



Economic Development Access Policy Discussion

Proposed Policy: Maximum allocation to a locality within any one fiscal year would be \$850,000 with \$700,000 unmatched and \$150,000 matched dollar for dollar.

- How will increase of proposed maximum impact those non-distressed localities which might request the maximum?

Proposed Policy: Reduced the Capital Investment Requirement from 5X to 4X/3X for distressed and double-distressed localities.

- How will proposed reduction of Capital Investments Requirements impact distressed localities?

Proposed Policy: Provide Credit for Capital Investments for “retained” employees (\$1,000 per employee) for existing expanding facilities.

- How is retained employees determined/Need for Policy?

How will increasing the max. allocation affect project in Non-Distressed localities?

- **The proposed policy is to increase the maximum allocation available from \$650,000 to \$850,000.**
- **Since 2017, there have been five EDA (regular) Projects completed in Non-Distressed localities.**
 - **Four of these projects submitted sufficient capital investment documentation that would have exceeded the capital investment requirement for the newly proposed maximum allocation of \$850,000**
 - **One of these projects submitted capital investment documentation until the minimum capital investment requirement was met**

What impact would the new Capital Investment Requirement have on Distressed localities that have paid back funds to VDOT?

- **The proposed Policy is to base the amount of capital investment documentation needed from a locality on the locality's level of distress**
- **Over the last 15 years, Six localities have paid back funds to VDOT for EDA projects in which the locality did not have sufficient capital investment documentation**
 - **Of these six localities, only two localities had EDA projects where capital investment documentation was submitted for approval**
 - **Under the proposed new EDA Policy, the capital investment documentation submitted by these localities would have been sufficient to meet the EDA Program requirements**

Provide Capital Investment Credit for Jobs Created & Retained

- **The proposed Policy is to provide a capital investment credit for each new full time job created and each full time job retained**
 - **Modeled on Illinois/Ohio Programs**
 - **If a business is relocating or expanding within the State, all jobs not considered “new jobs” would be considered “retained jobs”**
- **There have been two EDA Projects where a business has expanded within the State since 2017**
- **Due to Lack of need, recommend removing proposal and continue evaluation for potential future inclusion**

NEXT STEPS

Policy Resolution to Board for Approval

Continue Coordination with VEDP to define roles / responsibilities

Develop new Guidelines which must go through Town Hall for Public Comment

