

**ALBEMARLE COUNTY  
ECONOMIC DEVELOPMENT AUTHORITY MINUTES  
AUGUST 16, 2022  
4:00 P.M.**

**Directors Present:** Don Long, David Shreve, George Ray, Stephen McNaughton, Matthew Lawless, Jeff Morrill, John Mottola

**Staff Present:** Jeff Richardson, County Executive; Doug Walker, Deputy County Executive; J.T. Newberry, Principal Business Development Manager; Ashley Perry Hernandorena, Economic Development Management Analyst; Megan Gray, Senior Business Development Manager, Richard DeLoria, Senior Assistant County Attorney; Stacy Pethia, Housing Policy Manager; Diantha McKeel, Board of Supervisors Liaison to the EDA, Jack Jouett District

**Guests Presentors:** Yolunda Harrell, New Hill Development Corporation; Dan Rosensweig, Habitat for Humanity of Greater Charlottesville; Jay Simple, The Bridge PAI

**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 § 15.2-1413 and Albemarle County's Continuity of Government Ordinance, we are holding this meeting by real time electronic means with no Authority member physically present at a single, central location. All Authority members are participating electronically. All Authority members will identify themselves and state their general physical location 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 invited to offer live comment during the 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**

Ms. Hernandorena confirmed no speakers signed up or raised their hand to speak.

**3. Approval of Minutes**

Minutes from the June 21, 2022, meeting were reviewed. Mr. Ray motioned to approve the minutes, which was seconded by Mr. McNaughton.

MOTION: The motion passed unanimously.

**4. Financial Report**

Mr. Shreve reviewed the financial report for the period ending April 30, 2022.

**5. New Business**

**a. Introduction of New EDA Directors**

*Matthew Lawless, EDA Director, Scottsville District; Jeff Morrill, EDA Director, Samuel Miller District*

Mr. Newberry introduced Matthew Lawless and Jeff Morrill and said staff had conducted an orientation with highlights from project ENABLE and he felt that they were bringing the new members' strengths to the Authority.

Mr. Long welcomed Mr. Lawless and Mr. Morrill.

Mr. Lawless introduced himself as Matthew Lawless, seated at the Scottsville Town Hall. He said his day job was being the Town Administrator for Scottsville. He said he had 10 years of local government experience and public service was his career, so supporting the local economy was an important part of that.

Mr. Morrill said he was from Blacksburg and after graduating from Virginia Tech moved to Boston, and in 2018, after 20 years of building businesses, he and his wife moved back to Virginia. He said he currently worked from home. He said he was limited in his experience with local government but could provide insight into what it was like going before a government organization for assistance.

Mr. Long welcomed the two new Directors.

**b. Southwood Performance Agreement**

Mr. Newberry noted that the Board of Supervisors received an update on the Southwood community back in April, and the action before the EDA tonight was approving the payment for meeting certain milestones within the performance agreement, attached in meeting materials as Attachments 4A and 4B.

Mr. Rosensweig said Southwood was part of the larger-scale work of Habitat for Humanity to create mixed-income neighborhoods through affordable homeownership in the region, which also intersected with preventing evictions of vulnerable residents who rented property in Albemarle County. He said in 2004, families in the Belmont-Carlton area discovered the land underneath their trailers had been sold, so Habitat for Humanity bought the contract from the developer and worked with residents to create the nation's first mobile home park transformation without displacement.

Mr. Rosensweig said in 2007, Habitat for Humanity purchased Southwood. He said the problems in the park were on an enormous scale, but with the help of the County, they were able to append a 32-acre parcel adjacent to the mobile home park. He said they promised non-displacement to all the residents there as they did with the Sunrise Project.

Mr. Rosensweig said in response and partnership, the County Board of Supervisors passed a resolution in 2016 endorsing a collaborative relationship between the County and Habitat, with the rationale being the significant returns the County would see in high-quality affordable housing, employment opportunities, increased tax base, and reduction in the high demand for County services.

