



Albemarle County

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AGENDA DATE: 2/3/2015

TITLE:

Update on Route 29 Solutions Business Assistance Plan

SUBJECT/PROPOSAL/REQUEST: Updated report on the Route 29 Solutions Business Assistance Plan progress

ITEM TYPE: Regular Information Item

STAFF CONTACT(S): Foley, Davis, Catlin, McClintic

PRESENTER (S): Lee Catlin, Faith McClintic

LEGAL REVIEW: Yes

REVIEWED BY: Thomas C. Foley

BACKGROUND: In July 2015, the Board approved a multi-pronged Business Assistance Program designed to limit negative economic impacts to businesses during construction of the Route 29 Solutions projects. The program identified a series of technical, marketing, communications, and regulatory strategies to support businesses before, during and immediately after construction with a concentrated focus on businesses in the footprint of the Route 29/Rio Road intersection project during the most intense construction period of that project, roughly April 2016 - September 2016. The program was developed and is being implemented by a public-private partnership, including representatives from the Small Business Development Center (SBDC), the Senior Corps of Retired Executives (SCORE), the Charlottesville Regional Chamber of Commerce, the Albemarle County Economic Development Authority, the Virginia Department of Transportation, the Thomas Jefferson Planning District Commission, and businesses from the affected area. This agenda item is intended to provide an update on the status of major strategies of the Business Assistance Program.

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

DISCUSSION: Staff provided an implementation matrix to the Board as part of the Business Assistance Program when the program was approved last year. Attachment A is an up-to-date matrix showing the status of the approved strategies, including funding sources and levels. At the February 3 Board meeting, staff will provide a more in-depth update on the three major strategies listed below, which involve the great majority of the County's funding obligation.

Collective Marketing Campaign - The Business Assistance Program includes a collective marketing campaign focused on promoting customer loyalty and continued patronage of businesses in the construction footprint of the Route 29/Rio intersection project. The campaign will build on the Virginia Department of Transportation (VDOT) notice campaign about the status of construction work with an additional focus on sustaining the corridor's current patrons and reassuring residents and potential visitors that the area is navigable and open for business. The collective marketing campaign was originally funded with \$100,000 from the County. After the Board's adoption of the Business Assistance Program, Virginia Secretary of Transportation Aubrey Layne announced an additional \$200,000 from the State for the collective marketing campaign for a total of \$300,000. Representatives from Southeastern Institute of Research (SIR), the marketing firm that is handling the VDOT notice campaign and whose contract was extended by VDOT to also handle the collective marketing effort, will be present at the February 3 Board meeting to share high level concepts and a timeline for the campaign.

Matching Grant Program - The Business Assistance Program also includes a matching grant program to boost the impact of specific business focused marketing during the construction program. Businesses meeting the criteria that were approved by the Board last year (Attachment B) are eligible for grants of up to \$2000 to equally match amounts that the businesses are willing to spend that support the message of customer loyalty and continued patronage for businesses in the construction footprint of the Route 29/Rio intersection project. The matching grant program is funded with \$50,000 from the County and is being administered by the Albemarle County Economic Development Authority. The grant application period opened on January 4, 2016 with an application deadline of January 29, 2016 for the first round of awards. Because that deadline is after the due date for this executive summary, staff will provide an update at the Board meeting.

Baseline Measures - The Economic Development Office is working with the Finance Department to identify 2014 baseline levels for assessed value and tax revenues for the following financial measures that were approved by the Board and to track these measures annually during and for a period after construction. Data for 2014 and 2015 for the first four items is compiled in Attachment C and will be presented at the meeting. The vacancy rates will also be presented at the meeting. The sales tax values are not yet available from the 2015 holiday retail season, so the sales tax revenues will be included in the next report.

- Business Professional and Occupational License (BPOL) Taxes
- Business Personal Property and Machinery and Tools Taxes
- Excise Taxes (meals and lodging)
- Real Estate Taxes
- Sales Taxes
- Vacancy Rates

BUDGET IMPACT: There is no budget impact associated with this updated report.

RECOMMENDATION:

This report is provided for information only. No action is required by the Board.

Attachment A - Implementation Matrix

Attachment B - Matching Grant Criteria

Attachment C - Baseline Economic Measures