
Economic Development Access Program

The Economic Development Access Program is administered by the Commonwealth Transportation Board, which allocates funds, as provided under the authority of Section 33.1-221 of the *Code of Virginia*, for eligible projects from the Economic Development, Airport and Rail Access Fund. The purpose of the program is to finance the construction or improvement of roads, with the exception of primaries, to new or expanding qualifying economic development sites. These roads will provide access from the nearest adequate publicly maintained road to the primary entrance of the qualifying site. Adequate access may require construction of a new roadway or improvement of an existing road. Qualifying establishments are determined by the Commonwealth Transportation Board in consultation with the Virginia Economic Development Partnership and the Virginia Department of Business Assistance.

Where an existing road constitutes a portion of the secondary (not primary) system of state highways or is part of the road system of the locality in which it is located, Economic Development Access funds may be used to upgrade the existing road only to the extent required to meet the needs of traffic generated by the new or expanding qualifying establishment.

An initial request must be made to the local governing body by a qualifying establishment desiring financial assistance. A letter of request to the appropriate local governing body must include the following:

- A. Intent to build or expand on a designated site
- B. Description and location of the site
- C. Target date for building construction
- D. Target date for beginning operation
- E. Private capital investment planned on the site, itemized
- F. Products to be manufactured
- G. The number of new jobs to be created
- H. Access road improvements requested
- I. Estimates of the numbers of additional employee vehicles and truck traffic which will use the access road on an average business day

The locality should ensure that the qualifying establishment submits a copy of this letter to the Residency Administrator, along with a preliminary road plan showing the entire parcel of land and the locations of: the building, major site features, the proposed entrance, the proposed access road, and existing public roads in the vicinity of the site. It is also advisable to forward a copy of this letter to the Virginia Economic Development Partnership and the Virginia Department of Business Assistance.

If the local governing body supports the request, it should prepare and approve a resolution formally requesting the allocation of Economic Development Access Program funds.

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If a new road is to be constructed, the resolution should state that right of way and utility adjustments will be provided at no cost to the VDOT, and that the road will be added to the secondary system or to the local road system as appropriate.

If the project involves improvement of an existing road, the resolution should state that right of way and utility adjustments will be provided at no cost to the Industrial, Airport and Rail Access Fund.

Economic Development Access projects may be either regular (where an existing qualifying establishment is expanding, or a new qualifying establishment is under firm contract) or bonded (where no qualifying establishment is under contract to build).

The maximum allocation for any project is limited to the lesser of: the reasonable cost of an adequate road or 20 percent of the qualifying private investment made by the private qualifying establishment. The maximum unmatched allocation within any one fiscal year is \$500,000. Where the cost exceeds \$500,000, the governing body may request up to \$150,000 in supplemental funds, which must be matched on a dollar-for-dollar basis. Any ineligible project costs and all costs exceeding the maximum allocation must be borne by the locality. The Residency Administrator will assist the locality in preparing sketches and cost estimates for the requested road improvements.

Qualifying private investment includes the cost of land, the cost of site preparation and building construction, and the cost of newly purchased equipment essential to the operation of the establishment.

Eligible capital investment requires documentation by copies of deeds, executed construction contracts, checks, and purchase orders, and this documentation is subject to verification by VDOT. Capital costs incurred more than six months prior to the date of the resolution of the governing body will normally be disallowed.

For bonded projects, it is necessary that the governing body guarantee that a bond or other acceptable surety will be provided to cover the cost of the road that is not justified by qualifying development. The time period for a bonded project is five years from the date of the CTB resolution approving the project and allocation. As of July 2006, the CTB policy also allows consideration of investment established within twenty-four months following the termination of the original five-year period for a partial reimbursement of any returned funds.

The locality requesting the access funding will be responsible for the appropriate environmental studies and permits, if applicable.

Additional information is available in the Economic Development Access Program Guide and on the VDOT website at <http://www.virginiadot.org/business/local-assistance-access-programs.asp>