

ECONOMIC DEVELOPMENT INVESTMENT PROGRAM

WHEREAS, the Northampton County Economic Development Authority ("EDA") was created pursuant to Virginia law to promote economic growth, develop and foster trade, manufacturing, industry, agriculture, medical, , and commercial enterprises, including for profit and nonprofit entities, in the County of Northampton, 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, by adoption and implementation of this Economic Development Investment Program the EDA has agreed to continue and increase efforts to foster and stimulate economic development by providing, among other things, incentive grants and/or loans, by or through the EDA, to qualifying businesses to locate, expand, or remain in the County,.

NOW, THEREFORE, the EDA hereby adopts 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 and/or loans through the EDA to new businesses to locate in the County and existing businesses to remain in the County by a continuation of, the relocation of, or the expansion of their facilities.

2. Application of Program — this Program shall apply to businesses newly locating to the County, and existing businesses for continued operation, relocating, or expanding facilities in the County.

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 2.2-431 1.2 of the Code of Virginia.

"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.

"Grant" is a sum of money given by a government or other organization for a specific purpose, with no expectation or repayment, provided the funds are used in compliance with the specific purpose for which the grant was approved.

"Loan" is a sum of money given to another party, with the requirement of repayment of the loan principal upon agreed terms, in addition to interest.

"New Job" is defined as a permanent full-time employee (at least 35 hours per week for at least one year), preferably with including some form of fringe benefits.

"Revolving fund" is a fund which is intended provide funds to be loaned by the EDA, and to be replenished by repayments of loans and other sources available to the EDA.

4. Investment Criteria EDIP grants and/or loans may be awarded to a business where the EDA has determined that the following criteria have been met, provided that the business [and/or its principal(s)]:

- a. Is/are starting, continuing operation, relocating or expanding within the County, and
- b. Has or will have less than five employees (full-time equivalents) in size, and
- c. Is or will be a business type promoted in the County's Comprehensive Plan, and
- d. Will use the EDA funds in an agreed manner directly related to the construction, renovation, relocation or expansion of the recipient's business facilities, and
- e. May request a loan or grant, or combination, no greater than twenty-five thousand dollars (\$25,000), and
- f. Obtains a favorable credit check, and
- g. The award of a grant and/or loan under this Program is subject to the availability and appropriation of funding. This revolving fund for EDIP is currently established at a maximum of one hundred thousand dollars (\$100,000).

These criteria may be reviewed by the EDA Board at least on annual basis for purposes of determining whether revisions are appropriate.

5. Application for EDIP Grant/Loan A business that desires EDIP funds to locate, relocate, operate, renovate, or expand its facilities in the County shall make application to the EDA Board (or

designated subcommittee), on forms provided by the EDA for this purpose. The application shall include:

- a. Existing Business
 - i Balance sheet
 - ii Three years tax returns
 - iii Documentation supporting funding request

- b. New Business
 - i Business Plan, including pro forma balance sheet and profit & loss

The applicant shall submit such additional information and documentation concerning its application as the EDA Board, acting through the Chair or designated subcommittee, may require.

6. Required Approvals - no applicant shall be deemed eligible for, or entitled to, an EDIP grant and/or loan unless and until the application is approved by the EDA Board. The EDA Board shall exercise legislative discretion in determining whether to approve an EDIP grant and/or loan and, therefore, no approval is guaranteed.

7. Conditions of Approval — every recipient of a grant and/or loan under this Program shall comply with the investment criteria in section 4 above, as applicable. The EDA Board may approve additional criteria that, if so imposed, shall be deemed a condition of the grant and/or loan. Such criteria may include, without limitation, payment of the EDIP grant and/or loan 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 EDIP grant is in furtherance of the purposes for which the EDA was created; and iii) without the award of the EDIP funds, that recipient business may not locate, remain, or expand in the County.

9. Execution of Agreements if the EDA Board has 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, including the prerequisites for funds to be disbursed and repayment of funds, where applicable. Payment of the EDIP loan under the terms of the Agreement shall be subject to appropriation of sufficient funds by the EDA for this purpose.

10. EDIP Grant/Loan Expenditures — all expenditures of EDIP grant/loan funds shall be in keeping with this Program and the Agreement.

11. Default by the Business - in the event all or any one of the criteria and conditions of an

EDIP grant or loan are not satisfied, the EDA through the County Administrator shall issue to the business a notice of default of the Agreement. If the default is not cured within three (3) months of the date of the notice, the EDA shall demand repayment in full of the grant/loan and may take necessary legal action to recapture such funds.

12. 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 EDA approved grant/loan applications of qualified businesses with draft Agreement to the County Administrator or designee; iii) ensuring execution of the Agreement between the business and the County; iv) County Administrator or designee issuing a grant/loan approved by the EDA Board; 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.

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

ADOPTED by the Board of Directors for the Northampton County Economic Development
Authority this 23 day of SEPTEMBER 2021.

SIGNED

Joshua Lattimore, Chairperson EDA