

MOTION:

**February 15, 2022
Regular Meeting**

SECOND:

Res. No. 22-

RE:

AUTHORIZE THE EXECUTION OF A PERFORMANCE AGREEMENT WITH CAERUS DISCOVERY LLC, PRINCE WILLIAM COUNTY, AND THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PRINCE WILLIAM FOR THE DEVELOPMENT AND OPERATION OF A LIFE SCIENCE COMMUNITY ACCESSIBLE VIVARIUM; AND AUTHORIZE THE TRANSFER OF UP TO \$100,000 FROM THE PREVIOUSLY COMMITTED COVID-19 RESPONSE SPECIAL REVENUE FUND TO THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PRINCE WILLIAM AS A GRANT TO CAERUS DISCOVERY, LLC TO HELP FUND THE BUILDING OF A COMMUNITY ACCESSIBLE VIVARIUM; AND AUTHORIZE THE COUNTY EXECUTIVE TO EXECUTE ALL NECESSARY DOCUMENTS, AS APPROVED BY THE COUNTY ATTORNEY – BRENTSVILLE MAGISTERIAL DISTRICT

ACTION:

WHEREAS, the Industrial Development Authority (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(13), VA Code Ann.; and

WHEREAS, the COVID-19 recession forced many businesses to innovate and develop new products to meet changing demands and become more entrepreneurial; and

WHEREAS, on May 19, 2021, the County received its first allocation of \$45,678,530 in Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) under the American Rescue Plan Act (ARPA); and

WHEREAS, on June 15, 2021, the Prince William Board of County Supervisors (Board), via Resolution Number (Res. No) 21-352, accepted, budgeted, and appropriated the first allocation of \$45,678,530 in the COVID-19 Response Special Revenue Fund; and

WHEREAS, on September 14, 2021, through Directive Number (Directive No.) 21-52, the Board directed the County Executive to allocate \$16,000,000 of the COVID-19 Response Special Revenue Fund to proposed economic recovery programs that included infrastructure grants to the life science industry; and

WHEREAS, the US Department of Treasury guidelines allows the CSLFRF funds to be used to address the negative economic impacts of COVID-19, including grants to startups and entrepreneurial ventures; and

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WHEREAS, it is necessary to assist life science companies with the expensive infrastructure uniquely needed for their business model; and

WHEREAS, startups and life science entrepreneurial businesses start new businesses with scalable business plans to create new investment and jobs in Prince William County; and

WHEREAS, the Board desires to support the establishment of a community accessible vivarium facility implemented by the IDA that will assist Prince William County life science businesses in the County by providing a needed asset to researchers and entrepreneurial businesses; and

WHEREAS, Caerus Discovery, LLC has requested \$100,000 from the County to fund the development of a vivarium at their facility in Innovation Park that was delayed due to COVID-19; and

WHEREAS, these funds will be used for the building of a vivarium facility that is an infrastructure asset needed for the County's life science community; and

WHEREAS, this new facility will be 70% available to contract to external life science companies; it will create jobs, develop, and help commercialize the new biological product and nurture startup businesses; and

WHEREAS, the Vivarium Grant meets the County's 2021-2024 Strategic Plan goal of a Resilient Economy by creating jobs in a Targeted Sector industry; and

WHEREAS, the Board and the Industrial Development Authority of the County of Prince William will enter into an agreement, substantially consistent with the attached agreement, in which the Industrial Development Authority will implement the described financial assistance;

NOW, THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby authorizes execution of a Performance Agreement with Caerus Discovery LLC, Prince William County, and the Industrial Development Authority of the County of Prince William for the development and operation of a Life Science community accessible Vivarium; and authorize the transfer of up to \$100,000 from the previously committed COVID-19 Response Special Revenue Fund to the Industrial Development Authority of the County of Prince William as a grant to Caerus Discovery, LLC to help fund the building of a community accessible Vivarium; and authorize the County Executive to execute all necessary documents, as approved by the County Attorney.

