

ALBEMARLE COUNTY
ECONOMIC DEVELOPMENT AUTHORITY MINUTES
June 9, 2020
4:00 P.M.
Electronic Meeting

Directors Present: Jim Atkinson, Rod Gentry, Don Long, Stuart Munson, George Ray, David Mellen

Staff Present: Jim Bowling, EDA Counsel; Roger Johnson, Economic Development Director; J.T. Newberry, Economic Development Coordinator; Jennifer Schmack, Economic Development Project Manager; Doug Walker, Deputy County Executive; Bill Letteri, Chief Financial Officer; Richard DeLoria, Senior Assistant County Attorney, Steve Allshouse, Chief of Administration and Analytics; Cecelia Baber, Chief Accountant; Diantha McKeel, Board of Supervisors Liaison to the EDA, Jack Jouett District

1. **Establish Quorum and Call to Order**

Mr. Gentry convened the meeting at 4:02 p.m. read the following statement:

Notwithstanding any provision in our Bylaws to the contrary, as permitted under Albemarle County's Continuity of Government Ordinance adopted on April 15th, 2020, we are holding this meeting by real time electronic means with no board member physically present at a single, central location. All board members are participating electronically. This meeting is being held pursuant to Section 6(e) of the County's Continuity of Government Ordinance. All board members will identify themselves and state their physical location by electronic means during the roll call which we will hold next. And the public has real time audio-visual access to this meeting over Zoom as provided in the lawfully posted meeting notice and real time audio access over telephone, which is also contained in the notice. The public is always invited to send questions, comments, and suggestions to the Board through the County's Economic Development Office at any time.

Mr. DeLoria provided the roll call and confirmed a quorum.

2. **Approval of Minutes**

The minutes for April 21, 2020 were reviewed. Mr. Gentry motioned to approve the minutes and it was seconded by Mr. Mellen.

MOTION: The motion passed unanimously (6-0).

3. **Financial Report**

Mr. Mellen provided a financial report of transactions through April 30, 2020.

4. New Business

- a. Albemarle County Capital Line of Credit – Mr. Gentry introduced Bill Letteri, Chris Kulp, and Courtney Rogers. Mr. Letteri provided brief historical background information on the County’s capital spending program. He explained that the County uses a combination of cash and borrowed funds. The last bond financing for just under \$60 million was completed in March 2017.

Additional borrowing is now required to restore County fund balances and provide necessary funding for upcoming projects. Recognizing that the County historically has not spent its new money bond proceeds as quickly as anticipated, the County’s Financial Advisor, Davenport & Company LLC, proposed the strategy of financing upcoming projects with a draw down loan (known as a Line of Credit/Bond Anticipation Note) followed by a long-term permanent loan. This type of instrument provides “just in time” financing. He noted that this strategy has been discussed since the Series 2017 issue and it is not a reaction to the current COVID-19 pandemic situation.

On April 24, 2020, Davenport & Company LLC distributed a Request for Proposals to over 25 local, regional, and national lending institutions on behalf of the County for the purpose of obtaining a draw down loan as evidenced by the County’s Tax-Exempt Revenue Note (“2020 Revenue Note”). They requested that bidders provide proposals for both fixed and variable rate draw down loan options for up to \$75 million in order to provide maximum flexibility for the County. On May 21, 2020, Davenport & Company LLC received two proposals for the 2020 Revenue Note from Bank of America and JP Morgan Chase.

Courtney Rogers provided a summary of the recommended proposal from JPMorgan Chase. This proposal provided a maximum borrowing amount of up to \$75 million with a current variable rate of 0.70% and no unused fee or penalty for prepayment. Closing costs are \$25,000 with an anticipated closing date of June 24, 2020.

Mr. Gentry motioned to approve a **Resolution of the Economic Development Authority of Albemarle County, Virginia, to Undertake a Note Financing for the Benefit of the County of Albemarle, Virginia**. The motion was seconded by Mr. Long.

MOTION: The motion passed unanimously (6-0)

- b. Woolen Mills Amendments – Mr. Johnson provided a brief history of the Woolen Mills project, reviewed project milestones, and noted key terms from each of the four partnership agreements. He requested to extend the deadline in the performance agreement between the EDA and the developer of Woolen Mills from June 30, 2020 to September 30, 2020 to allow for completion of the pedestrian bridge and trail connections.

Mr. Munson motioned to approve a **Resolution to Approve the Second Amended Economic Development Opportunity Fund Performance Agreement for the Redevelopment of the Woolen Mills Site**. The motion was seconded by Mr. Atkinson.

