BOARD OF SUPERVISORS
STAFFORD, VIRGINIA
MINUTES
JOINT MEETING WITH THE ECONOMIC DEVELOPMENT AUTHORITY
JULY 5, 2022

CALL TO ORDER – A joint meeting of the Stafford County Board of Supervisors and Economic Development Authority was called to order by Crystal Vanuch, Chairman, at 5:30 p.m. on Tuesday, July 5, 2022 in Conference Room ABC, George L. Gordon, Jr. Government Center, 1300 Courthouse Road, Stafford VA.

ROLL CALL – The following Board members were present: Crystal Vanuch, Chairman; Pamela Yeung, Vice Chairman; Tinesha O. Allen; Meg Bohmke; Thomas C. Coen; Darrell English; Monica Gary.

Also in attendance were Randal E. Vosburg, County Administrator; Rysheda McClendon, County Attorney; Cheryl Giles, Deputy Clerk; Julia Holmes, Assistant Deputy Clerk; various staff members; and other interested parties.

The following EDA members were present: Joel Griffin, Chairman (electronically); Donald Newlin, Vice Chairman; Heather Hagerman; Danielle Davis; and Jack Rowley.

Ms. Vanuch called the joint meeting to order at 5:30 p.m.

Mr. Newlin motioned for Chairman Joel Griffin be able to participate electronically due to an injury. The motion was seconded by Ms. Davis and carried unanimously (6-0).

Ms. Vanuch said there were three areas to be covered in today's agenda. She said she would let Chairman Griffin to begin discussion of the first item.

Mr. Griffin stated that if there was anything they needed him for, he was available.

Stafford Director of Economic Development & Tourism and EDA Secretary John Holden said there were a lot of activities they had been doing for the last couple of years. He said on the slide were the categories they were broken into, and individual EDA members would speak on this. He said they had a long history of property development where the EDA would take unused, untaxable County properties and turning it into taxable business-owned properties, which Mr. Rowley would discuss. He said when he got there, they started a loan program with the EDA; Danielle Davis, who was present, and Howard Owen, who expressed his apologies for his absence but was on vacation. He said they were on the loan committee and soon would give an update on that. He said he would then broadly discuss some of the business events and entrepreneurial programs that the Board likely was aware of.

Mr. Jack Rowley said his purpose was to tell them of the good work the EDA had done in taking properties that were not generating taxes for the County and putting them to productive use so the County received taxes, but it was equally as important that the properties had productive use. He said they had an office building in Chatham Heights that was not generating any revenue for the County, and they were able to get a medical group in there and had been successful. He said that property had been on the rolls for about 10 years now. He said they had a condo across from Route 1 that they turned over to an attorney who purchased it.

Mr. Rowley said many of they who had been on the Board for a while knew about 204 Thompson Avenue. He said that was a property of about 100,000 square feet and was given to the County by the family that owned it because it was somewhat derelict and they did not want to pay taxes on it anymore. He said the EDA took it over because the County gave it to them, and they spent about $60,000 to purchase a parking lot for the building and about $100,000 in roof repairs. He said after about two years, they were able to sell it for $750,000 to an entrepreneur, who he assumed was doing very well.

Mr. Rowley said they had six acres off of Centreport Parkway the County gave them to sell, and that was put out for competitive pricing and sold to an individual. He said they also reserved a certain portion of it for stormwater runoff from Route 95. He said years ago, the EDA bought 135 acres off the end of the runway of Stafford Airport. He said the EDA traded that 135 acres for 15 acres that the airport had on Route 1, which was very advantageous because now the runway, as it was being done, could be expanded. He said they were able to sell that land into the marketplace and the individuals using it now. He said they actually came to the EDA for a loan when they brought the property, and they approved the loan, of which the individual had not missed a payment yet.

Ms. Yeung asked if they missed a payment if the County would still own it.

Mr. Rowley said if they defaulted, they lost their payments and the County got the property back. He said there was no indication they would default. He said he wanted to discuss Quantico Corporate Center. He said that used to be Fritter Park, which was a recreational area, and the land came from the Department of Defense, which granted the land for Fritter Park to Stafford County with the restriction that it could not be sold for any commercial purposes and must be a park. He said the EDA worked with the Board of Supervisors and other interested parties to convince the Department of Defense that they would move Fritter Park into the Widewater area, which they did, and Silver and others were able then to commercially develop that property. He said it was a win for the County and the Widewater area.

Mr. Rowley said they were currently interested in another piece of property, and if the County turned it over to them, they could possibly turn it into a productive use. He said that was on RV Parkway; about two acres that a local company was interested in. He said they would have to do work to get sewer to it. He said it could be sold and put in the marketplace and that it had had phase one and phase two environmental and everything was squared away there. He said there were some examples of different things they had done with the properties over the years, and they thought they were making a contribution to the County, and if there were other places and properties they could help, they would like to do that.

Ms. Vanuch asked what the cost to run water and sewer there would be.

Mr. Holden said they were still getting estimates and were talking to adjacent property owners to share those costs along with the EDA. He said he did not have an answer, but that was how they were structuring it. He said another area of activity had been in the loan program, which was something that the County had not had, and he worked with the EDA before Covid-19 to set up the loan program, but when Covid-19 came along, it changed a lot. He said they did a lot of grants, but the loan program had picked up again.

