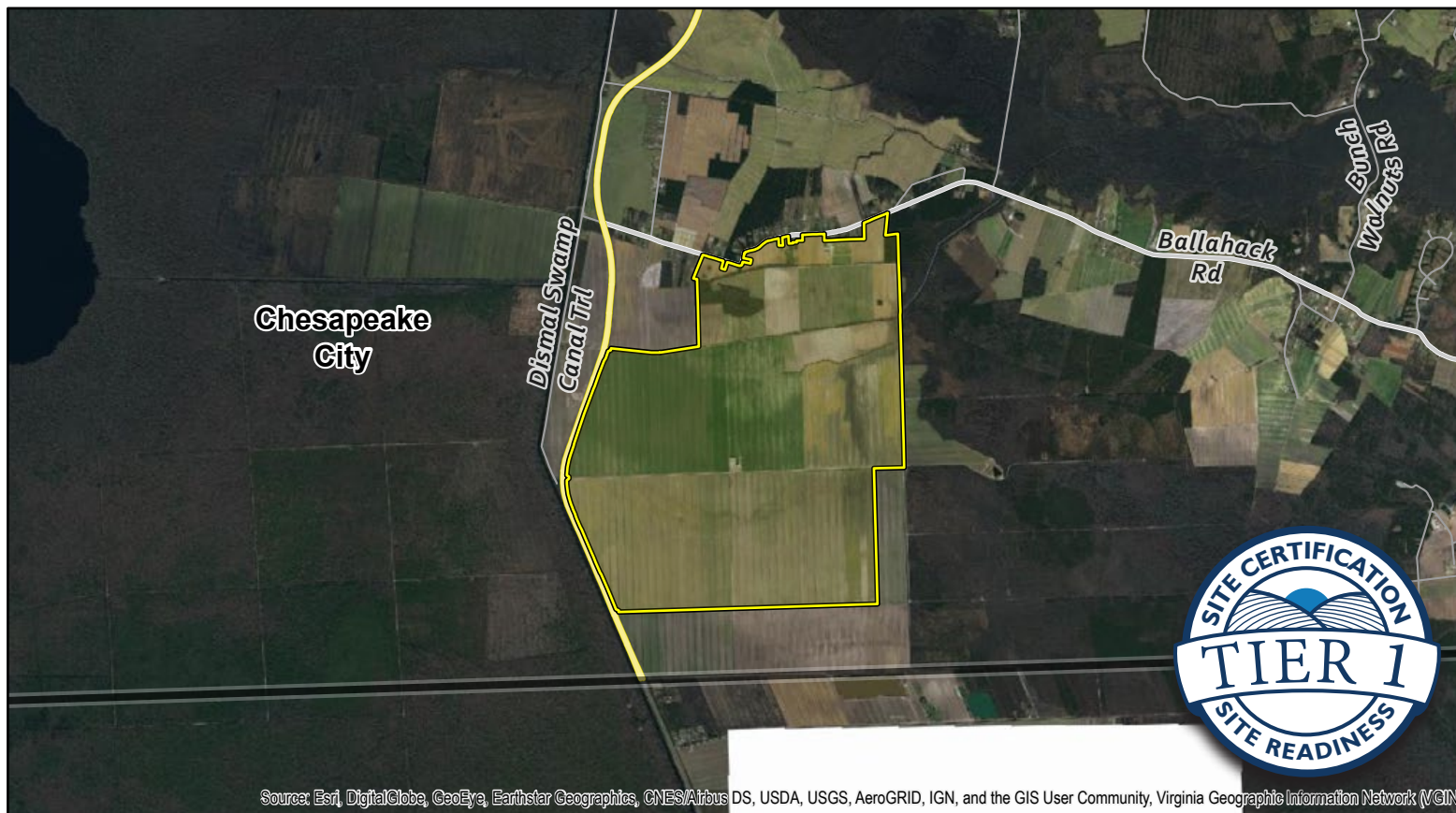


VIRGINIA BUSINESS READY SITES PROGRAM: COASTAL VIRGINIA COMMERCE PARK

City of Chesapeake, Virginia



September 2019

Contact Information

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Acknowledgments

Timmons Group would like to thank VEDP for the opportunity to perform this assessment and would like to thank City of Chesapeake for their assistance in filling out the site questionnaire and assembling the available site information to allow for a thorough and comprehensive evaluation of this site.

