



CITY OF FALLS CHURCH

EMERGENCY ECONOMIC DEVELOPMENT AUTHORITY DRAFT MEETING MINUTES

Virtual Meeting - <https://meet.lync.com/fallschurch-fallschurchva/vweiner/QY2C3Y7R?sl=1>.

Tuesday, April 28, 7:00 PM

NOTICE: This virtual meeting of the EDA was held pursuant to and in compliance with the Virginia Freedom of Information Act, Section 2.2-3708.2 and state and local legislation adopted to allow for continued government operation during the COVID-19 declared emergency.

All participating members of the EDA were present at this meeting through electronic means. All members of the public may view this video of this meeting on the City's website at www.fallschurchva.gov.

1. CALL TO ORDER

Roll Call:

EDA Board Members Present: Chairman Bob Young, Jim Coyle, Erin Messner, Brian Williams, Vice Chair Erik Pelton, Mike Novotny, Edward Saltzberg

City Staff Present: Becky Witsman, Val Weiner, Jim Snyder

Student Representatives Absent: Cole Tarter, Evan Jones, George Hoak

Public Attendees: Letty Hardi, Phil Duncan, Nick Benton, Russ Wodiska, Tim Stevens, Debra Roth, Sally Cole

2. DRAFT EMERGENCY COVID BUSINESS GRANT PROGRAM

- EDA Chair Bob Young noted this is an emergency EDA meeting in accordance with the Governor's meeting restrictions, convened only to discuss the proposed EDA Emergency COVID Small Business grant program.
- EDA Chair Bob Young opened the meeting by inviting members who believe they have conflicts of interest to state the conflict and their ability to still participate in a fair and unbiased manner. Erin Messner noted her conflict as a small business owner who would qualify for the grant, but pledged not to apply so as to avoid conflict. Vice Chair Erik Pelton noted his conflict as his involvement in small businesses throughout the city, either through family or as himself. Chair Bob Young noted his conflict as a landlord of businesses who could qualify for the grant. All three pledged their ability to act fairly and in an unbiased manner on the matter of the emergency grant program.

Becky Witsman then presented the proposed components of the draft emergency grant program.

The chart below was provided virtually, as an outline of the discussion to be held.

DRAFT City of Falls Church Small Business Emergency COVID Grant Program	
Basics	Recommendations
Total initial amount of grant program	\$100,000 in EDA landbanking monies; possible approval to approximately \$250,000
Amount of each grant	\$2,000
Business gross revenue amount minimum and maximum in 2019	\$50,000 minimum; \$500,000 maximum (as verified by the Commissioner of the Revenue info)
Permissible grant use	Salary, benefits, business capital, rent and other operating expenses directly related to the immediate impacts of COVID-19
Fast process	Hoping to make applications available on May 1; responses due back on May ?
Stage 1: Base qualification criteria	<p>Must:</p> <ul style="list-style-type: none"> Have fewer than 50 employees Be in good standing with all local taxes and City regulations as of February 2020 Have a business address (occupy commercial space) Have operated in City for at least one year Be a for profit business or organization <p>Eligible businesses include those specifically included by reference in Governor Northam's Executive Order 53, Directives 3 and 4 attached. For clarification, all businesses which are covered by the Governor's directives are included. Ineligible businesses include but are not limited to: banks, credit unions and savings and loan associations; professional services/consulting/accounting/government contracting businesses, non-profits, home-based businesses, E-commerce, auto uses, seasonal businesses*, businesses whose primary product/service is oriented to age restricted customers*, franchise businesses (unless they are locally owned and operated), or corporate-owned locations, branches or subsidiaries.</p>
Priority considerations	Such considerations would of necessity involve subjective judgement.
Application details:	Application anticipated to be simple - online and one page. Possibly check boxes to indicate that program eligibility criteria are met and include an electronic signature or similar that application is true and complete.
Stage 2: Selecting awardees	Applications pre-qualified for meeting criteria, then numbered and randomized selection of first 50 awardees.
Stage 3: Approval and Disbursement	Successful applicants will be notified and grants will be disbursed to businesses by City staff as quickly as possible.
* "Seasonable business" means businesses that operate only part of the year; "businesses whose primarily product/service is oriented to age restricted customers" applies to uses like vaping.	
04/28/20	

Val Weiner then read public comments on the proposed program:

- Mary Meserve on behalf of Creative Cauldron noted disappointment that non-profits were not listed as eligible businesses. Ms. Meserve noted that non-profits are just as impacted by the pandemic as retail stores or restaurants. She asked that the EDA reconsider the decision to exclude nonprofits from the grant process.
- Tim Stevens suggested two caveats to the grant process: 1) the process for selecting which businesses receive grants should be free of conflicts of interest; perhaps a small committee of five people, three of which could be EDA members (no landlords, of course) with at least two members non-affiliated with EDA; 2) I think there would be opposition to having only the EDA decide how to allocate the \$1.3M currently under their custody (it could be needed as a contingency against worst case financial outcomes for the City, such as EYA backing out of the west end development.

