FY09 Southside Economic Development – Round 2
Staff Summaries and Recommendations
April 2009

The Commission received the following seventeen grant proposals for projects in twelve cities/counties during the announced FY09 - Round Two.

Bedford County
Broadband Solution for Bedford County (#1786)
$55,000

Funds are requested to engage the Region 2000 Local Government Council and contractors to conduct legal and engineering work needed to establish a county-wide public broadband authority under the Code of Virginia's Wireless Service Authority Act (Sec 15.2-5431.1 et seq.). Engineering work will examine tower sites, current levels of broadband service and equipment needs (the work will be coordinated with Mid-Atlantic Broadband services for towers, backhaul and equipment and VA Resource Authority financing options). Legal services will establish the public body's incorporation, bylaws, financing, public-private contract with service provider(s), etc. Ultimately it is anticipated that a private broadband service provider will be procured to offer services using authority sites and equipment.

Total project cost is $60,000. Other funding: $5,000 Bedford County (pending).

Staff comments & recommendation: Similar authorities exist within the tobacco region counties of Bland, Cumberland and Dickenson, in addition to seven other localities and regions, providing an array of "last mile" delivery mechanisms. Project outcomes are stated to benefit small businesses, students and residents, although methods for quantifying those benefits are not described. Maps indicating current levels of broadband service within the County are being compiled by the state broadband task force but are not yet available (there is an indication of some current availability of DSL, presumably in the more dense concentrations of businesses and residences). The Commission's strategy for providing a regional approach for broadband delivery in Southside has been centered on "wholesale" provision of services through Mid-Atlantic Broadband Cooperative and has not specifically articulated last mile strategies. Bedford's proposal would take an aggressive approach to soliciting last-mile retail providers rather than waiting on providers to arrive on their own initiative. However, approving a proposal for one locality for a broadband authority would open the door for proposals from (potentially) dozens of other localities in the tobacco region. **Staff recommends no award.**

Brunswick County IDA
Brunswick County Industrial Park Expansion and Diversification (#1782)
$1,474,450

Funds are requested to develop a 53.4 acre site (to be) acquired by the County for expansion of the County Industrial Park on Route 58. Engineering, clearing, grading, utilities extensions and road improvements would be used to make a 38.5 acre pad ready for industry prospects in the targeted sectors of energy production from forest resources and warehouse/distribution. The applicant estimates 25-40 jobs could be created with private investment of $24-50 million. The site is in close proximity to rail, MBC broadband and other utilities.

Total project cost is $1,707,950. Other funding: $233,500 Brunswick County ($133,500 included in current IDA budget for land acquisition; $100,000 in 2009 proposed budget).

Staff comments & recommendation: The County and VEDP websites list a currently available site of 46-82 acres in the Park, in addition to other sites in the County's I-85 Park, although the applicant states those current sites can not accommodate the outdoor materials storage needs of wood products industry prospects (due to protective covenants at the County Industrial Park). County has a remaining balance of nearly $1.2 million from TICR grants, the majority of which is on grants provided in 2005 and 2008 for the I-85 Park. Of this $1.2 million, $507,637 is for two grants that have exceeded three years since approval (much of this work is under contract and reportedly underway). This project appears to be a candidate for federal stimulus funds, although the county reported it was not submitted it to the Virginia stimulus list in lieu of other utility projects. The property sale appears imminent although at the time of this report the County has not obtained site control via purchase. An alternative to acquiring and developing this site is for the county to pursue having the covenant lifted on property currently available to allow for storage buildings in order to accommodate the targeted sectors. **Staff recommends award of $137,200 for engineering contingent on county closing on the property.**

Ellis Acres Memorial Park, Inc. (Buckingham County)

Ellis Acres Memorial Park, Inc. – Buckingham Training School Shop Building Restoration (#1787)

$77,000

Buckingham County allocation is requested by the non-profit applicant for a two year period to renovate a historic school property in Dillwyn for use as a workforce training and community meeting space. The 9+ acre Buckingham Training School site, built in 1923 for African-American students and now owned by the Town of Dillwyn, is being redeveloped for a variety of education and community recreation uses. The 2,250 square foot Shop Building will be renovated using an array of foundation and private funds, including Lowes Foundation funds that have recently been secured for exterior renovations. TICR funds are requested for interior improvements that will begin when the structure's exterior "envelope" is secured, including HVAC, plumbing, electrical, walls etc. The completed facility will offer two training classrooms, computer center, conference room, kitchen and restrooms. Training programs for GED, Middle College, workforce credentials and nurses aids will be offered in partnership with providers such as Southside VA Community College, which has expressed willingness to offer classes on site. Other classes and programs might target at-risk youth, elderly and community events/organizations.

