



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

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Agenda Item # 14

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

June 20, 2018

MOTION

**Made By: Mr. Whitworth, Seconded By: Mr.
Rosen Action: Motion Carried**

**Title: Economic Development Access to
Shenandoah Valley Industrial Park South, Phase 1
Project ECON-082-883 – Rockingham 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 Rockingham County Board of Supervisors has, by appropriate resolution, requested Economic Development Access Program funds to serve eligible property within planned development of Shenandoah Valley Industrial Park South, east of Interstate 81, off and south of Route 704 (Cecil Wampler Road) and said access is estimated to cost \$1.5 million; 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 – Shenandoah Valley Industrial Park South, Phase 1
Rockingham 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 Shenandoah Valley Industrial Park South, located off and south of Route 704, Project ECON-082-883, 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 Rockingham (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 July 20, 2023, 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 20, 2023, 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 – Shenandoah Valley Industrial Park South, Phase 1 Rockingham County

Issue: Pursuant to § 33.2-1509 of the *Code of Virginia* and the Economic Development Access Policy of the Commonwealth Transportation Board (CTB), the Rockingham 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 Shenandoah Valley Industrial Park South. 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).

Rockingham County will assist in the development of a 275-acre property tract, located off of Cecil Wampler Road (Route 704), approximately 0.85 miles east of U. S. Highway 11. The initial phase of the proposed development does not currently have access to a public road system. The County proposes to construct a new roadway extending from Route 704, and continuing south to provide access to the development site. Rockingham 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 Rockingham 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 County's plans for the proposed access road will provide for a 36-foot wide asphalt roadway with appropriate ditches and shoulders, within the proposed 60 feet wide right of way, extending south from Route 704 approximately 0.76 miles in length to provide adequate access to an eligible parcel. VDOT Staunton District staff concurs in the plans for the project and estimate of \$1.5 million and has determined that the estimated project costs for eligible items and quantities also exceed the maximum state EDA Program allocation amount. Rockingham County will be responsible for financial arrangements to provide for the required EDA Program matching funds, as appropriate, and all project costs exceeding the maximum EDA Program allocation to fully

fund the project. Qualifying capital investment of \$3,250,000 or appropriate bonding from the County will be required.

