

AGENDA REPORT

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| Meeting Date: | <u>June 21, 2023</u> | Item Number: | <u>5</u> |
| Prepared By: | <u>Jason Greiner</u> | Account Code: | <u></u> |
| Date Prepared: | <u>June 16, 2023</u> | Exhibits: | <u>1</u> |

Subject

Consider and act upon a First Amendment to the Performance Agreement between the WEDC and Glen Echo Brewing.

Recommendation

Motion to approve a First Amendment to the Performance Agreement between the WEDC and Glen Echo Brewing, subject to City Council Approval and further authorize the Executive Director to execute any and all necessary documents.

Discussion

As the Board will recall, the City Council approved Project 2022-7c on February 14, 2023, and the WEDC approved a Performance Agreement with Glen Echo Brewing in an amount not to exceed \$80,000 on February 15, 2023.

This First Amendment provides a 90-day extension to the Performance Agreement due to delays in the construction timeline and a modification to the economic assistance in the amount of \$_____ due to unanticipated expenses related to the buildings foundation and fire suppression system.

As presented:

Amended Section 1: Economic Assistance (b) in an amount not to exceed \$_____ (originally \$80,000)

1. Economic Assistance. Subject to the terms of this Agreement and provided Company is not in default, the WEDC will provide Company economic assistance in the form of (a) forgiveness of all or a portion of the Seller Note over a three (3) year period, in an amount not to exceed \$100,000.00, plus interest in the aggregate, and (b) performance incentives in an amount not to exceed \$80,000.00 in the aggregate (collectively, the “Economic Assistance”) upon completion of the Performance Obligations set forth below. The total amount of economic assistance and/or incentives to be paid to the Company, including forgiveness of the Seller Note and payment of the qualified infrastructure incentives, shall not exceed the cumulative sum of One Hundred Eighty Thousand Dollars (\$180,000.00).

Amended Section 2: Performance Obligations as follows:

- (a) \$ _____ and,
 (a)(i) (CO Deadline) by 90 days from 8-17-23 to 11-15-23

2. Performance Obligations. The WEDC's obligation to provide Company with the Economic Assistance stipulated above is expressly contingent upon Company completing the following items (the "Performance Obligations") by the due dates set forth below:

(a) Year One. Economic Assistance will be provided to the Company in the form of (i) forgiveness of a portion of the Seller Note in an amount not to exceed Thirty-Three Thousand Dollars (\$33,000.00) plus any accrued interest, and (ii) payment of a qualified infrastructure incentive in an amount not to exceed Thirty Thousand Dollars (\$30,000.00) upon completion of the following Performance Obligations for Year One;

i. Company shall supply documentation to the WEDC proving completion of the 4,125 square foot Facility remodel, as evidenced by a Certificate of Occupancy or letter from the City's Chief Building Official (a "Certificate of Occupancy") for the Facility, no later than 180 days after the Effective Date of this Agreement (a "CO Deadline"); The issuance date of the Certificate of Occupancy for the Facility will become the "Facility Completion Date";

ii. Company shall supply documentation to the WEDC supporting a minimum Project Cost of One Million Dollars (\$1,000,000.00) as evidenced by paid invoices, no later than the CO Deadline; and

iii. Company shall supply documentation to the WEDC that the Qualified Infrastructure for the Facility has been completed and that the total cost of constructing the Qualified Infrastructure for the Facility was at least Eighty Thousand Dollars (\$80,000.00) no later than the CO Deadline; and

iv. Company shall be current on all ad valorem taxes and other property taxes due on the Property through the CO Deadline and provide written notice and evidence of such payment to WEDC in a form satisfactory to WEDC; and

v. Company shall supply documentation to the WEDC on or before the CO Deadline that Company has paid on time all fees associated with construction or remodel of the Facility including, but not limited to, Building Permit Fee, Plumbing, Mechanical, and Electrical Permit Fees, Fire Inspection Fee, Fire Department Plan Review Fee Fire Development Fee, Thoroughfare Impact Fee, Water & Sewer Impact Fees, third party review of Fire Sprinkle and Fire Alarm plans, and all other inspection fees not specifically named that may be applicable to the remodel of the Facility; and

vi. Employment verification proving the number of Full-Time Employees employed at the Facility as of the Facility Completion Date, approval of said documentation at the sole and absolute discretion of the WEDC.

Attachment

- Performance Agreement