

# COMMONWEALTH of VIRGINIA

Office of the Governor

Terence R. McAuliffe Governor

August 1, 2016

The Honorable Thomas K. Norment, Jr. Co-Chairman
Senate Finance Committee
Senate of Virginia

The Honorable Emmett W. Hanger, Jr. Co-Chairman
Senate Finance Committee
Senate of Virginia

The Honorable R. Lee Ware, Jr. Chairman
House Finance Committee
House of Delegates

The Honorable S. Chris Jones Chairman House Appropriations Committee House of Delegates

Dear Messrs. Chairmen:

I am writing to update you on the recent activities with respect to the Governor's Agriculture and Forestry Industries Development Fund (AFID) during the preceding six-month period as required by §3.2-309 of the Code of Virginia.

During this reporting period, the AFID program awarded a total of ten projects, with nine from the AFID Facility grant program and one from the AFID Planning grant program. Awards from the AFID Facility grant program total \$209,500 and represent \$18,198,952 in new capital investment, 175 new jobs and 16 Full-Time Equivalents, and \$81,000,356 in new Virginia-grown purchases. For more details on each of the new Facility and Planning projects, and updates of previously awarded AFID Facility projects, please see the enclosed letter from Secretary of Agriculture and Forestry Todd Haymore.

Should you have any questions, please do not hesitate to contact me or Secretary Haymore.

Sincerely,

Terence R. McAuliffe

#### Enclosures

cc: The Honorable Todd P. Haymore, Secretary of Agriculture and Forestry
The Honorable R. Steven Landes, 25<sup>th</sup> House District
Jason Powell, Senate Finance Committee Staff
Anne Oman, House Appropriations Staff
Sandra J. Adams, Commissioner, Virginia Department of Agriculture and Consumer Services



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Dear Messrs. Chairmen:

As required by §3.2-309 of the Code of Virginia, enclosed is the biannual report for the Governor's Agriculture and Forestry Industries Development Fund (AFID) covering January 1, 2016, through June 30, 2016. The report includes details on all new projects awarded to the AFID Facility and Planning grants and updates on previously awarded Facility projects.

Should you have any questions regarding this submission, please do not hesitate to contact me.

Sincerely,

Todd P. Haymore

### **Enclosures**

cc: Sandra J. Adams, Commissioner, Virginia Department of Agriculture and Consumer Services

The General Assembly created the AFID incentive program during the 2012 legislative session, funding it at \$1 million per year beginning in FY 2013, with \$750,000 of each year's amount dedicated to AFID Facility Grants and \$250,000 to AFID Planning Grants. In FY 2015, amendments to the AFID program were approved by the General Assembly through Item 89 of the 2015 Appropriation Act (Chapter 665, 2015 Acts of Assembly). The amendments removed the budget language which specified a portion of the funding to be used for Planning Grants, so that both AFID Facility and Planning Grant programs draw upon the fund without restriction. In addition, the amendments authorized the transfer of support to the AFID Fund from other general fund appropriations for economic development incentives (Item 471.40 of the 2015 Appropriation Act). On June 15, 2016, an additional \$250,000 was appropriated to the AFID fund under the Governor's authority. For FY 2016, \$1,250,000 was appropriated to the AFID fund.

#### **AFID Facility Grant Program**

As of June 30, 2016, thirty-seven (37) AFID Facility Grants have been awarded since the inception of the program, supporting a variety of agriculture and forestry based economic development projects. Of these, twenty-nine (29) have executed Performance Agreements between the localities and the companies and funds have been disbursed; progress is being made in completing the Performance Agreements for the other awardees. Total AFID Facility Grant awards for these 37 projects amount to \$3,115,700. Of this amount, \$2,346,700 has been expended, with the balance of \$769,000 expected to be expended to projects already committed in the next six months. These 37 projects represent 1,486 new jobs and 180 Full-Time Equivalents (FTEs) across 29 localities, \$341,759,713 in new capital investments and \$543,328,501 in new Virginia-grown purchases. These agribusinesses have, on average, committed to purchase from Virginia approximately 76% of all the additional agricultural and forest products they will use to meet their new value-added processing needs.

The Secretary of Agriculture and Forestry and Virginia Department of Agriculture and Consumer Services (VDACS) continue to receive a great number of inquiries and expressions of interest into the program. In addition to the 37 announced projects, there are several others in various stages of development and consideration by the Secretariat with the opportunity for multiple announcements to be made during the next six months.

For the second half of fiscal year 2016, a total of \$209,500 was committed in AFID Facility Grant funds to assist nine (9) new and expanding projects in the state, representing \$18,198,952 in new capital investment, 175 new jobs and 16 FTEs, and \$81,000,356 in new Virginia-grown purchases. These companies have, on average, committed to purchase from Virginia approximately 75% of all the additional agricultural and forest products they will use to meet their new value-added processing needs. Summaries of these projects are listed below:

## Announced AFID Facility Grant Projects for the period January – June 2016:

Shawnee Canning Company, Inc. (announced January 2	016)
Expansion of family-owned fruit co-packer	
Location	Frederick County
Grant amount committed from AFID Other funds committed by the Commonwealth	\$7,500 AFID – building improvements
How these funds will be used Other funds from the political subdivision and their use	\$7,500 local cash grant – any lawful purposes
New jobs	Five (5)
New investment	\$499,500
Minimum purchase Virginia-grown products	\$57,000 or 312,000 pounds in net new purchases of Virginia- grown apples and peaches
Projected impact on agricultural and forestal producers	This project grows the market for Virginia fruit producers and farm stands benefiting from the company's private label copacking operation.
Timetable for project completion	2015 – 2017
Prevailing average wage in locality	\$39,836/year
Average wage of project	\$32,829/year
Status	Performance Agreement drafted and under review by the locality.