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ATTACHMENT: Vivarium Agreement with Industrial Development Authority of the County of Prince William

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__ day of ___, 2022 by and among the **PRINCE WILLIAM BOARD OF COUNTY SUPERVISORS**, a body corporate and politic (the "Board of County Supervisors"), the **INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF PRINCE WILLIAM**, (hereinafter referred to as "IDA"), a political subdivision of the Commonwealth of Virginia, and **CAERUS DISCOVERY LLC**. ("Caerus Discovery"), a Virginia company 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, on May 19, 2021, the County received its first Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) allocation of \$45,678,530 in relief funds under the American Rescue Plan Act (ARPA), and

WHEREAS, on June 15, 2021, the Prince William Board of County Supervisors, by its Resolution No. 21-352, accepted, budgeted, and appropriated the first CSLFRF allocation under ARPA of the \$45,678,530; and

WHEREAS, on September 14, 2021, through directive 21-52, the Board of County Supervisors directed the County Executive to allocate \$16,000,000 of the COVID-19 Response Special Revenue Fund to proposed economic recovery programs that included infrastructure grants to the life science industry; and

WHEREAS, the US Department of Treasury guidelines allows the CSLFRF funds to be used to address the negative economic impacts of COVID-19, including grants to start-ups and entrepreneurial ventures; and

WHEREAS, it is necessary to assist life science companies with the unique and expensive infrastructure needed for their business model; and

WHEREAS, life science companies create new investment and high paying jobs in Prince William County; and

WHEREAS, the Prince William Board of County Supervisors desires to support the establishment of a vivarium facility developed and operated by Caerus Discovery that will assist Prince William County businesses and attract life science businesses to Prince William County by providing a needed asset to researchers and entrepreneurial businesses; and

WHEREAS, these funds shall be used for the building of a life science asset, a vivarium facility; and

WHEREAS, on February XX, 2022, by Res. No. 22-xxx the Board of County Supervisors authorized the use of \$100,000 of CSLFRF funds under ARPA to the IDA for distribution pursuant to the Vivarium Grant and authorized the County Executive to execute the necessary documents to implement the program; and

WHEREAS, upon execution of this Agreement, the County shall transfer to the IDA One Hundred Thousand and 00/100 Dollars (\$100,000.00), to be distributed pursuant to the Vivarium Grant, in accordance with this Agreement in two tranches; and

WHEREAS, the Board, Caerus Discovery, and the IDA desire to enter into this Agreement to memorialize the understandings and conditions under which the Vivarium Grant will operate and to set forth the obligations and responsibilities of the parties in connection therewith; and

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 preceding 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 February x, 2022.
 - b) “County Executive” means the County Executive of Prince William County or designee.
- 3) **IDA Covenants and Obligations**
 - a) The IDA agrees to use the CSLFRF funds for the purpose of providing a grant to Caerus Discovery LLC to build a vivarium with 70% capacity for community use.
 - b) The IDA acknowledges and agrees that the CSLFRF funds are County funds for which the IDA is serving as a conduit and that the IDA’s obligation to disburse Vivarium Grant to the business is wholly contingent upon the IDA’s receipt of the CSLFRF funds from the County in the first instance.

- c) The IDA acknowledges and agrees that the IDA has designated the County Executive to administer the Vivarium Grant for the IDA in all respects. Upon receipt of the requisite monies from the County to fund the Vivarium Grant, the IDA shall, subject to the Disbursement Prerequisites in Section 5, disburse the Vivarium Grant payment pursuant to Section 6. The IDA will return any unutilized CSLFRF monies to the County within 30 days of September 30, 2024.
 - d) The IDA agrees to and will execute the Certification for Receipt of Coronavirus State and Local Fiscal Recovery Funds from Prince William County (attached as **Exhibit B**) prior to receiving funds from the County.
- 4) **Caerus Discovery Covenants and Obligations**
- a) Caerus Discovery agrees to use the CSLFRF Grant funds for the completion of a community accessible vivarium, located at 9501 Discovery Boulevard, Suite 120, Manassas, VA 20110.
 - b) Caerus Discovery agrees that the equipping and improvements of the facility will entail a capital expenditure of approximately Three Hundred and Twenty Thousand Dollars (\$320,000).
 - c) Caerus Discovery agrees to employ a minimum of two people whose principal place of work is the vivarium.
 - d) Caerus Discovery agrees to comply in full of the Animal Welfare Act (AWA), including the establishment of an Institutional Animal Care and Use Committee (IACUC). The IACUC is responsible for the oversight of animal care and safety and must inspect the facility every six months to comply.
 - e) Caerus Discovery agrees that the vivarium will only house mice and rats. Caerus Discovery shall request the County's permission for the use of the vivarium for other animals, and the County will have 30 days to reply to this request.
 - f) Caerus Discovery covenants and agrees to timely completion of all required tax forms and remain current on all applicable property, business, professional, and occupational license taxes assessed to Caerus Discovery by Prince William County.
 - g) Caerus Discovery acknowledges and agrees that the Vivarium Grant are County funds for which the IDA is serving as a conduit and that the IDA's obligation to disperse the Grant and Credits to Caerus Discovery is wholly contingent upon the IDA's receipt of the CSLFRF funds from the County in the first instance.
 - h) Caerus Discovery shall provide a yearly written report beginning on June 30, 2022, through June 30, 2026, detailing employment, investment, and usage, including usage by companies other than Caerus Discovery.

