



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

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Agenda item # 11

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

June 21, 2022

MOTION

Made By: Mr. Stant **Seconded By:** Mr. Coleman
Action: Motion carried, unanimously

**Title: Economic Development Access to
Virginia Port Logistics Park, off Holland Rd.
Project ECON-133-483 – City of Suffolk**

WHEREAS, § 33.2-1509 of the *Code of Virginia* provides funds 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 City of Suffolk by formal resolution has requested Economic Development Access (EDA) Program funds to serve Virginia Port Logistics Park, which is located off Holland Road (US Highway 58) without public access, and said access is estimated to cost approximately \$721,000; 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 EDA Fund Policy and the Economic Development Access Program guide.

NOW, THEREFORE, BE IT RESOLVED, that \$710,500 (\$700,000 unmatched and \$10,500 matched) of the Economic Development, Airport and Rail Access Fund is allocated to provide adequate access to Virginia Port Logistics Park on eligible property off Holland Road, Project ECON-133-483, 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 Suffolk (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 \$2,842,000 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 June 21, 2027, 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, 2027, at least \$2,842,000 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 \$2,842,000 will be credited toward the project's EDA 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 EDA Program.

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CTB Decision Brief

Economic Development Access – City of Suffolk Virginia Port Logistics Park

Issue: Pursuant to § 33.2-1509 of the *Code of Virginia* and the Economic Development Access EDA Fund Policy of the Commonwealth Transportation Board (CTB), the City of Suffolk has requested funds from the EDA Program to assist in constructing road access to eligible property located in Virginia Port Logistics Park off Holland Road (US Highway 58). Allocation of the requested funds by the CTB is sought.

Facts: Section 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 (VEDP) will be built under firm contract or are already constructed. In the event that 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 EDA Fund 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 such 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). The Policy stipulates that the governing body of the locality shall provide a resolution in request of the EDA Program funding prior to the Board's allocation of funds.

The VEDP has determined that Virginia Port Logistics Park is a qualifying site that warrants the use of EDA Program funds. The site which the development will be locating on does not currently have adequate public access and an extension of Enterprise Drive will be constructed to accommodate the development. The City of Suffolk will administer the design and construction of the proposed access road project.

The City of Suffolk's plans for the proposed access road include a 900-foot long, 40-foot wide asphalt roadway with curb, gutter and sidewalk, beginning at the current end of Enterprise Drive, extending North West approximately 0.17-miles in length with 60 feet of right of way. VDOT Hampton Roads District staff concurs with the plans for the project and with the estimated project cost for eligible items and quantities of approximately \$721,000. The City of Suffolk 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 investment of \$2,842,000, or provision of appropriate surety from the City will be required prior to funding authorization.

Recommendation: VDOT recommends the allocation of \$710,500 (\$700,000 unmatched and \$10,500 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.

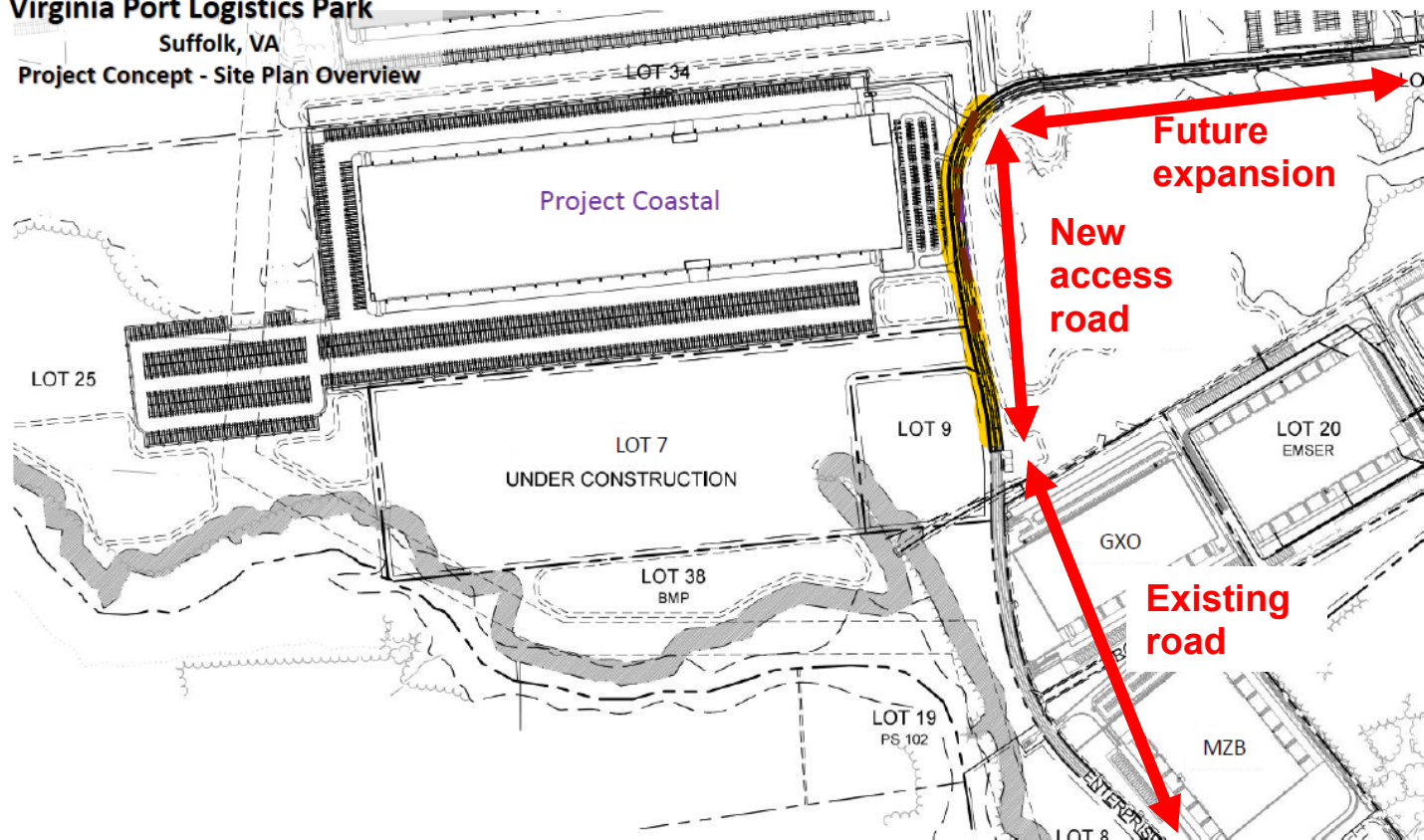
Action Required by the CTB: The *Code of Virginia*, the Virginia Administrative Code, and the CTB’s EDA Fund Policy specify that the CTB shall approve of the allocation of funds for the construction of the access road project. A resolution is provided for formal vote.

Result, if Approved: VDOT and the City of Suffolk will proceed with the EDA road project.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None

Virginia Port Logistics Park
Suffolk, VA
Project Concept - Site Plan Overview



PROPOSED ECONOMIC DEVELOPMENT ACCESS PROJECT

Virginia Port Logistics Park
Project ECON-133-483
City of Suffolk

Economic Development Facility / Site

Extension of Enterprise Drive into Virginia Port Logistics Park that will provide access to a 1.5 million square foot import center.

Anticipated Traffic: 3,760 vpd

Access road project

Project Length: 0.17 miles

Pavement Width: 40 feet

R/W Width: 60 feet

Estimated Cost: \$721,000

Proposed Allocation: \$710,500

(\$700,000 unmatched, \$10,500 matched)