FY10 Southside Economic Development
Staff Summaries and Recommendations
October 2009

The Commission received 17 applications for unobligated FY10 balances of Southside Economic Development grant funds on or after the published deadline of August 24, 2009 (late-filed or revised requests are noted below). Funds budgeted in FY10 and local allocations carried forward from previous fiscal years are available. Balances available by jurisdiction are broken out on the following spreadsheet.

#	City/County	Organization Name	Project Title	Allocation Available	Request Amount	Staff Recommendation
1942	Appomattox	Appomattox County	Broadband Solution for Appomattox County	$106,014	$55,000	$50,000
1918		Appomattox County IDA	Appomattox Center Prospect Upgrades		$51,014	$51,014
1949 *	Brunswick	Saint Paul's College	Complete Construction of the Fine Arts Building	$3,753,621	$164,000	$164,000
1954 *		Town of Lawrenceville	Water Plant Disinfection Improvements		$150,000	$75,000
1879	Buckingham	Buckingham County Administration	Tourism Through Mapping	$17,969	$17,969	$0
1877	Campbell	Campbell County	Seneca Commerce Park Public Sewer System, Phase I	$572,825	$572,825	$572,825
1893		Virginia Technical Institute	Technical Center Renovation		$1,060,000	$0
1950 *	Charlotte	Charlotte County	Project Prison Sewer and Water Enhancement	$1,016,389	$2,750,000	$1,016,389
1916	Danville	Danville-Pittsylvania Regional Industrial Facility Authority	Berry Hill Regional Mega Park - Phase II - Land Financing and Engineering *(City's 1/2 of project request)*	$3,105,850	$3,105,850	$3,105,850
1889	Dinwiddie	Dinwiddie County	Dinwiddie County Site Readiness Costs	$3,293,739	$1,286,000	$1,286,000

1895	Franklin	Town of Boones Mill Economic Development Corporation	Town of Boones Mill Water System Replacement & Water Bottling Facility	$451,476	$1,870,000	$0
1871	Greensville	Greensville County	Southside Virginia Education Center Phase III and Perdue Feasibility Study	$128,595	$128,595	$28,000
~~1888~~ 1955 *	Halifax	Halifax County IDA	~~Riverstone Technology Park shell Building Development~~ High Bay Riverstone Pilot Plant Project	$2,620,079	$2,000,000	$2,000,000
1896		Halifax Educational Foundation	Advanced Manufacturing Innovation Center	$1,000,000	$1,000,000	$1,000,000
1915	Lunenburg	Lunenburg County	Complete Build-out of Shell Building	$1,271,760	$800,000	$800,000
1881	Mecklenburg	South Hill Community Development Association	The Colonial Center Renovation Project Phase II	$1,992,616	$734,750	$734,750
1916	Pittsylvania	Danville-Pittsylvania Regional Industrial Facility Authority	Berry Hill Regional Mega Park - Phase II - Land Financing and Engineering *(County's 1/2 of project request)*	$5,103,398	$3,105,850	$3,105,850
1944		Town of Gretna	Gretna Industrial Park - Offsite Water and Sewer Improvements		$1,287,400	Table
1892	Prince Edward	Prince Edward County	STEPS: Job Creation & Retention	$145,848	$145,848	$145,848
			Grand Totals (17 items)		$20,355,101	$14,135,526

Funds transferred from surplus for consideration only in regard to project #1896

*late-filed or revised proposal

Appomattox County

Appomattox County
Broadband Solution for Appomattox County (#1942)
$55,000 requested

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. 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 funds include: $5,000 to be leveraged with TICRC funds as needed (approved by Board of Supervisors)

Staff comments and recommendation: This mirrors a FY09 Bedford County award for establishing a broadband authority. Project outcomes are stated to benefit small businesses, students and residents, although methods for quantifying those benefits are not described. Maps compiled by the state broadband task force (May 2009) reveal a substantial area on the peripheral of the center of the county that lacks broadband service. MBC grant funds have attracted Wi-max wireless services through Digital Bridge Corp within and surrounding the Town of the Appomattox. TICR paid for the same process in Bedford and there ought to be economies from utilizing similar articles of incorporation, bid documents, and etc. Proposal requests $5,000 of TICR funds to pay Planning District for project administration, which is contrary to TICR General Funding Policies. **Staff recommends award of $50,000 for legal and engineering costs (not to include funding for technical services to PDC).**

