

ALBEMARLE COUNTY
ECONOMIC DEVELOPMENT AUTHORITY MINUTES
DECEMBER 15, 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; Roger Johnson, Economic Development Director; 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

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 November 18th, 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.

This meeting is being recorded and will be uploaded to the County's website.

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 invited to send questions, comments, and suggestions to the Authority through the County's Economic Development Office at any time. The public is also invited to offer live comment during the meeting's Public Comment period. Comments are limited to three minutes and must be germane to matters on today's agenda.

Ms. Schmack provided the roll call and confirmed a quorum.

2. **Matters from the Public**

Mr. Neil Williamson with the Free Enterprise Forum requested to speak. Mr. Long acknowledged the request and allowed Mr. Williamson the opportunity to address the Authority. Mr. Williamson commended the EDA for one of the greater pivots in the County. Around March 16th, Project ENABLE was put on hold and implemented Project Rebound. The EDA grants that have been put together and well-vetted by the CIC have created a lifeline for many businesses. In his opinion, this is what an

Economic Development Authority should do. It is objective, it deals with preserving local business, local jobs and keeping our economy moving. He is thrilled there is a vaccine, but concerned the rebound will take a while, but believes it will happen faster because of the significant efforts of the Authority. He commended the Authority and thanked the Directors for their service on the EDA.

3. **Approval of Minutes**

The Approval of Minutes was deferred.

4. **Financial Report**

The Financial Report was deferred.

5. **New Business**

- a. Director's Report – Mr. Johnson thanked Mr. Williamson for his comments and noted how it fit with his report. Mr. Johnson shared the Economic Development Mission Moment highlighting how the EDO moved from Project ENABLE pivoted to helping all businesses survive.

In 2018, the Board approved the Economic Development strategic plan Project ENABLE. The EDO implemented different strategic activities: 1) Create a Business Retention and Expansion Program to visit with existing businesses, find out what their issues are and provide customized solutions. An example of this is the Seraphic Group, a manufacturer of gut health supplements. The EDO team met with Seraphic Group and identified an interest to expand internationally. EDO connected them with the Virginia Economic Development Partnership to understand the distribution channels in Europe, import/export issues, how to set up companies overseas. 2) Build Public Private Partnerships to create projects for public good. An example of this is the Barnes Lumber Plaza in Crozet. EDO partnered with an existing developer to create a new Downtown Crozet area and include a public plaza for public gathering space. 3) Site Readiness to increase the diversity of product for existing businesses to expand with a rail-served site, Class A office space, or greenfield sites. Working with existing owners to ensure the site is appropriately zoned. 4) Growing new businesses through Innovation and Entrepreneurship.

In early March 2020, the Coronavirus Pandemic began. Mr. Johnson reviewed Albemarle County's initial unemployment claims by month. On March 14th, 12 claims were made. By March 21st, 600 claims and by April 4th, over 1400 claims were made; that's over 100 times the normal amount of unemployment claims, clearly businesses were negatively impacted, and layoffs were happening. Locally, we had daycares closing, small businesses becoming insolvent and non-profits struggling. All economic groups were impacted but particularly the hospitality, restaurant and tourism businesses were the hardest hit.

Late March, the federal government passed the CARES Act. It included a lot of components such as: forgivable loans for businesses, \$1,200 one-time cash payments to families, increased and extended unemployment benefits, and provided money for local governments.

Mr. Johnson reviewed the Economic Development Programs during the crises. Without a real understanding of what "money for local governments" meant, the County Executive's Office met

with EDO and the Project Management Office to discuss strategies. The County Executive gave the EDO team a favorable response to set aside a portion of the CARES funds for economic recovery. The County later learned it would receive \$19 Million dollars. The County Executive's Office allocated \$2.5 million to EDO to help businesses.

To build out programs to distribute \$2.5 million into the community, the EDO team began reviewing data and asking questions: Who do we help? In what order? What's the best way to help these folks? How do we establish meaningful outcomes? How are we transparent? Provide fairness? How does the social movement and equity fit into the plan?

