



Albemarle County

Legislation Details (With Text)

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Title: Commonwealth and Local Development Opportunity Fund Performance Agreements for Project Packet
Sponsors:
Indexes:
Code sections:
Attachments: 1. Att. A - Bonumose COF Performance Agreement, 2. Att. B - Bonumose Local Match Grant Agreement, 3. Att. C - Board Resolution, 4. Att. D - EDA Resolution

| Date | Ver. | Action By | Action | Result |
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AGENDA DATE: 10/19/2021

TITLE:
Commonwealth and Local Development Opportunity Fund Performance Agreements for Project Packet

SUBJECT/PROPOSAL/REQUEST: Authorization from the Board and Economic Development Authority to match the Commonwealth Development Opportunity Fund by executing the performance agreements for Project Packet

ITEM TYPE: Regular Action Item

STAFF CONTACT(S): Richardson, Walker, Kamptner, DeLoria, Johnson, Schmack, Newberry

PRESENTER (S): Roger Johnson

LEGAL REVIEW: Yes

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND: Project Packet is an international food and enzyme technology company headquartered in Albemarle County. The company operates within the “agribusiness and food processing” sector, which is a target industry in the County’s economic development strategic plan, Project ENABLE.

In late 2019, the Economic Development Office (EDO) learned of Project Packet’s future expansion plans. These plans included additional space for manufacturing, offices, research and development, and warehousing. EDO staff assisted the expansion effort by identifying potential sites and providing estimated timelines for regulatory review. The cost, limited supply of available sites, and timeline for regulatory review posed significant challenges to Project Packet’s expansion within Albemarle County. As a result, Project Packet was initially unable to find a suitable location and broadened their search parameters to include other areas of the Central Virginia region and locations across the United States.

STRATEGIC PLAN: Economic Prosperity - Foster an environment that stimulates diversified job creation, capital investments, and tax revenues that support community goals.

DISCUSSION: Following an exhaustive search for an expanded operation within the region, Project Packet was at significant risk of relocating out of the state. As a result, the Virginia Economic Development Partnership (VEDP), in consultation with the Governor's Office, determined Project Packet was eligible for several state incentives based on their projected job creation and capital investment: \$256,000 from the Commonwealth Development Opportunity Fund (COF), a \$300,000 Virginia Investment Performance (VIP) grant, \$44,800 from the Virginia Jobs Investment Program (VJIP), and \$35,000 from the Port of Virginia Economic and Infrastructure Development (POV) grant. Together, these incentives enabled otherwise impractical sites to become feasible for consideration by Project Packet.

With this financial support, County staff, various infrastructure partners, and the private sector worked together with Project Packet to identify the State Farm building on Pantops as the ideal location for their expansion. Project Packet will make significant upgrades to adaptively reuse a portion of the building to serve their growing business needs. The State and Local COF performance agreements require at least \$27,700,000 of capital investment as well as the creation and retention of 64 jobs over the next three years (Attachments A and B).

The COF grant is the only incentive offered by the state that requires a local match. Staff is recommending the Board of Supervisors and the Economic Development Authority (EDA) approve the performance agreements that match the COF grant. The EDA will consider matching the state's VJIP grant at a future EDA meeting. Local grant payments will occur as the company meets identified performance benchmarks.

BUDGET IMPACT: Albemarle County's match for the Commonwealth Development Opportunity Fund (COF) grant - \$256,000 - will come from the Economic Development Investment Pool.

Albemarle County's match for the Virginia Jobs Investment Program (VJIP) grant - up to \$44,800 (\$700 per job) - will come from the Economic Development Investment Pool.

RECOMMENDATION:

Staff recommends the Board adopt the Resolution found in Attachment C to authorize the County Executive to sign the State and Local COF Performance Agreements once each agreement is approved to form by the County Attorney's Office.

Staff recommends the Economic Development Authority adopt the Resolutions found in Attachment D to authorize the Chair to sign the State and Local COF Performance Agreements once each agreement is approved to form by the County Attorney's Office.

ATTACHMENTS:

A - State COF Performance Agreement

B - Local COF Performance Agreement

C - Board of Supervisor's Resolution to Authorize the County Executive to Sign the COF Performance Agreements

D - Economic Development Authority's Resolution to Authorize the EDA Chair to Sign the COF Performance Agreements