Mr. Rosensweig said the County's 2019 performance agreement included \$1.8 million in general funds and \$1.4 million from TIF or tax rebate, and 75 affordable homes in Phase 1 of the Redevelopment, milestones in terms of building permit receipts, LIHTC contracts, providing a non-displacement plan, and meeting fundraising milestones. He said they had completed the first fundraising milestone with \$22.4 million raised out of the \$15 million capital campaign. He said they were able to build 207 affordable homes with this overperformance.

Mr. Rosensweig said the residents had moved forward form-based code in 2019 for the area of land adjacent to the trailer park to be developed first to move people from their mobile homes and then redevelop the rest of the site.

Mr. Rosensweig said they were piloting a new definition in County zoning code that was a flexible unit that could be used as an affordable rental or for people to use to operate businesses. He said there also was a neighborhood commercial center as part of the first phase with 10,000 square feet of commercial in it, although thus far, it was not leased up except for the childhood education center.

Mr. Rosensweig said the first two homes at Southwood were complete and the first two accessory dwelling structures were panelized. He said there was \$12 million invested in site work in the first phase and \$2 million of environmental remediation had been completed. He said they had been working closely with the County inspectors and DEQ, and that area had been restored so they were able to build on it.

Mr. Rosensweig said they were in the final stages of rezoning the rest of the trailer park and would be before the Board of Supervisors on September 21 on this issue. He said it was more challenging from therein, but the plan was to develop an area, move people from their trailers into that newly developed area, village by village, until they were completed in 2035.

Mr. Rosensweig said as part of Phase 2, a center was planned for a neighborhood downtown for uses including a shared kitchen, a business incubation center, a café, an early childhood education center, and potential other non-residential uses. He said they were also proffering a discounted sale of an urban-scale school site, so that could become another hub of activity if the County desired.

Mr. Rosensweig said they were working on remediating the failing infrastructure of the park even during the process of redeveloping and transforming it. He said when completed, Southwood would be more than 1,100 homes with up to 700 of those being affordable. He said \$160 million was invested in the construction of affordable units and the total investment was \$502 million in direct investment, which equated to a few billion dollars of economic impact locally.

Mr. Rosensweig said Southwood the sum total of taxes being paid to Albemarle County through a combination of real estate and personal property taxes by current Southwood residents was \$140k per year, and the real estate taxes to be paid by rehoused residents post-redevelopment would be \$850k per year, so the annual net gain for the County without increased impacts was \$710k per year.

Mr. Rosensweig concluded his presentation and entertained questions.

Mr. Lawless asked if the protocol called for a motion to be made first.

Mr. Long said that they did not need one. He asked if the County Executive Office had anything to add to this information.

Mr. Walker acknowledged the extensive negotiations between Habitat for Humanity, the County, and the EDA to create the performance agreement. He said that using synthetic tax increment financing (TIF) was certainly working as a development model for this project and the future.

Ms. McKeel asked Mr. Rosensweig to explain more about the school site and offer to the school system.

Mr. Rosensweig said it was a complicated situation with the County. He said a school site fit in well with the values of Southwood and was needed in the southern neighborhoods per the County's data. He said offered to the County was an urban-scale school in the growth area, proffered as a 7-acre parcel rather than a 20-acre parcel. He said they also worked to design a 2.5-level school that fit on-site inclusive of the surrounding play areas and amenities.

Mr. Rosensweig said they were not offering to give it away because the market-rate sale was needed to cross-subsidize affordable houses. He said they instead offered a proportional discount to the appraised fair market value for the school to purchase it. He said they changed the proffer from the Planning Commission meeting such that they would do all the development work of providing materials and labor, pro bono. He said should this be accepted as a proffer, then the County would have some decision as to what area to begin construction in.

Ms. McKeel said the decision laid with the Albemarle County Public Schools.

Mr. Walker said it would be the Board of Supervisors' decision to accept it as a proffer next month. He said there was ongoing dialogue between the Planning staff and school staff about the viability of this site. He said the school had other 7-acre sites, which was the minimum the schools found acceptable.