This Site Characterization and Assessment was conducted on behalf of the Virginia Economic Development Partnership (VEDP) as part of a statewide site assessment study and was based upon the site information provided to VEDP and the Consultant as of August 2019. This assessment was conducted by a Professional Engineer licensed in the Commonwealth of Virginia and the results were based upon the Consultant's experience and best professional judgment in accordance with the Department of Professional and Occupational Regulations (DPOR) Laws and Regulations at the time of this study. Should additional information be provided at a later date, the results of this assessment could change.

SITE CHARACTERIZATION LETTER

September 27, 2019

John K. Loftus
Sites and Buildings Manager
Virginia Economic Development Partnership
901 East Cary Street
Richmond, VA 23219



Re: **Tier 1 Site Certification for Coastal Virginia Commerce Park
Located in the City of Chesapeake, VA**

Dear Mr. Loftus,

Thank you for the opportunity to work with you on the Site Certification of the Coastal Virginia Commerce Park in the City of Chesapeake, VA as a part of the larger Virginia Economic Development Partnership (VEDP) Enhanced Site Characterization and Assessment Study.

After an extensive review of the information provided on the above referenced property and verification of utility capacities and availability to the site, we are pleased to certify the Coastal Virginia Commerce Park as a:

Tier 1 Certified Site in accordance with the Virginia Business Ready Sites Program Standards.

Thank you again for the opportunity to work with you and the City of Chesapeake, on this site certification. The results of this assessment will be instrumental in making more informed investments in site development and increase VEDP's ability to recruit new businesses to the City of Chesapeake, and Virginia.

Should you have any questions or need any additional information, please don't hesitate to contact me at your earliest convenience.

Sincerely,


Joseph C. Hines, PE, MBA
Principal, Director of Economic Development


Mac McKenzie, PE
Senior Project Manager


David Taylor, PLA
Senior Land Planner

SITE SUMMARY

Site Background & History

The Coastal Virginia Commerce Park site (Frank Williams tract and Bayville Farm tract) is located in the City of Chesapeake, east of George Washington Highway S (Route 17), south of Ballahack Road, and north of the state line with North Carolina. The site consists of two parcels totaling approximately 3464.4 acres of land with two private land owners – Frank Williams and Bayville Farms Associates. Currently, the zoning on the site is Agricultural (A-1).

To begin this assessment, the site was visited by Timmons Groups on May 23rd, 2019. At the time of the visit, the site was primarily in use as farmland with several ditches across the site. There were also power lines around the site. An October 2014 report prepared by MSA, P.C. depicted a different site layout for the Coastal Virginia Commerce Park including approximately 4,000 acres of total area and not including the Bayville Farms tract. The company prepared a Conceptual Site Layout of a 1,000-acre section of the park adjacent to the North Carolina state line in September 2015 that is not included in the area of the site assessment at this time. In November 2018, Sanford Holshouser prepared a Site Evaluation report for the City of Chesapeake which included a slightly different property definition for this site. Included in this report are potential layouts and cost estimates for the layout and utilities the site would require, per their site dimensions. All available information has been evaluated and considered in review of this site's potential tier status.

In evaluating the site for its industrial buildout potential, approximately 38.0 million SF was estimated to fit onto the site within the given developable land constraints. The resulting yield of approximately 10,950 SF/Acre is excellent for industrial and commercial sites.

