



January 21, 2008

**2008 Commerce & Trade  
Budget Amendments  
House Appropriations  
Committee**

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# 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

- Central Virginia
- Hampton Roads
- Northern Virginia
- Southside Virginia
- Southwestern Virginia
- Valley

Fairfax County  
 Incentives: \$7,786,211  
 New Jobs: 401  
 Average Salary: \$122,868  
 Investment: \$118,000,000



Audi

Rockingham County  
 Incentives: \$1,267,200  
 New Jobs: 25  
 Average Salary: \$48,500  
 Investment: \$229,000,000

Coors

City of Richmond  
 Incentives \$9,940,791  
 New Jobs: 400 (200 Saved)  
 Average Salary: \$90,000  
 Investment: \$80,000,000

MeadWestvaco

NORTHROP GRUMMAN



CGI

WOLSELEY



Russell County  
 Incentives \$2,945,000  
 New Jobs: 650  
 Average Salary: \$41,653  
 Investment: \$22,700,000

City of Danville  
 Incentives \$12,040,800  
 New Jobs: 740  
 Average Salary: \$27,310  
 Investment: \$281,000,000

City of Newport News  
 Incentives \$5,593,600  
 New Jobs: 420  
 Average Salary: \$56,547  
 Investment: \$30,000,000

# 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
  - \$2.5 Million NGF for 2010 from the Virginia Tourism Enhancement Fund
  
- Tourism - Governor's Motion Picture Opportunity Fund
  - \$200,000 for 2009
  - \$200,000 for 2010



# Questions

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