

MINUTES  
**Special Projects Committee**

Torgersen Hall  
Virginia Tech  
October 26, 2001  
10:00 A.M.

**Committee Members Present**

Delegate Bennett  
Mr. Arthur  
Delegate Byron (arrived late)  
Commissioner Courter  
Secretary Forbes  
Mr. Walker  
Senator Wampler

**Others Present**

Mr. Watkins  
Mr. Currin

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**Delegate Bennett** opened the meeting at 10:15 am.

*Senator Wampler made a motion to approve the minutes from the March 9, 2001 meeting of the Special Projects Committee.*

*Motion seconded*

*All in favor by aye vote*

*None opposed*

*Motion adopted*

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**Delegate Bennett** requested that **Joe Morgan**, Halifax County Administrator, begin the County Service Authority's presentation on behalf of the Virginia International Raceway (VIR).

**Mr. Morgan** thanked the committee for hearing their presentation and introduced **Brett Vassey**, Business Services Manager, Existing Business Services Division of the Virginia Department of Business Assistance, and **Connie Nyholm**, Owner and Developer of VIR.

**Mr. Morgan** proceeded by referencing two documents enclosed in the members' packets. These documents were (1) Tobacco Commission "Special Projects" Fund Application for Virginia International Raceway (VIR) Water and Sewer Utilities, as submitted by the Halifax County Service Authority and (2) Economic Impact Data for the Virginia International Raceway, Executive Summary/Overview. (Both documents are attached)

**Mr. Morgan** explained that VIR is located in the Southwestern corner of Halifax County. This project has a great deal of potential and could possibly provide 300 full-time jobs, about \$60 million in on-site investment, increase the current tax benefit of over \$2 million up to about \$18 million and provide an economic benefit of approximately \$190 million (as measured by Virginia Tech). **Mr. Morgan** stated that there are a couple of constraints to this project, first being wastewater treatment. The preferred alternative will cost over \$2 million. The second constraint is the water supply, which would require approximately \$750,000 to remedy. VIR is requesting the Commission match a total of \$1.458 million of the Special Projects money, leaving the balance of the money to be pledged by local government.

**Delegate Bennett** clarified that VIR's specific request of the Commission was for \$1.458 million from the Special Projects Fund.

**Mr. Morgan** continued that preliminary engineering has been completed on the two options. **Mr. Morgan** stated that he believed the preferred option, which was the further long-term option, would tie into the existing City of Danville facilities requiring them to go into Pittsylvania County and working with them, as well as the City of Danville on preliminary scheduling. Also, he added that there was no commitment on the part of those two communities. **Mr. Morgan** continued to state that there was a fallback alternative that was more practical to install an on-site water sewage system.

**Delegate Bennett** addressed the committee's attention to the second page of the application, which presented the aforementioned alternatives. **Delegate Bennett** clarified that VIR was requesting \$1.458 million and that the only issue at the moment was whether Halifax would be the leading locality or agency, or whether Pittsylvania County and City of Danville would come onboard.

**Mr. Morgan** stated that **Delegate Bennett** was correct.

**Delegate Bennett** further inquired if VIR was at the stage of knowing where they intended to obtain the money needed.

**Mr. Morgan** responded "no." The Halifax County Board of Supervisors had agreed to fund the on-site portion of the project or match through funding from the Virginia Resources Authority (VRA). In addition, **Mr. Morgan** said the most practical alternative was immediately doable and VIR was prepared to start design. However, the preferred alternative would still require the three governments to determine how they could best work together.

**Secretary Forbes** asked if all the money was to be used for water and wastewater processing.

**Mr. Morgan** stated that the money would be used for distribution and processing. The water system would be a well system with an elevated tank and distribution system,

wastewater treatment system would have a collection, as well as wastewater treatment, and the proposal is for all of it to be publicly owned, the lead utility frozen in place with the Halifax Service Authority.

