



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

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Agenda item # 7

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

May 21, 2025

MOTION

Made By: Ms. Green, **Seconded By:** Ms. Sellers

Action: Motion Carried, Unanimously

Title: Economic Development Access to
Ivy Creek Innovation Park
Project ECON-118-339 – City of Lynchburg

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 Lynchburg by formal resolution has requested Economic Development Access (EDA) Program funds to serve undeveloped parcels within Ivy Creek Innovation Park, which is located off Lynchpin Lane without public access, and said access is estimated to cost approximately \$3,000,000; 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 Ivy Creek Innovation Park on eligible property off Lynchpin Lane, Project ECON-118-339, 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 Lynchburg (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 May 21, 2030, 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 May 21, 2030, 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 – City of Lynchburg Ivy Creek Innovation 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 Lynchburg has requested funds from the EDA Program to assist in constructing road access to serve undeveloped lots within Ivy Creek Innovation Park. 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.

Ivy Creek Innovation Park has achieved a Tier 3 status under the VEDP's Virginia Business Ready Sites Program (VBRSP). By reaching the Tier 3 status, the site has completed all due diligence, master planning and preliminary engineering work for infrastructure development. The VEDP has determined that the parcels adjacent to this access project have a medium potential to attract a qualifying business. 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. The City of Lynchburg's project received a score of 75 out of 100. Projects must receive at least 50 points to be considered for EDA Program funding.

The parcels adjacent to the access project do not currently have adequate public access, so a new access road will be constructed to accommodate the development. The City of Lynchburg will administer the design and construction of the proposed access road project. The City's plans for the proposed access project include a new 0.25 mile long, 24-foot-wide asphalt roadway with curb & gutter and sidewalks, beginning at Lynchpin Lane and extending Southwest. VDOT Lynchburg District staff concur with the plans for the project and with the estimated project cost for eligible items and quantities of approximately \$3,000,000.

The City of Lynchburg 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 City 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 the City of Lynchburg will proceed with the EDA road project.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None

**REQUEST FOR COMMONWEALTH TRANSPORTATION BOARD
ECONOMIC DEVELOPMENT ACCESS FUNDS**

WHEREAS, the Lynchburg City Council desires to assist in the development of property adjacent to Lynchpin Lane and is .025 miles west of Jefferson Ridge Parkway within the Ivy Creek Innovation Park for the purpose of economic development in the City of Lynchburg; and

WHEREAS, this property is expected to be the site of new private capital investment in land, building, and manufacturing equipment which will provide substantial employment; and

WHEREAS, parts of the subject property have no access to a public street or highway and will require the construction of a new roadway to connect with Lynchpin Lane and

WHEREAS, the City of Lynchburg hereby guarantees that the necessary environmental analysis, mitigation, fee simple right-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 City of Lynchburg 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 City of Lynchburg hereby acknowledges that the Virginia Department of Transportation's Economic Development Access (EDA) Program may provide up to a maximum of \$850,000 for a project and requires matching funding, up to \$150,000, from the City of Lynchburg for estimated eligible project costs over \$700,000, up to \$1,000,000; and

WHEREAS, the City of Lynchburg hereby guarantees that financing of all ineligible project costs, project costs exceeding the EDA Program project allocation, EDA Program required locality matching funds, if applicable, and all costs not justified by eligible capital outlay within the timeframe established according to the EDA Program and Policy will be provided from sources other than those administered by the Virginia Department of Transportation; and

NOW, THEREFORE, BE IT RESOLVED, that the City of Lynchburg City Council hereby requests the Commonwealth Transportation Board provide Economic Development Access Program funding to provide adequate road access to this property; and

BE IT FURTHER RESOLVED, that the City of Lynchburg 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 less eligible private capital outlay credit as determined by VDOT; this surety shall be exercised by the Department of Transportation in the event that sufficient qualifying capital investment does not occur on qualifying parcels within five years of the Commonwealth Transportation Board's allocation of funds pursuant to this request; and

BE IT FURTHER RESOLVED, that the City Manager and his/her designee(s) be authorized to act on behalf of the City of Lynchburg City Council to execute any and all documents necessary to secure funding in the maximum amount eligible under the Economic Development Access Program; and

BE IT FURTHER RESOLVED, that the City of Lynchburg will request the new roadway so constructed to be added to receive maintenance payments in accordance with the provisions of Section 33.2-319 of the *Code of Virginia*, and such request for street additions for municipal assistance payments will be submitted, together with a copy of this resolution and such maps and other documents as may be necessary in the manner prescribed by the Department of Transportation.

Adopted: March 11, 2025

Certified: Alicia L. Finner
Clerk of Council