

12. DISCUSSION OF NEW INDUSTRIAL PARK BUDGET

As you recall, the Public Facility Lease Revenue Bonds issued by our Industrial Development Authority in 2006 included slightly more than \$11 million for acquisition and development of the Turner Tract industrial park. To date, we've expended roughly \$2 million in due diligence, preliminary engineering and property acquisition. I anticipate expending approximately \$437,000 by the end of the calendar year, leaving a project balance of approximately \$8.54 million (a financial report is attached herewith).

In August, the Timmons Group presented a Master Plan which included a wetland preservation area of approximately 230 acres and proposed development of the remaining 260 acres as an industrial park. The conceptual master plan provides sufficient area for development of roughly 2.2 million square feet of buildings for warehousing or light industrial use. The improvements required to fully develop the site include widening Rose Valley Road from General Thomas Highway to the site entrance, construction of a 2,300' industrial access road into the site, construction of a 500,000 gallon elevated water tank, construction of a sanitary sewer pump station, extension of water and sewer lines from the Southampton Business Park, site grading and construction of stormwater detention improvements, and development of a stream and wetland mitigation bank. The site has also been planned to accommodate a 2,200' rail spur.

Attached for your review and discussion, please find a copy of projected costs for the project. Overall, we anticipate the total project cost to be in the \$11.62 million range. In addition to the remaining bond proceeds from our 2006 issue, funding is also anticipated to come from VDOT's Industrial Access Road Program (\$450,000), from our VDOT secondary road improvement funds (\$1.5 million), and from wetland and stream credit sales (\$1.34 million).

Once the site is developed, property sales have the potential to generate approximately \$12.1 million (220 acres @ \$55,000/acre). The wetland mitigation bank will generate additional revenue, as will the property taxes generated by private investment, once sold.

The next step is to authorize the Timmons Group to proceed with final engineering design, if you wish to begin competitively bidding the work next spring/summer. Their services were competitively procured for this project last March. If you move forward, the project is expected to be complete by the fall/winter of 2010.

MOTION REQUIRED: If the Board is so inclined, a motion is required to authorize the County Administrator to execute agreements with the Timmons Group for final engineering design.