Mr. Holden said for the structure, there was a separate EDA loan committee, of which Danielle Davis and Howard Owen were on as well as their banker, Linda Knight from Atlantic Bank Union. He said they reviewed the loans, some of which made it past that committee and some did not.

Ms. Davis said the loan program started after Mr. Holden got here. She said they built it up and she and Mr. Owen started serving on it. She said they provided micro-loans, or gap financing, in some cases up to $25,000. She said they had success; there were four loans and three were on time, with the fourth in the process of being closed. She said there were no doubts that they would be on time. She said they were veteran-owned and women-based. She said there was an array; they had Ace Flight Repair and Services out at the airport all the way to Up North Cuts, and they were getting more involvement with the community.

Ms. Davis said everyone was on time, playing by the rules, and they wanted to continue to do this. She said as Mr. Holden said, when Covid-19 hit, they had to shift gears, and they went from loans to grants. She said they had 112 grants. She said the EDA itself was $457,000, and the total with CARES was $1.7 million. She said that was just to keep the economic engine in Stafford running. She said they looked forward to encouraging businesses to come to the EDA and get the economy in Stafford even more vibrant.

Ms. Allen said she had some brief questions regarding the loan program. She asked what the maximum amount of loan a person or business could be awarded. She said her other question was if they had figured out how to leverage the loan program to some of the entrepreneurs at the test bed next door so that they were not taking the ideas they were investing in Stafford and then going back to where they originally came from.

Ms. Davis said she would defer to Mr. Holden for that question. She said as far as the micro-loan program, $25,000 was the cap. She said they had seen them anywhere from $5,000 all the way up to $25,000. She said it depended on the circumstance but there was basically a $25,000 cap.

Mr. Holden said there was a separate loan program for larger loans.

Ms. Allen asked if they were jumbo loans.

Mr. Holden said yes, and it was up to $250,000. He said that all needed formal EDA approval, and a lot of the underwriting in those cases, they generally were looking to do those with banks—which was why it was called gap financing. He said as an example that the bank would do half and the EDA would do half. He said that was how it was generally structured in other places and they were looking forward to getting some of those. He said they had thought, but he had not discussed with the EDA, about the companies in the test bed running pilot projects. He said there was a number of them who were talking about opening up offices in Stafford as a result of the pilot project.

Mr. Holden said they let them know about the financing, and while it was not their first sales point, if they needed it, it was there for people to apply for. He said they had thought about that and other ways they could help them do a pilot project. He said some of that was funded through their state partner, so in some ways, they were getting a startup grant in some ways to do the pilot project. He said there were two right now that he thought would want office space, and he had said to them that if they needed financing or the EDA to help with rent in some way for a short period to let them know.

Ms. Allen said after attending the test bed and talking to some people was that there was a lot of talent that was coming into Stafford, so if they were trying to grow the commercial side of Stafford, perhaps they could talk to Dave Ihrie and VIPC to figure out how to make it a package deal, so participants joining the test bed would know beforehand that if they chose to do business in Stafford, this was an incentive, because there would be loans they would not have to necessarily worry about going to another County or state for to open up their business. She said that would be an opportunity for them to start growing their commercial as well as tapping into new technology and newer business models.

Ms. Davis said that was a very good idea.

Ms. Gary asked if they had a plan or were beginning to look at how to keep those loans accessible if interest rates continued to rise knowing there could be some kind of recession.

Mr. Holden said the interest rate by the policy was prime plus one and could vary anywhere in that. He said they generally were kept below commercial rates, and the highest one so far had maybe been 3.75% or 4%.

Ms. Davis said she believed it was 3.75%.

Mr. Holden said the point was to keep them below commercial and certainly below someone starting a business with a credit card.

Mr. English asked if he was a new business and needed money, how he would know about them. He asked the bank would direct him to the EDA.

Mr. Holden said in part would be their marketing effort and website, and secondarily, coming out of Covid-19, a way these programs were marketed in other communities he had done it in were through banks. He said he and Josh Summits would be going out to bankers, meeting them at events, and telling them these things. He said the best opportunities were to meet in front of their commercial loan group, such as a lunch, and give details. He said that was where a lot of the referrals would come from in the long run, but it was certainly a community awareness issue and was part of the desire to share the information with the Board.

Mr. English asked if the EDA gave a $10,000 loan, the bank would give $10,000, so they would have two loans from each. He asked if there was no way to condense it into one.

Mr. Holden said generally not. He said frequently in gap financing, the bank took the lead with larger loans. He said again, most banks would not do the smaller loans that the EDA would do, such as the woman who was doing the visual resumes. He said with no disrespect to her gender or race, but banks would not touch these smaller loans. He said that was what generally, groups like the EDA could do with their loan program.

Mr. English asked if the $10,000 paid them monthly.

Mr. Holden said that paid the EDA.

Mr. English said he paid the EDA, but if he wanted to pay the loan to the bank, that would be another loan.

Mr. Holden said yes.

