

Blue Ridge Crossroads Economic Development Authority

Wildwood Commerce Park- Site #1 Grading & Development (#2487)

\$7,800,000 requested

Project description as provided by applicant: The Blue Ridge Crossroads Economic Development Authority (BRCEDA) requests \$7,800,000 in Virginia Tobacco Commission funding to complete site grading and development of Site #1 at Wildwood Commerce Park. Commission funds would be utilized for engineering and construction-related costs. The total project cost is \$8,795,378 and includes \$995,378 in local cash match. The project will yield a 50-acre graded site with utilities available to the site.

Staff comments and recommendation: BRCEDA received \$3.8 million in the FY11 Megasite round for the Wildwood property, with those funds to be used for engineering, construction of an access road and utilities, grading etc., primarily to serve two existing graded parcels in the Park (one is a 72-acre privately owned parcel and the second is a 50-acre parcel owned by BRCEDA). No funds have been released yet from the FY11 Megasite grant, but engineering is underway, and a revenue-sharing agreement is in place between City of Galax and the Counties of Carroll and Grayson. The site would also be marketed by the @Corridor regional marketing program. The Project was also assisted with a Special Projects grant of \$1 million for acquisition of this property. This current request would complete a third lot for the Park, with a 50-acre graded pad on a 117 acre parcel. TICR funds would be used primarily for site development (\$6.9 million for grading, utilities etc) and contractual expenses (\$920,169 for engineering, construction management, inspections etc). The targeted industry sectors include advanced wood manufacturing, IT, food processing, distribution/logistics and auto/aerospace/medical components manufacturing. The application states there is an active prospect for this site, with an anticipated 210 new jobs and a \$30 million private investment, although the decision timeframe by the prospect appears to allow the site improvements to be funded in the next annual Megasite round. BRCEDA is proposing an 11% match (\$995,378) from three years of annual local government payments to BRCEDA to retire additional debt from the purchase of this property. **Staff recommends an award of \$598,652 for 90% of costs to conduct basic engineering and geotechnical testing.**

Danville-Pittsylvania Regional Industrial Facility Authority

Berry Hill Mega Park - Site Development - Lot 4 (#2491)

\$6,208,153 requested

Project description as provided by applicant: This project consists of site development activities to create a building pad site in the Berry Hill Mega Park. Lot 4 will be graded to provide a pad area of 230 acres. This will be the largest graded pad site in the Tobacco Region. Site development activities will include clearing, grading, erosion and stormwater control, and environmental impact mitigation. The environmental permitting process is currently underway through an earlier grant project. Development of a large building pad site will enable more effective marketing of the Mega Park project by local economic development offices, the Southern Virginia Regional Alliance and the Virginia Economic Development Partnership. Grading of lot 4 was in the original 4 year plan for this project, but this grading project was advanced by one year based on communications with the staff of VEDP. The regional authority was informed that domestic and international industrial prospects could be more effectively recruited if a large pad site was available.

Staff comments and recommendation: The Commission has committed a total of \$17.9 million in the Berry Hill Megapark to date, including a \$2.7 million FY11 Megasite grant for engineering of electric and gas utilities and a connector road. Targeted industries include automotive, pharmaceutical and energy, although no active prospect is indicated at this time. A RIFA revenue-sharing agreement is in place with the

two localities, both of which are participants in the Southern Virginia Regional Alliance marketing efforts. The RIFA proposes \$1,681,000 of matching funds (21% of total project costs) from the two localities and RIFA. The 3,500 acre Berry Hill property represents the largest megasite in the Commonwealth, and a site certification process is underway. **Staff recommends an award of \$6,208,153.**

Greensville County

Mid-Atlantic Advanced Manufacturing Center (MAMaC) (#2488)

\$8,845,362 requested

Project description as provided by applicant: The Mid-Atlantic Advanced Manufacturing Center is located in the Commonwealth Transportation and Technology Alliance region. It is centrally positioned on the east coast with two potential access points on Interstate 95. The site is conveniently located to the Virginia Port Authority, Rolls-Royce and the Commonwealth Center for Advanced Manufacturing. The site consists of 1,535 acres which are owned or controlled by Greensville County. Greensville County, along with their supporting partners, requests funding to accomplish three high priority tasks. 1. Acquire an additional 820.66 acres within the project boundaries. 2. Complete engineering and design work for the expansion of Otterdam Road to serve the site. 3. Clearing and rough grading for 150 acres of the project site to help facilitate a vision onsite for potential clients.

