



Albemarle County

Legislation Text

File #: 19-238, **Version:** 1

AGENDA DATE: 4/17/2019

TITLE:

Potter's Craft Cider Performance Agreement

SUBJECT/PROPOSAL/REQUEST: Approval of an Economic Development Performance Agreement between the County of Albemarle, the Economic Development Authority of Albemarle County, and Potter's Craft Cider

ITEM TYPE: Regular Action Item

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

PRESENTER (S): J.T. Newberry

LEGAL REVIEW: Yes

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND: Potter's Craft Cider was founded in Albemarle County in 2011. In October 2018, staff learned of Potter's Craft, LLC's intention to expand its production facility and open a tasting room. Staff contacted the Virginia Department of Agriculture and Consumer Services (VDACS) to determine if such an expansion could be supported by a grant from the Governor's Agriculture and Forestry Industries Development Fund (AFID). In November 2018, staff from VDACS and the County visited property owned by Potter's Craft, LLC to gather additional information. Based on a projected capital investment of \$1,560,000, the creation of 12 full-time equivalent jobs (FTE), and a commitment to purchasing 2,572,060 pounds of Virginia-grown apples, VDACS informed the County that the company's expansion plans qualified for a grant of up to \$50,000 (see Attachment A).

AFID grants are performance-based incentives that are subject to claw-back provisions over a three-year performance period. AFID grants require a dollar to dollar match from the locality where the business investment will be located. Recipients of AFID grants must submit annual progress reports to document their progress towards estimated growth targets for three categories: capital investment, job creation, and purchase of Virginia-grown products.

STRATEGIC PLAN: Develop an Economic Development Program: Project ENABLE will implement strategies that create an economy driven by business, industry, and institutions in a way that complements growth management reliant upon cross-functional internal teams and external partnerships.

DISCUSSION: Staff from various departments worked together to analyze the impacts generated by the potential expansion plans of Potter's Craft, LLC. First, staff from the Economic Development Department determined Potter's Craft Cider falls within a target industry because it is a primary business generating revenue from outside our region and its plans are consistent with the goals, objectives, and strategies of Project ENABLE. Next, staff from the Finance Department calculated the estimated capital investment would generate an additional \$10,000 per year in tax revenue. Finally, staff from the Community Development

Department identified support for the company's expansion plans in several chapters of the Comprehensive Plan; statements of support within the chapters on Historic, Cultural, and Scenic Resources, Economic Development, and the Rural Area were particularly strong.

Therefore, staff recommends the County match the full amount of the \$50,000 grant offered by VDACS to support the expansion plans of Potter's Craft Cidery. More specifically, staff recommends the Board of Supervisors match \$30,000 of the grant through the Economic Opportunities Fund and recommends the Economic Development Authority match the remaining \$20,000 of the grant opportunity through its own budget. Potter's Craft, LLC has already accepted the Performance Agreement terms (Attachment A).

BUDGET IMPACT: As a matching grant opportunity, \$30,000 from the Economic Opportunities Fund would be appropriated to the Economic Development Authority. The Economic Development Authority would then add \$20,000 from its own budget to fully match the \$50,000 grant.

RECOMMENDATION:

Staff recommends that the Board:

- 1) adopt the attached Resolution approving the Agreement (Attachment B), and
- 2) direct the County Executive's Office to finalize the arrangements by working with the Economic Development Authority.

ATTACHMENTS:

- A - Performance Agreement
- B - Resolution