



**Economic Development Authority of the City of Richmond
Meeting Notice March 28, 2024**

WHAT: The City of Richmond's Economic Development Authority will hold its **March Board Meeting.**

WHEN: Thursday, March 28, 2024, at 5:00 P.M.

WHERE: Main Street Station, 1500 East Main Street, 3rd floor Conference Room

CONTACT: Glenna Chung at (804) 646-1507 or Glenna.Chung@rva.gov.

For more information about The City of Richmond's Economic Development Authority (EDA),
Visit: <http://www.richmondeda.com>

Agenda

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND
BOARD MEETING MARCH 28, 2024 AGENDA**

- I. Call to Order
 - A. Public Meeting Disclosure
- II. Comment (Maximum of Three Minutes Per Person)
- III. Meeting Minutes
 - A. Meeting Minutes – February Board Meeting
- IV. New Business
 - A. Approval of February Financial Report
 - B. Policy Regarding Participation In Meetings By Electronic Communication Means
 - C. Operating Account Adjustments Due from the City of Richmond
 - D. State and Local Performance Grants for PPD
- V. Report of the Officers
 - A. Report of the Chairman
 - B. Report of the Secretary
- VI. Other Business
- VII. Adjournment

Upcoming Meetings

EDA Board Committee Meeting – April 25, 2024

Meeting Minutes

Economic Development Authority (EDA) of the City of Richmond, Virginia
Board Meeting Minutes
Thursday, February 22, 2024

Members present:

Nupa Agarwal, Vice-Chairperson
Jer'Mykeal McCoy
Jéron Crooks
Nathan Hughes
Neil Millhiser

Others present:

Bonnie Ashley – City of Richmond, City Attorney's Office
Leonard Sledge – Department of Economic Development
Katie McConnell – Department of Economic Development
Glenna Chung – Department of Economic Development
Lisa Jones – A. G. Reese & Associates

Call to Order:

Ms. Agarwal called the meeting to order at 5:16pm and Ms. Chung started recording the meeting.

Public Comments:

No public comments were received via email, phone, or otherwise by staff. Mr. Sledge read the public disclaimer.

Approval of Minutes of the Previous Meeting:

Mr. Sledge requested the Board to consider a motion to adopt the minutes of the January 25, 2024, Board Meeting as stated. Mr. Hughes moved to accept the minutes. Ms. Agarwal seconded the motion. Mr. Millhiser abstained due to his absence for the previous meeting. The Motion passed.

Committee Reports:

Audit and Finance Committee – Mr. Nathan Hughes

Mr. Hughes announced the Audit and Finance Committee plan to discuss financials during the EDA Board Meeting going forth and will schedule separate meetings when necessary.

January Financial Reports – Ms. Lisa Jones

Ms. Jones reviewed the EDA Financial Reports for January.

First, Ms. Jones reported the Stone Brewery account had a net income year-to-date of \$270,802, which was \$50k ahead of budget. Note payment due in June. No major expenses or unusual

transactions.

Next, Ms. Jones reported the EDA Operations account had a net income year-to-date of \$553,407, which was \$541k ahead of budget. No major activity.

Lastly, Ms. Jones reported the Leigh Street Operations account had a net income year-to-date of \$55,141, which was \$156 ahead of budget.

There was no unusual loan activity.

Mr. Sledge requested the Board to consider a motion to approve the January 2024 financial statements for the Economic Development Authority of the City of Richmond, Virginia. Mr. Hughes moved to accept the financial statements. Mr. McCoy seconded the motion. The Motion passed unanimously.

New Business:

Stone Brewery Account Policy – Ms. Katie McConnell

Ms. McConnell reviewed the Stone Brewery Account Policy. The purpose of the Stone Brewery Project Fund Policy is to ensure that there are sufficient resources available for annual debt service payments and the capital, operational, and administrative costs related to the Stone Brewery Facilities and Sites, and to define a threshold on when funds may be used by the Authority to support other economic development activities and projects in the City of Richmond.

Mr. Sledge requested the Board to consider a motion to approve the Stone Brewery Project Fund Policy for the Economic Development Authority of the City of Richmond, Virginia. Ms. Agarwal made the motion. Mr. Crooks seconded the motion. The motion passed unanimously.

Executive Session:

Mr. Sledge asked the Board to consider a motion to go into a closed meeting pursuant to 2.2-3711(A3) and (A29) of the Virginia Freedom of Information Act to discuss the disposition of publicly held real property located at 2401 West Leigh Street and contracts involving the expenditure of public funds related to such disposition because such discussion in open session would adversely affect the bargaining position or negotiating strategy of the Economic Development Authority. Mr. Millhiser made the motion. Mr. McCoy seconded the motion. The motion passed unanimously.

Closed session began at 5:39pm and Ms. Chung paused recording.

Closed session ended at 5:52pm and Ms. Chung resumed recording.

Section 2.2-3712 of the Code of Virginia requires certification by the Board that a closed meeting is conducted in conformity with Virginia law. Following the closed meeting, the Board certified that to the best of each member's knowledge (i) only public matters lawfully exempt from open meeting requirements by Virginia law were discussed in the closed meeting; and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Board. The certification passed unanimously and was witnessed and recorded by Mr. Sledge.

Discussion Items:

Performance Grant Update – Mr. Leonard Sledge

Mr. Sledge reviewed the Performance Grant presentation with the Board.

Update on 2401 West Leigh Street Facility Operations and Maintenance – Ms. Katie McConnell

Ms. McConnell stated that the transition continues to be as smooth as possible.

Report to the Officers:

Report of the Chairman – Ms. Nupa Agarwal

Ms. Agarwal reported that neither she nor Mr. John Molster have any updates to report.

Report of the Secretary – Mr. Leonard Sledge

Mr. Sledge did not have any updates to report.

Other Business:

No other business discussed.

Adjournment:

The meeting adjourned at 6:05pm and Ms. Chung stopped recording.

Respectfully submitted:

Secretary to the meeting

Approved:

John Molster, Chair

EDA February Financial Report

EDA City of Richmond-Stone Brewery
Balance Sheet Prev Year Comparison
As of February 29, 2024



	Feb 29, 24	Feb 28, 23
ASSETS		
Current Assets		
Checking/Savings		
10100 · Wells Fargo #2828	2,728,837.94	2,901,862.38
11000 · Accounts Receivable	17,000.19	17,000.19
14000 · Prepaid Expenses	781.21	804.77
	<u>2,746,619.34</u>	<u>2,919,667.34</u>
Total Current Assets		
Fixed Assets		
15602 · CIP- Ston Brewery	0.00	34,410.86
15603 · Building Improvements	83,625.00	83,625.00
16900 · Land	621,644.51	621,644.51
17000 · Accumulated Depreciation	-3,658.41	-1,567.89
	<u>701,611.10</u>	<u>738,112.48</u>
Total Fixed Assets		
Other Assets		
19000 · Net Invest-Cap Lease Rec-Curret		
19000.1 · Current-Capital Lease Receivabl	580,088.76	580,088.76
19000.2 · Current Portion Unearned int	-281,619.31	-388,028.50
	<u>298,469.45</u>	<u>192,060.26</u>
Total 19000 · Net Invest-Cap Lease Rec-Curret		
19500 · Net Investment on Capital Lease		
19500.1 · Capital Lease Receivable	29,584,526.97	31,324,793.25
19500.2 · Unearned Int on Capital Lease	-11,178,170.48	-12,318,376.65
	<u>18,406,356.49</u>	<u>19,006,416.60</u>
Total 19500 · Net Investment on Capital Lease		
	<u>22,153,056.38</u>	<u>22,856,256.68</u>
TOTAL ASSETS		
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
23100 · Accrued Interest Payable	171,076.77	176,520.63
25000 · Current Portion of Rec. Grant	750,000.00	730,000.00
	<u>921,076.77</u>	<u>906,520.63</u>
Total Current Liabilities		
Long Term Liabilities		
27200 · Recoverable Grant Payable		
27200.1 · Recoverable Grant Payable	17,635,000.00	18,385,000.00
	<u>18,556,076.77</u>	<u>19,291,520.63</u>
Total Liabilities		
Equity		
32000 · Retained Earnings	3,786,883.62	3,246,256.90
39002 · Intercompany Transfer	-500,000.00	0.00
Net Income	310,095.99	318,479.15
	<u>3,596,979.61</u>	<u>3,564,736.05</u>
Total Equity		
	<u>22,153,056.38</u>	<u>22,856,256.68</u>
TOTAL LIABILITIES & EQUITY		

