

ALBEMARLE COUNTY
ECONOMIC DEVELOPMENT AUTHORITY MINUTES

April 20, 2021

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; Jeff Richardson, County Executive; 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; Chapter 1283 of the 2020 Acts of the General Assembly; 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 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. The public is also invited to send questions, comments, and suggestions to the Authority through the County's Economic Development Office at any time.

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

2. **Matters from the Public**

Ms. Schmack confirmed no speakers signed up or raised their hand to speak.

3. **Approval of Minutes**

The minutes for March 16, 2021 were reviewed. Ms. Imhoff motioned to approve the minutes, which was seconded by Mr. Munson.

MOTION: The motion passed unanimously.

4. **Financial Report**

Mr. Shreve presented the financial report for the period ending March 31, 2021. There were no comments or questions on the report.

5. **New Business**

Due to a conflict, Mr. Long recused himself from the Community Investment Collaborative discussion and was removed from the meeting.

- a. Community Investment Collaborative (CIC) – Mr. Ray introduced Stephen Davis, Executive Director of the CIC, and requested Mr. Davis proceed with his presentation. Mr. Davis thanked the Authority for the opportunity to present again.

As a refresher, Mr. Davis explained that the CIC is a micro-enterprise development organization founded in 2011 whose mission is to help under-resourced entrepreneurs grow small businesses. The CIC has partnered with Albemarle County over the years both in supporting the program for people participating as well as in creating a microloan fund.

Mr. Davis went on to explain that the CIC is built on four pillars: 1) Educational Training, 2) Mentoring, 3) Financing, and 4) Networking.

- 1) Educational Training - The CIC offers a 16-week entrepreneur workshop designed to do two things: 1) help people determine if their business is viable; and 2) to learn the basics of running a small business. The target population is under-resourced entrepreneurs which includes businesses owned by people of color, women owned businesses, individuals that are low to moderate income when they enter the program, meaning their household earns under the area's median income, and individuals returning to the community after serving time in prison.
- 2) Mentoring – Once entrepreneurs get through the workshop, they are part of CIC's network and CIC helps connect them with mentors. Mentors work with the entrepreneur one-on-one 3 to 6 months to help in achieving that next goal they are seeking.
- 3) Financing – The CIC offers microloans up to \$35,000 to graduates of the CIC or existing businesses that have been in business for 6 months.

Mr. Davis apologized for not updating the slide presented and so the numbers are old. He advised that the \$255,000 loan fund presented two years ago is currently at approximately \$1.1 million. All of the updated numbers are in the CIC's request letter included in the agenda packet.

- 4) Networking – There are lots of networking opportunities to help entrepreneurs connect to each other, connect to existing business networks, promote their business, sell to UVA, sell to the state of Virginia, and so forth.

Mr. Davis then spoke about the types of Micro Businesses served. These are the Mom and Pops that are the life blood of all of our communities - food trucks, restaurants, food products, hair salons, service businesses, landscaping businesses. Some of the Albemarle Micro Businesses the CIC has helped include Beyond Fitness with Sabrina, Charlottesville Ballet, Local Nanny Network, Home

Stadiums, Cakes by Rachel, Mochiko Restaurant, Wildrock, Minerals & Mystics, Dop3 Fashion, and L&T Commercial Cleaning Services.

Mr. Davis stated that last year one of the things the CIC partnered with Albemarle County and the City of Charlottesville on was creation of the Business Recovery Fund (BRF). The BRF assists businesses impacted by the pandemic restrictions which significantly challenged their cash flow. The fund included \$200,000 from Albemarle County, \$100,000 from the City of Charlottesville, and the CIC was able to leverage a private investment from a foundation of \$300,000, for a loan fund total of \$600,000. This resulted in about 56 loans to businesses at about \$10,000 each to provide emergency working capital during April and May of last year. There were 22 loans made to Albemarle businesses.

Mr. Davis then talked about what was new with the CIC since the last time he presented to the Authority in 2019.

