
VDOT
Virginia Department of Transportation

ACCESS PROGRAM UPDATES

Economic Development and Airport Access Programs

Rail Industrial Access Program

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September 15, 2026

Agenda and Reason for this Presentation

- **Review of the EDA, AIR and RIA programs**
- **Review of program performance**
- **Review of fund balance**
- **Stakeholder engagement**
- **Opportunities to support and contribute to growing Virginia's economy**
- **Policy Update Recommendations**

Goal: Ensure that the EDA, AIR, and RIA programs continue to support economic development across the Commonwealth, and keep pace with the cost of transportation projects

Economic Development (EDA) and Airport (AIR) Access Programs

- **Provides funding to design and construct roads that serve new or expanding economic development sites or public-use airports, § 33.2-1509**
  - Localities submit applications for EDA or AIR Funding to VDOT, and the Commonwealth Transportation Board (CTB) considers and approves project allocations
- **EDA Projects can be either design-only projects or construction projects**
  - Design-only projects: Funds are used solely for the design of a new road or improvements to an existing road
  - Construction projects: Funds are used for both the design and construction of a new road or improvements to an existing road
    - A higher amount of funding is available for projects designated as Major Employment and Investment (MEI) sites

Fund Source	EDA Design-Only Projects		EDA Construction Projects	
	MEI	Non-MEI	MEI	Non-MEI
State	$500,000	$150,000	$1,000,000	$700,000
State/Local Match	$150,000/$150,000	$50,000/$50,000	$1,000,000/$1,000,000	$150,000/$150,000

- **AIR Projects can only be construction projects**

Fund Source	AIR Construction Projects
State	$500,000
State/Local Match	$150,000/$150,000

VDOT Benefits

- EDA Design-only grants allow localities the ability to address lead times needed to attract economic development prospects and shows a level of readiness
- EDA grants free up locality resources for other aspects of economic development and site preparation
- EDA & AIR grants provide funding for projects that would otherwise not be competitive with other programs

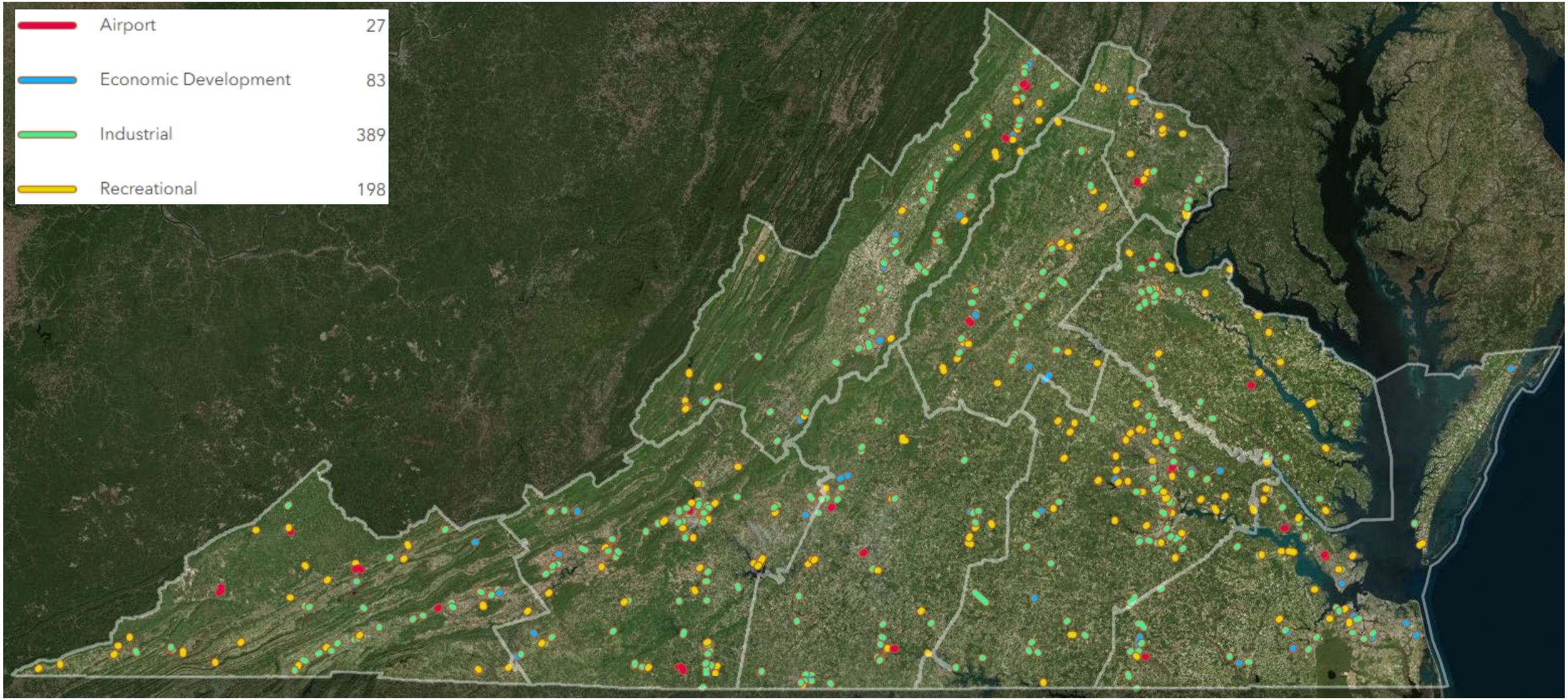
FY25 & FY26	EDA Design-Only Projects		EDA Construction Projects	
	MEI	Non-MEI	MEI	Non-MEI
# of Projects	3	4	0	5
Total Allocations	$2,069,000	$640,000	$0	$4,100,000

