

## FY11 Southside Economic Development Staff Summaries and Recommendations October 2010

*The Commission received 18 applications for unobligated FY11 balances of Southside Economic Development grant funds by the published deadline of August 16, 2010. Two additional proposals were referred to the Committee during the FY11 Special Projects competition. Funds budgeted in FY11 and local allocations carried forward from previous fiscal years are available. Balances available by jurisdiction are broken out on the following spreadsheet.*

#	City or County	Organization Name	Project Title	Allocation Available	Request Amount	Staff Recommendation
2208	<i>Appomattox</i>	Appomattox County Board of Supervisors	Concord-to-Appomattox Water Line	\$37,391	\$37,391	<b>\$37,391</b>
2192	<i>Brunswick</i>	Brunswick County	Brunswick Byways Visitors Center	\$4,058,008	\$458,375	<b>\$458,375</b>
2209		Brunswick County IDA	US Route 1/I-85 Corridor Industrial Development Utility Improvements and Expansion (Water and Wastewater)		\$900,000	<b>\$900,000</b>
2152	<i>Buckingham</i>	Ellis Acres Memorial Park, Inc.	Buckingham Training School Shop Building (Community Building) Outside Restrooms Restoration	\$35,308	\$35,308	<b>\$35,308</b>
2193	<i>Campbell</i>	Campbell County	Seneca Commerce Park Public Sewer System, Phase II, Pump Station	\$292,549	\$292,549	<b>\$292,549</b>
2214	<i>Danville</i>	City of Danville	Center for Applied High Performance Computing	\$1,616,552	\$1,600,000	<b>\$1,600,000</b>
2194	<i>Greensville</i>	Greensville County	Southside Virginia Education Center -Phase III	\$128,595	\$128,595	<b>\$128,595</b>
2196	<i>Halifax</i>	Halifax County Department of Tourism	South Boston - Halifax County Visitor's Center	\$4,584,158	\$498,000	<b>\$498,000</b>
2195		Halifax County IDA	Industrial Building Needs for Halifax County		\$2,790,000	<b>\$2,790,000</b>
2200		Halifax County Service Authority	Wastewater System Improvement Project		\$244,000	<b>\$244,000</b>

2207	<i>Lunenburg</i>	Victoria IDA	IDA Existing Business Expansion	\$1,244,100	Withdrawn	\$0
2174	<i>Mecklenburg</i>	Mecklenburg County	Project #35-16225	\$2,000,482	\$1,600,000	<b>\$1,600,000</b>
2205	<i>Nottoway</i>	The Virginia United Methodist Assembly Center	VUMAC Expanded Aquatic Facility: A Creative Economic and Tourism Development Initiative	\$1,038,490	Withdrawn	\$0
2202	<i>Pittsylvania</i>	Olde Dominion Agricultural Foundation, Inc.	The Olde Dominion Agri-Commerce Advancement Centre-Phase I	\$5,795,534	Withdrawn	\$0
2197		Pittsylvania County	Berry Hill Regional Mega Park - Phase III - Environmental Review and Permitting		\$886,950	<b>\$886,950</b>
2198		Pittsylvania County	Berry Hill Regional Mega Park - Water Infrastructure Engineering and Right-of-Way Acquisition		\$1,192,500	<b>\$1,192,500</b>
2199		Pittsylvania County	Town of Hurt Industrial Park-Klopman Mills Complex, Water and Sewer Service		\$886,500	<b>\$886,500</b>
2204	<i>Prince Edward</i>	Prince Edward County	Granite Falls Hospitality Workforce Training Center	\$145,848	\$145,848	<b>\$145,848</b>
2203	<i>Sussex</i>	Sussex County	Route 602 (Cabin Point Road) Industrial Park	\$795,539	\$795,500	<b>\$50,000</b>
2201	<i>Regional</i>	Mid-Atlantic Broadband Cooperative, Inc.	Southern Virginia Broadband Expansion	\$2,500,000 <i>for regional technology</i>	\$2,500,000	<b>\$2,500,000</b>

**Grand Totals (17 items)**

\$14,991,516    **\$14,246,016**

## APPOMATTOX

### **Appomattox County Board of Supervisors** ***Concord-to-Appomattox Water Line (#2208)*** **\$37,391 requested**

Funds are requested to be used toward the \$5.68 million costs for construction of a 7.5 mile 12-inch water line connecting Appomattox County and the Town of Appomattox. A goal of the project is to provide sufficient water supply to allow for continued development of the Appomattox Center for Business and Commerce, the only publicly-owned industrial park in the County, and to serve increasing development opportunities along the Route 460 corridor. They line will connect with the exiting water system operated by Campbell County Utilities and Services Authority.

