COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

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Agenda item # 2

RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD

October 13, 2026

MOTION

Made By: Mr. Fowlkes, **Seconded By:** Mr. Payne
Action: Motion Carried, Unanimously

Title: Economic Development Access Fund Policy (2026 Revision)

WHEREAS, the General Assembly has, from time to time, amended Section 33.2-1509 of the *Code of Virginia* relating to the fund for construction or improvement of access roads to economic development sites and public-use airports within the counties, cities, and towns of the Commonwealth; and

WHEREAS, the Board has also, from time to time, revised its policy for the administration of the Economic Development Access (EDA) Program pursuant to Section 33.2-1509 of the *Code of Virginia*; and

WHEREAS, the current policy was published and adopted in February 2022*;* and

WHEREAS, VDOT has recently reviewed the EDA program and the research shows that inflationary conditions have substantially eroded the purchasing power of an EDA grant since 2022 ; and

WHEREAS, VDOT and the Virginia Economic Development Partnership are recommending changes to the EDA policy that should improve a locality's ability to respond quickly to business attraction and expansion opportunities, and provide greater support for the program's goal of accelerating economic development opportunities and growth in the Commonwealth.

NOW, THEREFORE, BE IT RESOLVED that the Commonwealth Transportation Board (CTB) hereby adopts the policy attached hereto and entitled *2026 Commonwealth Transportation Board Economic Development Access Fund Policy*, dated October 13, 2026 to govern the use of economic development access funds pursuant to Section 33.2-1509, as amended, of the *Code of Virginia.*

BE IT FURTHER RESOLVED that the *2026 Commonwealth Transportation Board Economic Development Access Fund Policy* shall become effective immediately and shall supersede all policies heretofore adopted by this Board governing the use of economic development access funds, and that the CTB further directs the Department to develop guidelines implementing this revised policy.

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Commonwealth Transportation Board (CTB) Decision Brief

Economic Development Access Fund Policy (2026 Revision)

Issue: The Economic Development Access (EDA) Program provides funding to assist local governments with the design and/or construction of new access roads or the improvement of existing access roads to qualifying development sites. EDA Program funding is used to provide adequate access to development sites for qualifying businesses. A qualifying business must meet the Virginia Economic Development metric of a basic employer. Adequate access, in consideration of the type and volume of traffic anticipated to be generated by the subject site, may require the construction of a new roadway, improvement of an existing roadway, or both, to serve the designated site.

Facts: Section 33.2-1509 of the *Code of Virginia* provides funds to the Commonwealth Transportation Board (the Board) to be expended by the Board for "constructing, reconstructing, maintaining, or improving access roads within localities to economic development sites…"

The existing CTB policy governing the EDA Program was adopted in 2022. VDOT reviewed the EDA Program and determined that updates are needed to the 2022 policy to ensure that funds are allocated to the maximum extent possible and that they support the current cost to deliver eligible transportation infrastructure projects.

Recommendations: VDOT recommends that the CTB adopt the proposed Economic Development Access Fund Policy to ensure compliance with § 33.2-1509 of the *Code of Virginia* to update the application process, increase maximum allocation, provide design-only grants, reduce capital investment requirements for economically distressed localities and provide credit for capital investment for jobs created.

Action Required by CTB: A majority vote of the CTB is required to adopt the Economic Development Access Fund Policy and establish updated guidelines for the purpose of distributing and administering Economic Development Access Program funds.

Result, if Approved: The revised Economic Development Access Fund Policy will take effect immediately after CTB approval and will govern the EDA Program in accordance with § 33.2-1509 of the *Code of Virginia*.

Options: Approve, Deny, or Defer

Public Comments/ Reaction: None

2026 Commonwealth Transportation Board

Economic Development Access Fund Policy

GENERAL

1. The Commonwealth Transportation Board and the Department of Transportation (the Department) will consult and work closely with the Virginia Economic Development Partnership (VEDP) in determining the use of economic development road access funds and will rely on the recommendations of the VEDP in making decisions as to the allocation of these funds. In making its recommendations to this Board, the VEDP and the Department will take into consideration the impact of the proposed facility on the employment and tax base of both the area in which the facility is to be located and the Commonwealth of Virginia. Further, in developing guidelines for the use of the funds, the Board directs the Department to take into consideration, at a minimum, the following criteria: site readiness, transportation need, potential and/or predicted job creation, and economic stress of the community in which the project is proposed.

