

1. EDA Agenda Package February 2019

Documents:

[EDA AGENDA FEBRUARY 2019.PDF](#)

CITY OF POQUOSON



ECONOMIC DEVELOPMENT AUTHORITY

FEBRUARY 5, 2019

Regular Meeting

ECONOMIC DEVELOPMENT AUTHORITY
Regular Meeting
February 5, 2019 8:30 am
Poquoson City Hall – Council Chambers

A. ROLL CALL

CONSENT AGENDA

B. APPROVAL OF MINUTES

a.)

C. REPORT OF THE SECRETARY

a.) No Report

D. REPORT OF THE TREASURER

a.) January 2019 Financial Statement

DISCUSSION AGENDA

E. PUBLIC COMMENT

F. NEW BUSINESS

- a.) FY20 Proposed Budget
- b.) HREDA Funding Request
- c.) Property Sales Proceeds Transfer

G. UNFINISHED BUSINESS

- a.) EDA Property Pricing Policy Discussion
- b.) Fishing Center Property Sale Status

H. STAFF ACTIVITIES

- a.) Ribbon Cuttings
- b.) Business update – Taste of Poquoson – HBB Resources Conference
- c.) Next Meeting Date March 5, 2019

I. ADJOURNMENT

POQUOSON ECONOMIC DEVELOPMENT AUTHORITY

Board of Directors Regular Meeting

December 4, 2018 - 8:30 am

Poquoson City Hall – Council Chambers

PRESENT: Donald Booth, Chairman
Alan Meetze, Vice Chairman
Tim Trant, Treasurer
Henry Freeman, Director
Walt Apelt, Director
Katie Patrick, Director

Wayne Moore, City Attorney
David Callis, Economic Development (ED) Director
Charity Gavaza, Economic Development Coordinator

ABSENT: Angela Ward-Costello, Director

Chairman Booth called the meeting to order at approximately 8:30 a.m. in the Council Chambers located at 500 City Hall Avenue.

APPROVAL OF THE CONSENT AGENDA

Director Patrick moved and Vice Chairman Meetze seconded, to approve the Consent Agenda as submitted. Recorded vote on the motion:

YES: Directors Trant, Freeman, Apelt, Patrick, Vice-Chairman Meetze and Chairman Booth

NO: None.

ABSENT: Director Ward-Costello

PUBLIC COMMENT

There was no public comment.

NEW BUSINESS

a.) EDA-Owned properties: Delineation Confirmation Expiration status
Dave Callis updated the Board on the list provided of properties owned by the EDA and their delineation status and when they would require updating. The next site will be the 6-parcel assemblage on Victory Blvd. which current wetlands confirmation expires on July 22, 2019. Chairman Booth recommended that Sandy Brinson of Integrity Environmental

be engaged to attend an EDA meeting in early 2019 and provide guidance on this assemblage and others in the EDA's inventory.

UNFINISHED BUSINESS

a.) EDA Property Pricing Policy Discussion

Vice Chairman Meetze advised the Board that the EDA's Real Estate Committee had reviewed the property values of EDA-owned properties and understood the need to have some pricing information to provide when calls come in inquiring about properties. The base price per acre was set at \$300,000. He also stated that there were a number of factors to be considered including, but not limited to: acreage, planned usage for site, flexibility of property and other considerations. Chairman Booth suggested that a "policy instead of set prices" be presented for approval at the January 2019 meeting. Vice Chairman Meetze stated that the price should be set high enough to allow some trickle down based on desirability of interest. Director Apelt suggested that all contracts should include a development timetable. Chairman Booth stated that the policy was a good starting point, but should be reviewed semi-annually based on interest and inquiries.

b.) Fishing Center Contract Status

Chairman Booth advised that the Fishing Center had a contract drafted and closing should occur before the end of the year.

