**AGENDA DATE:** 9/7/2016

**TITLE:** Title

Memorandum of Understanding between the County and the Economic Development Authority

**..BODY**

**SUBJECT/PROPOSAL/REQUEST:** Consideration of a draft memorandum of understanding that describes the respective roles of the County and the Economic Development Authority

**ITEM TYPE:** Regular Action Item

**STAFF CONTACT(S):** Foley, Kamptner, McClintic

**PRESENTER (S):** Greg Kamptner

**LEGAL REVIEW:** Yes

**REVIEWED BY: Thomas C. Foley**

**BACKGROUND:** Under the Industrial Development and Revenue Bond Act (Virginia Code §15.2-4900 *et seq*.), an EDA is authorized to acquire, own, lease, and dispose of properties, to acquire, build, lease, or sell buildings and industrial parks, to provide financing for infrastructure such as roads and water and sewer lines, to provide financing for governmental facilities and a range of non-profit and other qualifying private facilities, and to make loans and grants and to provide other incentives to promote economic development. Since the EDA was created by the Board on May 12, 1976, its primary role has been to serve as a conduit issuer of bonds. More recently, it also has served as a conduit for providing grants to businesses (Route 29 Solutions, and those under the Board’s Economic Opportunity Fund in conjunction with State programs) and a loan to a non-profit organization (Lewis & Clark Exploratory Center).

The role of the EDA to date has been limited, a fact also reflected in the County’s current EDA regulations and the EDA’s own operating documents, which require prior Board approval of most, if not all, key EDA activities. However, the EDA is an independent political subdivision of the Commonwealth of Virginia and the County Code and the EDA’s operating documents need to correctly reflect that status. A proposed ordinance to address this issue will be coming to the Board for its consideration in October which, if adopted, will also allow the EDA’s operating documents to be revised accordingly. Nonetheless, in order for economic development in Albemarle County to be successful, the EDA and the County need to ensure that they are pursuing the same economic development goals and objectives. The memorandum of understanding (MOU) for the Board’s consideration is one of the tools available to achieve that purpose.

**STRATEGIC PLAN:**  Goal 4: Economic Prosperity:Foster an environment that stimulates diversified job creation, capital investments, and tax revenues that support community goals

**DISCUSSION:** Over the past several years, the Board has taken steps to promote economic development. Most recently, on April 1, 2015, the Director of Economic Development joined the County in the newly established Economic Development Office to “lead the County’s efforts to foster and encourage best practices in economic development activities that provide for quality job creation and sustainable employment opportunities, increased business tax base, and an improved quality of life for all citizens.” *County February 19, 2015 Press Release*.   
  
On June 10, 2015, the Board adopted a new Comprehensive Plan, which includes a chapter on Economic Development. The stated goal for economic development in the County is: “Albemarle’s economy will be diverse, strong, and sustainable, and retain and benefit County citizens, existing businesses, and new local ventures.” *Comprehensive Plan, page 6.1*. The Economic Development Office, with assistance from other County staff, is currently developing a draft Economic Development Strategic Plan. By establishing the Economic Development Office, adding an Economic Development chapter to the Comprehensive Plan, and developing an Economic Development Strategic Plan, the Board has recognized the need to plan for and to facilitate economic development.   
  
The EDA can play a vital role in enabling the County in achieving its economic development goals and objectives. In particular, the EDA can serve as a primary tool to implement the Board’s revitalization priorities in the County’s urban ring. An MOU between the County and the EDA is one of the tools available to ensure that the activities of the EDA remain aligned with the policies, goals, and objectives of the Board of Supervisors. A draft MOU is included as Attachment A and its provisions will be discussed at the September 7, 2016 Board meeting. The majority of the content of the MOU is based on the Economic Development and Development Areas chapters, as well as the Economic Development Implementation Priorities, of the County’s Comprehensive Plan. Cross-references to the sources in the Comprehensive Plan are included in the MOU. The County Attorney’s July 6, 2016 memorandum about the authority of the EDA, and its legal relationship to the County, is included as Attachment B.

**BUDGET IMPACT:** There is no budget impact.

**RECOMMENDATION:**

**..Recommendation**

Staff recommends that the Board provide direction on any changes to the MOU and direct staff to forward the MOU to the EDA for its consideration before it is returned to the Board for approval.

