



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Aubrey L. Layne, Jr.
Chairman

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Agenda Item #8

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

February 16, 2017

MOTION

Made By: Mr. Yates, Seconded By: Ms. Valentine
Action: Motion Carried, Unanimously

Title: Economic Development Access to
Mill Place Commerce Park
Project ECON-007-978, M501 Augusta 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 Augusta County Board of Supervisors has, by appropriate resolution, requested Economic Development Access Program funds to serve eligible property within the development of Mill Place Commerce Park, off of Route 901 (Mill Place Parkway) and said access is estimated to cost approximately \$250,000; and

WHEREAS, it appears that this request falls within 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 \$250,000 of the Economic Development, Airport and Rail Access Fund is allocated to provide adequate access to eligible

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Economic Development Access Program – Mill Place Commerce Park – Augusta County
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property within Mill Place Commerce Park, located off of Route 901 (Mill Place Parkway),
Project ECON-007-978, M501, 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 Augusta (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 \$1,250,000 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 March 16, 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 February 16, 2022, at least \$1,250,000 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 \$1,250,000 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 – Augusta County Mill Place Commerce Park

Issue: Pursuant to § 33.2-1509 of the *Code of Virginia* and the Economic Development Access Policy of the Commonwealth Transportation Board (CTB), the Augusta 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 Mill Place Commerce Park. 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 December 7, 2016 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).

Augusta County plans to develop within its 400-acre Mill Place Commerce Park, located in Verona, off of Laurel Hill Road. The property does not have adequate, unrestricted access to a public road system. The County proposes to construct a new roadway extending from Route 901, and continuing eastward to the proposed entrance of the site development. Augusta County finalized plans with warehouse company InterChange Group to build the 108,000 square-foot warehouse facility on a 7-acre parcel. Following the County's resolution in request of the project, InterChange Group finalized its negotiations with Sumitomo Drive Technologies which plans to lease a 72,000 new gear assembly facility on the subject 7-acre site. Augusta County will administer design and construction of the proposed access road project.

The proposed access road is planned to provide for a 26-foot wide asphalt roadway with curb and gutter and sidewalks within a 50-foot right of way, extending from Route 901 (Mill Place Parkway) and continuing east approximately 0.15 mile in length to provide appropriate and adequate access to the planned operation's entrance. VDOT District staff recommends the project and have estimated project costs for eligible items and quantities to be \$250,000. Augusta County will be responsible for financial arrangements to provide for all project costs exceeding the state EDA Program allocation. Documentation of qualifying capital investments of \$1,250,000 or receipt of appropriate bonding from the County will be required.

CTB Decision Brief

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Recommendations: VDOT recommends that the maximum allocation of \$250,000 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* 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 Dinwiddie will proceed with the Economic Development Access road project.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None



At a regularly scheduled meeting of the Augusta County Board of Supervisors held on December 14, 2016, the following resolution was approved:

RESOLUTION

WHEREAS, the Augusta County Board of Supervisors desires to develop property for the purpose of economic development use located off of Mill Place Parkway Route #901 in the County of Augusta, Virginia, for the purpose of economic development within the Mill Place Commerce Park; 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 existing public road network does not provide for adequate access to this property and an access road improvement project is necessary and

WHEREAS, the County of Augusta 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 Augusta 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 Augusta 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.

NOW, THEREFORE, BE IT RESOLVED, that the Augusta 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 Augusta County Board of Supervisors hereby agrees that the improvements so constructed will be added to and become a part of the secondary system of state highways and

BE IT FURTHER RESOLVED that the Augusta County Board of Supervisors hereby agrees to provide advance funding for the project and will request reimbursement from the Virginia Department of Transportation when the project is completed.

Recorded Vote
Moved By:
Seconded By:
Yeas:
Nays:
Absent:

Coleman
Kelley
6
0
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A Copy Teste:



Carolyn S. Bragg, Chairman
Augusta County
Board of Supervisors



Proposed Economic Development Access Project
Mill Place Commerce Park
Project ECON-007-978, M501
Augusta County

Economic Development Facility / Site

Development, on 7.125 acres, of 72,000 square-foot manufacturing facility for production of machinery used in coal mining, pulp and paper industry

Anticipated Investment: \$6 million

Employment: 33 current and 15 new

Access Road Project

Project Length: 0.15 mile

Pavement Width: 26 feet

R/W Width: 50 feet

Estimated Cost: \$250,000

Proposed Allocation: \$250,000