

The background of the slide is a photograph of the Virginia State Capitol building, a large white neoclassical structure with a prominent portico supported by tall columns. Two flags, the American flag and the Virginia state flag, fly on poles in front of the building. In the foreground, there are brick steps with metal railings leading up to the building. A large, dark blue diagonal shape is overlaid on the left side of the image, containing the title text.

ACIT: GENERAL ASSEMBLY UPDATE

Virginia State Capitol

February 3, 2022

VEDP | Virginia
Economic
Development
Partnership
VEDP.org

VEDP BUDGET PROPOSALS TO INCREASE JOB GROWTH AND IMPROVE RANKINGS INCLUDED IN THE INTRODUCED BUDGET

			Additional investment (\$M)		
			FY22	FY23	FY24
Operational	A. Expand Virginia Business Ready Sites Program	Addresses one of the most common reasons Virginia loses manufacturing and supply chain projects by preparing a handful of mega sites and 10-20 midsize sites across the Commonwealth, securing roughly 20,000 direct new jobs (roughly 50,000 new jobs altogether, including indirect and induced jobs)	150.0		
	B. Final Ramp of the Virginia Talent Accelerator Program to support statewide coverage	Supports statewide coverage of the program to address the single most important site selection factor: workforce quality and availability. Program currently ranked in the top 2 of its kind. VA will secure projects with 3,000-6,250 additional rural/small metro jobs per year by 2022		2.3	2.3
	C. Fund initiatives outlined in the Virginia International Trade Plan	Provides timely support to an additional 300 Virginia businesses each year (for a total of 635 per year), generating an additional approximately 5,000 trade-related jobs and diversifying Virginia's economy		3.5	7.0
Incentives	D. Replenishes funds to the COF previously set aside for Jefferson Lab (JLab)	Provides one-time funds to the COF for their intended use to compete for economic development projects where deal-closing funds are necessary to support job creation and capital investment	1.5		
	E. Fund the Port of Virginia Economic and Infrastructure Development Zone Grant Fund	Changes the funding source for the Port of Virginia Economic and Infrastructure Development Zone Grant from the COF to the General Fund (GF) to compete for economic development projects		2.0	2.0
	F. Fund the Shipping & Logistics Custom Grant (CMA CGM)	Provides funds for grant payments to the company according to the payment schedule outlined in the revised legislation and performance agreement	(6.3)	1.4	1.2
	G. Fund the Major Headquarters Workforce Grant Fund (Amazon)	Provides funds for grant payments to the company according to the payment schedule outlined in the legislation and performance agreement		42.5	42.5
	H. Fund Infrastructure for Progress Park for Blue Star Manufacturing	Provides funds to enhance infrastructure in Progress Park and properties in the surrounding area for Blue Star, which will invest at least \$714M and create at least 2,464 jobs	8.5		
Total			153.7	51.7	55.0

ADDITIONAL MEI PROJECT NEEDS ANNOUNCED POST-GOVERNOR NORTHAM'S BUDGET TO BE ADDED BY GENERAL ASSEMBLY

Initiative	Summary	Additional investment (\$M)		
		FY22	FY23	FY24
A. Nitrile Glove Manufacturing Training Program 112 #1h (FY22) and 113 #5h [(FY23-24) (J. Campbell)]/ 112 #2s (FY22) and 113 #1s [(FY23-24) (Ruff)]	Funds for custom workforce training services from the Virginia Talent Accelerator Program to recruit and train the 2,464 new employees, ensuring the company has the trained workforce needed for the project's success	1.4	0.6	0.7
B. Infrastructure for the City of Richmond for the expansion of a real property analytics firm (CoStar) 112 #2h (Marshall)/112 #1s (Ruff)	Funds for expenses related to public infrastructure improvements, safety enhancements, site preparation, and utilities for the CoStar Group, which will invest at least \$460M and to create at least 1,984 jobs	15.0	0.0	0.0

THE LACK OF PROJECT-READY SITES AND BUILDINGS HAS COST VIRGINIA OVER 47K JOBS AND OVER \$115B IN CAPEX SINCE 2016

Since 2016, Virginia has lost:

47K+

DIRECT JOBS

\$115B+

CAPEX

97K+

EST. INDIRECT
AND INDUCED JOBS¹

344-446M+

EST. ANNUAL
STATE REVENUE

Projects lost FY21 & FY22 (illustrative)

