

1. EDA Agenda

Documents: [2-2-16 EDA AGENDA.PDF](#)

CITY OF POQUOSON



ECONOMIC DEVELOPMENT AUTHORITY

FEBRUARY 2, 2016

Regular Meeting

ECONOMIC DEVELOPMENT AUTHORITY
Regular Meeting
February 2, 2016 8:30 am
Poquoson City Hall – Council Chambers

A. ROLL CALL

CONSENT AGENDA

B. APPROVAL OF MINUTES
January 5, 2106 – regular meeting

C. REPORT OF THE SECRETARY

D. REPORT OF THE TREASURER
Revenue Summary through December 31, 2015

DISCUSSION AGENDA

E. PUBLIC COMMENT

F. UNFINISHED BUSINESS
a. Request by Dr. Bruce McEwen Regarding Poquoson Family Medicine Incentive Agreement

G. NEW BUSINESS
a. Draft pricing of EDA-owned property document.
b. Resource inventory of EDA-owned property document.

H. STAFF ACTIVITIES - verbal
a. Next Meeting – March 1, 2016

I. ADJOURNMENT

POQUOSON ECONOMIC DEVELOPMENT AUTHORITY

Board of Directors Meeting

January 5, 2016, 8:30 a.m.

Poquoson City Hall – Council Chambers

PRESENT:

Donald F. Booth, Jr., 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
Deborah Vest, Community Development Director
Charity Gavaza, Economic Development (ED) Coordinator

ABSENT:

Timothy O. Trant, II, Vice Chairman
Kevin Wyne, Planner
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 Director Meetze, to approve the Consent Agenda as submitted. Recorded vote on the motion:

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

NO: None.

PUBLIC COMMENT

There was no public comment.

NEW BUSINESS

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

Chairman Booth advised the Directors that due to a family emergency, Dr. McEwen would not be available for this meeting and therefore this item was postponed to the next meeting.

STAFF ACTIVITIES

The next scheduled meeting of the EDA will be February 2, 2016 at 8:30 a.m.

ADJOURNMENT

Chairman Booth then adjourned the meeting at approximately 8:50 a.m.

Chairman

Economic Development Coordinator

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	PREVIOUS BALANCE	DEBIT	CREDIT	ENDING BALANCE
-0000	*****INDUSTRIAL DEV. AUTH. FUND***** *****INDUSTRIAL DEV. AUTH. FUND*****				
100-0000	**IDA CASH IN FUND**	574.79	7,577.60	490.46-	7,661.93
100-1000	CASH IN FUND **IDA CASH IN FUND**	574.79	7,577.60	490.46-	7,661.93
140-0000	*ACCOUNTS RECEIVABLE OTHER*				
140-0166	*ACCOUNTS RECEIVABLE OTHER*	130.27	490.46		620.73
150-0150	NOTES RECEIVABLE - CURRENT	30,310.40			30,310.40
150-0155	NOTES RECEIVABLE - NONCURRENT NOTES RECEIVABLE - CURRENT	30,310.40			30,310.40
160-0000	*DUE TO/FROM OTHER FUNDS*				
160-9010	DUE TO/FROM GENERAL FUND *DUE TO/FROM OTHER FUNDS*	1,684,587.00-			1,684,587.00-
175-0613	LOAN COSTS LOAN COSTS				
190-0000	*IDA FIXED ASSETS*				
190-0190	IDA LAND IMPROVEMENTS	249,800.00			249,800.00
190-0191	IDA LAND	2,242,361.28			2,242,361.28
190-0192	IDA BUILDING	69,147.00			69,147.00
190-0198	IDA INFRASTRUCTURE	315,273.00			315,273.00
190-0199	IDA ACCUMULATED DEPRECIATION *IDA FIXED ASSETS*	224,992.50-			224,992.50-
		2,651,588.78			2,651,588.78
	TOTAL ASSETS	998,017.24	8,068.06	490.46-	1,005,594.84
200-0000	*CURRENT LIABILITIES*				
200-0200	ACCOUNTS PAYABLE		490.46		490.46-
200-0201	PR LIABILITIES				
200-0202	ACCRUED INTEREST	14,087.36-			14,087.36-
200-0503	PROMISSORY NOTE CURRENT - THOMPSON DUE TO GENERAL FUND *CURRENT LIABILITIES*	14,087.36-	490.46		14,087.36-
201-0223	AFLAC AFLAC				
250-0000	*NON-CURRENT LIABILITIES*				
250-0302	MARCH 2002 LINE OF CREDIT				
250-0502	PROMISSORY NOTE - SHORES WHITE				

