

ALBEMARLE COUNTY
ECONOMIC DEVELOPMENT AUTHORITY MINUTES
July 16, 2019
County Office Building, 401 McIntire Road
4:00 P.M., Room 241

Directors Present: Rod Gentry, George Ray, David Mellen, Jim Atkinson, Don Long

Staff Present: Jim Bowling, EDA Counsel; J.T. Newberry, Economic Development Coordinator; Jennifer Schmack, Economic Development Project Manager; Doug Walker, Deputy County Executive; Richard DeLoria, Senior Assistant County Attorney; Steve Allshouse, Chief of Administration and Analytics, Cecelia Baber, Chief Accountant; Diantha McKeel, Board of Supervisors Liaison to the EDA, Jack Jouett District; Julian Bivins, Planning Commissioner, Jack Jouett District

1. Establish Quorum and Call to Order

Mr. Gentry convened the meeting at 4:02 p.m.

2. Approval of Minutes

The minutes for May 21, 2019 were reviewed. Mr. Mellen motioned to approve the minutes and it was seconded by Mr. Atkinson.

MOTION: The motion passed unanimously (5-0).

3. Financial Report

The Treasurer's Report was deferred.

4. New Business

- a. Director's Report – Mr. Newberry shared with the Authority that Mr. Johnson is absent due to his attendance at the Automated Vehicles Symposium in Orlando, Florida with Perrone Robotics and Smart Mobility, Inc. In his absence, Mr. Newberry presented the Director's Report.

Mr. Newberry provided a construction updates on Woolen Mills and Potter's Craft Cider. Both projects are moving forward as scheduled. He noted that Potter's Craft was pleased to receive their AFID distribution and thanked the EDA for its support.

Mr. Newberry shared that the Board of Supervisors approved Performance Agreements for the Southwood and Barnes Lumber projects. At the same meeting, the Board also approved a pilot program for a Defense Affairs Committee position to be administered through the Charlottesville Regional Chamber of Commerce.

Mr. Newberry informed the Authority that the CACVB hired a new Executive Director, Courtney Cacatian, from Bristol, Virginia. She will begin August 1.

Mr. Newberry then noted two upcoming guest presenters for the EDA. In August, Stephen Davis from the Community Investment Collaborative will share an update and submit a request for consideration of additional funding. Later in the year, Alexandria Searls from the Lewis and Clark Exploratory Center will provide a financial update.

Finally, Mr. Newberry provided a brief recap of the Joint Board Meeting that was held on June 18, 2019 and highlighted future work priorities for the next six months. The Economic Development Office will be focusing on the development of ordinances and policies for Technology Zones and Tourism Zones, as well as updating the existing BOS/EDA Memorandum of Understanding.

- b. EDA Benchmarking – Mrs. Schmack presented the Benchmarking Data collected from six Economic Development Authorities from around the State (Counties of: Augusta, Henrico, Montgomery, Roanoke, Spotsylvania and Stafford). Many of these counties are part of the County’s standard “Benchmark Communities” but several Directors expressed interest in learning more about counties in our region such as Louisa County and Greene County. Additionally, the Authority expressed interest in understanding the metrics other EDAs are using to measure their return on investment like number of job created or increase in tax revenue.

Mrs. Schmack highlighted how other EDAs used land to catalyze their work and provide a sustainable funding source. Mr. Ray proposed the EDA select one piece of County-owned property to analyze how it could be put to a “higher and better use” and then share it with the Board of Supervisors.

Regarding MOUs, Mr. Gentry would like the BOS/EDA to move towards project specific agreements versus one overarching document.

- c. Castle Hill Gaming VJIP Match Agreement – Mr. Newberry provided a brief summary of the Agreement that was submitted to the EDA for consideration. VEDP committed to providing \$800 per job, and the EDA would to provide a local match of \$200 per job. Mr. Atkinson made a motion to approve a **Resolution Approving an Agreement Between the Economic Development Authority of Albemarle County, Virginia, and Iron Works Development, LLC, dba Castle Hill Gaming**, the motion was seconded by Mr. Ray.

