



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Aubrey L. Layne, Jr.
Chairman

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Agenda item # 5

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

October 24, 2017

MOTION

Made By: Mr. Rosen, Seconded By: Mr. Stinson

Action: Motion Carried

**Title: Economic Development Access to
Patriot Centre at Beaver Creek, Lot 4
Project ECON-044-036 Henry County**

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 Henry County Board of Supervisors has, by appropriate resolution, requested Economic Development Access Program funds to serve eligible property within the development of Patriot Centre at Beaver Creek, off of Route 1188 and said access is estimated to cost approximately \$876,000; and

WHEREAS, it appears that this request falls within the intent of § 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 is allocated to provide adequate access to eligible property within Patriot Centre at Beaver Creek, located off of Route 1188, Project ECON-044-036, contingent upon:

1. All right of way, environmental assessments and remediation, and utility adjustments being provided at no cost to the Commonwealth; and
2. Execution of an appropriate contractual agreement between the County of Henry (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 by the LOCALITY of either i) documentation of a least \$3,250,000 of eligible capital outlay attributed to qualifying business on property served exclusively by this project, or ii) should documentation of capital outlay be insufficient, an appropriate bond or other acceptable surety device by the LOCALITY to VDOT, not to expire before November 24, 2022, 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 October 24, 2022, at least \$3,250,000 of eligible capital outlay on property 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
3. 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 – Henry County Patriot Centre at Beaver Creek, Lot 4

Issue: Pursuant to § 33.2-1509 of the *Code of Virginia* and the Economic Development Access Policy of the Commonwealth Transportation Board (CTB), the Henry County Board of Supervisors has requested funds from the Economic Development Access (EDA) Program to assist in constructing road access to eligible property located within Patriot Centre at Beaver Creek. 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.

On June 20, 2012 the Commonwealth Transportation Board (CTB) adopted the Economic Development Access Fund Policy (CTB Policy) that sets forth certain criteria which must be met for projects to be eligible for such funding and directed the Commonwealth Transportation Commissioner (now Commissioner of Highways) to establish administrative procedures to administer to assure adherence to the CTB Policy and legislative requirements. The Commissioner established such administrative procedures in the Economic Development Access Program Guide (Guide) administered by the Local Assistance Division of the Virginia Department of Transportation (VDOT).

Henry County plans to continue its development within Patriot Centre at Beaver Creek to access property located west of Route 663, off of Route 1188. The property does not currently have access to a public road system. The County proposes to construct a new roadway to provide access to three parcels totaling approximately 16.9 acres. Henry County 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 Henry County's plans for this development and VEDP staff has provided support for the County's plans to attract qualifying business operations to this site.

The proposed access road is planned to provide for a 24-foot wide asphalt roadway with curb and gutter within a 50-foot right of way, extending from Route 1188 and continuing east approximately 0.31 mile in length to provide appropriate and adequate access to planned operation entrances. VDOT District staff recommends the project and concurs in the estimated project cost of \$876,000 for eligible items and quantities. Henry County will be responsible for financial arrangements to provide for the required EDA Program matching funds, as appropriate, and all project costs exceeding the state EDA Program allocation to fully fund the project. Documentation of qualifying capital investments of \$3,250,000 or receipt of appropriate bonding from the County will be required.

CTB Decision Brief

Economic Development Access – Patriot Centre at Beaver Creek, Lot 4 – Henry County

