



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Aubrey L. Layne, Jr.
Chairman

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Richmond, Virginia 23219

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Agenda Item: 12

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

June 20, 2017

MOTION

Made By: Mr. Brown, Seconded By: Mr. Rosen
Action: Motion Carried

Title: Economic Development Access to
Dollar Tree, Inc.
Project ECON-131-849 – City of Chesapeake

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 Chesapeake City Council has, by appropriate resolution, requested Economic Development Access Program funds to serve Dollar Tree, Inc., off of Volvo Parkway and Executive Boulevard and said access is estimated to cost \$965,000; 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 \$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 Dollar Tree, Inc., located off of Volvo Parkway and Executive Boulevard, Project ECON-131-849, 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 City of Chesapeake (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 to VDOT 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, not to expire before July 21, 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 June 21, 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 – City of Chesapeake Dollar Tree, 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 Chesapeake City Council has requested funds from the Economic Development Access (EDA) Program to assist in constructing road access to Dollar Tree, Inc. to be located off of Volvo Parkway and Executive Boulevard. 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 (Guide) administered by the Local Assistance Division of the Virginia Department of Transportation (VDOT).

Dollar Tree has announced its expansion plans to develop its corporate headquarters on 70 acres off of Volvo Parkway and Executive Boulevard. The Dollar Tree facility is expected to result in an investment of \$110 million, retain 825 jobs and create 600 more. The Economic Development Partnership has determined that the Dollar Tree, Inc. facility is a qualifying establishment, warranting the use of Economic Development Access Program funds. The property does not currently have adequate access to accommodate the traffic to be generated by this development. The City of Chesapeake will administer design and construction of the proposed access improvement project.

The City's plans for the proposed access project will provide for approximately 0.32 mile long new asphalt roadway with curb and gutter and sidewalk. Roadway width will vary between 24 and 60 feet within 33 to 81 feet wide right of way. The varying widths will allow for turn lanes at the proposed intersections of the new road with Volvo Parkway and Executive Boulevard and for on-street parking in compliance with urban local road standards. Ingress and egress access points at Volvo Parkway and Executive Boulevard will relieve congestion anticipated by the employee traffic generated by the facility. VDOT Hampton Roads District staff concurs in the plans for the project and the \$965,000 estimate for eligible items and quantities for this work. The estimate exceeds the maximum allocation under the EDA Program and the City of Chesapeake 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 City will be required prior to funding authorization.

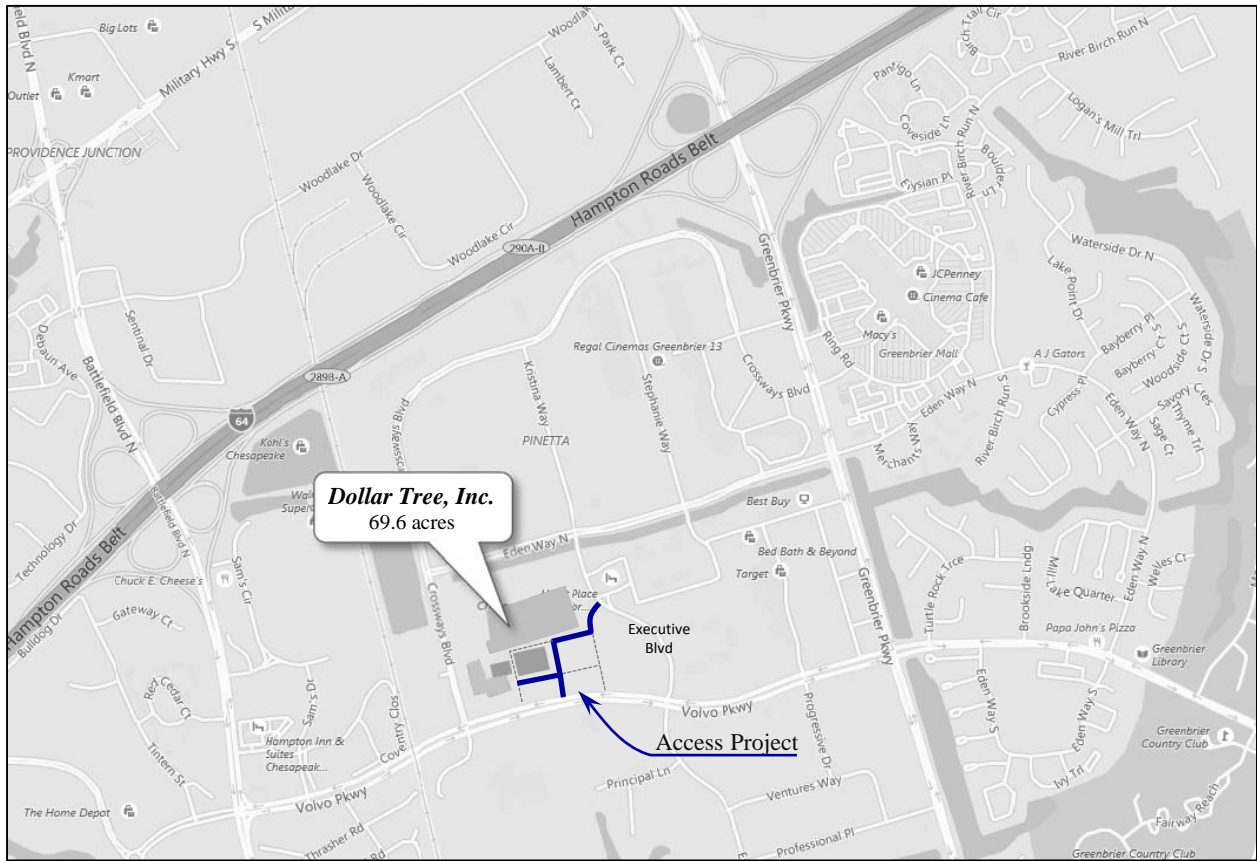
Recommendations: VDOT recommends that the maximum allocation of \$650,000 (\$500,000 unmatched and \$150,000 matched) from the Economic Development, Airport and Rail Access Fund be approved for construction of this project, subject to certain contingencies as set forth in the accompanying resolution.

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 City of Chesapeake will proceed with the Economic Development Access road project.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None



PROPOSED ECONOMIC DEVELOPMENT ACCESS PROJECT
Dollar Tree, Inc.
Project ECON-131-849
City of Chesapeake

Economic Development Facility / Site

Development on 69.59 acres of discount variety store headquarters and store support center.

Anticipated Traffic: 5,200 vpd

Capital Investment: \$110 million

Employment: 600 (new) & 825 (retained)

Access Project

Length: 0.324 mile

Pavement Width: 24 – 60 feet variable

R/W Width: 81- 33 feet variable

Estimated Cost: \$965,000

Proposed Allocation: \$650,000
 (\$500,000 unmatched, \$150,000 matched)

RESOLUTION TO REQUEST FUNDING THROUGH THE COMMONWEALTH OF VIRGINIA'S ECONOMIC DEVELOPMENT, AIRPORT AND RAIL ACCESS FUND PROGRAM FOR ACCESS ROAD IMPROVEMENTS TO VOLVO PARKWAY AND EXECUTIVE BOULEVARD; AUTHORIZING THE CITY MANAGER TO EXECUTE DOCUMENTS RELATED TO SUCH GRANT; AND ADDING SUCH NEW PUBLIC ROADWAYS TO THE URBAN MAINTENANCE INVENTORY.

WHEREAS, the City of Chesapeake and the Economic Development Authority of the City of Chesapeake desire to assist in the development of property for the purpose of economic development located off of Volvo Parkway and Executive Boulevard in the Dollar Tree Corporate Headquarters in the Greenbrier area of the City of Chesapeake; and

WHEREAS, Dollar Tree Distribution, Inc. and Dollar Tree Properties, Inc. (wholly owned subsidiaries of Dollar Tree, Inc.) own property located in the City and have entered into a Development Agreement the City of Chesapeake, the Economic Development Authority of the City of Chesapeake, and with Dollar Tree, Inc. (Dollar Tree), to expand Dollar Tree's corporate headquarters on that property; and

WHEREAS, this expanded development is expected to involve new private capital investment in land, building, and equipment of approximately \$110,000,000, and Dollar Tree, is expected to employ at least 600 additional persons at this facility; and

WHEREAS, operations are expected to begin at this newly expanded facility on or about August, 2018; and

WHEREAS, the existing public road network does not provide for adequate access to this property, and it is deemed necessary that new access roads be made connecting to Volvo Parkway and Executive Boulevard as shown in Exhibit 1 attached hereto;

WHEREAS, the City of Chesapeake hereby agrees to assist the Virginia Department of Transportation (VDOT) with the necessary environmental analysis, mitigation, fee simple right of way and utility relocations or adjustments, if necessary, for this project and these items of

work will be provided at no cost to VDOT's Economic Development, Airport and Rail Access Fund (Access Fund); and

