

MEMORANDUM

To: R. David Laurrell, County Administrator *R. David Laurrell* 1/7 BOS

From: Mike Davidson, Economic Development Director, *JMD*

Subject: AGENDA ITEM: JetBroadband

Date: December 17, 2007 (5 minutes)

BACKGROUND:

On February 20, 2007, the Board of Supervisors authorized by consensus in closed session the sale of land in Seneca Commerce Park to JetBroadband for its expansion and \$20,000 in incentive funding. In July, JetBroadband purchased 6.659 acres of land for \$233,065.00.

DISCUSSION:

Jet Broadband purchased one of the lots in Seneca Commerce Park. The company is presently located on Rt. 29, but it must move out of the building it is in. Construction of the new building is well underway. The company anticipates spending \$1 million to build a building, hire an additional 25 people as customer service representatives at an average of \$10.00 per hour, make this location their Virginia headquarters, and invest \$200,000 in additional equipment.

In closed session, the Board of Supervisors authorized by consensus \$20,000 in local incentives for this project, as well as allocated the remainder of the proceeds from the sale to the Seneca Commerce Park CIP expenditure line item for future improvements. The return on investment for the county is 2.8 years. A performance agreement has been executed as of July 30, 2007.

RECOMMENDATION:

Staff recommends that the Board of Supervisors approve in open session to fund the industrial incentives to JetBroadband in the amount of \$20,000 for this project, as well as adopt the attached transfer of appropriation to move funds from the CIP expenditure line to the incentive expenditure line.

REQUEST FOR TRANSFER OF APPROPRIATION

FROM: Mike Davidson, Director of Economic Development, *JMD*
DATE: December 17, 2007

<u>Category</u>	<u>Line Item</u>	<u>Delete</u>	<u>New Total</u>
Economic Development, Capital Improvement Fund			
Seneca Commercial Center (Winston)	4-302-094800-0090	\$20,000.00	\$333,129.72

<u>Category</u>	<u>Line Item</u>	<u>Add</u>	<u>New Total</u>
Economic Development			
INDUSTRIAL INCENTIVE- JETBROADBAND	4-100-081500-5923	\$20,000.00	\$20,000.00

COMMENTS: Funds represent in part funds paid by JetBroadband to purchase land at Seneca Commerce Park. The project and \$20,000 in incentives were authorized in closed session by consensus by the Board of Supervisors on February 20, 2007.