

INTRODUCED: March 28, 2016

AN ORDINANCE No. 2016-110

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Governor's Agriculture & Forestry Industries Development Fund Performance Agreement between the City of Richmond, Virginia, the Economic Development Authority of the City of Richmond, Virginia, and Blue Bee Cider, LLC, for the purpose of enabling the Authority to provide an economic development grant to Blue Bee Cider, LLC, as an incentive to construct and improve a Virginia agricultural products processing facility in the city of Richmond.

\_\_\_\_\_  
Patron – Mayor Jones

\_\_\_\_\_  
Approved as to form and legality  
by the City Attorney  
\_\_\_\_\_

PUBLIC HEARING: APR 25 2016 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, Virginia, the Economic Development Authority of the City of Richmond, Virginia, and Blue Bee Cider, LLC, for the purpose of enabling the Authority to provide an economic development grant to Blue Bee Cider, LLC, as an incentive to construct and improve a Virginia agricultural products processing facility in the city of Richmond. The Governor's Agriculture & Forestry

AYES:            9            NOES:            0            ABSTAIN: \_\_\_\_\_

ADOPTED:      APR 25 2016      REJECTED: \_\_\_\_\_      STRICKEN: \_\_\_\_\_

Industries Development Fund Performance 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.



CITY OF RICHMOND
INTRACITY CORRESPONDENCE

RECEIVED

MAR 16 2016

OFFICE OF CITY ATTORNEY

O&R REQUEST

4-4873

DATE: March 1, 2016
TO: The Honorable Members of City Council

EDITION O & R REQUEST

MAR 2 2016

THROUGH: Dwight C. Jones, Mayor
THROUGH: Selena Cuffee-Glenn, Chief Administrative Officer

[Signature]

[Signature]

Chief Administration Office
City of Richmond

THROUGH: Leonora Reid, Deputy Chief Administrative Officer, Finance & Administration

[Signature]

THROUGH: Peter L. Downey, Deputy Chief Administrative Office for Planning and Economic and Community Development

FROM: Douglas Dunlap, Interim Director, Department of Economic & Community Development

[Signature]

RE: Performance Agreement by and between the City of Richmond, Blue Bee Cider, LLC, and the Richmond Economic Development Authority of the City of Richmond, Virginia

ORD. OR RES. No. \_\_\_\_\_

PURPOSE: To authorize the Chief Administrative Officer, on behalf of the City of Richmond, to execute a Performance Agreement between the City of Richmond, Virginia, Blue Bee Cider, LLC, the Economic Development Authority of the City of Richmond, Virginia ("EDA").

REASON: In order for the City to enter into the proposed Performance Agreement with the EDA, City Council action is required.

RECOMMENDATION: The City Administration recommends adoption of this ordinance.

BACKGROUND: The City of Richmond has been awarded a grant of and expects to receive \$50,000 from the Governor's Agriculture & Forestry Industries Development Fund (an "AFID Grant") through the Virginia Department of Agriculture and Consumer Services ("VDACS") for the purpose of inducing the Company to construct and improve an agriculture and/or forestry processing/value-added facility using Virginia-grown products in the Locality (the "Facility"), thereby making a significant Capital Investment, as hereinafter defined, creating a significant number of New Jobs and FTEs, as hereinafter defined; and purchasing a significant amount of Virginia-grown agricultural and forestal products, as hereinafter defined.

In order to receive the grant, the locality must provide a matching grant of \$50,000. To meet this requirement, the City of Richmond will match the grant with dollars from local Enterprise Zone and Tax Abatement programs already to be utilized in the Blue Bee Cider project.

The construction and operation of the Facility will entail a capital expenditure of approximately \$1,143,000, of which approximately \$293,000 will be invested in machinery and equipment and approximately \$850,000 will be invested to improve the site and building

The construction and operation of the Facility will further entail the creation of 4 New Full-Time Job Equivalent (FTEs) at the Facility. The construction and operation of the Facility will further lead to the purchase of Virginia-grown agricultural and forestal products in the following amount: \$257,700 or 21,821 bushels of apples over the performance period.

**FISCAL IMPACT / COST:** None.

**FISCAL IMPLICATIONS:** None.

**BUDGET AMENDMENT NECESSARY:** No.

**REVENUE TO CITY:** New taxes generated from the new development including Machinery & Tools taxes, Personal Property taxes, Real Estate taxes, BPOL, Meals taxes and Retail Sales taxes.

