



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Shannon Valentine
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

(804) 786-2701
Fax: (804) 786-2940

Agenda Item # 6

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

December 5, 2018

MOTION

Made By: Mr. Whitworth, Seconded By: Mr. Dodson
Action: Motion Carried, Unanimously

Title: Economic Development Access to
Buena Vista Industrial Park
Project ECON-103-240 – City of Buena Vista

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 Buena Vista City Council has, by appropriate resolution, requested Economic Development Access Program funds to serve Columbia Gas of Virginia, Inc. to be located within the Buena Vista Industrial Park property, located off of South Magnolia Avenue (U.S. Highway 501) and said access is estimated to cost approximately \$357,000; 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 (CTB) policy on Economic Development Access.

NOW, THEREFORE, BE IT RESOLVED, that \$357,000 of the Economic Development, Airport and Rail Access Fund is allocated to provide adequate access to Columbia Gas of Virginia, Inc. within Buena Vista Industrial Park, located off of South Magnolia Avenue (U.S. Highway 501), Project ECON-103-240, 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 Buena Vista (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 \$1,785,000 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 January 5, 2024, 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 January 5, 2024, at least \$1,785,000 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 \$1,785,000 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.

#####

CTB Decision Brief

Economic Development Access – City of Buena Vista Columbia Gas of Virginia, 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 Buena Vista City Council has requested funds from the Economic Development Access (EDA) Program to assist in constructing road access to Columbia Glass of Virginia, Inc. for its development within the Buena Vista Industrial 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.

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).

Columbia Gas of Virginia plans to construct a Mobile Operating Deployment Facility to act as a regional base to manage transmission infrastructure on a 6.46-acre parcel, located off of South Magnolia Avenue (Route 501). The Columbia Gas facility is expected to result in an investment of \$3.4 million and will provide 10 employee jobs. The Economic Development Partnership has determined that the Columbia Gas facility operation is a qualifying business establishment warranting the use of Economic Development Access Program funds. The property does not currently have public access. The City of Buena Vista will administer design and construction of the proposed access road project.

The City's plans for the proposed access road will provide for a 24-foot wide asphalt roadway to include shoulder and ditches, within 50 feet of right of way, extending northwest from Route 501 (South Magnolia Avenue) approximately 0.13 mile in length to provide adequate access to the parcel on which Columbia Gas of Virginia will develop. VDOT Staunton District staff concurs with the plans for the project and with the estimated project cost for eligible items and quantities of \$357,000. The City of Buena Vista will be responsible for all project costs exceeding the state EDA Program allocation. Qualifying capital investment of \$1,785,000 or provision of appropriate surety from the City of Buena Vista will be required prior to funding authorization.

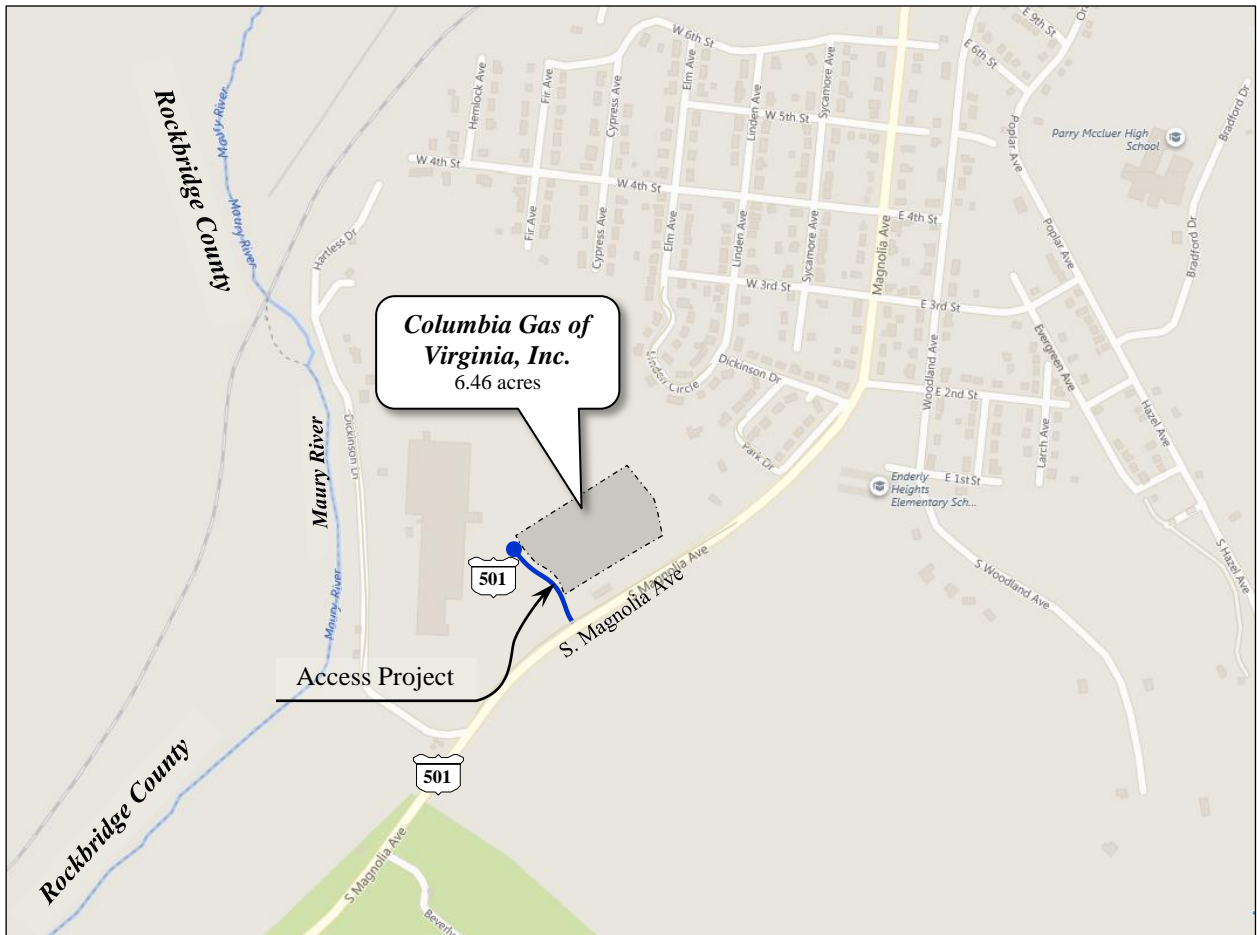
Recommendation: VDOT recommends an allocation of \$357,000 from the Economic Development, Airport and Rail Access Fund be approved for construction of this project, subject to certain contingencies as set forth in the accompanying resolution.

