



**MAJOR EMPLOYMENT AND INVESTMENT (MEI)  
PROJECT SITE PLANNING GRANT PROGRAM**

**PROGRAM GUIDELINES**

**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP  
P.O. BOX 798  
RICHMOND, VIRGINIA 23218-0798**

**August, 2010**

## **Guidelines**

### **Major Employment and Investment (MEI) Project Site Planning Grant Program**

#### **Purpose:**

The Virginia Economic Development Partnership (VEDP) has been authorized by the 2010 Virginia General Assembly to establish procedures and guidelines for the Major Employment and Investment (MEI) Project Site Planning Grant Fund Program. Grants are aimed at assisting political subdivisions of the Commonwealth in the performance of site and site development work for prospective MEI, or “mega” projects which are expected to have a substantial direct and indirect economic impact on surrounding communities. Grants shall be approved by the Governor in accordance with VEDP’s procedures and guidelines provided herein.

The Program was initially conceived as a statewide initiative, when first recommended by the Governor’s Mega Projects Advisory Committee (October 2007). Difficulties in attaining necessary general fund appropriations prompted by the economic recession have resulted in the use of non-general funds to initiate the program in a more concentrated geographic region of Virginia. Therefore, funding from this first round of grants will be limited to political subdivisions within the service area of the Virginia Tobacco Indemnification and Community Revitalization Commission (the Tobacco Region). These Program guidelines and procedures have been developed such that should additional funding sources be made available in the future, the Program may be broadened to statewide scope.

#### **MEI/Mega Projects:**

A Major Employment and Investment Project, or Mega Project, has been defined in the Code of Virginia as a “high-impact regional economic development project in which a private entity is expected to make a capital investment in real and personal property exceeding \$250 million and create more than 400 new full-time jobs, and is expected to have a substantial direct and indirect economic impact on surrounding communities.” (Section 2.2-2260, Code of Virginia of 1950, as amended.)

#### **Goals:**

1. Encourage political subdivisions to identify and conduct planning to prepare sites suitable for locating Mega Projects.
2. Enable funding of necessary site development and improvement work bringing a site to a state of readiness for a Mega Project level business prospect.

**Funding Availability:**

A total of \$5.0 million is authorized from non-general fund sources for FY2010-11. Consistent with Program goals, initial year Program funding will be available as follows:

***Site Evaluation and Planning Funds:***

Up to \$2.0 million will be made available for proposals that help identify and evaluate the feasibility of sites for development. This will enable planning to begin for a new inventory of significant sites. Funding would be available for up-front due diligence to conduct environmental and geotechnical reviews, and develop plans for engineered solutions, including water, sewer, natural gas, transportation, telecommunication and other infrastructure challenges to make these sites competitive in the marketplace.

\$500,000 is the expected maximum amount of funding that would be awarded under this program pool for any single application in any given annual grant cycle.

Once grants are awarded, grantees will be required to report their findings from deliverables accomplished under the scope of work contemplated. Should early-stage assessments reveal serious flaws which indicate the site is not viable to accomplish the purpose of the Program, grantees will be required to return to VEDP any remaining Program funds planned for later-stage-deliverables. Program funds for Site Evaluation and Planning shall be expended within one (1) year of receipt of grant funds. Requests for extensions will be considered on an individual basis. Successful applicants will be required to execute a performance agreement with VEDP prior to receipt of grants.

***Site Improvement Funds:***

At least \$3.0 million will be made available for proposals that advance a site toward client-ready status. Funding would be available for a wide range of activities; including but not limited to, site grading, utility provision, transportation improvements, and other capital improvements. Given that Virginia has a scarcity of sites suitable for Mega Projects, and the fact that the Tobacco Region in general has economic distress well in excess of other parts of the Commonwealth, strong consideration will be given to attempting to focus investment of limited Program resources in order to attain completion of a client-ready site. Depending on the applicant pool, striving for completion of marketable sites with the greatest potential for high economic impact will be an intentional goal of the Program's first year so as to not dilute the impact of available resources.

If an insufficient number or inadequate proposals are received for the Site Evaluation and Planning Funds, those monies will be combined back into the Site Improvement Funding pool to support the goal of attaining site readiness.

