

VIRGINIA COALFIELDS EXPRESSWAY AUTHORITY



**2017-2020
ANNUAL REPORT**

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CHAIRMAN'S LETTER



Jay Rife, Chairman

January 4, 2021

The Honorable Ralph Northam
Governor of Virginia
Patrick Henry Building, 3rd Floor
1111 East Broad Street
Richmond, Virginia 23219

Dear Governor Northam,

We are pleased to submit to you and the Virginia General Assembly the 2017-2020 Annual Report of the Virginia Coalfields Expressway Authority (the "Authority"). This report is submitted as both the annual report and the annual executive summary of the Authority required under Virginia Code § 15.2-6015.4(3).

The Authority was created by the General Assembly in 2017, and the process of appointing the initial members of the Authority's board was completed in September 2020. With the Authority now having a fully constituted board and able to meet for the first time, the Authority quickly held its first meeting on October 6, 2020 with the assistance of the Virginia Coalfield Economic Development Authority, which is providing staff support.

With the Authority currently having no funding of its own, and the construction of the Coalfields Expressway itself remaining unfunded in Virginia except for a shared section with U.S. 460 in Buchanan County, the Authority has a very challenging job ahead of it. However, the Authority's board and staff are eager to help address this challenge, having already held two board meetings and adopting several measures since the Authority became fully constituted just three months ago.

As noted in the enclosed resolution adopted by the board on December 15, the Coalfields Expressway is absolutely critical to the economic development and diversification of the coalfield region of Virginia. There is no single project that would have a more significant impact on the economy of the affected counties than the construction of the Coalfields Expressway. We therefore look forward to working with you and the General Assembly to help advance the completion of the Coalfields Expressway in as expeditious manner as possible for the benefit of the Commonwealth's citizens in Southwest Virginia.

Sincerely,
Jay Rife
Chairman

HISTORY AND PURPOSE

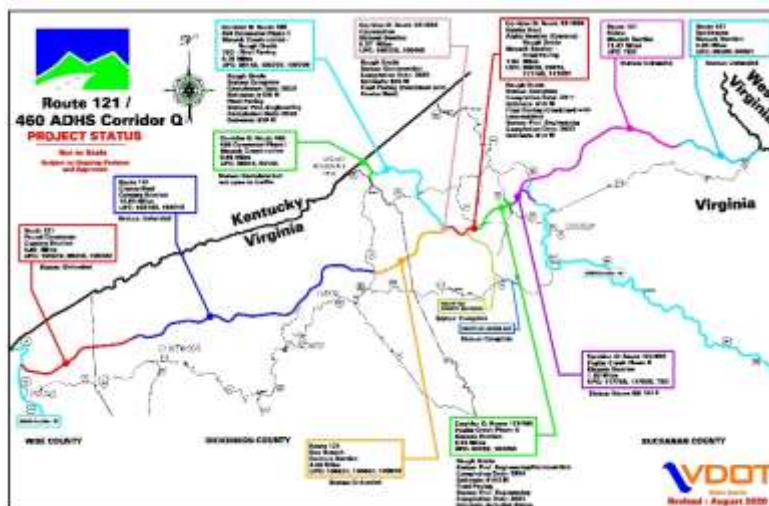
The Virginia Coalfields Expressway Authority (the “Authority”) was created by the Virginia General Assembly in 2017. It was established as a body politic and corporate and is a political subdivision of the Commonwealth of Virginia. The Authority has all the powers and duties conferred under Chapter 60.01 of Title 15.2 of the Code of Virginia, as amended.

The Authority’s enabling act provides for a 12-member board comprised of non-legislative citizen members and ex officio members. The process of the initial appointments to the Authority’s board was completed in September 2020, and the Authority held its first meeting quickly thereafter on October 6, 2020 at the Southern Gap Transportation and Logistics Center at Grundy, Virginia. Jay Rife of Buchanan County was elected the first chairman of the Authority, and Michael Yates of Dickenson County as the first vice-chairman. Jonathan Belcher, the executive director/general counsel of the Virginia Coalfield Economic Development Authority (VCEDA), which provides staff support to the Authority, was designated the executive director of the Authority and also its secretary/treasurer.

