

**ALBEMARLE COUNTY**  
**ECONOMIC DEVELOPMENT AUTHORITY MINUTES**

**February 15, 2022**

**4:00 PM**

**Electronic Meeting**

Directors Present: Katherine Imhoff, John Mottola, Steve McNaughton, Stuart Munson, George Ray, David Shreve

Staff Present: Jeff Richardson, County Executive, Doug Walker, Deputy County Executive; Nelsie Birch, Chief Financial Officer, Roger Johnson, Economic Development Director; J.T. Newberry, Principal Business Development Manager; Ashley Perry Hernandorena, Economic Development Management Analyst; Greg Kamptner, County Attorney; Diantha McKeel, Board of Supervisors Liaison to the EDA, Jack Jouett District

Guests Present: Chris Kulp, Partner, Hunton Andrews Kurth LLP, Alex Hock, Associate Vice President, Davenport and Company

1. Establish Quorum and Call to Order

Vice-Chair Ray convened the meeting at 4:00 p.m. and read the following statement:

*Notwithstanding any provision in the EDA Bylaws to the contrary, as permitted under Virginia Code §2.2-3708.2(A)(3), Albemarle County's Continuity of Government Ordinance and declaration of a local state of emergency, and the EDA Resolution of April 21, 2020, we are holding this meeting by real time electronic means with no Authority member physically present at a single, central location. This is because the pandemic's catastrophic nature makes it impracticable or unsafe to assemble in a single location. All Authority members are participating electronically. All Authority members will identify themselves and state their general physical location by electronic means during the roll call which we will hold next.*

*This meeting is being recorded and will be uploaded to the County's website.*

*The public has real time audio-visual access to this meeting over Zoom and real time audio access over telephone, both as provided in the lawfully posted meeting notice. The public is also invited to offer live comment during the meeting's Public Comment period. Comments are limited to three minutes and must be germane to matters on today's agenda.*

Ms. Perry Hernandorena provided the roll call and confirmed a quorum.

2. Matters from the Public

Mr. Newberry confirmed no speakers signed up or raised their hand to speak.

3. Approval of Minutes

Minutes from January 18, 2022, were reviewed. Ms. Imhoff motioned to approve the minutes, which was seconded by Mr. Munson.

MOTION: The motion passed unanimously.

4. Financial Report

Mr. Shreve presented the Financial Report for the period ending January 31, 2022.

5. New Business

a. Refunding of Albemarle County 2013 Bonds

Mr. Johnson introduced Nelsie Birch to lead the discussion. Ms. Birch thanked and greeted the Authority and introduced her team: Daniel Greene, Albemarle County Chief of Treasury, and his Deputy, Heather Taylor; Chris Kulp, the County's longstanding Bond Counsel and Alex Hock, Associate Vice President, Davenport and Company.

Mr. Hock offered to walk through the 2013 Bond Issue Refunding explaining the County has about \$21.7 million of outstanding debt, which matures by 2033. After a year and a half review, the County is within 90 days of the call date on the bonds, which are eligible for refinancing with tax exempt bonds with a more favorable rate. He projected about \$1.9 million in savings for the County over the life of the refunded bonds, which is an equivalent to approximately \$175,000 per year.

Mr. Hock explained that the benchmark typically used to measure viability of a refunding is the net present value of the savings as a percentage of the refunded par amount. Right now, the savings are producing net present value savings of ~ 7.8% of the refunded par amount. A typical benchmark of ~ 3% leaves the County at more than double that benchmark.

Vice-Chair Ray asked if the rates had been locked in and Mr. Hock explained not until the bonds are sold around March 8, 2022, which is ahead of the first Fed meeting in March, one of the drivers in terms of developing the schedule.