Ms. Allen said she had follow-up questions and asked if they offered mentorships or partners to ensure that these businesses did not default on their loan.

Ms. Davis said one of the things they did was that they first of all had to come to them with a solid business plan. She said they had turned down people for having only hypothetical ideas, and they encouraged them to join the Small Business Administration and any sources they could give them to help them, they would.

Ms. Allen said they knew restaurants tended to fail within the first year, and she understood one of the issues for Board members was how to get their restaurant base and their own unique brand of food, and even if they wanted to invest in some of those restaurants, her concerns would always be how to prevent it from failing. She said one of her favorite Chinese restaurants closed.

Ms. Vanuch said that she thought the owner had passed away.

Mr. Holden said part of their loan closings could require them to go through certain programs.

Ms. Vanuch said they had four more things to get through on this page as well as retail update and tourism zones.

Mr. Holden said he would be brief. He said for an entrepreneur, they gave them the opportunity to take the Riot Foundations Program, which the EDA was successful to bring here, the Riot Foundations Program as well as the Riot Accelerator Program. He said business events were what they were doing to get out into the community. He said they could require loanees to go to SPDC or counseling, and if they did not, they did not meet the loan requirements.

Ms. Vanuch said Ms. Davis glossed over the grants given during Covid-19, but she knew they had not had an opportunity to sit with the EDA since that happened. She said they had three new Board members, but on behalf of the entire Board, she thanked them for coming up with an idea and saving so many businesses. She said they executed it so flawlessly across the entire community, and she did not think people really understood what they did. She said as far as she was aware of, they were the only locality that did something like that, and they were the first to the punch. She said she had not had an opportunity to thank them and had been to so many businesses that said that saved them, so she wanted to let them know they were thankful for that.

Ms. Davis thanked the Chair. She said it was a team effort, and as far as the flawless execution, she would say staff was responsible, because they were in the trenches day in and day out going through all of this and getting the money out of the door. She said she could not be prouder of this EDA group because of their bright ideas and good plans, but staff was the group that should be thanked for getting the money out the door.

Ms. Vanuch asked Mr. Holden to continue.

Mr. Holden said the other item on the agenda was a retail update. He said that had been an interest of the Board for many years, and it should be. He said it was a strategy of economic development since 2013 and was a primary focus of the department since 2015. He said there was a rather lengthy memo in their package and he hoped they got a chance to look at it, although he understood it was a lot to read over the weekend. He said he would not go through it but wanted the Board members and members of EDA to discuss and ask questions about it and talk about the experience. He said in the memo, it was discussed what type of retail that had been successful and that they had helped in some way. He said he had to give credit to Rick Cobert on their staff for being the primary lead in this.

Mr. Holden said part of retail development was about the density of residential units depending on the type of retail and agglomeration, which meant if one were at a corner and saw a McDonald's, there was probably a Wendy's or an Arby's on nearby corners, or if one were shopping for cars, they would probably see car dealers in the same area. He said that was all part of how retail worked, but as a part of their overall strategy, he would stop and ask for questions, comments, and dialogue, and they would try to keep on the agenda to get to the third item.

Mr. English said he and Mr. Rowley had lunch last week and discussed that they were not connecting with the restaurants in the south end in White Oak and his own area. He said they were not getting them, and they were saying it was the rooftops. He asked if there was a way they could go to, for example, Allman's Barbecue, which had been in Fredericksburg forever, tell them they did not want them to move their business, but they wanted to come to Stafford and would be willing to help them open a second location. He said perhaps to pick 10 or 15 mom-and-pop stores and ask them if they could do that so they did not close their location down. He said it did not necessarily have to be Fredericksburg and could be Prince William or Fauquier that had some businesses. He asked if they could possibly do that.

Mr. Holden said it was possible but was generally something he would like to absolutely understand what the Board was willing to do for that business, because it may have to do a lot. He said secondarily, he would want to talk with his colleagues and with whatever community he was going in. He said in his profession, they always ran the risk that they were trying to steal a business.

Ms. Vanuch said they stole it from them for 15 years, so she did not care. She said that was a lame excuse.

Mr. Coen said at his town hall, they celebrated local seniors, and seniors loved sit-down restaurants. He said the argument, and then the next day was the conversation was about rooftops, was that the by-right development in Hartwood had been ridiculous and was all homes, so the idea that we were not getting rooftops in Hartwood and they were getting two new senior developments—so he understood, but the public did not.

Mr. Coen said he did not have a problem with, and said this to them, coming up with some incentive to do that. He said a diner on Route 17 opened up another restaurant and went to Lafayette. He said he would not go into the city to eat for many reasons. He said they thought they needed to be a lot more creative. He said the EDA was massively creative with using money from the Covid-19 pandemic to help people.

Mr. Holden said part of the agenda was tourism zones, and that was one of the ways they could target those types of incentives. He said he knew Mr. Griffin would like to speak.

Mr. Griffin said for most of the people in the room, they knew he owned a restaurant and was opening a couple of more, so when he said that he spoke from a restauranteur standpoint, what he thought most restaurant retail would care about was what they could get out of the deal. He said they had their own set of criteria, their own metrics by which they would measure how successful they would be or not and did not care about public opinion, and what they cared about was how many rooftops, what the average income was, what the cars that passed the space, and what was in the proximity.

