



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

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Agenda item # 10

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

March 17, 2021

MOTION

Made By: Mr. Malbon **Seconded By:** Mr. Johnsen

Action: Motion Carried, Unanimously

**Title: Economic Development Access to
Patton Logistics, LLC, inside New River Valley Commerce Park
Project ECON-077-774 – Pulaski 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 Pulaski County Board of Supervisors has requested by formal resolution that Economic Development Access Program funds to serve Patton Logistics, LLC, to be located inside New River Valley Commerce Park, and said access is estimated to cost approximately \$411,000; 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 Economic Development Access Fund Policy and its accompanying regulations at 24 VAC 30-271-20.

Resolution of the Board

Economic Development Access Program – Patton Logistics, LLC – Pulaski County

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NOW, THEREFORE, BE IT RESOLVED, that \$411,000 of the Economic Development, Airport and Rail Access Fund is allocated to provide adequate access to the planned Patton Logistics, LLC facility on eligible property inside New River Valley Commerce Park, Project ECON-077-774, contingent upon:

1. All right of way, environmental assessments and remediation, and utility adjustments being provided at no cost to the Commonwealth;
2. Execution of an appropriate contractual agreement between the County of Pulaski (LOCALITY) and the Virginia Department of Transportation (VDOT), to provide for the:
 - a. Design, administration, construction, and maintenance of this project;
 - b. Payment of all ineligible costs, and of any eligible costs in excess of this allocation, from sources other than those administered by VDOT;
 - c. Provision by the LOCALITY of either (i) documentation of a least \$2,055,000 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 March 16, 2026, 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 March 16, 2026, at least \$2,055,000 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 \$2,055,000 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 – Pulaski County Patton Logistics, LLC

Issue: Pursuant to § 33.2-1509 of the *Code of Virginia* the Economic Development Access (EDA) Fund Policy of the Commonwealth Transportation Board (CTB), Pulaski County Board of Supervisors has requested funds by formal resolution from the EDA Program to assist in constructing road access to eligible property located within New River Valley Commerce Park. Allocation of the requested funds by the CTB is sought.

Facts: Section 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 (VEDP) in consultation with the Virginia Department of Small Business and Supplier Diversity (VDSBSD) will be built under firm contract or are already constructed. In the event that 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 EDA Fund 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 such policy and legislative requirements. The Commissioner established such administrative procedures in the EDA Program Guide administered by the Local Assistance Division of the Virginia Department of Transportation (VDOT).

Patton Logistics, LLC plans to construct a 251,000 square-foot facility, for the purpose of providing warehousing and logistical services, within New River Valley Commerce Park. The Patton Logistics, LLC facility is expected to result in an investment of \$12 million and will add up to 33 new jobs. VEDP, in consultation with VDSBSD has determined that Patton Logistics, LLC is a qualifying business establishment warranting the use of the EDA Program funds. New River Valley Commerce Park, which is publicly owned and managed by surrounding localities through a Regional Industrial Facility Authority, does not currently have public access. Pulaski County will administer design and construction of the proposed access road project.

Pulaski County's plans for the proposed access road will provide for a 24-foot wide asphalt roadway with shoulders and ditches, beginning at the end of International Boulevard, extending north east approximately 900-feet in length within 130 feet of right of way to provide adequate access to the parcel on which Patton Logistics, LLC will develop. VDOT Salem District staff concurs with the plans for the project and with the estimated project cost for eligible items and quantities of approximately \$411,000. Pulaski 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 investment of \$2,055,000 or provision of appropriate surety from the County will be required prior to funding authorization.

Recommendation: VDOT recommends an allocation of \$411,000 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*, the Virginia Administrative Code, and the CTB's EDA 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 Pulaski County will proceed with the EDA road project.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None

Pulaski County Virginia

**Pulaski County
Board of Supervisors**



**Commonwealth of
Virginia**

Resolution of the Pulaski County Board of Supervisors Extending International Boulevard to Patton Logistics, LLC

At a regularly scheduled meeting of the County of Pulaski, Virginia Board of Supervisors held on Monday, May 18, 2020, on a motion by MR. JOHN TRAVIS seconded by MR. CHARLES BOFF, the following resolution was adopted by a vote of 5 to 0:

WHEREAS, the County of Pulaski, Virginia, desires to assist in the development of the New River Valley Commerce Park property for the purpose of economic development located off of Route 100 in the County of Pulaski, Virginia, within the New River Valley Commerce Park; and

WHEREAS, Patton Logistics, LLC has lease/purchased property located in the County of Pulaski and will soon enter into a firm contract to construct a 251,000 square foot facility on that property for the purpose of providing warehousing and logistical services; and

WHEREAS, this new facility is expected to involve new private capital investment in building and equipment of approximately \$12 million and Patton Logistics is expected to employ 33 persons at this facility; and

WHEREAS, operations are expected to begin at this new facility on or about December 2020; and 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 Route 100; and

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

WHEREAS, the County of Pulaski 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 within the timeframe established according to the EDA Program and Policy will be provided from sources other than those administered by the Virginia Department of Transportation.

