

INTRODUCED: February 26, 2024

AN ORDINANCE No. 2024-065

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Performance Agreement between the City of Richmond, PPD Development, LP, and the Economic Development Authority of the City of Richmond for the purpose of providing a grant to PPD Development, LP to establish, equip, and operate a new bioanalytics laboratory at 737 North 5th Street in the city of Richmond.

Patron – Mayor Stoney and Ms. Robertson

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: MAR 25 2024 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to execute a Performance Agreement between the City of Richmond, PPD Development, LP, and the Economic Development Authority of the City of Richmond for the purpose of providing a grant to PPD Development, LP to establish, equip, and operate a bioanalytics laboratory at 737 North 5th Street in the city of Richmond. The Performance

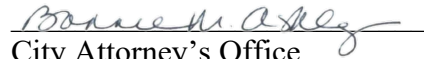
AYES: 8 NOES: 0 ABSTAIN: _____

ADOPTED: MAR 25 2024 REJECTED: _____ STRICKEN: _____

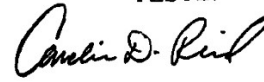
Agreement shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

§ 2. This ordinance shall be in force and effect upon adoption.

APPROVED AS TO FORM:


City Attorney's Office

A TRUE COPY:
TESTE:


City Clerk



City of Richmond

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.rva.gov

Master

File Number: Admin-2024-0088

File ID: Admin-2024-0088

Type: Request for Ordinance or Resolution

Status: Regular Agenda

Version: 1

Reference:

In Control: City Clerk Waiting Room

Department:

Cost:

File Created: 01/30/2024

Subject:

Final Action:

Title:

Internal Notes:

Code Sections:

Agenda Date: 02/26/2024

Indexes:

Agenda Number:

Patron(s):

Enactment Date:

Attachments: Local Performance Agreement Ord, PPD City of Richmond Agreement CLEAN - (AATF for intro)

Enactment Number:

Contact:

Introduction Date:

Drafter: Katie.McConnell@rva.gov

Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	1/30/2024	Leonard Sledge	Approve	2/1/2024
1	2	1/30/2024	Sharon Ebert - FYI	Notified - FYI	
1	3	2/1/2024	Sheila White	Approve	2/1/2024
1	4	2/7/2024	Jeff Gray	Approve	2/5/2024
1	5	2/7/2024	Lincoln Saunders	Delegated	
Notes: Delegated: Out Of Office					
1	6	2/7/2024	Sabrina Joy-Hogg	Approve	2/9/2024
1	7	2/7/2024	Cordell Hayes - FYI	Notified - FYI	
1	8	2/14/2024	Mayor Stoney	Approve	2/21/2024

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File Admin-2024-0088

City of Richmond

Intracity Correspondence

O&R REQUEST

DATE: January 28, 2024 **EDITION:** 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: J.E. Lincoln Saunders, Chief Administrative Officer

THROUGH: Sheila White, Director of Finance

FROM: Leonard L. Sledge, Director, Department of Economic Development

RE: Approval of the Performance Agreement between the City of Richmond, PPD Development, LP, a subsidiary of Thermo Fisher Scientific, and the Economic Development Authority of the City of Richmond

ORD. OR RES. No.

PURPOSE: To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Performance Agreement between the City of Richmond, PPD Development LP, and the Economic Development Authority of the City of Richmond for the purpose of providing local match funds to PPD Development LP through a grant from the Economic Development Authority of the City of Richmond in accordance with a Commonwealth’s Development Opportunity Fund Performance Agreement to establish, equip, and operate a new facility at 737 N 5th Street in the city of Richmond.

REASON: The City of Richmond collaborated with the Virginia Economic Development Partnership and was awarded a Commonwealth’s Development Opportunity Fund (COF) grant of \$151,952 to attract biotech innovation company, Thermo Fisher Scientific to the City. PPD Development, a subsidiary of Thermo Fisher Scientific, will establish its third bioanalytical lab in the region in 19,000 SF of space at 737 N 5th Street in the VA Bio+Tech Park. To fulfill the requirements of the COF grant agreement, the City of Richmond is obligated to provide matching funds. City Council approval is required to authorize the CAO to sign the Performance Agreement.

RECOMMENDATION: The City Administration recommends the adoption of this ordinance.