- 1) In January 2020 the CIC took over as host agency of the Central Virginia Small Business Development Center (CV SBDC). Having the CV SBDC and CIC under one roof provides more efficiency for entrepreneurs as the CV SBDC serves the broader small business community and the CIC helps those who face additional barriers or have been historically excluded.
- 2) Mr. Davis again mentioned the Business Recovery Fund discussed above. There is a Round 2 being planned for May/June 2021 with \$150,000 available in the fund.
- 3) Last year Albemarle County provided business grants to area businesses impacted by the pandemic using CARES Act funds. The CIC partnered with Albemarle County to help manage those grants by doing the financial review to certify the economic injury and managing the deployment/tracking of grant funds. In addition to Albemarle, the CIC partnered with 10 other municipalities to manage and deploy business grant programs utilizing CARES Act funds. In about 6 months the CIC made about 800 grants to businesses and organizations totaling just under \$12 million. Over half of that (\$6.4 million) was to Albemarle County businesses.
- 4) The biggest news for this year is that in January 2021 the CIC received its certification as a Community Development Finance Institution (CDFI). This is a U.S. Department of the Treasury certification which basically says you primarily serve under-resourced markets. In the CIC's case this is low to moderate income and African American owned businesses. This will help the CIC secure additional capital and continue increasing their impact in under-served communities.

Mr. Davis shared a chart of the results of the CIC's core programs (does not include CV SBDC numbers). The chart has been updated from that shown to the Authority two years ago. Mr. Davis noted that when he spoke with the Authority in August 2019 there had been approximately \$600,000 in total lending and now (March 2021) it's over \$1.6 million. Their repayment rate continues to go up and is now at under 1% loss rate of loans discharged.

Mr. Davis shared another chart on Businesses Reporting Sales based on a survey about a year or so ago. Even amongst the CIC businesses that often tend to be the local Mom and Pops that sell primarily within the county and region, about 20% reported selling outside of the region which means bringing in dollars to our region, an important part of economic development.

Mr. Davis then shared some stories on businesses the CIC has helped.

- 1) L & T Commercial Cleaning Services – Helped with a loan fund including the Albemarle loan fund that was created pre-pandemic. In the pandemic, cleaning services is one of the businesses that grew significantly since early guidance was that extra cleaning was needed. The company received a couple small loans and one bigger loan and has grown by 6 or 8 employees in the last year as they have taken on some significantly new contracts. Chris Harris, the owner, went through the CIC workshop and has benefited from the Albemarle loan fund.
- 2) Minerals and Mystics, formerly Crystal Connection – Leah was an employee who went through the CIC program and purchased the business so it could continue because the current owner was looking to move on. CIC loan of \$35,000 helped with buildout and startup expenses.
- 3) Batesville Market – Kristen Rbourdin, a CIC graduate, purchased the market in 2019. The Business Recovery Fund helped her to sustain through last year. She is increasingly incorporating local products, including CIC entrepreneurs' products, into the store.

Mr. Davis advised that next steps for the CIC include 1) leveraging the CDFI certification to bring more capital and opportunities to under-resourced entrepreneurs in the region; and 2) integrating the SBDC operation to make the experience seamless for the community.

Mr. Davis then explained he was here today as the CIC wants to continue their partnership with the EDA. He shared a chart showing support from localities. In the last two times the EDA has supported the CIC they have provided some operating dollars and started the Albemarle Microloan Fund. Because of the Recovery Fund, funds being repaid, as well as other resources available at the moment, the CIC's request this year is for \$25,000 in operating support to help the CIC sustain the growth they have seen. All of the loans that were made last year through the Recovery Fund were at 1% interest as opposed to the normal 6% to 9% which means the CIC had less revenue coming in from loans that were made. The requested \$25,000 in support will help fill in in some of the lost revenue as well as support Albemarle folks who are participating in the program.

Mr. Davis advised that applications for CIC's program are typically due the beginning of January and beginning of July for workshops that start in August and March.

That was the end of Mr. Davis's presentation and he asked if there were any questions.

Ms. Imhoff asked Mr. Davis if he could tell her about the CIC's staff size.

Mr. Davis responded that when he presented two years ago they were 5 and now they are 10 which is partly SBDC growth and partly CIC growth. Staff of 10 includes 4 employees on the SBDC side and 6 on the CIC side. There are also 8 or 9 contract business counselors/advisors/coaches and, at any given time, 75 to 100 volunteers over the course of a year.

Mr. Johnson stated if he heard correctly, CIC's default rate is under 1% despite the fact they are serving customers who are unable to get loans through normal means because they cannot qualify through banks or other institutions. Mr. Johnson asked if that was attributed to the coaching and mentoring they do or some other process.

