

VIRGINIA ACTS OF ASSEMBLY -- 2006 SESSION

CHAPTER 251

An Act to amend and reenact §§ 2.2-115 and 2.2-2238.1 of the Code of Virginia, relating to high-speed and broadband Internet access in underserved areas.

[H 400]

Approved March 30, 2006

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-115 and 2.2-2238.1 of the Code of Virginia are amended and reenacted as follows:

§ 2.2-115. Governor's Development Opportunity Fund.

A. There is created the Governor's Development Opportunity Fund (the Fund) to be used by the Governor to attract economic development prospects and secure the expansion of existing industry in the Commonwealth. The Fund shall consist of any funds appropriated to it by the general appropriation act and revenue from any other source, public or private. The Fund shall be established on the books of the Comptroller, and any funds remaining in the Fund at the end of a biennium shall not revert to the general fund but shall remain in the Fund. Interest earned on the Fund shall be credited to the Fund. The Governor shall report to the chairmen of the House Committees on Appropriations and Finance, and the Senate Committee on Finance as funds are awarded in accordance with this section.

B. Funds shall be awarded from the Fund by the Governor as grants or loans to political subdivisions. Loans shall be approved by the Governor and made in accordance with procedures established by the Virginia Economic Development Partnership and approved by the Comptroller. Loans shall be interest-free unless otherwise determined by the Governor and shall be repaid to the general fund of the state treasury. The Governor may establish the interest rate to be charged; otherwise, any interest charged shall be at market rates as determined by the State Treasurer and shall be indicative of the duration of the loan. The Virginia Economic Development Partnership shall be responsible for monitoring repayment of such loans and reporting the receivables to the Comptroller as required.

C. Funds may be used for public and private utility extension or capacity development on and off site; *public and private installation, extension, or capacity development of high-speed or broadband Internet access, whether on or off site*; road, rail, or other transportation access costs beyond the funding capability of existing programs; site acquisition; grading, drainage, paving, and any other activity required to prepare a site for construction; construction or build-out of publicly owned buildings; grants or loans to an industrial development authority, housing and redevelopment authority, or other political subdivision pursuant to its duties or powers; training; or anything else permitted by law.

D. Except as provided in this subsection, no grant or loan shall be awarded from the Fund unless the project involves a minimum private investment of \$10,000,000 and creates 100 jobs. In localities with a population between 50,000 and 100,000, the minimum private investment shall be \$5,000,000, creating 50 jobs. In localities with a population of 50,000 or less, the minimum private investment shall be \$2,500,000, creating 25 jobs. Central cities or urban cores shall be treated for eligibility purposes the same as communities of 50,000 to 100,000 population. For projects where the average wage of the new jobs created is at least twice the prevailing wage, excluding benefits, for that locality or region, the Governor shall have the discretion to require no less than one-half the number of jobs as set forth for that locality in this subsection.

E. The Virginia Economic Development Partnership shall assist the Governor in developing objective guidelines and criteria that shall be used in awarding grants or making loans from the Fund. No grant or loan shall be awarded until the Governor has provided copies of the guidelines and criteria to the chairmen of the House Committees on Appropriations and Finance and the Senate Committee on Finance. The guidelines and criteria shall include provisions for geographic diversity and a cap on the amount of funds to be provided to any individual project. In developing the guidelines and criteria, the Virginia Economic Development Partnership shall use the Fiscal Stress cited in the Index published by the Commission on Local Government for the locality in which the project is located or will be located as one method of determining the amount of assistance a locality shall receive from the Fund.

F. Within thirty days of each six-month period ending June 30 and December 30, the Governor shall provide a report to the chairmen of the House Committees on Appropriations and Finance and the Senate Committee on Finance which shall include, but is not limited to, the following information: the name of the company and the type of business in which it engages; the location (county, city, or town) of the project; the amount of the grant or loan made or committed from the Fund and the purpose for which it will be used; the number of jobs created or projected to be created; the amount of the company's investment in the project; and the timetable for the completion of the project and jobs created.

G. The Governor shall provide grants and commitments from the Fund in an amount not to exceed

the dollar amount contained in the Fund. If the Governor commits funds for years beyond the fiscal years covered under the existing appropriation act, the State Treasurer shall set aside and reserve the funds the Governor has committed, and the funds shall remain in the Fund for those future fiscal years. No grant or loan shall be payable in the years beyond the existing appropriation act unless the funds are currently available in the Fund.

§ 2.2-2238.1. Special economic development services in rural communities; strategic plan.

A. In order to assist the rural communities of the Commonwealth, the Authority shall develop a program for reviewing existing economic development programs of rural communities, upon request. The program shall include (i) a review and evaluation of existing industrial sites and infrastructure, including existing streets, water and sewer systems, electricity, natural gas and communications facilities *that will provide high-speed or broadband Internet access to rural and underserved areas of the Commonwealth*; (ii) an assessment of the existing workforce and the provision of information on state and federal programs such as tax incentives that may be available to local or prospective employers to assist in hiring and training in areas of high unemployment; (iii) assistance in identifying community resources and the type of industries that may benefit from locating in a community with such resources; and (iv) marketing assistance to help rural communities improve their visibility to expanding industries looking for new facilities.

B. The Authority, the Center for Rural Virginia, the Virginia Department of Housing and Community Development, the Virginia Resources Authority, the Virginia Department of Business Assistance, the Virginia Tobacco Indemnification and Community Revitalization Commission, the Virginia Employment Commission, the Virginia Tourism Corporation, the Virginia Community College System, institutions of higher education within rural regions of the Commonwealth, and the Department of Agriculture and Consumer Services shall jointly develop and implement a rural economic development strategic plan that at a minimum addresses: (i) education, including pre-kindergarten, primary, secondary and post-graduate resources, and comprehensive workforce development programs, as they may pertain to the Workforce Investment Act; (ii) infrastructure, including capital for water and sewer upgrading, waste management, law enforcement, housing, primary and secondary roads, and telecommunications; (iii) traditional industrial development and industry retention programs, including assistance in financing and in workforce training; (iv) recreational and cultural enhancement and related quality of life measures, including parks, civic centers, and theaters; (v) agribusiness incentives to promote the use of new technologies, and the exploration of new market opportunities; and (vi) a revolving loan fund or loan guarantee program to help start or expand entrepreneurial activities, especially small business activities in rural communities.