Appomattox County IDA
Appomattox Center Prospect Upgrades (#1918)
$51,014 requested

An existing employer in the County plans to construct a 6,500 square foot office/warehouse distribution facility on a corner property at the Appomattox Center for Business and Commerce. Grant funds are requested for road construction for extension of state road to be taken into the state system and for sewer extensions to the property. The paving will provide a building entrance along Industrial Park Lane in addition to West Ridge Lane allowing trucks to enter/exit on both sides of the building. The prospect plans to move its distribution center and is expanding to accommodate sales from a new website store.

Total project cost is $65,000. Other funds include: $13,986 Appomattox County EDA for construction of road and sewer (EDA has committed to investment).

Staff comments and recommendation: The project falls below the threshold for TROF. The prospect company expects to invest $750,000 of private capital and immediately hire two people with up to two additional people potentially being hired before the building is completed. Sales revenues will be coming into this distribution center from six retail locations in metropolitan areas throughout Virginia as well as through on-line sales from the launch of a new website store estimated to increase annual sales by $300,000 per year over the first three years. **Staff recommends an award of $51,014.**

Brunswick County

Saint Paul's College
Complete Construction of the Fine Arts Building at Saint Paul's College (#1949)
$164,000 requested

This proposal was received after the August 24 application date, requesting funds for renovation of the Fine Arts Building at Saint Paul's College. The building will permanently house the Accelerated Degree Completion Programs with current enrollment of 185 students for the BS degrees in Business Administration and Criminal Justice. The programs are being offered this fall in a temporary location. The Criminal Justice degree program was launched in fall 2009, with 60 students enrolled and a total of 160 students projected to be enrolled by the second year. The Criminal Justice major was established by Saint Paul to meet the estimated 500 jobs positions at the new regional jail in Brunswick County and from operation of a new privatized prison to be constructed in Charlotte County.

Total project cost is $485,500. Other funds include: $310,000 National Park Service, US Dept. of Interior for the restoration of Saint Paul's College Fine Arts Building (awarded); $11,500 Saint Paul's College for A&E fees and other related expenses (expended).

St**aff comments and recommendation:** The proposal was previously submitted to the TICR Reserve Fund but was ineligible due to lack of a required percent of project matching funds. It is resubmitted here, albeit late-filed. Applicant provides good numbers for adult education outcomes leading to existing employment opportunities in the County and region. **Staff recommends award of $164,000.**

Town of Lawrenceville
Town of Lawrenceville Water Plant Disinfection Improvements (#1954)
$150,000 requested

This proposal was received after the August 24 application date, requesting funds for a portion of the cost of a new building at the existing water treatment plant to be used for bulk chemical storage and for equipment to alter the system from gas chlorine to a MIOX treatment system. The Town's water system has shown high levels of dangerous chemicals including lead and copper, and the requested improvements would reduce those levels to acceptable limits for the system's users. The project has been bid and the low bid exceeds the funding awarded from VA Department of Health for the project.

Total project cost is $895,000. Other funds include $715,000 VA Dept of Health grant (committed); $30,000 Town (expended).

Staff comments and recommendations: The project is designed and bid, and there is an apparent funding shortfall. A Draper Aden water system survey identifies 152 non-residential users out of approximately 1,000 customers, with $19 in-town rates and $66.50 out-of-town rates. Statewide average water rates for small systems with less than 5,000 connections are $30 for in-town residents and $49 for out-of-town. Staff recommends the Town match a Commission award for the project shortfall by considering a rate increase. **Staff recommends award of $75,000.**

Buckingham County

Buckingham County
Tourism Through Mapping (#1879)
$20,848.00 requested

This project will transform paper maps of County parcel information for electronic publication on the web. The goal of the project is to publish digital information on sites of interest to tourists such as the historical village where General Robert E. Lee camped as well as outdoor recreational facilities throughout the county (state parks, boat landings, historical sites, and hunting grounds). Grant funds are requested for the purchase of equipment; specifically a printer/plotter needed to transform the paper maps to a digital format.

