

**COUNTY OF NELSON PUBLIC HEARING #2 DECEMBER 8, 2015
DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (DHCD)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
2015 COMMUNITY IMPROVEMENT GRANT (CIG) FUNDS**

PROJECT FACT SHEET

Proposed Project: Nelson County-Wild Wolf Infrastructure Project (2015 Community Economic Development Fund)

The County proposes to utilize \$250,000 in available funds for a Community Economic Development Project that will install approximately 2200 feet of HDPE sewer force main from the Aqua Virginia pump station on State Route 151 to 2461 Rockfish Valley Hwy (Wild Wolf Brewing Company) ending with a coated manhole. Wild Wolf will then provide the connections and pump station from their property to the coated manhole. The County is required to provide a 25% match of \$62,500 which will also be used for this purpose. Funding for the local match will be provided by Wild Wolf Brewing Company.

Program Income: No Program Income will be generated by the project.

Availability of Funds and Range of Activities for Community Economic Development Fund Grant Projects:

Up to \$700,000 per project is available for projects supporting economic development activities; particularly those creating employment opportunities for low-and moderate-income persons. Assistance may include off-site improvements such as water & sewer lines, roads, and drainage.

Benefit to Low-to-Moderate Income (LMI) Persons:

The National Objective to be achieved through the funding is job retention and creation. At least 51 percent of the permanent, full time jobs (including permanent, full time equivalent jobs) will be held by or made available to LMI persons. It is anticipated that use of \$250,000 of these grant funds will enable the retention of forty-six (46) jobs and will enable the creation of a minimum of five (5) new jobs in 2016 of which 51 % or 26 jobs will be held by or made available to LMI persons. Further expansion of the business is anticipated to occur over the next few years.

Displacement:

There will be no displacement of citizens during or because of the project.

Comments:

Citizens may provide comments on this document via email to abirkner@nelsoncounty.org; fax: (434) 263-7004, or in person at the public hearing to be conducted on December 8th at 7:00 PM, General District Courtroom, Courthouse in Lovingson; 84 Courthouse Square.

**DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT (DHCD)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
2015 COMMUNITY IMPROVEMENT GRANT (CIG) FUNDS
Community Economic Development (CED) Fund Program
(Nelson County-Wild Wolf Infrastructure Project)**

CED Program Purpose:

The Community Economic Development Fund (CED) is designed to support economic development activities, particularly those creating employment opportunities for low- and moderate-income persons, in CDBG-eligible localities. Up to \$700,000 will be available per project. Proposals will be received on an open basis from January 1, 2015 through September 30, 2015. Assistance is limited to projects involving employment creation by private, for-profit basic industries. Assistance may include off-site improvements such as water lines, sewer lines, roads, and drainage.

- Wild Wolf Brewing Company proposes to install approximately 2,200 feet of HDPE sewer force main from the Aqua Virginia pump station on State Route 151 to 2461 Rockfish Valley Hwy (Wild Wolf Brewing Company) ending with a coated manhole. Wild Wolf will then provide the connections and pump station from their property to the coated manhole.

Industry Commitment:

All CED proposals must include an industry commitment letter. Such a letter serves as documentation of the industrial commitment which provides the basis for project eligibility. A commitment letter must include the following: The need for the improvements which the locality will implement using CDBG funding; the commitment of the business to locating or expanding in the locality; the type and amount of the private investments; the number of jobs (LMI and total) to be **created or retained** by category; the timing of the investments and hiring; a summary of the wages and benefits to be provided; the plans for job training, if applicable; and, the plans for use of a single point of contact for screening applicants, if applicable, such as the Virginia Employment Commission; the comprehension and acceptance that a formal industry agreement must be signed to secure the commitments. For Community Economic Development Fund projects, these industry Commitments must provide details on the accompanying benefits package.

- Wild Wolf Brewing Company's industry commitment is outlined in the attached Draft Model Agreement.

CED Eligibility:

The subject business must provide a post-probationary wage of at least 1.5 times the minimum wage for 90% of all employees and offer an employment benefits package including medical insurance to all employees. The current federal minimum wage is \$7.25/hour.

