Industrial Development Authority  
300 Lee Street, Bristol, Virginia 24201,  
Conference Room (204)  
October 7, 2019

12:00 pm

I. Call to Order

II. Chair and Member Comments

III. New Business
   a) Administration of Oath by Circuit Court
   b) Release from Performance Agreement, Contractual Obligations for Studio Brew.

IV. Old Business
   a) Consider IDA approval guidelines

V. Adjournment
PERFORMANCE AGREEMENT

AGREEMENT

This PURCHASE AND PERFORMANCE AGREEMENT made and entered this __ th day of June 2014, by The CITY OF BRISTOL, VIRGINIA, a Virginia municipal corporation (the “CITY”) and STUDIO BREW, LLC, a limited liability corporation organized under the laws of the Commonwealth of Virginia. (“APPLICANT”); the INDUSTRIAL DEVELOPMENT AUTHORITY FOR THE CITY OF BRISTOL VIRGINIA (the “IDA”), organized under the laws of the Commonwealth of Virginia, and the BVU AUTHORITY (BVU) for the purposes and considerations stated below:

RECITALS

WHEREAS, the APPLICANT wishes to purchase the “Fire Museum Building” located at 221 Moore Street in Bristol, Virginia and intends to install a commercial brewery with intent to distribute wholesale as well as limited retail of products and merchandise on site; and

WHEREAS, the APPLICANT has requested an economic incentive grant award to assist in offsetting startup costs associated with the occupation of the property; and

WHEREAS, the City of Bristol, Virginia, through the Economic Development Committee (EDC), met on Monday June 10, 2013 to discuss the APPLICANT’s request; and

WHEREAS, the EDC has indicated its desire that the CITY provide real property as a land grant to the APPLICANT for the APPLICANT’s use and benefit, provided that the APPLICANT commits to the achievement of certain goals relating to employment, capital investment, length of stay, and sales volume as described herein; and

WHEREAS, the EDC has indicated its desire that the BVU BOARD provide an economic development grant and a promotional grant to the APPLICANT for the APPLICANT’s use and benefit, provided that the APPLICANT commits to the achievement of certain goals relating to employment, capital investment, length of stay, and sales volume as described herein; and

WHEREAS, the CITY, the APPLICANT and the IDA desire to set forth their understanding and agreement as to the use of the grant, the obligations of each party hereto, the conditions under which the grant must be repaid, and the liability of each party hereto in the event of default.

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits and promises of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby covenant and agree as follows:
ARTICLE I
APPLICANT’S COMMITMENTS AND OBLIGATIONS

1.1 Funding Match Requirements. None
1.2 Announcement. Contemporaneously with the execution of this Agreement, the applicant will announce the future opening of Studio Brew and establish a ribbon cutting date at the aforementioned location within the city limits.

1.3 Occupation. The APPLICANT agrees that they shall occupy the facility located at 221 Moore Street in Bristol, Virginia pursuant to the intent of this Agreement, prior to the commencement of the term of this Agreement as provided herein.

1.4 Capital Investment. The APPLICANT agrees that the prospective tenant shall make a direct capital investment of not less than TWO MILLION DOLLARS ($2,000,000.00) in the occupation, outfitting, and operation of the property as Studio Brew including professional office space for the corporate entity within the term of this Agreement. This amount shall be comprised of expenditures by the owner, tenant and the APPLICANT, which may include but not be limited to construction and maintenance costs.

1.5 Employment Requirements. The APPLICANT shall achieve employment of and maintain 14 employees, including part time and full time positions, within the term of this Agreement.

1.6 Jobs Report and Audit Requirements. The APPLICANT shall provide at the APPLICANT’s expense detailed verification of its progress toward satisfaction of the above Capital Investment and Employment Requirements. These reports shall be provided annually to the Director of Economic Development and BVU administrative staff. The first report and each report thereafter shall be due prior to June 1 of each year. An initial report shall be required prior to the commencement of the term of this Agreement as provided herein and shall serve as the baseline for default measurement. The APPLICANT further agrees to cooperate with any other reasonable audit requirements as may be requested by the CITY during the term of this Agreement.

