

FY08 Southside Economic Development

Staff Summaries and Recommendations

July 2007

Staff received 23 requests for Southside Economic Development grant funds by the announced deadline of June 1, 2007. Requests for restricted funds have been preliminarily reviewed by the Commission's bond counsel. All funding recommendations and awards are subject to final approval of bond counsel.

Amelia County

Amelia County Industrial Park – 2nd Access Road Construction (requesting \$237,748)

Restricted funds requested for construction of a second access road in the County's Industrial Park along Hwy 360 in order to accommodate park growth and provide more direct access to lots for sale located in the back of the park. The road will reportedly fulfill an infrastructure contract the County signed with Old River Cabinets, an anchor tenant in the park that currently employs 79 workers with 200 workers projected within the next two years (\$246,719 TROF recipient). Additionally, Superior Walls (\$125,000 TROF recipient) is located in the park and currently employs 52 workers. Two additional park lots have been sold to private interests for as-yet unannounced development.

Total project cost is \$620,530. Other funds include \$382,782 Amelia County; \$118,072 FY07 TICR award for moving of power lines to accommodate new road.

Staff comments and recommendation: While the road project will improve access to this successful and growing park (which has been supported to date with \$835,531 of TICR grants, excluding TROF), the job creation through expansion of existing companies does not appear to be entirely attributable to this project. In light of potential for additional on-site job creation and private investment, and County's strong matching funds, **Staff recommends award of \$237,748 from restricted funds.**

Appomattox County

Appomattox Workforce Development Center (requesting \$71,401)

Restricted funds requested for Phase II of the Appomattox Workforce Development Center located in the west wing of the 16,000 square foot Carver-Price School. Phase II will involve the renovation of four classrooms that will be used for distance learning classrooms for Central Virginia Community College, Adult GED/Adult Education programs coordinated by Appomattox County Public Schools, and the Nuclear Technology Pipeline program collaborated between the School, CVCC and Areva. TICR funds assisted with a planning

study to establish need for workforce training facilities/programs, and with roof repairs during Phase I activities, which opened in June with the renovation of three classrooms and office space for the Region 2000 Workforce Investment Board, VEC, and Region 2000 SBDC. Future plans include renovating the remainder of the wing to house community meeting space, additional classrooms and restrooms. The Center is projected to serve 815 residents per year, of which 241 are distance learning students, 80 GED program participants, 20 nuclear high school students, and the remaining 474 are clients of the Career Center, SBDC and VEC.

Total project cost is \$522,140 for Phase II. Other sources of funds include \$200,739 Appomattox County; \$250,000 FY07 TICRC Education grant.

Staff comments and recommendation: Continuation of previous investments for project for a locality/region that receives very low Economic Development allocations. Strong partnerships to allow expansion of the local school district's GED program, to provide higher education through CVCC is just now becoming available in the county and to provide training for a regional industry cluster (nuclear). County has significant investment in the project. Project is highly consistent with Strategic Plan, however CVCC is a related party and principal user of the facility, which precludes use of restricted funds unless Commission uses the limited "exception" (5% of bond proceeds for projects that do not meet bond criteria). **Staff recommends request be resubmitted to Education Committee.**

Brunswick County

Brunswick County Artisan Center Project - WITHDRAWN **(requesting \$62,760)**

Unrestricted funds requested for an artisan center feasibility study of the vacant Lawrenceville Primary School (circa 1906). The study will identify operation and maintenance responsibilities as well as best use as an artisan center, visitor center, trial head, art gallery/studio, performing arts and gift shop. Additionally, funds will be used for stabilization of the roof to prevent further damage.

Staff comments and recommendation: County Board of Supervisors tabled a resolution authorizing County staff to make this application. **Request is withdrawn by the applicant.**

Town of Lawrenceville (Brunswick County)

St. Paul's Sewer Improvement Project, Phase III **(requesting \$564,185)**

Unrestricted funds requested for design and construction of storm sewers to correct drainage problems from a deteriorated system in a 32 acre area on the St. Paul's College campus and an adjacent portion of Lawrenceville's downtown business district. Stormwater drainage is purported to be a barrier to the college's proposed expansion plans.

Total project cost is \$607,185 for Phase III. Other sources of funds include \$43,500 Town of Lawrenceville in-kind construction.