Total project cost is \$5,682,006. Other funds include: \$482,100 – US EPA – STAG Grant for construction costs (committed); \$4,279,119 – VA Dept. of Health for construction costs (20-year loan @ approx. 2.5% interest – offered with 9/24/10 acceptance deadline); \$5,600,000 – USDA Rural Development for construction costs (notice of approval expected after 10/1/10); \$3,200,000 (bond) – Appomattox County for construction costs, engineering services, and easements.

**Staff comments and recommendation:** The project has been bid and construction is expected to begin in January 2011. Significant other funding sources are being used to support the majority of construction costs including \$5.6 million in USDA grant and loans and \$3.2 million in County bonds. TICR provided a \$25,000 award to the County in 2001 for a water feasibility study. TICR has received a \$394,486 request under the Reserve Fund program to support this project that is still in review. The existing water infrastructure is inadequate to meet the requirements of many manufacturing projects that may otherwise consider locating at the Appomattox Center. The regional cooperation aspect (with Campbell PSA and Town of Appomattox) is an exemplary solution to the localities' water needs. **Staff recommends \$37,391 award.**

## BRUNSWICK

### **Brunswick County** ***Brunswick Byways Visitors Center (#2192)*** **\$458,375 requested**

Funds are requested by the County for building renovations, site improvements, exhibit design, and signage for a new full service visitor center on Highway 46, a Virginia Byway. The 2,680 square foot building was purchase by the County in 2009 and is located on highly visible hilltop location south of Route 58 within a mile of Fort Christanna Historical Park and a few minutes north of routes traveled by visitors going to Lake Gaston. The Brunswick County/Lake Gaston Tourism Association will move their offices to the new site providing paid staffing of the Center during weekdays, with plans to utilize volunteers to staff on the weekends in order to become a VTC certified welcome center. To further the County's interests in promoting tourism the County has pursued tax revenue: a 2% lodging tax expected to generate at least \$20,000 annually goes into affect in January 2011, and a 4% meals tax with potential for \$80,000 annually will be on the ballot for voters to approve this November.

Total project cost is \$698,735. Other funds include: \$50,000 – Rural Development to purchase display components and equipment (anticipated); \$100,000 (cash / \$190,000 (appraised value) – Brunswick County to purchase Visitors Center building and site (completed).

**Staff comments and recommendation:** It should be noted that in past years dating back to the inception of this program the Southside Committee expressed its view of visitor centers as a low funding priority, and to date no significant visitor center grants have been funded by this Committee in Southern Virginia. Funding emphasis in TICR programs has generally centered on significant visitor destinations (e.g. Moton Museum, Tobacco Heritage Trail) and start-up of regional tourism marketing efforts (e.g. “Drive 58”) rather than local visitor centers. This request, along with the pending Halifax visitor center proposal (#2196), represent a potential shift of direction that may initiate future requests from other localities seeking visitor center funding. Staff suggests this issue should be considered by the Committee in advance of discussing the merits of these two current proposals. In the case of this request, there is a reasonable case presented regarding the merits and readiness of this project. With an average of 6,600 vehicles per day according to VDOT traffic counts for Highway 46 and located within short travel distance to primary sites currently visited by tourist (i.e. Lake Gaston, Fort Christanna, Lawrenceville) and new sites under development (i.e. Tobacco Heritage Trail, Meherrin State Scenic River) the location for the visitor center is positioned well to serve visitors to the County. Staff has some concerns about the level of funding currently available to the Association for annual operating expenses, and whether this is sufficient to sustain the new center operations, including questions about the viability of relying on volunteers as the primary resource to staff the Center on weekends, and recommend the County consider appropriating a portion of new tourism related tax revenues to cover added operating costs of the center. **Staff recommends award of \$458,375 contingent on implementation of measures to track visitor spending.**

**Brunswick County Industrial Development Authority**  
***US Route 1/I-85 Corridor Industrial Development Utility Improvements and Expansion (Water and Wastewater) (#2209)***  
**\$900,000 requested**

Funds will be used to increase capacity of the planned water and sewer lines/facilities serving the new Meherrin River Regional Jail Authority (MRRJA), with the extra capacity available to provide service to targeted industrial development areas near Highway 46 and I-85 access and off-ramp near the Town of Alberta. The MRRJA is investing over \$5 million in water and wastewater infrastructure to serve the new jail, and TICR funding will allow the county to upgrade the water system from an 8 inch to 10 inch line and add a pump and upgrade the generator for the water booster station; and provide the wastewater system with an additional 41,000 linear feet of forcemain and gravity sewer. The upgrades will result in an increase in available capacity to serve this area from 100,000 GPD to 400,000 GPD. The County will be pumping water from Lawrenceville to Alberta and back for treatment. Through an agreement with the Town of Lawrenceville in 1997, the County IDA obtained rights to one million GPD of water in exchange for funding of upgrades to the Lawrenceville water treatment plan for which the County continues to make debt service payments in excess of \$200K annually.