Total project cost is $175,000. Other funding: $205,750 Town of Dillwyn in-kind; Buckingham County for land and building acquisition; sewage & utilities infrastructure ($108,750 building, land & cash committed; $25,000 anticipated); $63,000 Bama Works Fund; LCEF Fund; Wal-Mart, Dominion, contributions for construction blueprint with specifications; exterior repairs and foundation stabilization ($13,000 received; $50,000 LCEF Grant received 2/20/09); $5,375.45 individual contributions; in-kind contributions and funds to preserve the BTS Shop Building ($1,375.45 Spent; $4,000 in-kind goods/services anticipated).

Staff comments & recommendation: The County lacks a workforce training/higher education center as has been funded by the Commission in several other Southside localities. The proposal is supported by letters from the County and Town governments, SVCC and local industries/businesses. While there is interest in using this facility (to some extent) as a community center, there is also stated intent to offer programs that are consistent with the TICR mission of

workforce education/training. The project has nearly 1:1 cash matching funds from private sources including national foundations. The applicant clarified the expected start date for construction is much sooner than 2010, which was listed on the application. **Staff recommends award of $77,000.**

Town of Brookneal (Campbell County)
Town of Brookneal Wastewater Improvement Project (#1784)
$998,750

Campbell County allocation is requested to make improvements over a three year period to the Town's two existing wastewater treatment facilities, including new equipment for aeration, UV disinfection and sludge removal.

Total project cost is $1,000,000. Other funding: none provided

Staff comments & recommendation: Economic development outcomes are not described (no prospective private sector jobs or capital investments identified to result from the completion of this project at this time). The PER identified that the improvements are required to address DEQ permit violations due to aged and deteriorated aeration equipment. Average monthly flows have decreased as the town has lost businesses and residents. The requested project is the lower cost alternative as compared to building a new plant at five times the retrofit costs. Alternative solutions involving county-wide or regional service authority approaches are not discussed (the Commission's Strategic Plan would call for the Town to look for a regional solution which is not indicated). The application states other funding sources have been accessed for Town water system improvements; however no matching funds for the requested wastewater activity are listed. No budget detail was provided but total project costs indicate less that 0.125% match contribution. Cash flow analysis for the wastewater system was requested but not yet provided. Requested start date is 2010, and the project appears to be a candidate for federal stimulus funds, although eligibility and prospects for funding are unclear at this time. **Staff recommends project be tabled,** to allow the applicant time to pursue federal stimulus funding and other funding programs (i.e. USDA Rural Development and VRA), and to provide the requested information to justify the need for TICR funding.

Industrial Development Authority of the County of Cumberland
Proposed Cumberland Courthouse Business Park (#1792)
$99,635

Funds requested to purchase 80 acres to create a new county business park near Route 60 east of the County Courthouse. A current business prospect is working with the County to relocate a light industry to the site, bringing 20 existing jobs and creating 20 new positions (paying $9-$15 per hour), along with a $6 million private investment. Additional pads will be available to other companies at the park.

Total project cost is $246,400. Other funding: $146,765 Cumberland County for acquisition of land, pre-engineering, legal and survey work (pending approval of Tobacco Commission grant award for the balance of project costs).

Staff comments & recommendation: With a historically small Southside allocation, this would be the first effort to use TICR funds in Cumberland to develop an employment center and attract private investment and job creation. The property is located in the county's courthouse growth area. Although the site is not presently served by public utilities, the county will bring 3-phase power to

the site immediately, and the IDA intends to work with the county to extend utilities in the future (public water or sewer is not needed for the prospect company). The current property assessment is $109,880 for the subject properties (the properties are currently under land use taxation) so acquisition costs are very reasonable and local cash match for the project exceeds a dollar-for dollar match to the TICR request. **Staff recommends award of $99,635.**