BACKGROUND: In March 2022, Thermo Fisher Scientific, announced its decision to build its newest bioanalytical lab at 737 N 5th Street in the VA Bio+Tech Park. The company announced that it would invest \$4,700,000 and create 48 new jobs with an average wage of \$62,395. The State in partnership with the City offered a COF grant of \$151,952 to attract the biotech innovation company.

The City is required to make a 1:1 local match to the COF grant leveraging the City’s two-year Business, Professional, and Occupational License (BPOL) Tax Exemption, and a performance-based grant of \$75,200.

The Performance Agreement between PPD Development LP, a wholly owned subsidiary of Thermo Fisher Scientific, the City, and the Economic Development Authority of the City of Richmond (EDA) sets forth the terms and conditions under which the \$75,200 performance grant.

Thermo Fisher’s investment in the city is an economic development success for Richmond’s growing life science cluster. In addition to the new research and development jobs and investment in the city, this collaborative project between the State, Richmond, and Henrico County, will bring biotech jobs to the surrounding region further strengthening our regional life science cluster.

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: The attraction of new life science companies aligns with the initiatives laid out in the City’s adopted Strategic Plan for Equitable Economic Development (SPEED).

FISCAL IMPACT: The project is projected to generate an estimated \$356,900 in gross revenue over the first five years of the project (not including BPOL tax revenue). The Performance Date for the project is in FY25, at which time the \$75,200 local performance grant will be requested. There is no impact on the FY24 General Fund Budget.

BUDGET AMENDMENT NECESSARY: None

DESIRED EFFECTIVE DATE: Upon Adoption.

REQUESTED INTRODUCTION DATE: February 26, 2024

CITY COUNCIL PUBLIC HEARING DATE: March 25, 2024

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance and Economic Development Standing Committee

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: The local performance grant

is to be paid to the Company through the EDA

AFFECTED AGENCIES: Department of Economic Development, the Department of Budget and Strategic Planning, and the Department of Finance

RELATIONSHIP TO EXISTING ORD. OR RES.: N/A

ATTACHMENTS: Performance Agreement, Commonwealth's Development Opportunity Fund Performance Agreement

STAFF: Leonard L. Sledge, Director, Department of Economic Development (804) 646-7576
Katie McConnell, Deputy Director, Department of Economic Development (804) 646-3171
Sam Earl, Senior Management Analyst, Department of Economic Development (804) 646-4248

PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** (the “Agreement”) made and entered this ____ day of _____, 2024, by and among the **CITY OF RICHMOND, VIRGINIA** (the “City”), a municipal corporation of the Commonwealth of Virginia; **PPD DEVELOPMENT LP**, a Delaware limited partnership authorized to transact business in the Commonwealth (“the Company”); and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA** (the “Authority”), a political subdivision of the Commonwealth of Virginia.

RECITALS

WHEREAS, the Company intends to establish, equip, and operate a bioanalytics laboratory Facility (as defined below) in the city of Richmond, thereby making a significant Capital Investment and creating and Maintaining a significant number of New Jobs, as such capitalized terms are hereinafter defined;

WHEREAS, the City desires to provide to the Company an economic development monetary grant (“Grant”) for the purpose of inducing the Company to establish, equip, and operate a bioanalytics laboratory at the Facility;

WHEREAS, the City is willing to provide the funds to the Authority with the expectation that the Authority will provide the funds to or for the use of the Company, provided that the Company meets certain criteria relating to the Capital Investment and the New Jobs in accordance with the terms and conditions of this Agreement;

WHEREAS, the leasing, equipping, improving, and operating of a bioanalytics laboratory at the Facility will entail a Capital Investment of \$4,700,000 of which not less than \$3,000,000 will be in locally taxable real property improvements and not less than \$1,700,000 will be in locally taxable Tangible Personal Property;

WHEREAS, the leasing, equipping, improving, and operating of the Company’s bioanalytics laboratory at the Facility will entail the creation of not less than 48 New Jobs by the end of the Performance Period;

WHEREAS, the City, the Authority, and the Company desire to set forth their understanding and agreement as to the payout of the Grant, the use of the Grant Funds, the obligations of the Company regarding the Grant, the Capital Investment, and the New Job creation;

WHEREAS, the City and the Authority have determined that the Company’s establishing, equipping, improving, and operating a bioanalytics laboratory at the Facility will result in substantial benefits to the welfare of the city and its inhabitants; is in the public interest; and serves governmental interests, including but not limited to an increase in real estate and Tangible Personal Property tax receipts and job creation;