1.7 Utility Services. The APPLICANT shall utilize all applicable services available from Bristol Virginia Utilities, including but not limited to OptiNet, electric, water, and wastewater services.

1.8 Length of Stay. The Applicant shall occupy 221 Moore Street and operate the businesses therein as described above for a period of not less than five (5) years.

1.9 Sales Tax Revenues. The Applicant shall provide the City with revenues from all applicable sales tax in an amount totaling not less than $100,000 within five (5) years from the commencement of the term for this agreement.

ARTICLE II
ECONOMIC DEVELOPMENT AND LAND GRANTS

2.1 Economic Development Grants. The CITY, the IDA, BVU and the APPLICANT enter into this Agreement as a one (1) time Job Creation and Capital Investment Grant for the promotion of economic development within the CITY.
2.2 The CITY agrees to convey to the IDA, and the IDA agrees to convey to the APPLICANT the real property located at 221 Moore Street, Bristol, Virginia and more specifically described in Exhibit B attached. Additionally, although not included in the conveyance the APPLICANT shall be provided access to 20 parking spaces adjacent to the building and as depicted and described in Exhibit A attached.

2.3 The CITY agrees to pay to the APPLICANT from its Economic Development Funds the sum of EIGHTY THOUSAND DOLLARS ($80,000.00) as a one (1) time Job Creation and Capital Investment Grant for the promotion of economic development within the City. The City shall render payment within seven (7) days following written request of the applicant.

2.4 BVU agrees to pay to the APPLICANT from its Economic Development Funds the sum of THIRTY SEVEN THOUSAND TWO HUNDRED AND TWELVE DOLLARS ($37,212.00) as a one (1) time Job Creation and Capital Investment Grant for the promotion of economic development within the City. BVU shall render payment pursuant to its Economic Development Policy. The following payment schedule shall be used to govern disbursement of funds:
   (a) First Payment: The first payment shall total $28,000 and shall be payable at the grand opening of the facility and shall be rendered within seven (7) days following written request of the applicant.
   (b) Second Payment: The second payment shall total $9,212 and shall be paid in annual instalments. $3,070.85 and shall be payable following 365 days of billable electrical service at the facility. Payment shall be rendered within seven (7) days following written request of the applicant. Each year a payment shall be due on the anniversary of the initial second payment and shall be payable following 365 days of billable electrical service at the facility.

2.5 BVU agrees to pay to the APPLICANT from its Marketing Funds the sum of FORTY TWO THOUSAND DOLLARS ($42,000.00) as a one (1) time Job Creation and Capital Investment Grant for the promotion of economic development within the City. Payment shall be due following satisfactory completion of the following requirements:
   (a) The issuance of a certificate of occupancy by the City of Bristol, Virginia Building official for the renovated facility
   (b) The placement of a permanent plaque advertising BVU, the form, size & placement having been previously approved by BVU.

Upon satisfactory completion of the above conditions BVU shall render payment within seven (7) days following written request of the applicant.