Monroe Bay Vineyard, LLC (announced February 2016)		
Expansion of Virginia farm winery		
Location	Westmoreland County	
Grant amount committed from AFID	\$30,000 AFID – building construction	
Other funds committed by the Commonwealth		
How these funds will be used		
Other funds from the political subdivision and their use	\$30,000 – any lawful purpose	
New jobs	Seven (7) FTEs	
New investment	\$385,632	
Minimum purchase Virginia-grown products	\$29,899 or 35.3 tons of Virginia-grown fruit	
Projected impact on agricultural and forestal producers	This project expands the market for Virginia apple and grape producers.	
Timetable for project completion	2016 - 2020	
Prevailing average wage in locality	\$28,916/year	
Average wage of project	\$34,507/year	
Status	Performance Agreement drafted and under review by the locality.	

Blue Bee Cider, LLC (announced February 2016)	
Relocation and expansion of urban cider	
Location	City of Richmond
Grant amount committed from AFID	\$50,000 AFID – building improvements
Other funds committed by the Commonwealth	\$100,000 Enterprise Zone Real Property Investment Grant –
How these funds will be used	building improvements
Other funds from the political subdivision and their use	\$50,000 Local Enterprise Zone benefits and real estate tax
	rebates – building improvements
New jobs	Four (4) FTEs
New investment	\$1.1 million
Minimum purchase Virginia-grown products	\$257,700 or 21,821 bushels of Virginia-grown apples and berries
Projected impact on agricultural and forestal producers	This project creates an expanded market for Virginia producers of specialty hard cider apple varieties.
Timetable for project completion	2016 - 2019
Prevailing average wage in locality	\$57,011/year
Average wage of project	\$30,710/year
Status	Performance Agreement completed; funds released to the City. Performance period ends Q4 FY 2019

Slick Rock Lumber, LLC (announced March 2016)	
New sawmill	
Location	Halifax County
Grant amount committed from AFID	• \$12,000 AFID – building and site improvements
Other funds committed by the Commonwealth How these funds will be used	• \$9,750 Virginia Job Investment Program (VJIP) – job training
Other funds from the political subdivision and their use	\$12,000 – site improvements
New jobs	Thirteen (13)
New investment	\$535,000
Minimum purchase Virginia-grown products	\$5.1 million or 14.6 million board feet (mbf) of Virginia-grown timber
Projected impact on agricultural and forestal producers	This project expands the market for Virginia hardwoods and non-pine species of softwoods.
Timetable for project completion	2016 - 2018
Prevailing average wage in locality	\$33,758/year
Average wage of project	\$27,200/year
Status	Performance Agreement drafted and sent to parties for execution.

Springfield 1842, LLC(announced March 2016)	
New craft distillery	
X	-
Location	Halifax County
Grant amount committed from AFID	• \$10,000 AFID – building renovations
Other funds committed by the Commonwealth	• \$3,750 VJIP – job training
How these funds will be used	
Other funds from the political subdivision and their use	\$10,000 local cash grant – any lawful purpose
New jobs	Five (5) FTEs
New investment	\$160,000
Minimum purchase Virginia-grown products	\$15,156 or 148,176 pounds of Virginia-grown grain
Projected impact on agricultural and forestal producers	This project provides a new market for high-value, Virginia-
	grown grain and further integrates Virginia agriculture into a
	fast growing craft distilling industry.
Timetable for project completion	2015 – 2018
Prevailing average wage in locality	\$33,758/year
Average wage of project	\$25,792/year
Status	Performance Agreement completed; funds released to the
	County.
	Performance period ends Q1 FY 2019

Woodgrain Millwork, Inc. (announced April 2016)	
Expansion of door and window frame manufacturer	
Location	Smyth County
Grant amount committed from AFID	• \$100,000 AFID – building improvements
Other funds committed by the Commonwealth	• \$13,300 VJIP – job training
How these funds will be used	• \$75,000 Tobacco Region Opportunity Fund (TROF) – building improvements
	• \$29,000 Enterprise Zone Job Creation Grant – incentivize job creation
Other funds from the political subdivision and their use	\$100,000 local cash grant – any lawful purpose
New jobs	Seventeen (17)
New investment	\$1.9 million
Minimum purchase Virginia-grown products	\$4.7 million or 9.2 mbf of net new purchases of Virginia-grown white pine and other species
Projected impact on agricultural and forestal producers	This project expands the market for Virginia-grown white pine and other species.
Timetable for project completion	2016 – 2018
Prevailing average wage in locality	\$34,341/year
Average wage of project	\$29,195/year
Status	Performance Agreement drafted and under review by the locality.

Gregory Lumber, Inc. (announced June 2016)	3000 3 3000 3 3000
Expansion of existing sawmill	
Location	Pittsylvania County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$50,000 AFID – building improvements
Other funds from the political subdivision and their use	\$97,100 local cash grant – any lawful purposes
New jobs	Three (3)
New investment	\$3 million
Minimum purchase Virginia-grown products	\$7.9 million or 7.2 mbf of net new purchase of Virginia-grown pine
Projected impact on agricultural and forestal producers	This project is a major expansion of an existing market for Virginia-grown pine; expanded specialty market for large dimension timber.
Timetable for project completion	2016 – 2018
Prevailing average wage in locality	\$31,274/year
Average wage of project	\$37,440/year
Status	Performance Agreement drafted and under review by the locality.

