

# Albemarle County

## Commonwealth's Development Opportunity Fund Matching Policy

### I. Introduction

The Commonwealth's Development Opportunity Fund (COF) is a performance-based incentive program. This program is subject to its own [policies and procedural guidelines](#) as directed by the Governor and administered by the Virginia Economic Development Partnership (VEDP).

Under the COF program, the state provides "deal-closing" cash grants to secure a company location or expansion in Virginia. Grants can be used to offset or reimburse qualifying project-related costs such as site acquisition and development, transportation access, utility extension or capacity development, construction or build-out of buildings, and training. The grant is awarded to the County on behalf of a company.

### II. General Eligibility Thresholds

The company must meet certain criteria to be considered:

- 1) Be a "basic employer", meaning 51% or more of the facility's revenue must be generated outside the Commonwealth.
- 2) The project must be an active and realistic competition between Virginia and another state or country.
- 3) Create 50 new jobs with a \$5 million capital investment OR create 25 New Jobs with a \$100 million capital investment.
- 4) The average annual wage for the new jobs must be at least equal to the prevailing average annual wage in Albemarle County (excluding fringe benefits). For 2019, this wage is \$54,183. *If the average annual wage is at least twice the prevailing annual wage, the governor may reduce the new jobs threshold to as low as 25 jobs.*

### III. Other Factors Considered

VEDP may also consider these factors when determining whether to recommend a COF grant:

- employment multiplier
- alignment with strategic sectors and other state/local strategies
- solution to a competitive need
- establishment of a competitive advantage
- ability to leverage other state and local resources
- advancement of the quality of life

### IV. Determining Grant Amounts

In determining grant amounts, VEDP will consider the following criteria:

- return on investment
- number of new jobs
- wage levels
- overall employment
- amount of capital investment
- area and regional unemployment – areas of high unemployment, poverty and fiscal stress
- commercial development along existing transportation/transit corridors within regions
- proximity to existing public infrastructure
- locality's interest in the project
- industry or company growth potential

## **V. Local Match Policy**

The equivalent of a dollar-to-dollar local match (cash and in-kind) is required to receive a COF grant. Currently, much of VEDP's eligibility criteria complement the goals and objectives of Albemarle County's Economic Development Strategic Plan, Project ENABLE, extremely well. Common goals between VEDP and the County include a focus on "primary businesses", attracting private capital investment, enhancing quality of life, and providing career employment opportunities.

When considering if a local match is appropriate, County staff (through the Rapid Response Team) shall consider the following factors:

- Consistency with Project ENABLE
- Consistency with the County's Comprehensive Plan
- Consistency with the County's Strategic Plan

In determining the recommended *amount* of local match, County staff shall consider the extent to which the Company's location or expansion results in:

- Additional financial resources from outside the Metropolitan Statistical Area (MSA);
- Quality job creation / career employment opportunities as determined by wages and benefits; and a progression from entry level positions to higher levels of pay, skill, responsibility, or authority;
- Increased tax base;
- Support for other target industries under Project ENABLE or emerging business clusters;
- Enhanced contributions to community character and the public good;
- Achievement of a specific goal outlined under the County's Comprehensive Plan or Strategic Plan.

Staff will consider if any in-kind contributions are feasible before recommending the use of resources from the County's Economic Opportunities Fund.

Staff will also continuously monitor the balance of the County's Economic Opportunities Fund and consider how the recommended amount of local match will impact resources needed for other emerging opportunities.

## **VI. Terms and Conditions – Clawback Provisions**

A written Performance Agreement between the County, EDA, VEDP and the Company will be required. The agreement will include any agreed upon performance requirements. It will also include the terms for repayment of the incentive, if the business fails to meet the performance requirements in the agreement.

Disqualifications: Factors which will preclude applicants from participating in the program include nonpayment of taxes or other county fees, non-compliance with local regulations, and conflicts-of-interest.