2.6 Tax Credits. CITY has elected not to restrict the use of tax credits by the APPLICANT.

2.7 Deed of Trust. Upon transfer of the building at 221 Moore Street to the APPLICANT by the IDA, the APPLICANT will convey said property by Deed of Trust to a Trustee chosen by the IDA to secure to the CITY and the IDA, the APPLICANT’s faithful
performance of all the terms and conditions contained herein. The CITY shall remain in first lien position on said property. The purpose of said first Deed of Trust is to secure the APPLICANT's performance of all of its obligations under Article I hereof including, but not limited to APPLICANT's occupation of the building and operation of Studio Brew, for at least five (5) years pursuant to Article 1.8 hereinafore. Upon completion of five (5) years from commencement, the IDA will release its lien on said property by recording a Certificate of Satisfaction in the office of the Circuit Court Clerk. Notwithstanding the foregoing, the City and IDA agree to subordinate such Deed of Trust to any lending institution that provides construction financing or operating lines of credit for the Applicant or its affiliates. This subordination shall be limited to borrowing by the APPLICANT for the following purposes: (1) establishment of an operating line of credit not to exceed Two Hundred Thousand Dollars ($200,000); and (2) borrowing to improve the Facility and to purchase any equipment necessary to install a distillery in the Facility not to exceed Five Hundred Thousand Dollars ($500,000).

2.6 Right of First Refusal. Upon transfer of the building at 221 Moore Street by the APPLICANT, the APPLICANT shall grant to the IDA a Right of First Refusal to purchase the real property together with all improvements thereon subject to the following formula: Appraised value at the time of sale, minus Two Hundred Seventy Eight Thousand Three Hundred and 00/100 ($278,300.00) Dollars. This Right of First Refusal shall expire upon 10 years from commencement. The IDA will waive the Right of First Refusal on a sale by sale basis, as long as the prospective Purchaser is buying the building and the on-going business, if said on-going business is Studio Brew or a comparable business.

2.8 Assignment by IDA. Immediately following transfer of the grant funds to the APPLICANT, as set forth in Articles 2.2, 2.3, 2.4 and 2.5 the IDA will assign all of its right, title and interest in this Agreement, and all related documents, including the Deed of Trust to the CITY. The parties agree that on such assignment, the CITY will be vested with all rights powers and authority under this Agreement and assume any and all liabilities, obligations and duties of the IDA and the IDA will be released and discharged from any liability, obligations and duties hereunder, all without need of any further action or instrument.

ARTICLE III
DEFAULT

3.1 Specific Default. The occurrence of any of the following shall constitute a default by the APPLICANT under this Agreement:

A. The failure of the APPLICANT to sanction the announcement of the future opening of Studio Brew pursuant to Article 1.2 of this Agreement.
B. The failure of the APPLICANT to ensure occupation of space pursuant to Article 1.3 of this Agreement.
C. The failure of the APPLICANT to make the direct capital investment required pursuant to Article 1.4 of this Agreement.
D. The failure of the APPLICANT to achieve the employment requirements pursuant to Article 1.5 of this Agreement or to provide the required reports and audits as required pursuant to Article 1.7 of this Agreement.
E. The failure of the APPLICANT to utilize above listed services provided by BVU
F. The failure of the APPLICANT to satisfy length of stay requirements pursuant to Article 1.8 of this agreement.
G. The failure of the APPLICANT to satisfy sales tax revenue requirements pursuant to Article 1.9 of this agreement.

3.2 Written Notice. Before exercising any remedies with respect to a default listed above, the IDA and/or BVU must give the APPLICANT sixty (60) days written notice thereof. In the event that the APPLICANT satisfies the requirement not theretofore met prior to the expiration of the notice period, such default will be deemed cured.

3.3 Remedies to the IDA and BVU. In the event that the APPLICANT fails to cure any default after giving the APPLICANT sixty (60) days written notice thereof, the IDA and/or BVU at its sole option may require:
A. Repayment of any monies disbursed to the APPLICANT by the APPLICANT at that time under the terms of this Agreement. If the applicant has partially satisfied the requirements of Article I above then the amount due shall be prorated to reflect partial default. The proration shall be based on one half of the total grant monies awarded being attributed to job creation and one half being attributed to capital investment; and/or
B. The Trustee as named in the above referenced Deed of Trust to act on their Power of Sale and pursuant to the terms therein to initiate foreclosure proceedings.

3.4 Additional Remedies. Notwithstanding any other provisions contained herein, in the event of a breach of the terms of this Agreement by the APPLICANT, the CITY, BVU and the IDA shall have all remedies available to it at law or in equity.