Pursuant to Virginia Code § 15.2-6015.1, the primary purpose of the Authority is to improve the transportation into, from, within, and through Southwest Virginia, assist in regional economic development, and generally enhance highway safety in the affected localities.

The Coalfields Expressway, designated as U.S. Route 121 and a Congressional High Priority Corridor, is a proposed four-lane, limited-access highway to provide a modern, safe, and efficient transportation artery through the coalfields region of far Southwest Virginia and southern West Virginia.

The proposed expressway is designed to provide safe and rapid access to communities along the corridor, with interchanges connecting citizens of Pound, Clintwood, Clinchco, Haysi, Breaks, Grundy, and Slate.



BOARD MEMBERSHIP

Virginia Code § 15.2-6015.2 specifies that the Authority shall have a total membership of 12 members that shall consist of nine non-legislative citizen members and three ex officio members. Non-legislative citizen members shall be appointed as follows: six members to be appointed by the Speaker of the House of Delegates, two of whom shall be residents of Buchanan County, two of whom shall be residents of Dickenson County, and two of whom shall be residents of Wise County, and three members to be appointed by the Senate Committee on Rules, one of whom shall be a resident of Buchanan County, one of whom shall be a resident of Dickenson County, and one of whom shall be a resident of Wise County. The chairmen of the boards of supervisors of Buchanan, Dickenson, and Wise Counties or their designees shall serve ex officio with voting privileges. Non-legislative citizen members of the Authority shall be citizens of the Commonwealth.

Ex officio members of the Authority shall serve terms coincident with their terms of office. Appointments to fill vacancies, other than by expiration of a term, shall be for the unexpired terms. Vacancies shall be filled in the same manner as the original appointments. All members may be reappointed. After the initial staggering of terms, non-legislative citizen members shall be appointed for a term of four years.

The process of the initial appointments to the Authority’s board was completed in September 2020, and the Authority held its first meeting soon thereafter on October 6, 2020. The following is the current membership of the Authority’s board:

Name	Jurisdiction	Appointment Method	Term of Office
Donald Baker	Dickenson County	Speaker of the House	Expires 6/30/2022
Josh Evans	Dickenson County	Ex Officio – Chairman, Dickenson County Board of Supervisors	Coincident with office
James Keen	Buchanan County	Speaker of the House	Expires 6/30/2024
Jack Kennedy	Wise County	Speaker of the House	Expires 6/30/2024
Scott Mullins	Dickenson County	Senate Committee on Rules	Expires 6/30/2024
Jay Rife (Chairman)	Buchanan County	Speaker of the House	Expires 6/30/2024
J.H. Rivers	Wise County	Senate Committee on Rules	Expires 6/30/2024
Melanie Salyer	Wise County	Speaker of the House	Expires 6/30/2024
John Schoolcraft	Wise County	Ex Officio – Chairman, Wise County Board of Supervisors	Coincident with office
Craig Stiltner	Buchanan County	Ex Officio – Chairman, Buchanan County Board of Supervisors	Coincident with office
Ed Talbott, III	Buchanan County	Senate Committee on Rules	Expires 6/30/2024
Mike Yates (Vice-Chairman)	Dickenson County	Speaker of the House	Expires 6/30/2022



The first board of the Virginia Coalfields Expressway Authority (L-R): Melanie Salyer, J.H. Rivers, Ed Talbott, III, John Schoolcraft, Jay Rife (Chairman), Mike Yates (Vice-Chairman), Donald Baker, Josh Evans, and James Keen. Not pictured are Jack Kennedy, Scott Mullins, and Craig Stiltner. Also in the photo (first on the right) is Jonathan Belcher, Executive Director and Secretary/Treasurer. Masks were briefly removed during the ongoing COVID-19 pandemic for this photo which was taken at the first meeting of the Authority's board held on October 6, 2020 at Grundy, Virginia.