Project Everest Semiconductor	1,900 direct jobs	\$17B
Project Darwin Automotive	5,200 direct jobs	\$3.5B
Project K2 Semiconductor	3,500 direct jobs	\$20B
Project Settlement Semiconductor	5,600 direct jobs	\$40B
Project P2 Semiconductor	3,500 direct jobs	\$21.4B
Project Aurora Automotive	6,500 direct jobs	\$5B

Other recent projects lost due to sites (illustrative)

Mazda Toyota Automotive	4,000 direct jobs	\$1.6B
Project Pony Express Automotive	3,000 direct jobs	\$600M

¹Estimated indirect and induced jobs calculated using project NAICS codes for projects in which detailed ROI estimates were unavailable

A LACK OF PREPARED SITES HAS COST VIRGINIA BILLIONS IN CAPITAL INVESTMENT AND OVER 40,000 DIRECT JOBS SINCE 2016

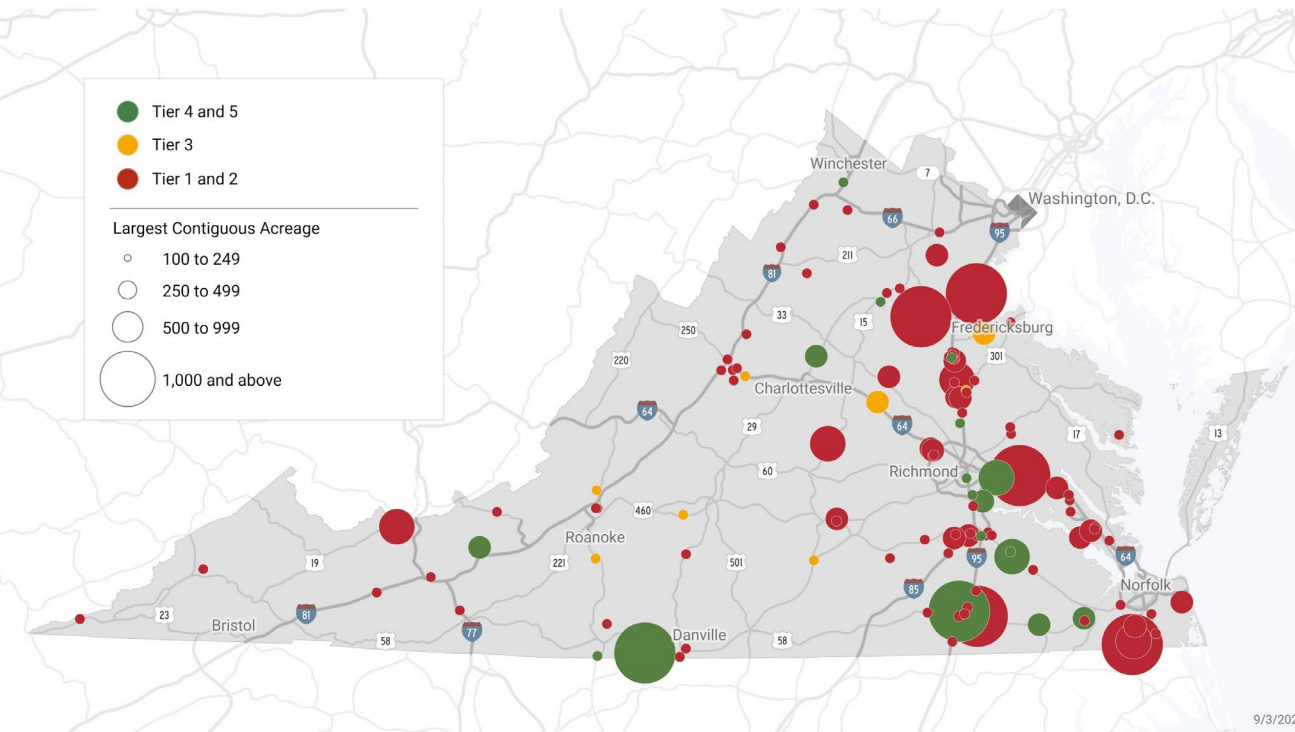
Site Development Facts

Over 85% of Virginia's 100+ acre sites are not project ready

Every year, the lack of prepared sites is a top reason why Virginia loses projects