MOTION: The motion passed unanimously (5-0)

- d. Habitat for Humanity Performance Agreement – Mr. DeLoria provided a narrative of the Performance Agreement that was approved by the Board of Supervisors at their June 19, 2019 meeting (narrative following on pages 4-5). Mr. Bowling recommended that the County add an indemnification clause to hold both the County and the EDA harmless. Mr. Ray made a motion to approve a **Resolution to Approve the Performance Agreement Among the Economic**

Development Authority of Albemarle County Virginia, the County of Albemarle, and Habitat for Humanity of Greater Charlottesville, Inc., the motion was seconded by Mr. Mellen.

MOTION: The motion passed unanimously (5-0)

Mr. Long recused himself from the Crozet New Town Associates Development Agreement discussion and left the meeting.

- e. Crozet New Town Associates Development Agreement – Mr. DeLoria provided a narrative of the Performance Agreement that was approved by the Board of Supervisors at their June 19, 2019 meeting (narrative following on pages 6-8). Mr. Bowling recommended that the County add an indemnification clause to hold both the County and the EDA harmless. Mr. Mellen made a motion to approve a **Resolution to Approve the Performance Agreement Between the Economic Development Authority of Albemarle County, Virginia, the County of Albemarle, and Crozet New Town Associates, LLC.**, the motion was seconded by Mr. Ray.

MOTION: The motion passed unanimously (4-0)

5. **Unfinished Business**


Mr. DeLoria distributed individual board member insurance cards that were provided by the insurance provider, VACORP.

6. **Other Matters**

7. **Adjournment**

There being no further business, Mr. Gentry adjourned the meeting.

Teste: 
W. Rod Gentry, Chairman

Approved: 
Secretary-Treasurer

In re Habitat for Humanity Performance Agreement
Request to Approve Agreement
16 July 2019 @ COB 241

I. BOS Approval

- A. June 19
- B. Board of Supervisors Approved Performance Agreement
- C. \$3.2 million in funding to help provide Southwood Neighborhood with
 - 1. Mixed Use (commercial aspects in Opportunity Zone)
 - 2. Mixed Income Community (significant Affordable Housing Units)
 - 3. Non-displacement.

II. History

- A. October 2016 BOS Resolution
 - 1. Identified Southwood Neighborhood as a Priority Area
 - 2. Designated Development Area
 - 3. Resolved that the Southwood Redevelopment Project represents an essential public/private partnership opportunity
 - a. Expected to result in significant returns including high-quality affordable housing units, increased tax base, and reduction in demand for County services
- B. January 10, 2018
 - 1. BOS supports Action Plan on Redevelopment and supports performance agreement for \$675,000 to support planning and rezoning efforts
- C. September 12, 2018
 - 1. BOS approves submission for \$2.25 million Virginia Communities Initiative Grant

III. Southwood Neighborhood

- A. 120 Acres total off of Old Lynchburg Road
- B. Opportunity Zone
- C. 80 Developable Acres
- D. Currently 341 mobile homes
- E. 1500 residents

- F. Redevelopment Plan calls for 700 to 800 dwelling units
- G. 400 Affordable Dwelling Units
- H. \$94 to \$250 million total investment
- I. Phase 1 involves 32.5 acres
- J. Non-displacement plan
- K. Part B includes apartments, commercial & community center
- L. Part A includes attached housing units

IV. Performance Agreement Summary

- A. \$3.2 million over ten years
 - 1. Combination of grants & real estate tax rebates
 - 2. \$1.8 million cash grants through EDA
 - a. \$1.5 million for Habitat built/contracted ADUs
 - b. \$300,000 for 80 more Low Income Housing Credits or building permits issued for 80 more ADUs
 - c. ADUs guaranteed for 40, 30 & 10 years depending on class
 - 3. \$1.4 million in real estate tax rebates
 - a. 10 years
 - b. 100% years 1 through 5
 - c. 50% years 5 through 10
 - d. Funds used for construction of ADUs, pay debt, or held in escrow
- B. EDA Protections
 - 1. Section 4.B.2: The Authority has no responsibility to transfer any Cash Contribution to Habitat that the Authority has not received from the County.
 - 2. Section 4.C.4: The Authority has no responsibility to transfer any Rebate to Habitat that the Authority has not received from the County.
 - 3. Non-appropriation Clause: BOS not obligated to appropriate funds and non-appropriation is not a breach.
 - 4. Agreement contingent on Approval of Rezoning Application

