

**ALBEMARLE COUNTY
ECONOMIC DEVELOPMENT AUTHORITY MINUTES
June 20, 2023
4:00 P.M.**

Directors present: Don Long, Chair, Andrea Johnson, Jeff Morrill, John Mottola.

Directors absent: George Ray, Vice-Chair; Stephen McNaughton.

Staff present: Jeff Richardson, County Executive; Trevor Henry, Deputy County Executive Doug Walker, Deputy County Executive; J.T. Newberry, Interim Director of Economic Development; Ashley Perry Hernandorena, Economic Development Management Analyst; Richard DeLoria, Senior Assistant County Attorney; Lance Stewart, Director of Facilities and Environmental Services; Bea LaPisto-Kirtley, Board of Supervisors, Rivanna District; Diantha McKeel, Board of Supervisors Liaison to the EDA, Jack Jouett District.

Guest presenters: Nikki Hastings, PhD, Executive Director–CvilleBioHub; Christopher Kulp, Partner-Hunton Andrews Kurth.

1. Call to Order and Establish Quorum

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

2. Matters from the Public

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

3. Approval of Minutes

Jeff Morrill confirmed he was in attendance April 18th and requested the minutes reflect that.

Motion to approve minutes from April 18, 2023 was made by Mr. Morrill seconded by Mr. Mottola.

MOTION: The motion carried unanimously.

4. Financial Report

The financial report for the period ending April 30, 2023 was reviewed.

Ms. McKeel asked for clarification regarding the reformatting.

Ms. Hernandorena stated most directors agreed the typical layout was confusing because the pass through funding in the financial report provided a different perspective on the Authority's balance and available funds. She said many projects were supported by County funds and channeled for pass through funding. She noted that staff would work with accounting to come up with a more user-friendly version.

Chair Long noted they had not yet elected one, but the new secretary treasurer would have the opportunity to provide input into the new format.

Economic Development Authority
of Albemarle County, Virginia
June 20, 2023
Page 2

Mr. DeLoria suggested they not unreasonably delay the appointment of the secretary treasurer because they had to have a chair and secretary treasurer to make endorsements for bonding.

5. New Business

a. Welcome EDA Director Andrea Johnson, Jack Jouett District

Chair Long welcomed Ms. Andrea Johnson, representing the Jack Jouett district and introduced himself.

Ms. Johnson stated she was the CEO of van der Linde Recycling and Container Rentals. She said she and her husband had a property management business, had lived in the County for 11 years, and her husband was a retired Army soldier.

The remaining Directors and Staff introduced themselves and Mr. Newberry noted that this was Mr. Walker's last EDA meeting. He said the Authority appreciated Mr. Walker's support over the years.

b. Election of Secretary/Treasurer

c. Overview of Rivanna Station Futures

Mr. Henry stated that on May 24, the Board of Supervisors held a special meeting to take assignment of the project. He said there had been a partnership with the Defense Affairs Committee, which worked with the DoD, the community, and the state over the past decade. He said Rivanna Station was a local base that supported multiple DoD components.

Mr. Henry said that in 2016, the Army drafted a master plan to address growth needs, and that work informed some of the County's actions. He said approximately \$1.2B of the annual economic revenue in the region was generated from the DoD, and Rivanna Station composed 52% of the generated revenue.

Mr. Henry said Rivanna Station was currently performing an expansion of its secured spaces and had to address infill, critical slopes, and parking requirements. He said the federal government suggested relocating instead of developing the site, but funding became available in the County to move the project forward. He noted that in 20 years, the Route 29 North corridor would likely become a significant defense corridor.

Mr. Henry said Rivanna Station was used by three-letter intelligence agencies which were critical to the work of the DoD. He said Rivanna Station was a substation of Fort Belvoir, and housed approximately 2,100 civilian and military employees, and professions included bio-tech, AI, cybersecurity, aerospace, materials engineering, and agriculture.

Mr. Henry said they had considered ways to acquire land to provide protection, security, and expansion opportunities for Rivanna Station. He said that there was a single landowner in the area, and the County worked through a set of brokers to acquire critical elements to support the Rivanna Station mission. He noted that there was a lot of interest and support to extend Boulders Road.

Economic Development Authority
of Albemarle County, Virginia
June 20, 2023
Page 3

Mr. Henry said they had multiple discussions with the Board regarding the criticality of the work and available opportunities. He said that a signed purchase agreement was presented to the Board on May 24 where it was accepted. He noted that of the 462 acres, 232 acres were in the development area, and 230 were in the rural areas.

Mr. Newberry noted that bond counsel Mr. Christopher Kulp was present at the meeting, to help address any questions. He noted that Rivanna Station Futures was connected to Project ENABLE. He said that the proposed expansion was over 600k square feet of space across 75 acres.