Staff comments and recommendation: Greensville was awarded nearly \$6.6 million in the FY11 Megasite round to begin land acquisition, in addition to two earlier grants from other TICR programs totaling more than \$476,000 for preliminary engineering. The site is the only currently certified megasite in the Commonwealth, having been designated by CSX in 2008. A revenue-sharing agreement is being drafted among Greensville, City of Emporia and Mecklenburg County, all of which participate in the Commonwealth TransTech regional marketing efforts. The current request includes \$790,000 for engineering the expansion of Otterdam Road, \$7.7 million to execute existing options on 820 acres, and \$375,000 for site clearance on 150 acres. This second phase of land acquisition has grown from 633 acres at a purchase price of \$5.5 million in earlier project plans to this current requested purchase of 820 acres for \$7.7 million, including two parcels costing \$1.4 million where options do not expire until August 2013. The County proposes that matching funds of \$1.35 million will come from the pro-rated portion of a loan being used by the City of Emporia to expand water treatment plant and provide dedicated water capacity of 500,000 gpd to MAMaC. Much like the Berry Hill site, the localities, VEDP and TICR staff are in agreement that clearing and rough grading would substantially enhance marketing of the site. **Staff recommends an award of \$5,746,992 to execute existing purchase options on the 633 acres originally identified as Phase Two properties and for grading costs.**

Henry County

Commonwealth Crossing Business Center Water Tank and Water Lines (#2486)

\$2,400,000 requested

Project description as provided by applicant: Commission funds will be used to construct a 1 million gallon elevated water storage tank in the Commonwealth Crossing Business Centre and install a 12-inch waterline along US-220 to supply water to the elevated water tank. This infrastructure improvement will greatly increase the fire protection capacity within the water system. Good fire flows are very important in a manufacturing environment such as the planned development at CCBC. This new construction will build

upon the \$4.2 million water/sewer line extension that was funded in 2010 by the Tobacco Commission (\$1.72M), the Small Business Administration (\$800,000), Henry County (\$567,600), the City of Martinsville (\$292,400), and the Harvest Foundation of the Piedmont (\$860,000). Through these funds, 24,000 feet of water line and 20,000 feet of sewer line were constructed to bring water and sewer service to the Commonwealth Crossing Business Centre.

Staff comments and recommendation: The County received \$5 million in FY11 Megasites for grading, utilities, access road, rail spur etc. No funds have been released to date from that grant. An additional \$1.7 million was awarded through the TICR Reserve Fund and less than 10% of that grant has been released. The County proposes a \$430,000 match (15% of project costs) from local funds. A revenue-sharing agreement is in place between Henry County and City of Martinsville, and the localities are participants in the Southern Virginia Regional Alliance marketing efforts. No prospect is indicated for the site at this time.
Staff recommends an award of \$2,400,000.

Smyth County Board of Supervisors
Smyth County Mega-Site Project (#2489)
\$5,400,000.00 requested

Project description as provided by applicant: In 2011, Smyth County received \$130,500 from the VTICRC Special Projects Megasite Grant Program. The County IDA matched the grant funding with an additional \$14,500 for a total project budget of \$145,000. This budget was allocated for the following services:

Phase One

Site selection Analysis \$55,000 - Complete

Phase Two

Aerial Survey \$12,500-January 2012

Geotechnical Investigation \$10,000-January 2012

Phase 1 Environmental \$3,000-January 2012

Appraisals \$6,500-January 2012

Option Purchases \$21,000-Currently Negotiating

Legal Services \$7,000-January through March 2012

The site selection study has been completed. This comprehensive study evaluated eight proposed sites to determine the site best suited for the development of a large industrial megasite. The site selection study was based on the proximity and capacity of utilities (water, sewer, gas, electrical and communication), access to transportation corridors, the availability of railroad, the presence of floodplains/wetlands and streams, current zoning, proximity to residential neighborhoods, and anticipated earthwork volumes. The site most suitable for a large industrial megasite is Epoch Composite Products. The requested funds will be used to purchase the site, remove the existing structures, upgrade existing utilities, and master plan the site for acquisition of a single, large industrial client interested in a site capable of sustaining a 1.7 million square foot facility (potentially a \$340,000,000 investment). This site is nearly 100% usable without any required earthwork, utilities are on site, the existing rail spur is ready for immediate use, and the site is less than 1.5 miles from the I - 81 Exit 35 Interchange.

Staff comments and recommendation: The project consists of approximately \$5.5 million for site acquisition and demolition, plus \$475,000 for engineering, with the County providing the required 10% match (\$600,000) toward these costs from IDA funds. As is the case with the three Southwest VA applicants, the vacant Epoch Composites site in Chilhowie does not constitute a 1,000+ acre site that is typically considered a minimum size required to qualify as a megasite, but at 70 flat, rail- and utility-served

acres it can accommodate a very large building of up to 1.7 million square feet that could attract a megaproject of several hundred jobs and several tens of millions of private capital investment (a recent example being the Amazon site in Dinwiddie that will create 350 new jobs in a million square foot building with \$50 million of private investment). The previously-funded site selection study did not identify any typical megasite opportunities elsewhere in the locality, and the existing Epoch building (566,325 square feet) is described by VEDP as not meeting prospects' needs due to its low ceiling heights and long rectangular configuration. The site would also be marketed by the @Corridor regional marketing program. At the request of TICR staff, the County and its engineering consultants are refocusing this proposal on essential costs to accommodate any prospective user, including a reduced request for engineering and utility expenses that, if completed and installed, may not suit a specific end user. TICR staff has also suggested the County begin contacting other potential funders for future phases including U.S. EDA, DHCD Industrial Revitalization Fund etc. Given the site's very close proximity to Washington County (less than three miles), TICR staff further suggested the County approach the regional industrial facilities authority that exists with Smyth and Washington regarding the potential for making this a regional revenue-sharing project. The most essential cost at this time is to gain public control of the privately-owned site (negotiations on a purchase price are underway), and beginning some clearance of the existing buildings and slab. The County has revised its project budget to seek \$4.9 million in this current round for the activities described above, deferring \$500,000 of utility and site improvements until a next phase when a prospect's specific needs may be better known. **Staff recommends an award of \$4,905,000.**

Sussex County

Route 626 (Beef Steak Road) Megasite Project (#2492)

\$6,575,400.00 requested

Project description as provided by applicant: Acquisition of three parcels of land (containing approximately 982 acres) to be developed into a shovel-ready mega industrial site to market to major job creating industries and procurement of additional professional engineering services needed for two (2) of the three (3) parcels to be acquired. Engineering services to be contracted include the following: preparation of topographic surveys, wetland delineations, Phase I Environmental Assessments, Preliminary Engineering Reports, Preliminary Geotechnical Reports, and Master Planning.

