



# Virginia Growth and Opportunity Fund (GO Virginia) Regional Site Development Project Guidance

## Section I: GO Virginia Program Intent and Regional Site Development

GO Virginia’s goal is to facilitate regional collaboration to grow and diversify the economy through supporting projects leading to the creation of more, higher paying jobs through revenue derived from out-of-state sources. Programs and projects recommended by the Regional Councils and approved by the GO Virginia state board shall be consistent with the strategies and targeted industry clusters outlined in the regional growth and diversification plans.

In May 2019, the GO Virginia State Board directed the Department of Housing and Community Development (DHCD) to work with the Virginia Economic Development Partnership (VEDP) to identify strategies for aligning investments through collaboration between GO Virginia and VEDP’s Virginia Business Ready Sites Program (VBRSP). Since both entities share the goal of increasing the number of business-ready sites both regionally and statewide, additional site development activities will enhance the Commonwealth’s competitive position, and ultimately expand the number of economic development prospects (new and expanding businesses) that choose Virginia.

In 2019, VEDP used VBRSP funds to analyze and characterize 466 sites across the State to augment the Commonwealth’s sites inventory, and to determine the types and amount of investment required to make these sites shovel-ready. The VEDP Site Characterization process evaluated each property using a 5-level tiered system to show the degree of readiness for economic development. The sites readiness scoring system, along with a prioritization process guided by VEDP and aligned with each region’s Growth and Diversification Plan, should serve as a guide to site investments by GO Virginia. Likewise, GO Virginia site development projects should be aligned with the Virginia Collaborative Economic Development Act, wherever possible.

The GO Virginia State Board approved [Board Policy #9 - Use of GO Virginia Funds for Site Development Investments](#) on December 9, 2019, stating that funds may be used for regional site **planning** efforts, as well as regional site development **implementation** activities. Specifically, GO Virginia funding of regional site **planning** projects should be used to initiate due diligence activities or advance a site through the lower level tiers of the VBRSP scoring system (e.g. 1-3). For site development **implementation** projects, investments should advance properties towards achieving Tier 4 or 5 status under the Virginia Business Ready Sites Program criteria. Sites that have been previously certified as 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, as well as position the property for capital investment and job creation activities.

Board Policy #9 was amended on December 7, 2020, providing for state-funded investments in sites of no less than 25 contiguous acres and, further, allowing privately-owned sites to be



considered for GO Virginia investments if they meet the program requirements. The policy amendment also allows applicants to request a waiver of the 25-acre minimum if they can demonstrate a given, individual site is of regional significance or when development of a given site will precipitate extraordinary regional opportunities. Properties smaller than 25 acres and within the boundaries of an existing regionally significant business park or industrial/commercial corridor aligned with a regional Growth & Development Plan may also be deemed as such and, therefore, considered for the waiver when the majority of park properties have already been developed. Please refer to the definition of Regionally Significant Sites outlined in Section II for additional information.

The purpose of this administrative guidance is to ensure that the board policy is implemented in a way that is equitable and fair, supportive of rural/urban development strategies, provides clarity, and allows for autonomous decision-making by Regional Councils within the framework provided by this guidance.

Further, the guidance has been developed to ensure that investment decisions are data-driven, transparent, and result in public investment that encourages alignment of both statewide and regional economic development goals, in order to maximize economic impact within regions and across the Commonwealth while protecting state and local interests.

## Section II: Definitions

The following definitions are intended to provide clarity and consistency in review and implementation of Board Policy #9.

**Due Diligence (Soft Costs):** Due diligence is the process of investigating a parcel (s) of land for its viability and suitability for a particular project. Due diligence includes engineering, architectural or other professional services that assess the risk of undertaking development activities on a given site. Examples of typical due diligence efforts are topographical surveys, environmental site assessments (e.g. Phase 1/Phase 2 ESA), wetlands delineations, structural surveys (existing buildings), cultural and historic resources evaluations, existing infrastructure assessments, and development of preliminary conceptual plans.

