



Waynesboro City Council Agenda Briefing

Meeting Date:	May 22, 2023	Staff/Council Member(s): Michael G. Hamp II, City Manager; Cameron McCormick, Assistant City Manager; Gregory Hitchin, Director of Economic Development and Tourism
Agenda Item #	12	
Resolution#		
Department:	Economic Development and Tourism	
Subject:	Nature's Crossing Technology Center Infrastructure Grant	

Background: In 2012 City Council took the bold initiative to purchase 170 acres of land, located at the SW corner of I64 exit 96 and Delphine Ave, which will become Nature's Crossing Technology Center (NCTC), the next generation of industrial space in the city. Subsequently, the city applied for and received a VDOT Smart Scale Grant to construct a connector road between I64 exits 94 and 96, plus will be the main access road for NCTC. The Southern Corridor is currently projected to be completed in early 2025.

The Commonwealth of Virginia uses a 0-5 (5 is pad ready with all infrastructure in place) tier ranking system for industrial land. NCTC is currently ranked a tier 3. In order to achieve a tier 4 ranking, all on site infrastructure (water and wastewater systems) will need to be completed. In order to maximize the city's investment and begin marketing the site for future outside investments, the goal is to be ranked a tier 4 site at the time the Southern Corridor is completed. While not necessary, the city may achieve some time and or cost savings by bidding for construction for the onsite systems at the same time as the Southern Corridor project, in mid-2023 with construction beginning in mid-2024.

Development of the industrial park is a major goal of the Economic Development Strategic plan, the 2018 Comprehensive Plan, and the regional CEDS (Comprehensive Economic Development Strategy).

In August 2022, the City applied for a \$7.9 M grant from the Virginia Economic Development Partnership, Business Ready Sites Program (BRSP) for onsite water and waste water systems. As part of the application process, city council authorized a local match of up to \$918,000 (R 22-20, August 22, 2022).

In December 2022, Governor Youngkin announced that the Commonwealth awarded \$90M to 22 sites including \$3.9M to Waynesboro. The attached MOU (performance agreement) provides details of the grant including anticipated completion of the water and wastewater underground system by early 2025 to coincide with the competition of the Southern Corridor Road project.

Acceptance of the grant will signal the desire of city council to complete the additional onsite water system (water tank) at an estimated cost of \$3.8M and increased capacity (Offsite) of the city's water and wastewater systems at an estimated cost of \$11M. additional grant opportunities are being explored and applied for, but for today's discussion, we are presenting the "worst case" scenario. The estimated annual debt service on the worst-case scenario would be approximately \$1,200,000. Currently Council has set aside \$520,000 per year for future debt payments or approximately two cents of the real estate tax income. Depending on whether Council elects to include debt service in the school funding formula the worst-case scenario will require an additional three to six cents of real estate tax commitment.

City Manager's Recommendation: The City Manager recommends that the City Council endorse this project.

Suggested Motion(s): Move to endorse a resolution authorizing the City Manager to execute the Performance Agreement with the Virginia Economic Development Partnership Business Ready Sites Program and to instruct staff to begin the borrowing application for up to \$14M.

Attachments:

1. MOU
2. Resolution