Location	Henry County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	<ul> <li>\$100,000 AFID – building improvements</li> <li>\$25,600 VJIP – job training</li> <li>\$170,000 TROF – building improvements</li> <li>\$67,500 Enterprise Zone Job Creation Grant – any lawful purpose</li> <li>\$70,000 Enterprise Zone Real Property Investment Grant – any lawful purpose</li> <li>\$345,000 Rail Industrial Access Grant – rail improvement</li> </ul>
Other funds from the political subdivision and their use	<ul> <li>\$170,000 Local Grant for Rail Assistance – rail improvements</li> <li>\$102,253 Henry County Local Enterprise Zone Incentives – any lawful purpose</li> </ul>
New jobs	Thirty-two (32)
New investment	\$4.2 million
Minimum purchase Virginia-grown products	\$11 million or 115,145 tons of Virginia-grown grains and non-traditional feed ingredients
Projected impact on agricultural and forestal producers	This project will create a robust new market for traditional and non-traditional Virginia-grown feed ingredients; large new feed producer will benefit from livestock producers in feed deficient state.
Timetable for project completion	2016 -2019
Prevailing average wage in locality	\$30,195/year
Average wage of project	\$26,000/year
Status	Performance Agreement drafted and sent to parties for review.

Handsome Brook Farm, LLC (announced June 2016)	7.00
New pasture-raised egg processing facility	
Location	Clarke County (Town of Berryville)
Grant amount committed from AFID	• \$200,000 AFID – building improvements
Other funds committed by the Commonwealth	• \$57,750 VJIP – job training
How these funds will be used	
Other funds from the political subdivision and their use	\$200,000 local cash grant – any lawful purpose
New jobs	One hundred and five (105)
New investment	\$6.4 million
Minimum purchase Virginia-grown products	\$50.6 million or 20.2 million dozen of net new purchases of
	Virginia-grown eggs
Projected impact on agricultural and forestal producers	This project will create a major new market for egg producers,
362	impacting over 100 Virginia farms directly.
Timetable for project completion	2016 – 2018
Prevailing average wage in locality	\$42,796/year
Average wage of project	\$33,955/year
Status	Performance Agreement drafted and under review by the
	Secretary's office.

The status of the 28 previously announced AFID projects is detailed below:

### **Ongoing AFID Facility Grant Projects**

Greencore USA, Inc. (announced March 2013) Expansion of sandwich and packaged food production ope	eration
Location	Stafford County
Grant amount committed from AFID	• \$75,000 AFID –site improvements
Other funds committed by the Commonwealth How these funds will be used	• \$154,000 VJIP – job training
Other funds from the political subdivision and their use	\$75,000 local cash grant – any lawful purposes
New jobs	Three hundred fifty (350)
New investment	\$5.5 million
Minimum purchase Virginia-grown products	\$171,600 or 40,200 pounds of Virginia-grown produce
Projected impact on agricultural and forestal producers	This project will provide an expanded sales opportunity for Virginia vegetable growers.
Timetable for project completion	2013 - 2016
Prevailing average wage in locality	\$46,646/year
Average wage of project	\$29,000/year
Status	Performance Agreement completed; funds released to the County. Attainment to Date:
	Capital investment - \$4,749,000
	New jobs - 45
	VA-grown products - \$133,225.62
	Performance period has been extended to October 1, 2017.

Location	Pulaski County
Grant amount committed from AFID	• \$100,000 AFID – site improvements
Other funds committed by the Commonwealth	• \$350,000 COF – secure business location or expansion
How these funds will be used	• \$113,600 VJIP – job training
	• \$200,000 Enterprise Zone Real Property Investment Grant – property improvements
	• \$38,400 Enterprise Zone Job Creation Grants – incentivize
	jobs
Other funds from the political subdivision and their use	\$2,000,000 - 100 acres of land (valued at \$20,000 per acre)
New jobs	One hundred-forty-two (142)
New investment	\$21 million
Minimum purchase Virginia-grown products	\$17.9 million or 13.5 million pounds of tomatoes grown at
	facility
Projected impact on agricultural and forestal producers	The presence of such a large producer of tomatoes and peppers
	will attract packaging, shipping and related companies that will
	benefit from this agriculture industry in the region and state.
Timetable for project completion	2013 - 2018
Prevailing average wage in locality	\$34,758/year
Average wage of project	\$26,583/year
Status	Performance Agreement completed, funds released to County.
	Attainment to Date:
	Capital investment - \$23,295,862.48
	New jobs - 100
	VA-grown products - \$11,619,778.50
	Performance period ends Q4 FY 2017

Location	Augusta County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	<ul> <li>\$50,000 AFID – site improvements</li> <li>\$250,000 COF – secure business location or expansion</li> <li>\$650,000 (up to) Economic Development Access Funds – construction, improvements, and/or maintenance for road access</li> <li>\$50,000 VJIP – job training</li> <li>\$10,000 (up to) Major Business Facility Jobs Tax Credit – any lawful purposes</li> </ul>
Other funds from the political subdivision and their use	<ul> <li>\$800,000 local cash grant – any lawful purposes</li> <li>40 acres of land (valued at \$32,000 per acre) for a total value of \$1,280,000</li> <li>\$45,000 matching VJIP dollars – job training</li> </ul>
New jobs	Sixty (60)
New investment	\$50 million
Minimum purchase Virginia-grown products	\$13.5 million or 7.54 million gallons of Virginia milk

