

MOTION:

**May 19, 2020
Regular Meeting
Res. No. 20-**

SECOND:

RE: AUTHORIZE THE EXECUTION OF A PERFORMANCE AGREEMENT WITH VIRONGY, LLC, AND THE INDUSTRIAL DEVELOPMENT AUTHORITY OF PRINCE WILLIAM COUNTY FOR AN ECONOMIC DEVELOPMENT OPPORTUNITY FUND GRANT OF \$50,000 FOR THE VACCINE DEVELOPMENT PARTNERSHIP WITH GEORGE MASON UNIVERSITY AND BUDGET AND APPROPRIATE \$50,000 FROM THE ECONOMIC DEVELOPMENT OPPORTUNITY FUND – BRENTSVILLE MAGISTERIAL DISTRICT

ACTION:

WHEREAS, the Industrial Development Authority of Prince William County (IDA) has been created to promote the economic development of Prince William County, Virginia (County) pursuant to enabling legislation under Section 15.2-4900 *et seq.*, VA Code Ann.; and

WHEREAS, the IDA has the authority to make grants of money or property for economic development pursuant to Section 15.2-4905, VA Code Ann.; and

WHEREAS, Virongy, LLC, in partnership with the George Mason University Biomedical Research Labs (BRL), will identify if extracellular vesicles as a platform to deliver antigens is an effective vaccine development approach; and

WHEREAS, Virongy, LLC, commercialization plans include utilizing this novel vaccine approach with immune-compromised adults and children as a “patch delivery mechanism” to maintain immunity, and to deliver vaccines for infections and metabolic diseases, such as COVID-19 and that the preliminary data generated from this project will provide a head start for Virongy, LLC, to obtain additional funding from the NIH, Commonwealth’s GAP Fund, angel and venture capital investors; and

WHEREAS, Virongy, LLC, will invest \$100,000, through in-kind services and labor, to produce the cell lines that create extracellular vesicles; and

WHEREAS, it is necessary from time to time to provide financial assistance to assist in the expansion of life science and medical networks targeted sectors in Prince William County, Virginia, as an essential part of the County’s economic development effort; and

WHEREAS, this Performance Agreement is consistent with the Agreement entered by and between the IDA and the Prince William Board of County Supervisors for granting assistance to expand targeted industries in the County to promote long-term economic development in the County; and

WHEREAS, upon execution of this Performance Agreement, and a written request from Virongy, LLC, containing any necessary bank wiring instructions, Virongy, LLC, will receive the proceeds of EDOF Grant in the amount of Fifty Thousand and 00/100 Dollars (\$50,000.00) in accordance with the schedule contained in this Performance Agreement; and

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WHEREAS, the Prince William Board of County Supervisors, the IDA, and Virongy, LLC, desire to enter into this Performance Agreement to memorialize the understandings and conditions under which financial incentives will be provided to Virongy, LLC, to use in connection with its research in Prince William County, Virginia, and to set forth the obligations and responsibilities of the parties in connection therewith;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby authorizes the County Executive, or his designee, to execute a Performance Agreement approved as to form by the County Attorney's Office with Virongy, LLC, and the Industrial Development Authority of Prince William County for an Economic Development Opportunity Fund Grant of \$50,000 for the Vaccine Development Partnership with George Mason University and budget and appropriate \$50,000 from the Economic Development Opportunity Fund.

ATTACHMENT: Performance Agreement

Votes:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:

For Information:

Department of Economic Development

ATTEST: _____
Clerk to the Board

PERFORMANCE AGREEMENT

THIS PRINCE WILLIAM COUNTY ECONOMIC DEVELOPMENT INCENTIVE GRANT AGREEMENT (herein referred to as “Agreement”), made this 28th day of April 2020 by and among the Prince William County Board of Supervisors, a body corporate and politic (the “County Board”), the **INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PRINCE WILLIAM**, (hereinafter referred to as “IDA”), a political subdivision of the Commonwealth of Virginia, and Virongy, LLC (“Virongy”), a Virginia Corporation, registered to do business in the Commonwealth of Virginia, individually a “Party” and collectively the “Parties.”