**EDA City of Richmond-Stone Brewery
Profit & Loss Budget Performance
February 2024**

	Feb 24	Feb 23	YTD 24	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense						
Income						
42800 · Interest Income	2,494.92	1,400.06	18,027.28	10,000.00	8,027.28	15,000.00
43000 · Interest on Capital Lease	94,388.45	97,850.57	762,190.08	760,137.45	2,052.63	1,140,206.17
Total Income	96,883.37	99,250.63	780,217.36	770,137.45	10,079.91	1,155,206.17
Expense						
62400 · Depreciation Expense	174.21	174.21	1,393.68	1,393.68	0.00	2,090.52
63300 · Insurance Expense	389.08	402.38	3,112.64	4,666.67	-1,554.03	7,000.00
63500 · Bank Fees	0.00	0.00	0.00	66.67	-66.67	100.00
66100 · Interest Expense-Bond	57,025.60	58,840.21	456,204.65	458,808.33	-2,603.68	688,212.50
66700 · Professional Fees	0.00	0.00	0.00	13,333.33	-13,333.33	20,000.00
67200 · Repairs and Maintenance	0.00	0.00	1,710.40	20,000.00	-18,289.60	30,000.00
67500 · Roof Expense	0.00	875.00	7,700.00	20,000.00	-12,300.00	30,000.00
Total Expense	57,588.89	60,291.80	470,121.37	518,268.68	-48,147.31	777,403.02
Net Ordinary Income	39,294.48	38,958.83	310,095.99	251,868.77	58,227.22	377,803.15
Other Income/Expense						
Other Income						
70200 · Miscellaneous Income	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Income	0.00	0.00	0.00	0.00	0.00	0.00
Net Other Income	0.00	0.00	0.00	0.00	0.00	0.00
Net Income	39,294.48	38,958.83	310,095.99	251,868.77	58,227.22	377,803.15

Economic Development Authority-Operations
Balance Sheet Prev Year Comparison
As of February 29, 2024

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	<u>Feb 29, 24</u>	<u>Feb 28, 23</u>
ASSETS		
Current Assets		
Checking/Savings		
10200 · FCB #7709 Savings	1,149,165.85	1,244,745.80
10300 · Towne Bank Savings	50,799.35	50,773.90
10450 · Well Fargo #7155 Checking	613,421.29	195,932.00
10500 · Restricted Checking/Savings		
10501.1 · FCB 8605 Facade/Vent	63,518.50	88,982.04
10502 · C&F Bank #3929 Tobacco Rowe	140,390.51	117,797.04
10505 · Wells Fargo #0731 Grants	565,960.44	559,675.19
10509 · EDA-Hull Street Facade Program	250,084.23	0.00
10510 · EDA Triple A Grant Program	199,693.47	0.00
10511 · Enterprise Zone Program	228,253.39	0.00
Total 10500 · Restricted Checking/Savings	<u>1,447,900.54</u>	<u>766,454.27</u>
Total Checking/Savings	3,261,287.03	2,257,905.97
Accounts Receivable		
11000 · Accounts Receivable	6,300.00	675,942.00
112000 · Due from City of Richmond	119,692.23	119,692.23
14000 · Prepaid Expenses	1,855.52	49,918.67
Total Current Assets	<u>127,847.75</u>	<u>845,552.90</u>
Fixed Assets		
15000 · Furniture and Equipment	3,168.47	3,168.47
17000 · Accumulated Depreciation	-1,056.00	-422.40
Total Fixed Assets	<u>2,112.47</u>	<u>2,746.07</u>
Other Assets		
17500 · Website	97,351.00	0.00
18000 · Investment City Center	13,173,606.89	0.00
18100 · Investment Diamond District	245,578.42	0.00
19100 · Net Invest.-Cap Lease Rec-Curre		
19100.1 · Current-Capital Lease Rec	22,000.00	22,000.00
19100.2 · Current Portion Unearned Int	-12,841.08	-13,134.00
Total 19100 · Net Invest.-Cap Lease Rec-Curre	<u>9,158.92</u>	<u>8,866.00</u>
19500 · Net Investment on Capital Lease		
19500.1 · Capital Lease Receivable	550,000.00	594,000.00
19500.2 · Unearned Int on Capital Lease	-191,899.92	-226,741.00
Total 19500 · Net Investment on Capital Lease	<u>358,100.08</u>	<u>367,259.00</u>
Total Other Assets	<u>13,883,795.31</u>	<u>376,125.00</u>
TOTAL ASSETS	<u><u>17,275,042.56</u></u>	<u><u>3,482,329.94</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
27000 · Accounts Payable	11,308.40	4,910.00
Total Accounts Payable	<u>11,308.40</u>	<u>4,910.00</u>

Economic Development Authority-Operations
Balance Sheet Prev Year Comparison
As of February 29, 2024

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	<u>Feb 29, 24</u>	<u>Feb 28, 23</u>
Other Current Liabilities		
20000 · Other Accounts Payable	5,134.72	1,638.60
Total Other Current Liabilities	<u>5,134.72</u>	<u>1,638.60</u>
Total Current Liabilities	<u>16,443.12</u>	<u>6,548.60</u>
Total Liabilities	<u>16,443.12</u>	<u>6,548.60</u>
Equity		
39002 · Intercompany Transfer	500,000.00	-372,626.00
39005 · Retained Earnings	16,229,102.30	4,189,882.35
Net Income	529,497.14	-341,475.01
Total Equity	<u>17,258,599.44</u>	<u>3,475,781.34</u>
TOTAL LIABILITIES & EQUITY	<u>17,275,042.56</u>	<u>3,482,329.94</u>

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**Economic Development Authority-Operations
Profit & Loss Budget Performance
February 2024**