STAFF

Pursuant to Virginia Code § 15.2-6015.5, the Virginia Coalfield Economic Development Authority (VCEDA) provides staff assistance to the Virginia Coalfields Expressway Authority. VCEDA is a regional economic development authority established by the Virginia General Assembly in 1988 to enhance and diversify the economy of the coalfield region of Virginia. At the first meeting of the Virginia Coalfields Expressway Authority held on October 6, 2020, Jonathan Belcher, who serves as the Executive Director/General Counsel of VCEDA, was designated as the Executive Director and Secretary/Treasurer of the Virginia Coalfields Expressway Authority. Additional VCEDA staff providing assistance include Jean Jordan, Marketta Horton, Mitzi White, Susan Copeland, Cathy St. Clair, and Charlotte Mullins.



Jonathan Belcher, Executive Director

ACTIVITY REPORT (2017-2020)

The Virginia General Assembly established the Virginia Coalfields Expressway Authority (the “Authority”) in 2017, and the process of appointing the initial board members was completed in September 2020. The Authority, with the assistance of the Virginia Coalfield Economic Development Authority (VCEDA), then quickly held its first meeting on October 6, 2020 at the Southern Gap Transportation and Logistics Center in Buchanan County, Virginia.

At the Authority’s first meeting on October 6, 2020, the Authority heard an overview presentation on the Coalfields Expressway Authority statute from Jonathan Belcher, the executive director/general counsel of VCEDA. The Authority then named its first officers, electing Buchanan County’s Jay Rife as the Authority’s first chairman, and Mike Yates of Dickenson County as the Authority’s first vice-chairman. Jonathan Belcher was designated as the Authority’s executive director and secretary/treasurer. The Authority then heard an overview presentation on the Coalfields Expressway project status from the Virginia Department of Transportation (“VDOT”). The Authority’s first meeting concluded with general discussion on the Coalfields Expressway project, and it was decided to meet again in December.

The second meeting of the Authority’s board was held on December 15, 2020. This meeting was held virtually due to the ongoing COVID-19 pandemic. Activities at this meeting included a report from Executive Director Jonathan Belcher, the approval of bylaws for the Authority, and a detailed presentation from VDOT on the proposed alignment of the Coalfields Expressway. The Authority adopted a resolution (see enclosed) supporting the completion of the Coalfields Expressway, stressing that the road “is absolutely critical to the economic development and diversification of the region ...”

The December 15, 2020 meeting also included the identification of the bypass at Pound, Virginia as a priority project, and the naming of a three-member committee of the board to help promote the Pound bypass. Delegate Will Morefield also extended an offer which was approved by the Authority for Morefield to work with West Virginia and Kentucky on a tri-state plan to help cause the completion of the Coalfields Expressway, because of its importance to all three states and the need to connect the road to interstate highways. Authority board member James Keen, himself a former member of the Commonwealth Transportation Board, was asked to speak with coal companies on any possible “coal synergies” that could help with the construction of the road. As explained on VDOT’s website, “[c]oal synergy reduces road building costs substantially by using coal companies’ larger-scale earth moving equipment to prepare the road bed to rough grade, allowing the companies to recover marketable coal reserves during road bed preparation.” Lastly, the Authority agreed to meet again in March 2021.



Chairman Jay Rife makes a point during the Authority's first meeting on Oct. 6, 2020.



The Southern Gap Transportation and Logistics Center in Buchanan County served as the location of the first meeting of the Virginia Coalfields Expressway Authority on Oct. 6, 2020.

RESOLUTIONS



RESOLUTION OF THE BOARD OF THE VIRGINIA COALFIELDS EXPRESSWAY AUTHORITY SUPPORTING COMPLETION OF THE COALFIELDS EXPRESSWAY

WHEREAS, the Virginia Coalfields Expressway Authority (the “Authority”) was formed by the Virginia General Assembly in 2017 to improve the transportation into, from, within, and through Southwest Virginia, assist in regional economic development, and generally enhance highway safety in the affected localities of Southwest Virginia; and,

WHEREAS, the Coalfields Expressway, designated as U.S. Route 121 and a Congressional High Priority Corridor, is a proposed limited-access highway to provide a modern, safe, and efficient transportation artery through the coalfields region of far Southwest Virginia and southern West Virginia; and,

