

McAfee Knob, Roanoke County

FINANCE AND AUDIT COMMITTEE MEETING

September 18, 2024

A G E N D A

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY MEETING OF THE FINANCE AND AUDIT COMMITTEE (FAC)

September 18, 2024
1:45 P.M. to 2:30 P.M.

901 East Cary Street
James Center One, 9th Floor VEDP Board Room
Richmond, VA 23219

- 1:45 p.m. – 1:46 p.m. **Welcome/Call to Order** – Rick Harrell, FAC Chair
- 1:46 p.m. – 1:48 p.m. **Public Comment Period** – Rick Harrell
- 1:48 p.m. – 1:50 p.m. **Approval of Minutes of 6/12/24 FAC Meeting** – Rick Harrell
- Action Item - Vote to Accept
- 1:50 p.m. – 1:55 p.m. **VEDP FY24 Financial Results (thru 6/30/2024)** – Bob Grenell
- Action Item - Vote to Accept
- 1:55 p.m. – 2:00 p.m. **Audit Update - FY25 Revised Risk Assessment and Audit Plan and Management Action Plan Tracker** – FORVIS
- Action Item - Vote to Accept
- 2:00 p.m. – 2:05 p.m. **IT Security Update** – Chris Hughes
- 2:05 p.m. – 2:10 p.m. **Clawback Updates** – Katherine Goodwin
- Action Item - Vote to Accept
- 2:10 p.m. – 2:15 p.m. **Semi-annual Report on Incentive Performance** – Katherine Goodwin
- Action Item - Vote to Accept
- 2:15 p.m. – 2:20 p.m. **COF Progress Reports** – Katherine Goodwin
- Action Item – Vote to Accept
- 2:20 p.m. – 2:25 p.m. **Incentives Administration Policy and Procedural Guidelines Update** – Katherine Goodwin
- Action Item – Vote to Recommend
- 2:25 p.m. – 2:30 p.m. **Topics for Next Meeting**
- 2:30 p.m. **Adjournment**

Minutes
Finance and Audit Committee Meeting
Board of Directors of the Virginia Economic Development Partnership
June 12, 2024
1:30 p.m. – 2:30 p.m.

901 East Cary Street
James Center One, Board Room – 9th Floor
Richmond, VA 23219

Welcome and Call to Order

The meeting was called to order at 1:32 p.m. by Chair Rick Harrell, who noted that a quorum was present.

In-Person Committee Members: Chair Rick Harrell, Pace Lochte, Secretary Caren Merrick, Will Sessoms, Steven Stone, and Bill Hayter (ex officio)

Virtual Committee Members: April Kees, participating pursuant to Section 2.2-3708.3 (B)(4) of the Code of Virginia (personal matter; work commitments)

Committee Members Absent: Secretary Stephen Cummings

Other In-Person Board Members: Mimi Coles, Stephen Edwards, John Hewa, Anne Oman, Marianne Radcliff, and Nick Rush

Public Comment Period

Chair Harrell solicited public comments. There were none.

Approval of Minutes for 03.06.24 Meeting

Chair Harrell asked for approval of the minutes from the March 6, 2024, Committee meeting.

A motion was made by Mr. Sessoms and seconded by Mr. Stone and the minutes were unanimously approved as presented.

FY23 Financial Audit Report

Chair Harrell introduced Staci Henshaw with the office of the Auditor of Public Accounts (APA) to deliver the results of VEDP's FY23 Financial Audit.

Ms. Henshaw distributed a two-page summary of the audit results which showed a clean, unmodified opinion. Ms. Henshaw reminded the Committee of the scope of the APA audit.

Ms. Henshaw explained that the APA also issued a report on VEDP's compliance with internal controls, with two repeat findings related to Information Technology security and governance, and service provider oversight. She said that progress has been made by VEDP in this area, but that all matters have not yet been resolved. She noted that this is not considered a significant weakness, adding it is common to have audit findings in information systems security, due to the complexity and changing nature of the area. There were no material internal control weaknesses identified.

Ms. Henshaw reminded the Committee that the APA will continue to conduct annual audits in the future, but will no longer be required to issue audited financial statements due to language updates included in the biennial budget.

Ms. Henshaw concluded her report by expressing her appreciation for the cooperation of VEDP staff during the audit process.

Chair Harrell thanked Ms. Henshaw for her report.

Bill Hayter asked if VEDP's audited financial statements are currently sent to the Governor or Chief of Staff. Jason El Koubi answered that they are sent as an appendix to VEDP's Annual Report.

Steve Stone made a motion to accept the APA audit report. Ms. Lochte seconded the motion, and the motion was unanimously approved by the members.

VEDP FY24 Financial Results (thru 03.31.2024)

Bob Grenell presented the quarterly financial results. Mr. Grenell said that VEDP is tracking spending against 75%. He shared that all VEDP divisions are at or below budget for the first nine months of the fiscal year. Mr. Grenell said that spending is expected to increase for the market-facing divisions in the fourth quarter of the fiscal year.

Mr. Grenell explained that the Virginia Talent Accelerator Program budget includes carry forward dedicated dollars for specific projects that are still ramping up, as well as funding received for the Blue Star project, which likely will not move forward. He said that VEDP recommends repurposing these funds to reimburse Wythe County for some of the infrastructure improvements they made related to Blue Star.

Mr. Grenell concluded that the total VEDP Operations percent spent compared to budget, excluding the Virginia Talent Accelerator Program, is 68%.

Proposed VEDP FY25 Operating Budget

Mr. Grenell discussed VEDP's proposed FY25 Operational Plan budget, starting with a detailed explanation of VEDP's revenue sources.

Mr. Grenell reviewed new funding received, expenditure detail by division, and carryforward revenue items.

Chair Harrell asked if VEDP has flexibility in how to use the money that was allocated for the Virginia Talent Accelerator's support of the Blue Star project. Mr. El Koubi explained that it was provided by the General Assembly specifically for this purpose, so it cannot be used for other purposes. Chair Harrell asked if the funds would go to Wythe County or back to the General Assembly. Mr. El Koubi explained that the \$2.7 million associated with the project is currently in the bank until it is decided what should be done with the funds. Guest Kendra Shifflett with Virginia Senate Finance and Appropriations Committee said legislative action will be required to determine what should be done with the funds.

Mr. El Koubi noted that the Blue Star funds are the largest part of the Virginia Talent Accelerator's carry forward balance in the VEDP budget. Mr. El Koubi added that the additional funds in the Accelerator's carry forward balance are for other projects that are moving forward and those funds are needed to serve those projects.

Stephen Edwards asked who has control of VEDP's investment income. Mr. Grenell explained that some funds are held in an operating account at Truist, and the bulk of the money is held in an LGIP investment account, currently earning around 6% interest. Mr. Grenell said that VEDP keeps the interest, which is captured in the "other revenue" area of VEDP's budget and used to pay for things like the ramp up of the Innovative Framework.

Chair Harrell thanked Mr. Grenell for his report.

Mr. Sessoms made a motion to approve the Q3 FY24 financial results. The motion was seconded by Ms. Stone and the motion was unanimously approved.

Mr. Sessoms made a motion to approve VEDP's FY25 Operating Budget. The motion was seconded by Mr. Stone and the motion was unanimously approved.

Audit Update

Chair Harrell introduced Randy Sherrod with FORVIS to provide a progress update on VEDP's audit function.

Audit Reports: Human Resources and Limited-scope IT Audit

Mr. Sherrod spoke about recent audits of VEDP's Human Resources (HR) and Information Technology (IT) divisions.

Mr. Sherrod said that for the HR audit there was one medium level finding related to timeliness of completing performance evaluations. He added that there was also a best-practice recommendation related to adequate staffing levels in HR, based on industry standards. The FORVIS team recommends adding an additional staff person to the HR team.

Mr. El Koubi confirmed that VEDP intends to add this position, noting that this staff person will have a role to play in performance management, which will also help to ensure that all performance evaluations are completed on time in the future.

Mr. Sherrod thanked Melissa Cox and the HR team for all of their efforts on the audit.

Mr. Sherrod introduced Peter Tsengas with FORVIS to review the findings of the IT audit.

Mr. Tsengas spoke about the limited scope audit which was conducted to assess progress made in addressing the FY23 APA audit findings. He shared that the IT audit report had no findings with current efforts completed to date.

Mr. Tsengas expressed his appreciation to Chris Hughes and the IT team for their efforts in supporting the audit.

FY25 Risk Assessment and Audit Plan

Mr. Sherrod discussed the process for developing VEDP's five-year Audit Plan, based on the annual risk assessment, and discussed the details of FORVIS' proposed audit plan for FY25-FY30. Mr. Sherrod explained that each VEDP division will be audited at least once with some divisions receiving two audits during the five-year period.

The Committee engaged in a robust discussion on how to improve the presentation of risk in the risk assessment table. FORVIS will consider the Committee's feedback and prepare a revised document for consideration by the Committee at its next meeting in September of 2024.

Mr. Sessoms made a motion to recommend approval of the FORVIS audit reports for the HR and IT divisions, annual Risk Assessment, and the five-year Audit Plan to the full Board, with the provision that a revised version of the Risk Assessment based on Committee feedback will be presented to the Committee during its September 2024 meeting. The motion was seconded by Mr. Stone and the motion was unanimously approved.

Open Audit Issues Status

Mr. Sherrod reviewed the VEDP Management Action Plan Tracker. He explained that all remaining open audit issues have been closed.

FY25 FORVIS Statement of Work

Mr. Sherrod reviewed the FY25 FORVIS Statement of Work for VEDP. He said that the annual fee of \$200K will be maintained for FY25, which includes 4 audits and the Risk Assessment.

Chair Harrell thanked Mr. Sherrod and Mr. Tsengas for their remarks.

IT Security Update

Chris Hughes shared VEDP's IT Audit Plan Five-Year Outlook, including routine audits, and numerous sensitive systems audits. He said that the IT division is on the tail end of its first sensitive system audits but will be spreading other out over the year due to division capacity.

Mr. Hughes shared open audit findings and the status of each. He said the two findings from the APA audit showed significant progress, but there is still work to be done. All findings from FORVIS audits have been closed out.

Mr. Hughes shared VEDP's Nucleus vulnerability dashboard which displays vulnerability data since. He explained that formal adoption of VEDP's Vulnerability Management Policy allowed for a recalibration based on true threat levels, which have been significantly reduced.

Mr. Harrell thanked Mr. Hughes for his report.

Extension Requests

Chair Harrell introduced Ms. Goodwin to share her report.

Ms. Goodwin presented three extension requests for the Committee's consideration. She stated that the localities where these companies are located are supportive of the extension requests.

Fastech – City of Danville has requested a 15-month extension for a \$147,000 COF grant to provide more time for the company to reach its capital investment and job targets. Fastech has experienced delays in identifying a larger facility for their operations and completing industry certifications which will help them compete for more projects. Progress is being made and the company feels the extension will help them reach their pledged capital investment requirement, but they will not likely meet their overall pledged metrics, so will likely receive a prorated amount of the COF. VEDP believes it is appropriate to ask for the extension request.

Orsani – City of Radford has requested a 15-month extension for a \$50,000 COF grant and \$70,700 VJIP grant. The extension would provide more time for the company to reach its capital investment and employment targets. The company attributes its lack of progress to delays in getting their operations up and running. They started manufacturing in March and they are actively hiring. Orsani feels they can reach their metrics with the additional time afforded by an extension.

Cyxtera Communications (now Phoenix Infrastructure) – Loudoun County has requested a second, 18-month extension to meet the requirements of the Data Center Retail Sales and Use Tax Exemption. A first extension was granted in 2023. Cyxtera filed for bankruptcy in late 2023 and was acquired by Brookfield Infrastructure Partners, doing business as Phoenix Infrastructure, L.L.C. The new entity is requesting additional time to reach the statutorily-required performance metrics. A second extension request will require review and approval by Virginia’s Major Employment and Investment Project Approval Commission (MEI).

Ms. Kees asked for clarification on the company’s affiliate, Phoenix Infrastructure, and whether affiliates are typically considered in this type of request. Ms. Goodwin answered that affiliates have been included in the past.

Ms. Kees asked to abstain from the vote on this extension request.

Clawback Updates and OAG Referrals

Ms. Goodwin shared an update on clawbacks and OAG referrals, which is summarized below:

- No new items referred to the Office of Attorney General (OAG) since the last Committee meeting
- No past due clawbacks
- Two COF clawbacks requested but not past due yet
- Two COF clawbacks closed out since the March Board meeting
- One COF closeout in process
- No VJIP clawbacks have been requested
- One data center clawback closeout in process

Ms. Lochte made a motion to recommend approval of all three extension requests that were presented, as well as the clawback report. Mr. Stone seconded the motion, and the motion passed. Ms. Kees abstained from the vote as it related to the Cyxtera Communications extension request.

