



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Aubrey L. Layne, Jr.
Chairman

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Richmond, Virginia 23219

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Agenda item # 11

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

September 20, 2017

MOTION

Made By: Mr. Whitworth, Seconded By: Mr. Stinson

Action: Motion Carried, Unanimously

**Title: Economic Development Access to
Patriot Centre at Beaver Creek, Lot 12 (deallocation)
Project ECON-044-036, M501 – UPC 107728
Henry County**

WHEREAS, Section 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

WHEREAS, on June 17, 2015, the Commonwealth Transportation Board allocated \$650,000 from the Economic Development, Airport and Rail Access Fund to provide access to Lot 12 in the Patriot Centre at Beaver Creek, in Henry County, Project ECON-044-036, M501 – UPC 107728, subject to certain contingencies; and

WHEREAS, Henry County has acknowledged to VDOT that the approved project intended for a prospective business establishment is no longer being pursued under the Economic Development Access Program and has agreed to cancellation of the project; and

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WHEREAS, it is deemed that the administration of the Economic Development Access Program can best be served by the return of the approved allocation to the Economic Development, Airport and Rail Access Fund.

NOW, THEREFORE, BE IT RESOLVED, that the action of the Commonwealth Transportation Board on June 17, 2015, allocating Economic Development, Airport and Rail Access funds for the access Project ECON-044-036, M501 – UPC 107728, is hereby rescinded and the \$650,000 project allocation shall be returned to the Economic Development, Airport, and Rail Access Fund.

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CTB Decision Brief

Economic Development Access – Henry County Patriot Centre at Beaver Creek, Lot 12 – De-allocation of Funds

Issue: Economic Development Access Program funds previously allocated for a project to access developments of eligible property within Patriot Centre at Beaver Creek, Lot 12 is no longer needed because Henry County's plans for development did not proceed as anticipated. The County has stated to the Virginia Department of Transportation (VDOT) that the previously planned and approved access road project is no longer viable and therefore the funding will not be utilized.

Facts: Section 33.2-1509 of the *Code of Virginia* provides for the Commonwealth Transportation Board (CTB) to expend funds set aside for constructing access roads to economic development sites on which certain establishments as prescribed or other establishments that meet the basic employer criteria as determined by the Virginia Economic Development Partnership in consultation with the Virginia Department of Business Assistance will be built under firm contract or are already constructed.

The Henry County Board of Supervisors requested funding from the Economic Development Access Program to assist in providing road access to eligible property within the Patriot Centre at Beaver Creek. On June 17, 2015, the CTB allocated \$650,000 of the Economic Development, Airport, and Rail Access Fund for Project ECON-044-036, M501 to assist the County in this development. Henry County has acknowledged that its plans for the development and the project are no longer viable and the project may be cancelled. The access road project was not constructed or initiated, and no charges have been made against the project's Economic Development Access Program allocation.

Recommendations: VDOT staff recommends that Project ECON-044-036, M501 be cancelled and that the \$650,000 allocation for the project be returned to the Economic Development, Airport and Rail Access Fund in order that the funds may be made available for new projects.

Action Required by the CTB: The *Code of Virginia* and the CTB's Economic Development (formerly, Industrial) Access Policy specifies that the CTB shall approve the allocation of funds for the construction of access road projects. Having established the Patriot Centre at Beaver Creek, Lot 12 access road project and allocated funding by resolution on June 17, 2015, it is now recommended that the CTB rescind its original action for the project. The June 17, 2015 resolution is also attached for reference.

Result, if Approved: The \$650,000 total allocated to this project will be returned to the Economic Development, Airport and Rail Access Fund and made available for allocation to new projects.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None

County of Henry

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Fax (276) 634-4781

July 14, 2017

Lisa Hughes, Resident Engineer
VDOT
309 Weeping Willow Drive
Bassett, VA 24055



Dear Lisa:

In 2015 Henry County pursued and was granted Economic Development Assistance funding from the Virginia Department of Transportation for "Project Mercury" at the County's Patriot Centre business park.

However, Project Mercury is no longer a viable project for us to pursue. Therefore I am writing you to request that the EDA funding for that project be deallocated.

Thank you for your assistance in this matter. Please contact me with questions. Thanks.

Cordially,

Tim Hall
County Administrator

Cc: Tim Pace
Mark Heath



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Agenda Item# 8

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

June 17, 2015

MOTION

Made By: Mr. Rosen, Seconded By: Mr. Whitworth

Action: Motion Carried, Unanimously

**Title: Economic Development Access to
Patriot Centre at Beaver Creek, Lot 12
Project ECON-044-036.M501, Henry 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 ..." or, "in the event there is no such establishment ..., 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 Henry County Board of Supervisors has, by appropriate resolution, requested Economic Development Access Program funds to serve eligible property within the continued development of Henry County's Patriot Centre at Beaver Creek, off Route 1181, and said access is estimated to cost \$800,000; 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, \$150,000 matched) of the Economic Development, Airport and Rail Access Fund be allocated to provide adequate access to eligible property within the Patriot Centre at Beaver Creek, located off of Route 1181, Project ECON-044-036,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 Henry (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 an appropriate bond or other acceptable surety device by the LOCALITY to VDOT, not to expire before September 17, 2020, 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 17, 2020, at least \$3,250,000 of eligible capital outlay on parcels 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
 - d. Provision of the required matching funds, up to \$150,000, by the LOCALITY for appropriately documented eligible project costs; 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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