- i) Caerus Discovery represents that it is a Virginia LLC. It is authorized to conduct business in Virginia, that its Board 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 Caerus Discovery and that this Agreement will be binding on Caerus Discovery and its successors and assigns. Caerus Discovery agrees to provide proper documentation of the preceding to the County Board and the IDA before the disbursement of the Vivarium Grant funds to Caerus Discovery.
 - j) Caerus Discovery 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 Caerus Discovery compliance with the Disbursement Prerequisites in Section 5 and enforcing the IDA's repayment rights in Section 7.
- 5) **Disbursement Prerequisites** – The IDA's obligation to disburse CSLFRF funds to Caerus Discovery on the applicable date in the Grant Distribution Schedule in Section 6 is conditioned upon Caerus Discovery's fulfillment of the following pre-conditions ("Disbursement Prerequisites"):
- a) **Receipt of Notarized Affidavit** - Caerus Discovery must have provided the County Executive or designee with a notarized affidavit on company letterhead by June 30, 2022, a sample of which is attached as **Exhibit A**, declaring, among other things:
 - i) Proof Caerus Discovery has completed the building of a BSL-2 Vivarium facility at 9501 Discovery Blvd, Suite 120, Manassas, VA 20110.
 - ii) Employ a minimum of 2 people whose principal place of work is the vivarium at 9501 Discovery Blvd, Suite 120, Manassas, VA 20110.
 - iii) The cumulative amount of capital investment made by Caerus Discovery for the vivarium, inclusive of receipts, as of the corresponding CSLFRF grant confirmation deadline.
 - iv) Evidence of, and a list of members of the IACUC committee.
 - b) **Business License** – Caerus Discovery must provide to the County Executive or designee a copy of Caerus Discovery's Prince William County Business License.

- c) **Release of Tax Information** – Prior to the disbursement of any CSLFRF funds or credits, Caerus Discovery must sign the Authorization to Release Confidential Tax Information (attached as Exhibit B) to authorize the Prince William County, VA Finance Department to release Caerus Discovery's business license tax (BPOL) and business tangible personal property tax information to Prince William County Department of Economic Development beginning with tax year 2022 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.
- d) **Payment of Taxes** – Prior to any disbursement according to the schedule, Caerus Discovery must be current on all applicable property, business, professional, and occupational license taxes assessed to Caerus Discovery by Prince William County.
- e) **County Executive's Verification** – Before the IDA disburses any CSLFRF funds or transfers any credits, the County Executive or designee will
 - i) Confirm and verify all the information in the Subsection a) and/or b) with Notarized Affidavits, and
 - ii) Confirm and verify, where applicable, that Caerus Discovery 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 funds to Caerus Discovery.
- 6) **Disbursement of CSLFRF funds** –
 - a) Upon Caerus Discovery's satisfaction of the Disbursement Prerequisites in Section 5, on or before June 30, 2022, and June 20, 2023 (each a "CSLFRF Grant Distribution Date"), the IDA shall disburse to Caerus Discovery a \$100,000 grant in accordance with the following Grant Distribution Schedule and subject to the Grant Distribution Conditions set forth in Section 6(b):

Grant Distribution Schedule

	Capital Investment Target	New Jobs Target	CSLFRF Grant Disbursement Amount	CSLFRF Confirmation Date
Tranche 1	\$140,000 <ul style="list-style-type: none"> • One IVC animal rack holding up to 192 cages • 70% available for community use 	2	\$70,000	6/30/2022
Tranche 2	\$60,000 <ul style="list-style-type: none"> • Second IVC animal rack and additional imaging equipment • 70% available for community use 		\$30,000	6/30/2023