Staff comments and recommendation: Lawrenceville water/sewer infrastructure has been supported to date by \$2 million of TICR grants. While it is clear that the college is an economic engine for the County and the area is not adequately served by the existing storm drainage system, the application does not quantify net job retention/creation and does not offer evidence that college expansion plans are directly dependent on this project. **Staff recommends no award.**

Roanoke River Rails to Trails Inc (Brunswick County)
Tobacco Heritage Trail – LaCrosse/Lawrenceville Segment
(requesting \$582,093)

Restricted funds requested by the nonprofit regional applicant (along with Mecklenburg County allocation) for trail and bridge construction on two segments of abandoned rail corridor. The two-mile Brunswick section beginning in Lawrenceville requires new trail surfaces, drainage improvements, repairs/improvements to three bridges and construction of parking at trailhead areas. RRRT has membership from 15 localities that include portions of what will ultimately be a 200+ mile regional trail system through six Southside counties (www.tobaccoheritagetrail.org).

Total project cost is \$1,455,877. Other funds include \$281,798 Mecklenburg TICR allocation requested; \$472,131 VDOT enhancement grants; \$49,855 DCR trail grant; \$25,000 USDA-RD signage grant; \$54,000 Brunswick County; \$5,000 private in-kind donation.

Staff comments and recommendation: Master planning for the entire trail system is partially funded by a Special Projects grant of \$100,000. The application also cites more than \$875,000 of additional approved state funding for corridor acquisition elsewhere on the system. Firm construction estimates and economic impact projections for these segments are attached. These segments are projected to create 10 permanent jobs and annual visitor spending of \$750,000 in support sectors, including horse stables, bike liverys, lodging, food, supplies, et cetera. The total project cost for these segments will be further assisted by a VDOT grant for \$139,000 that was announced after the application was submitted. **Staff recommends an award of \$582,093 from restricted funds contingent on the applicant designing and maintaining a system for tracking and reporting on visitor spending among trail-related businesses.**

Town of Farmville (Cumberland County)
Immigration Centers of America - Farmville Campus Sewer Line Extension
(requesting \$96,630)

Restricted funds requested (along with Prince Edward County allocation) to extend Town sewer service to a 20 acre Prince Edward County site the Town is negotiating to sell to private developers for construction of a 300 bed dormitory-style detention center for illegal immigrants (a portion of the Town of Farmville is located in Cumberland County). The project will operate under a proposed contract that is being negotiated confidentially with the U.S. Department of Homeland Security. Initially the project will create 100 new jobs

paying \$30,000 annually with health and retirement benefits, and has potential to grow to 1,200 detainees (presumably with corresponding job increases).

Total project cost is \$4,088,760 (excludes annual operating costs listed in application). Other funds include \$151,760 Prince Edward County allocation requested; \$76,000 Town in-kind labor and materials; \$3,821,785 developers' private capital (excluding operating costs) being negotiated.

Staff comments and recommendation: Project is not physically located in Cumberland (proposed site is in Prince Edward), and Cumberland is not a participant in the project. Cumberland County has provided staff with a pre-application outlining plans to develop a workforce training center in a former middle school, and their intent to make future application(s) for TICR Southside and Education funds (staff also visited the proposed workforce center site). **Staff recommends no award of Cumberland allocation for this current request.**

City of Danville

Old Belt #1 - Nanotechnology Products Manufacturing Center **(requesting \$505,971)**

Restricted funds requested to supplement recent Special Projects grant for renovations to a former tobacco warehouse owned by City's Industrial Development Authority for expansion of an existing nanotechnology company and incubator use by prospective high tech businesses. The 48,000 square foot expansion is projected to foster the creation of 50-75 new high technology jobs and private capital investment of \$5-7 million in equipment and improvements.

Total project cost is \$3,075,000. Other funds include: \$450,000 City of Danville; \$125,000 City of Danville IDA; \$909,735 FY07 Special Projects award; \$1,084,294 pending request to Danville Community Foundation.