AIR Construction Projects				
Fiscal Year	2012	2013	2023	2027
# of Projects	1	1	1	1
Total Allocations	$450,000	$450,000	$650,000	$650,000

Program Improvements

- Development of dashboards and mapping tools to contextualize the impact of Access projects
- Development of marketing materials and improved outreach efforts through Statewide economic development organizations
- Continued partnership with the Virginia Economic Development Partnership (VEDP)

Mapped Access Projects (1980-2026)



FY18-26 Awarded Projects

EDA:

Construction Projects

- Projects Awarded: 27, $18.2M
- Capital Investment: $2.7B
- Jobs Created: 1081

Design-Only

- Projects Awarded: 8, $3.2M
- Access provided to 2,026 acres of undeveloped property

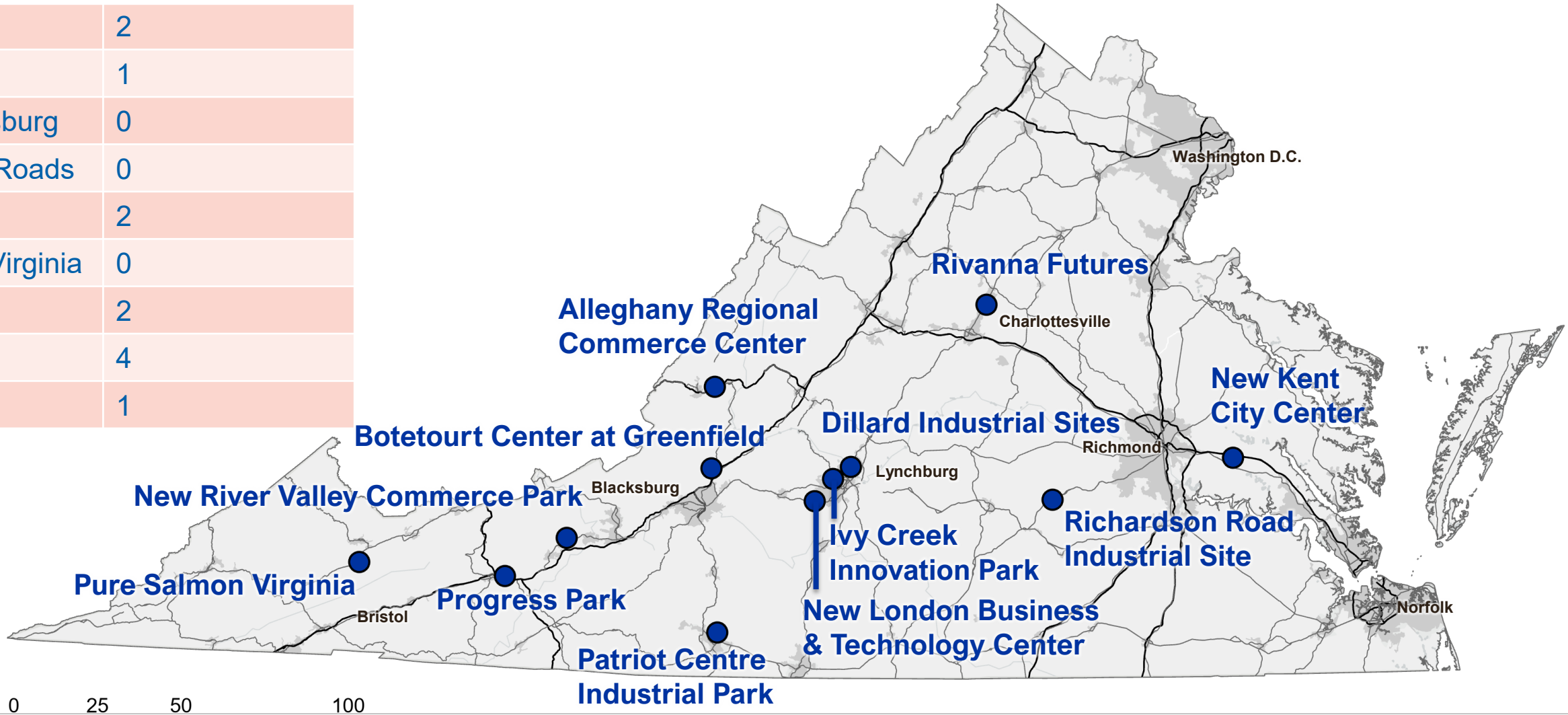
AIR:

