

**ALBEMARLE COUNTY
ECONOMIC DEVELOPMENT AUTHORITY
November 15, 2022
4:00 P.M.**

Directors present: Don Long, Chair; David Shreve, Treasurer; Matthew Lawless, Stephen McNaughton; Jeff Morrill; John Mottola.

Directors absent: George Ray, Vice-Chair

Staff present: Doug Walker, Deputy County Executive; Roger Johnson, Director of Economic Development; Megan Gray, Business Development Manager; J.T. Newberry, 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.

Guest presenters: None.

1. Call to Order and Establish Quorum

Motion to allow Director McNaughton to participate remotely due to medical reasons was made by Chair Long and seconded by Mr. Lawless.

MOTION: The motion carried unanimously.

2. Matters from the Public

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

3. Approval of Minutes

Motion to approve the minutes from the October 18, 2022 meeting was made by Mr. Lawless and seconded by Mr. Mottola.

MOTION: The motion passed unanimously.

4. Financial Report

The Financial Report for the period ending June 30, 2022 was provided.

5. New Business

a. Staff Report

Roger Johnson, Economic Development Director

Mr. Johnson gave an update on staff's benchmarking trip to Greenville, SC.

[audio starts at 10:30]

Mr. Johnson summarized that placemaking activity had resulted in capital investment in the downtown area, which could be considered for their own community. He shared the Greenville, SC 2020 demographics, noting that home prices were lower than in Albemarle County and that the metropolitan statistical area was four to five times larger than their own. He said that a common theme was that they had a water feature that ran through their city, and rather than letting it be natural, they turned it into a park and used it as a feature of the city.

Mr. Johnson said that Greenville was experiencing significant race-based inequities in employment, healthcare, and income, was expecting a 40% increase in population by 2040, and had low housing inventory across all price points due to opposition to new housing.

Mr. Shreve asked if there was a single factor driving that.

Mr. Johnson said that he did not know if there was a single factor, but he had heard that they were a center for employment and entertainment, so it had become an attractive place to live. He said that they had similar issues to Albemarle with housing inventory and NIMBYism.

Mr. Johnson continued that the work on Venture Central was attempting to turn ideas into brick-and-mortar structures, and Greenville did something similar with a program called "Next," which measured the results of the opportunities to grow. He said that their built ecosystem was more advanced than Albemarle's, so much so that they had 60,000 square feet of shared space for start-up businesses to operate until they could rent their own space.

Mr. Johnson said that their Executive Director, Eric Weisman, spoke to them about the similarities in their communities, including non-profits competing with each other for resources and an understanding of the roles and responsibilities of existing economic operators.

Mr. Shreve asked if they had come up with a formula for eligibility and tenure in the subsidized space.

Mr. Johnson said yes, and while he did not have that information prepared today, he could share that with the Authority. He said that it existed as incubation space, meaning generally that when one had been there for long enough to get a minimal but viable product that could be produced, they were eligible to still be in incubation, but once the product was timed to scale, they moved to acceleration, which was the general time for when they were no longer eligible for that space. He said he was unsure of details of timing and number of employees and that it was more about the stage of the process. He said that there were terms associated with the lease that indicated the type of business they focused on.

Mr. Shreve said that it seemed that this type of model would favor growth companies and high-tech.

Mr. Johnson said that another thing happening in Greenville was a highway corridor on I-85 that was lined with large businesses that had thousands of employees. He said that it was a unique paradigm shift in how economic development was done in Albemarle. He continued that there were two universities in the city that impacted the Greenville area, which were Furman University and the University of Clemson. He said that the University of Clemson had its MBA program located in downtown Greenville, and several speakers noted that the town-and-gown relationship was healthy for the downtown area.

Mr. Johnson said that there was a dichotomy in the view of Furman University held by residents of downtown and the view that Furman had of themselves in relation to downtown. He said that several speakers stated that Furman's campus was removed from downtown by five or six miles, and it may as well have been 100 miles because they were not part of the network and they did not come downtown. He said that they then heard from leaders at Furman who said that they were actively participating in helping the downtown area, and the students helped with the nightlife. He said that he was unsure of which version was true, but the difference in opinion was interesting.

Mr. Johnson said that the common theme that was heard was that Clemson and Furman both had involvement in entrepreneurship in different ways. He said that Furman was creating an innovation campus, which was still being formed as an idea, but in general, would be a community-facing campus that anyone could participate in. He said that they would plug into the innovation and entrepreneurship ecosystem umbrella of Next, and would also connect with venture capital funders and others with a presence in the area.

Mr. Johnson said that the Chamber had attempted to provide a solution for the racial problems of the area by creating a "minority business accelerator" about ten years ago, with about 100 businesses going through that particular program. He said that it was expensive to go through the program, so the Chamber subsidized it through philanthropy or full scholarships. He said that it was successful in creating minority-owned start-up businesses in the area.

Ms. McKeel said that it was interesting that they did not have a strict definition of what a minority was.