Staff comments and recommendation: Estimated renovation costs equate to \$52 per square foot. The request received FY07 Special Projects funding as the request amount exceeded the amount of SSED allocation available. Staff advised City to look into historic and New Market tax credits and VCCI loan based on projected lease payments – these offer alternatives if the Community Foundation funding is not forthcoming. **Staff recommends award of \$505,971 from restricted funds contingent of completion of total project financing.**

Virginia Motorsports Coalition (Dinwiddie County)

Destination Quality All Terrain Vehicle Park **(requesting \$400,000)**

Restricted funds requested by the nonprofit applicant (a 501(c)(6) trade association) for construction of a permanent ATV track and supporting facilities at Virginia Motorsports Park, a privately-owned facility in Dinwiddie County. VMP currently hosts a National Hot

Rod Association drag racing event at the site, in addition to a nine month calendar of racing events (see www.virginiamotorsportspk.com). Projected operations costs include six new jobs with an annual payroll of more than \$220,000, annual gross revenues of more than \$1 million and annual visitor spending of \$2.3 million.

Total project cost is \$795,400. Other funds include: \$400,000 Virginia Motorsports Park; \$200,000 bank loan.

Staff comments and recommendation: Applicant was referred by Special Projects in April to Southside Economic Development as there is a substantial balance of restricted funds in the Dinwiddie Southside allocation. VMC/VMP successfully implemented a previous grant of \$350,000 (FY06 Southside Economic Development) for track repairs and improvements that were critical to bringing NHRA drag racing back to Virginia after a hiatus of several years. Applicant provided a thorough operating plan, projected economic impacts for the ATV operation and a performance agreement between the nonprofit applicant and private park operator. Operating projections estimate state and local tax revenues of Project could potentially qualify for Motorsports TROF, which offers grants up to \$50,000 for motorsports projects that create at least five new jobs and include private capital investment of at least \$250,000. To maintain consistency with TICR policies for motorsports projects, **Staff recommends award of \$50,000 from restricted funds.**

Blue Ridge Foundation (Franklin County)

Blue Ridge Institute Restoration & Renovation Projects: Construction of New Visitors Center **(requesting \$664,966)**

Restricted funds requested by nonprofit for construction of a new 15,000 square foot building for Virginia's State Center for Blue Ridge Folklore. The Center would house permanent exhibition space, rotating exhibition space, archive space, classroom and hands-on activity space, an auditorium, staff offices, a gift shop and storage space. An outdoor performance venue for music and other folklife heritage programs will also be constructed and serve as a Crooked Road venue. The Foundation anticipates that the enhanced facilities will attract an additional 24,000 visitors within five years. Moving the Center and farm museum (funded in part by a \$300,000 TICR Special Projects award) from their current site south of Route 40 will enable commercial (retail) development of 11 acres and the potential of up to \$50 million in private investment with the projection of 115 new jobs in a 3 to 5 year period with wages of \$10.3 million (no TICR funds are being requested for retail development).

Total project cost is \$3,074,188. Other funds include \$1,050,000 in federal appropriations for BRI Construction (\$200,000 awarded and \$850,000 applied for); \$1,359,222 to be identified.

Staff comments and recommendation: Request would ensure future viability of anchor destination on Crooked Road Heritage Music Trail and enable retail development without directly investing in it; however, 90% of the matching sources have yet to be confirmed. **Staff recommends application be tabled until November-January round to allow**

applicant to secure matching sources and develop a system for tracking and reporting on visitor spending.

Greensville County
Southside Virginia Workforce Development Center
(requesting \$189,404)

Restricted funds requested to continue funding for construction of a 15,000 square foot facility in the County Government Office Park on U.S. Route 301. The facility will provide programs for adult continuing education, Workforce Investment program and Southside VA Community College. The facility will be run by a 501(c)(3) nonprofit with operating support and board representation from the County, the City of Emporia, the neighboring Counties of Brunswick and Sussex, local industries and educational institutions. Previous TICR grants totaling almost \$675,000 (FY05-07) have been committed for construction. Projected impacts include 50-70 GEDs earned per year, 270 job seekers receiving employment assistance, and 200 industry employees receiving training.

Total project cost: \$2.4 million. Other funds: \$674,673 TICR Economic Development & Education; \$940,963 loan to be obtained by Center partners; \$700,000 DHCD-CDBG; \$150,000 USDA; \$50,000 hospital foundation.