	Feb 24	Feb 23	\$ Over PY	YTD 24	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense							
Income							
40800 · Restricted Interest Income	61.66	50.89	251.96	519.66	20,000.00	-19,480.34	30,000.00
41200 · Grants	0.00	250,000.00	-250,000.00	1,551,514.59	825,574.67	725,939.92	1,238,362.00
41220 · Grants (non-city)	0.00	0.00	0.00	700,000.00	466,666.67	233,333.33	700,000.00
41225 · Grants-Façade Program	0.00	0.00	0.00	0.00	133,333.33	-133,333.33	200,000.00
41400 · Contributed Asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00
41700 · Administrative Fee	0.00	0.00	0.00	76,000.00	30,000.00	46,000.00	45,000.00
42000 · Administrative Loan Fee Income	3,000.00	3,000.00	0.00	24,000.00	24,000.00	0.00	36,000.00
42300 · Annual Bond Administrative Fee	0.00	0.00	0.00	20,000.00	13,333.33	6,666.67	20,000.00
42400 · Grant Management Fee	1,000.00	0.00	1,000.00	2,500.00	0.00	2,500.00	0.00
42800 · Interest Income	815.96	671.06	144.90	8,565.30	20,000.00	-11,434.70	30,000.00
43000 · Parking Lot Rental Income	0.00	0.00	0.00	22,000.00	22,000.00	0.00	22,000.00
43100 · Interest on Capital Lease	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Income	4,877.62	253,721.95	-248,844.33	2,383,099.55	1,554,908.00	828,191.55	2,321,362.00
Expense							
60100 · Grants-Econ Dev Incentives	0.00	0.00	0.00	1,051,514.60	825,574.67	225,939.93	1,238,362.00
60199 · Grant Repayment to Grantors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
60115-Grants Triple A	0.00	0.00	0.00	475,295.00	466,666.67	8,628.33	700,000.00
60200-Grants-Façade	0.00	0.00	0.00	25,590.81	133,333.33	-107,742.52	200,000.00
60400 · Bank Service Charges	35.00	35.02	-0.02	1,660.43	3,333.33	-1,672.90	5,000.00
60500 · Grants-Enterprise Zone	25,498.91	0.00	25,498.91	139,738.54	0.00	139,738.54	0.00
60600 · Grants-Infrastructure	0.00	0.00	0.00	30,000.00	0.00	30,000.00	0.00
61700 · Computer & Internet Expenses	0.00	0.00	0.00	549.00	1,333.33	-784.33	2,000.00
61900 · Contingency fund	0.00	0.00	0.00	0.00	3,333.33	-3,333.33	5,000.00
6240- · Depreciation	52.80	52.80	0.00	422.40	666.67	-244.27	1,000.00
6250 · Due & Memberships	3,895.00	0.00	3,895.00	6,325.00	3,333.33	2,991.67	5,000.00
62550 · Accounting Services	3,000.00	3,000.00	0.00	24,000.00	26,666.67	-2,666.67	40,000.00
62552 · Audit Services	0.00	0.00	0.00	34,908.00	28,000.00	6,908.00	42,000.00
63300 · Insurance Expense							
63300.1 · Board Insurance	206.16	206.16	0.00	1,674.28	1,666.67	7.61	2,500.00
63300.2 · Insurance-Laurel /Stoney Point	429.33	429.33	0.00	3,434.64	3,333.33	101.31	5,000.00
Total 63300 · Insurance Expense	635.49	635.49	0.00	5,108.92	5,000.00	108.92	7,500.00
64100 · Legal Expense	0.00	0.00	0.00	8,333.33	8,333.33	0.00	12,500.00
64200 · Marketing							
64200.1 · Web Hosting	1,299.00	20.00	1,279.00	10,392.00	13,333.33	-2,941.33	20,000.00
64200 · Marketing - Other	3,693.00	0.00	3,693.00	32,893.16	6,666.67	26,226.49	10,000.00
Total 64200 · Marketing	4,992.00	20.00	4,972.00	43,285.16	20,000.00	23,285.16	30,000.00
64300 · Meals and Entertainment	0.00	4,910.00	-4,910.00	9,962.17	6,666.67	3,295.50	10,000.00
64400 · Miscellaneous Expense	0.00	0.00	0.00	0.00	1,000.00	-1,000.00	1,500.00
64900 · Office Supplies	0.00	0.00	0.00	165.53	333.33	-167.80	500.00
66700 · Professional Fees	0.00	0.00	0.00	0.00	8,333.33	-8,333.33	12,500.00
67200 · Repairs and Maintenance	0.00	0.00	0.00	535.00	0.00	535.00	0.00
67800.7 · Workmans Comp Insurance	58.66	80.40	-21.74	469.28	666.67	-197.39	1,000.00
68400 · Meetings expense	0.00	4,924.48	-4,924.48	2,828.61	0.00	2,828.61	5,000.00
68500 · Travel	203.20	0.00	203.20	203.20	1,333.33	-1,130.13	2,000.00
68600 · Utilities	0.00	0.00	0.00	688.76	0.00	688.76	0.00
68600.1 · Internet Service	44.00	44.00	0.00	352.00	333.33	18.67	500.00
Total Expense	38,415.06	13,702.19	24,712.87	1,853,602.41	1,544,241.33	309,361.08	2,321,362.00
Net Ordinary Income	-33,537.44	240,019.76	-273,557.20	529,497.14	10,666.67	518,830.47	0.00
Net Income	-33,537.44	240,019.76	-273,557.20	529,497.14	10,666.67	518,830.47	0.00

Balance Sheet Prev Year Comparison

As of February 29, 2024



	Feb 29, 24	Feb 28, 23
ASSETS		
Current Assets		
Checking/Savings		
Truist #5122		
10200 · Operating Funds	238,189.58	35,916.77
10200.1 · Reserve Funds	135,040.52	146,573.94
10200.2 · Westhampton Funds	33,834.55	28,834.55
	<u>407,064.65</u>	<u>211,325.26</u>
11000 · Accounts Receivable	40,133.61	0.00
11400 · ASM Escrow	0.00	252,236.29
11200 · Interest Receivable	77.21	460.27
14000 · Prepaid Expenses	14,650.00	0.00
	<u>461,925.47</u>	<u>464,021.82</u>
Total Current Assets	461,925.47	464,021.82
Fixed Assets		
15000 · Furniture and Fixtures	49,999.59	39,706.59
15100 · Equipment	95,357.04	95,357.04
15300 · Other Depreciable Property	94,788.00	94,788.00
15350 · Improvement- Training Fields	74,434.50	62,187.00
15500 · Building Improvements	10,779,715.64	10,779,715.64
15501 · Construction in Progress	20,240.00	20,240.00
15550 · Building Improvements-2nd Floor	1,330,696.31	1,330,696.31
15600 · Building-Westhampton	3,135,228.00	3,135,228.00
16900 · Land-Westhampton	848,578.00	848,578.00
16990 · Leased capital assets		
16990.1 · Leased capital asset--Museum	1,505,819.00	1,505,819.00
16990.2 · Accumulated amortization	-77,971.00	-48,731.80
	<u>1,427,848.00</u>	<u>1,457,087.20</u>
Total 16990 · Leased capital assets	1,427,848.00	1,457,087.20
17000 · Accumulated Depreciation	-139,932.74	-134,053.99
17300 · Accum Depr-Other	-71,964.44	-77,803.64
17500 · Accum Depr- Building	-3,135,228.00	-3,135,228.00
17600 · Accum Depr-Building Improvement	-3,114,708.53	-2,811,998.42
	<u>11,395,051.37</u>	<u>11,704,499.73</u>
Total Fixed Assets	11,395,051.37	11,704,499.73
Other Assets		
19000 · Net Invest Lease Rec-Current		
19000.1 · Current Lease Rec-Training Cent	0.00	112,997.44
	<u>0.00</u>	<u>112,997.44</u>
Total 19000 · Net Invest Lease Rec-Current	0.00	112,997.44
19500 · Net Invest Leas Rec-Long Term		
19500.1 · Lease Asset-Long Term Lease Rec	0.00	56,959.00
	<u>0.00</u>	<u>56,959.00</u>
Total 19500 · Net Invest Leas Rec-Long Term	0.00	56,959.00
Total Other Assets	0.00	169,956.44
TOTAL ASSETS	<u><u>11,856,976.84</u></u>	<u><u>12,338,477.99</u></u>
LIABILITIES & EQUITY		
Liabilities		
20000 · Accounts Payable	4,301.74	142.00

ECONOMIC DEVELOPMENT AUTHORITY-LEIGH ST OPERATING ACCT
Balance Sheet Prev Year Comparison
As of February 29, 2024

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	<u>Feb 29, 24</u>	<u>Feb 28, 23</u>
23100 · Interest Payable	37,765.01	29,441.65
24800 · Deferred Revenue	1,250.33	1,666.96
25000 · Maintenance Reserve-Westhampton	135,040.52	146,729.37
Total Current Liabilities	<u>178,357.60</u>	<u>177,979.98</u>
Long Term Liabilities		
27100 · Recoverable Grant-City of Rich	6,000,000.00	6,500,000.00
27500.1 · LT Lease Liability-Museum	1,469,283.00	1,469,283.00
Total Long Term Liabilities	<u>7,469,283.00</u>	<u>7,969,283.00</u>
Total Liabilities	<u>7,647,640.60</u>	<u>8,147,262.98</u>
Equity		
Intercompany Transfer	0.00	380,065.00
30001 · Deferred Inflow of Resources-Le	-54,295.24	-217,179.84
39005 · Net Position	4,207,203.09	4,155,251.28
Net Income	56,428.39	-126,921.43
Total Equity	<u>4,209,336.24</u>	<u>4,191,215.01</u>
TOTAL LIABILITIES & EQUITY	<u>11,856,976.84</u>	<u>12,338,477.99</u>