Staff Activities

a.) Hampton Roads Economic Development Authority (HREDA) Update – Charity

Gavaza informed the EDA of the status of HREDA. It was suggested that a member of HREDA come to the January meeting and present information on the 5-year plan to the group if available.

b.) Ribbon Cuttings – City of Poquoson Welcome New Business Sign – Taylors Dental and TJs 2

Charity Gavaza informed the Board of the Welcome to Poquoson Business sign that has been used for McFatters and is scheduled for use with Taylor Dental and TJs 2 when they open. She also stated that the Economic Development Office anticipates new business ribbon cuttings in the next few months.

c.) Business Update – Moore Building

Charity Gavaza informed the Board that the Moore building, 501 Wythe Creek Road, is now fully leased. A building-wide Ribbon Cutting is being planned for early March 2019 for the new business including: Champs Missy and Curvy Boutique, 868 Ink Tattoos and Piercing, Coastal Coverage Insurance Group, Skin Studio and the new flooring store.

The next meeting date is scheduled for Tuesday, January 8, 2018.

The meeting was adjourned at approximately 9:00 am.

City of Poquoson, Virginia

Statement of Revenue, Expenses, and Changes in Fund Net Position

Month Ended January 31, 2019

	Economic Development Authority
Operating revenues	
YMCA Bond Fee	\$ 2,865
Beth Sholom Bond Fee	-
BMP Maintenance Fee	1,480
Miscellaneous Revenue	26
Total operating revenues	<u>4,371</u>
Operating expenses	
Grounds Maintenance	-
Building Maintenance	444
Property Insurance	1,936
Professional Services	14,556
Total operating expenses	<u>16,936</u>
Operating income (loss)	<u>(12,566)</u>
Nonoperating revenues (expenses)	
2002 LOC Interest Expense	(21,121)
Gain on sale of property - Poquoson	4,155
Loss of sale of property - Messick	(42,705)
Net nonoperating expenses	<u>(59,671)</u>
Income (loss) before transfers	<u>(72,236)</u>
Transfers	
Transfers in	16,417
Net transfers	<u>16,417</u>
Change in net position	(55,819)
Net position, July 1, 2018	<u>870,315</u>
Net position, June 30, 2019	<u>\$ 814,496</u>

City of Poquoson, Virginia

Statement of Net Position

January 31, 2019

	<u>Economic Development Authority</u>
Assets	
Cash and cash equivalents	\$ 103,338
Accounts receivable	120
Due from other governments	-
Inventory	-
Capital assets	
Non-depreciable	2,330,945
Depreciable - net	<u>103,768</u>
Total assets	<u>2,538,171</u>
Deferred Outflows of Resources	
Deferred pension contributions	-
Total assets and deferred outflows of resources	<u>\$ 2,538,171</u>
Liabilities	
Accounts payable and accrued liabilities	\$ 14,087
Accrued interest	-
Due to primary government	<u>1,709,587</u>
Total liabilities	<u>1,723,674</u>
Net Position	
Net investment in capital assets	725,126
Unrestricted	<u>89,370</u>
Total net position	<u>814,496</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 2,538,170</u>

MEMORANDUM

February 5, 2019

TO: Economic Development Authority

FROM: Economic Development Director

SUBJ: Proposed EDA FY20 Budget & January 2019 Financial Statement

For the Economic Development Authority's planning and discussion purposes, please find the following provided by the City of Poquoson Finance Department:

*A Proposed FY20 Line-Item Budget

*A January 2019 Financial Statement provided by the City of Poquoson Finance Department.