WHEREAS, the state of West Virginia recently opened the first leg of the Coalfields Expressway in that state, however Virginia has no sections of the Coalfields Expressway funded or under construction except for a shared section with U.S. 460 in Buchanan County; and,

WHEREAS, the completion of the Coalfields Expressway will open up new areas for economic development, including new business and industrial sites and improved access to existing business and industrial parks, thereby making the region much more competitive for economic development projects; and,

WHEREAS, the Coalfields Expressway will allow the region’s citizens much better access to employment, educational, workforce development, and health care opportunities; and,

WHEREAS, the Coalfields Expressway is absolutely critical to the economic development and diversification of the region, the economy of which has been decimated by the decline in the coal mining industry; and,

NOW, THEREFORE, in consideration of the foregoing and the importance of the Coalfields Expressway to the economic development of far Southwest Virginia, the Board of the Virginia Coalfields Expressway Authority does hereby urge the Commonwealth of Virginia and the federal government to do all that they can to cause the completion of the Coalfields Expressway in Virginia in as expeditious manner as possible for the benefit of the Commonwealth’s citizens in far Southwest Virginia.

ADOPTED at a meeting of the Board of the Virginia Coalfields Expressway Authority held at Grundy, Virginia on December 15, 2020.

NEWS RELEASES AND MEDIA



VCEDA Assists in First Meeting of Virginia Coalfields Expressway Authority

GRUNDY, VA – OCTOBER 6, 2020 -- The first meeting of the Virginia Coalfields Expressway Authority was held Tuesday in Grundy at the new Southern Gap Transportation and Logistics Center.

The authority was created by the General Assembly in 2017, but all of its members had not been appointed until last month at which time Virginia Coalfield Economic Development Authority (VCEDA) Executive Director/General Counsel Jonathan Belcher contacted the members to set up the initial meeting of the authority. Under the Code of Virginia, VCEDA is charged with providing staffing assistance to the authority. Appointments to it are made by the Speaker of the House of Delegates and the Senate Rules Committee. Three members are ex-officio and are appointed by virtue of their elected status in the three counties.

At Tuesday's meeting Jay Rife of Buchanan County was elected the first chairman of the Coalfields Expressway Authority and Mike Yates, of Dickenson County, was named vice chairman. Additional members of the Authority include James Keen and Ed Talbott, both of Buchanan County; Donald Baker and Scott Mullins, both of Dickenson County; and Jack Kennedy, J.H. Rivers and Melanie Salyer, all of Wise County. Ex-officio members include Craig Stiltner, of Buchanan County; Josh Evans, of Dickenson County; and John Schoolcraft, of Wise County. Belcher was designated as the executive director and secretary/treasurer of the authority. Kennedy was not in attendance, however, Bonnie Bates attended on his behalf.

Board members heard a presentation from Belcher on the statute creating the authority. They also heard from Marty Halloway with the Virginia Department of Transportation, on the current status of the Coalfields Expressway (CFX) build. The Coalfields Expressway, designated as U.S. Route 121, is also designated as a Congressional High Priority Corridor.

Additionally, the authority agreed to consider bylaws and to meet again in December to consider those.

The primary purpose of the CFX Authority is to improve transportation into, from, within and through Southwest Virginia, assist in regional economic development and generally enhance highway safety in the affected localities of Buchanan, Dickenson and Wise.

Under the code of Virginia, the authority has a total membership of 12 members, including nine non-legislative citizen members and three ex officio members. Six of the non-legislative citizen members are appointed by the Speaker of the House of Delegates -- two each from Buchanan, Dickenson and Wise counties. Three members are appointed by the Senate Committee on Rules, including one each from

Buchanan, Dickenson and Wise counties. The chairmen of the boards of supervisors of Buchanan, Dickenson and Wise counties, or their designees, serve as ex officio members with voting privileges.

The authority will work with counties, municipalities, state and federal agencies, public nonprofit corporations, private corporations, associations, partnerships and individuals for the purpose of planning, assisting and establishing recreational, tourism, industrial, economic and community development of the proposed Coalfields Expressway for the benefit of the Commonwealth.