**ECONOMIC DEVELOPMENT AUTHORITY-LEIGH ST OPERATING ACCT
Profit & Loss Budget Performance
February 2024**

DRAFT

	Feb 24	Feb 23	YTD 24	YTD Budget	\$ Over Budget	Annual Budget
Ordinary Income/Expense						
Income						
4000 - Event Income	0.00	7,508.00	141,919.00	31,916.67	110,002.33	47,875.00
4150 - Advertising & Other Income	0.00	135.00	13,133.00	2,100.00	11,033.00	3,150.00
41600.1 - Building Rent-1st Floor	25,484.41	24,496.59	201,131.63	203,872.00	-2,740.37	305,808.00
41600.2 - Building Rent-2nd Floor	13,448.00	13,448.00	107,584.00	107,584.00	0.00	161,376.00
41600.3 - 1st Floor Ground Rent	1,767.00	1,767.00	14,136.00	14,136.00	0.00	21,204.00
41600.4 - 2nd Floor Ground Rent	563.00	563.00	4,504.00	4,504.00	0.00	6,756.00
41600.5 - 1st Floor CAM	16,625.00	16,625.00	133,000.00	133,333.33	-333.33	200,000.00
41600.6 - 2nd Floor CAM	7,695.00	7,695.00	61,560.00	66,666.67	-5,106.67	100,000.00
41650 - Rental Income-Westhampton	416.63	416.63	3,749.67	3,333.33	416.34	5,000.00
41660 - Westhampton Maintenance Res	282.66	0.00	32,972.04	8,000.00	24,972.04	12,000.00
Total Income	66,281.70	72,654.22	713,689.34	575,446.00	138,243.34	863,169.00
Expense						
60100 - Amortization Expense	2,436.60	2,436.60	19,492.80	19,492.80	0.00	29,239.20
60500 - Staffing	0.00	16,865.00	90,635.00	106,520.00	-15,885.00	159,780.00
60510 - Payroll Expenses	0.00	1,823.00	5,853.00	4,666.67	1,186.33	7,000.00
61000 - General and Administrative	0.00	4,319.00	17,388.03	28,072.67	-10,684.64	42,109.00
61500 - Security Service	180.00	657.00	6,306.00	6,666.67	-360.67	10,000.00
63400 - Interest Exp-lease	4,099.31	4,011.56	32,728.16	33,333.33	-605.17	50,000.00
63500 - Bank Service Charges	48.00	21.40	802.66	333.33	469.33	500.00
63700 - Landscaping and Groundskeeping	250.00	0.00	8,950.00	8,000.00	950.00	12,000.00
66500 - Telephone Expense	164.32	605.00	4,056.64	5,333.33	-1,276.69	8,000.00
66670 - Insurance Expense	1,129.00	2,380.00	12,167.00	16,666.67	-4,499.67	25,000.00
66700 - Professional Fees	1,530.00	0.00	7,335.00	3,333.33	4,001.67	5,000.00
67100 - Ground Rent Expense	0.00	0.00	0.00	27,040.00	-27,040.00	40,560.00
67700 - Real estate taxes	0.00	0.00	4,930.72	6,666.67	-1,735.95	10,000.00
68400 - Grounds Maintenance	0.00	9,709.00	58,254.00	66,666.67	-8,412.67	100,000.00
68500 - Maintenance Expense	1,117.15	3,087.00	28,882.84	40,000.00	-11,117.16	60,000.00
68510 - Janitorial Service Supplies	0.00	1,463.00	14,251.24	11,333.33	2,917.91	17,000.00
69000 - Base Management Expense	0.00	1,126.00	7,522.00	6,200.00	1,322.00	9,300.00
69001 - Incentive Management Fee	0.00	531.00	4,486.00	4,000.00	486.00	6,000.00
69500 - Operations	964.69	2,274.00	24,861.58	13,333.33	11,528.25	20,000.00
78000 - Utilities	25,596.81	10,545.43	93,962.86	73,333.33	20,629.53	110,000.00
Total Expense	37,515.88	61,853.99	442,865.53	480,992.13	-38,126.60	721,488.20
Net Ordinary Income	28,765.82	10,800.23	270,823.81	94,453.87	176,369.94	141,680.80
Other Income/Expense						
Other Income						
42800 - Interest Income-Cking	3.25	1.62	16.11	20.00	-3.89	30.00
Other Expense	3.25	1.62	16.11	20.00	-3.89	30.00
Total Other Income	3.25	1.62	16.11	20.00	-3.89	30.00
Total Other Expense	27,378.97	26,433.38	214,411.53	209,254.66	5,156.87	313,881.99
Total Other Expense	27,378.97	26,433.38	214,411.53	209,254.66	5,156.87	313,881.99
Net Other Income	-27,375.72	-26,431.76	-214,395.42	-209,234.66	-5,160.76	-313,851.99
Net Income	1,390.10	-15,631.53	56,428.39	-114,780.79	171,209.18	-172,171.19

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**ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF RICHMOND, VIRGINIA**
(A Component Unit of the City of Richmond, Virginia)
Statement of Revenues, Expenses and Changes in Net Position
For the Eight Months Ending February 29, 2024

	CARE	EZIL	CAP	CRLF	EDHLF	OPERATIONS	TOTAL
Operating Revenues							
Program Income-Interest	1,044.63		7,505.79	34,182.72	238,928.64		281,661.78
Loan origination fee					-		-
Application fees							-
Loan Document Fees							-
Capital Contributions	300,000.00						300,000.00
Late fees, etc.							-
Total Revenues	301,044.63	-	7,505.79	34,182.72	238,928.64	-	581,661.78
Expenses							
Bank Charges/Late Fees	125.51			93.58		11.87	230.96
Loan Fund Grants	165,603.66						165,603.66
Loan Fund Expenses	24,000.00						24,000.00
ECD/FSG Administration	52,000.00					89.26	52,089.26
Marketing							-
Training/Seminars/Conference							-
Loan loss reserve							-
EDA Administration	8,400.00		6,000.00				24,000.00
Total Expenses	250,129.17	-	6,000.00	9,693.58		101.13	265,923.88
Net Increase (Decrease) From Operations	50,915.46	-	1,505.79	24,489.14	238,928.64	(101.13)	315,737.90
Other Income & Expenses							
Bank Interest Earned	6,334.33	407.99	97.01	1,864.84	6,558.63	7.04	15,269.84
Recoveries							-
Total Other Income & Expenses	6,334.33	407.99	97.01	1,864.84	6,558.63	7.04	15,269.84
Net Increase (Decrease) in Funds	57,249.79	407.99	1,602.80	26,353.98	245,487.27	(94.09)	331,007.74
Net Position, Beg of Year	889,465.49	244,111.71	861,461.63	1,461,406.45	12,465,003.49	3,298.58	15,924,747.35
Net Position, End of Period	946,715.28	244,519.70	863,064.43	1,487,760.43	12,710,490.76	3,204.49	16,255,755.09

ECONOMIC DEVELOPMENT AUTHORITY
OF THE CITY OF RICHMOND
 (A Component Unit of the City of Richmond, Virginia)
 Statement of Net Position
 Enterprise Funds
 February 29, 2024

DRAFT

ASSETS	CARE	EZIL	CAP	CRLF	EDHLF	OPERATIONS	TOTAL
Peoples Bank	818,954.91		752,334.42	402,002.82		33,948.42	1,188,285.66
Wells Fargo Checking	105,524.08						818,954.91
Wells Fargo Money Market				181,852.61			105,524.08
Community Capital Bank		244,519.70					181,852.61
Atlantic Union Bank					463,383.79		244,519.70
Community Capital Bank GLFIA					2,026,344.39		463,383.79
Peoples Bank LRA					1,028,299.34		2,026,344.39
Peoples Bank GLFIA					357,389.46		1,028,299.34
Peoples Bank GLFIA-2							357,389.46
Total Cash	924,478.99	244,519.70	752,334.42	583,855.43	3,875,416.98	33,948.42	6,414,553.94
Prepaid/Accounts Receivable	400.00			6,199.00			6,599.00
Total Current Assets	924,878.99	244,519.70	752,334.42	590,054.43	3,875,416.98	33,948.42	6,421,152.94
Long Term Assets							
Note/Grant Receivable	24,306.73		142,039.34	1,003,000.31	7,414,313.28		8,583,659.66
Unused LOC							-
Accrued Interest Receivable	9,685.24		56,767.06	126,867.69	1,580,658.86		1,773,978.85
Loan Loss Reserve	(12,155.68)		(87,326.39)	(230,962.00)	(159,898.36)		(490,342.43)
Total Long Term Assets	21,836.29		111,480.01	898,906.00	8,835,073.78	-	9,867,296.08
Total Assets	946,715.28	244,519.70	863,814.43	1,488,960.43	12,710,490.76	33,948.42	16,288,449.02
Accounts Payable			750.00	1,200.00		1,450.00	3,400.00
Due to City of Richmond						29,293.93	29,293.93
Net Position	946,715.28	244,519.70	863,064.43	1,487,760.43	12,710,490.76	3,204.49	16,255,755.09
Total Liabilities & Net Position	946,715.28	244,519.70	863,814.43	1,488,960.43	12,710,490.76	33,948.42	16,288,449.02

**Policy Regarding Participation In Meetings By
Electronic Communication Means**

POLICY REGARDING PARTICIPATION IN MEETINGS BY ELECTRONIC
COMMUNICATION MEANS

Draft: March 28, 2024

1. **Purpose.** The purpose of this policy is to comply with the requirements of section 2.2-3708.3 of the Code of Virginia to allow for and govern participation by one or more Directors in meetings of the Board by electronic communication means and to allow for all-virtual public meetings, and all proceedings pursuant to this policy shall be performed in accordance with section 2.2-3708.3 of the Code of Virginia, as that statute may from time to time be amended.