WITNESSETH:

WHEREAS, the IDA has been created to promote the economic development of Prince William County, Virginia (the “County”) pursuant to enabling legislation under Section 15.2-4900 *et seq.*, VA Code Ann.; and

WHEREAS, the IDA has the authority to make grants of money or property for economic development pursuant to Section 15.2-4905, VA Code Ann.; and

WHEREAS, Virongy, LLC, in partnership with the George Mason University Biomedical Research Labs (BRL), will identify if extracellular vesicles as a platform to deliver antigens is an effective vaccine development approach; and

WHEREAS, Virongy, LLC, commercialization plans include utilizing this novel vaccine approach with immune-compromised adults and children as a “patch delivery mechanism” to maintain immunity, and to deliver vaccines for infections and metabolic diseases, such as COVID-19 and that the preliminary data generated from this project will provide a head start for Virongy, LLC, to obtain additional funding from the NIH, Commonwealth’s GAP Fund, angel and venture capital investors; and

WHEREAS, Virongy, LLC, will invest \$100,000, through in-kind services and labor, to produce the cell lines that create extracellular vesicles; and

WHEREAS, it is necessary from time to time to provide financial assistance to assist in the expansion of life science and medical networks targeted sectors in Prince William County, Virginia, as an essential part of the County’s economic development effort; and

WHEREAS, this Agreement is consistent with the Agreement entered by and between the IDA and the County Board for granting assistance to expand targeted industries in the County to promote long-term economic development in the County; and

WHEREAS, upon execution of this Agreement, and a written request from Virongy, LLC, containing any necessary bank wiring instructions, Virongy, LLC, will receive the proceeds of EDOF Grant in the amount of Fifty Thousand and 00/100 Dollars (\$50,000.00) in accordance with the schedule contained in this Agreement; and

WHEREAS, the Board of County Supervisors has duly authorized and committed the EDOF Grant the proceeds of which are to be provided to the IDA for research on extracellular vesicles as a platform to deliver antigens according to Resolution #20 -__, and has approved and requested the IDA to enter into this agreement to facilitate the grant; and

WHEREAS, the County Board the IDA and Virongy, LLC, desire to enter into this Agreement to memorialize the understandings and conditions under which financial incentives will be provided to Virongy, LLC, to use in connection with its research in Prince William County, Virginia and to set forth the obligations and responsibilities of the parties in connection therewith;

NOW, THEREFORE, in consideration of the mutual promises of the parties and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby state and agree as follows:

- 1) **Incorporation of Recitals** – The following recitals are an integral part of the Agreement and set forth the intentions of the Parties and the premises on which the Parties have entered into this Agreement. Accordingly, the recitals are fully incorporated into this Agreement by this reference as if fully set forth herein.
- 2) **Definitions** – In addition to any other capitalized term for which meaning is expressly defined in this Agreement, the following terms shall be defined as follows:
 - a) “Effective Date” means April 28, 2020.
 - b) “County Executive” means the County Executive of Prince William County. or his/her designee.
- 3) **Virongy, LLC , Covenants and Obligations**
 - a) Virongy agrees to research, in partnership with the George Mason University Biomedical Research Laboratory, extracellular vesicles as a platform to deliver antigens as an effective vaccine development approach.
 - b) Virongy agrees to use the EDOF Grant funds for the purpose of purchasing biomedical materials and contracting with George Mason University Biomedical Research Laboratory for this research.
 - c) Virongy covenants and agrees to remain current on all applicable property, business, professional, and occupational license taxes assessed to Virongy by Prince William County.
 - d) Virongy acknowledges and agrees that the EDOF Grant are County funds for which the IDA is serving as a conduit and that the IDA’s obligation to disperse the EDOF Grant and Credits to Virongy is wholly contingent upon the IDA’s receipt of the EDOF Grant funds from the County in the first instance.
 - e) Virongy shall provide a quarterly written report, on or about the first of the month, beginning in July 2020 and ending in July 2021 detailing vaccine development milestones.
 - f) Virongy represents that it is a Virginia Corporation, and it is authorized to conduct business in Virginia, that its Board of Directors has approved the

transaction contemplated by this Agreement under its corporate policies and procedures through formal resolution, that the undersigned is authorized to sign this Agreement on behalf of Virongy and that this Agreement will be binding on Virongy and its successors and assigns. Virongy agrees to provide proper documentation of the preceding to the County Board and the IDA before the disbursement of the EDOF Grant funds to Virongy.