It is also authorized to work with surrounding states in developing the Coalfields Expressway in the Commonwealth, in an effort to link Interstates 64 and 77 in West Virginia with Route 23 in Virginia, which links to interstates in Kentucky and Tennessee.

About Virginia Coalfield Economic Development Authority and Southwest Virginia's e-Region: The Virginia Coalfield Economic Development Authority, created by the Virginia General Assembly in 1988 to enhance and diversify the region's economy and help create jobs, markets Southwest Virginia's e-Region and its focus on electronic information technology, energy, education, emerging technologies, and entrepreneurship. VCEDA is a unique economic development organization that manages funds for economic development projects from a percentage of the coal and natural gas severance taxes paid by coal and natural gas companies that operate in the region. Located in southwestern Virginia, the region includes Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, and Wise counties and the City of Norton. www.vceda.us or www.e-Region.org.

About Virginia Coalfields Expressway Authority: The Virginia Coalfields Expressway Authority, created by the Virginia General Assembly in 2017, was established to improve transportation into, from, within and through Southwest Virginia, assist in regional economic development and generally enhance highway safety in the affected localities of Buchanan, Dickenson and Wise. The authority also works with surrounding states in developing the Coalfields Expressway in the Commonwealth, in an effort to link Interstates 64 and 77 in West Virginia with Route 23 in Virginia, which links to interstates in Kentucky and Tennessee.

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CFX Authority Adopts Resolution Stressing Importance of Coalfields Expressway Project

GRUNDY, VA – DECEMBER 15, 2020 -- A resolution stressing the importance of the Coalfields Expressway as “absolutely critical to the economic development and diversification of” the far Southwest Virginia region was adopted Tuesday by the Virginia Coalfields Expressway Authority Board (CFX Authority).

The resolution urges the Commonwealth of Virginia and the federal government to “do all they can to cause the completion of the Coalfields Expressway in Virginia in as expeditious manner as possible for the benefit of the Commonwealth’s citizens in far Southwest Virginia.”

The action was taken during a meeting of the CFX Authority Board held on Dec. 15. The CFX Authority board was formed by the Virginia General Assembly in 2017 to improve the transportation into, from, within and through Southwest Virginia; to assist in regional economic development; and to generally enhance highway safety in the affected localities of Southwest Virginia. Appointments to that board were recently finalized by the state and the authority held its organizational meeting in October. The Virginia Coalfield Economic Development Authority provides staff support to the authority board.

The Virginia Department of Transportation has broken down the roadway’s construction into five phases. The CFX Authority board designated the 6.4-mile Pound Connector as the first priority of the authority due to its impact on the Red Onion Industrial site in Dickenson County. A three-member committee comprised of J.H. Rivers, Scott Mullins and Don Baker was appointed to advance the project priority.

Authority members also agreed to ask CFX Authority Board Member James Keen to take the lead in speaking with coal operators along the proposed project route, especially in the Doe Branch and Slate Creek areas of Buchanan County, to determine whether there might be some coal synergies related to development of the overall project.

The Coalfields Expressway, designated as U.S. Route 121 and a Congressional High Priority Corridor, is a proposed limited-access highway to provide a modern, safe and efficient transportation artery through the coalfields region of far Southwest Virginia and southern West Virginia.

The resolution adopted Tuesday noted the state of West Virginia recently opened the first leg of the Coalfields Expressway in that state, however, it points out, Virginia has no sections of the Coalfields Expressway funded or under construction except for a shared section with U.S. 460 in Buchanan County.

The resolution noted the completion of the Coalfields Expressway will open up new areas for economic development, including new business and industrial sites and improved access to existing business and industrial parks, thereby making the region much more competitive for economic development projects.

Additionally, it noted the road would allow the region's citizens much better access to employment, educational, workforce development and health care opportunities.

In other business, the board unanimously accepted an offer by Delegate Will Morefield for Morefield to collaborate with his legislative counterparts in West Virginia and Kentucky on behalf of the authority with an eye toward getting the Coalfields Expressway completed and connected in the tri-state area.