**Secretary Forbes** asked if the Virginia Resources Authority (VRA) was unable or unwilling to finance the entire project.

**Mr. Morgan** acknowledged that he didn't know if VRA had been approached about funding the entire project. He didn't think it was feasible for VRA to fund the entire project in terms of payback because of the unique location and regional setting of the project. Mostly, this project would benefit the Commonwealth through income taxes. A study conducted by Virginia Tech estimated that of the current \$ 2.4 million being spun off through Virginia sales and lodging taxes, 45% of the benefit goes to the City of Danville and Pittsylvania County areas, and 20% to Halifax areas. The project would allow the majority of the Commonwealth's benefit to come back through steady income taxes; it's not a direct payback. In addition, he said VIR believes that they will have a positive impact regionally if they obtained the assistance of local government, the Commission and surrounding counties. In addition, the VRA would look for terms of utility payments to pay off the full \$3 million, which the project could not generate in the outset. **Mr. Morgan** continued with an overview of the facility. The racetrack is approximately four miles, and is currently active. There is also an industrial park area and the VIR club.

**Mr. Vassey** continued the VIR presentation by introducing **Connie Nyholm**, Owner/Developer of the Virginia International Raceway. Ms. Nyholm provided the Commission with in-depth information of facility and tourist statistics conducted by Virginia Tech (study attached).

*Mr. Walker made a motion to approve the VIR request contingent on their use of the preferred alternative.*

Voting on this motion was deferred until representatives from the Commission and VIR could confer with representatives from the City of Danville and Pittsylvania County.

**Delegate Bennett** proceeded with the agenda while VIR conversed with City and County officials.

**Mr. Dave Murray**, Director of the Smith Mountain Lake 4H Center, made a presentation on the Center's application for Special Projects Funding (application and supplement attached).

**Mr. Arthur** commented that he was unsure if this project tied into the economic development purpose of the Commission.

**Delegate Dudley** spoke in support of the 4H Center's programs.

**Mr. Watkins** expressed his concern over the fact that the Center does not train anyone but state employees.

*The motion was made to fund the Smith Mountain Lake 4H Center \$200,000 contingent on the \$157,500 contribution from Franklin County.*

*Motion seconded*

*Aye Vote: Delegate Byron*

*Nay Votes: Mr. Arthur, Secretary Forbes, Mr. Walker and Commissioner Courter*

*Absent: Senator Wampler*

*Abstain: Delegate Bennett*

*With a vote of 4 opposed and 1 in favor, this motion was rejected.*

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**Senator Puckett** updated the Committee on Russell County's application for Commission funding. The County is currently working to bring new industries to their area. They hope to be in the position, with the help of the Commission, to bring new companies to Russell County soon. **Senator Puckett** requested that the County's application be kept on the Committee's agenda.

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**Delegate Bennett** introduced **Mr. Scott Ballin** of the Alliance for Health, Economic and Agriculture Development (AHEAD).

**Mr. Ballin** made a preliminary presentation on a proposal AHEAD is planning to submit for consideration by the Special Projects Committee. The Alliance, a coalition of organizations and individuals dedicated to preserving the economic prosperity of tobacco producing communities and protecting public health, is requesting \$200,000 from the Commission.

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**Delegate Bennett** returned the topic of Committee discussion to the VIR proposal.

**Commissioner Courter** suggested that the Committee leave the requested money on the table.

**Mr. Walker** asked if the Commission could delegate to the Committee the authority to work with VIR.

*Mr. Walker amended his motion to approve VIR's request for \$1.458 million and encourage the City of Danville and Pittsylvania County to participate in the preferred alternative. If they will not participate, they are to come back before the Committee.*

*Motion seconded*

*All in favor by aye vote*

*None opposed*

*Motion passed*

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Meeting adjourned at 11:00 am.  
Submitted by **Carthan F. Currin, III**

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Executive Director of the Commission