



COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION

1401 EAST BROAD STREET
RICHMOND, VIRGINIA 23219-2000

DAVID S. EKERN, P.E.
COMMISSIONER

July 22, 2009

County Administrators
City and Town Managers

RE: Economic Development Access Road Policy

I would like to inform you of a recent Commonwealth Transportation Board (CTB) policy change that may be of interest. On July 16, the CTB amended its policy for administration of the Economic Development Access Road Program. Two significant changes were made that should enhance the program's value to localities in their economic development efforts.

First, the maximum annual unmatched allocation per locality has been increased from \$300,000 to \$500,000. The access program will now provide a much higher percentage of project costs before local matching funds are required. The maximum amount of matched funding remains at \$150,000 and is available only when the cost of an individual project exceeds \$500,000. This is the first increase in the monetary limits in nearly 30 years and it raises the maximum allocation from \$450,000 to \$650,000 annually for each locality.

The second change reduces the requirement for private capital outlay. Required documentation is decreased from \$10 per \$1 of program funding to \$5 per \$1 of program funding. This reflects the trend toward less capital intensive business development and may provide less financial risk for localities considering the use of this program. For example, a business with \$2.2 million of capital outlay qualified for \$220,000 of access funding under the prior policy. It will now qualify for \$440,000. For both traditional and bonded projects, the locality will only be required to provide capital outlay documentation to offset the CTB allocation.

The revised policy is effective for new projects approved after July 16, 2009, but is not retroactive for those having received prior funding. The Economic Development Access Program Guide will be updated in the near future to reflect the changes. It will be available on the Local Assistance Division's web site at: <http://www.virginiadot.org/business/local-assistance.asp>.

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We hope the policy revisions will be beneficial to your locality as you look for opportunities to promote economic development. We welcome your feedback on these changes and ask that you consider providing thoughts on how this program can be enhanced further in the future. If you have any questions regarding the new funding criteria or the Economic Development Access Program in general, please contact your local VDOT representative or me at (804) 786-2745 or by email at Michael.Estes@VDOT.Virginia.gov.

Sincerely,

Michael A. Estes, P.E.
Director, Local Assistance Division

Cc: Commonwealth Transportation Board
Mr. David S. Ekern, P.E.
Ms. Reta R. Busher
Mr. Richard L. Walton, Jr.
Virginia Association of Counties
Virginia Municipal League
Virginia Economic Development Partnership
Virginia Department of Business Assistance