

AFID:

GOVERNOR'S
AGRICULTURE & FORESTRY
INDUSTRIES DEVELOPMENT
FUND

Fairfax County Board of Supervisors –
Fairfax, VA – 10/17/17

AFID: Governor's Agriculture & Forestry Industries Development Fund

New economic development tool just for agribusiness

- ▣ *Grew from a discussion about how existing economic development incentives weren't working for ag and forestry – the State's largest industry*
- ▣ *Central question – how to use a small pot of funding to have the greatest impact possible on ag and forestry?*
- ▣ *In November 2011, Secretary assembled stakeholders to develop plan, legislation creating program passes in 2012 with unanimous support*
- ▣ *Two programs: AFID Facility Grant and Planning Grant*

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▣ *AFID Facility Grants*

- *Traditional economic development incentive grant program – like COF program*
- *State and Local incentives in exchange for a company's commitment to create new jobs, investment AND purchases of Virginia Grown products*

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□ *AFID Facility Grants Eligibility:*

- *Application made by local government to benefit new/expanding business*
- *Benefiting business must be facility that adds value to ag/forest products*
- *Minimum 30% of ag/forest products used must be Virginia grown*
- *Requires dollar-for-dollar local match (cash/in-kind)*

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- *AFID Facility Grant Amount & Conditions:*
 - ▣ *Max. grant: \$500,000 (most awards much smaller)*
 - ▣ *Requires performance agreement with clawback provisions*
 - ▣ *Grant amount determined by Governor based on a return-on-investment analysis, impacts on agricultural producers and other factors*

AFID Grant Awards as of June '17

- Fifty Awards have been made totaling **\$4,389,200**.
- These projects will create **1,764 new jobs** across 35 localities
- They will lead to **\$395,229,897** in new capital investments and
- The purchase of **\$378,313,219** of Virginia-grown products
- Representing **81%** of total ag purchases



KO Distilling ~ Manassas

- Craft distillery expansion
- \$675,000 new investment
- 6 new jobs
- \$63,750 or 300 tons of net new purchases of Virginia grown corn, wheat and rye (100% of all grain purchases)
- Awarded \$25,000 AFID Facility Grant – Aug. 16, 2016
- 1st AFID grant to a City in Northern Virginia
- City of Manassas EDA matched with \$25,000 local cash grant



Port City Brewing ~ Alexandria

- Craft brewery expansion
- \$2.68M new investment
- 26 new jobs
- \$41,000 of net new purchases of Virginia wheat and oysters (75% of all non-malt purchases)
- Awarded \$250,000 AFID Facility Grant – Aug. 31, 2016
- 1st AFID grant in Northern Virginia
- Alexandria matched with in-kind, on-site transportation improvements and cash grant (unusual)

AFID PLANNING GRANTS

- ❑ *Grants to Cities and Counties to better integrate Ag & Forestry into their economic development efforts*
- ❑ *Matching grants up to \$20,000 per locality (or \$35,000 for multi-jurisdictional applications)*
- ❑ *Dollar-for-dollar local match required, in-kind match (such as staff time) can be up to half of local match*
- ❑ *Requires the active participation of a local Ag and/or Forestry board, committee or working group*
- ❑ *Applications accepted on rolling basis*

Example AFID Planning Grants

- ❑ Central Shenandoah PDC – Fields of Gold Program
- ❑ Staunton – Feasibility Study of a Commercial and Shared-Use Kitchen
- ❑ Halifax County – Meat Processor Feasibility Study
- ❑ Region 2000 – Ag & Forestry Strategic Plan
- ❑ Albemarle County – Wine Center Feasibility Study
- ❑ Orange County – Assessing Opportunities for Agriculture and Agritourism at Montpelier

**-VDACS -
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