**DESIRED EFFECTIVE DATE:** Upon adoption.

**REQUESTED INTRODUCTION DATE:** March 14, 2016

**CITY COUNCIL PUBLIC HEARING DATE:** March 28, 2016

**REQUESTED AGENDA:** Consent

**RECOMMENDED COUNCIL COMMITTEE:** Finance and Economic Development

**CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES:** The Economic Development Authority must approve the proposed Performance Agreement.

**AFFECTED AGENCIES:** Chief Administrative Officer; City Attorney; Economic and Community Development; Planning and Development Review.

**RELATIONSHIP TO EXISTING ORD. OR RES.:**

**REQUIRED CHANGES TO WORK PROGRAM(S):** City employees will be assigned to provide the necessary assistance to the Economic Development Authority.

**ATTACHMENTS:** Performance Agreement

**STAFF:** Lee Downey, Director, Economic & Community Development, 646-5633  
Jane Ferrara, Deputy Director, Economic & Community Development, 646-5633  
Selena Cuffee-Glenn, Chief Administrative Officer, 646-7978.

# GOVERNOR'S AGRICULTURE & FORESTRY INDUSTRIES DEVELOPMENT FUND

## PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** (the "Agreement") made and entered this \_\_\_\_ day of March, 2016, by and among the **CITY OF RICHMOND, VIRGINIA** (the "Locality") a political subdivision of the Commonwealth of Virginia (the "Commonwealth"), and **BLUE BEE CIDER, LLC** (the "Company"), a Virginia limited liability company authorized to transact business in the Commonwealth, and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA** (the "Authority"), a political subdivision of the Commonwealth.

### WITNESSETH:

WHEREAS, the Locality has been awarded a grant of and expects to receive \$50,000 from the Governor's Agriculture & Forestry Industries Development Fund (an "AFID Grant") through the Virginia Department of Agriculture and Consumer Services ("VDACS") for the purpose of inducing the Company to construct and improve an agriculture and/or forestry processing/value-added facility using Virginia-grown products in the Locality (the "Facility"), thereby making a significant Capital Investment, as hereinafter defined, creating a significant number of new Full-Time Equivalent positions (FTEs), as hereinafter defined; and purchasing a significant amount of Virginia-grown agricultural and forestal products, as hereinafter defined.

WHEREAS, the Locality 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 promises to meet certain criteria relating to Capital Investment, FTEs, and purchase of Virginia-grown agricultural and forestal products;

WHEREAS, the Locality, the Authority and the Company desire to set forth their understanding and agreement as to the payout of the AFID Grant, the use of the AFID Grant proceeds, the obligations of the Company regarding Capital Investment, New Job creation, purchase of Virginia-grown agricultural and forestal products, and the repayment by the Company of all or part of the AFID Grant under certain circumstances;

WHEREAS, the construction and operation of the Facility will entail a capital expenditure of approximately \$1,143,000, of which approximately \$293,000 will be invested in machinery and equipment and approximately \$850,000 will be invested to improve the site and building;

WHEREAS, the construction and operation of the Facility will further entail the creation of 4 FTEs at the Facility;

WHEREAS, the construction and operation of the Facility will further lead to the purchase of Virginia-grown agricultural and forestal products in the following amount: \$257,700 or 21,821 bushels of apples and berries over the performance period (see Appendix A for details); and

WHEREAS, the stimulation of the additional tax revenue and economic activity to be generated by the Capital Investment, New Jobs, and purchase of Virginia-grown agricultural and

forestal products constitutes a valid public purpose for the expenditure of public funds and is the animating purpose for the AFID Grant:

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 covenant and 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 taxable real property, taxable tangible personal property, or both, at the Facility excluding the purchase of land or existing real property improvements. The Capital Investment must be in addition to the capital improvements at the Facility as of the date of the Grant award: November, 2015. The total capital expenditure of \$1,143,000 is referred to in this Agreement as the “Capital Investment.”

“Maintain” means that the FTEs created pursuant to the AFID Grant will continue without interruption from the date of creation through the Subsequent Performance Date. Positions for the FTEs will be treated as Maintained during periods in which such positions are not filled due to temporary reductions in the Company’s employment levels in connection with recruitment for open positions or strikes and other work stoppages.

“New Job” means new permanent full-time employment of an indefinite duration at the Facility for which the standard fringe benefits are paid by the Company for the employee, and for which the Company pays an average annual wage of at least \$30,700. 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 created when a job function is shifted from an existing location in the Commonwealth, and positions with construction contractors, vendors, suppliers and similar multiplier or spin-off jobs shall not qualify as New Jobs.