Total project cost is \$1 million. Other funds include: \$100,000 – Brunswick County Government to support infrastructure development (IDA Budget Appropriation for FY beginning 7/1/10).

**Staff comments and recommendation:** Staff requested access to the *Water and Wastewater Utility Master Plan* for the County prepared by Timmons in 1998 and updated in 2007 and particularly any sections detailing considerations and/or options for addressing water and sewer needs near Alberta. TICR is aware that the Town of Alberta operates an independent water and wastewater system with excess capacity available to potentially serve the new regional jail and targeted growth areas near its border. While deficiencies were identified in the Alberta water system these are expected to be addressed

if a new bubble aeration system, an alternative treatment tested in Alberta for first time in Virginia, to be installed through a VDH grant awarded to the Town is successful. In the long term substantial upgrades have been identified as necessary for Alberta's wastewater treatment plant promoting the County decision to work with Lawrenceville for serving the regional jail. Based on engineering and analysis of alternatives by Timmons, the County made the decision to use available capacity and facilities in Lawrenceville to serve the prison and growth areas near Alberta. The Lawrenceville system has substantial existing capacities due to closing of the state correctional center and is identified in the engineering reports as having the more expansive system. **Staff recommends \$900,000 award.**

## **BUCKINGHAM**

**Ellis Acres Memorial Park, Inc.**

***Buckingham Training School Shop Building (Community Building) Outside Restroom Restoration (#2152)***

**\$35,308 requested**

Funds are requested by the nonprofit applicant to renovate an existing freestanding bathroom structure that will serve an adjacent former training school building in Buckingham that is being renovated for adult basic education, community college classes and community meeting purposes. The historic Rosenwald School that served the education needs of Buckingham's African-American community from the 1923 to 1965 is owned by the County and will be leased to the applicants. Southside Community College has offered to provide classes at the site. GED classes are also planned, along with at-risk youth programs, senior citizens services and other community events such as weddings and reunions.

Total project cost is \$74,568. Other funds include: \$22,500 – USDA to construct sewer connection to county lines (pending); \$5,000 – Town of Dillwyn to convert to modern outside restroom facilities (reserved existing outdoor restroom facilities/land to restore); \$9,500 – Charlottesville Area Community Foundation to purchase toilet fixtures (BAMA Grant pending); \$5,000 – individual donated funds, material and labor to prepare outside restrooms for restoration (\$2,850 completed and \$2,150 pledged).

**Staff comments and recommendation:** This proposal was submitted in June to the FY11 Special Projects and referred to the Southside Committee. The project is currently using a \$77,000 Southside Economic Development grant awarded in 2009 for renovations to the training school building. The training facility will have one restroom inside for convenience purposes; however, given the volume of people expected to be served by classroom space the external restroom facility is required in order to occupy the building at the desired levels. **Staff recommends \$35,308 award.**

## **CAMPBELL**

**Campbell County**

***Seneca Commerce Park Public Sewer System, Phase II, Pump (#2193)***

**\$292,549 requested**

Funds are requested towards cost of 24,000 GPD pump station as the second funding phase of a public sewer system to serve 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. Serving the park with public sewer and eliminating the need for the septic drain fields will allow the County to

maximize available property at the park increasing the number as many as 17 and doubling potential for new jobs creation. The overall project cost is estimated at \$2.2 million.

Total project cost is \$600,000. Other funds include: \$307,451 – Campbell County to pay costs for Phase II Seneca Sewer (in existing Capital Improvement budget account).

**Staff comments and recommendation:** The Commission supported the first phase of this project with a \$572,825 award from the Southside program in FY11 and prior to this has invested ~ \$656,000 for site development of Seneca Commerce Park, resulting in the attraction of two companies. The project will allow greater long term private capital investment and job creation in the Park and provide more reliable sewer service to tenants. **Staff recommends \$292,549 award.**

## DANVILLE

### City of Danville

#### *Center for Applied High Performance Computing (#2214)*

#### **\$1.6 million requested**

Through funding from this project a Center for Applied High Performance Computing (CAHPC) will be established in Danville by Noblis, a non-profit science, technology, and strategy organization headquarter in Falls Church, VA, in partnership with Cray Inc, a global leader in advanced supercomputers. The CAHPC will be the first such center in the United States to provide low-cost high performance computing resources to small business and the first Cray XMT supercomputer housed outside a federal agency or university. The City plans to locate the CAHPC in the White Mill facility (formerly Dan River White Mill) initially requiring ~ 5,000 square feet, consistent with restoration intentions by the facility's private owner for the space to be used for data center operations. The total initial one-time costs associated with purchase of the supercomputer (\$3 million) and set-up of the center including network equipment and services (\$489,696), and non-capital start-up costs (\$144,000) is estimated at \$3,573,596. Noblis expects to employ 15 people with average annual wages of \$125,000 within the first year of operation.

