



**GREENE COUNTY ECONOMIC DEVELOPMENT AUTHORITY**

Special Meeting of the EDA Minutes

Tuesday, June 2, 2020, @ 6:30 p.m.,

Due to Covid-19, this meeting was held via Zoom Video Conference

**CALL TO ORDER**

- A meeting of the Economic Development Authority Board of Directors was held at the County Administration Building at 40 Celt Rd, Stanardsville, Virginia on Tuesday, June 2, 2020. Call to order at 6:30, with Mr. Michael Payne, Chairman, presiding.

**RECORD OF ATTENDANCE**

- **Members in Attendance:** Matt Dillion, Mike Payne, James Tsikerdanos, Matt Sweetanos, and Gretchen Scheuermann
- **Members not in Attendance:** Julia Roberts, Whitt Ledford
- **Non-Members in Attendance:** Bill Martin, Mark Taylor, Jay Willer, Alan Yost, and special guest Stephen Davis

**ACCEPTANCE OF MINUTES**

- Minutes from May 19, 2020 were distributed electronically to all board members. Mr Dillon made a motion to approve the minutes. Mr. Sweetanos seconded. Motion Passed

**FINANCIALS**

- N/A

**REPORTS OF OFFICERS, COMMITTEES, and the ECONOMIC DEVELOPMENT and TOURISM DIRECTOR**

- N/A

**COMMENTS FROM THE PUBLIC**

- Public comment was opened. No one requested to speak so public comment was closed.

**OLD BUSINESS**

- N/A

**NEW BUSINESS**

- Discussion of the CIC's potential role in loan administration including current loan programs and re-evaluation of possible loan program for COVID-19 response

- Mr. Payne opened the proposed COVID loan program from the CIC that is set up in Charlottesville. Stephen Davis with CIC was available to answer questions on the program. Mr. Sweetanos wanted to discuss this as recovery program or our micro loan program. Mr. Payne stated he felt that they were two separate programs. Mr. Sweetanos made good points on how the interest rate at 6% does not make a huge difference on this agreement. Mr. Davis was asked to explain what they saw as differences in programs. Ultimately, the difference is that the recovery loans are meant to go out faster and the microloan program takes more time to review and administer. On the interest rate he highlighted that adding some kind of interest rate at around 1% is to remind people it's not free money. The CIC is also not really doing any other microloans as a result of COVID uncertainty. Mr. Payne said he felt we needed to have two programs.
- Mr. Payne highlighted that we needed to have several votes.
  - Mr. Tsikerdanos made a motion to set aside \$60,000 for COVID recovery loans. Mr. Dillion seconded. Motion passed unanimously
  - Mr. Sweetanos made a motion to create a COVID recovery loan program separate from the microloan program. Mr. Tsikerdanos seconded. Motion passed unanimously.
  - Mr. Tsikerdanos made a motion to partner with the CIC on administering our loan programs. Mr. Dillion seconded. Motion passed unanimously.
- Mr. Payne went through each clause in the proposed COVID recovery loan program. Mr. Sweetanos requested we do a 5% interest instead of 1%. Mr. Dillion had an opposing view primarily because the interest rate sends the wrong message to other businesses and that the interest rate would not help us in the event of a default. Mr. Payne suggests we go to 0%. Mr. Tsikerdanos requested we leave it at 1%. Discussion over specific loan uses. Mr. Davis made it clear that once the money goes into the business they cannot really track its use. Discussion continued on terms but ultimately no substantial changes were made to proposed loan program. Mr. Dillion asked about how the program would be promoted. Mr. Davis made it clear they would help with promotion but they would want us to help highlight the program as well. Mr. Payne asked Mr. Davis whether there were any connections to the CIC's board to Greene county government or EDA connections. Mr. Davis said there was no conflict and their board has a conflict of interest clause meaning they would need to recuse themselves from a vote if there was a conflict of interest. Discussion was made around re-using the loans in the future. CIC would manage all loans with follow up communications. They would also open all their support programs within CIC to our borrowers in Greene. CIC will also add \$10,000 in additional funds to our program to help 2 additional businesses if there is demand. Those monies would be returned to the CIC and there is no recourse on the EDA for that additional capital.
- Discussion of a timeline for the program to go live. June 16<sup>th</sup> was decided as the next meeting to get the final vote on the proposed lending program and to have a formal write up to go out as a press release to get out to the public. July 6<sup>th</sup> is the estimated time businesses would be notified of approval for the loan.
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- Discussion of CIC's potential impact to the LRC members duties and responsibilities and election of LRC members for FY21