Mr. Griffin said each restaurant was different, so when saying to get creative, they did not just go to the restaurant and say whatever they wanted, that was not how it worked. He said if they wanted better restaurants, they had to stop killing the deals that created housing density. He said they had to put their money where their mouth was and say they were going to invest in pad-ready sites. He said if they wanted more retail and walkable space, they should not fight every time they asked for walkable space. He said he understood the frustration that they did not have better restaurants.

Mr. Griffin said he had lived in Stafford for 25 years, and his daughter watched the only movie theater in town go away while she was in middle school, and she was now in college and they still had no movie theater. He said this was not something the EDA and Economic Development & Tourism Office could go to a conference and get people to be interested and try them out. He said they had criteria they were looking for, and they needed the Board's help for tourism zones, pad-ready sites, giving them the money they need for tourism zones, investing in them enough to get them some collateral, because they wanted tax benefits, tax incentives, and financial aid.

Mr. Griffin said there were a lot of things these businesses wanted, and they all lived in Stafford and wanted all these businesses to come, but they could not solicit them, hand them a book, and say Danny's is cool. He said there was a reason Danny's went to Lafayette. He said it was a business decision—and citizens are complaining but did not understand the business, and then they were in a toss-turn situation where the Board had to respond to its constituents.

Mr. Griffin said they were trying to say that constituent voting was not one of the criteria these businesses looked for, so they were asking for the Board's help and support so that when they put forward an idea, they ran with some of the ideas. He said they knew what they were doing but needed the Board's trust to get this done.

Ms. Vanuch said Supervisor Allen had been waiting to speak.

Ms. Allen said her suggestion was that she was getting ready to meet Mr. Rowley within the next 48 hours. She said a constituent of hers came up with the idea that they could help attract some of the businesses that Mr. English and Mr. Coen spoke about, without them necessarily meeting some of those criteria. She asked if they could have pop-up days, where a day of the week, in certain areas within these tourism zones, they could encourage businesses to come to Stafford top present their business, and maybe giving them a footing in the County allowed them exposure to the residents without commitment, because they did not know what it would be like since they were not from the County.

Ms. Yeung asked Mr. Rowley what idea she gave Mr. Rowley about pop-ups at the meeting. She said they had brilliant ideas and it was not only about constituents. She said they knew what they were asking for and were the ones that would spend money in these places. She said they wanted restaurants and cinemas because that was what they were asking for. She said they had a cinema in Aquia and she did not know what happened, but it was not there. She said they knew what they wanted to see, but the Economic Development Authority needed to tell them what to do. She said when it came to rooftops, the tops were there. She said they may not be together, but they had a movie theater 20 or 30 years ago, so they could have one again. She said they could get one in Embrey Mill, that was what they were asking for and what they were willing to pay.

Ms. Yeung said when talking about the EDA and working together to look at Stafford as a whole, she loved that idea, but the EDA needed to come to the Board as they were representing, and this was not about working in Stafford County. She said they knew what they wanted in their area, because they had knocked on doors and knew what people were asking for, so they were there to help them, and if they asked, the Board would help them. She said she would go to some of these shows with them, but they would not take her, because she would drag one of these restaurants in here.

Mr. English asked why they could not get five or six local businesses together and ask what incentives were for them to come here. He said everything near the Publix in Embrey Mill was thriving. He said Manhattan Pizza was incredibly busy. He said there was proof that it worked. He asked if they could ask businesses what they could do to help them get in the County.

Mr. Coen said there were a lot of words in his lexicon, but magic wand was never one of them. He said he never said that. He said he did not think they were looking for miracles, but he was thinking that there were other avenues that they could take, and they had already heard some. He said in his area, they put in a Mexican restaurant and the whole strip was full now. He said Tilly's was phenomenal, and Rick was awesome in helping her expand. He said there were many things they could do, and many of them on the Board had indicated a willingness to support and do things, so what might be better would be to recognize and work with that in a more diplomatic manner.

Ms. Vanuch said she agreed with Mr. Coen. She said she agreed that they spent a day together during their Board retreat just recently and talked about how they knew what the community wanted and what the gap areas were, such as restaurants and women's clothing. She said they had asked consistently for a plan. She asked what it would take for them to come here. She said she knew when she had talked to people, one of the biggest issues mentioned with creating a restaurant in Stafford was the Virginia Department of Health, because the employees they had in Stafford County were onerous.

Ms. Vanuch said when she spoke to a business in her district, it was told to her that they would come in one day and say one thing and then come in another day. She said she knew they had limited ability to manage that, but they needed to know if those were challenges so that they could take those to state elected officials and to the Governor's Office to fix that, because it was absolutely hindering the economic development of Stafford. She said she had heard it from one hundred people, so what the Board wanted from the EDA was a comprehensive plan of what they wanted from the Board. She said they all wanted to fix these issues and wanted economic development and were willing to invest in it, but they had not heard a solid plan as to how to get to those things without having expectations.

