

Albemarle County

The Governor's Agriculture and Forestry Industries Development (AFID) Fund Matching Policy

I. Introduction

The Governor's Agriculture and Forestry Industries Development (AFID) Fund is a discretionary, performance-based economic development incentive for projects that support agriculture and forestry. The program offers two types of grants: planning grants and facilities grants. This policy applies to both types. The facilities grant supports companies that establish a new (or expanded) processing or value-added facility for Virginia grown agricultural or forestal products.

This fund is subject to its own [policies and procedural guidelines](#) as directed by the Governor and the Secretary of Agriculture and Forestry, in consultation with the Virginia Economic Development Partnership (VEDP), the Virginia Department of Agriculture and Consumer Services (VDACS), and the Virginia Department of Forestry.

AFID facility grants (capped at \$500,000) may be used for a variety of purposes including:

- public and private utility extension or capacity development on and off site;
- public and private installation, extension, or capacity development of high-speed or broadband Internet access, whether on or off site;
- road, rail, or other access costs beyond the funding capability of existing programs;
- site acquisition;
- grading, drainage, paving, and any other activity required to prepare a site for construction;
- construction or build-out of publicly or privately-owned buildings;
- training.

The grant is awarded directly to the County or the EDA on behalf of a company. Therefore, the political subdivision is required to enter into a performance agreement with the business beneficiary before it may receive AFID funds.

II. General Eligibility Thresholds

To qualify for an AFID facility grant, the benefiting project should:

- 1) be a facility that produces "value-added agricultural or forestal products," meaning any agricultural or forestal product that:
 - a. has undergone a change in physical state;
 - b. was produced in a manner that enhances the value of the agricultural commodity or product;
 - c. is physically segregated in a manner that results in the enhancement of the value of the agricultural or forestal product;
 - d. is a source of renewable energy;
 - e. is aggregated and marketed as a locally produced agricultural or forestal product.
- 2) demonstrate that a minimum of 30% of the agricultural or forestry products to which the facility is adding value will be grown or produced within the Commonwealth of Virginia on an annual basis in normal years.

For the purposes of the AFID program, "agricultural products" means crops, livestock, and livestock products, including field crops, fruits, vegetables, horticultural specialties, cattle, sheep, hogs, goats, horses, poultry, fur-bearing animals, milk, eggs, aquaculture, commercially harvested wild fish,

commercially harvested wild shellfish, and furs. "Forestal products" means saw timber, pulpwood, posts, firewood, Christmas trees, and other tree and wood products for sale or for farm use.

III. Other Factors Considered

VDACS may examine these factors when determining whether to recommend an AFID grant:

- company statement about the critical role of the AFID grant to the success of the project
- geographic diversity
- concurrence of other state economic development incentives (like the COF)
- applications from more than one jurisdiction

IV. Determining Grant Amounts

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

- number of new jobs
- anticipated amount of private capital investment
- anticipated additional state tax revenue expected to accrue to the state and affected localities because of the capital investment and jobs created
- anticipated amount of Virginia-grown agricultural and forestal products used by the project
- projected impact on agricultural and forestal producers
- a return on investment analysis
- an analysis of the impact on competing businesses already located in the area
- other factors deemed appropriate by the Secretary of Agriculture

V. Local Match Policy

The equivalent of a dollar-to-dollar local match (cash and in-kind) is required to receive an AFID grant. Much of the eligibility criteria complement the goals and objectives of Albemarle County's Economic Development Strategic Plan, Project ENABLE, very well. Common goals between the AFID grant criteria and the County include a support of agricultural production, attracting private capital investment, 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 and/or EDA 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.

In addition, business beneficiaries of AFID grants are expected to provide to the political subdivision and the Secretariat, on an annual basis throughout the grant's performance period, data on their achievement of new jobs, capital investment, purchase of Virginia grown products targets and any other information agreed to be shared in the Performance Agreement.

Finally, as part of the Secretariat's efforts to determine the effectiveness of this economic development program, business beneficiaries will be asked to provide, on a confidential basis, the amount paid in the prior calendar year in Virginia corporate income tax.

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.