Economic Development Authority

Proposed Budget Fiscal Year 2020

	Approved Budget 2019	Proposed Budget 2020
Operating revenues		
YMCA Bond Fee	\$ 2,839	\$ 2,214
CNU Bond Fee	-	-
Beth Sholom Bond Fee	11,475	10,820
BMP Maintenance Fee	2,849	2,849
Total operating revenues	<u>17,163</u>	<u>15,883</u>
Operating expenses		
Grounds Maintenance	\$ -	\$ -
Building Maintenance	2,150	-
Property Insurance	2,200	2,000
HR Economic Development Alliance	11,417	11,451
Professional Services	2,500	2,500
Total operating expenses	<u>18,267</u>	<u>15,951</u>
Operating income (loss)	<u>\$ (1,104)</u>	<u>(68)</u>
Nonoperating		
2002 LOC Interest Expense	\$ 36,918	\$ 35,546
Net nonoperating	<u>\$ 36,918</u>	<u>\$ 35,546</u>
Income (loss) before transfers	<u>\$ (38,022)</u>	<u>\$ (35,614)</u>
Transfers		
Transfers in for operating expenses	\$ 16,417	\$ 16,451
Transfers from unappropriated net position	21,605	19,163
Net transfers	<u>\$ 38,022</u>	<u>\$ 35,614</u>

Memorandum

February 5, 2019

TO: Economic Development Authority

FROM: Economic Development Director

SUBJ: Funding Request: Hampton Roads Economic Development Alliance

Attached please find a Funding Request for FY20 from the Hampton Roads Economic Development Alliance (HREDA) for consideration by the Economic Development Authority.

Staff is pleased to provide additional information as needed.

FY 2020 Outside Agency Funding Request Information
General Information

The City of Poquoson, Virginia invites you to submit a FY 2020 Budget Request for your agency. The attached Outside Agency Funding Request Application must be completed fully and accompanied by a transmittal letter from your agency not to exceed three pages. One completed copy of all submitted documents must be received no later than, **Friday, January 4, 2019** either by email to finance@poquoson-va.gov or mailed to the following address:

City of Poquoson
Finance Department
500 City Hall Avenue
Poquoson, VA 23662

Application guidelines are as follows:

1. Any organization applying for funding must be a community based service organization serving the citizens of Poquoson.
2. All applicants must be incorporated through the State Corporation Commission and must have a tax-exempt number from the Internal Revenue Service (clear copies of the certificate must be attached).
3. Please justify all requests.

All completed Applications must be accompanied by:

1. A copy of the organization's 2018 Financial Statement upon completion of statements or web address where the financial statements can be found.
2. A copy of the organization's independent Auditor's Report (performed by a certified public accountant in conformity with accounting principals generally accepted in the United States of America) for 2018 upon completion.

The Transmittal Letter should include the following information:

1. Mission of the agency.
2. Amount requested for FY 2020.
3. Specific benefits of the agency's services/activities as it directly relates to Poquoson residents.
4. Proposed FY 2020 (July 1, 2019 – June 30, 2020) services/activities as well as the level of service. Explain fully why the level indicated is projected.
5. Compare the actual service levels provided in FY 2018, the expected service levels in FY 2019 to the services expected in FY 2020.

Instructions for Completing the Outside Agency Funding Request Application:

Form must be completely filled out, items #1 -- #8 and attachments submitted by deadline.

The City of Poquoson will notify you of City Council's action as it relates to your agency after the FY 2020 Budget is adopted.

If you would like to receive this information electronically in subsequent years, please provide an email address to the City of Poquoson.

FY 2020 Outside Agency Funding Request Application

1. Legal Name of the Agency: Hampton Roads Economic Development Alliance

2. Legal Address: 500 E. Main Street, Suite 1300, Norfolk, VA 23510

3. Executive Director: (Interim) Robert S. Herbert 757-664-2620
Printed Name Telephone Number

4. Agency Contact: Angela Parsons 757-664-2637
Printed Name Telephone Number
aparsons@hreda.com 757-623-3081
Email address Fax Number

5. Amount Requested for FY 2020: \$ 11,450.35

6. Give the number of Poquoson residents using your agency's services.
FY 2018 Actual 12,053 (based on the most recent U.S. Census Bureau figure released July 1, 2017)
FY 2019 Estimated Approximately the same as FY 2018 with a slight increase
FY 2020 Projected Approximately the same as FY 2019 with a slight increase

