

**ALBEMARLE COUNTY**  
**ECONOMIC DEVELOPMENT AUTHORITY MINUTES**  
**March 15, 2022**  
**4:00 PM**  
**Electronic Meeting**

Directors Present: Don Long, Katherine Imhoff, John Mottola, Stuart Munson, George Ray, David Shreve

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

Guests Present: Connor Childress, Scott Kroner, PLC; Sarah Gran and Malou Stark, Lewis & Clark Exploratory Center

1. Establish Quorum and Call to Order

Chair Long 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.*

Mr. DeLoria 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 February 15, 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 February 28, 2022.

5. New Business

a. Loan Payoff by Southwood Charlottesville, LLC, and Execution of Deed of Release and Lease Termination Agreement by Economic Development Authority of Albemarle County

Mr. DeLoria explained that in 2007, Habitat for Humanity purchased parcels from the Minor family for \$6 million under the entity "Southwood Charlottesville, LLC." Arrangements were made for the Authority to

assume the note and the \$6 million obligation was then secured by an unrecorded deed presented to the EDA. The Authority then leased the property back to Habitat, who agreed to pay the installments on that note through rent payments that went directly to the previous owners. Now, Habitat wishes to refinance the debt and release the Authority from the note and requests a Deed of Release and Termination Agreement for the lease.

Habitat has not yet refinanced the debt, so the Authority is asked to adopt a resolution to authorize the Chair and Vice Chair to execute the documents prepared by Mr. Childress. Bond Counsel and the County Attorney's Office have reviewed those documents and deemed them appropriate.

Once signed, the documents will be held in escrow until a closing date for the refinancing is determined, then provided to the settlement company to be held until the transaction is complete. Mr. Childress confirmed Mr. DeLoria's summary, thanked the Authority and offered to answer any questions.

Chair Long and Mr. Childress agreed the Authority would send the signed documents to Mr. Childress' office to hold and release when the deed is paid.

With no further questions, Mr. Munson made a motion to approve the Resolution Approving a Deed of Release & Lease Termination Agreement upon Southwood Charlottesville, LLC's Payoff of the "Economic Development Authority of Albemarle County, Virginia, amended, modified, and reissued Deed of Trust Real Estate Note, Series 2010, which was seconded by Mr. Ray.

**MOTION:** The motion passed unanimously by roll call vote.

#### b. Director's Report

Mr. Johnson reviewed the following items of interest with the Directors:

- **EDO 2023 Recommended Budget:** County Executive, Jeff Richardson provided the recommended budget for FY23 to the Board including a recommendation to use year-end savings to reinvest \$5 million back into the Economic Development Investment Pool. Mr. Johnson relayed that the Board was very supportive in their initial comments and thanked Supervisor McKeel for her supportive public comments.
- **Land Capacity Analysis for Economic Development:** Staff has continually been working with the Department of Community Development and Kimley-Horn, to complete the Land Use Capacity Analysis report and expects the report in April/May.
- **Building Reuse Grant:** Staff expects to have a draft Building Reuse Grant for the Authority's review at the April/May meeting.
- **Broadway Blueprint Study:** Mr. Johnson reviewed the plan that began around three years ago to take the 46.5 acres on the Broadway Corridor (where Woolen Mills is located) and create a place of activity and vibrancy for residents and business. Original plans to present staff's final recommendations to the Board were delayed by COVID-19.

Recommendations of the study included:

- Creating a Corridor Business Association
- Arts or Cultural District Overlay
- Increased Pedestrian and Bike Connectivity
- Design study for a Multimodal Streetscape
- Enhance Public Transportation

- Visit all Businesses on the Broadway Street Corridor

In addition, the County adopted the “Community” as a core value, which focusing on equity and inclusion. That action provided an opportunity to re-examine the project through an equity lens and develop a second round of recommendations. The Board of Supervisors will receive the final study as a consent agenda item at their meeting tomorrow.

New additional recommendations include:

- Connectivity to all outside communities, including the City
- Targeted programming and the use of public space to serve the broader neighborhoods
- Consider strategies to mitigate gentrification, land ownership, and subsidies
- Conduct proactive community engagement to ensure representation from all surrounding communities
- Free public transportation for all

Ms. Imhoff thanked staff and offered support of the project’s contribution to the community. She added the Rivanna Pedestrian Bike Bridge offered different options that could benefit this project as well.

Supervisor McKeel asked Mr. Johnson for follow up on groups of entrepreneurs struggling to afford space in the area. He said findings indicate there is no successful way to control market conditions and that free market dictates rental rates. Mr. Johnson added the only strategies found to prevent gentrification involve the Authority or the Board of Supervisors owning or controlling property and providing subsidies to offset rent. He reiterated that staff is not recommending that as a strategy but recommending it be considered and the Board of Supervisors make the final decision on whether that strategy is adopted.