**Infrastructure Enhancements (Hard Costs):** Infrastructure enhancement activities are those directly related to the development or strengthening of “systems” required to support public facilities essential to community and business operations. Examples of infrastructure systems include utility services such as water, wastewater, electricity, natural gas, telecommunications, storm water management facilities, and transportation networks. While buildings from which public services are delivered – such as fire stations, schools, and libraries – are often considered infrastructure, GO Virginia does not fund these types of projects. Similarly, GO Virginia funding of road construction/improvements will generally be limited to internal road systems, such as those typically found in industrial or corporate office parks, since other State programs are available to provide direct access to a given site (e.g. VDOT’s Economic Development Access Program).

**Previous Site Investments:** Site investment and advancement activities recognized by GO Virginia include hard or soft costs expended within the last 24 months by a private land owner, developer, college or university foundation, locality, regional group, planning district commission, or other political subdivision. These investments may be used as matching funds for site development planning or implementation grants requested from GO Virginia, as long as the costs previously incurred are directly related to the site(s) proposed for advancement in the grant application. Additionally, while not necessarily expended on an annual basis, site advancement investments consistently occurring over a five-year period prior to application will also be considered as matching funds. For redevelopment sites, funds spent on the demolition of deteriorated buildings by public or private owners can be used as matching funds, provided the activity has occurred within the last 24 months.

**Public/Private Partnerships:** Public/private partnerships (P3) are those that use public funds to leverage private sector investment and job creation in facilities which have regional economic benefit. While a formal P3 arrangement is not required (i.e. as outlined in the Code of Virginia for the Public-Private Transportation Act and Public-Private Education Facilities and Infrastructure Act), a defined contractual agreement between the parties must exist with the local applicant contributing public funds to this partnership. GO Virginia encourages public/private partnerships in sites applications.

**Redevelopment Sites:** Redevelopment sites are vacant and deteriorated properties within city or county boundaries whose poor condition creates physical and economic blight to the surrounding area in which the structure(s) is located. These structures are no longer suited for their former purpose and, in their current deteriorated condition, represent a substantial deterrent for future economic opportunity in the surrounding area and region. Sites redeveloped using GO Virginia funds must result in a net gain in the region's employment and average wage levels, not merely a shifting in these metrics from one locality to another. To be eligible for funding, redevelopment sites must also meet the criteria of being regionally significant.

**Regionally Significant Sites:** Any property designated as "regionally significant" should possess the following characteristics:

- 1) Development of the site(s) will facilitate or leverage private sector economic activity (i.e. job creation and capital investment) that is aligned with the Regions' Growth and Diversification Plan (targeted industry sectors), and the creation of jobs that pay higher than the regional average wage.
- 2) Properties deemed viable and developable based on the site characterization initiative conducted by VEDP in 2019, post-2019 site evaluations completed by VEDP, or another recent, comparable independent characterization study done by a qualified firm using the VBRSP criteria. A region may use GO Virginia funds to conduct a site characterization study (Sites Planning Grant) prior to an implementation grant request.
- 3) Development activities on the site(s) represent meaningful, ongoing collaboration of two or more localities. That collaboration may include activities such as:



- Creation of a Regional Industrial Facility Authority, or other similar legal structure, that allows for defined cost/revenue sharing in the development of the property;
  - Demonstration of a collective marketing effort for the site by two or more local economic development organizations and/or a regional economic development entity representing the partnering localities;
  - Joint financial contributions in initiatives that would further increase the marketability of the site or the region, such as new workforce development efforts designed to support the industries being targeted in business attraction efforts.
- 4) Development of the site(s) will support a level of economic activity that will provide regional impact, specifically net gains in targeted sector employment, average wage levels, and revenues coming into the Commonwealth.

**Site Characterization:** A tool used by the Virginia Business Ready Sites Program (VBRSP) to assess and designate a site’s current level of readiness for economic development activity. A site development professional (e.g. civil engineer, architect, site location or land development consultant experienced with sector-based requirements) evaluates the property to classify the current level of preparedness and existing infrastructure, as well as outlines the additional steps (and estimated costs) required to bring the site to the next level of readiness – i.e. Site Characterization Tier Levels. For more information about Site Characterization, click [here](#).

