



# COMMONWEALTH of VIRGINIA

## Commonwealth Transportation Board

W. Sheppard Miller, III  
Chairperson

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*Agenda item # 1*

### RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

**October 22, 2024**

#### MOTION

**Made By: Mr. Fowlkes, Seconded By: Mr. Laird**

**Action: Motion Carried, Unanimously**

**Title: Economic Development Access to  
Pure Salmon Virginia, LLC  
Project ECON-083-006 – Russell 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**, Russell County by formal resolution has requested Economic Development Access (EDA) Program funds to serve Pure Salmon Virginia, LLC, which is located off US Highway 19 without public access, and said access is estimated to cost approximately \$1,000,000; 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 \$850,000 (\$700,000 unmatched and \$150,000 matched) of the Economic Development, Airport and Rail Access Fund is allocated to provide adequate access to Pure Salmon Virginia, LLC on eligible property off US Highway 19, Project ECON-083-006, 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 Russell County (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 \$2,550,000 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 October 23, 2029, 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 October 23, 2029, at least \$2,550,000 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 \$2,550,000 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 – Russell County Pure Salmon Virginia, LLC

**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), Russell County has requested funds from the EDA Program to assist in constructing road access to serve Pure Salmon Virginia, LLC off US Highway 19. CTB approval for the allocation of the requested funds 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 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 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.

Pure Salmon Virginia, LLC plans to construct an Atlantic salmon farming and processing facility on 200-acres in Russell County, Virginia. Pure Salmon is anticipated to create over 200 new full-time jobs and invest more than \$190M. The facility is expected to produce 10 million tons of Atlantic salmon annually, with hiring beginning in 2027 and full operations beginning in 2028. Each request for EDA Program funding is scored using evaluative criteria to ensure the proposed project is viable and that it meets the intents of the Program. Russell County's proposed project received a perfect score of 100 out of 100. Projects must receive at least 50 points to be considered for EDA Program funding.

The site which the development will be locating on does not currently have adequate public access, so a new right turn lane and a new access road will be constructed to accommodate the development. Russell County will administer the design and construction of the proposed access road project. The County's plans for the proposed access project include a new right turn lane on US Highway 19 and a new 2218-foot long, 26-foot-wide asphalt roadway with shoulders and ditches, beginning at US Highway 19 and extending South. VDOT Bristol District staff concur with the plans for the project and with the estimated project cost for eligible items and quantities of approximately \$1,000,000.

Russell 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. Documentation of qualifying capital investment of \$2,550,000, or provision of appropriate surety from the County will be required prior to funding authorization.

**Recommendation:** VDOT recommends the allocation of \$850,000 (\$700,000 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*, the Virginia Administrative Code, and the CTB's EDA Fund Policy specify that the CTB shall approve the allocation of funds for the construction of the access road project. A resolution is provided for formal vote.

**Result, if Approved:** VDOT and Russell County will proceed with the EDA road project.

**Options:** Approve, Deny, or Defer.

**Public Comments/Reactions:** None