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DEC 27 2016

PULASKI COUNTY



COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION
1401 EAST BROAD STREET
RICHMOND, VIRGINIA 23219-2000

Charles A. Kilpatrick, P.E.
Commissioner

December 22, 2016

Mr. Peter Huber, County Administrator
Pulaski County
143 Third Street N.W.
Pulaski, Virginia 24301

RE: ShaeDawn Industrial Park
Economic Development Access Project 0824-077-729, C501 (UPC 102614)

Dear Mr. Huber:

The Commonwealth Transportation Board (CTB), at its December 7, 2016 meeting, approved an action pertaining to EDA bonded projects under moratorium and all future bonded projects that allows a locality to reimburse the Department incrementally over a four-year period after the initial five-year bonded period ends, as long a new surety instrument is provided. During this four-year period, the locality is required, on an annual basis, to reimburse the Department 20 percent of those funds owed to the Department. A copy of the CTB resolution is attached for your reference.

This project is currently under the CTB's bond moratorium and January 3, 2017 is the last day Pulaski County will be able to establish full credit for qualifying investment on the project without being responsible for making reimbursement to the Department; Pulaski County must also provide the Department with sufficient documentation of that qualifying investment. The County will be responsible for incrementally reimbursing the balance of the EDA allocation utilized in the construction of the project which is not justified by the appropriate type and amount of investment. Please see the table below for the reimbursement schedule, based on the CTB's revision of its EDA Fund Policy, for all localities affected by the CTB's bond moratorium.

Expiring Year	After Jan. 3, 2017	pay 20% by Jan 27, 2017, extend bond to February 2, 2018
Year 1 of bond renewal	After Jan. 3, 2018	pay additional 20% (40% accumulated) by Jan 26, 2018, extend bond to February 1, 2019
Year 2 of bond renewal	After Jan. 3, 2019	pay additional 20% (60% accumulated) by Jan 25, 2019, extend bond to February 7, 2020
Year 3 of bond renewal	After Jan. 3, 2020	pay additional 20% (80% accumulated) by Jan 31, 2020, extend bond to February 5, 2021
Year 4 of bond renewal	After Jan. 3, 2021	pay additional 20% (100% accumulated) by Jan 29, 2021

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Pulaski County received a \$650,000 allocation approved December 7, 2011 for construction of an access road project to assist in the development of ShaeDawn Industrial Park. The project reflects current charges of \$622,270.93 but it is my understanding that additional project charges are expected. Currently, the Department holds the original Irrevocable Standby Letter of Credit #1914, in the amount of \$650,000, and expiration date of March 17, 2017. Therefore, under the current circumstances, presuming the full amount of the allocation is utilized, it will be necessary for the County to make its initial 20 percent payment in the amount of \$130,000 to the Department and provide renewed or extended surety to the Department by January 27, 2017.

Should you have any questions regarding this action and its impact on this project please feel free to contact me at 804-786-9125 or at Megan.Nelson@VDOT.Virginia.gov.

Sincerely,

Megan N Nelson

Megan N. Nelson
Local Projects Program Coordinator

Attachment

pc: David Clarke
Jay Guy