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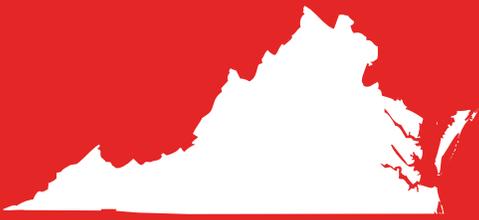
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PUBLIC 20  
POLICY 20  
PLATFORM

ENSURING ECONOMIC GROWTH  
FOR ALL VIRGINIANS



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# BY THE NUMBERS

FROM FY14-19, VIRGINIA'S ECONOMIC DEVELOPMENT EFFORTS RESULTED IN:

1,397

COMPANY ANNOUNCEMENTS

\$35 BILLION IN CAPITAL INVESTMENT BY VIRGINIA COMPANIES

131,503

NEW JOBS ANNOUNCED FOR VIRGINIANS

\$685 MILLION

PER YEAR IN STATE TAX REVENUES

94 NEW JOBS AND

\$25 MILLION

INVESTMENT = AVERAGE (MEAN) PROJECT

25 JOBS AND \$1 MILLION

INVESTMENT = MEDIAN (MID-POINT) PROJECT

EXPANSIONS BY EXISTING BUSINESSES ACCOUNTED FOR:

75%

OF ANNOUNCEMENTS

60%

OF JOBS

72%

OF CAPITAL INVESTMENT

EACH DIRECT JOB CREATED

BRINGS 1.2

ADDITIONAL JOBS IN OTHER SECTORS

With nearly 500 members, **VEDA** is a professional association of economic developers and ally organizations, representing all corners of the Commonwealth. The Association works to ensure Virginia's continued prosperity by supporting key economic development programs that assist in creating new jobs, investment and maintaining a competitive business climate.

**WHY IS ECONOMIC DEVELOPMENT VITAL TO VIRGINIA'S FUTURE?**

**ECONOMIC DEVELOPMENT** is an investment in our communities' prosperity.

**ECONOMIC DEVELOPMENT** is about creating competitive communities across Virginia and attracting new and expanding businesses.

**ECONOMIC DEVELOPMENT** creates jobs and brings prosperity to Virginia.

**ECONOMIC DEVELOPMENT** generates revenue for the Commonwealth and its localities.

It is vital that the Commonwealth of Virginia invest in programs with a positive return on investment that help create new jobs to make Virginia more competitive. This will both positively impact the state's quality of life and fiscal stability, in addition to improving Virginia's position in national business climate rankings. Virginia must continue to engage business leaders globally, ensuring top-of-mind awareness of the state as a great place to do business.

To bolster Virginia's economic development competitiveness in the global marketplace, **VEDA** recommends policy and budgetary actions that will support:

**1. A SKILLED AND AVAILABLE WORKFORCE**

The future of Virginia's economic development success is talent attraction, retention, and development. For the Commonwealth to be viewed as the top state for a skilled and available workforce, training programs must be in place and well-funded. Additionally, the Commonwealth must include

Source: VEDP Announcements Database

accessible, affordable housing in its efforts to attract and retain a skilled and available workforce.

### **Credentials for High-Demand Occupations**

**VEDA** supports additional funding to build on the success of the Workforce Credential Grant (Fast Forward), a pay-for-performance initiative that creates and sustains a demand-driven supply of credentialed workers to fill occupations where demand outstrips supply in Virginia. The grant makes attainment of credentials in high-demand fields more affordable to Virginians through the Virginia Community College System.

### **Workforce Solutions**

Virginia currently has two critical and complementary programs that provide economic development projects with critical workforce training support.

> **VJIP** is the most frequently used economic development program, as it is accessible to companies of all sizes in every corner of the Commonwealth. The program helps offset recruitment and training costs, thus reducing companies' human resource development expenses and reinvesting these funds in the people of Virginia. The Commonwealth should restore funding for the VJIP program to its previous funding level of \$5.7 million.

> **Virginia's New Service-Based Workforce Incentive** will rapidly re-skill an area's workforce to the exact requirements of a new or expanding employer through training that is fully customized to an employer's unique processes, equipment and procedures. This will attract more high-growth industries, including manufacturers which are most likely to create jobs in rural areas. **VEDA** supports increased funding for the Custom Workforce Program to continue the program's development and growth to the capacity of Virginia's competitor states.

## **2. PROSPERITY FOR ALL REGIONS OF VIRGINIA**

A competitive business climate, fostered by all levels of government, in every region of the state, is essential to continued success in broadening the tax base, enhancing the Commonwealth's economic stability and promoting economic prosperity

for all Virginians.

### **Infrastructure**

To maintain Virginia's competitiveness, we must ensure that we have fast, reliable ways to move people, goods, energy, and information to every corner of the Commonwealth. In a global economy where businesses are making investment decisions between multiple counties, states, and countries, the quality of the sustainable infrastructure is often a deciding factor. Infrastructure investments must be made in a way that benefits Virginia's economic development strategy.

> **Site Development** Site readiness is important to Virginia's economic development efforts. Currently, Virginia has the lowest number of buildable/certified sites among competing states. **VEDA** supports increased funding for the Virginia Business Ready Sites (VBRS) program and other efforts to develop new sites for those businesses looking to locate or expand in the Commonwealth. Funding for site characterization and development is an investment in the foundation of economic development.