WHEREAS, the City of Chesapeake acknowledges that no further land disturbance activities may occur within the limits of the public access roads for proposed access project prior to appropriate notification from VDOT as a condition of the use of the Access Fund; and

WHEREAS, the City of Chesapeake acknowledges that no reimbursement shall be authorized for expenses incurred on any work covered by the Access Fund prior to approval of the City's application by the Commonwealth Transportation Board (CTB); and

WHEREAS, the City of Chesapeake hereby acknowledges that the Economic Development Access Program (EDA Program) may provide up to a maximum of \$650,000 for a project and requires matching funding of up to \$150,000 from the City of Chesapeake, for estimated eligible project costs over \$500,000, up to \$800,000; and

WHEREAS, the City of Chesapeake hereby guarantees that all ineligible project costs, project costs exceeding the EDA Program project allocation, EDA required locality matching funds, and all costs not justified by eligible capital outlay will be provided from sources other than those administered by VDOT.

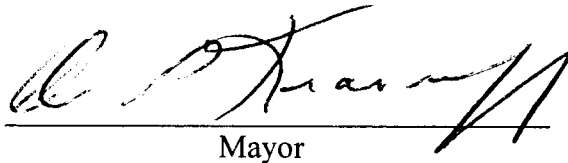
NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Chesapeake, Virginia, hereby requests that the CTB provide EDA Program funding to provide adequate access to this property; and

BE IT FURTHER RESOLVED that the City Manager of the City of Chesapeake and/or his designee be authorized to act on behalf of the City of Chesapeake to execute any and all documents as may be approved by the City Attorney and necessary to secure funding through the EDA Program up to the maximum amount of funding eligible under the EDA Program; and

BE IT FURTHER RESOLVED that the City of Chesapeake will request that the new roadways so constructed be added to receive maintenance payments in accordance with the provisions of Section 33.2-319 of the Code of Virginia as amended, and such request for street additions for municipal assistance payments will be submitted, together with a copy of this resolution and such maps and other documents as may be necessary in the manner prescribed by VDOT.


ADOPTED by the Council of the City of Chesapeake, Virginia, this 18th day of April, 2017.

APPROVED:




Mayor

ATTEST:



Clerk of the Council

TRUE COPY
 **CITY CLERK**

EDEN WAY NORTH

AREA SUMMARY

PRIVATE ROAD	PUBLIC ROAD
+/- 20,270 SF	+/- 106,000 SF
+/- 750 LF	+/- 2,580 LF

GROSSWAYS BLVD.

EXECUTIVE BLVD.

EXISTING DISTRIBUTION CENTER

TOWER

EXISTING HQ

GARAGE

ROAD E

ROAD E

ROAD A

ROAD B

ROAD C

ROAD D

ROAD D

VOLVO PARKWAY



N.T.S

Kimley»Horn

Dollar Tree Corp. HQ
PREPARED FOR
Dollar Tree Stores, Inc.

KHA PROJECT
116586000

EXHIBIT 1

SHEET
NUMBER

© 2016 KIMLEY-HORN AND ASSOCIATES, INC.
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PHONE: 757-213-8800 FAX: 757-213-8801
WWW.KIMLEY-HORN.COM

In my capacity as the duly appointed Clerk of the City of Chesapeake, I hereby certify that Resolution # _____ which is hereto attached, was adopted at a duly called and constituted meeting of the City of Chesapeake, held at City Council Chambers, 306 Cedar Road, Chesapeake, Virginia, on April 18, 2017. Said meeting was called to order by Mayor Alex Krusewicz at 6:30 p.m. with the following additional City Council members present who remained in attendance throughout and constituted a quorum:

Council Member Lonnie Craig

Council Member Suzy Kelly

Council Member Roland Davis

Council Member Debbie Ritter

Council Member John de Triquet

Council Member Ella Ward

Council Member Robert Ike

Vice Mayor Rick West

Given under my hand this 24th day of April, 2017.

Sandy Madison
Clerk of the Council

STATE OF VIRGINIA
CITY OF CHESAPEAKE

Attested Photocopy:

On this 24 day of April, 2017, I, Sandy Madison, attest that the preceding document is a true, exact, complete, and unaltered photocopy made by me of Resolution # _____.

Sandy Madison
Clerk of the Council