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

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None



PROPOSED ECONOMIC DEVELOPMENT ACCESS PROJECT
Columbia Gas of Virginia, Inc.
Project ECON-103-240
City of Buena Vista

Economic Development Facility / Site

Development on approximately 6.46 acres to include construction of proposed 8,000 square-foot mobile operating deployment facility.

Anticipated Traffic: 131 vpd / 20 trucks

Capital Investment: \$3.4 million

Employment: 10

Access Project

Length: 0.135 mile

Pavement Width: 24 feet

R/W Width: 50 feet

Estimated Cost: \$357,000

Proposed Allocation: \$357,000

RESOLUTION

At a regularly scheduled meeting of the Buena Vista City Council held on Thursday, November 1, 2018, on a motion by Councilman Henson, seconded by Councilman Coffey, the following resolution was adopted by a vote of 7 to 0:

WHEREAS, the City of Buena Vista desires to assist in the development of property for the purpose of economic development located off of South Magnolia Avenue (U.S. Highway 501) in the City of Buena Vista, Virginia, within the Buena Vista Industrial Park; and

WHEREAS, Columbia Gas of Virginia, Inc. is expected to enter into a long-term lease agreement to run its planned operations on property within the Buena Vista Industrial Park for the purpose of constructing a Mobile Operating Deployment Facility; and

WHEREAS, this new facility is expected to involve new private capital investment in land, building, and equipment of approximately \$3.4 million and Columbia Gas of Virginia, Inc. is expected to employ 10 persons at this facility; and

WHEREAS, operations are expected to begin at this new facility on or about December 1, 2019; 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 South Magnolia Avenue (U.S. Highway 501); and

WHEREAS, the City of Buena Vista hereby guarantees that the necessary environmental analysis, mitigation, and fee simple right of way and utility relocations or adjustments for this improvement, if necessary, will be provided at no cost to the Economic Development, Airport and Rail Access Fund; and

WHEREAS, the City of Buena Vista 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 City of Buena Vista 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 City of Buena Vista, for estimated eligible project costs over \$500,000, up to \$800,000.

WHEREAS, the City of Buena Vista 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 will be provided from sources other than those administered by the Virginia Department of Transportation.


NOW, THEREFORE, BE IT RESOLVED THAT: The Buena Vista City Council hereby requests that the Commonwealth Transportation Board provide Economic Development Access Program funding to provide adequate road access to the planned Columbia Gas of Virginia, Inc. facility operation on property within the Buena Vista Industrial Park;

BE IT FURTHER RESOLVED THAT: The City Manager and/or his designee(s) is authorized to act on behalf of the Buena Vista City Council to execute any and all documents necessary to secure the funding sought through the Economic Development Access Program up to the maximum amount of funding eligible under the Economic Development Access Program; and

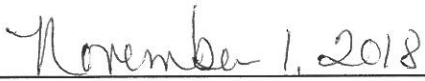
BE IT FURTHER RESOLVED THAT: The City of Buena Vista will request the new roadway, so constructed, to be added to receive maintenance payments in accordance with the provisions of Section §33.2-319 of the *Code of Virginia*, and such request for street additions for municipal assistance payments will be submitted, together with a copy of this resolution and such maps and other documents as may be necessary in the manner prescribed by the Department.



Bill Fitzgerald, Mayor
City of Buena Vista

Attest: 

Dawn Wheeler, Clerk of the Council
City of Buena Vista



Date: