



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Sean T. Connaughton
Chairman

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Agenda item # 7

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

June 20, 2012

MOTION

Made By: Mr. Bowie Seconded By: Dr. Davis

Action: Motion Carried, Unanimously

**Title: Economic Development Access Program
 Project Bond Period Moratorium**

WHEREAS, Section 33.1-221 of the *Code of Virginia* provides for funds to "...be expended by the Board for constructing, reconstructing, maintaining or improving access roads within counties, cities, and towns to economic development sites on which manufacturing, processing, research and development facilities, distribution centers, regional service centers, corporate headquarters, or other establishments that also meet basic employer criteria as determined by the Virginia Economic Development Partnership in consultation with the Virginia Department of Business Assistance will be built under firm contract or are already constructed ..." or, "in the event there is no such establishment ..., a county, city, or town may guarantee to the Board by bond or other acceptable device that such will occur and, should no establishment or airport acceptable to the Board be constructed or under firm contract within the time limits of the bond, such bond shall be forfeited"; and

WHEREAS, the Commonwealth Transportation Board's policy for the administration of the Economic Development Access Fund establishes the maximum time limit for the bond to be five years beginning on the date of the allocation of the economic development access funds by the Board; and

WHEREAS, pursuant to Section 33.1-221 of the *Code of Virginia*, the time limits of the bond shall be based on a regular review and consideration by the Board; and

WHEREAS, it is the sense of this Board that the sustained economic conditions have negatively impacted the ability of all localities within the Commonwealth to attract qualifying types of establishments and investment in order to satisfy this contingency of the allocation; and

WHEREAS, it is the desire of this Board to extend to July 1, 2014 the existing moratorium, established by resolution of this Board on October 20, 2010, to localities where Economic Development Access Program funds have been utilized and whose bond time limit expired or will expire between July 1, 2010 and July 1, 2012; and

WHEREAS, it is the desire of this Board to implement a moratorium to localities where Economic Development Access Program funds have been utilized and whose bond time limit will expire between July 2, 2012 and July 1, 2014.

NOW, THEREFORE, BE IT RESOLVED, that the Commonwealth Transportation Board hereby grants a moratorium on the forfeiture of funds by localities where Economic Development Access funds have been utilized and whose bond time limit expired or will expire between July 1, 2010 and July 1, 2014 contingent upon:

1. the extension of the bond or similarly appropriate surety until August 2, 2014. This surety may be released or reduced at an earlier date upon provision of documentation, acceptable to VDOT, of eligible capital outlay by a qualified establishment, or establishments.

BE IT FURTHER RESOLVED, that the time limits of the bond on Economic Development Access projects whose original five year time limit terminates after July 1, 2014 as well as those affected by this action of the Board, pursuant to Section 33.1-221 of the *Code of Virginia*, shall continue to be subject to regular review and consideration by the Board.

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