

THE BOARD OF SUPERVISORS MET ON THE 19TH DAY OF MARCH IN THE YEAR TWO THOUSAND FIVE OF OUR LORD TO PARTICIPATE IN A JOINT RETREAT WITH THE NEW KENT COUNTY ECONOMIC DEVELOPMENT AUTHORITY, HELD IN THE BOARD ROOM OF THE COUNTY ADMIN BUILDING, NEW KENT, VIRGINIA

IN RE: CALL TO ORDER

Chairman Ray Davis called the joint retreat to order at 9:05 a.m.

IN RE: ROLL CALL

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| Mark E. Hill | Present |
| D. M. Sparks | Present |
| James H. Burrell | Absent |
| Stran L. Trout | Present |
| W. R. Davis, Jr. | Present |

Present from the Economic Development Authority were Charles Davis, Larry Haislip, Milton Brown, Paul Robinson, Conway Adams and Larry Forbes. Also present were Interim County Administrator Richard S. Ellyson, Economic Development Director J. Andrew Hagy, and John A. Budesky (incumbent County Administrator). EDA Chairman Larry Forbes reviewed the proposed agenda.

IN RE: PUBLIC UTILITIES PROJECT

Mr. Forbes asked for an update on the County's utility project. The Board reported that the completion date for Phase I of the project has been pushed back to June of 2006 because of the possibility of existing habitats for two endangered plant species. There was also a discussion about how the proposed nitrogen discharge limits might affect the sewer project and the opportunity for new business.

Mr. Forbes asked about sewer availability for the Route 33 corridor. Ray Davis reported that the route for Phase II was being flown this weekend and the County was working with VDOT. Mr. Forbes stated that they need to be able to tell prospects interested in locating along Route 33 when sewer will be available. It was suggested that if a prospect was interested in building and needed public utilities at an earlier date, then the County will work with them to find a solution.

The Board advised that it envisioned that the EDA would work to negotiate and fund incentives that might be needed for new or existing businesses.

Mr. Forbes asked about the possibility of using the EDA for bonds for County projects. He explained that EDA bonds are available in an unlimited amount for roads, water & sewer systems, hospitals, and other public projects. EDA bonds for private business enterprises are limited to \$10 million per year. The fee that the EDA makes on the issuance of these bonds (1/8 of 1%) is the only revenue that they currently have. Mr. Forbes stated that although an EDA bond may not be as economical as other bonds, the fee does come back to the County. The Board advised that at such time as the Water & Sewer Authority becomes an entity independent of the Board, then perhaps EDA bonds could be considered for utility projects within the County.

There was a discussion on what part the EDA might be able to play in mitigating problems between businesses and the County. It was agreed that the EDA should not be in the position of negotiating but could assist in trying to find solutions.

Ray Davis asked if the Economic Development Department received any feedback from the Quarterly Contractors' Meetings held by the Community Development Department. Mr. Hagy described how he works with prospective businesses, which includes meeting with Planning and Zoning Staff. Mr. Forbes emphasized that it was important that New Kent be "pro business" which does not mean that a business will get everything it requests, but that it will be treated fairly and staff will work to resolve issues in an equitable manner.

There was discussion about how the State assists in economic development, and what the County can do, such as pre-zoning property, that will "grease the wheel". Ray Davis cited the Eltham Industrial Park as a good example of an expedited development.

IN RE: EDA PROPERTY

There was discussion on what options are available for the Fisher property if the proposed economic development prospect does not choose to build in New Kent. Mr. Hill reported that interest has been expressed in property adjoining the Fisher property by a trucking company and a steel fabrication company. There was consensus that the Fisher property needs to be held until a decision has been reached by the prospect. The possibility of applying for and receiving industrial access funds was discussed. Mr. Robinson indicated that the Fisher property is not designated for business use in the Comp Plan, nor is it zoned for commercial or industrial development. Furthermore, the land is part of an AFD. Although these are not obstacles that cannot be overcome, they will need to be addressed before the land is marketed. The adjacent property is already zoned industrial.

Mr. Robinson urged that an economic development strategy be developed for the Fisher property. Mr. Hill suggested that staff determine what the prospect would require, and then the EDA could reserve that and move forward to develop or market the remainder.

Mr. Hagy reported that there has recently been increased interest in smaller lots of 5 – 10 acres, of which there are few in New Kent. When pressed, Mr. Hagy estimated that he has received about 20 calls from prospects looking for 3, 5 or 10 acre parcels upon which to build, and one-half of those might have materialized. He indicated a lot of interest in the Route 33 corridor from businesses currently located on the Peninsula. There was discussion about developing Phase II of the Weir Creek Commerce Park into small lots. Charles Davis stated that it would be too expensive to run water and sewer to the back part of the property. There was discussion about connecting from the jail side, and about the recent interest by the State in leasing the jail camp premises. Mr. Robinson explained that the EDA had a local truss business interested in locating on the back side but had chosen to relocate out of the County because the cost to extend water and sewer would have far exceeded the value of the site.