ARTICLE IV
MISCELLANEOUS

4.1 Commencement of Term. The term of this agreement shall be five (5) years from commencement (except for the Right of First Refusal contained in Paragraph 2.5 hereinabove.) The Commencement date shall be the date of official notice of opening as provided to CITY by the APPLICANT. Official notice of opening shall be in the form of a letter stipulating that the business is open and generating revenue.

4.2 Notices. Any notice permitted or provided for under the Agreement shall be in writing, shall be given by mail, and shall be deemed sufficiently given if and when received by the Party to be notified at its address set forth below, or if and when mailed by registered or certified mail, postage prepaid, addressed to such Party at such address. Any Party designated below may, by written notice to the others, change its address for receiving such notices.

Addresses for Notices to Studio Brew, LLC.
ATTN: Erich Allen
Owner
221 Moore Street
Bristol, VA 24201
Addresses for Notices to CITY
Andrew Trivette
Director of Economic Development
300 Lee Street
Bristol, Virginia 24201

Address for Notices to the Industrial Development Authority
Doug Weberling
Chairman
300 Lee Street
Bristol, Virginia 24201

Addresses for Notices to BVU
Walter Bressler,
General Counsel
15022 Lee Highway
Bristol, VA 24201

4.3 Survival. This Agreement, its Schedules and respective covenants and undertakings of the parties shall survive the closing of the transactions contemplated by this Agreement.

4.4 Governing Law. This Agreement shall be construed, performed and enforced in accordance with the laws of the Commonwealth of Virginia.

4.5 Entire Agreement. This Agreement, any Schedules hereto and all documents delivered at closing constitute the entire agreement among the parties pertaining to its subject matter and supersede all prior and contemporaneous agreements, understandings and representations of the parties in connection with it. No change, termination or attempted waiver of any of the provisions of this Agreement shall be binding upon any party unless in writing and signed. No modification, waiver, termination, rescission, discharge or cancellation of this Agreement shall affect the right of any party thereafter to enforce any other provision or to exercise any right or remedy in the event of any other default, whether or not similar.

4.6 Successors or Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns. The APPLICANT may not assign all or any part of its rights and obligations hereunder without prior written approval of the CITY, the IDA (only the CITY after the assignment contemplated under 2.6 herein) and/or BVU, which approval shall be at the sole discretion of the CITY, the IDA (only the CITY after the assignment contemplated under 2.6 herein), and/or BVU which approval shall not be reasonably withheld or delayed.

4.7 No Third Party Beneficiaries. Nothing in this Agreement shall entitle any person or entity other than the parties and their respective, successors and assigns permitted hereby any claim, cause of action, remedy or right of any kind.

4.8 Time is of the Essence. Time is of the essence in the performance of this agreement.

4.9 Severability. Every provision of this Agreement is severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or
invalidity shall not affect the validity of the remainder of this Agreement, which is enforceable to the fullest extent allowed by law.

4.10 Execution. Five (5) copies of this Agreement are signed, each of which shall constitute an original.

IN WITNESS WHEREOF, this Agreement has been executed as of the date set forth above by the duly authorized representatives of the parties.

CITY ADMINISTRATION
By
Tabitha Crowder
Interim City Manager

CITY COUNCIL
By
Guy Odum
Mayor

The INDUSTRIAL DEVELOPMENT
OF THE CITY OF BRISTOL VIRGINIA
By
Doug Weberling, Chairman

(S Seal)
Attest: Steve Allen,
CLERK OF THE CITY OF
BRISTOL, VIRGINIA

By
Clerk

APPLICANT
By
Erich Allen
Owner
Studio Brew, LLC.

