



ENABLE Grant Program Guidelines

I. Introduction

The purpose of the ENABLE Grant program is to attract private capital, grow the tax base, build the community vision and accomplish a public good through new investment in Albemarle County. Economic development projects that infuse private investment into Albemarle County may be eligible for cash grant funds. The grant program is supported by an increase of property tax revenue to Albemarle County generated by an incentivized project, which otherwise would not be completed (a "but for" provision); and/or otherwise achieve a stated public goal or vision. All grant awards are approved by the Albemarle County Board of Supervisors and directed through the Economic Development Authority. The grant awards are disbursed in annual (or bi-annual) installments only after all property taxes have been paid.

Qualifying Projects: Qualifying projects under the ENABLE Grant program fall into two general categories:

Classic Projects are new investments and relocation-expansion of a primary business projected to have a substantial positive economic development impact. Classic projects are expected to generate job growth and/or increase the size and diversity of the tax base. They must be located within the Development Area of Albemarle County and be consistent with the Comprehensive Plan.

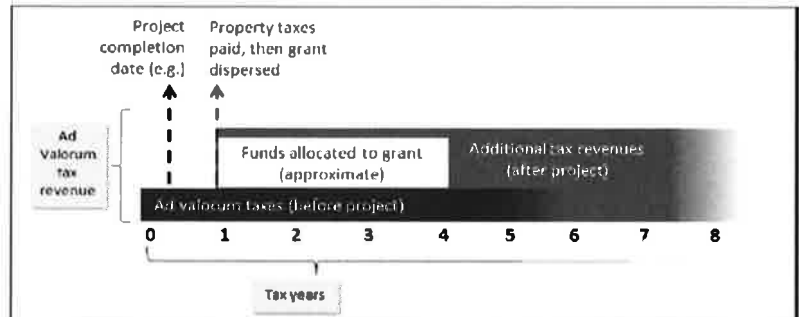
Pinnacle Projects are projects that are within the County Limits, within a designated Development Area and either

- a) involve "catalytic" mixed-use (re)development, promote a stated County goal or contain public elements; or demonstrably decrease County expenditures;
- b) have the potential to transform districts through *placemaking, mixed-use, or redevelopment opportunities.

** Placemaking refers to a collaborative process by which community input shapes the public realm.*

II. Policy Rationale and Fiscal Approach

The ENABLE Grant program aims to attract projects to the community, which were not expected to be feasible and/or be pursued to completion in the absence of incentives. The grant program is supported by the net increase in property tax revenue generated by the incentivized project. After all annual installments have been allocated, it is expected that the County will receive the full value in return from the private capital investment – through increased and/or diversified tax base, employment opportunities, “spin off” economic activities, or the like.



Grant installments are based on the annual increased tax revenue generated to the Albemarle County. The annual installment is equal to no more than 100 percent of the increased property tax revenue to Albemarle County, while the remaining increased property tax revenue effectively contributes to the County’s general revenue collections. It is anticipated that a project aided by an ENABLE Grant otherwise would not have been started or completed (“but for”), or occur timely, or would be significantly different in scope or scale without the incentive.

To maintain fiscal neutrality, the size of the annual installment is calculated in absolute terms – a larger capital investment will generate a higher “baseline”: for example, the tax increment generated by a \$10 million private capital investment will likely be ten times larger than the tax increment generated by a \$1 million investment; therefore the potential annual installment for the \$10 million investment would generally be ten times larger than the annual installment for a \$1 million project.

The total size of the grant takes into consideration the extent to which a project furthers the County’s stated strategic goals and creates career ladder jobs (including wages). Although the size of annual installments is largely dependent on the increased annual tax revenue generated to Albemarle County, the Board can adjust the amount of the grant by increasing or decreasing the total number of installments awarded.

Payments will be made annually based on the actual increased property tax revenue generated to Albemarle County. Disbursements will only be made if Albemarle taxes for the project area are paid in full.

III. Qualifying for a Grant Award

Staff consults with grant applicants to determine whether a prospective project qualifies for funding under the ENABLE Grant program. If staff determines that a project does not qualify within one of two categories, staff will not recommend to the County Executive Office that the project be considered.

Classic Project: If a business investment (relocation or expansion) meets general qualifying standards, the project may be eligible for funding anywhere within Albemarle County's Development Area.

Pinnacle Projects: A Pinnacle Project may qualify for an ENABLE Grant if located within Albemarle County's Development Area, fit a stated goal, meets a Public Good or promotes Placemaking.

