



VIRGINIA BUSINESS READY SITES PROGRAM

SITE CHARACTERIZATION GUIDELINES AND APPLICATION

VIRGINIA BUSINESS READY SITES PROGRAM (VBRSP)

Site Characterization Guidelines and Application

Article I. Introduction

Section I.1 Program Background

The Virginia Business Ready Sites Program (VBRSP) was established pursuant to [§ 2.2-2240.2:1](#) of the Code of Virginia of 1950, as amended (the Code), to identify and assess the readiness of potential industrial or commercial sites in the Commonwealth of Virginia (the Commonwealth) for marketing for industrial or commercial economic development purposes, thereby enhancing the Commonwealth's infrastructure and promoting the Commonwealth's competitive business environment.

The VBRSP has three components:

- (i) **Site Characterization Report** (25 acres), to ascertain and designate a site's level of development, and
- (ii) **Accelerated Site Characterization** (50 acres), to further ascertain and assess the site's suitability for site development, and
- (iii) **Site Development** (50 acres), to develop further the sites for marketing to economic development projects.

Current versions of these Guidelines and the corresponding guidelines for the Site Development component of the VBRSP are available for review by the public online at:
<https://www.vedp.org/vbrsp>.

The mission of VBRSP Site Development is to establish a pool of potential sites across the Commonwealth that are well prepared and positioned for selection and development by economic development projects. To be well prepared and positioned for selection, potential sites are typically ranked at a Site Characterization Tier Level (each, a "Tier Level") of either 4 or 5. See Appendix A to these Guidelines for a breakdown of the five different Tier Levels.

Section I.2 Program Priorities

The goal of the VBRSP is to further business attraction and expansion in the Commonwealth of Virginia through site development. Funds available through the VBRSP program will be awarded to projects that best align with the following program priorities:

- **Improve project-ready site inventory**
- **Create “high-win-potential” sites**
- **Advance sites from lower tiers**
- **Focus on sites with the potential for regional and statewide impact**
- **Ensure geographic diversity**
- **Practice fiduciary stewardship**

Section I.3 Program Funding

VBRSP is funded through an allocation by the General Assembly into the Virginia Business Ready Sites Program Fund (VBRSP Fund) in accordance with Section 2.2-2240.2:1 of the Code of Virginia. For purposes of these Guidelines, “Fiscal Year” means the Commonwealth’s fiscal year, which runs from July 1 of one calendar year through June 30 of the immediately succeeding calendar year.

Article II. Site Characterization Report Grant

Section II.1 Grant Purpose

The initial step under the VBRSP is to conduct Site Characterization Report for a potential site. A licensed civil engineer or equivalent (Site Development Professional) will conduct Site Characterization Report by:

- (i) assessing the site to establish the current level of existing development;
- (ii) evaluating the additional development required to bring the site to higher Tier Levels (through Tier 5) and estimating the costs of such development; and
- (iii) designating to such site one of the Site Characterization Tier Levels set forth in Appendix A; and
- (iv) creating a Site Characterization Report containing the elements set forth in Appendix C.

The information contained in the Site Characterization Report will provide insight on development opportunities and challenges presented by the site, and the related cost estimates – essential information for making informed decisions regarding further investment in the site.

Site Characterization Report Grants are available for sites 25 acres or larger to reimburse for retaining a Site Development Professional for Site Characterization and receiving a designated Site Characterization Tier Level and Site Characterization Report.

The maximum Site Characterization Report Grant awarded to an applicant will be 50% of the cost of site assessment, up to \$5,000. A 1:1, state to local match is required (Local Match). The applicant is responsible for covering any remaining amount of the cost of Site Characterization. Such match must be in cash and may be funded from public and/or private sources. Funds previously expended on other work related to the site will not be considered a part of the match.

Section II.2 Eligible Applicants

An applicant for a Site Characterization Report Grant must be:

- (i) counties, cities, and towns of the Commonwealth, and local industrial or economic development authorities created in accordance with the laws of the Commonwealth (each, a “Locality”); and
- (ii) regional industrial or economic development authorities created in accordance with the laws of the Commonwealth (each, a “Regional Authority”).

Privately held sites are eligible to receive funding. The grant must be awarded to Locality or Regional Authority and since it will be awarded from a public entity to another public entity all application documents are subject to disclosure laws.