Total project cost is $20,848. Other funds include: $2,879 Buckingham County for desktop PC and difference in price of scanner/plotter (committed and/or complete).

Staff comments and recommendation: It appears that the purchase of the equipment will be used primarily for routine government data mapping services with broad benefits for real estate assessments, emergency services, etc. While the equipment will have some tourism benefit staff would prefer to assist the county with developing and/or implementing a comprehensive tourism plan in coordination with Virginia Tourism Corporation. VECTEC may also be a resource to assist the County in setting up a tourism website. **Staff recommends no award.**

Campbell County

Campbell County
Seneca Commerce Park Public Sewer System, Phase I (#1877)
$572,825 requested

Funds are requested for the first phase of costs for providing public sewer to the Seneca Commerce Park. The Park was originally designed for seven sites with on-site septic sewer treatment, of which two lots totaling nine acres are currently occupied. Installing a public sewer system and thereby eliminating the need for septic drain fields will allow the County to maximize available property at the Park, increasing by at least five the number of small lots in the Park to between 12 and 17 lots. A sewer master plan for the Route 29 corridor determined the force main sewer line to be the best alternative. A Preliminary Engineering Report has determined the preferred route for the sewer lines and size of the system. TICR funds will be used for 7,500 linear feet of 8" forced sewer main as the first phase of an overall $2.2 million project.

Total project cost is $ 859,375. Other funds include: $286,550 Campbell County for development of industrial parks and infrastructure. (presently available and encumbered in industrial capital improvements fund budget).

Staff comments and recommendation: The Commission has invested a total of more than $656,000 to date for site development of Seneca Commerce Park, resulting in the attraction of two companies. The Park remains the top priority for the County in terms of using the available Southside allocation. The proposed system would allow greater long term private capital investment and job creation in the Park and provide more reliable sewer service to tenants than the current constraint of relying on individual septic systems. **Staff recommends award of $572,825.**

Virginia Technical Institute
Technical Center Renovation (#1893)
$1,060,000 requested

The Virginia Technical Institute is planned to be a 501(c)(3) technical education institute located in Altavista and established to provide workforce training to fill regional gaps for skills needed in construction and industries. Grant funds are requested for Phase I renovations of 36,000 square feet of a 115,000 square foot building to provide space for construction trades programs including electrical, pipefitting, plumbing, HVAC, sheet metal, welding, carpentry, masonry, OSHA Safety and a computer lab. VTI plans to open for classes in fall 2010 and be accredited through the National Center for Construction Education and Research (NCCER). The projected average class size is 20 individuals for each of eight classes expected to be offered. It estimated that ~ 150 students will graduate from VTI programs by 2014. The school is estimated to create 12-15 jobs averaging $21 per hour.

Total project cost is $ 1,500,000.00. Other funds include: $814,500 Dale Moore, founder of VTI to purchase property, demo building interior to prepare for renovations, repaired roof, painted, exterior work (work is presently under way).

St**aff comments and recommendation:** NCCER curriculum was developed by and is designed specifically for construction trades offering different programming than that which is currently available through CVCC. The NCCER curriculum is currently used by Southern Air in Lynchburg, the largest construction trades employer in the region at a school inside their company. The second largest regional employer in this sector with ~ 400 employees is Moore's Construction located in Altavista, which is expected to be a primary beneficiary of the VTI program graduates. Applicant is recently incorporated (May 2009) and has not yet received 501c3 IRS determination status, and while approval is likely the applicant is therefore not yet an eligible recipient of grant funds. The NCCER program is being offered in Southwest Virginia through Mountain Empire Community College. Future funding consideration by TICR should be evaluated based on applicant collaboration with the region's community colleges, including CVCC's Altavista center (previously funded through TICR Education grants) and Danville Community College, which has expressed interest in collaborating with VTI. This approach would ensure affordable, coordinated offerings and provide the opportunity to be marketed through the community college system. **Staff recommends no award.**

<u>Charlotte County</u>

Charlotte County
Project Prison Sewer and Water Enhancement (#1950)
$2,750,000 requested ($550,000 annually up to 5 years)

This proposal was received after the August 24 application date, requesting funds for an annual commitment of $550,000 for up to five years for payment of interest on a $12 million bridge loan from the Virginia Resources Authority to the Town of Drakes Branch for costs associated with construction of the water and sewer systems necessary to support a new correctional facility. The project proposes that proceeds from the issuance of a state bond for construction of the prison would be used to reimburse TICR and the Charlotte allocation for payments made as a result of a grant award for this project.