- g) Virongy acknowledges and agrees that the IDA has designated the County Executive to administer the Agreement for the IDA in all respects, including, but not limited to, making determinations as to Virongy's compliance with the Disbursement Prerequisites in Section 5 and enforcing the IDA's repayment rights in Section 7.

4) **IDA Covenants and Obligations**

- a) Upon receipt of the requisite monies from the County Board to fund the EDOF Grant payment to Virongy, the IDA shall, subject to the Disbursement Prerequisites in Section 5, disburse the EDOF Grant payment to Virongy pursuant to Section 6. Should Virongy not fulfill the Disbursement Prerequisites within three hundred and sixty-five (365) days of the Effective Date, the IDA will return the monies to the County.

5) **Disbursement Prerequisites** – The IDA's obligation to disburse Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) EDOF Grant to Virongy is subject to and conditioned upon Virongy's fulfillment of the following pre-conditions ("Disbursement Prerequisites") within sixty (60) days of the Effective Date:

- a) **Receipt of Notarized Affidavit.** Virongy must have provided the County Executive or his designee with a notarized affidavit, a sample of which is attached as **Exhibit A**, declaring, among other things:
 - i) Expenditure of \$25,000 on biomedical materials utilized for the research.

If the above pre-condition and all other applicable Disbursement Prerequisites are met, and upon receipt of the County Executive's written instructions, the IDA shall disburse Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) to Virongy. The IDA shall disburse the EDOF Grant funds within 30 days after the County Executive complies with Subsection f).

- b) **Receipt of Notarized Affidavit: Virongy** must have provided the County Executive with a notarized affidavit (this can be a second Notarized Affidavit or included as part of the Subsection a) Notarized Affidavit), a sample of which is attached as **Exhibit A**, declaring among other things:
 - i) Expenditure of \$25,000 for contract services with the George Mason University Bio-research Lab on this research.

- ii) Documentation of \$100,000 of in-kind services by Virongy and the George Mason University Bio-Research Lab on this research.

If the above precondition and all other applicable Disbursement Prerequisites are met, and upon receipt of the County Executive's written instructions, the IDA shall disburse a second grant of Twenty-Five Thousand and 00/100 Dollars (\$25,000.00) to Virongy Property. The IDA shall disburse the EDOF Grant funds within 30 days after the County Executive complies with Subsection f).

- c) **Business License** – Virongy must provide to the County Executive or his designee a copy of Virongy's Prince William County Business License.
- d) **Release of Tax Information** – Prior to the disbursement of any EDOF Grant funds or Credits Virongy must sign the Authorization to Release Confidential Tax Information (attached as **Exhibit B**) to authorize the Prince William County, VA Finance Department to release Virongy's business license tax (BPOL) and business tangible personal property tax information to Prince William County Department of Economic Development beginning with tax year 2021 and continuing for five years. The County will treat the tax information as confidential and will not release it to the public, except as required by applicable law, or as part of composite real estate and employee-related revenue data in accordance with Section 8i.
- e) **Payment of Taxes** – Prior to any disbursement according to the schedule, Virongy must be current on all applicable property, business, professional, and occupational license taxes assessed to Virongy by Prince William County and all rent payments at the Prince William County Science Accelerator
- f) **County Executive's Verification** – Before the IDA disburses any EDOF Grant funds or transfers any Credits, the County Executive or his designee will
 - i) Confirm and verify all the information in the Subsections a) and b) Notarized Affidavits, and
 - ii) Confirm and verify, where applicable, that Virongy has complied with the Subsections c) through e) pre-conditions, and
 - iii) Send a written notice, specifying that the Subsections a) through e) information, where applicable, has been confirmed and verified, and directing the IDA to disburse the applicable EDOF Grant funds and to transfer the Credits to Virongy.