Section II.3 Eligible Sites

An applicant may apply for a Site Characterization Report Grant for a site of at least 25 acres suitable for industrial or commercial development that:

- (i) is listed in VirginiaScan; and
- (ii) The site’s intended use is for industrial and/or commercial development use.

Section II.4 Site Characterization Report Application

An applicant must submit a VBRSP Site Characterization Report Grant Application (provided

at vedp.org/vbrsp) for evaluation by the Project Review Committee. The Project Review Committee is a project management team that oversees the VBRSP and reviews project applications, supported by relevant subject matter experts on an as-needed basis. (see Appendix B for what is required in an application)

The Project Review Committee will accept VBRSP Site Characterization Report Grant Applications on a rolling basis beginning July 1 of each fiscal year, until the monies available for the Site Characterization portion of the VBRSP for that fiscal year have all been allocated. Site Characterization Report Grants should be applied for in advance of characterizing the site. For purposes of VBRSP, a fiscal year is defined as running from July 1st of each year to June 30th of the following year.

An applicant will be required to: (i) provide specific site information including site ownership; (ii) describe the costs associated with the Site Characterization and include an estimate or invoice, if available; (iii) evidence of the Local Match; (iv) and provide the full Site Characterization Report containing the elements specified in Appendix C to these Guidelines, following completion of the characterization.

The Project Review Committee has the sole discretion to award a Site Characterization Grant.

Section II.5 Awards and Disbursements

An applicant will be informed of the Project Review Committee's decision to award a Site Characterization Report Grant.

The Site Characterization must be completed within 90 days of the award. Upon completion, the grantee must submit a Site Characterization Report. At such time, the Site Characterization Tier Level will be recorded by VEDP, a letter confirming the Site Characterization Tier Level will be issued, and the Site Characterization Report Grant will be disbursed.

Article III. Accelerated Site Characterization Grant

Section III.1 Grant Purpose

The Accelerated Site Characterization Grant is to further enhance the understanding of the site and determine its suitability for further investment. To do this, the grant will provide funding up to \$500,000 for additional due diligence to accelerate the tiering of the site. The grant will also establish development plans for the site that outline the critical path items for readiness as well as the cost and timeline associated with those items.

Section III.2 Eligible Applicants

An applicant for an Accelerated Site Characterization Grant must be:

- (i) counties, cities, and towns of the Commonwealth, and local industrial or economic development authorities created in accordance with the laws of the Commonwealth (each, a “Locality”); and
- (ii) regional industrial or economic development authorities created in accordance with the laws of the Commonwealth (each, a “Regional Authority”).

Privately held sites are eligible to receive funding. The grant must be awarded to a Locality or Regional Authority, and since it will be awarded from a public entity to another public entity, all application documents are subject to disclosure laws. Privately held sites will require an option agreement with the locality, a memorandum of understanding, or performance agreement between the applying local authority and the owner that specifically outlines the purpose of the grant, access to the site, states the intended use for the property as industrial, and defines a maximum price per acre the landowner will charge an interested buyer.

Section III.3 Eligible Sites

An applicant may apply for an Accelerated Site Characterization Grant for a site of at least 50 acres suitable for industrial or commercial development that:

- (i) Is listed in VirginiaScan; and
- (ii) Previously characterized; and
- (iii) The site’s intended use is for industrial development.

Section III.4 Eligible Funding

An applicant will apply for up-to \$500,000 all studies and due diligence items required for Tier 3 status as well as any additional site specific needs. *The following list is not exhaustive, but applicants should coordinate with VEDP staff prior to applying for funding for uses not listed here.*

- State and Federal waters delineations, including wetlands, to include RPA and tidal water details if appropriate and submission for a Preliminary Jurisdictional Decision/Approved Jurisdictional Decision
- Geotechnical Study to include borings karst evaluations, acid forming rock and foundations recommendations
- Boundary and Topographic Survey with easements and encumbrances identified (ALTA preferred)
- Floodplain Study to include wetlands and buffers
- Surveys that identify historical and cultural resources, historical districts, and existing utilities
- Environmental Survey Assessment (Phase 1 and 2 if needed)
- Architectural/Cultural Resources Review (Phase 1 and 2 if needed)
- Threatened and Endangered Species Review, including field work if needed
- Traffic Impact Assessment (TIA)
- Preliminary Engineering Report (PER)
 - FEL1/Pre-FEED/Preliminary Engineering (5-15% Design)
 - Utilities Routing (Water, wastewater, gas, power)
 - Access/transportation routing
 - Site Master plan with grading and preliminary storm water design
 - Railroad Siding and Routing
 - AACE Class 3 or 4 Cost Estimate and Schedule, Including Onsite and Offsite Improvements
- Market Demand and Sector Strategy
 - Inclusive of a workforce analysis for the site
- Power Studies
 - Substation Engineering Letter of Authorizations (SELOA): executed when a customer requests a detailed engineering study and requires a \$250,000 cash deposit per delivery point or substation
 - Construction Letter of Authorizations (CLOA): executed when a customer requests construction and there must be a customer commitment within 90-days receipt of the construction study. Additional cash deposits may be required for substation transformers and breakers prior to ordering
- Utility Routing Plans
- Roadway Design

