

ALBEMARLE COUNTY
ECONOMIC DEVELOPMENT AUTHORITY MINUTES
October 20, 2020
4:00 P.M.
Electronic Meeting

Directors Present: Kat Imhoff, Don Long, Stephen McNaughton, Stuart Munson, George Ray, David Shreve

Staff Present: Jim Bowling, EDA Counsel; Doug Walker, Deputy County Executive; J.T. Newberry, Economic Development Coordinator; Jennifer Schmack, Economic Development Project Manager; Richard DeLoria, Senior Assistant County Attorney; Diantha McKeel, Board of Supervisors Liaison to the EDA, Jack Jouett District Cecelia Baber, Chief Accountant; Michael Culp, Director of Information Technology

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

Mr. Long convened the meeting at 4:00 p.m. read the following statement:

Notwithstanding any provision in the EDA Bylaws to the contrary, as permitted under Albemarle County's Continuity of Government Ordinance adopted on June 17th, 2020; Chapter 1283 of the 2020 Acts of the General Assembly enacted into law on April 24th, 2020; and the Resolution of this body adopted on April 21, 2020, we are holding this meeting by real time electronic means with no Authority member physically present at a single, central location. All Authority members are participating electronically. This meeting is being held in accordance with Section 6 of the County's Continuity of Government Ordinance. All Authority members will identify themselves and state their general physical location by electronic means during the roll call which we will hold next.

The public has real time audio-visual access to this meeting over Zoom and real time audio access over telephone, both as provided in the lawfully posted meeting notice. The public is always invited to send questions, comments, and suggestions to the Authority through the County's Economic Development Office at any time. This meeting is being recorded and will be made available on the County's website.

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

Introduction of New Board Member – Stephen McNuaughton was introduced to the Authority as the new EDA Director for the Rivanna Magisterial District.

2. **Approval of Minutes**

The minutes for September 29, 2020 were reviewed. Ms. Imhoff noted some details that were omitted from the minutes, to wit: 1. During the Community Lift Grant briefing, there was some discussion on spending some time in the future looking at the nonprofit sector as part of the bigger community and what keeps the engine running locally; 2. During the Albemarle Business Campus discussion, comments were made about the design of the building, a pedestrian bike connection, and the longer

term need for A-1 office building space; 3. Under other matters, Ms. Imhoff noted an interest in receiving a briefing on the Climate Action Plan that was recently approved by the Board of Supervisors, that has a lot of bearing for climate ready communities. Ms. Imhoff suggested the EDA also look at other business sectors, including the Agriculture and Forestry sector, the leading sector in Virginia.

Ms. Imhoff suggested more detailed minutes to better capture Directors' comments and provide more transparency.

Mr. Walker acknowledged Ms. Imhoff's interest in detailed minutes and stated that if it's the Economic Development Authority's interest, some due diligence would need to be done to determine the implications from a staff prospective. This will ensure staff will be able to meet the EDA's expectations on a regular and consistent basis.

Ms. McKeel noted that the decisions the EDA make eventually go to the Board of Supervisors. The Economic Development staff do a good job of keeping the Board of Supervisors informed. She acknowledged there were some items from the last meeting that could've been included in the minutes.

Mr. Ray motioned to approve the minutes and it was seconded by Mr. McNaughton.

MOTION: The motion passed (6-0)

3. **Financial Report**

Mr. Shreve presented the financial report for period ending September 30, 2020.

4. **New Business**

- a. Albemarle Broadband Authority Update – Michael Culp, Albemarle County's Director of Information Technology, provided a brief history of the Albemarle Broadband Authority formed in 2017 by the Board of Supervisors, under the State's Wireless Authority Act. He explained that under that legislation, it does not allow the Broadband Authority to process grant payments for tax incentives back to private corporations or CO-OPS, such as Central Virginia Electric Cooperative, who is currently building fiber to their membership. The Broadband Authority, through the Economic Development Authority, is currently participating in an Tax Grant Incentive Agreement with them. He introduced Gary Wood, Terry Malia, and Dennis Reese who are running the Firefly Broadband, a CVEC subsidiary, to bring fiber out into the rural areas of Albemarle County.

At the start of the project, they were looking at a \$110 million investment across parts of 14 counties over a 5-year period. The original feasibility study indicated they would have to create a subsidiary to provide service in Virginia because electric co-ops are not allowed to provide internet service by law. The co-op builds the fiber and leases it to the subsidiary, Firefly Fiber Broadband, which provides internet service to the customer. The feasibility study indicated the subsidiary will

not break even on an annual basis until the seventh year of operation and would not pay off losses and make a true profit until year eleven. To remove some of the risk, the co-op sought to create partnerships with the Counties and ask for some assistance in the early years. The requests are based on the increased tax payments they will be making once the infrastructure is built out. This would add about sixty percent more to their value in the County. As they build it out, the agreement would return the equivalent new tax revenue back to the co-op each year for five years for each planned area built out. They also sought additional grant programs, such as FCC Connect America Fund Auction (CAF), the State of Virginia Telecommunications Initiative Grant (VATI) and the USDA Reconnect Grant Program. With these funds, they will be in the black for their second year of operation this year.

