

AGENDA

ECONOMIC DEVELOPMENT AUTHORITY

| THURSDAY, MARCH 4TH |

| 8:00 AM |

COUNTY ADMINISTRATION BUILDING @ BOARD OF SUPERVISORS MEETING ROOM

107 KENT STREET WINCHESTER, VA

1. Call to Order
2. Approval of Minutes – February 6th | | ACTION
3. Treasurer’s Report | | ACTION
4. Incentive Policy | | ACTION
 - *Annual review of incentive policy to reflect current business targets and wage levels.*
5. Changes to Federal Metropolitan and Micropolitan Statistical Area Standards | | ACTION
 - *Request to provide comments against changing the definition of a Metropolitan Statistical Area (MSA) from 50,000 people to 100,000 people.*
6. Appraisal for Hope Drive Property | | ACTION
 - *Request authorization to obtain an updated appraisal of Hope Drive property in mid-late Winter 2021.*
7. Marketing Manager Project Update | | INFORMATION
 - *Staff presentation on activity of their position*
8. Such other business as may come before this Authority

MINUTES
ECONOMIC DEVELOPMENT AUTHORITY
| THURSDAY, FEBRUARY 4, 2021 |

A meeting of the Frederick County Economic Development Authority was held on Thursday, February 4, 2021, at 8:00A.M. in the County Administration Building, Board of Supervisors Room, 107 North Kent Street, Winchester, Virginia.

PRESENT: Judy McCann-Slaughter, Bryan Fairbanks, Doug Rinker and Heather McKay. Susan Brooks participated by phone due to a work conflict. Rick Till and Stan Crockett participated by phone from their homes for a medical reason.

STAFF: Patrick Barker and Donna McIlwee, Frederick County Economic Development Authority, and Michael Bryan, Attorney

MEETING CALLED TO ORDER: Vice Chairman Rinker called the meeting to order at 8:00 a.m.

ANNUAL MEETING

Mr. Barker explained the EDA Bylaws call for an annual meeting prior to March 1 of each year at which time officers are elected. Current officers include Chair, Vice Chair and Secretary/Treasurer. The Chair and Vice Chair are selected from the membership, whereas the Secretary/Treasurer or a Secretary and Treasurer can be from the membership or not, as desired.

On motions properly made and seconded, the following were elected by unanimous vote:

Chair – Doug Rinker
Vice Chair – Heather McKay
Secretary/Treasurer – Jay Tibbs

APPROVAL OF MINUTES

The minutes from the December 3, 2020, meeting were presented.

On motion of Ms. McCann-Slaughter and seconded by Ms. McKay, the minutes were approved by the following recorded vote:

J. Stanley Crockett	Aye
Susan Brooks	Aye
Bryan Fairbanks	Abstain (was absent)

Heather McKay	Aye
Doug Rinker	Aye
Judy McCann-Slaughter	Aye
Rick Till	Aye

TREASURER'S REPORT

Mr. Barker submitted the following reports:

Checking Account - Bank of Clarke County as of November 30, 2020 - \$419,517.38 **(REVISED)**
Savings Account - Scott & Stringfellow as of November 30, 2020 - \$1,283,529.42 **(REVISED)**

Checking Account – Bank of Clarke County as of December 31, 2020 - \$296,584.48
Savings Account – Scott & Stringfellow as of December 31, 2020 - \$1,283,039.77

On motion of Mr. Till, seconded by Mr. Fairbanks, the Treasurer’s Reports for November and December were approved by the following recorded vote:

J. Stanley Crockett	Aye
Susan Brooks	Aye
Bryan Fairbanks	Aye
Heather McKay	Aye
Doug Rinker	Aye
Judy McCann-Slaughter	Aye
Rick Till	Aye

Mr. Barker also presented, for informational purposes only since the January bank statement has not been received yet, the following report:

Checking Account – Bank of Clarke County as of January 31, 2021 - \$191,448.84
Savings Account – Scott & Stringfellow as of January 31, 2021 - \$1,283,539.77

JOINT MEETING

Mr. Barker thanked Board members for their participation in the joint meeting with the BOS held on January 13 and reviewed the following planned activities for the next 12 months as presented and discussed at the meeting.