Mr. Davis responded they have made a lot of loans in the past year in the middle of the pandemic and all those loans so far are performing. There are 8 or 9 where they have provided some flexibility. The first piece of the low default rate is the relationship as most of the borrowers are graduates of CIC's workshop and those that are not have been in business at least 6 months. The second is that CIC works really hard at continuing to engage the borrowers and provide support. The third piece is that CIC goes out of its way to be flexible as long as the borrowers are communicating with them. The flexibility and relationship make a big difference. Mr. Davis stated that the CIC Board has said pretty consistently if they are always at 1% they want to keep providing more opportunity.

Ms. McKeel asked if she saw they had some folks that were previously incarcerated.

Mr. Davis responded that one of the target populations is folks that have returned to the community after serving time. The estimate as of about a year ago was that approximately 10% to 12% of their clients have served time at some point in their life.

Ms. McKeel stated that she didn't want to take the time now, but as Chair of the Regional Jail she would like to connect with Mr. Davis off-line to continue the conversation.

Mr. Johnson asked if it was correct that in the presentation there was a request for \$25,000 from the Economic Development Authority.

Mr. Davis responded that was correct and there was a letter in the agenda packet outlining the request.

Ms. Schmack stated that also in the agenda packet was a proposed resolution for review. Mr. Ray then read the resolution aloud.

Mr. Munson motioned to approve the **Resolution to Provide a Grant to the Community Investment Collaborative to Support Albemarle County Microbusinesses**, the motion was seconded by Ms. Imhoff.

MOTION: The motion passed unanimously (5-0).

Mr. Long reentered the meeting.

- b. Center for Nonprofit Excellence (CNE) – Mr. Johnson introduced Christine Nardi, Executive Director of the CNE. Ms. Nardi thanked the Authority for the opportunity to be here today and share information about a non-profit sector and engage in a dialogue or answers any questions.

Ms. Nardi stated she was going to present and frame this presentation in the context of talking about Social Impact Businesses, the Social Impact Sector – businesses that offer social impact to the community. Social Impact Businesses are businesses that help our citizenry thrive, strengthen our education systems, help steward our environment, enrich us with arts and culture, and take care of our health. They are a reflection of what we value in our community and the sector looks different community by community. Given their importance to the community, the CNE believes it is important they have the resources, tools, and information they need to do their best, most impactful work.

Ms. Nardi advised that the CNE was created 15 years ago to solve a problem and the problem was lack of access to business support services tailored to meet the needs of social impact businesses. The CNE is currently based in Charlottesville and their members are predominantly from Charlottesville, Albemarle, and the surrounding counties, but there are member organizations across the Commonwealth. They also have relationships with funding partners in three other parts of the State so they do business in Charlottesville/Albemarle but also more broadly across the State. CNE is a member driven community resource in the sense that any social impact business can come and receive services from them. If you choose to be a member of the CNE, you are able to access those services to the degree that they charge at a discounted rate and are able to get preference for some of the services they don't charge for. They keep their membership fees low so they are not a bar to access.

Ms. Nardi then talked about the framework for social impact businesses. Social impact businesses are a key contributor to healthy, equitable economic development. They are required to make profit like any business to sustain their operations, but they are also required to achieve a community benefit. Social impact businesses are an economic engine in their own right, but also having a healthy, robust social impact sector creates conditions ripe for economic development. The social impact sector ensures that specific investments come into the local economy. Examples are intellectual capital, tourist dollars, and new funds, for example through state or federal grants, that come into the community in order to accomplish important goals that are supportive of economic development such as affordable housing, workforce development, and food security. The interesting thing about our region is that we have social impact businesses that focus both locally and regionally, but we also have social impact businesses that are based here but have a national and in some cases international footprint such as CFA Institute, the University of Virginia, Monticello, or the Nature Conservancy.

What the CNE is seeing across the United States is economic and social turbulence due to Covid and the racial awakening that is happening across our country. Everyone is reviewing their priorities and considering how best to boost economic growth, how to ensure community resiliency, and how to grow businesses to return to, and perhaps even improve from, a state pre-covid. What the CNE is seeing in this community is a lot of resilience because of the strong social impact sector. A strong social impact sector often reflects that you have high net worth individuals who are engaged in philanthropy to sustain the sector, have tourist draws, and often university towns.

Ms. Nardi next spoke about the social impact sector and economic prosperity. A social impact sector is a key partner and factor in overall economic prosperity both because of their businesses contributing to the economy and because they attract new businesses and resources to the region.

Ms. Nardi then wanted to highlight some statistics around the social impact sector and social impact businesses in our region. She noted that our region is harboring and cultivating an extra deep and rich social impact sector and is fortunate as a college town to have a rich web of social impact businesses that help to knit our communities together.