Dan River Business Development Center
Entrepreneurial Development Support (#1785)
$350,000

Funds are requested by a nonprofit regional business incubator/training center to expand operations and provide enhanced business development support to a large number of entrepreneurs through the Kaufman Foundation-sponsored Entrepreneurial Enterprise Program. The project includes coaching and facilitation utilizing a national successful training course and web and telecommunications upgrades to the current infrastructure. The goal of the project is to serve 100 entrepreneurs by the Kaufman facilitated programs, growing to more than 500 entrepreneurs over the following initial five years. Included in the first year figures are fifty on-line participants anticipated in the web-based entrepreneurial resources program, and more than 100 participants in the virtual business training for fulfillment and contracting operations, with seven benefiting from office space.

Total project cost is $495,738. Other funding - $50,000 each City of Danville and Pittsylvania County to support staff costs (received and $95,000 budgeted for 2009-2010); $16,000 Community Foundation of the Dan River Region for furniture and cubicles (received).

Staff comments & recommendation: Project request and matching funds include an array of ongoing operating costs, staffing, equipment replacements, upgrades and improvements for an existing operation that opened in 2001 (ongoing operating costs are contrary to the TICR Strategic Plan). DRBDC is a highly-acclaimed small business assistance center that has generated impressive results in recent years. However, requested operating costs that include a staff position, interns, staff travel and development, training events and other costs are (arguably) a continuation of core services of the center. Retrofitting of space for new programs and services can be construed as one-time capital improvements that enable delivery of new services that will result in growth of small businesses, private investment and job creation. **Staff recommends award of $155,250** including funds requested for computers and licenses for seven virtual tenants, plant and improvements for retrofit of existing underutilized space for one-on-one station training, and partial equipment funding to support telecommunications, chairs for virtual tenant, one projector and TV, and networking. Per the consensus of local government administrators, the award should be split between the City of Danville and Pittsylvania County allocations.

Dinwiddie County
Dinwiddie County Planned Warehouse and Logistics Park with Intermodal Facility (#1791)
$1,365,000 (revised to $800,000)

Dinwiddie County has targeted a large industrial site to secure under the county's control to attract a prospective international warehouse and logistics park developer that is working with the Port of Virginia. Funds are requested to procure the services of a real estate broker to option the 665 acre property to get it under the county's control, and for contractual services including a site survey,

Phase 1 environmental, market study, and engineering study to determine the necessary infrastructure improvements to create the park. Other intermodal facility/warehouse and logistics parks of a similar size have yielded private investments of $400- $600 million and 6,000-8,000 new jobs with starting wages averaging $14 per hour (e.g. Virginia Inland Port). NOTE: The applicant submitted a revised application on April 1 seeking only engineering costs from TICR for doing due-diligence on the property, with county funds being used as match for optioning the property.

Total project cost is $33,590,000. Other funding: $1,000,000 Dinwiddie County (up to $665,000 will be used for optioning the property to get in under the county's control); $29,000,000 prospect/private investor for site acquisition (to purchase land using options).

Staff comments & recommendation: The County has open balances of $771,095 in grants from FY03 and FY04 for work that is contracted at the County Commerce Park. The properties targeted in this confidential economic development project have outstanding locational attributes near the intersection of two national rail lines and in close proximity to the intersection of two interstate highways. The county hopes to have one major development plan and developer, rather than a patchwork of different developments around the rail and highway facilities. Project is strongly supported and actively marketed by VEDP and Port of Virginia. **Staff recommends award of $800,000 for site engineering and study costs**.

County of Franklin
Franklin County Commerce Park Light Industry Site Grading Request (#1789)
$1,270,115

Funds requested to grade two pads in the County's Commerce Park along Route 220 south of Rocky Mount. A five acre pad near the Park entrance on 220 would accommodate a 50,000 square foot office/data center building at a cost of $180,000 for grading. Grading of a five-to-eight acre pad further inside the Park at a cost of $1.22 million would accommodate a 200,000 square foot building (it's stated that a smaller pad would reduce this site's costs considerably). The Park's access road and utilities are already in place, along with MBC broadband. These would be the only graded "ready to build" pads in the County. It is estimated that buildings at the above-stated sizes could attract 400 jobs. NOTE: The County requested a revision to the original application on March 30, 2009, to allow up to $300,000 of the current request to be used for pad development to attract an active Virginia prospect at a site in the Franklin County/Rocky Mount Industrial Park (the "Cox Property" previously supported with TICR funds totaling $751,240).