2. **Application and Limitations.**

A. This policy shall be applied strictly and uniformly, without exception, to all Directors and without regard to the identity of the Director requesting remote participation or the matters that will be voted on at the meeting.

B. Participation by a Director in a meeting by electronic communication means due to a personal matter shall be limited each calendar year to two meetings or 25 percent of the meetings held per calendar year rounded up to the next whole number, whichever is greater, of the Board or the particular committee of the Board, as applicable.

C. All-virtual public meetings shall not be convened (i) more than two times per calendar year or 25 percent of the meetings held per calendar year rounded up to the next whole number, whichever is greater, or (ii) consecutively with another all-virtual public meeting.

D. This policy shall also apply to any committee of the Board. For purposes of a committee meeting, the term “Board” when used in this policy means the committee holding the meeting in which a Director desires to participate by electronic communication means. For purposes of any committee, the term “Chairperson of the Board” means the Chairperson of the committee.

E. When used in this policy, “electronic communication” has the meaning ascribed to it by section 2.2-3701 of the Code of Virginia.

3. **Participation by Director by Electronic Communication Means.**

3.1 **Approval Process.**

A. No Director may participate in a meeting by electronic communication means unless the Director requests, and the Board approves, the participation in accordance with this section 3.

B. A Director may request to participate in a meeting by electronic communication means if the Director notifies the Chairperson of the Board on or before the day of the meeting that the Director is unable to attend due to (i) a personal matter, provided that the Director identifies with specificity the nature of the personal matter, (ii) a temporary or permanent disability or other medical condition that prevents the Director's physical attendance, (iii) a family member's medical condition that requires the Director to provide care for such family member, thereby preventing the Director's physical attendance; or (iv) the member's principal residence is more than 60 miles from the meeting location identified in the required notice for such meeting. The Director must also notify the Chairperson of the Board of the remote location from which the Director would participate by electronic communication means.

C. The Board may consider a request for participation by electronic communication means only if a quorum of the Board is physically assembled at the primary or central meeting location.

D. At the meeting, the Chairperson of the Board shall announce the information received pursuant to section 3.1(B) above. If the Director's request is in all other respects compliant with this policy, the Chairperson of the Board shall solicit a motion to approve or disapprove the Director's request from the Directors physically assembled at the primary or central meeting location. Upon adoption of a motion to approve the Director's participation by electronic communication means, the Director shall be allowed to participate in the meeting by electronic communication means.

3.2. Meeting Minutes.

A. If the Director's participation by electronic communication means is approved, the following shall be recorded in the meeting minutes: (i) the motion; (ii) the vote thereon; (iii) a statement (a) of the specific nature of the personal matter, (b) that a temporary or permanent disability or other medical condition prevents the Director's physical attendance, (c) that a family member's medical condition requires the Director to provide care to such family member, thereby preventing the Director's physical attendance, or (d) that the member participated through electronic communication means due to the distance between the member's principal residence and the meeting location; and (iv) the remote location from which the Director participated in the meeting.

B. If the Director's participation by electronic communication means is disapproved, whether by adoption of a motion to disapprove or by rejection of a motion to approve, the following shall be recorded in the meeting minutes: (i) the motion; (ii) the vote thereon; (iii) a statement (a) of the specific nature of the personal matter identified by the Director, (b) that the Director stated that a temporary or permanent disability or other medical condition prevented the Director's physical attendance, (c) that a family member's medical condition required the Director to provide care for such family member, thereby preventing the Director's physical attendance, or (d) that the Director sought to participate through electronic communication means due to the distance

between the member's principal residence and the meeting location; (iv) the remote location from which the Director sought to participate in the meeting; and (v) the specific aspect of this policy that would be violated by the Director's proposed participation by electronic communication means, as summarized by the Chairperson of the Board.

4. All-Virtual Public Meetings.

4.1 **Request.** A request to hold an all-virtual meeting may be made to the Chairperson of the Board, by staff, or by a Director. The Chairperson and the Executive Director of the Authority shall approve or disapprove such request and, if such request is approved, the all-virtual meeting must be held in compliance with all other provisions of Chapter 37 of Title 2.2 of the Code of Virginia and must comply with all requirements set forth in section 4.2 below.

4.2 Requirements for All-Virtual Public Meetings.

A. An indication of whether the meeting will be an in-person or all-virtual public meeting shall be included in the required meeting notice along with a statement notifying the public that the method by which the Board chooses to meet shall not be changed unless the Board provides a new meeting notice.

B. Public access to the all-virtual public meeting shall be provided via electronic communication means.

C. The electronic communication means used shall allow the public to hear all members of the Board participating in the all-virtual public meeting and, when audio-visual technology is available, to see the members of the Board as well.

D. A phone number or other live contact information shall be provided to alert the Board if the audio or video transmission of the meeting provided by the Board fails, the Board shall monitor such designated means of communication during the meeting, and the Board shall take a recess until public access is restored if the transmission fails for the public.

E. A copy of the proposed agenda and all agenda packets and, unless exempt, all materials furnished to Board members for the meeting shall be made available to the public in electronic format at the same time that such materials are provided to Board members.

F. The public shall be afforded the opportunity to comment through electronic means, including by way of written comments, at those public meetings when public comment is customarily received.

G. No more than two members of the Board shall be together in any one remote location unless that remote location is open to the public to physically access it.

H. If a closed session is held during an all-virtual public meeting, transmission of the meeting to the public shall resume before the Board votes to certify the closed meeting.

I. Minutes of all-virtual public meetings held by electronic communication means shall be and shall include the fact that the meeting was held by electronic communication means and the type of electronic communication means by which the meeting was held. If a member's participation from a remote location is disapproved because such participation would violate this policy as it applies to all-virtual public meetings, such disapproval shall be recorded in the minutes with specificity.

**Operating Account Adjustments Due from
the City of Richmond**

State and Local Performance Grants for PPD

INTRODUCED: February 26, 2024

AN ORDINANCE No. 2024-064

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Commonwealth's Development Opportunity Fund Performance Agreement between the City of Richmond, PPD Development, LP, the Virginia Economic Development Partnership Authority, and the Economic Development Authority of the City of Richmond for the purpose of providing PPD Development, LP with incentives to establish a bioanalytics laboratory facility at 737 North 5th Street in the city of Richmond.

Patron – Mayor Stoney

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 Commonwealth's Development Opportunity Fund Performance Agreement between the City of Richmond, PPD Development, LP, the Virginia Economic Development Partnership Authority, and the Economic Development Authority of the City of Richmond for the purpose of providing PPD Development, LP with incentives to establish a bioanalytics laboratory facility at 737 North 5th Street in the city of Richmond. The

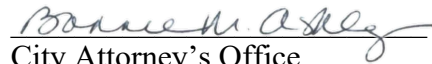
AYES: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ REJECTED: _____ STRICKEN: _____

Commonwealth's Development Opportunity 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.

APPROVED AS TO FORM:


City Attorney's Office

COMMONWEALTH'S DEVELOPMENT OPPORTUNITY FUND

PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** (the "Agreement") made and entered as of the ____ day of _____, 2024, by and among the **CITY OF RICHMOND, VIRGINIA** (the "Locality"), a municipal corporation of the Commonwealth of Virginia (the "Commonwealth"), **PPD DEVELOPMENT, LP**, a Delaware limited partnership authorized to transact business in the Commonwealth (the "Company"), the **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY** ("VEDP"), a political subdivision of 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 up to \$151,952 (the "COF Grant") from the Commonwealth's Development Opportunity Fund (the "Fund") through VEDP for the purpose of inducing the Company to establish, equip, improve, and operate a bioanalytics laboratory facility in the Locality (the "Facility"), 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 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 meets certain criteria relating to Capital Investment and New Jobs;

WHEREAS, the Locality, the Authority, the Company, and VEDP desire to set forth their understanding and agreement as to the payout of the COF Grant, the use of the COF Grant proceeds, and the obligations of the Company regarding Capital Investment and New Jobs;

WHEREAS, the establishment, equipping, improvement, and operation of the Facility is anticipated to entail a capital expenditure by or on behalf of the Company of approximately \$4,700,000, of which approximately \$3,200,000 will be invested in machinery and tools, approximately \$500,000 will be invested in furniture, fixtures and business personal property, and approximately \$1,000,000 will be invested in the renovation and up-fit of the buildings for the Facility;

WHEREAS, the establishment, equipping, improvement, and operation of the Facility is further anticipated to entail the creation and Maintenance of 506 New Jobs at the Central Virginia Facilities, including at least 48 new jobs at the Facility , as hereinafter defined; and

WHEREAS, the stimulation of the additional tax revenue and economic activity to be generated by the Capital Investment and New Jobs constitutes a valid public purpose for the expenditure of public funds and is the animating purpose for the COF 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:

“Baseline Jobs” means the 1,329 full-time jobs at the Central Virginia Facilities as of April 1, 2021.

