



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Aubrey L. Layne, Jr.
Chairman

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Agenda Item #8

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

June 14, 2016

MOTION

**Made By: Mr. Williams, Seconded By: Ms. DeTuncq
Action: Motion Carried, Unanimously**

**Title: Economic Development Access to
CenterPoint Intermodal Center
Project ECON-133-404, M501, City of Suffolk**

WHEREAS, § 33.2-1509 of the *Code of Virginia* provides a fund to "...be expended by the Board for constructing, reconstructing, maintaining, or improving access roads within localities to economic development sites on which manufacturing, processing, research and development facilities, distribution centers, regional service centers, corporate headquarters, or other establishments that also meet basic employer criteria as determined by the Virginia Economic Development Partnership in consultation with the Virginia Department of Small Business and Supplier Diversity will be built under firm contract or are already constructed..." and "in the event there is no such establishment or... firm contract, a locality may guarantee to the Board by bond or other acceptable device that such will occur and, should no establishment or airport acceptable to the Board be constructed or under firm contract within the time limits of the bond, such bond shall be forfeited"; and

WHEREAS, the City of Suffolk Council has, by appropriate resolution, requested Economic Development Access Program funds to serve eligible property within the development of CenterPoint Intermodal Center, off Centerpoint Drive, and said access is estimated to cost \$800,000; and

WHEREAS, Centerpoint Drive, between Kenyon Road and the requested access, is under construction and is expected to be completed by September 2016 and accepted into the public road system of the City of Suffolk; and

WHEREAS, this request meets the intent of Section 33.2-1509 of the *Code of Virginia* and complies with the provisions of the Commonwealth Transportation Board’s (CTB) policy on Economic Development Access.

NOW, THEREFORE, BE IT RESOLVED, that \$650,000 (\$500,000 unmatched, \$150,000 matched) of the Economic Development, Airport and Rail Access Fund be allocated to provide adequate access to eligible property within the CenterPoint Intermodal Center, located off of CenterPoint Drive, Project ECON-133-404, M501, contingent upon:

1. All right of way, environmental assessments and remediation, and utility adjustments being provided at no cost to the Commonwealth;
2. Completion of the construction of Centerpoint Drive, between Kenyon Road and this proposed Project ECON-133-404, M501, and acceptance of Centerpoint Drive into the public road system of the City of Suffolk for maintenance; and
3. Execution of an appropriate contractual agreement between the City of Suffolk (LOCALITY) and the Virginia Department of Transportation (VDOT), to provide for the:
 - a. Design, administration, construction and maintenance of this project; and
 - b. Payment of all ineligible costs, and of any eligible costs in excess of this allocation, from sources other than those administered by VDOT; and
 - c. Provision of an appropriate bond or other acceptable surety device by the LOCALITY to VDOT, not to expire before September 14, 2021, without written permission of VDOT. Such surety device shall provide for reimbursement to VDOT of any expenses incurred by the Economic Development, Airport and Rail Access Fund for this project’s construction not justified by the eligible capital outlay of establishments served by the project. If, by June 14, 2021, at least \$3,250,000 of eligible capital outlay on parcels served exclusively by this project has not been expended or committed by firm contract by a qualified establishment or establishments, then an amount equal to 20% of the eligible capital outlay of up to \$3,250,000 will be credited toward the project’s Economic Development Access Program allocation utilized in the project’s construction and the balance of the utilized allocation not justified by eligible capital outlay will be returned to VDOT and the Economic Development, Airport and Rail

Access Fund. This surety may be released or reduced accordingly at an earlier date upon provision of documentation of eligible capital outlay by a qualified establishment, or establishments; and

- d. Provision of the required matching funds, up to \$150,000, by the LOCALITY for appropriately documented eligible project costs; and
4. Determination by VDOT of eligible capital outlay in accordance with current policy and procedures for administering the Economic Development Access Program.

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CTB Decision Brief

Economic Development Access – City of Suffolk CenterPoint Intermodal Center

Issue: Pursuant to § 33.2-1509 of the *Code of Virginia* and the Economic Development Access Policy of the Commonwealth Transportation Board (CTB), the Suffolk City Council has requested funds from the Economic Development Access (EDA) Program to assist in constructing road access to eligible property located within the CenterPoint Intermodal Center. Allocation of the requested funds by the CTB is sought.

Facts: § 33.2-1509 of the *Code of Virginia* authorizes the CTB to expend funds set aside for constructing access roads to economic development sites on which certain establishments as prescribed by the *Code* or other establishments that meet the basic employer criteria as determined by the Virginia Economic Development Partnership in consultation with the Virginia Department of Small Business and Supplier Diversity will be built under firm contract or are already constructed. In the event there is no such establishment already constructed or construction of such establishment is not under firm contract, a locality may guarantee to the CTB by bond or other acceptable device that such will occur.