Projected impact on agricultural and forestal producers	The facility will be a significant new purchaser of Virginia milk.
Timetable for project completion	2013 - 2014
Prevailing average wage in locality	\$38,360/year
Average wage of project	\$39,553/year
Status	Performance Agreement completed; funds released to County. Attainment to Date: Capital investment - \$59,817,572 New jobs - 53
	VA-grown products - \$2,791,549 Performance period ends Q4 FY 2017

Franklin Lumber, LLC (announced June 2013)	
New pine sawmill facility in the former Franklin IP plant	
X	
Location	Isle of Wight County
Grant amount committed from AFID	• \$150,000 AFID – construction and installation costs
Other funds committed by the Commonwealth	• \$71,000 VJIP – job training
How these funds will be used	• \$260,000 Enterprise Zone Job Creation Grants – job creation
Other funds from the political subdivision and their use	• \$74,900 – Local Enterprise Zone 25% machinery & tools discount – any lawful purpose
	• \$10,000 - Local Enterprise Zone jobs grant - incentivize job
	creation
	• \$91,000 – Local Economic Development Incentive Grant –
	any lawful purpose
New jobs	Seventy-one (71)
New investment	\$14.8 million
Minimum purchase Virginia-grown products	\$11.5 million or 580,000 tons of Virginia-grown logs
Projected impact on agricultural and forestal producers	This project will have a significant positive impact on loggers and forest landowners in an area hard hit by the closure of the IF facility.
Timetable for project completion	2013 - 2018
Prevailing average wage in locality	\$38,523/year
Average wage of project	\$42,500/year
Status	Performance Agreement completed; funds released to County.  Attainment to Date:
	Capital investment - \$3,341,381.58
	New jobs - 125
	VA-grown products - 250,656 tons of logs
	Performance period ends Q2 FY 2019

Virginia Produce Company, Inc. (announced September Expansion/relocation of produce grading, packing and dist	
Location	Carroll County
Grant amount committed from AFID	• \$200,000 AFID – building improvements
Other funds committed by the Commonwealth	• \$20,000 VJIP – job training
How these funds will be used	• \$20,000 Enterprise Zone Job Creation Grants – incentivize
	job creation
	• \$100,000 Enterprise Zone Real Property Improvement Grant  – property improvements
	• \$200,000 TROF – new jobs and investment
Other funds from the political subdivision and their use	• \$1,056,500 – Reduced price sale of county owned building
	• \$28,613 – Local Enterprise Zone benefits – any lawful purposes
	• \$23,718 — Machinery and Tools Rebate – any lawful
	purposes
	• \$13,090 – Local Economic Development grant - any lawful
	purposes \$40,000 - Local cash grant - any lawful purposes
New jobs	Twenty-five (25) new jobs and fifty (50) FTEs
New investment	\$2.5 million
Minimum purchase Virginia-grown products	\$12 million of Virginia-grown produce
Projected impact on agricultural and forestal producers	This project will have a significant positive impact on the current and prospective produce growers in the region – both through increased sales of current crops and opportunities for
	new crops.
Timetable for project completion	2013 - 2014
Prevailing average wage in locality	\$27,109/year
Average wage of project	\$19,261/year
Status	Performance Agreement completed, funds released to County.
	Attainment to Date:
	Capital investment - \$2,072,883.90
	New jobs - 137
	VA-grown products - \$6,925,156.66
And the second s	Performance period ends Q2 FY 2017

Shenandoah Processing, LLC (announced December 20	13)
New organic-certified custom poultry processor	
Location	City of Harrisonburg
Grant amount committed from AFID	• \$50,000 AFID – building improvements
Other funds committed by the Commonwealth	• \$79,050 VJIP – job training
How these funds will be used	
Other funds from the political subdivision and their use	\$50,000 local cash grant – any lawful purposes
New jobs	One hundred and two (102)
New investment	\$2.5 million
Minimum purchase Virginia-grown products	\$160 million or 25 million Virginia-grown chickens
Projected impact on agricultural and forestal producers	This project creates a significant positive impact on Valley poultry growers who will have a new market niche to exploit, a

30041 19,110.01	use for old (but viable) poultry houses, and a new processing option for their flocks.
Timetable for project completion	2014 - 2016
Prevailing average wage in locality	\$31,250/year
Average wage of project	\$35,498/year
Status	Performance Agreement completed; funds released to City. Attainment to Date:
	Capital investment - \$8,327,564
	New jobs - 300
	VA-grown products - \$29,857,179
	Performance period ends Q3 2017

Montague Farms, Inc. (announced March 2014) New bagging line, warehouse and lab for soybean product	ion
Location	Isle of Wight County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$14,700 AFID – construction
Other funds from the political subdivision and their use	\$14,700 rebate of local taxes paid over three years – any lawful purposes
New jobs	One (1) new job and two (2) FTEs
New investment	\$618,490
Minimum purchase Virginia-grown products	\$3.9 million or 7.5 Metric tons in natto soybean purchases
Projected impact on agricultural and forestal producers	This project provides area farmers access to the new, high-value Korean sprouting soybean market.
Timetable for project completion	2014 - 2015
Prevailing average wage in locality	\$35,833/year
Average wage of project	\$39,067/year
Status	Performance Agreement completed; funds released to the County. Attainment to Date: Capital investment - \$637,396 New jobs - 5 VA-grown products - 9,786 MT of natto soybeans
	Performance period end Q3 FY 2017

Trout River Dry Kiln, LLC (announced March 2014) New hardwood dry kiln facility	
Location	Nottoway County (Town of Crewe)
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	<ul> <li>\$100,000 AFID – site improvements</li> <li>\$36,000 VJIP – work training</li> </ul>
Other funds from the political subdivision and their use	\$115,720 in donated land in the Crewe industrial park (5.26 acres valued at \$22,000 per acre)

