



**Charlottesville Economic Development Authority (CEDA)
Meeting Minutes – January 8, 2019**

Members Present

Tara Boyd
Reid Young
Ethan Dunstan
Carolyn Shears
Paul Beyer

Staff Present

Chris Engel
Jason Ness
Hollie Lee

Others Present

Megan Argenbright – Brown Edwards
Dan Siegel – Sands Anderson
Dave Richardson – McGuire Woods
Brad Butler – UVa Foundation

A meeting of the Charlottesville Economic Development Authority occurred on Tuesday, January 8, 2019 in the City Council Chambers. The chair, Ms. Boyd, called the meeting to order at 4:02 PM.

Ms. Boyd opened the public comment period and there being no comments from the public, she proceeded to the next agenda item.

Ms. Boyd called for a motion to approve the items on the Consent Agenda – meeting minutes from November 13th and the November 2018 Treasurer's Report. Mr. Young moved, seconded by Mr. Dunstan and all present voted aye.

Ms. Boyd welcomed Megan Argenbright, a Certified Public Accountant from Brown Edwards. Ms. Argenbright oversees the City's independent audit which includes CEDA. She reported that CEDA received a clean unmodified opinion. There were no findings in relation to internal controls. She stated the City has worked hard in recent years to separate internal controls for this purpose. The audit also noted that all required communication for governance occurred in support of good accounting practices. The audit did not have any audit adjustments.

Mr. Dunstan questioned how an unpaid loan would be reported during an audit. Ms. Argenbright responded that any unpaid loan would still show as a collectable and in the case of the Lewis & Clark loan, it would not be considered material. Mr. Young posed a question regarding if there are standard accounting practices or statutes that provide a maximum length of term without payment before being considered forgiven. Ms. Argenbright replied that she was not aware and the EDA should seek legal guidance on this question.

Ms. Boyd called for a motion to accept the 2018 annual audit as presented. Mr. Dunstan moved, seconded by Ms. Boyd and all present voted aye.

Mr. Engel provided a brief update on the most recent activity and ongoing history for the FY 2018 Annual Report. Ms. Boyd noted that she felt these annual reports are helpful and useful and thanked Mr. Engel for his continued efforts on CEDA's behalf.

Ms. Boyd called for a motion to accept the 2018 CEDA annual report. Mr. Young moved, seconded by Mr. Dunstan and all present voted aye.

Ms. Boyd welcomed Mr. Dave Richardson, a McGuire Woods attorney representing the UVa Foundation. Mr. Richardson explained that the EDA issued a \$40M bond on behalf of the UVa Foundation in 2011 for a variety of university related projects. In 2016, due to market changes some modifications to the bond were needed and approved by the authority. Since then, the market has changed again and in conjunction with corporate tax rate changes in late 2017 additional modifications to the bond are now necessary. The lender and borrower agreed to a lower rate (62 basis points) and also agreed on a new put date in three and a half years. He finished by stating the current loan balance is \$7.7 million dollars.

Mr. Brad Butler with the UVa Foundation was present to answer questions but there were none from authority members.

Mr. Dan Siegel, a Sands Anderson attorney representing the authority, addressed the board and noted he has reviewed the bond modification documents and finds them to be in order.

Ms. Shears made a motion to adopt the resolution, seconded by Ms. Boyd and all presented voted aye.

Mr. Engel reviewed the Charlottesville Match Program and provided a brief update on the Virginia Jobs Investment Program and CEDA's match program. The enhanced Charlottesville Match Program would expand the current version of the match program to growing companies that have been awarded funding at the federal or state level – including SBIR, STTR and CRCF grants. The resolution would expand the current VJIP match funds to new projects.

Ms. Shears asked how much funding would be allocated in future budget years. Mr. Engel replied it was expected to be \$100,000. Mr. Young asked if funding would be predicated on the business receiving funds at the federal or state level before receiving Charlottesville Match funds. Mr. Engel confirmed that businesses would receive match funds after all due diligence was completed. Mr. Dunstan inquired if the program change was a result of anticipated VJIP changes at the state level. Mr. Engel replied that while VJIP could change, the new match program was a way to increase the creation and retention of technology and life science research and development firms in the city.

Mr. Dunstan motioned to adopt the resolution as presented, second by Ms. Boyd and all presented voted aye. The program will start immediately and be fully funded in the FY 2020 budget.

Ms. Boyd announced that new officers for calendar year 2019 needed to be elected. Ms. Shears stated that since she will end her term this year, she prefers not to serve as Vice Chair and keep Ms. Boyd as Chair for the continuity of CEDA. Ms. Boyd indicated she would be willing to continue to serve as Chair for 2019. Mr. Dunstan said he would be willing to serve in the Vice Chair role. Mr. Beyer thanked Ms. Boyd and Mr. Dunstan for their willingness to serve.

Ms. Shears made a motion to elect Ms. Boyd and Mr. Dunstan to chair and vice-chair roles respectively for calendar year 2019. The motion was seconded by Mr. Beyer and all presented voted in favor.

Mr. Engel announced that a staff person and board member from the Lewis and Clark Exploratory Center will attend the February meeting to provide an update on their program and the outstanding loan. Mr. Engel also reminded all board members to complete the required statement of economic interest forms by the end of the month.

Mr. Dunstan inquired if the February meeting could be held at the Lewis and Clark Center. Mr. Engel will investigate and let board member know.

Ms. Shears commented that she had observed the work happening at the Charlottesville Sprint Pavilion and expressed she was pleased to see the work progressing.

Mr. Dunstan asked Mr. Engel if he had received any reaction to the CEDA letter and transmission of the Market Study that was sent to City Council. Mr. Engel stated he has received no formal response.

There being no further business, Ms. Boyd adjourned the meeting at 4:35 PM.


Chris Engel, Secretary

1/10/19
Date

Date Approved by CEDA