

Section 4 – Project Benefit and Compatibility

- a. Identify community benefits, including the economic impact the project will have on the Commonwealth and local community in terms of amount of tax revenue to be generated for the Commonwealth and political subdivisions, the number jobs generated for Virginia residents and level of pay and fringe benefits of such jobs, the training opportunities for apprenticeships and other training programs generated by the project and the number and value of subcontracts generated for Virginia subcontractors.

The VA1 proposal offers significant economic benefits to the greater Richmond area, Wise County, and the Commonwealth. Direct economic benefits include the creation and/or retention of new technical jobs and skills; increased revenues from taxes on property, sales and income, and increased corporate presence and prestige. The Commonwealth and local business communities also will enjoy indirect benefits such as additional tax revenues from new companies that will locate near the data center facilities. The direct and indirect benefits will begin with construction and continue throughout the centers' long-term operations.

In addition, VA1 will make every effort to use state and local contractors for the data centers' construction and ongoing operations. For example, VA1 member EDS will use two small Virginia businesses as subcontractors – Pathwise Partners, a woman-owned small business (WOSB) and Code X, a minority business enterprise (MBE). Pathwise's expertise in cultural change management will be a tremendous asset in the planning and execution of staff transition. Code X has multiple technical capabilities and will focus primarily on database migration. The total projected revenue for the subcontractors is approximately \$500,000 to \$750,000.

In particular, the location of a data center in Wise County will create 40 to 50 opportunities for employment with an estimated average compensation of \$52,000 in pay and fringe benefits. The Wise County data center has the potential to be a magnet for other technology facilities and will exemplify the success a company can experience in Wise County. VA1 members recently met with Mr. Louis Collier, Director of the Center for Workforce Development, Mountain Empire Community College, and Mr. Sim Ewing, Vice-Chancellor of the University of Virginia at Wise County (UVA-Wise) about job development, workforce training, and other collaborative efforts. In supporting the VA1 PPEA proposal, Mr. Collier said the college "will assist in education, training, retraining, and other key components to provide a qualified workforce for this important project in the Commonwealth." Attachment 1 contains a copy of Mr. Collier's letter in support of the project. Likewise, Mr. Sim Ewing noted that he "...was pleased that Koll has elected to propose Wise County as a secondary site for the data center project ... and look(ed) forward to further talks with the Koll team to discuss future collaborative efforts. Attachment 1 contains a copy of Mr. Ewing's letter in support of this project. VA1 shares Mr. Collier's and Mr. Ewing's enthusiasm about the possibility of creating new, well-paying jobs in Wise County and look forward to working with the staffs of Mountain Empire Community College and UVA-Wise to make this project a reality.

- b. Identify any anticipated public support or opposition, as well as any anticipated government support or opposition, for the project;

The Commonwealth supports numerous technologies in a costly decentralized environment. The effect is duplication of effort; under use of assets; unnecessary expenditure of millions of dollars; increased security concerns; and, ultimately, sub-optimum service. VA1's proposal will expedite the consolidation

of the Commonwealth’s decentralized information technology (IT) and, in so doing, will substantially reduce costs and improve operational efficiency and security.

Because of these savings and improvements in operational efficiency and security, there will be maximum governmental and public support for this project. This support will echo the many thoughtful studies and initiatives that have recommended the need for a coordinated approach to IT planning and implementation. This support is consistent with the Commonwealth of Virginia’s Strategic Plan for Technology, the Wilder Commission’s Final Report, the JLARC Report Summary and the Virginia House of Delegates (R) Governmental Review and Cost-Cutting Initiative. These studies, plans, and initiatives all call for the reduction of IT costs and a corresponding increase in cost savings and operational effectiveness.

As stated, VA1 proposes the construction of a data center in the greater Richmond area and in Wise County. These facilities will meet the Commonwealth’s IT needs for the foreseeable future. The Richmond area data center will be welcomed by local governments and groups charged to promote and maintain its economic development. In addition, VA1 expects to receive substantial support for the project from the greater Richmond governmental delegation.