Mr. Johnson said that it was meant to be inclusive and not limited only to the demographic of race.

Mr. Shreve asked if there was a significant venture capital network there.

Mr. Johnson said that not in the way that they thought of venture capital as raising funds to exit strategies, but there seemed to be a lot of institutional investors as it related to the industry down there who invested in the mission of certain organizations that supported these start-ups.

Mr. Johnson said that the mayor had been in his position for over 20 years, so they had a continuity of leadership that was much different than their own community, and an understood part of the mayor's role was to raise funds for the best interests of the community. He said that the parks they visited were sponsored by locally based corporations in order to pay for the public amenities.

Ms. McKeel said that she had heard of a school that had naming rights to the stairwells.

Mr. Johnson said that some of the companies would invest in start-ups and funds for seed money. He said that the connectivity with venture capital did not seem to be mature in his opinion.

Chair Long asked if the start-ups were automotive-focused or otherwise because it made sense that those companies would want to grow support infrastructure.

Mr. Johnson said that there was some of that support growth, but it seemed more that the companies were agnostic toward the type of start-up and would support anyone who had a reasonable idea to go through the process.

Mr. Shreve said that the main BMW factory was in Spartanburg. He asked what facility was located in Greenville.

Mr. Johnson said that it was called Greenville-Spartanburg and was not exactly a divided area. He said that it may actually be in Spartanburg, but was part of the same local economy.

Mr. Johnson said that the community of Greenville had engaged their community to help solve public problems in a way that their own community did not with the larger employers with resources to promote economic development. He said that economic development, in that sense, was also classified as bringing in new wealth to the area.

Mr. Johnson said that the Peace Family gave \$30 million to create the Peace Center, which had a central 2,700-seat facility and another smaller hall. He said that from an economic development perspective, this facility had a huge financial impact on the community. He said that they did a study and discovered that the building had an estimated \$80 million impact on the local economy just by hosting shows.

Mr. Johnson said that the biggest takeaway was that most of the cityscape was built through private-public partnerships. He said that this was the primary tool for building the community in a dense way and ensuring the service of infrastructure in an effective way. He said that they also did so in unique ways that could be germane to Albemarle's community, one way being that the private-public partnership was not always tax-increment financing, but also having big industries giving philanthropic donations for public amenities such as parks.

Mr. Shreve asked if the city footed the bill for things like sewage and drainage.

Mr. Johnson said that there was property that the city owned and turned into a park, and decided that as a park, they had the ability to put in infrastructure, so they allowed the Hyatt Hotel to build on that, and the hotel included urban park space, therefore using the city-owned parkland for attraction of capital. He said that it was a unique use of an existing asset to attract additional capital.

Mr. Johnson said that the city had a vision created about 40 years ago that required almost everything built to have a housing component, so almost everything seen in downtown had housing associated with each building, and they now had 5,000 residents living in the downtown area. He said that including affordable housing, they had a set agreement to include tax-increment financing if they put at least 20% affordable housing into it.

Ms. McKeel said that mixed use was everywhere as well as public-private partnerships. She said that they required residential apartments at the stadium but did not build parking. She said that the churches in the area rented out their parking lots during baseball games.

Mr. Johnson showed a photograph of a road built by the South Carolina Department of Transportation that went over the top of a river, upstream of which there used to be a mill, where if they changed the dye in the mill, the color of the stream would change color. He said that the mill eventually became defunct and the water went back to normal. He said that there was a garden club in Greenville that wanted to uncover the waterfall pictured so that the community could enjoy it. He said that the leader of the garden club knew the leader of the South Carolina Department of Transportation, and the DOT decided to give the city the easement and tear down the bridge.

Mr. Johnson showed a modern photograph of the uncovered waterfall, and what used to be a roadway was now a pedestrian suspension bridge that went over the waterfall. He said that there was park space underneath the suspension bridge, and the development directly surrounding the area was a direct result of those people finding the falls. He said that their own community must find the centerpiece that they could leverage to attract private capital, improve the quality of life, build the things the community wanted, and provide wins.

Mr. Shreve asked if the bridge was used often.

Mr. Johnson said that it was a state-owned highway. He said that there were complaints of how people would travel to their destinations, but after it was shut down, there were no complaints and there were no traffic issues. He said that the strong status of the mayor allowed for confidence in decision-making during this process.

Ms. McKeel noted that the bridge project was successful because of relationships and networking. She said that within the city limits, there were department of transportation-owned and city-owned roads which was a different model than in Albemarle.

Chair Long said that structurally, in South Carolina, there was a county jurisdiction and the city jurisdiction was on top of it. He noted that few states were similar to Virginia.

Mr. Johnson stated that the presentation was shared for informational purposes in the hopes the EDA would consider the information. He said that they welcomed feedback.

Ms. McKeel noted that the mayor stated that they did not make changes for tourism, but rather they made changes for the residents. She noted that the County was focused on its tourism. She stated that the Chamber president had stated that Greenville was a world-class city but it did not have world-class systems.