Staff comments & recommendation: Project has been supported by TICR in past rounds as a facility that will serve regional workforce training needs. Construction of facility began March 2007 and the County has fully expended its FY05 and FY07 SSED award and FY07 Education, and partially drawdown its FY06 award. Remaining funds plus any new awards would be expended within 6 months for construction (thereby reducing long-term debt). SVCC is a related party and principal user of the facility, which precludes use of restricted funds unless Commission uses the limited “exception” (5% of bond proceeds for projects that do not meet bond criteria). **Staff recommends request be resubmitted to Education Committee.**

Mecklenburg County
Roanoke River Regional Wastewater Treatment Plant Expansion Project
(requesting \$2,684,866)

Restricted funds to increase TICR commitment to construct a million gallon per day expansion of the Town of South Hill’s treatment plant. The expanded capacity will serve the Roanoke River Regional Business Park and Airport Industrial Park near Interstate 85 and Route 58. The Town’s wastewater plant currently operates at 50% of its two million gpd capacity.

Total project cost is \$6,043,582. Other funds include: TICR \$2,482,812 obligated (Special Projects and SSED); U.S. EDA \$1,000,000 final application approved; Mecklenburg County \$210,000; Brunswick County \$100,000; South Hill \$60,587.

Staff comments and recommendation: This request was referred by Special Projects to

Southside Economic Development for consideration of use of Mecklenburg's allocation. A signed Memorandum of Understanding specifies that the treatment capacity to be built with TICR funds is intended solely for industrial users at the Roanoke Regional Business Park and along the U.S. 58 corridor east of Interstate 85 from South Hill to Town of Brodnax (including Town of Lacrosse and Mecklenburg County). A final contract is yet to be executed between the participating localities, and construction is yet to begin. Request would increase TICR share of project to 63% of total cost, including previous awards of \$3,714,027 (includes conveyance lines not listed in application) for design, treatment plant construction and wastewater line upgrades. To date, no loan financing has been secured, despite the project's ability to generate wastewater user fees. **Staff recommends a final project award of \$1,653,068 from restricted funds contingent on project construction commencing by January 1, 2008.**

Mecklenburg County

Project Osage Location Enhancement **(requesting \$1,000,000)**

Restricted funds requested for the construction of 54,000 LF of 12-inch water line from Boydton to the 300-acre Osage project site south of Chase City (Butler Farm Road, off of Hwy 92/Skipwith Rd) where a private company is proposing to construct an ethanol plant using a conventional dry mill process. The plant will require 1,500,000 gallons of water per day which can be provided from the Roanoke River Regional Service Authority with no additional upgrades needed for the treatment plant. Osage will create 10 management and 30 operator positions (with an average operator wage of \$35,000 plus benefits), and operations will employ 25 truck drivers.

Total project cost is \$3.6 million (public) for the waterline and \$145.8 million (private) for the ethanol plant. Other funds include \$1 million U.S. EDA, \$1 million USDA Rural Development, and \$700,000 DHCD all to be submitted; \$145.8 million private investment by Osage investors.

Staff comments and recommendation: Ethanol project is an active Virginia-based prospect working with several Virginia economic development agencies, and has completed a feasibility study. Developer intends to purchase plant material and waste timber from area agricultural producers for feedstock in power generation and ethanol distilling, potentially contributing an additional \$13 million in farm revenues annually. Waterline will additionally benefit developable properties. **Staff recommends an award of \$1,000,000 from restricted funds for waterline design and construction contingent on the company's commitment to purchase the site and construct the ethanol plant.**

Town of Lacrosse (Mecklenburg County)

Lacrosse Hotel Renovation **(requesting \$108,000)**

Restricted funds requested to repair roof and stabilize foundation to allow renovation of vacant former hotel for use as a visitor center, museum, town offices, a trailhead for the

Tobacco Heritage Trail and eventually as a passenger station for proposed high speed interstate rail. The project is awaiting state and national historic designation.

Total project cost is \$108,000. Other funds include: \$200,000 VDOT TEA-21; \$125,000 Commonwealth of Virginia.

Staff comments and recommendation: Application referred from Special Projects as it did not meet the test of multi-jurisdictional eligibility. While project demonstrates sound planning and funding, other projects competing for Mecklenburg allocation demonstrated significantly larger economic development outcomes (one net new job is anticipated). **Staff recommends no award.**

Roanoke River Rails to Trails Inc (Mecklenburg County)
Tobacco Heritage Trail – LaCrosse/Lawrenceville Segment
(requesting \$281,798)

Restricted funds requested by the nonprofit regional applicant (along with Brunswick County allocation) for trail and bridge construction on two segments of abandoned rail corridor. The five-mile Mecklenburg section connecting LaCrosse and Brodnax requires surface and drainage improvements along with construction of three parking areas. RRRRT has membership from 15 localities that include portions of what will ultimately be a 200+ mile regional trail system through six Southside counties (www.tobaccoheritagetrail.org).