New jobs	Forty (40)
New investment	\$5.5 million
Minimum purchase Virginia-grown products	\$30.6M of Virginia lumber purchases
Projected impact on agricultural and forestal producers	This project creates a major new demand for Virginia hardwood, providing new market opportunities for sawmills, loggers and landowners
Timetable for project completion	2014 - 2015
Prevailing average wage in locality	\$31,828 /year
Average wage of project	\$24,856/year
Status	Performance Agreement completed, funds released to the
	County.
	Attainment to Date:
	Capital investment - \$5,471,500
	New jobs – 28
	VA-grown products - \$2,089,899.78
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Performance period ends Q4 2017

Vireol Bio Energy, LLC - (announced April 2014) Restart and upgrade of former Osage Bioenergy ethanol pl	lant
Location	City of Hopewell
Grant amount committed from AFID	• \$250,000 AFID – site improvements
Other funds committed by the Commonwealth	• \$60,000 VJIP – worker training
How these funds will be used	• \$180,000 Enterprise Zone Job Creation Grant – job creation
	• \$100,000 Enterprise Zone Real Property Improvement Grant – property improvements
	• Up to \$3,295,000, as authorized in the FY15 – FY16 biennial budget – Biofuels Production Incentive Grant Program (BPIG)
Other funds from the political subdivision and their use	\$250,000 (at least) awarded as Machinery & Tools tax rebate through City's local Enterprise Zone incentive
New jobs	Seventy (70) - 45 direct, 25 qualifying contractor positions
New investment	\$26.2 million
Minimum purchase Virginia-grown products	\$105 million or 21.7 million bushels of Virginia-grown grain
Projected impact on agricultural and forestal producers	This project creates a massive new market for Virginia-grown grain.
Timetable for project completion	2014 - 2016
Prevailing average wage in locality	\$49,229 /year
Average wage of project	\$50,075/year
Status	Performance Agreement completed, funds released to the City.
	Attainment to Date:
	Capital investment - \$101,795
	New jobs - 76
	VA-grown products - \$29,182,920
	Performance period ends Q4 FY 2017
	Vireol Bio Energy, LLC was purchased by Green Plains, LLC October 2015. Staff is working towards transitioning AFID commitments to the new company.

Location	Augusta County
Grant amount committed from AFID	• \$50,000 AFID – natural gas line extension
Other funds committed by the Commonwealth	• \$8,000 VJIP – worker training
How these funds will be used	
Other funds from the political subdivision and their use	\$58,000 in local cash grant (\$50K for natural gas line, \$8,000
	for employee training)
New jobs	Eight (8) new jobs and ninety (90) FTEs
New investment	\$2 million
Minimum purchase Virginia-grown products	\$17.6 million in new plant sales
Projected impact on agricultural and forestal producers	In addition to supporting the greenhouse and nursery industry,
	this project provides important cold-weather employment for ag
	workers.
Timetable for project completion	2014 - 2015
Prevailing average wage in locality	\$39,183/year
Average wage of project	\$20,800/year
Status	Performance Agreement completed; funds released to the
	County.
	Attainment to Date:
	Capital investment - \$2,000,000
	New jobs – 3 new jobs and 40 FTEs
	VA-grown products - \$1,001,000
	Performance period ends Q1 FY 2018

Retail Relay, Inc., d/b/a Relay Foods - (announced June	2014)
Expansion of on-line grocer specializing in local foods	
Location	City of Charlottesville
Grant amount committed from AFID	• \$50,000 AFID – building improvements
Other funds committed by the Commonwealth How these funds will be used	• \$20,000 VJIP – worker training
Other funds from the political subdivision and their use	\$50,000 local cash grant – any lawful purposes
New jobs	Twenty-five (25)
New investment	\$735,000
Minimum purchase Virginia-grown products	\$353,309 of new purchases of meat, milk & produce
Projected impact on agricultural and forestal producers	Relay's retail platform and dedication to sourcing local provides a powerful, cost-effective retail and distribution network for numerous local ag and specialty foods producers.
Timetable for project completion	2014 - 2016
Prevailing average wage in locality	\$44,447 /year
Average wage of project	\$42,515/year
Status	Performance Agreement completed, funds released to the City. Attainment to Date:
	Capital investment - \$206,387
	New jobs - 9
	VA-grown products - \$7,503,466.74
	The company merged with Colorado-based Door to Door

Organics, Inc. in June 2016. VDACS staff is working towards
transferring AFID project.
Performance period ends Q1 FY 2018

Location	Grayson County
Grant amount committed from AFID	• \$100,000 AFID – reconstruction and building improvements
Other funds committed by the Commonwealth	• \$20,000 VJIP – job training
How these funds will be used	• \$150,000 TROF – new jobs and investment
Other funds from the political subdivision and their use	\$175,000 Grayson County Performance Grant (cash
	reimbursement of taxes over a five year period)
New jobs	Twenty-five (25)
New investment	\$5.1 million
Minimum purchase Virginia-grown products	\$18 million or 60 mbf in timber purchases
Projected impact on agricultural and forestal producers	This project provides a new market to area loggers and forest
	land owners.
Timetable for project completion	2014 - 2015
Prevailing average wage in locality	\$26,882/year
Average wage of project	\$31,200/year
Status	Performance Agreement completed; funds released to the
	County.
	Attainment to Date:
	Capital investment - \$5,070,052
	New jobs - 65
	VA-grown products - \$6,000,000
	Performance period ends Q4 FY 2017

