

**FY24 Southern Virginia Program – 2<sup>nd</sup> Round  
Staff Summaries and Recommendations  
May 21, 2024**

The Virginia Tobacco Region Revitalization Commission received fourteen applications for the February 8, 2024, application deadline of the FY24 Southern Virginia Program – 2<sup>nd</sup> Round. Applications are grouped by the four eligible investment categories. One application was withdrawn leaving thirteen requests for funding consideration. The Tobacco Commission’s Southern Virginia Committee will act on these funding requests at its meeting on May 21, 2024, at 3:45 pm.

<b>Req#</b>	<b>Organization</b>	<b>Project Title</b>	<b>Requested Amount</b>	<b>Staff Recommendation</b>
<b>Agribusiness</b>				
4216	County of Bedford	Wellfarm Meats' Tucker Terrace Processing Equipment	\$ 286,141	Table
4222	Buckingham Cattlemen's Association	Parking expansion of the BCA BARN facility and Beef Hub	\$ 90,000	Table
4225	Central Virginia Planning District Commission	CVPDC Agribusiness Marketing Development Planning Grant	\$ 20,000	\$ 10,000
<b>Business Development</b>				
4215	Town of Bedford	Business Development Center Feasibility Study	\$ 40,000	\$ 40,000
4223	Lynchburg Regional Business Alliance	Lynchburg Regional Marketing Grant 2024	\$ 95,600	\$ 95,600
4217	Sussex County	Sussex & Waverly Business District Revitalization	\$ 33,100	\$ 33,100
4220	VT Foundation Operating as Reynolds Homestead	Planning Grant for Reynolds Homestead Food-based Business Incubator	<del>\$ 90,000</del> \$ 75,000	\$ 75,000
<b>Sites and Infrastructure</b>				
4212	County of Bedford	New London Phase 2.1	\$ 1,107,500	Table
4218	Campbell County	Seneca Commerce Park Lot L Grading Project	\$ 250,000	Withdrawn

4226	Franklin County	Increasing Sewer Capacity for Summit View Business Park, Franklin County	\$ 1,500,000	Table
4219	Pittsylvania County	Southern Virginia Megasite Natural Gas Gate Engineering and Permitting Loan	\$ 2,000,000	\$ 500,000
4221	Prince Edward County	Prince Edward County HIT Park Access Road Phase 1	\$ 442,005	\$ 442,005
4224	Sussex County	Sussex Megasite: Infrastructure Planning & Design	\$ 1,929,372	Table
<b>Tourism</b>				
4214	Town of Lawrenceville	Heritage Trail Park Connector Project	\$ 91,951	\$ 91,951

**TOTAL (14 requests)**

**\$ 7,975,669**

**Staff Recommendation**

**\$ 1,287,656**

### County of Bedford

#### *Wellfarm Meats' Tucker Terrace Processing Equipment (#4216)*

**\$286,141 Requested**

**Project Summary:** Wellfarm Meats is a public benefit corporation co-founded by livestock veterinarians that integrates local meat production with local meat consumption. The meat processing industry is prohibitive to local markets due to consolidation at the top levels and a lack of USDA certification at the custom-exempt levels. Wellfarm Meats' operations will fill this gap, providing processing slots for local producers in Virginia to sell a USDA-certified product in local markets. Direct-to-consumer sales are increasing in popularity and profitability, as is social consumerism around animal products. Wellfarm Meats will support the consumer's needs by providing a transparent supply chain guaranteed to be raised, transported, and slaughtered, prioritizing ethics and sustainability. Cost barriers to entry for this industry are the primary reason for the lack of these mid-sized facilities. The Tobacco Region Revitalization Commission grant will help lower these barriers and offer retail-ready local meat products out of Bedford County by covering a portion of the facility's processing equipment costs.

#### **Matching Funds:**

- \$858,428 - USDA Meat and Poultry Processing Expansion Program (MPPEP) Round 2 to be used towards 75% of \$1,144,564 equipping cost, grant funding requested.

#### **Project Outputs:**

- Equipping of meat processing facility at The Tucker Terrace property with ability to process 5,200 head annually (90% capacity).

#### **Staff Comments:**

Bedford County is sponsoring this application on behalf of Wellfarm Meats, which proposes to address the need for increasing local meat processing capacity. Grant funds are requested for 25% of the \$1,144,563 estimated costs for equipping what would be the Commonwealth's largest meat processing facility on a per head basis. A \$1,089,219 cost estimate from Ultra Source plus state sales tax is the basis for the \$1.14 million total project cost which is only for equipping.

Wellfarm Meats identifies a strong consultant team for design and planning; and the management team includes a local cattleman who would be involved in operation of the facility. A detailed Business Plan was provided. The company has entered into a purchase agreement for The Tucker Terrace property in the Evington area of Bedford County. The property was formally used for meat processing and large-scale food production and includes 7,272 square feet of former production facility and outbuildings with 3-phase power, loading docks, wells and water storage, septic system and large gravel parking area. The purchase agreement is contingent on completion of due diligence and allowance of time to secure the federal USDA grant funding. A total of \$4.7 million is required to support capital costs for start-up of the facility and the beneficiary is relying primarily on the USDA MPPEP II grant funding for financing this new business.

Under the Agribusiness investment category, the Commission can consider a grant incentive of up to 25% of total capital costs for equipment for a privately owned value-added processing facility. To be eligible the value-added facility must have an extended benefit to multiple producers in the region. Facilities that process cattle and other livestock meet this criterion. The long-term agribusiness outcomes are projected

for 90 Tobacco Region producers benefiting annually from the facility, with aggregate estimated direct sales of \$3.4 million for tobacco region producers. The facility is expected to employ 7-10 people initially, expanding to 29 employees when operating at full capacity. Average annual revenue is estimated at \$6.5 million.

***Financial Viability Assessment:***

The initial viability of access to funding for the capital costs required for the facility to be operational hinges on the USDA MPPEP II which is expected to be decided between April and June 2024. The Tobacco Commission request for an incentive for equipping the facility would be for a later stage of the project after the property is acquired and renovations are completed. A grant award prior to securing the financing for the business would be premature, and as such, staff suggest that the application be Tabled to be reconsidered after financing is in place.

***Staff Recommendation:*** Staff recommends the application be Tabled until financing for capital costs required for start-up of the meat processing facility is secured. This project could also be considered for funding under the Agribusiness Fund, which is expected to be established with the Full Commission's approval of the FY25 budget.

## **Buckingham Cattlemen's Association**

### ***Parking expansion of the BCA BARN facility and Beef Hub (#4222)***

#### **\$90,000 Requested**

***Executive Summary:*** The Buckingham Cattlemen's Association has been striving to increase the opportunities and markets of cattle producers across the state, as well as providing a trustworthy source of replacement cattle and services. It was a great honor to be supported by the Tobacco Region Revitalization Commission (TRRC), Virginia Department of Agriculture and Consumer Services, Buckingham and Surrounding counties, and the Commonwealth Regional Council, in the construction of the Buckingham Agriculture Resource Network (BARN).

The BARN facility has been expanding and adding services to the community since its construction. Recently, the TRRC and USDA Rural Business Development grant funded the BCA BARN Beef Hub. It provided a Refrigerator/Freezer unit and Refrigerator trailer at the BARN facility to assist producers in the Piedmont region with accessibility to USDA processing and cooperative hauling, free delivery, and a finished beef program that simplifies the process for producers.