Total project cost is \$1,455,877. Other funds include \$582,093 Brunswick TICR allocation requested; \$472,131 VDOT enhancement grants; \$49,855 DCR trail grant; \$25,000 USDA-RD signage grant; \$54,000 Brunswick County; \$5,000 private in-kind donation.

Staff comments and recommendation: Master planning for the entire trail system is partially funded by a Special Projects grant of \$100,000. The application also cites more than \$875,000 of additional approved state funding for corridor acquisition elsewhere on the system. Firm construction estimates and economic impact projections for these segments are attached. These segments are projected to create 10 permanent jobs and annual visitor spending of \$750,000 in support sectors, including horse stables, bike liveries, lodging, food, supplies, et cetera. The total project cost for these segments will be further assisted by a VDOT grant for \$139,000 that was announced after the application was submitted. **Staff recommends an award of \$281,798 from restricted funds contingent on the applicant designing and maintaining a system for tracking and reporting on visitor spending among trail-related businesses.**

Nottoway County
Piedmont Park Development Project
(requesting \$96,100)

Unrestricted funds requested to create a master plan and to conduct preliminary engineering and design for a 17-acre parcel located at the junction of U.S. Routes 360 and 460

between the Towns of Crewe and Burkeville. The master plan would include a marketing plan and restricted use policy that will identify allowable users of the park, adherence to zoning laws, and establish lease/purchase policies. A market analysis study was completed in June 2006 by Thomas Point Associates, Inc. (\$10,000 FY06 SSED) which projects an average growth of 15 jobs per year as the park fills out, and identified a strong demand for commercial growth to serve adjacent State institutions and their employees (Nottoway Correctional Center, Piedmont Geriatric Hospital and the new Virginia Center for Behavioral Rehabilitation).

Total project cost is \$107,100. Other funds include \$11,000 from Nottoway County.

Staff comments and recommendation: Project site has strong traffic counts at crossroads of state four-lane highways. Previous “highest and best use” study (funded by TICR) highlighted the retail development potential of the site, which is not consistent with Strategic Plan. County intends to use the proposed master plan to further study and identify guidelines for the park, targeting non-retail uses such as light manufacturing and warehousing/distribution that can build upon the site’s visibility, access to broadband and adjacent institutions. A funding recommendation at this stage should not imply future support for construction, but will give the County and Commission a better understanding of the property’s ultimate economic role, and a tool for considering future sources of construction funding. **Staff recommends an award of \$96,100 from unrestricted funds, contingent on return of the grant funds in the event the property is developed predominantly for retail use.**

Town of Blackstone (Nottoway County)
Town of Blackstone Broadband
(requesting \$366,200)

Restricted and unrestricted funds requested to construct fiber backbone from two nodes of Mid-Atlantic Broadband Cooperative (from County Industrial Park through downtown). The Town has recently received a DHCD Broadband Planning Grant to address issues of operations and maintenance, and plans to install fiber during downtown streetscape reconstruction. The project will allow more affordable high speed connectivity to several businesses and industries in Town, including a proposed Bon Secours medical clinic that plans to locate in downtown, creating 7 net new high-paying jobs and providing telemedicine connections to UVA and other facilities.

Total project cost is \$401,200. Other sources of funds include \$25,000 DHCD broadband planning and \$10,000 Town in-kind labor, ROW and materials.

Staff comments and recommendation: Fiber is projected to assist in creating 7 net new clinic jobs and 4 jobs at other vacant downtown properties. FY07 grant for assessing reuse of vacant downtown properties (\$25,000) is underway. MBC is currently implementing last mile demonstrations projects in five Southside communities, the results of which are not yet known. Operations and maintenance issues will be answered by the DHCD-funded planning activities that are about to begin, but request is timed to take advantage of opportunity to

install fiber during downtown street reconstruction in Fall 2007. **Staff recommends award of \$50,000 from restricted funds for installation of fiber conduit, with balance of request to be revisited upon completion of MBC last mile demonstrations and Blackstone's operations and maintenance business plan for an open access broadband system, with provisions for tracking and reporting data on provider and subscriber usage.**

Patrick County Economic Development Authority
Rich Creek Corporate Park Shell Building Buildout # II
(requesting \$175,000)

Unrestricted funds requested to continue buildout of the Rich Creek shell building for further expansion of an existing call center (currently at 175 jobs). Construction would include a concrete floor for the entire unfinished portion of the building (10,000 square feet), parking, and complete upfit and furnishing of 2,000 square feet to create space for 50 new call center positions paying \$9-\$10 per hour. The company has expressed its intent to sign a three year lease with renewable options for \$9 per square foot per year.

