

## ECONOMIC DEVELOPMENT INVESTMENT PROGRAM

WHEREAS, the Accomack County Economic Development Authority (“EDA”) was created pursuant to Virginia law to promote industry, develop trade, and foster manufacturing, industrial, agricultural, medical, governmental, non-profit, and commercial enterprises in the County of Accomack, Virginia (“County”); and

WHEREAS, the Virginia Industrial Development and Revenue Bond Act vests economic development authorities with broad powers to accomplish their purposes, including the authority to acquire, own, lease and dispose of property; to accept and expend funds from any public or private source; and to make loans and issue bonds secured by revenues or other funds; and

WHEREAS, Section 15.2-1205 of the Code of Virginia authorizes the County to give, lend or advance funds and property to the EDA, in any manner or amount that the Board of Supervisors deems proper; and

WHEREAS, economic development serves a valid public purpose and legitimate governmental function, by creating jobs, increasing public revenue, increasing commerce, and benefiting the public health safety, welfare, convenience and prosperity; and

WHEREAS, the County and the EDA have agreed to continue and increase efforts to foster and stimulate economic development by providing incentive grants, through the EDA, to qualifying businesses to locate, expand, or remain in the County, by adoption and implementation of this Economic Development Investment Program.

NOW, THEREFORE, the County and the EDA hereby adopt the following Economic Development Investment Program.

1. Purpose – the animating purpose of the Economic Development Investment Program (EDIP or “Program”) shall be to promote economic development in the County by providing incentive grants through the EDA to new businesses to locate in the County and existing businesses to remain in the County by relocation or expansion of their facilities.

2. Application of Program – this Program shall apply to businesses newly locating, relocating, or expanding facilities in the County outside the boundaries of any incorporated town.

3. Definitions –

“Business” shall mean a person or entity that engages in a course of dealing requiring time, attention and labor for the purpose of earning a livelihood or profit. Such business shall be authorized to transact business in Virginia as required in Section 2.2-4311.2 of the Code of Virginia.

“New Job” is defined as a permanent full-time employment (at least 35 hours per week for at least one year), with standard fringe benefits, established for an indefinite duration.

“Capital investment” is defined as a capital expenditure in taxable real property and/or taxable personal property. Examples include, but are not limited to, buildings, renovations, expansions, furnishings, machinery and tools, equipment, vehicles and site improvements.

4. Investment Criteria – EDIP grants may be awarded where the County Administrator has determined that the following criteria have been met:

- a. The net amount of tax and other revenues generated by the business and collected by the County will exceed the amount of the EDIP grant no later than 80 months from the date on which the business commences operations at a new, relocated, or expanded facility; and
- b. For every one dollar (\$1.00) in EDIP funds provided, the business will spend \$23.00 in Capital Investments, including buildings, expansions, renovations, furnishings, machinery and tools, equipment, and site improvements; and
- c. Every \$10,000.00 in EDIP funds provided will yield at least one New Job in the business in the County or, in the alternative, the business must yield at least ten (10) New Jobs within 12 months of receiving the grant.

Where a business locates at, or relocates to, the County Airport or at the County Industrial Park, such business need only meet one of the investment criteria listed above.

These criteria may be reviewed by the County Administrator, in consultation with the Chairperson (“Chair”) of the Board of Directors of the EDA (“EDA Board”), on an annual basis for purposes of determining whether revisions are appropriate. Any revisions recommended by the County Administrator shall constitute an amendment of this Program and shall be presented to the Board of Supervisors and the EDA Board for approval.

5. Application for EDIP Grant – a business that desires EDIP funds to locate, relocate, renovate, or expand its facilities in the County shall make application to the EDA Board, on forms provided by the EDA for this purpose. The application shall include three (3) years of financial statements prepared by a CPA, in order of Preference:

§ Audited Financial Statement

§ Reviewed Financial Statements

§ Compiled Financial Statements

If the above are not available, the application shall include three years of:

§ Management Prepared Financial Statement, or

§ Tax Returns

The applicant shall submit such additional information and documentation concerning its application as the EDA Board, acting through the Chair, may require. If the EDA Board finds that the application meets the minimum eligibility criteria of this Program, it shall present the application to the County Administrator for consideration.

