



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

1401 East Broad Street
Richmond, Virginia 23219

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Agenda item # 5

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

January 16, 2024

MOTION

Made By: Ms. Sellers **Seconded By:** Mr. Yates

Action: Motion Carried, Unanimously

**Title: Economic Development Access
for Ruther Glen Road
Project ECON-016-661 – Caroline County**

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 Commonwealth Transportation Board’s Economic Development Access Fund Policy makes special provision for allocation for Major Employment and Investment (MEI) projects identified by the Virginia Economic Development Partnership, including provision of a separate allocation for the design of plans for a qualifying project; and

WHEREAS, Caroline County by formal resolution has requested Economic Development Access (EDA) Program funds to design improvements to Ruther Glen Road (Route 652) and the said design is estimated to cost approximately \$450,000; 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 \$450,000 of the Economic Development, Airport and Rail Access Fund is allocated to design improvements to Ruther Glen Road, Project ECON-016-661, 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 Caroline County (LOCALITY) and the Virginia Department of Transportation (VDOT), to provide for the:
 - a. Plan design of this road construction 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 an appropriate bond or other acceptable surety device by the LOCALITY to VDOT, commencing prior to either direct VDOT expenditure of funds or to submission by the LOCALITY to VDOT for reimbursement of LOCALITY expenditures from the Economic Development, Airport and Rail Access Fund, and ending after VDOT approval of the design plans.

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CTB Decision Brief

Economic Development Access – Caroline County Ruther Glen Road

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), Caroline County has requested funds from the EDA Program to assist in improving road access to eligible property adjacent to Ruther Glen Road (Route 652). CTB approval for the 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) in consultation with the Virginia Department of Small Business and Supplier Diversity will be built under firm contract or are already constructed. In addition, the CTB's Economic Development Access Fund Policy makes special provision for design-only Access roadway allocations to localities for Major Employment and Investment (MEI) projects identified by VEDP.

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 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 confirmed its support in the development of World Class Distribution's (WCD) property as an MEI site. WCD will construct a 1.2 million square-foot warehouse, is projected to employ 745 people, and will invest \$275 million in Caroline County. Also, VEDP supports this project as it will improve access to the Thompson Industrial property, which can support the development of almost 1 million square-feet. In support of the industrial traffic volumes, the project includes the design of roadway widening and reconstruction along Ruther Glen Road, beginning at Carmel Church Loop and traveling South approximately 0.30-miles. In addition, the design includes turn lanes into the WCD and Thompson Industrial Properties.

Caroline County is requesting funding from the Economic Development Access Program to assist in the design of roadway improvements to Ruther Glen Road. Caroline County intends to administer the design of the proposed road project. The Caroline County Board of Supervisors agrees to provide a surety or bond in the amount of the estimated cost of the design of the access road prior to VDOT's authorization of Economic Development Access funds. Caroline 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.

Recommendation: VDOT recommends the allocation of \$450,000 from the Economic Development, Airport and Rail Access Fund be approved for design 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 Caroline County will proceed with the EDA road project.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None

September 20, 2023

Mr. Gary Wilson
Director of Economic Development
County of Caroline
23724 George Rogers Clark Boulevard
Ruther Glen, Virginia 22546

Dear Gary:

The Virginia Economic Development Partnership (VEDP) characterizes the World Class Distribution (WCD) property as a Major Employment and Investment (MEI) project site. The project is projected to employ 745 people and invest \$275 million. These job and investment numbers exceed the MEI requirement for the Economic Development Access Program.

In addition to the WCD property, this project will improve access to the Thompson Industrial property on Ruther Glen Road. This property can support the development of almost one million square feet, which will create more jobs and investment in the Commonwealth.

VEDP supports Caroline County's request for funding through the VDOT Economic Development Access Road Program.

Should you have any questions about our support, please don't hesitate to contact me.

Sincerely,



Jason El Koubi
President and CEO
Virginia Economic Development Partnership

Caroline County, Virginia

Board of Supervisors



Jeffrey S. Black
Western Caroline District

Clayton T. Forehand
Madison District

Nancy L. Long
Port Royal District

Jeffery M. Sili
Bowling Green District

Floyd W. Thomas
Mattaponi District

Reginald L. Underwood
Reedy Church District

Charles M. Culley, Jr.
County Administrator

Caroline County, VA



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RESOLUTION

REQUEST FOR COMMONWEALTH TRANSPORTATION BOARD ECONOMIC DEVELOPMENT ACCESS FUNDS

WHEREAS, the Caroline County Board of Supervisors desires to assist in the development of the World Class Distribution and the Thompson Industrial properties located off Ruther Glen Road for the purpose of economic development in Caroline County; and

WHEREAS, the World Class Distribution property is expected to be the site of new private capital investment in land, building, and manufacturing equipment which will provide substantial employment and has been designated as a Major Employment and Investment site by the Virginia Economic Development Partnership; and

WHEREAS, the existing public road network does not provide for adequate access to these properties and an access road improvement project is necessary; and

WHEREAS, the County of Caroline hereby guarantees that the necessary environmental analysis, mitigation, fee simple rights-of-way and utility relocations or adjustments, if necessary, for this project will be provided at no cost to the Economic Development, Airport and Rail Access Fund; and

WHEREAS, the County of Caroline 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 County of Caroline 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 County of Caroline for estimated eligible project costs over \$500,000, up to \$800,000; and

WHEREAS, the County of Caroline hereby guarantees that financing of all ineligible project costs, project costs exceeding the EDA Program project allocation, EDA Program

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required locality matching funds, if applicable, will be provided from sources other than those administered by the Virginia Department of Transportation;

NOW, THEREFORE, BE IT RESOLVED, that the Caroline County Board of Supervisors hereby requests the Commonwealth Transportation Board provide Economic Development Access Program funding for the design of an adequate access road to the World Class Distribution and Thompson Industrial properties; and

BE IT FURTHER RESOLVED, that the County of Caroline hereby agrees to provide a surety or bond, acceptable to and payable to the Virginia Department of Transportation, in the full amount of the Commonwealth Transportation Board's allocation, prior to the Department of Transportation's authorization of Economic Development Access funds; and

BE IT FURTHER RESOLVED, that the County Administrator and/or his designee(s) be authorized to act on behalf of the Board of Supervisors to execute any and all documents necessary to secure funding in the maximum amount eligible under the Economic Development Access Program.

Adopted this 16th day of November 2023.



Charles M. Culley, Jr.
Clerk to the Board



Floyd Thomas
Chairman