Ms. Vanuch said she agreed with Mr. English about these businesses thriving when they were able to open up, and ultimately, she got phone calls from realtors about expanding businesses in her district, and they were not coming through Economic Development because they felt it took longer or they were veered into certain areas where they may not necessarily be looking to expand. She said by giving the Board much more information and a comprehensive plan would be beneficial in building that trust and helping the Board understand what needed to be done.

Ms. Yeung said that when she spoke with planning and the team that there was something mentioned regarding not having assistance. She asked if the women's clothing stores, for example, were something they all could do or if they needed help with working out small business deals such as that. She said she knew they worked certain areas, such as commercial, or if they had someone to do that or if they needed more help.

Mr. Holden asked if he could respond. He said he would like to sit down with the EDA and some of them to come up with the plan that may include staffing.

Ms. Vanuch said this caused her frustration. She said they asked for this at their Board retreat in February. She said they presented something about tourism, and they said to come up with a plan and show what it would take to get more restaurants and close in some of the gap retail. She said now, it was July and they were saying they wanted to come up with a plan with the EDA.

Mr. Griffin said they gave a plan and they turned it down. He said they said they needed more information. He said they had a ten-year plan that they worked on. He said for them to raise their hands if they actually read the plan. He said they had industrial columns, sectors, and were trying to create a property across the street from the courthouse. He said they had to fight the Board tooth and nail, and every time they came to the Board, they said they wanted to support them and to give a plan. He asked how many plans had they given. He said fine if realtors or restaurant owners called them, because that was what they were supposed to do; if they wanted to get things done, they had to come to economic development.

Mr. Griffin said the last time he checked, all the Board members were incredibly busy and worked 24/7. He said they did not have time to help a realtor figure out what they needed, because that was the whole point of the ED&T and EDA. He said they wanted to serve and help, which was why they all volunteered their time, except for Mr. Holden and his team. Mr. Griffin emphasized that the point was that they gave the information and literally just gave them a plan on economic development, tourism, the airport, development and growth and they had to get foot traffic and had to keep who they wanted to stay here. He said right now, there were too many better options outside of Stafford County. He said they had redevelopment rights and they were in the plan. He said giving them more data and more plans – they should just go with what they already had.

Ms. Gary said she was hearing that they needed to be developing Stafford in a way that helped what the EDA was doing so that these businesses wanted to come, and they had not been doing that, because there was mention of shutting down things that would help them that was mentioned earlier on the phone. She said it was time they realistically sat down and utilized their TDR to move some by-right development that should not be out in some of their rural areas down to the downtown areas so they could get some density and maybe preserve some of that land. She said she would really like to look at that.

Ms. Bohmke said they knew what they had in South Stafford, and Supervisor Coen already discussed it; they were doing a great business off of 218. She said she thought of the restaurant she believed used to be called Cornbread and Caviar up in Hartwood, which was a great place in a strip shopping mall, run by a husband and wife who put their 401K money into building the business, and unfortunately they did not know how to open and run a restaurant, so it was no longer. She said it had been gone for a couple of years now, but she did not understand with all the residents out in Stafford Lakes and Celebrate and all the other areas off of Route 17 that no one had gone in there.

Ms. Bohmke said they drove to El Jimador, and the Cornbread and Caviar space was great for a restaurant, so she did not know what they were not seeing. She said talking to anyone who lived in Celebrate, as Mr. Coen said from his town hall, all wanted to eat out, but she herself did not. She said she loved cooking at home and found it very therapeutic and could make food better than any restaurant and did not have to leave her house. She said there were a lot of people who did enjoy going out to eat, so she did not know. She said she found the whole thing a conundrum.

Ms. Hagerman said she had been in commercial real estate, site selection, working for landlords for 15 years. She said speaking to that, what happened oftentimes and was frustrating for those of them in the business was that when a restaurant moved out, if the landlord did the tenant improvement for them, they expected the next restaurant to come in to pay a premium, and that restaurateur may not like the layout, the kitchen equipment might not be for their use, and there was an uphill battle.

Ms. Hagerman said something that frustrated more often than not in second generation space was that the landlords were the ones making things difficult, because the bigger restaurants with the deeper pockets wanted to be in a sense of place and where they were clustered with other restaurants where people could walk back and forth. She said they were not going into a strip mall unless they were a chain. She said she was hearing that people wanted things that were special and more sit-down oriented, and a lot of it had to do with working with landlords to make this affordable for people.

Ms. Yeung commented that Robiolina was in that strip and was appointment only. She said she knew the person who worked at Pancho Villa was the same person helping out Robiolina. She said they would rather open up in Dumfries, and she disagreed. She said they planned on opening another restaurant location, and she asked what they needed to do. She said she knew Lidl did not want it on that corner, but a couple of restaurants with some foot traffic and parking, and ladies' pop-up boutiques where they could look at different items each week. She said downtown Stafford was what the plan was, and that was 10 or 20 years. She said right now, in north Stafford, that was the downtown right now and uptown was Embrey Mill. She said they needed these spaces and places now because people wanted them. She said people were working from home right now and wanted to be able to go out sometimes walk to somewhere, and she was willing and saying that people were ready for something right there. She said she did not know whether to call it redevelopment, but they had spaces and storefronts there that were opening up, so she wondered why they couldn't get restaurants in there. She said that was what she was looking at, and wanted to work with Ms. Allen, because they shared that corridor, and people were asking and saying they did not want to wait for Stafford downtown.