Other Topics, Next Meeting, and Adjournment

The next meeting of the Finance and Audit Committee will be held on September 18, 2024, exact time TBD. The meeting was adjourned at 2:50 p.m.

Respectfully submitted,

Nicole David
Acting Recording Secretary

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CONTROLLER'S REPORT TO THE FINANCE AND AUDIT COMMITTEE

September 18, 2024

PRESENTER



Bob Grenell

Controller, Fiscal & Support Services

bgrenell@vedp.org

804.545.5646

FY2024: OPERATIONS BUDGET TO ACTUAL FOR THE TWELVE MONTHS ENDED JUNE 30, 2024

<u>Division</u>	<u>Budget Note (A)</u>	<u>YTD Actual</u>	<u>% Spent 100%</u>
Talent Solutions (Note B)	19,698,482	10,847,919	55%
International Trade (Note C)	11,823,610	11,301,931	96%
Business Investment	8,547,541	8,502,690	99%
Research	3,375,513	3,374,147	100%
Marketing and Communications (Note C)	4,606,390	4,372,923	95%
Economic Competitiveness	1,406,251	1,354,250	96%
Real Estate Solutions	1,537,477	1,535,433	100%
Information Technology	1,239,553	1,237,469	100%
Incentives	1,187,018	1,020,216	86%
Administration	5,383,742	5,362,639	100%
Total VEDP Operations	58,805,577	48,909,617	83%
Projects, Pass Thru's, and Grants	12,758,266	7,562,986	59%
Total VEDP	71,563,843	56,472,603	79%

FY2024: OPERATIONS BUDGET TO ACTUAL FOR THE TWELVE MONTHS ENDED JUNE 30, 2024

- A. VEDP's budget is generally back-loaded with the largest amount of spending occurring in the fourth quarter of each fiscal year. This trend continued in FY24 with a 27% spending rate in the fourth quarter.
- B. Talent Solutions budget includes \$17,166,658 for the Talent Accelerator Program, \$1,675,646 for Regional Talent Solutions and Business Outreach, and \$856,178 for VOOE.

The Talent Accelerator Program budget includes carry forward dedicated dollars for specific projects that are still ramping up, as well as funding received for the Blue Star project that we would recommend repurposing to reimburse Wythe County for some of the infrastructure improvements they made related to Blue Star.

The Total VEDP Operations percent spent compared to budget excluding the Talent Accelerator Program for the twelve months ended June 30th is 96%.

- C. International Trade and Marketing and Communications historically spend the largest amount of their annual budgets in the fourth quarter of each fiscal year. This trend continued in FY24 with a 32% combined spending rate in the fourth quarter for these two divisions.

FORVIS MAZARS DRAFT AUDIT UPDATE FY25



Virginia
Economic
Development
Partnership

Virginia Economic Development Partnership

Internal Audit Risk Assessment for FY25

August 12, 2024

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Confidential: The use of this document is intended solely for internal purposes by the management of **VEDP** and should not be distributed to third parties or used for any other purposes unless specified by law.

Objective, Scope, and Procedures

Objective:

Our objective was to complete the annual, Virginia Economic Development Partnership (VEDP), internal audit risk assessment and develop the internal audit plans for FY25 through FY 29.

It is important to note that the risks identified in this report do not necessarily indicate known control weaknesses. Control weaknesses can only be determined after evaluating the design and operating effectiveness of controls intended to mitigate or manage risks.

Scope:

The scope of this risk assessment includes the functional areas at VEDP and the related risks. The risk ratings by functional area are documented below in the Functional Area Risk Table and the specific risks by functional area are shown in Appendix A: Functional Area Risks & Rankings.

Procedures:

During our work we collaborated with VEDP to perform the following procedures:

Phase 1 - Identify Functional Areas	Phase 2 - Identify Risks for each Functional Area	Phase 3 - Risk Categories	Phase 4 - Risk Ratings and Plotting Risk Scores on a Heat Map	Phase 5 - Draft the Proposed FY 25 - FY 29 Audit Plan
We did research and used our experience with VEDP to develop and document the list of functional areas.	We conducted interviews with VEDP staff and did research to identify risks for each functional area.	We used the following eight risk categories when assessing risk for each functional area: compliance, financial, fraud, technology, operational, reputation, strategic, and audit.	For each functional area, we assigned a risk score for impact and likelihood for each risk category. We plotted the average score for impact and likelihood for each functional area on a heat map.	We used the risk assessment, past audit results and length of time since functional areas were last audited to draft the FY 25- FY29 Audit Plans.

Phase 1 – Identify Functional Areas and Phase 2 – Identify Risks for each Functional Area

To complete Phase 1 – Identify Functional Areas and Phase 2 – Identify Risks for each Functional Area we did the following:

1. We accessed and reviewed:
 - VEDP’s Website
 - VEDP’s Organizational Chart
 - VEDP’s Operational Plan
 - Various VEDP Policies and Procedures
 - Recent external audits of VEDP performed by the Auditor of Public Accounts (APA)
 - Other documentation specific to individual VEDP functional areas
 - Recent internal audits that we performed.

2. We performed approximately 20 interviews or surveys, which included the following:
 - The Chair of VEDP’s Board of Directors
 - The Chair of the Finance and Audit Committee (FAC) of VEDP’s Board of Directors
 - The VEDP Executive President and CEO
 - The leaders from each VEDP functional area

3. The work we completed allowed us to compile the list of functional areas (see the Functional Area Risk Table) and the listing of potential risks by functional area (see Appendix A - Functional Area Risks & Rankings).

Phase 3 – Risk Categories

For each VEDP functional area, we assessed the impact and likelihood of the following risk categories: compliance, financial, fraud, technology, operational, reputation, strategic, and audit.

Phase 4 – Risk Ratings and Plotting Risk Scores on a Heat Map

We judgmentally assigned a score from 1 to 5, as defined by management, for both the impact and likelihood for each of the eight risk categories for each functional area. The impact and likelihood scale definitions we used for scoring are defined in the following table titled Risk Scoring Criteria. The scores were determined based on the data identified during Phases 1 and 2. The impact and likelihood scores for each functional area, by individual risk category, can be seen in Appendix A: Functional Area Risks & Rankings along with the list of risks for each functional area.

Risk Scoring Criteria		
Score	Definition – Impact	Definition – Likelihood
1	Insignificant (Minor Costs and critical functions are not impaired)	Remote (0-10% Likely)
2	Low (Minor Costs with an inconvenient impact on critical business functions)	Unlikely (10-25%)
3	Moderate (Impaired critical business functions)	Possible (25-50%)
4	High (Inability to remain competitive or significant impact on strategic plan)	Likely (50-90%)
5	Major (Threats challenge the going concern status of the organization)	Probable (90-100%)

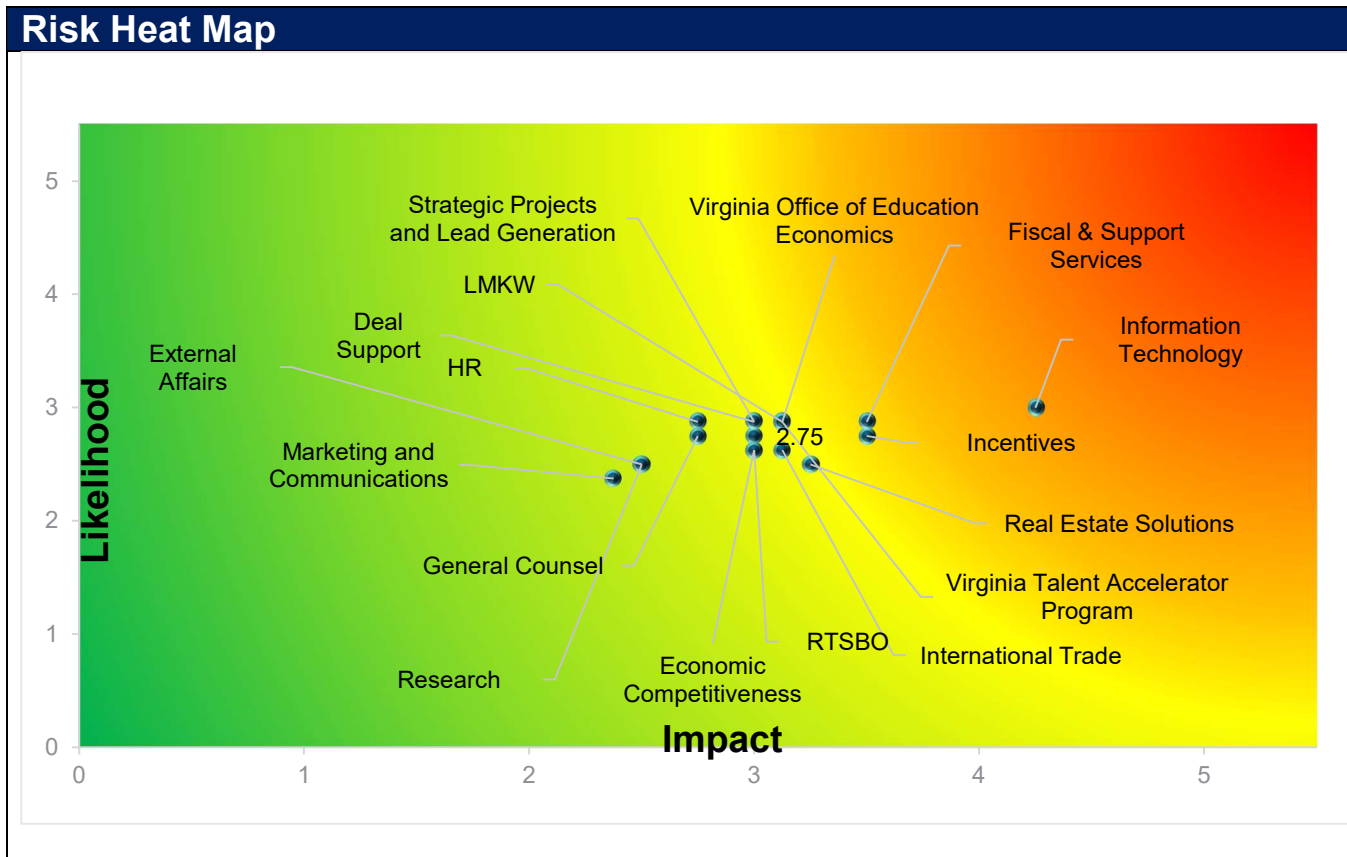
To identify the overall risk rating for each functional area, we averaged the impact and likelihood scores for each of the eight risk categories, and the sum of the two gave us the total risk score. See the following Functional Area Risk Table for these risk ratings and impact and likelihood scores.

Functional Area Risk Table			
Functional Area	Impact	Likelihood	Total Risk Score
Information Technology	4.25	3	7.25
Fiscal and Support Services	3.5	2.875	6.375
Incentives	3.5	2.75	6.25
Virginia Talent Accelerator Program	3.125	2.875	6
Logistics, Manufacturing, Knowledge Work (LMKW)	3.125	2.875	6
Virginia Office of Education Economics	3.125	2.875	6
Deal Support	3	2.875	5.875
Strategic Projects and Lead Generation	3	2.875	5.875
Business Investment	3	2.75	5.75
Real Estate Solutions	3.25	2.5	5.75
International Trade	3.125	2.625	5.75
Regional Talent Solutions and Business Outreach (RTSBO)	3	2.625	5.625
Human Resources (HR)	2.75	2.875	5.625
Economic Competitiveness	3	2.625	5.625
General Counsel	2.75	2.75	5.5
Research	2.5	2.5	5
External Affairs	2.5	2.5	5
Marketing and Communications	2.375	2.375	4.75

The average risk score for impact and likelihood for each functional area was used to create a data point on a heat map. A risk heat map is a visualization tool used in risk management to assess and prioritize risks based on their potential impact and likelihood of occurrence and uses a color scale to represent values. The colors help visually convey the intensity or magnitude of the data being presented.

The data points on the heat map were plotted as follows:

- Horizontal Axis (X): Indicates the impact that the risk would have on VEDP's objectives or goals if it were to materialize.
- Vertical Axis (Y): Represents the likelihood of a given risk materializing. In other words, it shows how probable it is for the risk event to occur.



Phase 5 – Draft the FY25 – FY29 Proposed Audit Plans

After performing the risk assessment, compiling the results, considering past audit results and length of time since functional areas were last audited, and consulting with VEDP, we drafted the Proposed FY25 through FY29 Audit Plans. The Audit Plans are a tool to help VEDP make business risk decisions. However, VEDP management, in consultation with the Board, are responsible for determining the timing and extent of audit coverage based on their risk appetite and the number of resources they want to devote to the audit process.