6) Disbursement of EDOF Grants

The IDA shall disburse the applicable EDOF Grant funds, according to Section 5) Subsections a) and b) schedules, to Virongy upon completion or receipt of the following:

- a) Virongy's satisfaction of Section 5) Disbursement Prerequisites within three hundred and sixty-five (365) days of the Effective Date,
- b) The County Board's transmission of the applicable EDOF Grant funds,
- c) The County Executive's Section 5) Subsection f) iii) notice, including written EDOF Grant funds disbursement instructions, and

- d) Virongy's written request, containing any necessary bank wiring instructions.

7) **Repayment of EDOF Grant and Credits**

- a) If Virongy meets the requirements contained in this Agreement and receives the first payment of the EDOF Grant, but Virongy fails to expend \$25,000 for contract services with the George Mason University Bio-research Lab on this research and/or fails to provide \$100,000 of in-kind services for this research within one (1) year of receiving the EDOF Grant then Virongy shall reimburse the IDA Twenty Five Thousand and 00/100 Dollars (\$25,000.00) or 100% of the Economic Development Opportunity Funds granted to it within sixty (60) days of receipt of notification by the County. Any refund paid by Virongy to the IDA under this provision shall be repaid to the County Board within sixty (60) days of receipt of the funds from Virongy.
- b) If Virongy meets all the requirements contained in this Agreement and receives the full payment under this Agreement and does not complete the animal modeling work within one year of the Effective Date of this Agreement, then Virongy shall reimburse the IDA 100% of the EDOF Grant granted to it. Any refund paid by Virongy to the IDA under this provision shall be repaid to the County Board.

8) **Miscellaneous Provisions**

- a) **Notices** – Demands and Communications between the Parties. Formal notices, demands and communications between the Parties shall be given by (i) personal service; (ii) reputable document delivery service, such as Federal Express, with a receipt showing date and time of delivery; or (iii) certified or first-class United States mail, postage prepaid, with a receipt showing date and time of delivery:

To the County: Prince William County
Office of the County Executive
Attn: Chris Martino, County Executive
Fax: (703)
Email: cmartino@pwcgov.org

With Copies to: Prince William County
Office of the County Attorney
Attn: Rob Skoff, Title

Prince William Department of Economic Development
13575 Heathcote Blvd, Ste 240
Gainesville, VA 20155
Attn: Christina Winn, Executive Director
Fax (703) 792-5502
Email: cmwinn@pwcgov.org

To Virongy LLC: Virongy, LLC

11100 Endeavor Ct., Suite 119
Manassas, VA 20109

To the IDA: Industrial Development Authority of the County
Of Prince William
PO Box 2636
Manassas, VA 20108

- b) **Entire Agreement Amendments** – This Agreement constitutes the full agreement between the parties, and neither party shall be bound by any terms, conditions, or representations not contained herein. This Agreement may be modified only by written agreement signed by both parties hereto with the same formality, and with the consent of the County.
- c) **Assignment** – This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. The County must approve in writing the assignment of this Agreement to any entity which does not own or control Virongy or is not owned or controlled by Virongy. Such County approval shall not be unreasonably withheld for an assignment which does not deviate from the research described in Section 3.
- d) **Governing Law; Venue** – This Agreement is made and is intended to be performed in Prince William County, Virginia, and shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.
- e) **Determination; Disbursements**
 - i) Any determination by the County Executive of fulfillment or non-fulfillment of the terms of this Agreement by Virongy shall be binding on the IDA. The IDA may request such determinations by the County Executive as necessary.
 - ii) The IDA shall have no responsibility to disburse any funds to Virongy beyond the amount that the IDA has received from or on behalf of the County Board for the purpose.
- f) **Non-Liability of Officials, Employees and Agents** – No member, official, employee or agent of the County Board or of the IDA shall be personally liable to Virongy in the event of any default or breach by the County Board or by the IDA or for any amount that may become due to Virongy or its successors or assigns under the terms of this Agreement.
- g) **Business Day Convention** – If the date of any required action falls upon a weekend day or a holiday or other day when the Prince William County, VA government is not open for business, the required action may be deferred to the next business day.
- h) **Force Majeure** – If any Party is delayed in the performance of its obligations hereunder, and such delay is due to Force Majeure, defined as acts of nature, fire, catastrophic weather, explosion, riot, war or labor strike or any other cause beyond the Party's control and this (these) event(s) impact the ability of the