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	PREVIOUS BALANCE	DEBIT	CREDIT	ENDING BALANCE
250-0503	PROMISSORY NOTE NONCUR - THOMPSON *NON-CURRENT LIABILITIES*				
	TOTAL LIABILITIES	14,087.36-	490.46	490.46-	14,087.36-
300-3010	CONTRIBUTED CAPITAL/CITY CONTRIBUTED CAPITAL/CITY				
310-3100	FUND BALANCE	592,604.36			592,604.36
310-3110	RESERVE FOR ENCUMBRANCES				
310-3111	ENCUMBRANCES	592,604.36			592,604.36
320-3200	RETAINED EARNINGS				
320-3201	REVENUES CLOSING ACCT	1,584,278.45-			1,584,278.45-
320-3202	EXPENDITURES CONTROL				
	RETAINED EARNINGS	1,584,278.45-			1,584,278.45-
	TOTAL PRIOR YR FUND BALANCE	991,674.09-			991,674.09-
	TOTAL REVENUE	13,074.94-		7,577.60-	20,652.54-
	TOTAL EXPENDITURE	20,819.15			20,819.15
	TOTAL CURRENT FUND BALANCE				166.61
	TOTAL LIABILITIES AND FUND BALANCE	998,017.24-	490.46	8,068.06-	1,005,594.84-

1/25/2016 ** IDA FUND **
 FUND #-080 ** IDA FUND **
 - D E T A I L -

CITY OF POQUOSON
 EXPENDITURE SUMMARY
 7/01/2015 - 12/31/2015

TIME 10:57
 - D E T A I L -

MAJOR ACCT#	DESCRIPTION	BUDGET AMOUNT	APPR. AMOUNT	CURRENT AMOUNT	Y-T-D AMOUNT	ENCUMBRANCE AMOUNT	UNENCUMBERED BALANCE	% REMAIN.
999	** IDA FUND **							
88100	*IDA OPERATING EXPENSES*							
3140	PROFESSIONAL SERVICES	.00	.00	.00	50.00	.00	50.00-	100.00-
5320	PROPERTY INSURANCE	1,986.00	.00	.00	1,986.00	.00	1,986.00-	100.00-
	IDA OPERATING EXPENSES	1,986.00	.00	.00	2,036.00	.00	2,036.00-	100.00-
	IDA OPERATING EXPENSES	1,986.00	.00	.00	2,036.00	.00	2,036.00-	100.00-
89000	*NON-OPERATING EXPENSES*							
89900	*NON-OPERATING EXPENSES*							
0302	2002 LOC INTEREST EXPENSE	.00	.00	.00	18,783.15	.00	18,783.15-	100.00-
	NON-OPERATING EXPENSES	.00	.00	.00	18,783.15	.00	18,783.15-	100.00-
89999	*BUDGETARY ITEMS*							
	NON-OPERATING EXPENSES	.00	.00	.00	18,783.15	.00	18,783.15-	100.00-
	-- FUND TOTAL --	1,986.00	.00	.00	20,819.15	.00	20,819.15-	100.00-