**Site Prioritization:** A data-driven decision-making process undertaken by the Regional Council to rank properties to be targeted for development across the region. Whether formal or informal, prioritization of sites should focus on those offering good market position, elevated tier levels (see Site Tier Levels), and the most cost-effective development strategies relative to impact. Data used to inform the prioritization process may include Site Characterization reports provided by VEDP (or similar studies), economic impact models, demonstrated and substantial prospect activity (interest) in a given site, as well as prior efforts jointly undertaken by two or more localities to prepare a site(s) for business uses.

**Site Tier Levels:** A part of the Virginia Business Ready Sites Program (VBRSP) that describes the level of existing development of a potential site. The tiers range from Tier 1 (i.e. little to no prior planning, site assessment or development activity) to Tier 5 (i.e. site is ready for development). For more information on Site Tier Levels, click [here](#).

**Virginia Business Ready Sites Program (VBRSP):** A discretionary program administered by the Virginia Economic Development Partnership (VEDP) to promote development and characterization of sites (containing a minimum of 100 contiguous, developable acres) to enhance the Commonwealth’s infrastructure and promote Virginia’s competitive business environment. The program’s goal is to identify, assess, and improve the readiness of potential industrial sites, using a pre-determined scoring matrix (e.g. Tiers 1-5) around the viability and development opportunities for a given property. For more information on this program, click [here](#).

## Section III: Project Budget, Matching Funds and Allowable Activities

### **Project Budget and Matching Funds:**

As with any GO Virginia grant request, site development applications (planning or implementation projects) must include a budget outlining the sources and uses of funds being directed to the project. The budget must define the investments and specific activities that will be undertaken on each site to enhance its marketability and/or development potential by targeted users.

In keeping with GO Virginia policies and goals for collaboration, site(s) development projects (planning or implementation) require participation by at least two localities in the region. Match must be provided relative to guidelines in place (Per Capita, Statewide) at the time of application and may be cash or in kind. Match contributions must be agreed to by all participating localities in the region, with partnering entities providing a match that is in proportion to the anticipated benefit they expect to receive from the project, whenever possible. Alternatively, project partners can propose a match-sharing formula noting their concurrence, as long as the match provided is directly related to the site(s) proposed for advancement in the grant application, and the match share is not being provided disproportionately by any one locality.

As noted in Section II, previous investments in a given site(s), whether public or private, may be considered match provided they were made within the last 24 months, or up to five years if regularly occurring investments can be documented. In addition, expenditures for site acquisition (including right-of-ways and easements), due diligence, environmental assessments and other “soft costs,” as well as master planning, infrastructure design and construction, offsite improvements, or similar “hard costs,” may be included as match. Other site preparation activities (e.g. clearing and grading, demolition of old structures) may also be considered as matching funds. Likewise, additional previous investments may be considered on a case-by-case basis. Further match guidance is provided in the GO Virginia Match Policy document found [here](#).

### **Allowable Activities:**

#### **Regional Site Development Planning**

Pursuant to GO Virginia Board Policy #9, funds may be used to support regional site development planning activities. Site planning activities include characterization of properties not fully characterized previously by the Virginia Economic Development Partnership (or similar assessment process), as well as objective, data-driven site prioritization efforts within a region (e.g. feasibility studies, sector suitability analysis). In addition, planning funds may be used to develop collaborative cost/revenue sharing agreements, define and develop multi-jurisdictional organizational structures (e.g. RIFA), or establish contractual or option agreements with landowners. For site characterization projects, applicants should use the criteria and



methodology established by VEDP’s Business Ready Sites Program to allow for objective, data-driven evaluation of priority sites within a region.

Applicants must demonstrate meaningful outreach and commitment to a planning process that engages a variety of stakeholders, including public and private utility companies, utility cooperatives, local governments, regional planning organizations, and local and regional economic development organizations. The result of this outreach and planning process should enable the Regional Council to make informed decisions in prioritizing sites across the region. In addition to stakeholder outreach and engagement, the planning process should include an inventory of assets, current ownership of the site(s), engineering designs, and cost estimates.