Party to complete its performance obligations under this Agreement and only if the Party gives prompt notice of such Force Majeure event(s) and has made reasonable efforts to mitigate the impact of such event(s), then the Party may in writing request an extension of the performance commitments from the Parties. Such extension shall not exceed six (6) months, and such extension shall not be unreasonably withheld.

- i) **Confidentiality** – Unless otherwise required by applicable law or regulation, the County Board and the IDA will use reasonable efforts to keep all proprietary reports and other information submitted by Virongy confidential and will not make such reports available publicly, except that the County may include in periodic reporting to the County Board Virongy's reported information concerning jobs added, square feet leased, incentives that the County has paid to Virongy and composite tax and revenue data. If Virongy's confidential reports and information are otherwise required to be made public or disclosed, the County Board or the IDA will notify Virongy and will cooperate with Virongy to redact any information that is legally permitted to be redacted.
- j) **Counterparts** – This Agreement may be signed in duplicate, and each of said duplicates shall constitute an original.

IN WITNESS WHEREOF, the parties hereto have hereafter set their signatures and seals by their respective duly authorized representatives.

Approved as to form:

**BOARD OF COUNTY SUPERVISORS
OF PRINCE WILLIAM COUNTY, VIRGINIA,**
the governing body of a political subdivision of the
Commonwealth of Virginia

By: _____

Name: _____

Its: _____

ATTEST:

Approved as to form:

County Attorney

Date: _____

Clerk to the Board

Chair

ATTEST:

**INDUSTRIAL DEVELOPMENT AUTHORITY OF
THE COUNTY OF PRINCE WILLIAM**

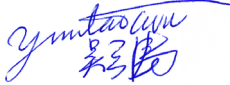
Laurie Wieder
Secretary/Treasurer

BY: _____

DATE: _____

Pat O'Leary
Chairman

VIRONGY

BY: 

DATE: _____04/27/20_____

CEO: Yuntao WU

EXHIBIT A
SAMPLE OF THE REQUIRED NOTARIZED AFFIDAVIT
AFFIDAVIT OF VIRONGY LLC

COMMONWEALTH OF VIRGINIA CITY/COUNTY OF ____

Subscribed and sworn before me this ____ day of _____, 20__.

VIRONGY LLC, a (STATE) corporation authorized to transact business in the Commonwealth of Virginia, after first being duly sworn, appeared before the undersigned authority and affirmed the following facts under oath:

- 1) *[Insert Name]* is *[Insert Title]* of Virongy and as *[Insert Title]* has been duly authorized to execute and deliver this Affidavit for and on behalf of Virongy. The Affidavit is a requirement of the Prince William Economic Development Opportunity Fund Grant dated ___, 20__ , by and among the County Board of Prince William County, Virginia, the Industrial Development Authority of Prince William County and Virongy LLC ("**Agreement**"). All actions required under Virongy organizational documents and applicable governing law for the authorization, execution, and delivery of this Affidavit have been duly taken (to the extent required) as of the date of execution and delivery of this Affidavit. All terms in this Affidavit are defined as in the Grant Agreement.
- 2) As of _____, 20__ :
 - a) Virongy has expended \$25,000 on bio medical material for research on extracellular vesicles as a platform to deliver antigens in vaccine development research.
 - b) Virongy (has/has not) fulfilled the milestones set forth in Section 5(A) of the Grant Agreement
- 3) As of _____, 20__ :
 - a) Virongy has expended \$25,000 for contract services with the George Mason University Bio-research Lab on this research, and
 - b) Virongy has provided \$100,000 of in-kind services on this research.
 - c) Virongy [has / has not] fulfilled the milestones set forth in Section **5(b)** of the Grant Agreement.