- Mr. Payne opened up conversation on the new roles for the Loan Review Committee. He reviewed the past iterations of the loan review committee process. Members were determined ad-hoc and they would monitor the loan. With the new partnership many of those duties would be given to the CIC. He requested who would be involved in the committee. Mr. Tsikerdanos would be a member of the committee as a non-voting member. Mr. Sweetanos, Mr. Dillion, and Mr. Payne all stated they would like to help with the committee.
  - Mr. Dillion made a motion to nominate Mr. Sweetanos as the Chair of the LRC. Ms. Scheuermann seconded. Motion passed unanimously.
  - Mr. Tsikerdanos made a motion to nominate Mr. Payne and Mr. Dillion as board members of the LRC. Mr. Sweetanos seconded. Motion passed unanimously.
- Discussion of CARES money coming to Greene County
  - Mr. Yost requested time to go over the CARES act money that is coming to Greene County. He discussed how some of the money could be used as a grant fund program to local businesses. This has not been brought up to the Board of Supervisors yet but wanted to make us aware of what could potentially be coming our way. Most counties are offering 10-15% of the total funds to be given to local businesses as a grant. The EDA's receive the money and issue them out to local businesses. Mr. Yost wanted to discuss how we could make that program work and offer it to the Board of Supervisors for review. Mr. Yost was asking on a straw vote on what we thought we could do for the county. Mr. Payne mentioned we were looking to help the county in any way possible. Mr. Tsikerdanos mentioned he agreed and thought they could give this to the CIC as well. Mr. Yost responded that the CIC might be reaching capacity of support and that they would need to charge a service fee. Mr. Martin thanked Mr. Yost for bringing this to the EDA and was pleased that they would be receiving these funds from the state. Mr. Martin cautioned that this is still very new and still needs to be reviewed by the Board of Supervisors. Mr. Martin made it clear that it could not be a loan program and they would need to be grants. The grant program would also complicate our current loan program as we try to market these programs. He mentioned that they have school, EMS, and broadband issues that need to be considered. He was concerned about what the requirements were for the funds and wanted to make sure the use of the funds was reviewed. Mr. Taylor agreed with Mr. Martin on the concerns with the CARES act money. They are working on reviewing everything currently. Mr. Payne reiterated that we would support whatever the Board of Supervisors would need the EDA to do. Mr. Tsikerdanos highlighted that many of the requirements with the relief from the government has been very unclear and agrees with the thorough review. Mr. Yost wanted to ensure that it was clear that there is a need within the community for this grant money and that many companies are being affected currently. Mr. Taylor wanted to highlight that it was clear that the money could not be used to supplant lost tax revenue and liked the idea of using the business grant money to help businesses pay their local tax bills. Mr. Tsikerdanos asked when the EDA would be informed on what the status was on these funds. Mr. Martin responded that it would be reviewed for the first time at the next board meeting and that it may take up to two meetings to figure out what we should do with the funds.
  - Mr. Payne thanked everyone for the new information and asked if anyone wanted to re-think their loan review committee nominations. No one came forward.

- Mr. Payne mentioned that Gretchen Scheuermann was resigning due to her keeping up with her business. She thanked everyone for working with her and enjoyed her time on the board. She really likes the direction we are going. All members wished her well for her service.

#### **NEXT MEETING DATE**

- The next meeting will be on Tuesday, June 16, 2020, at 6:30 p.m.

#### **ADJOURNMENT**

- Mr. Dillion made a motion to adjourn. Ms. Scheuermann seconded. Motion passed unanimously. Meeting adjourned at 8:17 pm.