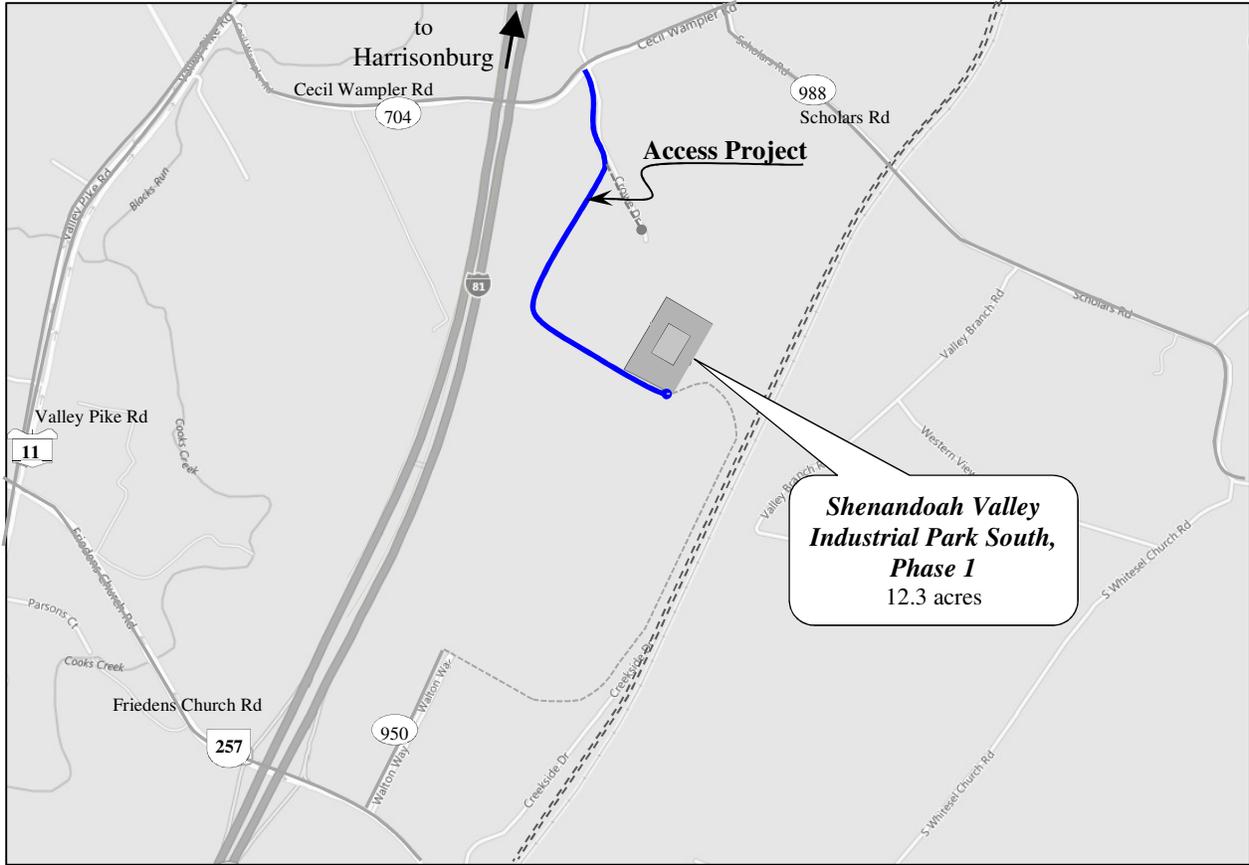
Recommendation: VDOT recommends the maximum allocation of \$650,000 (\$500,000 unmatched and \$150,000 matched) from the Economic Development, Airport and Rail Access Fund be approved for construction of this project, subject to certain contingencies as set forth in the accompanying resolution.

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 Rockingham will proceed with the Economic Development Access road project.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None



Proposed Economic Development Access Project
Shenandoah Valley Industrial Park, Phase 1
Project ECON-082-883
Rockingham County

Economic Development Facility / Site

Initial development on 12.3 acres, to include
 118,500 square-foot cold storage
 distribution facility

Access Road Project

Project Length: 0.76 mile
 Pavement Width: 36 feet
 R/W Width: 60 feet
 Estimated Cost: \$1.5 million
 Proposed Allocation: \$650,000 (bonded)
 \$500,000 unmatched, \$150,000 matched



ROCKINGHAM COUNTY

BOARD OF SUPERVISORS
PABLO CUEVAS
SALLIE WOLFE-GARRISON
RICK L. CHANDLER
WILLIAM B. KYGER, JR.
MICHAEL A. BREEDEN

RESOLUTION
BONDED PROJECT

WHEREAS, Rockingham County desires to assist in the development of Shenandoah Valley Industrial Park South for the purpose of economic development located off of Cecil Wampler Road (Route 704) in the County; and

WHEREAS, this property is expected to be the site of a 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 Cecil Wampler Road; and

WHEREAS, the County 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 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 hereby guarantees that all ineligible project costs and all costs not justified by eligible capital outlay will be provided from sources other than those administered by the Virginia Department of Transportation; and

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

WHEREAS, the County 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 Rockingham 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 Rockingham 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 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 number 138-(A)- L14 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 or his designee be authorized to act on behalf of the Board of Supervisors to execute any and all documents necessary to secure the funding in the maximum amount eligible under the Economic Development Access Program; and

BE IT FURTHER RESOLVED, the Rockingham 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.

Adopted this 23rd day of May, 2018

[Signature of Pablo Cuevas]
Pablo Cuevas, Chairman

ATTEST:

[Signature of Stephen G. King]
Stephen G. King, Clerk