In order to evaluate the current level of readiness, the following elements were considered:

- Acreage/Developable Acreage
- Potential Development Yield
- Location/Accessibility
- Rail Accessibility
- Ownership
- Zoning/Land Use
- Topography
- Restricted Land Coverage
- Resource Protection Area
- Wetlands
- Floodplains
- Waterbodies
- Streams
- Wet Utility Access (i.e. Water, Sewer)
- Dry Utility Access (i.e. Natural Gas, Power)
- Roads/Infrastructure

Site Name	Coastal Virginia Commerce Park
Acreage	3464.4 Acres Avail. (3464.4 Acres Total)
Buildout Potential (SF)	38,000,000 SF
Yield (SF/Acre)	10,950 SF/Acre
Zoning / Land Use	A-1
4 Lane	US 17 / 0.0 mi
Interstate	~ 15.1 miles to I-64
Water	City of Chesapeake
Sewer	City of Chesapeake
Natural Gas	Not Available
Power	Dominion Energy
Telecom	Cox Communications, MBC

Summary of Wet Utility Infrastructure

WATER: The water provider for the site is the City of Chesapeake. Currently, the closest water treatment plant to this site has approximately 1.0+ MGD capacity and availability. The available treatment capacity at the site, however, is currently no supply. There is also no water tank capacity available. Development at this site would trigger infrastructure upgrades to serve this site and the surrounding area. Water infrastructure improvements needed include approximately six miles of water main extensions to connect to proposed 36" water main on West Road north of the site. In addition to the water

SITE SUMMARY

main extension, this site would require an elevated water storage tank and booster pump to meet domestic and fire protection demands.

SEWER: The sewer provider for the site is the City of Chesapeake and the Hampton Roads Sanitation District. The closest sewer line is a 24" forcemain over a mile away from the site. Currently, the closest sewer treatment plant to this site has approximately 1.0+ MGD capacity and availability. The available treatment capacity at the site, however, is no supply. Development at this site would trigger infrastructure upgrades to serve this site and the surrounding area. Improvements would include a large regional pump station and approximately six miles of force main. Additionally, the extension of sewer to this site would be contingent upon the construction of an additional regional wastewater pump station and associated force main to serve the Landing West site and surrounding area approximately six miles north of the site

Summary of Dry Utility Infrastructure

POWER: The site is primarily located in Dominion Energy's (DE) service territory. According to Dominion, additional and potentially significant study is required to determine if bridging and long-term power to service industrial prospects could be provided to this site. *The power information provided is based upon a preliminary review at the time of this study. Locality and/or landowner should contact power provider prior to formally engaging a prospect and/or prospective industry to validate the availability of power to the site.*

GAS: This site is not served by gas at this time. *The gas information provided is based upon a preliminary review at the time of this study. Locality and/or landowner should contact gas provider prior to formally engaging a prospect and/or prospective industry to validate the availability of gas to the site.*

FIBER: This site is served by MBC and Cox Communications for fiber. According to the information provided, Cox could provide service in support of industrial development within 3 months, while MBC could provide the same in a timeline that exceeds 12 months.

Summary of Transportation and Access

LOCAL ACCESS: Currently, the site's main access is via Ballahack Rd and US17. It should be noted all internal access roads are farm access paths at this point in time.

4-LANE / INTERSTATE HIGHWAY ACCESS: The site is adjacent to US17, a 4-Lane road. There is access directly from the site and additional access down Ballahack Road. The nearest interstate access is approximately 15.1 miles to I-64/I-464 north along George Washington Highway.

RAIL ACCESS: There is no current rail access to the site.

Summary of Site Features

SITE USE & TOPOGRAPHY: The site is currently in use for farming across the majority of the site. Elevations flat across the site.

ENVIRONMENTAL: Based upon the field collected data and the desktop reviewed data, the site appears to have farming channels. Other than this, there do not appear to be any significant environmental issues on-site.

SITE SUMMARY

LOCATION & ZONING: The site is bound to the north by Ballahack Road and private property, to the east by private property, to the south by private property which is adjacent to the North Carolina State Line, and to the west by George Washington Highway S.

Tier Assignment

The Tier Level analysis of the Coastal Virginia Commerce Park located in the City of Chesapeake currently identifies the site as a Tier 1 Level of readiness.

The site has been identified for potential industrial use with a private owner agreeable to marketing, satisfying Tier 1 requirements. The following summarizes the next steps – with associated budgets – that are required to bring the site to Tier 4:

Tier 2:

1. Revise Comprehensive Plan to reflect future industrial use

Recommended Budget

N/A

Tier 3:

1. Rezoning for Industrial or Commercial Use
2. Preliminary Geotechnical Survey and Report
3. Boundary Survey with Easements and Encumbrances Identified (ALTA)
4. 1' Topographic Survey
5. Phase I Environmental Site Assessment
6. Cultural Resources Review
7. Threatened & Endangered Species Review
8. Waters of the US Delineation and COE Confirmation
9. Traffic Impact Analysis (TIA)
10. Master Plan and Preliminary Engineering Report quantifying costs & timeline to provide required water, sewer and transportation infrastructure upgrades to the site.

Recommended Budget

N/A

\$157,000

\$88,000

\$90,000

\$8,000

\$2,400

\$3,000

\$150,000

\$250,000

\$300,000

Tier 4:

1. Completion of all Water, Sewer and Transportation Infrastructure Design and/or Construction to Position the site for delivery in 12 months or less.
2. All infrastructure permitting issues identified and quantified
3. Engineer's Review & Certification of Work Completed for Tier 4 with Confirmation Infrastructure can be Completed within 12 months

Recommended Budget

TBD w/ PER

TBD w/ PER

TBD

SITE READINESS ROAD MAP

No SITE - BEGINNING ROAD TO SUCCESS

Find a Site

Property Owner Agreeable to Marketing Site

AGREEABLE OWNERSHIP

TIER 1



Preliminary Site Evaluation

*Property Controlled or
With a Competitive Sales Price*

*Aligned for Industrial / Commercial
Use in Comprehensive Plan*

**COMPETITIVE SALES PRICE OR
CONTROL & COMP. PLAN ALIGNED**

TIER 2



Zoned for Industrial / Commercial Use

Begin & Complete Necessary Due Diligence

Infrastructure Evaluations

Master Planning & Preliminary Engineering

*Preliminary Engineering Report(s) w/ Estimated Costs &
Timelines for Infrastructure Development*

**ZONING ALIGNED, DUE DILIGENCE
COMPLETE & COSTS ESTIMATED**

TIER 3



*Site Issues Resolved (if any) from
Previously Completed Due Diligence*

*Infrastructure Designed & Construction
Deliverable within 12 months*

Permit Issues Identified & Quantified



TIER 4

**INFRASTRUCTURE DELIVERABLE OR
IN-PLACE WITH PROP. ISSUES CLEARED
"CERTIFIABLE" SITE**

*"Pad Grade" Portion or
Entire Site*

*Infrastructure Constructed
& In Place*

*"Shovel Ready" for
Disturbance Permit*

**"SHOVEL-READY SITE"
PERMITS IN HAND**

TIER 5



VEDP Tier System based upon Timmons Group
Tier System as adopted for the the Virginia
Business Ready Sites Program (VBRSP).
www.vedp.org/vbrsp

PROJECT BACKGROUND & ASSUMPTIONS

Base Report Information:

Timmons Group conducted this site characterization and assessment based upon the information provided by VEDP, the individual localities, the utility providers (wet and dry) and/or the property owners in addition to best available site constraints information (i.e. topographical mapping, environmental, etc.). Should additional information be made available after the completion of this report, Consultant can re-evaluate the Tier Assessment of the site at a later date.

Site Constraints and Schematic Layouts:

The site constraints and mapping provided in this report were based upon the best available information at the time of this study. Schematic layouts developed are intended to be a “reasonable” build-out of the site based upon the site constraints and Consultant’s best professional judgment for the region’s site and infrastructure development and current laws and regulations in place at the time of this study. It is further acknowledged that this schematic layout represents one potential scenario and the site build-out could change based upon the ultimate needs of a potential prospect and the laws and regulations in place at the time of development.

Budgets:

Budgets provided are for planning purposes only and based upon best available budget information as of the date this study. Should VEDP, the localities and/or property owners move forward with the recommended work, a detailed scope and fee can be provided for proposed services.

