



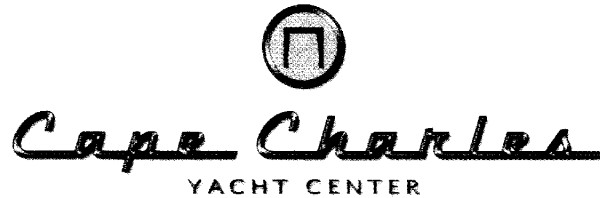
TOWN COUNCIL
Special Meeting
Town Hall
February 28, 2014
5:30 p.m.

1. Call to Order: Roll Call

2. Public Comments

3. Order of Business
 - *A. Virginia Port Authority Aid to Local Ports Application

4. Motion to Adjourn



February 27, 2014

Heather Arcos
Town Manager
Town of Cape Charles
2 Plum Street
Cape Charles, Virginia 23310

Dear Heather,

I am writing to thank you for being so accommodating regarding our interest in seeking Aid to Local Ports program assistance for development of the town-leased parcels. We were put in a difficult position when Northampton County notified us last night of their decision to abort application sponsorship efforts. This was a detrimental event given the March 1st, 2014 application due date.

Attached please find all of the application data. With the Town as applicant, South Port Investors pledges to fund 25% of the project costs per the program requirement. If you would like this commitment detailed in a formal contractual agreement, please let us know.

Heather, we certainly appreciate your willingness to work with us at this late stage in the game. We also appreciate Town Council's efforts given the time constraints. The product of such a project are sure to yield significant public benefit. Many thanks to you and the Town Council for supporting us.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Brown", with a long, sweeping flourish extending to the right.

Daniel A. Brown
Chief Financial Officer
South Port Investors, LLC

To: Heather Arcos - Town Manager

From: South Port Investors, LLC

Re: Aid to Local Ports Application

Heather,

Below please find the requested project details relative to the Aid to Local Ports grant. Please review and contact us with any comments or concerns.

Scope of work:

- **Site Prep** - 100' of steel sheet piling is required in order to engineer the ship offloading site. Dolphins will also be installed per the design to aid in docking and securing ships. The area requires extensive dredging as well (not currently federally funded.)
- **Dock/Attenuator** - a 235' floating dock/wave attenuator will extend off the existing dock into the harbor. The dock/attenuator system will function as a structural component of the ship slip. It will also provide protection to municipal assets (boat ramp, gas dock, etc.) from wind and wave action.
- **Lot Stabilization** - The design calls for an offloading apron and access area which will be able to accommodate significant load. Extensive excavating, grading, stone and concrete work is required.

Cost:

- **Site Prep** - \$160,000
 - **Dock/Attenuator** - \$147,000
 - **Lot Stabilization** - \$120,000
- TOTAL** **\$427,000**

Source of funds:

- **Private Funding** - South Port Investors, LLC is prepared to fund 25% of the above costs.

Intended Use:

- Murtech
- Orbital
- Bulk Traffic - Rail/Road/Water
- Container Traffic - Rail/Road/Water
- High/Wide Loads - Rail

Public Economic Benefits:

Town of Cape Charles public facilities on the harbor will benefit from the wave attenuation system placed in service on the harbor. The public boat ramp, gas dock, and harbor refuge will all directly benefit from the wave attenuation system. Town of Cape Charles harbor would have a true barge deep water landing.

The transformation of the site will attract commercial carriers who otherwise would be forced to offload elsewhere. Large vessels will be able to access the port and offload cargo to be expedited further by rail or over road. Jobs ranging from dock-hands to engineers will be created.

Specific use vendors have expressed interest in moving operations to Cape Charles. Orbital Science and Murtech have been the initial interested parties. They are entities which currently operate out-of-state. The town, county, and commonwealth would all benefit from the relocation. These are only two examples of potential partnerships on the harbor. Securing these types of assets will require the above detailed improvements to the port.

Time line for project: July 1, 2014 or when funds are awarded. The project will be completed in 3-4 months.

Other information that you may feel will benefit the awarding of a grant.

Back in time, the portion of the harbor currently leased by South Port Investors was a working wharf. This project is an effort to revitalize the site, making the port a working and productive waterfront once again.

**VIRGINIA PORT AUTHORITY
POLICY ON GRANTS TO LOCAL GOVERNMENTS FOR
FINANCIAL ASSISTANCE FOR PORT FACILITIES**

PREFACE The Virginia General Assembly, in September, 1986, established the Commonwealth Port Fund in order to *"support port capital needs and the preservation of existing capital needs of all ocean, river, or tributary ports within the Commonwealth,"* as presented by the Governor's Commission on Virginia's enactment of this legislation, several ports of Virginia made requests for portions of the Commonwealth Port Fund. For this reason, the Virginia Port Authority finds it necessary and in the public body interest, and pursuant to its statutory responsibility, to establish a policy for application of the Commonwealth Port Fund *"to foster and stimulate the flow of commerce through the ports of Virginia."* This policy shall be as follows:

I. DEFINITIONS

- A. Marine Facilities--include main and access channels, berthing areas, piers and landside facilities necessary for handling and storing waterborne commerce.
- B. Items of Local Cooperation--include specific requirements on the applicant for implementation of a Federal project. Such items include but are not limited to lands, easements, rights-of-way, relocations, disposal areas, and cash contributions.
- C. Project--shall mean a capital expenditure proposal.
- D. Applicant--refers to the public body that is pursuing the implementation of a project.
- E. Study--refers to any preconstruction planning investigation.

