

# ECONOMIC DEVELOPMENT INCENTIVE FUND COMMISSION

## **Business Meeting Minutes for September 21, 2020**

### **I. Call to Order and Determination of Quorum**

The meeting was called to order by Chairman Mike Whitehill at 9:04 a.m. Due to COVID-19 restrictions, the meeting was held virtually via Zoom Meeting application. The following board members were present and represented a quorum:

Mike Whitehill, Chairman

Patrick Perry

Todd Mohn, County Administrator

Not present:

Bill Walmsley

Thomas Glen

Staff Present:

Heather Tinelli, Economic & Tourism Development Director

Lisa Gallow, Office Coordinator

### **II. Approval of Agenda:**

On a motion made by Mr. Perry and seconded by Mr. Mohn, the meeting agenda was approved by a unanimous vote of the members present.

### **III. Approval of Minutes:**

On a motion made by Mr. Perry and seconded by Mr. Mohn, the previous meeting minutes for the August 17, 2020 meeting were approved by a unanimous vote of the members present.

### **IV. Department Update:**

Heather Tinelli, Queen Anne's County Economic & Tourism Director, provided the commission with a department update. Ms. Tinelli shared that, due to existing funds of approximately \$150,000, the Small Business Recovery & Assistance Fund had been re-opened through the month of September for more local businesses to apply for grants. To date, they had 16 new applications and many more that plan to apply by months end. The board had set aside an additional \$100,000 in a "Sanitation Fund" for local businesses that need funds to help sanitize after employees tested positive for Covid. She explained that these cases were now minimal, and they have not received applications in recent weeks.

Ms. Tinelli shared that she recently met with the Town of Barclay and Sudlersville as both were in consideration for Enterprise Zone status. Due to the limited amount issued per year and potential constrictions in the future, Ms. Tinelli is working directly with the state in hopes of combining both towns under one zone. This was met with much enthusiasm and would be greatly beneficial to both towns.

Ms. Tinelli announced that the Visitor Center is now complete, they are finishing up final stages of set up and awaiting permission from the commissioners to begin hiring a full-time weekday attendant and weekend help as well. She also explained that they are currently conducting interviews for the new Marketing & Destination Specialist for Tourism.

Ms. Tinelli will be attending the MEDA conference virtually over the next two days and Queen Anne's County will be receiving an Honorable Mention Award for the Project Bright Future Program.

Ms. Tinelli was excited to share the news that she applied for and received a grant for \$30,000 from the USDA that will be used for re-branding the county. This will be presented to the commissioners at Tuesday's meeting.

**V. Old Business:**

**A. Status of Disbursements:**

Ms. Tinelli stated that Ten Eyck Brewing applied for their final disbursement of \$24,940. County lawyer, Pat Thompson, is currently conducting the UCC filing.

**B. Status of Billing:**

Ms. Tinelli explained that they had received a \$14,000 payment from Mid-Atlantic Microbials.

**C. Update on Recipients and Employment Number for 2<sup>nd</sup> Quarter:**

Ms. Tinelli said that some businesses have contacted her and shared details of their current struggle to employ the required number of employees during Covid. The commission agreed that they will consider waiving employee requirements for a specific time period if the business can show that it was related to Covid.

**D. Corsica Technologies:**

Ms. Tinelli spoke to the Chief Financial Officer for Corsica Technologies regarding current employer number reports. Due to Corsica Technologies only withdrawing 56,637 of the 208,000 loan funds, the commission had agreed to amend the original agreement. On a motion made by Patrick Perry and seconded by Todd Mohn, all parties of the commission agree to amend the current agreement for Corsica Technologies to employ 30 full time employees over the next 5-year duration for principal amount of funds already dispersed.

**E. Wood Ingenuity:**

Ms. Tinelli explained that Wood Ingenuity has made all payments up until June 2020 and still owes \$10,000.

**F. Authentik Solutions:**

Authentik Solutions paid \$3100 in 2018 and have not made any further payments. In May, Ms. Tinelli sent a certified letter to Authentik Solutions telling them they were in default of their loan, behind employment number reports and requested that they needed to contact her immediately. She has not received any feedback. The commission discussed in detail and on a motion made by Patrick Perry and seconded by Todd Mohn, the commission agreed to the following steps towards resolve. Ms. Tinelli is to contact Mr. Cira and arrange a meeting with herself and another board member to discuss the default of the loan. Pending the outcome of the conversation regarding his delinquency and the resolution of it, if no resolution is reached, the commission will move to collections process.

**VI. New Business:**

**A. Shine Like Stars Preschool Application:**

Diane Ryan, Owner, Shine Like Stars, was invited to attend the meeting to discuss concerns and questions regarding her application for an EDIF loan/grant. Ms. Ryan is requesting a \$50,000 grant from the EDIF to be used for construction, supplies and set up for her new preschool in Chester, MD. The construction cost totals \$108,000, of which \$25,000 was previously granted by the County Commissioners, \$35,000 provided by applicant and additional \$50,000, is requested from the EDIF Commission. The concerns that the commission expressed was the amount of leasehold improvements

that were considered unrecoverable assets, the source and solidity of the personal funds, additional forms regarding income, business plan, parking, Covid issues and reasons for not pursuing other sources for small business loans.

Ms. Ryan provided source and uses, full business plan, updated financials, projections and agreed to also provide an updated equipment list, proof of personal funds and student contracts to show income. Ms. Ryan currently has 3 full time employees and 1 part-time employee. Her projection for her business by 2023 is to employ 3 full time teachers, 3 full time assistants and two part time assistants or, if she continues to teach, 6 full time, 1 part time and 1 full time administrative assistant. Ms. Ryan explained that drop off will be staggered based on grade to avoid over crowding and each class will be isolated from one another so, should there be a Covid case, it would be easier to pinpoint to one area. Ms. Ryan plans on staying at this location for a minimum of 7 years and would consider opening another school as opposed to increasing the size of the current school.

When asked why she has not explored other options for loans, she explained that she does not want the school to take on any debt and would prefer a grant funds. She did utilize the help of S.C.O.R.E. to create her business plan and answer questions. The preschool is currently under construction, but they have had setbacks due to permits and delays related to receiving supplies during Covid. They hope to open in October. The commission ended their conversation by stating they would like her to provide the additional requested paperwork, they will further discuss the updated details of the application and Ms. Tinelli will be contacting her regarding their decision.

VII. Adjournment:

On a motion made by Mr. Perry and seconded by Mr. Mohn, the commission unanimously approved the adjournment of the meeting at 11:01 a.m.