“Full Time Equivalent” and “FTEs” mean positions created by the project on a predictable, annual basis, which do not meet the definition of New Job. For the purposes of the AFID Grant, these positions should be converted into full-time equivalent positions (FTEs) based on one FTE equaling 1,680 hours per year. FTEs will be compensated at an average annual wage of \$30,700.

“Initial Performance Date” means April 30, 2019. If the Locality, in consultation with the Authority and the Secretary of Agriculture and Forestry, deems that good faith and reasonable efforts have been made and are being made by the Company to achieve the Targets, the Locality may agree to extend the Initial Performance Date by up to 15 months. If the Initial Performance Date is extended, the Locality shall send written notice of the extension to the Authority, the Company and the Secretary of Agriculture and Forestry and the date to which the Initial Performance Date has been extended shall be the “Initial Performance Date” for the purposes of this Agreement.

“Targets” means the Company’s obligations to make Capital Investments at the Facility of at least \$1,143,000, to create and Maintain at least 4 FTEs at the Facility, and to purchase at least \$257,700

of Virginia-grown agricultural and forestal products as defined in Appendix A, all as of the Initial Performance Date. Further, "Targets" includes the Company's obligation to Maintain at least 4 FTEs at the Facility as of the Subsequent Performance Date.

"Virginia Code" means the Code of Virginia of 1950, as amended.

"Subsequent Performance Date" means April 30, 2025, unless the Initial Performance Date has been extended. If the Initial Performance Date has been extended, the Subsequent Performance Date shall be 2 year(s) after the new Initial Performance Date. Except as so noted, the Subsequent Performance Date is not subject to extension.

## **Section 2. Targets.**

The Company will develop and operate the Facility in the Locality, make a Capital Investment of at least \$1,143,000, create and Maintain at least 4 FTEs, and purchase \$257,700 of Virginia-grown agricultural and forestal products (see Appendix A), at the Facility, all as of the Initial Performance Date. Further, the Company will Maintain at least 4 FTEs at the Facility as of the Subsequent Performance Date. If the dollar amount of new purchases of Virginia-grown agricultural and forestal products is not met, the Company can still achieve the purchase target by demonstrating they substantively achieved the same volume of Virginia-grown agricultural and forestal products they proposed in Appendix A.

The average annual wage of the FTEs will be at least \$30,700.

The average prevailing wage in the locality in 2016 is \$57,011

## **Section 3. Disbursement of AFID Grant.**

By no later than May 31, 2016, the Locality will request the disbursement to it of the AFID Grant. If not so requested by the Locality by May 31, 2016, this Agreement will terminate. The Locality and the Company will be entitled to reapply for an AFID Grant thereafter, based upon the terms, conditions and availability of funds at that time.

The AFID Grant in the amount of \$50,000 will be paid to the Locality, upon its request. Within 90 days of its receipt of the AFID Grant proceeds, the Locality will disburse the AFID Grant proceeds to the Authority. Within 60 days of its receipt of the AFID Grant proceeds, the Authority will disburse the AFID Grant proceeds to the Company as an inducement to the Company to achieve the Targets at the Facility. The Company will use the AFID Grant proceeds to make building improvements, as permitted by Section 3.2-304(C) of the Virginia Code.

## **Section 4. State and Local Incentives.**

See Appendix B for definition of "break-even point." With regard to the Facility, the Commonwealth expects to provide incentives in the following amounts:

Category of Incentive:

Total Amount



AFID Grant	\$50,000
Enterprise Zone Real Property Improvement Grant	\$100,000

To the extent the Facility qualifies pursuant to applicable law, the Locality expects to provide the following incentives, as matching grants or otherwise, for the Facility:

<u>Category of Incentive:</u>	<u>Total Amount</u>
Local Enterprise Zone Incentives and Real Estate Tax Exemption/Abatement	\$50,000

The Grant award is based on the assumption that the Company will apply for, and receive, local Enterprise Zone Incentives and Real Estate Tax Exemptions for which it is eligible.

If, by the Initial Performance Date, the value of the funds and other local incentives disbursed or committed to be disbursed by the Locality to the Company total less than the \$50,000 AFID Grant local match requirement, the Company shall repay the difference to the AFID Fund. For the purpose of satisfying the local match requirement, funds committed to be disbursed by the Locality will include the total value of any real property tax exemption for which the Facility qualifies as of the Initial Performance Date, including the value of such exemption to be applied to the Facility in future tax years. The total value of the tax exemption to be applied in future years will be calculated using the applicable tax rate as of the Initial Performance Date.