The board also heard a presentation from the Virginia Department of Transportation on the proposed CFX alignment; and adopted bylaws to govern the CFX Authority Board going forward.

About the Virginia Coalfields Expressway Authority: The Virginia Coalfields Expressway Authority was formed by the Virginia General Assembly in 2017 to improve the transportation into, from, within and through Southwest Virginia; to assist in regional economic development; and to generally enhance highway safety in the affected localities of Southwest Virginia. The Coalfields Expressway, designated as U.S. Route 121 and a Congressional High Priority Corridor, is a proposed limited-access highway to provide a modern, safe and efficient transportation artery through the coalfields region of far Southwest Virginia and southern West Virginia. The Virginia Coalfield Economic Development Authority provides staff support to the authority board. www.vceda.us/cfxauthority.

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BLUEFIELD DAILY TELEGRAPH

**FROM THE OPINION PAGE — Coalfields Expressway: Push underway to finish project in Virginia
Dec 29, 2020**

While neighboring West Virginia has made some progress in recent years on the construction of the Coalfields Expressway, at least in Raleigh and Wyoming counties, the future four-lane corridor has been largely stalled in neighboring Southwest Virginia.

The Coalfields Expressway, also known as U.S. Route 121 in Virginia, is envisioned as a three-state project. The first section of the expressway recently opened to traffic in Raleigh County in West Virginia where the four-lane also has now been extended into neighboring Wyoming County. There is still no usable section of the roadway in McDowell County.

However, the state of Virginia has no sections of the Coalfields Expressway currently funded or under construction except for a shared section with U.S. 460 in Buchanan County, according to a resolution passed earlier this month by the Virginia Coalfields Expressway Authority Board. That resolution correctly argues that the construction of the Coalfields Expressway is “absolutely critical to the economic development and diversification of” the far Southwest Virginia region.

The resolution urges the Commonwealth of Virginia and the federal government to “do all they can to cause the completion of the Coalfields Expressway in Virginia in as expeditious manner as possible for the benefit of the Commonwealth’s citizens in far Southwest Virginia.”

The resolution was passed during a meeting of the expressway authority board on Dec. 15. During that meeting, the board unanimously accepted an offer by Delegate James W. “Will” Morefield, R-Tazewell, for him to collaborate with his legislative counterparts in West Virginia and Kentucky on behalf of the authority with the goal of getting the Coalfields Expressway completed and connected in the three-state area.

“It is imperative the Coalfields Expressway in Virginia, West Virginia, and Kentucky be completed as well as the King Coal Highway in West Virginia,” Morefield told the Daily Telegraph last week. “If Virginia’s entire section was completed tomorrow it would not significantly increase economic activity until we can connect to major interstate systems. This will only be achievable by connecting to West Virginia and Kentucky. The same argument can be made for the proposed expressway in McDowell County. I asked the Virginia CFX Authority to act as an official representative to start working with West Virginia and Kentucky officials with the hope of one day adopting a tri-state plan.”

In Virginia, state highway officials have broken down the roadway’s construction into five different phases. But the board also is seeking to pursue future coal synergy agreements with

coal operators in Buchanan County that could assist with the development of the highway. Such past agreements in both Virginia and West Virginia have allowed coal companies to develop a rough-grade roadbed while extracting coal.

We are pleased to see the authority board pushing for a resumption of construction on the Coalfields Expressway. This needs to happen in both Virginia and West Virginia. There is a great need for a modern four-lane corridor, in particular, for McDowell and Buchanan counties.

Anything that can be done to help promote the development of this long-stalled, but critically important four-lane corridor, is welcomed.

All locally elected state and federal officials should be actively involved in the search for funding to allow for a resumption of construction on the Coalfields Expressway in both West Virginia and Virginia.

Modern, four-lane corridors such as the Coalfields Expressway and the King Coal Highway, will help to open up our region to new economic development and growth while also improving access to the region for ATV tourists and other out-of-town visitors.

CONTACT INFORMATION



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