7. Briefly explain each type of service rendered to Poquoson residents and include the Target Population, FY 2019 Estimated Served and FY 2020 Estimated Served:
Target Population _____ FY 2019 Estimated _____ FY 2020 Estimated _____

Please see attached letter and 2019 Business Plan

Target Population _____ FY 2019 Estimated _____ FY 2020 Estimated _____

Please see attached letter and 2019 Business Plan

Target Population _____ FY 2019 Estimated _____ FY 2020 Estimated _____

Please see attached letter and 2019 Business Plan

Target Population _____ FY 2019 Estimated _____ FY 2020 Estimated _____

Please see attached letter and 2019 Business Plan

Target Population _____ FY 2019 Estimated _____ FY 2020 Estimated _____

Please see attached letter and 2019 Business Plan

8. I certify the information listed in this application and its attachments is true and accurate to the best of my knowledge.



Signature of Executive Officer

1/4/19

Date

Robert S. Herbert

Print Name

757-664-2620

Telephone Number

Interim President & CEO

Title

City of Poquoson Finance Department Use Only:

Date Application Received: _____

Application/Attachments Received by the Deadline: _____ Yes _____ No

IRS Tax Exempt Certificate Attached: _____ Yes _____ No

Financial Statement or link Attached: _____ Yes _____ No

Independent Auditor's Report Attached: _____ Yes _____ No



phone 757 627 2315
call free 800 423 5068
fax 757 623 3081
url hreda.com

January 4, 2019

City of Poquoson
Finance Department
500 City Hall Avenue
Poquoson, VA 23662

Dear City of Poquoson,

The Hampton Roads Economic Development Alliance (the Alliance) is a non-profit, public-private partnership that markets the Hampton Roads region of Virginia as the preferred location for business investment and expansion. The Alliance is the only regional business recruitment organization and all of its activities are designed to promote the eleven jurisdictions that support its efforts including the cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk and Virginia Beach and the counties of Isle of Wight and Southampton.

Traditionally, the Alliance has requested \$1.00 per capita funding from each Hampton Roads community. In light of the current economic challenges and the budget constraints our public partners are facing, the Alliance will apply a voluntary budget reduction of 5% to our request for the upcoming fiscal year. Accordingly, please accept this letter as a formal request for the City of Poquoson to include \$0.95 per capita funding for the Alliance in the City's fiscal year 2020 budget. Based on the most recent population figure of 12,053 released by the US Census Bureau for July 1, 2017, the total amount requested is \$11,450.35.

As one of the eleven jurisdictions represented by the Alliance, the City of Poquoson is an active participant in the regional marketing and business recruitment efforts ultimately resulting in additional capital investment for the region and employment opportunities for the citizens of Poquoson.

The City of Poquoson's participation and engagement opportunities in the Alliance are enhanced through the Regional Economic Developers Team (RED Team). The RED Team is comprised of the economic development directors of Alliance partners and stakeholders and meets throughout the year to develop and oversee implementations of the Alliance direct marketing, outreach and sales promotion efforts.

Progress reports are prepared monthly and distributed to each partner organization. These reports cover the full range of Alliance marketing, recruitment and business attraction efforts and include a variety of key performance indicators (KPIs) designed to accurately measure progress against goals.

