



The Roles and Functions of IDAs and EDAs

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Agenda

1. In the Beginning: A Historical Perspective on EDAs
 - Examples
2. Legislative Changes
 - 1990s EDA “Reinvented”
3. Governmental Facilities
4. EDAs in 2021
5. Other Laws That Apply to EDAs

In the Beginning:

A Historical Perspective on EDAs



A Historical Perspective on EDAs

- EDAs and IDAs are the same types of entities, difference in name only
- The Role of EDA/IDA in the mid-60s through mid-80s
- Conduit issuer of IDBs for low interest tax exempt loans to industrial and commercial buildings

Examples

- (For Profit) Nursing Homes
- Shopping Centers
- Department Stores
 - K-Mart
- Auto Dealerships
- Restaurants
 - McDonalds
- Office Buildings

Legislative Cases

Legislative Changes

1982 TEFRA

Public Hearings & Public Notices Required

1988 Virginia Law Changes

Fiscal Impact Statements to collect information on economic benefits

1984 Volume Cap Limitations under Federal Law

State Limit

1986 Tax Reform Act

- Only "Manufacturing Facilities"
- Bank Limitations
- Not "Bank Qualified"

1990s EDA “Reinvented”

- Broader Approach
- Exempt Facilities
- Manufacturing
- 501(c)(3) Bonds - non-profits
 - Hospitals
 - Nursing Homes
 - YMCAs
 - Private Schools and Universities

Governmental Facilities

- Public Buildings
- Courts
- Schools
- Infrastructure Improvements
- Industrial Parks and Acquisition of Property for Economic Development
- Parks

EDAs in 2021

EDAs in 2021

- Tax-Exempt Financing for Traditional Uses
 - Manufacturing, Exempt Facility, Non-Profit, Governmental
- Taxable Bonds
- Working Capital
- Equipment
- Lease Purchase Financing
- Recycling Facilities
- Industry Appreciation Events
- Performance Agreements
- Grant Funding (e.g. GOF, AFID, Tobacco Commission)

EDAs in 2021

- Annual Chamber/Business Dinners
- Awards/Scholarships for High Schools
- Tourism Facilities
- Economic Development Staffing
- Downtown Redevelopment
- Revolving Loan Programs
- Incentives in Blighted Areas

EDAs in 2021

- Trade Shows
- Marketing Activities
- Business Incubators
- Special Tax Districts
 - CDAs
 - Service Districts
- TIF Overlays

EDAs in 2021

- Governmental Financings
 - Lease Purchase/Moral Obligation
 - *Courthouses*
 - *Office Buildings*
 - *Interim school financings (literary loan anticipation notes)*
 - *Assorted Equipment/Capital Replacement*
 - *Infrastructure (water/sewer/natural gas and site development)*
 - *Economic Development*

EDAs in 2021

- Farmers Markets
- Dedicated Funding Sources
- Industrial Parks
- Shell Buildings
- CDBG Grants
- Revolving Loan Funds
- Options for Land Development
- Business Incubators
- Job Fairs

EDAs in 2021

- Private University Foundations
- Hospitals
- Nursing Homes
- YMCA
- Private Schools

EDAs in 2021

- Authority Fees
 - Application
 - Annual Authority Fee (maximum 1/8th or 1%)
- Balance Approach
 - Micro and small business and large impact developments
- Incentive/Performance Grants
 - Programs for targeting industries with incentive monies from locality funds based on performance or investment criteria
 - Synthetic TIF issues

Other Laws that Apply to EDAs

Conflict of Interest Act, Procurement Act, and Freedom of Information Act

Other Laws that Apply to EDAs

- Conflict of Interest Act
 - Personal Interest in a Contract
 - Personal Interest in a Transaction
 - Annual Filing of Financial Disclosure with changes in 2020, long form disclosure now required of IDA/EDA members
- Procurement Act
 - Not Applicable to “Authority Facilities”
 - Does apply to Governmental Facilities and IDA/EDA owned facilities

Other Laws that Apply to EDAs

- Freedom of Information Act
 - Meetings
 - Closed Meeting
 - Disclosure of Records
 - Special Exclusions for IDAs and EDAs

Questions?

Thank you for your time!



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