- DHCD's Model Industry Agreement provides that this requirement is subject to negotiation with DHCD and is currently not included in the attached Draft Model Agreement outlining Wild Wolf Brewing Company's industry commitment. Wild Wolf Brewing Company will comply with applicable Affordable Care Act employee medical insurance provisions.

The subject business must employ low to moderate- income persons in at least 51 percent of the available positions, **or**, ensure that low- to moderate- income persons will receive first consideration for employment.

- Wild Wolf Brewing Company has indicated in the attached Draft Model Agreement that they anticipate the use of grant funds will enable the retention of forty-six (46) jobs and will enable the creation of a minimum of five (5) new jobs in 2016 of which 51 % or 26 jobs will be made available to LMI persons.

For all CED' s an irrevocable Letter of Credit, bond, or other guaranteed form of security will be required in the amount of the CED grant. This security must remain in place until all program requirements are satisfactorily met.

- Wild Wolf Brewery has secured the CDBG investment of \$250,000 through the provision of a letter of credit that is held at Bank of the James, Lynchburg, Virginia and is subject to be called by DHCD for non-performance as defined in the final project Model Agreement.

CED Categories and Thresholds:

The nature of the financial assistance available under the CED Fund varies depending on the economic strength of the applicant localities. CDBG-eligible localities, excluding Towns, are placed in one of three categories: Distressed, Transitional, and Competitive.

Economic Strength:

Nelson County is considered “Transitional” which means it has earned 2-4 points based on: an average unemployment rate of greater than the statewide figure of 5.5% but less than 8.25%, a Median Household Income of less than the statewide figure of \$63,636, but greater than \$44,545, and a Poverty Rate of greater than the statewide figure of 11.1% but less than 16.65%.

- Nelson County’s 2013 Unemployment Rate per VEC is 5.2% - 0 points
- Nelson County’s 2012 Median HH Income per US Census Bureau estimates is \$48,888 – 1 point
- Nelson County’s 2012 Poverty Rate per US Census Bureau estimates is 11.5% - 1 point
- Nelson County’s Total Points – 2

The following criteria applies to Transitional localities: The subject business must create at least 20 full-time positions. The subject business must make a private investment of at least \$300,000. The local government financial contribution must be at least 25% of CDBG eligible costs. CDBG funding shall not exceed \$10,000 per job created, or \$25,000 per job in cases of local diversification.

- Wild Wolf Brewing Company proposes to create 5 new jobs and retain 46 jobs, has made a private investment of \$450,000 in the business, the local government contribution of \$62,500 (25% of \$250,000 in eligible CDBG costs) will be paid by the business. The funding requested of \$250,000 does not exceed \$10,000 per job created.

Low to Moderate Income Benefit:

Activities benefiting low- and moderate income (LMI) persons must meet one of the following tests: Benefits are available to all of the residents in a particular area, wherein at least 51 percent of the residents are LMI; at least 51 percent of the benefits are provided to LMI persons; benefits will be provided to a clientele presumed to be principally LMI persons; or, if jobs are created or retained in a project, at least 51 percent of the permanent, full time jobs (including permanent, full time equivalent jobs) will be held by or made available to LMI persons.

CDBG eligibility in economic development projects is established by creating job opportunities for low- and moderate-income persons. There are two options for ensuring LMI benefit results from the job creation process.

- **Option 1** is to employ LMI persons in at least 51 percent of the available positions. Under this option, the locality or assisted business will retain documentation of the income status of employees.
- **Option 2** is to establish procedures to ensure that LMI persons will receive first consideration for employment. Under this option, the job qualifications must be limited to possession of a high school diploma or its equivalent. No special training should be required. A third party single point of contact for application screening, such as the Virginia Employment Commission, is typically utilized. This contact will maintain all LMI documentation. The employer must hire only those persons screened by this third party. At least 51 percent of the new jobs must be accessible to persons holding no more than a high school degree. Job creation must occur within two years of the date of completion of the private investment.

Additionally, the documentation of job creation, including jobs to LMI persons, may not conclude until the completion of the CDBG-funded construction activity or the achievement of the total job creation and 51% LMI benefit, as agreed to in the executed Industry Agreement, whichever is later. Private Investment must occur within 2 years of the commencement date of the CDBG contact with the locality. The job creation requirement will be incorporated into a formal agreement. A business which fails to meet the job requirements will be subject to a non-performance penalty as outlined in this agreement.

