

CITY OF POQUOSON



ECONOMIC DEVELOPMENT AUTHORITY

MARCH 6, 2018

Regular Meeting

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Regular Meeting

March 6, 2018 8:30 am

Poquoson City Hall – Council Chambers

A. ROLL CALL

CONSENT AGENDA

B. APPROVAL OF MINUTES

- a. February 6, 2018 – regular meeting

C. REPORT OF THE SECRETARY

- a. No Report

D. REPORT OF THE TREASURER

- a. Financial Statement

DISCUSSION AGENDA

E. PUBLIC COMMENT

F. CLOSED SESSION

Pursuant to Section 2.2-3.711 (A)(3) of the Code of Virginia (150), as amended, to discuss the disposition of publicly held real property, i.e. Teen Center

G. NEW BUSINESS

H. UNFINISHED BUSINESS

- a. FY 19 EDA Budget Request Finalization
- b. GO VA Grant – Region 5 Application Status

I. STAFF ACTIVITIES

- a. Commercial Broker Marketing Mailing
- b. Taste of Poquoson
- c. Next Meeting Date April 10, 2018

J. ADJOURNMENT

POQUOSON ECONOMIC DEVELOPMENT AUTHORITY

Board of Directors Regular Meeting

February 6, 2018

Poquoson City Hall – Council Chambers

PRESENT: Donald Booth, Chairman
Alan E. Meetze, Vice Chairman
Timothy O. Trant, II, Director
Henry Freeman, Director
Walt Apelt, Director
Katie Patrick, Director

Wayne Moore, City Attorney
David Callis, Economic Development (ED) Director
Charity Gavaza, Economic Development Coordinator
Tonya O’Connell, Finance Director
Wally Horton, Community Development Director

ABSENT: Angela Ward-Costello, Director

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

Vice Chairman Meetze moved and Director Patrick seconded, to approve the Consent Agenda as submitted. Recorded vote on the motion:

YES: Directors: Freeman, Apelt, Patrick, Vice-Chairman Meetze and Chairman Booth

NO: None (Director Trant arrived after recorded vote)

PUBLIC COMMENT

There was no public comment.

CLOSED SESSION

Chairman Booth apprised the Board that although there was a closed session reserved on the agenda, there is no need for one at this time. There is a possibility that this will be addressed at the March meeting.

NEW BUSINESS

UNFINISHED BUSINESS

a.) Teen Center Maintenance

Dave Callis presented information obtained by Anne Payne, building inspector, with regard to base budget to make necessary repairs to the Teen Center of \$2,000. Demolition pricing is estimated to be about \$75 to \$95,000 dependent upon materials required, but need complete info including asbestos determinations. A survey may be needed to base demolition costs on as well as to be provided to potential buyers.

The division of the property has made it difficult for a buyer to improve and utilize the building leaving only about .6 acre that includes the road easement. Current assessment (2017) is \$139,600 (land only \$115,000).

Dave Callis advised the Board that he and the City Manager met with a historic review company from Richmond to assess potential for the building. The company suggested the potential for structure to be converted to an apartment building with several apartments.

Director Apelt asked if it looked like best path for this building was to demolish and Director Booth stated that the final plan for the parcel has not been determined, but that a decision needed to be made and all avenues were being reviewed at this time to determine the best course of action. The EDA is not inclined to continue to request money to maintain the structure.

Director Apelt requested information on basic maintenance including utilities and Chairman Booth explained that the partial year lease includes payments of utilities during the period of the lease.

Anne Payne stated that one estimate for demolition was around \$87,000 but would be dependent on the asbestos evaluation. City Attorney Moore stated that if the land was assessed at \$110,000 and demolition would cost about \$90,000 that doesn't leave much value in the land for sale. Director Patrick stated that if the property were to continue to be leased out, improvements would have to be made or the building could become a liability. Finance Director O'Connell brought up the fact that if the City had to continue to put money into maintaining the structure annually, it would end up costing more than it was worth. Chairman Booth stated that if there is no higher use that the City has for this property, then the EDA mission of economic development does not appear to offer any opportunity to meet that goal. It has served a purpose of providing the property for future road improvements.