The City of Suffolk plans to develop Lot 5, a 21-acre parcel within the CenterPoint Intermodal Center. The City proposes to build 1,500 linear feet of new roadway, continuing westward from the new access road's intersection with Centerpoint Drive and extending the entire frontage length of the Lot 5 property. Centerpoint Drive is currently under construction by the City and is expected to be completed and accepted into the City's street system this summer. The proposed access road will be built to VDOT standards with 60-foot right-of-way and 36-foot pavement surface of with curb & gutter and sidewalks on each side. The City of Suffolk is requesting funding from the Economic Development Access Program under the bonded option for the construction of an access road to the proposed development. The City of Suffolk will administer design and construction of the proposed access road project.

The Local Assistance Division has consulted with the Virginia Economic Development Partnership (VEDP) regarding the City of Suffolk's plans for this development within the CenterPoint Intermodal Center and VEDP staff support the City's plans to attract qualifying business operations to this site.

Recommendations: The access project will provide for the construction of the planned 36-foot wide asphalt roadway with curb & gutter and sidewalks on each side, within 60-foot right of way, connecting with Centerpoint Drive, and extending westward approximately 1,100 linear feet in length to provide appropriate and adequate access to Lot 5. VDOT District staff recommends the project and has estimated project costs for eligible items and quantities to be \$800,000. The City of Suffolk will be responsible for financial arrangements to provide for required EDA Program matching funds, as appropriate, and all project costs exceeding the state EDA Program allocation. VDOT recommends that the maximum allocation of \$650,000 (\$500,000 unmatched and \$150,000 matched) from the Economic Development, Airport and Rail Access Fund be approved for construction of this project, subject to certain contingencies, as set forth in the accompanying resolution.

CTB Decision Brief

Economic Development Access – City of Suffolk – CenterPoint Intermodal Center

June 14, 2016

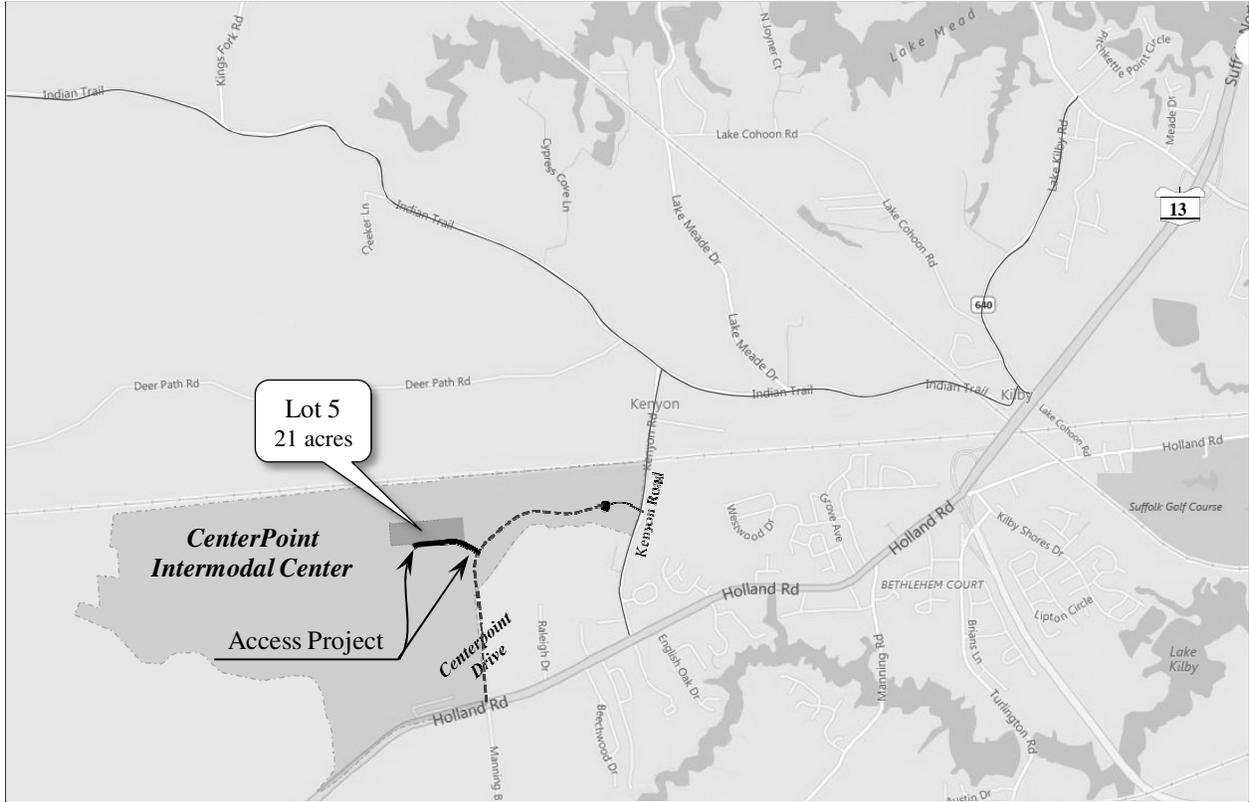
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Action Required by the CTB: The *Code of Virginia* and the CTB's Economic Development Access Fund Policy specify that the CTB shall approve of the allocation of funds for the construction of the access road project. A resolution is provided for formal vote.