The EDO team set out to help the most vulnerable businesses survive without failing businesses. In examining the data, Minority, Women and Veteran Owned businesses were identified to have less access to capital. Some antidotal information: included in the Federal Government's package was Economic Injury Disaster Loans and Paycheck Protection Programs that were rolled out to the private sector, administered by banks. These banks were helping their existing and larger customers first. This administration process was excluding businesses without influential connections to the banks. EDO also reviewed data that identified the Hospitality, Tourism and Restaurant sectors were the hardest hit in our community. The economic sector of Hospitality and Tourism contributes about \$400 million in annual economic impact in our community. After reviewing all the data, EDO decided to first help the Minority, Women and Veteran Owned businesses and the and Tourism businesses. EDO issued the first round of Lift Grants in July. Some businesses who received grants were: Croby's, a locally owned small restaurant, King Family Vineyards, which has a large venue for weddings, receptions and business gatherings, and Mochiko, a minority owned restaurant in 5th Street Station. Mr. Johnson noted that multiple calls and thank you letters were received from the business community.

Additionally, recognized that non-profits were also struggling. EDO partnered with Social Services and the Office of Equity and Inclusion to create the Community Lift Grant for non-profits. EDO assisted the Economic Development/Business category and the Arts, Education, Causes, Health, Support Services categories. While Social Services and the Office of Equity and Inclusion assisted the Food, Shelter, Financial Security, Childcare categories. Mr. Johnson provided a quick note of thanks to J.T. and Jennifer for contributing to the overall success of the mission. Community Investment Collaborative, they did not have the resources available to carry out the request the County was making of them. Since CIC was working with 10 additional municipalities to distribute CARES funds, it would take a month and a half to begin the Community Lift Grant. J.T. and Jennifer volunteered to do much of the work to ensure the nonprofits would receive the funds quickly. Examples of nonprofits that received grants: The Chamber of Commerce, Blue Ridge Irish Music School; Yellow Door.

Mr. Johnson noted most businesses were using the Lift Grants to pay bills and overcome revenue loss. EDO recognized there were additional challenges the businesses were faced with. As a

result, the Safe Spaces and Places Grant was created. This grant would allow cash strapped businesses to expand their business outdoors to provide safer space and purchase technology for business transactions. Under this grant, items such as tents, outdoor heating units, outdoor furniture, sanitizing stations, extended Wi-Fi and point of sale systems were all allowable purchases to promote safe outdoor business activity. Some examples of safe spaces and places grant recipients: the Wool Factory is using an outdoor patio to expand gathering spaces and still maintain social distancing; Albemarle Ciderworks has expansive greenspace for outdoor seating, they utilized their funds to purchase tents, chairs, heaters and fire pits.

In late September, EDO learned the County was going to allocate additional CARES funds to the economic recovery effort. At this point, the grants were used to help targeted small businesses, non-profits and safe space expansions. EDO decided to provide another round of funding, named Lift Grant Round 2. This time, the goal was to help most small businesses to include home based businesses and locally owned and operated franchises that held a current Albemarle County Business License. Grants were up to \$50,000 based on economic injury. Examples of Lift Grant Round 2 businesses were: Blue Ridge Cleaning, The Batesville Market, and Bright Beginnings Childcare.

Mr. Johnson closed his presentation with information about a newly created Buy Local Campaign that was a collaboration between the County and the City of Charlottesville's Economic Development Offices. The Buy Local campaign focuses on three key elements: it keeps money in the local economy, creates jobs, and keeps our community unique. For every \$100 spent at a local business, \$45 stays in our community. If you buy from a chain, \$14 stays in the community, if you buy from a national retailer, \$1 stays in the community. The campaign, led by Jennifer will include radio and tv commercials, Public Services Announcements posted on Social Media. Mr. Johnson encouraged Authority Directors to do their holiday discretionary spending at local businesses. The Authority viewed the first Buy Local video that kicked off the campaign.

Ms. Imhoff shared that she saw Mr. Johnson's news interview that highlighted the multiplier effect of buying locally. She believes this is a brilliant campaign for the County to be pushing, not just during the holidays but throughout the year. She also noted that when you buy local, you get the item and it is not lost in shipping.