MOTION: The motion passed unanimously (6-0)

- c. Director's Report – Mr. Johnson thanked Mr. DeLoria for his work on the various contracts and agreements.

Mr. Johnson shared that Project Rebound was created through a collaboration between the City, County, University of Virginia and the Charlottesville-Albemarle Regional Chamber of Commerce. Eight teams were formed to look at various economic sectors in our community and create a blueprint for restarting and building resiliency within our economy. Over the past month, there have been multiple meetings with over 300 community participants.

The Chamber received a GO Virginia grant for \$80,000 to coordinate and complete the study. Following the meetings, the Chamber hired a consulting firm (KPMG) to use the feedback and draft our local plan for restarting our economy. The plan is scheduled to be rolled out June 10th.

Additionally, the steering committee noted that there was a common theme that our community wants clear directions on what it takes to safely restart and serve customers. The steering committee created a checklist on how to follow Forward Virginia rules and regulations related to COVID-19 with the assistance of local health experts. These checklists were included in a PPE toolkit that has a supply of masks, sanitizer, COVID-safe pens. These toolkits will be distributed throughout the small business community.

Mr. Johnson provided a brief recap on the County's Business Continuity Strategy. The Incident Management Team approved a Business Continuity Strategy that had three key components:

- 1) Defer business expenses – tax payment due dates were moved to June 30
- 2) Increase access to capital for all businesses – this was a responsibility of the Economic Development Office has created loan programs, connecting businesses to our business resource guide
- 3) Educate the community – the Economic Development Office partnered with the Community and Public Engagement Office to promote resources available to help businesses survive. He noted this strategy was a shift from focusing on primary businesses to all existing businesses. This was a strategic pivot that was approved by the County Executive's Office, the County's Incident Management Team and the Board of Supervisors.

Mr. Johnson updated the Authority on the Business Recovery Fund. The Community Investment Collaborative (CIC) received a total of 66 inquires and 20 completed loan applications from businesses located in Albemarle County. In Round 1, CIC closed and disbursed loans to 14 Albemarle County businesses. In Round 2, CIC just approved and is in the process of closing loans

for 4 additional Albemarle County businesses. He shared that an anonymous philanthropic organization recently contributed \$300,000 in additional funding for this program.

Mr. Johnson announced that Albemarle County received a little over \$9.5 million in CARES relief funding. COVID related economic development endeavors are eligible as a reimbursable expense. An internal taskforce has been assembled to consider different ways to utilize a portion of those funds to promote economic development and improve the business climate. Economic Development staff will provide recommendations to the Board of Supervisors and the Economic Development Authority to use these funds in a way that is consistent with the Comprehensive Plan and Project ENABLE.

5. **Unfinished Business**

No unfinished business was reported.

6. **Other Matters**

No other matters were discussed.

7. **Adjournment**

There being no further business, Mr. Gentry adjourned the meeting at 5:20 pm.

Teste: _____
W. Rod Gentry, Chairman

Approved: _____
David Mellen, Secretary-Treasurer



**Economic Development Authority
of Albemarle County, Virginia**

**RESOLUTION OF THE
ECONOMIC DEVELOPMENT AUTHORITY
OF ALBEMARLE COUNTY, VIRGINIA, TO UNDERTAKE A NOTE FINANCING
FOR THE BENEFIT OF THE COUNTY OF ALBEMARLE, VIRGINIA**

WHEREAS, the Economic Development Authority of Albemarle County, Virginia (the “Authority”), was created under and is authorized to exercise all the powers set forth in the Industrial Development and Revenue Bond Act, Title 15.2, Chapter 49, Code of Virginia, as amended (the “Act”), which include, among other things, (a) the power to make loans to, among others, a county in furtherance of the Act, (b) to finance facilities for use by, among others, a county, (c) to issue its revenue bonds, notes and other obligations from time to time for such purposes and (d) to pledge all or any part of its revenues and receipts derived from payments received by the Authority in connection with its loans or from any source, as security for the payment of principal of and interest on any such obligations;

WHEREAS, the Board of Supervisors (the “County Board”) of Albemarle County, Virginia (the “County”), has expressed its desire to obtain, in conjunction with the Authority, a draw-down loan to finance the costs of various projects in the County’s Capital Improvement Plan including (without limitation) capital expenditures for court and public school improvements (collectively, the “County Projects”);