“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. 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 up-fit by or on behalf of the Company or the lessor of the Facility will qualify as Capital Investment. The Capital Investment must be in addition to the capital improvements at the Facility as of April 1, 2021.

“Capital Investment Target” means that the Company has made or caused to be made and retained Capital Investments of at least \$4,700,000.

“Central Virginia Facilities” means the facilities owned or operated by the Company in the Locality or in the County, including the Company’s existing facilities in the County, the Facility, and a new bioanalytics laboratory to be established by the Company in the County.

“County” means the County of Henrico, Virginia.

“County Performance Agreement” means the Performance Agreement dated as of February 1, 2022, among the County, the Company, VEDP, and the Economic Development Authority of Henrico County, Virginia.

“Fund” means the Commonwealth’s Development Opportunity Fund.

“Maintain” means that the New Jobs will continue without interruption from the date of creation through the date that the achievement of the New Jobs Target is being tested, including the Performance Date. 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 Central Virginia Facilities 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 Central

Virginia Facilities determined by dividing total payroll (of a type included in W-2 compensation) provided to full-time positions at the Central Virginia Facilities by the number of full-time positions at the Central Virginia Facilities. 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 (except transfers between Central Virginia Facilities), and positions with construction contractors, vendors, suppliers and similar multiplier or spin-off jobs shall not qualify as New Jobs. The New Jobs must be in addition to the Baseline Jobs.

"New Jobs Target" means the Company's obligation under Section 2(a) of this Agreement to create and Maintain at least 506 New Jobs as of the Performance Date over the Baseline Jobs. As subsets of the New Jobs Target, the Company has an obligation under Section 2(a) to create and Maintain at least 48 New Jobs at the Central Virginia Facilities located in the Locality (the "Richmond Minimum New Jobs"); to create and Maintain at least 400 New Jobs at the Central Virginia Facilities located in the County (the "Henrico Minimum New Jobs"); and to create and Maintain at least 58 New Jobs at the Central Virginia Facilities, which are in addition to the Richmond Minimum New Jobs and the Henrico Minimum New Jobs (the "Other New Jobs"). The obligation to create and Maintain at least 48 Richmond Minimum New Jobs is the "Richmond Minimum New Jobs Target"; the obligation to create and Maintain at least 400 Henrico Minimum New Jobs is the "Henrico Minimum New Jobs Target"; and the obligation to create and Maintain at least 58 Other New Jobs in addition to 48 Richmond Minimum New Jobs and 400 Henrico Minimum New Jobs is the "Other New Jobs Target." The New Jobs Target is the same as the New Jobs Target set forth in the County Performance Agreement and does not represent a duplicate obligation of the Company.

"Performance Date" means December 31, 2024. If the Locality, in consultation with VEDP, 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 Locality 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 Company and the Board of Directors of VEDP (the "Board"). If the Performance Date is extended, the Locality shall send written notice of the extension to the Authority, the Company and VEDP and the date to which the Performance Date has been extended shall be the "Performance Date" for the purposes of this Agreement.

"Performance Report" means a report to be filed by the Company in accordance with Section 5. The "Final Performance Report" is to be filed within 90 days after the Performance Date.

"Targets" means the Capital Investment Target and the New Jobs Target, including the Richmond Minimum New Jobs Target, the Henrico Minimum New Jobs Target, and the Other New Jobs Target, all to be achieved as of the Performance Date.

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

Section 2. Targets; Statutory Criteria.

(a) *Targets:* The Company will establish, equip, improve, and operate the Facility, and achieve the Targets.

(b) *Encouragement to Offer New Jobs to Residents of the Commonwealth:* The Locality, the Authority, and VEDP hereby strongly encourage the Company to ensure that at least 30% of the New Jobs are offered to “Residents” of the Commonwealth, as defined in Virginia Code Section 58.1-302. In pertinent part, that definition includes natural persons domiciled in Virginia or natural persons who, for an aggregate of more than 183 days of the year, maintained a place of abode within the Commonwealth, whether domiciled in the Commonwealth or not.

(c) *Prevailing Wage; Unemployment and Poverty Rates:* The average annual wage of the New Jobs of at least \$62,395 was less than the prevailing average annual wage in the Locality of \$70,263 at the time of the grant award, but was more than 85% of that wage (\$59,724). The Locality is a high-unemployment locality, with an unemployment rate for 2020, which was the unemployment rate at the time of the grant award, of 8.8% as compared to the 2020 statewide unemployment rate of 6.2%. The Locality is a high-poverty locality, with a poverty rate for 2020, which was the poverty rate at the time of the grant award, of 17.9% as compared to the 2020 statewide poverty rate of 9.2%.

(d) *Disclosure of Political Contributions:* The Company acknowledges that the name of the Company will be shared by VEDP with the Governor of Virginia, and any campaign committee or political action committee associated with the Governor. The Company acknowledges that within 18 months of the date of this Agreement, the Governor, his campaign committee, and his political action committee will submit to the Virginia Conflict of Interest and Ethics Advisory Council a report listing any contribution, gift, or other item with a value greater than \$100 provided by the Company to the Governor, his campaign committee, or his political action committee, respectively, during the period from the date of the Company’s application for the COF Grant through the one-year period immediately after the date of this Agreement.

(e) *Support for Virginia’s and Locality’s Economic Development Efforts:* Recognizing that it is in the best interest of all parties for the Commonwealth and the Locality to achieve sustained economic growth, the parties will periodically engage with one another to advise on economic development strategies and initiatives for the Commonwealth and the Locality, such as promoting the attributes of the Commonwealth and the Locality as places to do business, or highlighting important industry trends and/or business development opportunities that the Commonwealth or the Locality may wish to pursue. Such engagement would include the Company’s participation in occasional business retention and expansion visits from VEDP personnel, as deemed appropriate based on the project parameters and nature of the incentives provided to the Company.

Section 3. Disbursement of COF Grant.

(a) *General Provisions:* The disbursement of the COF Grant proceeds to the Company will serve as an inducement to the Company to achieve the Targets.

The COF Grant is to be allocated as:

- 10% (\$15,195) for the Capital Investment Target,
- 80% (\$121,562) for the Richmond Minimum New Jobs Target, and
- 10% (\$15,195) for the Other New Jobs Target.

The statutory minimum requirements for a COF Grant in the Locality require that the Company (1) make or cause to be made and retained a Capital Investment of at least \$1,500,000 and (2) create and Maintain at least 15 New Jobs at the Central Virginia Facilities located in the Locality (the “Statutory Minimum Requirements”).

The COF Grant proceeds shall be retained in the Fund until needed for disbursement or the COF Grant is withdrawn in accordance with the terms of this Agreement.

(b) *Disbursement of the COF Grant:* Within 90 days after the Performance Date, the Company will deliver the Final Performance Report. Through this report, the Company will provide notice and evidence satisfactory to the Locality, the Authority and VEDP of the amount of Capital Investments made or caused to be made and retained, and the number of Richmond Minimum New Jobs and Other New Jobs created and Maintained by the Company as of the Performance Date. The Final Performance Report will be subject to verification by the Locality and VEDP.

Upon such verification, the amount of the COF Grant proceeds to be disbursed to the Company, if any, shall be determined as follows:

(i) *If Statutory Minimum Requirements Not Met:* If, as of the Performance Date, the Company has not achieved both of the Statutory Minimum Requirements, the Company will not receive any of the proceeds of the COF Grant.

(ii) *If Targets Met:* If, as of the Performance Date, the Company has achieved the Capital Investment Target, the Richmond Minimum New Jobs Target and the Other New Jobs Target, the Company will receive all \$151,952 of the proceeds of the COF Grant.