- Wild Wolf Brewing Company has indicated in the attached Draft Model Agreement that they will utilize **Option 2** and the use of grant funds will enable the retention of forty-six (46) jobs and will enable the creation of a minimum of five (5) new jobs in 2016 of which 51 % or 26 jobs will be made available to LMI persons.

Projects utilizing CDBG funds to install or improve water / wastewater services must make these services available to adjacent residential structures. Low- to Moderate income households must be connected to the new service.

Low to Moderate Income Definition:

Individuals or households whose household income is equal to or less than the Section 8 lower income limit established by HUD are determined to be low- and moderate-income. The Section 8 income limits are published annually by HUD. The income limit represents 80 percent of the area median income (AMI) for like-sized households or 80 percent of the median income of the entire non-metropolitan area of the State, whichever is higher. No project will receive funding which benefits moderate-income persons (80 percent AMI) to the exclusion of low-income persons (50 percent AMI or less)

Low to Moderate Income is determined based upon the US Department of Housing and Urban Development's (HUD) Section 8 Income Limits for both household and income size. Nelson County is part of the Charlottesville Metropolitan Statistical Area (MSA) and these limits for 2015 are as follows:

STATE: VIRGINIA
Charlottesville, VA MSA
FY 2015 MFI: 84100

----- **HUD SECTION 8 INCOME LIMITS** -----

	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
EXTR LOW INCOME	\$17,700	\$20,200	\$22,750	\$25,250	\$28,410	\$32,570	\$36,730	\$40,890
VERY LOW INCOME	\$29,450	\$33,650	\$37,850	\$42,050	\$45,450	\$48,800	\$52,150	\$55,550
LOW-INCOME	\$46,100	\$52,650	\$59,250	\$65,800	\$71,100	\$76,350	\$81,600	\$86,900

DRAFT

MODEL AGREEMENT FOR INDUSTRIAL DEVELOPMENT PROJECTS

(For Industries Using the Made-Available-To Method)

This AGREEMENT, made this ____ day of _____, 20__, between Nelson County, a County existing under the laws of the Commonwealth of Virginia, hereinafter referred to as "(Grantee)" and Wild Wolf Brewing Company, a corporation existing under the laws of the Commonwealth of Virginia, hereinafter referred to as "(Industry)" and assigned the Data Universal Numbering System (DUNS) # (01-968-6726).

WITNESSETH:

THAT for and in consideration of the mutual covenants and agreements herein contained, the said parties do agree as follows:

1. The parties recognize that this AGREEMENT is contingent upon the continued existence of a CDBG grant offer of \$(250,000) to Nelson County. Using these grant funds, the Grantee will provide the following, to be made available to Wild Wolf Brewing Company at 2461 Rockfish Valley Highway, Nellysford, Virginia, hereinafter referred to as "Site":
 - a. Sewer force main extension from the existing manhole located at the Valley Green Shopping Center, going to 2461 Rockfish Valley Highway, ending with a coated manhole appropriate to allow Wild Wolf Brewing Company to connect to Aqua Virginia Utility Company.
 - b. Sewer connect/guarantee fee for up to 5,000 water per day from Aqua Virginia - \$50,000.
2. Wild Wolf Brewing Company certifies that there are no legal or financial impediments which would prevent or delay the investment and job creation and attaches as a part of this agreement a summary setting forth the following information:
 - a. Wild Wolf Brewing Company currently employs 46 persons at the project site to be assisted by CDBG funds. A breakdown of these jobs by type (number and classification) is included herein as Attachment 1.
 - b. Wild Wolf Brewing Company intends to create a total of 5 new jobs at the project site. Of these 1 will be considered full-time jobs and 4 will be part-time jobs. A breakdown of these jobs by type (classification) and time frame for creation is included here in as Attachment 2.
3. Wild Wolf Brewing Company will locate upon the premises a sewer line creating or retaining approximately 46 jobs. At least fifty-one percent (51%) of all jobs created will be LMI jobs, as defined herein. Employment created will not duplicate existing employment and job creation will occur within two years of the date of completion of the private investment.