BVU ADMINISTRATION
By
Mike Bundy
Interim President and CEO

Attest:
Donna Biggs, Secretary
CONTRACTUAL OBLIGATIONS FOR STUDIO BREW

In exchange for the city’s release of the performance agreement, Erich and Pam Allen, personally, agree to the following:

1. A contractual obligation to the City that extends to the end of the original performance agreement;
2. According to the Performance Agreement, the building was tax assessed at $198,300.00 and Studio Brew received $80,000.00 cash and title to the property and cash was exchanged between the parties;
3. The obligation requires Erich and Pam Allen to pay 20% of the tax assessed value of the building when they obtained possession of the building and 20% of the cash they received from the City if any of the following events occur:
   a. Title of the building changes prior to November 20, 2020; or
   b. The Allens are no longer owners of the business or if they have less than a majority share of the business; or
   c. The Allens must allow the City to review any documentation of the outside investment transaction, or
   d. Operations of Studio Brew are moved outside City limits prior to November 20, 2020; or
INDUSTRIAL DEVELOPMENT AUTHORITY

ECONOMIC DEVELOPMENT APPROVAL GUIDELINES

[Insert Date Approved]
EXECUTIVE SUMMARY

The Bristol Virginia City Council discussed the overall economic development direction for the City and the importance of having Industrial Development Authority (IDA) Board of Directors’ Economic Development Approval Guidelines for awarding economic development projects. City Council emphasized the need for a cohesive document that would give continual advice to City Council, employees, commission, and board members in regard to economic development within the City. From those discussions, City Council wanted to see in the guidelines, “a metrics of how economic funds are awarded, and a method to choose financially feasible projects.”

The Industrial Development Authority (IDA) utilized documents from the Bristol, Virginia Office of Economic Development, Bristol Virginia Utilities Authority (BVUA), the Economic Development Incentive Program of Bristol, Tennessee, the Washington County, Virginia Department of Economic Development, and numerous economic development strategies to create a guideline template that would be the framework for developing a set of guidelines, with City Council having final approval authority.

The guidelines are structured on seven areas subjects: (1) Applicant Requirements, (2) Target Activities, (3) Eligible Projects and Activities, (4) Ineligible Projects and Activities, (5) Questions IDA Board Members Should Consider When Reviewing Applications, (6) Application Process and Review, and (7) Conflict of Interest Form. The guidelines include a listing and description of the economic development incentive programs available through the City of Bristol, Virginia, Bristol Virginia Utilities Authority (BVUA), Tennessee Valley Authority (TVA), State of Virginia, and Federal Incentive Programs.
Industrial Development Authority Board of Directors’ Economic Development Approval Guidelines

City of Bristol Virginia Economic Development Incentive Structure

The City of Bristol, Virginia’s Economic Development Office promotes a variety of incentive programs designed to obtain improved quality of life, a healthy balance of economic growth, business retention, and facilitation of private development. The city may offer incentives to those businesses that choose to locate within our city limits. The strong partnerships with both Bristol Virginia Utilities Authority (BVUA) and the Commonwealth of Virginia allow joint strategies in developing rich and bold incentive programs to help stabilize new and existing businesses. The city’s Economic Development Office will identify available incentives and provide a letter of understanding which will clearly state the city’s offer and what the city will expect in return.

The Industrial Development Authority (IDA) evaluates performance based grants for economic development projects. Suggested award amounts for performance grants are guided by the project’s estimated fiscal benefit to the City of Bristol, Virginia, (equipment, land, building). The value of these incentives are related to the company’s business, capital investment and number of created or retained full time jobs. The performance grants are awarded starting in year two and are paid out over a customized performance period. IDA recommended performance grants may be awarded when the City of Bristol, Virginia faces active and realistic competition with another jurisdiction for a business attraction or expansion project. All requests for economic development incentives are to be discussed and approved in public and not in executive sessions.
(Exceptions may be evaluated on a case by case basis).
INTRODUCTION AND OVERVIEW

Economic development incentives include a broad range of tools, non-financial and financial, ranging from expedited planning and permitting processes to direct or indirect funding. Cities often use these incentives to pursue specific economic goals such as tax base diversification, job creation, or business retention and expansion. Incentives are usually set by federal, state, local law or practice.