BCA continues to exceed expectations of the impact these programs and this facility is having in central and southside Virginia. In addition to this, many entities and communities, including local agritourism businesses and the local Amish community have been interested in using the facility to further its diverse use. However, they have voiced concerns on the limited parking capacity for not only livestock trailers, but also for potential buyers. The limited parking space has posed a deterrent for large-scale events and farmers' markets, as well as potential for additional sales and events. Since sales and events that can accommodate a high-volume of participants, as well as a high-volume of livestock, can bring in additional money and premiums, this expansion will benefit the community of Buckingham County and all those around it. Funds will be used to purchase and develop adjoining land for additional parking.

### ***Matching Funds:***

- \$50,000 - Virginia Cattle Industry Board, application filed.
- \$35,000 - VDACS Agricultural Forestry Industry Development (AFID), application filed.
- \$8,000 - Buckingham Cattleman's Association, in hand.
- \$31,000 - In-Kind contributions from Buckingham County, VCE, and local contractors.

### ***Project Outputs:***

- Expansion of parking area for BARN facility with safety lighting on 3-5 acres to be acquired. (*Size of expanded parking area is still to be determined.*)

### ***Staff Comments:***

The Commission helped to create the BARN facility as a regional agricultural event center with \$815,860 contributed towards property acquisition, construction of building, and equipping with the first grant awarded in January 2013. The facility offers a 50' X 60' conference room for indoor workshops/events and a 140' X 240' outdoor arena with bleachers and capacity for 600 people and including a covered cattle handling working area. More recently a \$186,000 grant (#3756) awarded in May 2021 is supporting the cold storage facility for the BCA BARN Beef Hub.

This funding request is towards the cost to purchase and develop adjoining land for additional parking. The expanded parking facility will allow a larger number of livestock trailers and potential buyers for cattle sales, and a larger number of vehicles during other events. The scope for the parking expansion project is still in development with the number of acres (between 3-5 acres) to be acquired and details of the purchase agreement are still being determined. The acreage and the size of the expanded parking area will inform the estimates and related opportunities to expand events in support of increasing new farm income for agriculture producers in the region. Matching funds are all being pursued. While the initial timeline was to have the parking available by November 2024, the applicant agrees with the staff recommendation to Table the application to allow time for the scope to be developed further and matching funds to be secured.

### ***Financial Viability Assessment:***

A review of key viability criteria indicates that this project is still in its very early stages of development. While appropriate match sources have been identified, no matching funds have been committed at the time of application. Staff is unable to measure the viability of the project at this time.

***Staff Recommendation:*** Staff recommends application be Tabled.

## **Central Virginia Planning District Commission** ***CVPDC Agribusiness Marketing Development Planning Grant (#4225)*** **\$20,000 Requested**

***Project Summary:*** The Central Virginia Planning District Commission (CVPDC) region has a wealth of agricultural, horticultural, and silviculture producers, direct-to-consumer, farm-based businesses and organic, food-based businesses. However, communication with small agricultural producers, representatives from local food nonprofit Land and Table has revealed the need for a comprehensive format by which producers can market their agricultural resources more adequately to targeted customers, from local consumers seeking locally grown meats and produce, to institutional buyers, to specialty livestock breeding operations. The CVPDC seeks to conduct a comprehensive marketing initiative to guide development of marketing instrument(s) to raise the profile of and advance the economic sustainability of local agricultural producers by facilitating interaction between local producers to their targeted consumers and customer base.

### ***Matching Funds:***

- \$15,000 - Central Virginia PDC, money in hand for PDC staff salaries.
- \$5,000 - In-Kind contribution from Central Virginia PDC for staff time towards project.

### ***Project Outputs:***

- CVPDC Agricultural Producers Marketing Plan and GIS Interactive Map

### ***Staff Comments:***

CVPDC's service area includes Bedford, Campbell and Appomattox Counties within the Tobacco Region, as well as Amherst County and City of Lynchburg that are outside of the footprint. The counties are predominately rural and have a strong agricultural base of their economy. CVPDC proposes to develop a strategic document for their region that focuses on agriculture, forestry, farming and working lands and presents strategic economic goals aimed at advancing the financial sustainability of local producers. The CVPDC proposes to lead a planning effort for development of an Agribusiness Marketing Development Plan and a regional needs assessment with funding from the VDACS AFID program.

The funding request to the Commission is primarily to support CVPDC staff (\$19,091) with some funds for travel and printing (\$909) and equal amounts of match presented from a combination of CVPDC cash reserves and in-kind contribution for staff effort. An application to AFID is not included in the project budget. Recognizing that the AFID Planning Grants (up to \$35,000 for regional projects) by their design are intended to support regional agriculture planning initiatives, staff suggests this funding should be pursued and included with the scope of an award supported by the Commission.

### ***Financial Viability Assessment:***

A review of key viability criteria indicates that this funding for this project is still in development. As proposed, the project budget does not meet the Commission's match requirement. All match would be salaries for existing staff, which is considered an In-Kind contribution and is limited to no more than 25% of the required match. Staff suggests that if the Central Virginia PDC secures an AFID planning grant, it would be reasonable to award a grant of up to \$10,000 to support administrative costs.

***Staff Recommendation:*** Staff recommends a grant award of up to \$10,000 to support administrative costs, contingent on an AFID Planning Grant being secured as Match.

## Business Development

### Town of Bedford

#### ***Business Development Center Feasibility Study (#4215)***

#### **\$40,000 Requested**

***Project Summary:*** The Town of Bedford Economic Development Authority seeks to study the feasibility of a new Business Development Center with a focus on entrepreneurship. This Center may be in the form of a business incubator, manufacturing makerspace, or other manner of business launch space, with a focus on specialized manufacturing. A feasibility study will provide a basis for moving forward with developing a Center and what that may look like in an operating model for the EDA, preferably in the downtown core.

#### ***Matching Funds:***

- \$40,000 - Town of Bedford Economic Development Authority, money in hand.

#### ***Project Outputs:***

- Feasibility Study for Business Development Center

#### ***Staff Comments:***

This request is to advance planning for creation of a business development center, one of three high priorities identified in the Town of Bedford EDA's adopted Strategic Plan (2021). The objective is to identify a location, required renovations and a business plan for a specific property that can be used for pursuing grant funding for implementing. The Town EDA indicates a preference for redevelopment in the downtown core with three potential buildings identified. The proposed center is expected to focus on hands on production type of businesses, over the office-center/service businesses, making a distinction from the recently opened Lynchburg Business Development Center. Two cost estimates with ranges of fees from \$25K to \$80K, were provided by consultants qualified to complete the feasibility planning. The request to the Commission reflects 50% of the higher end of range and includes business planning for a selected facility. A viability check is included half-way through the project to consider whether it makes sense to continue. Staff recommends approval of the full amount to allow the Town flexibility to select the consultant that would be the best fit for performing the assessment.

#### ***Financial Viability Assessment:***

A review of key viability criteria indicates that this project proposal has been fully developed and costs are supported by quotes from third party contractors. Matching funds are already in hand. Staff feels confident that the Town is well-positioned to viably carry out the project.

***Staff Recommendation:*** Staff recommends a grant award of \$40,000, for no more than 50% of third-party consultant costs for professional services.