2. The use of economic development access funds shall be limited to: (a) providing adequate access to economic development sites on which new or substantially expanding 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; (b) improving existing roads that may not be adequate to serve the establishments as described in (a); and (c) providing for costs associated directly with program administration and management of project requests prior to CTB approval with such costs not expected to exceed 1% of the allocation annually.

3. Economic development access funds may not be used for the construction of access roads to schools, hospitals, libraries, airports, armories, speculative office buildings, shopping centers, apartment buildings, professional offices, residential developments, churches, hotels, motels, or similar facilities, whether public or private. (Access roads to licensed, public-use airports, while provided for in the *Code of Virginia* (*COV*) Section 33.2-1509, are funded and administered separately)

4. No cost incurred prior to this Board's approval of an allocation from the economic development access fund may be reimbursed by such funds. Economic development access funds shall be authorized only after certification that the economic development establishment as listed or meeting the criteria as described will be built under firm contract, or is already constructed, or upon presentation of acceptable surety in accordance with paragraph A. of Section 33.2-1509 of *COV*.

5. Funds for economic development access road projects are to be used only for the physical construction and/or engineering of an access road necessary to support the traffic generated by a new or expanding qualified establishment. Access funds may be used to relocate existing utilities only to the extent the location of those utilities conflict with access road

construction. Economic development access funds shall not be used for the acquisition of rights of way. Where an existing economic development access road is part of the road system of the Department or the locality in which it is located, economic development access funds may be used to upgrade the existing road only to the extent required to meet the needs of traffic generated by new or expanding eligible establishments.

6. Economic development access funds shall not be used to construct or improve roads on a privately owned economic development site. Nor shall the construction of a new access road to serve any economic development site on a parcel of land which abuts a road constituting a part of the systems of state highways or the road system of the locality in which it is located be eligible for economic development access funds, unless the existing road is a limited access highway and no other access exists

7. In the event an economic development site has access according to the foregoing provisions of this policy, but it can be determined that such access is not adequate in that it does not provide for safe and efficient movement of the traffic generated by the eligible establishment on the site or that the site's traffic conflicts with the surrounding road network to the extent that it poses a safety hazard to the general public, consideration will be given to funding additional improvements. Such projects shall be evaluated on a case-by-case basis upon request, by resolution, from the local governing body. Localities are encouraged to establish planning policies which will discourage incompatible mixes such as industrial and residential traffic.

8. Prior to this Board's allocation of funds for such construction or road improvements to an eligible economic development establishment proposing to locate or expand in a county, city or town, the governing body shall by resolution request the access funds and shall be responsible for the preliminary negotiations with the eligible establishment and others interested. Engineers of the Department will be available for consultation with the governing bodies and others, and may prepare surveys, plans, engineering studies, and cost estimates, when requested and funded by the locality.

BOARD ALLOCATIONS

9. Allocations made available under this program may be for projects in Counties, Cities, or Towns which receive street maintenance payments under section 33.2-319 of *COV*. A town whose streets are maintained under either Section 33.2-339 or 33.2-340, of *COV*, shall be considered as part of the county in which it is located.

10. A locality may receive an unmatched allocation of economic development access funds up to $250,000 in any fiscal year and an additional $100,000 in economic development access funds matched dollar-for-dollar from funds not administered by this Board for a design-only project. The local governing body shall guarantee by bond or other acceptable surety that the plans will be developed to standards acceptable to the Department and will be completed to standards acceptable to the Department within 24 months of the allocation. The Department is authorized to provide design-only unmatched allocations up to $100,000 without Board approval provided all other provisions of this policy are met and the Department provides the Board with an annual report of those allocations.

11. A locality may receive an unmatched allocation of economic development access funds up to $1,250,000 in any fiscal year for the construction of an access road project or for the

combined design and construction of an access road project. The unmatched allocation may be supplemented with up to $300,000 in economic development access funds, to be matched dollar-for-dollar from funds other than those administered by this Board. Such supplemental funds shall be considered only if the total estimated cost of eligible items for the economic development access improvement exceeds $1,250,000.