Construction Projects

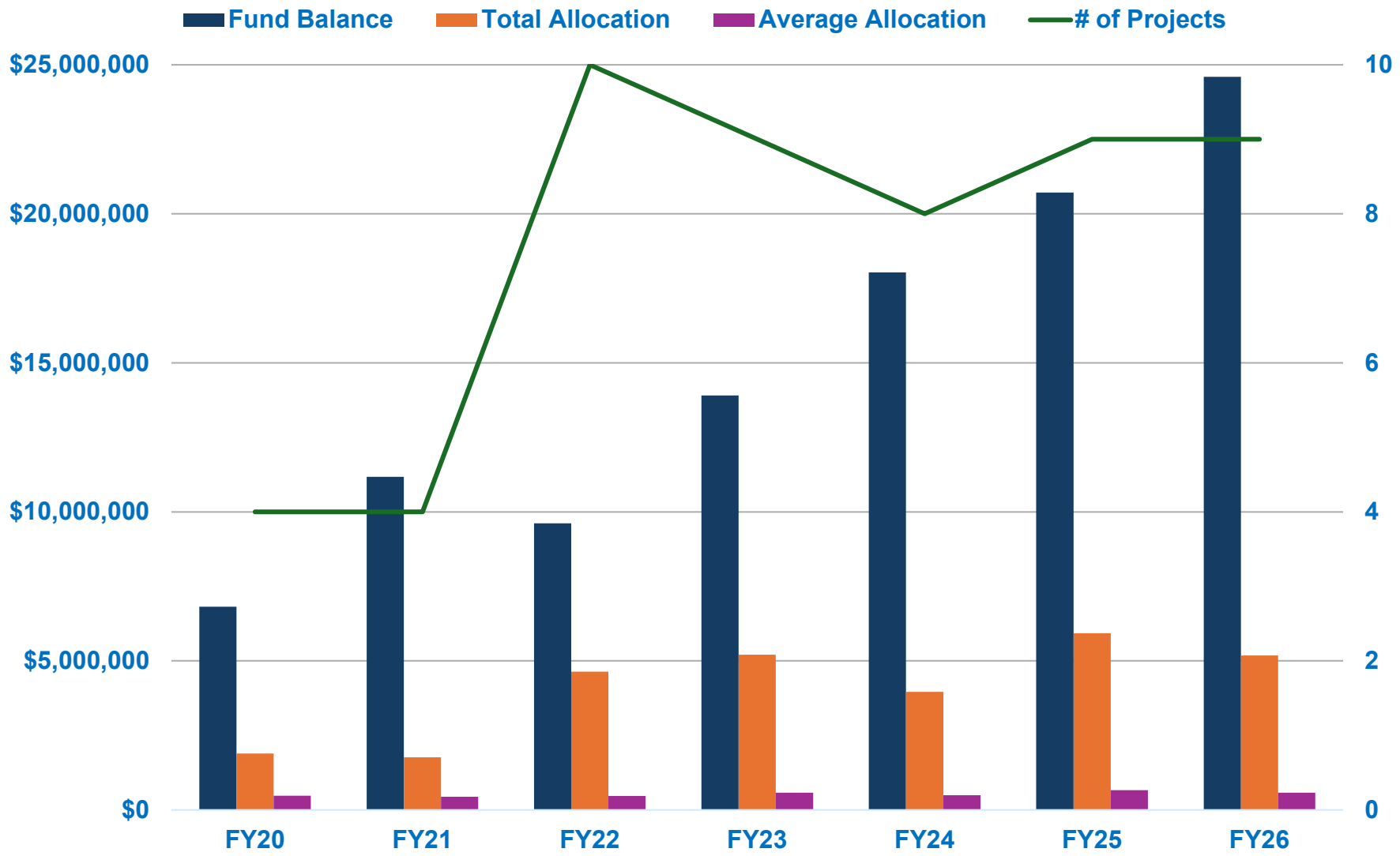
- Projects Awarded: 2, $1.3M

FY 25 & 26 EDA Projects

VDOT District	Active Projects
Bristol	2
Culpeper	1
Fredericksburg	0
Hampton Roads	0
Lynchburg	2
Northern Virginia	0
Richmond	2
Salem	4
Staunton	1



Program Performance



VDOT Overview of Problem

EDA & AIR programs were established to help accelerate economic development opportunities and growth across the Commonwealth

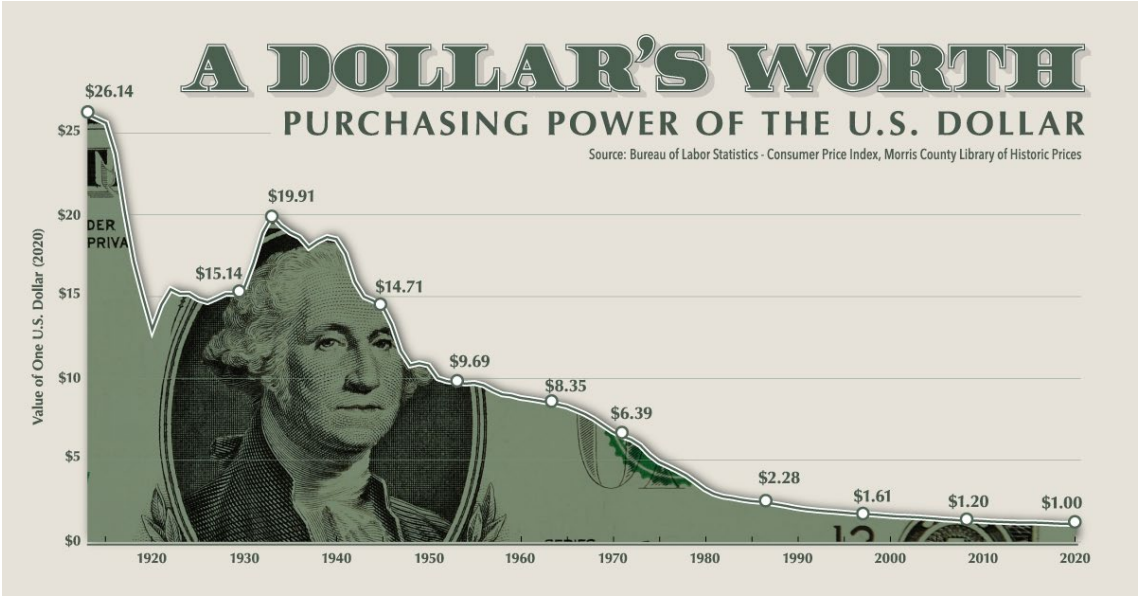
EDA Program Maximum Allocation – Grant Cap

2009

$300,000 to $500,000

2022

$500,000 to $700,000



Inflationary conditions have eroded the purchasing power of a FY2022 $700,000 grant by over $131,000*

*Source: Bureau of Labor Statistics; Consumer Price Index Data

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	MEI	Non-MEI	MEI	Non-MEI
State	$500,000	$150,000	$1,000,000	$700,000
State/Local Match	$150,000/$150,000	$50,000/$50,000	$1,000,000/$1,000,000	$150,000/$150,000