Section III.5 Match Requirement

As a condition to every VBRSP award, the applicant will be required to contribute matching funds, derived from public and/or private sources. The ratio of matching funds required shall be based on the most recent distress level classification of the locality in which the subject site is located or that applies for the award as of the date that the VBRSP Project Review Committee approves the application.

Privately held sites where no public option exists, but an agreement between the owner and the public entity exists, shall require the match be applied toward the project requested and previous investment into the site will not be eligible for matching funds.

The required local match may be in the form of actual cash contributions from the applicant, in-kind donations, other cash donations, other grants, or other sources of funding. Grant funds awarded from other programs disbursing state funds may be used as matching funds.

For publicly held sites, or those with a public option, in-kind contributions will count towards the local match requirement, in the form of property (land) acquisition and services (personnel, project management and administrative expenses and related costs), provided that such in-kind contributions:

- (i) must be directly related to the scope of work for the project, as determined by the VBRSP Project Review Committee;
- (ii) must be assigned a reasonable fair market value acceptable to the VBRSP Project Review Committee; and
- (iii) must be clearly evidenced with documentation acceptable to the VBRSP Project Review Committee.

Cash and in-kind contributions made within the five years prior to the time of the application will count directly toward the required local match, but investments made more than five years prior to the program year may not be considered.

Should a distressed or double distressed community not have the funds available for the match, VBRSP Review Committee may waive the match requirement if the locality submits a letter requesting a waiver of the match requirement from the locality's governing board or administrator. The Project Review Committee will review the request and notify the applicant if it is accepted.

<u>Minimum Required Local Match</u>	Locality Distress-Level	Distress-Level Definitions	Ex. Project total cost = \$500,000 <u>Minimum Required Match</u>
35% - Public 50% - Private	Not Distressed	Site is located in locality with <u>both</u> : (i) unemployment rate <u>and</u> (ii) poverty rate are <u>below</u> the corresponding statewide averages as of the initiation of a grant round.	Public: Local Funds = \$175,000 State Funds = \$325,000 Private: Private Funds = \$250,000 State Funds = \$250,000
25% - Public 40% - Private	Distressed	Site is located in locality with <u>either</u> : (i) unemployment rate <u>or</u> (ii) poverty rate are <u>above</u> the corresponding statewide averages as of the initiation of a grant round.	Public: Local Funds = \$125,000 State Funds = \$375,000 Private: Private Funds = \$200,000 State Funds = \$300,000
15% - Public 30% - Private	Double Distressed	Site is located in locality with <u>both</u> : (i) unemployment rate <u>and</u> (ii) poverty rate are <u>above</u> the corresponding statewide averages as of the initiation of a grant round.	Public: Local Funds = \$75,000 State Funds = \$425,000 Private: Private Funds = \$150,000 State Funds = \$350,000

Section III.6 Application

An applicant must submit a VBRSP Accelerated Site Characterization Grant Application (provided at vedp.org/vbrsp) for evaluation by the VBRSP Project Review Committee. The Project Review Committee is a project management team that oversees the VBRSP and reviews project applications, supported by relevant subject matter experts on an as-needed basis.

The Project Review Committee will accept Accelerated Site Characterization Grant Applications on a rolling basis beginning July 1 of each fiscal year, until the monies available for the Accelerated Site Characterization portion of the VBRSP for that fiscal year have all been allocated. For purposes of VBRSP, a fiscal year is defined as running from July 1st of each year to June 30th of the following year.

An applicant will be required to: (i) provide specific site information including site ownership; (ii) submit a budget for the Accelerated Site Characterization in the form of an estimate or proposal; (iii) expedited timeline for the Accelerated Site Characterization; (iv) evidence of the Local Match; (v) and provide the full Site Characterization Report.