Chairman Booth stated that the decision at this time appears to be to decide to request funds to repair the building and hire an asbestos survey evaluation.

Director Trant stated that the fee for demolition seemed excessive and he did not believe the City should spend another dollar on the building but should put it on the general market on a Where As/As Is basis and attempt to sell it. Vice Chairman Meetze agreed that offering the property at a low cost may bring in a developer willing to demolish building and put a nice home there. The question was raised, can building be transferred with the right of way encroachment on the front corner of the building. Some rights may have to be provided to purchaser for future road development.

Director Apelt stated that survey and cost to demolish are questions likely to be asked from potential buyers.

Director Trant made a motion to list property Where Is As Is to Residential market at low price with upgrades required to bring it up to residential standards or demolish and build to current zoned (Residential) standards and to grant authority to real estate committee to set price, list and set market strategy and sale conditions. Seconded by Director Patrick

YES Directors Freeman, Trant, Patrick, Vice Chairman Meetze and Chairman Booth

NO: None

b.) Update of Delineation Status of EDA-owned property

The wetlands delineation on Parcel 27-1-94A is set to expire October 28, 2018 and Sandy Brinson, Integrity Environmental, is aware of date and has plans to apply for renewal later in the Spring when property dries out. Additional parcels will not expire in 2018 and the EDA will address this list on an annual basis. Director Trant was concerned if the property delineation would expire before property is reviewed, thus triggering expiration. Upon further discussion, clarification will be requested from Sandy regarding strategy/timing of requests.

c.) FY 19 EDA Budget Approval

Chairman Booth reviewed the current budget status, reviewing income from YMCA and CNU and Beth Shalom fees coming online. BMP maintenance fees are the EDA's primary source of income. At this time, there are no indications that the EDA can bank on income from the BMP pond for the upcoming year (although that could potentially occur). The only other possibility is income from sale of parcels owned by the EDA.

First year principal payment (\$157,000) for the EDA property loan and interest payment (37, 000+) is due in FY19 for a total of approximately \$195,000 due in next year.

Chairman Booth suggested the EDA request from City Council funds required for FY19 including Sandy Brinson fees for delineation (Chairman Booth suggested that \$2,500 should cover costs), maintenance fees, insurance expenses and Teen Center costs. Director Trant suggested turning off all utilities for the building when they are not being paid by organization leasing the building. Inspector Payne stated that the cost of utilities is minor, the costs associated with that building are primarily maintenance of the structure. Attorney Moore suggested that it is possible that these costs may be part of the City budget, not the EDA. Some clarification may be required to determine the semantics of this responsibility.

Chairman Booth requested postponing the final vote until March to allow time to gather more specifics as outlined in these minutes.

The Board was provided with End of the Year Statement and line item roster of EDA items for assistance in producing an EDA Budget for FY19.

STAFF ACTIVITIES

Charity Gavaza outlined upcoming activities including Mayor's Breakfast, formation of new Merchant's Association and Home Based Business Group (HBB). The Taste of Poquoson will be taking place March 4 – 10 this year.

The Hampton Roads Economic Development Alliance (HREDA) held their annual meeting which included presentation by major Site Selectors across the nation assessing Hampton Roads strengths and weaknesses. Attorney Moore stated that the region's lack of a major sports team, the largest metro in the US without, is considered a detriment to the success of our region.

Dave Callis thanked City Staff including Finance Director O'Connell, Community Development Director Horton, Building Director Payne and Sherry Coffey, Community Development, for their support of the EDA.

The next meeting is scheduled for Tuesday, March 6, 2018. The meeting was adjourned at approximately 9:50 am.