

ITEM 1.	Item Details(\$)		Appropriations(\$)	
	First Year FY2013	Second Year FY2014	First Year FY2013	Second Year FY2014
Secretary of Veterans Affairs and Homeland Security (454)				
459.05. Economic Development Services (53400)			\$0	\$1,286,504
Financial Assistance for Economic Development (53410)	\$0	\$1,286,504		\$1,535,562
		\$1,535,562		
Fund Sources: <i>General</i>	\$0	\$249,058		
Dedicated Special Revenue	\$0	\$1,286,504		

Authority: Discretionary Inclusion

A. In accordance with Chapter 653 of the 2008 Virginia Acts of Assembly, this item includes the Commonwealth's contribution to address the encroachment of the United States Navy Master Jet Base and shall only be expensed by purchasing property as established under Chapter 653. The contribution includes \$1,286,504 from nongeneral funds and out of the appropriation in paragraph J.1.b of Item 469 of this act, an amount equal to \$6,213,496 the second year, for a total of \$7,500,000.

B. The Secretary of Veterans Affairs and Homeland Security shall develop an annual grant application which shall include at a minimum requirements for the Grantee to (1) report expenditures each quarter, (2) retain all invoices, bills, receipts, cancelled checks, proof of payment and similar documentation to substantiate expenditures of grant funding, (3) provide a 50 percent cash match from non-state funds for each property purchased under this program, (4) return excess state grant funding within thirty (30) days after the grant year expires, and (5) split all proceeds from the sale of any properties under Chapter 653 or Chapter 622 of the 2006 Virginia Acts of Assembly with the Commonwealth.

C.1. Prior to the distribution of any funds, any Grantee seeking funding under this Item shall submit a grant application to the Secretary of Veterans Affairs and Homeland Security for consideration.

2. Payments to Grantees shall be made in equal quarterly installments. After the initial payment, the Secretary of Veterans Affairs and Homeland Security shall make additional quarterly payments to the Grantee based on the quarterly expenditure reports. In making subsequent payments, the Secretary shall ensure the Grantee's match funding is being expensed at the appropriate rate and limit surplus state funding at the local level by withholding quarterly payments as necessary.

3. The Secretary may approve a request by the Grantee for additional state funding in a particular quarterly payment if supporting documentation is provided.

D. The Commonwealth shall have the right to make inspections and copies of the books and records of the Grantee at any time. The Grantee shall undergo an audit for the grant period and provide a copy of the audit report to the Secretary.

E. Included in the appropriation for this Item is \$249,058 the second year from the general fund to restore funding returned to the Commonwealth by the Hampton Roads Military and Federal Facilities Alliance that was subsequently deposited into the general fund.