Mr. Newberry said that an in-plan analysis showed the direct, indirect, and induced benefit of the expansion would yield almost 900 new jobs. He said the median income was lower because the expansion space included private sector, academia, and warehousing jobs.

Mr. Newberry said that at full buildout, they expected the expansion to accrue approximately \$1M in local tax revenue and yield over \$2M to the state. He said that the projections were conservative, and the analysis did not include a maximum buildout. He said that over the summer, they would address the federal government and state agencies to discuss horizontal and vertical development. He said that they would work on site readiness and horizontal infrastructure with state partners, and they would work on vertical construction with federal and private partners.

Mr. Newberry noted they had not yet closed on the property. He said that the EDA would support the project by helping the County issue a bond anticipation note (BAN) for the cost of closing on the land. He said they had negotiated a rate of \$58M, and a BAN would be issued for five years. He said that they would work with partners to reduce the overall cost to the County. He said that the EDA had done similar short-term financing for other types of County projects.

Mr. Newberry said that in the County's FY 24 budget, the interest payments on the short-term financing had been included to provide the five-year timeframe for partnership development. He said that at the end of the BAN period, they would convert the remaining debt to a long-term financing structure.

Mr. Henry explained the contract was signed on May 18, and had 90 days to complete due diligence. He said that the work was underway, and they had up to six months of extensions.

Ms. McKeel asked for clarification about why a public hearing was being held on the matter.

Mr. Newberry explained state code required public bodies to hold a public hearing if land to be acquired was to be used for private sector purposes.

Ms. Johnson clarified that the EDA would be responsible for the debt service. She asked how the debt service would work.

Mr. Christopher Kulp, County Bond Counsel, explained that the EDA would serve as a conduit issuer to issue bonds to market. He said that the EDA would enter into a financing arrangement with the County where the County would pay the debt service on behalf of the bond holder.

Economic Development Authority
of Albemarle County, Virginia
June 20, 2023
Page 4

Ms. Johnson asked whether there was a liability in case the bonds were not purchased. She asked whether the County would pay the cost if there was a cash flow issue.

Mr. Kulp responded that if there was a failed bond issuance, they would consult the financial advisor to reconsider financing options. He noted that the County had a great credit rating, and the market would be interested in the undertaking.

Mr. Morrill asked whether the Board would be able to accomplish the project without the EDA.

Mr. Kulp responded that the County and EDA had partnered in financing arrangements over a long period of time, and it was a way for the County to quickly enter the market. He said that it was an appropriate partnership given the economic development purposes of the project.

d. RIF Grant Match for CvilleBioHub

Dr. Nikki Hastings gave a presentation of the CvilleBioHub's request for support from the Albemarle EDA in the amount of \$25,000 for the Virginia Innovation Partnership Corporation Regional Innovation Fund Grant.

Mr. Morrill asked where the EDA's funds would be coming from within its finances.

Mr. Newberry said that underneath the Economic Development Fund, there was a fund called the Economic Opportunity Fund, and those funds were utilized for these types of opportunities.

Chair Long said those were funds appropriated by the Board of Supervisors to the Economic Development Authority and Mr. Newberry said yes.

Mr. Morrill asked how much was available in the fund and Ms. Hernandorena said she didn't have the exact balance available there but it was sufficient to accommodate the request.

Mr. Morrill asked if that money continued to be available for the next fiscal year.

Ms. Hernandorena said that those sources of funds were appropriated through the Board for those particular purposes of state and local grant matching, and the EDA had authority to pay the matching incentives without asking the Board each time.

Mr. Newberry said that it was important for the EDA to know how the state was looking at the ecosystem model, and Dr. Hastings was able to use her special focus and community-building in her networks to help them align with the future of economic development.

Ms. Hastings said that they were trying to find ways to participate at the highest level and bring more attention to the region; it was equivalent to opportunities in larger markets but selling it as an underserved market with a high quality of life was understood by investors.

Motion to was made by Mr. Morrill and seconded by Ms. Johnson.

Economic Development Authority
of Albemarle County, Virginia
June 20, 2023
Page 5

MOTION: The motion carried unanimously.

e. Staff Report

Mr. Newberry said that the variety of photographs displayed on the screen indicated the projects that the Economic Development Authority had been working on since their last meeting in April. He said that the company AgroSpheres would be creating 53 jobs in their expansion of their business in the County. He asked if Ms. McKeel would like to discuss the CBIC Gala.

Ms. McKeel said she awarded the Teacher of the Year Award to Mr. Kevin Huff.

Ms. Hernandorena said that the photograph in the middle of the slide was from a trip that she and Mr. Newberry took to ICS by Everidge, a cooling refrigeration container system manufacturer in Coveseville. She said that they would be working with the company on visibility and staffing when they were caught up with the current economic development initiatives.