II. ADMINISTRATION

The following elements will guide the application, allocation, and distribution of the Commonwealth Port Fund:

- A. **FOR ALL PROJECTS FOR WHICH COMMONWEALTH PORT FUNDS ARE REQUESTED.**

1. The Virginia Port Authority (VPA) will serve as the responsible agency for administering the Commonwealth Port Fund.
2. Funds will be used to support port capital needs of publicly-owned ocean, river, and tributary ports and their marine facilities within the Commonwealth whose primary purpose is the flow-through of goods for consumption.
3. For a project to be eligible for funds, VPA, in its sole discretion, must determine that the proposed project is economically feasible based on preplanning study or current level of business, will not directly competitively disadvantage existing publicly-owned port facilities, and will further the interests of the Commonwealth of Virginia. Development and presentation of information needed to determine project feasibility will be the responsibility of the applicant.
4. Requests for funding and their disposition shall be as follows:

Requests for funding shall be made by March 1. Applicants may be required to make oral presentation of the requests to VPA. Funds will be allocated by VPA at its May Board of Commissioners meeting and available for successful applicants July 1 of that year. Preference will be given to those requests accompanied by a six-year development plan, where appropriate, which can be used as a basis for projecting future funding requests.

5. Disbursements: The applicant shall submit a requisition to VPA for payment. The requisition shall be accompanied by supporting invoices or other documentation as well as a certification of the applicant that the work has been performed or that payment is otherwise properly due. The requisition shall further set forth the name of person or entity to whom payment is to be made, the amount of payment, and the project for which the payment is to be made. When the project is completed, the applicant shall certify its completion date to VPA.
6. Requests not made within the schedule of Paragraph 4 above, shall be considered only when accompanied by a statement declaring the need for funds an emergency, with the consequences of non-funding clearly specified, or a statement explaining why the schedule in Paragraph 4 above could not be met.

Requests must be received no later than three weeks prior to the next regular Board of Commissioners meeting to be considered at that meeting. Paragraph 4 below applies to the Board's decision.

7. VPA will allocate an amount appropriated by the General Assembly for projects which are adjudged to meet the criteria above.
8. VPA, in its sole discretion, may allocate the total amount requested to an applicant, any portion thereof, or may decline to allocate funds for the project.
9. No Commonwealth Port Fund monies shall be used to fund studies to determine project feasibility, except as hereinbelow provided.
10. VPA will establish priorities of funding for projects based on importance of the projects toward promoting the interests of the Commonwealth of Virginia and financing needs of the applicant both in terms of amount of the request and ability to pay.
11. Local share of project costs shall be reduced by an amount equal to the costs incurred by successful applicants to fund studies to determine project feasibility. Local shares of project costs may also be reduced by up to 50% by contributions of real or personal property necessary for development of the project, as well as any out-of-pocket costs for technical evaluation, survey, engineering, among others. The value of, and extent to allow, such contributions shall be determined solely by VPA.
12. Local share requirements must be met with an applicant's locally generated funds excluding state and federal grants. This requirement is imposed to insure that an applicant has carefully considered whether or not a proposed project will justify the investment of funds from the Commonwealth Port Fund.

B. ADDITIONALLY, FOR PROJECTS WITH POTENTIAL FEDERAL INTEREST:

1. Applicant must have made previous, or must make simultaneous, "application" for federal funds.

2. VPA recognizes that local sponsors for federal projects must agree to share with the federal government in the cost of studies and construction as a condition necessary for the initiation of federal study of the project. VPA agreement to provide support necessary to allow for the initiation of any project is conditional upon the later determination of VPA that the standards in II.A.3. above are met and that funds are available.
3. At the completion of the federal reconnaissance study of the project, applicant may make application to VPA for funding of further studies for project implementation. Similarly, upon federal approval of construction of the project, applicant may request construction funds.
4. VPA shall be given the opportunity to review and comment on all cost-sharing agreements between the local sponsor and federal government prior to releasing any funds.
5. If undertaken prior to the receipt of federal funds, but for which federal funds are committed, projects must be completed within the time frame determined reasonable by the Corps of Engineers in project studies.
6. Local interests must pay 50% of the costs of the total non-federal share of the project, to include items of local cooperation.
7. Maintenance dredging projects are not eligible for funding.

C. ADDITIONALLY, FOR NONFEDERALLY-FUNDED PROJECTS:

1. Local interests must pay:
 - a. 25% of total project costs for projects up to \$500,000.
 - b. 50% of total project costs for projects whose total cost exceeds \$500,000.



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Virginia Port Authority
600 World Trade Center
Norfolk, Virginia 23510-1679
Telephone (757) 683-8000
Fax (757) 683-8500

Rodney W. Oliver
Interim Executive Director

ISO Certified: 9001
Quality Management System -
14001 Environmental
Management System

Re: Virginia Port Authority Aid to Local Ports Grants

To whom it may concern:

In preparation for FY2015, we are eager to learn about the progress that has been made in FY2014 on your current aid to local ports project. In the report please include a brief description of the work, estimated time line for completion, estimated cost of the project, and an estimate of when funds will be requested.

As you are aware, Aid to Local Port Fund appropriation for FY2014 will expire on June 30, 2014. We ask that if you are contemplating a request to carry over the grant funds, you should submit a carry-over request by March 1, 2014.

Furthermore, new grant requests for the upcoming fiscal year should be made as early as possible. If you plan to make a new request, please provide a brief description of the work, estimated time line for completion, estimated cost of the project, and an estimate of when funds will be requested from the Authority for the new project by March 1, 2014.

On February 20, 2014, we will hold a meeting in Richmond at the General Assembly Building, Room 3 West at 10:00am. You are invited to attend this meeting and present summary information on your project at that time, however, it is not a requirement for making application. You may still submit requests for funding until March 1, 2014. If you have any questions, please contact me at 757-683-2135 or lgodbolt@portofvirginia.com.

Sincerely,

Laura Godbolt
Program Administrator
Aid to Local Ports