6. Required Approvals - no applicant shall be deemed eligible for, or entitled to, an EDIP grant unless and until the application is approved by the County Board of Supervisors and the EDA Board. The County Board of Supervisors and the EDA Board shall exercise legislative discretion in determining whether to approve an EDIP grant and, therefore, no approval is guaranteed. Additionally, the award of a grant under this Program is subject to the availability and appropriation of funding.

7. Conditions of Approval – every recipient of a grant under this Program shall comply with the investment criteria in section 4 above, as applicable. Where the award of the grant is based, in whole or part, on Capital Investments, at least 50% of the amount to be invested shall be expended within 12 months of receipt of the grant funds. The County Board of Supervisors and the EDA Board may approve additional criteria that, if so imposed, shall be deemed a condition of the grant. Such criteria may include, without limitation, payment of the EDIP grant over a period of time, with certain performance thresholds having been met by the business prior to payment of the next installment.

8. Required Findings - in every case of approval, each Board must find that i) the animating purpose of the EDIP grant is to serve the public purpose of fostering and stimulating economic development in the County; ii) the expenditure of the grant funds will only incidentally enure to the benefit of private interests, if at all; iii) the EDIP grant is in furtherance of the purposes for which the EDA was created; and iv) without the award of the EDIP grant, it is unlikely that recipient business would locate, remain, or expand in the County.

9. Execution of Agreements – if the County Board of Supervisors and the EDA Board have each approved an application for an EDIP grant, the applicant then shall be required to execute a written performance agreement (“Agreement”) setting out the criteria and conditions of the award. Payment of the EDIP grant under the terms of the Agreement shall be subject to appropriation of sufficient funds by the Board of Supervisors to the EDA for this purpose.

10. Payment of Grant – subject to funding and execution of the Agreement, the EDA shall issue the grant to business.

11. EDIP Grant Expenditures – all expenditures of EDIP grant funds shall be in keeping with this Program and the Agreement and may enure only incidentally to the benefit of private interests. EDIP funds may be used for appraisals, financial and market studies, and architectural and engineering studies directly related to the construction, renovation, relocation or expansion of the recipient’s business facilities.

12. Default by the Business - in the event all or any one of the criteria and conditions of an EDIP grant are not satisfied, the EDA shall issue to the business a notice of default of the Agreement. If the default is not cured within 12 months of the date of the notice, the EDA shall require repayment of the grant and may take necessary legal action to recapture such funds.

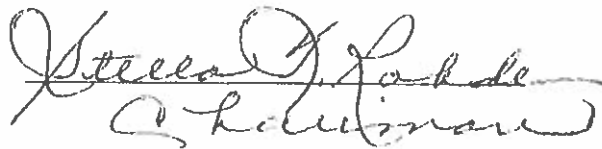
13. Administration of the Program – this Program shall be administered by the EDA, including i) accepting grant applications and making the initial determination as to whether a business is qualified to receive a grant under the criteria in section 4 above; ii) forwarding applications of qualified businesses to the County Administrator; iii) deposit and accounting of funds received from the County for the award of grants under this Program; iv) ensuring execution of the Agreement between the business and the EDA; v) issuing a grant approved by the EDA Board and the County Board of Supervisors; vi) monitoring compliance with the conditions of approval; vii) issuing notice of default to any business failing to perform the conditions of approval; and viii) recapturing funds from the business in the event of default.

14. Amendments to the EDIP Program – the provisions of this Program shall not be amended or revised without the prior consent and approval of the Board of Supervisors and the EDA Board.

ADOPTED by the Board of Supervisors for the County of Accomack, Virginia, this 18th day of November, 2020.

  
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Michael T. Mason, CPA  
County Administrator

ADOPTED by the Board of Directors for the Accomack County Economic Development Authority this 11 day of December, 2020.

  
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Steele J. Fobbe  
Chairman