SITE CHARACTERIZATION TIER LEVEL RANKING CRITERIA

Site Characterization Tier Level Ranking Criteria

As summarized in the application, the Virginia Business Ready Sites Program (VBRSP) was established pursuant to § 2.2-2238 C. of the Code of Virginia of 1950, as amended, to identify and assess the readiness of potential industrial or commercial sites in the Commonwealth of Virginia for marketing for industrial or commercial economic development purposes. The first step in determining a site's readiness begins with an assessment to quantify the level of existing development and the additional recommendations to market the site for industrial or commercial economic development purposes.

Tier 1: Site is under (a) public ownership, (b) public/private ownership, or (c) private ownership, and of which such owner(s) are agreeable to marketing the site for economic development purposes and allowing access to the property for site assessment and marketing purposes. The site has no established sales price, minimal or no infrastructure, and minimal or no due diligence has been performed.

Tier 2: Site is under (a) public ownership, (b) public/private ownership, or (c) private ownership with an option agreement or other documentation of a commitment by the private owner(s) to a competitive sales price; permit access to the site for site assessment, construction, and marketing; and market the site for industrial or commercial economic development purposes. Comprehensive Plan reflects that the site is intended for industrial or commercial development land use, but site is not zoned as such and a rezoning hearing needs to be scheduled. Preliminary evaluation is complete to confirm site has minimal or no infrastructure and/or minimal or no due diligence in place.

Tier 3: Site is zoned for industrial or commercial development land use. Site could have minimal or no infrastructure in place. Due diligence is complete including, but not limited to, a waters of the US (wetlands and streams) delineation with US Army Corps of Engineers approval within the last five years (i.e. a Preliminary Jurisdictional Determination or Jurisdictional Determination letter), geotechnical borings and preliminary evaluation (i.e. Preliminary Geotechnical Report), boundary survey with easements and encumbrances identified (ALTA preferred), one-foot topographic survey, a current cultural resources review, a current threatened and endangered species review, a Phase I Environmental Site Assessment within the last five years and, if necessary, a floodplain study or geological / karst evaluation. Master planning and preliminary engineering work is complete with associated reports and estimated costs and timelines for infrastructure development quantified.

Tier 4: Site is positioned to support development such that building construction can take place in 12 months or less, with all infrastructure improvements in place, or plans for necessary infrastructure improvements completed and approved and deemed deliverable within 12 months by a licensed Professional Engineer in the Commonwealth of Virginia. All infrastructure permit issues are identified and quantified.

Tier 5: Site is considered "shovel ready" with all site permits in place or identified such that building construction can begin as soon as necessary land disturbance permits can be obtained by prospective industry.