The governmental delegation representing Wise County and organizations charged to promote the economic growth and development of Southwest Virginia also support and endorse the VA1 PPEA proposal. These statewide political leaders and economic development organizations include: Senator William C. Wampler; Delegate Terry G. Kilgore; Delegate Clarence E. “Bud” Phillips; the Virginia Southwest Promise; the LENOWISCO Planning District Commission (PDC); the Wise County Board of Supervisors and the Wise County Industrial Development Authority. VA1 members have had several productive meetings with these statewide leaders and economic development organizations. The team is extremely pleased that these leaders and organizations have elected to support and endorse the VA1 PPEA proposal. (See supporting letters at Attachment 1).

Senator William C. Wampler, in expressing his support for the VA1 proposal, stated that:

“A key element of the proposal is the location of a data and call centers for the Commonwealth of Virginia in Wise County.The location of these facilities in Wise County will do much for the citizens and local economy of Wise County

Delegate Terry G. Kilgore stated in his endorsement of the VA1 PPEA proposal that:

“The location of a data center in Wise County would be a great benefit for the Commonwealth and the citizens of Wise County. Wise County offers the Commonwealth a safe and secure site, and brings much-needed well paying jobs to Southwest Virginia.”

In his support and endorsement of the VA1 PPEA proposal, Delegate Bud Phillips noted that:

“This is a great opportunity for our part of the Commonwealth and I know that one of Governor Warner’s key goals is to promote economic development in Southwest Virginia. Locating a data center in Southwest Virginia would be very much in line with this objective.”

Ms. Sandy J. Ratliff, the Director of Marketing for Virginia Southwest Promise stated in her support of the VA1 PPEA proposal as follows:

“The location of a data center in Wise County is one hundred percent consistent with the Virginia CoalField Economic Development Authority/Virginia Southwest Promise’s mission to attract new job opportunities and investments in the region.”

The Executive Director for the LENOWISCO Planning District Commission, Mr. Ronald C. Flanary, also stated in his support and endorsement of the VA1 PPEA proposal that:

“It is also our belief that the Lonesome Pine Regional Technology Park is the Commonwealth’s best choice for a secure data center facility. This type of project is also in keeping with our mission of building a diverse economic base for the entire Southwest Virginia region.”

In supporting the PPEA proposal submitted by the VA1, Mr. Carl R. Snodgrass, the Project’s Coordinator for the Wise County Industrial Development Authority stated that:

“The location of the data center in Wise County is fully consistent with the Master Plan of the Industrial Development Authority to attract well-paying jobs to our community.”

The County Administrator for Wise County, Edward L. Sealover, also stated in his unqualified and enthusiastic support for the VA! PPEA proposal that:

“The Wise County Board of Supervisors is pleased to offer our unqualified and enthusiastic support for the PPEA proposal that was recently submitted by Koll Development Company and its partner EDS, for the location of a data center for the Commonwealth of Virginia in the Lonesome Pine Regional Business and Technology Park in Wise County, Virginia.”

Finally, the Executive Director of the Virginia Tobacco Indemnification and Community Revitalization Commission, Mr. Carthan F. Currin, III stated that:

“The location of a data center in Wise County is one hundred percent consistent with the Commission’s charge to expand and diversify the economic bases of tobacco-dependent communities such as Wise County.”

Thus, VA1 anticipates that the proposal will have substantial support from important economic development organizations and local elected officials and members of the Virginia General Assembly who represent those regions. VA1 also anticipates that the proposal will be strongly supported by State legislators and administrators in Henrico County. As previously noted, the proposal brings updated technology and secure infrastructure to users without initial acquisition costs. In doing so, the proposal uses the best of both the public and private sectors. The VA1 PPEA proposal will provide the Commonwealth with needed expertise and assistance to accomplish its important mission of reducing IT costs and will increase cost savings and operational effectiveness.

- c. Explain the strategy and plan that will be carried out to involve and inform the general public, business community, local governments, and governmental agencies in areas affected by the project;

The most essential part of the communication or information plan will be the coordination of internal communications between VA1 members and the Commonwealth. Through the law firm of Troutman Sanders and the public relations firm of Capital Results, VA1 will work with the Commonwealth to develop and focus on key expectations in the area of public relations. It will establish guidelines for

internal and external communications that facilitate the free exchange of ideas and comments so that all team members operate from the same set of principles and objectives.