Total project cost is $1,414,000. Other funding: $143,885 County of Franklin (reserved and appropriated). The County and Town will be providing additional match funds in excess of 1:1, should the prospect choose to locate at the Cox property (prospect is a TROF candidate and will be providing private capital investments in additional to state and local funds matched to this project).

Staff comments & recommendation: The active prospect for the Cox property is a confidential economic development project involving private investment of more than $100 million and creation of more than 400 jobs. If developed in lieu of the Cox property, the data center site will be marketed as an MBC "Gigapark" location for targeted data/IT projects. An alternative suggested in the application is to reduce the graded size of the Commerce Park's "back lot" for now, but make it expandable in the future. **Staff recommends award of $1,270,115 with authorization for the applicant to use up to $300,000 of the award for grading of property in the Franklin County/Rocky Mount Industrial Park.**

Industrial Development Authority of Halifax County
Day Site Prospect Ready Development (#1790)
$99,456

Funds requested for improvements to a 34-acre property acquired with TICR funds in FY06. Improvements to make the site prospect-ready would include engineering, access road, pad grading, and waterline extension ("as funds permit"). Based on current park occupancy elsewhere in the County this site is estimated to attract up to 100 jobs in targeted sectors such as warehouse/distribution and plastics or wood products. The property is zoned industrial, located in a Virginia Enterprise Zone and has within close proximity water, sewer, natural gas, electric and broadband.

Total project cost is $429,456. Other funding: $300,000 VDOT industrial access road funds (preliminary engineering process complete by VDOT); $30,000 County, approved at March 5 work session as either in-kind (using county equipment and employees) or contracted out by the county using funds from the Building and Grounds budget.

Staff comments & recommendation: The IDA has $5,000,000 in open balances for two TICR grants related to Riverstone Technology Park. TICR invested $545,407 in acquisition of this site in November 2005. The IDA was deeded a 50-foot road right-of-way and utility easements from U.S. Hwy 58 to the site when the property was purchased, although the entrance road to the site has not yet been built. **Staff recommends award of $99,456 contingent on VDOT funding for construction of industrial access road.**

Town of Kenbridge (Lunenburg County)
Kenbridge Farmer's Market (#1777)
$55,000

Funds are requested to construct a 1,600 square foot, 14-stall farmer's market pavilion. A market will be operated on Saturday mornings for six months per year. Vendors will lease a stall at $5 per market day.

Total project cost is $60,000 (for structure only). Other funding: $5,000 Town of Kenbridge (approved); $100,000 USDA farmers market grant to be submitted April 27 for site work.

Staff comments & recommendation: Additional information provided by the Town at request of TICR staff indicates the market site is located on property owned by the Town located next to the Kenbridge Recreation Center on Hwy 137-138 at Maple Street. The Town provided supplemental information about site development, funding, operations and management (the market will be operated on Saturday mornings for six months each year, organized by a market manager and steering committee, although sources of operating funds were not identified). Town management also notified staff of a revision to the size of the pavilion to 8,000 square feet, bringing the total project cost including structure and sitework to approximately $175,000. Staff has also requested evidence of grower/vendor interest, sales projections, etc. (there is no track record of success at an interim site as evidence of the need for a permanent structure). At least two farmers markets (i.e. Chase City and Town of Stuart) have been supported through Southside Economic Development but project outcome are primarily related to agribusiness. **Staff recommends project be referred to Agribusiness Committee,** and recommends applicant quantify the estimated sales data, and provide documented evidence of growers and vendor interest.

Town of Victoria (Lunenburg County)
Modest Creek Raw Water Upgrade (#1781)
$770,981

Funds requested to upgrade infrastructure supporting the Town of Victoria Water Treatment Plant. The Modest Creek pumping station will be upgraded from two 25HP pumps to two 100HP pumps and 6" and 8" water lines will be upgraded to 10" and 12" water lines. The system does not currently have sufficient water reserve to accommodate a biomass facility who is considering locating in Lunenburg County and that would be served by this system. Due to new dam regulations, the secondary water supply for the system is only sufficient for thirty days based only on existing customers. Having another alternative water source available is essential for marketing the town and county for industrial development.