The proceeds of the AFID Grant shall be used for the purposes described in Section 3. The proceeds of the Locality's \$50,000 may be used by the Company for any lawful purpose.

**Section 5. Repayment Obligation.**

(a) *Determination of Inability to Comply:* If the Locality or the Secretary of Agriculture and Forestry (the "Secretary") determines at any time before the Performance Date (a "Determination Date") that the Company is unlikely to meet and Maintain at least fifty (50) percent of its Targets by and through the Performance Date (i.e., by making a Capital Investment of at least \$571,500 in the Facility, to creating and Maintaining at least 2. FTEs at the Facility, or purchasing at least \$128,850 of Virginia-grown agricultural and forestal products by the Initial Performance Date), and if the Locality or the Secretary shall have promptly notified the Company of such determination, the entire AFID Grant must be repaid by the Company to the Authority. Such a determination by the Locality or the Secretary will be based on such circumstances as a filing by or on behalf of the Company under Chapter 7 of the U.S. Bankruptcy Code, the liquidation of the Company, an abandonment of the Facility by the Company or other similar significant event that demonstrates the Company will be unable or is unwilling to satisfy the Targets for the AFID Grant.

(b) *Repayment of AFID Grant:* For purposes of repayment, the AFID Grant is to be allocated as \$16,667 (33%) for the Company's Capital Investment Target, \$16,667 (33%) for its FTEs Target, and \$16,666 (33%) for its purchase of Virginia-grown agricultural and forestal products. If the Company has met at least ninety percent (90%) of each of the three Targets at the Initial Performance Date, then and thereafter the Company is no longer obligated to repay any portion of the AFID Grant. If the Company has not met at least ninety percent (90%) of each of the three of its Targets at the Initial Performance Date, the Company shall repay to the Authority that part of the

AFID Grant that is proportional to the Target or Targets for which there is a shortfall. For example, if at the Initial Performance Date, the Capital Investment is only \$857,250, only 3 FTEs have been created and Maintained, and only \$193,275 of Virginia-grown agricultural and forestal products have been purchased, the Company shall repay to the Authority twenty-five percent (25%) of the moneys allocated to the Capital Investment Target (\$4,167), twenty-five percent (25%) of the moneys allocated to the FTEs Target (\$4,167), and twenty-five percent (25%) of the moneys allocated to the purchase of Virginia-grown agricultural and forestal products Target (\$4,166). Whether the FTEs Target has been met will be determined by comparing the anticipated payroll (4 FTEs at an average annual wage of at least \$30,700) to the actual number of FTEs and the actual average annual wage reported at the Initial Performance Date.

(c) *Further Performance Target for the Maintenance of the FTEs:* If the Company had no repayment obligation under subsection (a) above or under subsection (b) above as to the FTEs Target, the Company may still have a repayment obligation if it has not Maintained the FTEs from the Initial Performance Date through the Subsequent Performance Date. If the Company has not Maintained at least 3.6 FTEs (ninety percent (90%) of 4 FTEs) through the Subsequent Performance Date, the Company shall repay to the Authority that part of AFID Grant that is proportional to the shortfall from the 4 FTEs. For example, if at the Subsequent Performance Date, only 3 FTEs have been Maintained, the Company shall repay to the Authority twenty-five percent (25%) of the moneys allocated to FTEs (\$4,167).

(d) *Repayment Dates:* **Such repayment shall be due from the Company to the Authority within thirty days of the Initial Performance Date, the Subsequent Performance Date or the Determination Date, as applicable.** Any moneys repaid by the Company to the Authority hereunder shall be repaid by the Authority to the Locality and shall be repaid by the Locality promptly to VDACS for redeposit into the AFID. The Locality and the Authority shall use their best efforts to recover all such funds, including legal action for breach of this Agreement. The Locality shall assume primary responsibility for filing and prosecuting any such legal action, and the Authority shall cooperate with the Locality's efforts. Neither the Locality nor the Authority shall have any responsibility for the repayment of any sums hereunder unless said sums have been received by the Authority from the Company.

## **Section 6. Company Reporting.**

The Company shall provide, at the Company's expense, detailed verification reasonably satisfactory to the Locality, the Authority and VDACS of the Company's progress on the Targets. Such progress reports will be provided annually, starting at May 31, 2017 and covering the period through the prior year, and at such other times as the Locality, the Authority or VDACS may reasonably require.