I, _____, a notary public, do hereby certify that _____ the affiant whose name is subscribed to the foregoing affidavit duly swore and made oath that the facts contained therein are true and correct to the best of his/her information, knowledge and belief, before me in the said City/County of _____, Commonwealth of Virginia, this _____ day of _____, 20__.

My Commission expires:

Notary Public _____
Notary Registration No. _____

[Reproducible Notarial Seal]

EXHIBIT B
Authorization to Release Confidential Tax Information

Name of taxpayer end (please give the corporate or personal name which is used for the tax accounts): _____ Trade name _____

Last of taxpayer number CTTN. EIN or SS to help locate the records): _____

The above-named taxpayer gives the Prince William County Finance Department permission to share the following confidential tax information with:

(Enter the names of persons or entities allowed to receive the information)

This permission is effective for the following types of taxes:

- ☐ All information about taxes assessed by Prince William County
OR
☐ Only the following specific tax information (initial each that apply);
☐ BPOL Tax information, including gross receipts and BPOL taxes assessed
☐ Meals Taxes collected and remitted
☐ Transient Occupancy Taxes collected and remitted
☐ Information about personal property taxes assessed. (Note, the tax amount of personal property tax assessed to any taxpayer *is* already public information.)

This permission is for tax years.

- ☐ All tax years OR
☐ The following specific tax years: _____

This permission:

- ☐ Includes future tax years until revoked, or
☐ Does not include future tax years

Read before _____. The person signing this form affirms that she/he is authorized to waive tax confidentiality for the named taxpayer and is acting with the explicit authorization of the taxpayer. Fraudulent use of this form could subject the signer to civil and criminal liability.

Signature of authorized representative

Print Name of authorized representative

Title

Date

Telephone

Email



STAFF REPORT

Board Meeting Date:	May 19, 2020
Agenda Title:	Authorize the Execution of a Performance Agreement with Virongy, LLC, and the Industrial Development Authority of Prince William County for an Economic Development Opportunity Fund Grant of \$50,000 for the Vaccine Development Partnership with George Mason University and Budget and Appropriate \$50,000 from the Economic Development Opportunity Fund
District Impact:	Brentsville Magisterial District
Requested Action:	Approve the resolution, authorize the Performance Agreement, and budget and appropriate funds.
Department / Agency Lead:	Economic Development
Staff Lead:	Christina Winn, Director

EXECUTIVE SUMMARY

Virongy, LLC, in partnership with the George Mason University Biomedical Research Labs (BRL), is requesting a \$50,000 Economic Development Opportunity Fund (EDOF) grant to purchase biomedical and animal modeling materials to identify if using extracellular vesicles as a platform to deliver antigens is an effective vaccine development approach. Preliminary data generated from this project will provide a head start for Virongy, LLC, to obtain additional funding from the National Institutes of Health, Commonwealth's GAP Fund, angel and venture capital investors.

Commercialization plans include utilizing this novel vaccine approach with immune-compromised adults and children as a "patch delivery mechanism" to maintain immunity. The vesicles-based vaccine strategy will allow the development of a novel, economically sustainable, easily scalable, effective approach to develop vaccines for various infectious agents such as the COVID-19 virus for human and animal use. When commercialized, this approach could save millions of lives.

Staff recommends that the Prince William Board of County Supervisors (BOCS) authorize the execution of a Performance Agreement with Virongy, LLC, and the Industrial Development Authority of Prince William County for an Economic Development Opportunity Fund Grant of \$50,000 for the Vaccine Development Partnership with George Mason University and Budget and Appropriate \$50,000 from the Economic Development Opportunity Fund.

BACKGROUND

The BRL is a \$50 million, 52,000 square foot, stand-alone, high-security facility located adjacent to George Mason University's Science and Technology Campus. The National Center for Biodefense and Infectious Diseases, found at the BRL, focuses on host response using proteomics and nanotechnology as they are applied to diagnostic, therapeutic, and vaccine development.