> **Virginia Telecommunication Initiative (VATI)** Internet access to all parts of the Commonwealth is essential to the state's competitiveness. It drives job creation, promotes innovation, and expands markets for Virginia businesses. Too many areas, both rural and urban, still lack access to this crucial resource. **VEDA** supports the funding for the Virginia Telecommunication Initiative.

> **Transportation** **VEDA** has long held that Virginia's transportation network (air, highways, rail, and the port) is an essential component of the state's economic development success. We strongly support policies to invest in infrastructure to enhance the state's competitiveness and the effective spending of funding.

### **> Energy**

A sustainable, reliable and cost-effective energy supply is critical to

the attraction of new companies and the retention of existing businesses, particularly in the energy-intensive manufacturing and Information Technology (IT) sectors. **VEDA** supports policies that allow for the timely development of needed energy infrastructure investments across the Commonwealth.

> **Regulatory Process** A balanced regulatory process and competitive tax structure are vital to Virginia's competitive business climate. **VEDA** supports efforts to review existing regulations and tax burdens to reduce unreasonable barriers to business development and growth.

> **Affordable Housing** Affordable housing plays a substantial and reinforcing role in local economic development. Without a sufficient supply of affordable housing, employers—and entire regional economies—can be at a competitive disadvantage given the subsequent difficulty to attract and retain qualified workers. Expanded opportunities for housing a community's workforce are critical to keeping and growing jobs in Virginia.

### **GO Virginia**

**VEDA** supports maintaining the funding for GO Virginia to encourage collaboration among Virginia's localities to support economic growth and diversification and leads to higher-paying jobs. The GO Virginia effort makes strategic investments in regional projects to achieve that goal and should continue in a way that complements the state's broader economic goals.

## **3. TOOLS FOR COMPETITIVENESS**

Virginia must strengthen and grow its economic development toolbox, including existing incentives, sound tax policies, the State's marketing program, and support for programs that revitalize communities. Virginia has historically taken a conservative approach to using these tools and they have generated new revenue opportunities for the State and its localities. These tools continue to be essential in remaining competitive regionally, nationally, and globally.

## Incentives

Among Virginia's most important tools to be competitive are economic development incentives. Virginia must increase funding to the economic development incentives that deliver success for the Commonwealth, with a clear return on investment and mitigated risk for the State.

**VEDA** supports transparency and accountability with the use and management of incentives, but such measures should not restrict the state's ability to be responsive and flexible to the needs of business.

### > Commonwealth Opportunity Fund (COF)

The COF remains Virginia's flagship economic development incentive program and the state's premier deal closing fund. Virginia will only remain competitive to make the short list of site selection projects by maintaining funding for the program.

**> Enterprise Zones** This long-standing program has helped both urban and rural communities revitalize distressed areas. The grants offered through this program are modest, but recent budget cuts have resulted in caps on funding for the program, which means amounts promised to companies making investments in these zones end up being prorated. **VEDA** supports additional funds to serve existing zones and future zones, if the number of zones is expanded.

### > Agriculture and Forestry Industries Development Fund (AFID)

AFID is a critical tool for localities to support two of Virginia's largest industries: agriculture and

forestry. This performance-based grant is available to companies that create jobs and investment, add value to Virginia-grown products, and commit to sourcing Virginia-grown agricultural and forest products – creating additional marketplaces for Virginia's farmers and forestland owners. **VEDA** supports maintaining funding for the program.

**> Opportunity Zones** Opportunity Zones are an important federal tool to spur vitality in economic growth in communities across Virginia. These Zones allow investors to receive tax benefits on currently unrealized capital gains by investing those gains in qualified census tracts or Opportunity Zones. **VEDA** supports the effective positioning of Opportunity Zones to align with economic development strategies of the Commonwealth to maximize investment and job creation.

### > Data Center and Manufacturing Incentives

**VEDA** supports the recommendations made by the Joint Legislative Audit & Review Commission (JLARC) in its 2019 report *Data Center and Manufacturing Incentives*. The availability of data center sales and use tax exemptions is among the top few site-selection considerations for data centers and has been a major contributor to the Commonwealth's success in data center locations.

### Economic Development Marketing & Lead Generation Efforts

Even a great business climate and fully-funded incentives are of limited

use if we do not have the resources or the people to tell the Virginia story. This, however, is the area where past budget cuts and/or stagnant funding have hit the hardest. Virginia must reengage business leaders globally to ensure top of mind awareness of the state as a great place to do business. **VEDA** supports enhancing the Virginia Economic Development Partnership's (VEDP) marketing budget and other efforts to enhance Virginia's lead generation, while keeping our current economic development tools whole, to effectively differentiate Virginia from its global competitors.

### Economic/Industrial Development Authorities (EDAs/IDAs)

**VEDA** supports the current structure of EDAs/IDAs as an important economic development tool. EDAs/IDAs were authorized decades ago by the General Assembly and exist to permit localities to have a flexible tool to support economic development in their communities.

### Innovative Partnerships with Higher Education and the Business Community

**VEDA** supports enhanced partnerships between Virginia's colleges and universities and the business community to commercialize research and development; create innovative ideas and new technologies; support Virginia's entrepreneurial ecosystem; and meet the growing demand for talent in the Commonwealth.

**VEDA** supports the continued funding of the Tech Talent Investment Program to build technology-educated talent in the Commonwealth.



With continued collaboration in making public policy decisions, Virginia can lead the nation and be consistently ranked as the "Best State for Business" in all categories.

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