

# Board Policy #9

**TITLE:** Use of GO Virginia Funds for Site Development Investments

**EFFECTIVE DATE:** 07/01/2025

**AUTHORITY:** § 2.2-2486 - §2.2-2489 of the Code of Virginia

**POLICY STATEMENT:** It is the policy of the Virginia Growth and Opportunity Board that per capita and competitive funds may be used for site development activities that increase the number of business-ready sites available to accommodate the expansion or attraction of businesses in the region's targeted industry sectors.

Activities must advance sites towards becoming a Tier 4 site using the Virginia Business Ready Sites Program tier descriptions for site readiness for sites of at least 25 contiguous acres. Applicants may request a waiver of the 25-acre minimum if they can demonstrate the site is of significant regional importance. GO Virginia investments will support regions in advancing priority sites in Tiers 1-3. Sites that have been certified as a Tier 4 or 5 may be considered for funding if the applicant can demonstrate that the investment will significantly increase the marketability of the site. The Virginia Economic Development Partnership staff will be consulted in the review of all site-related applications.

Applications must describe activities that lead to the development of regionally significant sites-those identified by regional councils as a priority and aligned to support industry sectors in their Growth and Diversification Plans. All projects must include the collaboration of at least two localities with efforts to jointly contribute to the project through cost/revenue sharing, joint workforce development efforts, and/or other partnerships or agreements, such as Regional Industrial Facility Authorities (RIFAs).

Applicants are encouraged to consider how the Virginia Collaborative Economic Development Act could be leveraged to advance the development of the site(s) in the future.

Funds may not be used for property acquisition, construction of speculative buildings, or any site developments that benefit only a single, known end user. Funds may be used for activities such as site characterization and prioritization, site due diligence, infrastructure enhancements, and the development of cost/revenue sharing agreements, such as a RIFA.

#### **Per Capita Funds**

Regional Councils must demonstrate that they have considered VEDP site characterization and prioritization analysis and are focused on funding a limited number of sites within their region with the most potential to advance their Growth and Diversification plan, which enhance regional collaboration, and are most likely to attract private sector investment. Regions are encouraged to

consider sites' developability, location competitiveness, as well as sector suitability for their targeted sectors. Project activities should advance site readiness for future economic development opportunities. Applicants must describe their strategy to market and promote the site to targeted end users.

Project applications that include both planning and implementation activities will be considered and reviewed on a case-by-case basis.

<u>Planning Activities</u> - Examples of fundable activities include site characterization and prioritization (for sites not previously fully characterized by the Virginia Economic Development Partnership) and activities to develop collaborative cost/revenue-sharing agreements. Planning projects should be designed to include recommendations for future investments that would advance a site's business readiness.

For site-related funding requests for planning of less than \$100,000, the application may be submitted as a planning grant request, which shall be eligible for administrative approval under the authority granted by <u>Board Policy #3</u>.

Site development planning projects shall comply with existing <u>match policies</u>. Site planning projects shall not require local match but must demonstrate <u>meaningful participation</u> from two or more localities.

<u>Implementation</u> – Examples of fundable activities include necessary due diligence (soft costs) and infrastructure enhancements (hard costs) that advance a site's readiness for development.

Site development implementation projects shall comply with existing match policies.

### **Competitive Funds**

Competitive funds may be used to advance regionally significant sites of 25 acres or more that will help grow the region's targeted industry sectors as described in their Growth and Diversification plan while supporting the state's economic development objectives. The results of VEDP's site characterization and prioritization process will play a key role in awarding competitive funds for site development but additional elements such as regional impact will be considered.

Competitive funds will be considered for projects that present an extraordinary economic opportunity. Applicants must incorporate collaborative cost/revenue sharing agreements, such as Regional Industrial Facility Authorities (RIFAs), or demonstrate joint funding commitments in workforce development, transportation, or other collaborative partnerships that demonstrate significant involvement of two or more localities.

Sites with high location competitiveness for target industries and high developability will be prioritized; however, sites not meeting these criteria will be considered but will require significant justification. Applicants must describe their strategy to market and promote the site to targeted end users.

Fundable activities include those that have the participation of two or more localities that would advance the site towards a Tier 4 status and/or improve its marketability and investment potential.

Site development implementation projects funded through the Competitive Fund shall comply with existing match policies.

## **Privately Owned Sites**

GO Virginia funds may be used to provide public infrastructure investments in privately owned sites under guidelines developed by DHCD. The guidance shall establish eligibility requirements, relevant agreements with the subgrantee/locality, and a grant repayment mechanism should the site cease to be used for an eligible GO Virginia use.

## **Changes to Projects Post-Board Approval**

For site projects that have one or more sites that are sold or have pending sales before the execution of a contract, the Board will allow DHCD staff to administratively approve changes to the approved sites if the overall cost does not exceed the previously approved budget. The applicant must show that the new sites to be included in the project have been prioritized and meet all of the requirements as presented in the GO Virginia Regional Site Project Guidance.

APPROVAL AND REVIEW: This Board policy was approved on 12/9/2019, and amended on 12/7/2020 and 9/23/2021 and 12/10/2024 and 09/09/2025.

**SUPERSESSION:** N/A

**DHCD DIRECTOR:** Maggie Beal