Peer states are investing more than Virginia¹

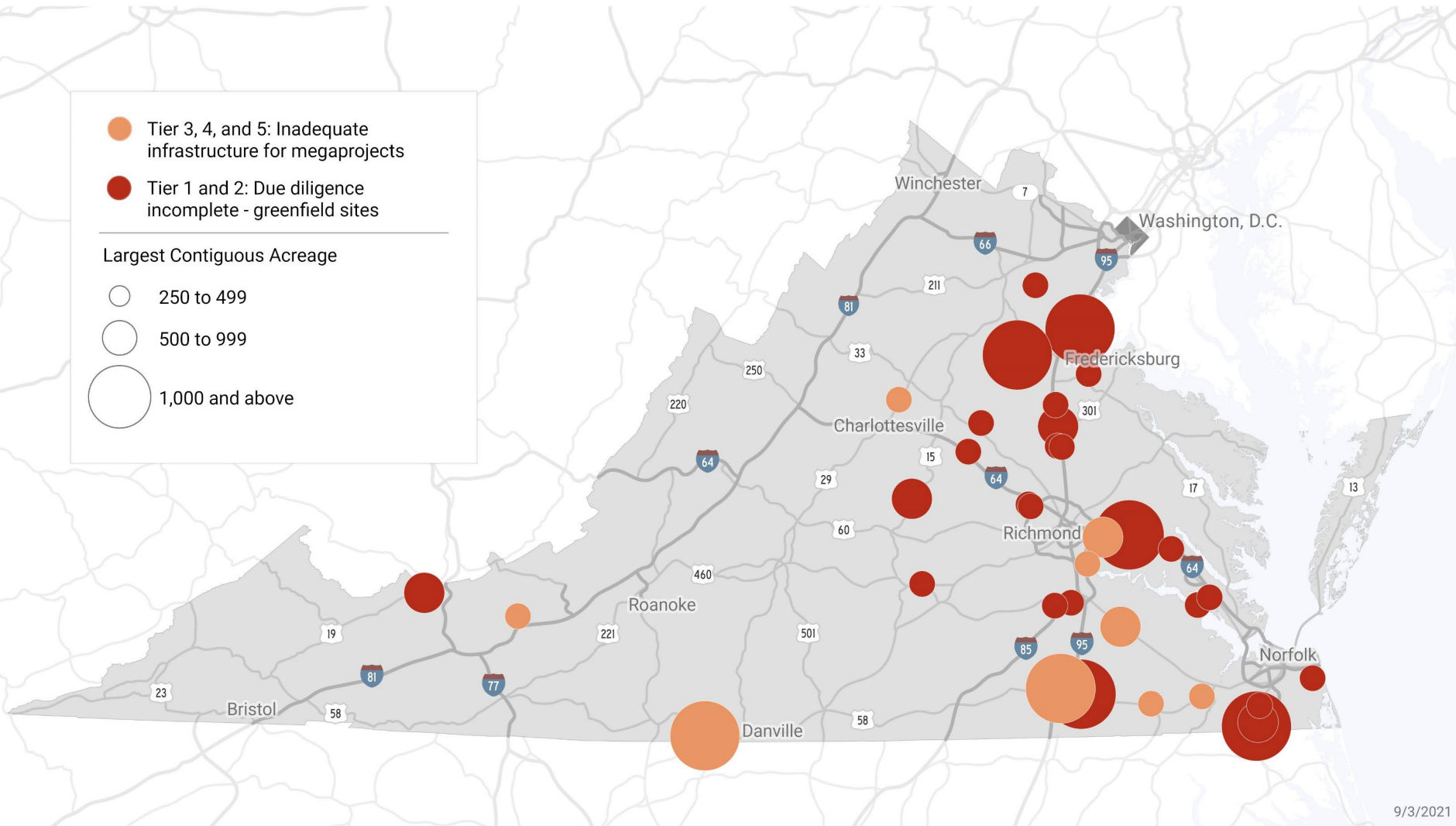
- North Carolina: \$338M
- Georgia: \$66M
- Ohio: \$50M
- South Carolina: \$43M



Note: VEDP's Sites & Buildings database includes an additional 543 sites with no tier ranking

¹Based on latest available peer state budget information, North Carolina figure reflects large post-prospect investment into Randolph Greensboro Megasite