Ms. Allen said what Mr. Griffin said had a point. She said they had given them a plan, and one of the plans she actually liked and approached Mr. Holden about this was the tourism zone idea, and one of the things she told him was that as the first district to introduce outsiders to Stafford County, they should start redeveloping Widewater in terms of commercial. She said then, when passing through Stafford, it was not a blight of used dealerships and empty lots but should look like an economic development zone. She said if driving through certain pockets of Prince William County, Fairfax County, and even Fredericksburg, they knew where to go to find spots, and in their own County, it was a disjointed set of economic development with a distinct north, south, and an empty middle.

Ms. Allen said perhaps at one point, and Ms. Gary pointed to this, was the way they developed the County was not consistent with economic development, so they now had to go back and retrofit. She said instead of going back and forth, they had an idea now. She said she would like to see with the tourism zone that perhaps Mr. Holden would sit down with Supervisors and ask what each Supervisor would like their district's tourism zone to look like, because each district could have their own uniqueness and have institutions to serve as identity for Stafford. She said her point was that they had been given some of the tools, so they should start exploring now how to weaponize those tools, because the problem was already there and they could not go back and forth to say they needed one thing or the other.

Ms. Bohmke said regarding the tourism zones, she did a little research and called some friends at VACo. She said one of her questions was that if they had 65 or 75 of the 95 counties in the Commonwealth that had a tourism zone, the bigger counties were peer localities such as Prince William, Henrico, Hanover, and Chesterfield; all four counties that she had a tremendous amount of for but none of them had tourism zones. She said she would like to understand why they did not, how they made that decision and why they made that decision, before jumping onto the bandwagon and saying they wanted to have tourism zones.

Mr. Holden said he was making a note of that and would have to ask why others did not have them, although he knew why some did. He said he would be glad to reach out to the economic development personnel of those counties. He said he would go through this very quickly. He said again, tourism zones were presented a few times at previous CEDC meetings and they did a tourism plan in 2019. He said of course, Covid-19 put a stall on a lot of things, but today they were just looking for guidance on these things. He said they were both incentives at the bottom line, but there was another bottom line that was that this was a marketing tool to reach out to those small businesses such as restaurants, clothing shops, and others. He said that was one of the tools, because if they had this tool, they could market it.

Mr. Holden said they could do a lot of things in these zones without the tourism zones, but the tourism zone having establishment helped market it as something people could grab onto. He said there were designated zones, acreage, lots, ranging from a single parcel to an area that the state allowed local governments to give tax incentives for over 20 years, and there were 75, with perhaps a few more since creating the slide. He said they were all over Virginia and he would ask some of the comparative County Economic Development Directors why they did not have them and get that answer for them. He said they did this analysis pre-Covid-19 on how those 75 structured their incentives, and it ranged from the taxes the County had.

Mr. Holden said they could not give an incentive in BPOL in Stafford County because they did not have BPOL. He said they were very flexible and that was one of the best things about it and one of the most complicated things about it. He said there were some examples that were in the packet about what incentives they provided by certain areas, including some comparative counties. He said there were some specific examples, such as Williamsburg who used it at least seven times to incentivize close to $300,000. He said with all due respect to Stafford, it was not Williamsburg and Williamsburg was not Stafford, so it should be marketed for a different thing.

Mr. Holden said Fredericksburg was one of the first to actually put them in place and use the financing tool that came along with this. He said Wegmans, for example, was a tourism zone, as was Sedona, and Barnes & Noble. He said that was because they set an area as a tourism zone and then said this. He said the financing program he had just alluded to was probably too complicated now, but it was a way that the state participated; if there was a tourism zone, the state would help the locality participate in investing in a tourism business as a financing tool. He said what they did pre-Covid-19 was look at their plan. He said this was again before the comprehensive plan changed, they had targeted growth areas, redevelopment areas, and they generally looked at areas.

Mr. Holden said they had suggestions in the plan that he would redistribute to the Board and update given some of the comments today. He said they had suggested things to do in the gateway area and the Boswell's Corner area. He said some of the names in the current plan reflected the old RDA names such as Boswell's Corner, South Gateway, et cetera. He said for example, in Boswell Corners, they could do specialty gateway experiences and look for those types. He said they could offer a one-year membership to the chamber, they would just have to look up the cost, figure it out, and find out how they paid that back to themselves, whether it be the County or the EDA.

Mr. Holden said they could do things with zoning and code, customized service training if they wanted to do a program and worked with whoever the community college or high schools to train students. He said those were all things they could do as part of doing this, but that was part of the challenge. He said again, for any kind of lodging item, they would look at the Tourism Occupancy Tax in certain areas. He said this was all part of the existing tourism plan that they would update for the Board. He said the reason this item was put on this agenda was because they knew that retail and restaurants were an important part.

Ms. Yeung asked how old the part was that Mr. Holden said had been there before.

Mr. Holden said they shared the plan with the CEDC in 2019, but he did not remember the exact month.