**Lynchburg Regional Business Alliance**  
***Lynchburg Regional Marketing Grant 2024 (#4223)***  
**\$95,600 Requested**

***Project Summary:*** The Lynchburg Regional Business Alliance is applying for business development funds to create a regional brand, brand strategy, marketing campaign and update the regional economic development specific website that reflects the new brand, brand story and specifically markets the industrial assets and opportunities in our region. The tobacco localities include Town of Appomattox, Town of Altavista, Bedford County and Campbell County.

***Matching Funds:***

- \$95,600 - Lynchburg Regional Alliance – money in hand.

***Project Outputs:***

- Creation of a regional brand and brand strategy
- Marketing materials including industry data sheets, new brochure (virtual and print), a new regional economic development website, and a new digital footprint for the region.

***Staff Comments:***

The Lynchburg Regional Business Alliance is requesting \$95,600 for 50% of the \$191,000 contract with DCI Development Counselors International for creation of a regional branding, branding campaign, and web presence to improve marketing of the Lynchburg region. The Alliance has been operating since 2016 without a clear brand. This project will result in the creation of a brand supported by print and virtual marketing materials. The \$191,000 branding contract is included in the Alliance's \$293,000 budget for their 2024 Marketing Plan. In addition to Bedford, Campbell and Appomattox Counties, the Alliance also serves the City of Lynchburg and Amherst County. The impact of stronger marketing of the Lynchburg Regional for economic growth will produce dividends across the region. Staff notes that the Alliance serves 25% of the population of the Southern Virginia area and the Lynchburg region's businesses support employment for many individuals in the Tobacco Region. In addition to the \$95,600 match for the branding contract, the Alliance is contributing an additional \$102,000 toward Marketing. Staff supports a grant award for the full request amount for 50% of the branding contract.

***Financial Viability Assessment:***

A review of key viability criteria indicates an established regional marketing organization launching a branding campaign to increase attention to the region. Match is appropriate and in hand to leverage the project. The budget is reasonable and supported by current quotes by a qualified vendor. It is staff's estimation that the project is financially viable and will be a positive investment for the region.

***Staff Recommendation:*** Staff recommends approval of a \$95,600 grant for 50% of the \$191,000 contract for a regional economic development brand and branding campaign.



## Sussex County

### *Sussex & Waverly Business District Revitalization (#4217)*

**\$33,100 Requested**

***Project Summary:*** The Town of Waverly and Sussex County are requesting funding from the Tobacco Region Revitalization Commission for a Business District Revitalization Project. These funds will be used to conduct several consultant-managed planning and capacity building activities to (1) encourage occupancy of vacant, underutilized buildings in downtown Waverly; (2) stimulate and capitalize on arts-based, agricultural-based, and craftsman-based economic activities; and (3) create more vibrancy and economic activity in the Town overall. All of these activities would have the important added benefit of enhancing quality of life, which the County and Town consider to be fundamental to ensuring the successful development of the Sussex Megasite, which is less than 2 miles west of downtown Waverly.

#### ***Matching Funds:***

- \$16,500 - Sussex County (pending)
- \$16,500 - Town of Waverly (pending)

#### ***Project Outputs:***

- Miles B. Carpenter Museum Studies, Graphics and Plans
- Melody Inn Studies, Graphics and Plans
- Co-working Space Studies, Plans and Graphics

#### ***Staff Comments:***

This request is to support three consultant-managed planning and capacity building activities to support redevelopment of the Town of Waverly business district. The project is part of a holistic strategy, and augments existing revitalization efforts underway to support local business development and building the tourism sector of the economy. The Town of Waverly is located on a heavily traveled stretch of Route 460 and revitalization efforts will help the town attract more consumers. The Town recently acquired the historic Miles B. Carpenter Museum property and has made improvements to the historic home building and surrounding 8-acres of the property. Funding will support an architectural and engineering concept design remodeling plan, environmental studies, and a feasibility study. An operating plan and an arts programming marketing plan will be developed to maximize the value of the property to the community. The Town and County envision the space developed to host an artist-in-residency program, community markets showcasing local artisans, crafts people and agriculture products, and providing other cultural events to support the development of the arts driven sector of the economy.

Grant funds will also be used for a hospitality study, construction budget and proforma for the former Melody Inn Property and an adjacent property. Finally, funds are requested towards a feasibility study and operational plan for a 2<sup>nd</sup> floor co-working space designed as a public-private partnership for bringing higher skilled workers and the related services that they offer into downtown.

#### ***Financial Viability Assessment:***

A review of key viability criteria indicates a modest request planning that allows the Town of Waverly to advance their place-making efforts to market the Town for continued revitalization of the business district. While match is not yet fully committed, there is a strong partnership reflected in application with both the Town of Waverly and Sussex County, each contributing equally towards 50% of planning costs. Staff feels that once match funding becomes available, this project is highly viable, and the placemaking efforts represent a positive investment toward the Town and County's economic development future.

***Staff Recommendation:*** Staff recommends approval of a \$33,100 grant award to support 50% of the third-party professional service contracts, contingent on receiving matching funds from Sussex County and the Town of Wakefield.

## **VT Foundation Operating as Reynolds Homestead (#4220)**

### ***Planning Grant for Reynolds Homestead Food-based Business Incubator***

~~\$90,000 Requested~~ \$75,000 Revised Request

***Project Summary:*** The Reynolds Homestead is requesting a planning grant from the Tobacco Region Revitalization Commission to complete an environmental assessment, market analysis, and business and operation plans for a shared-use, licensed, and fully equipped kitchen to serve as a food-based business incubator.

#### ***Matching Funds:***

- \$155,350 - Design contract with Dewberry Engineering from a portion of the \$800,000 pledged by Virginia S. Reynolds Foundation and Reynolds S. Reynolds Foundation to support construction of a food-based business incubator.

#### ***Project Outputs:***

- Business Plan for Shared Commercial Kitchen
- NEPA Environmental Assessment

#### ***Staff Comments:***

The applicant has reduced the request to the Commission to \$75,000 based on estimates provided by the identified third-party contractors. Grant funds are requested by the Virginia Tech Foundation to support expansion of The Reynolds Homestead property in Patrick County to include a shared commercial kitchen. The 717-acre historic property, birthplace of tobacco magnate R.J. Reynolds was deeded to Virginia Tech in 1970 and a Community Engagement Center and the Reynolds Homestead Forest Resource Research Center were established. The Forestry Center operates as one of 11 Area Research Education Center's for Virginia Tech and is integrated with Virginia Cooperative Extension. The property services as a museum space, community gathering place and educational and cultural center. Reynolds Homestead has expanded its vision for the property to include a new community kitchen to support the region's tourism economy. The three-pronged mission of the shared kitchen 1) a teaching kitchen, 2) a certified kitchen utilized by entrepreneurs, 3) a catering kitchen for events.

A study for a Community Enrichment Center at the Reynolds Homestead completed by the Virginia Tech Center for Economic and Community Engagement (VT CECE) in October 2019, evaluated two additions, a commercial food kitchen and creation of an expanded multipurpose space. Virginia Tech Foundation has narrowed the focus to the shared commercial kitchen facility. The Virginia Tech study emphasizes the opportunity for shared-use kitchens to support small-scale entrepreneurs and start-up businesses in the food industry while also used as a catering kitchen to expand on large event opportunities at the property.