4. The documentation of job creation, including jobs to LMI persons, must adhere to the following:
 - a. All jobs must be physically located at the industry 2461 Rockfish Valley Highway, Nellysford, Virginia 22958;
 - b. All jobs at that site must be included in the tracking;
 - c. Jobs are counted – not people;
 - d. A job is considered closed once it is filled upon the first hire;
 - e. Job counting must continue until the CDBG project is completed and the CDBG contract with the Grantee is administratively closed out.
 - f. If at the time of (4e) Industry has not fulfilled its job creation commitment, counting must continue until such time that it is met.

5. Wild Wolf Brewing Company will take affirmative steps to employ low- and moderate-income persons, (defined as persons whose annual household income prior to employment is lower than 80% of the median income for the area). Both the household size and income of the entire household will be considered. The U.S. Department of Housing and Urban Development's Section 8 Income Limits by household size will be used to determine whether the LMI standard has been met.

6. In order to meet the Made-Available-To test for job creation, Wild Wolf Brewing Company agrees to the following:
 - a. All applications for employment will be made through a single point of entry.
 - b. The single point of entry for this project will be Wild Wolf Brewing Company.
 - c. Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs.
 - d. For jobs that require education beyond high school or skills not commonly possessed by high school graduates, Wild Wolf Brewing Company agrees to consider unqualified persons and provide training to them at no cost to the employee.
 - e. Nelson County and Wild Wolf Brewing Company agree that LMI persons will receive first consideration for filling of jobs. First consideration means that Wild Wolf Brewing Company will give objective consideration to the employment of LMI persons. To demonstrate that first consideration is given, Wild Wolf Brewing Company will hire from pools of qualified applicants without knowledge of the income status of any employee. Wild Wolf Brewing Company will verify that the overall pool of applicants includes no less than 51% LMI persons based on HUD's Section 8 Income Limits and considering both household and income size. Wild Wolf Brewing Company MUST MAINTAIN THE DOCUMENTATION IT USED FOR VERIFICATION. In addition, any person referred from the JOB TRAINING PARTNERSHIP WORKFORCE INVESTMENT ACT OF 1998 programs will be accepted as LMI because of known income restrictions of that program, except for the Dislocated Workers Program.
 - f. Any training programs specified in Nelson County grant proposal must be initiated prior to or concurrent with start-up of production. Documentation of training

efforts and information concerning individuals enrolled in training programs MUST be kept by Nelson County and Wild Wolf Brewing Company.

7. Wild Wolf Brewing Company is responsible for maintaining documentation on the persons who are employed by the following characteristics: a) LMI status, b) female headed households (must have at least one child under the age of 18 years), c) elderly, d) handicapped, e) racial/ ethnic status (Hispanic, White, Black/African American, Asian, American Indian/Alaskan Native, Native Hawaiian/Other Pacific Islander, American Indian/Alaskan Native and White, Asian and White, Black/African American and White, American Indian/Alaskan Native and Black/African American and Other Multi-Racial), and f) employment status at time of application
8. Wild Wolf Brewing Company will submit to Nelson County documentation of the number and names of all of those employed, their EDA job classification and whether the employees are provided with employer sponsored health care. This documentation will be provided at least every three (3) months from the start of the CDBG project for a period of two (2) years from the date of completion of the private investment or until Nelson County has received written approval from the Virginia Department of Housing & Community Development to terminate submission of documentation.
9. Wild Wolf Brewing Company will invest not less than \$30,000 for a sewer connection on the property to the new sewer line. This investment will be verified by an audit provided by Wild Wolf Brewing Company and prepared by an Independent Certified Public Accountant or by submission of copies of source documents in the form of contracts, invoices, and cancelled checks documenting that the full investment was made on the project for approved activities. This investment will occur within two (2) years of the commencement date of the CDBG Grant Agreement.
10. The probationary period may not exceed six months
11. Wild Wolf Brewing Company agrees to provide to Nelson County, and to officials of the Virginia Department of Housing and Community Development and the U. S. Department of Housing and Urban Development, reasonable access to its facilities to substantiate the employment and investment committed by this agreement and to provide access to pertinent records documenting jobs made available to low- and moderate-income persons.