They have completed construction in six substations, four of them include connections in Albemarle County. The take rates in Albemarle County are very good, over 50% across their system. Construction is currently building at a pace of more than 20 miles of fiber going up per week. Once completed, Albemarle County's project will have 3,600 total accounts and an \$11 million investment. There are currently 653 active subscribers. Target completion of backbone infrastructure is July 1, 2022 and connections will continue after that for customers choosing to add the service. Unlike the Electric Cooperative, Firefly does not have a specific service territory.

Firefly will report to the State Corporation Commission 2020's additions in April 2021. They expect to see taxes on the new fiber mid-year and will pay for it as they are billed. They will be back to ABBA and the EDA next summer to request the first rebate.

Mr. Culp added that the tax rebate is capped at \$105,000 per year and with a \$550,000 max for taxes paid into the County specifically for the assets for the fiber build-out.

- b. Director's Report – Mr. Newberry highlighted Community Lift Grant. The Economic Development Office partnered with the Department of Social Services and the Office of Equity and Inclusion to create a grant program for non-profit businesses. Round 1 was recently completed, receiving 129 inquiries and 58 completed applications from organizations. Economic Development funds provided over \$350,000 in grant awards to area non-profits that focused on economic development purposes, arts, and other causes in the community. Economic Development staff are working to keep non-profits focused on applying for the Community Lift Grant and make them aware that the funds can be used the same way as the Safe Spaces and Places Grant, if they are interested in temporary outdoor expansions. The application window for Round 2 of the Community Lift Grant closed on October 19th and was exclusively run by the Department of Social Services.

Ms. Schmack provided an update on the Business Lift Grant Round 2. Applications were accepted October 2 through October 19. 138 inquires were made and 60 completed applications were received. Grant amounts will vary from \$5,000 to \$50,000 based on economic injury a business has

experienced from March to September 2020. The Economic Development Office partnered with the Community Investment Collaborative, who will be performing the “economic injury” analysis and providing the results. Staff partnered with the Community Engagement Office to expand the marketing outreach to include small businesses throughout the County.

Mr. Newberry shared an update on the Safe Spaces and Places, a grant program designed to provide funding to businesses who are interested in temporarily expand their operations outdoors and create safer spaces for commerce. This program launched on September 22 and received 47 applications. Grant amounts will range between \$5,000 to \$25,000. Staff expects to provide between \$600,000 and \$800,000 in grants.

Mr. Long recused himself from the Albemarle Business Campus discussion. Mr. Newberry announced that the Board of Supervisors approved the rezoning application on October 7, 2020. Our partner for the public-private partnership was very appreciative of the EDA’s input and support throughout this process.

Mr. Newberry shared that information about Venture Central’s GO Virginia application was distributed to the Authority. The most recent update is that the application was approved at the regional level and has moved to the state for consideration. Staff is optimistic on what this proposal can do for our community as we look at the road ahead for entrepreneurship.

5. **Unfinished Business**

No unfinished business was reported.

6. **Other Matters**

- a. Mr. Shreve initiated a discussion to amend the Economic Development Authority’s Bylaws to include public comment. As a beginning to the discussion, he proposed that the amendments would make provisions to include a Matters from the Public period at the outset of each meeting to be announced by the Chair and include a declaration from the Chair that anyone wishing to comment on agenda items may withhold their comment until that item is discussed. When that item is raised, there would be a staff report followed by the public comment period and then discussion by board members.

Mr. Munson stated that more public input is a good thing. The more they can get people involved and aware of what the EDA is doing and their thoughts coming into the process and the consideration to deliberation process is a good thing.

Ms. Imhoff agreed with Mr. Munson.

Mr. Long stated that he was in favor of public comment. He was interested to learn what other EDAs and other public bodies in the County do in terms of their public comment. He agreed that the having a Matters from the Public section makes sense but is concerned about the

cumbersomeness if they must stop throughout the process to get feedback on individual matters. Comments should revolve around actions that the Authority is thinking about taking.

Mr. Ray suggested having all public comment at one time up front so that agenda items are not constantly interrupted by additional comments. He also recommended having a time limit on comments like the Board of Supervisors.

Ms. McKeel shared that there are public comment models for other boards that can be considered, such as the Citizen’s Advisory Board and Albemarle County Regional Jail Board.

Ms. Imhoff liked the idea of looking at other models, having comment up front, and having it be materially related to the subject matters at hand.

Mr. Long announced that he will work with Mr. Shreve and Mr. DeLoria to create a proposal to bring to the November meeting.

Mr. DeLoria stated that the current meeting serves as notice that at the next meeting there would be a motion to Amend the Bylaws.

- b. Mr. Ray shared an update on the construction of a Veteran’s Memorial located within the Oakleigh development on West Rio Road.

7. **Adjournment**

There being no further business, Mr. Long adjourned the meeting at 5:30 pm.

Teste: _____
Donald Long, Chairman

Approved: _____
David Shreve, Secretary-Treasurer