The applicant must agree and commit to holding a development plan and partner workshop after the items outlined in grant are complete. The workshop should include participants with an active role and interest in preparing and marketing the site for economic development projects. The workshop should minimally include:

- Executive summary and review of the reports completed
- Review of Neighboring sites and compatible uses
- Market Demand and Sector Strategy
- Critical Path Development Tasks
- Funding strategy for the development tasks
- Identify responsible parties for the development of the site
- Determination of the cost of the land if the site is privately owned as well as any other conditions or desires of the private owner.

Section III.6 Award and Disbursement

At the time the award is accepted, the recipient(s) must execute and deliver a Performance Agreement and any other legal documents and/or instruments required.

Awards and Applicants are not limited in the number of times they may apply each Fiscal Year. Applicants are encouraged to develop their site to the highest Tier Level possible, as quickly as possible, while ensuring a high return on investment.

VBRSP awards will typically be made in the form of grants that need not be repaid so long as the recipient(s) complies with the terms and conditions of its Performance Agreement. Grant funding may be subject to claw back if the property's zoning is changed to be unsuited for commercial or industrial use; the property is sold for a use other than commercial or industrial; the property is sold for an amount exceeding the agreed upon pricing (when an option is in place); or the project is abandoned in a manner that is not conducive to site development.

Accelerated Site Characterization on privately-owned properties require a performance agreement between VEDP and the Locality or Regional Authority, as well as a performance agreement between the Locality or Regional Authority and the owner(s) of record of the land. Specifically, the agreement will 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.

Section III.7 Post-Award and Disbursements

The process for disbursement of an Accelerated Site Characterization Grant will depend upon the amount of the award and the project timeline. It is expected that an Accelerated Site Characterization Grant will be disbursed in one or two installments according to milestones determined to be appropriate for the scope of work. VBRSP award proceeds may be used only for the necessary and reasonable costs included in the scope of work set forth in the Performance Agreement.

Section III.8 Post-Award Uses

Once an award has been made and reimbursements have begun the site will be subject to repayment based on final use at the site. The repayment will be determined based on the level of investment through the accelerated site characterization grant.

- Should the grant cover Tier 3 due diligence, the post-award uses are limited to economic development uses.
- Should the grant cover more in-depth studies and design work the post-award uses will be limited to manufacturing and industrial uses for economic development purposes.

If the locality rezones the site or otherwise makes local land use actions such that the site may not be used for an industrial or manufacturing purpose, or if the locality allows the site to be used in a manner inconsistent with VBRSP priorities, the grantee may be required to repay all or a portion of the VBRSP grant.

APPENDIX A

Site Characterization Tier Levels

An applicant will retain a Site Development Professional to assess a site and to designate one of the following Site Characterization Tier Levels to such site:

Tier 1: *Site is under (a) public ownership, (b) public/private ownership, or (c) private ownership, and of which such owner(s) are agreeable to marketing the site for economic development purposes and allowing access to the property for site assessment and marketing purposes. The site has no established sales price, has minimal or no infrastructure, and has been subject to minimal or no due diligence.*

Tier 2: *Site is under (a) public ownership, (b) public/private ownership, or (c) private ownership with an option agreement or other documentation of a commitment by the private owner(s) to a competitive sales price; permit access to the site for site assessment, construction, and marketing; and market the site for industrial or commercial economic development purposes. Comprehensive Plan reflects that the site is intended for industrial or commercial development land use, but site is not zoned as such and a rezoning hearing needs to be scheduled. Preliminary evaluation is complete to confirm site has minimal or no infrastructure and/or minimal or no due diligence in place.*

Tier 3: *Site is zoned for industrial or commercial development land use. Site could have minimal or no infrastructure in place. Due diligence is complete including, but not limited to, a waters of the US (wetlands and streams) delineation with US Army Corps of Engineers approval within the last five years (i.e. a Preliminary Jurisdictional Determination or Approved Jurisdictional Determination letter), geotechnical borings and preliminary evaluation (i.e. Preliminary Geotechnical Report), boundary survey with easements and encumbrances identified (ALTA preferred), one-foot topographic survey completed for the purposes of design or real property improvements signed and sealed by a duly licensed professional in the Commonwealth of Virginia, a current cultural resources review, a current threatened and endangered species review, a Phase I Environmental Site Assessment within the last five years and, if necessary, a floodplain study or geological / karst evaluation. Master planning and preliminary engineering work is complete with associated reports and estimated costs and timelines for infrastructure development quantified.*