Mr. Johnson noted that these small businesses are struggling financially, and they can't afford to advertise right now. So, we feel like we are filling a gap in a time of need, in addition to all the grants that have been offered.

Supervisor McKeel agreed that it is a wonderful campaign and noted that Mr. Johnson presented the same material to the Albemarle County employees.

Mr. Long asked if all the County's CARES funds have been expended. Mr. Johnson stated that the County is currently reimbursing for eligible expenses that the County has incurred. Mr. Walker

noted at their next meeting, the Board of Supervisors will be appropriating the remaining CARES funds to pay for the costs incurred by the County that will offset the General Fund Revenues. After the first of the year, this will allow the County to create a pandemic reserve to continue to support COVID related expenses, continued support to the businesses and non-profits for health and welfare.

Mr. Ray asked about the status of the Downtown Crozet project. Mr. Johnson shared the biggest hold up to date has been with the road plans. They wanted some traffic circles and certain road widths that have a direct impact on how the project was planned. The barrier has been finding a mutually agreeable road plan. Recently the County and developer submitted 60% design plans to VDOT. Once VDOT accepts the plans, work will begin to design the public plaza, which will be built in conjunction with the road. Late next year earthwork, grading and construction is expected to begin.

6. **Unfinished Business**

No unfinished business was reported.

7. **Other Matters**

- a. EDA Meeting Attendance – Mr. Long highlighted the Code of Virginia § 15.2-4904, to remind Directors how many times they could be absent from meetings. Mr. DeLoria noted that the EDA is unique because it has a statute that provides for attendance. It states that a Director can't miss more than three meetings in a row, or four in any 12-month period. Mr. DeLoria also noted that right now there is a period of liberal rules, in terms of electronic participation, if there is an emergency or business that takes a Director away, the attendance can easily be accommodated. He anticipates that after the pandemic the General Assembly will continue with some form of liberal electronic participation. If it doesn't, FOIA still allows for electronic participation for two meetings in a 12-month period.

Mr. Johnson shared that attendance is important because the Directors all bring diverse experiences to the table and were handpicked by the Board of Supervisors because of their subject matter expertise.

- b. Ethics Training - Mr. Long reminded the Authority to complete the required 45-minute online ethics training session by December 31, 2020 and requested that Directors send confirmation of completion to Jennifer.
- c. Mr. Long shared his vision of how he sees the framework for how to handle issues or topics of interest that Directors would like to bring to the Authority for discussion, they can bring them to either Mr. Long or Mr. Johnson. The big focus is to think about and how it fits with Project ENABLE and the costs for staff time and resources. If it is something a Director feels strongly about, it should be brought to the Authority for discussion and direction.

Mr. Johnson noted Ms. Imhoff suggested asking Christine Nardi from the Center for Non Profit Excellence to provide a presentation to the Authority and asked if the Directors had an interest.

Mr. Shreve agreed.

Mr. Long noted that Ms. Nardi would bring an interesting perspective and would be happy to have her come and present.

- d. Mr. Long inquired about having presentation on the economic status of the County and at what point would there be a clear picture of where the tax revenues are. Mr. Walker noted that the real estate book closes in January. The Board of Supervisors is scheduled to receive an update on January 20th. The presentation will include information from the Assessor and the staff economist, Steve Allshouse who will characterize the drivers in the local economy. Mr. Walker suggested a presentation from Mr. Allshouse at the Authority's Febuary meeting.
- e. Mr. DeLoria announced that January is the Authority's annual organizational meeting for the consideration of officers for 2021.
- f. Mr. Ray inquired on the number of vacancies the Authority currently has. Mr. Long replied, one.
- g. Mr. Long inquired about the status of the Holistic Industries application. Mr. Johnson replied, the application was submitted on time to the State.

8. **Adjournment**

There being no further business, Mr. Long adjourned the meeting.

Teste: _____
Donald Long, Chairman

Approved: _____
David Shreve, Secretary-Treasurer