July 24, 2017

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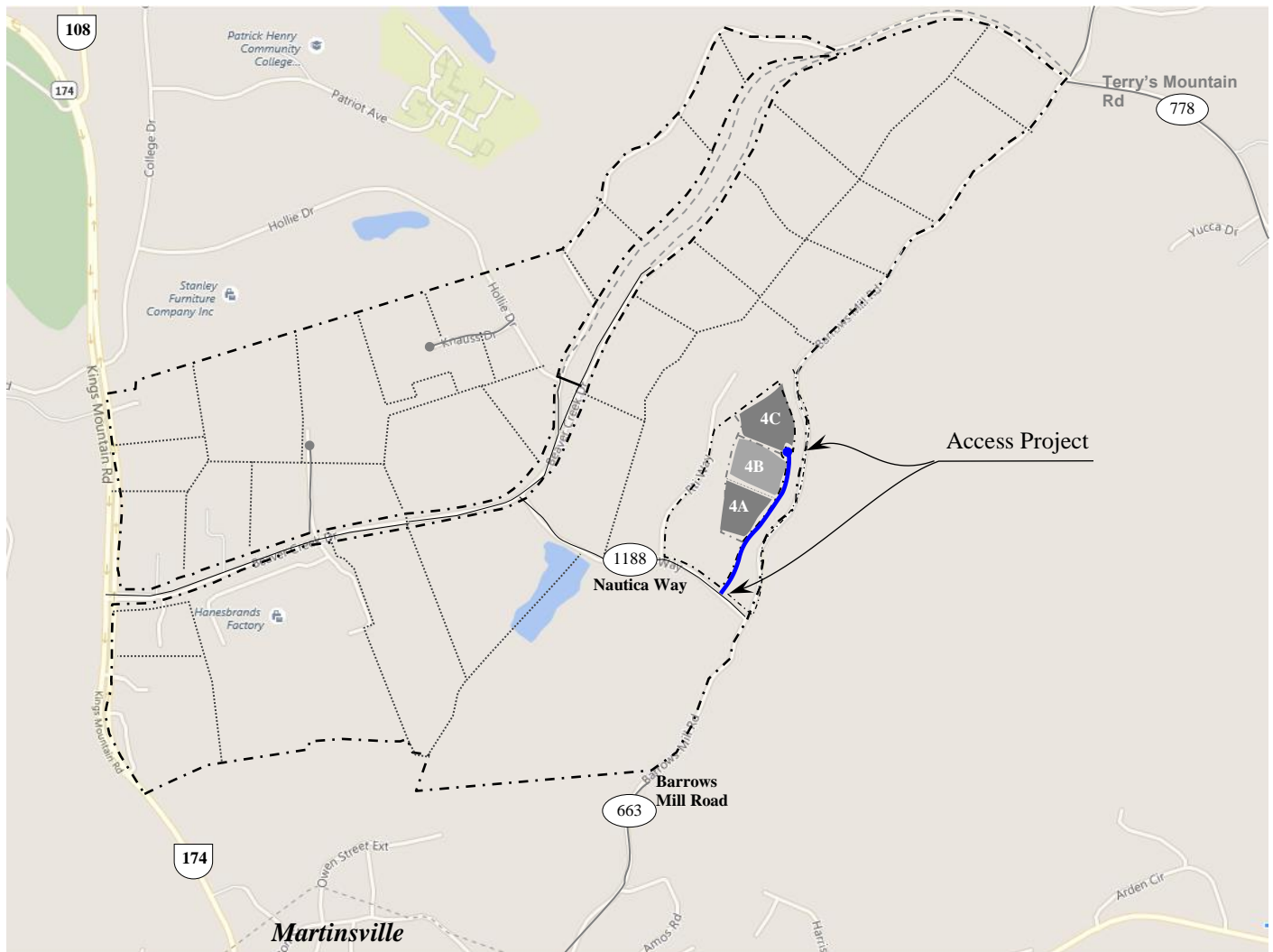
Recommendations: VDOT recommends that the maximum allocation of \$650,000 (\$500,000 unmatched, \$150,000 matched) from the Economic Development, Airport and Rail Access Fund be approved for construction of this project, subject to certain contingencies as set forth in the accompanying resolution.

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 County of Henry will proceed with the Economic Development Access road project.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None



PROPOSED ECONOMIC DEVELOPMENT ACCESS PROJECT
Patriot Centre at Beaver Creek, Lot 4
Project ECON-044-036
Henry County

<u>Economic Development Facility / Site</u>	<u>Access Facility</u>
Development of 3 parcel subdivision totaling 16.9 acres	Project Length: 0.31 mile
	Pavement Width: 24 feet
	R/W Width: 60 feet
	Estimated Cost: \$876,000
	Proposed Allocation: \$650,000
	\$500,000 unmatched, \$150,000 matched)

RESOLUTION OF THE HENRY COUNTY BOARD OF SUPERVISORS

At a regularly scheduled meeting of the Henry County Board of Supervisors held on July 25, 2017:

WHEREAS, the Henry County Board of Supervisors desires to assist in the development of property for the purpose of economic development located off of Nautica Way (Route 1188) in the County of Henry, Virginia, within the Patriot Centre at Beaver Creek; and

WHEREAS, this property is expected to be the sites 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 Nautica Way (Route 1188); and

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

WHEREAS, the County of Henry 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 County of Henry, for estimated eligible project costs over \$500,000, up to \$800,000.

WHEREAS, the County of Henry hereby guarantees that the financing of all ineligible project costs, project costs exceeding the maximum EDA Program project allocation 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 Henry County Board of Supervisors hereby requests that the Commonwealth Transportation Board provide Economic Development Access Program funding to provide an adequate road to this property; and

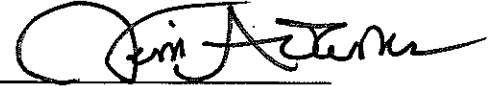
BE IT FURTHER RESOLVED THAT: The Henry County Board of Supervisors hereby agrees to provide a surety or bond, acceptable to and payable to the Virginia Department of Transportation, in the full amount of the Commonwealth Transportation Board's allocation less eligible private capital outlay credit as 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 Lots 4A, 4B, and 4C, Patriot Centre at Beaver Creek within five years of the Commonwealth Transportation Board's allocation of funds pursuant to this request; and

BE IT FURTHER RESOLVED THAT: The County Administrator and/or his designee(s) be authorized to act on behalf of the Henry County Board of Supervisors to execute any and all documents necessary to secure the funding sought through the Economic Development Access (EDA) Program and commit the requisite amount of matching funds and additional project financing, as necessary, to comply with the EDA Program to fully fund the project; and

BE IT FURTHER RESOLVED THAT: The Henry County Board of Supervisors hereby requests that the new roadway so constructed will be added to and become a part of the secondary system of state highways; County of Henry pursuant to Section 33.2-1509, paragraph C., of the *Code of Virginia*.

(SEAL)

A COPY TESTE:



Chairperson