WHEREAS, the stimulation of additional tax revenue and economic activity to be generated by the Capital Investment and New Jobs constitute a valid public purpose for the expenditure of public funds;

WHEREAS, the City is authorized by Section 15.2-953 of the Code of Virginia and other laws, and the Authority is authorized by the Industrial Development and Revenue Bond Act, contained in Chapter 49, Title 15.2 of the Code of Virginia and other laws to perform the activities contemplated in this Agreement; and

WHEREAS, this Agreement sets forth the understanding of the parties concerning the Company's obligations, the Authority's obligations, and the incentives offered by the City, subject to the approval of the Authority's Board of Directors and the Richmond City Council, and subject to annual appropriation.

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises, and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows.

Section 1. Definitions.

For the purposes of this Agreement, the following terms shall have the following definitions:

“Capital Investment” means a capital expenditure by or on behalf of the Company in locally taxable real property, Tangible Personal Property, or both, at the Facility. The purchase or lease of machinery and tools or furniture, fixtures, and business personal property, including under an operating lease, and expected building renovation, improvement, and upfit by or on behalf of the Company or the lessor of the Facility will qualify as Capital Investment, so long as it is taxable by the City. The Capital Investment must be in addition to the capital improvements at the Facility as of April 1, 2021.

“Facility” means the real and personal property located at 737 N 5th Street (Tax Map Parcel No. N0000023001).

“Maintain” means that the New Jobs will continue without interruption from the date of creation through the Performance Period. Positions for the New Jobs will be treated as Maintained during periods in which such positions are not filled due to (i) temporary reductions in the Company's employment levels (so long as there is active recruitment for open positions), (ii) strikes, and (iii) other temporary work stoppages.

“New Job” means new permanent full-time employment of an indefinite duration at the Facility for which the standard fringe benefits are provided by the Company for the employee, and for which the Company pays an average annual wage of at least \$62,395. Average annual wage means the average annual salary of full-time positions at the Facility determined by dividing total payroll (of a type included in W-2 compensation) provided to full-time positions at the Facility by the number of full-time positions at the Facility. Each New Job must require a minimum of either (i) 35 hours of an employee's time per week for the entire normal year of the Company's

operations, which “normal year” must consist of at least 48 weeks, or (ii) 1,680 hours per year. Seasonal or temporary positions, positions with construction contractors, vendors, suppliers, and similar multiplier or spin-off jobs shall not qualify as New Jobs.

“Performance Date” means December 31, 2024. If the Locality, in consultation with the Authority, deems that good faith and reasonable efforts have been made and are being made by the Company to achieve the Targets, on or before the Performance Date the Company may request an extension of the Performance Date by up to 15 months. Any extension of the Performance Date shall require the prior approval of the Locality and the Authority. The Locality shall send written notice of the extension to the Authority and the Company and the date to which the Performance Date has been extended shall be the “Performance Date” for the purposes of this Agreement.

“Performance Period” means the period of time beginning April 1, 2021 and ending on the Performance Date.

“Tangible Personal Property” means all personal property not classified as intangible personal property, merchants’ capital, or daily rental property as defined by Code of Virginia §§ 58.1-1100 and 58.1-3510 and taxable by the City of Richmond, Virginia.

“Targets” means the Company’s obligations to make the Capital Investment at the Facility within the timeframes set forth in this Agreement.

Section 2. Targets.

2.1 Capital Investment Target. The Company shall make a minimum Capital Investment of \$4,700,000, in which a minimum of \$3,000,000 will be in locally taxable real property improvements and a minimum of \$1,700,000 will be in locally taxable Tangible Personal Property.

2.2 New Jobs. The Company shall create and Maintain at least 48 New Jobs by the Performance Date.

Section 3. Company Reporting

The Company shall provide reporting, at the Company’s expense and in a form satisfactory to the City and the Authority of the Company’s progress toward meeting the Targets. Such reporting shall include a certification by a Certified Public Accountant licensed in the Commonwealth of Virginia that the Capital Investment has been made in accordance with the terms of this Agreement. Together with documentation acceptable to the City in the City’s sole discretion detailing such Capital Investment. The Company shall also certify and attest to the creation of New Jobs during the reporting period in a form acceptable to the City in the City’s sole discretion. The Performance Reports are due annually by April 1, reflecting the Company’s progress toward the Targets as of the prior December 31.