### **Regional Site Development Implementation**

Pursuant to GO Virginia Board Policy #9, regional site development implementation activities include necessary due diligence (soft costs) and infrastructure enhancements (hard costs) that advance a site’s readiness for development. Likewise, consideration will be given on a case-by-case basis to public-private partnership activities providing extraordinary regional opportunities, such as those supporting a critical unmet need of the region’s targeted industry sectors. Funds awarded for implementation grants may NOT be used for property acquisition, unrelated offsite improvements, construction of speculative buildings, or demolition of existing buildings.

GO Virginia contracts for regional site development implementation projects will require that the sites improved will be marketed and/or developed for the use indicated in the application. Additionally, a repayment provision will be outlined in the contract and triggered if the site(s) is not marketed and developed to achieve the regional GO Virginia program goals.

The source of repayment of GO Virginia funds can be either public and private, including shared repayment by participating localities, their EDA/IDA, private land owner or developer, or a combination thereof as agreed to and specified in the contractual agreement. GO Virginia investments in site development implementation projects should begin to demonstrate favorable outcomes within 7-10 years of project close-out, depending on the scale of the project, as well as the projected outcomes of the project defined in the contract documents with DHCD.

## **Section IV: Site Development Application Process**

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

Recognizing the importance of partnerships in economic development activities, the GO Virginia Board will consider investments in publicly or privately-owned properties for both greenfield and redevelopment activities being led by the Regional Council when the following are met:



- 1) Sites have been reviewed and prioritized relative to the region's total portfolio of available sites using an objective, data-driven process that assesses each site's location competitiveness and developability, such as that which was used in the statewide site characterization initiative conducted by VEDP in 2019. If requesting funding for a site that was NOT included in the characterization initiative or has not been independently reviewed using a similar methodology, an applicant may request funds to support the strategic sites prioritization (i.e. Sites Planning Grant). Likewise, the applicant may apply to VEDP for assistance with characterization of other sites not previously studied; however, consultation with VEDP regarding site characterization and/or viability does not constitute an endorsement nor guarantee approval of the site development grant request;
- 2) Partnering localities must demonstrate a commitment to further advance and market the property(ies). For large-scale, multi-year site development projects, a conceptual plan or publicly-approved Capital Improvements Program (CIP) plan should be provided to demonstrate both prior and future year investments being directed to the site(s);
- 3) Site development projects on privately owned properties require a contractual agreement between the local governing body, economic development authority (EDA or IDA), or RIFA and the owner of record of the land. The agreement should be more than a memorandum of understanding, clearly outlining the commitments of all parties in marketing and developing the site(s). Specifically, the agreement should: grant access to the property for evaluation/study purposes, state the intended commercial or industrial use, and define the maximum per acre price the landowner will charge an interested buyer. Where possible, the agreement should also stipulate any necessary, future restrictions that may be placed on the sites to ensure appropriate land use and zoning remain in place, allowing for the commercial and industrial uses specified in the Region's Growth & Diversification Plan. These agreements must be in place prior to execution of a GO Virginia contract;
- 4) For site development projects leading to Tier 4 or 5 characterization, a return on investment (ROI) analysis, such as the existing model used by GO Virginia, should accompany the application. The analysis should estimate the projected employment levels, wages, and State tax revenues expected to be generated from the site(s) when fully developed. Additionally, a timeline of efforts that will be undertaken to secure a targeted sector user within five years or enhance attractiveness of the site(s) to the desired end users should be provided. This may include local government actions needed to modify tax structures, development of new incentive programs, public-private partnerships, or focused marketing campaigns;
- 5) For site development projects leading to Tier 1-3 characterizations, a formal ROI analysis is not required. However, supporting documentation outlining the following must be provided: 1) additional, usable acreage that will be made available for business uses, 2) industry sectors being targeted for these sites, 3) activities that will be jointly undertaken by participating localities and/or the regional EDO to market or support the advancement



of the site(s) and the timeframe for doing so (not to exceed 36 months), 4) a plan outlining future activities/costs to advance the site to Tier 4 or 5 status.

### **Regional Site Development Planning**

Applicants requesting funds for regional site development planning activities must complete the Regional Site Development Planning Grant Application, included in this guidance as Attachment A.

### **Regional Site Development Implementation**

Applicants requesting funds for regional site development implementation activities must complete the Regional Site Development Implementation Grant Application, included in this guidance as Attachment B.