- Tom Gittins is in favor of the grant, but wanted to add a criteria that would put greater emphasis on business owners in the City, in addition to the length of time the business has operated in the City.

Chair Bob Young opened the floor for comments on the proposed grant guidelines:

In summary,

- EDA members liked the randomization of the selection process to eliminate conflicts of interest, minimizes staff time to get the money out faster, and any perceived preferential treatment.
- EDA members thought that the initial \$100,000 probably won't be adequate and that additional funding up to \$250,000 should be considered.
- EDA members expressed appreciation for how simple and straightforward the application process is compared to the federal Paycheck Protection Program (PPP). Brian Williams questioned whether businesses that applied for PPP should be eligible, Chair Bob Young requested that be discussed with a future motion on eligibility.
- EDA members expressed concern that nonprofits were ineligible and requested it be discussed.
 - Ed Saltzberg requested the rationale for the eligible/ineligible businesses. He expressed specific concern for Creative Cauldron's ability to apply for the grant.
 - Becky Witsman explained that excluding non-profits was based on other regional programs that also excluded non-profits. Creative Cauldron also received City grant funds recently. All other business type exclusions were based on the governor's order. The small grant is designed to support businesses that are most significantly affected by the Governor's Executive Order #53 Ed Saltzberg responded that nonprofits should be included because they still need to pay workers and are also struggling.
- Chair Bob Young closed the initial discussion period and asked Jim Coyle to put a motion on the table to reallocate up to \$250,000 in EDA Land banking Funds towards the new emergency grant fund. Reallocating the funds requires a 5-person vote. The details of the fund would be dealt with in a different motion.
- **Motion:** Jim Coyle presented a motion that per the EDA's Land banking Policy, he moved that the EDA reappropriate up to \$250,000 in funds from the Land banking Fund to the emergency COVID grant program. The motion was seconded by Mike Novotny.
 - Erin Messner asked whether the money could have been used for something other than this grant that now can't be funded.
 - Chair Bob Young noted that the fund was set up to purchase land in the City, and land costs are now too high so that it is no longer very likely that the funds are sufficient to be used for that purpose.
 - Mike Novotny supports the use of the money for the grant, and noted this is not tax payer money. It is profits from a sale of land in the City. This allows the EDA flexibility with how the money is used. The fund was also used to pay to build the Mr. Brown's Park, for example.
 - **Unanimous approval by EDA**
- **Motion:** Jim Coyle made a motion to adopt the criteria on the draft requirements spreadsheet with the previously discussed amendments:
 - Add a question asking what the applicant would use the funds for.

- Add a requirement that the businesses had to have lost at least 50% of income since the prior year
 - Make it clear that retail businesses are included, along with section 6 of the governor’s directive that the business must get a majority of their sales from walk-in or in person patrons
 - Erin Messner requested retail businesses and retail sales be explicitly labeled eligible. City Manager Wyatt Shields suggested adding Directive 6 of the Governor’s Executive Order 53 to the eligible group.
 - Mike Novotny suggested adding ‘walk-in or in-person sales’ in order to minimize applications from businesses that aren’t true brick and mortar retailers
 - Make it clear that the document is public and subject to FOIA
 - The board will discuss including nonprofits in future tranches
 - Seconded by Erin Messner
 - Edward Saltzberg votes in favor as long as EDA discuss nonprofits in second tranche
 - **Unanimous approval by EDA**
- **Motion:** Jim Coyle made a motion that the program begin with \$100,000 and EDA Chair and Vice Chair and EDO Staff Becky Witsman have the authority to add an additional \$150,000 for a total possible grant fund up to \$250,000 depending on the response to the first \$100,000 allocated for the program, assuming there are no changes to the guidelines as approved. Any changes need to be approved by the EDA in an additional remote meeting. Erik Pelton seconded.
 - EDA members feel they need another meeting in order to discuss changing the guidelines (per nonprofit eligibility for example)
 - Chair Bob Young suggests using the monthly meeting to discuss the grant and any changes to the guidelines
 - Schedule a meeting to discuss a week after applications come in to discuss changes.
 - **Unanimous approval by EDA**

3. PUBLICIZING THE GRANT PROGRAM AND ADVERTISING FALLS CHURCH SMALL BUSINESSES

- Becky Witsman described anticipated staff efforts to advertise the grant in the Falls Church News Press for two weeks and then pro-business, shop local messaging thereafter until the end of Governor’s the stay-at-home order currently until June 10. The Falls Church News Press ads would cost up to \$7,000 total. Publicity about the program will also be through social media, via the Chamber of Commerce and through Becky Witsman’s landlord e-mail list. The EDA needs to approve the \$7,000 for the Falls Church News Press ads to come from EDA funds.
- City Manager Wyatt Shields noted that all media is exempt from Governor’s order, so the Falls Church News Press could not apply for the grant.

4. **Motion:** Jim Coyle put a motion on the floor to approve up to \$7,000 for advertising in the Falls Church News Press, seconded by Erin Messner.
- **Unanimous approval by EDA**
 - Becky Witsman also asked for EDA volunteers to head up a working group on reopening the City's businesses.

5. **ADJOURNMENT at 9:20**