- b) **Grant Distribution Conditions:** IDA shall disburse the applicable CSLFRF funds to Caerus Discovery upon completion or receipt of the following in accordance with the Grant Distribution Schedule:
- i) Caerus Discovery satisfaction of Section 5) Disbursement Prerequisites
 - ii) The Board of County Supervisor's transmission of the applicable funds
 - iii) The County Executive's Section 5) Subsection e) iii) notice, including written CSLFRF funds disbursement instructions
 - iv) Caerus Discovery's written request, containing any necessary bank wiring instructions (attached as Exhibit C)
 - v) If Caerus Discovery is delayed in the performance of its obligations hereunder as defined under Disbursement Prerequisites, and the County deems that good faith and reasonable efforts have been made and are being made by Caerus Discovery to achieve its obligations on or before the Performance Date, then Caerus Discovery may request an extension of the Performance Date from the County by up to 12 months.

7) **Repayment of CSLFRF Funds and Credits**

- a) If Caerus Discovery meets the requirements contained in this Agreement and receives payment of the CSLFRF funds but Caerus Discovery fails to maintain its vivarium as a Bio-Safety Lab (BSL) Level 2 facility at 9501 Discovery Blvd, Suite 120, Manassas, VA 2010 and maintain at least 70 percent of it open to the public, within the next five (5) years, of receiving the CSLFRF funds, then Caerus Discovery shall reimburse the IDA 100% of any grant funds received from the IDA. Any refund paid by Caerus Discovery to the IDA under this provision shall be repaid to the County Board within sixty (60) days of receipt of the funds from Caerus Discovery.

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: Elijah Johnson, Acting County Executive
Fax: (703) 792-4225
Email: ejohnson@pwcgov.org

With Copies to: Prince William County
Office of the County Attorney
Attn: Rob Skoff, Assistant County Attorney
Email: rskoff@pwcgov.org

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

To Caerus Discovery, LLC:

Caerus Discovery LLC
Attn: Cohava Gelber
9501 Discovery Boulevard
Suite 120
Manassas, VA 2010
Email: cohava@caerusdiscovery.com

To the IDA: Industrial Development Authority of the County
Of Prince WilliamPO
Box 2636
Manassas, VA 20108
Email: idaofpwc@pwcida.org

- 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 Caerus Discovery or is not owned or controlled by Caerus Discovery. Such County approval shall not be unreasonably withheld for an assignment that does not deviate from the maintenance of Caerus Discovery’s vivarium in Prince William County.
- 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 Caerus Discovery 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 Caerus Discovery 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 the IDA shall be personally liable to Caerus Discovery 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 Caerus Discovery 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 Caerus Discovery confidential and will not make such reports available publicly, except that the County may include in periodic reporting to the County Board Caerus Discovery's reported information concerning jobs added, incentives that the County has paid to Caerus Discovery and composite tax and revenue data. If Caerus Discovery's confidential reports and information are otherwise required to be made public or disclosed, the County Board or the IDA will notify Caerus Discovery and will cooperate with Caerus Discovery 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**

Rob Skoff
Senior Assistant County Attorney

Ann Wheeler, Chair
Prince William County Board of Supervisors
pursuant to Resolution # 22-

Date: _____

Date: _____

ATTEST:

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

Dexter Montgomery
Secretary/Treasurer

BY: _____
Pat O'Leary
Chairman

DATE: _____

Date: _____

Caerus Discovery, LLC

BY: _____
Cohava Gelber Ph.D., CEO, Caerus Discovery, LLC

DATE: 12/29/2021 _____

EXHIBIT A
SAMPLE OF THE REQUIRED NOTARIZED AFFIDAVIT
AFFIDAVIT OF CAERUS DISCOVERY, LLC.
COMMONWEALTH OF VIRGINIA, PRINCE WILLIAM COUNTY

Subscribed and sworn before me this ___ day of ___, 20##. **Caerus Discovery, LLC**, a Virginia Limited Liability company 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:

Dr. Cohava Gelber as Chief Executive Officer of Caerus Discovery LLC. (Caerus Discovery) has been duly authorized to execute and deliver this Affidavit for and on behalf of Caerus Discovery. The Affidavit is a requirement of the Prince William Economic Development Opportunity Fund Grant dated, ____, 2021, by and among the County Board of Prince William County, Virginia, the Industrial Development Authority of Prince William County, and Caerus Discovery LLC ("**Agreement**"). All actions required under Caerus Discovery 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 June 30, 2022:

- i) Proof Caerus Discovery has completed the building of a BSL-2 Vivarium facility at 9501 Discovery Blvd, Suite 120, Manassas, VA 2010.
- ii) The business must have provided the County Executive or designee with receipts showing the work completed on the vivarium equal to at least \$140,000.
- iii) Employed a minimum of 2 people whose principal place of work is the vivarium at 9501 Discovery Blvd, Suite 120, Manassas, VA 2010.
- iv) Have established one IVC animal racks, each holding up to 192 cages available for the use of mice and rats, 70% percent of which is available for external companies.
- v) Evidence of, and a list of members, the IACUC committee.

3) As of June 30, 2023:

- i) The business must have provided the County Executive or designee with receipts showing the work completed on the vivarium equal to at least \$60,000.
- ii) Caerus Discovery has added a second rack of cages and additional equipment, such as an imaging system, and 70% percent of the cages are available for external companies.
- iii) Caerus Discovery maintains and passes the IACUC's semi-annual reviews.

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 Prince William County, 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: _____

EXHIBIT C
(COMPANY LETTERHEAD)

DATE

Christina Winn Executive
Director
Department of Economic Development
13575 Heathcote Boulevard, Suite 240
Prince William County, VA 20155

Dear Ms. Winn,

COMPANY is pleased to inform you that we have completed our (**project summary**) per the terms of our performance agreement for CSLFRF fund disbursement. Specifically, **COMPANY** has:

1. List specific requirements from PA
- 2.
- 3.

*A notarized affidavit is attached attesting that the above requirements have been completed.

This letter is our formal request for payment of **AMOUNT** based on the parameters set for in the Agreement.

The necessary ACH instructions for payment of the funds are as follows:

1. The dollar amount of the Incentive to be paid:
2. Full name and address Beneficiary Receiver: (*confirm bank's listing of company name*)
3. Full name and address of Receiver Bank:
4. Beneficiary Receiver Routing number:
5. Beneficiary Receiver Account number:

We appreciate the Department's support of our project and look forward to many years of growth and success in Prince William County.

Sincerely,



STAFF REPORT

Board Meeting Date:	February 15, 2022
Agenda Title:	Authorize the Execution of a Performance Agreement with Caerus Discovery LLC, Prince William County, and the Industrial Development Authority of the County of Prince William for the Development and Operation of a Life Science Community Accessible Vivarium; and Authorize the Transfer of up to \$100,000 from the Previously Committed COVID-19 Response Special Revenue Fund to the Industrial Development Authority of the County of Prince William as a Grant to Caerus Discovery, LLC to Help Fund the Building of a Community Accessible Vivarium; and Authorize the County Executive to Execute All Necessary Documents, as Approved by the County Attorney
District Impact:	Brentsville Magisterial District
Requested Action:	Approve the resolution.
Department / Agency Lead:	Department of Economic Development
Staff Lead:	Christina Winn, Executive Director

EXECUTIVE SUMMARY

The Federal Drug Administration (FDA) requires animal research before approval for clinical trials in humans. Animal research and animal research facilities, known as vivarium's, are critical to biomedical research enterprises.

Prior to COVID-19, Caerus Discovery, LLC (Caerus) started planning to build and maintain a vivarium in Prince William County. Due to COVID-19, Caerus put the initial project on hold to concentrate on moving from the Prince William Science Accelerator to their new facility at 9501 Discovery Boulevard, Suite 120, Manassas, Virginia, 20109, in Innovation Park. After moving to the new space in Q1 2021, Caerus has begun developing a new vivarium as a Bio-Safety Lab (BSL) Level 2 facility to house mice and rats.

The new vivarium will provide a much-needed infrastructure asset to the entire Prince William life science community. Caerus plans to use 30% of the new facility, and the remaining 70% of the vivarium's capacity will be available for contracted use by other organizations. Since this vivarium will be available to other life science companies in Prince William County for a fee, Caerus has requested that the County contribute \$100,000 to the capital cost of building the vivarium.