No maximum limit of funding for an individual project is established, subject to overall availability of Site Improvements Funds. Program funds for Site Improvement must be expended within a reasonable time frame commensurate with the applicant's stated Scope of Work, but shall be expended within two (2) years of receipt of grant funds. Requests for extensions will be considered on an individual basis. Successful applicants will be required to execute a performance agreement with VEDP prior to receipt of grants.

Allowable uses of Program funds will include provision of services by qualified third party professional service providers or construction-related contractors. Program funds may not be used to supplant or reimburse local government staff for their time or in the performance of work undertaken in the normal course of business. Program funds may not be used for acquisition of property or other means of obtaining site control.

### **Application Process**

Prerequisites for applying for either funding pool:

#### **Regional Application:**

The program is designed to encourage regional economic development efforts. While an individual political subdivision may be an applicant, additional weight will be given to applications for projects from two (2) or more political subdivisions that have agreed to partner on the project. The partners may agree that one of the political subdivisions can be designated as the primary applicant for purposes of application and contract administration upon award.

Applications with documentation of a regional revenue sharing agreement in place between the applicant partners that covers the site in question will receive the maximum consideration in scoring for this criterion.

#### **Site Identification:**

The site must be clearly identified with property tax maps, survey plats, or other bona fide documentation of the property proposed for investigation and/or improvement. Parcel names, numbers, and ownership names must be available.

#### **Site Control:**

A demonstration of some measure of property control by the political subdivision must be provided.

Applications for Site Evaluation and Planning Funds must, at a minimum, indicate a "first right of refusal" agreement with the property owner.

Applications for Site Improvement Funds require fee simple ownership or an option agreement at a set purchase price by a local or regional entity. If the site is privately-owned, provide documentation such as a letter of intent, that the property can be marketed for economic development purposes, access is allowed to the property for both

site investigation and marketing purposes, and that a reasonable sales price has been established. If publicly owned, provide documentation of such ownership.

Site ownership will receive the highest scoring for this criterion.

**Local/Regional Matching Funds**

A minimum of a 25% match of requested Program Funds by the local/regional participants is required. Funds must be in cash or appropriated funds used for other activities or improvements expended in connection with the site evaluation or improvement work. Funds expended for site acquisition/option will count towards this matching requirement. Funds previously expended on work related to the site will be considered as part of the local/regional match. Additional funding support from other public or private sources will not be considered as local/regional matching funds. A level of local/regional matching funds above 25% will equate to higher points for this criterion.

**Additional Funding Support:**

In addition to the local/regional matching funds, applicants should identify other funding resources that have been committed to this project. Please describe pertinent programs and funding amounts and timing of each.

**Relationship to Strategic Business Targets:**

The applicants must evidence a connection between the proposed site development and the region's established business development targets, their related strategies, complementary assets, and demonstrated workforce availability. Please provide examples from existing economic development strategic plans, marketing plans, and similar documents which demonstrate the economic vision for the community.

**Demonstration of Need for Property:**

The applicant should provide evidence that the region has an insufficient inventory of property suitable for the uses identified, and that the completion of this work will address this need. Evidence of market demand or recent inability to meet demand will receive higher scoring for this criterion.

**Minimum Property Size:**

The applicant should provide evidence that the proposed site will be of an acceptable size, when developed, to accommodate the proposed Mega Project business uses for the site.

**Site Evaluation and Planning Performed To Date:**

Please provide a summary of existing studies and basic findings of existing site analysis done for the property.

For example: Has a Phase I Environmental Site Assessment been performed? Has a Phase II Environmental Site Assessment been performed? Have wetlands delineation, or geotechnical, legal, historical, archeological and cultural resources surveys been conducted? How much of the property is outside the FEMA 100-year floodplain? What

are prior property uses? Are there any potentially conflicting land uses nearby given the anticipated future use of the property?

**Scope of Work:**

The applicant should describe the nature of the work to be performed with grant funds requested. Please describe the outcomes as a result of the completion of this work? After completion, what work will still be needed to bring this site to a “shovel-ready” state? Evidence that work funded by these grants brings the site to a closer state of readiness will enhance the scoring of this criterion.

**Regional Commitment to the Site:**

- A) Please provide evidence of regional marketing support in place currently or being addressed which shows a regional capability and capacity to market the site to the targeted business community. Please provide evidence of local financial support, including project incentives, to help secure a future business prospect location on the site.
  