- Activity #1 | Partner with appropriate local and regional partners to create solutions for current and projected workforce needs
 - Implementation of Shenandoah Valley Talent Solutions Strategy (digital aspects – website and resource showcase)
 - Assist the Workforce Initiative Board with project implementation
 - A workforce model for manufacturing, information technology, and



Mr. Fairbanks made a motion that the Board accept the License Agreement and authorize Mr. Barker to sign on behalf of the EDA. Motion was seconded by Ms. McCann-Slaughter and approved by the following recorded vote:

J. Stanley Crockett	Aye
Susan Brooks	Aye
Bryan Fairbanks	Aye
Heather McKay	Aye
Doug Rinker	Aye
Judy McCann-Slaughter	Aye
Rick Till	Aye

EPA BROWNFIELDS ASSESSMENT GRANTS

Mr. Barker reported Draper Aden Associates has approached staff about participating in a U.S. Environmental Protection Agency grant program. The program provides grant funding to assist regions in assessing or cleaning up brownfield sites, which are properties where there is a confirmed presence of hazardous substances, pollutants and contaminants—or the suspected presence of them. The grant can be used for environmental site assessments, cleanup efforts, and community engagement, to name a few. While there is no net cost to the EDA to participate, there are upfront costs but they would be recouped through the grant. The EDA would be sent an invoice for services by Draper Aden, typically in the range of \$20,000 to \$50,000 at a time, and the EDA would submit for reimbursement with a very short turnaround time for all invoices. Staff is inquiring if the Board has interest in partnering with the City of Winchester and other neighboring Virginia localities to participate in this program.

Mr. Fairbanks asked how the EPA decides who gets the funding and if there is a limited amount of funds. Mr. Barker stated it is a competitive process.

Mr. Rinker inquired how the EDA is going to assist in targeting the properties. Mr. Barker stated that Draper Aden will work with the EDA to identify sites.

All Board members expressed interest in the program but no vote was taken.

Mr. Barker asked that any feedback on this subject be sent to him.

OTHER BUSINESS

Mr. Barker distributed a performance measures report for the 1st and 2nd quarters of 2021.

Mr. Rinker expressed the Board's thanks to outgoing Chair, Mr. Crockett, for his service in that capacity.



ADJOURN

There being no further business to come before this Authority, the meeting was adjourned at 8:25 a.m.

Doug Rinker
Chairman

Jay Tibbs
Secretary



DATE: March 1, 2021

TO: Board of Directors,
Frederick County Economic Development Authority

FROM: Patrick Barker, CECD
Executive Director

CC: Jay Tibbs
Deputy County Administrator

RE: Incentive Policy | Update

Attached is a copy of the updated Incentive Policy. As background, this document governs all aspects of the local economic development incentive grant process (i.e., who qualifies, what is the process for approval, who conducts the audit of a company's performance and who reviews performance agreements). Staff recommends the EDA Board review this document annually.

Currently, staff is suggesting discussion on the minimum target wage requirements for "Businesses Moving to or Expanding in Frederick County, Virginia." A situation could arise where a project meets all the other requirements but plans to create jobs at slightly less than the County's median wage. As currently written, such a project would not be eligible for any local incentives. Staff recommends substituting the word "must" with "should" or some other similar wording.

Once the Targeted Industry Study is completed (ETA – late Summer), staff will bring suggested updates to the "Eligible Businesses" section.

Staff is seeking EDA approval of the document.

FREDERICK COUNTY, VIRGINIA BUSINESS INCENTIVE GUIDELINES

March 2020

ELIGIBLE BUSINESSES

At the discretion of the Frederick County Board of Supervisors, qualified businesses that are locating to or expanding within Frederick County, Virginia may be offered incentives outlined in these guidelines. Businesses within targeted sectors (list follows) will receive priority consideration.

Sector	Niches
Advanced Manufacturing	Plastics Products Engineered Wood Products Fabricated Metal Products Bioscience Products Chemical Supportive Logistic Consulting Supportive Trucking
Business Administration and Support Services	Corporate Headquarters Back Office Service Centers
Retail	Specialty Retailers Casual Dining Restaurants Fast Casual Restaurants
Professional Services	Information and Communication Technology Data Centers Cyber Security Engineering
Agribusiness and Food Processing	Specialty foods and beverages Packaged Foods Perishable Foods Beverages and Breweries

QUALIFICATIONS

Businesses Moving to or Expanding in Frederick County, Virginia

Frederick County may elect to match the Virginia Governor's Development Opportunity Fund or provide cash appropriations as authorized by Virginia Code § 15.2- 953 or other applicable law.

Minimum Requirements

- The company must create a minimum of 5 new jobs over a 36 month period, each of which pay at least 100 percent of the county's median wage.
- The company must make a minimum \$5 million investment in buildings, land and equipment over a 36 month period.
- Frederick County must be competing with another jurisdiction for the company's final location decision.

Incentive Guidelines

- The company must be in one of the targeted industries listed above.

The types of incentives available to businesses moving to or expanding in Frederick County will be limited to:

- Public infrastructure improvements, such as roads, sidewalks, parking facilities, etc.
- Cash appropriations as authorized by Virginia Code § 15.2-953 or other applicable law.