Total project cost is \$11 million. Other funds include: \$1 million Governor's Opportunity Fund (pending, recommended by VEDP); \$1 million City of Danville (committed); \$1,551,548 Noblis (committed); \$520,000 Cray Inc (committed).

**Staff comments and recommendation:** Targeting the creation of high salary, high tech computer jobs is consistent with TICR program objectives. Given that the Cray XMT supercomputer will apparently be the first installation outside a federal agency or university setting it has potential to be a catalyst for significant information technology sector attention and investment in and surrounding the CAHPC, as well as providing a unique incentive to support research activity in the region. Requested TICR funds will be used towards initial capital costs and the City has expressed that FY12 allocation funds of \$1.4 million will be requested to complete funding of the supercomputer purchase. A \$2,450,000 FY09 TROF award was provided to the Danville for the White Mill Development, LLC to attract high tech jobs to the Mill site, and the computer will clearly enhance that effort. Staff has concerns about the lack of a thorough market analysis identifying potential users and apparent uncertainty in funding to support staffing. Noblis indicates \$1.5 million committed to fund concept development, initial equipment, and operation (listed in the personnel services category), and Cray commitments of \$520,000 (listed in contractual and equipment categories). However, based on clarification required by staff there is

indication that Noblis and Cray will each provide only one staff per month in Danville in year 1 with the remainder of staff to be funded by the unsecured USDA/Foundation funding; which is inconsistent with clarification of the Noblis commitments of \$488,598 and \$700,000 respectively in years 1 and 2 (in budget chart under personnel). Of the total private commitments it was noted that an estimated \$234,000 of the Noblis total and \$120,000 of Cray is associated with expenses prior to the start of this project. **Staff recommends \$1,600,000 award contingent on: 1) ownership of the supercomputer co-titled to City of Danville and/or reverting to the City of Danville if Noblis were to consider moving the supercomputer or a majority of the staff supporting the CAHPC operations to a location outside the tobacco region; 2) successful negotiation with Noblis for an agreed upon reduced/discounted pricing structure of CAHPC resources to TICR R&D centers and companies within the tobacco region encouraging research and location of new companies in our footprint and providing reasonable revenue to support operation of the center, and 3) that no TICR funds shall be released until the applicants provide a detailed market study regarding potential users and a multi-year operating budget indicating committed operational funding.**

## **GREENSVILLE**

### **Greensville County**

#### ***Southside Virginia Education Center – Phase III (#2194)***

**\$128,595 requested**

Requesting funds for new 20,010 square foot wing that will include five classrooms, two large instruction labs for automotive technology and high performance manufacturing, a library, student lounge and 4,000 square feet of offices.

Total project cost is \$4,553,630. Other funds include: \$1.5 million – TICR Reserve grant for construction (committed); \$700,000 – DHCD for construction (committed); \$400,000 – Congressionally directed grant for equipment and technology (committed); \$1,700,000 – USDA (loan) for A&E and construction (committed); \$125,000 – Rural Development for construction of library (committed).

**Staff comments and recommendation:** Phases I and II of the facility has been built using \$1.1 million of previous TICR grants and is generating impressive enrollment numbers (the County reports 3,000 people served in the past year). The Center is also uniquely positioned to become an advanced manufacturing training center for Rolls-Royce suppliers serving the aircraft engine plant in nearby Prince George. The financing for Phase III includes a \$1,502,660 commitment from June 2009 under TICR Reserve program. **Staff recommends award of \$128,595.**

## HALIFAX

### **Halifax County Department of Tourism – South Boston**

#### ***Halifax County Visitor's Center (#2196)***

#### **\$498,000 requested**

Funds are requested for building and land acquisition and building up-fit to establish a Halifax County Visitor Center facing the intersection of US Highways 360 and 58. The 12,000 square foot building, of which the front 4,000 square feet would be designated for the visitor center, is currently under negotiation for purchase. The building is in a prime location directly across the highway from the signalized intersection and a 2008 VDOT study estimates average traffic counts for US 58 and US 360 at 13,000 vehicles per day (84% four-tire vehicles, 1% buses, and 15% trucks). Halifax County and South Boston IDAs are working cooperatively on the project, each with pending commitments for investing \$105,000 towards the cost of purchasing the building. Applicants are also working with the Virginia Department of Tourism to establish this as a Virginia State-Certified Visitor Center and with plans for the center to be staffed seven days a week from 9:00 am until 5:00 pm.

