



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

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Agenda item # 17

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

July 16, 2024

MOTION

Made By: Mr. Stant, **Seconded By:** Mr. Coleman

Action: Motion Carried, Unanimously

**Title: Transportation Partnership Opportunity Fund Allocation to the City of
Suffolk for the Route 460 Road Improvement Project to Address the Transportation Needs
of the Port 460 Logistics Center Development**

WHEREAS, Chapter 847 of the 2005 Acts of Assembly created the Transportation Partnership Opportunity Fund (TPOF) to provide funds to address the transportation aspects of economic development opportunities; and

WHEREAS, Chapter 684 of the 2015 Acts of Assembly and Chapter 1230 of the 2020 Acts revised the TPOF, adding components of the Commonwealth Transportation Fund as a funding source and codifying the TPOF as § 33.2-1529.1 of the *Code of Virginia*; and

WHEREAS, Chapters 546 and 547 of the 2023 Acts of Assembly (Acts) amended § 33.2-1529.1, establishing a new statutory process:

1. Authorizing the Governor to direct funds from the TPOF to the Commonwealth Transportation Board (CTB) for transportation projects determined to be necessary to support major economic development initiatives or to enhance the economic development opportunities of the Commonwealth's transportation programs when recommended by the Secretary of Transportation and the Secretary of Commerce and Trade;

2. Expanding the uses of the TPOF to allow for property acquisition and new or improved infrastructure to support economic development opportunities of the Commonwealth's transportation programs; and
3. Requiring that if funds directed by the Governor are (i) in excess of \$5 million dollars, the Secretary of Transportation is to submit a report to the Chairmen of the Senate Committee on Finance and Appropriations and the House Committee on Appropriations within 30 days, and (ii) in excess of \$35 million dollars on any one project, the direction shall be submitted for review to the Major Employment and Investment Project Approval Commission for approval; and

WHEREAS, on June 21, 2023, the CTB approved revised TPOF Guidelines and Criteria, incorporating the changes to §33.2-1529.1, as amended by the Acts; and

WHEREAS, the Secretary of Transportation and the Secretary of Commerce and Trade have recommended that the Governor direct \$30.1 million from the TPOF to the CTB for allocation to the City of Suffolk for the Route 460 Road Improvement Project to support the Port 460 Logistics Center development; and

WHEREAS, to address the transportation needs of the Port 460 Logistics Center development opportunity, the City of Suffolk is proposing the widening and modernization of a 2.3 mile stretch of Route 460 from the Route 58 bypass to Lake Prince Drive as well as a diverging diamond intersection to serve the on/off ramps (Project). The total estimated cost of the Project is \$86,749,520; and

WHEREAS, the TPOF funds will be used by the City to complete the needed Right of Way acquisitions and Utility Relocations for the Project. The City has secured the funding for the Engineering and Design and has committed to funding the Construction of the Project; and

WHEREAS, this Project is vital to the future growth of the Port of Virginia and the economic growth of the City of Suffolk and Virginia as a whole; and

WHEREAS, the Governor has directed \$30.1 million from the TPOF to the CTB for allocation to the City of Suffolk to support this Project.

NOW THEREFORE, BE IT RESOLVED, by the Commonwealth Transportation Board, that the \$30.1 million in TPOF funding directed by the Governor is hereby allocated to the City of Suffolk for the Route 460 Road Improvement Project to support the Port 460 Logistics Center Development.

BE IT FUTHER RESOLVED, by the Commonwealth Transportation Board, that the City shall enter into an agreement with VDOT outlining the reimbursement process by which the City will obtain these TPOF funds and the City's commitment to construct the Project.

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CTB Decision Brief

Transportation Partnership Opportunity Fund Allocation to the City of Suffolk for the Route 460 Road Improvement Project to Address the Transportation Needs of the Port 460 Logistics Center Development

Issue: The Governor has directed \$30.1 million from the Transportation Partnership Opportunity Fund (TPOF) to the Commonwealth Transportation Board (CTB) pursuant to § 33.2-1529.1 of the *Code of Virginia* for allocation to the City of Suffolk for the Route 460 Road Improvement Project (Project) to address the transportation needs of the Port 460 Logistics Center development. The direction of funds has been recommended by the Secretaries of Transportation and Commerce and Trade and CTB allocation of said funds to the City of Suffolk for the Project is sought.

Facts: Chapter 847 of the 2005 Acts of Assembly created the Transportation Partnership Opportunity Fund (TPOF) as a source of financing to support major economic development initiatives or to enhance the economic development opportunities of the Commonwealth's transportation programs. Chapter 684 of the 2015 Acts of Assembly and Chapter 1230 of the 2020 Acts revised the TPOF, adding components of the Commonwealth Transportation Fund as a funding source and codifying the TPOF as § 33.2-1529.1 of the *Code of Virginia*.