Frederick County Companies Expanding Within Frederick County

Minimum Requirements

- The company must create a minimum of 5 new jobs.
- The company must make a minimum \$2.5 million investment in buildings, land and equipment.
- The company must receive a Virginia Jobs Investment Program grant.
- Frederick County must be competing with another jurisdiction for the company's final location decision.
- The company must be in one of Frederick's targeted business industries.



Incentive Guidelines

The types of incentives available to companies expanding within Frederick County will be limited to:

- Public infrastructure improvements, such as roads, sidewalks, parking facilities, etc.
- A match of the Virginia Jobs Investment Program grant.
- Cash appropriations as authorized by Virginia Code § 15.2-953 or other applicable law.

PROCESS

Project Review and Audit Committee

All projects requesting discretionary incentives from Frederick County are reviewed by the Project Review and Audit Committee. Committee members include the EDA Director, County Attorney, County Administrator and Assistant County Administrator. The following are the responsibilities of the committee:

- Review all elements of the project
- Consider strategic, competitive and financial implications
- Evaluate ROI analysis
- Approve proposed conditions (examples follow) for release of LEDIG.
 - Portion of funds released upon Certificate of Occupancy issuance and/or certain number of jobs hired and/or capital investment on tax
 - Per job basis as employees ramp up
 - Upon start of construction
- Determine whether to proceed to executive session with Board of Supervisors
- Approve project offer letters upon concurrence from Board of Supervisors in executive session
- Conduct yearly audits of open performance agreements



Performance Agreement

Every project receiving a LEDIG must have a performance agreement. An example of a performance agreement is included. At a minimum, the performance agreement must contain the following:

- Definition of key aspects like capital investment, new jobs, performance date and target
- Process in which specific dates when grants will be distributed and how grants will be repaid, if necessary
- Reporting procedure of company to targets

The following individuals will review and provide comments, within 5 business days when possible, to any performance agreement

- Applicant or Applicant's counsel
- EDA Director
- EDA Counsel
- Frederick County Attorney
- Assistant County Administrator
- VEDP Counsel (if applicable)
- State Attorney General (if applicable)

Upon completion of review and comment by the above, the performance agreement will be additionally circulated for seven business days to the EDA Chairman, the representative of the Board of Supervisors and the Frederick County Treasurer's Office. After which, the performance agreement will be submitted to the Board of Supervisors for final approval at least five business days prior to the next Board of Supervisors meeting at which the proposed agreement is to be considered. Final approval of the Performance Agreement is by the Frederick County Board of Supervisors and the EDA Board of Directors.



DATE: March 1, 2021

TO: Board of Directors,
Frederick County Economic Development Authority

FROM: Patrick Barker, CEcD
Executive Director

CC: Jay Tibbs
Deputy County Administrator

RE: Changes to Federal Metropolitan and Micropolitan Statistical Area Standards

EDA staff has been made aware of a proposal found in the Federal Register to change the definition of a Metropolitan Statistical Area (MSA) from 50,000 people to 100,000 people. With this change 144 communities would lose this designation. The Winchester region is one of these 144.

While it has been stated the proposed changes are for “statistical purposes only,” most believe it will adversely impact grants and program funding for communities that fall outside the new MSA standards. In addition, we also know that it will impact our economic development/retail development efforts in a negative way.

Staff recommends the EDA Board take action to provide comments, which are due March 19th. A draft comment letter is attached.

Staff is working to spread the awareness of this proposal, so the Office of Management and Budget understands the broad and significant impacts this change would have across the country, particularly in the greater Frederick County, VA region.

March 4, 2021

Dominic J. Mancini Deputy Administrator
Office of Management and Budget
725 17th St. NW
Washington, DC 20503

Re: Public Comment Regarding Recommendations from the Metropolitan and Micropolitan Statistical Area Standards Review Committee to the Office of Management and Budget Concerning Changes to the 2010 Standards for Delineating Metropolitan and Micropolitan Statistical Areas

Dear Mr. Mancini,

Please consider this letter formal public comment in response to the Office of Management and Budget (OMB) proposal to change metropolitan and micropolitan statistical area standards. The most noteworthy change would increase the minimum urban area population from 50,000 to 100,000 to qualify areas as metropolitan statistical areas. If the change is implemented by OMB and the Census Bureau, the Winchester, VA-WV MSA, which includes Frederick County, VA, will no longer be considered an MSA.