Virongy, LLC, a George Mason University spinoff and Prince William Science Accelerator tenant since May 2015, serves the virology field by developing tools to support research and clinical investigation. Virongy, LLC, has the unique capability to manufacture cell lines that produce extracellular vesicles with the target antigens required for this translational research project.

This collaborative venture between Virongy, LLC, and Dr. Narayanan's laboratory at the BRL will generate extracellular vesicles as a platform to deliver antigens. The strategy, as a vaccine development approach, can be applied to infectious and metabolic diseases, including cancer and COVID-19.

Dr. Narayanan was recently awarded a patent to create extracellular vesicles-based vaccines, which is the foundation of the commercialization effort in this proposed project. This EDOF grant will build on a \$90,000 seed investment from Parsons in 2016, which founded the idea of using engineered extracellular vesicles in military and civilian populations.

In early 2017, the Prince William County Board of County Supervisors authorized a \$50,000 EDOF grant to Caerus Discovery, in partnership with the BRL, to discover an antibody for the Zika virus. The work resulted in identifying toxicity determinations for an anti-inflammatory candidate, which is now advancing to Phase II clinical trials in partnership with Sentara.

Virongy, LLC, will invest \$100,000, through in-kind services and labor, to produce the cell lines that create extracellular vesicles. The BRL will test the extracellular vesicles in cell culture and mice. Virongy, LLC, will pay the BRL for this testing. Virongy, LLC, is requesting the EDOF grant of \$50,000 to purchase biomedical materials to produce the cell lines and complete the animal modeling work.

Virongy, LLC, meets the eligibility requirements for an EDOF research grant by:

- Providing directly matching funds.
- Collaborating with at least one public or private university or research center, George Mason University.
- Using the funding solely for purchasing equipment, scientific supplies, or the use of a local research equipment/facility.
- The commercialization has the potential for considerable return on investment.

Terms of Grant

- Virongy, LLC, would receive a payment of \$25,000 after it provides receipts for biomedical materials to the County to verify that 50% (\$25,000) of the total EDOF grant was utilized for the project by May 31, 2020.
- Virongy, LLC, will receive the remaining \$25,000 after it provides records indicating that 50% (\$25,000) of the total EDOF grant was utilized for contractual services with the BRL and receipts and records documenting \$100,000 of the in-kind services for this project.

- Virongy, LLC, and Dr. Narayanan's laboratory at the BRL will each provide quarterly reports to the County Economic Development staff detailing vaccine development milestones beginning July 1, 2020 and ending July 1, 2021.
- Failure to provide these receipts or complete the animal modeling work would result in a claw back of the full grant amount.

STAFF RECOMMENDATION

Staff recommends that the Prince William Board of County Supervisors authorize the execution of a Performance Agreement with Virongy, LLC, and the Industrial Development Authority of Prince William County for an Economic Development Opportunity Fund Grant of \$50,000 for the Vaccine Development Partnership with George Mason University and Budget and Appropriate \$50,000 from the Economic Development Opportunity Fund.

Service Level / Policy Impact

Virongy, LLC, is a core member of our existing Life Science Community. Started by a professor at George Mason University, it is housed in the accelerator. Like the success story of Ceres Nano, which also launched in the Science Accelerator and now takes up over 9,000 square feet and employs 20, Virongy, LLC, is working to commercialize its research. This grant will help expedite the research to the commercialization process by providing funding for biomedical material for the vaccine development partnership. Preliminary data generated from this project will provide a head start for Virongy, LLC, to obtain additional funding from the National Institutes of Health, Commonwealth's GAP Fund, angel and venture capital investors.

Existing employees in Virongy, LLC, and Dr. Narayanan's laboratories will complete this project. Virongy, LLC, currently employs four people at their lab in Prince William County. If commercialization is successful, the project has the potential for increased investment and employment by Virongy, LLC, to commercialize this product.

Fiscal Impact

The EDOF Fund has a current balance of \$3,257,572. This transaction would reduce the fund balance by \$50,000.

Legal Impact

The Prince William Board of County Supervisors has the legal authority to approve the EDOF Grant Agreement.

STAFF CONTACT INFORMATION

Debi Roder | (703) 792-7978
Droder@pwcgov.org