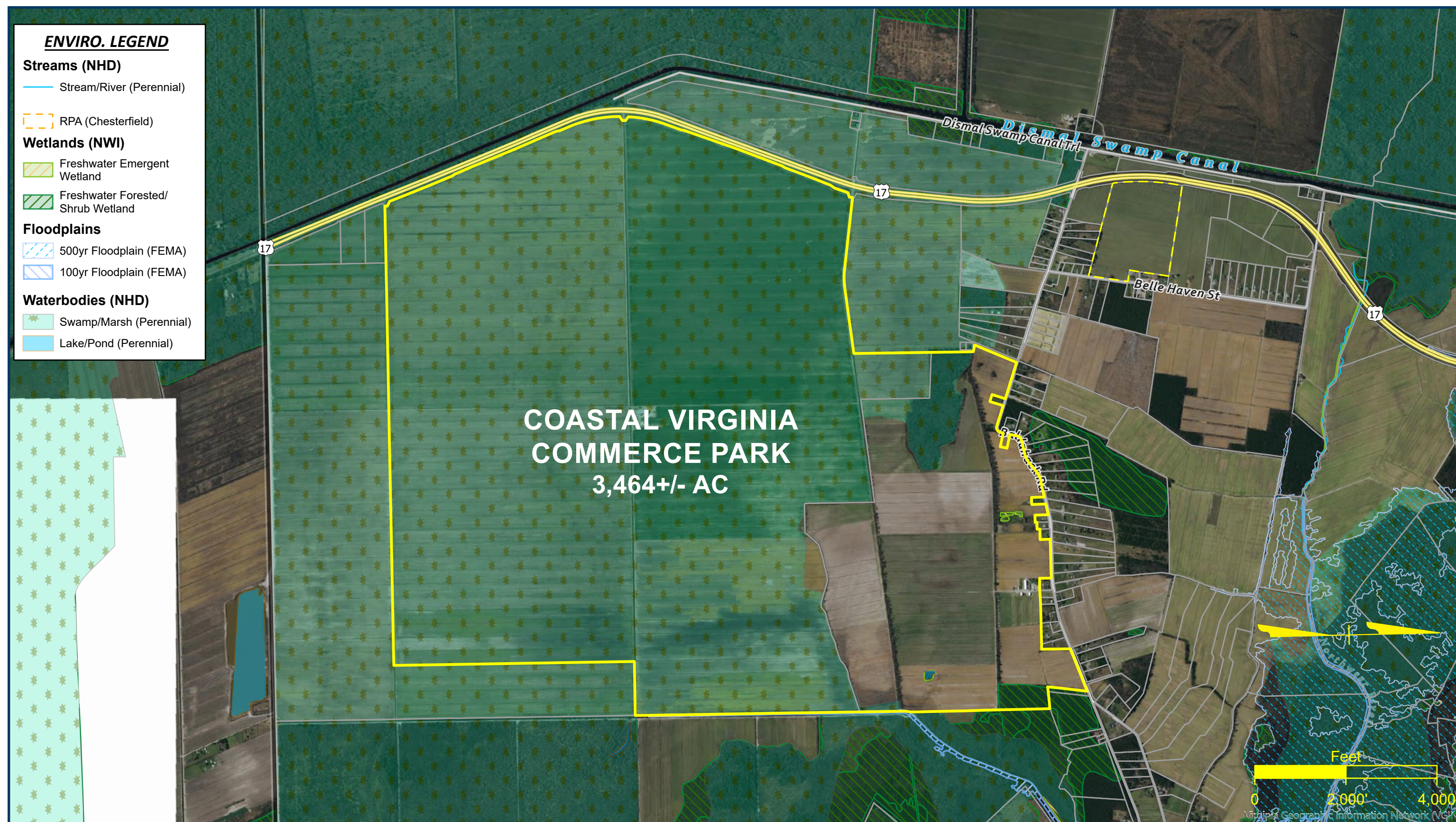
DATA SOURCE INFORMATION SUMMARY

Data Layers	Source Description
Site Boundary	<i>Based on VEDP provided data as submitted to the iVS system prior to the start of the project. Adjustments made where appropriate based upon submitted information or best available VGIN GIS data.</i>
Parcels	<i>VGIN Parcels (2018-Q2)</i>
Zoning	<i>Based on locality submitted information</i>
County & Town Boundary	<i>VGIN Statewide Boundaries (2018-Q2)</i>
Waterline & Sewerlines	<i>Approximated from provider supplied maps (2019)</i>
Power, Gas & Fiber	<i>Existing Electrical, Natural Gas& Refined Oil Transmission data taken from Platts**, with permission. Other data was approximated if provided by providers / locality.</i>
Wetlands	<i>National Wetlands Inventory (Oct 2018)</i>
Floodplains	<i>FEMA Data Layer (06/2017) & FEMA Firmette(s) (12/2014)</i>
Topography & Slope	<i>Derived from USGS Bare Earth DEM available on Locality Website (2013)*</i>
Roads	<i>VGIN Road Centerline Program (2018-Q2)</i>
Rails	<i>VGIN Rail (2017)</i>
Streams	<i>National Hydrology Dataset (02/2019)</i>
Waterbodies	<i>National Hydrology Dataset (02/2019)</i>
Aerial	<i>VGIN Aerial (Most Recent Imagery - As available in August 2019)</i>