- **AIR Projects can only be construction projects**

Fund Source	AIR Construction Projects
State	$500,000
State/Local Match	$150,000/$150,000

VDOT Recommended Solution

- EDA: Increase the amount of unmatched grant funds available for each project type
- AIR: Increase the amount of unmatched grant funds, mirroring Non-MEI EDA Construction projects

- FY 25 & 26 applications can request additional funding up to the new grant limits

Fund Source	EDA Design-Only Projects		EDA Construction Projects	
	MEI	Non-MEI	MEI	Non-MEI
State	$500,000 ↓ $850,000	$150,000 ↓ $250,000	$1,000,000 ↓ $1,750,000	$700,000 ↓ $1,250,000
State/Local Match	$300,000/$300,000	$100,000/$100,000	$1,250,000/$1,250,000	$300,000/$300,000

Fund Source	AIR Construction Projects
State	$500,000 ↓ $1,250,000
State/Local Match	$300,000/$300,000

Stakeholder Outreach

- Increasing EDA program funds for individual projects will:
  - Help promote additional economic development activity
  - Allow the utilization of local funds for other economic development purposes, such as
    - Transportation connectivity
    - Site development and readiness
    - Acquisition of future sites
  - Improve the ability to respond quickly to business attraction and expansion opportunities

Next Steps

- October 2026 meeting, the CTB will be presented with resolutions proposing policy updates to the Economic Development and Airport Access Programs
- Update program guideline documents
- Coordinate with impacted grant recipients and update individual CTB Resolutions as needed

Rail Industrial Access (RIA)
Program Overview

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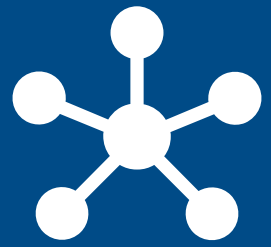
Code 33.2-1600: Purpose

§ 33.2-1600. Fund for construction of industrial access railroad tracks.

A. The General Assembly **declares it to be in the public interest that access railroad tracks and facilities be constructed** to certain industrial commercial sites where rail freight service is or may be needed by new or substantially expanded industry and that financial assistance be provided to areas seeking to furnish rail freight trackage between the normal limits of existing or proposed common carrier railroad tracks and facilities and the actual site of existing or proposed commercial or industrial buildings or facilities. This section is enacted in furtherance of these purposes and is intended to be comparable to the fund for access roads to economic development sites established pursuant to § 33.2-1509.

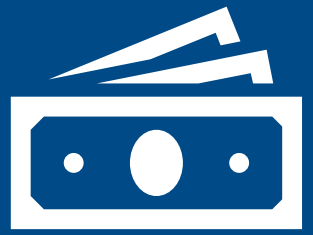
E. In deciding whether to construct any such access track, the Board shall consider the cost thereof in relation to prospective volume of rail traffic, capital investment, potential employment, and other economic and public benefits. **The Board shall adopt procedures to encourage widespread use of the funds**, shall limit allocation of funds so that no locality receives more than 50 percent of the funds in any one fiscal year unless there are not sufficient applications prior to May 1 of each year to use the available funds, and shall consider the practices of the Department of Transportation in distributing funds for access roads to economic development sites under § 33.2-1509.