Mr. Robinson asked what the Board's ideas were for the park, explaining that the EDA had developed it as a large lot park of 25 acres or more. They were just about to adopt restrictive covenants that would have pertained to the whole parcel when they realized that the back part of the park may need to be developed and/or marketed differently from the front, because of not only market demand for smaller lots, but because of topography (some of that land is not suited for large users), and the practical issue of road and utility infrastructure. The EDA asked for some guidance from the Board.

Mr. Hill expressed his concern that it might appear that the EDA was in competition with local developers, and he asked if EDAs in other localities were in the "land business". Mr. Robinson stated that the Charles City County EDA developed its own industrial park. Mr. Hagy explained that EDAs in rural or distressed areas usually do their own development because there are few developers who want to invest and then wait. Mr. Forbes stated that he did not feel competition was an issue. Mr. Hill stated that he had received a telephone call from a local businessman complaining that the EDA was competing with him for business. It was reported that this was the same truss company that eventually relocated to another locality.

Mr. Hagy explained that in Weir Creek Commerce Park, they are having the engineering done to develop an entrance and limited access, as well as an estimate to run water and sewer. It was the EDA's plan to attract a large customer, placing it at the rear of the parcel, and then tap into state industrial access money to build the road which would then open up the rest of the property.

Mr. Forbes reported that the EDA is also still looking to purchase some land adjacent to the Weir Creek Commerce Park, and Mr. Hagy reported that he follows up periodically with the current owner to determine if she is ready to sell.

Mr. Hill stated that he felt the property on Route 106 offers the real opportunity. There was a discussion about what impact would result from building a road along the Fisher property to the Airport and how the EDA could facilitate that. Mr. Robinson stated that the road should be located through the Shannon property to optimally develop the property. Mr. Forbes suggested setting up a sub-committee with members from both the EDA and the Board of Supervisors to meet with the Shannons. It was agreed that Paul Robinson, Stran Trout, Ray Davis and Andy Hagy would comprise that committee, with Paul heading it up. There was also a discussion about the County's taking the property under eminent domain.

Mr. Forbes reported that Delegate Ryan McDougle is on the Transportation Committee and will try to help New Kent with that parcel in any way he can.

Mr. Hill suggested that the EDA meet with local developers to let them know how the EDA can help them, perhaps holding a quarterly meeting similar to the Quarterly Contractors Meeting. Mr. Forbes emphasized that the EDA's primary strategy is to take care of existing businesses.

IN RE: JAMESTOWN 2007 COMMITTEE

Mr. Forbes reported that on the national level, the name of the celebration may be changed to the "400th Anniversary of our Nation". However, the County's committee is still looking at a celebration at the local level and is meeting monthly.

New Kent's committee has broken into three parts: education/cultural; business development; and marketing. He stated that the principal focus of the second part is to create business for tourism that can be sustained for the long term. He spoke of the assets that exist in New Kent that are not currently being marketed. He also described the State's efforts regarding the film industry and is encouraging New Kent to become a part of that effort, by updating its photos of not only its historic homes but its water scenes and battlefields. He stated that it would not cost much to accomplish this, but would require purchase of a camera and supplies. Mr. Trout stated that the Historical Commission has many photos that might be appropriate for this purpose.

Mr. Forbes stated that the development of golf packages is being investigated, as well as the opportunity for equestrian rides, tours of historical homes, and heritage-related endeavors that deal with Native American and African American populations, the colonists or the birth of New Kent. There is also opportunity for Colonial Downs to be used for things outside of horse racing, as well as Dragons Ridge.

Conway Adams, treasurer of the EDA, reported that the EDA has \$284,000 currently in its accounts and is expecting to receive an additional \$70,000 by October 1. The property at Weir Creek Commerce Park is estimated to be worth approximately \$1.5 million.

Ray Davis reported that some of the meals tax revenue can be dedicated to tourism. The Board has previously dedicated 50% to school capital, and the remainder will be divided between parks & recreation and economic development & tourism. 25% of the revenue is estimated to be \$62,000 per year.

Mr. Sparks asked about the EDA's plans for working with the business community in preparation for 2007. Mr. Forbes reported that one of the subcommittees is working with the golf courses to develop a golf package. There is a joint effort between the EDA and Chamber of Commerce to develop a restaurant brochure, with the EDA paying for the development and first printing. Ray Davis suggested turning the Jamestown 2007 committee over to the EDA. Mr. Hill concurred, stating that the EDA could oversee that committee, and approve their spending and events. Ray Davis stated that the focus of the Jamestown 2007 committee should be to get tourists off of I-64 and into New Kent. Mr. Hill asked if the tourism portion of the meals tax revenue could be used to fund Jamestown 2007.

There was a discussion about the Economic Development budget and staffing. Charles Davis stated that the EDA currently has no budgeting in place because it has no revenue stream. The County will have to decide how to dedicate the remainder of the meals tax revenue and let the EDA know what will be available for tourism, and how it will be paid.