The funding request to the Commission is for a planning grant to support two elements. The first is for a market analysis and development of a Business/Operating Plan with \$45,000 fee estimate from Virginia FAIRS. The second is funding for a NEPA environmental report supported by a \$30,000 estimate from

Dewberry Engineering. Both are necessary to evaluate feasibility and readiness of project, for pursuit of Tobacco Commission and other state and federal funding towards capital costs.

Virginia Tech Foundation has contracted with an engineer for design planning and a kitchen consultant to evaluate equipping needs. The design is for construction of a 1,500 square-foot community kitchen wing on the Community Engagement Center. The preliminary estimate is for \$1.29 million construction budget. A reported \$800,000 of funding has been pledged towards the project. The applicant has requested that the \$155,350 design contract underway with Dewberry and Reynolds Homesteads be accepted to satisfy the Match requirement on the TRRC request. The Virginia Tech Foundation has paid \$41,836 towards this contract with \$30,000 expected to be distributed this spring for the archeological study and geotechnical engineering, and the remaining \$105,000 to be spent this summer for final design plans.

The applicants present a strong case for how a shared-use kitchen can strengthen multiple aspects of the region's Tourism economy, complementing and allowing for growth in existing programs, events, and programming offered by Reynolds Homestead. The shared-use kitchen business model provides clear opportunities for food-based businesses by removing restricted financial barriers associated with high capital costs for leasing or purchasing a kitchen and equipment. Specialty food businesses expected to benefit from the facility include mobile food trucks, food cart vendors, small scale value-added agribusiness food processors and caterers. The maximum benefit for food entrepreneurs will be accomplished if Reynolds Homestead is able to provide a more active function of a business incubator, providing resources to support start-up businesses, as opposed to simply providing a shared kitchen space for their use. Staff recommends a business and operating plan to capitalize on this opportunity.

The value that a shared-use commercial kitchen can offer to the region is expected to produce Business Development and Tourism outcomes strengthening the region's tourism economy. Additional benefit is expected to accrue to the agriculture community from the increased purchases of produce and meats used for the value-added products. As presented in the Virginia Tech CECE study, the new facility can provide a rural solution for supporting development of food-based businesses. Approval of a grant would represent the first grant from the Tobacco Commission benefiting Reynolds Homestead. Support for development of the business plan will provide a better idea of how business incubation will be accomplished; and environmental study advances the planning necessary for completing fundraising for construction and equipping of the facility. Staff supports approval of the reduced request for \$75,000.

***Financial Viability Assessment:***

A review of key viability criteria indicates a well-designed proposal that would increase the value of a community asset to provide business opportunities for entrepreneurs and farmers in the area. Match is appropriate and in hand to leverage the study. The budget is reasonable and supported by current quotes by a qualified vendor. It is staff's estimation that the project is financially viable and will be a positive step toward creating additional businesses and opportunities for the region.

***Staff Recommendation:*** Staff recommends a grant award of \$75,000 to support the NEPA environmental study and a business plan that includes food-based business incubation.

### County of Bedford

#### *New London Phase 2.1 (#4212)*

**\$1,107,500 Requested**

**Project Summary:** The ultimate goal of this project is to finish out the site development of the New London Business & Technology Center and create two pad-ready sites. However, given the total cost and the timeline, the Economic Development Authority would like to do the project in a phased approach. This proposed project (2.1) could be completed in 18 months and will extend Meade Road to 100' beyond the entrance to Lot 16, add a gravel road extension to provide access to Dominion's power line; extend water and sewer lines, add sidewalks and lighting, and a gravel parking lot for park amenities and partially clear and grub the site.

The next phase (2.2) will create two pad-ready sites to accommodate a 170,000 SF building and a 300,000 SF building for prospects.

#### **Matching Funds:**

A total of \$4,430,000 is needed to support Phase 2.1 estimated costs. Sources are identified as:

- \$2,215,000 - VEDP Virginia Business Ready Site Program request towards \$4,430,000 total for Phase 2.1, application submitted.
- \$1,107,500 - Bedford County EDA, \$320,000 committed.
- \$400,000 - Bedford County, requested for approval in FY25-29 capital improvements budget.

#### **Project Outputs:**

- Design and construction of 2,200 linear feet of roadway and utilities.
- Clearing and grubbing of Lot 15.

#### **Staff Comments:**

This funding request is for Phase 2 development of the New London site for the extension of Meade Road and on-site development to access an additional 220 acres of the property to address a demand for larger sites. The Tobacco Commission has invested \$7.9 million in site development and two buildings at New London Business & Technology Center (\$5.4 million went towards the property previously referred to as CAER which is now Liberty University's Center for Engineering Research and Education facility and includes a 28-acre Technology campus). New London currently hosts companies including Simplimatic Automation, Damage Prevention Solutions, Belvac Production Machinery, and RA Tools.

This application is for a portion of the \$4.43 million costs for Phase 2.1, with other funding sources including a \$2,215,000 request to VBRSP and \$1,507,500 proposed for local matching funds. The scope of Phase 2.1 is for design and construction of 2,200 linear feet of roadway and utilities including installation of conduits and manholes for electrical and communications, street lighting, water, storm sewer, and sanitary sewer extension to Lot 15. Clearing and grubbing of Lot 15 would also occur. An additional \$10.53 million is estimated to be needed for Phase 2.2, which includes an extension of utilities to Lot 16, and grading of both Lots 15 and 16, to provide approximately 14-acre and 25-acre pad ready sites, respectively, and suitable for up to 170,000 and 300,000 square foot buildings.

Long-term outcomes projections for development of the larger of the two sites for a 25-acre pad ready site are based on two active prospects, one in the nuclear sector and a second for assembly and distribution and both requiring a site for a 300,000 square foot building. One is estimated to result in 250 new jobs and \$90,000 average salary/wage, and \$140 million private capital investment; and the second is estimated at 220 jobs and \$290 million private investment.

Staff notes that the Bedford County EDA currently has available three existing lots that are 20 acres or larger with road access in the already developed area of the 500-acre site. This includes Lot 4 (24.10 acres); a Tier 5 site identified as cleared and graded with 15 acres available and able to accommodate a 175,000 square foot building; Lot 9 (20.67 acres); and Lot 14 (48.59 acres) which the county indicates as unsuitable for a large building due to a seasonal wetland area in the center of the lot. While these are not sufficient to accommodate a 300,000 square foot building, they do represent an inventory of small and medium sized lots available for attracting companies to the region.

For the Phase 2 area expansion (Phases 2.1 and 2.2), a letter from Bedford County Office of Economic Development identifies other potential funding sources could include funds from ARPA designated for water expansion projects, a VDOT Access Road grant for road improvements and design, and funding from Dominion Power for gravel access road to their power lines. Staff is recommending this application be Tabled which will allow time for funding partners to be solidified for the most essential next steps towards development of New London.

The largest portion of funding for this project would be provided from an application for \$2,215,000 submitted to VEDP's VBRSP to be used towards the \$4,430,000 Phase 2.1 costs. VEDP staff are working with the county to rescope the project which is expected to reduce the grant budget. Funding decisions are expected to be made by the VBRSP Funding Approval Committee in June 2024. Staff recommends an award from the Commission should align in scope, and amount with an award from VEDP and as such recommends this application be tabled for a decision at the Commission's meetings in September 2024.

***Financial Viability Assessment:***

A review of key viability criteria reveals a relatively large request for a project in planning to complete the development of a popular industrial park. At this point in the planning, little funding is yet committed, with many requests for matching funds under consideration by various sources. Staff is currently unable to determine the viability of the project without additional information on progress with funding commitments.