NOW, THEREFORE, BE IT RESOLVED THAT: The Pulaski 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 Pulaski 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 Lot C in the New River Valley Commerce Park 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 Board of Supervisors to execute any and all documents necessary to secure funding in the maximum amount eligible under the Economic Development Access Program; and

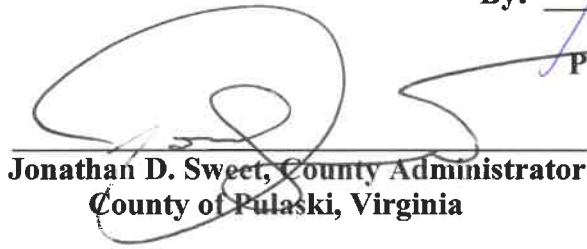
BE IT FURTHER RESOLVED THAT: The Pulaski County Board of Supervisors hereby requests that the new roadway so constructed will be added to and become a part of the secondary system of state highways of the County of Pulaski pursuant to §33.2-1509, paragraph C., of the Code of Virginia.

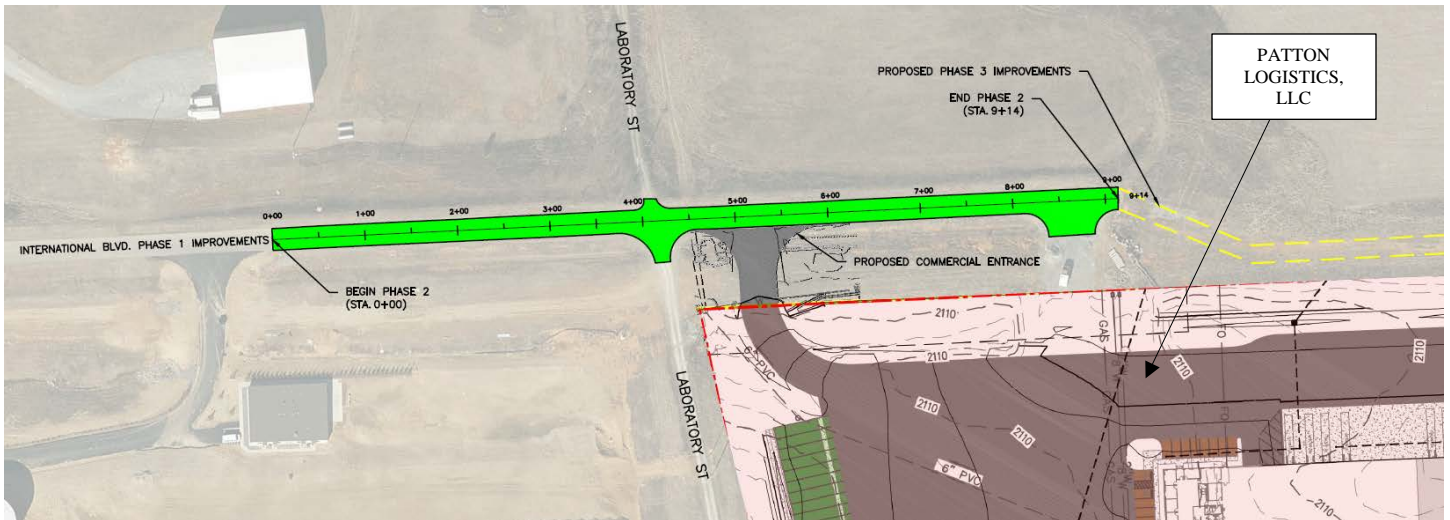
By: _____



Joseph Guthrie, Chair
Pulaski County Board of Supervisors

Attest: _____


Jonathan D. Sweet, County Administrator
County of Pulaski, Virginia



PROPOSED ECONOMIC DEVELOPMENT ACCESS PROJECT
Patton Logistics, LLC
Project ECON-077-774
County of Pulaski

Economic Development Facility / Site

Proposed 251,000 square-foot distribution facility on approximately 22 acres

Anticipated Traffic: 200 vpd (140 trucks)

Capital Investment: \$12 million

Employment: 33

Access Facility

Project Length: 0.17 mile

Pavement Width: 24 feet

R/W Width: 130 feet

Estimated Cost: \$411,000

Proposed Allocation: \$411,000 unmatched