



County of Albemarle  
ECONOMIC DEVELOPMENT OFFICE

## Board of Supervisors & Economic Development Authority Memorandum of Understanding Topics for Discussion

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The Albemarle County Board of Supervisors (the Board) and the Economic Development Authority (EDA) most recently revised a Memorandum of Understanding (MOU) in 2017, shortly after the creation of the Economic Development Office within Albemarle County Local Government. The MOU identified that it should be updated when the County adopted its first economic development strategic plan, which occurred in 2018 and was named Project ENABLE; however, the MOU has not been revised since its initial approval.

As stated in the MOU, the purpose 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...” and both bodies agreed that the goal for economic development, and the EDA, is to “create and maintain a strong, diverse, and sustainable economy, to retain existing business, and to promote new local ventures, all of which will benefit the County’s citizens.”

The time to consider a revised and updated MOU is favorable as several projects have emerged that will present opportunities for the EDA to advance the County’s economic development priorities using the “special powers” granted to the EDA under the State Code (§ 15.2-4905). Special powers are considered actions that the Board is not otherwise enabled by State Code.

The EDA has identified several topics requiring input from the Board that will inform a revised MOU. County staff have also identified opportunities to bring the organization and structure of the MOU into closer alignment with other MOUs between the Board and partner entities (e.g., the Broadband Authority). The following pages identify these topics and provide a short background on each.

- Broader authority for the EDA to spend Board-appropriated funds based on direction from the Board.
- Updated direction from the Board on the EDA’s mission and focus areas.
- Consideration by the Board for the EDA to exercise its special powers under State Code.
- Clarification on the role of the Board and the EDA in supporting the local entrepreneurial ecosystem.
- Clarification of the EDA’s involvement in public-private partnerships.
- Obtain clearer direction regarding workforce development and business attraction.
- Define the fiscal services provided to the EDA and consider establishing an administrative fee for services.

After discussion at the joint meeting, staff expects to have the necessary input to produce a draft revised MOU for consideration at a future meeting of each public body.

**Broader authority to spend Board appropriated funds based on direction from the Board.**

Under the present agreement, the EDA does not have appropriation authority over funds provided by the Board. In practice, for the EDA to approve funding from the County's Economic Opportunity Fund or other Board appropriation for any particular purpose, it must seek Board approval. The Board then appropriates and transfers the funds to the EDA, which it disburses to the appropriate party. The EDA has discussed that for specific activity areas, it may be more efficient to allow the EDA the discretion to appropriate funds for specific types of activities.

One specific example would be for the EDA to control funding that provides local grant matches for state and federal economic development grant programs, including the Virginia Economic Development Partnership's Virginia Jobs Investment Program (VJIP) (awards ranging \$1,500 - \$44,800) and Commonwealth Opportunity Fund (awards ranging \$75,000 - \$256,000), and the Virginia Department of Agriculture and Consumer Service's Agriculture and Forestry Industries Development (AFID) (awards ranging \$24,000 - \$50,000) program. The Board and EDA adopted policies for each of these programs in 2019. If approved, staff would create a framework to document when and how the EDA could independently appropriate resources for these programs.

**Updated direction from the Board on the EDA's mission and focus areas.**

The 2017 MOU established a goal for economic development. The EDA would benefit from a Board-supported updated mission and direction. The direction will provide assurance to the Board, the EDA, and staff that its activities are operating in furtherance of that mission.

Broadly, an updated mission for the EDA could be "to conduct activities that assist the County with implementing its economic development strategic plan." The updated MOU could then:

- Remove references to outdated policies and strategies
- Further define the EDA's role and responsibilities, including:
  - Recognizing the role the EDA already serves, such as:
    1. Reviewing and/or approving:
      - Bonds
      - State and Federal Grants
      - Tax-gauged grants and financing
      - Performance-based incentive payments
  - Advising staff on timely economic development opportunities, including exploration and development of public-private partnerships
  - Assisting in the long-term administration of public-private partnerships (economic development, housing, broadband, non-profits)
- Specify EDA's role in land ownership, disposition, and development.

**Consideration by the Board for the EDA to exercise its special powers under State Code.**

Under §15.2-4905, the EDA has the authority to own and lease land, to make loans or grants, and to issue bonds, among other powers. Albemarle County's Rivanna Futures project is the first economic development opportunity where the County owns land acquired for the purpose of "the development on such land of business and industry". The EDA's powers may position the County for success as the project advances towards site readiness and site development.

**The role of the Board and the EDA in supporting the local entrepreneurial ecosystem.**

Borrowing the ecosystem concept from biology, an entrepreneurial ecosystem is a dynamic, self-regulating network of many different types of organizations and individuals that contribute to a vibrant community in which to start and grow a small business. It is a common role of local government and EDAs to support and grow an entrepreneurial ecosystem in furtherance of economic development goals. In Albemarle County, the entrepreneurial ecosystem includes founders and small businesses; sector-support organizations that connect them, such as the CvilleBioHub and Charlottesville Area Chamber of Commerce; start-up support organizations such as the Community Investment Collaborative and the Small Business Development Center; workforce development organizations, including the Virginia Career Works; and area educational institutions, including CATEC, PVCC, and the University of Virginia.

The EDA could play a role in and perform an advisory role to the Board on the opportunities in the local entrepreneurial ecosystem for specific areas of support, policy opportunities, funding, etc., if so desired by the Board.

**Clearer direction in the MOU regarding workforce development and business attraction.**

The 2017 MOU identifies that the EDA will participate in:

1. Existing business retention or expansion
2. New business establishment
3. Workforce development
4. Real estate development and redevelopment
5. Business attraction.

Within Project ENABLE, the County's economic development strategic plan, there is little guidance on items 3 (workforce development) and 5 (business attraction). Under workforce development, Project ENABLE provides that the County will rely on partnership with outside partners only to advance this. That plan does not explicitly address business attraction. The EDA seeks guidance from the Board regarding these items.

**Clearly define the services provided in support of the EDA and consider establishing an administrative fee for services provided.**

Albemarle County has recently sought to identify services provided to partner entities within the formal agreement document in order to clearly establish roles and responsibilities. Staff recommend adding to this document the existing areas in which the EDA receives County supportive services and establishing an administrative fee for those services, as is now customary. This is consistent with outside partner entities, such as the Emergency Communications Center, as well as Authorities, such as the Albemarle Broadband Authority. The services currently provided include – administrative support for the EDA's meetings and meeting records, FOIA compliance, legal services, and fiscal agency.

Staff recommends implementing an administrative fee of 1% of incoming funds received by the EDA, which is consistent with the existing MOU for Fiscal Services between the County of Albemarle and the Albemarle Broadband Authority and is consistent with the prior MOU between the County and the EDA that expired on June 30, 2015.