



Albemarle County

Legislation Details (With Text)

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AGENDA DATE: 9/7/2016

TITLE:

Memorandum of Understanding between the County and the Economic Development Authority

SUBJECT/PROPOSAL/REQUEST: Consideration of a draft memorandum of understanding that describes the respective roles of the County and the Economic Development Authority

ITEM TYPE: Regular Action Item

STAFF CONTACT(S): Foley, Kamptner, McClintic

PRESENTER (S): Greg Kamptner

LEGAL REVIEW: Yes

REVIEWED BY: Thomas C. Foley

BACKGROUND: Under the Industrial Development and Revenue Bond Act (Virginia Code §15.2-4900 *et seq* .), an EDA is authorized to acquire, own, lease, and dispose of properties, to acquire, build, lease, or sell buildings and industrial parks, to provide financing for infrastructure such as roads and water and sewer lines, to provide financing for governmental facilities and a range of non-profit and other qualifying private facilities, and to make loans and grants and to provide other incentives to promote economic development. Since the EDA was created by the Board on May 12, 1976, its primary role has been to serve as a conduit issuer of bonds. More recently, it also has served as a conduit for providing grants to businesses (Route 29 Solutions, and those under the Board's Economic Opportunity Fund in conjunction with State programs) and a loan to a non-profit organization (Lewis & Clark Exploratory Center).

The role of the EDA to date has been limited, a fact also reflected in the County's current EDA regulations and the EDA's own operating documents, which require prior Board approval of most, if not all, key EDA activities. However, the EDA is an independent political subdivision of the Commonwealth of Virginia and the County Code and the EDA's operating documents need to correctly reflect that status. A proposed ordinance to address this issue will be coming to the Board for its consideration in October which, if adopted, will also allow

the EDA's operating documents to be revised accordingly. Nonetheless, in order for economic development in Albemarle County to be successful, the EDA and the County need to ensure that they are pursuing the same economic development goals and objectives. The memorandum of understanding (MOU) for the Board's consideration is one of the tools available to achieve that purpose.

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

DISCUSSION: Over the past several years, the Board has taken steps to promote economic development. Most recently, on April 1, 2015, the Director of Economic Development joined the County in the newly established Economic Development Office to "lead the County's efforts to foster and encourage best practices in economic development activities that provide for quality job creation and sustainable employment opportunities, increased business tax base, and an improved quality of life for all citizens." *County February 19, 2015 Press Release.*

On June 10, 2015, the Board adopted a new Comprehensive Plan, which includes a chapter on Economic Development. The stated goal for economic development in the County is: "Albemarle's economy will be diverse, strong, and sustainable, and retain and benefit County citizens, existing businesses, and new local ventures." *Comprehensive Plan, page 6.1.* The Economic Development Office, with assistance from other County staff, is currently developing a draft Economic Development Strategic Plan. By establishing the Economic Development Office, adding an Economic Development chapter to the Comprehensive Plan, and developing an Economic Development Strategic Plan, the Board has recognized the need to plan for and to facilitate economic development.

The EDA can play a vital role in enabling the County in achieving its economic development goals and objectives. In particular, the EDA can serve as a primary tool to implement the Board's revitalization priorities in the County's urban ring. An MOU between the County and the EDA is one of the tools available to ensure that the activities of the EDA remain aligned with the policies, goals, and objectives of the Board of Supervisors. A draft MOU is included as Attachment A and its provisions will be discussed at the September 7, 2016 Board meeting. The majority of the content of the MOU is based on the Economic Development and Development Areas chapters, as well as the Economic Development Implementation Priorities, of the County's Comprehensive Plan. Cross-references to the sources in the Comprehensive Plan are included in the MOU. The County Attorney's July 6, 2016 memorandum about the authority of the EDA, and its legal relationship to the County, is included as Attachment B.

BUDGET IMPACT: There is no budget impact.

RECOMMENDATION:

Staff recommends that the Board provide direction on any changes to the MOU and direct staff to forward the MOU to the EDA for its consideration before it is returned to the Board for approval.

ATTACHMENTS:

A - Draft Memorandum of Understanding

B - Memorandum by Greg Kamptner, County Attorney, dated July 6, 2016