved \$10,000 for the 2019 Sounds of Summer concert series: Ayes (6); Nays (0); Absent from Meeting (1-Beck).

- b. ***UMW Athletic Gala sponsorship Request*** – Mr. Freehling presented the request to the board noting the UMW Athletics Department provided extensive assistance to the EDA's SlideFXBG 2018 event. The event could not have occurred without the volunteer assistance of various UMW athletic teams. They volunteered throughout the day and night to help the event, which netted the EDA a \$30,000 profit. Staff proposes to recognize this assistance by asking the EDA to be a \$3,000, Gold-level sponsor of UMW's Annual Athletics Auction & Dinner in May. The sponsorship offers eight tickets, VIP parking and a table during the auction and dinner.

MOTION by Tom Crimmins, seconded by Beth Black the board approved \$3,000 sponsorship for the UMW Athletic Gala: Ayes (6); Nays (0); Absent from Meeting (1-Beck).

- c. ***SlideFXBG 2019 Agreement*** – Mr. Freehling made a request of the board for authorization of the Chairman of the EDA to execute the SlideFXBG 2019 agreement. He noted the event will be held on August 31 located on William Street between College Avenue and Sunken Road. Street closures and impact on residents will be minimal. Mr. Manning will present an update in May.

MOTION by Tom Crimmins, seconded by Beth Black EDA hereby approves the said Agreement for Event Production Services and Equipment with The Urban Slide, LLC and authorizes its Chairman, Robert Carter, on behalf of the EDA, to execute, deliver and carry out the said Agreement in substantially the form submitted for approval by EDA Counsel: Ayes (6); Nays (0); Absent from Meeting (1-Beck).

COMMITTEE REPORTS.

- a. ***Parking Improvement Committee*** – Mr. Macintosh informed the board during the next committee meeting the StreetSense recommendations will be reviewed.
- b. ***Branding Committee*** – Ms. Black discussed the briefing from HUB, Ltd. from the study groups which have a divided opinion on Fredericksburg's history, river, Downtown and the entire City. The City's identity is based on physical boundaries, and the defining lines on the people and the culture. The words used to describe Fredericksburg from and to: from history to historically significant, from connected to central, from vibrant to cultural hub, from friendly and welcoming to good natured and sociable, from active and outdoorsy to accessible activity, and from potential to progress. The committee will meet in May.

- c. *Strategic Acquisitions Committee* – No report.
- d. *Main Street Loan Program Committee* – Update presented by Ms. Glave.
- e. *Workforce Development Committee* – Mr. Connors noted there is a meeting on April 23. Ms. Black noted her work with Micah on people reentering the workforce.

STAFF REPORT. Ms. Freeman gave an overview of the Virginia Economic Development Partnership's orientation session. She requested as to EDA members' interest in attending an upcoming orientation session. Ms. Peregoy gave an update on the progress of the Business Appreciation event to include: award winners, awards and suggested raffle prizes be added. The board declined her suggestion.

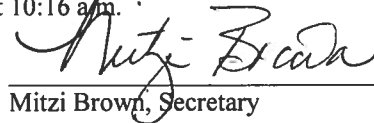
Mr. Freehling thanks Chair Carter and Mr. Crimmins for their service to the EDA. He noted there were four applicants with interviews by City Council to begin April 23.

Chair Carter and Mr. Crimmins will remain on the board until their seats are filled.

CHAIRMAN'S REPORT. Chair Carter noted EDA Treasurer Tom Crimmins' term ends at the end of April. Chair Carter has spoken with Bill Beck and nominated Mr. Beck as an interim Treasurer to serve for the remaining two months of the 2019 fiscal year. Chair Carter requested the board think about funding small projects as well as large projects.

BOARD MEMBERS COMMENTS. Mr. Crimmins stated he appreciated the opportunity to work with the board.

ADJOURNMENT. There being no further business to come before the Economic Development Authority at this time, Chair Carter declared the meeting officially adjourned at 10:16 a.m.



Mitzi Brown, Secretary

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Resolution No. 19-10

**Economic Development Authority of the City of Fredericksburg, Virginia Regarding
Authorizing the Chairman to execute a Performance Agreement with
Liberty Place Partners, LLC and the City of Fredericksburg**

Date: April 8, 2019

Proposed by: Connors
Seconded by: Macintosh
Absent from Meeting: Beck

Liberty Place Partners owns land located in the City, generally described as the City block bounded by Amelia, Douglas, William, and Winchester streets. In 2017, Liberty Place Partners proposed to develop this property with a mixed-use commercial project, approximately 86,000-square-feet in size, with an approximately 300-space above-ground parking garage.

The City, the EDA and Liberty Place Partners entered into a Performance Agreement dated December 13, 2017, that provided for a performance grant from the EDA to Liberty Place Partners for the 2017 Liberty Place proposal.

The City of Fredericksburg, Fredericksburg Economic Development Authority, and Liberty Place Partners, LLC, entered into a Letter of Intent dated March 13, 2019, in order to prepare for a performance agreement for a revised Liberty Place mixed-use development, as described in the Letter of Intent. The parties have fulfilled their responsibilities under the Letter of Intent to the reasonable satisfaction of the City Council. The proposed performance agreement includes a provision terminating the December 13, 2017, performance agreement.

The City Manager recommends approval of a proposed Performance Agreement to provide an annual economic incentive by the EDA to Liberty Place Partners, subject to appropriation by the City Council, in order to realize the public benefits of the project as revised.

Therefore, the EDA hereby resolves that:

The Chairman is authorized to execute, deliver and carry out a Performance Agreement with Liberty Place Partners, LLC and the City of Fredericksburg in substantially the form submitted for approval.

Votes:

Ayes: 6

Nays: 0

Absent from Vote: 0

Absent from Meeting: 1-Beck

Secretary's Certificate

I, the undersigned, certify that I am Secretary of the Fredericksburg EDA and that the foregoing is a true copy of Resolution No. 19-10 duly adopted at a meeting of the EDA held April 8, 2019 at which a quorum was present and voted.



EDA Secretary