CURRENT MEGASITE CANDIDATES MAY BE READY FOR STANDARD PROJECTS; MEGA-PROJECTS REQUIRE ADDITIONAL INVESTMENT



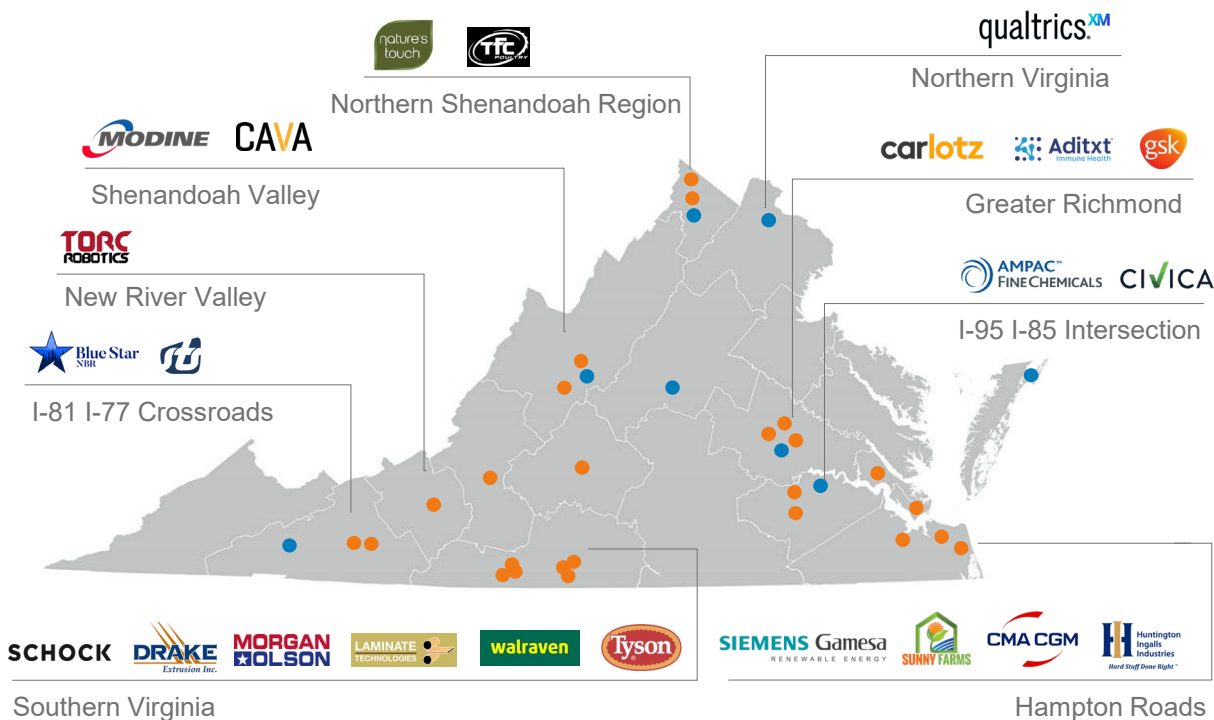
9/3/2021

THE VIRGINIA TALENT ACCELERATOR'S APPROACH IS COMPREHENSIVE AND FULLY CUSTOMIZED

 RECRUITMENT SERVICES Helps the company hire the right people for their jobs and culture	 FOUNDATIONAL SKILLS Training specific to the facility and equipment (e.g., safety, forklift)	 PROCESS & TASK SPECIFIC TRAINING Job-specific training customized is the heart of our service
 AUTOMATION TECHNOLOGIES Training in automation systems to expedite troubleshooting	 ORGANIZATIONAL DEVELOPMENT Consulting/training to enable the culture the company envisions	 OPERATIONAL EXCELLENCE Leverages worker insights to enhance quality & productivity

THE VIRGINIA TALENT ACCELERATOR PROGRAM IS SUPPORTING JOB CREATION PROJECTS ACROSS THE COMMONWEALTH

Virginia Talent Accelerator Program Projects Projects underway featured



Virginia Talent Accelerator Program Project Jobs

7,861 jobs

Will be created by projects underway or announced

3,275 additional jobs

Could be created by the most promising pipeline projects considering several regions across Virginia, not including mega-projects