Staff comments and recommendation: Sussex was awarded a \$250,000 FY11 Megasite grant to begin engineering of this site, which enjoys existing on-site utilities for water, sewer, gas and electric, as well as direct road and rail access to the Port of Virginia. The County currently has a 610 acre parcel under an option that expired in October 2012 at a purchase price of \$4.88 million (\$8,000/acre). This parcel includes a 300-acre tract that was identified and partially engineered in the 2005-06 TICR megasite study process. This current request also seeks funds to acquire two adjacent parcels (372 acres). All told, \$6.4 million is requested for property acquisition (\$6,500 per acre), with the balance of the request (\$174,600) for engineering. The County proposes the required 10% match (a total of \$730,600 primarily from the County's Reserve Funds). Targeted industries include advanced manufacturing (e.g. aerospace and auto assembly) and alternative energy production. The site is well-positioned to accommodate a major supplier to the nearby Rolls-Royce plant in Prince George County, albeit a majority of the workforce that could be recruited to a Sussex megasite will most likely be drawn from the Richmond and Hampton Roads labor markets. The immediate priority appears to be execution of the option for the \$4.88 million purchase of the 610 acre parcel that has been engineered, has direct access to Norfolk-Southern rail and can accommodate a million-plus square foot building footprint on a proposed 150-acre pad, while further land acquisition and site preparation can be accommodated in a future Megasite round and the requested engineering can be funded for the additional 372 acres through the Southside Economic Development allocation that is

currently available for projects in Sussex (\$245,887). No multi-jurisdictional revenue-sharing agreement exists at this time for this site, and should be carefully examined by the County in advance of future funding requests (albeit the four most proximate neighboring localities are non-tobacco counties), in addition to pursuing other potential funding agencies such as federal EDA. The site would also be marketed by the Virginia's Gateway regional marketing program. **Staff recommends an award of \$4,392,000 for 90% of costs to execute existing property purchase options.**

Washington County Industrial Development Authority

Oak Park Mega Site - Sewer Project (#2493)

\$3,892,700 requested

Project description as provided by applicant: This multi-phase project involves the construction of a sewer system capable of providing 500,000 gallons per day sewer capacity for Oak Park Mega Site and is supported by "The Western Washington County Sewer Study" commissioned by the Washington County Service Authority (WCSA) and Washington County Board of Supervisors (2011). Phase 1 will be constructed by the WCSA will involve the construction of approximately 40,000 linear feet of gravity sewer line, 22,700 linear feet of 16-inch force main and one (1) sewer lift station (Spring Creek Lift Station) to allow sewer to be pumped to the Town of Abingdon -- Wolf Creek Sewer Reclamation Facility. Phase I will be funded through Local Funds, DEQ Loan, Rural Development Grant and Loan, and Southern Rivers Enhancement Program Grand Funds totaling \$3,206,647(local match). Phase 2 will also be constructed by the WCSA and consist of the construction of the Oak Park Pump Station, approximately 12,000 linear feet of 18-inch gravity sewer line and approximately 8,200 linear feet of 12-inch force main. Phase II is estimated to cost \$3,892,700 and is the subject of this 2012 Mega Site Grant Application. The project will provide the Oak Park Mega Site with 500,000 gallons per day of "reserved" sewer system capacity and will also provide over 40 commercially zoned properties along Lee Highway with gravity sewer service including one major manufacturing employer (Steel Fab with 240 employees) and two strategic vacant industrial buildings (Dixie Pottery 110,000 sq ft and Hobby House 31,000 sq ft).

Staff comments and recommendation: The Commission has provided \$7.8 million to date for development of Oak Park, including a \$5.8 million Southwest Economic Development grant to grade sites and a \$1.5 million Megasite grant in FY11 that has been fully expended to construct a new access road and utilities. The County seeks \$502,000 for contractual costs and \$3.4 million to construct the Phase 2 sewer to Oak Park and Route 11 commercial areas. The County proposes matching funds of \$3.2 million for Phase 1 force main and pump station that will provide the required backhaul to the WCSA treatment plant. The primary pad at Oak Park is a 68-acre graded and rail-served pad, along with two 40- and 45-acre pads and two smaller pads also available. Targeted industries include auto/aerospace components manufacturing, distribution and other manufacturing. As is the case in the other Southwest VA projects, 68 acres does not constitute a typical megasite, but is the premier publicly-controlled and shovel ready product currently available in the County. The site would also be marketed by the @Corridor regional marketing program. Oak Park is not a SWIFA revenue-sharing property, and in this final stage of development it appears unreasonable to impose that requirement. **Staff recommends an award of \$3,892,700.**