The Economic Development Authority of Frederick County respectfully opposes the OMB proposal to change the minimum urban area population to qualify as a Metropolitan Statistical Area from the current 50,000 to the proposed 100,000. The federal register notice published on January 19, 2021 and its associated appendix did not identify any specific purpose for the proposed change. The only possible justification offered from the 2010 Metropolitan and Micropolitan Statistical Area Standards Review Committee, in the appendix of the federal register notice, simply stated that it was observed that the United States had increased population 2.2 times since 1950 while the population threshold to qualify a Metropolitan Statistical Area had not. The proposed 100,000 population threshold recommended appears arbitrary and not based on any quantifiable or statistically valid reason. If the doubling of the country's population was justification enough to change the metropolitan statistical area standards, one might have assumed recommendations for change should have occurred at that point rather than waiting another 20 years for this proposal.

The federal register notice is careful to point out that, "OMB does not take into account or attempt to anticipate any public or private sector nonstatistical uses that may be made of the delineations." MSA delineations are often used to establish eligibility for certain grant programs, or as an element in program formulas and matching requirements. If a statute mandates a particular program use of metropolitan area designations, the department or agency administering the program has no choice but to apply the designations in accordance

with law. Two main funding sources frequently cited as being affected by MSA designations are Federal Transportation and Highway Department funds and Department of Urban and Housing Development (HUD) community development block grants.

To provide necessary services to residents and businesses of Frederick County, VA, a variety of federal funding programs are received for which metropolitan and urban area statistical status is a qualification. If the Winchester, VA-WV MSA is no longer defined as an urban area or metropolitan statistical area, many programs may go away that support low and moderate-income persons, public transportation, public health and transportation planning and programming. The financial impact to our community, in relation to this change, could result in losses of significant dollars annually.

Real estate developers and industrial site selectors study population movement, spending patterns, unemployment rates, per capita income and housing patterns. MSA designations are often used as a benchmark in such studies. For job creation, industry recruitment and community identity, it is important that the Winchester, VA-WV MSA, which includes Frederick County, VA, retain the MSA designation. The loss of the MSA designation could have a detrimental impact on growth and economic development in the Frederick County, VA.

The Winchester, VA-WV MSA has grown from a population of 104,508 in 1990 to an estimated population of 118,100 in 2020. It is the second fastest growing metropolitan area in the State of Virginia.

The risk to vital services within our community, our state, and the millions of impacted Americans across this country far outweigh any limited statistical value that might be gained from this proposal. We urge you not to adopt the recommendation of the Metropolitan and Micropolitan Statistical Area Standards Review Committee to increase the minimum urban area population to qualify as a Metropolitan Statistical Area from 50,000 to 100,000.

Sincerely,

Doug Rinker
Chair, Frederick County Economic Development Authority



DATE: March 1, 2021

TO: Board of Directors,
Frederick County Economic Development Authority

FROM: Patrick Barker, CEcD
Executive Director

CC: Jay Tibbs
Deputy County Administrator

RE: Updated Appraisal Hope Drive Property

At its December meeting, the EDA Board voted to seek a more current real estate appraisal of its property located on Hope Drive in mid- to late winter. Staff has sought quotes for an updated appraisal on this property. Quotes range from \$1,500 to \$4,000. Staff suggest a full narrative will work best. It will give all the details which would hopefully help in determining a listing price. Staff is seeking EDA authorization to execute a contract with KM Appraisals LLC in the amount of \$2,500 with payment for this service to come from the EDA's investment account.

Staff is seeking EDA action on this request.

DATE: March 4, 2021

TO: Board of Directors,
Frederick County Economic Development Authority

FROM: Patrick Barker, CEcD
Executive Director

CC: Jay Tibbs
Deputy County Administrator

RE: Marketing Manager Project Update

The EDA is staffed by five (5) economic development professionals (1 vacancy) with approximately 50 years of combined experience. A full listing of staff and their chief activities is provided.

Patrick Barker, CEcD | Executive Director

- Performs strategic planning
- Handles reactive & proactive clients
- Manages project negotiation
- Conducts advanced data analysis

Wendy May | Marketing Manager

- Manages web presence and all publications
- Creates direct marketing materials
- Handles all press releases and social media

Sally Michaels | Business Retention Manager

- Manages existing business call team
- Leads career pathway program
- Handles business forums

Donna McIlwee | Administrative Assistant

- Processes financial records
- Handles special projects, as requested
- Supports staff, as needed

Vacant | Project Specialist

- Manage the office and industrial building/land database and online site selection tools
- Provide support to the Business Retention, Business Attraction and Talent Engagement programs

In an effort to keep the Board aware of individual staff activities, most staff make regular presentations on their current projects. This month Wendy May, the EDA's Marketing Manager, will provide an update on her activities.