

**ALBEMARLE COUNTY
ECONOMIC DEVELOPMENT AUTHORITY
February 21, 2023
4:00 P.M.**

Directors present: Don Long, Chair; George Ray, Vice-Chair; David Shreve, Treasurer; Matthew Lawless; Jeff Morrill; John Mottola

Directors absent: Stephen McNaughton

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 Hernandez, Economic Development Management Analyst; Richard DeLoria, Senior Assistant County Attorney; Bea LaPisto-Kirtley, Board of Supervisors; Diantha McKeel, Board of Supervisors Liaison to the EDA, Jack Jouett District.

Guest presenters: Lisa Medina Williams, Partner, McGuire Woods, LLC *virtual*; Frank Berry, Chief Financial Officer / Chief Operating Officer, The Covenant School--*virtual*

1. Call to Order and Establish Quorum

Mr. Long called the meeting to order at 4:00 p.m.

2. Matters from the Public

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

3. Approval of Minutes

Mr. DeLoria requested the slate of officers be added to the January 17, 2023 meeting minutes.

Motion to approve the minutes from January 17, 2023, with the noted change was made by Mr. Lawless and seconded by Mr. Ray.

MOTION: The motion carried unanimously.

4. Financial Report

The Financial Report for the period ending October 31, 2022, was provided in Director's packets and published online.

5. New Business

a. Staff Report

Ms. Hernandez stated that Bonumose scheduled a grand-opening ribbon cutting event on March 2 and that the Governor would visit to celebrate.

Ms. Gray said the U.S. Economic Development Administration awarded Venture Central with a \$300K grant to engage participants interested in angel investing, connecting local startups to outside investors, and fund structuring. She noted that Venture Central wanted to collaborate with other non-profits in the area, such as the Charlottesville Business Innovation Council (CBIC).

Mr. Long asked whether the spending plan for the grant funds was in the early stages of development and Ms. Gray said they planned to use the funds to create network access for underrepresented groups.

Mr. Johnson explained that Venture Central was working to partner with other organizations to assist in program management. He said underrepresented groups would be invited to participate in events. He noted they would determine the viability of creating a new local fund to assist underrepresented entrepreneurs.

Mr. Johnson explained that a comprehensive economic development strategy (CEDS) was a program created regionally. He said that the TJPDC would lead the EDA's region's effort. He said that CEDS was similar to a certification in terms of grant eligibility. He noted that grant applications often requested information about a region's CEDS. He explained that CEDS were planned out by five years.

Mr. Johnson said that the EDA's region was partnering with the Rappahannock-Rapidan region for the CEDS program. He said that CEDS had goals, such as improving quality of life, attracting investment, and keeping jobs in the community. He said that he was part of the regional CEDS Committee, and Mr. Lawless had been invited to join.

Mr. Johnson explained that there would eventually be surveys, interviews, focus groups, and open houses, and those would be held from June to September. He requested that the EDA actively participate during the beginning processes—to take the surveys and attend stakeholder meetings.

Mr. Morrill asked what the name of the consultant was.

Mr. Johnson responded that the consultant was called Camoin, and they were facilitating the work. He explained that the consultant worked directly with the TJPDC and the Rappahannock-Rapidan Group. He said that the Central Virginia Partnership for Economic Development had a strategic plan drafted about five years ago by Camoin. He said that the plan helped initiate Venture Central.

Mr. Morrill asked if they had an individual part in the regional plan or if they were considered part of a large organization within the plan.

Mr. Johnson explained that the CEDS program could have components that differed between the jurisdictions.

b. The Covenant School Board Amendment

Ms. Lisa Medina Williams, McGuire Woods, participating virtually, explained that in 2013, the Covenant School came before the Authority to issue a tax-exempt bond. She noted that the bond had been outstanding since 2013. She explained that the bond was held by Truist, and it was previously with Suntrust. She said that they were discussing with Truist regarding the interest rate methodology in the document.

Ms. Williams explained that as of June 2023, Libor, the index used by much of the industry for variable rate transactions, would no longer be reported. She said that all financial institutions had been reviewing financial portfolios and amending existing documents to transition the interest rate index.

Ms. Williams said that the industry standard most institutions were transitioning to was called SOFR. She said that Truist and the Covenant School had agreed to use the SOFR standard. She explained that the 2013 bond was a conduit bond, and as the issuer of the bond, the Authority's participation was needed to amend and restate the bond so that the new index could be recognized.

Ms. Williams said that the bond was not a liability for the Authority or the County, and it was solely the responsibility of the Covenant School. She said that the only amendment to the document was the change of the index and ensuring the interest rate provision synchronized with the industry standard. She said that they amended the plan in case SOFR was no longer to be used.

Ms. Williams explained that financial institutions were setting forth much more thorough provisions for what would happen in the case the index was no longer used. She said that the 2013 documents had some provisions, but the rate was not commensurate with what the parties desired the rate to be.

