

# ECONOMIC DEVELOPMENT INCENTIVE FUND COMMISSION

## **Business Meeting Minutes for May 17, 2021**

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

The business meeting was called to order by Chairman Mike Whitehill at 8:56 a.m. in the County Commissioners Chambers, 107 N. Liberty Street Centreville, MD. Due to COVID-19 restrictions being reduced, the meeting was held in-person or via Zoom. The following board members were present and represented a quorum:

Mike Whitehill, Chairman

Bill Walmsley

Patrick Perry

Thomas Glen

Todd Mohn, County Administrator

Staff Present:

Heather Tinelli, Director, Economic & Tourism Development

Lisa Gallow, Office Coordinator, Economic & Tourism Development (via Zoom)

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

On a motion made by Mr. Walmsley and seconded by Mr. Perry, 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. Walmsley, the March meeting minutes 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. The Queen Anne's County/Kent County Career Technology Liaison candidate has been chosen and has accepted the position. This candidate will start full-time June 1<sup>st</sup> with a focus on Workforce Development. The Department of Economic & Tourism Development currently has two available positions, Administrative Assistant I and Economic Development Coordinator. Applications have closed and interviews have taken place over the last few weeks. The Chesapeake Heritage & Visitor Center is now open on the weekends. There have been two meetings with the recently formed Travel, & Tourism Advisory Council. The rebranding process is continuing with Choptank Communications. The goal is to have the rebranding completed by June 2021. The department is actively working with Chesapeake Bay Magazine to produce a new visitor guide for 2021. The Comprehensive Plan update is well underway. The 1<sup>st</sup> draft of the Economic Development section was recently reviewed by the Planning Commission. There is still time to make comment if you haven't already. Applications for the third round of Restaurant funding (\$184,427.57) and the second round of Hotel/Lodging (\$83,830.71) funding closed in April. Coming soon, the county will be administering the Non-Profit Assistance Grant Fund (166,668). This funding is being awarded by DHCD to support non-profits directly impacted by the COVID-19 pandemic.

### **V. Old Business:**

- A. **Fund Balance Update:** \$85,680 was transferred into the Economic Development Incentive Fund from the existing Bridge Fund making the available fund balance \$332,499. Disbursement of \$50K is still pending to Kent Island Orthodontics. After disbursement to Kent Island Orthodontics the fund balance will be \$282,499.
- B. **Authentik Solutions-Update:** Authentik Solutions paid \$3,100 in 2018 and have not made any further payments. In May 2020, Ms. Tinelli sent a certified letter to Authentik Solutions stating that they were in default of their loan, behind on employment number reporting, and requested they contact her. Ms. Tinelli and Commissioner Chris Corchiarino met with Mr. Ciras on Wednesday, October 21, 2020, at which time they agreed to make a payment of at least \$1,000. As of January 2021, Queen Anne's County finance has not received a payment from Authentik Solutions. County Attorney, Patrick Thompson has filed suit against Authentik Solutions, which has been received by the company. Mr. Ciras responded by proposing a full re-payment of the loan (\$46,900) plus interest (3%) over the next 22 months satisfying the loan re-payment by December 31, 2022. Re-payment is proposed to begin the second quarter of 2021. Per the Commission's request at the March 2021 EDIF meeting, Mr. Ciras has provided his personal financial statement for review. On a motion made by Mr. Glen and seconded by Mr. Walmsley, the EDIF agrees to Mr. Ciras's re-payment plan. The Commission will not allow any defaults (missed or late payments) on the re-payment plan, should one occur, the loan will be due in full.
- C. **Score Meeting Updates:** Per EDIF agreement terms, recipients are required to meet with SCORE quarterly. Since the EDIF meeting in March, Mrs. Tinelli and SCORE representatives were able to meet with Ten Eyck Brewing, Cult Classic Brewing, Barbeque Bueno/The Station Steak & Grille (former Smoke Rattle & Roll/Joshua's Steak & Chop), Sudlersville Laundromat, Open Seas Coffee Roasters, and Blackwater Distilling.

VI. **New Business:**

- A. **Sudlersville Laundromat Request:** Francis Kinnamon, Chairman of the Sudlersville Community Laundromat has submitted a written request to Mrs. Tinelli outlining the need for two (2) part-time employees vs. one (1) full-time employee as the original EDIF agreement states. They have indicated that two (2) part-time employees will be more beneficial to the laundromat's needs during their busiest times. They would like to have two (2) part-time employees hired by September 2021. On a motion made by Mr. Perry and seconded by Mr. Glen, the Commission agrees to accept Sudlersville Community Laundromat's request to hire two (2) part-time employees vs. one (1) full-time employee. An amended agreement will be drafted for signature.
- B. **Blackwater Distilling Request:** Blackwater Distilling's original EDIF Conditional Loan agreement for \$70K was signed in 2015. This agreement states that Blackwater would create seven (7) new full-time jobs over a three (3) year period, and maintain them until the end of the agreement, June 30, 2021. Re-payment provisions were set for each yearly employment milestone should the numbers not be met. To date, Blackwater has not met their overall employment goal of seven (7) full-time employees. Blackwater is requesting that the EDIF Commission consider forgiving monies owed due to unmet goals. On a motion made by Mr. Walmsley and seconded by Mr. Glen, the Commission has agreed to meet with Blackwater representatives to hear their formal request.
- C. **Open Seas Coffee Roasters Request:** Bryce Roszell, Owner of Open Seas Coffee Roasters has submitted a written request to Mrs. Tinelli asking to amend his original EDIF Conditional Loan Agreement from straight full-time employees to full-time equivalents. In this industry it can be difficult to find an employee who has the expertise to roast coffee, and train clients all while bagging coffee and making

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deliveries. If the Commission agrees to this amendment, Open Seas Coffee will meet their employment requirements. On a motion made by Mr. Perry and seconded by Mr. Glen, the Commission has agreed to accept Open Seas request for full-time equivalents vs. straight full-time employees. An amended agreement will be drafted for signature.

- VII. **Adjournment:** On a motion made by Mr. Glen and seconded by Mr. Perry, the regular Commission meeting was adjourned at 10:25 a.m.