Total project cost is \$498,000. Other funds include \$210,000 (\$105,000 each) – Halifax County and Town of South Boston IDA's as part of funding to purchase building (pending); \$145,000 – Wilco Holdings, LLC as a general donation to project (pending); \$107,000 (52,500 each) in new funding each year of project (pending).

**Staff comments and recommendations:** As noted in the staff comments regarding the Brunswick visitor center proposal, in past years dating back to the inception of this program the Southside Committee expressed its view of visitor centers as a low funding priority, and to date no significant visitor center grants have been funded by this Committee in Southern Virginia. Funding emphasis in TICR programs has generally centered on significant visitor destinations (e.g. Jefferson's Poplar Forest, R.R. Moton Museum, Tobacco Heritage Trail) and start-up of regional tourism marketing efforts (e.g. "Drive 58") rather than local visitor centers. This request, along with the pending Halifax visitor center proposal (#2196), represent a potential shift of direction that may initiate future requests from other localities seeking visitor center funding. Staff suggests this issue should be considered by the Committee in advance of discussing the merits of these two current proposals. In the case of this request, there is a strong case presented regarding the merits and readiness of this project. The Tourism Office has proposed numerous methods for tracking economic impact resulting from the Center including electronic counters, intercept surveys, follow-up postcard surveys measuring incremental spending, as well as promoting and tracking use of business coupons, bookings, and event ticket sales. Based on studies referenced by the Virginia Tourism Corporation, a conservative estimate is that the Center will result in a 6% increase in travel-related expenditures. This translates in the first year of operation to an additional \$2.04 million in expenditures and twenty-nine additional jobs created at tourism related business; with these figures increasing to an aggregate of \$6.51 million expenditures and ninety one new jobs following the third year of operation. The application includes details cost estimates, letters of intent from land/property owners, and schematics of the building modifications. Not only does the proposed location present an ideal location for capturing visitors to the area but staff notes that costs for developing this site are substantially less than if the County pursued purchasing property and funded construction of a building. Combined the County and South Boston have committed \$107,000 in new funding each year to support operating costs for the center. **Staff recommends \$498,000 award, contingent on successful agreement for purchase of long-term lease of adjoining lands necessary to expand parking area of the visitor center.**

**IDA of Halifax County**  
***Industrial Building Needs for Halifax (#2195)***  
**\$2,790,000 requested**

Funds are requested to purchase and rehabilitate the former Daystrom Furniture Building, a 428,500 square foot building on 34 acres (\$2,710,000); and for design and engineering of a 60,000 square foot industrial shell in Riverstone Technology Park (\$80,000). IDA interest in the Daystrom building, located on a rail line and already served by water and sewer, is to make available a publicly-owned building for attracting general manufacturing and distribution/warehousing companies. Total costs for purchase and rehabilitation of the building is estimated at ~ \$3 million including \$900,000 for acquisition, \$1.28 million for roof demolition and replacement, and \$700,000 toward interior and exterior building improvements. The Riverstone shell building design will provide for modification to meet needs of targeted industries - technical manufacturing, energy, or data storage - with immediate expandability to 120,000 square feet. Renderings and schematics will be produced for marketing the building to prospects.

Total project cost is \$3,100,000. Other funds include \$310,000 – Halifax County for closing fees, site construction management, exterior work, rendering, etc. (approved).

**Staff comments and recommendation:** For an acquisition cost of approximately \$2 per square foot and requested renovation costs of less than \$5 per square foot the Daystrom building will allow the IDA to market this large facility to multiple tenants. The IDA is currently working with an active prospect expected to occupy ~ 78,000 square feet of the Daystrom building with proposed private capital investment of \$5 million and 150 jobs to be created averaging \$38,195 within three years. TROF funds of \$450,000 will be requested for this prospect, which supports their role as an equipment supplier in a \$5 million TICR R&D proposal that is being vetted by VEDP. The shell building provides a fast, flexible solution to design and construct a building on sites that are currently being graded in Riverstone using a \$2 million FY09 SSED grant. Both properties offer opportunities to market facilities to energy companies to complement capabilities offered through the Modeling and Simulation Center. **Staff recommends \$2,790,000 award.**

**Halifax County Service Authority**  
***Wastewater System Improvement Project (#2200)***  
**\$244,000 requested**

Funds will be used toward expansion of the Maple Avenue Wastewater Treatment Plant and upgrades and improvements to the wastewater system and related facilities to improve operating efficiencies and address deficiencies and capacity needs for 20 year projected flows. The Maple Avenue WWTP will be converted into a regional facility with estimated reserve capacity of 1.7 MGD at start-up. Forty-six percent of the existing capacity is already directed to commercial customers, and the expanded facility will reduce future limitations and allow for economic growth across key targeted areas in the county.