Ms. McKeel asked Mr. Rosensweig if there was any discussion about the Girls and Boys Club sharing space with the schools.

Mr. Rosensweig said he concurred with the idea. He said the Boys and Girls Club. He said what had been proffered was that the County had until 2027 to make a decision and break ground on it, so the proffer held open that door for the School Division, Boys and Girls Club, and Board of Supervisors could all have time and space to make that decision.

Mr. Shreve said the non-displacement pledge had not been tested yet because none had been moved to the new units. He asked how Mr. Rosensweig envisioned that happening in the current phase of the plan and how they had been able to develop so far.

Mr. Rosensweig said they tested it at the first mobile home park they transformed, where the residents who wanted to stay, stayed. He said they offered 17 different housing types with a range of affordability for home rentals and ownership for every single person who was there, and a commitment to rehouse

everyone on-site should they choose to stay. He said thus far, the first village had 49 homes and all 49 had been selected by families.

Mr. McNaughton asked what the other hurdle was than wanting to stay that the families had to get over. He asked if it was a financial issue that these individuals faced if they did not stay.

Mr. Rosensweig said there was no financial hurdle if they stayed because their promise, backed by a federal requirement, was that there were affordable units for everyone on-site, so the only reason they would leave is if they wanted to.

Mr. McNaughton asked if there were any other sticky points other than not wanting to be there.

Mr. Rosensweig said there was not one. He said in addition to building the homes, they were also the mortgage originator with their own origination standards, so there were no credit worthiness questions on that paper.

Mr. Ray asked if the early commitments they received for homes were for rental or purchase.

Mr. Rosensweig said they were for purchase. He said there were a handful of people who were in one of the sections adjacent to the construction site who were moved prior to redevelopment because of failing septic systems and those people had chosen to rent approximately 14 rentals in the first few villages.

Mr. Lawless motioned for the EDA to appropriate \$600,000 to Habitat for Humanity of Greater Charlottesville, Inc., and to authorize this Authority's Chair and Treasurer to execute all documents necessary to complete this grant.

**MOTION:** The motion passed unanimously.

**c. Grant Match: National Endowment for the Arts, Our Town Program; *Unsettling Grounds***

Mr. Newberry said this item was the result of a partnership with the Office of Equity and Inclusion. He said the first Director of that Office connected them with this grant match opportunity for a National Endowment of the Arts Grant that would further Economic Development's interest in placemaking activity along the Broadway Street Corridor.

Mr. Simple said this project was led by an artist teaching at UVA named Marissa Williamson, titled *Unsettling Grounds*, and used experimental methods to create monuments and works for and by Black, Indigenous, and low-income artists, attempting to find ways to support their artistic endeavors by interacting with history integral to Charlottesville and Albemarle County.

Mr. Simple said Ms. Williamson created a similar project in Philadelphia in a work titled *Sweet Chariot*, using augmented reality to view murals in augmented reality on walking tours. He said The Bridge had partnered with Ms. Williamson to imagine the future beyond the eight artists commissioning this work, which would only be the starting point of a sustainable program to give access to studio space and funding for Black, Indigenous, and low-income artists.

Mr. Simple said they had just launched the open call for artists at [unsettlinggrounds.com](http://unsettlinggrounds.com). He said partnered with them was Dream Syndicate, a developer who would create the augmented reality platform.

Mr. Long asked if the technology part of it existed and if the grant funding was to create the virtual art.

Mr. Simple said the funding would allow for artists to have stipends and to be able to develop the augmentation of reality. He said there was also interest in leasing space in Woolen Mills for exhibitions and to house the augmented reality space.

Mr. Lawless asked what the timeframe would be from call to artists to installation and public display.

Mr. Simple said the call for artists would be up until September 23, the announcement of the eight artists was on October 7, the first meeting with artists was on October 22, and the artists would be required to have in-studio monthly meetings between October and June 2023, at which point all of the assets would be digitized and sent to Dream Syndicate. He said the hope was to have a finished project by June 2023.

Mr. Lawless thanked Mr. Simple.

Mr. Simple said there was flexibility with the schedule due to the creative nature of the project.

