



## COMMONWEALTH of VIRGINIA

### Commonwealth Transportation Board

Shannon Valentine  
Chairperson

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Agenda item # 7

### RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

**December 5, 2018**

#### **MOTION**

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

**Title: Economic Development Access to  
Waterford Business Park**  
**Project ECON-020-852 – Chesterfield 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 Chesterfield County Board of Supervisors has, by appropriate resolution, requested Economic Development Access Program funds to serve ERNI Electronics, Inc. to be located within the Waterford Business Park property, located off of Tredegar Lake Parkway (Route 5870) and said access is estimated to cost approximately \$820,000; 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.

Resolution of the Board

Economic Development Access Program – ERNI Electronics, Inc. – Chesterfield County

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**NOW, THEREFORE, BE IT RESOLVED**, that \$650,000 (\$500,000 unmatched and \$150,000 matched) of the Economic Development, Airport and Rail Access Fund is allocated to provide adequate access to eligible property within Waterford Business Park property development, located off of Tredegar Lake Parkway (Route 5870), Project ECON-020-852, 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 Chesterfield (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 the required matching funds, up to \$150,000, by the LOCALITY for appropriately documented eligible project costs; and
  - d. 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 January 5, 2024, 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 January 5, 2024, 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 – Chesterfield County ERNI Electronics, Inc.

**Issue:** Pursuant to § 33.2-1509 of the *Code of Virginia* and the Economic Development Access Policy of the Commonwealth Transportation Board (CTB), the Chesterfield 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 the Waterford Business Park property development. 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 CTB's Economic Development Access Fund Policy (CTB Policy) sets forth certain criteria which must be met for projects to be eligible for such funding and directs the 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 administered by the Local Assistance Division of the Virginia Department of Transportation (VDOT).

ERNI Electronics, Inc. plans to construct a facility for the purpose of manufacturing vertical connectors and fabrication of printed circuit board assemblies on an 11-acre parcel, located off of Tredegar Lake Parkway (Route 5870). The ERNI Electronics facility is expected to result in an investment of \$25-30 million, will retain 30 existing employees currently at its Richmond, Virginia location and add up to 105 new jobs within the next three years. The Economic Development Partnership has determined that the ERNI Electronics operation is a qualifying business establishment warranting the use of the Economic Development Access Program funds. The property does not currently have public access. Chesterfield County will administer design and construction of the proposed access road project.

Chesterfield County's plans for the proposed access road will provide for a 24-foot wide asphalt roadway with curb and gutter, beginning with a realignment/modification at the Tredegar Lake Parkway/Waterford Lake Drive intersection, extending east from Route 5870 (Tredegar Lake Parkway) approximately 0.16 mile in length within 60 feet of right of way to provide adequate access to the parcel on which ERNI Electronics will develop. VDOT Richmond District staff concurs with the plans for the project and with the estimated project cost for eligible items and quantities of \$820,000, exceeding the maximum EDA allocation. Chesterfield 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

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project. Documentation of qualifying capital investment of \$3,250,000 or provision of appropriate surety from the County will be required prior to funding authorization.

**Recommendation:** VDOT recommends 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.

**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 Chesterfield will proceed with the Economic Development Access road project.

**Options:** Approve, Deny, or Defer.

**Public Comments/Reactions:** None

CHESTERFIELD COUNTY: At a regular meeting of the Board of Supervisors, held in the Public Meeting Room at the Chesterfield Administration Building on September 26, 2018, at 6 p.m.

On motion of Ms. Haley, seconded by Mr. Winslow, the Board adopted the following resolution:

WHEREAS, Chesterfield County desires to assist in the development of property for the purpose of economic development located off of Tredegar Lake Parkway (Route 5870) in Chesterfield County, Virginia, within the Waterford Business Park; and

WHEREAS, ERNI Electronics, Inc. ("ERNI") has entered into a contract to purchase property located in Chesterfield County, Virginia and will soon enter into a firm contract to construct its facilities on that property for the purpose of manufacturing vertical connectors for board-to-board and wire-to-board applications and fabrication of cable assemblies and finished printed circuit board assemblies; and

WHEREAS, this new facility is expected to involve new private capital investment in land, building, and equipment of approximately \$12,875,000 and ERNI is expected to employ 105 persons at this facility; and

WHEREAS, operations are expected to begin at this new facility on or about November 1, 2019; 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 Tredegar Lake Parkway (State Route 5870); and

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

WHEREAS, Chesterfield County 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 as a condition of the use of the Economic Development, Airport and Rail Access Fund; and

WHEREAS, Chesterfield County 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 Chesterfield County, for estimated eligible project costs over \$500,000, up to \$800,000; and

WHEREAS, Chesterfield County 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 Chesterfield County Board of Supervisors hereby requests that the Commonwealth Transportation Board provide Economic Development Access Program funding to provide adequate road access to this property;

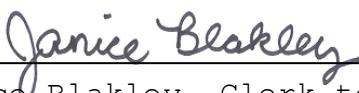
AND, BE IT FURTHER RESOLVED that the County Administrator and/or his designee(s) be authorized to act on behalf of the Board of Supervisors to execute any and all documents necessary to secure the funding sought through the Economic Development Access Program up to the maximum amount of funding eligible under the Economic Development Access Program; and