With each such progress report, the Company shall report to VDACS the amount paid by the Company in the prior calendar year in Virginia corporate income tax. The Company hereby authorizes the Commissioner of the Revenue, the Treasurer and the Director of Finance for the Locality to release to the Authority and the Locality the Company's confidential tax information and data so that the Authority may verify the payments made. VDACS has represented to the Company that it considers such information to be confidential proprietary information that is exempt from public disclosure under the Virginia Freedom of Information Act and that such information will be used by

VDACS solely in calculating aggregate return on invested capital analyses for purposes of gauging the overall effectiveness of economic development incentives.

With each progress report, the Company shall also report to VDACS the amount purchased and the purchase price paid by the Company, or the fair market value of the Virginia-Grown Agricultural or Forestal Products utilized, through the prior year.

The Locality and Company agree to retain all books, records, data and other documents relative to this agreement for a period of three (3) years after the end of this agreement, or until audited by the Commonwealth of Virginia, whichever is sooner. VDACS and its authorized agents, and/or state auditors (both the Auditor of Public Accounts and/or VDACS Internal Auditor) shall have full access to and the right to examine any of said materials and records relating to this agreement during this period.

**Section 7. Notices.**

Any notices required or permitted under this Agreement shall be given in writing, and shall be deemed to be received upon receipt or refusal after mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail or overnight courier package not accepted by the addressee):

if to the Company, to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

with a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

if to the Locality, to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

with a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

if to the Authority, to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

with a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

if to VDACS, to:

Secretary of Agriculture and Forestry

with a copy to:

Stephen G. Versen

Office of Governor Terence R. McAuliffe  
Commonwealth of Virginia  
1111 East Broad Street  
Richmond, Virginia 23219  
Attention: AFID

AFID Fund Coordinator  
Va Dept. of Agriculture & Consumer Services  
102 Governor St.  
Richmond, Virginia 23219  
Attention: AFID

**Section 8. Miscellaneous.**

(a) *Entire Agreement; Amendments.* This Agreement constitutes the entire agreement among the parties hereto as to the AFID Grant 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 Locality, the Authority and the Secretary of Agriculture and Forestry.

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

(c) *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.

(d) *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.

(e) *Subject to Appropriations.* With regard to the City of Richmond matching grant funds, including Enterprise Zone and General Fund 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 will be bound hereunder only to the extent of the funds available or which may hereafter become available for the purposes 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.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

**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: \_\_\_\_\_

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

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**BLUE BEE CIDER, LLC**

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

APPENDIX A

Production and purchases of Virginia Grown Agriculture and Forestry Products

	2015 - \$ Value	2015 - Volume (bushels)	YEAR 1 - \$ Value	YEAR 1 - Volume	YEAR 2 - \$ Value	YEAR 2 - Volume	YEAR 3 - \$ Value	YEAR 3 - Volume	Net New YEAR 1-3 \$ Value	Net New YEAR 1 - 3 Volume
<b>Total of all Ag &amp; Forest Products Purchased</b>									\$ 264,000	22,577
Category #1 - Apples	\$ 72,000	7,072	\$ 108,000	10,608	\$ 144,000	11,669	\$ 216,000	21,216	\$ 252,000	22,277
Category #2 - Berries	\$ 1,000	25	\$ 2,500	63	\$ 5,000	125	\$ 7,500	187.5	\$ 12,000	300
<b>Total Virginia Ag &amp; Forest Products</b>									\$ 257,700	21,821
Category #1 - Apples	\$ 70,200	6,832	\$ 105,300	10,248	\$ 140,400	11,273	\$ 210,600	20,496	\$ 245,700	21,521
Category #2 - Berries	\$ 1,000	25	\$ 2,500	63	\$ 5,000	125	\$ 7,500	187.5	\$ 12,000	300
<b>Percentage that is Virginia Grown</b>	<b>98%</b>	<b>97%</b>	<b>98%</b>	<b>97%</b>	<b>98%</b>	<b>97%</b>	<b>98%</b>	<b>97%</b>	<b>98%</b>	<b>97%</b>

## APPENDIX B

### Break-Even Point Definition:

VDACS has estimated that the Commonwealth will reach its “break-even point” by the Subsequent Performance Date. The break-even point compares new revenues realized as a result of the Capital Investment and New Jobs at the Facility with the Commonwealth’s expenditures on incentives, including but not limited to the AFID Grant. If the Company has met its Targets by the Initial Performance Date, the Locality may request the Commonwealth to conduct a new “break-even point” analysis, using the information from the Annual Reports on the Company’s meeting of the Targets, to determine if a new Subsequent Performance Date is merited.