Examples of Pinnacle Projects that fit a stated goal:

- Mixed-use Neighborhood Model project
- Rio 29 Small Area Plan
- Climate Action Plan goals

Examples of Pinnacle Projects that meet a public good or promote placemaking:

- Parking structure
- Public gathering space
- Performing Art facility
- Convention Center

In reviewing grant requests for projects, staff and the Board will consider, among other factors, to what extent the project promotes the goals and strategies addressed in relevant area plans, corridor plans or studies, Revitalization Plans, Master Plans, Comprehensive Plan or the like. Additionally, the Board will consider to what extent a project supports economic development and diverse segments of the public.

These are but a partial list of goals and strategies that might apply to Pinnacle Projects. Projects that promote multiple strategic goals are more likely to qualify and/or be prioritized for funding.

Applicants should contact Economic Development staff to ascertain whether a proposed project qualifies.

Qualifying projects may be eligible for grant funds but are not entitled to receive funds. The amount of grant funds offered, if any, is at the sole discretion of the Board of Supervisors.

Approval of an application under the ENABLE Grant program does not grant a project vested rights for development or grant any third-party benefit. The Board reserves the right to set priorities among applications under consideration. The Board may reject an applicant if it does not provide information requested, or if circumstances change. The Board may offer other incentives for projects such as infrastructure investment, matching funds or the like.

All ENABLE Grants are subject to a written and signed ENABLE Grant Agreement.

IV. Eligibility

For a qualifying project to be eligible for incentives, the applicant must submit a request that the Board approves prior to commencing construction.

The applicant will be required to agree that in the event some or all the Project/Project Site is transferred by the applicant to a form or type of ownership that is exempt, in whole or in part, from County taxes, Albemarle County's obligation to provide incentives may be reduced or subject to repayment, and any further grant payments shall cease. There will be default language in the development agreement that protects Albemarle County from changes within the project after approval and that incentives can be withdrawn, or be required to be repaid, if default occurs.

The applicant must demonstrate that

1. the project would not be feasible "but for" the incentives amount requested; or
2. the project would be significantly different in timing, scope or scale without public participation.

Staff may utilize an independent party to verify the "but for" gap.

The potential increased tax revenue generated to the County will be calculated based on the project uses. Staff will generate the best possible estimate. In the event the amount of actual increased taxes is less than the estimated amount, the incentive will be reduced accordingly. Each year the actual increased tax revenue generated by the project will be the basis for calculating the payment to the applicant.

V. Application Process

1. Applicant (property owner or agent with property owner's written consent) will apply to the Office of Economic Development and will provide:
 - a. Description of the proposed project including location, preliminary design, square footage of commercial, and/or number of residential units;
 - b. Current taxable value for the property;
 - c. Estimated taxable value after construction of the entire project;
 - d. Information demonstrating the project would not be undertaken but for the public funds making the project financially feasible (or transformative);
 - e. Summary of the incentive funds requested for the project (number of annual installments and percent of increment requested);
 - f. Information about any governmental approvals required, including land use and zoning changes, etc.; and
 - g. Statement as to whether the project has been announced publicly and the application is being submitted in confidence;
 - h. Other information as requested by staff.
2. Staff may consult with real estate professionals or other consultant in reviewing the application and shall prepare a Cost/ Benefit Analysis.
3. Based on the review, staff will make a recommendation to the County Executive and the Board of Supervisors.
4. Based on an evaluation of the information provided in the application, and considering the recommendation by staff, the Board may accept or reject the application, or may approve the application with suggested modifications.

5. Following approval the staff shall prepare or cause to be prepared an ENABLE Grant Agreement with the property owner/applicant, which must be entered before disbursement of funds.

VI. Terms and Conditions

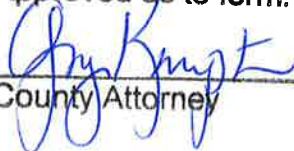
A written ENABLE Grant Agreement will be required. The development agreement will include any agreed upon performance requirements such as a schedule of jobs and wages to be created or retained and capital investment to be made. It will also include the terms for repayment of the incentive if the business fails to meet the performance requirements in the agreement.

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.

Confidentiality: Upon the applicant's request for confidentiality, Albemarle County will maintain the confidentiality of the applicant's proprietary information, including but not limited to project details, trade secrets, financial statements, balance sheets, revenue and cost projections, and local incentives negotiations and offers, to the extent permitted by Virginia's Freedom of Information Act. Final incentive approval by the Board of Supervisors and the Albemarle County Economic Development Authority must be public.

Adopted June 18, 2019

Approved as to form:


County Attorney