Supervisor McKeel offered her appreciation of the expanded discussion because the Board is concerned about small businesses on the corridor that are affected by the lack of lower cost industrial space and the rising cost of doing business.

Mr. Shreve offered his support of the strategies and asked what percentage of businesses lease vs own. Mr. Johnson confirmed that most businesses lease rather than own. Mr. Shreve and Mr. Johnson discussed investigating strategies to assist business owners in acquiring property by increasing their access to capital through partnerships with an organization like the Community Investment Collaborative.

Mr. Munson shared that Scottsville is vexing over a similar situation revolving around a development of about 36 homes and looking to support affordable housing and is interested in further discussion.

Next, Mr. Johnson discussed Designated Outdoor Refreshment Areas (DORAs).

- New legislation passed allowing designated outdoor refreshment areas. DORAs are a geographic area licensed by the ABC that allows consumption of alcoholic beverages within public spaces or inside of participating business without an ABC license.

Mr. Johnson provided graphics of a DORA event in Scottsville, that according to town administrator Matt Lawless, was very successful and increased business sales and revenues. He went on to explain the process of establishing a DORA and offered visual examples. Mr. Johnson continued with samples

of unrequired additional signage that would be helpful, if a business located inside of a DORA didn't want alcohol in their establishment.

Mr. Munson enthusiastically supported a DORA and shared the events in Scottsville were a big success with no problems whatsoever. Supervisor McKeel asked Mr. Munson the times of the event which were confirmed as around 11 a.m. through 7 p.m. to accommodate an art walk and afternoon lunches.

Mr. Johnson confirmed Ms. Imhoff's inquiry if the City of Charlottesville was using a DORA in April for the Tom Tom Festival. Ms. Imhoff added her support and suggested areas like Scottsville and Crozet and other areas with a city center would be perfect locations and inquired staff's recommendations. Mr. Johnson offered his full recommendation of properly organized events and added that staff had met with County law enforcement, who were generally supportive. Ms. Imhoff asked if staff was considering other locations. Mr. Johnson replied that The Shops at Stonefield are pursuing an application, which was largely supported by the Directors.

With supportive feedback Mr. Johnson will share this feedback with the Board when the time is appropriate.

#### c. Synthetic TIFs for Affordable Housing

Mr. Johnson began with an overview of Tax Increment Financing (TIF) and explained that Albemarle County uses a Synthetic TIF model that looks at projects on a case-by-case basis to determine the baseline and future tax value and what the rebates may be possible.

Illustrating the concept with a graphic, he explained that typically a whole geographic area is identified in advance and determined to be eligible for tax increment financing. Then, after a property is developed, it has a new tax value, which is greater than the original baseline value. The variance between the baseline value and the new appraised value is the tax increment which make projects happen that wouldn't be otherwise financially feasible.

He used the example of a TIF in the City of Wilmington, where the City worked with a developer to find a higher and better use for the Water Street parking deck, which needed to be redeveloped. Mr. Johnson explained that certain elements of the project desired by the public would not have happened "But For" the local government's participation because they were not financially feasible.

Mr. Johnson asked the Authority if there was interest in using Synthetic TIFs to build affordable housing and added that staff has been approached by a couple of groups asking if the Authority would support these projects. He added that he had to excuse Chair Long from earlier conversations due to a conflict. He asked Vice Chair Ray to solicit the Authority's feedback.

Mr. Munson supported using Synthetic TIFs as a potential tool to develop affordable housing in Scottsville and enable people who work there to be able to afford to live there. Mr. Shreve encouraged Directors to think creatively on how to make the affordability component more permanent to avoid temporary benefit. Ms. Imhoff agreed and voiced concern about the length of time that rates can be locked in and remain affordable but agrees it's an important tool.

Mr. Walker shared two examples where the EDA has implemented a tax increment style of support for affordable housing projects. One example is the Brookdale development, which received a \$1.5 million contribution in tax rebates through the EDA with a 15-year term of affordability. Another example is Habitat for Humanity's Southwood project.

Mr. Walker added with the absence of a Housing Authority, the EDA has been an important mechanism used by the County, especially when the Board of Supervisors is considering developer incentives or making affordable housing more permanent in our community.

Mr. Shreve voiced concern that increased property taxes are passed on to residents when you have rental properties like this, so it builds added pressure against keeping these units affordable.

Chair Long added that he is supportive of affordable housing and tax incentive financing but there needs to be clarification of the EDA's role. He and Mr. Shreve noted that supporting financing through bond issuance or other different formats and influencing housing policy are two different issues.