Ms. Nardi shared some slides based on data that comes from a combination of local data drawn from the membership at CNE as well as national data based on 2018 statistics having to do with social impact businesses and in some cases statewide data. The data on social impact businesses is not as readily collected as that for for-profit businesses and is not as comprehensive at the community level as at the state and national level.

- 1) By the Number – Social impact businesses per capita in the Charlottesville/Albemarle region is consistent when compared to like size regions with similar characteristics such as college towns in Boulder CO, and Burlington, VT.
- 2) Key Focus Areas – Key focus areas reflect what citizens believe is critical to healthy, just, and equitable communities and show the ways in which social impact businesses are engaged in the local economy and engaged in strengthening and improving the quality of life across the region, which is critical to attracting and recruiting new businesses as well as a talent pool to stay and invest in the community and region
- 3) By the Size – Social impact businesses are largely small and medium size businesses (operating budgets of \$500,00 or less) both within the CNE membership and nationally.

Ms. Nardi then focused on social impact businesses being direct economic engines for the community. If all of the social impact businesses are combined together, they reflect one of the largest employers in the region. Approximately 13% of total employment in Charlottesville and Albemarle is represented by social impact businesses. The social impact sector is the 3rd largest sector nationwide, only behind manufacturing and professional and technical services. Social impact businesses account for almost 20% of wages paid in Charlottesville and Albemarle. Like for-profit businesses, social impact businesses spend money in the local economy. A Virginia statistic is that non-profit or social impact businesses spend over \$33 billion a year supporting local and state economies.

The last point Ms. Nardi highlighted was the social impact sector as an economic accelerator. Prior to 2020 and the pandemic, research was becoming clear that quality of life was a key factor in location choices for industries whether they are startups, expansions, or relocations with growth potential. Social impact businesses can create an environment or ecosystem around the for-profit sector that allows it to attract talent; talent more and more is demanding social responsibility from companies. Having a strong social impact sector demonstrates itself as a community of choice for many target industries. Ms. Nardi shared a quote from the University of Virginia Office of Economic Development talking about the change or evolution in thinking about economic development and the importance

of focusing on supporting companies in seeking a skilled and educated talent pool and having a distinct sense of place that attracts and retains workers.

Ms. Nardi then shared some data pulled from recent research. Currently 30% of workers are millennials, and by 2025, 75% of the workforce will be comprised largely of millennials. To recruit, retain, and satisfy workers of the future, data shows you have to be committed to boosting the quality of life in your region and being in a region where quality of life is visible, purposeful, and a community engaged activity. Statistic from Forbes magazine - 32% of employees would leave their job if their job was not charitable. In 2020 Albemarle County did a survey asking about priority concerns for Albemarle residents. Two that came up were affordable housing and more walking and biking trails, which are issues where social impact businesses play a key role.

Ms. Nardi stated that as we emerge from the pandemic, from social justice unrest, and economic displacement, we are all sensitive to the necessity of having healthy diverse communities as a foundational element to encouraging businesses to start here, to come here, and to grow and stay here. Traditional economic development markers like electricity and rail continue to be important, but as a remote workforce frees the need to be local, competitiveness is even more about people looking at quality of life factors in deciding where they want to be, where they want to live, and where there business should be headquartered.

Ms. Nardi closed by stating again that social impact businesses are not only their own economic driver, they also help keep dollars in the community, and because they are in the quality of life business, they help bring and anchor new wealth and a talent pool into the region. Ms. Nardi then said she would be happy to answer any questions.

Ms. Imhoff requested a copy of the presentation and asked Ms. Nardi if she could tell her about CNE itself and their staffing structure.

Ms. Nardi responded that Ms. Schmack has a copy of the presentation that could be shared with Ms. Imhoff. She advised that CNE has 9 full time staff and also a considerable number of partners, both paid partner consultants with expertise in non-profit business as well as volunteer non-profit experts, and people who want to invest in the broad non-profit community who come to support CNE with trainings. CNE provides consulting and short term mentoring and coaching, looks more broadly at issues that are related to and impact the non-profit sector, and educates the community about what social impact businesses need, why they are important, and how to continue investing in them efficiently and effectively.

Mr. Long asked what was the biggest barrier social impact businesses are dealing with now and what are the kind of things the Authority can do to support the social impact businesses from a broader sense in the community. One example of the kind of thing Mr. Long is thinking about is the Office of Economic Development did a survey and found that one of the biggest needs for local small businesses was website help, which was a surprising result.

Ms. Nardi responded that CNE does a non-profit needs survey annually and the results were just released for the most recent survey where they had close to 250 social impact businesses, 50% in the Charlottesville/Albemarle region and 50% outside, who participated. Ms. Nardi said she would be glad to share that information to give a more nuanced answer to what non-profit leaders are expressing as their key challenges. There are key areas where they have need and where they need additional capacity building support, or business support in order to meet that need. What social impact businesses were talking about is the turbulence of the last year in terms of their businesses and needing to adapt and pivot to new business realities, no different than the for-profit sector. The challenge with the social impact sector is that often times the investors in the business are different than the clients who the business is serving and so there can sometimes be a disconnect between when the investment arrives and when the need exists which is a core challenge to the social impact business. When there is an economic crisis, the need or demand for social impact businesses spikes, and, in certain cases because of the economic situation, the financial support crashes. Ms. Nardi said that what social impact businesses need to survive and thrive is the ability to continue to get stimulus relief to smooth out the ups and down of the business and also the knowledge and resources to build their staff to be able to engage strategically and think beyond next week. One of the myths about social impact businesses is that they are run by people who are charitable in nature but not particularly business savvy, but the results of the survey showed that the predominant number of participants in the survey had, even through the pandemic, at least 3 to 6 months of operating reserves which is a marker for a healthy and sustainable business.

Mr. Long asked if the survey was available on CNE's web site. Ms. Nardi stated it should be available on their website and she would send the link to Ms. Schmack.

Mr. Shreve stated he had participated in the surveys as he is directing a regional non-profit. In anticipation of today's meeting, he had done a quick calculation of his non-profit and found that the amount of funds received from outside of the area was 59%. He asked Ms. Nardi if they had ever surveyed area non-profits on that number.

Ms. Nardi asked for clarification on "outside of the area" and if that meant stimulus relief dollars or new funds received through philanthropy.

Mr. Shreve stated it was even broader and included things like Veteran Administration Grants from the federal government, donations from people who live in places like Washington, DC or Raleigh NC, or grants funds from community foundations that are not in the Charlottesville area.

Ms. Nardi responded that the results of their survey did not talk about funds beyond government relief. 87% of those surveyed received some level of government relief through the pandemic. There is hope and discussion at the national level that the pandemic will change the way that funders and governments do business with non-profits so there can be longer term multi-year support, as well as easing of some of the requirements that funders put into play in order to access funds because of the time and capacity it takes for those individuals to apply for the funds. One of the good things coming out of the pandemic is a real shifting in thinking about the social impact sector as partners.

Mr. Johnson thanked Ms. Nardi for talking about the critical services that non-profits provide for economic stability and sharing some of the ways that non-profits or social impact businesses serve the community. Mr. Johnson noted that frequently non-profits are the voice of the people they serve and that is an important role CNE plays in the community and deserves credit.

- c. Comprehensive Plan Update – Mr. Long stated the fact that the County was going through the Comprehensive Plan came up at the last meeting. After the meeting, it was shared with him that there are different parts that impact economic development so he had suggested that a copy of the Comp Plan be provided to the EDA members and they should offer some input into the plan. Mr. Long stated there was senior County leadership at the meeting that might be able to shed some light on the right way for the EDA to weigh in and offer suggestions. Mr. Long then turned the update over to Mr. Johnson.

Mr. Johnson stated that between the last meeting and this meeting he had been able to connect with folks from the Community Development Department, to include Charles Rapp (Director of Planning), to get a better understanding of where we are in the process. To date, the Board of Supervisors has not clearly defined the scope and schedule. Mr. Rapp wanted Mr. Johnson to assure the EDA they would be part of the engagement process and their feedback incorporated into the Comprehensive Plan as it moves forward. Mr. Johnson said Mr. Richardson or Mr. Walker may be able to talk to it from a more macro level.

Mr. Walker stated the development of the scope is ongoing in conjunction with staff and the Board. There has been some interest expressed in trying to maximize the time available and staff's capacity in order to be able to move forward with comp plan and zoning work simultaneously. Mr. Walker stated economic development is an understood aspect of the update to the comprehensive plan so however and when ever it fits into the overall work program, it is a topic that it is going to get attention.

Mr. Long said it sounds like as the process comes along the EDA will know the timing to weigh in. He stated Ms. Schmack had offered to get hard copies for those who want hard copies as opposed to electronic versions. He suggested Board members start taking a look so they have an idea of what's out there and be ready to go once the process is nailed down.

Mr. Shreve stated he had already reviewed the documents pretty extensively. Since this is a written document, he thinks members might want to consider preparing some written commentary instead of just convening at some point and having a discussion, which would be useful but a little limited in range. Mr. Shreve asked what others thought about that.

Ms. Imhoff said she thought that was a great idea. She would like to see the EDA be proactive and not just look at the economic development sector but other sectors that hold together. Ms. Imhoff suggested a study group to think about what the EDA can do proactively.

Mr. Long stated that once there is a better handle on what the process is in terms of the County's timing, the EDA can figure out the right way to weigh in.

- d. Director's Report – Mr. Johnson first talked about what was happening in the Economic Development Office from a broader sense. For the past year or so, the Economic Development team has pivoted and moved away from Project ENABLE and started moving to a business continuity strategy in order to help existing businesses survive. More recently, the team had been engaged in reconstitution efforts to make sure these businesses recover in greater detail. In the past couple weeks, the team has started navigating back to doing work that is outlined in Project ENABLE and wanted to share a general update on where they are, the types of work they are doing, and show they are in the evolution process moving back to where they started some 15 months ago. The team is going to talk a little about business continuity, practical things that are impacting the office, and the work that is being done related to Project ENABLE.

Mr. Johnson then introduced Ms. Schmack to talk about the Agribusiness Recovery Grants. Ms. Schmack said if members think back to the survey they were shown about 2 months ago, besides the website jump start program that came out of that survey, another thing that was identified was the agribusiness community. After doing additional research, the Agribusiness Resiliency Grant was created. This program was specifically created to target our direct market agribusinesses which are ones that sell to restaurants, caterers, local stores, orchards, wineries, cideries, and farmer's markets. The County partnered with CIC again to administer the program. The application period is April 5 through April 21. There is \$200,000 available for agribusinesses and they are eligible to apply for up to \$10,000 for eligible expenses incurred from March 12, 2020 and June 30, 2021. The expenses can range from revenue loss to loan payments for capital expenditures such as machinery and tools and business equipment. They are also eligible to apply for assistance for expenses related to operating safely which includes PPE, temporary outdoor expansions, and point of sale technology. They are also able to request funds for advertising and marketing of up to 20% of the grant. Ms. Schmack stated there were currently 21 inquiries and 4 completed applications. There were no questions for Ms. Schmack on the Agribusiness Recovery Grants.

Mr. Johnson then said he wanted to speak about a couple other ongoing business support activities the team is engaged in, which includes the Restaurant Recovery Fund and Shuttered Venues Fund. The American Rescue Plan (ARP), the most recent Covid plan, provided funding for both restaurant recovery as well as shuttered venues.

- 1) Restaurant Recovery Fund - This is being administered through the economic development party at the federal level, and they define a restaurant as a food stand, food truck, food cart, caterer, saloon, inn, tavern, bar, lounge, brewpub, tasting room, taproom, licensed facility or premise of a beverage alcohol producer where the public may taste, sample or purchase products, or other similar place of business in which the public or patrons assemble for the primary purpose of being served food or drink. Mr. Johnson noted that one of the things that is not commonly known is who is eligible for these federal grants. He stated this was really for informational purposes only but thought it was important to inform the Authority members as they may know folks who qualify but may not realize it, or they may want to go out and

amplify the message. The window for applying is open now. When the PPP loan that happened a year or so ago first opened, only about 25% of the folks that applied actually received PPP funding, and that's important as we want to make sure that our community gets in the front of the line before all these funds are disbursed.

- 2) Shuttered Venues Fund - Any venue that shuts, such as an amphitheater, paramount theater, or movie theater, will be eligible for ARP funding. This funding is not yet open.

There were no questions for Mr. Johnson on the Restaurant Recovery or Shuttered Venues Fund.

Mr. Johnson advised that the Economic Development Office would be relocating from 110 Old Preston Avenue back to the County Office Building. It is expected that moving will start by May 15.

Mr. Johnson stated the team has found capacity to return to the Project ENABLE work. Below are some updates on 1) Business Retention Activities; 2) Site Readiness; 3) Public Private Partnerships; 4) Strategic Partnerships; and 5) Tourism.

