

Investment Program Summary

The City of Chesapeake has established an Economic Development Investment Program designed to promote committed investment partnerships between the City and its business community. Based on job creation, wages and company investment, the program offers Economic Development Grants to qualifying companies seeking either to locate a new facility to Chesapeake, or to expand an existing operation within the City. These grants are provided directly to the company for use at their discretion, and normally paid out over a 36 month period. The first payment is usually paid 12 months following issuance of a certificate of occupancy. Companies may be eligible for additional grants to assist with future expansions.

The program is geared toward targeted industries that are technologically innovative, provide a strong potential for sustained growth, offer high quality jobs for their employees, help to maintain the diversity of the City's economy while complementing the City's strengths and goals, and enhance the City's business image. Companies relocating from another Hampton Roads municipality will generally not be eligible for this program.

To qualify as business with 50 or more employees, the company must:

1. Be on the City's targeted industry list.
2. Invest at least \$5 million or create a minimum of 50 new jobs within thirty-six (36) months of beginning operations.
3. Demonstrate financial stability and future growth potential.

To qualify as business with less than 50 employees, the company must:

1. Be on the City's targeted industry list.
2. Invest at least \$500,000.
3. Create a minimum of 5 new jobs within thirty (36) months of beginning operations.
4. Be in business for at least 3 years.
5. Demonstrate financial stability and future growth potential.

The award will be based on the following criteria:

- new jobs created
- real estate investment
- business personal property investment
- compatibility with the community
- technological innovation
- potential for sustained growth
- name recognition and ability to attract other similar firms
- promotion of state, regional or local economic development objectives
- salary
- machinery and tools investment
- infrastructure improvements
- environmental concerns

Applications are made to the Chesapeake Economic Development Authority (EDA) with the assistance of the Chesapeake Economic Development Department. Both the Chesapeake City Council and the EDA must approve all awards. Before any grant is awarded, both the company and the City will sign a performance agreement.

For additional information, contact the City of Chesapeake Economic Development Department (757.382.8040).

INVESTMENT GRANT PROGRAM WORKSHEET

Company Name (Legal Name): _____

State of Corporation: _____

Address: _____

Primary Contact: _____

Phone: _____ **e-mail:** _____

Secondary Contact: _____

Phone: _____ **e-mail** _____

1. Company profile and project description:

2. Jobs To Be Created (over 36 months): _____

Jobs Saved (for existing companies only): _____

3. Compensation: average salary \$ _____

with or without benefits (circle one)

4. Total Real Estate Investment (over 36 months): \$ _____

5. Machinery and Tools Investment (over 36 months): \$ _____

6. Equipment Investment (over 36 months):\$ _____

For additional information contact Economic Development at 757-382-8040.

**SAMPLE DEVELOPMENT AGREEMENT FOR
ECONOMIC DEVELOPMENT INVESTMENT GRANT PROGRAM**

This Development Agreement entered this _____ day of _____, 2017, by and between _____INC. d/b/a _____ (“_____”), a corporation organized and existing under the laws of the State of _____, and the ECONOMIC DEVELOPMENT AUTHORITY for the City of Chesapeake, a political subdivision created pursuant to the Virginia Industrial Development and Revenue Bond Act (“EDA”).

WHEREAS, the EDA has adopted an Economic Development Investment Grant Program (“Investment Grant Program”) to promote the public health, safety, welfare and convenience through the enhancement of economic development in the City of Chesapeake (“the City”), thereby increasing public revenues and creating employment opportunities for the benefit of the citizens of the City; and

WHEREAS, the City Council has reviewed and approved the Investment Grant Program and has indicated a willingness to make contributions to the EDA from time to time which, in turn, may be used by the EDA for investment grants to qualified and approved business enterprises; and

WHEREAS, the Investment Grant Program implements a point system whereby a qualified enterprise is to receive points based on specific criteria, including jobs created; salaries; investments in real estate, equipment, machinery and tools, and business property; and proposed public infrastructure improvements; and

WHEREAS, using this point system the EDA is able to measure with reasonable certainty, and assign value to, the direct public benefits which a particular qualified enterprise will bring to the City and to determine in a fair and consistent manner the amount of the investment grant, if any, which may be offered to such business subject to approval and appropriation by the City Council; and

WHEREAS, _____ desires to locate its facility to the City; and

WHEREAS, by locating its facility in the City, _____ will employ at least _____ additional persons with an average salary of \$_____, and will invest at least _____ Dollars (\$_____) in real estate, and _____ Dollars (\$_____) in business personal property, all over thirty-six months, thereby increasing local tax revenues by _____ Dollars (\$_____) over three years, all of which will promote a public purpose; and

WHEREAS, based on these proposed public benefits to the City, _____ has requested an investment grant under the Investment Grant Program; and

WHEREAS, applying the criteria and point system set out in the Investment Grant Program, it has been determined that _____ may be entitled to an investment grant in the amount of _____ DOLLARS (\$_____), subject to approval and appropriation by the City Council.