**DATE ISSUED:** April 13, 2021

\* Please note that this is a working document and may be updated periodically.





## Section V: ATTACHMENTS - Applications and Site Checklists

### Attachment A

#### **Application for Regional Site Development Planning Grants & Checklist (For Administrative Approval)**

1. Please list the participating localities (a minimum of two is required).
2. Provide a brief summary of the proposed project and how it relates to the Region's Economic Growth & Diversification Plan and priorities. Include the industry sectors targeted for the property(ies) being advanced.
3. Describe all partner organizations involved with the project (public or private), including the entity's role, financial or in-kind commitment, and capacity to successfully execute their duties as they relate to the project. These may include, but are not limited to, economic development entities, local governments, regional organizations, planning district commissions, land owners, or real estate development groups.
4. List any prior site advancement activities on the property(ies) in which public or private investment has occurred over the past five years, including dollars spent.
5. Has a site characterization report (or similar evaluation) previously been completed for the property(ies)? If yes, please list the methodology or group completing the evaluation and year completed.
6. Has the applicant or locality(ies) in which the site advancement activities will be undertaken consulted with VEDP about the project? If so, please note the VEDP staff member(s) with whom the discussion occurred.
7. Discuss how this site(s) was prioritized for funding by the Regional Council over other sites in the region.
8. For privately-owned sites, discuss any current contractual agreements between the locality (or their EDA/IDA) and the land owner that are in place to allow for advancement of the site(s).
9. Explain how this planning effort may lead to or contribute to the success of related future grant requests.
10. Outline the total project budget and the sources and uses for matching funds and leverage.
  - a. Does the project have the required match? If so, what are the sources/uses for these funds?



- b. Are any additional funds (public or private) or in-kind contributions serving as leverage for the project? If so, what are the sources/uses for these funds?

**APPLICATION CHECKLIST**

- Project Application to Regional Council
- Letter from Regional Council Chair stating support of the request
- Budget Overview: Sources & Uses Template
- Engineer's Estimate of Costs for site development activities (as applicable)
- Financial Commitment Letters and In-Kind Contribution Forms
- Property Information Form (Attachment C)
- Maps of Site to include property boundaries, transportation assets
- Draft of agreements with private property owners (if applicable)



## Attachment B

### Application for Regional Site Development Implementation Grants & Checklist (Application to be submitted in CAMS)

#### ECONOMIC IMPACT

1. Provide an Executive Summary that outlines the proposed project and associated activities included in the project budget. Identify the project goals and outcomes, and how the project relates to the region's Economic Growth and Diversification Plan and the goals of GO Virginia. *ATTACHMENTS: A 1-2-page Executive Summary should be uploaded with the application.*
2. Describe the project timeline and the specific project milestones that will be utilized to track project progress and fund disbursement. *ATTACHMENTS: Project Milestones including a proposed Drawdown Schedule should be uploaded with the application.*
3. Provide a detailed description of the metrics that will be used to measure success, both quantitative and qualitative, and how the metrics were developed. Also include a timeline of efforts/actions that will be undertaken over the next 36 months to secure a targeted sector user(s) or to enhance the marketability of the sites(s) to the desired businesses.
4. For implementation projects or site advancement efforts leading to Tier 4 or 5 characterization, include a Return on Investment (ROI) analysis outlining the projected employment levels, wages, and State tax revenues expected to be generated from the site(s) when fully developed. Discuss the methodology and calculated ROI, as well as the timeline for achieving the expected ROI. Please include the source of any data used as the basis for ROI and outcome projections. *ATTACHMENTS: Performance Measures and ROI Calculations should be uploaded with the application.*

#### REGIONAL COLLABORATION

5. Identify all localities or government member organizations participating on behalf of their members in the project (financially or administratively), and describe how the localities will be meaningfully engaged in the project. *ATTACHMENTS: Relevant letters of financial commitment (including in-kind contribution forms) or support from localities or local government entities should be uploaded with the application.*
6. Describe how the site(s) was prioritized for funding by the Regional Council over other sites in the region.
7. Describe how the Regional Council and project developers have consulted with local government entities regarding the strategy and implementation of the project.
8. Are there localities or other GO Virginia regions (including interstate collaborations) outside of the applying region that are participating in the project? If so, describe the nature of the collaboration and the anticipated impact.