The use of economic incentives should be based on guidelines that establish parameters for their appropriate use in relation to the economic development goals of each jurisdiction. The incentive policy of Bristol, Virginia contains the following elements:

1. **Goals and Objectives.** Goals and measurable objectives create the framework for accountability in the use of economic development incentives. Those goals include: job creation, business retention and/or recruitment, target economic sectors, blight mitigation, improving economically distressed neighborhoods, and environmental improvements.

2. **Financial Incentive Tools and Limitations.** Economic development guidelines should define the types of incentives and the extent to which the jurisdiction will use them. For example, local governments may choose to provide incentives based on an assessment of individual business needs. It is also important to establish maximum funding for a particular program.

3. **Evaluation Process.** For the purpose of transparency and clarity, it is important for economic development guidelines to outline what the evaluation process will entail. Evaluation activities and factors typically include:

   a. How proposals are in alignment with established economic development criteria
   b. A complete cost/benefit analysis
   c. Consideration and analysis of the impact of a project on existing businesses
   d. A determination of whether the project would have proceeded if the incentive is not provided
   e. A list of required documentation for the economic development application and the officials who are a part of the review team
4. **Performance Standards.** Economic development guidelines should require that specific performance standards be established for each project receiving incentives. These performance standards help each location measure the effectiveness of its overall economic development program, but may also be used to recover promised financial benefits, through clawbacks or linkage agreements, of recipients failing to fulfill their commitments.

5. **Monitoring and Compliance.** This important process should establish regular monitoring of the economic development incentives awarded and the performance of each project receiving incentives. The guidelines should also provide for organizational placement and staffing of this activity. The monitoring process should examine performance standards relative to each economic development agreement and determine whether the goals for each project are achieved within the defined time frame. Ongoing monitoring of these projects should become part of the overall economic development program.

6. **Committee Members:** Industrial Development Authority (IDA)

7. **Final Approval:** Bristol Virginia City Council

**LIST OF INCENTIVE PROGRAMS**

*Available through City of Bristol*

1. **No Net-Loss Performance Based Incentive Program** - A grant program that provides cash grants when employment objectives are met. In order to qualify for a cash incentive, companies have to agree to specific economic and job performance measures.

2. **Property Tax Exemption/Reduction** - Virginia does not tax intangible property, manufacturers’ furniture, fixtures, and corporate aircraft. There is also no unitary tax on worldwide profits, and no state tax on real estate or tangible property. The state provides tax exemptions and reductions for certain industry uses such as agriculture, technology, manufacturing, and the film industry.

3. **Land Grant** - city controlled property may be leased/granted to qualifying prospects.

4. **Sales and Use Tax Exemptions** - Virginia offers some of the broadest sales and use tax exemptions in the **United States.** Certain purchases and uses are provided exemption.
Available through BVU Authority (BVUA)

1. BVU Electric System Funds - BVU is authorized to issue grants for qualifying projects out of local operating electric system funds. All grants are subject to TVA regulatory requirements. The business will submit an application directly to BVU for approval of BVU or TVA funds.

   1. BVU Electric System Funds. BVU is authorized to issue grants for qualified projects out of local operating electric system funds

2. Tennessee Valley Authority (TVA). Business can submit applications through BVU for various TVA funded economic development programs.

3. Valley Investment Initiative (VII). This program provides monthly electric credits applied to statements subject to applicant meeting program criteria.

4. Economic Development Loan Funds (EDLF). This program provides low interest rate loan funds available for construction and acquisition costs.

5. Consulting and Technical Service. This program provides technical assistance with site selection and design including, engineering and site planning economic analysis and market research.

