



City of Petersburg

Department of Economic Development

135 N Union St, Room 304

Petersburg, VA 23803

(804) 898-3645

MEMORANDUM

DATE: April 22, 2021

TO: Petersburg Economic Development Authority

THROUGH: Jeremy Tennant, Assistant to the City Manager

FROM: Clay Mansell, Economic Development Fellow

RE: **Request to Authorize the Chairman to sign a Letter of Support (LOS) in support of the City of Petersburg application for federal funding through the Community Project Funding program.**

SUMMARY:

The 117th Congress has reinstated the process of earmarking funds for local governments after more than a decade of their prohibition. This reformed process, now known as Community Project Funding (CPF), have replaced earmarks with new guidelines to ensure transparency and oversight. A core competent of the application process for the CPF funds is to show community support. To accomplish this, the application team has reached out to stakeholders for letters of support.

The City of Petersburg has an opportunity to apply for CPF funds for priority projects for FY 2022. Among these is the required infrastructure upgrades in the Poor Creek Sewer Service Area. These upgrades are critical to public health and economic development in that service area, which services approximately 31.4% of the City's land area. The Poor Creek sewer system has had capacity-related issues identified since 2006. Issues related to capacity include decreased water pressure, which threatens the ability of the Southside Regional Medical Center to provide life-saving medical services. The recent Phlow and Civica pharmaceutical developments will consume the absolute last amounts of available capacity.

Per the City's performance agreement with Phlow, the City has committed to funding the necessary infrastructure upgrades in the Poor Creek Service Area. The necessary long-term

upgrades, which include a water booster pump station, pressure reducing valve vaults, pump station improvements, force main relocation, and a 2.0 MMG elevated water storage tank, are estimated to cost a total \$26,810,000. The \$10,050,000 in water infrastructure will be addressed by a \$10 million budget amendment (HB 1800, item 114#11h) to the Commonwealth of Virginia's general fund for FY 2022. The remaining \$16,760,000 in wastewater infrastructure is required to relocate the Poor Creek force main out of the Petersburg National Battlefield and improve the pump station to address capacity issues.

The awarding of CPF funds to address these wastewater issues would enable the City of Petersburg staff to have greater access to this infrastructure after realignment along City-owned right-of-ways, which will save the City in preventive maintenance, and ensure reliable service to water and sewer customers, such as the Southside Medical Center. These upgrades are key to the future success of economic development activity in Petersburg. Failure to make these upgrades jeopardizes an additional \$458 million in U.S. HHS funding related to the pharmaceutical manufacturing cluster which would help create more high-paying jobs.

REQUEST:

For the members of the Economic Development Authority to call a motion to authorize the Chairman to sign a Letter of Support

STAFF:

Jeremy Tennant, Assistant to the City Manager

Clay Mansell, Economic Development Fellow

Cynthia Boone, Administrative Assistant – Economic Development

ATTACHMENTS:

CPF Letter of Support draft – Pharma Park / Poor Creek infrastructure