(iii) *If Statutory Minimum Requirements Met, but Targets Not Met:* If, as of the Performance Date, the Company has achieved both of the Statutory Minimum Requirements, but has not achieved the full Capital Investment Target, the full Richmond Minimum New Jobs Target, and the full Other New Jobs Target, the Company will qualify for a reduced disbursement of the COF Grant, reflecting a proportional amount of the Target or Targets for which there is a shortfall. For example, if as of the Performance Date, only \$4,230,000 of the Capital Investment has been retained (reflecting achievement of 90% of the Capital Investment Target), has fully achieved the 48 Richmond New Jobs Target, but only 29 Other New Jobs have been created and Maintained (reflecting achievement of 50% of the Other New Jobs Target), the Company will receive \$13,675.50 (reflecting 90%

of the \$15,195 of the COF Grant allocated to the Capital Investment Target), *plus* \$121,562 (reflecting 100% of the \$121,562 of the COF Grant allocated to the Richmond Minimum New Jobs Target, *plus* \$7,597.50 (reflecting 50% of the \$15,195 of the COF Grant allocated to the Other New Jobs Target), for a total of \$142,835. These amounts reflect the percentages of the shortfall from the Capital Investment Target, the Richmond Minimum New Jobs Target and the Other New Jobs Target, each such shortfall multiplied by the portion of the COF Grant proceeds available to the Company allocated to that Target.

Within 30 days after verification of the Final Performance Report, if any amount of COF Grant proceeds are available for disbursement to the Company, as determined in accordance with the foregoing calculations, VEDP will disburse that amount to the Locality. Within 30 days after receipt of such amount, “receipt” meaning both acceptance of the COF Grant proceeds by the City Council of the City of Richmond, Virginia (“Council”) and the appropriation by Council of such COF Grant proceeds to the Authority, the Locality will disburse such COF Grant proceeds to the Authority. Within 30 days after receipt of such amount, the Authority will disburse such COF Grant proceeds to the Company.

If any amount of COF Grant proceeds have not been earned by the Company, the amount not disbursed will be retained in the Fund and will be available for other economic development projects.

Any consequences for failing to achieve the Henrico Minimum New Jobs Target will be addressed in the County Performance Agreement. For the purposes of this Agreement, if the Company has achieved fewer than 25 Henrico Minimum New Jobs, in calculating the Other New Jobs, the Company may count New Jobs in the Locality over 15 as if such New Jobs were Henrico Minimum New Jobs, toward the calculation the Other New Jobs.

(c) *Use of the COF Grant Proceeds:* The Company will use the COF Grant proceeds to pay or reimburse the cost of renovation or up-fit for publicly or privately owned buildings for the Facility, as permitted by Section 2.2-115(D) of the Virginia Code.

Section 4. Break-Even Point; State and Local Incentives.

(a) *State-Level Incentives:* VEDP has estimated that the Commonwealth will reach its “break-even point” by the Performance Date. The break-even point compares new revenues realized as a result of the Capital Investment at the Facility and New Jobs at the Central Virginia Facilities with the Commonwealth’s expenditures on discretionary incentives, including but not limited to the COF Grant. With regard to the Facility, the Commonwealth expects to provide discretionary incentives in the following amounts:

<u>Category of Incentive:</u>	<u>Total Amount</u>
COF Grant	\$151,952
Enterprise Zone Real Property Investment Grant (“EZRPIG”) (Estimated)	41,985

Enterprise Zone Job Creation Grant (“EZJCG”) (Estimated)	176,000
VEDP Talent Accelerator Program (“VTAP”) (Approximate Value)	135,000

The proceeds of the COF Grant shall be used for the purposes described in Section 3(c). The proceeds of the EZRPIG and the EZJCG may be used by the Company for any lawful purpose. The VTAP represents the value to the Company of workforce development services expected to be provided by VEDP to the Company for recruitment and training.

(b) *Local-Level Incentives:* The Locality and the Authority expect to provide the following incentives, as matching grants or otherwise, for the Facility by the Performance Date:

<u>Category of Incentive:</u>	<u>Total Amount</u>
BPOL Tax Exemption (Estimated)	\$76,752
Performance-Based Cash Grant	75,200

Notwithstanding anything contained in this Agreement to the contrary, the Company and VEDP acknowledge and agree that the value of the BPOL Tax Exemption is based upon the estimated value of the availability of that incentive to the Company and is conditioned upon the application for, approval of, and utilization of such incentives by the Company. The Company and VEDP further acknowledge and agree that the Locality shall be deemed to have met its obligations related thereto and met its local match requirement in the amount corresponding thereto, regardless of whether the Company applies for, is approved for, or utilizes the incentives. The Company and VEDP further acknowledge that the Performance-Based Cash Grant has a maximum value \$75,200 and will be governed by a separate agreement between the Company, the Locality, and the Authority. Under no circumstance will the Locality be obligated to make any additional grant to the Company of the difference between the estimated value of the Local-Level Incentives and the actual amount of such incentives received by the Company or in any amount whatsoever.

The BPOL Tax Exemption will reflect cost savings to the Company. The proceeds of the Performance-Based Cash Grant may be used by the Company for any lawful purpose.

(c) *Other Incentives:* This Agreement relates solely to the COF Grant. The qualification for, and payment of all State-Level Incentives and Local-Level Incentives, except for the COF Grant, will be governed by separate arrangements between the Company and the entities offering the other incentives.

Section 5. Company Reporting.

(a) *Performance Reporting:* The Company shall provide, at the Company’s expense, in the form attached hereto as Exhibit A, detailed Performance Reports satisfactory to the Locality, the Authority and VEDP of the Company’s progress on the Targets. The Performance Reports are due by each April 1, commencing April 1, 2024, reflecting the Company’s progress toward the Targets as of the prior December 31. Further, the Company shall provide such

Performance Reports at such other times as the Locality, the Authority or VEDP may reasonably require; with such reports not being requested more than once during any six-month period.

(b) *Final Performance Report:* The Company shall provide, at the Company's expense, in the form attached hereto as Exhibit B, a detailed Final Performance Report satisfactory to the Locality, the Authority and VEDP of the Company's achievement of the Targets as of the Performance Date. This Performance Date Report shall be filed within 90 days after the Performance Date.

Should the Company be unable to file the Final Performance Report within the 90-day timeframe, the Company may request a 60-day delay in filing the Final Performance Report. VEDP will require a \$3,000 fee, payable to VEDP, to process the request for the filing delay. Should the Company not file the Final Performance Report within the 90-day window nor request a filing delay (including payment of the required fee), or if the Company requests a filing delay but does not file the Final Performance Report prior to the new filing deadline, VEDP will withhold any COF Grant payment that might otherwise be due and all rights of the Company under this Agreement will automatically terminate.

(c) *Virginia Corporate Income Tax Information:* With each such Performance Report or Final Performance Report, the Company shall report to VEDP the amount paid by the Company (or for a pass-through entity, by its shareholders, members or partners) in the prior calendar year in Virginia corporate (or for a pass-through entity, personal) income tax. VEDP hereby represents 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 VEDP solely in calculating aggregate return on invested capital analyses for purposes of gauging the overall effectiveness of economic development incentives.

Section 6. Verification of Targets.

(a) *Verification of Capital Investment:* The Company hereby authorizes the Locality, including the Locality's Department of Finance, to release to VEDP the Company's real estate tax, business personal property tax and machinery and tools tax information. Such information shall be marked and considered confidential and proprietary and shall be used by VEDP solely for verifying satisfaction of the Capital Investment Target. If the Locality or the Locality's Department of Finance should require additional documentation or consents from the Company to access such information, the Company shall promptly provide, at the Company's expense, such additional documentation or consents as the Locality or VEDP may request. In accordance with Virginia Code Section 58.1-3122.3, VEDP is entitled to receive the Company's real estate tax, business personal property tax and machinery and tools tax information from the Locality's Department of Finance.

(b) *Verification of New Jobs and Wages:* The Company must submit a copy of its four most recent Employer's Quarterly Tax Reports (Form FC-20) for the Central Virginia Facilities with the Virginia Employment Commission with the Final Performance Report. The forms shall be marked and considered confidential and proprietary and shall be used by VEDP solely for verifying satisfaction of the New Jobs Target. In accordance with Virginia Code

Section 60.2-114, VEDP is entitled to receive the Company's employment level and wage information from the Virginia Employment Commission.