Total project cost is $18,000,000. Other funds include: $500,000 DHCD Southern Rivers grant (pending), $4,000,000 USDA-Rural Development grant/loan (pending), $12,000,000 Town of Drakes Branch (pending loan application to VRA).

Staff comments and recommendation: The prison and its 500-600 direct new jobs is a top development priority of the County, Drakes Branch Town government, the VA Department of Corrections and the private prison developer. The Commission has previously awarded more than $2.3 million for construction of the sewer project. There is currently just over $1 million available in Charlotte County allocation. The County intends to return these requested funds to the Charlotte allocation when permanent project financing is in place. **Staff recommends award of $1,016,389.**

City of Danville

Danville-Pittsylvania Regional Industrial Facility Authority
Berry Hill Regional Mega Park – Phase II – Land Financing and Engineering
$3,105,850 requested *(City's ½ of request **#1916**)*

The RIFA proposes a bond action to provide financing of the 2,600 additional acres of land recently acquired to complete the Berry Hill Regional Mega Park. This area includes property comprising the Southern Virginia Energy Park which is the prospective site of a half-billion dollar gas-fired power plant. This grant funds will be used to provide debt service on a $10,800,000 letter of credit that the RIFA plans to issue in bonds and for contractual expenses for completion of Phase II of the engineering Master Plan. The City of Danville advanced the funds necessary to purchase the land to avoid speculative increases in land prices and in order to keep the project on track for certification as a mega park. RIFA is in the final steps of receiving certification of the 3,500+ acre site as a mega park by McCallum Sweeney Consulting.

Total project cost is $14,123,876. Other funds include: $86,772 City of Danville engineering (budgeted), $86,772 Pittsylvania County engineering (budgeted), $7,738,633 Danville-Pittsylvania Regional IFA for debt service on bond issuance by RIFA to finance land acquisition in the amount of $10,800,000 (approved, not yet issued).

St**aff comments and recommendation:** The Commission previously provided FY08-09 grants of more than $6.9 million to the County and RIFA for land acquisition, infrastructure and park planning, which is the top long term development priority of the two participating local governments. The purpose of investments in the Mega Park is for recruitment of transformational economic development projects to the region, such as a large international company, a semi-conductor company, or an auto assembly plant and its suppliers. Capital investment for the type of industries being targeted is $800 million to $1.2 billion and additional investments by suppliers. If negotiations are successful with American Municipal Power, the economic benefit of this prospect will result in up to 35 full time jobs with an average salary of $48,880 and capital investments of up to $528 million. **Staff recommends award of $6,211,700 to be split equally between Pittsylvania County and Danville allocations.**

Dinwiddie County

Dinwiddie County
Dinwiddie County Site Readiness Costs (#1889)
$1,286,000 requested

The County requests funds for site development of two industrial development properties owned by the county, to better position them to attract suppliers for the Rolls Royce campus in neighboring Prince George County and for government contractors to Fort Lee. The majority of grant funds ($650,000) are requested for repairs to the existing compromised dam at the Commerce Park, which will serve as the primary stormwater management feature for the park, alleviating the need for substantial additional acres in the park to be used for this purpose. Other projects to be completed at the Commerce Park with grant funds ($225,000) are a traffic signal engineering plan, wetland mitigation, and permanent park signage. The county is requesting grant funds ($410,000) for construction costs associated with getting the final large parcel (8+ acres) shovel ready at the IDA owned property located within the Enterprise Zone at Simpson & Weakley Roads. Additional grant funds are requested for design and development of the online Site Logistics program provided by Timmons ($26,000), allowing for demographic data to be web-searched for specific sites and including the first year of the annual subscription for data.

Total project cost is $1,531,000. Other funds include: $245,000 Dinwiddie County for preliminary geotech, environmental permitting, engineering (already approved by Board of Supervisors and is currently being spent).