Chapters 546 and 547 of the 2023 Acts of Assembly (Acts) amended § 33.2-1529.1, establishing a new statutory process:

1. Authorizing the Governor to direct funds from the TPOF to the Commonwealth Transportation Board (CTB) for transportation projects determined to be necessary to support major economic development initiatives or to enhance the economic development opportunities of the Commonwealth's transportation programs if recommended by the Secretary of Transportation and the Secretary of Commerce and Trade;
2. Requiring that if funds directed by the Governor are (i) in excess of \$5 million dollars, the Secretary of Transportation is required to submit a report to the Chairmen of the Senate Committee on Finance and Appropriations and the House Committee on Appropriations within 30 days, and (ii) in excess of \$35 million dollars on any one project, the direction shall be submitted for review to the Major Employment and Investment Project Approval Commission for approval; and
3. Expanding the uses of the TPOF to allow for property acquisition and new or improved infrastructure to support economic development opportunities of the Commonwealth's transportation programs.

On June 21, 2023, the CTB approved revised TPOF Guidelines and Criteria, which had been revised to render them consistent with §33.2-1529.1, as amended by the Acts.

Pursuant to § 33.2-1529.1 (C.2), the Governor has directed \$30.1 million from the TPOF to the CTB for allocation to the City of Suffolk to provide funding for the Route 460 Improvement Project to address the transportation needs of the Port 460 Logistics Center development. This

Project is vital to the future growth of the Port of Virginia and the economic growth of the City of Suffolk and Virginia as a whole.

- Route 460 is a four lane non-median roadway (58 miles to I-295) that is one of three major corridors serving the Port of Virginia.
- The Project, proposed by the City of Suffolk, will entail widening and modernization of a 2.3 mile stretch of Route 460, from the Route 58 bypass to Lake Prince Drive. and will also include a diverging diamond intersection to serve the on/off ramps.
- The total estimated cost of the Project is estimated to be \$86,749,520.
 - For design of the Project, the developer for the Port 460 Logistics Center, Matan Companies. has proffered \$6.6 million, the Port of Virginia is providing \$1 million through the Port Opportunity Fund Program, and the City of Suffolk has committed \$1 million from the 2024 Capital Improvement program. Survey work is currently underway and design is planned to begin in late 2024.
 - Right of Way and Utility Relocation will be funded by the \$30.1 million in TPOF funding
 - The City of Suffolk is committed to funding the construction portion of the Project, with a cost estimation of \$48 million. The City has a plan in place to bond and cash fund the outstanding \$48 million but may also seek Commonwealth and/or federal funding opportunities in the upcoming year.
- The Project is anticipated to commence in the fall of 2023 and be completed in summer of 2029.
- The Port 460 Logistics Center Development is a new 540-acre industrial commerce park located in Suffolk along Route 460 and the Route 58 Bypass and is being developed by Matan Companies, a family-owned and operated real estate firm that has been active since 1976.
 - The proposed development program at the subject property will consist of 10 speculative industrial buildings across two phases, ranging from roughly 90,000 sf to approximately 1,070,000 sf. The Port 460 Logistics Center is being built in response to the recent increased activity at and future capacity needs of the Port of Virginia.
 - The site is located approximately 25 miles west from the Virginia International Gateway facility in Portsmouth. The future commerce park's development is well situated along two important port roadways, Route 460 and Route 58.

Pursuant to § 33.2-1529.1 (C.2) and the TPOF Guidelines and Criteria, the Secretary of Transportation will submit a report to the Chairmen of the Senate Committee on Finance and Appropriations and the House Committee on Appropriations within 30 days of the Governor's direction of this TPOF funding to the CTB.

Recommendations: That the CTB (i) allocate the \$30.1 million in Governor-directed TPOF funding to the City of Suffolk for the Route 460 Road Improvement Project to address the transportation needs of the Port 460 Logistics Center Development, and (ii) direct the City to enter into an agreement with VDOT that outlines the reimbursement process by which the City will obtain these TPOF funds and the City's commitment to construct the Project.

Action Required by CTB: The CTB will be presented with a resolution for a formal vote to allocate the funds.

Result, if Approved: The TPOF funds will be used as directed by the Governor and recommended by the Secretary of Transportation and the Secretary of Commerce and Trade.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None

Transportation Partnership Opportunity Fund



Route 460 Road Improvement Project

The Opportunity – Port 460

- 540 acre industrial development located at Rt. 460 and Rt. 58
- Master planned to locate future: Distribution, Manufacturing, and Food & Beverage Processing operations
- Proposed 10 building development, comprising over 4,600,000 sq ft
- Capital investment of over \$240M at full build out
- Up to 9,000 new jobs producing up to \$16M in future state income taxes
- Up to \$28M in future personal property taxes
- Potential for additional 50,000 containers to the Port of Virginia annually, representing a 1.5% in volume increase from one development alone