***Staff Recommendation:*** Staff recommends application be Tabled.

**Campbell County**  
***Seneca Commerce Park Lot L Grading Project (#4218)***  
**~~\$250,000 Requested~~ Withdrawn**

***Project Summary:*** Campbell County Economic Development plans to leverage awarded grant funds against existing Campbell County capital improvement funds that are designated for Seneca Commerce Park. Without the funds, the budget is insufficient to complete this project. Seneca Commerce Park Lot L Grading Project needs to be resurveyed and cleared and graded to prepare the lot to fit a 22,000 to 27,000-square-foot pad-ready site.

***Staff Comments:***

The Commission approved a \$404,918 grand award in October 2023 for a grading project at Seneca (#4155) and suggests this be completed prior to committing additional funding towards grading other lots. Staff identified a need for additional information to support the regional significance of the project, recognizing that smaller sites are currently available in Seneca and at other industrial parks in the Lynchburg region. Campbell County Economic Development Office did confirm that the project aligned with their master plan for Seneca. They also understood the expressed concerns and agreed with the recommendation to Withdraw the request from consideration.

***Staff Recommendation:*** This application was **Withdrawn**. No action required.

**Franklin County (#4226)**  
***Increasing Sewer Capacity for Summit View Business Park, Franklin County***  
**\$1,500,000 Requested**

***Project Summary:*** Franklin County is looking to increase the sewer capacity at their Summit View Business Park. This main sewer line is the backbone of the overall U.S. 220 North corridor wastewater system, and the increased capacity will enable the Summit View Business Park to compete for a wider range of projects and better match the capacity of large acreage that includes one of the few 100-acre business sites in the Commonwealth. Funding is needed to plan engineering, inspection, and construction to increase the ultimate sewer line and treatment plant capacity to 400,000 gpd. The study will require an evaluation of the sewer collection system and possible upgrades to certain minor components of the collection system.

***Matching Funds:***

A total of \$5,495,714 of Matching funds were presented from the following sources:

- \$5,145,714 - VEDP Virginia Business Ready Sites Program, application filed.
- \$350,000 - Southeast Crescent Regional Commission, application filed.

***Project Outputs:***

- Phase 4B-Systems Inspection/Modeling study to support increasing capacity for sewer lines to 400,000 gpd including an evaluation of the sewer collection system (TRRC)
- Possibly small construction upgrades to minor components of collection system that may be needed to increase capacity to 400,000, if the study identifies these upgrades are needed (TRRC).
- Construct 7,000 linear feet of force main and gravity sewer to connect to end of existing sewer line that dups into pump station in Town of Rocky Mount's Wastewater Treatment Plant (Match).

### *Staff Comments:*

The focus of this \$1.5 million funding request is to address the wastewater capacity limitation which is the primary inhibiting factor for continued growth at Summit View Business Park in Franklin County. Summit View encompasses 550 acres separated into North and South regions with both areas located adjacent to U.S. Route 220 in northern Franklin County. The vision for the business park with designated public open space is to serve as a community hub for jobs and recreation. The master plan estimates the potential for 15-20 new businesses with \$300 million in private investment and creation of 2,200 new jobs at ultimate build-out. The Commission has provided over \$3 million in funding under five grants to support the development of the property; as well as TROF incentives for private companies.

The North region hosts Stik-Pak Solutions Inc., a clean manufacturing company providing contract packing solutions. The company invested ~ \$10 million in a 50,000 square foot building and equipment on a 7-acre site in the North region of Summit View opening its operation in 2021. In 2020 the California based Traditional Medicinals committed to establishing its East Coast herbal tea manufacturing and processing facility on a 30-acre pad site in North area of Summit View. The company with plans to invest \$29.7 million and create 56 new jobs has not yet located to the site.

The South region of Summit View hosts the ValleyStar Credit Union's Administrative Campus which also opened its 19,000 square-foot administrative facility in 2021. The ValleyStar building has a high-tech feel designed by Spectrum Design taking advance of expansive views and natural materials with the landscape being a key feature of the interior space. The Summit View location houses the credit union's executive team, IT and members from the accounting and marketing teams. The South region also hosts the Foothills Produce Auction which supports the vibrant agriculture sector of Franklin County's economy.

The primary objective of the proposed project, including the scope of work under the Matching funds request to VEDP's VBRSP, is to provide for between 400,000 gpd and 600,000 gpd for tenants at Summit View. The VBRSP assessment for Summit View identifies 110,000 gpd wastewater capacity available and a preliminary design for 250,000 gpd. A previous Commission grant for \$250K (#3597) supported expansion of the wastewater treatment capacity to 115,000 gpd, with construction of 7,100 linear feet of 8-inch sewer force main extension tying into the Town of Rocky Mount's sewer treatment system. Several aspects of the multi-phase project are needed in the next stages of planning/design and construction in order to provide the wastewater capacity solution. TRRC funding is requested for Phase 4B engineering and inspection, and for evaluation for possible updates to components needed for increasing capacity with the existing sewer collection system. Matching funds are requested for construction of 7,000 linear feet of force main and gravity sewer to connect to existing sewer line that dumps into pump station at Town of Rocky Mount's Wastewater Treatment Plan. A \$3.6 million estimate was provided for work requested for funding from VEDP.

Staff requested supporting cost estimates for the \$1.5 million requested from the Commission. A February 2024 estimate for \$224,195 from Whitman, Requardt & Associates engineers services that was provided to the Western Virginia Water Authority for costs to evaluate the sewer collection and system and identification of possible upgrades to components of the system was provided. This A&E work is for Phase 4B-Systems Inspection/Modeling. This would be underway in tandem with an evaluation of improvements needed to increase capacity. A separate cost estimate for ~ \$712,500 was provided by WVWA with potential costs for the Investigation and Study including engineering, pipe cleaning, CCTV, point repairs and patches, flow monitoring and contractor support. The rehabilitation work assuming 50% of the lines would need maintenance improvements was estimated by WVWA to cost ~ \$755,492.

Recognizing that the scope of the total project for the wastewater solution is currently being vetted by VEDP which is the source of the largest portion of the project funding, it is recommended that the application be Tabled until the VBRSP Funding Committee Approval Committee decisions are made in June 2024. An award from the Commission should align in scope and amount with an award from VEDP. Tabling will also allow time for the County to further refine the cost estimate for the proposed work.

***Financial Viability Assessment:***

A review of key viability criteria reveals a relatively large request for a project in support of a regional industrial park. At this point in time, match funding is yet to be committed, with two requests for matching funds under consideration by VEDP and SCRC. Staff is currently unable to determine the viability of the project until additional information is provided on status of match funding requests.

***Staff Recommendation:*** Staff recommends the application be Tabled.

**Pittsylvania County (4219), *Southern Virginia Megasite Natural Gas Gate Engineering and Permitting Loan*  
\$2,000,000 Requested**

***Project Summary:*** The loan would pay for the upfront engineering and permitting costs for a new gas gate within the Southern Virginia Megasite.

***Matching Funds:***

- Zero Match is required for a Loan.
- Potential Match for Grant Award: Up to \$2,000,000 from VEDP Virginia Business Ready Site Program

***Project Outputs:***

- Engineering design for natural gas gate to serve the Southern Virginia Megasite

***Staff Comments:***

Prospect interest in the Southern Virginia Megasite at Berry Hill makes it imperative that engineering design for the natural gas gate proceed so that the required gas gate infrastructure can be constructed to provide natural gas service to the property. In addition to the \$2 million loan funding request to the Commission, the applicant is also requesting funding from VEDP's Virginia Business Ready Site Program to support the gas gate engineering and as well as additional grading.