Staff comments and recommendation: Both properties being proposed for further development with grant funds are well positioned in proximity to existing large projects and transportation networks in the region. The economic benefits resulting from development of the Commerce Park alone are estimated at 1,000 jobs and $50 million investment based on two recent prospects that showed interest in this site. Currently there are no shovel-ready sites within the County's control available to prospects. Past TICR grants totaling $3.27 million for Commerce Park road construction and land acquisition are now closed. **Staff recommends award of $1,286,000.**

Franklin County

Town of Boones Mill Economic Development Corporation
Town of Boones Mill Water system Replacement & Water Bottling Facility (#1895)
$1,870,000 requested

The Town of Boones Mill EDC, a corporation owned by the Town and recognized by the Commonwealth in March 2009, has trademarked Springshine, Inc, a bottled water business located in Boones Mill focused on selling premium purified bottled spring water. The Town owns and operates a natural spring producing an average of 160,000 gallons of water per day that is currently used as the main water source for the town. The Town has received ARRA funding through the VDH to address improvements to the water distribution system including construction of a new water treatment plant allowing for water quality from three wells to meet VDH standards. With the inclusion of the three wells the spring is estimated to produce an excess of 1,000,000 gallons of water not needed by the Town and available for bottling. The business model identifies two primary target markets: the local customer base reached through local marketing and sales markets; and niche products offered for private labels and promoted through the web for on-line sales.

TICR funds are requested for the design and construction of the bottling facility, bulk water filling station, and other contractual and construction fees required during the design, construction, and start-up phase of the project.

Total project cost is $ 5,545,400. Other funds include: $279,000 Virginia Resource Authority loan for land purchase for WTP and possible location of future plant (approved by VRA- have not closed as of 8/24/08) ; $3,396,400 Virginia Dept of Health grant for water system replacement and water treatment plant (approved by VDH – have not closed as of 8/24/09).

Staff comments and recommendation: The proposed bottling plant would create seven jobs averaging $20 per hour including fringe benefits with potential profits of $643,968 annually based on production of 26,000 500 ml bottles each day for 288 days per year. Projected profit numbers were provided by the prospective equipment provider, and the application provides no indication of retail agreements with potential buyers. Although the applicant provided an addendum with detailed analysis of until costs and sales revenue; the pro-forma does not appear to be complete showing all costs and revenues. The information provided suggests that the EDC would have sufficient profits to cover capital and start-up operating costs through a loan if they choose to begin this enterprise. The requested amount exceeds the county allocation by $1.42 million and sources of additional funds needed for start-up of the bottling operation were not provided. No match funds are provided directly for the bottling operation although the match for the water treatment plan is arguably related. Another option for the Town is to issue an RFP for a private operator, generating revenue to the town through the lease of the property and purchase of the water. **Staff recommends no award.**

Greensville County

Greensville County
Southside Virginia Education Center Phase III and Perdue Feasibility Study (#1871)
$128,595 requested

Funds of $100,595 are requested for two projects: 1) to construct Phase III of the Education Center as an addition to the current facility built with funds from the Commission and other federal, state and local sources, and 2) to conduct feasibility studies at a cost of $28,000 on the former Perdue poultry processing plant that is under County site control (a purchase option) and has seen prospect interest for re-use as a data center. The 21,900 square foot expansion of the Education Center will house four additional classrooms, four employee assistance offices and three large instruction labs for automotive technology, welding/plumbing/electrical and high performance manufacturing. The expansion will also provide a kitchen, storage room and an entrance foyer/prefunction space for the Center's Phase II assembly hall.

Total project cost is $5,028,000. Other funds include: $1,502,660 Tobacco Commission Reserve Fund committed (construction of Phase III); $1,502,660 US EDA for construction of classroom/lab space in Phase III (awaiting approval); $1,394,085 Greensville County for architectural/construction of Phase III (committed); $500,000.00 TICR Education Committee for construction of Phase III (awaiting approval).

