



Albemarle County

Legislation Text

File #: 16-664, **Version:** 1

AGENDA DATE: 11/9/2016

TITLE:

Economic Development Authority Ordinance Amendment

SUBJECT/PROPOSAL/REQUEST: Public hearing regarding an ordinance to amend County Code Chapter 2, Administration, Article 6, Economic Development Authority, to restate the Economic Development Authority's creation, powers, duties, and procedures

ITEM TYPE: Regular Action Item

STAFF CONTACT(S): Foley, Kamptner, McClintic

PRESENTER (S): Greg Kamptner

LEGAL REVIEW: Yes

REVIEWED BY: Thomas C. Foley

BACKGROUND: Since the Economic Development Authority (EDA) was created by the Board of Supervisors on May 12, 1976, its primary role has been to serve as a conduit issuer of bonds. 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).

Over the past six years, the Board has taken a more proactive perspective toward economic development, recognizing several community needs, particularly in the County's Development Areas. In 2010, the Board adopted an Economic Vitality Action Plan which translated the purpose and goals of the Economic Development Policy in the Comprehensive Plan at that time into concrete and measureable actions, being very mindful of the need to adhere to already established growth management objectives and natural resource protections. In 2012, the Board received the Albemarle County Existing and Target Industry Analysis prepared by the Thomas Jefferson Partnership for Economic Development, which analyzed target industry groups and sectors identified for the County. In 2015, the Economic Development Office was established and the director for that office was appointed. An Economic Development Strategic Plan is currently being developed and is expected to be presented to the Board in December.

The Board also has recently adopted several general policies related to economic development. The Economic Development chapter of the current Comprehensive Plan states the County's goal for economic development: "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*. Goals 3, 4 and 5 of the County's Strategic Plan are related to economic development. Goal 3 states that, within the Development Areas, attract quality employment, commercial, and high density residential uses into development areas by providing services and infrastructure that encourage redevelopment and private investment while protecting the quality of neighborhoods. Goal 4 seeks economic prosperity by fostering an environment that stimulates diversified job creation, capital investments, and tax revenues that support community goals. Goal 5 encourages education to provide lifelong learning opportunities for all our citizens.

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

DISCUSSION: The EDA is authorized by the Industrial Development and Revenue Bond Act to play a vital role in the County's economic development. The EDA can fulfill that role because it is authorized to exercise powers the County does not have, including making loans and grants and providing other economic incentives to promote industry and develop trade, financing a range of various facilities including qualifying medical facilities, private education facilities, and governmental facilities, and acquiring, owning, leasing and disposing of land, and developing, owning, and operating an industrial park.

Although the EDA was created by the Board of Supervisors, it exists and functions under State law as a political subdivision of the State, it exists as a separate and distinct legal entity, and it is independent of the County in its operations. Nonetheless, under current County Code § 2-605, all by-laws, standards, and priorities of the EDA, and any amendments to those documents, must be approved by the Board of Supervisors prior to their adoption by the EDA. The requirements of County Code § 2-605 manifest themselves in the EDA's By-Laws and Rules and Procedures, as well as in its Fiscal Services Agreement with the County.

Upon review of the Industrial Development Review Act, as well as Virginia case law and the opinions of the Attorney General, to determine the appropriate regulatory oversight by the County of the EDA, the County Attorney recommends that County Code § 2-605 be repealed and that related changes be made to County Code § 2-600 *et seq.* The proposed ordinance is included as Attachment A. The County Attorney's analysis of the law and the reasons for his recommendation are included as Attachment B. See Section 3 of Attachment B for the analysis of the EDA-locality relationship.

Staff recognizes the concern that has been expressed that the EDA will diverge from the County's economic development policies, goals and objectives. Section 4 of Attachment B provides an overview of the legal and practical tools by which the activities of the EDA may remain aligned with the County's economic development and other policies, goals, and objectives.

BUDGET IMPACT: There is no budget impact.

RECOMMENDATION:

Following the public hearing, staff recommends that the Board adopt the attached proposed ordinance (Attachment A).

ATTACHMENTS:

A - Draft Ordinance Amending County Code § 2-600 *et seq.*

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