Ms. Yeung said she did not see Garrisonville at all, and downtown Garrisonville already existed, so she would like it to be updated.

Mr. English commented that Hartwood wasn't in there.

Ms. Yeung clarified that she was talking about Garrisonville existing, so she would like to know what they were planning on putting there, if anything.

Mr. Holden said at the time, the plan was based on what was called redevelopment areas.

Ms. Yeung said okay.

Mr. Holden said that was not one of the designated redevelopment areas.

Ms. Yeung said she thought they should reconsider that and add that.

Ms. Vanuch said she was fairly certain they voted in June of last year that the Garrisonville area was a redevelopment area.

Ms. Yeung asked if it was a redevelopment area.

Ms. Vanuch said yes.

Ms. Yeung said it should be up there.

Ms. Vanuch asked if they did that. She said she knew she voted against it.

Ms. Allen said this was from 2019 and that vote was taken in 2021, so he was just showing it. She said she did not remember if they did, but she wanted to comment quickly about what Ms. Bohmke said about not pushing the "I believe" button yet. She said just thinking about their region, they often used comparative jurisdictions when they were making land use and other decisions, which was appropriate at times, but when it came to economic development, she would just keep in mind that they were a bit different than Henrico and Chesterfield because they were dealing with Northern Virginia and D.C. suburbs where they were going to get a different dynamic as it related to economic development that they would not be able to experience, so for them to compare themselves to an area that was not comparable would be doing themselves a disservice because it was not land use. She said there was no comparable jurisdiction that they had that was comparative to D.C. and Northern Virginia. She said they did not have one.

Ms. Yeung asked Ms. Allen to continue.

Ms. Allen said for themselves to rely on the economic data on why they did not use economic tourism zones, she would not use them, she would use the localities to the north who were able to develop. She said to ask Prince William County how they got their development to take off when they were in Stafford's position ten or 15 years ago and were now thriving economically. She said to the south, they did not have a D.C. beast staring them in the face.

Ms. Yeung said she worked in D.C. and lived in Prince William for 13 years in Lake Ridge, and she had moved to Stafford for a reason. She said she had that experience and wanted what was best for Stafford. She said she had lived in north Stafford for almost thirty years and she wanted to develop downtown Garrisonville.

Ms. Vanuch asked if, since they did not have a BPOL tax, that was a huge incentive to businesses. She said she saw the suggested tourism zones and they talked about a five-year decline in grant or rebates or a reduction. She said they did not even have one. She asked if they were not advertising that or if people did not understand. She said she did not understand how that was not a huge incentive because they did not have that tax. She said looking at the areas that created tourism zones, they were actually advertising that there was a reduction or waiver, so maybe their interpretation was that they had nothing because they had to pay a BPOL tax.

Mr. Holden said they marketed that extensively, and for smaller businesses, it was a relatively small tax, so the incentive was relatively small. He said it was a nice feel-good, but for smaller establishments, those BPOLs were often established at a very minimum cost per year, like $250 per year if they were below a certain number of square feet or so much in operating revenue, so the fact they did not have a BPOL was very important for them for larger businesses that had larger revenues.

Ms. Vanuch said okay. She said as far as the permits, in her opinion, they did not need to create a tourism zone to reduce or fast-track permits. She said this was something they had told the County Administrator since her time on the Planning Commission that for businesses, to fast-track them given the businesses needs in order to get them open. She said obviously that was not happening and they needed to figure out why and address it.

Mr. Holden said as an incentive, it really was not. He said everyone wanted to fast-track permits in every community, and they had priority projects, which he avoided saying "fast-track," because he liked to think everything moved as quickly as they could through the process. He said in other words, it was almost a disincentive to say they would fast-track someone, because the person not fast-tracked would feel like they were not fast-tracked. He said most of those incentives in other jurisdictions as far as fast-tracking was that they could only move a permit so fast through a permitting process. He said they did that and had done it a lot better in the last few years in his opinion, but again they could not fast-track everything. He said there was a balance, and that was an incentive that was fluffy, quite frankly.

Ms. Vanuch said she respectfully disagreed. She said when they had FedEx or DHL who came and met with the Board said they needed everything fast-tracked because they had a timeline they needed to reach. She said a lot of these larger chain restaurants committed to their shareholders that it would be up in a certain amount of time, so they had that period of time to get the stuff open. She said she knew it was not their department, but this was where planning and zoning essentially impacted economic development. She said she would love to see a spreadsheet on the number of times it took for a plan to get through the process once a business submitted a plan. She said they deserved that visibility in order to help.

Ms. Vanuch said she heard all the time that commercial developers did not want to develop in Stafford because it took too long, and when they went to planning and zoning, they pushed back and said it was because the developer did not respond or write back to the comment. She said she was tired of getting complaints over it, so they needed to see where the fault laid and see how long these were taking. She said the time it took to get the permit was money they were burning and money the contract might be up on the land when they said it would take six months to get to the CUP and it took –

Ms. Vanuch said those were all things that cost a ton of money to the business owner. She said business owners became sick with the expenses due to a few bad deals, and they told people to not do business in the County because it was too complicated.