Staff comments and recommendation: Commission grants for the Education Center's first two phases total $1.1 million, and have assisted in the doubling of enrollment in community college classes that were formerly held in the Perdue site. A TICR Reserve Fund request was approved in late-June to equally match a federal EDA request of $1.5 million. However, that federal proposal has been returned due to the lack of an approved CEDS plan in the Crater Planning District. Pending approval of that plan in a timeframe to allow action on the EDA request, the project is in a state of limbo that is outside the County's control, and

additional funding obligations including a pending Education grant proposal seem premature. The Perdue facility study is unrelated to delay imposed on the Education Center project, and should proceed expeditiously. **Staff recommends award of $28,000 for the Perdue facility studies, and that the balance of the request for Phase III be resubmitted to the next Southside grant cycle.**

Halifax County

Industrial Development Authority of Halifax County
~~Riverstone Technology Park Shell Building Development (#1888)~~
High Bay Riverstone Pilot Plant Project (#1955)
$2,000,000 requested

The applicant's original submission has been withdrawn and replaced with proposal #1955 which requests funds for buildout of the Riverstone high-bay manufacturing space in Building One and equipment to be leased for seven years to a Fortune 500 company that is considering the site to research and develop energy-related polymer filtration products. The company will lease a total of approximately 27,000 square feet of manufacturing and office space in Building One for seven years and create eleven jobs at salaries ranging from $50,000-$80,000. The proposal seeks funds for equipment that will be installed in the space and leased to the company. At the end of the lease some portion of the equipment – totaling ~ $1.3 million or more - would be considered building upfit and would continue to be owned by the HIDA beyond the seven year lease. Process equipment would revert to the company at the lease's end.

Total project cost is $2,008,250. Other funds include: $208,250 Halifax County for engineering/design; oversight and construction management ($8,250 to be funded by IDA for construction/site manager; $200,000 approved by Board of Supervisors last year)

Staff comments and recommendation: The project budget is based on estimates provided by two local building contractors, an architectural/engineering firm and the prospect company. A TROF grant request is anticipated to assist with an additional $70,000 of project funds. The IDA states the company is considering Halifax as a permanent production site for these technologies beyond the R&D lease period. It appears a significant portion of the TICR-funded equipment would be permanent improvements to Building One, the construction and financing of which was assisted with TICR grants totaling $10 million. **Staff recommends award of $2,000,000.**

Halifax Educational Foundation
Advanced Manufacturing Innovation Center (#1896)
$1,000,000 requested

This request for additional start-up funds for operations at the Southern Virginia Higher Education Center's Advanced Manufacturing Innovation Center was invited by the Commission, and $1 million to potentially accommodate this request was transferred to the Southside Committee at the July 2009 Commission meeting. The Center will be housed in the former American Tobacco Warehouse where renovations are expected to be completed by December 2010, using an FY09 TICR Special Projects grant of $6 million for research centers. The facility is expected to be fully operational by July 1, 2011. A 'Smart Factory" will be created with research-led solutions to manufacturing design and process challenges for utilization by new and existing companies in creating prototypes of new or improved products and components. A December

2008 study identified 37 manufacturing business in a five county and one city area to be served by the Center. Grant funds are requested for personal services ($734,027) including a full time director of research, research project manager, administrative assistant, and a part time machine technician for the first two years of operation and a full time administrative assistant, receptionist, custodian and a part time receptionist in the second year; contractual services ($88,473) for education and research services to meet industry needs; supplies and materials ($42,500) for materials and tooling related to R&D testing and general office and custodial needs; continuous charges ($100,000) for utilities and building maintenance contracts; and equipment ($35,000) for a new phone system.

Total project cost is $3,020,000. Other funds include: $720,000 Southern Virginia Higher Education Center for operations ($150,000 committed; $570,000 pending with state biennium budget FY11 and FY12); private funds of $400,000.00, CDGB $700,000.00 & USDA $200,000.00 of which $1,300,000 is to be used to purchase advanced manufacturing related equipment (private spent, CDBG awarded, USDA submitted and decision pending).