Proposed Audit Plan

The following table depicts the Proposed FY25 through FY29 Audit Plans (Plans) for VEDP Management and the Board. Each Plan includes four audits per fiscal year, follow-up on management action plans, and the completion of the subsequent year’s annual risk assessment. These are routine tasks that exist for any audit department.

The extent of audit coverage for FY25 through FY29 will be determined by VEDP Management and the Board based on the resources they want to leverage for the internal audit department. The audit plans for FY26 – FY29 is subject to change based on the results of the subsequent year’s risk assessment.

Functional Area	Last Audit Date & Results		5 Year Plan				
	Report Date	# of Findings	FY25	FY26	FY27	FY28	FY29
Business Investment	1/5/2021	3-L	X				X
Deal Support	New in FY24	-			X		
Economic Competitiveness	1/19/2023	1-L					X
External Affairs	12/17/2021	0		X			
Fiscal & Support Services	4/1/2022	1-L				X	
General Counsel	12/13/2021	1-L					X
Human Resources	Jun-24	1-M				X	
Incentives	4/16/2020	1-L	X				
Information Technology	5/25/23	2-M, 3-L			X		
International Trade	1/5/2024	0				X	
Logistics, Manufacturing, Knowledge Work	New in FY24	-		X			
Marketing and Communications	4/15/2021	1-L	X				
Real Estate Solutions	1/25/2024	0				X	
Regional Talent Solutions and Business Outreach (RTSBO)	12/13/2022	0			X		
Research	6/2/2023	3-L			X		
Strategic Projects and Lead Generation	New in FY24	-		X			
Virginia Office of Education Economics	New in FY24	-	X				
Virginia Talent Accelerator Program	4/1/2022	1-M, 1-L		X			X
Annual - Action Plan Follow-up	N/A	N/A	X	X	X	X	X
Annual - Risk Assessment	N/A	N/A	X	X	X	X	X

Appendix A: Functional Area Risks & Rankings

For each of the functional areas, we ranked the impact and likelihood of each of the eight risk categories (compliance, financial, fraud, technology, operational, reputation, strategic, and audit) on a scale from 1 (lowest) to 5 (highest). The scores for each functional area are located in the tables below. The average impact and likelihood for each functional area was plotted on the heat map shown above.

Note: the colors used below for the Impact and Likelihood ratings for each functional area are defined in the Risk Scoring Criteria table shown above.

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Functional Area – Business Investment

Risk Categories	Impact	Likelihood
Compliance	2	3
Financial	3	3
Fraud	3	3
Technology	2	2
Operational	4	3
Reputation	4	3
Strategic	4	3
Audit	2	2
Total:	24	22
Average:	3	2.75

The following are risks identified for this functional area:

Written operational policies / procedures	Collaboration with external stakeholders
Management reporting and key performance measures	Confidentiality of company information and conflict of interest management
Cross functional processes / relationships / communication with other VEDP functions	External stakeholder feedback mechanisms
Employee training / development	Type and location of customers targeted
System integrity controls over data entry and reporting in Salesforce	Administration of business ready laws
Project documentation (timely, accurate, complete, etc.)	Cross divisional discussion about trade show success/issues
Project management	International contractor management

Functional Area – Deal Support

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	3	3
Fraud	3	2
Technology	3	3
Operational	3	3
Reputation	3	3
Strategic	3	3
Audit	3	3
Total:	24	23
Average:	3	2.875

The following are risks identified for this functional area:

Written operational policies / procedures	Outreach center (scripting, metrics, lead generation, etc.)
Management reporting and key performance measures	Quality assurance for written communications
Cross functional processes / relationships / communication with other VEDP functions	Collaboration with internal stakeholders for Governor's Call program
Employee training / development	Creating contact list for trade shows
System integrity controls over data entry and reporting in Salesforce	Confidentiality of company information and conflict of interest management
Supporting lead generation strategy and planning	Feedback from campaign surveys and Governor's Call Program

Functional Area – Economic Competitiveness

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	2	3
Fraud	3	2
Technology	2	2
Operational	4	3
Reputation	4	3
Strategic	4	3
Audit	2	2
Total:	24	21
Average:	3	2.625

The following are risks identified for this functional area:

Written operational policies / procedures	Statewide economic strategy collaboration / alignment
Management reporting and key performance measures	National Ranking initiative
Cross functional processes / relationships / communication with other VEDP functions	Performance measure development
Employee training / development	Benchmarking other states
Internal organizational assistance (onboarding, best practices, training, etc.)	Handling of confidential information
GO Virginia collaboration / alignment	Business ready sites

Functional Area – External Affairs

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	2	2
Fraud	2	2
Technology	2	2
Operational	3	3
Reputation	3	3
Strategic	3	3
Audit	2	2
Total:	20	20
Average:	2.5	2.5

The following are risks identified for this functional area:

Written operational policies / procedures	Partner relations and outreach (includes congressional / legislature relationships)
Management reporting and key performance measures	Identifying federal opportunities
Cross functional processes / relationships / communication with other VEDP functions	System integrity controls over data entry and reporting in Salesforce
Employee training / development	Budget preparation and development
Tracking of new legislation, budget amendments, etc.	Preparation of the VEDP Legislative agenda
Reporting to external stakeholders such as the legislature and external partners (accuracy, timeliness, etc.)	MEI Commission interaction
Rural development strategy and performance tracking	Community engagement

Functional Area – Fiscal and Support Services

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	4	3
Fraud	4	2
Technology	3	3
Operational	4	3
Reputation	4	3
Strategic	3	3
Audit	3	3
Total:	28	23
Average:	3.5	2.875

The following are risks identified for this functional area:

Written operational policies / procedures	Cash management / accounts receivable
Management reporting and key performance measures	Disbursements / accounts payable
Cross functional processes / relationships / communication with other VEDP functions	Lease management (Domestic and international)
Employee training / development	Split purchase monitoring
Payroll processing (approvals, leave, overtime, etc.)	Competitive bidding
Budget development / amendments / monitoring / reallocation of funds	Bulk purchases / economies of scale with purchasing
Segregation of duties	Purchase Card purchases / review / approval
Travel	Vendor and contract database
Wire transfer verification	Vendor and contract management (due diligence, contract language, ongoing monitoring, etc.)
Approval thresholds for certain transactions	Fleet management
Financial reporting	Virginia Tourism Corporation assistance
Facilities management	Insurance (property, travel, auto, workers compensation)
Account reconciliations	Entertainment expense reimbursement

Functional Area – General Counsel

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	3	3
Fraud	3	3
Technology	2	2
Operational	3	3
Reputation	3	3
Strategic	3	3
Audit	2	2
Total:	22	22
Average:	2.75	2.75

The following are risks identified for this functional area:

Written operational policies / procedures	Non-disclosure agreements
Management reporting and key performance measures	Outsourcing of litigation
Cross functional processes / relationships / communication with other VEDP functions	Performance agreements for incentives
Employee training / development	FOIA requests
Compliance with local, state, federal and international laws, and regulations	Compliance with statutory requirements and qualifications for incentive packages
Protection of confidential information	Verify existence of business licensing (domestic and/or international)
Non-disclosure agreements	Transparency of communications

Functional Area – Human Resources

Risk Categories	Impact	Likelihood
Compliance	2	3
Financial	3	3
Fraud	3	2
Technology	2	3
Operational	3	3
Reputation	4	3
Strategic	3	3
Audit	2	3
Total:	22	23
Average:	2.75	2.875

The following are risks identified for this functional area:

Written operational policies / procedures	New hire orientation programs / onboarding
Management reporting and key performance measures	Recruiting / hiring practices
Cross functional processes / relationships / communication with other VEDP functions	Termination processing
Employee training / development	Fiscal related payroll assistance
Diversity program	Background checks
Performance evaluation process and calibration	Benefits administration
Rewards and recognition program	Overtime
Job descriptions / employee work profiles	Career pathing
New hire orientation programs / onboarding	Teleworking
Virginia Tourism Corporation assistance	Human resource information / management system

Functional Area – Incentives

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	4	3
Fraud	4	3
Technology	3	2
Operational	4	3
Reputation	4	3
Strategic	4	3
Audit	2	2
Total:	28	22
Average:	3.5	2.75

The following are risks identified for this functional area:

Written operational policies / procedures	Project Review and Credit Committee assistance
Management reporting and key performance measures	VJIP client and grant reimbursements
Cross functional processes / relationships / communication with other VEDP functions	Incentive management and program compliance – reporting / monitoring of job creation, wages paid, capital expenditures, etc. (during and after performance period)
Employee training / development	Project Review and Credit Committee approval
Due diligence on companies	Claw back provisions
Incentives structuring (ROI analysis, etc.)	Adherence to performance extensions
System integrity controls over data entry and reporting in Salesforce	Business ready sites program

Functional Area – Information Technology

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	3	3
Fraud	5	3
Technology	5	3
Operational	5	3
Reputation	5	3
Strategic	5	3
Audit	3	3
Total:	34	24
Average:	4.25	3

The following are risks identified for this functional area:

Written operational policies / procedures	Software licensing reviews
Management reporting and key performance measures	Change control process for new technology or enhancements to current technology
Cross functional processes / relationships / communication with other VEDP functions	SharePoint and other internal communication mechanisms
Employee training / development	Data usage / storage space capacity
Automation of business processes	System integrity controls over data entry and reporting
Impact of technology on successful implementation of the Operating / Strategic Plan	Segregation of duties and principle of least privilege controls within IT systems
IT vendor risk management (SOC reports)	Classification and identification of sensitive data within IT systems
Cybersecurity strategy and practices	Risk assessments for IT systems
Overall IT governance strategy	Employee IT training (security, data privacy, etc.)
Disaster recovery / business continuity / incident response	Compliance with VITA technology policies
Granting and terminating access to systems / applications / periodic user access review	Virginia Tourism Corporation assistance
System and application oversight / support	Succession planning

Functional Area – International Trade

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	3	3
Fraud	3	2
Technology	2	2
Operational	4	3
Reputation	4	3
Strategic	4	3
Audit	2	2
Total:	25	21
Average:	3.125	2.625

The following are risks identified for this functional area:

Written operational policies / procedures	Program expense reimbursements
Management reporting and key performance measures	System integrity controls over data entry and reporting in Salesforce
Cross functional processes / relationships / communication with other VEDP functions	Trade mission / show collaboration / alignment
Employee training / development	Certificates of Free Sale
Screening process for selecting clients / partners	Monitoring changes in federal grants and legal / regulatory requirements
Advice / consulting on international business	Program / grant management and communication (VALET, GDP, STEP, etc.)
Contract development / review / approval	Education events
Survey data analysis	Foreign travel insurance
Market research services / Global networking	External partner communication

Functional Area – Logistics, Manufacturing, Knowledge Work (LMKW)

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	3	3
Fraud	3	2
Technology	2	3
Operational	4	3
Reputation	4	3
Strategic	4	3
Audit	2	3
Total:	25	23
Average:	3.125	2.875

The following are risks identified for this functional area:

Written operational policies / procedures	Lead Generation strategy / plan for targeting companies/ campaigns, (high yield, impact, etc.)
Management reporting and key performance measures	Ecosystem development (defining ecosystem building and existing industry engagement)
Cross functional processes / relationships / communication with other VEDP functions	Client management
Employee training / development	Project management
System integrity controls over data entry and reporting in Salesforce	Pipeline development
Strategy development and execution	Research support (data analytics, identify search criteria for research and potential partners)
Strategy plan	Qualification criteria for new/target companies (market share, growth rate, etc.)
Regulatory and legislative risk that could prohibit from attracting companies	Engagement with external stakeholders (target companies, economic development partners, government officials, etc.)
After-care/customer experience	Communication with external stakeholders
Collaboration with external stakeholders	Employee health and safety practices
Information confidentiality and conflict of interest management	Type and location of customers targeted

Functional Area – Marketing and Communications

Risk Categories	Impact	Likelihood
Compliance	2	2
Financial	2	2
Fraud	2	2
Technology	2	2
Operational	3	3
Reputation	3	3
Strategic	3	3
Audit	2	2
Total:	19	19
Average:	2.375	2.375

The following are risks identified for this functional area:

Written operational policies	Written operational procedures
Management reporting and key performance measures	Brand awareness
Cross functional processes / relationships / communication with other VEDP functions	Contractual agreements
Employee training / development	ROI (discretionary spend, volume, cost, etc.)
Overall marketing plan and strategy	Social media efforts
Brand standards (graphics, logos, tag lines, etc.)	Trade shows / missions / event management
Media communications (protocols, message crafting, etc.)	Data integrity and recordkeeping