Result, if Approved: VDOT and the City of Suffolk will proceed with the Economic Development Access road project.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None



PROPOSED ECONOMIC DEVELOPMENT ACCESS PROJECT
CenterPoint Intermodal Center
Project ECON-133-404, M501
City of Suffolk

Economic Development Facility / Site

Initial development on 21-acre parcel within the approximately 921-acre CenterPoint Intermodal Center tract.

Access Facility

Project Length: 0.21 mile

Pavement Width: 36 feet

R/W Width: 60 feet

Estimated Cost: \$800,000

Proposed Allocation: \$650,000 (bonded)
 \$500,000 unmatched, \$150,000 matched

At a regularly scheduled meeting of the City Council of the City of Suffolk held on May 4, 2016, on a motion by Council Member Milteer, seconded by Council Member Fawcett, the following resolution was adopted by a vote of 8 to 0:

RESOLUTION NUMBER 16-R-022

A RESOLUTION TO REQUEST AN ECONOMIC DEVELOPMENT ACCESS PROGRAM ALLOCATION

WHEREAS, the City Council of the City of Suffolk desires to assist in the development of property for the purpose of economic development located off of Centerpoint Drive in the City of Suffolk, Virginia, within the CenterPoint Intermodal Center; and

WHEREAS, this property is expected to be the site of new private capital investment in land, building, and manufacturing equipment which will provide substantial employment; and

WHEREAS, the subject property has no access to a public street or highway and will require the construction of a new roadway to connect with Centerpoint Drive; and

WHEREAS, Centerpoint Drive is dedicated right of way that will be accepted into the City of Suffolk roadway maintenance system in 2016; and

WHEREAS, the City of Suffolk hereby guarantees that the necessary environmental analysis, mitigation, fee simple right of way and utility relocations or adjustments, if necessary, for this project will be provided at no cost to the Economic Development, Airport and Rail Access Fund; and

WHEREAS, the City of Suffolk acknowledges that no land disturbance activities may occur within the limits of the proposed access project prior to appropriate notification from the Virginia Department of Transportation; and

WHEREAS, the City of Suffolk hereby acknowledges that the Virginia Department of Transportation's Economic Development Access (EDA) Program may provide up to a maximum of \$650,000 for a project and requires matching funding, up to \$150,000 from the City of Suffolk, for estimated eligible project costs over \$500,000, up to \$800,000; and

WHEREAS, the City of Suffolk hereby guarantees that financing of all ineligible project costs, project costs exceeding the EDA Program project allocation, EDA Program required locality matching funds, if applicable, and all costs not justified by eligible capital outlay will be provided from sources other than those administered by the Virginia Department of Transportation.

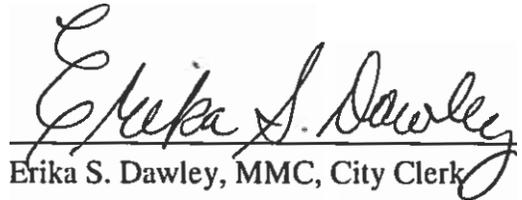
NOW, THEREFORE, BE IT RESOLVED THAT: The City Council of the City of Suffolk hereby requests that the Commonwealth Transportation Board provide Economic Development Access Program funding to provide adequate road access to this property; and,

BE IT FURTHER RESOLVED THAT: The City Council of the City of Suffolk hereby agrees to provide a surety or bond, acceptable to and payable to the Virginia Department of Transportation, in the full amount of the Commonwealth Transportation Board's allocation less eligible private capital outlay credit as determined by VDOT; this surety shall be exercised by the Department of Transportation in the event that sufficient qualifying capital investment does not occur on Tax Map #32B*3 within five years of the Commonwealth Transportation Board's allocation of funds pursuant to this request; and

BE IT FURTHER RESOLVED THAT: The City Manager and/or his designee(s) be authorized to act on behalf of the City Council of the City of Suffolk to execute any and all documents necessary to secure funding administered under the Economic Development Access Program; and

BE IT FURTHER RESOLVED THAT: The City of Suffolk will request the new roadway so constructed to be added to receive maintenance payments in accordance with the provisions of Section 33.2-319 of the *Code of Virginia*, and such request for street additions for municipal assistance payments will be submitted, together with a copy of this resolution and such maps and other documents as may be necessary in the manner prescribed by the Virginia Department of Transportation.

READ AND ADOPTED: MAY 4, 2016



TESTE:

Erika S. Dawley, MMC, City Clerk

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