Staff comments and recommendation: The Commission transferred $1,000,000 of unobligated FY10 surplus funds to the Southside Economic Committee specifically for the Halifax Education Center to provide start-up operating funds for the Advanced Manufacturing Innovation Center. This would supplement $375,000 of operational funding approved from the TICR Research & Development Fund in July. The program was initiated in the past two years using funds budgeted under a portion of grant #1274 (FY07 Education Committee). The wood industry incubator being developed as the primary initial focus for the Center will allow entrepreneurs and small business to utilize CAD/CAM software, machining technology, and services offered through Center partners such as Virginia Tech to enhance their potential for success, as noted in the letter of support from the Virginia Tech Office of Economic Development. A fee and grant-based business model has been identified as the approach that the Center will use to achieve sustainability. **Staff recommends award of $1,000,000.**

Lunenburg County

Lunenburg County
Complete Build-out of Shell Building (#1915)
$800,000 requested

The County requests funding for the build out of a shell building, completed and marketed since 1997 and jointly owned by the County and the Town of Kenbridge, for an active prospect. The build-out includes a 55,000 square foot interior concrete floor pad; the provision of electrical, water and sewer, HVAC system; and establishment of a storefront area for an office and other building modification as required by the prospect. The expected economic development outcomes within three years include creation of 40 full time jobs and capital investments of $900,000 for property and ~ $4.4. million in machinery and equipment. The county will enter into a lease to purchase agreement with the prospect with proceeds being returned to the county/town for economic development use only.

Total project cost is $1,200,000. Other funds include: $90,000 ($60,000/$30,000) Lunenburg County/Town of Kenbridge match for grant (committed); $250,000 prospect company for down payment for building with improvements (anticipate cash through negotiations).

St**aff comments and recommendation:** The prospect is additionally eligible for a TROF award. Funding contributions from the county and town in addition to TROF and the available building are necessary in order to attract the prospect. The project will result in utilization of an existing shell building that has been

vacant since it was constructed a dozen years ago. County is willing to only do this work if the prospect commits to the site, but staff suggests the County be given the flexibility to do this work now based on the current construction climate. **Staff recommends award of $800,000.**

Mecklenburg County

South Hill Community Development Association
The Colonial Center Renovation Project Phase II (#1881)
$734,750 requested

Grant funding is requested for "last dollars" needed for completion of Phase II renovations to the Colonial Center, a multi-purpose historic theater facility providing for accommodation of groups of more than 400 for meetings and events. The South Hill community does not currently have a space to accommodate large group training sessions or conferences for local business and industry. Among the area business expressing an interest in using this facility is Peebles, a regional department store chain based in South Hill, which hosts at least six three-day corporate management meetings annually for an average of 75 to 100 out-of-state guests that are currently being held outside of the region due to lack of available large group meeting space. The lower level of the building completed in Phase I includes a visitor information center (a TICR FY05 Southside grant of $100,000 assisted that phase). In addition to providing large group training and meeting space the theater will also be used for visiting and local performing arts group providing for tourism revenues. Aggregate sales revenues at local restaurants, hotels, and retail shopping as a result of the opening of the Center is estimated to increase by $500,000 in the first year of operation. TICR funding will be used for renovation improvements to seating, lighting and equipment necessary for the theater's auditorium and meeting spaces to be functional.

Total project cost is $ 2,632,915. Other funds include: $50,000 USDA Rural Development for equipment (application submitted pending approval); $1,848,165 Town of South Hill for renovation improvements and equipment (approved and available).

St**aff comments and recommendation:** The South Hill Community Development Association owns the building and was successful in securing $1.69 million in funding for Phase I construction. The Town is contributing more than double ($1.85 million) the requested TICR funds for Phase II improvements through a general obligation public bond. A projected operating budget for the first year expenses and revenues was provided. The primary economic benefits of the project are from the estimated $500,000 plus in additional sales revenue as a result of the opening of the Center; drawing visitors from outside the region. The applicant makes an effective argument that traditional TICR project types are already in place throughout the county (e.g. 17 industrial parks, 3 distance learning centers, hiking/biking trails and other visitor destinations). The past TICR award of $100,000 and this request would bring the total TICR commitment to less than 20% of the total project cost; with the applicant successfully raising over 80% of the project costs from other sources. **Staff recommends award of $734,750.**

Pittsylvania County

*Danville-Pittsylvania Regional Industrial Facility Authority
Berry Hill Regional Mega Park – Phase II – Land Financing and Engineering
$3, 105,850 requested *(County's ½ of request* ***#1916)***

Refer to project description and recommendation on page 7 under City of Danville (i.e. "Staff recommends award of $6,211,700 from unrestricted funds to be split equally between Pittsylvania County and Danville allocations.")