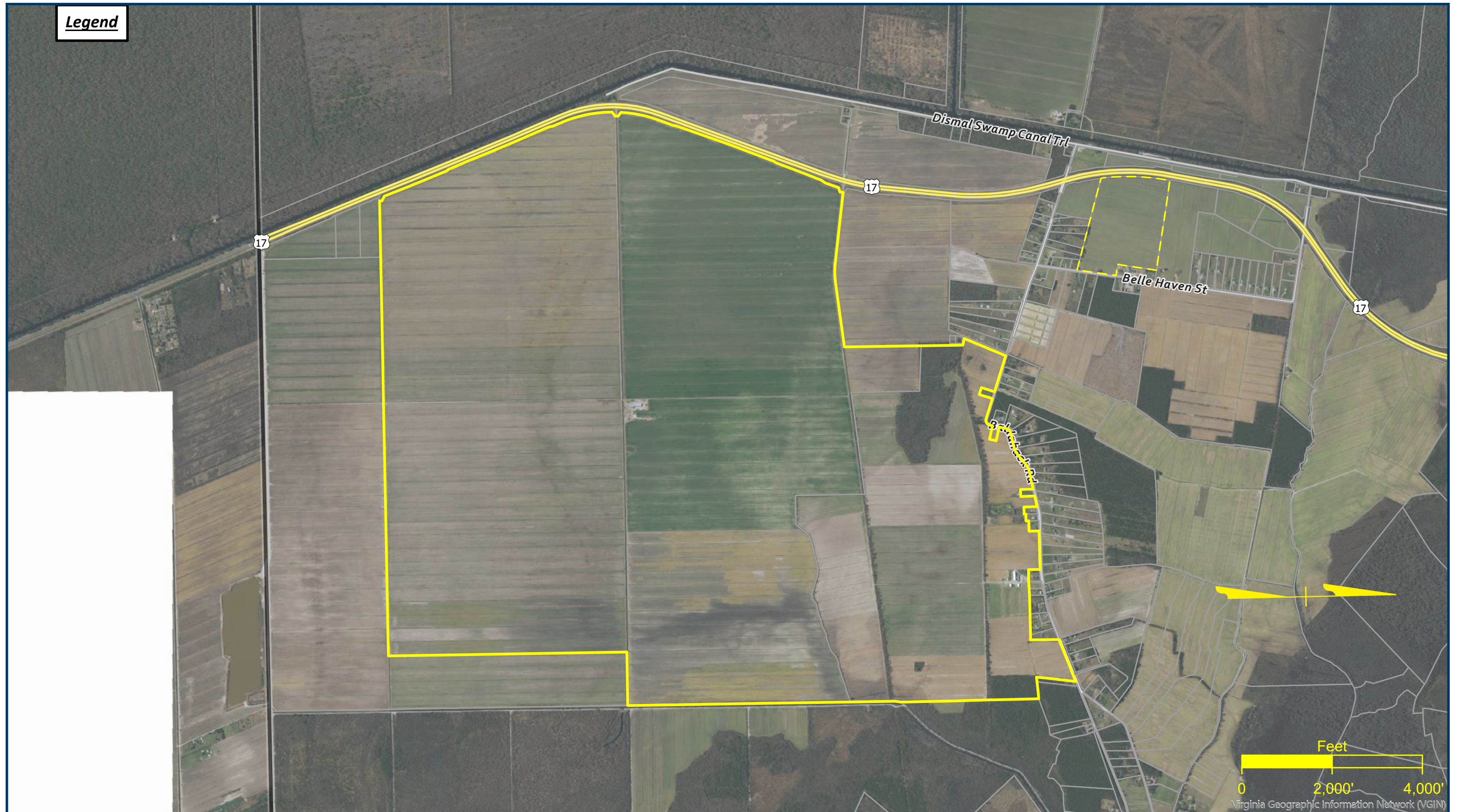
Notes:

*Any determination of topography or contours, or any depiction of physical improvements, property lines or boundaries is for general information only and shall not be used for the design, modification, or construction of improvements to real property or for flood plain determination

**All Existing Electrical Transmission Line, Electrical Substation, Natural Gas Line, Natural Gas Compressor Station and Refined Oil Products data is the property of Platts, a division of McGraw Hill Financial, Inc. Data was used under contractual agreement and shall not be reproduced in any way

