

POQUOSON ECONOMIC DEVELOPMENT AUTHORITY

Board of Directors Meeting

February 2, 2016, 8:30 a.m.

Poquoson City Hall – Council Chambers

PRESENT:

Donald F. Booth, Jr., Chairman
Timothy O. Trant, II, Vice Chairman
P. Craig Moore, Treasurer/Director
Henry L. Freeman, Director
Alan E. Meetze, Director
Angela Ward-Costello, Director
Walter E. Apelt, Director

David Callis, Economic Development (ED) Director
Charity Gavaza, Economic Development (ED) Coordinator
D. Wayne Moore, City Attorney
Mary J. “Evie” Insley, Secretary

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 Costello moved, seconded by Vice Chairman Trant, to approve the Consent Agenda as submitted. Recorded vote on the motion:

YES: Directors Moore, Costello, Freeman, Meetze, Apelt, Trant and Chairman Booth.

NO: None.

Director P. Craig Moore, Treasurer, stated that the Beth Sholom Home of Virginia revenue and refunding loan closed in December. The Chairman requested that the Treasurer speak with the City’s Finance Director on the availability of funding bonds earlier in the year.

PUBLIC COMMENT

There was no public comment.

UNFINISHED BUSINESS

1. *Request by Dr. Bruce McEwen Regarding Poquoson Family Medicine Incentive.*

Dr. Bruce A. McEwen gave the Directors a brief history of his personal connection to the City and the origins of the May 14, 2013 incentive agreement between the Poquoson Economic Development Authority and the Poquoson Chiropractic Clinic, d/b/a Poquoson Family Medicine & Chiropractic Clinic (PCC). He explained that the intent of the incentive, which was to provide him three payments of \$25,000 each at the conclusion of specified goals, was to keep his practice in the City at a time when he was considering less expensive office options in neighboring cities.

The Agreement required Dr. McEwen's practice to provide the following:

- That at least \$100,000.00 of renovations be made to the existing office building. Satisfactory proof of completion was provided and the first \$25,000.00 incentive was made in late 2013.
- That medical services would be incorporated at PCC to include a Commonwealth of Virginia medical doctor or osteopath for a minimum of 40 hours per week.
- That the above requirements would increase the gross revenue of the PCC by \$150,000 and the benchmark for the increase of revenue would be the 2012 PCC federal tax return.

Dr. McEwen stated that the first requirement had been satisfied and that \$25,000 had been received by PCC in late 2013. He stated that his reason for attending the meeting was to request payment of installment number two, to arrange for an extension to satisfy the requirements in order to receive installment number three and to request an extension of the termination date of the agreement between the EDA and PCC to July 2016 for the following reasons:

- The plan was for a medical provider to join PCC in January 2014 immediately following the completion of the renovations to the facility enabling the revenue to be measured by the tax year. As this was not achieved until July 2014 a full year's receipts were not available for the 2014 tax return.
- A detailed report of monthly receipts from an independent billing service for Poquoson Family Medicine for the period of July 2014 to June 2015 was presented to the Authority to verify the increase in receipts from the medical provider to justify the second incentive payment.

Subsequent to a lengthy discussion, the Directors determined that as public funding was being utilized for payment of the incentives, the Poquoson Chiropractic Clinic tax return as required in the original agreement, would be necessary for proof of increased gross receipts. The Directors agreed that they did not need to personally review the tax documents but a representative of the City, such as the Finance Director, could verify the increased receipts.

Vice Chairman Trant moved, seconded by Director Moore, to amend the May 14, 2013 Agreement by delaying the payment of the second incentive until verification by the City's Finance Director of PCC's gross receipts by its 2015 federal tax return; by delaying the third incentive payment based upon the PCC's 2016 federal income tax; by extending the termination of the Agreement to April 15, 2017; and by requiring that all requests for funding be approved by the City Council. Recorded vote on the motion:

YES: Directors Moore, Costello, Freeman, Meetze, Apelt, Trant and Chairman Booth.

NO: None.

NEW BUSINESS

1. *Draft Pricing Of EDA-owned Property Document.*

This item was introduced by Chairman Booth with the intent that no action be taken at this meeting but that each Director give thought to how EDA properties be priced should interest be expressed to the Economic Development Staff.

After discussion it was agreed that an across the board 20% over assessment would be inappropriate as many of the parcels are conglomerations including street front parcels, interior parcels, etc. with the street front parcels being worth far more than 20% over City assessment. Further, it was concluded that many factors should be considered when pricing each parcel, i.e. how many jobs will be produced by a prospective business, will it be a use approved by the citizens, etc. As no consensus was reached, the Chairman requested that Directors Meetze and Freeman research this matter further and report back at a future date.

2. *Resource Inventory of EDA-owned Property Document*

Chairman Booth asked the Directors to please review the document and requested Directors Meetze and Freeman utilize this document in their discussions with regards to EDA property pricing.

STAFF ACTIVITIES

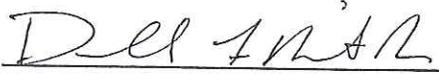
Staff noted that the spring strategy meeting held in March would focus on an updated "Poquoson is the Place" campaign.

Charity Gavaza, Economic Development Coordinator gave a brief summary of the HREDA meeting which included special presentations from two guest speakers – James K Spore, President and CEO of Reinvent Hampton Roads and Chris D Lloyd, Senior VP & Director McGuireWoods Consulting presenting the new initiative displayed at the new website govirginia.gov . These new organizations are set to work together to spark growth, investment and innovation to diversify the Hampton Roads economy.

The next meeting of the EDA was scheduled for be March 1, 2016 at 8:30 a.m.

ADJOURNMENT

Chairman Booth then adjourned the meeting at approximately 9:45 a.m.


Chairman


Secretary