Town of Gretna
Gretna Industrial Park – Offsite Water and Sewer Improvements (#1944)
$1,287,400 requested

Funds are requested to continue development of the Gretna Industrial Park through additional property acquisition, relocation of an existing on-site waterline, construction of onsite sewer and a storm-water management pond and to address off-site water and sewer improvements that are needed to connect to the Town's plants. The Town proposes to combine the requested funds with a portion of grant # 1385 that was approved for the Park in FY08.

Total project cost is $1,658,600. Other funds include: $144,000 Town of Gretna in-kind services for design, legal and construction.

Staff comments and recommendation: TICR grants for the Park now total more than $3.6 million, with available balances of more than $1.4 million. This new request seeks 91% of additional project cost. Match is entirely in-kind for design, legal, and construction (the source of the in-kind contributions in not clear). Relocating water lines and buying additional land may be wise long term development plans but do not appear to be urgent or prudent investments at this time given that there is no evidence of active prospects for the park. No details were provided regarding what the property acquisition means in terms of additional lots or changes to the master plan. Staff can work with the Town to reallocate unobligated funds in existing grants to fund items in this request that are highest priorities. **Staff recommends request be tabled to allow the applicant to work with existing grants and revisit the overall project needs.**

Prince Edward County

Prince Edward County
STEPS: Job Creation and Retention (#1892)
$145,848 requested

Southside Training, Employment and Placement Services, Inc. (STEPS) is a nonprofit 501c3 that provides employment opportunities to individuals with disabilities, welfare recipients, and others with barriers to employment. STEPS operates a 73,000 square foot building in Prince Edward County where it currently employs approximately 75 persons. STEPS also operates a facility in Victoria, which since 1997 STEPS has manufactured camouflaged jackets for the Department of Defense. Due to a recently awarded three year DOD contract providing for the purchase of a minimum of 24,000 and up to 99,995 uniforms annually, STEPS plans to set up a jacket manufacturing line at its Prince Edward facility. This new facility will employ

~ 30 new full time positions. In addition, STEPS has identified secure document destruction - a shredding operation - as a new line of business for this facility creating approximately 16 new full time jobs with the potential for expansion. TICR funds are requested for a portion of the capital improvement costs for roof repair essential to maintain the existing operation and for creation of the new business operations.

Total project cost is $2,300,762. Other funds include: $770,272 VA Dept of Housing and Community Development for HVAC & ACU jacket line manufacturing equipment (2nd position on TIER II funding level awarded; will submit) $300,000.00 federal 2010 Special Appropriations Request to secure document destruction equipment and training (sponsored by Congressman Perriello to obtain document destruction equipment and training (awaiting Senate approval Sept 2009); $128,090 two fiscal years of allocations from Amelia, Appomattox, Buckingham, Charlotte, Cumberland, Prince Edward to support STEPS organization (given annually from general funds – PE permit fees waived); $239,400.00 STEPS for demolition, equipment and operating capital (cash & in-kind); $717,152 USDA or PE IDA for capital improvements, primarily HVAC and roof (loan option pending other funding shortfalls).

St**aff comments and recommendation:** The project will result in the creation of 46 new full time jobs to fulfill an existing DOD contract and to expand into a new line of operation for document destruction. Both product lines have significant growth potential. If STEPS is successful in growing their production under the federal contract revenues have the potential to grow from $900,000 a year to $3.8 million annually. No jobs will be lost in Victoria as a result of the expansion in Prince Edward. Total project cost is fifteen times the TICR request and includes a loan of up to $717,000 to support the costs for the required capital improvement projects (roof, HVAC, and building modifications). A FY09 TICR award provided $265,000 for similar improvements to the Lunenburg facility. **Staff recommends an award of $145,848.**

Other Committee Business

- **Town of Clarksville – requests further extension of Lake Country Cove Project #325, approved May 2004 (grant of $550,000 with remaining balance of $91,993.93).**

- **Virginia Tech – requests transfer of Modeling and Simulation Center for Excellence project #1553, approved January 2008, to Industrial Development Authority of Halifax County (grant of $1,196,532 with remaining balance of $454,136.36).**