



Secretary of Commerce and Trade Maurice A. Jones

Presentation to Senate Finance Committee
January 27, 2015

Economic Development Priorities

- ▶ Infrastructure
- ▶ Workforce Development
- ▶ Business Climate
- ▶ Strategic Sectors
- ▶ Entrepreneurism

Economic Development Reallocation

Uses of reallocation funding:

- ▶ \$1.0 million to the Department of Housing and Community Development (DHCD) to create a Governor's Business Plan Competition.
- ▶ \$1.0 million to the Virginia Employment Commission (VEC) for a regional private sector led workforce development competition.

Economic Development Reallocation

Uses of reallocation funding (cont.):

- ▶ \$1.0 million to the Virginia Economic Development Partnership (VEDP) for an economic development marketing/branding campaign.
- ▶ \$1.0 million to VEDP for the establishment of a virtual World Trade Center as collaboration between VEDP, colleges and universities, and private sector businesses to help our businesses grow via increased international trade and investment.

Economic Development Reallocation

Uses of reallocation funding (cont.):

- ▶ \$500,000 to DHCD for competitive grants to localities to assist with the development of a strategic plan for securing broadband access for economic development purposes
- ▶ \$500,000 to the Department of Agriculture and Consumer Services (VDACS) for deposit to the Governor's Agriculture and Forestry Industries Development Fund (AFID).

Investment Requests

Department of Housing & Community Development

- ▶ Authorize the department to utilize up to two percent of general fund appropriation provided for various grant programs within Community Development Services for associated administration expenses.

Investment Requests

Department of Housing & Community Development

- ▶ Provide support for rapid re-housing

	FY2015	FY2016
General Fund	\$0	\$1,000,000

- ▶ Provide support for Community Business Launch Program

	FY2015	FY2016
General Fund	\$0	\$1,000,000
Positions	0.00	1.00

Investment Requests

Virginia Employment Commission

- ▶ Increase appropriation to support Unemployment Insurance operations

	FY2015	FY2016
Non-general Funds	\$1,500,000	\$0

Investment Requests

Virginia Economic Development Partnership (VEDP)

- ▶ Provide funding for the Virginia Coalfield Economic Development Authority

	FY2015	FY2016
General Fund	\$0	\$1,200,000

- ▶ Transfer funding for the Virginia Jobs Investment Program to VEDP

	FY2015	FY2016
General Fund	\$0	\$67,791

Investment Requests

Economic Development Incentive Payments

- ▶ Governor's Development Opportunity Fund

	FY2015	FY2016
General Fund	\$9,916,000	\$10,750,000

- ▶ Provide funding for the Virginia Tourism Growth Incentive Fund

	FY2015	FY2016
General Fund	\$0	\$500,000

Investment Requests

Tourism Growth Incentive Fund

- ▶ \$500,000 incentive for new product development and business expansion in the tourism industry.
- ▶ Strategic Sector: tourism is a \$21.5 billion industry, supporting 213,000 jobs and contributing more than \$1.42 billion in state and local taxes.

Investment Requests

Tourism Growth Incentive Fund

- ▶ Rigorous return on investment analysis prior to making any grant or loan is made.
- ▶ Will look at capital investment, business expansion, new product development and job creation before any grant or loan is made.
- ▶ Will enter into performance agreements with clawback provisions

Investment Requests

Virginia Tourism Authority

- ▶ Provide funding for the Commonwealth's contractual commitment to promote tourism with China

	FY2015	FY2016
General Fund	\$0	\$400,000

Investment Requests

Fort Monroe Authority

- ▶ Provide additional funds for payments in lieu of taxes

	FY2015	FY2016
General Fund	\$345,663	\$345,663

Investment Requests

Department of Mines, Minerals and Energy

- ▶ Reclaim non-general fund interest to support public safety and environmental protection efforts
 - Allows the agency to retain interest generated by the funds in the Minerals Reclamation Fund. These funds are deposited to the Minerals Other Than Coal Abandoned Land Reclamation Fund and are used to reclaim abandoned mined lands which present public safety risks and environmental hazards.

Commerce and Trade Savings

Department of Housing and Community Development

	Total GF Impact
2015	-\$1,864,861
2016	-\$779,511

Commerce and Trade Savings

Department of Labor and Industry

	Total GF Impact
2015	-\$120,899
2016	-\$20,899

Commerce and Trade Savings

Department of Mines, Minerals and Energy

	Total GF Impact
2015	-\$384,615
2016	-\$418,014

Commerce and Trade Savings

Department of Small Business and Supplier Diversity

	Total GF Impact
2015	-\$1,182,693
2016	-\$256,655

Commerce and Trade Savings

Fort Monroe Authority

	Total GF Impact
2015	-\$286,710
2016	-\$315,355

Commerce and Trade Savings

Virginia Economic Development Partnership

	Total GF Impact
2015	-\$929,509
2016	-\$1,267,607

Commerce and Trade Savings

Virginia Employment Commission

	Total GF Impact
2015	-\$105,000
2016	\$0

Commerce and Trade Savings

Virginia Tourism Authority

	Total GF Impact
2015	-\$1,007,511
2016	-\$1,710,539

Commerce and Trade Savings

Grand Totals

	Total GF Impact
2015	-\$5,881,798
2016	-\$4,768,580

Thank you.

Questions?

maurice.jones@governor.virginia.gov

OR

kelly.spraker@governor.virginia.gov

(804) 225-4522 or (804) 225-4518