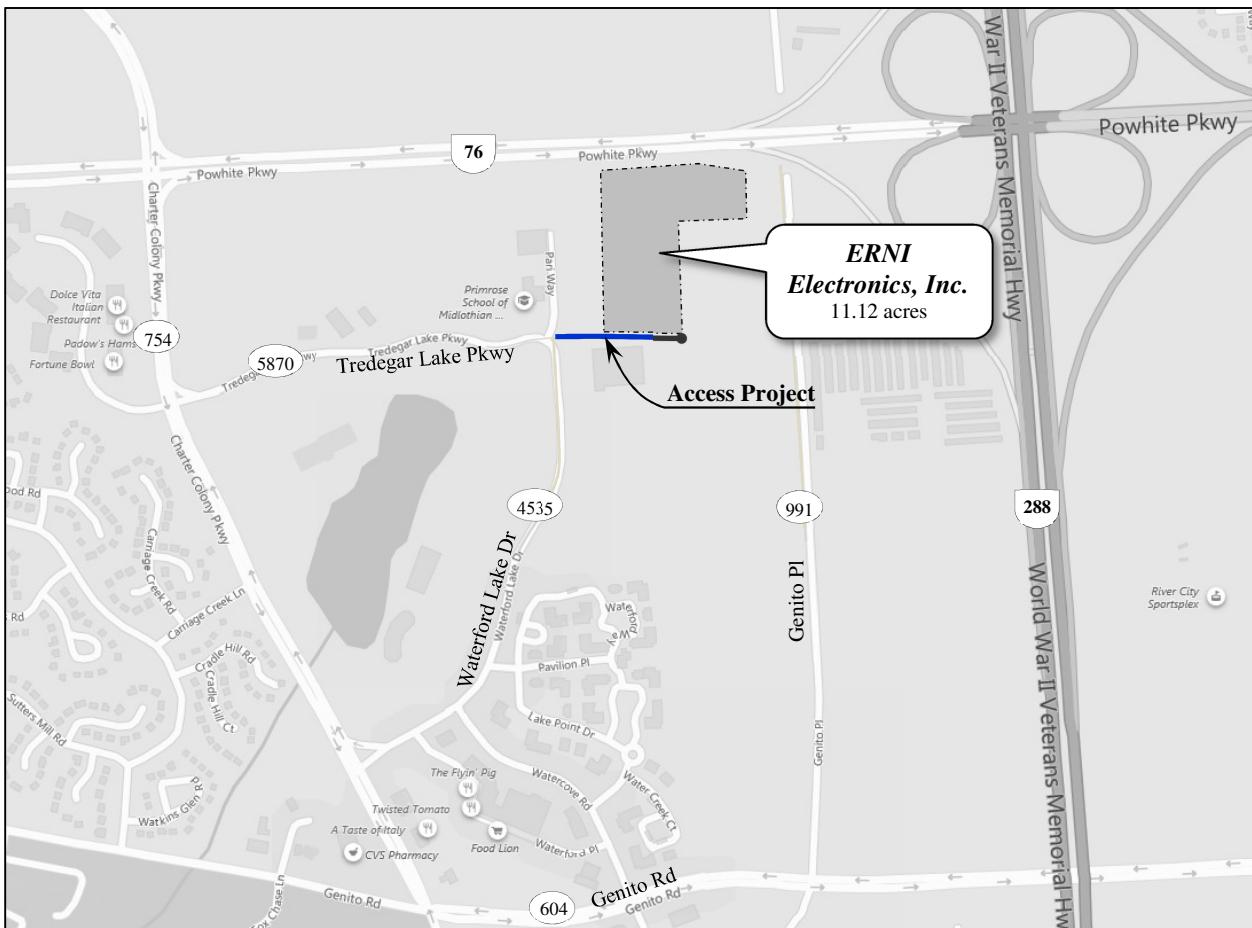
AND, BE IT FURTHER RESOLVED that the Chesterfield County Board of Supervisors hereby requests that the new roadway so constructed will be added to and become a part of the secondary system of state highways pursuant to Section 33.2-1509, paragraph C., of the Code of Virginia.

Ayes: Jaekle, Haley, Winslow, Holland and Elswick.

Nays: None.

Certified by:

  
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Janice Blakley, Clerk to the  
Board of Supervisors



## PROPOSED ECONOMIC DEVELOPMENT ACCESS PROJECT

**ERNI Electronics, Inc.**  
**Project ECON-020-852**  
**Chesterfield County**

### Economic Development Facility / Site

Planned development on approximately 11 acres to include a 55,000 square-foot facility for manufacturing vertical connectors and fabrication of printed electronic circuit board assemblies

Anticipated Traffic: 220 vpd / 30 trucks

Capital Investment: \$25-\$30 million

Employment: 30 (retained);  
 105 (new, next 3 years)

### Access Facility

Project Length: 0.16 mile

Pavement Width: 24 feet

R/W Width: 60 feet

Estimated Cost: \$650,000

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