Total project cost is $804,981. Other funding: $35,000 Town of Victoria local matching funds (available).

Staff comments & recommendation: Local match is less than five percent and the applicant has not pursued other funding sources (project may be a candidate for stimulus funds, although eligibility and prospects for funding are still unclear). However, the project will provide sufficient capacity to provide water to current and prospective economic users, and this water supply is essential in order for the county to continue negotiations with a prospective biomass-to-energy company that is expected to provide 20 jobs and $8,000,000 private capital investment. **Staff recommends award of $770,981.**

Boydton Ruritan, Inc. (Mecklenburg County)
Boydton Horse Park (#1788)
$743,755

Mecklenburg allocation is requested by nonprofit applicant for construction of a horse park on property donated by Mecklenburg County. The site is located adjacent to the planned Tobacco Heritage Trail, and is expected to attract tourists staying overnight for regional and national equine events and those visiting the area to use the trail. Funds are requested for two initial phases including developing the economic impact assessment and engineering plans, site preparation and construction of an outdoor arena (100 feet X 250 feet) with bleachers for 400 people, a campground with ~ 30 sites, and a horse barn with stalls for ~ 70 horses (70 feet X 220 feet). An expanded plan calls for additional facilities including construction of an indoor arena, another horse barn, an outdoor covered arena, and event and carriage courses and expanded camping. Projected revenues of $362,000 are primarily based on fees recovered in hosting twelve three day horse shows per year with average attendance of 200 horses. An economic impact assessment projects 18,000 visitors spending $1.74 million annually (Chmura Economics & Analytics). The facility will create thirteen new jobs - eight of them FTE with average salary of $20,875.

Total project cost is $6,923,075. Other funding: $1,000 Boydton Ruritan Club, Inc. (received); $3,000 Heritage Landing, Inc. (received); $1,000 Historic Boydton Renaissance (received); $500 anonymous donor (received) – all the above used for preliminary economic impact assessment.

Staff comments & recommendation: The project will generate some degree of agribusiness outcomes (through equine support services for park users); however, the primary need/opportunity

case for this facility and project outcomes are related to economic impact from the applicant's 47 year history in attracting visitors from outside the state to its annual horse show, and the relationship to the Tobacco Heritage Trail. Ultimately, total project funding identified to be requested from the TICR exceeds $6.2 million and the park is being modeled after state-funded horse centers in Williamston NC and Lexington VA that have required ongoing state funding to balance operating budgets (e.g. Williamston has annual expenses of ~ $900,000 and receives ~ $600,000 annually from the state of North Carolina to supplement operating costs in excess of revenues). An operating plan for the first phase of construction including the outdoor arena, horse barn, and campground will be available in May 2009. Project has limited matching funds and TICR staff has concerns about how the operating costs for the larger facility will be provided by a small local nonprofit organization. **Staff recommends award of $314,355 for phase 1A final economic impact assessment and engineering plan ($73,500) and partial funding for phase 1B construction expenses associated with site preparation, parking, outdoor arena with bleachers and lights, utilities, and campground ($240,855), contingent on creation of a regional governing body that has operational oversight and responsibility that includes working with a private facility manager for operation of the campground.**

Clarksville Senior Care, LLC d.b.a. MeadowView Terrace (Mecklenburg County)

MeadowView Terrace 30-Bed Expansion Project (#1778)

$250,000

Mecklenburg allocation is requested by nonprofit applicant to add 30 nursing facility beds to its current 120- bed nursing facility in Clarksville. TICR funds would assist with construction cost of this $3.9 million expansion. Twenty five new permanent jobs with average wages of $13 per hour (plus benefits) will be created including licensed practical nurses, CNAs, a RN, an activity assistant, food services assistants and environmental technicians.

Total project cost is $3,890,000. Other funding: $3,000,000 - $3,500,000 revenue bond for construction and equipment (pending review and approval by banks and IDA); $490,000 - $890,000 - Clarksville Senior Care, LLC for construction and equipment (cash and investment reserves-amount dependent upon other financing and funding sources).