Tenants of Current Policies



Network Capacity

- Common Carrier
- Carload Increase
- Coordinate Operations



Maximize Funding

- Min. 30% Match
- Incentivize Higher Match
- Private Maintenance



Safeguard

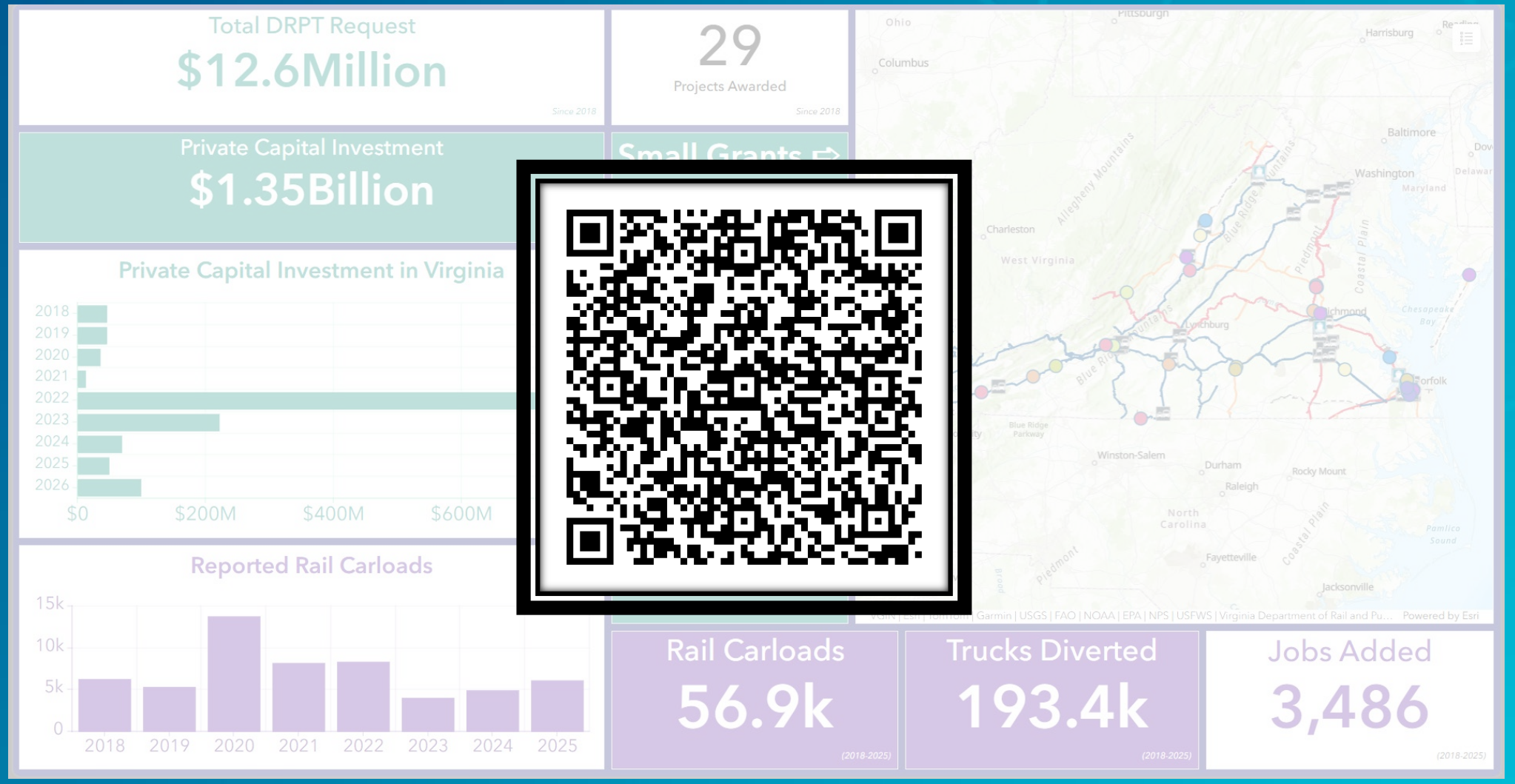
- Annual Performance
- Contingent Interest
- Funding Clawback

