

# ECONOMIC DEVELOPMENT INCENTIVE FUND COMMISSION

## **Business Meeting Minutes for July 19, 2021**

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

The business meeting was called to order by Chairman Mike Whitehill at 8:57 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

Not Present:

Todd Mohn, County Administrator

Staff Present:

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

Others Present:

Linda Friday, President, Queen Anne's County Chamber of Commerce

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

On a motion made by Mr. Perry and seconded by Mr. Walmsley, the July 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. Glen, the May 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. Over the past few months, the department has hired the following positions: Queen Anne's County/Kent County Career Technology Liaison, Administrative Assistant I to staff the front desk of the Chesapeake Heritage & Visitors Center, and an Economic Development Coordinator. The rebranding initiative currently taking place with Choptank Communications is scheduled to be completed by the end of July 2021. The department is now accepting applications for the Non-Profit Assistance Grant Fund (\$166,668). This funding has been awarded by DHCD to support non-profits directly impacted by the COVID-19 pandemic. Applications close on July 30, 2021. The Comprehensive Plan update is nearing the final stages. Final comments from departments are due by the end of today. Mrs. Tinelli will send further information to the Commission on the rebranding, Non-Profit Assistance Grant, and the Economic Development chapter of the Comprehensive Plan.

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

- A. Fund Balance Update:** \$85,680 was transferred into the Economic Development Incentive Fund from the existing Bridge Fund, and Mid-Atlantic Microbials has made a reimbursement payment of \$14,000. The current fund balance is \$296,499.
- 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. After the May Commission meeting, Mrs. Tinelli presented the Commission's response to Mr. Ciras's proposed repayment plan. The Commission voted that Mr. Ciras will owe \$3,000/month plus interest effective immediately. Mr. Ciras responded that he would only be able to commit to a payment of \$2,000/month until September 31, 2021, at which time he will begin making \$3,000/month payments. Since May, no payments have been received. Paperwork has been filed with the Queen Anne's County Courts.
- C. Participant Updates:**
- a. **AMS Group:** Mrs. Tinelli recently had an onsite visit with AMS Group, who is getting ready to expand operations for the second time. Their EDIF agreement is set to expire in April 2022. They are potentially interested in applying for additional funding for fixed assets.
  - b. **Compass Regional Hospice:** Mrs. Tinelli recently had an on-site visit with Compass Regional Hospice. Their Centreville location has expanded from six (6) beds to ten (10) beds, and they have also added a counseling wing to their facility. They currently have one hundred (100) employees.
  - c. **Sudlersville Community Laundromat:** Mrs. Tinelli recently had an on-site visit at the Sudlersville Community Laundromat with Francis Kinnamon, Chairman of the Laundromat. The facility is currently self-sufficient. The amended agreement proposed at the May EDIF Commission meeting has been signed by all parties.
  - d. **Blackwater Distilling:** 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, which expired on 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. At the May meeting Blackwater had submitted a request to the Commission to consider forgiving the monies owed due to unmet goals. Mrs. Tinelli will collect Blackwater's second quarter 2021 employment reporting and present it to the Commission at the August meeting for discussion and decision on how to proceed.
  - e. **SRR Holdings, LLC:** SRR Holdings has received a significant amount of money from the SBA Restaurant Revitalization Fund. Their current EDIF agreement states that they will need to employ six (6) full time, and four (4) FTEs by July 16, 2022. Second quarter employment numbers

are due now. The Commission plans to follow up with SRR Holdings depending on their current employment numbers. Mr. Walmsley has requested a SCORE meeting with the business.

VI. **New Business:**

- A. **Kent Island Crab Cakes Request:** Kent Island Crab Cakes has submitted an application to the Economic Development Incentive Fund Commission requesting \$38,500 in funding for the purpose of purchasing a new Bally Walk-In Freezer to accommodate increased volume of business, increased capability of fulfillment with local business owners, and to take advantage of special pricing offered on seafood products. The Commission is requesting that Kent Island Crab Cakes financially contribute to the equipment purchase by paying 10% of the cost. Mrs. Tinelli will follow up with Kent Island Crab Cakes to present this decision. Further discussion will be had on this request at the August EDIF meeting based on the response received from the business.
- B. **Robert Laraway DDS-Kent Island Orthodontics Amendment Request:** Since the May meeting Mr. Laraway has had the opportunity to purchase a new building for his business in Stevensville. The new building address has been updated on his EDIF agreement and will be sent out for signature.
- C. **Other Requests in Progress:** Potential future requests to the EDIF include funding to purchase equipment for an assisted living facility (facility purchase dependent on bank financing) in Sudlersville.

- VII. **Adjournment:** On a motion made by Mr. Walmsley and seconded by Mr. Perry, the regular Commission meeting was adjourned at 10:15 a.m.