Mr. Long clarified that there was \$25,000 from the NEA, and their grant of \$5,000 would match that. He asked if their grant was the only grant necessary to trigger the NEA grant.

Mr. Simple asked for Mr. Long to repeat himself.

Mr. Long asked if there were other matching grants needed to get the NEA funding, or if the EDA's was necessary to get it.

Mr. Simple said it was a combination of the Office of Equity and Inclusion and the EDA who were matching together the amount needed.

Mr. Shreve said he was still unclear as to what the matching grant amount was.

Mr. Simple said the Office of Equity and Inclusion was giving a match of \$25,000, so that plus the EDA's \$5,000 and NEA funded the majority along with some private donations.

Mr. Shreve asked if the \$5,000 was part of a required match.

Mr. Simple said he believed it was to help round out the budget, but he had not been present during many of these conversations so that was unclear. He said he would check with Ms. Williamson if that was a point that the Authority needed clarified.

Mr. DeLoria said in drafting the resolution, he asked for supporting documents, and about a year ago, there was a request for the County and particularly the Economic Development Office to indicate support for providing \$5,000 in matching funds to the National Endowment for the Arts Grant, so based on that, they were operating from the position that the \$5,000 was required to match the NEA grant. He said he did not have the application so he could not confirm it from that point.

Mr. Lawless said he had seen and worked on projects similar to this one with The Bridge, and he was impressed with The Bridge's ability to provide high-quality public art.

Ms. McKeel said she too appreciated The Bridge's work.

Mr. Simple thanked Mr. DeLoria for the clarification.

Mr. DeLoria said he wanted clarification that the motion was the one included in the resolution, because it was a conditional motion that provided the grant based upon the County transferring the money based on their Economic Opportunity Fund.

Mr. Ray motioned for the approval of the resolution for the grant.

Motion seconded by Mr. Lawless.

Mr. Long asked if Mr. Ray's motion was moving to approve the resolution included in the packet.

Mr. Ray said that was correct.

**MOTION:** The motion passed unanimously.

**d. Grant Match: GO Virginia, BEACON's Shared-Use Kitchen and Incubator**

Ms. Yolunda Harrell, Founder and CEO of New Hill Development Corporation, shared a presentation for the Board. She explained New Hill Development was a local, nonprofit, community development corporation formed in 2018, and their vision was to expand economic activities that redefined wealth for thriving Black communities.

Ms. Harrell said in 2019, a community vision plan was created for the Star Hill area, and during the process, conversations were held with entrepreneurs. She said they wanted to create a business incubator, and in 2020, the need for a business incubator became apparent, especially for the food industry.

Ms. Harrell said the project considered ways to reduce financial barriers, create at least 94 new jobs, stabilize existing businesses, increase revenue streams for local farmers, add more diversity to the local food economy, and support about 70 businesses at once.

Ms. Harrell said as a response, they decided to create a shared-use commercial kitchen. She noted there already was a small shared-use commercial kitchen at Trinity Episcopal Church. She said during the pandemic, other incubators from across the country were consulted to understand how they worked

and how they were able to support several businesses simultaneously.

Ms. Harrell said the kitchen was a fully equipped facility to help support startup businesses by removing restrictive financial barriers.

Ms. Harrell said catering businesses, food trucks, existing restaurants, bakeries, meal-prep businesses, and others could use the facilities. She noted the facility would have multiple workstations, a total of 16, to support several businesses at once, and the facility would be available for 24/7 access. She added that four of the workstations would be individually isolated to aid in preparing specialty products like gluten-free or nut-free foods, or religious products like halal foods.

Ms. Harrell said the facility would have professional-grade equipment, access to freezer, cold, and dry storage areas, proper sanitation equipment, and specialized equipment. She said there would be a loading dock for receiving and distributing products.

Ms. Harrell said they hoped to see the facility encourage and create more innovation throughout the community. She said the kitchen, called Beacon's Kitchen, would be for rent on an hourly basis or a monthly membership. She compared the business model to WeWork or a gym membership.