Total project cost is \$16,525,000. Other funds include: \$396,000 – TICR Reserve grant for engineering design and specs (pending); \$10,400,000 – USDA Rural Development for improvements to WWTP and wastewater system. (approved); \$485,000 – Environmental Protection Agency for improvements to WWTP and wastewater system. (approved).

**Staff comments and recommendation:** The participating localities agreed to form a county-wide public service authority in recent years, and this project represents a strongly-leveraged regional solution with foresight and cooperation from Towns of Halifax and South Boston and Halifax County in the

best interests of the communities served. In addition to this request, TICR received a \$396,000 Reserve Fund application to match an EPA STAF funding. **Staff recommends \$244,000 award contingent on commitment of USDA funding.**

## LUNENBURG

### Victoria IDA

#### *IDA Existing Business Expansion (#2207)*

**\$400,000 requested– WITHDRAWN BY APPLICANT**

## MECKLENBURG

### Mecklenburg County

#### *Project #35-16225 (#2174)*

**\$1,600,000 requested**

Funds are requested by the County to fulfill a pledge to use its Southside allocation to replenish to the TROF fund a portion of the \$4.8 million TROF grant approved for the recently-announced Microsoft Gen 4 data center locating in the Boydton Plank Road Industrial Park. The Southside Economic Development and TROF funds are combined with other state and local incentives to attract this major capital investment and job-creating project to the County. The data center will be one of the largest projects attracted to tobacco region and Virginia to date, with a \$99 million investment in the site and building and a \$498 private capital investment over the next ten years in equipment. The project entails 31 full-time jobs at salaries averaging nearly \$50,000 and 19 part-time positions and full time contract positions at wages ranging from \$15-50 per hour.

Total project cost is \$99 million. Other funds include: \$3.2 million – TROF for site work and redundant transformer (approved); \$1.6 million – Governor’s Opportunity Fund for construction (approved); \$120 million – Mecklenburg County as a donation of land and incentive (approved); \$90.1 million – Project #35-16225 for site work and construction; \$500,000 Governor’s Office/Additional for site work and construction (approved).

**Staff comments and recommendation:** This recently-announced project is perhaps the most significant private investment for the tobacco footprint to date (an announced private investment totaling \$499 million), and was the subject of intense competition with a neighboring state. While not a large job-creating project, it is absolutely consistent with the Commission’s highest Strategic Plan priorities. **Staff therefore recommends award of \$1,600,000 be transferred to the TROF program to replenish that Fund for a portion of the current approved TROF award for this project.**

## NOTTOWAY

The Virginia United Methodist Assembly Center – Blackstone, VA  
*VUMAC Expanded Aquatic Facility – A Creative Economic and Tourism  
Development Initiative (#2205)*

\$500,000 requested **WITHDRAWN BY APPLICANT 10/8/10**

## PITTSYLVANIA

Olde Dominion Agricultural Foundation, Inc.

*The Olde Dominion Agri-Commerce Advancement Centre – Phase 1 (#2202)*

\$340,000 requested - **WITHDRAWN BY APPLICANT**

Pittsylvania County

*Berry Hill Regional Mega Park – Phase II – Environmental Review and  
Permitting (#2197)*

\$886,950 requested

Funds are requested to perform environmental studies on 2,000 acres of the 3,500-acre regional megapark being jointly developed by the City and County. Environmental studies on the initial 1,500 acres are complete and this request is for the remaining acres and includes seeking environmental permits from the Army Corps of Engineers and Virginia DEQ for the entire site.

Total Phase III cost is \$985,500. Other funds include: \$98,550 - Pittsylvania County as local matching funds (budgeted).

**Staff comments and recommendation:** This proposal was submitted in June to the FY11 Special Projects and referred to the Southside Committee. The Commission has obligated \$13.1 million to date for this regional park, entirely through the Southside Economic Development program. While the megapark is being developed jointly under the established regional authority, the County is submitting this request alone based on agreement with the City for this phase to be funded solely from the County allocation. TICR Megasite funding will likely be requested for future site development costs (proposals due November 1). **Staff recommends \$886,950 award from Pittsylvania County allocation.**

Pittsylvania County

*Berry Hill Regional Mega Park - Water Infrastructure Engineering and Right-of-  
Way Acquisition (#2198)*

\$1,192,500 requested

The County in coordination with the City of Danville continues to complete necessary steps to address infrastructure needs for development of the Berry Hill Regional Mega Park. Funds are requested for Phase II water system engineering design, permitting, and right-of way acquisition for providing upgraded water and sewer system service and long-term service agreement for proposed water service from the City of Eden, North Carolina, entering into multi-state economic development cooperation.

Total project cost is \$1,325,000. Other funds include: \$132,500 – Pittsylvania County as local matching funds (budgeted).

