

A RESOLUTION APPROVING AN EXTENSION OF
TIME TO MEET PERFORMANCE CRITERIA UNDER
A GOVERNOR'S AGRICULTURAL AND FORESTRY
INDUSTRIES AND DEVELOPMENT FUND GRANT
TO BACK BAY BREW HOUSE LLC

WHEREAS, the City of Virginia Beach Development Authority (the "Authority") was created pursuant to Chapter 643 of the Acts of Assembly of 1964, as amended (the "Act");

WHEREAS, one of the primary purposes of the Act is to enable development authorities "to promote industry and develop trade by inducing manufacturing, industrial, governmental and commercial enterprises to locate in or remain in the Commonwealth...";

WHEREAS, pursuant to §6 of the Act, the Authority has the power, *inter alia*, "to sell, exchange, donate and convey any or all of its facilities or other properties whether realty or personalty whenever the Authority shall find any such action to be in furtherance of the purposes for which the Authority was organized";

WHEREAS, pursuant to §7 of the Act, "the Authority may foster and stimulate the development of industry in the area within its jurisdiction... [and] may accept, and expend for the purposes stated above, money from any public or private source....";

WHEREAS, pursuant to §10 of the Act, the City of Virginia Beach (the "City") "is authorized and empowered to make appropriations and to provide funds for the operation of the Authority and to further its purposes";

WHEREAS, the economic development goals and objectives of the City include achieving a higher ratio of nonresidential to residential real estate assessments, investing in land and infrastructure to benefit future economic growth, and maximizing the return of economic development efforts through the development and implementation of programs and strategies that facilitate new business investment and encourage retention and expansion activities, thereby improving the overall quality of life in the City;

WHEREAS, the City established the Economic Development Investment Program ("EDIP") as part of its overall effort to enhance the City's ability to accomplish these goals and objectives;

WHEREAS, pursuant to the authority and empowerment set forth in §10 of the Act, City Council authorized the transfer of funds in the EDIP account to the Authority and the provision of future EDIP appropriations to the Authority to enable the Authority to more effectively continue its efforts to foster and stimulate economic development by inducing businesses to locate or remain in the City;

WHEREAS, on November 21, 2017, the Authority approved an EDIP award in the amount of \$20,000 to Farmhouse Brewing, LLC (the "2017 EDIP") relating to its business expansion at 1805 Kempsville Road, Virginia Beach (the "Project");

WHEREAS, on May 19, 2020, the 2017 EDIP was modified to reflect The Brew Collective, LLC as the recipient of the 2017 EDIP;

WHEREAS, in conjunction with the Project, the Virginia Department of Agriculture and Consumer Services approved a \$20,000 award to Back Bay Brew House, LLC, a related entity to The Brew Collective, LLC (the two parties collectively, the "Recipient") under the Governor's Agriculture and Forestry Industries Development fund (the "AFID Award");

WHEREAS, pursuant to the terms of the AFID Award, the Commonwealth's funds are administered by the Authority and the terms and conditions of the AFID Award are set forth in a Governor's Agriculture & Industries Development Fund Performance Agreement (the "AFID Agreement");

WHEREAS, the AFID Agreement contains certain performance criteria the Recipient is required to meet including (i) expending at least \$750,000 in capital investment at the Project, (ii) creating at least nine (9) jobs at the Project, and (iii) purchasing \$476,160 worth or 2,979,600 pounds of Virginia-grown apples (the "Agriculture Requirement");

WHEREAS, the Recipient has exceeded the capital investment and jobs criteria by investing over \$2,195,872, and creating eleven (11) jobs, but has requested more time to meet the Agriculture Requirement;

WHEREAS, the Authority finds that the terms of the 2017 EDIP have been fully satisfied by the Recipient and that this Resolution does not impact that award.

WHEREAS, the Authority is of the opinion that extending the time to meet the Agriculture Requirement in the AFID Agreement until May 28, 2022, as requested by the Recipient, will promote the success of the Project and is in furtherance of the mission of the Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF VIRGINIA BEACH DEVELOPMENT AUTHORITY:

1. The Authority approves extending the time to satisfy the Agriculture Requirement to May 28, 2022.

2. The Chair or the Vice Chair is hereby authorized to execute and deliver all such other documents and agreements and to take all such actions as such officers and City Attorney may deem necessary or desirable in connection with the extension approved by this Resolution.

[SIGNATURES ON FOLLOWING PAGE]

Adopted this 19th day of October, 2021, by the City of Virginia Beach Development Authority.

CITY OF VIRGINIA BEACH
DEVELOPMENT AUTHORITY

By: 
Secretary/Assistant Secretary

Approved as to Content:


Economic Development

Approved as to Legal Sufficiency:


City Attorney