Mr. Ray concluded suggesting Synthetic TIFs would be a good tool for the Broadway Corridor.

#### d. Lewis and Clark Exploratory Center Update

Chair Long welcomed Malou Stark and Sarah Gran from the Lewis and Clark Exploratory Center (LCEC) Board.

Ms. Stark updated the Authority of the negative impacts of the COVID-19 pandemic on the Center's operations. She explained in Fall 2021, LCEC resumed activity with very private small group tours and a decision in January to hold a full schedule of summer camps in 2022. She said tours have consisted mainly of a few private groups, but not the public schools; five to six counties they normally serve are leery to field trips due to the pandemic. Additionally, LCEC has continued renting out their building in addition to successfully securing grant support during the pandemic.

She explained LCEC has dealt with unforeseen costly experiences; including a leak in their green roof that caused damage, vandalism, drug use, and trespassing issues that resulted in a need to close the Keel Boat exhibit and install a gate at the entrance of the facility for security.

Ms. Stark said that prior to the pandemic, they would have around 3,000 visitors monthly a weekend to Darden Towe Park and that number of visitors has increased to about 8,000 visitors per weekend.

Ms. Stark concluded that LCEC is open and steadily increasing visitation and visibility by offering new educational and environmental and exploratory programs, including an amphitheater for visitors. She offered to answer any questions before handing over the floor to Ms. Gran prior to closed session.

Chair Long thanked Ms. Stark and added that he, Director Shreve, and EDO staff met with Ms. Stark, Ms. Gran, and LCEC's Executive Director, Alexandria Searls, prior to this meeting, where they discussed the outstanding loan.

Ms. Gran thanked the Authority for their time and staff for assistance with technology training for the meeting and voiced her appreciation for their and the Directors' cooperation in preparation for this meeting. She reinforced that they took away the thoughts and ideas that were addressed in the prior week's meeting and that LCEC takes repayment of this loan seriously.

With the goal of moving forward, Ms. Gran clarified her understanding that the Authority sought a clear plan of repayment and better communication and confirmed her desire to accommodate and go into more financial details in closed session.

She added that LCEC had a board meeting specifically to address this loan repayment and that it is taken seriously by herself and the board. Ms. Gran referred to financial documents shared with the Authority to be reviewed in closed session along with a realistic repayment plan.

With no further questions or comments, Chair Long thanked the guests and moved to Closed Session.

e. Closed Session

Chair Long 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 6 to discuss and consider:*

*The investment of public funds for the development of Downtown Crozet, the Lewis & Clark Exploratory Center at Darden Towe Park, and Project Khaki where bargaining is involved and where, if made public initially, would adversely affect the financial interest of the County; and*

*-Subsection 8 to discuss and consider:*

*Consultation with EDA legal counsel regarding the Lewis & Clark Exploratory Center loan, which requires legal counsel's advice and, if provided in open session, would adversely affect the EDA's negotiating posture.*

*-Subsection 39 to discuss and consider:*

*Information subject to the exclusion in subdivision 3 of Section 2.2-3705.6 related to economic development, to wit: proprietary information voluntarily provided by the Lewis & Clark Exploratory Center, a private business, pursuant to a promise of confidentiality by the EDA upon the Center's request and used by the EDA for business, trade, and tourism development or retention.*

The Motion which was seconded by Ms. Imhoff.

MOTION: The motion passed unanimously.

Closed Meeting Certification – Following the closed meeting, Chair Long 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.*

The motion was seconded by Mr. Ray.

MOTION: The motion passed by roll call vote.

6. Unfinished Business

a. Transition to Hybrid/In-Person Meeting Format

Mr. Johnson asked Mr. Walker to discuss the status of the Authority's meeting format moving forward.

Mr. Walker announced the Board of Supervisors will end the local emergency their meeting on March 16, 2022 and the Board's first in-person meeting in two years will be on Wednesday, April 6, 2022.

Public bodies will be grouped into tiers to transition meeting formats, under accordance with the Continuity of Government Operations Ordinance, which remains in effect to allow this adjustment, beginning with the Board of Supervisors, the School Board, and the Planning Commission.

The EDA will be in the second tier and will likely not transition before June to in-person meetings, along with other groups in that category.

Mr. Walker added that decisions were being made to which meetings would be supported to allow for hybrid meetings and which would not. He said that many technology changes have been made to Lane Auditorium and Conference Room 241 in the County Office Building to allow for hybrid meetings and that the Authority could expect to use Conference Room 241 for that purpose.

7. Other Matters

Chair Long asked for other matters and there were none.

8. Adjournment

There being no further business Chair Long moved to adjourn with no objection.

The next meeting will be held April 19, 2022.

Teste: \_\_\_\_\_  
Donald Long, Chairman

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