Ms. McKeel said that several years ago, the Greenville community did not want economic development, but city leaders now described a culture where businesses succeeded and people prospered. She said that they ensured at least 10% of all new housing was income-restricted, and they preserved as much as 35% of the vacant land as open land or parkland.

Ms. McKeel said that affordable housing trusts and tax incentives for developers with reduced parking requirements allowed for more density. She stated that the city bought and invested in land in specific neighborhoods to avoid gentrification.

Mr. Shreve asked how that worked.

Ms. McKeel said they would have to get into it. She said she was just stating her takeaways. She noted that she could not see any parking garages while walking down Main Street.

Mr. Shreve asked if the parking was free or paid.

Ms. McKeel responded that parking was free on weekends for public parking and paid during the week.

Mr. Johnson added that they did not have parking meters.

Mr. Shreve said that it was better to put free parking on the perimeter and encourage pedestrian use.

Ms. McKeel said that the parking along Main Street was pull-in parking, not parallel parking. She stated that the mayor stated that they could achieve density without it looking like density.

Mr. Shreve said that there was sprawl in the suburbs because of the infrastructure within the city.

Mr. Johnson said that was accurate, and they had already faced sprawl. He noted that there was a downtown homelessness issue. He said that there was a professional counselor who worked full time to engage the homeless people. He stated that it usually took a minimum of five engagements to begin to help them find resources.

Ms. McKeel said that there were partnerships between the public schools, the technical colleges, and businesses. She said that they tried to prepare students for the world of work before high school graduation. She stated that the Chamber coordinated over 100 juniors and seniors annually in paid business internship programs.

Mr. Lawless noted that the City-County relationship was a legal parameter that impacted the strategy. He said that they were mostly discussing urban design and economic development. He asked in regard to strategy formulation, whether they thought in terms of helping to encourage its city partner to deploy more of such projects or believed that some of the projects were replicable in certain urban parts of the County.

Mr. Johnson noted that the Broadway Blueprint could be implemented. He said that there may be some riverfront areas that could be utilized. He said that what he had discussed was applicable to the County, and there were some things that were city-based.

Mr. Lawless said that it made it harder, strategically, to have to deliver the services at the County level with the authority that they had. He said other localities had a layering of government that allowed investments to be more focused. He said that without such a structure, it would pose more of a challenge for the County.

Mr. Johnson noted that the City hired a consultant to rewrite the strategic economic development plan. He said that the UVA Foundation was currently performing its master planning. He said that the County would be able to talk about how they partner together and have the same public-private partnership policy.

Mr. Johnson noted that the economy did not care about political boundaries. He said that often, what was good for downtown areas was good for the County. He said that the County would have a seat at the table while the City drafted its strategic plan. He said that it was a collaborative approach.

Mr. Johnson said he would provide an update on Venture Central, a part of the County's economic development strategy. He said that things were going well, and they had received a \$300K grant for projects. He noted that the existing executive director was returning to Sri Lanka, and he had left the organization.

Mr. Johnson stated that they had hired an interim executive director, Rahul Keshap. He stated that Mr. Keshap had agreed to act as the interim executive director until they issued a search for a new director or rewrote the plan for what was needed in the community.

Mr. Long stated that on November 1, the UVA Foundation had a community engagement session. He explained that the Foundation was trying to draft a strategic plan for its North Fork property. He said that they invited about 100 people to the event at the Boars Head pavilion. He said that there were in-house facilitators from UVA. He said that feedback was received. He noted that placemaking was a focus of discussion.

Mr. Long said that they had an opportunity to meet the new dean of the School of Continuing Professional Studies. He said that she had previously worked at Virginia Tech and VCU.

Mr. Shreve asked if there was discussion about the lease rates.

Mr. Long responded that they did not discuss lease rates in specific detail. He noted there were mentions of it in the commentary.

Mr. Walker said that the design of the meeting was effective in moving people around and getting a diversity of opinions. He noted that there was not a lot of diversity in the room. He noted that his language in regard to what it took to develop property and infrastructure was different from UVA's language which focused on more internal issues.

Ms. McKeel noted that the discussions were about getting passed communication boundaries between the jurisdictions. She said that in terms of diversity, there were women and men. She noted that the cost of the space was a subject of discussion.

Mr. Johnson said that some of the ideas the County put forth were how to leverage the University for the public good.

Mr. Mottola stated that they had been running an autonomous shuttle service at North Fork. He said service would start on December 12, and there had been interest from other constituents at the research park.

6. Unfinished Business

There was none.

7. Other Matters

Mr. Long stated that the 2023 meeting dates were in the meeting packet. He said that they would vote at the next meeting to approve the calendar. He said that members should review the schedule and confirm that the dates were acceptable. He noted that the next meeting was held on December 13.

9. Adjourn

Next Meeting: December 13, 2022 in Room 241.

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Donald D. Long 12/14/2022
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Donald Long, Chairman

DocuSigned by:
RDJ 12/16/2022
Approved: 5C40D3F28593441...
Roger D. Johnson, Assistant Secretary