WHEREAS, the County Board has requested that the Authority (a) issue and sell its Revenue Note (County Projects), Series 2020 (the “Note”), pursuant to the terms of a Note Purchase and Loan Agreement (the “Loan Agreement”) between the County, the Authority and the Lender (as hereinafter defined), in order to provide for a draw-down loan and its repayment terms, (b) loan the proceeds of the Note to the County pursuant to the terms of the Loan Agreement to finance, as needed, the costs of the County Projects and to pay the related costs of issuance, and (c) secure the repayment of the Note by an assignment to the Lender of certain payments due from the County to the Authority in accordance with the terms of the Loan Agreement;

WHEREAS, the County has requested Davenport & Company LLC, as the County’s financial advisor (the “Financial Advisor”), to solicit proposals for a draw-down loan from banking and other financial institutions;

WHEREAS, the County Board has reviewed a summary of the proposals received and has determined, in consultation with the Financial Advisor, to request that the Authority award the Note to JPMorgan Chase Bank, N.A., or a subsidiary thereof (collectively with any successors and assigns, the “Lender”), in accordance with the terms of its bid attached hereto as Exhibit A (the “Proposal”); and

WHEREAS, there has been presented to this meeting a draft of the Loan Agreement that the Authority proposes to execute in support of the transactions described above;

BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF ALBEMARLE COUNTY, VIRGINIA:

1. The Authority hereby approves the following plan in connection with the draw-down loan and the financing of the County Projects. The Lender shall make a draw-down loan to the Authority, the Authority shall issue and deliver the Note to the Lender as evidence of such loan and further loan the proceeds of the Note to the County, and the County shall use the proceeds thereof to finance the County Projects and agree to repay such loan from amounts appropriated from time to time by the County Board, all in accordance with the terms set forth in the Loan Agreement. The obligation of the Authority to make payments under the Note and the Loan Agreement shall be limited to the payments, if any, received from the County, which shall be assigned to the Lender pursuant to the terms of the Loan Agreement. This plan of financing shall contain such additional requirements and provisions as the Chairman or Vice-Chairman of the Authority, either of whom may act, may approve and determine, in collaboration with the County Executive, to be in the best interests of the Authority and the County.

2. The Note is hereby awarded, and shall be sold, to the Lender in accordance with the terms of the Proposal and this Resolution.

3. The Note is to be designated "Revenue Note (County Projects), Series 2020," and shall be dated the date of its delivery. The Note shall be issued and delivered to the Lender pursuant to the Loan Agreement with final terms that the Chairman or Vice-Chairman of the Authority, either of whom may act, determines, in consultation with the Financial Advisor and in collaboration with the County Executive, to be in the best interests of the Authority and the County; provided, however, that the Note shall (a) provide for the Lender to make principal advances from time to time in an aggregate amount not to exceed \$75,000,000, (b) mature no later than July 31, 2022, (c) bear interest at a variable rate not to exceed 80% of One-Month LIBOR plus 60 basis points as determined in accordance with the terms of the Proposal (subject to adjustment upon an event of taxability or an event of default), (d) be sold to the Lender at a price not less than 100% of the principal amount thereof and (e) be subject to optional redemption at least monthly without any prepayment premium. The Chairman and Vice-Chairman of the Authority, either of whom may act, are also authorized to approve, in collaboration with the County Executive, the principal installment amounts and principal and interest due dates for the Note, as such officers shall determine to be in the best interests of the Authority and the County.

4. The Chairman and Vice-Chairman of the Authority, either of whom may act, are hereby authorized and directed to execute the Loan Agreement, which is approved in substantially the form presented to this meeting, with such completions, omissions, insertions and modifications not inconsistent with this Resolution as may be approved by the Chairman or Vice-Chairman, as

applicable, such officer's execution to constitute conclusive evidence of his or her approval of any such completions, omissions, insertions and modifications.

5. The Chairman and Vice-Chairman of the Authority, either of whom may act, are hereby authorized and directed to approve, execute and deliver agreements necessary to complete the plan of financing outlined in Section 1 above and not inconsistent with this Resolution, such officer's execution and delivery of such agreements to constitute conclusive evidence of his or her approval thereof.

6. The Chairman and Vice-Chairman of the Authority, either of whom may act, are hereby authorized and directed to execute the Note by manual or facsimile signature, the Secretary-Treasurer and Assistant Secretary-Treasurer, either of whom may act, are hereby authorized and directed to affix the seal of the Authority to or print a facsimile thereof on the Note and attest the same by manual or facsimile signature, and the officers of the Authority are hereby authorized and directed to deliver the Note to the Lender upon receipt of the first principal advance thereunder.