Staff comments & recommendation: Health care is identified as a low priority in the program guidelines and the Commission's Strategic Plan, and to date the Commission has provided construction assistance to health care facilities in a very limited number of cases. The precedent of providing health care construction assistance is illustrated by the presence of seven other nursing homes and two hospitals within the applicant's primary service area of Halifax, Mecklenburg, and Brunswick counties. However, in cases such as this where quantifiable direct job creation and private capital investment outcomes identified, staff suggests that these types of projects should compete for funding through the established TROF program formula. **Staff recommends the project be tabled in order to be submitted by a local government IDA on behalf of the applicant for a prospective TROF incentive (project funds not provided by TROF can be re-considered in the next Southside grant cycle).**

Mecklenburg County Industrial Development Authority
Kinderton Technology Campus (#1779)
$3,523,334

Funds are requested to acquire and develop 117 acres of land near Clarksville for the purpose of developing the Kinderton Technology Campus. A 35-acre area will be developed into a 20-acre graded pad with stormwater management and utilities, and the remaining 82-acres will be cleared and grubbed. The site offers redundant power from three sources and substantial broadband fiber assets. The site will be marketed for a mega data center campus. For each mega data center that locates to this site it is anticipated that 75 jobs averaging $65,000 salary will be created and a capital investment of $400,000,000.

Total project cost is $3,698,334 Other funding: $175,000 Mecklenburg County IDA for engineering and management (approved and in hand).

Staff comments & recommendation: Project is intended to establish a multi-site IT/data campus at a location that currently has the competitive advantage of redundant electric and broadband due to an adjacent half-billion dollar data center. Applicant proposes less than a five percent local match but has requested stimulus funding for this project (eligibility and likelihood of funding is unclear). Staff has requested an independent real estate appraisal to verify the land valuation (current assessment is $175,000 as residentially-zoned, and an executed sales contract for approximately $8,550 per acre is contingent on successful award of grant and rezoning of property). Project is strongly supported by VEDP as a targeted employment sector, and will be marketed as an MBC "Gigapark." **Staff recommends award of $3,523,334 contingent on independent appraisal to establish the fair market value of the property (based on TICR award of up to $1,000,000 for the purchase of land at the appraised value).**

Roanoke River Rails-to-Trails (Mecklenburg County)
Tobacco Heritage Trail – NF&D Segment I (#1780)
$724,000

Mecklenburg allocation is requested by nonprofit applicant for construction of a segment of the Tobacco Heritage Trail located near the Town of Boydton in Mecklenburg County. Funds would be used for final design of 6 miles and construction of approximately 2.3 miles of the trail. The Boydton area was selected for the next construction phase in the county due to its location near other recreation areas, and to augment other economic development initiatives including a proposed horse part adjacent to the town and trail that will provide camping and parking for equestrian users. An economic impact report estimates the fully developed trail system (100+ miles in six Southside counties) will generate $4.6 million in annual visitor spending for the region and create 61 jobs (Chmura Economics & Analytics).

Total project cost is $854,152. Other funding: $296,331.36 (Mecklenburg share of **appraised** value=$407,400) to purchase railroad corridor (purchase of 4+/- miles of corridor in Mecklenburg & Brunswick counties complete); $20,000 VDOT Enhancement (under contract/underway); $1,000 Town of Boydton for clearing trail (in-kind); $1,000 Mecklenburg for clearing trail (in-kind).

Staff comments & recommendation: Applicant has ~$630,000 balance on grant approved in July 2007 for which the work is contracted and scheduled to be completed/spend by September. TICR awards for the THT to date total $963,891. Applicant has been successful in securing ~ $1.2 million in VDOT Enhancement Grant funding for various stages of trail construction and is waiting to hear results of possibly additional stimulus funding to support the project. The THT will connect six

counties in the tobacco region with over 100 miles of trail. A Chmura economic impact study estimates $3.5 million in direct spending and $4.6 million in indirect and induced annual spending once the total trail is completed. The 50-mile NF&D Segment that includes this project is estimated to result $1.5 million in direct visitor spending. In three years they expect to have half of the 50 mile NF&D segment completed. TICR staff has reviewed methodologies and consultant proposals to provide actual visitor tracking and economic impact. **Staff recommends award of $409,471 to support costs for bridge design/construction and trail improvements on the proposed trail section.**

The Town of Gretna (Pittsylvania County)
The Town of Gretna – Raw Water Project (Phases III and IV) (#1783)
$820,000

Pittsylvania allocation is requested by the Town of Gretna to complete off-site water system improvements to serve the Town, Gretna Industrial Park, and the surrounding areas identified for business/industrial growth including the Pittsylvania County PSA's Route 40 waterline extension to Pittsville Road. Funds will be used to complete the raw water project including design and construction of the Whitethorn Creek raw water intake structure to connect with the recently installed 4.75 mile raw water line from the Town's Reservoir to the Whitethorn Creek, and the provide a piping network to bypass the reservoir in the event of a hazardous spill on Route 29 bypass upstream from the reservoir.