AS clause

V. Motion

- A. Move that the EDA Board approves the Resolution approving the attached Performance Agreement with the BOS and Habitat for Humanity and authorizing the Chair to execute the Agreement once it has been approved to form and content by the County Attorney

Hold Harmless

In re Crozet New Town Performance Agreement
Request to Approve Agreement
16 July 2019 @ COB 241

I. BOS Approval

- A. June 19
- B. Board of Supervisors Approved Performance Agreement
- C. Unanimous Decision
- D. \$3.2 million in funding and In-Kind Contributions to help develop the Barnes Lumber property in downtown Crozet
 1. Mixed Use
 2. Public Plaza
 3. Hotel
 4. Phase 1

II. History

- A. Several Plans since 2006
 1. No progress
- B. County Investment in Crozet Library
 1. Opened 2013
- C. Crozet Master Plan
 1. Envisions mixed use in Barnes Lumber area
 2. County owns former CSX Transportation property in The Square

*Bad agreement
indemnification
also see.*

III. Performance Agreement Summary

- A. Phase 1 Elements
 1. Roads
 - a. Creating a Crozet Main Street Grid
 2. Plaza
 3. Retail 58,000 sq ft
 4. Office 28,900 sq ft
 5. Hotel 40,000 sq ft
 6. 52 dwelling units
- B. Preplanning Stage - Developer
 1. Developer funds Va Brownfields Restoration Project

- a. \$49,912.50 from State Assistance Fund
 - b. \$49,912.50 local match paid by developer
 2. Rezoning from Heavy Industrial to Downtown Crozet District
 - a. Condition precedent to performance agreement
 3. Plaza Site Plan
 4. Develop Architectural Code
- C. Preplanning Stage - County
 1. Cooperate with Rezoning
 2. Parking Study
 3. Public Engagement
- D. Road Plan & Construction - Developer
 1. Develop plans
 2. \$2 million revenue sharing local match including property donation
 3. VDOT contributes \$2.3 million
- E. Road Plan & Construction - County
 1. Engage Contractor & Manage Construction
- F. Plaza - County
 1. Deposit \$1.6 million into escrow with Plaza Construction Lender
 - a. Secured by Second Lien Deed of Trust
 - b. Right to replace developer upon default
 2. Review & Right to Approve construction contract
 3. Inspect Construction
 4. Lease Plaza upon Completion
 5. Maintain Plaza upon Lease
 6. Right to demand conveyance in fee simple
- G. Plaza -Developer
 1. Obtain \$1.6 million construction loan
 2. Construct Plaza, manage construction
 3. Commercial Site Plan
- H. Synthetic Tax Increment Financing
 1. 100% rebate of real estate tax attributable to the Incremental Increased Value
 - a. Paid from County to EDA to Lender
 - b. Semi-annual payment
 - c. Deficits paid by Developer
 - d. Surplus pays Developer's deficit payments first then principal
 - e. Developer will be made whole via tax rebates

- I. County & EDA Security
 - 1. Acquisition of road network
 - 2. Non-appropriation provisions
 - 3. Second Lien Deed of Trust on Plaza
 - 4. County required to transfer funds to EDA
 - J. Benefits
 - 1. Community space for downtown Crozet
 - a. Downtown Crozet Initiative will contribute
 - 2. Projected surplus tax revenues
- IV. Motion
- A. Move that the EDA Board approves the Resolution approving the attached Performance Agreement with the BOS and Crozet New Town and authorizing the Chair to execute the Agreement once it has been approved to form and content by the County Attorney