NOW, THEREFORE, for and in consideration of the mutual covenants and benefits contained herein, and for other good and valuable consideration, the parties hereto agree as follows:

1. Subject to approval of the investment grant and appropriation of sufficient funds by the City Council, the EDA agrees to provide _____ with an investment grant in an amount not to exceed _____ DOLLARS (\$_____), the payment of which is conditioned upon the completion of the following acts by _____:

A. _____ shall invest a minimum of _____ Dollars (\$_____) in real estate by constructing a new facility in Chesapeake; and

B. _____ shall invest a minimum of _____ Dollars (\$_____) in business personal property associated with operating its facility in Chesapeake; and

C. _____ shall provide employment for not less than _____ additional persons, with an average salary of \$_____, in its facility in Chesapeake.

D. The amount of the investment grant shall not exceed the amount of real estate and business personal property tax paid over a thirty-six (36) month period measured from the date the final certificate of occupancy is issued for _____ facility in Chesapeake.

_____ shall satisfy each of the foregoing conditions within thirty-six (36) months of the date on which the final certificate of occupancy is issued for _____'s new facility in Chesapeake.

2. Subject to approval of the investment grant and appropriation of sufficient funds by the City Council, the EDA agrees to advance the investment grant to _____

no later than 60 days after the issuance of the final certificate of occupancy for _____ new facility in Chesapeake.

3. In the event that _____ has not met the conditions set out in Paragraph 1 above, and any other applicable conditions set out in the Investment Grant Program, within thirty-six (36) months of the issuance of the final certificate of occupancy for _____ new building in Chesapeake, the EDA may 1) require _____ to refund the investment grant in whole where minimum criteria for participation in the Investment Grant Program cannot be satisfied; 2) require _____ to refund the investment grant in part, the amount of the reimbursement to reflect the difference between \$_____ and the amount earned under the point system for actual investments made and jobs created; provided that no partial reimbursement may be authorized unless all minimum criteria for participation in the Investment Grant Program are or will be met; or 3) extend the period of time in which _____ is to meet the conditions set out in Paragraph 1 of this Development Agreement. Any extension of time in which to perform or any downward adjustment in the amount of the investment grant made pursuant to this Paragraph shall be subject to the express approval of the EDA.

4. For purposes of monitoring progress under this Development Agreement, _____ shall provide the EDA with an annual year-end status report regarding its real estate and business personal property investments, and its employment offerings in its new facility in Chesapeake.

5. Performance of this Development Agreement by the EDA is at all times subject to, and conditional on, approval of the investment grant and appropriation of

sufficient funds by the City Council. If the grant is not approved by City Council or sufficient funds are not appropriated to support the EDA's performance, this Development Agreement shall be terminated and cancelled without penalty to either party and without liability attaching to either the EDA, the City, or _____, including each entity's officers, agents, and employees. _____ hereby agrees to indemnify and hold harmless the City and the EDA against any liability or damage arising out of this Development Agreement, including without limitation, liability or damages for breach of contract, tort, infringement of constitutional rights, confiscation of property without due process, or any other cause of action which may be otherwise alleged.

6. In the event a court of law in the Commonwealth of Virginia finds that this Development Agreement, or one substantially similar in content or purpose, is invalid or unenforceable under any federal, state or local law, policy, regulation or constitutional provision, the EDA shall declare this Development Agreement impossible to perform, null and void and of no binding effect on either party. In the event such a declaration is made, _____ agrees to reimburse to the City, as the appropriating authority, the investment grant, or portion thereof, which it has received, within thirty (30) days of notice and demand. Further, _____ hereby covenants not to bring suit, or join in any action, against the City and/or the EDA, or their respective officers, employees and agents, for breach of contract, invalid governmental act, or any other cause of action relating to the award, payment or nonpayment of an investment grant under the Investment Grant Program.

7. The parties do each hereby acknowledge and agree that the sole purpose of this Development Agreement is to foster economic development, enhance City revenues, expand the City's tax base, and provide employment opportunities to the citizens of Chesapeake, all of which promotes a public purpose and benefits the public health, safety, welfare and convenience.

8. This Development Agreement represents the entire understanding of the parties and may only be modified by a written addendum or modification signed by the parties hereto.

9. The interpretation and enforcement of this Development Agreement shall be governed by the laws of the Commonwealth of Virginia.

10. Each individual executing this Development Agreement hereby warrants that he or she has the power and authority to represent and bind his or her principal. The Chairman of the EDA executes this Development Agreement pursuant to the adoption of a resolution by the EDA on _____, ____, 2016.

ECONOMIC DEVELOPMENT AUTHORITY

By: _____
_____, Chairman

COMPANY

_____. d/b/a _____

By: _____
Name: _____
Title: _____

COMMONWEALTH OF VIRGINIA,
CITY OF CHESAPEAKE, to-wit:

The foregoing instrument bearing date of _____, 2016, was acknowledged before me this ____ day of _____, 2016, by _____, Chairman, ECONOMIC DEVELOPMENT AUTHORITY. He/She is personally known to me.

Registration #: _____
Notary Public

My commission expires: _____

STATE OF _____,
CITY/COUNTY OF _____, to-wit:

The foregoing instrument bearing date of _____, 2016, was acknowledged before me this ____ day of _____, 2016, by _____ in his/her capacity as _____, for _____ INC. d/b/a _____. He/She is personally known to me, or presented _____ as identification.

Registration #: _____
Notary Public

My commission expires: _____