Ms. Harrell said the project would benefit the County by lowering barriers to entry for new entrepreneurs which promoted the ability to stand up diverse businesses. She said a food business training program had been developed to provide incubation for Black-owned businesses with the goal to have businesses eventually move into their own brick-and-mortar locations.

Ms. Harrell said existing businesses in the County could use the facility to promote various revenue streams such as catering, wholesaling, and value-added products. She said the facility would encourage local production.

Ms. Harrell said local farmers could store and process foods to be sold from the kitchen. She noted there would be a significant impact on the area economy through job creation and taxable revenue. She said a report was shared from the Weldon Cooper Center about the local economic impact of the project, and the results showed a significant impact.

Ms. Harrell explained they applied for the Region 9 GO Virginia Council Grant, and they were awarded the grant, a total of \$189K. She said the grant required the recipient to work with at least two localities as part of receiving the grant, so they partnered with the City and the County. She said they were partnered with the University of Virginia as well, but they were not allowed to count the work done with the university to support the project. She noted the university provided cash support and project management support.

Ms. Harrell said to date, there was a total of \$800K committed to the project.

Mr. Long opened the floor for comments from the Board.

Mr. Lawless expressed his support for the project coming to the County. He noted the proposed location



was easy to access from different points of the County. He asked how the location had been acquired.

Ms. Harrell said one of the Board members, Mr. Hunter Smith, owner of Champion Brewing, was utilizing the space, so they set up a secession plan to transfer ownership of the facility without going to open market. She said the owner of the space, Mr. Charlie Lewis, was easy to work with and aided in the transition.

Mr. Morrill asked what the eligibility criteria were to use the facility.

Ms. Harrell said kitchen use was not dependent on demographics or background, but businesses had to have the proper licenses and certifications to operate. She noted businesses did not have to be registered in the City to use the facility. She noted Mr. Smith planned to utilize the facility to consolidate the prep work that needed to be done for each of his several restaurants.

Mr. Long asked Ms. Harrell to provide more information about the business incubator aspect of the project. He asked what support would be provided to businesses beyond the equipment.

Ms. Harrell explained the Food Business Boot Camp had started in April 2022. She said CIC was an organization that provided entry-level training for new entrepreneurs, and there were other programs to provide training. She said few people were ready to start a food business that had training in how to run a food business.

Ms. Harrell said they partnered with Culinary Concepts AB, and they drafted a curriculum and program to allow individuals to learn the operations of a food business. She explained it was a 6-week program that met two nights a week—they discussed business the first night, and the second night, they discussed cooking. She said individuals could receive feedback and advice from seasoned chefs on food and recipes, and the chefs were available to aid in recipe development and food cost analysis.

Ms. Harrell said the business owners would be provided support in marketing and bookkeeping. She noted many businesses they assisted during the pandemic were unable to take advantage of PPP and other programs because they did not have financial documents in order. She said many businesses did not have the necessary marketing to pivot during the pandemic.

Mr. Shreve asked how food safety training was provided to businesses.

Ms. Harrell said food safety training was provided separately. She said they partnered with Culinary Concepts which was a serve-safe certified trainer. She said the businesses they had partnered with were already serve-safe certified because they had undergone other programs or the certification was required for the business. She said they worked with businesses to provide serve-safe training online, and they would provide test proctoring when they were ready to take the test.

Mr. Long asked how much money would be needed to meet project goals after the grant had been received.

Ms. Harrell said they were continuing to raise funds because they needed operating capital. She said

they had received plans from Mike Stoneking, the architect for the project, and those plans had been provided to the construction organization to provide a quote for construction.

Ms. Harrell said they applied for a grant from the USDA that allowed them to do specific work with farmers to ensure they purchased the right type of equipment, and they would do a study. She said they worked with the Local Community Foundation to secure additional funding, and they were more than halfway to their funding goal. She said they had received a draw schedule from the construction company to show when the funding would be needed.

Mr. Shreve asked if there was a clawback provision if the project fell short and was unable to continue.