- 1) Business Retention Activities - Ms. Schmack advised that business retention expansion visits had resumed. Most of the visits are still virtual but there have been some site visits. Economic Development was able to partner with the Virginia Economic Development Partnership (VEDP) on four of those meetings this month. Those meetings resulted in two international trade referrals, one economic gardening, and one workforce development referral. Ms. Schmack also advised that BRE visits are being done with those that apply for the Agribusiness Grants, so outreaching to that sector.
- 2) Site Readiness - Mr. Newberry advised that prior to the pandemic Economic Development was getting multiple requests for information about available sites in our area, and when the pandemic hit that slowed to a trickle and there were many months when there no inquiries about sites available in our county. Since the EDA last met, seven inquires have been received for available sites and Economic Development has responded to four after identifying sites. Economic Development has heard back from one of those four saying we had been eliminated and is still waiting to hear about the other three. The inquires came to Economic Development through the region, which receives them from the state. The other thing being done with respect to site readiness is working more closely with both regional data and statewide data to examine what are the type of properties that exist in our locality that would be most eligible for those types of projects. Doing a deeper dive in the data over the past couple years found that success with our site readiness goals is more likely with properties that are at least 20 acres, permit at least 50,000 square feet of light industrial or commercial space, and allow expansion.
- 3) Public Private Partnerships - Mr. Newberry and Mr. Johnson provided the below updates.
 - a) Albemarle Business Campus - Permits for earthwork have been approved and approval of the final site plan for the first building is being pursued.
 - b) Barnes Lumber - VDOT has approved the 60% road plans and work is ongoing to get the full road plans approved. Frank Stoner, the owner, has engaged a landscape architect to work on the design of the plaza and work is ongoing to complete the design with the help of the community.

When the Authority went through the process for the public private partnership 2-1/2 to 3 years ago, the signed partnership agreement included some estimates for the cost of construction. Currently the cost for construction is coming in significantly higher than projected 2-1/2 to 3 years ago. Economic Development is working directly with the developer to figure out avenues to deal with those potential cost overruns.

- c) Woolen Mills - A certificate of occupancy has been issued for the bridge and other public elements of the project. For all intents and purposes, this project is complete except for some legal administrivia work to get all the easements and plats deeded.
- 4) Strategic Partnerships - Mr. Johnson provided the below updates.
 - a) Venture Central - The Board has now begun its formation for Venture Central, a partnership between the University of Virginia, the City, the County, and the Chamber of Commerce. Venture Central will provide a place for start-ups to begin their organization, programming to help them grow, and accelerator programs to turn them from proof of concept companies to real companies that can coexist in our community and grow into providing career ladder jobs. In the next couple months, an Executive Director job description will be posted.
 - b) Project Rebound - This is another partnership where the County is engaged with the University of Virginia, the City, and the Chamber of Commerce, for the purpose of helping to reconstitute and recover from Covid. Many things have been done as a result of this partnership and probably the most visible is the partnership over the holidays with the Buy Local Campaign. There are plans to expand that program and Ms. Schmack and Jason Ness with the City have been working to create a cohesive and strategic plan to be rolling out soon.
- 5) Tourism - Mr. Johnson stated that promoting and supporting the tourism industry is another aspect of Project ENABLE. Mr. Johnson said he chairs the CACVB (Charlottesville Albemarle Convention & Visitors Bureau) and Courtney Cacatian recently gave an update to the Authority on what was happening with tourism.

Mr. Johnson stated he mostly wanted the Authority to be aware that Economic Development's work is starting to evolve from business continuity and reconstitution back to the core work established some 3 years ago for Project Enable. Mr. Johnson then closed the Director's report and said the team would answer any questions the Authority may have.

Mr. Ray commented on the increased cost of construction Mr. Johnson was talking about earlier. Mr. Ray said he is on the brink of starting a new 3-1/2 story office building so he has been tuned in to some of the construction costs. He ran across a number that he thought was incredible and that is that in the last 12 calendar month the cost for a lumber package for an average 1400 square foot house has risen \$40,000, and concrete is right behind that.

Mr. Johnson stated the costs are rising at levels no one could have fully contemplated a couple years ago particularly given all that is going on with the pandemic.

Ms. McKeel asked if she could get an update, when talking about site readiness and helping businesses expand, on where we are with mapping available properties in the County. She knows there was some work done on that a few years ago but thinks that stopped even before the pandemic.

Mr. Johnson stated there was a process that started a couple years ago and there was a gentleman, Andrew Knuppel, who was the person spearheading that effort. He took a job in Texas and moved on, so the work was sort of left behind. Since that time we've had the pandemic and freezing of 17 or 18 positions so there was nobody to pick up that work. As a result of that, the Economic Development team has been partnering with the Community Development Department (CDD) to see what it would cost to have a contractor pick up that particular project and move forward with it. Economic Development provided the scope of work we believe would be necessary and submitted that to CDD to include in their bidding of work for some of the land use activities they will be doing with the updated comprehensive plan. Mr. Johnson requested Mr. Newberry weigh in to make sure he had not misspoken or left out any of the important elements.