■ Projects Announced or Underway ■ Projects in Pipeline

VEDP INTERNATIONAL TRADE PROGRAMS HAVE SIGNIFICANT IMPACT AND ARE HIGHLY VALUED BY PARTICIPATING COMPANIES

\$670M

International sales supported by Virginia's trade programs and services¹

6,030

Trade-supported jobs from companies enrolled in VEDP Trade programs

98%

Companies that were “extremely likely” or “likely” to recommend VEDP’s export assistance programs to other Virginia companies

97%

Companies that rated the quality of VEDP-International Trade’s export assistance as “excellent” or “above average”

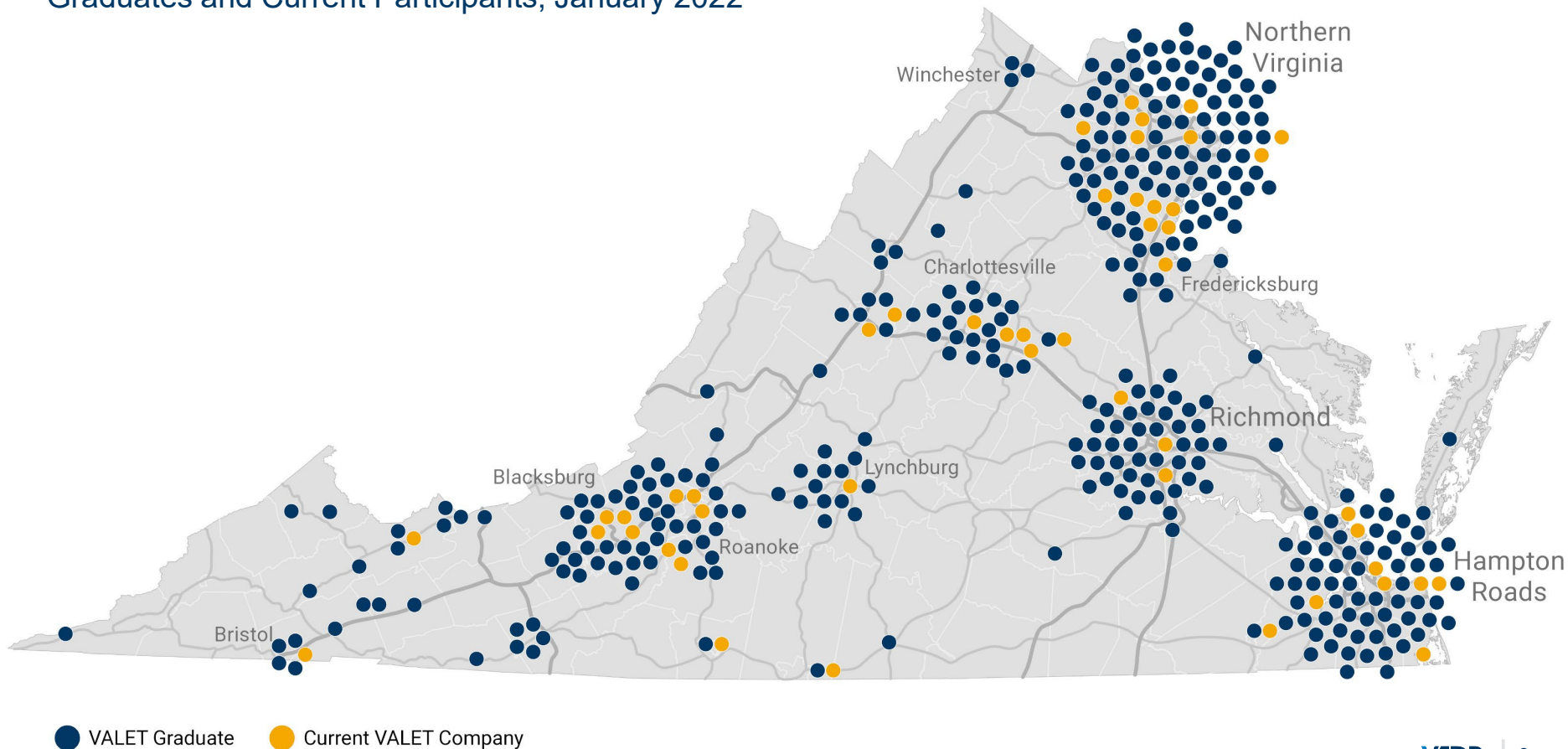
¹These figures exclude two outlier companies with international sales over \$600M.