Tier 4: *Site is positioned to support development such that building construction can take place in 12-18 months or less, with all infrastructure improvements in place, or plans for necessary infrastructure improvements completed and approved and deemed deliverable within 12-18 months by a licensed Professional Engineer in the Commonwealth of Virginia. All infrastructure permit issues are identified and quantified.*

Tier 5: *Site is “shovel ready” and building construction can begin as soon as necessary land disturbance permits can be obtained by prospective industry. Utilities must be to the site or able to be extended in less than 12 months.*

In addition to providing the current Tier Level, the Site Development Professional will provide a list of tasks required to move the site to the next Tier Level and the estimated costs to perform those tasks.

See the example Characterization Report as a guide.

APPENDIX B

VBRSP Site Characterization Application

Application Instructions

Carefully review the VBRSP Site Characterization Guidelines and the before completing and submitting an application.

Applications will be accepted, on a rolling basis, beginning July 1st of the fiscal year, until the monies available for the Site Characterization step of the VBRSP have all been allocated. Only timely-filled, completed applications will be considered.

Use the Provided Format: Applicants must use the format provided and respond using a font size of no less than 12.

Use the Space Provided: All questions should be answered within the space provided. The following **List of Attachments*** are required, as applicable, and must be placed at the end of the application , and listed in order:

Attachment A - Documentation of Ownership

Attachment B - Site Characterization Report (Reimbursement)

Attachment C - Assessment Invoice or Estimate

Attachment D - Applicant's Commonwealth of Virginia (COV) Substitute W-9

* In some cases, more than one document may be needed for a particular attachment. In this instance, please label the documents A1, A 2, and so forth.

Application Questions and Submittal : Applications will be accepted on a rolling basis until funds are depleted. Application must be submitted **electronically**.

Submit questions and applications to:

VBRSP Project Review Committee
Virginia Economic Development Partnership
(804) 545 5786
sites@vedp.org

Applicant Name(s):

Provide the name of the Locality or Regional Authority applying.

Primary Contact Information:

Provide name, contact numbers, physical and email address.

Site Identification:

Identify the name, address, and location of the site (GPS coordinates), including the locality in which it is located.

iVS Property ID:

The site must be listed in VirginiaScan.

Site Ownership:

Provide the name of the property owner. Indicate whether property is public, public/private or privately owned. Include documentation of ownership. (Attachment A).

Site Description

Provide the current acreage and zoning of the property. Describe any changes in zoning that may be required or planned for the site. Explain how the site aligns with the applicable comprehensive plan.

Site Characterization Firm:

Provide the name of the Site Development Professional that will perform or has performed the Site Characterization.

Site Assessment Cost and Grant Request:

Detail the cost of the Site Characterization. Indicate VBRSP Site Characterization Grant request. Include an estimate or, if available, an invoice. Include a copy of the applicant's COV Substitute W-9. (Attachment C, D)

Source of Local Match:

Identify each source of the funds to pay for the cost of the Site Characterization. Indicate the amount provided by each source as a share of the total cost.

Connection with Local/Regional Strategies and Assets:

Briefly describe the connection between the potential site and the local/regional industrial or commercial economic development targets, strategies, complementary assets, and workforce availability.

APPENDIX C

VBRSP Site Characterization Report Requirements

The Site Development Professional shall complete a Site Characterization Report, containing the following elements:

- A Site Characterization Letter which designates the site one of the Site Characterization Tier Levels set forth in Appendix A.
- A summary of key site characteristics, including:
 - Acreage
 - Buildout Potential (SF)
 - Yield (SF/Acre)
 - Current Zoning / Land Use
 - The nearest four-lane highway, and the distance to that highway
 - The nearest interstate, and the distance to that interstate
 - The providers of the site's water, sewer, natural gas, power, and telecom services (if available)
- A summary of due diligence completed to date
- A summary of wet utility infrastructure
- A summary of dry utility infrastructure
- A summary of site transportation and access
- A summary of site features
- A description of the Tier assignment including:
 - The site's current Tier Level
 - The additional tasks needed to reach the next Tier Level and further Tier Levels
 - The estimated costs associated with those tasks
- Relevant maps of the site, including:
 - An aerial and environmental map
 - A map of the site's utilities
 - A map of development constraints on the site
 - A schematic build-out map

See the example Characterization Report as a guide.