1/25/2016 *GI060*
 FUND # -080 ** IDA Fund **
 -D E T A I L-

CITY OF POQUOSSON
 REVENUE SUMMARY
 7/01/2015 - 12/31/2015

TIME 10:57
 -D E T A I L-

PAGE 1

MAJOR ACCT#	DESCRIPTION	BUDGET AMOUNT	APPR. AMOUNT	CURRENT AMOUNT	Y-T-D AMOUNT	BALANCE	% REMAIN.
999	** IDA FUND **						
8100	*IDA OPERATING REVENUE*	.00	.00	.00	4,739.58	4,739.58-	100.00-
1710	YMCA BOND FEE	.00	.00	.00	757.76	757.76-	100.00-
1730	MISCELLANEOUS REVENUE	.00	.00	7,577.60	15,155.20	15,155.20-	100.00-
1750	BMP AVAILABILITY FEES	.00	.00	7,577.60	20,652.54	20,652.54-	100.00-
	IDA OPERATING REVENUE						
8200	*STATE REVENUE*						
8300	*FEDERAL REVENUE*						
8400	*IDA TRANSFERS IN*						
8500	*BUDGETARY REVENUE*						
	IDA OPERATING REVENUE	.00	.00	7,577.60	20,652.54	20,652.54-	100.00-
	-- FUND TOTAL--	.00	.00	7,577.60	20,652.54	20,652.54-	100.00-

TO: EDA Board Members
FROM: Donald Booth, Chairman
DATE: January 5, 2016
RE: Poquoson Family Medicine Incentive Agreement

The EDA, along with the City of Poquoson, signed an incentive agreement with Poquoson Family Medicine on May 14, 2013 offering an incentive for placing a full-time doctor in Poquoson, investing a minimum of funds into facilities and generating a minimum standard of revenue within the first two years of operation.

The first incentive installment was paid within 30 days of completion of facility renovations on December 3, 2013 and the agreement states that in one year from that date, the second installment shall be available if stated criteria had been met.

On October 6, 2015 the City of Poquoson received a letter from Bruce McEwen requesting the incentive payment that was part of the outdated original agreement, despite the late date and explained the justification for this request.

Given the proprietary nature of Poquoson Family Medicine's financial documents, they are not included in this agenda item. However, this information is available for verification by the EDA or its agents as required

Since funds would be provided by the City of Poquoson, not the EDA, the decision before the EDA is whether or not to request an appropriation from City Council.

To: Donald Booth / Poquoson EDA Chairman,

Re: 1st request of earned 2nd disbursement as Per May 14, 2013 agreement between the Poquoson EDA and the Poquoson Chiropractic Clinic DBA Poquoson Family Medicine & Chiropractic Clinic and Dr. Bruce Andrew McEwen DC and **2nd request of appropriate extension of initial agreement.**

The spirit of this agreement was that I, Bruce Andrew McEwen DC, would invest heavily in remodeling my Poquoson based Chiropractic-only business (under my sole ownership since 1997) and through the hiring of medical personnel, bring much desired and needed medical services into the city. *The city through the EDA would then make a minor investment* in my Poquoson business (via 3 separately earned disbursements) *if I made a major investment* in that same Poquoson based business.

According to the spirit of the agreement, my responsibilities were basically **threefold**.

1) I would invest a *minimum* of \$100,000 in upgrading and renovating my existing property located at 370-A Wythe Creek Road for the purpose of providing medical services within the city limits of Poquoson.

2) I would hire a properly licensed medical physician or physicians to provide medical services in a full-time capacity.

3) I would manage, support and grow stated medical-practice to a level where it was independently generating at least \$150,000 additional revenue per year from those medical services.

In the agreement, three separate disbursements of \$25,000 each were eligible for reimbursement provided the criteria were met. The *first payment* was disbursed in late 2013 after nearly \$200,000 in renovations were completed (**criteria #1**). This letter dated in October 2015 is submitted as my formal request to receive my second disbursement which I qualified for this past May of 2015. The following criteria were met as of May 2015.

Criteria #2) Dr. Theresa Ledger DO is a board-certified family medical practitioner and has worked full-time hours for Poquoson Family Medicine five days per week beginning July 7, 2014.

Criteria #3) An independent third-party medical billing company who has exclusively handled all medical billing since PFM began providing medical services in Poquoson (July 7, 2014) has certified that as of May 2015, PFM eclipsed the \$150,000 benchmark. (See Appendix A which is a signed and notarized statement provided by the owners of First Choice Medical Billing illustrating the month by month collections for medical services exclusively out of PFM)

Additionally, the EDA should be aware that, consistent with my stated long term vision and plan for providing increasing medical services within our community, PFM has recently expanded once again and hired a pediatrician to provide pediatric services within our great city. In fact, Dr. Carol Steiner MD & board-certified pediatrician with over 20 years' experience, is now treating infants and children at our Wythe Creek road location under Poquoson Pediatrics beginning June 2015.

