



TO: Kurt Hodgen, City Manager
FROM: Brian Shull, Economic Development Director
DATE: November 2, 2016
RE: Supplemental Appropriation – VA AFID Grant

Summary: Consider a supplemental appropriation for the Economic Development Department in the amount of \$50,000 received from the Virginia Agriculture and Forestry Industries Development (AFID) program for the benefit of T&E Meats, LLC.

Background: On September 1, 2016, Secretary Todd Haymore announced a \$50,000 grant had been awarded to the City of Harrisonburg to be passed through to T&E Meats, LLC to assist with an expansion of T&E Meats' facility on Charles Street in the City. A performance agreement between the Commonwealth of Virginia, the City of Harrisonburg, and T&E Meats, LLC has been signed. This requested action item would place the VA grant funds into the Harrisonburg Economic Development Department budget for distribution to T&E Meats, LLC in accordance with Performance Agreement requirements.

Key Issues: The VA AFID grant program requires localities to make a \$1 for \$1 match in order to receive these state grant funds. The Economic Development Department has the matching funds available in its current year budget.

Environmental Impact: The expansion and operation of T&E Meats' facility will entail a physical expansion of the square footage of the building and also the creation of 7 new full-time jobs in Harrisonburg.

Fiscal Impact: The expansion will entail a capital expenditure of approximately \$642,464, of which approximately \$241,265 will be invested in machinery and equipment and approximately \$401,199 will be invested to improve the site and building. In addition, T&E has committed to purchase \$1,188,864 of Virginia-grown agricultural products within three years.

Prior Actions: Virginia Secretary of Commerce and Trade Todd Haymore made the grant announcement in Harrisonburg on September 1, 2016. No prior action had been taken by City Council.

Alternatives:

- (a) Approve this requested supplemental appropriation
- or
- (b) Do not appropriate these VA grant funds into the Economic Development Department budget at this time

Community Engagement: The grant award was made at a public announcement in Harrisonburg on September 1, 2016. Community members can comment on this requested action item via Be Heard Harrisonburg through November 14, 2016.

Recommendation: Staff recommends approval of this supplemental appropriation request.

Attachments: (1) Supplemental Appropriation
(2) Staff Memorandum detailing this request

Review:

The initiating Department Director will place in Legistar, in sequence of transmittal, the names of each department that must initial their review in order for this item to be placed on the City Council agenda. The completion of review only addresses the readiness of the issue for Council consideration. This does not address the recommendation for approval or denial of the issue.

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