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2008 Commerce & Trade Budget Amendments
House Appropriations Committee

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Secretary of Commerce & Trade
Advancing the Commonwealth’s Economic Development Agenda

• Targeted Investments and Incentives

• Performance Based Grant Agreements

• Continuing Virginia’s Competitive Position

• Needs for the Global Economy
Projected Impact of Announcements on the Commonwealth

- Incentives Awarded: $39,639,834 (over ten years)
- New Jobs Created: 2,636
- Jobs Saved: 200
- Capital Investment: $761 million

- 10-Year State Revenue: $173,706,498
- 20-Year State Revenue: $412,918,235
VEDP Monitors Actual Return on Invested Capital for GOF Projects

- Have actual performance data from FY2002-FY2006 (updated quarterly)
- 130 projects received GOF disbursements in 5-year period
- GOF Disbursements - $52.8 million
- Total Incentive Grants - $165.2 million (TROF, VJIP, VIP, Ent. Zone, etc.)

Results to Date (since FY2002)
- Gross Revenue $695.9 million
- Net State Revenue $530.7 million

Projected Returns After 10 Years (by FY2011) Existing Companies
- Gross Revenue $1.4 billion
- Net State Revenue $1.2 billion
- State Benefit to Cost Ratio: $8 to $1
Targeted Investments and Incentives

- Governor’s Development Opportunity Fund (GOF)
  - $1.5 Million in Caboose Bill for 2008 (General fund / Fiscal year)
  - $15.1 Million for 2009

- Semiconductor Manufacturing Performance Grants Phase I & II
  - $15.5 million for 2009
  - $8.8 million for 2010

- Acceleration of Manufacturing Performance Grants to Qimonda
  - $5.4 million for 2009
  - $8.4 million for 2010

- BRAC Military Strategic Response (NAS Oceana and DARPA)
  - $7.5 million for 2009
  - $17.5 million for 2010
Naval Air Station Oceana
City of Virginia Beach

- Objective: Retain the Navy’s East Coast Master Jet Base in Virginia

- Economic Impact
  - 12,000 Personnel
  - $800 Million Payroll
  - $200 Million Purchased Goods and Services

- Funding to address land encroachment issues effecting Navy flight and training operations.
Saving Key Military Assets

- Defense Advanced Research and Projects Agency (DARPA) – Arlington County

- **Objective:**
  - Retain this world class scientific and research agency in Virginia

- **Economic Impact**
  - 240 scientists and other research workers
  - 1,700+ defense contractors and businesses
  - $3.3 Billion budget
  - Projects include the Internet, night vision goggles, and high tech body armor

- **Funding will be dedicated to conform facility with the required DoD force protection building standards.**
Targeted Investments and Incentives

• Rolls-Royce Incentives in the Budget
  – $1.3 million for 2009
  – $9.4 million for 2010

• Rolls-Royce Incentives in HB1330 / SB651
  – Performance based maximum $35 million by 2023
  – Training grants not to exceed $8.8 million
  – $5 million in performance grants for bringing suppliers who create at least 300 jobs and invest $50 million
Rolls-Royce

- $500 million investment
- Potential additional investment $50 million
- 642 Jobs, potential for 300 more supplier jobs
- Commitment to fund $27.5 million of research with Virginia universities
Targeted Investments and Incentives

• SRI International Incentive
  – $5.0 million for 2009
  – $2.0 million for 2010

• Virginia Investment Partnership Grants
  – $1.3 million for 2009
  – $2.3 million for 2010

• Virginia Jobs Investment Program
  – $2.0 million for 2010
Continuing our Competitive Position

• **Tourism - Marketing**
  – $2.5 Million NGF for 2009 from the Virginia Tourism Enhancement Fund
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• **Tourism - Governor’s Motion Picture Opportunity Fund**
  – $200,000 for 2009
  – $200,000 for 2010
Questions

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