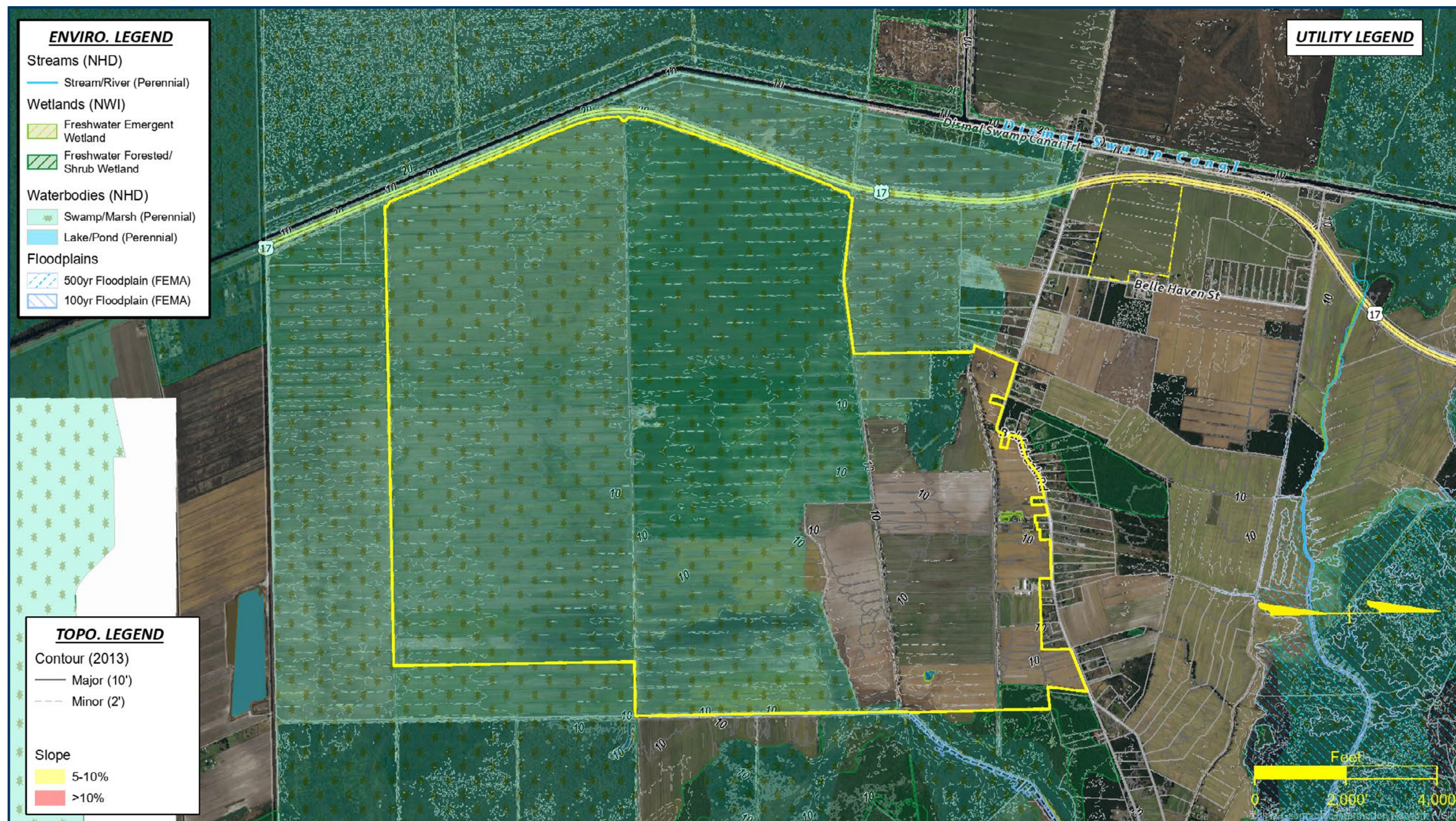


Legend



COASTAL VIRGINIA COMMERCE PARK

City of Chesapeake, VA Exhibit 2 - Utilities
September 2019



COASTAL VIRGINIA COMMERCE PARK

City of Chesapeake, VA Exhibit 3 - All Constraints
September 2019

