



OFFICE OF THE GOVERNOR OF THE COMMONWEALTH OF VIRGINIA

**PRESENTATION TO SENATE FINANCE ECONOMIC
DEVELOPMENT & NATURAL RESOURCES
SUBCOMMITTEE**

SECRETARY OF COMMERCE & TRADE

BRIAN BALL

ECONOMIC DEVELOPMENT

- **Merck Pharmaceutical Manufacturing Grant Program (SB610; HB1498)**
 - Merck will invest \$1 billion and create at least 152 new jobs in Rockingham County.
 - Virginia will provide total grant payments of \$7.5 million, with an additional \$2.525 million in higher education investments to meet workforce demand (\$3.23M FY21; \$3M FY22)
- **Volvo Truck Manufacturing Grant Program (SB611; HB1361)**
 - Volvo will invest \$397 million and create at least 777 new jobs in Pulaski County.
 - Virginia will provide total grant payments of \$16.5 million (\$2M FY21; \$2M FY22)
- **Morgan Olson Advanced Production Grant Program (SB1014; HB-TBD)**
 - Morgan Olson will invest \$57.8 million to purchase the old IKEA building in Pittsylvania County, creating 703 new jobs.
 - Virginia will provide total grant payments of \$7 million (\$500K FY22)

ECONOMIC AND COMMUNITY DEVELOPMENT

- **Business-Ready Sites Program (Budget Bill and Executive Budget Amendment)**
 - The proposed budget allocates \$16.2 million over the biennium for the Business Ready Sites Program. Introduced budget increases base by \$2M in FY 21 and \$3M in FY22.
 - This program is structured to build a portfolio of project-ready sites in every region of the Commonwealth, specifically to fill the lack of industrial sites over 100 contiguous acres.
- **Trade Development Initiatives in Virginia's International Trade Plan (Executive Budget Amendment)**
 - \$6.225M over two years for trade development initiatives in the new Virginia International Trade Plan, including expansion of top ranked export development programs.
- **Virginia Jobs Investment Program (Budget Bill)**
 - The proposed budget allocates \$4.7 million per year to the Virginia Jobs Investment Program (VJIP) – the most frequently used economic development program in the Commonwealth.
- **Custom Workforce Incentive Program (Budget Bill)**
 - The proposed budget increases funding by \$4.7M in FY22 for the Virginia Talent Acceleration Program, bringing total support to \$9.7M
 - This program provides customized training and recruitment solutions for qualified new and expanding companies as an incentive for job creation.
- **Community Centers (Budget Bill)**
 - The proposed budget allocated \$3 million over two years to provide support for planning and capital campaign efforts to assist in securing funding to build, rehabilitate, and repurpose one community center in both Accomack County and Northampton County.
- **Governor's Motion Picture Opportunity Fund (Budget Bill)**
 - The proposed budget allocates \$13 million over the biennium for the Governor's Motion Picture Opportunity Fund.
 - This program incentivizes film and television production in the Commonwealth.

INNOVATION AND ENTREPRENEURSHIP

- **Virginia Innovation Partnership Authority (SB576, HB1017)**
 - The legislation consolidates duplicative initiatives and re-purposes resources to support the entire life cycle of innovation, including research, entrepreneurship, growth and commercialization.
 - \$36.925M in FY21 (consolidating base budgets of Innovation and Entrepreneurship Investment Authority and Virginia Research Investment Council) and \$42.125M in FY22.
 - Virginia Catalyst, Commonwealth Center for Advanced Manufacturing, Commonwealth Center for Advanced Logistics, Unmanned Systems Council, Commonwealth Cyber Initiative budgets are passed through Virginia Innovation Partnership Authority (VIPA).
 - \$10M in proceeds from the sale of the Center for Innovative Technology building to the Commonwealth Opportunity Fund and remaining proceeds to VIPA.

AFFORDABLE HOUSING AND EVICTIONS

- **Virginia Housing Trust Fund (Budget Bill)**
 - \$84 million over three years to the Virginia Housing Trust Fund to provide financing for affordable housing construction projects and homeless reduction grants (\$14M in FY20, \$30M in FY21, and \$40M in FY22).
- **Evictions Prevention and Diversion Pilot Program (Budget Bill)**
 - \$6.6 million over two years to DHCD to establish an Eviction Prevention and Diversion Pilot Program that will enable local or regional partners to apply for assistance through a competitive process to implement eviction reduction programs.

ENERGY

- **Clean Energy Revolving Loan Fund (Budget Bill)**
 - **\$10 million** for an energy efficiency and renewable energy revolving loan fund administered by DMME, with a focus on low income projects.
 - This funding fills a gap created after Congress removed federal funding for DMME's existing VirginiaSaves program, which has saved program recipients over \$71 million in energy and water costs while supporting 900 new jobs.
- **Office of Offshore Wind (Budget Bill)**
 - \$275,000 (2 FTEs) to establish Virginia's first Office of Offshore Wind to work toward development of Virginia's offshore wind resources, coordinate efforts to attract offshore wind supply chain investment, and support activities of the Virginia Offshore Wind Development Authority, which receives no funding.
- **Portsmouth Marine Terminal Investment (Budget Bill)**
 - **\$40 million of bond proceeds** for infrastructure improvement projects at Portsmouth Marine Terminal to attract offshore wind supply chain investments, contingent upon approval of a public-private partnership associated with the terminal.

EXPANSION OF BROADBAND

- **Virginia Telecommunications Initiative (Budget Bill)**
 - The proposed budget allocates \$35 million per year to the Virginia Telecommunications Initiative (VATI) program, which is administered by the Department of Housing and Community Development.
 - The VATI program provides grants to localities which apply jointly with a private sector internet service provider (ISP) to supplement construction costs of broadband infrastructure into unserved areas of the Commonwealth.
- **Transfer of Broadband Office from CIT to DHCD (Budget Bill)**
 - The proposed budget transfers 3 FTEs and \$550,000 from the Center for Innovative Technology's Broadband Office to the DHCD Broadband Office, streamlining service to localities.

SMALL BUSINESS

- **Support for SWaM Certification, Marketing, and Outreach (Budget Bill)**
 - \$741,130 for 7 new positions that will support a new statewide unit to enhance SWaM participation in state contracting.
- **Small Business Investment and Jobs Grant Programs (HB 1505)**
 - Reduces the Small Business Investment Grant reimbursement rate from 50 percent to 25 percent and sunsets the underutilized Small Business Jobs Grant, reallocating the remaining cash balances to the Small Business Investment Grant.