RIA Project Benefits

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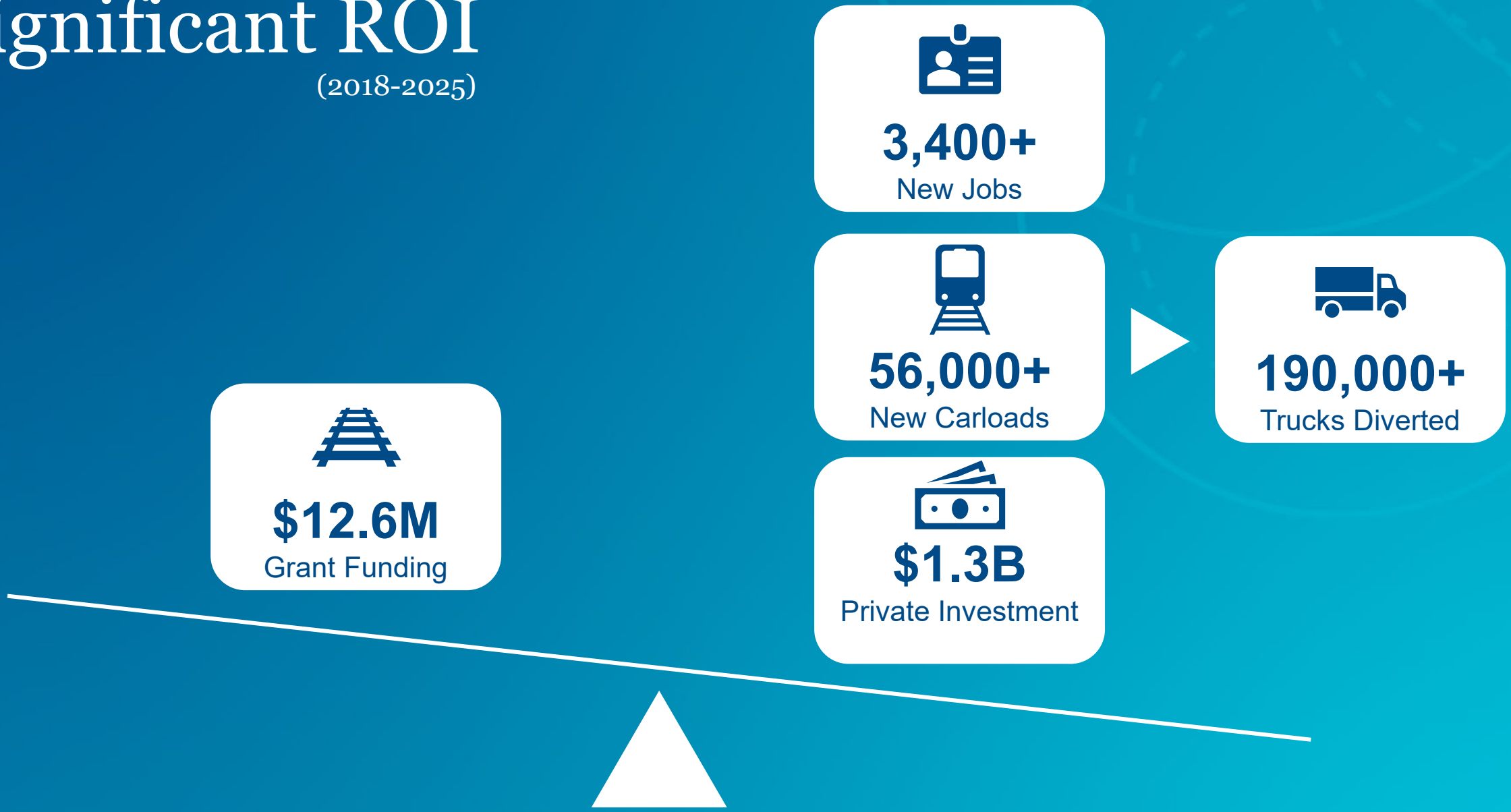
RIA Project Dashboard

(2018 – 2025)