Vice-Chair Ray applauded the savings and opened the floor for discussion. No questions were asked, so he asked for a motion to approve: Resolution of the Economic Development Authority of Albemarle County, Virginia, Approving a Plan to Refund Certain Prior Bonds through the Issuance of a Series of Revenue Refunding Bonds in an Aggregate Principal Amount not to Exceed \$21,500,000.

Ms. Imhoff moved to approve the Resolution which was seconded by Mr. Shreve.

MOTION: The motion passed unanimously with Mr. McNaughton recusing himself from the vote.

Mr. Johnson recognized Ms. Birch and her team for their great work and stewardship on this effort and Ms. Birch thanked Mr. Johnson for his words and the Authority for their vote.

b. Director's Report

Mr. Johnson began his report by noting that staff often brings projects before the Authority in terms of an individual project to discuss it phase by phase. Today, he wishes to highlight the overall process from a systems theory perspective, including how the strategy was developed, so that the community can see how well that process functions.

1. Front Door - Mr. Johnson explained the process begins through the "Front Door" for startups in our community. Partners like Venture Central, Community Investment Collaborative (CIC) and Central Virginia Small Business Development Center (CVSBDC) are utilized for writing a business plan, applying for funding, creating websites, and offering connections to other resources so new businesses can achieve growth. The goal is to provide a proof of concept through these "Front Doors" and then take them through a process of growth and success in our community.

2. Expert Support - Mr. Johnson said expert support from partners like CvilleBioHub, Charlottesville Business Innovation Council (CBIC), and Catalyst guide businesses through their growth in critical moments of development.

3. Customized Support - Once a business gets the expert support it needs, they reach a level of needing a brick-and-mortar business, where oftentimes they first engage the Authority with a need for matching grants like VJIP, Commonwealth Opportunities Fund, AFID and/or the upcoming Existing Building Reuse grant to get into a building or launch their program. He said customized support can come in many ways, but the general idea is to help these Tier One and Tier Two businesses find a home in our community, so they can stay and grow here.

4. Domestic and/or International Growth - Staff continues to work with businesses as they grow through local and State partnerships with organizations like SBDC and VEDP. Domestic growth is supported through programs like the Economic Gardening Program and internationally through support from the State's Valet Program so that businesses remain in our community while they expand internationally.

Mr. Johnson finished by highlighting local companies that have benefited from these strategies including Castle Hill Gaming, WillowTree, Afton Scientific, Bonumose, Rivanna Medical, and Potter's Craft Cider whose successes have provided career ladder jobs, imported funds into our local economy, and enhanced the economic vitality of our entire community.

Ms. Imhoff asked Mr. Johnson to elaborate on ways that the Authority could support the local agriculture industry.

Mr. Johnson said during the pandemic, while Project ENABLE was on pause, the Board approved a Business Continuity Strategy, which included Lift Grants to help businesses survive. While the Federal Government gave PPP loans and EIDL loans that helped larger businesses, locally the County provided Lift Grants and Safe Spaces Grants to help the most vulnerable businesses survive.

The first focus was on minority, women and veteran owned businesses, and then locally owned businesses. He said, one of the groups that fell through the cracks were the direct-to-market agricultural businesses, so we connected with our local cooperative extension service to create an agribusiness grant whereby direct grants were awarded to farm-to-table businesses. An ongoing microloan program administered by the CIC benefits agribusinesses by providing access to small capital that can help them continue to expand their operations.

From a long-term strategy, staff began looking at affordable ways of getting livestock to market and at this juncture it requires further investigation. Mr. Newberry concurred and added that the County was interested in supporting the supply chain for our meat producers as early as 2015 and it has been a longtime goal and interest of many of the producers in the area.