The Company agrees that it will report to the Virginia Employment Commission with respect to its employees at a facility-level, rather than at the company-level.

(c) *Additional Documentation:* In addition to the verification data described above, in the sole discretion of the Locality, the Authority or VEDP, the Locality, the Authority or VEDP, may each require such other documentation or audits as may be required to properly verify the Capital Investment or New Jobs.

Section 7. Possible Termination of this Agreement and Redeployment of COF Grant Proceeds. If the Locality, the Authority or VEDP shall determine at any time prior to the Performance Date that the Company is unable or unwilling to meet and Maintain its Targets by and through the Performance Date, and if the Locality, the Authority or VEDP shall have promptly notified the Company of such determination, this Agreement will be terminated, no further disbursements of the COF Grant proceeds will be made to the Company, and the amount not disbursed will be retained in the Fund and made available for other economic development projects. Such a determination 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 that the Company will be unable or is unwilling to satisfy the Targets for the COF Grant. The Locality, the Authority, and VEDP each acknowledge and agree that: (i) while the Company is entering into this Agreement in good faith based upon current business plans, it is making no representation or warranty with respect to achieving the Targets set forth herein; and (ii) the termination of this Agreement, as set forth in this Section 7, including the payment of any associated fees and costs described in this Agreement, shall be their sole and exclusive remedy with respect to any claim arising from a breach of this Agreement by the Company.

Section 8. Notices. Formal notices and communications between the parties shall be given either by (i) personal service, (ii) delivery by a reputable document delivery service that provides a receipt showing date and time of delivery, (iii) mailing utilizing a certified or first class mail postage prepaid service of the United States Postal Service that provides a receipt showing date and time of delivery, or (iv) delivery by electronic mail (email) with transmittal confirmation and confirmation of delivery, so long as a hard copy is sent the same day in one of the preceding manners, addressed as noted below. Notices and communications personally delivered or delivered by document delivery service shall be deemed effective upon receipt. Notices and communications mailed shall be deemed effective on the second business day following deposit in the United States mail. Notices and communications delivered by email shall be deemed effective the next business day, not less than 24 hours, following the date of transmittal and confirmation of delivery to the intended recipient. Such written notices and communications shall be addressed to:

if to the Company, to:

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

with a copy to:

PPD Development, LP
929 North Front Street
Wilmington, NC 28401
Email: seth.morris@ppd.com
Attention: Seth Morris, Dir.-Lab Ops

if to the Locality, to:

City of Richmond, Virginia
900 E. Broad St., Suite 201
Richmond, Virginia 23219
Email: rvamayor@richmondgov.com
Attention: Mayor

with a copy to:

City of Richmond, Virginia
900 E. Broad St., Suite 400
Richmond, Virginia 23219
Email: bonnie.ashley@rva.gov
Attention: City Attorney

if to the Authority, to:

Economic Development Authority of the City
of Richmond, Virginia
1500 East Main Street
Suite 400
Richmond, Virginia 23219
Email: richmondeda@outlook.com
Attention: Chair, Board of Directors

with a copy to:

Economic Development Authority of the City
of Richmond, Virginia
1500 East Main Street
Suite 400
Richmond, Virginia 23219
Email: sam.earl@rva.gov
Attention: Management Analyst, Senior

if to VEDP, to:

Virginia Economic Development Partnership
One James Center, Suite 900
901 East Cary Street
Richmond, Virginia 23219
Email: ceo@vedp.org
Attention: President and CEO

with a copy to:

Virginia Economic Development Partnership
One James Center, Suite 900
901 East Cary Street
Richmond, Virginia 23219
Email: generalcounsel@vedp.org
Attention: General Counsel

Section 9. Miscellaneous.

(a) *Entire Agreement; Amendments:* This Agreement constitutes the entire agreement among the parties hereto as to the COF 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 VEDP.

(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 City of Richmond, 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) *Attorney's Fees*: Attorney's fees shall be paid by the party incurring such fees.

(f) *Force Majeure*: Notwithstanding the foregoing provisions of this Agreement, if the Company does not achieve a Target or take any action required under this Agreement because of an "Event of Force Majeure" (as defined below), the time for achieving the applicable Target or taking such action will be extended day-for-day by the delay in meeting the applicable Target or taking such action caused by the Event of Force Majeure. "Event of Force Majeure" means without limitation, any of the following: acts of God; strikes, lockouts or other industrial disturbances; act of public enemies; orders of any kind of the government of the United States of America or of the Commonwealth or any of their respective departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; pandemics; landslides; lightning; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals not caused by the Company; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Company.

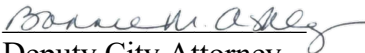
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IN WITNESS WHEREOF, the parties hereto have executed this Performance Agreement as of the date first written above.

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 _____
Name: _____
Title: _____
Date: _____

**VIRGINIA ECONOMIC
DEVELOPMENT PARTNERSHIP
AUTHORITY**

By _____
Name: _____
Title: _____
Date: _____

- Exhibit A: Performance Report Form
- Exhibit B: Final Performance Report Form

**PERFORMANCE REPORT
COMMONWEALTH’S DEVELOPMENT OPPORTUNITY FUND**

PROJECT SUMMARY:

Project	
Location	
Amount of Grant	
Performance Reporting Period	
Performance Date	

PROJECT PERFORMANCE⁴:

Performance Measurement	Target	As of _____	% Complete
Total New Jobs (over _____ baseline)			
Richmond Minimum New Jobs (over ___ baseline) ¹			
Confidence level target will be reached by Performance Date shown above (check one)	High <input type="checkbox"/>	Moderate <input type="checkbox"/>	Low <input type="checkbox"/>
Other New Jobs (over _____ baseline and Richmond Minimum New Jobs and Henrico Minimum New Jobs) ¹			
Confidence level target will be reached by Performance Date shown above (check one)	High <input type="checkbox"/>	Moderate <input type="checkbox"/>	Low <input type="checkbox"/>
Capital Investment (provide breakdown below) ²			
Confidence level target will be reached by Performance Date shown above (check one)	High <input type="checkbox"/>	Moderate <input type="checkbox"/>	Low <input type="checkbox"/>
Average Annual Wage			N/A
Confidence level target will be reached by Performance Date shown above (check one)	High <input type="checkbox"/>	Moderate <input type="checkbox"/>	Low <input type="checkbox"/>
Standard Fringe Benefits (check one)	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A
Virginia Corporate Income Tax Paid in Prior Calendar Year³	\$		

¹Data will be verified using Virginia Employment Commission records.

² Data will be verified with locality records.

³This confidential information is protected from disclosure pursuant to § 2.2-3705.6 of FOIA.

⁴Final, actual performance will be reported on VEDP’s public reporting website.

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:

Discuss project status, including the current level of new jobs and capital investment, progress on targets, changes or likely changes in project's nature that may impact achievement of targets, and other information relevant to project performance. If the project is not on track to meet targets, 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:

Kim Ellett, Director of Compliance, Virginia Economic Development Partnership,
804.545.5618, kellett@vedp.org

FINAL PERFORMANCE REPORT COMMONWEALTH'S DEVELOPMENT OPPORTUNITY FUND

PROJECT SUMMARY:

Project	
Location	
Amount of Grant	
Performance Date	

PROJECT PERFORMANCE:¹

Performance Measurement	Target	As of _____, 20__	% Complete
Total New Jobs (over baseline) ²			
Richmond Minimum New Jobs			
Other New Jobs			
Capital Investment (provide breakdown below) ³			
Average Annual Wage			N/A
Standard Fringe Benefits			
Virginia Corporate Income Tax Paid in Prior Calendar Year⁴	\$		

¹Final, actual performance will be reported on VEDP's public reporting website.

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

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

⁴This confidential information is protected from disclosure pursuant to § 2.2-3705.6 of FOIA

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	\$
--------------	-----------

LOCAL MATCH:

Goal	
Actual	

COMMENTS:

Discuss Project status or the importance of the Project to the locality and region.

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:

Kim Ellett, Director of Compliance, Virginia Economic Development Partnership,
804.545.5618, kellest@vedp.org

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

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

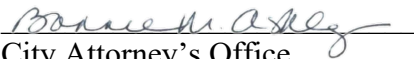
AYES: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ 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

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.

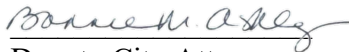
SIGNATURES ON THE FOLLOWING PAGE

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