Functional Area – Real Estate Solutions

Risk Categories	Impact	Likelihood
Compliance	3	2
Financial	3	3
Fraud	3	2
Technology	3	2
Operational	4	3
Reputation	4	3
Strategic	4	3
Audit	2	2
Total:	26	20
Average:	3.25	2.5

The following are risks identified for this functional area:

Written operational policies / procedures	Real estate subject matter expertise consulting and property search
Management reporting and key performance measures	Support of business ready sites
Cross functional processes / relationships / communication with other VEDP functions	Management of the Real Estate Development strategic plan
Employee training	Stakeholder reporting and presentations
Review of Brownfields Assistance Fund applications	Managing Regional and Local Real Estate Familiarization Tours
Maintenance of the VA Real Estate database tool	Train local and regional partners on the Real Estate database tool
Grant management and compliance with requirements	Employee development

Functional Area – Regional Talent Solutions and Business Outreach

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	3	3
Fraud	3	2
Technology	2	2
Operational	3	3
Reputation	4	3
Strategic	4	3
Audit	2	2
Total:	24	21
Average:	3	2.625

The following are risks identified for this functional area:

Written operational policies / procedures	VJIP client reimbursement requests (data validation / reconciliation with VA Employment Commission, duplicate payments, sufficiency of documentation, legitimacy of business, etc.)
Management reporting and key performance measures	VJIP grant reimbursement (eligibility, timeliness, accuracy, etc.)
Cross functional processes / relationships / communication with other VEDP functions	Talent marketing presentations
Employee training / development	Client assistance (communication, frequency, etc.)
VJIP client needs and training analysis (talent consulting services)	VJIP related Workforce Development Reports
VJIP client eligibility	VJIP program funding
VJIP project budgeting / approval	Client letters (incentives, commitment, retraining, etc.)
System integrity controls over data entry and reporting in Salesforce	VJIP project management (communication, frequency, documentation, etc.)
Data collection / documentation standards	Confidentiality of client information
Business outreach visit execution (communication, follow-up, etc.)	Economic Gardening program

Functional Area – Research

Risk Categories	Impact	Likelihood
Compliance	2	2
Financial	2	2
Fraud	2	2
Technology	3	3
Operational	3	3
Reputation	3	3
Strategic	3	3
Audit	2	2
Total:	20	20
Average:	2.5	2.5

The following are risks identified for this functional area:

Written operational policies / procedures	Economic trend analysis
Management reporting and key performance measures	Lead generation support
Cross functional processes / relationships / communication with other VEDP functions	Maintain value proposition and content creation
Employee training / development	Maintenance of the VA Real Estate database tool
Client communications	Data management
Executive presentation support	GIS
Data analytics (workforce data, tax data, benchmarking, etc.)	System integrity controls over data entry and reporting in Salesforce

Functional Area – Strategic Projects and Lead Generation

Risk Categories	Impact	Likelihood
Compliance	2	3
Financial	3	3
Fraud	3	2
Technology	2	3
Operational	4	3
Reputation	4	3
Strategic	4	3
Audit	2	3
Total:	24	23
Average:	3	2.875

The following are risks identified for this functional area:

Written operational policies / procedures	International contractor management
Management reporting and key performance measures	Collaboration with external stakeholders
Cross functional processes / relationships / communication with other VEDP functions	Confidentiality of company information and conflict of interest management
Employee training	Systematic corporate intelligence program
System integrity controls over data entry and reporting in Salesforce	Administration of business ready laws
Lead Generation strategy / plan for targeting companies/ campaigns, (high yield, impact, etc.)	Available sites and buildings
Project documentation (timely, accurate, complete, etc.)	Cross divisional discussion about strategy, development, and implementation
Strategy planning	Employee development

Functional Area – Virginia Office of Education Economics

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	2	3
Fraud	3	2
Technology	3	3
Operational	4	3
Reputation	4	3
Strategic	4	3
Audit	2	3
Total:	25	23
Average:	3.125	2.875

The following are risks identified for this functional area:

Written operational policies / procedures	Research presentations
Annual research plan	Data collection, storage, and integrity
Cross functional processes / relationships / communication with other VEDP functions	Data analysis to determine the alignment of education to the labor market, conducting analyses required by legislation and the General Assembly to inform key stakeholders
Employee training / development	Reporting to external stakeholders such as the legislature, General Assembly, and external partners (accuracy, timeliness, etc.)
Project budgeting / approval	External collaboration (State and Federal Agencies, Educational institutions, etc.)
Project approval	Grant management and reporting (public, grantor, General Assembly, etc.)

Functional Area – Virginia Talent Accelerator Program

Risk Categories	Impact	Likelihood
Compliance	3	3
Financial	3	3
Fraud	3	2
Technology	2	3
Operational	3	3
Reputation	4	3
Strategic	4	3
Audit	3	3
Total:	25	23
Average:	3.125	2.875

The following are risks identified for this functional area:

Written operational policies / procedures	Marketing presentations
Management reporting and key performance measures	Client assistance (communication, frequency, etc.)
Cross functional processes / relationships / communication with other VEDP functions	Program funding
Employee training / development	Client letters (incentives, commitment, retraining, etc.)
Client needs and training analysis (consulting services)	System integrity controls over data entry and reporting in Salesforce
Client eligibility	Project management / documentation
Project budgeting / approval	Press releases
Data collection	Custom workforce program development
Confidentiality of client information	Documentation standards

VEDP MANAGEMENT ACTION PLAN TRACKER – UPDATES FOR THE SEPTEMBER 18, 2024 FAC MEETING

AUDIT & FINDING NUMBER	FINDING	RECOMMENDATION	MANAGEMENT'S RESPONSES	DUE DATE	CURRENT STATUS
HR – M-01	<p>Seven of 25 (28%) performance evaluations sampled were not completed by the due date. We noted the following issues:</p> <ul style="list-style-type: none"> • Five VEDP and one VTC performance evaluations were completed after the due date, with the date of completion ranging from one to four months after the due date. • One VEDP performance evaluation was completed outside the system of record and did not have a date. As a result, we were unable to determine if it was completed timely. 	<p>The HR Division, with the support of Executive Management, should hold VEDP Division Leaders accountable for completing employee's performance evaluations by the due date and according to policy. All performance evaluations should be documented timely within the system of record and communicated to employees to ensure that VEDP employees receive timely feedback.</p>	<p>VEDP concurs with this finding and will take action to address it. HR will create a document for division leaders to track the status of evaluations for each staff member. This will be sent to division leaders on a weekly basis during the performance evaluation and position description review period (July – September). HR will work with the CEO and CAO to ensure that all evaluations are completed by September 30 each year.</p>	<p>September 30, 2024</p>	<p>Open - HR is sending out the weekly tracking document to division leaders. We will confirm completion of evaluations after the September 30th due date.</p>

INFORMATION TECHNOLOGY QUARTERLY BOARD REPORT

September 18, 2024

PRESENTER



Chris Hughes

VP, Information Technology

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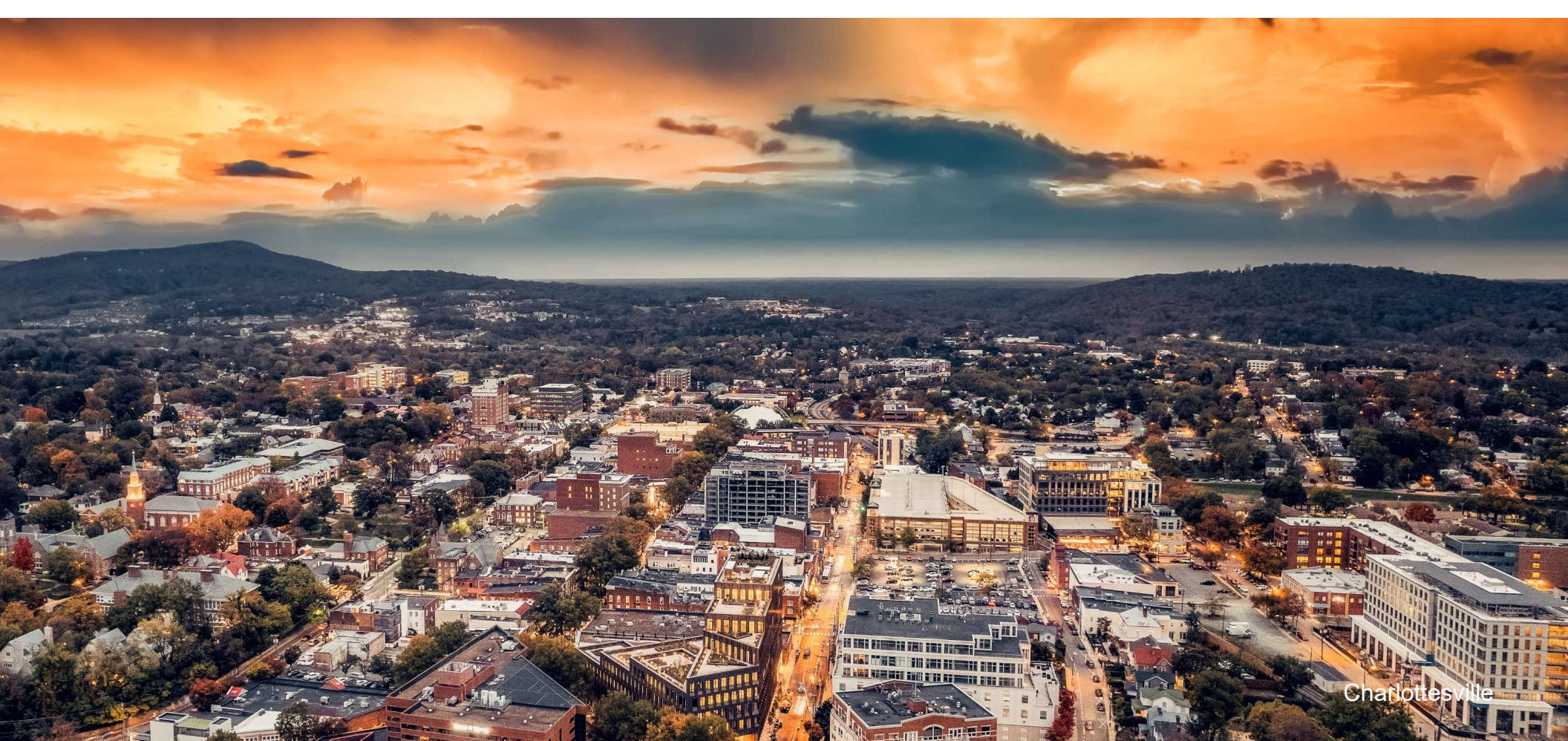
CURRENT VEDP IT AUDIT PLAN (5 YEAR OUTLOOK)

Audit Name	Auditor	Last Completed	Expected Completion Date				
			2024	2025	2026	2027	2028
Routine Audits							
APA Information System Security (ISS)	APA	Q2 2024	✓	Q1	Q1	Q1	Q1
Information Technology Department	Forvis	Q2 2024	✓	-	Q2	-	-
Sensitive System Audits¹							
Salesforce	Forvis	Q2 2024	✓	-	-	Q2	-
IVS and VirginiaScan (Sites & Buildings)	Forvis	Q2 2024	✓	-	-	Q2	-
Microsoft 365 and File Shares	Forvis		-	Q2	-	-	Q2
Public websites and subsites	Forvis		-	Q2	-	-	Q2
VOEE: Databases and dashboards	Forvis		-	Q2	-	-	Q2
Talent Accelerator websites and subsites	Forvis		-	-	Q2	-	-
Research apps and GIS environment	Forvis		-	-	Q2	-	-
VTC: Public websites and PMAP system	Forvis		-	-	Q2	-	-
Total Audits			4	4	5	3	4

¹Forvis is now Forvis Mazars. Shifting to Q2 to avoid APA Audits (January) and General Assembly session.

VEDP IT AUDIT FINDING STATUS

Finding	Description	Audit	Status (% complete)	Comments & Next steps
MP1: FY2023 – FY2024	Improve Information Security Program and IT Governance	APA	 70%	Full closure of MP1 relies on completion of the security roadmap, audit plan, and continued risk management efforts. Anticipating closure alongside the FY2024 APA audit.
MP2: FY2023 – FY2024	Improve Service Provider Insight	APA	 70%	Full closure of MP2 relies on completion of the security roadmap, audit plan, contract addendums, and continued vendor risk management efforts. Anticipating closure alongside the FY2024 APA audit.



