

Southside Economic Development Committee

June 22, 2020

OTHER BUSINESS

The following extension request was tabled by the Full Commission on May 18, 2020 for reconsideration based on new information provided by the grantee's project administrator.

Town of Alberta

Tobacco Heritage Trail – Alberta to Danielstown – Phase 1 (#3149)

5th year extension request

Staff Overview & Comments (May 18, 2020): The Commission approved a \$104,066 grant in May 2016 to support the minimum amount necessary to meet the match requirement for two VDOT grants, a FY16 award for \$211,250 that had been secured and a second grant later awarded for \$185,145. The scope of the original project approved for TRRC funding provided for design of a 5.2 mile trail segment of the Tobacco Heritage Trail within Brunswick County from the Town of Alberta to the community of Danielstown, and for construction of a 0.6 mile trail segment within the Town of Alberta. The Commission's approval was based primarily on advancing the larger 5.2 mile trail segment in readiness for being competitive for construction funding, with an accompanying focus on outcomes that were targeted to attracting visitors from outside the region (supporting tourism outcomes); as opposed to only a small 0.6 mile trail segment which would likely primarily serve as a local community recreational amenity (a low funding priority for the Commission).

The Grantee experienced initial project delays related to the split funding by VDOT with the second award approved in June 2018. A fourth year extension to May 24, 2020 was approved in 2019. At that time, the project administrator reported that 90% of engineering design/plans had been submitted to VDOT for review, with the Environmental Assessment underway and one of the required easements for public access also under review. In April 2020, the project administrator reported that the town will have to rebid the project per discussion with the VDOT program manager, which required the engineer to revise the bid docs/plans/estimates and send to VDOT for concurrence before they can proceed. The requirement to rebid was due to the lowest bid for the 0.6 mile trail construction being \$361,968 (26% over the \$287,420 cost estimate from the engineer). The revised bid solicitation will be for a base bid to construct a 0.6 mile gravel trail with a bid additive for paving of the 0.6 mile trail. It is estimated that the authorization from VDOT to re-advertise will be received in the coming weeks and bids will be received later in the summer. The construction is scheduled to be completed by March 1, 2021. The town is requesting a 5th year extension to May 24, 2021 to allow additional time for construction of the trail.

In dialogue regarding this extension, staff inquired about the status of the two VDOT awards and whether the original scope of the TRRC project would still be accomplished. The project administrator indicated while the \$396,395 of VDOT funding was committed, that full engineering design on the 5.2 mile section was replaced with conceptual plans only to prioritize construction of the 0.6 mile segment. A total of \$14,690 of grant funds have been disbursed for engineering design

with a balance of \$89,375 remaining on the TRRC project account. There remains \$15,212 in the approved project budget to support additional design engineering costs, with the full \$74,163.40 allocated for construction remaining. The original approval by the Commission was based on outcomes for design engineering of the larger 5.2 mile trail segment, which will no longer be accomplished as a result of this project. Previous applications to the Commission that were only for the smaller trail construction did not receive a recommendation for approval. With these key points considered and in recognizing the apparent substantial costs for only minimal trail distance to be designed and constructed following the VDOT design protocols, staff has concerns that the tourism outcomes for which the project was originally approved are unlikely to be accomplished.

At its May 18 meeting, the Southside Economic Development Committee recommended no further action with rescission of remaining grant funds due to outcomes not being achieved.

Staff Comments (June 22, 2020): Staff reaffirms the approved scope for the TRRC funding included engineering design of the 5.2 mile trail segment, and this was the element that motivated the Commission to award economic development funding for this project. Staff confirmed that engineering design of the 5.2 miles was included in the project scope for the FY16 VDOT grant. At some point a change was made to focus the funding on engineering and construction of the 0.6 mile trail segment. The Southside PDC manages and administers the TRRC and VDOT funding on behalf of the Town. The Town's A&E estimates that its fees to complete final design for the remaining portion of the 5.2 mile trail will be \$195,000. Construction of the 0.6 mile trail segment is scheduled to be rebid using bid additives for the trail surface and the Town and VDOT are optimistic that bids will be more favorable given the current economic climate. If bids are below budget, a portion of the balance of TRRC funding would be available to be used for engineering design of the 5.2 mile section of trail. If the Town does not complete construction of the 0.6 mile section, VDOT indicated it will require the Town to repay approximately \$111,000 of its grant. If new construction bids are at or below the A&E's construction estimate of \$287,420, however, then the Town would only be responsible for a maximum of \$57,484 to actually complete construction of the 0.6 mile trail segment, plus any A&E fees for construction phase services. (Because VDOT requires a 20% local match, if the Commission does not approve the requested extension and deobligates the \$89,375.72 balance of its grant, the Town would only need to obtain the amount necessary to meet its shortfall from the low bid and additional A&E fees as opposed to repaying the entire \$111,000 amount to VDOT.) Staff suggested the Town work with other local government parties (i.e. Brunswick County) and private partners (e.g. Roanoke River Rails to Trails, Brunswick County Friends of the Trail) to evaluate other resources to assist in accomplishing the original project objectives. The new bid pricing is a key piece of information that is not yet available in order to make an informed decision. Once this information is received, staff and the Town can determine whether there are sufficient resources available for design of the remaining portion of the 5.2 mile section of trail to be completed. Therefore, staff recommends an extension until the next Commission meeting.