All VA1 members have a long history of facilitating public comment and support. By implementing a strategy consisting of its best practices learned through years of experience, its public involvement will be both substantive and meaningful. VA1 is committed to implementing a proactive community outreach program to help make this important project a reality. Our approach to communications and community outreach will create involvement that builds and maintains community support and enthusiasm for the project.

If the Commonwealth selects VA1 to develop and implement the proposal, appropriate announcements about the scope and intent of this important project will be made through Troutman Sanders and Capital Results in coordination with the Commonwealth's Public Relations personnel. Further, key members of VA1 will be available for interviews by local and statewide media personnel to discuss the project and its development. As the project develops, VA1 members will be available to make presentations to business, community, and civic organizations and to report on the project's development and accomplishments. VA1 will provide a comprehensive and coordinated community outreach and public information campaign to reach the full range of stakeholders, including the public, elected officials, public agencies, and employees and individuals who may be affected by this project. The strategy specifically will include lobbying support at the local and State levels of government.

In addition, VA1 members will emphasize to the public and key leaders that the project is in the Commonwealth's and general public's best interests. VA1 will inform stakeholders and the public about progress and developments by using a variety of methods, including the following:

- Articles in local and statewide newspapers to promote the project and encourage support for project activity
- Educational updates to provide information about the project's scope, timing, and benefits
- Tours of the subject facilities to provide on-site illustrations of the project's benefits and progress
- Participation at State and local levels, such as speaking opportunities and public forum events, to provide updates and describe the benefits of the project
- Participation in local and regional economic development groups and related organizations to disseminate essential information about the project and its benefits to the public.

Finally, VA1 will help coordinate the public messages and will facilitate private discussions with key policy makers to make the transition as smooth as possible.

d. Describe the compatibility of the project with local, regional, and state economic development efforts.

VA1 proposes the construction of new facilities in the greater Richmond area and in Wise County. Because of its compatibility, the VA1 PPEA proposal will be supported by groups charged to promote the economic growth and development in these localities and regions. As explained in response to Item No. 4 (b) and evidenced by letters presented in Attachment 1, the proposal is 100 percent consistent with the Virginia Coalfield Economic Development Authority and Virginia Southwest Promise's mission to attract new job opportunities and investments; LENOWISCO PDC's mission to build a diverse economic base for the entire Southwest Virginia region; the Wise County Board of Supervisors and Wise County Industrial Development Authority Master Plan to attract well-paying jobs to Wise County, and the

Virginia Tobacco Indemnification and Community Revitalization Commission’s charge to expand and diversify the economic bases of tobacco-dependent communities such as Wise County.

The project also is compatible with State economic development efforts because it provides the Commonwealth with important savings and improvements in operational efficiency and security in IT. The VA1 PPEA proposal is consistent with the many statewide studies and initiatives that have recommended the need for a coordinated approach to IT planning and implementation. These studies and initiatives include the Commonwealth of Virginia’s Strategic Plan for Technology, the Wilder Commission’s Report, the JLARC Report Summary and the House of Delegates (R) Governmental Review and Cost-Cutting Initiative, all of which call for the reduction of IT costs and a corresponding increase in cost savings and effectiveness.

- e. Describe the compatibility with the local comprehensive plan, local infrastructure development plans, and any capital improvements budget or other government spending plan.

The Commonwealth supports numerous technologies in a costly, decentralized environment. The effect is duplication of effort; under use of assets; unnecessary expenditure of millions of dollars; increased security concerns; and, ultimately, sub-optimum service. VA1’s proposal will expedite the consolidation of the Commonwealth’s decentralized information technology (IT) and, in so doing, will substantially reduce costs and improve operational efficiency and security.

Finally, VA1’s proposal embodies the ideas set forth in joining the public and private interests to serve the public good. Given the realities of the funding climate and the Commonwealth’s need to reduce operational costs, the VA1 proposal represents sound financial management of Virginia’s IT systems.