12. No locality may receive allocations exceeding $1,550,000 in a single fiscal year

13. If an eligible site is owned by a regional industrial facility authority, as defined in Section 15.2-6400 et seq., of the *Code*, funds may be allocated for construction of an access road project to that site without penalty to the jurisdiction in which the site is located. This provision may be applied to one regional project per fiscal year in any jurisdiction, with the same funding limitations as prescribed for other individual projects.

14. Notwithstanding the provisions herein, for Major Employment and Investment (MEI) projects as defined in Section 2.2-2260, of the *Code* and administered by the Virginia Economic Development Partnership, the locality may receive up to $850,000 unmatched allocation and $300,000 dollar for dollar matched allocation for a design-only project. The local governing body shall guarantee by bond or other acceptable surety that plans for a MEI project will be developed to standards acceptable to VDOT.

15. In addition, for projects utilizing economic development access funds to serve approved MEI projects, the locality may receive up to $1,750,000 unmatched allocation and an additional $1,250,000 matched allocation for a road construction project. Project allocations for a given MEI project may be cumulative for not more than two years.

16. Eligible items of construction and engineering shall be limited to those which are essential to providing an adequate facility to serve the anticipated traffic while meeting all appropriate CTB and state policies and standards. However, additional pavement width or other features may be eligible where necessary to qualify the road facility in a city or town for maintenance payments under Section 33.2-319, of the *Code*.

17. Except as provided for in paragraph 15 pertaining to MEI projects, it is the intent of the Board that economic development access funds not be anticipated from year to year. Unused eligibility cannot be allowed to accumulate and be carried forward from one fiscal year to another.

18. As a condition of the any economic development allocations for a construction or combined design and construction project, the locality must demonstrate that capital investment outlay of the eligible establishment and certain investment by the locality in the land and the building on the site occupied by the eligible establishment as follows:

    a. Investments shall be five times or greater of the allocation for a locality that is not designated as a single or double distressed locality, as defined by VEDP in the year that the allocation is made, or

    b. Investments shall be four times or greater of the allocation for a locality that is designated as a single distressed locality, as defined by the VEDP, in the year that the allocation is made, or

c. Investments shall be three times or greater of the allocation for a locality that is designated as a double distressed locality, as defined by the VEDP, in the year the allocation is made.

19. Further, to encourage job creation in the establishment of such facilities, the Department shall consult with VEDP to establish an appropriate dollar value credit toward the required capital investment for jobs created.

BONDED (SPECULATIVE) PROJECTS

20. When an eligible establishment is not yet constructed or under firm contract and a local governing body chooses to guarantee by bond or other acceptable surety that such will occur, the maximum time limit for such bond shall be five years, beginning on the date of the allocation of the economic development access funds by the Commonwealth Transportation Board. At the end of the five-year period, the amount of economic development access funds expended on the project and not justified by eligible capital outlay of one or more eligible establishments acceptable to the Board shall be reimbursed to the Department of Transportation voluntarily by the locality or by forfeiture of the surety unless the locality elects to utilize the payback provisions outlined in paragraph 21.

21. At the end of the five year time bond period specified in paragraph 20 or at the termination of an extended bond period, rather than reimbursing the Department in full those funds expended on the project but not justified by eligible capital outlay, the locality may elect to extend the bond or other acceptable surety for another 4-year period and, on an annual basis, reimburse the Department 20% of those funds expended on the project but not justified by eligible capital outlay, with the first annual payment to be made on or before the 1st day of the new bonded period, until such time that 100% of the required reimbursement is provided or until the locality can document sufficient capital investment by an eligible establishment. The locality's bond or other acceptable surety may be reduced annually by the amount repaid to the Department. In the event that during the extended bonded period, the locality can document sufficient capital investment by an eligible establishment, the locality may request a refund of any reimbursements made to the Department. Such request may be granted if funds are available and on a first-come, first-served basis in competition with applications for economic development access funds from other localities. The Commonwealth Transportation Commissioner is directed to establish administrative procedures to assure the provisions of this policy and legislative directives are adhered to and complied with.