Charlottesville

INCENTIVE-RELATED FAC MATERIALS

September 18, 2024

PRESENTER



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Virginia Creeper Trail,
Washington County

FINANCE & AUDIT COMMITTEE

Repayments Initiated: COF

Repayments Initiated: VJIP

Repayments Initiated: Data Centers

Semiannual Report on Incentive Performance

COF Progress Reports for FY 2024

Incentives Administration Policies and Procedural Guidelines Updates

REPAYMENT REQUIREMENTS FOR COF UNDERPERFORMANCE

Per the Code of Virginia § 2.2-115. (Commonwealth's Development Opportunity Fund, or COF), all COF performance agreements “shall provide that if the private investment and new job contractual requirements are not met by the expiration of the date stipulated in the contract, including any extension granted by the political subdivision and the Commonwealth, the business beneficiary shall be liable to the political subdivision and the Commonwealth for repayment of a portion of the funds provided by the political subdivision under the contract and liable to the Commonwealth for repayment of a portion of the funds provided from the Commonwealth's Development Opportunity Fund.”

JLARC Recommendation No. 24: "The Virginia Economic Development Partnership (VEDP) board of directors should require VEDP to develop and use standard policies and procedures that clearly explain when and how staff should enforce clawback provisions. Enforcement should be consistent and effective for all companies that do not meet their contractual obligations, including wage requirements. The board should require VEDP staff to report regularly to the full board on each project that is subject to a clawback and the repayment status for each project that is subject to a clawback."

PROGRESS REPORT ON COF PROJECTS SUBJECT TO CLAWBACK

Clawbacks past due as of August 30, 2024

Company	Locality	Clawback amount due (\$)	Notes	Clawback Previously Reported?	Announcement Date	Performance Date
Polycap	Russell	130,000	Company abandoned facility; full repayment of \$130,000 requested 5/6/2024; due immediately; recommend that grant be turned over to the Office of Attorney General for collection.	No	4/11/2019	9/30/2023
TOTAL		130,000				

Clawbacks requested but not past due as of August 30, 2024

Company	Locality	Clawback amount due (\$)	Notes	Clawback Previously Reported?	Announcement Date	Performance Date
Hardywood	Goochland	10,625	Investment threshold not fully met; prorated repayment of \$42,500 of \$500,000 grant requested 9/1/2023; will be repaid in quarterly installments of \$10,625 due 12/1/2023 (received 12/5/2023), 3/1/2024 (received 2/27/2024), 6/1/2024 (received 7/8/2024), and 9/1/2024.	Yes	7/20/2015	6/30/2023
Kyocera SGS Tech Hub	Danville	50,000	Statutory minimum employment requirement not met; full repayment of \$200,000 grant requested 6/15/2023; will be repaid in quarterly installments of \$50,000 due 12/15/2023 (received 12/14/2023), 3/15/2024 (received 3/14/2024), 6/15/2024 (received 6/10/2024), and 9/15/2024.	Yes	9/8/2016	1/17/2023
Phoenix Packaging	Pulaski	264,000	Employment threshold not fully met; prorated repayment of \$264,000 of \$600,000 grant requested 8/8/2024; due 11/7/2024.	Yes	4/12/2017	6/30/2022
Teal-Jones	Westmoreland	125,000	Statutory minimum employment requirement not met; full repayment of \$125,000 grant requested 8/26/2024; due 11/26/2024.	No	9/25/2019	6/30/2024
TOTAL		449,625				

PROGRESS REPORT ON COF PROJECTS SUBJECT TO CLAWBACK

Projects subject to clawback closed out since June 13, 2024

Company	Locality	Clawback amount received (\$)	Notes	Clawback Previously Reported?	Announcement Date	Performance Date
None						
TOTAL		0				

VEDP still processing closeout with performance dates at least 90 days prior

Company	Locality	Amount of grant (\$)	Status	Previously Reported?	Announcement Date	Performance Date
ASGN	Henrico	900,000	Working with company to verify jobs created pay the required average wage.	No	6/15/2020	12/31/2023
Navy Federal Credit Union	Frederick	2,000,000	Working with company and locality to verify jobs created; investment verified; prorated repayment will be due based on the number of verified jobs.	No	1/12/2017	3/31/2024
TOTAL		2,900,000				



FINANCE & AUDIT COMMITTEE

Repayments Initiated: COF

Repayments Initiated: VJIP

Repayments Initiated: Data Centers

Semiannual Report on Incentive Compliance

COF Progress Reports for FY 2024

Incentives Administration Policies and Procedural Guidelines Updates

PROGRESS REPORT ON VJIP PROJECTS SUBJECT TO CLAWBACK

Past due clawbacks referred to Office of the Attorney General as of August 30, 2024 – NONE

Clawbacks past due as of August 30, 2024 – NONE

Clawbacks requested but not past due as of August 30, 2024

Company	Locality	Clawback amount due (\$)	Notes	Clawback Previously Reported?	Announcement Date	Performance Date
Ison Furniture	Pittsylvania	18,200	Company closed; locality unable to verify capital investment and company was unable to provide adequate documentation that the statutory minimum investment threshold was met; repayment of \$18,200 of \$105,000 grant requested 8/28/2024; due 11/28/2024.	No	10/26/2020	11/1/2023
TOTAL		18,200				

Projects subject to clawback closed out since August 30, 2024 – NONE

VEDP still processing closeout with performance dates at least 90 days prior – NONE



FINANCE & AUDIT COMMITTEE

Repayments Initiated: COF

Repayments Initiated: VJIP

Repayments Initiated: Data Centers

Semiannual Report on Incentive Compliance

COF Progress Reports for FY 2024

Incentives Administration Policies and Procedural Guidelines Updates

PROGRESS REPORT ON DATA CENTER PROJECTS SUBJECT TO CLAWBACK

Past due clawbacks referred to Office of the Attorney General as of August 30, 2024 – NONE

Clawbacks past due as of August 30, 2024 – NONE

Clawbacks requested but not past due as of August 30, 2024 – NONE

Projects subject to clawback closed out since August 30, 2024 – NONE

VEDP still processing closeout with performance dates at least 90 days prior

Company	Locality	Clawback Amount Due (\$)	Notes	Clawback Previously Reported?	Announcement Date	Performance Date
OVH	Fauquier	TBD	Company indicated that statutory minimum capital investment of \$150 million has not been met and cannot be met with an extension of the MOU; the client has been notified of the clawback and assigned an auditor from TAX to assist in determining the tax repayment due.	Yes	10/6/2016	6/30/2021
TOTAL		TBD				



Shenandoah National Park,
Albemarle County

FINANCE & AUDIT COMMITTEE

Extension Requests

Repayments Initiated: COF

Repayments Initiated: VJIP

Semiannual Report on Incentive Performance

COF Progress Reports for FY 2024

Incentives Administration Policy and Procedural Guidelines
Updates

VEDP-ADMINISTERED INCENTIVES DASHBOARD (AS OF JUNE 30, 2024)

COF Within Performance Period (or Post-Performance Follow-up Stage)¹

Fiscal Year of Governor's Approval	Total Number of Projects	Total Approved (\$) ⁵	Total Number of Projects by Estimated Risk ²				Moderate or High Risk Projects By...			Job Creation			Capital Investment		
			Low	Moderate	High	To Be Determined ³	Jobs	Capital Investment	Average Wages	Future Target	Actual as of Most Recent Report ⁴	% of Future Target Met	Future Target (\$M)	Actual as of Most Recent Report ⁴	% of Future Target Met
2018	0	\$0	0	0	0	0	0	0	0	0	0	N/A	0	0	N/A
2019	8	\$7,222,000	6	1	1	0	2	1	0	1,399	1,820	130%	1,510.0	2,359.7	156%
2020	13	\$6,415,000	7	2	4	0	6	4	3	2,308	1,148	50%	461.8	444.5	96%
2021	19	\$11,630,500	11	3	4	1	5	4	2	1,901	1,496	79%	735.1	592.5	81%
2022	23	\$19,785,052	11	5	3	4	8	4	4	3,706	1,495	40%	1,178.0	819.0	70%
2023	28	\$18,836,950	9	6	4	9	10	7	5	4,441	619	14%	1,397.6	207.7	15%
2024	22	\$42,647,500	1	0	0	21	0	0	0	3,755	0	0%	2,144.9	0.5	0%

COF Post Performance Period⁵

Fiscal Year of Governor's Approval	Total Number of Projects	Total Approved (\$) ⁶	Total Number of Projects by Closeout Status			Total Number of Projects			Job Creation			Capital Investment		
			Achieved/Full Clawback/Reduced Payment	Clawback In Process (not yet due)	Clawback Unsuccessful to Date	Met Both Targets for Jobs and Capital Investment	Met Target for Either Jobs or Capital Investment	Missed Both Targets for Jobs and Capital Investment	Target	Actual as of Final Report ⁷	% of Target Met	Target (\$M)	Actual as of Final Report ⁷	% of Target Met
2018	28	\$14,145,500	28	0	0	5	6	17	4,701	1,982	42%	389.1	205.8	53%
2019	19	\$4,047,931	18	0	1	3	5	11	1,412	541	38%	272.9	173.1	63%
2020	10	\$4,590,000	10	0	0	5	2	3	1,339	1,513	113%	400.9	443.9	111%
2021	3	\$1,550,000	3	0	0	1	1	1	531	182	34%	50.2	55.5	110%
2022	1	\$457,125	1	0	0	0	1	0	265	177	67%	1.5	1.7	111%
2023	0	\$0	0	0	0	0	0	0	0	0	N/A	0.0	0.0	N/A
2024	0	\$0	0	0	0	0	0	0	0	0	N/A	0.0	0.0	N/A

VEDP-ADMINISTERED INCENTIVES DASHBOARD (AS OF JUNE 30, 2024)

COF Clawback History

Fiscal Year of Governor's Approval	Projects Within Perf. or Post-Perf. Follow-up	Post-Performance Projects (ie. Closed-Out)	Clawback Summary By Number of Projects			Clawback Summary By \$			Companies with Unpaid Clawbacks
			Clawbacks Requested	Clawbacks Received	% of total received	Total Clawbacks Requested (\$)	Total Clawbacks Received (\$)	% of total received	
2018	0	28	20	20	100%	\$7,334,250	\$7,334,250	100%	N/A
2019	8	19	16	15	94%	\$2,411,431	\$2,281,431	95%	Plasticap (being referred to OAG)
2020	13	10	4	4	100%	\$1,848,275	\$1,848,275	100%	N/A
2021	19	3	2	2	100%	\$965,650	\$965,650	100%	N/A
2022	23	1	1	1	100%	\$151,800	\$151,800	100%	N/A
2023	28	0	0	0	N/A	\$0	\$0	N/A	N/A
2024	22	0	0	0	N/A	\$0	\$0	N/A	N/A

VEDP-ADMINISTERED INCENTIVES DASHBOARD (AS OF JUNE 30, 2024)

Other VEDP-Administered Incentives Within Performance Period (including DCRSUTE within Verification Process)¹

Incentive Program	Total Number of Projects	Total \$ Approved	Jobs			Capital Investment		
			Future Target	Actual as of Most Recent Report ²	% of Future Target Met ²	Future Target (\$M)	Actual as of Most Recent Report (\$M) ²	% of Future Target Met ²
Data Center Retail Sales and Use Exemptions (DCRSUT Exemption) ³	31	N/A	1,550	TBD	TBD	\$4,650.0	TBD	TBD
Major Eligible Employer (MEE) ⁴	0	0	0	0	0	\$0.0	\$0.0	0%
Virginia Economic Development Incentive Grant (VEDIG)	5	\$18,500,000	3,455	TBD	TBD	\$213.4	TBD	TBD
Virginia Investment Partnership (VIP)	20	\$18,550,000	2,245	TBD	TBD	\$1,407.2	TBD	TBD
Virginia Jobs Investment Program (VJIP) New Jobs Programs ⁵	142	\$12,443,000	17,116	3,376	20%	\$3,596.7	N/A	N/A
Virginia Jobs Investment Program (VJIP) Retraining Programs	3	\$156,650	257	0	0%	\$17.1	N/A	N/A
Custom Grants ⁶	12	\$910,542,875	37,945	10,561	28%	\$56,315.4	\$3,555.0	6%

Post Performance Period (including VIP/VEDIG Projects within Company Notification Period)⁷

Incentive Program	Total Number of Projects			Total \$ Approved	Jobs			Capital Investment		
	Approved	Target Metrics Achieved	Post-Perf. Follow Up		Target	Actual as of Final Report ²	% of Target Met	Target (\$M)	Actual as of Final Report (\$M) ²	% of Target Met
Data Center Retail Sales and Use Exemptions (DCRSUT Exemption) ⁸	25	24	1	N/A	1,250	1,200	96%	\$3,750.0	\$3,600.0	96%
Major Eligible Employer (MEE)	2	2	0	\$33,000,000	4,150	5,544	134%	\$433.0	\$597.4	138%
Virginia Economic Development Incentive Grant (VEDIG)	8	5	3	\$37,300,000	3,899	4,746	122%	\$430.3	\$589.3	137%
Virginia Investment Partnership (VIP)	79	66	13	\$61,900,000	7,019	8,526	121%	\$5,917.6	\$6,961.9	118%
Virginia Jobs Investment Program (VJIP) New Jobs Programs ^{5,9}	218	83	N/A	\$22,381,849	30,145	18,532	61%	\$2,825.6	N/A	N/A
Virginia Jobs Investment Program (VJIP) Retraining Programs ^{5,10}	26	17	N/A	\$1,556,902	5,186	5,022	97%	\$397.9	N/A	N/A
Custom Grants ¹¹	4	4	0	\$132,000,000	4,025	2,334	58%	\$3,962.4	\$2,829.9	71%

For detailed footnotes, please reference full semi-annual report included in the Board packet.