Staff recommends that the Prince William Board of County Supervisors (Board) authorize the execution of a Performance Agreement with Caerus Discovery, LLC, Prince William County, and the Industrial Development Authority of the County of Prince William for the development and operation of a life science community accessible vivarium; and authorize the transfer of up to \$100,000 from the previously committed COVID-19 Response Special Revenue Fund to the Industrial Development Authority of the County of Prince William as a grant to Caerus Discovery, LLC to help fund the building of a community accessible vivarium; and authorize the County Executive to execute all necessary documents, as approved by the County Attorney.

BACKGROUND

Commercialized biological products, such as vaccines and therapeutics, improve and save lives. They also provide the commercial success stories of high revenues and well-paying jobs. However, getting commercialized biological products takes years of careful and innovative research and going through a myriad of regulatory hurdles.

Initial biological research is done through computer models and cell tissues. Using these methods can explain much about human physiology; however, they cannot mimic the complexities of a human body. That is why animal species are used in every stage of the research and development effort, from discovery, development, and safety testing to clinical trials and manufacturing.

Vivarium facilities are highly regulated and require experienced, expert management and oversight. Despite prices going up, Caerus began construction in 2021 due to the vital need for the facility. With life science research skyrocketing, access to a vivarium has become complex and expensive, highlighting the need for additional vivarium space in Prince William County.

Caerus Discovery was founded in 2010 by Dr. Cohava Gelber, with support from two (2) corporate partners. Its mission is to identify and develop new therapeutic targets for treating human diseases, including infectious, inflammatory, metabolic, neurological, and malignant diseases. Caerus is located at 9501 Discovery Boulevard, Suite 120, Manassas, Virginia, 20109, with two (2) other private biotech companies, Orpheus Bioscience, Inc. and Serpin Pharma, LLC. All the companies spun out of George Mason University and were Prince William Science Accelerator graduates.

Caerus started planning to build a vivarium prior to the pandemic and had to delay due to the impacts of COVID-19. It is now looking to restart the process to build and manage a BSL-2 vivarium to house mice and rats for its use and the use of the entire Prince William County life science community. The cost of building the vivarium is approximately \$320,000, and the \$100,000 grant would help defray a third of the initial construction costs of the facility. The annual budget of maintaining the vivarium is \$415,000 / year and is the sole responsibility of Caerus.

Regulations

Animal research facilities are guided by national guidelines, industry standards, and federal, state, and county regulations. The Animal Welfare Act (AWA) was passed in 1966 to address concerns regarding the acquisition and use of animals in research, and Congress made the USDA responsible for oversight of animal research facilities. The AWA also requires that all registered research facilities ensure that all scientists, research technicians, animal technicians, and other personnel involved in animal care, treatment, and use, are trained, and qualified to perform their duties.

In 1985 amendments to the AWA required that every institution conducting animal-based research establish an Institutional Animal Care and Use Committee (IACUC). Caerus Chief Executive Officer must appoint the IACUC and consist of at least five (5) members.

Caerus will provide highly trained personnel, with average salaries of \$36,000 to \$45,000, to oversee the facility, including scientists, researchers, and animal technicians. The facility will be subject to semi-annual inspections by the IACUC. The IACUC is responsible for the oversight of animal care and safety and must inspect the facility every six (6) months to comply.

The Facility

Housed at 9501 Discovery Boulevard, Suite 120, Manassas, Virginia, 20109, the vivarium will include a room to accommodate up to four (4) IVC animal racks, each holding 192 cages for a total of up to 768 cages for mice and rats. The cages have dual HEPA-filtered ventilation, transversal airflow, positive / negative modes of operation, and a dynamic digital controller. The animals housed at the facility will be limited to mice and rats.

The facility includes security systems with 24-hour monitoring and automatic generator backup systems, allowing for the continuous maintenance of environments without failure, downtime, or disruption.

External Interest

Caerus will utilize approximately 30% of the vivarium's capacity, with the remaining space available for contracted use by other organizations. Researchers and other companies have expressed interest in utilizing the vivarium, including Professors Fatah Kaschanchi, Michael Paige, and Ancha Baranova from George Mason University. Monet Pharmaceutical (Virginia), Canyon Therapeutics (Texas), and Stromatis Pharma (Delaware) plan to contract with Caerus Discovery for vivarium services. Representatives from the Northern Virginia Bioscience Center have also stated that prospective tenants were interested in utilizing animal research facilities in the area.

Caerus Discovery estimates creating a team of 3-5 Full-Time Employees (FTEs) initially and adding 2-3 FTEs each year as the business increases. Organizations conducting contract services will have full access to the personnel and resources at the facility. The facility itself will be an asset to Prince William County, complementing the Innovation Park facilities and providing an added infrastructure critical to the biotech industry.

Timeline

If approved, the vivarium has a target date to be up and running by Q1 of 2022 and a total capacity by Q4 of 2023.

Performance Agreement Provisions

Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) grant funds would be disbursed in two (2) performance-based tranches of Seventy Thousand (\$70,000) and Thirty Thousand (\$30,000) dollars for a total of One Hundred Thousand (\$100,000) dollars.

Provisions for the release of the first tranche of \$70,000, on or before 6/30/2022, include:

- a) Proof of Caerus Discovery has completed the building of a BSL-2 Vivarium facility at 9501 Discovery Boulevard, Suite 120, Manassas, Virginia, 20109.
- b) The business must have provided receipts showing the work completed on the vivarium equal to at least \$140,000.
- c) Employ a minimum of two (2) people whose principal place of work is the vivarium.
- d) Caerus Discovery must provide a copy of its Prince William County Business License.

The Provisions for the release of the second tranche of \$30,000, on or before 6/30/2023, include:

- a) The business must have provided receipts showing the work completed on the vivarium equal to at least \$60,000.
- b) Caerus Discovery has added a second rack of cages and additional equipment, such as an imaging system, and 70% of the cages are available for external companies.
- c) Caerus Discovery maintains and passes the IACUC's semi-annual reviews.

Clawback

If Caerus Discovery receives payment of the CSLFRF funds but fails to maintain its vivarium as a bio-safety lab (BSL) Level 2 facility at 9501 Discovery Boulevard, Suite 120, Manassas, Virginia, 20109 and maintain at least 70% of it open to the public, within the next five (5) years of receiving the CSLFRF funds, then Caerus Discovery shall fully reimburse the County through the IDA.

STAFF RECOMMENDATION

Staff recommends that the Board authorize the execution of a Performance Agreement with Caerus Discovery LLC, Prince William County, and the Industrial Development Authority of the County of Prince William for the development and operation of a life science community accessible vivarium; and authorize the transfer of up to \$100,000 from the COVID-19 Response Special Revenue Fund to the Industrial Development Authority of the County of Prince William as a grant to Caerus Discovery LLC to help fund the building of a community accessible vivarium; and authorize the County Executive to execute all necessary documents, as approved by the County Attorney.

Service Level / Policy Impact

Prince William County does not currently have a vivarium facility at the Prince William County Science Accelerator or the Northern Virginia Bioscience Center. There is a vivarium facility located at Innovation Park. However, access to this facility is minimal, and gaining access is lengthy.

The Vivarium Grant will support the County's 2021-2024 Strategic Plan goal of a Resilient Economy by creating a necessary asset that supports, attracts, and increases opportunities for high-growth life science entrepreneurs and research commercialization.

Further, by recruiting and supporting life science companies and commercialization research opportunities, the vivarium helps build the life science ecosystem necessary to achieve the resilient economic action goal of growing the commercial space, entrepreneurs use with scalable businesses. The vivarium will add to employment in a Targeted Industry sector, another objective of the Resilient Economy Strategic Plan.

Fiscal Impact

The County received \$45,678,530 in CSLFRF funds. On September 14, 2021, through Directive Number (DIR No.) 21-52, the Board allocated \$16,000,000 towards the proposed economic recovery programs. This action would transfer \$100,000 of the previously committed funds. The use of CSLFRF funds to support investments by small businesses interrupted by the pandemic is a permissible use of grants under the guidance provided by the US Treasury Department to address the negative economic impact of the COVID-19 pandemic.

The cost of building the vivarium is approximately \$320,000, and the \$100,000 grant would help defray a third of the initial construction costs of the facility. The annual budget of maintaining the vivarium is \$415,000 / year and is the sole responsibility of Caerus.

Legal Impact

The County Attorney will review and approve to form all documents prior to execution by the County Executive. The Board has the legal authority to approve these programs and transfer these funds for this purpose.

STAFF CONTACT INFORMATION

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