Location	Loudoun County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$40,000 AFID – construction
Other funds from the political subdivision and their use	• \$39,700 local cash grant
	• \$300 Permit Fee Waiver
New jobs	Eleven (11) part-time and seasonal employees
New investment	\$911,500
Minimum purchase Virginia-grown products	\$21,500 or 2,150 pounds of Virginia hops
Projected impact on agricultural and forestal producers	This project will revolutionize hops production in Virginia by making commercial scale production economically viable.
Timetable for project completion	2015 – 2017
Prevailing average wage in locality	\$59,921/year
Average wage of project	\$13,009/year
Status	Performance Agreement completed; funds released to the
	County.
	Performance period ends Q3 FY 2018

Location	City of Williamsburg
Grant amount committed from AFID	• \$50,000 AFID – building renovations
Other funds committed by the Commonwealth How these funds will be used	• \$19,600 (estimated) VJIP – job training
Other funds from the political subdivision and their use	\$204,000 – reduced priced sales of City-owned site and repair work done to site
New jobs	Twenty-five (25) new jobs and three (3) FTEs
New investment	\$2 million
Minimum purchase Virginia-grown products	\$457,710 or 1,087 tons of Virginia grain
Projected impact on agricultural and forestal producers	This project creates a new market for specialty grain producers and highlights the role of Virginia agriculture products in craft spirits.
Timetable for project completion	2015-2018
Prevailing average wage in locality	\$34,843/year
Average wage of project	\$28,214/year
Status	Performance Agreement completed, funds released to the City. Attainment to Date:
	Capital investment - \$450,000 New jobs - 3 FTEs
	VA-grown products - \$0
	Performance period ends Q3 FY 2019

Location	City of Lynchburg
Grant amount committed from AFID	• \$250,000 AFID – building renovations
Other funds committed by the Commonwealth	• \$34,400 VJIP – job training
How these funds will be used	• \$30,300 Zone Job Creation Grant – project equity
	• \$100,000 Zone Real Property Improvement – project equity
Other funds from the political subdivision and their use	• \$250,000 Lynchburg Economic Development Authority
	Strategic Initiatives Grant – building upgrades
	• \$25,000 Local Enterprise Zone Redevelopment Program –
	building upgrades
New jobs	Forty-three (43)
New investment	\$2.9 million
Minimum purchase Virginia-grown products	\$14.5 million or 12,000 cattle and hogs
Projected impact on agricultural and forestal producers	This project creates a major new market for independent
	Virginia producers of finished cattle and hogs.
Timetable for project completion	2015 - 2018
Prevailing average wage in locality	\$40,831/year
Average wage of project	\$31,256/year
Status	Performance Agreement completed; funds released to the City
	Attainment to Date:
	Capital investment - \$3,000,000

New jobs - 17
VA-grown products - \$1,127,261
Performance period ends Q3 FY 2019

Location	City of Petersburg
Grant amount committed from AFID	• \$50,000 AFID – building renovations
Other funds committed by the Commonwealth	• \$60,000 Enterprise Zone Real Property Improvement Grant –
How these funds will be used	property improvements
Other funds from the political subdivision and their use	• \$5,000 Façade Grant
	• \$2,500 Architectural Grant
	• \$8,000 Permit Waiver Fee
	• \$5,000 Tap Free reduction
	• \$5,000 Water Sewer Connection Fee reduction
	• \$12,500 Machinery and Tools tax reduction
	• \$14,000 Real Estate Tax abatement
New jobs	Six (6) new jobs and two (2) FTEs
New investment	\$810,000
Minimum purchase Virginia-grown products	\$1,356,300 or 40,000 bushels of Virginia grain and fruit
Projected impact on agricultural and forestal producers	This project creates a new market for specialty grain producers and highlights the role of Virginia agriculture products in craft beverages.
Timetable for project completion	2015 - 2018
Prevailing average wage in locality	\$38,898/year
Average wage of project	\$37,440/year
Status	Performance Agreement completed; funds released to City. Attainment to Date: Capital investment - \$0
	New jobs - 0
	VA-grown products - \$0
	The Year 1 annual report was submitted June 16, 2016 with no
	attainment during the reporting period. VDACS has requested a
	plan of action and revised timeline of performance measures to
	ensure compliance by the Performance Date.
	Performance period ends Q4 FY 2018

Route 11 Potato Chips, LLC (announced March 2015) Expansion of specialty potato chip production facility	
Location	Shenandoah County
Grant amount committed from AFID Other funds committed by the Commonwealth	\$50,000 AFID – construction
How these funds will be used	
Other funds from the political subdivision and their use	\$50,000 - partial rebate of local machinery and tools and real estate taxes over four years

New jobs	Thirteen (13)
New investment	\$1.2 million
Minimum purchase Virginia-grown products	\$586,000 or 1,585,000 pounds in new purchases of Virginia potatoes and sweet potatoes
Projected impact on agricultural and forestal producers	This project creates an important new market for Eastern Shore sweet potato producer and Valley farmers diversifying into the chipping potato production.
Timetable for project completion	2015 – 2017
Prevailing average wage in locality	\$32,050/year
Average wage of project	\$36,005/year
Status	Performance Agreement completed, funds released to the County. Attainment to Date: Capital investment - \$800,000 New jobs - 2 VA-grown products - 0 Performance period ends Q3 FY 2019

