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**2009 ECONOMIC DEVELOPMENT PRIORITIES**

**SENATE FINANCE ECONOMIC DEVELOPMENT AND  
NATURAL RESOURCES SUBCOMMITTEE**

**JANUARY 28, 2009**

## Governor's Opportunity Fund

- Commonwealth's primary deal-closing performance incentive
- FY 2010: Additional \$5 million for a total of \$12.5 million

## Continental AG Workforce Training

- Save 500 jobs, create 318 new jobs, and \$194 million capital investment
- Executive amendment for additional workforce retraining of \$1.5 million for FY2010

## Orbital Next Phase Bonds

- \$10 million of bonds for the Virginia Commercial Space Flight Authority to continue improvements at Wallops Island
- Fulfills total \$26 million financing commitment, with Orbital paying back 75% of the post-construction phase debt service

## Canon Virginia Workforce Training

- VCCS made a special workforce commitment: ~\$1 million for training equipment
- Budget amendment to reprogram existing funds in budget for "Training Costs"

- Keep Virginia competitive
- Put new tools in place to win new jobs and capital investment to Virginia
- Build upon our successful performance-based grant programs
- Continue the Virginia tradition of meeting commitments

## Virginia Investment Partnership Act

- Successful program targeted to existing manufacturers facing competitive consolidation or expansion
- Halved in 2005 to create VEDIG (the white collar counterpart)
- This year's legislation:
  - Restores the VIP caps to original levels (\$30 million outstanding, \$6 million grants payable in a given year, \$3 million maximum grant)
  - Allows for a maximum of \$5 million grant to extraordinary projects
  - Meets a commitment to the joint AREVA / Northrop Grumman project with \$363 million capital investment and 540 new jobs

## Major Employment and Investment Act

- Product of the Governor's Mega Projects Advisory Commission
- New tools to allow Virginia to compete for major projects
- New tools for localities to acquire and prepare sites
- Provide for the General Assembly to have unprecedented involvement in making investment decisions

## What the legislation does:

- Allows local governments to finance site acquisition and development through the Virginia Resources Authority
- Allows the Virginia Public Building Authority to finance incentive packages to benefit major employment and investment projects
- Establishes an Approval Commission of Legislators, Secretaries and the Governor to consider the merits of individual incentive packages
- Puts the tools in place for Virginia to compete for large scale economic development projects – this legislation itself does not authorize any bonding

- **HB 2296: Major Business Facilities Jobs Tax Credit**
  - Important tool to recruit major employers to Virginia—has been marketed to Canon, Booz Allen, and many others
  - Seeking a 10-year extension
  - No fiscal impact – already “burned into” the revenue forecast
  - Commitment to AREVA, Canon and others
- **SB 1246: Retaliatory Tax Credit Carry-forward Extension**
  - Part of 1995 commitment to address Genworth’s retaliatory tax credit exposure
  - Comes with no fiscal impact—merely keeps the company from losing expiring credits

- **SB 1215 / HB 2235: Clean Energy Manufacturing Incentive Grant**
  - Removes the existing Solar PV Incentive Grant legislation
  - Creates a new performance-based economic development tool to recruit jobs and investment in the clean energy sector to Virginia
  - Targets manufacturers of equipment, systems and products related to a wide array of clean energy sources
  - Ensures that incentives are subject to a performance agreement
- **SB 1344: FOIA Exemption for Business Retention**
  - VEDP is working to help local economic developers build relationships with existing businesses in their areas
  - Need to afford the same type of protection for confidential records used in retention purposes as expansion projects
  - Critical in this economy to maintain the employment and tax base already in place



**THANK YOU!**

**QUESTIONS?**