Let me take a moment to discuss a correctable weakness in our initial agreement that was based on assumptions that were largely uncontrollable and what actions I took to improve upon that weakness and fulfill the true intent and spirit of the agreement.

Initially the plan was to use 2012 federal tax returns to establish the increase in revenue generated by the newly provided medical services. This made a risky assumption to start and then would require internally generated reports to attempt to prove the increase. Specifically, there was an assumption (truthfully more of a hope), that upon completion of the facility renovations in late 2013, that a medical provider could/would start right away in January 2014 thereby coinciding with the new tax year and thus easily show the additional income generated from the medical services. This proved to be unfeasible from the beginning and was then complicated by a secondary factor. First, hiring the right fit medical doctor for our city would prove to be a very lengthy and difficult task. When we finally found the right provider in early 2014, she was required satisfy a lengthy notice of termination period which prevented PFM from officially operating full time until July of 2014. This alone would make the annual tax records very difficult to discern the medical services increase. Secondly, all providers file under the one federal tax ID number (my Poquoson chiropractic clinic tax ID which was established as a Poquoson business back in 1997). This would mean that all income generated would show up as coming from a single source (same Fed tax ID) on a federal tax form. We would then be relying on internally generated documents to attempt to show what portion the medical provider actually produced independent of the whole income.

The solution I relied upon solved both problems. The answer was in hiring an independent third-party medical billing company to exclusively conduct the billing for the medical provider while the chiropractic services continued to be done in-house as before. The third-party agency would then be able to provide monthly income reports (beginning with the ACTUAL day we started providing medical services) exclusive to the medical practice and as appendix A will clearly show, the benchmark of \$150K collected exclusively from medical services was eclipsed in May 2015, 10 months after beginning to provide medical services in Poquoson.

I hope it is evident to the EDA that I have fulfilled the spirit and intent of this agreement and have done what I had promised I would attempt to do. Additionally I am hopeful that they are appreciative of our continuing efforts to expand the medical services offered here in Poquoson; there is more to come.

It is now many months after initial qualification and as PFM is ever expanding our services with equipment and personnel, the second disbursement is now very much needed. Thank you for your support and I continue to look forward to improving the quality of life here in Poquoson.

My **second request** is based off the facts I presented above. Initially, our agreement had an ending date of January 2016. As presented above, the provision of medical services did/could not begin until July 2014 making me ineligible for the **2nd disbursement until July 2015** and not eligible for the **3rd and final disbursement until July 2016**. Accordingly, I would ask that the agreement be amended to end in December of 2016 instead of January 2016 so that I may properly earn the 3rd disbursement.

Yours in health,

Dr. Bruce A McEwen DC

Owner, Poquoson Family Medicine & Chiropractic Clinic (and as of June 2015, Poquoson Pediatrics)

Memorandum

February 2, 2016

TO: Economic Development Authority (EDA)
FROM: Economic Development Director
SUBJ: "Asking/Listing Prices" for EDA Properties

The City of Poquoson Economic Development Office periodically receives inquiries regarding asking or listing prices for Economic Development Authority (EDA) properties. When inquiries of this nature are received, the Economic Development Office typically responds with current assessment value information. The EDA property assessment values are determined by the City Assessor as part of the City Assessment process.

Though assessment values are available and provided, the EDA properties currently have no identified "asking/listing prices". Consideration and public vote by the Economic Development Authority would be required to establish this pricing.

Attached for review and consideration is an "asking/listing price" draft document prepared by the Economic Development Office. The document contains a suggestion to provide listing prices for EDA properties at 20% above assessed value. The document is offered for the EDA's review and consideration.

Staff is pleased to provide additional information as needed.

Recommended Policy
“Asking/Listing Prices” for
City of Poquoson
Economic Development Authority (EDA)
Properties: Draft Document

*It is hereby stipulated that by EDA vote that the “asking/listing price” for each City of Poquoson EDA-owned property is 20% above current assessed value.

*Additionally, as it deems appropriate and necessary the City of Poquoson EDA reserves the right to amend “asking/listing prices” for specific EDA-owned properties at its sole discretion.

*The City of Poquoson EDA reserves the right to periodically (and at least annually) review “asking prices” for EDA-owned properties and amend the comprehensive 20% above current assessed value “asking/listing price(s)”.

*All property sales are subject to formal consideration and approval of the City of Poquoson EDA at a scheduled and advertised public meeting.

Memorandum

February 2, 2016

TO: Economic Development Authority (EDA)

FROM: Economic Development Coordinator

SUBJ: Resource Information on EDA Properties

The following spreadsheet lays out EDA-owned properties including plat IDs, current assessed value, the year purchased and price paid for the properties and zoning. This information is provided for use in evaluating the current value of properties for sale.

Please check additional information in the last column as several properties were purchased together at one price, but currently have two parcel IDs.

Staff is pleased to provide additional information as needed.

EDA owned properties

Plat	Location	Info	EDA	01 LOT	0	Zoning	Acres	Yr Purchase	\$ Paid	pd by City prior to tran
18 -01 -00 -0119	Victory Boulevard 0 23662	CRES	EDA	01 LOT	0	510200 R&D	2.55	2005	475,000	***
18 -01 -00 -0127	Victory Boulevard 0 23662	Big Woods	EDA	01 LOT	0	10700 R&D	1.34	2011	0	\$1,976
18 -01 -00 -0134	Victory Boulevard 0 23662	CRES	EDA	01 LOT	0	161100 GC	1.07	2002	125,000	
18 -01 -00 -0093-A	Victory Boulevard 0 23662	CRES	EDA	01 LOT	0	207100 GC	1.38	2006	0	\$75,586
18 -01 -00 -0094-A	Victory Boulevard 0 23662	CRES	EDA	01 LOT	0	323400 GC	1.61	2002	179,433	
18 -01 -00 -0116	Victory Boulevard 0 23662	CRES	EDA	01 LOT	0	169400 GC	1.13	2002	127,920	
18 -01 -00 -0117	Victory Boulevard 0 23662	CRES	EDA	01 LOT	0	170100 GC	1.13	2002	135,000	
27 -01 -00 -0003	Victory Boulevard 0 23662	Victory	EDA	01 LOT	0	26900 R&D	0.45	2005	\$475,000	***
27 -01 -00 -0085	23662	Big Woods	EDA	01 LOT	0	72300 VC	1.81	1999	\$24,960	
27 -01 -00 -0085-A	23662	Big Woods	EDA	01 LOT	0	71600 VC	1.79	2002	40,286	
27 -01 -00 -0088-A	23662	BMP Pond	EDA	01 LOT	228000	265000 VC	3.70	2012	0	BMP
27 -01 -00 -0094-A	City Hall Avenue 0 23662	Big Woods	EDA	01 City Hall	0	230200 VC	1.06	2003	155,000	
27 -01 -00 -0096	City Hall Avenue 0 23662	Big Woods	EDA	01 LOT	0	118500 VC	0.52	2011	220,000	
27 -01 -00 -0097-A	Victory Boulevard 0 23662	Big Woods	EDA	01 LOT	0	90100 VC	0.27	2011	together above	
27 -01 -00 -0098	Victory Boulevard 0 23662	Big Woods	EDA	01 LOT	0	175400 VC	1.34	2011	130,000	
32 -01 -00 -0012	Messick Road 386 23662	Messick	EDA	01 LOT	0	50000 B2	0.11	2004	\$183,000.00	
32 -01 -00 -0015	Messick Road 0 23662	Messick Marsh	EDA	01 LOT	0	1000 B2	2.06	2005	91,800	
32 -01 -00 -0016	Messick Road 296 23662	Fishing Ctr	EDA	01 D	1000	76100 B2	1.14	2005	together above	

*** Parcels 18-1-119 and 27-1-3 were previously under on tax ID # and