On March 22, 2018, we held our first quarterly investor-stakeholder meeting at which the IBM-Plant Location International findings and recommendations were presented and discussed. This report laid out a series of go-to-market strategies and longer-term business improvement plans that identified a realistic target goal that would create 82,500 new higher wage jobs over the next ten years. After full implementation, and considering economic ripple effects, the results generated for the region are likely to yield far greater impacts. Conservatively, employment impacts from the business environment improvement recommendations should increase to 128,000. This employment would generate \$7.8 Billion in new labor income, \$12.3 Billion in new gross regional product, \$25.1 Billion in new regional output and \$535 Million in new tax revenues for local governments across the region. Enclosed is an executive summary and analysis of the projected benefits to our community from fully implementing the IBM-PLI recommendations.



phone 757 627 2315
call-free 800 423 5068
fax 757 623 3081
web hreda.com

Throughout the year, Alliance management has been meeting with public and business stakeholder groups and partners to discuss and explain the IBM-PLI report and outline exactly what it will take to fully realize its expected returns and impacts. Full implementation of the plan will require reorganizing and strengthening the Alliance, so it can play a more substantive role in all aspects of regional economic development. Transforming the Alliance role and shifting from a local to a regional economic development model will require developing new operating alignments and protocols with our member communities--and those discussions are now underway.

Accomplishing these objectives also will require securing greater public and private funding. A realistic budget for the Hampton Roads regional economic development effort is \$4.0 million annually - almost double the current level of resources-that is shared equally between the public and private sectors.

We are pleased to report that feedback regarding the implementation of the IBM-PLI report has been positive and encouraging. Consensus is developing that the Alliance is the right organizational platform to implement such an ambitious plan. Equally important, there is general stakeholder agreement in support of 50:50 public and private sector funding that would be phased in over 2019-2020 to reach the level necessary to resource full implementation of the IBM-PLI plan.

Supporting such an expanded effort will require securing more private sector support in the coming year. Accordingly, the Alliance will be engaging a professional funding advisor to help develop the business case and strategy to identify and develop the private sector investors needed to balance and match current and future public sector funding. Discussions are currently underway with Convergent Nonprofit Solutions to help develop and implement a new capital funding plan for the Alliance in 2019 and beyond.

We appreciate the City of Poquoson's continuing support of and engagement in the Hampton Roads Economic Development Alliance and look forward to sustaining the excellent working relationship we have established with your Economic Development Department.

Enclosed you will find the Alliance's 2019 Business Plan that provides our detailed marketing strategy for CY 2019. Please do not hesitate to contact us at 757-627-2315 should you have any questions regarding this request, or should you require any additional information.

Sincerely,

Robert S. Herbert
Interim President & CEO

Enclosure

Memorandum

February 5, 2019

TO: Economic Development Authority (EDA)

FROM: Economic Development Director
Finance Director

SUBJ: Property Sales Proceeds Transfer

Previously, the City of Poquoson issued general obligation bonds and then loaned the proceeds to the Economic Development Authority (EDA) to repay a former line of credit.

It was agreed that the EDA would pay interest and principal when due on the debt and would also pay a minimum of 50% of the proceeds of any property sale toward the payable due to the City. Currently, the total amount due to the City is \$1,709,587.00.

In October of 2018, the EDA sold 962 Poquoson Avenue (Teen Center) and in January of this year, the EDA sold 296 Messick Road (Messick Point Fishing Center). Per the agreement, we are requesting the EDA's authorization to transfer 50% from the aforementioned property sales to the City of Poquoson toward the amount due.

TO: EDA Board
FROM: Charity Gavaza
RE: Pricing Policy
DATE: February 5, 2019 Regular meeting

Inquiries on land prices have led to EDA consideration of establishing a Pricing Policy. At the December meeting, Vice-Chairman Meetze stated that the Real Estate Committee had reviewed the property values of EDA-owned properties and felt that a base price of \$300,000 per acre would be appropriate. Chairman Booth agreed that having a Pricing Policy in addition to set prices was appropriate since many factors play into what a property might be sold for. Important considerations discussed included:

- Number of acres being considered
- Planned usage for site and consideration for desired uses
- Flexibility of property
- Development timetable, to be included in contract
- ROI – potential tax revenue
- Jobs

Any adopted policy should also include dates and be reviewed annually or semi-annually based on interest and inquiries as well as the current commercial real estate market.