Mr. Newberry told Ms. McKeel that everything Mr. Johnson said was absolutely right if her question was in reference to the property inventory. Community Development is soliciting consultant bids right now for that work and Economic Development has included a scope of work for that economic development focus. Currently, Economic Development is constantly meeting with property owners to get their properties listed on the state's web site to inform all the searches that happen at the state, regional and local level. There are a lot of private sector tools, such as LoopNet, and other commercial real estate web sites, so it is unknown how many brokers are actively using the state's inventory but it's a good way to catalogue the existing sites that are available now. Mr. Newberry added that he and Ms. Schmack will go out into the community and try to get a sense of what the existing inventory is. There have been a lot of changes in the available sites for businesses and Economic Development gets phone calls on an ongoing basis of "where can I expand" for businesses that are expanding or "where could I find a different place that would better match my customers" for businesses that continue to evolve. Mr. Newberry reiterated for anyone that may be watching, we want to work with you to make your space available for businesses and can play a role in helping to connect growing businesses with opportunities you may have available.

Mr. Johnson asked Mr. Newberry if he could speak about what we are doing with the VEDP and UVA Research Park as it relates to getting their Tier 4 site cost estimates for infrastructure.

Mr. Newberry responded that in reaching out to the state we learned that the Commonwealth as a whole was missing out on a lot of major investment opportunities because of the lack of capacity in the infrastructure. In particular, some of the state's Tier 4 or Tier 5 sites did not quite have the needed infrastructure for larger projects requiring significant volumes like 2 million gallons of water a day or 85 megawatts of 3-phase electricity or 500,000 cubic feet of natural gas. As a result, the University of Virginia, being the region's only Tier 4 site, is doing further due diligence and analysis to provide detailed information about their infrastructure for the state. They are also advancing their site readiness even further to create three pad-ready sites within their Tier 4 area. Economic Development is working with them as much as they can to make that information available in the

timeline the state needs it. It is possible that UVA will be able to leverage some federal dollars to make any needed infrastructure improvements to make them more competitive at the state level.

Ms. McKeel stated she was really just interested in the inventory that we have but appreciates the state piece. She knew we were trying to get an inventory established and recognizes that inventories change constantly. Ms. McKeel said it was good to hear we are trying to get back to that work.

Mr. Munson encouraged Mr. Newberry to keep Scottsville in mind as they have some open inventory. Mr. Newberry assured Mr. Munson that Economic Development is keeping them in mind.

e) Closed Session – Mr. Long read the following Closed Meeting Motion:

I move that the Albemarle County Economic Development Authority go into a closed meeting as authorized by the Virginia Freedom of Information Act, section 2.2-3711(A) of the Code of Virginia under:

Subsection 5 to discuss and consider: Prospective businesses or industries and the expansion of an existing business where no previous announcement has been made of the businesses' or industries' interest in locating or expanding their facilities in the community; to wit, the location and development of Project Leppard in Albemarle County.

Subsection 6 to discuss and consider: the investment of public funds where bargaining and negotiating is involved and where, if made public initially, the financial interest of the Authority and County would be adversely affected; to wit, a performance agreement related to Project Leppard in Albemarle County.

The motion was seconded by Mr. Munson.

MOTION: The motion passed unanimously.

Closed Meeting Certification – Mr. Long read the following Closed Meeting Certification:

I move that the EDA certify by recorded vote that to the best of each Director's knowledge, only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the Closed Meeting were heard, discussed, or considered in the Closed Meeting.

The motion was seconded by Mr. Shreve.

MOTION: The motion passed unanimously by roll call vote (4-0)

6. **Unfinished Business**

Mr. Long asked County leadership if there had been any discussion about continuing in virtual meetings and how long that might last.

Mr. Walker responded that the Authority should expect to continue in virtual space through at least the May meeting. The IMT had already indicated they were going to keep the current building posture

through May 17 and will be working on a recommendation to the County Executive about changing posture soon.

7. **Other Matters**

No other matters were reported.

8. **Adjournment**

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

Teste: _____
Donald Long, Chairman

Approved: _____
David Shreve, Secretary-Treasurer

DRAFT