Mr. Robinson wanted to make clear that what the Board was proposing was that the EDA oversee Jamestown 2007, but if there are special needs, they are to come back to the Board. Mr. Forbes will carry that message to the Jamestown 2007 committee.

Regarding staff funding, Mr. Hill stated that it was fair to fund the EDA at last year's level, at approximately \$100,000 and perhaps a portion of the meals tax for tourism. They agreed to discuss this further later in the retreat.

The current at-large vacancy on the Jamestown 2007 committee was also discussed. It was agreed that perhaps someone from the Native American population, other than Melissa Dean, would be a good choice. Paul Robinson suggested either Marvin Bradby or Steven Adkins.

IN RE: DRAGONS RIDGE

Ray Davis stated that he understands that this developer is now "looking for money". He stated that he has a "problem with something that somebody wants somebody else to pay for" and that was why he was against the project in the first place.

Larry Forbes explained that this was an opportunity to bring revenue to New Kent. The developer is interested in moving forward the construction of the museum in order to capture some of the Jamestown 2007 tourism. A museum foundation would be created,

which would then apply for an EDA bond for infrastructure financing, including the water, sewer and roads. New Kent would profit through its admission tax (admission price is estimated to be \$15).

Mr. Hill urged the Board not to discard the idea because it doesn't understand it. He stated that conservative attendance numbers have been used by the State and by museum experts from ODU.

Mr. Forbes stated that neither the EDA nor the County would have any obligation on the financing; the EDA would merely be facilitating the bond to fund the loan. The EDA would also be entitled to receive a fee of 1/8th of 1%.

IN RE: REGIONAL EFFORT

There was discussion about the advantage of being a partner in a local economic development effort. Mr. Forbes stated that he feels that New Kent should work with Charles City County and others, and would suggest a name of the "Colonial Regional Economic Development Partnership".

Ray Davis explained that an effort to create a regional group among New Kent, West Point, King William and Charles City County a few years ago fell apart when various county administrators departed. At that time, Charles City County was not interested in a partnership with just New Kent.

There was consensus that New Kent should continue to investigate this option.

IN RE: VISITORS/WELCOME CENTER

Several options were discussed regarding establishment of a visitor's or welcome center in New Kent. Mr. Hagy indicated that he has had conversations with the Vice President of Development for Mr. Jacobs' group about possibly locating the Center on Colonial Downs' property which would help to pull travelers off of I-64 at Colonial Downs and perhaps provide space for a Virginia Horse Racing museum.

Another option that Felecia Bailey of the Virginia Tourism Corporation is investigating with VDOT is to have a corner in the New Kent Rest Area from which to distribute Jamestown 2007 and New Kent County tourist information.

A third option would be to locate the Center in a reconditioned modular unit on property donated by Shawn Weingast behind the Dairy Queen.

Mr. Ellyson reported that he and others had examined the current VDOT site and determined that it would not be suitable location for such a Center.

It was the consensus that a Center at the Route 155 interchange would be the best location since it would provide tourists with 3 alternate routes to Jamestown. Mr. Forbes suggested that the site could be used not only for a welcome center, but for a Native American museum and an Equestrian Center.

IN RE: HORSE RACING

Mr. Hagy reported that the Virginia Racing Commission will be setting up the Virginia Horse Racing Partnership. There was discussion that New Kent would be an ideal place for a

museum since there is no museum in Lexington at the Virginia Horse Center. Mr. Hill suggested that Mel Belcher, who is involved with the Tennessee Walking Horse Association and lives on Route 106, would be a good person to get involved in any such effort.

IN RE: STAFF SUPPORT

There was discussion about Economic Development's request for full time staff support. It was agreed that the County would consider funding the Economic Development's current staff support at 100%. The amount included in the Jamestown 2007 budget for staff support will be eliminated.

IN RE: VEHICLE MAINTENANCE GARAGE

It was reported that there is currently \$2.2 million in the budget for the Vehicle Maintenance Facility. Mr. Trout expressed his concern that its proposed location might interfere with the high school site. Mr. Ellyson will bring the drawings with him to the budget meeting on Thursday, March 24.

IN RE: MISSION STATEMENT and CODE OF ETHICS

The Board asked that the Mission Statement and Code of Ethics be included for adoption on the Consent Agenda at the April 11 meeting. After the Mission Statement is adopted, it is to be displayed in all of the County offices and other locations in the admin building.

IN RE: TEMPORARY ACCOMMODATIONS FOR THE NEW COUNTY ADMINISTRATOR

Mr. Budesky reported that he has found temporary living arrangements in an in-law suite on Route 60 for \$100 per week. The Board agreed to pay for half of those expenses.

IN RE: CONTINUATION

It was agreed to continue the meeting until the budget meeting on Thursday, March 24. The meeting was suspended at 1:23 p.m.