Total project cost is $900,000. Other funding: $90,000 Town of Gretna (appropriated in the operating budget).

Staff comments & recommendation: Town has a consent order from VDH that requires them to address water supply issues by 2012. Project will provide raw water source for potential occupants of Gretna Industrial Park, however there are no prospective private sector jobs or capital investments that will result from the completion of this project at this time. This phase of the project does not include funding or financing options from Rural Development or VRA and may be eligible for federal stimulus funding (the cash flow analysis included with the application identified operational expenditures that are minimally in excess of revenues by approximately $37,000 annually, and a $5.39 cost per 1000 gallons). Applicant has been successful in obtaining funding from other sources in addition to previous TICR award of $1.5 million for earlier phases of the project, and this is final construction phase of new raw water intake and processing system. **Staff recommends award of $820,000.**

Pittsylvania County
Olde Dominion Agriculture Complex – Water and Sewer Extension (#1737 - tabled in FY09 Round 1)
$900,000

Funds requested for 90% of project costs to construct up to two miles of water and sewer service from Chatham north on Route 29 to the site of the proposed Olde Dominion Agricultural Foundation complex. This request was tabled in FY09 first round, pending the outcome of Agribusiness funding for construction of the Agriculture Center (TICR awards of $1.88 million have been made and further fundraising for the Center is ongoing - construction has not yet begun). The lines would be owned/operated by the County PSA under a service agreement with Town of

Chatham, and could potentially be extended in the future to the Town of Gretna and the Gretna Industrial Park.

Total project cost is $1,000,000. Other funding: $100,000 Pittsylvania County (appropriated in operating budget).

Staff comments & recommendation: These utilities would extend service into a County-designated Economic Development corridor that includes multiple properties that are already industrially-zoned and adjacent to the rail line that bisects the service area. A Preliminary Engineering Report estimates 292,000 gallons per day of future water demand in this Rt. 29 growth corridor that includes the nearby north Chatham megasite. However it does not address the quantity of water/sewer service needed specifically for the agriculture complex, and does not speculate about water/sewer demands for potential occupants of the megasite or other adjacent industrially-zoned properties. There are no prospective private sector jobs or capital investments that will directly result from the completion of this project at this time, although the megasite offers the greatest potential for future economic growth. The project does not include funding or financing options from Rural Development or Virginia Resource Authority due to short term cash flow constraints (the applicant identifies that the project is not expected to result in significant immediate revenues). Project may be eligible for federal stimulus funding though eligibility and likelihood of funding are still unclear. The applicant has open TICR grant balances of ~ $8 million of which ~ $865,000 exceed three years since approval. **Staff recommends award of $900,000.**

Additional Southside Committee Business:

Pittsylvania County requests that grants #480 and #1385 awarded to the County in April 2003 for *Gretna Industrial Park – Alternative Water Supply* and in July 2007 for *Gretna Industrial Park – Phase III* in the amounts of $1.5 million each be transferred to the Town of Gretna. The County Board has agreed to transfer the unspent grant balances of $770,242 for #480 and $1.5 million for #1385, along with local matching funds of $150,000 for the Phase III access road, to the Town to enable engineering design and construction of an industrial access road to the Gretna Industrial Park and further design/construction of additional water supply. The Water supply project is nearing the end of the six-month grace period granted by the Committee in October 2008 for all projects that had exceeded three years since date of Commission approval (in this case, the approval was six years ago). Grant #480 is being used to construct raw waterlines that are part of Proposal #1783 discussed above (that last section of waterline is now under construction). The Phase III road project has been advertised and bids were to be opened in late-March. **Staff recommends approval of this request to transfer grants #480 and #1385 to Town of Gretna.**