

Issue Analysis Form



Date: February 9, 2021
Item: Appropriation – Return of Commonwealth Opportunity Grant
Lead Department(s): Economic Development / County Finance
Contact Person(s): Jeff Stoke; Betsy Drewry

Description and Current Status

Prince George County received Virginia Economic Development Partnership - Commonwealth's Opportunity Fund (COF) Grant proceeds in the amount of **\$200,000** to be used for expansion at Service Center Metals and appropriated those grant proceeds to the FY2020 budget on July 9, 2019. The Board of Supervisors approved execution of a **Performance Agreement** related to these COF grant funds on December 11, 2018.

Section 3 of the Performance Agreement indicated that the grant proceeds were to be retained by the County and disbursed in one payment to the Industrial Development Authority of Prince George County (IDA) when Service Center Metals has met targets of a capital investment of \$16,900,000 and has created and maintained 15 new jobs. The IDA will disburse to Service Center Metals within 30 days of the receipt of the grant funds.

Those grant funds remain on hand in Prince George County, are currently accounted for in the Economic Development Fund, Fund Balance.

Service Center Metals did not satisfy the requirements of the agreement, and will forego the VIP it was awarded concurrent with the COF. Prince George County awaits a formal request to return the funds to the Virginia Economic Development Partnership. See as **Attachment A** an email notification of the impending request.

Board Action Requested:

Approve appropriation of COF grant from Economic Development Fund, Fund Balance to facilitate return of funds to the Virginia Economic Development Partnership when formal request is received. A draft resolution is provided for consideration and possible approval.

Appropriation Increase Entry is:

Revenues: 0215-90-901-8207-399999 Econ Dev Fund, Fund Balance	\$200,000
Expenditures: 0215-08-301-2151-45552 Reimbursement COF Grant	\$200,000

Government Path

Does this require IDA action? Yes No

Does this require BZA action? Yes No

Does This require Planning Commission Action? Yes No
Does this require Board of Supervisors action? Yes No
Does this require a public hearing? Yes No
If so, before what date? Yes No

Fiscal Impact Statement

Increases FY2021 appropriation of Economic Development from ED Fund Balance to reimburse COF Grant Revenues received in FY2020.
These grant proceeds were received in FY2020 and there is no impact to the County to reimburse the Virginia Economic Development Partnership.

Total Increase in FY2020-21 Appropriation = \$200,000 (from Fund Balance)

County Impact

Reimbursement of these grant proceeds will satisfy request from the Virginia Economic Development Partnership.

Notes

Betsy Drewry

From: Jeff Stoke
Sent: Friday, January 29, 2021 4:57 PM
To: Ellett, Kim
Cc: Deusebio, Susan; Percy Ashcraft; Betsy Drewry; Daniel Whitten
Subject: RE: Service Center Metals

Thank you, Kim.
We will return the \$200,000 COF fund upon the direction in the VEDP formal letter.
Please include the process of how to return the funds to the state.

Sincerely,
Jeffrey D. Stoke, CEcD, ICMA-CM
Deputy County Administrator
Prince George County
6602 Courts Drive, Third Floor
PO Box 68
Prince George, VA 23875
(804) 722-8600
Fax (804) 732-3604
jstoke@princegeorgecountyva.gov
www.princegeorgecountyva.gov
"A global community where families thrive and businesses prosper."

From: Ellett, Kim <KEllett@vedp.org>
Sent: Friday, January 29, 2021 4:53 PM
To: Jeff Stoke <JStoke@princegeorgecountyva.gov>
Cc: Deusebio, Susan <sdeusebio@vedp.org>; Ellett, Kim <KEllett@vedp.org>
Subject: FW: Service Center Metals

Jeff,

I spoke with Scott Kelley at Service Center earlier this afternoon. We agreed that Prince George should return the \$200,000 COF grant it is holding for Service Center and that Service Center will forego the \$400,000 VIP it was awarded concurrent with the COF. I will send a formal request for the return of the funds on Monday.

They will be back in touch at the appropriate time to discuss incentives for a potential expansion, which he confirmed would be competitive in nature.

Let me know if you have any questions.

Thanks.

Kim

Kim Ellett
804.545.5618

From: Deusebio, Susan <sdeusebio@vedp.org>

Sent: Friday, January 29, 2021 3:07 PM

To: Ellett, Kim <KEllett@vedp.org>; Jeffrey D. Stoke - Prince George Economic Development (JStoke@princegeorgecountyva.gov) <JStoke@princegeorgecountyva.gov>

Subject: Service Center Metals

I wanted to connect you via email as Kim noted she will be reaching out directly to Scott Kelley re: their incentive proposal. You may both have already talked, but I just wanted to make sure the connection was made.

Thanks, all.

Susan K. Deusebio
Managing Director – Business Retention and Expansion
Virginia Economic Development Partnership
Direct: 804-545-5726 Mobile: 804-690-5212
VEDP.org

Board of Supervisors
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia this 9th day of February, 2021:

Present:

Vote:

Floyd M. Brown, Jr., Chairman
Marlene J. Waymack, Vice-Chair
Alan R. Carmichael
Donald R. Hunter
T. J. Webb

A-6

On motion of _____, seconded by _____, which carried unanimously, the following Resolution was adopted:

RESOLUTION; APPROPRIATION RETURN OF COMMONWEALTH OPPORTUNITY FUND GRANT TO THE VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP - \$200,000

NOW, BE IT RESOLVED That the Board of Supervisors of the County of Prince George this 9th day of February, 2021, does hereby authorize and appropriate the following increase of funds within the 2020-2021 Budget, such line items increased as follows, which monies shall be expended for purposes authorized and approved by the Board of Supervisors of the County of Prince George:

<u>FUND/ORGANIZATION</u>		<u>AMOUNT</u>
Economic Development Fund		
Expenditures:		
0215-08-301-2151-45552	Reimbursement of COF Grant	\$200,000
Revenues:		
0215-90-901-8207-399999	Economic Development Fund, Fund Balance	\$200,000

A Copy Teste:

Percy C. Ashcraft
County Administrator