Section 4. Disbursement of Grant.

4.1 Grant Amount. The City shall, through the Authority, provide the Company with an incentive in the form of an economic development grant in a total amount of \$75,200 (the “Grant”)

4.2 Payment of Grant. The City, through the Authority, shall pay the Grant in one lump sum after the Performance Date in accordance with section 4.2.2 below.

4.2.1 Time of Payment. The Grant will be paid only upon confirmation by the City that the Company has achieved the Capital Investment and New Jobs targets and is current on all required taxes, licenses, and other legal obligations.

4.2.2 Certification of Performance Requirements. The Company must request payment of the Grant in writing within 90 days of the performance date. Such request must include a certification by a Certified Public Accountant licensed in the Commonwealth of Virginia that the Capital Investment has been made in accordance with the terms of this Agreement, together with documentation acceptable to the City in the City’s sole discretion detailing such Capital Investment. The Company shall also certify and attest to the creation of at least 48 New Jobs and in a form acceptable to the City in the City’s sole discretion. Once the Company’s request in writing has been received by the City and the City has approved the certifications and related documentation, the City shall, within 30 days, request the Authority to provide the Company with the Grant.

4.2.3 Forfeiture of Grant. Should the Company fail to meet the performance requirements contained in section 4.2.1 or to adequately certify or document such performance pursuant to section 4.2.2, the Company will be deemed to have forfeited the Grant. Upon such forfeiture, this Agreement shall terminate, and the City and the Authority will have no obligation to the Company pursuant to this Agreement.

Section 5. Administration of Grant.

5.1 The City agrees to transfer to the Authority, as and when appropriated by the City Council, the funds necessary for the Authority to meet its obligations under the Agreement relating to the Grant. No administrative fees or expenses shall be paid by the City.

5.2 The Authority’s obligation to undertake the activities herein is specially conditioned upon the City providing funding on a timely basis; provided, however, the City’s obligation is subject to appropriation by the City Council and availability of funds.

5.3 The Authority agrees to provide the City’s Chief Administrative Officer, or the designee thereof, with copies of all documents related to this Agreement and will keep the Chief Administrative Officer fully and timely informed of all matters related to the Agreement.

5.4 The Authority agrees that all funds transferred by the City to the Authority for the Grant shall be deposited by the Authority within a Project Fund, to be used only to satisfy the obligations contained in this Agreement related to the Grants.

5.5 It is the intent of the parties not to impose upon the Authority any responsibility, duty or obligation other than what may be required to implement the Grant. Accordingly, Authority does not assume any responsibility or liability whatsoever except as specifically stated herein. If litigation involving the Grant is initiated or expected to be filed against the Authority, the Authority shall immediately notify the City Attorney and Chief Administrative Officer.

5.6 The Authority shall keep records of its financial transactions, if any, related to the Agreement in accordance with generally accepted accounting principles. The City Auditor or a designee thereof may at any time audit the financial transactions undertaken under this Agreement.

5.7 The Authority shall not be required to furnish the City with surety.

Section 6. Representations.

6.1 The Company is empowered to enter into this Agreement, to be bound hereby, and to perform according to the terms hereof.

6.2 Any and all actions necessary to enable the Company to enter into this Agreement, and to be bound hereby, have been duly taken.

6.3 The person or persons executing or attesting the execution of this Agreement on behalf of the Company has or have been duly authorized and empowered to so execute or attest.

6.4 The execution of this Agreement on behalf of the Company will bind and obligate the Company to the extent provided by the terms hereof.

6.5 There exists no litigation pending against the Company or to the Company's actual knowledge threatened, which if determined adversely, would materially and adversely affect the ability of the Company to carry out its obligations under this Agreement or the transactions contemplated hereunder

Section 7 Possible Termination of this Agreement.

7.1 Events of Termination. Each of the following will constitute a termination of this Agreement (each an "Event of Termination"):

7.1.1 Failure to make a minimum Capital Investment of \$4,230,000 (reflecting achievement of less than 90% of the Capital Investment Target) by the Performance Date

7.1.2 Failure to create and Maintain at least 43 New Jobs (reflecting achievement of less than 90% of the New Jobs Target) by the Performance Date

7.1.3 Any court of competent jurisdiction enters an order, judgment, or decree approving a petition seeking reorganization of the Company or all or a substantial part of the assets of Company

or any guarantor of the Company or appointing a receiver, sequestrator, trustee or liquidator of the Company, or any guarantor of the Company or any of their property and such order, judgment or decree continues unstayed and in effect for at least 60 Days.