SANCTIONS

12. Upon signing of this AGREEMENT, Wild Wolf Brewing Company agrees that upon failure to honor its commitment at any time to locate on THE SITE, once local or grant funds have been expended on project improvements agreed to herein, the Wild Wolf Brewing Company is subject to repay in full all local or grant funds already expended to DHCD.

13. Should the Industry fail to achieve the performance regarding jobs and investment outlined herein after location at THE SITE, the industry is required to provide detailed documentation proving that a good faith effort has been made to achieve specified benefits. Nelson County and the Virginia Department of Housing & Community Development reserve the right in such case to require repayment of all or a portion of the grant funds. Notwithstanding a good faith effort on the part of the industry, failure to make jobs available to at least 51% low- and moderate-income persons will result in the repayment of the entire amount of grant assistance provided by the Grantee and the Virginia Department of Housing & Community Development.
14. Nelson County has secured the CDBG investment of \$250,000 through the provision of a *letter of credit* that is held at *Bank of the James, Lynchburg, Virginia* and subject to be called by DHCD for non-performance as defined herein.

ATTACHMENT 1

Wild Wolf Brewing Company
Jobs by Category
November 3, 2015

All unique individuals – no overlap in counts

Kitchen Salaried (management) – 5

Kitchen Hourly – 5-6 Moving into our slower season – looking for one more hourly person to make 6 total

Total - 11

Brewery Salaried – 4

Brewery Hourly – 1-2

Moving into our slower season – looking for one more hourly person to make 2 total

Total - 6

Sales Salaried – 2

Sales Hourly – 1

Total – 3

Marketing Salaried – 4

Total - 4

Restaurant Salaried – 3

Server/bartender Hourly – 18

Host – 1

Total – 22

TOTAL - 46

ATTACHMENT 2

Wild Wolf Brewing Company
New Jobs by Category/Timeframe to be created in 2016

Kitchen Hourly – 2 (first half 2016)

Kitchen Salaried – 1 (second half 2016)

Server/bartender – 4 (first half 2016)

Sales Salaried – 1 (first quarter 2016)

ATTACHMENT 3

PROJECT BUDGET - CDBG

\$50,000 fee from sewer company to connect/guarantee volumes up to 5000 gpd

\$50,000 engineering/permits, etc – estimated

\$150,000 fee to install/connect 2200 feet force main to WWBC property – estimated

PROJECT BUDGET – WWBC

\$30,000 engineering and install on WWBC property - estimated

ATTACHMENT 4

\$460,000 INVESTMENT IN 2015

\$182,361 Event Center renovation and equipment – completed July 2015

\$20,000 Water treatment work (to hold over until the sewer goes in;
this will all still be used after connecting to sewer) – completed July 2015

\$230,000 Canning machine/labeling machine – July 2015

\$23,500 New outdoor freezer/cooler for restaurant – May 2015

\$4,139 Closing costs - February 2015

ATTACHMENT 5

Wild Wolf Job Retention

See next page



2461 Rockfish Valley Hwy
Nellysford, VA 22958

434-361-0088

www.wildwolfbeer.com

434-361-0099 (fax)

November 12, 2015

Virginia Department of Housing and Community Development
Community Development Division
600 East Main Street Suite 300
Richmond, VA 23219

Subject: Wild Wolf Brewing Company Job Retention

To Whom It May Concern:

We have been given until the end of May 2016 to connect to the sewer, located 2200 feet from Wild Wolf's property. Wild Wolf does not have the financial resources to pay for the sewer extension/connection fees, and we have found no other way to make this happen. Given the drain field requirements being imposed by the Health Department, we also do not have the option of expanding our existing drain field to meet the current level of business operations, let alone the ability to further expand operations in this location. The situation is putting 46 jobs at risk, as well as the jobs we will be creating over the next several years, as we expand operations.

In addition, we have been told that the properties between the Shopping Center (where the sewer currently ends) and Wild Wolf have failing drain fields. This is an obvious health risk and a serious risk to the ground water in this area. By creating this sewer connection, it will facilitate an easy sewer connection for these other properties.

Best regards,

Mary Wolf, President
Wild Wolf Brewing Company
2461 Rockfish Valley Hwy
Nellysford, VA 22958
434-361-1776
mary@wildwolfbeer.com