With no further discussion, Vice-Chair Ray moved on to Closed Session.

c. Closed Session

Vice-Chair Ray read the following CLOSED MEETING MOTION:

*I move that the Albemarle County Economic Development Authority go into a closed meeting as authorized by the Virginia Freedom of Information Act, section 2.2-3711(A) of the Code of Virginia under:*

*- Subsection 5 and 6 to discuss and consider:*

*The expansion of existing Albemarle County businesses (Project Poma and Project Bee Friend) where no previous announcement has been made of their interest in locating and expanding its facilities in Albemarle County and the investment of public funds to support that location and expansion where bargaining is involved and where, if made public initially, would adversely affect the financial interest of the EDA and Albemarle County.*

Mr. Ray moved to approve the Motion which was seconded by Ms. Imhoff.

**MOTION:** The motion passed unanimously.

Closed Meeting Certification - Following the closed meeting, Vice-Chair Ray read the following Closed Meeting Certification:

*I move that the EDA certify by recorded vote that to the best of each Director's knowledge, only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the Closed Meeting were heard, discussed, or considered in the Closed Meeting.*

**MOTION:** The motion passed by rollcall vote.

## 6. Unfinished Business

### a. Lewis and Clark Exploratory Center Loan

Mr. Johnson requested the floor to provide a brief update on Lewis and Clark Exploratory Center (LCEC). He explained that two Directors of the Authority attempted to meet with the organization in hopes of finding common ground and resolving their outstanding loan. Due to technical issues, the discussion is rescheduled for February 23, 2022 before the LCEC's attendance at the Authority's next meeting on March 15.

Mr. Shreve added that before technical problems ended the meeting staff noted that LCEC's budget did not contain a repayment schedule for the loan. He said it appeared they are seeking forgiveness of the loan, which the Authority considers to be a non-starter. The debt requires collection.

Mr. Shreve said that LCEC hasn't changed course in a material way to obtain new revenues or reduce costs since the Authority revisited the issue months before.

Ms. McKeel asked when the loan was taken out and it was confirmed as 2013.

Mr. Shreve said that early documents that provided LCEC's revenue projections were a best-case scenario, and it doesn't appear plans were adjusted as time progressed. He reinforced the scenario isn't pandemic-related because it was LCEC's position almost immediately after the loan was received.

Vice-Chair Ray asked for clarification of the loan balance, which was confirmed at \$125,625 by staff, and asked what the options for collection were.

Mr. Shreve added the original construction came from a \$800,000 VDOT grant which is almost all their assets and that historically they are tied to public money, not just the loan provided by the County and the City. He said he mentioned to Supervisor McKeel the possibility of the County turning the property over to the Parks and Recreation Department to transform the way it's operated. Ms. McKeel said she had not discussed the issue any further since Mr. Shreve mentioned it to her.

Mr. Walker suggested that consideration of legal options should be discussed in closed session.

Mr. Shreve said he thinks the only resolution is for modest repayment that would happen over a long period of time. He added that initially LCEC anticipated a three-year repayment schedule and implied a more ambitious and faster timetable could even be met.

He added that close to 35-40% of their budget is allocated for health care coverage. He suggested they investigate more affordable options through the Affordable Care Act, which may yield potentially savings of \$25,000 to \$28,000 annually.

Ms. Imhoff supported Mr. Shreve's recommendation. She noted that, as a very small shop, there are not a lot of ways for LCEC to save. She added there may be facility rental opportunities coming out of the pandemic.

Mr. Shreve finished by adding that LCEC are operating in a deficit, and he isn't optimistic they can make their budget without grants and donations. Ms. Imhoff reinforced that LCEC is a non-profit and a therefore a different business model.

Vice-Chair Ray suggested Directors meet with LCEC and then reconvene in closed session on March 15.

7. Other Matters

Vice-Chair Ray asked for other matters and there were none.

8. Adjournment

There being no further business, Mr. Shreve made a motion to adjourn which was seconded by Mr. McNaughton.

MOTION: The motion passed unanimously.

The next meeting is scheduled to be held March 15, 2022.

Teste: \_\_\_\_\_  
George Ray, Vice Chairman

Approved: \_\_\_\_\_  
Roger D. Johnson, Assistant Secretary