



Waynesboro City Council Agenda Briefing

Meeting Date:	January 23, 2023	Staff/Council Member(s): Michael G. Hamp II, City Manager; Gregory Hitchin, Director of Economic Development and Tourism
Agenda Item #	8	
Resolution#		
Department:	Economic Development and Tourism	
Subject:	Common Wealth Crush Performance Agreement	

Background: Common Wealth Crush (CWC) is a custom crush winery processing grapes from independently owned vineyards throughout Virginia. CWC is a new business in Waynesboro, operating in approximately 17,000 square feet of the Virginia Metal Crafters (VMC) building. Since they use Virginia agriculture products in their process, they are eligible to apply for a Governor’s Agriculture and Forestry Industries Development Fund (AFID) grant.

As a reminder, AFID is a state discretionary incentive. The City / EDA applies on behalf of applicant and is conduit for funds. The AFID program supports localities to attract new and expanding agriculture and forestry processing/value added facilities using Virginia grown products. To qualify, the business beneficiary must be a new business or existing businesses making new private investments and/or creating new jobs in the applicant locality for the purposes of adding value or further processing Virginia grown agricultural or forestry products. Each grant requires a performance agreement with claw-back provisions between the applicant and the business beneficiary detailing pledges for private investment, jobs and purchase of Virginia-grown agriculture and forestry products.

In early 2022, after consultation with the City Council and EDA, the city made application to the Commonwealth for a \$25,000 AFID grant with the required local match of \$25,000 from the city.

The grant period is three years with the company committing to add value to more than \$1.1 million of Virginia-grown grapes, invest more than \$1.5M, and hire six new employees, while helping numerous new grape growers and winemakers refine their craft and eventually found their own wineries.

The city investment of \$25,000 will be a reimbursement of taxes and fees paid by CWC over the next three years.

On execution of the PA, the city will request the state grant of \$25,000 and upon receipt pass through the EDA to the company. Annually the company must request the city match based on the taxes and fees paid in the previous calendar year.

In late summer 2022 the grant application was approved and in October of 2022, the Governor announced the award of the grant.

At their January 13, 2023 regular meeting, the EDA unanimously approved and executed the performance agreement.

City Manager's Recommendation: Introduce Ordinance authorizing City Manager to execute performance agreement as attached.

Suggested Motion(s):

Attachments: Performance Agreement
Resolution