Provision of natural gas would be from the Transco pipeline and distribution would be by Southwest Virginia Gas based on the Virginia State Corporation Commission's Natural Gas Service Territory. A cost estimate for engineering still needs to be provided to serve as the basis for grant or loan funding. Review by SCC for ability of public utility to support financing costs for construction of the gas gate will be required prior to financing being completed for construction of the required infrastructure. Allowing funds to support engineering design will advance the timeline with SCC review. Staff with VEDP confirmed they received a VBRSP grant request for the \$2 million gas gate engineering and other costs at Berry Hill.

Funding decisions are expected to be made by the VBRSP Funding Approval Committee in June 2024, and VEDP staff have indicated their support to provide funding for the gas gate.



***Financial Viability Assessment:***

A review of key viability criteria recognizes the timely need to begin the engineering in order for the site to remain competitive for current prospects. However, cost estimates for the project were not received in time for this report. Instead of Tabling this request, staff is recommending an award of up to \$500,000, for no more than 50% of the required Match for a VBRSP funding for the gas gate engineering. (If the VBRSP covers the full cost then a grant from the Commission would not be needed.) To further document The award will also be contingent on receiving a detailed cost estimate for the work.

***Staff Recommendation:***

**Tobacco Commission staff recommends approval of a grant award of up to \$500,000, if Tobacco Commission funding is needed, for no more than 50% of the required Match for the VBRSP funding for the gas gate engineering and contingent on a detailed cost estimate being approved prior to issuance of a grant agreement. Approval of grant funding will require supporting expense documentation to be submitted for engineering and planning costs per the Commission's Funding Policies.**

**Prince Edward County**

***Prince Edward County HIT Park Access Road Phase 1 (#4221)***

**\$442,005 Requested**

***Project Summary:*** Prince Edward County is requesting funding for Engineering Design Services, Right-of-way costs, and Utility Relocation Cost for the build-out of an access road into the Heartland Innovative Technology (HIT) Park.

***Matching Funds:***

- \$442,005 - VDOT Economic Development Access Program, application intended.

***Project Outputs:***

- Engineering design for VDOT approval to allow Access Road construction plans to be bid
- Right-of-way acquisition and utility relocation to allow access road construction

Outcome projections based on a Mangum Economic report indicate potential for 1.3 million gross square feet for three data center facilities on 280-acre size. This would create an estimated 130 new jobs with an average salary of \$107,692, and \$5.2 billion investment.

***Staff Comments:***

The HIT Park is a 280-acre industrial site acquired by Prince Edward County in 2020 for development and marketing to data centers. HIT Park ranked in the top 15 of 65 sites in Southern Virginia evaluated for data centers in a 2018 study contracted by Mid-Atlantic Broadband Community Corporation with Timmons Group. The site is located near the Town of Farmville on a rural road 1.1 miles off US-460 Business. The value of the property for data center consideration pertains to the MBC fiber routes and two Dominion Power transmission lines (230 kV and 115 kV) running through the site. The park is a Tier 3 Certified Site in accordance with the VBRSP. Completion of water, sewer, transportation infrastructure design and/or construction necessary to position the site for delivery in 12 months or less is required to raise the site to Tier 4. The Commission approved a \$530,100 grant in May 2022 for A&E design for an elevated water tank and booster pump station. A VBRSP grant also in 2022 is supporting A&E design for water and sewer to connect the park to the Town of Farmville public utilities.

A \$4,545,993 preliminary project budget for Route 638 improvements was provided. Of this total, grant funds are requested for 50% of the \$884,009 costs for A&E design services, VDOT oversight, right-of-way compensation, utility relocation costs and contingencies. This design and planning phase for the access road allows the site to be more marketable by shortening the timeline for when access road construction may occur. A Traffic Impact Analysis & PER completed in June 2022 was based on a 10-year development horizon for full built out and operational by 2031. The Mangum Economic report from July 2023 presents a plan for full buildout in 2028.

The HIT Park will require an estimated 4.0 M gallons per day (MGD) of water demand based on build-out. Wastewater would be approximately 1 to 1.5 MGD. Power utility requirements are expected to exceed current available power and a substation (or substations) are anticipated to be built on site. Currently there is 1.0 MGD available from the Town to serve as an interim water source until build out of a new regional Water Treatment Plant at Sandy River Reservoir is completed. An application to VEDP VBRSP funding is pending which would support construction of water infrastructure for the site.

With Microsoft's continued expansion and other data center operators looking at sites in Southern Virginia investment in road infrastructure design and planning will shorten the build cycle for a data center operator to develop the site and get their facilities up and running. While the application presents a plan to pursue VDOT Economic Development Access Program funding for the match, after further discussion with staff, pursuing the VDOT funding would likely be reserved for the construction phase. Therefore, it may be necessary for the county to contribute Matching funds if an alternative source of funding is not available. On the \$884,009 estimate the VDOT oversight charges will need to be supported from matching funds based on the Commission's policy to not supplant local, state or federal funding. Staff supports a grant for up to 50% of the \$884,009 total for engineering design and planning costs for the access road.

***Financial Viability Assessment:***

A review of key viability criteria recognizes the urgency of the completion of this project in order for the site to remain competitive for data center prospects. While appropriate match sources (VDOT and Prince Edward County), those are not yet fully committed. It would be prudent for this award to be contingent on acquisition of the matching funding.

***Staff Recommendation:*** Staff recommends approval of a \$442,005 grant award for up to 50% of costs for access road engineering design, right-of-way, and utility relocation, contingent on securing matching funds.

**Sussex County**

***Sussex Megasite: Infrastructure Planning & Design (#4224)***

**\$1,929,372 Requested**

***Executive Summary:***

As a result of grant funding provided by the TRRC and VEDP in 2023, Sussex County recently completed several activities to take a fresh look at its Megasite, including: (1) master planning and conceptual design to maximize site layouts and uses, (2) evaluation of natural gas delivery opportunities, (3) updates to required environmental studies, and (4) assessments of options to increase the volume of water available to the site. Several other activities are nearing completion, which - in tandem with the others mentioned - will provide the County with a comprehensive roadmap and strategy to competitively advance the Sussex Megasite toward the County's ultimate goal: site readiness and development. This request for funding is primarily focused on projects identified and/or informed by the 2023 grant that will reduce lead times in

delivering essential infrastructure to the Megasite property, including: (1) Route 460 Waterline Design, (2) Designs for Treated Wastewater Facilities, (3) Electrical Demand Study, (4) Natural Gas Pipeline and Point of Delivery Design, (5) Well Exploration/Well Development to fully examine all available water options, and (6) a Route 460 Waterline Economic Impact and Market Study.;

### ***Matching Funds:***

A total of \$9,646,861 of Matching funds were presented from the following sources:

- \$7,717,488 - VEDP VBRSP, application submitted in January 2024.
- \$1,447,029 - USEDA & USDA Rural Development, applications intended post-VEDP VBRSP award.
- \$482,343 - Sussex County, request to board of supervisors intended post-VEDP VBRSP award.