9. Describe any private-sector or non-government partners (e.g. developers, land trusts, university foundations) participating in the project, including their role/contribution.
10. Identify cost efficiencies, repurposing of existing funds, leveraging of existing assets, or other evidence of collaboration that can be demonstrated as a result of the project.
11. Describe how the project will address regional site inventory gaps and support the growth of the region's targeted industry sectors.

## **PROJECT READINESS**

12. Describe the applicant's capacity to successfully execute their duties as they relate to the project. These may include, but are not limited to, economic development entities, local governments, regional organizations, or planning district commissions.
13. Discuss any major barriers to successful implementation and other associated risks, along with a plan to overcome them. How will the project administrator address these barriers?
14. Describe how the Regional Council and project developers have consulted with VEDP and subject matter experts regarding the marketability and developability of the site development implementation proposal, including an overview of the feedback from the subject matter experts.
15. For privately-owned sites, outline any current contractual agreements between the locality (or their EDA/IDA) and the land owner that are in place to allow for advancement of the site(s). *ATTACHMENT: Draft of agreement with private property owners.*
16. For publicly-owned sites, a letter from City/County leadership (e.g. County Administrator) or chief elected official (e.g. Mayor, Board Chair) should be provided noting both the current and intended land use for the property (i.e. as outlined in the current Comprehensive Plan) and the locality's interest in conducting a planning activity on the property.
17. Identify the total project budget and the sources and uses for matching funds and leverage. *ATTACHMENTS: Financial commitment letters, contractual agreements, and In-Kind Contribution forms should be uploaded with the application.*
  - a. Does the project have the required match? If so, what are the sources/uses for these funds?
  - b. Does the project have the required local match? If so, what are the sources/uses for these funds?
  - c. Are any additional funds (public or private) or in-kind contributions serving as leverage for the project? If so, what are the sources/uses for these funds?

## PHYSICAL PROPERTY ATTRIBUTES

Please complete a Property Information Form (Attachment C) for each site included in this application. *ATTACHMENT C: Property Information Form*

### APPLICATION CHECKLIST

- Application completed in CAMS
- ATTACHMENT: 1-2 Page Executive Summary
- ATTACHMENT: Project Milestones with Drawdown Schedule
- ATTACHMENT: Engineer's estimate of costs for site development activities
- ATTACHMENT: Financial Commitment Letters and In-Kind Contribution Forms
- ATTACHMENT: Property Information Form
- ATTACHMENT: Maps of Site to include property boundaries, transportation assets
- ATTACHMENT: Draft of agreements with private property owners (if applicable)



### Attachment C

<b>Property Information Form</b>		
<b>Address:</b>		
<b>Size:</b>	<b>Total Acreage:</b>	<b>Estimated Developable Acres:</b>
<b>Current Zoning:</b>	<b>Locality Description of Current Zoning:</b>	
<b>Original/Most Recent Use:</b>		
<b>Current Owner:</b>		
<b>Current Tier:</b>		
<b>Tier After Project Complete:</b>		
<b>Targeted Industry Sector(s):</b>		
<b>Was the Site Included in the VEDP Site Characterization Initiative? Yes <input type="checkbox"/> No <input type="checkbox"/></b>		
<b>If yes, please answer questions below OR provide a copy of the characterization report.</b> <b>If No, please describe the methodology used to evaluate the developability and marketability of the site.</b>		
Does Site Score Above the Median Developability Score for Sites in the Region? Yes <input type="checkbox"/> No <input type="checkbox"/>	Does the Site Score Above the Median Marketability Score for Sites in the Region? Yes <input type="checkbox"/> No <input type="checkbox"/>	
If you answered no to either of the above questions, please provide a statement on why this site was selected and how this or other investments will improve the developability and marketability of the site?		



VIRGINIA INITIATIVE FOR  
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IN EACH REGION

**Identify any planned future investments by the locality that will support the GO Virginia grant project – e.g. Capital Improvements Project.**

**Master Plan developed for site? If yes, date and who completed:**

**Additional Information:**