



Economic Development Access Program

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Economic Development Access (EDA) Program

- Program Overview
- Bonded Projects
- Recent EDA Program Changes
- Allocation History
- EDA Policy Options

Program Overview

- §33.1-221, Code of Virginia identifies program to provide access to economic development sites
- Annual Program Funding: \$5.5 M
 - Includes Economic Development Access, Airport Access and Rail Industrial Access projects
- Economic Development Access
 - Maximum allocation of \$500,000 unmatched and \$150,000 matched
 - Allocation contingent on documentation of capital investment (\$5:\$1)
- Current CTB policy approved July 16, 2009

Program Overview

- Projects can be:
 - Traditional (named business)
 - Bonded (speculative)
- Projects for known eligible businesses have documented sufficient capital outlay to justify their allocations.
- Bonded (speculative) projects require total or partial reimbursement by localities if capital outlay is not documented in 5 years.
- After payback, a locality can seek 50% reimbursement within 2 years.

Bonded Projects

- Option has existed since 1978
- Only state-funded economic development program providing funding without a named establishment
- Locality must provide surety in the amount of the allocation, pending documentation of private capital outlay
- Authorized in Code of Virginia, but CTB sets time limit in its policy

Bonded Projects (Time Limits)

- Bonded period was initially 2 years
- Extended to 3 years in 1991
- Extended again in 2001 to 5 years

Recent EDA Program Changes

- 2005: General Assembly directed revision of definition of eligible business
- 2006: CTB policy amended:
 - Broader eligibility
 - Allowed return of 50% of funding forfeited at end of bonded period if capital outlay occurs within two years

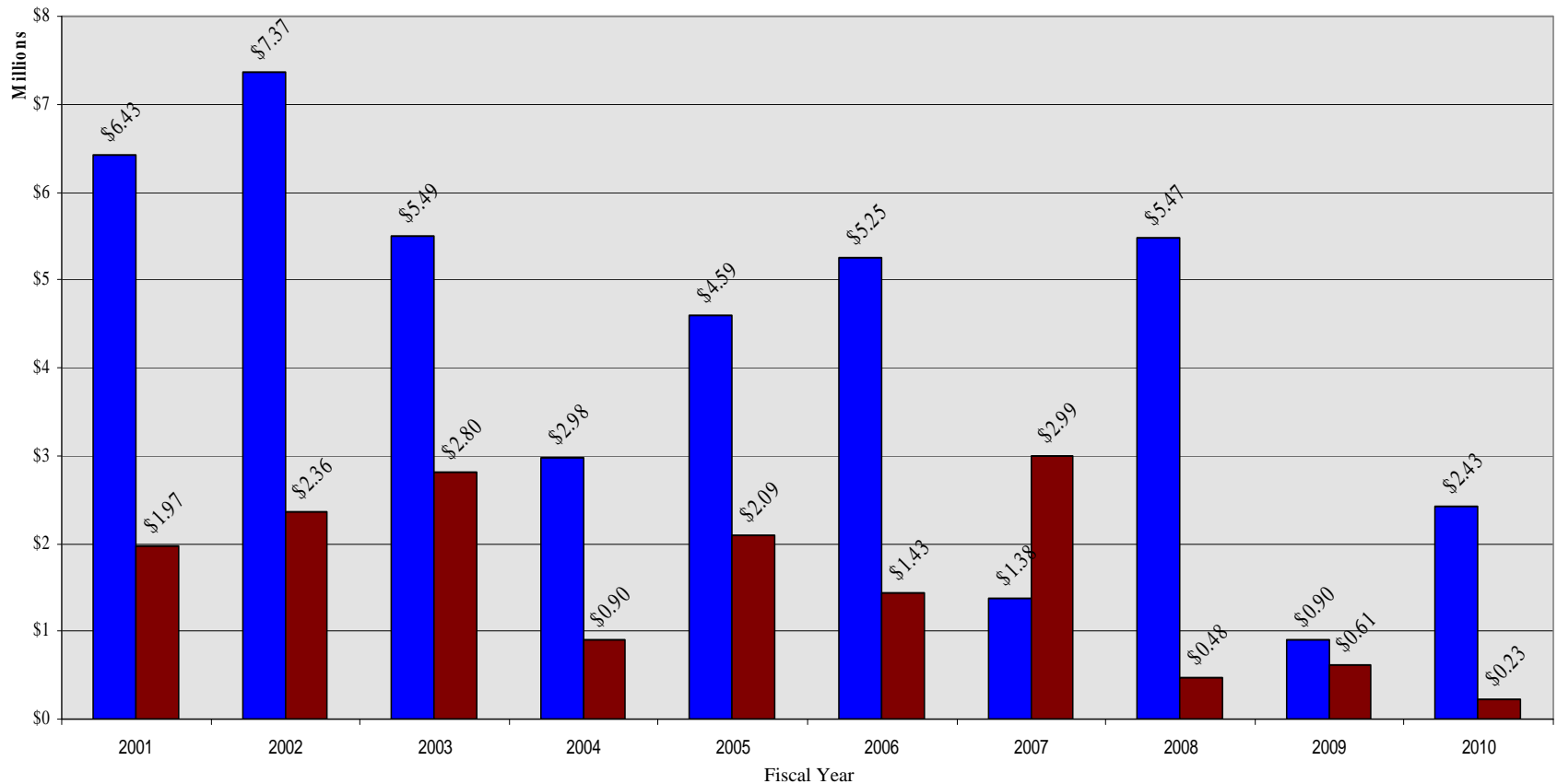
Recent EDA Program Changes

- 2009: CTB policy amended in response to economic conditions
 - Increased maximum unmatched allocation to \$500,000 (up from \$350,000)
 - Reduced capital outlay documentation requirement from 10% of access program funding to 5%

