



Exempt Action Final Regulation Agency Background Document

Agency name	Commonwealth Transportation Board (Virginia Department of Transportation)
Virginia Administrative Code (VAC) citation	24 VAC 30-271
Regulation title	Economic Development Access Fund Policy
Action title	Amendments to Regulation based on Focus Group and Agency Recommendations
Final agency action date	June 20, 2012
Document preparation date	June 13, 2012

When a regulatory action is exempt from executive branch review pursuant to § 2.2-4002 or § 2.2-4006 of the Virginia Administrative Process Act (APA), the agency is encouraged to provide information to the public on the Regulatory Town Hall using this form.

Note: While posting this form on the Town Hall is optional, the agency must comply with requirements of the Virginia Register Act, Executive Orders 14 (2010) and 58 (1999), and the *Virginia Register Form, Style, and Procedure Manual*.

Summary

Please provide a brief summary of all regulatory changes, including the rationale behind such changes. Alert the reader to all substantive matters or changes. If applicable, generally describe the existing regulation.

This regulation deals with the requirements established by the Commonwealth Transportation Board (CTB) in administering funding under the Economic Development Access Program, which is established in § 33.1-221 of the Code of Virginia. It was established by the General Assembly so that counties, cities and towns could assist new or expanding industries in obtaining access to their sites, without expending substantial portions of the localities' traditional highway funds. Since its inception, the program has been expanded to make a broader range of businesses eligible to compete for program funds while maintaining the primary goal of assisting localities in attracting businesses that provide significant amounts of private capital investment, employment opportunity and assurance of long-term presence in the Commonwealth.

VDOT convened a Focus Group to identify ways to improve the effectiveness of the program, which was a component of the agency's current Business Plan (improve access to multimodal facilities and major employment centers by June 30, 2014). The Focus Group was comprised of individuals suggested by the Virginia Economic Development Partnership (VDEP) that are representative of stakeholder viewpoints

in regions where strategically-important properties are located. Also participating in the deliberations were representatives from VEDP and VDOT.

Based on the Focus Group recommendations, amendments to this regulation include the following:

- Allowing for funding costs associated directly with program administration, outreach and management to be allowed prior to CTB approval, provided that they are not expected to exceed one percent of the allocation annually;
- Eliminating the current prohibition against “government facilities” being eligible for funding as qualifying establishments to increase the number of potential candidates for program funds;
- Eliminating an obsolete reference to a repealed regulation, 24VAC30-450;
- Allowing credit for locally-funded public infrastructure improvements and buildings; revised language indicates some locality-provided improvements can be used to meet investment requirements; and
- Increasing maximum allocations for road construction; the proposed change involves allowing an allocation of up to \$1 million per year for a megasite (MEI project), with a local match of a half million, with one additional allocation of \$1 million with a local match of a half million allowed in a subsequent year.

The Office of the Attorney General reviewed the regulation, and affirmed that the CTB has authority to amend it through §§ 33.1-12 and 33.1-221 of the *Code of Virginia*. The OAG also concurred that the action is exempt from the APA through § 4002 B (3) and (4) of the *Code of Virginia*.

Statement of final agency action

Please provide a statement of the final action taken by the agency including (1) the date the action was taken, (2) the name of the agency taking the action, and (3) the title of the regulation.

On June 20, 2012, the Commonwealth Transportation Board amended the *Economic Development Access Fund Policy* (24 VAC 30-271).

Family impact

Assess the impact of this regulatory action on the institution of the family and family stability.

This regulation will not affect the institution of the family or family stability.