Significant ROI

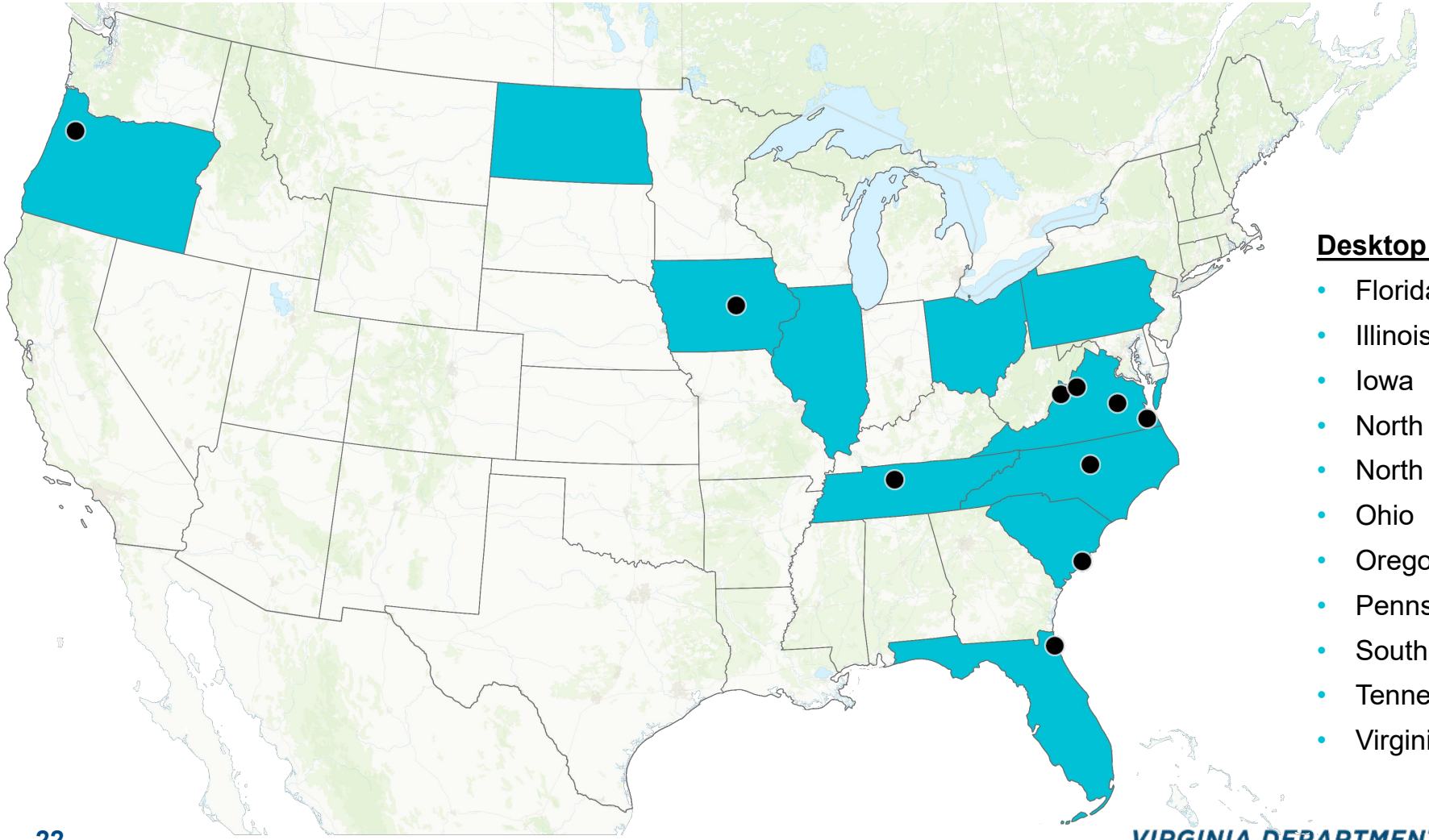
(2018-2025)



Barriers to Application

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Research & Interviews



Desktop Review:

- Florida
- Illinois
- Iowa
- North Carolina
- North Dakota
- Ohio
- Oregon
- Pennsylvania
- South Carolina
- Tennessee
- Virginia

Interviews:

- Genessee & Wyoming
- Houff Corporation
- Iowa DOT
- North Carolina DOT
- Oregon DOT
- Port of Virginia
- South Carolina Port
- Shenandoah Valley RR
- Tennessee ECD
- Virginia DOT

Barriers to Application

01 **Program Awareness**

02 **Application Timing/Efficiency**

03 **Long-Term Commitments**

04 **Financial Sustainability**

RIA Recommendations

Recommendations

01	Program Awareness	→	Advertising Campaign
02	Application Timing/ Efficiency	→	Locality Notification
03	Long-Term Commitments	→	6 Year Contingent Interest
04	Financial Sustainability	→	Fund up to 70% of Rail Construction Not to Exceed $1M

Recommendations

Renewed Advertising Campaign

- 2024 Campaign Generated Over 26,000 Views
- General outreach via Google Search results, Streaming Ads
- Direct outreach via Chamber of Commerce, Economic Development, Regional Organizations, etc.

Streamlined Locality Notification

- Locality Resolution Currently Required
- Process Takes 2 – 3 Months on Average
- Locality Resolution Typically Only Acknowledges Project

Establish Six Year Contingent Interest

- Currently 15 Years
- Reduce Barrier to Entry
- Reduce Administrative Burden by 60%

Fund up to 70% Rail Construction Cost Not to Exceed $1M

- Current $750k Cap
- Ensure Program Remains Impactful to Larger Scale Investment

Next Steps

Today

- Consider Policy Recommendations

October

- Resolution of Approval

Next Step

- Update Guidance and Advertise Program

