
VIRGINIA STATE BUDGET

2025 Session

Budget Bill - HB1600 (Chapter 725)

Bill Order » Office of Transportation » Item 451

Virginia Port Authority

Item 451	First Year - FY2025	Second Year - FY2026
Financial Assistance for Port Activities (62800)	\$19,112,325 \$20,437,325	\$11,612,325 \$7,612,325
Aid to Localities (62801)	\$13,500,000 \$14,825,000	\$6,000,000 \$2,000,000
Payment in Lieu of Taxes (62802)	\$5,612,325	\$5,612,325
Fund Sources:		
General	\$7,500,000 \$8,500,000	\$0
Special	\$1,612,325 \$1,937,325	\$1,612,325
Commonwealth Transportation	\$2,000,000	\$2,000,000
Dedicated Special Revenue	\$8,000,000	\$8,000,000 \$4,000,000

Authority: Title 62.1, Chapter 10, Code of Virginia.

A.1. Of the amounts authorized in Item 101 A.1, \$2,000,000 the first year from the general fund may be deposited in the Port of Virginia Economic and Infrastructure Development Grant Fund, created pursuant to § [62.1-132.3:2](#), Code of Virginia. The Executive Director of the Virginia Port Authority shall disburse the funding in the form of grants to qualified companies in accordance with the provisions of § [62.1-132.3:2](#), Code of Virginia.

2. Of the amounts authorized in Item 101 A.1, \$2,000,000 the second year from the general fund may be deposited in the Port of Virginia Economic Development Grant Fund, established pursuant to § [62.1-132.3:2.1](#), Code of Virginia. These funds shall be used to support the Port of Virginia Economic Development Grant Program, consisting of the following component programs: 1) the Economic Development and Infrastructure Development Grant Program established by § [62.1-132.3:2.2](#), Code of Virginia, and 2) the International Trade Facility Grant Program established by § [62.1-132.3:2.3](#), Code of Virginia.

3. Notwithstanding any other provision of law, upon expiration of the Port of Virginia Economic and Infrastructure Development Grant Fund and Program on December 31, 2024, any balance remaining in the Port of Virginia Economic and Infrastructure Development Grant Fund shall be transferred to the Port of Virginia Economic Development Grant Fund, established pursuant to § [62.1-132.3:2.1](#), Code of Virginia, and used to support the Port of Virginia Economic Development Grant Program and its component programs pursuant to §§ [62.1-132.3:2.1](#), [62.1-132.3:2.2](#), and [62.1-132.3:2.3](#), Code of Virginia.

B. Of the amounts in this Item, \$1,000,000 the first year and \$1,000,000 the second year from the Commonwealth Port Fund is appropriated for previously awarded Aid to Local Ports which were unreimbursed in the year of the initial award.

C. Out of amounts in this item, \$4,000,000 the first year ~~and \$4,000,000 the second year~~ from amounts transferred to this item pursuant § 3-1.01 M. of this act, the Authority shall award a grant of funds to a qualified applicant or applicants to support a dredging project or projects that have been approved by the Authority. The source of the grant funds shall be the Virginia Waterway Maintenance Fund created pursuant to § ~~62.1-132.3:3~~. Applicants shall be limited to political subdivisions and the governing bodies of Virginia localities. The Authority shall develop guidelines establishing an application process as set out in Chapter 642, 2018 Session of the General Assembly. Projects for which the Authority may award grant funding include (i) feasibility and cost evaluations, pre-project engineering studies, and project permitting and contracting costs for a waterway project conducted by the Commonwealth; (ii) the state portion of a nonfederal sponsor funding requirement for a federal project, which may include the beneficial use of dredged materials that are not covered by federal funding; (iii) the Commonwealth's maintenance of shallow-draft navigable waterway channel maintenance dredging and the design, lease, or purchase of upland containment areas where the material can be selectively excavated and used beneficially for environmental restoration or for mitigation of coastal erosion; and (iv) the beneficial use, for environmental restoration and the mitigation of coastal erosion or flooding, of dredged materials from approved waterway dredging projects conducted by the Commonwealth. Special consideration shall be given to any locality which provides a three-to-one match for any requested funding in the first year.