Staff recommends an extension to September 30, 2020, for reconsideration at the September Commission meetings when new bid pricing is known and to allow time for the Town to provide a proposed plan for accomplishing the TRRC approved objectives. To the extent necessary, staff also recommends that the Town be permitted to seek reimbursement for costs associated with rebidding construction of the 0.6 mile section of trail.

The following project was presented to the Full Commission on May 18, 2020. Due to an oversight after being pulled from the block for an abstention, no vote was taken.

Halifax County

Tobacco Heritage Trail - Halifax Co Ext. Phase 1 (#3148)

Current end date of May 24, 2020 – request for six month extension to Nov 24, 2020

Staff Overview & Comments (May 18, 2020): This \$200,000 grant was approved by the SSED committee in May 2016 for the Tobacco Heritage Trail extension in Halifax County. This is for the first of three phases of trail design and construction for a 3 mile trail segment from Berry Hill Plantation to Rogers Island on the Dan River. TRRC funding was approved for construction of the 1.6 miles of trail from Berry Hill Plantation to Mirey Creek. This segment connects to the existing 2.6 mile THT segment that runs from Cotton Mill Park in the Town of South Boston west to Berry Hill Plantation. A fourth year extension was approved for the May 24, 2020 end date. With the fourth year extension, delays were due to the engineering, review and approval process with the VDOT funding where two federal MAP-21 grants totaling \$394,798 are the primary source of Match for the TRRC grant. Further delays have been associated with negotiations between VDOT and the project engineer, regarding design approval and challenges meeting a minimum width requirements for a 1,600 linear foot section of trail closest to Mirey Creek. These requirements resulted in the budget exceeding available funds. At the recommendation of the VDOT program manager, a construction contract not including the 1,600 linear feet was awarded in January 2020, with construction scheduled to be completed by July 20, 2020. Staff notes the reduction in linear feet of trail is ~ one-third of the original 1.6 mile segment proposed to be completed. At the end of April 2020 construction was reported to be ~ 50% completed. The County is requesting a six month extension to November 24, 2020 to allow sufficient time for remaining construction work to be completed.

Committee recommends approval of a six month extension to November 24, 2020.

OTHER BUSINESS – PROPOSED FOR SEPTEMBER 2020 MEETING

The following applications for funding commitments were either referred to the SSED from another committee, or tabled by the SSED committee or the Full Commission for reconsideration. Staff recommends all projects for new funding commitments to be considered at the Southern Virginia Committee meeting planned for September 2020.

Charlotte County Industrial Development Authority

Shaw Carpet Building Renovation (#3591)

\$585,000 Requested

Referred from Agribusiness committee to SSED committee January 6, 2020.

Town of Halifax

Halifax War Memorial Heritage Tourism Site Enhancement Project (#3581)

\$179,000 Requested

No action by SSED committee January 6, 2020. Tabled by Full Commission January 7, 2020. Southern Virginia Committee chairman identified project to be reconsidered by the committee.

Nottoway County

Harris Memorial Armory Restoration Project (#3579)

\$50,000 Requested

Tabled by SSED committee January 6, 2020.

Town of Brodnax

Brodnax Depot Renovation Project (#2975)

Request for budget modification and increased award amount

Committee recommends this request for budget modification and increasing the grant by an additional \$67,000 (for a total grant award of \$188,030) be tabled until the planned SSED round in July-September 2020, to be considered for funding in September 2020.