Mr. Holden said they would work with Mr. Santay and Mr. Harvey.

Ms. Vanuch said Ms. Hagerman had something to say.

Ms. Hagerman said there were three quick things to follow up. She noted the Board mentioned the BPOL and said it was huge. She said Mr. Coen was present at the ribbon cutting for a 38,000 square-foot cancer center. She explained the County won the contract for the center because the developer would not go into the City because of BPOL.

Ms. Vanuch said they gave the developer a tax incentive as well.

Ms. Hagerman said the developer was also complementary of the EDA for helping because the whole process was smooth. She noted the tourism zones. She said because the Board wanted restaurants and certain things, for a developer to have that ready was huge. She said what the zones did for the City, what they call restaurant row, Sedona started the spur for newer restaurants. She explained they were given $40K a year for five years if they invested at least $1.8M in building the restaurant, employ and pay employees at least 58,500 working hours a year, and generate at least $2M gross sales annually. She said they were generating almost $7M in gross sales. She said because of the incentive, they moved to the City because it was in a tourism zone.

Ms. Vanuch said the County should have that. She said they had been saying it for a long time. She said there were no issues doing that. She noted that $40K was nothing to bring a restaurant to the County.

Ms. Allen noted Ms. Vanuch said she did not want a tourism zone.

Ms. Vanuch said she did not say that.

Ms. Gary said Ms. Vanuch asked why they needed a tourism zone.

Ms. Vanuch said she asked why they needed the zone if they were incentivizing BPOL taxes.

Ms. Gary said she wanted to speak to the issue of developers undergoing a long process. She said she had discussed Shimco with Mr. Harvey and how processes were being reworked. She asked if there was a timeline for when there might be a product with more issues worked out.

Mr. Harvey responded that they were currently working with the consultant to map the development review processes. He said it would probably be back to the Board in September for an initial status update. He said the development processes were one aspect, and there would also be a review of the staffing and fees.

Ms. Yeung said she had met with both teams. She said she wanted to see a plan that listed the available spaces in Garrisonville and the projects in the pipeline. She said every district would have that. She said she would like to know whether what staff was reviewing was what the Board was asking for. She noted they could not turn down all the plans, but something would cause major issues. She said she knew because she lived there. She said saying it was good just because of the revenue projections without knowing the number of people who would decide to leave the County.

Mr.Rowley said the message was loud and clear: the Board wanted the EDA to focus on getting restaurants into the County. He said that's what the Board wanted, so that's what they should get. He said when the EDA met in August, it needed to work on what the incentives were, where to locate the restaurants, and what they can do. He said they had to respond to what the Board wanted.

Ms. Vanuch noted Carlos O'Kelly's closed, and people were upset. She said it was because the landowner tried to double the rent, so the restaurant owners decided it was better to leave. She said it was an open, viable space.

Ms. Bohmke said people were frustrated throughout the community with permitting from Planning and Zoning. She noted that whenever she had gotten into the weeds of the issues, 9 times out of 10, the applicant had not met the requirements. She said they were submitting applications that were 80% complete and were not addressing the other 20% of issues because they were told from their customers to go ahead and submit despite the plan not being complete. She said she would defend the department. She noted there were times when staff waited on an application, but they did not wait long because they did not have enough staff. She noted they were unable to hire people

like other areas in the workforce. She said developers and builders submitted incomplete applications. She said it would be interested to see the results of the report.
Ms. Davis said that Jimmy the Greek started out as a restaurant—it was his original restaurant when he started out on Lafayette Boulevard.

Ms. Allen said the ask would also require staffing. She said it had not been addressed and that she would like to know what the staffing would look like. She said to undertake the economic development they had discussed would require the departments to do more work. She said they had to ensure they had the staffing to achieve their goals. She said developers had told her they had to first finish development in Prince William before coming to Stafford. She said they may have favorable terms that was slowing development in other areas. She asked if Mr. Holden wanted to know if they supported economic tourism zones.

Mr. Holden said he would bring it forward to the Board in August. He said if he could bring a plan as part of the proposal, he would do that also. He said the Board would have a plan and the opportunity to incorporate tourism zones. He said he was unsure if it would be in September or August.

Ms. Yeung noted Prince William County would not be the problem. It would be Dumfries County because they were putting a casino in Dumfries County.

Ms. Vanuch said the plan was the tourism zones, but there needed to be district specifics. She said staff needed to review each individual district and identify what constituents wanted and what was realistic in each area. She said the tourism zones could be developed relative to each of those initiatives. She said the County did not have a BPOL tax, so they could not do it for a tourism zone. She said if they could pull in needed restaurants, then they should waive the meals tax. She questioned whether they needed a tourism zone to do that. She said the Board was committed to driving economic development, and they needed the EDA to communicate what the businesses needed in order to invest in the community. She said that did not require residential rezoning.

Mr. Holden said they would bring it back before the Board.

ADJOURNMENT

At 6:41 p.m., Chairman Vanuch adjourned the July 5, 2022 Joint Budget Work Session of the Economic Development Authority and the Stafford County Board of Supervisors.

Randal E. Vosburg	Crystal Vanuch
County Administrator	Chairman