Location	Rockingham County
Grant amount committed from AFID	• \$100,000 AFID – construction
Other funds committed by the Commonwealth How these funds will be used	• \$9,750 VJIP – job training
Other funds from the political subdivision and their use	\$100,000 local cash grant - any lawful purposes
New jobs	Fifteen (15)
New investment	\$8.7 million
Minimum purchase Virginia-grown products	\$14,880,000 in new sales of organic herbs
Projected impact on agricultural and forestal producers	In addition to the company's own technologically driven expansion, they also buy herbs from area farmers to supplement supply.
Timetable for project completion	2015 – 2018
Prevailing average wage in locality	\$39,168/year
Average wage of project	\$20,800/year
Status	Performance Agreement completed, funds released to the
	County.
	Performance period ends Q4 FY 2018

Andros Foods North America, d.b.a. Bowman And Expansion of major fruit processing and packaging fa	
Location	Shenandoah County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	<ul> <li>\$100,000 AFID – building improvements</li> <li>\$400,000 COF – secure business location or expansion</li> <li>\$600,000 Virginia Investment Partnership grant – investment</li> </ul>

	<ul> <li>\$80,000 VJIP – job training</li> <li>\$480,000 Port of Virginia Economic Development Grant – assist with expansion of operation</li> </ul>
Other funds from the political subdivision and their use	\$500,000 local cash grant – any lawful purposes
New jobs	One-hundred and sixty (160)
New investment	\$73 million
Minimum purchase Virginia-grown products	\$12.7 million or 126.9 million pounds of net new purchases of Virginia apples
Projected impact on agricultural and forestal producers	This project supports and grows the company's major purchases of Virginia apples, supporting an industry under pressure.
Timetable for project completion	2015 – 2018
Prevailing average wage in locality	\$32,050/year
Average wage of project	\$27,581/year
Status	Performance Agreement completed; funds released to the County. Performance period ends Q2 FY 2018

Location	Albemarle County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$29,000 AFID – building improvements
Other funds from the political subdivision and their use	\$29,000 local cash grant – building improvements
New jobs	One (1) new jobs and five (5) FTEs
New investment	\$1.4 million
Minimum purchase Virginia-grown products	\$3.1 million or 17,500 turkeys
Projected impact on agricultural and forestal producers	This project showcases the state as a source of high-quality, premium turkeys and supports Virginia's poultry production infrastructure.
Timetable for project completion	2015 - 2018
Prevailing average wage in locality	\$49,480/year
Average wage of project	\$40,479/year
Status	Performance Agreement completed; funds released to the County. Performance period ends Q1 FY 2018

Ewes Guys, LLC d.b.a. Twenty Paces (announced April 2015)  New farmstead sheep and goat's milk cheese production operation	
Location	Albemarle County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$11,000 AFID – building improvements
Other funds from the political subdivision and their use	\$11,000 Local cash grant – any lawful purposes
New jobs	Five (5) and one (1) FTE

New investment	\$321,000
Minimum purchase Virginia-grown products	\$903,430 or 37,760 gallons of sheep and goat milk
Projected impact on agricultural and forestal producers	The high-quality, authentic farmstead cheese company bolsters the Commonwealth's reputation as the center for artisanal food production.
Timetable for project completion	2015 – 2018
Prevailing average wage in locality	\$49,482/year
Average wage of project	\$33,773/year
Status	Performance Agreement completed; funds released to the County.
	Performance period ends Q1 FY 2018

Location	Culpeper County
Grant amount committed from AFID	\$20,000 AFID – building renovations
Other funds committed by the Commonwealth	
How these funds will be used	
Other funds from the political subdivision and their use	\$20,000 local cash grant – equipment purchases
New jobs	Three (3) FTEs
New investment	\$229,000
Minimum purchase Virginia-grown products	\$101,500 of Virginia grapes, grain, and honey
Projected impact on agricultural and forestal producers	This project creates a new market for a variety of Virginia- grown products and will offer new distillation service to Virginia winemakers.
Timetable for project completion	2015 - 2018
Prevailing average wage in locality	\$38,073/year
Average wage of project	\$22,107/year
Status	Performance Agreement completed; funds released to the
	County.
	Performance period ends Q1 FY 2018

Ironclad Distillery, Inc. (announced July 2015)	
New small-batch bourbon distillery	
Location	City of Newport News
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$12,000 AFID – building renovation
Other funds from the political subdivision and their use	\$12,000 local cash grant – any lawful purposes
New jobs	Eight (8) FTEs
New investment	\$100,000
Minimum purchase Virginia-grown products	\$126,000 or 675,000 pound of Virginia-grown corn, wheat and rye
Projected impact on agricultural and forestal producers	This project creates a new market for specialty grain producers and highlights the role of Virginia agriculture products in craft

	spirits.
Timetable for project completion	2015 - 2018
Prevailing average wage in locality	\$48,667/year
Average wage of project	\$31,595/year
Status	Performance Agreement completed; funds released to the City.
	Performance period ends Q2 FY 2018

Hardywood Park Craft Brewery, LLC (announced July	2015)
New production facility for existing Virginia craft brewery	
Location	Goochland County
Grant amount committed from AFID	• \$250,000 AFID – building and site improvements
Other funds committed by the Commonwealth	• \$500,000 Commonwealth's Opportunity Fund Grant (COF) -
How these funds will be used	building and site improvements
	• \$400,000 Virginia Investment Partnership – any lawful
	purpose
Y has a series and	• \$56,000 VJIP – job training
Other funds from the political subdivision and their use	\$500,000 awarded to rebate 50% of the Company's Machinery
	and Tools and Tangible Personal Property taxes through the
- The state of the	County, and other payments – any lawful purposes
New jobs	Fifty-six (56)
New investment	\$24.3 million
Minimum purchase Virginia-grown products	\$1.4 million in Virginia agricultural products
Projected impact on agricultural and forestal producers	This new facility will significantly increase the use of Virginia grown specialty crops in Virginia craft beers, building the role Virginia agriculture will play in fast-growing craft brewing industry.
Timetable for project completion	2016 - 2020
Prevailing average wage in locality	\$79,793/year
Average wage of project	\$51,000/year
Status	Performance Agreement completed; funds released to the County.
	Performance period ends Q2 FY 2020

