

# Recommendation:

The Spotsylvania Economic Development Authority is recommending that the Board of Supervisors approve a 5 year extension of incentives for KnifeCenter.



# Background:

- 2013 - EDA recommended a 5 year program and an optional 5 year extension based on performance.
- The original 5 year term was approved by the BoS.
- ROI was calculated based on the full 10 year program.
- 2018 - EDA reviewed the program and recommended BoS approval on the 5 year extension.



# Background (continued):

- KnifeCenter has provided exemplary reporting and information to allow for a proper review.
- KnifeCenter has "outperformed" the original agreement by increasing total number of employees and establishing a higher average salary.
- KnifeCenter has purchased the building. (Note: Purchase by a separate LLC but same owners as KnifeCenter.)
- KnifeCenter sales have been sufficient to max out the 50k of BPOL reimbursement.



# The Numbers:

	2014	2015	2016	2017	2018	Benchmark
BPOL		\$10,948	\$13,707	\$15,492	\$9,852 (\$8,431)	\$50k cap
Jobs (FT)	20	20	27	33	32	12
Avg Ann Salary	-----\$40,000 + -----					\$40,000
Real Estate Tax	\$9.2k	\$9.2k	\$9.1k	\$9.1k	\$9.6K	(2019-\$9.8K)



# Conclusions:

- As the EDA is always evolving as membership changes; we continue to explore creative ways to encourage investment, growth, jobs, sustained revenue, and quality of life.
- A structured framework for evaluation criteria and ROI optimization for all future incentive recommendations may benefit all stakeholders.
- ***Based on the criteria of the original program the EDA is recommending BoS approval of the extension.***