She said that the photograph on the top right of the slide was of the first Piedmont Pitch event, which was a partnership with the Central Virginia Small Business Development Center and the City of Charlottesville to host a competition for entrepreneurs to practice pitching and hone their business skills. She said that the Global Launchpad event was held at the Code Building with the partners of CVSBDC and the Charlottesville Innovation Council.

Chair Long said that larger investments were beginning to come into the community due to there being more opportunities locally than before.

Dr. Hastings said that that was partially due to virtual work allowing for opportunities in new locations, and companies were now happy to come to Charlottesville for a small amount of time while being able to check in on their companies virtually.

Mr. Newberry said that in the future, a Director of the EDA might serve as a judge for the Piedmont Pitch competitions.

6. Unfinished Business

Amendment Potter's Craft Cider AFID Grant

Mr. Newberry said that staff proposed the EDA amend a previously-approved performance agreement, which was a match for a \$50,000 AFID Grant to Potter's Craft Cider. He said that in 2019, Potter's Craft Cider completed an AFID Grant for a tasting room in a renovated church building on Route 29. He said that they then invested in a building on Broadway Street in an industrial district. He said that in September, the EDA approved a match agreement that had two requirements, the first being a certificate of occupancy, and the second to open a tasting room or retail space in that structure.

Mr. Newberry said that it was originally believed that the building would be exempt from the building code, but that was found to not be the case, and the building code did apply. He said that the staff proposed the EDA remove the requirement that the tasting room be done before the grant

Economic Development Authority
of Albemarle County, Virginia
June 20, 2023
Page 6

match was provided in order to give the company flexibility in stabilizing their expansion, and if they wanted to continue to activate that space, they would have the option to do so but not the requirement.

Mr. Long asked if it was the tasting room requirement.

Mr. Newberry said yes. He said that they would be getting a certificate of occupancy from the Department of Community Development.

Ms. Johnson asked why that was made a contingency.

Mr. Newberry said that part of the expansion of Willow Tree out of the City of Charlottesville into the County at the Woolen Mills site, there was a commitment by the County to do a study of that corridor called the Broadway Blueprint Study. He said that the recommendations of the first phase of the study talked about a desire to have more mixed use and at-night activation. He said that Potter's Cider was optimistic about having a successful tasting room at this location, but it would require significantly more investment to open a tasting room while complying with the building code. He said that the acknowledgment that the building code applied undermined the original purpose of the grant, which was to support their expansion and manufacturing.

Ms. Johnson asked if the company currently was in that building.

Mr. Newberry said yes, at 1820 Broadway they had a production facility, and there were milestones to meet the state's requirement for the grant, which for capital investment was \$900,000, and that they had already eclipsed. He said that should the EDA approve the match today and move forward with this performance agreement, they would be working on their commitment to Virginia-grown produce and new jobs.

Mr. Walker said that they were a tenant of the building and not an owner, and that mattered when contemplating the investments they were going to make.

Mr. Newberry said yes, they had a 10-year lease to start.

Mr. Long said that the issue of the cost of what was required was substantially greater than at the point when they made this commitment to them, so this was an opportunity for them to say they were not going to spend additional money to fill this requirement that was not significant in the grant scheme of what they wanted to do.

Mr. DeLoria said part of the reason for adding those benchmarks was because as businesses gradually made their investments and met the benchmarks, money would be disbursed at that point in time. He said the state disbursed funds up-front, and if businesses did not meet the state's requirements, they made the locality give it back. He said it put them in a difficult position, so benchmarking had been implemented and was the current structure. He said they had thought the investment in the building would be different because they mistakenly assumed it was an agricultural building.

Economic Development Authority
of Albemarle County, Virginia
June 20, 2023
Page 7

Motion to was made by Mr. Morrill and seconded by Mr. Mottola.

MOTION: The motion carried unanimously.

7. Other Matters

Mr. Long said the next meeting would be scheduled but did not have any agenda items.

Mr. Newberry asked if an all-virtual special meeting could be called in case of necessary business that did not require an in-person meeting came up.

Mr. DeLoria said that was acceptable, but the next meeting after that could not be an all-virtual meeting.

Ms. McKeel requested the Weldon Cooper study be distributed to members. She said that she had recently visited the Broadway Corridor and was astounded at the change happening to the area, and recommended everyone take a drive through the area.

8. Adjourn

The Board adjourned the meeting at 5:00 p.m. The next meeting is July 18, 2023, in Room 241.

DocuSigned by:
Donald D. Long
Teste: _____
00BEC74E492E4B4...
Donald Long, Chairman

DocuSigned by:
Jonathan Newberry
Approved: _____
14FED4D192E9492...
J.T. Newberry, Assistant Secretary