Mr. DeLoria explained that when the grant was issued and received by the grantee, they had to sign a receipt requiring the funds to be applied for the purposes of the grant, and there was a provision the funds had to be returned if they were not used for the grant purposes. He said he did not know if a clawback provision applied if the funds were spent in compliance with the grant but the project did not succeed.

Mr. Ray motioned for the Board to approve the resolution to provide matching grant support to Beacon's Kitchen

Motion seconded by David Shreve.

**MOTION:** The motion passed unanimously. Mr. McNaughton was absent from the vote.

**e. Director's Report**

Mr. Newberry said they anticipated the next month's meeting would be in person in Room 241.

Mr. Newberry shared that there was a Governor's announcement on July 29 for Potter's Craft Cider. He said the cidery was the recipient of an Aphid grant for \$50K, and the County anticipated matching it. He said the grant would facilitate expanded production at Potter's facilities.

Mr. Newberry said the last Aphid grant for Potter's Craft Cider was for a tasting room on Route 29 South, reusing a historic structure. He said the current Aphid grant was to expand production, and the performance agreement required they triple production by purchasing 1.5 million apples over the next three years. He said the business committed to eight new jobs and at least \$900K in capital investment. He said they anticipated bringing a performance agreement before the Board at the September meeting.

Mr. Newberry entertained any questions.

Mr. Shreve said it referred to relocating and expanding. He asked if they would be producing the cider exclusively at this spot simply because it gave them more room and shifted the whole operation.

Mr. Newberry said that was correct. He said they currently leased space on a farm in Free Union and this would allow them to come into the development area which would increase capacity; in their performance agreement they committed to triple their production.

Mr. Shreve asked if they would cease operation at the Free Union space.

Mr. Newberry said that was correct.

Mr. Ray asked what would happen to the 29-south property.

Mr. Newberry said that would continue to be used as was currently operating. He said the timing of the Governor's announcement was enough of a push to get that site completed just before the pandemic, and the event space had enabled Potter's to grow their brand.

Mr. DeLoria said that they could not foresee the delays from the FOIA Council as they just put their training online today, which he just took and would prompt changes in the policy and may impact the Board of Supervisors in considering remote participation and all-virtual meeting policy.

Mr. DeLoria said the Board of Supervisors was scheduled to look at that tomorrow and because of those reasons, they had to delay considering their own policy. He said after tomorrow, he would send out the draft with any changes, but they were still planning to approve both the remote participation policy and the all-virtual meeting policy, which would be up for consideration at the September 20 meeting.

Mr. DeLoria said they recognized there may be some members who did not want to meet in person because of the ongoing pandemic, the plan was after establishing a quorum, that would be taken up as the first item. He encouraged any member who thought they would miss the next meeting to be in touch with Mr. Long and staff so that if the policy was adopted as the first item, they could consider remote participation at that point.

Mr. Long asked if they were expecting the next meeting to be held in person.

Mr. DeLoria said unless something drastically changed under the Board of Supervisors, he expected the next meeting to be held in person in Room 241 in the County Office Building.

## **6. Unfinished Business**

### **a. Building Reuse Grant Policy**

Mr. Newberry said there was no new information to provide other than what was identified as ambiguous language as to whether or not the Building Reuse Grant would be eligible within the limits of the Town of Scottsville, so to make that clarification before the policy was adopted, they specifically called out that the grant would be available within the development areas or the Town of Scottsville, which was approved by the EDA and Board of Supervisors at the July 20 meeting. He said it was before the EDA one more time as a resolution in the meeting materials to adopt the resolution to formally approve the policy, allowing staff the direction to move forward with creating an application and begin the process of soliciting applications.

Mr. Lawless motioned for the Economic Development Authority to approve the Building Reuse Policy by adopting the resolution included in the packet with a note of the amendment.

Motion seconded by Mr. Shreve.

**MOTION:** The motion passed unanimously. Mr. McNaughton was absent from the vote.

**7. Other Matters**

**8. Adjournment**

Next Meeting: September 20, 2022

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

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

DRAFT