

County of Spotsylvania

Founded 1721



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Service, Integrity, Pride

At a meeting of the Spotsylvania County Board of Supervisors held on December 10, 2013, on a motion by Mr. Skinner, seconded by Mr. Marshall and passed 6 to 0 with Mr. Ross absent, the Board adopted the following resolution:

RESOLUTION NO. 2013 -158

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SPOTSYLVANIA RELATING TO THE PROVIDING OF INCENTIVES TO THE KNIFECENTER FOR RELOCATION TO SPOTSYLVANIA COUNTY

RECITALS:

WHEREAS, the Board of Supervisors of the County of Spotsylvania is dedicated to the furtherance of economic development in Spotsylvania County (the "County") and, as such, has considered the potential economic development benefits that would be derived from supporting the location of the Knife Center.

WHEREAS, the Board of Supervisors understands the value and importance of these organizations and the positive impact they have on the local workforce.

WHEREAS, The Board of Supervisors recognizes the value in supporting the said new business request in that projects, such as this, coincide with the County's ultimate goal to provide local economic development business opportunities for its citizens.

WHEREAS, Spotsylvania County will provide a grant to the EDA to support a performance agreement between the EDA and Knifecenter in the following manner:

1. **EDA BPOL REIMBURSEMENT AND INCENTIVE GRANT.** Subject to appropriation of sufficient funds by the Spotsylvania County Board of Supervisors, the EDA agrees to provide an incentive grant in the amounts described below ("Grant"):
 - A. EDA shall provide an economic development incentive grant to Knifecenter in the form of a tax rebate payment equal to the Business, Professional and Occupational License ("BPOL") tax paid by Knifecenter to the County. The EDA shall provide the incentive rebate of BPOL taxes for a period of 5 years from the date Knifecenter applies for a BPOL application with the Spotsylvania

County Commissioner of the Revenue, or until the time when the total amount of incentive payments pursuant to this Agreement has reached \$50,000, whichever occurs first. The tax rebate incentive period will begin on January 1 of the Tax Year the Business License application is filed and the rebate shall be paid at the beginning of the next fiscal year based on all approved documentation.

- B. EDA shall provide a reimbursement payment equal to the permit fees Knifecenter (or a related company wholly owned by Knifecenter's owners, or a contractor of Knifecenter) pays to the County for renovations and inspections to existing buildings on the Property (defined in 2(A) below) during the term of this Agreement in an amount not to exceed a total of \$6,000.

2. **KNIFECENTER PERFORMANCE OBLIGATIONS.** In exchange for the Grant, Knifecenter agrees to fully comply with each and every one of the following covenants under the schedules set forth below:

- A. Knifecenter, or a related company, shall purchase real property located at 5201 Lad Land Drive, Spotsylvania County (the "Property") for use as Knifecenter's operations plant. Knifecenter shall provide the EDA with documentation in support thereof upon request.
- B. Knifecenter shall announce the relocation of its Maryland plant operations to its new location in Spotsylvania County within thirty (30) days of the Effective Date of this Agreement.
- C. Within sixty (60) days of the Effective Date of this Agreement, Knifecenter shall file plans and permit applications to begin construction and renovations of at least \$200,000 to the existing 12,000 sf freestanding warehouse and 9,000 sf Office/Showroom located on the Property, for use as Knifecenter's operations plant.
- D. Knifecenter shall commence construction and renovation within thirty (30) days after permit approval.
- E. Knifecenter shall utilize the Germanna Community College for workforce recruitment / screening / training as needed.
- F. Knifecenter shall hire local contractors and suppliers to the greatest extent possible.
- G. Knifecenter shall commence on-site business operations by March 1, 2014.
- H. Knifecenter shall relocate all operations and staff to Spotsylvania County and remain based in the County for a minimum period of five (5) years.
- I. Knifecenter shall provide annual Virginia Employment Commission's employment and wage verifications and maintain at least 12 employees in the County at all times during the first five years that this Agreement remains in effect. If the term of this Agreement is extended for an additional five years in accordance with Paragraph 3 of this Agreement, then Knifecenter shall provide annual Virginia Employment Commission's employment and wage verifications and maintain at least 20 employees in the County at all times during the extended period.
- J. Knifecenter shall maintain 12 full time jobs averaging \$40,000 in salary.

- K. Knifecenter shall continue to provide employee benefits package at all times while this Agreement remains in effect.
- L. Knifecenter shall encourage employees to live in Spotsylvania County.
- M. Knifecenter shall utilize Spotsylvania-based suppliers, contractors, and service providers, whenever possible.
- N. Knifecenter shall emphasize "Spotsylvania County" as the company location, whenever possible.
- O. Knifecenter shall support local chamber, charities, schools, and special events.
- P. Knifecenter shall verify compliance annually in writing during incentive period by January 30th of each calendar year.
- Q. Knifecenter shall comply with all application, documentation, and/or other requirements of the Commissioner of Revenue, including but not limited to Knifecenter's annual BPOL filing with the County on or before March 15 of each year and submittal of tax payments by April 15. Tax payments will be verified by the Commissioner of Revenue and will notify the Department of Economic Development and Tourism that payment has been made and the company then will be rebated the verified tax amount of the next fiscal year or by July 30 unless other unforeseen circumstances prohibits approval of documentation.
- R. **Repayment for Non-compliance.** During the initial five-year term of this Agreement, if Knifecenter does not achieve and maintain compliance with County BPOL filing and payment requirements, or satisfactorily remedy any non-compliance with any of Knifecenter's responsibilities and obligations under this Agreement within 30-days of written notice from the EDA, Knifecenter shall pay to the EDA a lump-sum payment equal to the total amount of any and all BPOL and permit fee Grant payments provided by the EDA to Knifecenter pursuant to this Agreement. During the renewal term, if Knifecenter does not achieve and maintain compliance with County BPOL and payment requirements, or satisfactorily remedy any non-compliance with any of Knifecenter's responsibilities and obligations under this Agreement within 30-days of written notice from the EDA, Knifecenter shall pay to the EDA a lump-sum payment equal to the total amount of any and all BPOL and permit fee Grant payments provided by the EDA to Knifecenter during the renewal term. Any repayments shall be due from Knifecenter to the EDA within thirty (30) days of the EDA's request for such payment.

3. **TERM AND TERMINATION.** This Agreement shall run for an initial term of 5 years from the date Knifecenter applies for a BPOL application with the Spotsylvania County Commissioner of the Revenue, or until the time when the total amount of Grant payments pursuant to this Agreement has reached \$50,000, whichever occurs first. This Agreement may be renewed for an additional 5 year term upon written agreement by both parties, provided that Knifecenter maintains 20 employees per year as described in paragraph 2(I) during the renewal period. Any renewal term shall be subject to the terms of this Agreement. Notwithstanding the foregoing, this Agreement may be terminated by the EDA if Knifecenter does not achieve and maintain compliance with BPOL filing requirements, or satisfactorily remedy any non-compliance in accordance with its performance obligations under this Agreement within 30 days of written notice from the EDA. Termination of this Agreement for non-compliance shall not

relieve Knifecenter of its obligation to make any repayments for non-compliance under paragraph 1(R) of this Agreement.

If BPOL ceases to exist, the obligations under this incentive agreement also cease to exist, as the Company will have achieved its desired objective.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SPOTSYLVANIA:

1. The Board of Supervisors hereby supports the location of a prospective business to Spotsylvania County and approves offering the stated incentives based upon the described schedule.

ADOPTED this 10th day of December 2013.

(SEAL)

A COPY TESTE:



Aimee R. Mann

Deputy Clerk to the Board of Supervisors