



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 # 2

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

July 18, 2018

MOTION

Made By: Mr. Connors, Seconded By: Mr. Kasprovicz
Action: Motion Carried

Title: Economic Development Access to
Holiday Property
Project ECON-088-717 – Spotsylvania 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 Spotsylvania County Board of Supervisors has, by appropriate resolution, requested Economic Development Access Program funds to serve eligible property within the planned development of the Holiday property, located southeast of the City of Fredericksburg, off of Pierson Drive (Route 1504) and said access is estimated to cost approximately \$854,000; 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 \$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 Holiday property development, located off of Pierson Drive (Route 1504), Project ECON-088-717, 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 Spotsylvania (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 – Spotsylvania County Holiday Property

Issue: Pursuant to § 33.2-1509 of the *Code of Virginia* and the Economic Development Access Policy of the Commonwealth Transportation Board (CTB), the Spotsylvania 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 the Holiday property development. 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).

Spotsylvania County plans to develop seven parcels totaling approximately 48 acres, located off of Pierson Drive (Route 1504), southeast of the City of Fredericksburg. The property does not currently have public access. Spotsylvania 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 Spotsylvania 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 30-foot wide asphalt roadway with curb and gutter, within 50 feet of right of way, extending southwest from Route 1504 (Pierson Drive) approximately 0.25 mile in length to provide adequate access to eligible parcels identified within the development. VDOT Fredericksburg District staff concurs with the plans for the project and with the estimated project cost for eligible items and quantities of \$854,000, exceeding the maximum EDA allocation. Spotsylvania County 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. Qualifying capital investment of \$3,250,000 or provision of an appropriate surety from the County will be required.

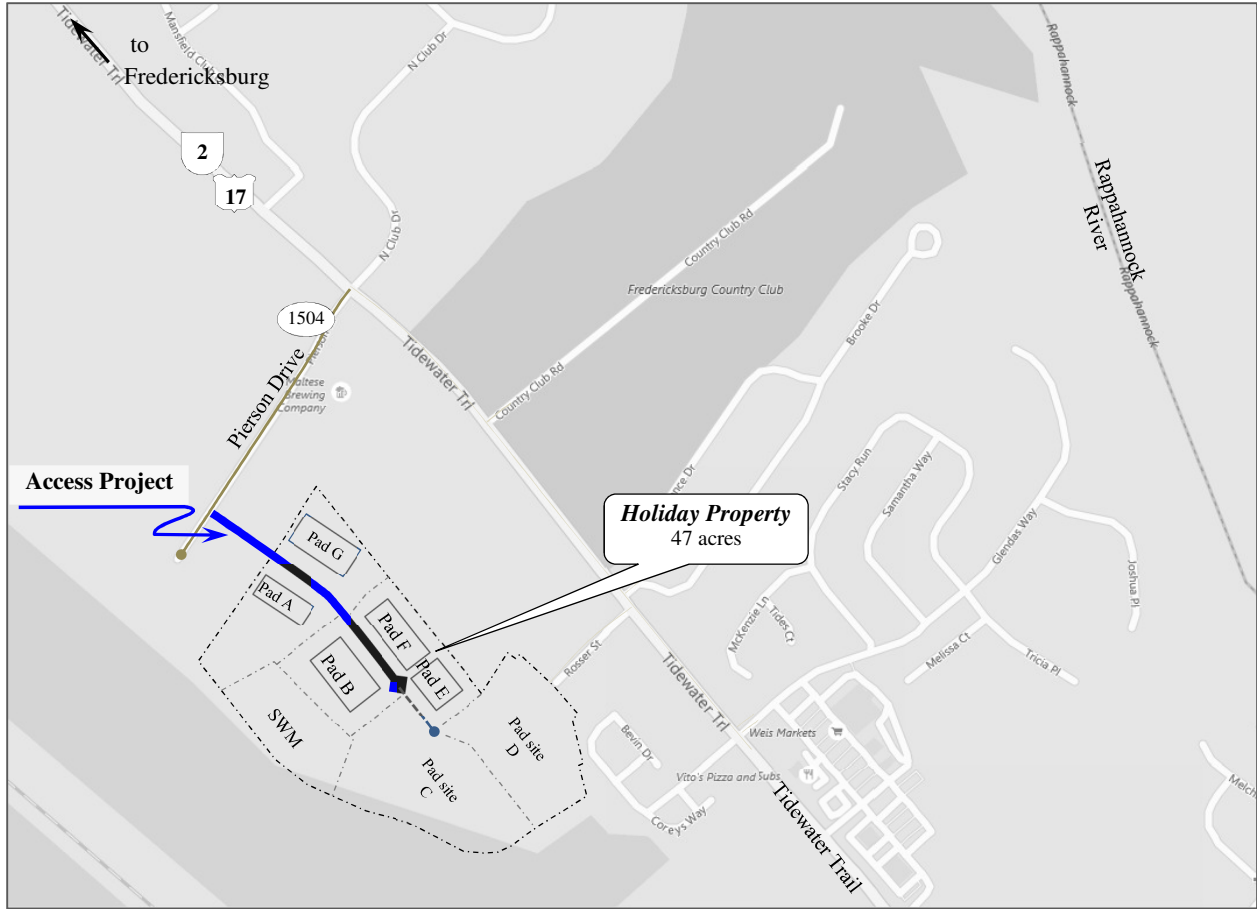
Recommendation: VDOT recommends the maximum allocation of \$650,000 (\$500,000 unmatched and \$150,000 matched) from the Economic Development, Airport and Rail Access Fund be approved for construction of this project, subject to certain contingencies as set forth in the accompanying resolution.

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 Spotsylvania will proceed with the Economic Development Access road project.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None



PROPOSED ECONOMIC DEVELOPMENT ACCESS PROJECT
Holiday Property
Project ECON-088-717
Spotsylvania County

Economic Development Facility / Site
 Initial development of 5 parcels within
 approximate 47-acre tract

Access Project
 Length: 0.25 mile
 Pavement Width: 30 feet
 R/W Width: 50 feet
 Estimated Cost: \$854,000
 Proposed Allocation: \$650,000
 (\$500,000 unmatched, \$150,000 matched)