Total project cost is \$300,000. Other funds include \$125,000 applicant (bank financing to be retired using company's lease payments and County general funds).

Staff comments and recommendation: Request represents assistance of \$3,500 per job, and expedites future buildout of the remaining 8,000 square feet for prospective tenants. Previous TICR grants for Rich Creek building sites, shell building construction and fiberoptic connections total more than \$950,000 since FY01. Request would qualify for restricted balance that is currently available but does not appear to be TROF-eligible due to private investment threshold. **Staff recommends award of \$175,000 from restricted funds contingent on company commitment to lease space and create additional jobs.**

Patrick County Economic Development Authority
Patrick County DSL Initiative
(requesting \$920,000)

Restricted (\$508,028) and Unrestricted (\$411,972) requested to purchase equipment upgrades for Embarq that will make 17 telecommunications substations DSL-enabled. Embarq will own the equipment and be responsible for maintenance, future upgrades, billing and account servicing related to the project. The DSL project will bring high-speed internet service to 2,212 lines in Patrick County serving both residential and business customers, particularly those in the outlying areas of Ararat, Meadows of Dan, Stuart, and Woolwine. Stuart is currently being served through the MBC Last Mile Pilot Project. The project would assist in attracting employers requiring high bandwidth such as call centers, existing small businesses, residents wishing to telecommute to work or enroll in online classes, and cellphone users. Based on VEC data, the County anticipates that the project will create 48 new entrepreneurial jobs over three years as well as attract a small inbound call center that would employ 30-50 employees with wages averaging \$9.00-\$10.00 per hour plus benefits.

Total project cost is \$1,030,000. Other funds include \$10,000 Patrick County for equipment upgrades; \$100,000 Embarq for various project expenses (DLC upgrades, power pedestal upgrades, span repeater housing upgrades, cross- connect upgrades, etc.).

Staff comments and recommendation: Project would expand DSL availability to an additional one-fourth of the County's households and businesses, but would set a precedent in using public funds for private provider's equipment, without allowing other providers open access to the equipment. Market demand study and information on pricing and level(s) of service have not been provided. A performance agreement has not been provided that would establish public purpose for providing 90% of project funding to a private company. A previous TICR-funded project to study a county-wide wireless system (\$40,000 in FY06) is not referenced. **Staff recommends no award.**

Pittsylvania County
Gretna Industrial Park – Phase III
(requesting \$1,500,000)

Restricted funds requested to construct 1,400 feet of industrial access road, with water/sewer lines, sewer pump station, underground electrical service, fiber optic conduit and site grading to serve three new lots totaling 57 acres adjacent to the existing Gretna park. Previous TICR grants assisted with land acquisition and site planning/engineering and water supply for the park (\$2.15 million from FY01-03). Park is located adjacent to U.S. Routes 29 and 40 in a joint Danville/Pittsylvania Enterprise Zone. It is a Priority One project in the West Piedmont PDC Comprehensive Economic Development Strategy. It is expected to attract firms in the service, light manufacturing and small distribution sectors. The park is projected to house an additional 300 jobs as a result of this phase of expansion. Future expansion(s) can be achieved by extending these improvements to land that is yet to be acquired.

Total project cost is \$1,650,000. Other sources of funds: County \$150,000.

Staff comments and recommendation: Gretna is now a priority for the County after several years of focusing TICR grants, VDOT access road grants, etc. in Cane Creek Centre in southern part of the County. Site has good topography, and close proximity to four-lane highways and MBC broadband. A balance of approximately \$1.5 million remains in FY02/03 grants for the site (e.g. for construction of a new source of water). **Staff recommends award of \$1,500,000 from restricted funds.**

Pittsylvania County
Key Industrial Park – Phase IV
(requesting \$2,101,564)

Restricted funds requested for the final phase of the Key Industrial Park which includes the construction of a bridge to cross Sycamore Creek in order to access the park from Route 924

(connects with Route 29 west of the site). Other activities include completion of the access road, installation of water and sewer system and grading of two lots (18.10 and 16.11 acres). Previous TICR grants assisted with clearing, grading, utility engineering and design, and bridge engineering (\$313,000 in FY01-03). The park is projected to create 100-400 jobs as a result of this phase of expansion. It is expected that smaller high-tech manufacturing and service sector industries will locate as park does not have large sites available or the capability to accept high water use industries.

Total project cost is \$2,101,564. Other sources of funds: \$233,507 County.

Staff comments and recommendation: The site is challenged by issues of access and development costs, including steep grades within the park and a winding two-lane road (Route 924) to the park from Route 29. MBC fiber is located approx. 4 miles from the park. Staff has concerns about the “opportunity cost” of this level of investment in a site that is questionably competitive compared to other sites in the region that have better access to multi-lane roads, fiber, abundant water/sewer, Enterprise Zone incentives and other amenities. **Staff recommends no award.**

Pittsylvania County

Henry County/Pittsylvania County Regional Water System – Phase III **(requesting \$1,125,000)**

Restricted funds requested to connect Henry County’s Public Service Authority’s eastern service area and a portion of western Pittsylvania County to Henry County’s Philpott Reservoir and water treatment plant. TICR previous investment of \$429,465 (FY07 Special Projects) awarded for construction of 6,200 feet of new 12-inch water line in eastern Henry County connecting to Pittsylvania’s Brosville industrial park to provide adequate water supply and fire-fighting pressure. The line will provide an sufficient water flow for fire protection that is currently inadequate at the Brosville park, which is projected to create 250 jobs (based on West Piedmont PDC estimates).

Total project cost is \$2,824,800. Other funds include \$125,000 County; \$1,547,800 Henry County and HCPSA.

Staff comments and recommendation: The project will provide an additional source of water for the Brosville park and any future regional park to be located in proximity to I-73 (preliminary discussions are underway between the local governments on potential development of the latter). TICR investments in the acquisition/development of Brosville and the waterline now total nearly \$4.2 million for the projected 250 jobs, but ultimate benefits of this investment may come in park(s) that are not yet developed. A balance of approximately \$1.5 million remains in FY05/07 grants for the site (for construction of other portions of the waterline). This request will be entirely used for construction in Henry County, and the project is well-matched by Henry. **Staff recommends award of \$1,125,000 from restricted funds.**

Prince Edward County

Prince Edward County Industrial Park Master Plan Development **(requesting \$151,760)**

Restricted funds requested to begin engineering and construction of 4-6 sites that are currently undeveloped in the County Industrial Park. Funds would be used for engineering to address topography and wetlands issues and begin construction of an access road, water/sewer, communications lines and clearing/grading of sites.

Total project cost is \$1,700,000. Other funds include \$1.3 million from sale of commercial property, with an additional \$2 million in anticipated commercial property sales.

Staff comments and recommendation: Sale of shell building, commercial sites and timber rights could all contribute to master planning process that will assess wetland and topography challenges and then give the Commission a tool to consider any future investment(s) that might result in 200-600 new jobs. **Staff recommends no award.**

Town of Farmville (Prince Edward County)

Immigration Centers of America - Farmville Campus Sewer Line Extension **(requesting \$151,760)**

Restricted funds requested (along with Cumberland County allocation) to extend Town sewer service to a 20 acre site the Town is negotiating to sell to private developers for construction of a 300 bed dormitory-style detention center for illegal immigrants. The project will operate under a proposed contract that is being negotiated confidentially with the U.S. Department of Homeland Security. Initially the project will create 100 new jobs paying \$30,000 annually with health and retirement benefits, and has potential to grow to 1,200 detainees (presumably with corresponding job increases).

Total project cost is \$4,088,760 (excludes annual operating costs listed in application). Other funds include \$96,630 Cumberland County allocation requested; \$76,000 Town in-kind labor and materials; \$3,821,785 developers' private capital (excluding operating costs) being negotiated.

Staff comments and recommendation: **Staff recommends award of \$151,670 from restricted funds, contingent on commitment by the company to fulfill a federal contract to operate the facility and acquire the site from the Town. ■**