Allocation History

Projects – Bonded or Named Business

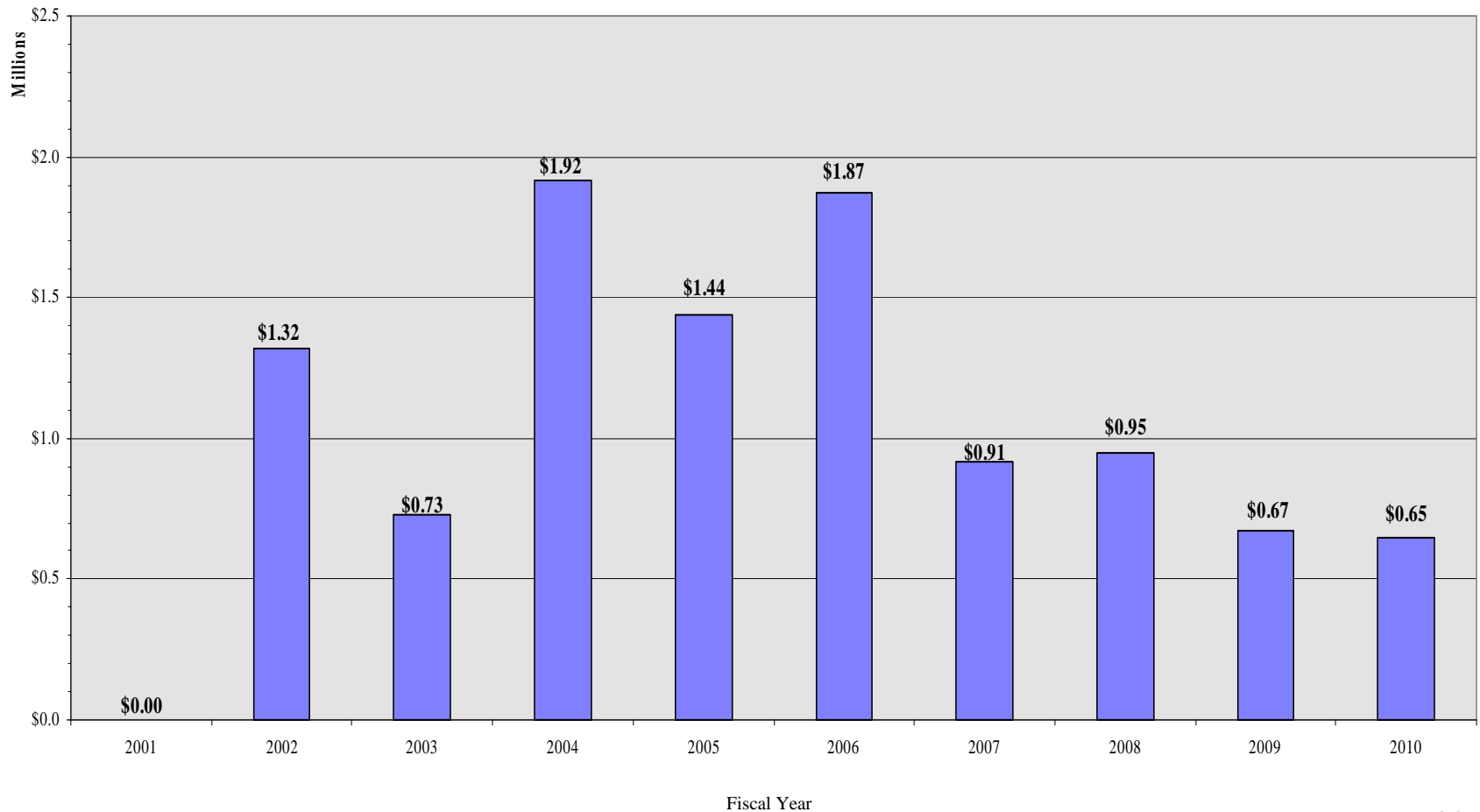
Allocations



Funds Returned by Localities

Projects – Bonded

Access Program Funding Returned by Localities



FY2011

Projects – Bonded

Locality	Facility	Allocation	Investment Deadline	Investment Documented?
Washington/ Smyth	Highlands Business Park	\$340,000	Sept. 2010	Yes – fully
Henry	Patriot Centre IV	\$211,000	Nov. 2010	No
Prince George	Southpoint	\$306,000	Nov. 2010	Yes – fully
Botetourt	Botetourt Center at Greenfield	\$450,000	April 2011	No
King William	West Point Industrial Prk	\$450,000	May 2011	No

EDA Policy Options

(~ 20 active projects)

- No action – allow 2009 policy changes to be fully realized
- **Declare a moratorium on calling bonds from July 1, 2010 until July 1, 2012 provided locality extends its bond**
- Maintain 5-year bonded period, but extend the 2-year grace period for 50% reimbursement to 4 years as a one-time action applied to localities with active projects
- Extend the bonded period from 5 years to 7 years as a one-time action applied to localities with active projects



Questions?