Bethel Beach,
Mathews County

FINANCE & AUDIT COMMITTEE

Repayments Initiated: COF

Repayments Initiated: VJIP

Repayments Initiated: Data Centers

Semiannual Report on Incentive Performance

COF Progress Reports for FY 2024

Incentives Administration Policy and Procedural Guidelines
Updates

ANNUAL COF PROGRESS REPORTS RECEIVED FOR FY 2024

- **COF annual progress reports expected in FY 2024 = 81**
- **COF annual progress reports received in FY 2024 = 81**
- **Percent of total received for FY 2024 = 100%**

JLARC Recommendation No. 20: "The Virginia Economic Development Partnership (VEDP) board of directors should require VEDP to report to them annually on the percentage of companies that fulfilled their contractual requirement to report their progress towards meeting performance requirements."



Bethel Beach,
Mathews County

FINANCE & AUDIT COMMITTEE

Repayments Initiated: COF

Repayments Initiated: VJIP

Repayments Initiated: Data Centers

Semiannual Report on Incentive Performance

COF Progress Reports for FY 2024

Incentives Administration Policy and Procedural Guidelines Updates

UPDATES TO INCENTIVES POLICIES AND PROCEDURES

- On September 14, 2023, the VEDP Board approved updates to the VEDP Incentives Administration Policy and Procedural Guidelines.
- The VEDP Incentives Administration Policy and Procedural Guidelines must be reviewed on an annual basis and any changes set forth shared with the full Board.
- During the 2024 General Assembly session:
 - The VIP and VEDIG were restructured to allow grant installments to begin one year after the Company Notification is filed. With this change, the need for the Subsequent Company Notification was eliminated.
 - Funding for the Virginia Offshore Wind Supplier Development Grant was eliminated.
- Proposed changes to the Guidelines include:
 - Update to the staff composition of the Project Review And Credit Committee (PRACC) based on organizational structure changes.
 - Update to position titles throughout the document based on organizational structure changes.
 - Add language explaining how the employment baseline for a project is determined.
 - Update to include VJIP Retraining guidelines due to the reimplementation of the program.
 - Update to include guidelines for Custom Performance Grants/Special Appropriations.

Commonwealth's Development Opportunity Fund (COF)
Annual progress reports expected and received for FY 2024

Project Number	Opportunity Name	FY 2024 Report Received?	Locality
2021-141932	Aditxt	Yes	Richmond City
2020-141123	AeroFarms	Yes	Pittsylvania
2019-140790	AERY Aviation	Yes	Newport News
2022-142592	Agrospheres	Yes	Albemarle
2020-141626	Applied Felts	Yes	Henry
2021-141923	AutoZone	Yes	New Kent
2020-141268	Bausch & Lomb	Yes	Lynchburg
2021-142033	Bonumose	Yes	Albemarle
2021-141987	Breeze Airways	Yes	Norfolk
2021-142226	BWX Technologies	Yes	Campbell
2023-143184	Camrett Logistics	Yes	Pulaski
2018-140024	Cascades	Yes	Hanover
2020-141493	Cava Group	Yes	Augusta
2021-142184	Certified Origins	Yes	Newport News
2022-142418	Church & Dwight Company	Yes	Chesterfield
2023-142795	Civica Rx	Yes	Chesterfield
2020-141712	Civica Rx	Yes	Petersburg
2023-142788	Coronado Coal	Yes	Buchanan
2021-141927	Crown Holdings	Yes	Henry
2020-141439	DHL Exel	Yes	Stafford
2014-108775	Dominion Aquaculture	Yes	Tazewell
2020-141516	Drake Extrusion	Yes	Henry
2022-142272	DroneUp	Yes	Virginia Beach
2021-142039	EAB	Yes	Henrico
2019-140771	East Coast Repair and Fabrication	Yes	Newport News
2021-142131	Granules	Yes	Prince William
2021-141835	Grayson Natural Farms	Yes	Grayson
2019-140789	Hershey	Yes	Augusta
2023-142819	Heyco	Yes	Greensville
2022-142446	Hilton	Yes	Fairfax
2022-142466	Hitachi Energy	Yes	Halifax
2023-142849	Hollingsworth & Vose	Yes	Floyd

Commonwealth's Development Opportunity Fund (COF)
Annual progress reports expected and received for FY 2024

Project Number	Opportunity Name	FY 2024 Report Received?	Locality
2019-140619	Howell Metal	Yes	Shenandoah
2020-141427	Huntington Ingalls	Yes	Hampton
2021-141891	Intertape Polymer Group	Yes	Pittsylvania
2022-142672	IperionX	Yes	Halifax
2021-141988	J&J Equipment	Yes	Pittsylvania
2021-141941	Kegerreis	Yes	Danville
2018-140324	KPMG	Yes	Fairfax
2020-141150	Laminate Technologies	Yes	Henry
2019-140987	Litehouse Foods	Yes	Danville
2019-141109	MEP	Yes	Danville
2018-140262	Microsoft Corporation	Yes	Mecklenburg
2021-141899	Modine Manufacturing	Yes	Rockbridge
2020-141661	Mohawk Industries	Yes	Carroll
2022-142487	MSI	Yes	Suffolk
2022-142623	Muhlbauer	Yes	Newport News
2021-141972	Oransi	Yes	Radford
2021-141860	Patton Logistics	Yes	Pulaski
2020-141461	Plasser American	Yes	Chesapeake
2021-142213	Plenty	Yes	Chesterfield
2021-142047	PPD	Yes	Richmond City
2023-142783	Premier	Yes	Norfolk
2018-140032	Press Glass	Yes	Henry
2022-142268	Qualtrics	Yes	Fairfax
2020-141403	Rage Corporation	Yes	Pittsylvania
2020-141457	Real Performance Machinery	Yes	Grayson
2022-142757	Ronald Mark	Yes	Tazewell
2021-142037	Scholle	Yes	Smyth
2021-142051	Service Center Metals	Yes	Prince George
2021-141826	SES Americom	Yes	Prince William
2020-141700	Shenandoah Valley Organic	Yes	Harrisonburg
2020-141708	Silk City	Yes	Fluvanna
2019-141112	Simplisafe	Yes	Henrico

**Commonwealth's Development Opportunity Fund (COF)
Annual progress reports expected and received for FY 2024**

Project Number	Opportunity Name	FY 2024 Report Received?	Locality
2022-142660	Skip Barber	Yes	Halifax
2018-140204	Speyside Bourbon Cooperage	Yes	Smyth
2017-137709	SunTek	Yes	Henry
2019-140582	Teal-Jones	Yes	Westmoreland
2022-142371	TFC Poultry	Yes	Winchester
2018-140319	Traditional Medicinals	Yes	Franklin
2021-141954	Tyson Foods	Yes	Pittsylvania
2022-142353	Unilock	Yes	Hanover
2019-140498	Veronesi Holding	Yes	Rockingham
2021-142116	VF Corporation	Yes	Henry
2021-142079	VFP	Yes	Scott
2018-140229	Volvo Trucks	Yes	Roanoke
2019-140884	Walraven	Yes	Pittsylvania
2017-137198	Wegmans	Yes	Hanover
2023-143024	Weidmüller	Yes	Chesterfield
2023-142881	Wilderness Asset Holdings	Yes	Bland
2020-141609	Zasti	Yes	Loudoun

Number of COF annual progress reports expected for FY 2024: 81

Number of COF annual progress reports received for FY 2024: 81

Percent of total received for FY 2024: 100%

JLARC Recommendation No. 20: "The Virginia Economic Development Partnership (VEDP) board of directors should require VEDP to report to them annually on the percentage of companies that fulfilled their contractual requirement to report their progress towards meeting performance requirements."

Virginia Economic Development Partnership Incentives Administration Policy and Procedural Guidelines

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I. Purpose

A. Incentives Administration by VEDP in Code of Virginia

1. The Virginia Economic Development Partnership (VEDP) Division of Incentives (Incentives Division) is tasked with administering certain economic development incentives, including the vetting of prospective companies being considered for incentives. It is also tasked with monitoring and reviewing the status and progress of the performance requirements for certain economic development incentives in accordance with § 2.2-2237.3 of the Code of Virginia of 1950, as amended (COV).
2. The Board of Directors of VEDP (the Board) recognizes that discretionary economic development incentives, when properly deployed, are effective tools for furthering the statutory duties of VEDP. To be good stewards of the taxpayers' funds and to retain the confidence of interested stakeholders, it is important that these tools be deployed effectively, efficiently, and fairly.
3. VEDP has determined that a structured and formalized approach to awarding incentives is necessary for consistency, effectiveness, and transparency. These procedures will allow our project companies and economic development partners to better understand the information and documentation required for VEDP to ensure that incentives are awarded to companies that are properly reviewed, vetted, tracked, and coordinated.
4. Each Incentive in these Policies and Procedures Guidelines will be subject to additional Code of Virginia sections as applicable:
 - a) The Commonwealth's Development Opportunity Fund (COF) provides either grants or loans to localities to assist in the creation of new jobs and capital investment in accordance with criteria established by COV § 2.2-115.
 - b) The Virginia Economic Development Incentive Grant (VEDIG) program is designed to assist and encourage companies to invest and create new employment opportunities by locating significant headquarters, administrative or service sector operations in Virginia. Discretionary grants are negotiated and offered to qualified applicants as an economic development incentive in accordance with criteria established by COV § 2.2-5102.1.
 - c) The Virginia Investment Performance Grant (VIP) program is used to encourage existing Virginia manufacturers or research and development services to continue to invest in Virginia and to provide stable employment opportunities by adding production capacity, utilizing state-of-the-art technology, and modernizing assembly processes. This is a discretionary program in which grants are negotiated and offered to qualified applicants as an economic

development incentive in accordance with criteria established by COV § 2.2-5101.

- d) The Major Eligible Employer Grant (MEE) program is used to encourage major traded sector employers to invest in Virginia and to provide a significant number of stable employment opportunities by either making a significant expansion to existing operations or constructing new ones. This is a discretionary program in which grants are negotiated and offered to qualified applicants as an economic development incentive in accordance with criteria established by COV § 2.2-5102.
- e) The Virginia Jobs Investment Program (VJIP) provides grant funding to support new or existing businesses in training or retraining employees in accordance with criteria established by COV § 2.2-2240.3 through 2.2-2240.6.
- f) The New Company Incentive Program (NCIP) provides a company certified by VEDP as an “eligible company” to decrease the amount of income taxed by Virginia and may also apply to VEDP for consideration for a discretionary grant from the Commonwealth’s Development Opportunity Fund in accordance with criteria established by COV § 58.1-405.1.
- ~~g) The Virginia Offshore Wind Supplier Development Grant (VOWSD) encourages existing Virginia companies to enter the offshore wind supply chain by offsetting the cost of eligible new equipment in accordance with criteria established by Item 125-3 of Chapter 2 of the 2022 Acts of Assembly, Special Session I.~~
- h)g) The Custom Grant Program is a Special Appropriation for direct company incentives and/or community investments (site preparation on publicly-owned sites, infrastructure improvements, etc.) that requires legislation or budget language. These grants require approvals by Virginia’s Major Employment and Investment Project Approval Commission (MEI) Commission and full approval by the Virginia General Assembly.

II. General Principles for VEDP-Administered Incentives

A. Guiding Principles

1. Competitive Projects Only: These grants are the Commonwealth’s premier tools for encouraging a project to come to or grow in the Commonwealth, rather than another state or country. Accordingly, there must be an active and realistic competition between Virginia and another state or country for attracting the project. Grants are made with the expectation that the award of the grants will result in a favorable decision for Virginia.
2. Traded Sector Projects Only: Grants will only be awarded for traded sector projects – i.e., projects for companies or functions that provide net new or

additional income into Virginia and add to the gross state product by providing goods or services at least one-half of which will be sold outside the Commonwealth or will be paid for with funds from outside the Commonwealth.

