



**Albemarle County
Economic Development Authority**

**RESOLUTION APPROVING A MATCH GRANT TO THE GOVERNOR'S AFID
GRANT & PERFORMANCE AGREEMENT WITH POTTER'S CRAFT, LLC**

WHEREAS, the Board of Directors of the Economic Development Authority (the EDA) finds it is in the best interest of the County and is consistent with the County's economic development strategic plan (Project ENABLE) (1) to enter into an Agreement with Potter's Craft, LLC, dba Potter's Craft Cider, to support the expansion of an existing primary business in Albemarle County's Broadway Corridor by the acquisition of a certificate of occupancy based on the improvement of certain real estate on Broadway Street and the opening of a retail tasting room with a \$50,000 grant from the Economic Opportunity Fund and (2) to support the creation of local jobs, investment in capital improvements, purchase of machinery and tools and tangible personal property, and guaranteed purchase and use of Virginia apples with \$50,000 from the Governor's Agriculture & Forestry Development Fund ("AFID") grant awarded to Albemarle County for these same purposes, with the grant being limited in time and amount as set forth in an agreement to be finalized by the Virginia Department of Agriculture and Consumer Services, the Virginia Attorney General's Office, and the Office of the Albemarle County Attorney.

NOW, THEREFORE, BE IT RESOLVED that the Albemarle County Economic Development Authority hereby approves the appropriation of such funds through an agreement or two separate agreements between Potter's Craft, LLC, and the Albemarle County Economic Development Authority for the reasons described above, and authorizes the Chairman and the Treasurer to execute the same on behalf of the Albemarle County Economic Development Authority upon the agreement or agreements materially complying with the Term Sheet attached hereto, approved by the Virginia Department of Agriculture and Consumer Services without material or substantive modifications, and approved as to substance and form by the County Attorney.

MOTION

I move that the EDA adopt this Resolution appropriating \$50,000 from EDA funds and \$50,000 derived from the Governor’s AFID Grant to Potter’s Craft, LLC, subject to the terms of this Resolution, the attached Term Sheet, and the resulting agreement or agreements and to authorize the Authority’s Chair and Treasurer to execute all documents necessary to complete this grant.

I, Roger Johnson, do hereby certify that the foregoing writing is the Resolution duly adopted by the Albemarle County Economic Development Authority by a vote of ___ to ___ as recorded below, at a meeting held on September 20, 2022.

Roger Johnson
Assistant Secretary

	<u>Yes</u>	<u>No</u>
Dir. Long	_____	_____
Dir. Ray	_____	_____
Dir. Shreve	_____	_____
Dir. McNaughton	_____	_____
Dir. Mottola	_____	_____
Dir. Lawless	_____	_____
Dir. Morrill	_____	_____

Term Sheet: Potter's Craft Cider

- Parties:** Virginia Department of Agriculture and Consumer Services, Albemarle County Board of Supervisors, Albemarle County Economic Development Authority, and the Company
- Purposes:** Provide a match to the Governor's Agriculture and Forestry Industries Development (AFID) Fund to retain the Company's location in Albemarle County and expand its operations at 1820 Broadway Street, Charlottesville, 22902. The Company plans to make capital investments of \$900,000, create 8 new jobs, and make 1,438,984 pounds of net-new purchases of Virginia-grown apples by Year 3 as submitted to the Virginia Department of Agriculture and Consumer Services.
- Project:** The Company was founded in Albemarle County in 2011. The Company has grown from a small start-up cidery with only a pop-up tasting room to a large craft cidery operation with a permanent tasting room and distribution throughout the mid-Atlantic. To meet growing consumer demand, the company will renovate a vacant building in the Broadway Street corridor to build a larger production facility, warehouse storage space, and a second tasting room. This project will bring new life to a vacant site, further support our local apple growers, add to the growing cluster of food and beverage offerings in the district, and attract additional tourists to the County.
- VDACS Funding:** \$50,000 via the Governor's Agri. and For. Industries Development (AFID) Fund.
- County Funding:** \$50,000 total funding (this money is required to match the VDACS funding) from the Economic Opportunities Fund.
- Legal Authority:** Virginia Code §§ 15.2-1205 (County) (power to give funds to any County-created authority), 15.2-4905(13) (EDA) (power to make grants to a business for the purposes of promoting economic development).
- Mechanism:** \$50,000 AFID funds will be deposited to the County's Economic Opportunities Fund. \$50,000 AFID funds and \$50,000 County funds will then be transferred to the EDA, which will provide a total of \$100,000 to the Company as provided by law and in conjunction with the performance agreement among the Parties.
- Grant Period:** The project period for the AFID grant is expected to last three years.
- VDACS Initial Requirements for AFID Funds:** TBD
- VDACS Targets over 3 Year Period:**
- 1) \$900,000 in capital investments
 - 2) Create 8 new jobs
 - 3) Make 1,438,984 pounds of net-new purchases of Virginia-grown apples

County
Targets over
3 Year Period:

Occupancy Target: Obtain a certificate of occupancy for the renovated space at 1820 Broadway Street.

Activation Target: Open a second tasting room at 1820 Broadway Street.

Note: Must be in good standing with the County (Company tax payments up-to-date, no County violations, etc.) to receive payments.

County/EDA
Obligations:

Cash Contribution of \$25,000 after verification of County's Occupancy Target
Cash Contribution of \$25,000 after verification of County's Activation Target

VDACS
Clawback
Provisions:

The Company must meet at least ninety percent (90%) of the job-related targets by the Performance Date to avoid any clawback.

If the Company has not met at least ninety percent (90%) of its job-related targets by the Performance Date, then they shall repay to the Authority that part of the AFID Grant that is proportional to the target or targets for which there is a shortfall.

If the Company has not met at least ninety percent (90%) of VDACS' job-related targets by the Performance Date, then the Company shall repay to the Authority that part of the AFID Grant that is proportional to the target or targets for which there is a shortfall.

County
Clawback
Provisions:

There is no clawback for County's targets because they are performance-based.