

POWERS OF IDAs / EDAs

Presentation to the Joint
Subcommittee Studying Local
Incentives
August 18, 2008

IDAs / EDAs

- **CREATED UNDER THE INDUSTRIAL DEVELOPMENT AND REVENUE BOND ACT, CHAPTER 49, TITLE 15.2, CODE OF VIRGINIA**
- **PRIOR TO 2004, CALLED INDUSTRIAL DEVELOPMENT AUTHORITIES**
- **SINCE 2004, MAY BE CALLED ECONOMIC DEVELOPMENT AUTHORITIES**
- **POWERS ARE IDENTICAL, THE ONLY DIFFERENCE IS IN THE NAME**

BASIC STRUCTURE

- **POLITICAL SUBDIVISIONS OF THE COMMONWEALTH**
- **MOST COUNTIES AND CITIES AND SOME TOWNS HAVE CREATED AUTHORITIES, CAN CREATE JOINT AUTHORITIES**
- **GENERALLY, 7 MEMBERS, APPOINTED BY LOCAL GOVERNING BODIES, 4-YEAR TERMS**
- **TYPICALLY, LOCAL BUSINESS PEOPLE**

ACTIVITY LEVELS

- **SOME AUTHORITIES HAVE SUBSTANTIAL OPERATIONS WITH PROFESSIONAL STAFFS THAT RUN THE ECONOMIC DEVELOPMENT PROGRAMS FOR THOSE LOCALITIES**
- **SOME AUTHORITIES HAVEN'T MET IN YEARS**
- **MOST ARE IN THE MIDDLE – MEET MONTHLY OR QUARTERLY TO ASSIST WITH ECONOMIC DEVELOPMENT PROJECTS AND POLICIES**

BROAD POWERS

- **GENERAL ABILITY TO ASSIST WITH ECONOMIC DEVELOPMENT**
- **SPECIFIC POWERS NOT AVAILABLE TO THE LOCALITY**
 - **MAKE GRANTS**
 - **SELL OR LEASE LAND AND BUILDINGS WITH NO PUBLIC HEARING**
 - **ISSUE IDBs AND MAKE LOANS TO BUSINESSES**
- **PROPER ANIMATING PURPOSE**

COMMON ACTIVITIES

- **ADMINISTER GRANT AND INCENTIVE PACKAGES FOR THE LOCALITY**
- **INDUSTRIAL PARKS AND SHELL BUILDINGS**
- **FINANCING PROGRAMS, INCLUDING:**
 - **THE ISSUANCE OF IDBs FOR PRIVATE ENTITIES**
 - **THE ISSUANCE OF REVENUE BONDS ON BEHALF OF THE LOCALITY**
 - **LOAN PROGRAMS, USUALLY FOR SMALL BUSINESSES**

SETTING POLICY

- **MANY LOCALITIES USE AUTHORITIES AS SOUNDING BOARDS FOR DEVELOPING ECONOMIC DEVELOPMENT POLICIES AND PROGRAMS**
- **MANY LOCAL ECONOMIC DEVELOPMENT PROFESSIONALS USE AUTHORITY MEMBERS TO ENCOURAGE ECONOMIC DEVELOPMENT SUPPORT FROM LOCAL ELECTED OFFICIALS**

CHALLENGES

- **LACK OF UNDERSTANDING OF HOW OR WHEN TO USE AUTHORITIES EFFECTIVELY**
- **LACK OF CASH**
- **LACK OF POWER TO STRUCTURE REGIONAL SOLUTIONS, INCLUDING REVENUE-SHARING**