Virginia Poultry Growers Cooperative, Inc. (announced July 2015)  Expansion of turkey production and processing cooperative	
Location	Rockingham County
Grant amount committed from AFID	• \$250,000 AFID – building improvements
Other funds committed by the Commonwealth How these funds will be used	• \$500,000 Virginia Investment Partnership Grant – any lawful purposes
	• \$50,000 VJIP – job training
Other funds from the political subdivision and their use	\$250,000 local cash grant – any lawful purposes
New jobs	Six (6)
New investment	\$61.9 million
Minimum purchase Virginia-grown products	\$9.1 million or 15.5 million pounds of net new Virginia-grown

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Projected impact on agricultural and forestal producers	Expansion of this facility ensures a prominent role of turkey production in Virginia and support dozens of new poultry houses.
Timetable for project completion	2015 - 2018
Prevailing average wage in locality	\$39,757/year
Average wage of project	\$27,290/year
Status	Performance Agreement completed. The request to release funds is due by July 31, 2016.  Performance period ends Q1 FY 2020

Location	Culpeper County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$75,000 AFID – construction
Other funds from the political subdivision and their use	\$75,000 local cash grant – any lawful purposes
New jobs	Twenty-four (24)
New investment	\$7.3 million
Minimum purchase Virginia-grown products	\$10.7 million or 750,000 cases of baby lettuce and basil, and 30,000 cases of tomatoes
Projected impact on agricultural and forestal producers	While an immediate impact to local producers is small, this project could begin a shift towards local produce buying by major national retailers that could benefit Virginia's agricultura producers in the future.
Timetable for project completion	2015 - 2018
Prevailing average wage in locality	\$38,073/year
Average wage of project	\$35,948/year
Status	Performance Agreement completed; funds released to the County.  Performance period ends Q3 FY 2018

Location	Loudoun County
Grant amount committed from AFID Other funds committed by the Commonwealth How these funds will be used	\$19,500 AFID – building improvements
Other funds from the political subdivision and their use	\$1,000 Waiver of Permit Fees     \$18,500 local cash grant – any lawful purposes
New jobs	Seven (7)
New investment	\$885,000
Minimum purchase Virginia-grown products	\$315,000 or 2.1 million pounds of Virginia barley, wheat and rye

Projected impact on agricultural and forestal producers	This project provides an important new market for high-value, malt-quality Virginia barley and further integrates Virginia agriculture into a fast growing craft brewing and distilling industries.
Timetable for project completion	2016 - 2018
Prevailing average wage in locality	\$59,899/year
Average wage of project	\$76,000/year
Status	Performance Agreement under development.

## **Completed AFID Facility Grant Projects**

Homestead Creamery, Inc. (announced December 2012)	
New manufacturer of dairy-related products	
Location	Franklin County
Grant amount committed from AFID	• \$60,000 AFID – building expansion and renovations
Other funds committed by the Commonwealth	• \$12,240 VJIP – job training
How these funds will be used	• \$45,000 TROF –building expansion and renovations
Other funds from the political subdivision and their use	\$30,000 local cash grant – any lawful purposes
New jobs	Twenty (20)
New investment	\$1.1 million
Minimum purchase Virginia-grown products	\$1.5 million of Virginia milk, cream, eggs, and produce
Projected impact on agricultural and forestal producers	The impact on Virginia agriculture is especially strong; over 45 Virginia producers will benefit directly.
Timetable for project completion	2013 - 2016
Prevailing average wage in locality	\$29,665/year
Average wage of project	\$29,016/year
Status	Performance Agreement completed; funds released to County.
	Attainment to Date:
	Capital investment - \$2,173,615 (198% attainment)
	New jobs – 21 (105% attainment)
	VA-grown products - \$3,209,285 (170% attainment)
	Performance period ended Q3 FY 2016. All performance
	measures were met.

### **AFID Planning Grant Program**

The AFID Planning Grant program was established to encourage localities to think strategically about how they can better support and integrate agriculture and forestry into their community's overall economic development efforts. AFID Planning Grant applications are accepted on a rolling basis, allowing for applicants to work with the AFID Fund Coordinator to refine their project and submit stronger applications. Since the inception of the AFID Planning Grant, \$690,650 has been awarded to 34 projects, directly impacting 56 unique localities. Of these funded projects, twenty (20) have successfully completed activities.

During the second half of the fiscal year 2016, Governor McAuliffe announced one (1) AFID Planning Grant award totaling \$9,640, covering one (1) locality. A summary of this project is listed below:

Project Title: Site Readiness Topographical Survey (Industrial Park)

Applicant: Bath County Economic Development Authority

Amount Requested: \$9,460

Summary: The Bath County Economic Development Authority (EDA) is working

closely with the Office of Tourism and Economic Development to ensure the County's only Industrial Park is ready to be used in bringing new agribusiness to the County. The project, prompted by interest for a promising forestry industry prospect, is to complete a new boundary survey showing all visible infrastructures, as well as to provide an aerial survey utilizing digital triangulation and photogrammetric compilation.