



COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Aubrey L. Layne, Jr.
Chairman

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Agenda item # NBI

RESOLUTION OF THE COMMONWEALTH TRANSPORTATION BOARD

January 18, 2017

MOTION

**Made By: Ms. DeTuncq, Seconded By: Mr. Garczynski
Action: Motion Unsuccessful, Resolution Failed**

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

WHEREAS, Section 33.2-1509 of the *Code of Virginia* provides for funds to "...be expended by the Board for constructing, reconstructing, maintaining or improving access roads within localities 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 Small Business and Supplier Diversity will be built under firm contract or are already constructed ..." or, "in the event there is no such establishment ..., a locality 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 33.2-1509 of the *Code of Virginia*, the time limits of the bond shall be based on a regular review and consideration by the Board; and

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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;

WHEREAS, the Board approved a revised Economic Development Access Fund Policy on December 7, 2016 which provided for a reimbursement schedule for bonded projects which have not documented sufficient capital investment, so that localities would be provided the option of repaying 20% of the required reimbursement annually until all funds are repaid; and

WHEREAS, it is the desire of this Board to extend to December 27, 2018 the moratorium, established by resolution of this Board on October 19, 2016, to localities where Economic Development Access Program funds have been utilized and the original bonded time period for establishing qualifying capital outlay expired between July 1, 2010 and January 3, 2017.

NOW, THEREFORE, BE IT RESOLVED, that the Commonwealth Transportation Board hereby extends, until December 27 2018, its moratorium on the forfeiture of funds by localities where Economic Development Access funds have been utilized and the bonded time period for establishing qualifying capital outlay expired or expires between July 1, 2010 and December 27, 2018 contingent upon:

1. The extension of the bond or similarly appropriate surety until January 31, 2019. 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.
2. After December 27, 2018, at the end of the moratorium, to the extent repayment is still required from any locality affected by the moratorium; such repayment shall be in accord with the repayment schedule established in the Board's Economic Development Access Fund Policy approved on December 7, 2016.

BE IT FURTHER RESOLVED, that the time limits of the bond on Economic Development Access projects whose original five year time limit terminates after December 27, 2018 as well as those affected by this action of the Board, pursuant to Section 33.2-1509 of the *Code of Virginia*, shall continue to be subject to regular review and consideration by the Board.

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