### ***Project Outputs:***

- Final engineering, planning, and construction documents for Route 460 Water Line Design
- Final engineering and planning for Phase 1 Treated Wastewater Facility
- Final engineering and planning for Phase 2 Treated Wastewater Facility
- Final Report for Electrical Demand Study
- Final Report on Well Exploration/Well Development
- Final Report Route 460 Water Line Economic Impact Study
- Final engineering, design, permits, and easement acquisition for Natural Gas Line Design study and Point of Delivery

### ***Staff Comments:***

This application is to support \$1.9 million portion of over \$11.5 million requested for a plethora of engineering and planning services for the Sussex Megasite property which is already a Tier 4 site. The Commission has invested over \$10.2 million in the Sussex Megasite primarily from the Megasite Program. Sussex Megasite has a total of 1,130 acres, with the two largest contiguous developable acreage identified as 595 acres, and 112 acres, both of which have a Tier 4 site characterization. A 2018 letter certified the site as Tier 4 and the site was identified “as the only Tier 4 certified site over 1,000 acres with significant Norfolk Southern rail frontage... and a key strategic property within the Commonwealth of Virginia’s inventory of large sites.” The characterization as Tier 4 confirms all infrastructure is in place or would be deliverable within 12 months; and certifies that all permit issues have been identified and qualified.

### **History on Initial Investments**

In 2005 and 2006, the Commission began working with VEDP to identify opportunities for mega sites for industrial development. Approximately 4,000 acres in Sussex County then referred to as the 460-Waverly Megasite was recommended as the first preference out of nineteen sites evaluated. A 300 acre sub-parcel out of the ~ 4,000 acres was identified as readily suited for industrial development. The state formalized its focus on mega site when the 2010 Virginia General Assembly authorized VEDP to establish procedures and guidelines for a Major Employment and Investment (MEI) Project Site Planning Grant Fund Program. The Commission provided \$5 million to VEDP to initiate this work. A MEI/Mega Project was defined as a high-impact regional economic development project in which a private entity was expected to make a capital investment exceeding \$250 million and create more than 400 new full-time jobs.

When the Commission first approved funding the Sussex County Megasite in December 2010, total costs to develop the site were estimated at \$15.4 million and future costs of \$7.6 million for grading, water and sewer. The initial TRRC award of \$250,000 for PER and related engineering/assessment was premised on the need for evaluating potential pads, road and rail access, wastewater expansion and the reliability of the well water system before committing to site acquisition.

When grant funds were approved in 2012 towards acquisition of 982 acres including the mentioned 300-acre sub-parcel, the site was recognized as having existing on-site utilities for water, sewer, gas and electric, as well as direct road and rail access to the Port of Virginia. The site was celebrated as being well-positioned to accommodate a major supplier to the nearby Rolls-Royce plant in Prince George County. The Black Swamp Wastewater Treatment Facility adjacent to the site was expandable to 1.8 MGD, to provide 1.2 MGD capacity to the site; and the existing 12” waterline located east of the site had capacity to provide 1500-2000 GPM, with an additional 0.50 MGD available with tanks and booster pumps. It was conveyed to the Commission that the processed water could be increased to 1.8 MGD once industry located to the site; and the Sussex Service Authority was working with DEQ to increase the quantity of groundwater able to be withdrawn under their withdrawal permit. Other infrastructure at the site included two main electrical transmission lines (115k and 500kv) running through portions of the site; and natural gas was available at the intersection of Route 460 and Route 602 near the western edge of the site.

### More Recent History

When Project Glove selected the Sussex Megasite as a finalist in 2021, it was discovered that the Commonwealth had implemented groundwater withdrawal limitations for the Potomac Aquifer, creating an inability to meet the company’s refined water demands. These groundwater regulations are expected to remain and may become even more restrictive due to increasing depletion of the aquifer. With this limitation identified, Virginia’s Gateway Region secured funding for a Preliminary Engineering Report to evaluate water supply alternatives to serve the Sussex County Mega Site.

This PER from March 2022 initially focused on 2 MGD use at the Megasite for build out; and in evaluating alternatives it became clear that there was a need for a long-term regional water solution benefiting multiple localities along the US 460 corridor which all rely on the groundwater aquifer. A majority of the average daily demand capacity for a new regional water system as presented in the PER would be for economic development sites. This included 2.261 MGD for the Western Corridor (plus 0.74 for municipal systems) and 3.26 MGD for the Eastern Corridor (plus 2.27 for municipal systems). The PER recommended initiating discussions with Prince George County and the City of Petersburg for a finished water supply, suggesting a combination of both could be implemented by establishing a temporary connection to the City of Petersburg while the Prince George alternative was developed. While the Petersburg system was noted as having 4.98 MGD capacity, the City had stated publicly that they are reluctant to sell water capacity to adjoining localities. The Prince George system had 0.96 MGD available capacity, and a new WTP providing additional capacity would be required. The PER noted that more detailed negotiations would be needed regarding water sales rates, cost sharing, service area and capacity.

### Pending Application

This application presents a \$11.5 million project budget primarily for engineering and planning:

- Project Management/Consultant (\$70,000) - \$12,000 TRRC & \$60,000 Match
- Route 460 Water Line: Design and Preliminary Easement Acquisition Evaluation (\$7,819,234) - \$1,303,206 TRRC & \$6,516,028 Match
- Designs for Treated Wastewater Facilities (\$1,113,000) - \$185,500 TRRC & \$927,500 Match
- Electrical Demand Study (\$250,000) - \$41,667 TRRC & \$208,333 Match
- Natural Gas Pipeline Design (\$264,166) - \$55,833 TRRC & \$208,333 Match
- Natural Gas Point of Delivery Design (\$301,000) - \$50,167 TRRC & \$250,833 Match
- Well Exploration/Well Dev. Study (\$1,600,000)- \$266,667 TRRC & \$1,333,333 Match
- Economic Impact Study of Route 460 Water Line (36,000) - \$6,000 TRRC & \$30,000 Match

Sussex County has a population of ~ 10,275 making it the 2<sup>nd</sup> smallest county in Southern Virginia area based on population (with Cumberland being the smallest). It is considered double distressed based on

both unemployment rate and poverty rate being greater than the statewide average; and the county has an above average fiscal stress index. Meanwhile, the cost estimates to provide the water and sewer capacities that Timmons Engineering is presenting for the proposed direction for further development of this site would be at least \$119 million. This includes cost estimates for the Route 460 Waterline providing a 14 mile, 20” waterline to the Prince George water system identified as \$31.2-33.8 million; and the Sussex County cost share estimate for a new Water Treatment Plant and distribution system in Prince George County using 37.5% prorated share based on 3 MGD of 8 MGD total is estimated at \$29.9 million. The \$119 million also includes construction estimates for a three phased solution for \$57.9 million including Blackwater Swamp WWTP (\$32.7 million), Atlantic Waste Management (\$14 million), and Spring Branch WWTP (\$11.2 million) The county makes it clear in the application that it has fiscal limitations and will be heavily dependent on state and federal funding sources to provide the substantial (“extremely expensive”) water and sewer infrastructure investments necessary for serving a major megasite prospect.

A \$61,050 grant from the Commission in January 2023, provided 50% of Match required for a VEDP VBRSP award focused on revisiting master planning and engineering activities to address water and the other more recently identified limitations for the Sussex Mega Site. The funding included identifying attainable industrial users (specifically for manufacturing and distribution sectors), based on the highest and best uses of the property and with low water requirements. This report is forthcoming. Sussex County staff indicate that site with the current Tier 4 characterization is currently being targeted to low water users in manufacturing, distribution/warehousing, assembly and packaging.