D. Out of the amounts in this item, \$7,500,000 the first year from the general fund is provided to fund a pilot municipal dredge program operated by the Middle Peninsula Chesapeake Bay Public Access Authority for the dredging of shovel-ready projects, to be distributed by the Virginia Port Authority upon approval of a Municipal Dredging Operating Program and a Municipal Dredging Operating Agreement. Funding for this program is designated for shovel-ready, shallow-draft dredging projects in localities identified in Chapter 66 of the Code of Virginia, or through the development of operating agreements between the Middle Peninsula Chesapeake Bay Public Access Authority and the Eastern Shore Water Access Authority or the Northern Neck Public Access Authority.

E. Out of the amounts in this item, \$1,000,000 the first year from the general fund is provided to support dredging Back Creek off the York River.

F. Effective July 1, 2025, the responsibility for administering shallow dredging projects and the Waterway Maintenance Fund shall be transferred to the Virginia Marine Resources Commission. Any unexpended general or nongeneral funds appropriated in fiscal years prior to fiscal year 2026 shall be transferred to the Commission to support the completion of these projects.

G.1. Of the amounts in the Transportation Partnership Opportunity Fund, up to \$8,000,000 the first year is provided to support dredging near the north end of Wallops Island. The Virginia Port Authority shall administer such dredging project to create a navigable water channel for transport of rocket components and other uses to serve all commercial partners at the spaceport until longer term solutions are implemented to ensure that the Virginia spaceport remains competitive. Any project costs that exceed the amounts provided in this paragraph shall be at the expense of the private sector partners referenced in this paragraph. To the extent determined to be cost effective and practicable, the project should include shoreline stabilization to reduce the need for future dredging. The Virginia Port Authority may collaborate with the Virginia Economic Development Partnership Authority, the Virginia Spaceport Authority, commercial partners at the spaceport, and any federal, state, or local agency as may be necessary to complete the marine transport access project. The Director of the Department of Planning and Budget is hereby authorized to transfer moneys pursuant to this paragraph to the Virginia Port Authority. After submission of a project funding schedule to the Secretary of Finance and the Director of the Department of Planning and Budget, only the Virginia Port Authority may request that the Director release the funds according to such schedule.

2. The funding provided in this paragraph is contingent on the Virginia Commercial Space Flight Authority (Virginia Space) providing copies of the executed building and ground leases for and the total construction costs of the Assembly, Integration, and Testing Facility, referenced in Chapter 1, 2022 Acts of Assembly, Special Session I,

Item 101, Paragraph T to the Secretary of Commerce and Trade, the Virginia Port Authority, and the Virginia Economic Development Partnership Authority. In executing a ground lease for the property surrounding the Assembly, Integration, and Testing Facility (Lease Parcels 1, 3, and 4), Virginia Space shall charge the tenant no more than one dollar per year for the duration of the performance period outlined in the Memorandum of Understanding executed August 15, 2023, between the Commonwealth, Rocket Lab USA, INC, Virginia Space, and the Virginia Economic Development Partnership Authority. If at the end of the performance period, Rocket Lab assumes ownership of the Assembly, Integration, and Testing Facility, and sells the building, Virginia Space is hereby required to notify the Chair of the Major Employer and Investment Commission by letter of the sale, which shall include the name of the buyer and the sale price.

3. No more than 30 days from completion of the dredging project, the Virginia Port Authority shall submit a report to the Secretary of Finance, Secretary of Transportation, and to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees outlining total project costs and total funding paid by all sources.

H. Out of the amounts in this item, \$325,000 the first year from nongeneral funds is authorized to fund the non-federal sponsorship share of not more than twelve National Oceanic and Atmospheric Administration (NOAA) Physical Oceanographic Real-Time System (PORTS) stations in the southern Chesapeake Bay.