7.1.4 The Company (i) makes a general assignment for the benefit of creditors, (ii) is adjudicated as either bankrupt or insolvent, (iii) files a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors, (iv) either (a) takes advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or (b) admits the material allegations of a petition filed against the Company in any proceedings under such a law or (v) any guarantor of the Company takes action for the purposes of effecting any item identified in item (iv).

7.1.5 The Company fails to maintain its corporate existence.

7.2 Effect of Termination. In the case of an occurrence of an Event of Termination, this Agreement, including without limitation the Grant provisions of Section 4 of this Agreement, shall terminate immediately and neither the City nor the Authority will have any further obligation relating thereto and the Company will no longer be eligible for the Grant.

Section 8 Notices.

All notices, demands or other communications under this Agreement shall be in writing and shall be sent to each other party, at its address specified below (or such other address as a party may from time to time specify to the other parties by notice given in accordance with this Agreement), and shall be deemed to have been duly given when actually received by the addressee or when served (a) personally; (b) by independent, reputable, overnight commercial carrier; or (c) by deposit in the United States mail, postage and fees fully prepaid, registered or certified mail, with return receipt requested, addressed as follows:

If to the City:

Chief Administrative Officer
900 East Broad Street, Suite 201
Richmond, Virginia 23219

with a copy to:

City Attorney
900 East Broad Street, Suite 400
Richmond, Virginia 23219

If to the Authority:

Executive Director
Economic Development Authority of the City of Richmond
1500 East Main Street, Suite 400

Richmond, Virginia 23219

with a copy to:

City Attorney
900 East Broad Street, Suite 400
Richmond, Virginia 23219

If to the Company:

PPD Development, LP
929 North Front Street
Wilmington, NC 28401
Attn: General Counsel

with a copy to:

PPD Development, LP
929 North Front Street
Wilmington, NC 28401
Attn: Seth Morris, Director – Lab Operations

Section 9 General Terms and Conditions.

9.1 Entire Agreement; Amendments. This Agreement constitutes the entire agreement among the parties hereto and may not be amended or modified, except in writing, signed by each of the parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The Company may not assign its rights and obligations under this Agreement without the prior written consent of the City and the Authority.

9.2 Governing Law; Venue. This Agreement is made, and is intended to be performed, in the Commonwealth of Virginia and shall be construed and enforced by the laws of the Commonwealth of Virginia. Jurisdiction and venue for any litigation arising out of or involving this Agreement shall lie in the Circuit Court of the City of Richmond, and such litigation shall be brought only in such court.

9.3 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument. This Agreement is signed when a party's signature is delivered by facsimile, email, or other electronic medium. These signatures must be treated in all respects as having the same force and effect as original signatures.

9.4 Severability. If any provision of this Agreement is determined to be unenforceable, invalid or illegal, then the enforceability, validity and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.

9.5 Subject-to-Appropriations. All payments and other performances by the City and the Authority under this Agreement are subject to City Council approval, Authority Board approval and annual appropriations by the City Council. It is understood and agreed among the parties that the City and the Authority shall be bound hereunder only to the extent of the funds available, or which may hereafter become available for the purpose of this Agreement. Under no circumstances shall the City's or the Authority's total liability under this Agreement exceed the total amount of funds appropriated by the City Council for the payments hereunder for the performance of this Agreement.

9.6 Public Disclosure.

9.6.1 Applicable Law. The parties to this Agreement acknowledge that records maintained by or in the custody of the City and the Authority are subject to the provisions of the Virginia Public Records Act, Va. Code §§ 42.1-76 through 42.1-90.1, and the Virginia Freedom of Information Act, Va. Code §§ 2.2-3700 through 2.2-3714 and thus are subject to the records retention and public disclosure requirements set forth in those statutes.