- B) The applicant must affirm that it agrees to a period of time (i.e. number of years) it will maintain a commitment to have the site ready for the designated industry sector, or a commensurate impactful project with capital investment or employment before using the property for “other” uses. A longer commitment period will receive a higher score for this criterion.

**Other Technical Site Issues:**

**Transportation Access:**

**Highway:** Please provide a demonstration of site access. Direct or close access to a 4-lane highway or interstate is preferable. Higher points will be awarded for direct access, either currently or as proposed in the site development plan.

**Rail:** Please describe the current situation and whether rail access is needed for proposed uses. If needed, please specify plans to extend rail service onto site.

**Airport:** Please describe current air service and capabilities. Indicate distances from the site and relationship to the proposed uses.

**Water & Sewer Infrastructure:**

Please document current line sizes, capacity and what is proposed (if known). Include any existing onsite capabilities and/or current engineered solutions in place to extend service, status of easements, cost, schedule and funding sources. Existing and/or proposed, system capacities must correlate to the needs of anticipated industry targets. Evidence of a higher degree of readiness will receive a higher score for this criterion.

**Telecommunications Infrastructure:**

Please document the current capacity of the existing system and what is proposed (if known). Include any existing onsite capabilities and/or current engineered solutions in place to extend service, status of easements, cost, schedule and funding sources. Existing and/or proposed capacities must relate to the needs of anticipated industry targets. Specify whether fiber is in place and what is required for broadband capability and redundancy. Evidence of a higher degree of readiness will receive a higher score for this criterion.

**Electric Power:**

Please document current capacity and service and what is proposed (if known). Include any existing onsite capabilities and/or current engineered solutions in place to extend service, status of easements, cost, schedule and funding sources. Existing and/or proposed capacities must relate to the needs of anticipated industry targets. Evidence of a higher degree of readiness will receive a higher score for this criterion.

**Natural Gas:**

Please document current capacity and service and what is proposed (if known). Include any existing onsite capabilities and/or current engineered solutions in place to extend service, status of easements, cost, schedule and funding sources. Existing and/or proposed capacities must relate to the needs of anticipated industry targets. Evidence of a higher degree of readiness will receive a higher score for this criterion.

**Zoning:**

Please describe the current property zoning and what classification is needed to conform to anticipated business targets. Is the Comprehensive Plan consistent with the vision for the site? If not yet zoned properly, please provide a letter of intent from the relevant governing body to seek appropriate rezoning.

**Application Scoring:**

VEDP will have scoring criteria included in the application package which communities will use in completing their applications. A review panel consisting of VEDP staff and other Commerce & Trade state agency personnel will convene to impartially review the applications against the scoring criteria and recommend grant awards to the Governor for a final decision.

**Scoring Allocation & Application Outline:**

- 1. Applicant Status (15 Points)**
  - a. Individual or Regional application (5 pts)
  - b. Site ownership (5 pts)
  - c. Site Description (5 pts)
- 2. Existing Conditions/Readiness (25 Points)**
  - a. Existing Transportation Infrastructure (10 pts)
  - b. Existing Utility Infrastructure (5 pts)
  - c. Zoning and Land Use (5 pts)

- d. Previous evaluation and planning for property (5 pts)
- 3. Project Scope and Budget (35 Points)**
  - a. Project Scope (25 pts)
  - b. Project Budget (5 pts)
  - c. Funding Sources (5 pts)
    - i. Source(s) of matching funds
    - ii. Additional matching funds
- 4. Project Justification (25 Points)**
  - a. Relationship to Strategic Targets (10 pts)
    - i. Existing targets
    - ii. ED strategic plans, marketing plans, etc.
    - iii. Commitment to market plan fir MEI projects
  - b. Existing Property Inventory (5 pts)
    - i. List of available regional properties
    - ii. Need for new or improved property
  - c. Economic Impact (10pts)

**Application Timeframe:**

Notification to Communities of Grant Application Cycle  
 Application Workshop  
 Application Deadline  
 Announcement of Awards by Governor  
 Executed Agreements with Communities

August 6, 2010  
 August 17 & 19  
 October 1, 2010  
 November 5, 2010  
 December 3, 2010