Ms. Williams said that they requested the Authority to agree that the provisions of the interest rates and the bond documents be amended. She said that a resolution if approved, would amend the bond portions of the loan agreement to which the Authority was a party, amend and restate the bond. She continued that the Covenant School would amend its promissory note which obligated the school to pay back the Authority to pay back the bond.

Mr. Morrill noted that there were no issues with the request and Mr. Long noted that the replacement language was fairly standardized.

Motion to approve the resolution was made by Mr. Ray and seconded by Mr. Morrill.

MOTION: The motion carried unanimously.

6. Unfinished Business

a. Lewis and Clark Exploratory Center

Mr. Long said there was a resolution included in the agenda materials, and there was a copy of the amended and restated promissory note. He said the Lewis and Clark Center agreed to the terms, and the note extended the terms of the loan by four years. He said the payment schedule provided some level of forgiveness if the loan was paid early.

Mr. Long noted a \$5K payment had been made that year, and they were looking to make a similar payment in the spring.

Motion to accept the resolution made by Mr. Ray and seconded by Mr. Morrill.

MOTION: The motion carried unanimously.

b. Kelly Turkeys AFID Infrastructure Grant Update

Mr. Newberry explained that last October, the EDA authorized staff to apply for the matching grant from the Department of Agriculture for Kelly Turkeys. He said in early January, they were notified of the award, and a week ago, they received the agreement template from the state. He said the action before the EDA was to authorize the disbursement of funds to Kelly Turkeys to purchase equipment and begin producing ground turkey.

Mr. Lawless said that the project could be eligible for the CEDS program.

Mr. DeLoria stated that revisions had been made to the draft agreement. He said that on page 3, there was mention of verification of targets, and the expenditure of \$53,250 would need to be amended to be \$48,000.

The motion was made to approve the resolution as amended by Mr. Morrill and seconded by Mr. Mottola.

MOTION: The motion carried unanimously.

7. Other Matters

Mr. Long, also Chair of the Airport Authority, reported the airport would have direct service to Orlando, Florida, through Avelo Airlines starting in May.

Mr. Long noted that Orlando was the most popular flight destination from the airport, and the airport was the biggest underserved market.

Mr. Johnson asked if the service would be daily and Mr. Long said it would start with a Monday and Friday schedule.

Ms. McKeel asked about the status of the County's bill in the General Assembly regarding the amount of acreage.

Mr. Newberry said at the end of the prior year, the Board of Supervisors adopted a slate of legislative proposals, and one proposal was to reduce the minimum amount of contiguous developable acres required by the state to access significant resources for site development.

Mr. Newberry said they recently received a \$3M grant for land in North Fork. He said that the UVA Foundation had 254 acres designated as Tier 4 for the program, and that was the only site in the County eligible under the current rules. He said that the Board advocated for reducing the minimum from 100 acres. He said that the General Assembly had been amenable to the proposed reduction from 100 acres to 50 acres.

Mr. Newberry noted that he spoke before the Subcommittee on General Laws.

Ms. McKeel asked whether there had been a discussion about reviewing the targeted industries. She noted that the targeted industries were established 10 years ago.

Mr. Johnson responded that Kimley Horn was hired to perform the initial capacity analysis. He said that the EDA provided additional funds to Kimley Horn to review the capacity through the lens of economic development.

Mr. Johnson explained that the state graded land in five tiers—Tier 1 was similar to a cow pasture, and Tier 5 was site ready. He said that the target was Tier 4, meaning the site was appropriately zoned, the infrastructure was present, and other impediments to development were removed.

Mr. Johnson said that Kimley Horn identified 39 sites in the County that could be used for economic development purposes. He said that there was only one Tier 4 site in the County—the UVA North Fork site. He said that in the comprehensive plan, they had submitted comments that it was important to identify sites as designated light industrial and as ready. He said that sites had to be designated and rezoned before they could be made ready.

Mr. Johnson said that the County needed a diversity of site types. He said that the next portion involved drafting policies.

Ms. McKeel noted that the targeted industries were established through project ENABLE. She asked whether they needed to review the industries.

Mr. Johnson noted that they were open for review, but the review would not necessarily happen through the comprehensive plan. He said that they were working

with the County Executive's Office to determine when they would launch Project ENABLE 2.0.

Mr. Walker responded that they would hope to begin the process before the comprehensive plan was finished.

Mr. Newberry noted that Camoin helped the GO Virginia Region 9 validate the target industries for the region. He explained that every two years, there was a comprehensive review of the economic activity in a region to re-validate the target industries. He said the most recent review validated the industries included in Project ENABLE.

8. Adjourn

Next Meeting: March 21, 2023, in Room 241.

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Donald D. Long
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Teste: _____
Donald Long, Chairman

DocuSigned by:
Johnathan Newberry
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Approved: _____
Johnathan Newberry, Assistant Secretary