9.6.2 Challenges to Nondisclosure. If a party submitting records to the City or the Authority requests that those records not be disclosed under applicable law and the City or the Authority consequently denies a request for disclosure of such records based on the submitting party's request, and the City's or the Authority's denial of a request for disclosure of records is challenged in court, the submitting party shall indemnify, hold harmless and defend the City or the Authority, their respective officers and employees from any and all costs, damages, fees and penalties (including attorney's fees and other costs related to litigation) relating thereto.

9.7 No Waiver. Neither failure on the part of the City or the Authority to enforce any covenant or provision contained in this Agreement nor any waiver of any right under this Agreement shall discharge or invalidate such covenant or provision or affect the right of the City or the Authority to enforce the same right in the event of any subsequent default.

9.8 Effective Date of the Agreement. The effective date of this Agreement shall be the date upon which it has been fully executed by the parties following approval by City Council and by the Authority's Board of Directors.

9.9 No Partnership or Joint Venture. It is mutually understood and agreed that nothing contained in this Agreement is intended or shall be construed in any manner or under any circumstance whatsoever as creating and establishing the relationship of copartners or creating or establishing a joint venture between or among any of the parties or as designating any party to the Agreement as the agent or representative of any other party to the Agreement for any purpose.

9.10 No Third-Party Beneficiaries. Notwithstanding any other provision of this Agreement, the parties agree that (i) no individual or entity shall be considered, deemed or otherwise recognized to be a third-party beneficiary of this Agreement; (ii) the provisions of this Agreement are not intended to be for the benefit of any individual or entity other than the City, the Authority, the Property Owner, or the Company; (iii) no other individual or entity shall obtain any right to make any claim against the City, the Authority, or the Company under the provisions of this

Agreement; and (iv) no provision of this Agreement shall be construed or interpreted to confer third-party beneficiary status on any individual or entity.

9.12 Attorney's Fees. Each party will bear its own attorney's fees.

9.13 Authorization to Act. The Chief Administrative Officer of the City of Richmond, Virginia or a designee thereof and the Chairman of the Economic Development Authority of the City of Richmond, Virginia are authorized to act on behalf of the City and the Authority, respectively, under this Agreement.

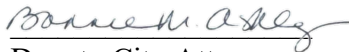
SIGNATURES ON THE FOLLOWING PAGE

IN WITNESS WHEREOF, the parties hereto have executed this Performance Agreement as of the date first written above.

CITY OF RICHMOND, VIRGINIA

By _____
Name: _____
Title: _____
Date: _____

Approved as to form:


Deputy City Attorney

**ECONOMIC DEVELOPMENT
AUTHORITY OF THE CITY OF RICHMOND,
VIRGINIA**

By _____
Name: _____
Title: _____
Date: _____

PPD DEVELOPMENT, LP

By: PPD GP, LLC; Its General Partner

By _____
Name: _____
Title: _____
Date: _____

Exhibit A: Annual Performance Report Form

ANNUAL PERFORMANCE REPORT

PROJECT SUMMARY:

Project	
Location	
Amount of Grant	
Performance Date	

PROJECT PERFORMANCE:

Performance Measurement	Target	As of _____, 20__	% Complete
Total New Jobs	48		
Capital Investment (provide breakdown below) ³	\$4,700,000		
Average Annual Wage			N/A
Standard Fringe Benefits			

² Attach the company's four most recent Quarterly Tax Reports (Form FC-20) for the Richmond Facility filed with the Virginia Employment Commission.

³ Data will be verified using records from the Commissioner of the Revenue and invoices.

Capital Investment Breakdown	Amount
Land	\$
Land Improvements	
New Construction or Expansion	
Renovation or Building Up-fit	
Production Machinery and Tools	
Furniture, Fixtures and Equipment	
Other	
Total	\$

COMMENTS:

Please discuss status of the development and operation of the Facilities, including the current level of Capital Investment and New Jobs, progress on the Targets, changes or likely changes in the nature of the Facilities that may impact achievement of the Targets, and other information relevant to the Company's performance. If the Company is not on track to meet the Targets by the Performance Date, please provide an explanation.

TO BE CERTIFIED BY AN OFFICER OF THE COMPANY:

I certify that I have examined this report and to the best of my knowledge and belief, it is true, correct, and complete.

Company: _____

Submitted By: _____
Signature of Official

Name: _____
Print Name

Title: _____

Date: _____

Please return to:

Sam Earl, Senior Management Analyst, Richmond Department of Economic Development,
804.646.4248, Sam.Earl@rva.gov