**..  
ATTACHMENTS:**

A - Draft Memorandum of Understanding (below)

B - Memorandum by Greg Kamptner, County Attorney, dated July 6, 2016

**MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding is dated September \_\_\_, 2016 and is entered into by and between the **COUNTY OF ALBEMARLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “County”), and the **ECONOMIC DEVELOPMENT AUTHORITY OF ALBEMARLE COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “EDA”).

The purpose of this Memorandum of Understanding is to state the respective roles of the County and the EDA in implementing the County’s policies, objectives, and goals pertaining to economic development as provided in the County’s Comprehensive Plan.

The County and the EDA agree that the County’s goal for economic development – to create and maintain a diverse, strong, and sustainable economy, and to retain and benefit the County’s citizens, existing businesses, and new local ventures – is also the goal of the EDA.

The County and the EDA also agree that promoting and assisting in the retention or expansion of existing businesses is a higher priority than attracting new businesses, and that the actions of the County and the EDA described below should be guided by that prioritization:

**1. The EDA will, to the extent that it is authorized under the Industrial Development and Revenue Bond Act (Virginia Code § 15.2-4900, *et seq*.), and to the extent that it has funding for these purposes:**

A. Promote new employment activities particularly those target industries identified in the 2012 Target Industry Study in the Development Areas. (ED Strategy 1a)

B. Promote agriculture, forestry, and agribusiness enterprises in the Rural Area that help support the Rural Area goals for a strong agricultural and forestal economy. (ED Strategy 1b)

C. Promote and assist business retention and expansion within the Development Areas. (ED Strategy 2b)

D. Use the 2012 Target Industry Study to guide its actions pertaining to business retention and expansion and new business. (ED Strategy 3a)

E. Assist existing businesses where agriculture is a main component. (ED Strategy 3g)

F. Assist existing agricultural businesses. (ED Strategy 3h\*)

G. Promote and assist in the establishment and expansion of businesses within the Development Areas on appropriately zoned lands. (ED Strategy 4b)

H. Promote and assist in the redevelopment of underutilized commercially- and industrially-zoned lands within the Development Areas. (ED Strategy 4c)

I. Promote and assist, on its own or in conjunction with other organizations or public bodies, small, locally owned, local agricultural businesses, minority-owned businesses, and micro-enterprises in their start-up and early operation efforts. (ED Strategy 6d)

J. Create appropriate incentives that address the needs of the target industries and emerging businesses. (ED Strategy 6e)

K. Promote and assist in relocating nonconforming businesses from the Rural Area to the Development Areas.

**2. The EDA will not, without the prior approval of the County’s Board of Supervisors:**

A. Promote and assist in establishing or expanding businesses within the Rural Area that are inconsistent with the land use policies of the Rural Area.

B. Promote and assist in establishing or expanding businesses within the Rural Area on any parcel that is not within the Rural Areas zoning district.

C. Acquire by any means possible, or assist any business in acquiring, land within the Rural Area for business establishment or expansion if the proposed use is not allowed by right or by special use permit in the Rural Areas zoning district.

**3. The County, through its Board of Supervisors, will:**

A. Reasonably and timely consider all matters of the EDA which federal or state law requires action by the Board, including any proposed bond issuance by the EDA.

B. Continue the Economic Opportunity Fund, subject to appropriation.

**4. The County and the EDA will:**

A. Work cooperatively and in close coordination to achieve the County’s goal for economic development.

B. Consider amending this Memorandum of Understanding if and when the County’s Board of Supervisors adopts an Economic Development Strategic Plan.

C. Interpret the terms used in this Memorandum of Understanding including, but not limited to, “Development Areas,” “Rural Area,” and “Target Industry,” as they are defined or described in the County’s Comprehensive Plan or Zoning Ordinance, as applicable in the context in which they are used.

**COUNTY OF ALBEMARLE, VIRGINIA**

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Liz Palmer, Chair

Board of County Supervisors

**ECONOMIC DEVELOPMENT AUTHORITY OF ALBEMARLE COUNTY, VIRGINIA**

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W. Rod Gentry, Chair