The PBE Group, North Tazewell

VEDP INTERNATIONAL TRADE PROGRAMS REACH COMPANIES IN ALL CORNERS OF THE COMMONWEALTH

Virginia Leaders in Export Trade (VALET) Program Graduates and Current Participants, January 2022



VEDP LEGISLATIVE PROPOSALS FOR 2022 GENERAL ASSEMBLY SESSION

Initiative	Summary	Additional investment (\$M)		
		FY22	FY23	FY24
HB269 (Byron)/SB185 (Ruff) Extend the sunset for Major Business Facilities Job Tax Credit	Extends the sunset for the Major Business Facilities Job Tax Credit to 2025	0.0	0.0	0.0
HB324 (Williams Graves)/SB103 (Spruill) Revise Shipping & Logistics Headquarters Grant project parameters	Revises language for CMA CGM based on revised MOU per company's request	(6.3)	1.3	1.2
HB186 (J. Campbell)/SB595 (Pillion) Nitrile Glove Manufacturing Training Program	Provides additional funds for the Virginia Talent Accelerator Program specific to Blue Star Manufacturing and related operating entities	1.4	0.6	0.7
HB453 (Knight)/SB346 (Barker) Property information and analytics firms; apportionment	Allows CoStar to utilize market-based sourcing rather than Virginia's current cost-of-performance method of apportionment for calculating state corporate income taxes	0.0	0.0	0.0

THANK YOU

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VIRGINIA EXPORT AND IMPORT DATA

Lumber Liquidators, Sandston

EXPORTS FROM VIRGINIA ARE UP 20% FROM THE SAME PERIOD LAST YEAR

Rank	Commodity	Export Value, Jan. – Nov. 2021 (\$)	Growth YTD 2020 - 2021 ¹ (%)	Growth YTD 2019 & 2021 (%)
1	Fuel	2.8B	80	42
2	Mechanical Appliances	1.8B	6	-1
3	Electrical Machinery	1.6B	-1	-4
4	Plastics	1.5B	32	22
5	Vehicles	1.0B	33	-16
6	Meat	990M	41	120
7	Seeds and Fruit	950M	49	97
8	Scientific Instruments	560M	5	-10
9	Paper	480M	5	-8
10	Aircraft	420M	-45	-46
Total Exports		18B	20	9

¹This measure calculates the change in exports from January - November 2020 compared to January - November 2021.
Source: IHS Markit, Global Trade Atlas

IMPORTS INTO VIRGINIA ARE UP 20% FROM THE SAME PERIOD LAST YEAR

Rank	Commodity	Import Value, Jan. – Nov. 2021 (\$)	Growth YTD 2020 - 2021 ¹ (%)	Growth YTD 2019 & 2021 (%)
1	Mechanical Appliances	8.6B	20	28
2	Electrical Machinery	2.6B	4	6
3	Vehicles	1.7B	30	15
4	Furniture	1.6B	34	21
5	Plastics	1.5B	15	14
6	Toys and Games	1.1B	11	-4
7	Textile	1.0B	16	30
8	Aircraft	840M	15	-25
9	Steel	840M	38	39
10	Scientific Instruments	730M	26	12
Total Imports		32B	20	15

¹This measure calculates the change in imports from January - November 2020 compared to January - November 2021.
Source: IHS Markit, Global Trade Atlas

VIRGINIA'S TOP EXPORT DESTINATION IS CANADA WHILE THE TOP SOURCE OF IMPORTS IS CHINA

Top export destinations

Rank	Country	Export Value, Jan. – Nov. 2021 (\$)
1	Canada	2.9B
2	China	2.7B
3	Mexico	830M
4	Germany	720M
5	India	650M
6	Netherlands	570M
7	Brazil	570M
8	United Kingdom	570M
9	Taiwan	506M
10	Belgium	480M

Top import markets

Rank	Country	Import Value, Jan. - July 2021 (\$)
1	China	6.6B
2	Canada	2.5B
3	Mexico	2.1B
4	Germany	2.0B
5	Malaysia	2.0B
6	India	1.4B
7	Vietnam	1.4B
8	Italy	950M
9	United Kingdom	920M
10	Taiwan	830M