Federal Incentive Programs

Foreign Trade Zone #204 operates under the Alternate Site Framework and has a service area in Virginia covering the cities of Bristol and Norton and the counties of Scott, Lee, Washington, Dickenson, Buchanan, Wise, and Russell. The Grantee of #204 is the Tri Cities Airport Authority.

- Reduces or eliminates customs duties
- Reduces paperwork and fees with weekly entry benefits
- Avoid inventory taxes and the hassle of duty drawback - Save time with direct deliver
State of Virginia Incentive Programs

The state of Virginia offers over 23 different incentive opportunities ranging from grants, rail improvements, and job training. The incentives available are Virginia's investment in its economic future and through the following cash grants, the state continues to show its willingness to invest in businesses that invest and reinvest in the Commonwealth.

See Virginia Economic Development Partnership (VEDP) for additional information:

1. Commonwealth Opportunity Fund (COF) - is a discretionary incentive to secure a business location or expansion project. Grants are awarded to localities on a local matching basis. COF requires that a company make a capital investment of at least $5 million and create 50 new jobs. COF incentives are only based when Virginia faces active and realistic competition with another state for a business attraction or expansion project.

2. Virginia Economic Development Incentive Grant (VEDIG) - grant to assist and encourage companies to locate significant headquarters, administrative or service sector operations in Virginia. VEDIG requires an investment of at least $5 million (or $6,500 per job) plus job creation thresholds ranging between 300-400 jobs depending on wage.

3. Tobacco Region Opportunity Fund (TROF) - makes grants to localities in Virginia's tobacco producing regions to assist with specific projects that result in the creation of new jobs and investment. Grants are made to the community by the Tobacco Region Revitalization Commission that are based on criteria such as:
   - minimum capital investment of $1 million within 36 months
   - minimum of 10 jobs created within 36 months
   - amounts awarded are discretionary and based on company profile

4. Virginia Jobs Investment Program (VJIP) - is an incentive program offering customized recruiting and training assistance to companies that create new jobs or experience technological change. The program is designed to reduce human resource development cost by providing direct funding to new and expanding companies that meet program qualifications.

5. Virginia Small Business Financing Authority (VSBFA) - offers programs to provide businesses with access to capital needed for growth and expansion.

6. Economic Development Access Program - Administered by the Virginia Department of Transportation, this program assists localities in providing adequate road access to new...
and expanding manufacturing and processing companies, research and development facilities, distribution centers, regional service centers, corporate headquarters, government installations, and other basic employers.

(7) Corporate Income Tax Credits - Virginia offers numerous tax credits that are available for use against a company's corporate tax liability.

III. Applicant Requirements
Prior to consideration of awarding any performance grant there are specific requirements each applicant is expected to meet. The requirements are:

1. The business must be located in the corporate limits of Bristol, Virginia
2. Provide average or above wages for industry classification in community
3. Provide full time employment for full time positions in the city of Bristol, Virginia
4. Be licensed or will become licensed through the office of the Commissioner of Revenue
5. All business must be in compliance with all City, State, and Federal Codes

IV. Economic Project Criteria

A. Targeted Markets and Projects
   - General Manufacturing
   - Advanced Manufacturing
   - Transportation-Related Manufacturing
   - International Business
   - Data Centers
   - Food Processing

B. Excluded Markets and Projects. Examples of projects excluded from the program, include but are not limited to:
   - Sexually oriented businesses are not eligible for incentives

V. Use of Funds

The following expenses are eligible for using the funds.
   - Acquisition or leasing of land, building, machinery or equipment
   - Acquisition of existing business and/or its assets
   - New construction, renovation or leasehold improvements
   - Construction, reconstruction and rehabilitation of commercial or industrial buildings
   - Site improvements
   - Utilities or infrastructure
Examples of ineligible projects and activities include, but are not limited to:
- Applicant’s personnel costs including wages, travel, per diem
- Administrative overhead/indirect costs
- Workshops
- Market research and feasibility studies
- Maintenance and operation expenses
- Annual subscriptions/membership costs
- Costs of promotional items (pens, t-shirts, hats, general merchandise)
- Office supplies, including but not limited to, postage, photocopies, telephone or internet charges
- Loan origination expenses
- Realtor fees and expenses
- Legal Fees
- Broker Fees
- Engineering Fees
- Permit Fees
- Application Fees