**Staff comments and recommendation:** The Phase I water system consisting of 12 inch waterline extending south from Route 58 to serve Berry Hill is currently under construction along Berry Hill Road and allows for provision of water to the park property and specifically to the proposed energy park site. Phase III of the water system will include collection and distribution improvements on the Mega Park property coordinated with both systems entering the park. While coordination of design of the Phase II system is best served under the same engineering contract, the County has expressly stated that there are no intentions for TICR funds to be requested in the future for construction of water lines in North Carolina. Berry Hill is being jointly developed by the County and City of Danville; however, given the responsibility for supplying water and sewer to the park falls to the County, funding in this application is being required solely from the Pittsylvania County allocation. **Staff recommends \$1,192,500 award.**

## **Pittsylvania County**

### ***Town of Hurt Industrial Park-Klopman Mills Complex, Water and Sewer Service (#2199)***

**\$886,500 requested**

Funds are required to extend and sewer service to the 600-acre Town of Hurt Industrial Park-Klopman Mills Complex (previously operated by Burlington Industries). An on-site treatment facility that once served the park is no longer suitable due to age and changes in regulatory requirements and the groundwater wells have been capped. The currently property owner, International Textile Group, is currently in negotiation for sale of the property. An existing 10 inch water main will be extended approximately 4,000 feet along business Route 29 South, and an existing on-site sewer pump station operated by Town of Hurt will be undated and a 6 inch force main will be installed to another existing station to accommodate increased flow needed to serve a major industrial facility. The project provides infrastructure that can be extended in the future to serve the 100-acre Key Industrial Park owned by the County, and through agreements negotiated by the County address access issues to the park.

Total project cost is \$985,000. Other funds include: \$98,500 – Pittsylvania County as local matching funds (budgeted).

**Staff comments and recommendation:** The County is currently working with three separate business interested in this site with one active prospect having entered into negotiation for the purchase. TROF funds (\$950,000) have been requested this week to assist this prospect, which proposes to create approximately 300 jobs and invest \$30 million (that TROF request has not been vetted yet). Fiscal stress of the Town of Hurt does not allow for public financing of the proposed water and sewer improvements and no new residential customers are expected to result from the expansion. In exchange for the County's efforts to secure public funding for the provision of water and sewer to a privately owned industrial park, the County has negotiated with the current property owner for a sixty foot right of way through the Klopman Mills site to provide access to the Key Industrial Park (which currently has no access road), and this proffer is compatible with the design proposed in this application. **Staff recommends \$886,500 award, contingent on final agreement for acquisition of right-of-way for access to Key Industrial Park.**

## PRINCE EDWARD

### Prince Edward County

#### *Granite Falls Hospitality Workforce Training Center (#2204)*

**\$145,848 requested**

Funds requested for final architectural/engineering funds needed to design a \$15 million conference and workforce training center as part of a new \$50 million hotel and conference center development near U.S. Routes 460 and 15 outside of Farmville. The conference and workforce center will be owned by the County IDA. Hotel conference space will be leased to the hotel operator, while the workforce training center will be leased to a non-profit educational consortium that will be formed among Southside VA Community College and other educational partners. Ten thousand square feet on one level of the two-level center will be dedicated to three workforce training classrooms, a computer lab, support/administrative space and a training kitchen for training culinary/hospitality industry workers, with curricula to be offered primarily by SVCC. The 176-room full service hotel will be operated as a Marriott Renaissance franchise by Crestline Hotels & Resorts.

Total project cost for the Workforce Center is \$3,350,966. Other funds include: \$25,000 – VDHCD-Planning Grant for preparation of needs assessment, MOU's, and CDBG grant preparation (committed); \$700,000 + \$400,000 – VDHCD-CDBG Grant for equipment for teaching kitchen and classrooms (application due in March 2011); \$1.5 million + \$880,663 – Congressional Appropriations for engineering, construction, personnel services, supplies, etc. (notification due in August 2011/available spring 2011); \$800,000/\$249,455 – EDA TAAP Grant for site work (awaiting notification due by yearend 2010); \$150,000 – USDA Distance Learning Grant for IT equipment (application to be made spring 2011); \$1.5 million – TICR for construction (recommended by Committee in October 2010).

