

ECONOMIC DEVELOPMENT AUTHORITY
OF THE
CITY OF MANASSAS
June 18, 2019

DETERMINATION OF QUORUM

MEMBERS PRESENT: Mark T. Olsen, Chairman
Gary Jones, II, Vice-Chairman
Scott Hepburn, Treasurer
Denise Harrover
Holmes Steele Smith
Miguel Pires, Secretary
Thomas O. Murphy

Theresa Coates Ellis, Council Liaison
Patrick J. Small, ED Director, *ex-officio*

MEMBERS ABSENT: W. Patrick Pate, City Manager, *ex-officio*

OTHERS PRESENT: Nicole Smith, ED Coordinator

Chairman Mark Olsen called the meeting to order at 7:30PM. The meeting opened with an Invocation and the Pledge of Allegiance. A quorum was present.

MINUTES

Chairman Mark Olsen presented the Minutes of the April 17 meeting in the absence of Secretary Pires and asked if there were any comments. Tom Murphy made a motion to approve the April minutes which was seconded by Denise Harrover. There being no further discussion Chairman Olsen asked the Vice-Chairman to call the roll.

Mark T. Olsen - AYE
Gary Jones – AYE
Scott Hepburn – AYE
Denise Harrover – AYE
Holmes Steele Smith – AYE
Thomas O. Murphy – AYE

The motion passed 6-0. Miguel Pires was absent.

FINANCIAL REPORTS

Treasurer Scott Hepburn presented the City Treasurer's Reports and bank statements for April. He noted that there were three debits and one deposit representing an interest payment in the amount of \$173.71. The debits were a \$412,100.56 payment to the City remitting a quarterly payment from Buchanan; an \$18,848.85 payment to the City for bills paid on behalf of the EDA; and a \$15.00 service charge.

Gary Jones made a motion to accept the April City Treasurer's Report which was seconded by Denise Harrover. There being no further discussion Chairman Olsen asked the Vice Chairman to call the roll.

Mark T. Olsen - AYE
Gary Jones – AYE
Scott Hepburn – AYE
Denise Harrover – AYE
Holmes Steele Smith – AYE
Thomas O. Murphy – AYE

The motion passed 6-0. Miguel Pires was absent.

Treasurer Scott Hepburn presented the City Treasurer's Reports and bank statements for May. He noted that there were no debits and two deposits representing an interest payment in the amount of \$150.07 and a \$2,775.00 administrative fee paid by Manassas Hanger I, LLC.

Gary Jones made a motion to accept the May City Treasurer's Report which was seconded by Denise Harrover. There being no further discussion Chairman Olsen asked the Vice Chairman to call the roll.

Mark T. Olsen - AYE
Gary Jones – AYE
Scott Hepburn – AYE
Denise Harrover – AYE
Holmes Steele Smith – AYE
Thomas O. Murphy – AYE

The motion passed 6-0. Miguel Pires was absent.

NEW BUSINESS

Miguel Pires arrived.

Patrick Small stated the Chairman had asked him to provide an overview on incentives used by the City to support new and expanding businesses. He handed out a copy of the City's incentive brochure and noted that one new program, a Federal Opportunity Zone, had been added to the list of available programs since the brochure's printing. Mr. Small briefly covered each of the programs and provided spread sheets covering

the past several years which listed each time one of the programs had been used. He discussed the Virginia Code restrictions against localities making grants and loans to private businesses but noted that many programs established by the General Assembly such as Technology Zones and Arts Districts were designed for the locality to use regardless. He pointed out that the majority of the programs were not administered by or through the EDA but that all Virginia discretionary grants from the AFID program, TDFP program and the Commonwealth's Opportunity Fund were required to pass through. Mr. Small stated the only local discretionary program was the EDA's Economic Opportunity Fund. He noted that program was the one most familiar to the members but that it only accounted for a small percentage of the incentives granted.

Mr. Small discussed the philosophy behind the use of incentives and the City's policy regarding return on investment. He explained that the vast majority of the incentives granted were small and designed to assist companies with cost avoidance or to offset expenses incurred while establishing the business. He explained that the incentives were frequently a "but for" meaning that, but for the new investment being made by the business that there would be no new revenues with which to grant an incentive and that the City was merely foregoing some portion of new revenues for a brief period of time. Mr. Small also noted that the incentives generally had a larger value in generating business goodwill and in promoting the City's business friendly positions than any advertising or promotions the City could engage in. There was some discussion and questions regarding the various programs and policy. No action was taken.

Chairman Olsen asked the members if they had reviewed the dates and times proposed for the strategic planning sessions. By unanimous consent the members agreed to devote two meetings to strategic planning; Saturday, August 3rd from 8am to 12pm and Tuesday, August 20th from 5pm to 9pm.

Theresa Coates-Ellis and Denise Harrover gave a brief overview of their experiences at VIDA.

OLD BUSINESS

None.

CLOSED SESSION

Member Denise Harrover moved that the Economic Development Authority of the City of Manassas convene in Closed Session concerning a prospective business since no previous announcement has been made of the business' interest in locating or expanding in the City as permitted by Virginia Code 2.2-3711 A(5) for which the Virginia Freedom of information Act permits discussion in Closed session. The motion was seconded by Gary Jones.

Mark T. Olsen - AYE
Gary Jones – AYE
Scott Hepburn – AYE

Denise Harrover – AYE
Holmes Steele Smith – AYE
Thomas O. Murphy – AYE
Miguel Pires – AYE

The motion passed 7-0.

Upon returning from Closed Session:

Member Gary Jones moved that the Economic Development Authority of the City of Manassas certify that, in the closed session just concluded, nothing was discussed except the matter (1) specifically identified in the motion to convene in closed session and (2) lawfully permitted to be discussed under the provisions of the Virginia Freedom of Information act cited in the motion. The motion was seconded by Denise Harrover.

Mark T. Olsen - AYE
Gary Jones – AYE
Scott Hepburn – AYE
Denise Harrover – AYE
Holmes Steele Smith – AYE
Thomas O. Murphy – AYE
Miguel Pires – AYE

The motion passed 7-0.

There was no action taken following Closed Session.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:00PM.