3. Incentive Philosophy: These factors, among others, will be considered by VEDP when determining whether to recommend discretionary incentives:
 - a) The proportion of Company revenues derived from outside of Virginia, including international exports (i.e., determination of traded-sector employer)
 - b) ~~High-E~~employment multiplier
 - c) Company wages compared to local average wage
 - d) Alignment with strategic sectors and state/~~regional~~local strategies
 - e) The solution to a competitive need
 - f) Establishment of a competitive advantage
 - g) Ability to leverage other state and local resources
 - h) Advancement of quality of life

If a company has already broken ground for a new project, announced a new plant or an expansion, or engaged in other activities which would indicate that the company's management had already determined to locate or expand in Virginia, the company would generally not be able to qualify for a discretionary incentive. A project should be one that is considering Virginia as well as looking at options in other states or countries.

4. Grant Amounts: In determining grant amounts, the following criteria will be considered:
 - a) return on investment
 - b) new jobs (or retrained – VJIP)
 - c) wage levels
 - d) overall employment
 - e) capital investment
 - f) area and regional unemployment – areas of high unemployment, poverty, and fiscal stress
 - g) commercial development along existing transportation/transit corridors within regions
 - h) proximity to existing public infrastructure
 - i) locality's interest in the project
 - j) industry or company growth potential
5. First Announcement by Governor: Grants will not be made for projects that have been publicly announced prior to the Governor's approval and public announcement of a grant award.

Upon approval of a grant or loan, neither the locality nor the company shall announce or confirm the proposed project without coordination with VEDP. The new jobs and capital investment targets in the performance agreement will be used in the press release when the public announcement is made. If the targets are not used for the public announcement of the project, or if the public announcement is made by anyone other than the Governor, the grant award is subject to being withdrawn.

6. To the extent that any General Principle conflicts with the terms of a Program-specific Policy, the terms set forth in the latter shall prevail.

B. Policy Regarding New Jobs

1. Definition of New Job: VEDP uses a definition of "New Job" that substantially reads as follows: "New Job" means employment of indefinite duration, created as the direct result of the private investment, for which the firm pays the wages and provides standard fringe benefits for its employee, requiring a minimum of either (i) 35 hours of the employee's time a week for the entire normal year of the firm's operations, which "normal year" must consist of at least 48 weeks or (ii) 1,680 hours per year. Seasonal or temporary positions, positions created when a job function is shifted from an existing location in the Commonwealth to the location of the economic development project, positions with construction contractors, suppliers, and multiplier or spin-off jobs may not qualify as new jobs.

Net new jobs for contractors or employees of contractors who are located in the Commonwealth and provide dedicated full-time service to the Company may count as New Jobs (as determined by VEDP), even though the Company is not directly paying the wages or providing the fringe benefits if the other conditions set forth in this paragraph have been satisfied.

2. Definition of Maintain: Generally, the new jobs must be created and maintained through the performance period. Accordingly, any layoffs instituted by the company through the performance period will be considered in determining compliance with the company's new job requirement. VEDP expects to use a definition of "Maintain" that substantially reads as follows: "Maintain" means that the New Jobs will continue without interruption from the date of creation through the Performance Period. Positions for the New Jobs will be treated as Maintained during periods in which such positions are not filled due to (i) temporary reductions in the grantee's employment levels (so long as there is active recruitment for open positions), (ii) strikes, and (iii) other temporary work stoppages.
3. Existing Jobs: If there are existing jobs at the company's facility (or at a contractor's facility, if applicable), it is expected that the grant performance agreement will state the number of existing jobs and will require that the new jobs be in addition to the existing jobs.

In projects that involve job preservation, the number of “jobs saved” will be used to help determine the amount of the grant; however, the project must still meet the appropriate minimum new job creation threshold listed above.

4. Contractor Job Information: If the company wishes to count the new jobs created by contractors in meeting its new jobs target, as described in the last sentence of the definition of “New Job,” the company will be responsible for gathering and disseminating to VEDP information regarding those jobs, including whether such jobs are “net, new jobs” in the Commonwealth.
5. Date from Which to Count New Jobs: For the expansion of an existing facility, the date from which VEDP will start counting new jobs generally will be around the announcement date. It is not expected that this date will ever be earlier than the date that the company received an incentive proposal from VEDP.
6. New Teleworking Jobs: Per COV § 2.2-621, VEDP may consider teleworking positions held by Virginia residents when assessing qualification or compliance for receipt or maintenance of performance-based incentives with job creation requirements.

C. Policy Regarding Capital Investment

1. Used Equipment Moved to Project: Generally, VEDP will not count as “capital investment” the value of used equipment transferred by the company to the project site. VEDP may, in its discretion (which it expects to exercise only in very unusual circumstances), allow such equipment to count toward qualifying investment if it is being moved to the Commonwealth from outside the Commonwealth and it does not represent more than half of the qualifying capital investment. The community’s assessed value of the used equipment to which the local tax rate will be applied will be considered in determining qualifying capital investment.
2. Operating Leases/Expenses: VEDP may, at its discretion, determine that the value of machinery and equipment leased under an operating lease will qualify as a capital investment.
3. VEDP may, in its discretion, determine that the value of the construction or improvement of real property leased under an operating lease will qualify as a capital investment but is likely to do so only in circumstances in which (1) the operating lease is for at least the longer of five years or twice the period of time until VEDP has estimated that the Commonwealth will be revenue positive on the project, taking into account all incentives offered to the company by the Commonwealth, (2) the real property would not be constructed or improved “but for” the company’s interest in leasing some or all of the facility, and (3) if for an improvement project, the improvements will significantly increase the taxable value of the property. Only that portion of

the construction or improvement costs related to the portion of the facility to be leased to the company may qualify.

4. Capital investment generally will not include operating expenses, except operating leases to the limited extent noted above.
5. Capital Leases: Capital investment may include the value of real or personal property leased under a capital lease.
6. Exclusion for the Cost of Land and Existing Buildings: The cost of the acquisition of land and existing buildings will not count toward the required capital investment thresholds unless the land and existing buildings are being purchased from a governmental entity and are being returned to the tax rolls.
7. Date from Which to Count Capital Investment: For an expansion of an existing facility, the date from which VEDP will start counting capital investment generally will be around the announcement date. It is not expected that this date will ever be earlier than the date that the company received an incentive proposal from VEDP.

D. Miscellaneous

1. Assignment: The Company may not assign its rights or obligations under a performance agreement without the express written approval from VEDP and the community. VEDP will consider a reassignment of rights and obligations in the event that there is a transfer to a parent company, subsidiary, or sister entity, there is no net effect on new job creation and capital investment, and the benefits accruing to the locality and the Commonwealth will remain substantially the same.
2. Change in Law: The provisions described in these guidelines reflect the provisions in the Code of Virginia as of July 1, 2023. Changes made by the General Assembly in the applicable provisions of the Code of Virginia will be read into and will be deemed to amend these guidelines.
3. Confidentiality: Each grantee should be aware that information regarding the grantee, including its application materials and its level of achievement of its performance goals under the performance agreement, may be shared by VEDP with the Virginia Small Business Financing Authority, the Joint Legislative Audit and Review Commission, and the general public.

III. Approval of the VEDP Board of Directors

1. The VEDP Incentives Administration Policy and Procedures Guidelines must be reviewed annually by the President with the Chair of the Board's Finance and Audit Committee. Any changes will be set forth in revised Guidelines and will be shared with the full Board at its next meeting. The most recent approval of this document was September 19~~4~~, 202~~4~~³.

IV. Due Diligence Process for Discretionary Incentives

A. Information Gathering and Project Company Communication

1. The Project Manager (PM) is the lead, with the BI ~~Senior~~ Vice President (BI ~~SVP~~), TS Senior Vice President (TS SVP), RTSBO Vice President (RTSBO VP), RTSBO Assistant Vice President (RTSBO AVP), ~~VP Incentives (VPI)~~, the Incentives Division, and the Research Division involved at different stages.
2. When needed, the PM may consult with the Incentives Division for assistance.
3. The PM works with the company, consultant (if any), and the local and/or regional economic developer to request the pertinent data per the information checklist (Exhibit A). This checklist is designed to be a tool for the PM to efficiently request all pertinent information for the project to be considered for an incentive. While it may be shared with the project company, its use is at the discretion of the PM.
4. Once the above information is received by the PM from the project company, it is uploaded to Salesforce. If incentives are being considered, the PM will alert the Incentives Division.
5. Data required for the calculation of the Commonwealth's anticipated Return on Incentive (ROI) is sent by the PM to the Incentive Division's Director of Incentive Programs and the Incentive ~~Manager~~/Analyst.
6. ROI is a measure that compares the expected amount of state incentive funds used to secure a project to the estimated state tax revenues resulting from the project activity, including when it is expected that the tax revenue generated from the project is expected to exceed the Commonwealth's incentive outlay.
7. If the project warrants financial statements, for due diligence purposes, these are shared with the Incentives Division for analysis.
8. If and when the project is expected to go before the Project Review and Credit Committee (PRACC), a folder is created on the K-drive, PRACC, 1 PRACC Queue. The folder is named in the following manner: name of the company, project name in parentheses, and the Salesforce number also in parentheses (e.g., Company Name (Example) (2021-123456)). As documents are prepared for review, they are stored in the folder.
9. Allowing three to four business days before a PRACC meeting for the vetting process is necessary.

B. Initial Vetting Process

1. The Incentives Division will conduct research on the company, if required, analyze the financial statements, prepare a financial summary, and assign a risk rating (high, moderate, or low). If no financial documents are provided for a project that would otherwise require financial review, an unknown rating will be assigned. The financial summary will be put in Salesforce and the appropriate PRACC folder.
2. The Incentives Division ~~Financial Analyst~~ Director of Financial Analysis will input the Risk Rating for each PRACC reviewed project, which will trigger a Salesforce email to the BI Project Manager with the results of the financial analysis. The PM will notify the local and/or regional economic developers of the risk rating.
3. Basic documentation required for a PRACC review and consideration includes the ROI, the financial summary and risk assessment (to include results from an internet search), and the preapproval memo. The ROI is prepared by the Incentives Division. The financial summary, risk assessment, and internet search is conducted by the Incentives Division. Prior to PRACC, the Incentives Division, in conjunction with the BI ~~SVP~~, RTSBO VP, and the RTSBO AVP, will make a recommendation for the payout of any discretionary grants. Before the PRACC meeting, a draft of the preapproval memo (or approval memo for VJIP and Virginia Talent Accelerator Program purposes only) is prepared by the BI Division. The Incentives Division adds comments addressing the financial review, the risk rating and supporting comments, any concerns or observations about information gathered from the internet search, and information related to previously-administered VEDP incentives. The Incentives Division adds comments regarding the ROI and the Commonwealth's expected break-even point.

In conjunction with the Incentives Division, the Research Division will determine the employment baseline for projects with existing Virginia operations.

- a) If a company has multiple Virginia locations, the most recent VEC four-quarter average employment of all Virginia facilities will be used to calculate the employment baseline unless an extenuating circumstance can be documented.
- b) If a company provides a higher employment number than the most recent VEC four-quarter average employment documents, the employment figure provided by the company will serve as the existing baseline.

Working in conjunction with the BI Division, it is the Incentives Division's goal to have all the documentation for the PRACC meeting completed by noon two

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business days prior to the meeting. Any exceptions should be rare and agreed upon by the [BI SVP](#).

The Incentives Division will prepare a folder containing the required documents to be reviewed at the meeting. The folder is named mm.dd.yyyy Meeting. Once all the documents are completed in the project's 1 PRACC Queue folder, the project documents should be stored in the meeting folder within the respective project folders. PRACC documents are sent to the PRACC members via email.