**Staff comments and recommendation:** The hotel/conference facility will be the only full-service facility of its size in the tobacco region between the Richmond, Lynchburg, Roanoke, Charlottesville and Raleigh NC markets. As a premier destination the facility provides an opportunity to capture spending in the tobacco region in addition to generating education training outcomes that are estimated at 108 students annually over the facility's 25-30 year life. Aside from a SVCC nursing program in a modular building across town, there is no workforce training facility of any kind in the County, the closest nearby facility being the SVCC campus in Keysville and the CVCC satellite campus in Appomattox. Workforce training needs assessments are underway with SVCC, area businesses, public schools and other education institutions. While the original concept focused on providing hospitality and culinary training curriculum, the needs assessments and statements from SVCC leadership now indicate much more demand in general education curricula including business, IT, human services and criminal justice. A nonprofit educational consortium will be formed to lease the center from the IDA, but agreements have not yet been formalized. Hotel operating agreements are in place with both Marriott and Crestline, and several funding proposals have already been submitted, including DHCD, VA Community Capital loan a federal appropriation request, and Recovery Zone bonds, although the DHCD-CDBG construction funding was declined in 2010 in lieu of providing the planning grant funds. The County received a notice of approval for \$16.75 million of recovery zone facility bonds from the Governor's Office on July 8<sup>th</sup>, and the Special Projects Committee recommended a \$1.5 million grant on October 4<sup>th</sup>. **Staff recommends award of \$145,848.**

## SUSSEX

### Sussex County

#### ***Route 602 (Cabin Point Road) Industrial Park (#2203)***

**\$795,500 requested**

Sussex County intends to develop its first industrial park on 156-acre tract purchased in 2006 and located on US 460 and Cabin Point Road in northern Sussex County. Preliminary engineering, Phase I environmental, and traffic impact analysis were completed in 2008. TICR funds will be used for final engineering design including plans for grading, erosion and sediment control, storm water management, roadways, and water and wastewater utilities, and preparation of construction bid documents (\$50,000), as well as development costs for preparation of a 25 acre building site and required infrastructure to serve the park including stormwater management, water, and wastewater facilities (\$745,000). The site of which ~ 134 acres is developable will be suitable for industrial or warehousing uses. Based on developable acres and existing regional industrial properties the site could result in the creation of as many as 2,010 jobs in the manufacturing sector or 1,072 jobs from warehousing.

Total project cost is \$1.266 million. Other funds include: \$250,000 – VDOT for construction of access road (request not yet submitted, pending road design); \$220,500 – Sussex County for engineering, site preparation, water and wastewater utilities (committed).

**Staff comments and recommendation:** While the potential job creation numbers seem highly inflated for 134 developable acres, the site location on US 460 with easy accessibility to I-95 and I-295, and on the Norfolk Southern east/west rail line within 16 miles of the CSX north/south rail connection, presents itself as an attractive location for distribution and/or manufacturing facilities for Rolls-Royce suppliers (within 30 minutes of the new Rolls-Royce facility) or companies transporting or receiving large volumes of products or materials through the Port of Virginia. The park will provide Sussex County with its first publicly owned and marketable industrial development site(s). County leadership seems focused on developing the property and setting this as a priority including a commitment of \$220,500 in local match. However, given the history of a FY04 TICR award of \$249,720 for industrial site development that went unspent for six years (it was deobligated and closed in 2010), staff is hesitant to recommend full funding for the project until engineering can be completed and the ultimate extent of site development costs and potential job creation and private investment on the site can be understood. **Staff recommends \$50,000 award to support final engineering design.**

## REGIONAL

### Mid-Atlantic Broadband Cooperative

#### ***Southern Virginia Broadband Expansion (#2201)***

**\$2.5 million requested**

MBC is requesting Economic Development funds that were budgeted in FY11 (\$2.5 million each in the SW and SS regions) to continue broadband deployment following the retirement of the Commission's Technology program. MBC requests support for three aspects of the project: 1) continuation of the 50/50 member matching grants program for capital investments for last-mile broadband service (\$1 million); 2) construction of 12 towers to enhance viability of extending wireless broadband services (\$781,667); and 3) electronics and fiber to serve two critical economic development projects -- the Microsoft facility at Boynton Plank Road GigaPark in Mecklenburg County and installation of

electronics to support the Goodyear Tire Research Center under development at the Virginia International Raceway in Halifax County (\$885,000).

Total project cost is \$3,666,667. Other funds include: \$1 million – MBC Member Companies as investment in last mile broadband expansion projects (available); \$166,667 – MBC as matching funds for TICR investment in towers/fiber/electronics (available).

**Staff comments and recommendation:** The requested funds would significantly leverage private provider investments to expand last-mile service in Southern VA, as well as serving two critically-important development opportunities in Mecklenburg and Halifax/Pittsylvania. The requested funds are also estimated to result in creation of 40 jobs in the region. Job reporting forms required to track data for federal stimulus funding will also be used with members, contractors, vendors and equipment suppliers benefiting for this project in order to track and report results. The majority of the \$6 million award to MBC under the FY09 Technology grant have been spent, obligated, or transferred by the Commission to a Reserve award as match for federal stimulus funding. Aside from that recent Reserve grant and a \$2,499 balance in the FY08 marketing outreach campaign grant, there are no other open MBC awards with balances. **Staff recommends \$2.5 million award.**