7. The officers of the Authority are hereby authorized and directed to execute, deliver and file all certificates and documents and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Note, the undertaking of the draw-down loan and the financing of the County Projects, including without limitation (a) execution and delivery of a certificate setting forth the expected use and investment of the proceeds of the Note to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations thereunder (the "Code"), applicable to "arbitrage bonds," (b) making any elections, at the request of the County, that such officers deem desirable regarding any provision requiring rebate to the United States of "arbitrage profits" earned on investment of proceeds of the Note, (c) providing for the County to pay any such rebate amount and (d) filing Internal Revenue Service Form 8038-G. The foregoing shall be subject to the advice, approval and direction of bond counsel.

8. All costs and expenses in connection with the undertaking of the County Projects and the issuance of the Note, including the Authority's fees and expenses and the fees and expenses of bond counsel, counsel for the Authority and counsel to the Lender, shall be paid from the proceeds of the Note or other legally available funds of the County. If for any reason the Note is not issued, it is understood that all such expenses shall be paid by the County from its legally available funds and that the Authority shall have no responsibility therefor.

9. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Note, the undertaking of the draw-down loan and the financing of the County Projects are hereby approved and ratified.

10. All resolutions or parts of resolutions in conflict herewith are repealed.

11. This Resolution shall take effect immediately upon its adoption.

MOTION

I move that the EDA adopts this Resolution approving the issuance of the described Note and authorizing the Chair to execute the Loan Agreement on the EDA's behalf once the Loan Agreement has been approved as to form and substance by the County Attorney.

I, W. Rod Gentry, do hereby certify that the foregoing writing is the Resolution duly adopted by the Economic Development Authority of Albemarle County, Virginia, by a vote of 6 to 0 as recorded below, at a meeting held on 9 June 2020.



W. Rod Gentry, Chairman

	Aye	Nay
Mr. Gentry	<u> x </u>	_____
Mr. Atkinson	<u> x </u>	_____
Mr. Munson	<u> x </u>	_____
Mr. Long	<u> x </u>	_____
Mr. Mellen	<u> x </u>	_____
Mr. Ray	<u> x </u>	_____
Mr. Shreve	_____	_____



**Economic Development Authority
of Albemarle County, Virginia**

**RESOLUTION TO APPROVE THE
SECOND AMENDED ECONOMIC OPPORTUNITY FUND
PERFORMANCE AGREEMENT FOR THE
REDEVELOPMENT OF THE WOOLEN MILLS SITE**

WHEREAS, the Economic Development Authority of Albemarle County, Virginia (the Authority), approved a Performance Agreement and First Amended Performance Agreement between the Authority, Woolen Mills, LLC, and the County of Albemarle, Virginia (the County), regarding the redevelopment of the Woolen Mills site in anticipation of WillowTree, Inc.'s expansion and relocation to the site; and

WHEREAS, the County Board of Supervisors has approved a Second Amended Agreement extending the project completion date and contract term; and

WHEREAS, the Authority finds it is in its and the County's best interests to enter into a Second Amended Agreement to revise the project completion date and contract term.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Economic Development Authority of Albemarle County, Virginia, hereby approves the attached Second Amended Agreement between the Authority, the County, and Woolen Mills, LLC, and authorizes the Chair to execute the Second Amended Agreement on behalf of the Authority once it has been approved as to substance and form by the County Attorney.

MOTION

I move that the EDA adopt this Resolution approving the Second Amended Economic Opportunity Fund Performance Agreement between the EDA, Albemarle County, and Woolen Mills LLC, and authorize the Chair to execute the Agreement on the EDA's behalf once the Agreement has been approved as to form by the County Attorney.

I, W. Rod Gentry, do hereby certify that the foregoing writing is the Resolution duly adopted by the Economic Development Authority of Albemarle County, Virginia, by a vote of 6 to 0 as recorded below, at a meeting held on 9 June 2020.



W. Rod Gentry, Chairman

	Aye	Nay
Mr. Gentry	<u> x </u> _____	_____
Mr. Atkinson	<u> x </u> _____	_____
Mr. Munson	<u> x </u> _____	_____
Mr. Long	<u> x </u> _____	_____
Mr. Mellen	<u> x </u> _____	_____
Mr. Ray	<u> x </u> _____	_____
Mr. Shreve	_____	_____