The current site does have a Tier 4 characterization and attention should be given to marketing the site to industrial users suitable for the existing utility infrastructure. The financial limitations of Sussex County are noted as well as the fact that aside from a 300-acre parcel that was acquired, the primary area identified in the 2005 study for a mega site had not been acquired. Recognizing these facts, during the review of this application staff inquired as to whether the county had considered dropping “megasite” from the name of this industrial site property. The county confirmed that a rebranding exercise was currently underway with a goal to reduce the expectations of prospect interests for required infrastructure.

While various engineering and planning work is presented for support in this application, the most critical need identified by Virginia Gateway Region is for a regional water solution for many localities in this area of the Commonwealth who are depending on groundwater withdrawal from the Potomac Aquifer.

Staff suggests funding consideration be delayed until after vetting of the application to VEDP’s VBRSP is completed with their award decisions expected in June 2024. Recognizing that this is currently a Tier 4 site—the Commission will also need to consider the county’s rebranding of the site (which is expected to be announced in the near term) as well as opportunities identified in the forthcoming study for targeted low water users given that the site already offers two Tier 4 certified sites. Staff suggests that the highest priority from those presented in the funding request would be support for the regional water system. However, such a need should demonstrate vested interest with funding contributions from the municipalities that would benefit; and include an evaluation of federal USDA Rural Development funding available to support the regional water system design and engineering.

#### ***Financial Viability Assessment:***

A review of key viability criteria reveals a relatively large request for a project in support of the development of a megasite. At this point in time, match funding is yet to be committed, with a request for VBRSP funding under consideration by VEDP. Staff is currently unable to determine the viability of the project until additional information is provided on status of match funding requests.

***Staff Recommendation:*** Staff recommends the applications be Tabled.

### **Town of Lawrenceville** ***Heritage Trail Park Connector Project (#4214)*** **\$91,951 Requested**

#### ***Executive Summary:***

The Town of Lawrenceville is seeking \$91,951.00 in gap funding for the Heritage Trail Park Connector Project. The purpose of this project is to connect the Heritage Trail Park in downtown Lawrenceville to the existing 16-mile Tobacco Heritage Trail (THT) segment that spans two counties and three towns. This would require extending the Tobacco Heritage Trail approximately 550 feet east, just beyond North Hicks Street and the construction of an ADA compliant concrete ramp from the new trail extension up to the existing park. This will provide better pedestrian & bicycle connectivity between the Trail, the park, and most importantly, downtown areas. The scope of this project is to construct approximately 550LF<sup>T</sup> of 10-foot-wide shared use path with a gravel surface and approximately 425LF<sup>T</sup> of 10-foot wide concrete ramp at a grade less than 5.0% with guardrails and retaining walls where necessary.

#### ***Matching Funds:***

\$481,812 -- VDOT Transportation Alternatives Set-Aside - award in September 2019

\$367,803 -- VDOT Transportation Alternatives – application for spring 2024 announcement

\$117,952 -- Town of Lawrenceville - local match funding committed to first VDOT award

#### ***Project Outputs:***

- 550 linear feet (0.104 miles) of trail constructed in gravel base to provide connectivity between the Town of Lawrenceville and the Tobacco Heritage Trail
- 425 linear feet handicap accessibility ramp constructed with guardrails and retaining wall

#### ***Staff Comments:***

Grant funds are requested for the 20% match required for \$367,803 in supplemental funding requested from VDOT to cover cost overruns for the Heritage Trail Park Connector and handicap accessibility ramp in the Town of Lawrenceville. This project was previously submitted to the Commission for a \$232K grant in October 2023, which was declined due to an insufficient cost benefit for the requested investment. The need for additional funding is due to inflated construction costs following the 2019 VDOT award and is based on bid results from August 2023 that reflected a budget deficit of \$459,753. The revised proposal reduces the amount of Tobacco Commission funding and makes a stronger argument for how the project fits within the larger recreational Tourism planning that is underway in this area of Brunswick County.

The new trail segment will provide a safe route for pedestrian and bicyclist to travel under Highway 46, providing a connection for visitors to/from the 10-acre Turntable Park and the Tobacco Heritage Trail with the restaurants and shops located in the downtown business district. Visitors to the area will be able to rent e-Bikes or secure their own bikes on racks that will be installed at Heritage Park. The project connects Turntable Park, a 10-acre park that the Brunswick IDA is in final design stages of developing and that is expected to provide a central location for hosting trail and tourism related events. While trail projects involving VDOT funding are expensive to build, the project will be well-leveraged if the second VDOT award is secured. Estimated long term outcomes following completion of the Connector is for an increase of 723, annual users of the trail from a baseline of 1,820 to 2,548. An Economic Impact Study for the Tobacco Heritage Trail from 2006, produced by Chmura Economics & Analytics for the Southside

PDC and Roanoke River Rails-to-Trails, Inc. was provided to demonstrate the potential economic impact of visitor spending. The applicant portrays the community's commitment to develop recreational tourism opportunities focused on the Tobacco Heritage Trail as an asset for the region. All of the TRRC funding request is allocated towards construction and match contributions will be used to cover required VDOT review/oversight and grant administration fees.

***Financial Viability Assessment:***

A review of key viability criteria for this project reveals that the budget has been reduced from the previous application due to the request for supplemental VDOT funding for the connector trail. This new leverage creates a more favorable return on investment for Commission funds, should VDOT approve the second request, and makes the project's ability to be completed much more viable.

***Staff Recommendation:*** Staff recommends approval of a \$91,951 grant award, contingent on the second VDOT award being approved to complete funding for the project.

**OTHER BUSINESS:**

**Danville-Pittsylvania Regional Industrial Facility Authority  
*Water System Improvements Phase II (Virginia System) / Berry Hill (#3011)*  
Current Project End Date: 5/31/2024 – 14-Month Extension Requested**

***Staff Comments:*** Danville-Pittsylvania RIFA is requesting a 14-month extension for completion of the Water System Improvements Phase II project for serving the Southern Virginia Megasite at Berry Hill. This \$2,241,567 grant award from the Commission's Megasite program was approved in May 2015. The scope is for construction costs for water infrastructure from the North Carolina line to and into the Berry Hill mega site property. Use of grant funding for on-site infrastructure is justified based on the size of the Megasite and linear distance to bring infrastructure to the primary development areas. The original project was delayed early when waterline construction was halted with a decision by the RIFA to relocate the waterline segment within the park. This change was necessary based on facility layout and infrastructure needs of active prospects at that time. There remains a balance of \$1,220,222 on the TRRC project account. In May 2022, the Commission approved a two-year extension request to May 31, 2024, and allowance to use the balance of grant funds toward the \$4.8 million estimated cost to extend the 20" water main from Berry Hill Road to the proposed Oak Hill pumping station and water tank location.

Engineering for the on-site water system is complete and Danville Utilities issued bids for construction in February 2024. Bid results were received and are just under the \$4.8 million budget. The requested extension will allow time for construction of the water tank expected to take 420 days and the waterline expected to take 180 days to complete. Staff is recommending an extension through the third quarter of 2025 (16-months), to allow time for the full scope of work to be completed.

***Staff Recommends:*** Staff recommends approval of a final extension to September 31, 2025.