The Road - Route 460

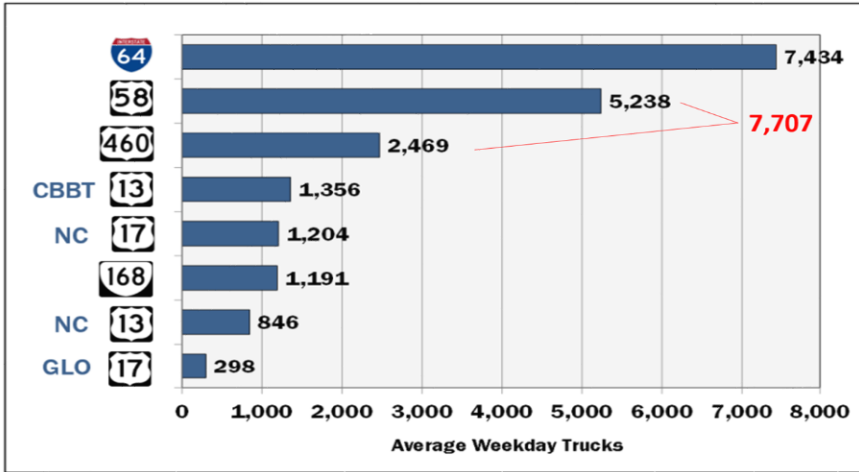
Route 460: Is one of the three main roadways to move product in and out of Port of Virginia operations in Hampton Roads.

The roadway is a 58 mile stretch featuring a four lane non-median divided roadway from the Suffolk Bypass to I-295.



TRUCKS BY GATEWAY

Weekday Truck Volumes at Regional Gateways, 2021



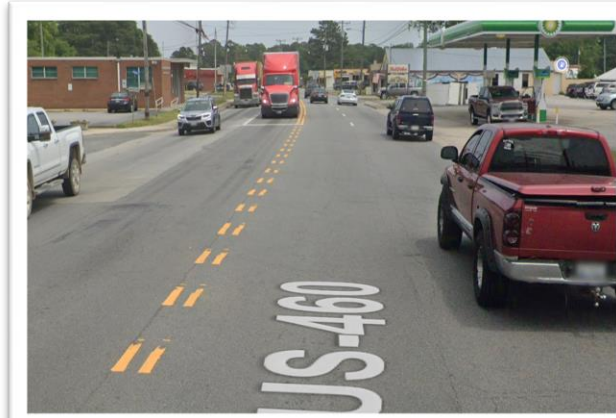
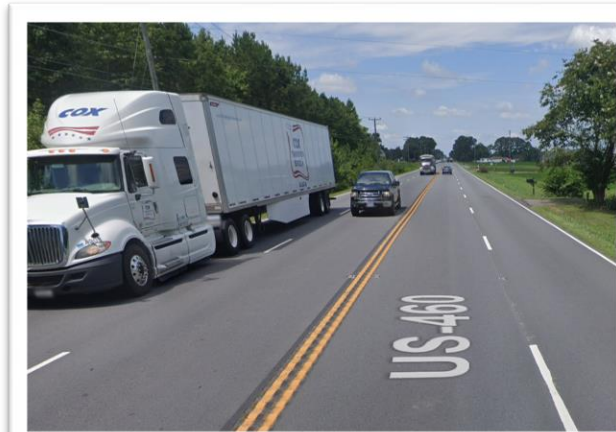
Data Source: HRTPO analysis of VDOT and CBBT data.



Weekday Truck Volumes 2022 & 2045

	Existing 2021		Projected 2045	
	Total Volume	Truck Volume	Total Volume	Truck Volume
Route 58	43,056	5,238	51,002 (+7,946)	7,700 (+2,462)
Route 460	24,187	2,469	29,064 (+4,877)	4,700 (+2,231)

The projected 2045 Truck Volumes are forecasted estimates from the regional travel demand model.



The Project - Route 460

The City of Suffolk is proposing a widening and modernization project along a 2.3 mile stretch of Route 460 from the Route 58 bypass to Lake Prince Drive. This project will also include a diverging diamond intersection to serve the on/off ramps.

Project Schedule

Surveying	complete
Design	Winter 2024 - Fall 2025
Right-of-Way	Fall 2025 - Spring 2026
Utility Relocation	Spring 2026 - Spring 2027

Construction

Route 58 Interchange	Fall 2026 - Fall 2027
Route 460	Fall 2027 - Summer 2029



The Funding - Route 460

Engineering & Design

Port 460 (Matan Co.)	\$6,600,000
Port of Virginia	\$1,000,000
<u>City of Suffolk</u>	<u>\$1,000,000</u>
	\$8,600,000

Right-of-Way Acquisition & Utility Relocation

TPOF	\$30,100,000
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Construction

City of Suffolk	\$48,049,520
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The City of Suffolk would like to thank

Governor Youngkin

Senator Jordan

Secretary Miller

Secretary Merrick

Deputy Secretary Lawson

The Commonwealth Transportation Board

The Virginia Dept. of Transportation

The Port of Virginia

