

**POQUOSON ECONOMIC DEVELOPMENT AUTHORITY**  
**Board of Directors Regular Meeting**  
**March 5, 2013, 8:00 a.m.**  
**Poquoson City Hall-Council Conference Room**

**PRESENT:** Manfred C. Freeman, Jr., Chairman  
Henry L. Freeman, Vice Chairman  
P. Craig Moore, Treasurer/Director  
Alan E. Meetze, Director  
Donald F. Booth, Jr., Director  
Timothy O. Trant, II, Director

J. Randall Wheeler, City Manager  
David Callis, Economic Development (ED) Director  
Charity Gavaza, Economic Development (ED) Coordinator  
D. Wayne Moore, City Attorney  
Theresa Owens, City Finance Director  
Victoria H. Diggs, Secretary

**ABSENT:** Angela Ward-Costello, Director

Chairman Freeman called the meeting to order at approximately 8:00 a.m. in the Council Conference Room located at 500 City Hall Avenue.

**APPROVAL OF THE MINUTES**

The minutes of the February 6, 2013 regular meeting were approved as submitted.

**PUBLIC COMMENT**

There was no comment.

**CLOSED SESSION**

Director Booth moved, seconded by Director/Treasurer Moore, to go into closed session pursuant to Section 2.2-3711(A)(3) of the Code of Virginia (1950), as amended, to discuss the disposition of publicly held real property, i.e. Teen Center and Fishing Center. Recorded vote on the motion:

YES: Directors Booth, Moore, H. Freeman, Meetze and Chairman Freeman.

NO: None.

(Director Trant joined the meeting following the vote to go into Closed Session.)

### RECONVENEMENT

Upon reconvening from closed session, Director Booth moved, seconded by Director Trant, to adopt the following resolution certifying that only the disposition of publicly held real property was discussed in the closed session.

### **RESOLUTION CERTIFICATION OF CLOSED SESSION**

**WHEREAS**, the Economic Development Authority of the City of Poquoson, Virginia convened in a closed session on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

**WHEREAS**, Section 2.2-3711 (A) of the Code of Virginia (1950), as amended requires a certification by this Economic Development Authority that such closed session was conducted in conformity with Virginia law.

**NOW, THEREFORE, BE IT RESOLVED** that the Economic Development Authority of the City of Poquoson, Virginia does hereby certify that to the best of each member's knowledge, only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session to which this certification applies and only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Economic Development Authority. Recorded vote on the motion:

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

NO: None

### UNFINISHED BUSINESS

#### *1. Line of Credit*

Director/Treasurer Moore stated that PNC Bank has agreed to a 60-day extension of the Authority's Line-of-Credit and will even extend it until December 31, 2013 provided City Council adopts a General Obligation resolution giving its full faith and credit for this debt. He stated that due to the Authority's recent property sale, its debt balance with PNC is currently \$1.696 million.

The City Manager, J. Randall Wheeler, expressed concern that should the Authority choose the proposed 9-month extension that they will need to revisit this agreement in a relatively short period of time. He suggested that if Council is to pledge the debt it may be more prudent for the City to assume the debt, thereby requiring the Authority to come to City Council when they need funds. He stressed the importance of the Authority making a good, but timely decision on this matter.

The City Manager stated that another option would be for City Council to assume the EDA debt and establish its own Line of Credit. However, such an arrangement would negate the flexibility that the Authority needs in order to do its job. He explained that if Council approves a General Obligation resolution, it may be more advantageous to structure it as a formal debt as opposed to a Line of Credit so that a new extension agreement would not be necessary every year. He also suggested that perhaps Council may then provide a small Line of Credit for the Authority to use, i.e.  $\pm$ \$300,000. In such a case, he explained that Council would act as the bank and when land sales occur the money could be put towards this debt and the EDA would be responsible for paying the interest each year on its  $\pm$ \$300,000 Line of Credit.

Chairman Freeman pointed out that the BMP was part of the Authority's current debt and that it had been purchased and constructed at the direction of the former City Manager. He stated that the only way the Authority can repay the cost associated with the BMP is to charge adjacent properties to drain their water into this facility. The City Attorney, D. Wayne Moore, confirmed Chairman Freeman's statements regarding why the subject property was purchased and the BMP developed.

The Finance Director, Theresa Owens, stated that she has investigated other lending institutions regarding the renewal of the Authority's Line of Credit; however, without an approved General Obligation resolution they are not interested in it.

Director Trant expressed support for Council adopting a General Obligation resolution; however, he agreed that they would need to establish a small Line of Credit for the Authority in order to maintain the flexibility that is needed to do their job.

The City Manager reiterated that the Authority needs to decide if they want to proceed under the PNC proposal to extend the Line of Credit to December 31, 2013 or request the City to assume the majority of its debt. He pointed out that a public hearing and associated advertisement would be required for the City to take on this new debt, so a timely decision was crucial. He stated that if the Authority wishes to do this, they should take a vote authorizing Chairman Freeman to sign the agreement with PNC Bank to extend the Line of Credit to December 31, 2013 which will allow the City sufficient time in which to advertise and approve a General Obligation Bond.

Director Trant recommended that the Authority should stay the course with PNC Bank subject to the interest floor being removed, thereby giving the Authority the most flexibility.

The City Manager stated that the City needs to engage its financial advisors to test the market to determine what kind of terms and interest rates the City can obtain should it assume this debt when the Line of Credit expires.

Director Trant moved, seconded by Director Meetze, to extend the Line of Credit with PNC as proposed and to authorize Chairman Freeman to sign the appropriate paperwork in order to do so. Prior to the vote, Director/Treasurer Moore stated that as an employee of PNC Bank he would abstain from voting based upon a conflict of interest. Recorded vote on the motion:

YES: Directors Trant, Booth, H. Freeman, Meetze and Chairman Freeman.

NO: None.

ABSTAIN: Director/Treasurer Moore.

Director Trant moved, seconded by Director Meetze, to request City staff during the interim to pursue alternative, permanent financial arrangements for the Line of Credit, i.e. whatever is necessary for the City to assume most if not all of the debt and to establish a minimal Line of Credit for the EDA. Director/Treasurer Moore stated that he would again abstain based upon a conflict of interest. Recorded vote on the motion:

YES: Directors Trant, Booth, H. Freeman, Meetze and Chairman Freeman.

NO: None.

ABSTAIN: Director/Treasurer Moore.

## *2. Confidentiality Agreement*

The City Attorney, D. Wayne Moore, stated that the proposed Confidentiality Agreement, to be executed prior to incentive discussions with developers, was very basic and that he would be happy to make changes in accordance with the Authority's wishes.

Director Meetze moved, seconded by Director Booth, to approve the Confidentiality Agreement as proposed. Recorded vote on the motion:

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

NO: None.

## *3. BMP Agreement*

Director Booth stated that Robert Moses, a Big Woods developer, has not yet submitted to the City the site plan for his proposed development. As soon as he does so, the proposed BMP agreement with him can be negotiated and finalized; however, we will not know his proportionate share in the pond until then.

The City Attorney stated that as soon as this occurs Director Booth should email the appropriate figures to him so that he can finalize the BMP agreement with Mr. Moses and send it back to the Authority for execution. He thanked Director Trant for sending him a template which he used to draw up this agreement.

Director Trant recommended not including the stormwater cost figures in the actual BMP agreement since the document would have to be recorded and become a public record. Director Booth agreed that the external cost sheet should remain separate from the BMP agreement.

Upon submittal of the subject site plan, Chairman Freeman asked Director Booth to first send the BMP calculations to Director Trant to be certain that the agreement is sound. He also suggested that Directors Booth and Trant develop a BMP rate sheet to be used to calculate the cost for directing stormwater to the pond.

### NEW BUSINESS

#### 1. *Commercial Developer Event*

The ED Director stated that the Commercial Development Event is scheduled for 9 a.m., April 26<sup>th</sup> at Surf Rider restaurant so that it will coincide with the White House Cove Marina Boat Show. Breakfast will be provided at the event and the EDA is invited to attend. He asked the Directors for suggestions on who should be included on the invitation list to this special event.

#### 2. *Annual EDA Meeting*

Although, according to the EDA Bylaws, the Annual Meeting is scheduled each year on April 1<sup>st</sup>, the Directors agreed that the next meeting should occur on Wednesday, April 3<sup>rd</sup>.

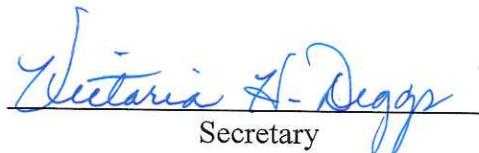
#### 3. *Marina Meeting*

The ED Office recently hosted a marina meeting to which all of the Poquoson marina owners/operators were invited to attend. The ED Director stated that the meeting was productive in that it fostered a cohesive quality among the participants which has led to a joint marketing effort in the upcoming *Chesapeake Bay* magazine.

### ADJOURNMENT

The meeting was adjourned at approximately 10:35 a.m.

  
Chairman

  
Secretary