VI. Application Process and Review

The approval process consists of the completion of an application along with all documented information. It is to be submitted to the Bristol, VA Office of Director of Economic Development where it will be reviewed and processed. If the application is deemed appropriate, the Director of Economic Development will identify the appropriate incentive program and will make a presentation to the IDA for formal consideration.

Step 1. Applicant must submit application and required materials to the Office of Economic Development including a Conflict of Interest Form.

Step 2. The Office of Economic Development shall review the application for compliance to ensure requested materials are included. The applicant is advised each application is considered on a case by case basis and the time frame can be from 3-8 week time frame (This includes application processing, cost benefit analysis, documentation, verification of application, and IDA consideration).

The Director of Economic Development should complete the following procedures:
- Review the application and identify the appropriate incentive program
- Complete a cost/benefit analysis to determine feasibility of request. The Cost-Benefit Analysis (CBA) has two main purposes:
  1. to determine if an investment and/or decision is sound (feasible)
  2. by verifying whether the benefits outweigh costs and how much

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Industrial Development Authority Board of Directors’ Economic Development Approval Guidelines

(2) to provide a basis for evaluating projects - which involves comparing the total expected costs of each option against its total
- The Director of Economic Development will include Clawbacks and other Agreement Stipulations Form for review by the IDA.
- Applicant will provide any additional required information.

Step 3. The Office of Economic Development will contact the project contact(s) to notify of meeting date and time of IDA Board meeting to encourage applicant to be present to answer any questions IDA members may have about the proposed project. The IDA Board of Directors meet, in public session, on dates published on the City of Bristol website.

Step 4. The application will be presented to the Industrial Development Authority (IDA) in public session by the Director of Economic Development. Attached to the application given to IDA Board members will be a copy of the specific incentive program along with program eligibility requirements.

Step 5. The IDA will review the application for recommendation to the Bristol Virginia City Council. If the IDA has further questions about the application the applicant may be asked to speak to the board to clarify additional questions; the IDA may need additional time to make a decision. After reviewing the completed application the IDA should be able to:
- Identify the costs and benefits of any business seeking incentives
- Assess whether benefits are greater than business costs
- Assess who bears the benefits and costs
- Assess whether business incentive request is beneficial to city

Step 6. The IDA will make a recommendation based on the information submitted on the application to the Bristol Virginia City Council.

Step 7. The Bristol Virginia City Council will review the application for final approval. If the Bristol Virginia City Council approves the application, the Director of Economic Development will provide the project contact with information including a draft Letter of Agreement (LOA)
APPENDIX A. CONFLICT OF INTEREST

This Conflict of Interest Form should indicate whether the applicant(s) has an economic interest in, or acts as an officer or a director of, any outside entity whose financial interests would reasonably appear to be affected by their association with IDA Board Member, City Council, or employee of the City of Bristol, Virginia. See Virginia Code 2.2-3100 et al.

Note: A potential or actual conflict of interest exists when commitments and obligations are likely to be compromised by the applicant(s)' interests or relationships (especially economic), particularly if those interest are not disclosed.

The applicant(s) should also disclose any personal, business, or volunteer affiliations that may give rise to a real or apparent conflict of interest.

Please describe any relationships, positions, transactions you hold (volunteer or otherwise), or circumstances that could contribute to a conflict of interest:

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

- I have no conflict to report

- I have the following conflict of interest to report (please specify nonprofit and for profit boards you (and your spouse) sit on, any for-profit businesses or which you or an immediate family member are an officer or director, or a majority shareholder, and the name of any businesses you or a family member own:
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

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