

January 17, 2008



**2008 Commerce & Trade  
Budget Amendments  
House Appropriations  
Economic Development  
& Natural Resources  
Subcommittee**

**Patrick O. Gottschalk**  
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

- 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

# 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

# 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
- Virginia Energy Management Program
  - \$339,561 for 2009
  - \$472,078 for 2010
  - Should save \$32 million in biennium
- Rural Broadband
  - \$500,000 for 2009
  - \$500,000 for 2010

# Needs for the Global Economy

- Economic Development – Marketing to China & India
  - \$100,000 for 2009
  - \$100,000 for 2010
- Provide Matching Funds for the Virginia International Trade Alliance Program (VITAL)
  - \$250,000 for 2009
  - \$250,000 for 2010



# Questions

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