C. VEDP Project Review and Credit Committee (PRACC) Process

1. The purpose of PRACC is to formalize the review process as a part of VEDP's due diligence. Each request will be considered through the lens of the Guiding Principles for VEDP-Administered Incentives. The PRACC members discuss and make a determination as to (i) whether the project is a good use of the grant funds, (ii) whether to confirm or change the initially assigned risk rating of the company, (iii) the amount of the grant, if any, to be awarded, (iv) the appropriate length of the performance period based on company/locality projections, (v) the milestones to be reached for the scheduled payments, and (vi) the schedule of payments (tranches) from the incentive. PRACC members review the elements of the project; consider strategic, competitive, and financial implications to the locality and the company; and evaluate the risk assessment and ROI analysis. In making the assessment, the members will consider the value of the project to the Commonwealth, the locality, and the region. Members are invited to make suggestions regarding other incentives and other financial resources (such as loans, bonds, etc.) that may be deemed useful. PRACC will vote on the approval of all projects brought before the committee and will confirm the proposed risk rating, the incentive value, and the structure of the incentive.
2. All projects receiving the following discretionary incentives from VEDP must be reviewed and approved by PRACC. In addition, PRACC deliberates and makes recommendations on all requests for performance extensions and recommends action on projects requiring clawbacks:
 - a) COF
 - b) VIP
 - c) VEDIG
 - d) MEE
 - e) NCIP
 - f) Custom Performance Grants/[Special Appropriations](#)
 - g) VJIP
3. The ~~eighteen~~ voting members of PRACC include:
 - a) President and CEO (Alternate; Senior Vice President of Policy and Strategic Partnerships)
 - b) Executive Vice President

- c) General Counsel (Alternate: Assistant General Counsel)
- d) ~~Senior Vice President – Business Investment~~
- e) Senior Vice President - Business Investment
- f) ~~Vice President – Incentives~~
- g) Vice President - Regional Talent Solutions and Business Outreach
(Alternate; Senior Vice President of Talent Solutions)
- h) ~~Managing Director – Research (Alternate: Vice President – Research)~~
- i) Incentives, Director of Incentive Programs
- j) Incentives, ~~Financial Analyst~~ Director of Finance [Financial Analysis](#)

A majority of the voting members of PRACC (~~six~~five) must be present to constitute a quorum. A project is approved if a majority of the voting members present at the PRACC meeting vote “yes.” The votes and payment milestones are maintained in Salesforce by the Incentives Division.

4. PRACC-Approved Grant Request
 - a) If approved by PRACC, a preapproval memo and the ROI analysis will be conveyed to the Secretary of Commerce and Trade (SCT) for pre-approval or, for VJIP and Virginia Talent Accelerator Program purposes, for approval.
 - b) The memo reflects PRACC’s collective recommendation and includes any additional terms, conditions, milestones, and security measures (such as letters of credit or collateral) set by PRACC.
 - c) It is expected that the SCT will review and take action on the memo within one week of receiving the documentation.
 - (1) Generally, VEDP’s ~~S~~VP of BI will meet with the SCT weekly to review incentive proposals.
 - (2) The SCT will approve, amend, or decline each incentive proposal.
 - (3) If approved, the SCT will sign the memo, and it will be returned to the Incentives Staff, who will communicate the SCT’s decision to the PM and all PRACC members.
 - (4) If a weekly meeting with the SCT is not held, the SCT may email the decision to VEDP.
 - (5) If approved, and if approval by the Major Employment and Investment Project Approval Commission (MEI Commission) is not necessary, the PM delivers Virginia’s proposal outlining incentives and requirements to the company and notifies the local and/or regional economic developers.
 - (6) The PM’s documentation to the company and locality reflects that Virginia’s proposal expires six months from the date of notification if not accepted by the company.
 - (7) The Incentives Director of Compliance tracks and follows up on any expiring proposals.

5. PRACC Denies Grant Request
 - a) If a majority of PRACC's voting members present at a PRACC meeting vote to not recommend the request to the SCT, the PM will notify the company and the local and/or regional economic development partners of the decision and the reasons for the disapproval.

6. Major Employment and Investment Commission (MEI) Approval
 - a) The MEI Project Approval Commission (MEI) is a 14-member advisory commission in the legislative branch of state government, established to review financing for individual incentive packages, including but not limited to packages offering incentives for economic development. VEDP will request MEI approval if:
 - (1) one or more of the incentives in the incentive package is not authorized under current law;
 - (2) an amendment by the General Assembly is being sought to one or more currently existing incentives included as part of the incentive package;
 - (3) any incentive package that includes the award of a cash payment of more than \$3.5 million from any fund prior to the project meeting any performance metrics;
 - (4) the aggregate amount of incentives to be provided by the Commonwealth in the incentive package is in excess of \$10 million in value (the value of existing non-discretionary tax credits, tax incentives, and grants shall not be considered in the value, except for the sales and use tax exemption for data centers and the motion picture production tax credit);
 - (5) discretionary incentives in excess of \$2.5 million are offered to a company relocating within the Commonwealth, while simultaneously closing or reducing operations at an existing Virginia facility.
 - b) MEI approval is not required for incentive packages consisting of only non-discretionary tax credits or exemptions available to any qualified taxpayer under existing law.

7. Company Decisions for Virginia
 - a) For COF or NCIP: if the company makes a decision for Virginia, the locality will submit an application letter to the CEO of VEDP, and the company will submit an application letter to the chief appointed officer of the locality. The company's application letter should accompany the locality's application to VEDP.
 - b) For VIP, MEE, and VEDIG: if the company makes a decision for Virginia, the company submits an application letter to the CEO of VEDP.

- c) For VJIP: if the company makes a decision for Virginia, the company completes the VJIP application, if not already done. The VP RTSBO reviews the application letters and confirms they are consistent with the terms and conditions and amounts reflected in the preapproval or approval (if VJIP only) memo. Any discrepancies with the VJIP application will be discussed by the PM with the company (and, in the case of COFs, the company and locality).
- d) BI will draft application letters and forward to the Incentives Director of Compliance for review.
- e) BI, after approving the application letters, will forward them to the Incentives Director of Compliance for processing and data input into Salesforce.
- f) The Incentives Director of Compliance will prepare a Decision Brief for submittal by the VEDP CEO to the Governor for final approval. The package first goes through the SCT, the Chief of Staff, and then to the Governor.
- g) The Decision Brief details the project background and parameters and includes the ROI analysis.
- h) When the Decision Brief is signed by all three parties, it is returned to VEDP to the Incentives Director of Compliance.
- i) When received, the Incentives Director of Compliance notifies the PM, PRACC, and the Marketing and Communications Division (M&C) to let them know it is approved for an announcement to be made.
- j) A performance agreement (PA) is drafted by the General Counsel's office per the terms and conditions required. (All performance agreements for COFs are required to contain a clawback provision in conformance with COV § 2.2-2237.3.C). VEDP's General Counsel and the Incentives Director of Compliance will review the PA to ensure compliance with terms of the incentive as approved by PRACC.
- k) For NCIP, the company is not required to enter into a performance agreement (PA). However, the General Counsel will draft an administrative agreement outlining relevant terms and conditions per COV § 58.1-405.1.
- l) All draft COF PAs and NCIP administrative agreements are submitted to the Office of the Attorney General for review and approval (mandated in the Code of Virginia).
- m) All draft COF PAs and NCIP administrative agreements are submitted to the locality for its input.
- n) For all incentives except VJIP and the Virginia Talent Accelerator Program, the PA is submitted to the company for its input. Generally, for a COF or NCIP, this step will occur after the locality has had a chance to review the agreement.
- o) For VJIP, the company submits an application.

- p) When approved by all applicable parties, the PA is then submitted to the company for execution. For COFs, the locality receives the PA to be executed by the locality and the beneficiary company.
 - q) Concurrent with the first approved project in a locality, a Memorandum of Understanding (MOU) may, if requested by the locality, be drafted by the VEDP Incentives Staff outlining the reporting responsibilities of the local Commissioner of the Revenue relative to COV § 58.1-3122.3. This section requires that the Commissioner provide tax information necessary to facilitate the administration and enforcement by VEDP of performance agreements with businesses that have received incentive awards. This MOU need only be executed once with the first project but will be in force on an ongoing basis for every project receiving incentives in that locality.
 - r) Under no circumstances will the company, the locality, or the region announce the project before the Governor's announcement. If an announcement is made by the company or the locality/region prior to the Governor's announcement, the incentive may be withdrawn.
8. Cancellation of Grant
- a) If the Performance Agreement has not been signed within 18 months of the date the Governor signed the Decision Brief, the CEO of VEDP may cancel the Grant award by notifying the company and the locality.
 - b) If the Governor signs a revised Decision Brief, this will automatically cancel the initial Grant Award.

D. Grant Payment Tranches

1. As a general guideline for COF grantees, companies that have high or moderate financial risk ratings will not receive the grant proceeds until the end of the performance period once performance metrics have been fully met and verified.
2. If a company is deemed high risk, upfront disbursements to a company will be strongly discouraged unless the company provides a standby letter of credit from an approved domestic financial institution or other acceptable collateral, in an amount determined by PRACC to ensure that there is no risk of loss of public funds in the event the grantee is unable or unwilling to meet the contractual requirements. In most cases, it will only be appropriate for payment to high-risk projects to be disbursed after performance targets have been fully met and verified.
3. If a company is deemed a moderate risk, i) upfront disbursements to a company are generally discouraged unless the company provides a standby letter of credit from an approved domestic financial institution or other acceptable collateral, in an amount determined by PRACC to ensure that there is no risk of loss of public funds in the event the grantee is unable or unwilling to meet the contractual requirements, or ii) partial disbursements

may be allowed after a company has reached sufficient contractual requirements to be at the project's ROI break-even point for COF and further disbursed in tranches when milestones are met, and the project is at its final completion date.

4. If a company is deemed low risk, upfront disbursements to a company will generally be discouraged; however, partial disbursements may be allowed upfront for purposes of applying toward reimbursement of construction and other qualifying upfront costs. In some cases, disbursements for reimbursable costs may be allowed as early as toward the end of the first year of the company's project should PRACC determine that such disbursement is warranted and is key to the success of the project.
5. In some cases, a company may choose not to disclose its financial statements to VEDP or the financial statements may be in a foreign language or a foreign currency. In other cases, the financial statements may not be subject to any U.S. or international generally accepted accounting standards. In both types of cases, where VEDP may still wish to proceed with consideration of the incentive request, the Incentives Division will assign a "high risk" or "Unknown" assessment to the company and recommend any incentive distribution be made only after full performance of the targets has been achieved. The remainder of the vetting process, as described above, will still be conducted even if financial information has not been provided or is not in a format that is understandable to the Incentives Division.

NOTE: Throughout the entire due diligence process, the information should be recorded in Salesforce.

E. Approval Process for Projects Receiving VJIP and/or Virginia Talent Accelerator Program

1. Approval Memos
 - a) Before a VJIP incentive amount or the market-value of the Virginia Talent Accelerator Program services can be shared with the company, consultant, or local or regional partner, the amount must be approved by PRACC and the SCT.
 - b) After the PM has ensured that the project qualifies for VJIP or the Virginia Talent Accelerator Program, the PM drafts the approval memo. The approval memo is reviewed by the BI VP and the Incentives Staff.
 - c) After PRACC approves the incentive offer, it is submitted to the SCT for approval.
 - d) It is expected that the SCT will review and take action on the approval within one week of receiving the documentation.
 - (1) Generally, VEDP's SVP of BI will meet with the SCT weekly to review incentive proposals.

- (2) The SCT will approve, amend, or decline each incentive proposal.
- (3) If approved, the SCT will sign the approval memo, and it will be returned to the Incentives Division. The Incentives Staff will communicate to the PM and all PRACC members the SCT's decision.
- (4) If a weekly meeting with the SCT is not held, the SCT may email the decision to VEDP.

~~(4)2.~~ VJIP Retraining incentives under \$30,000 will be approved by VEDP's President and CEO. VJIP Retraining incentives above \$30,000 will be approved by the SCT.

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V. Capital Investment and Employment and Wage Reporting and Verification

A. General Guidelines

1. A key responsibility of VEDP's due diligence process is the necessary monitoring of outstanding VEDP-administered discretionary incentives. The performance agreement states that the company must provide annual or periodic (depending on the incentive) progress reports in meeting the terms, conditions, and milestones under the agreement. Therefore, the company will need to provide to VEDP (through the locality for a COF) such information as the number of net new jobs added, the average wage rate of the new jobs, and the capital investment made by the company. This report must be certified for its accuracy by an officer of the company. Final reports will be verified against reports the Incentives Division staff may receive from such state and local agencies as the local Commissioners of the Revenue (to verify capital investment) and the Virginia Employment Commission (VEC) (to verify the number of employees and average wage rate). There may also be times when it may become necessary for a member of the VEDP Incentives or Business Investment staff to visit a company in order to directly verify certain required information.
2. VEDP may require that a recipient company provide copies of employer quarterly payroll reports that have been provided to the VEC to verify the employment status of any position included in the employment goal. The PA will require that the company report the required data by location for the project being provided the incentive.
3. Each performance agreement contains the statutory minimum capital investment and new jobs targets as set forth in the applicable statute pursuant to which the incentive was awarded, as well as the capital investment, new jobs, and average annual wage targets which the company is expected to achieve for the particular project.
 - a) A company must achieve the statutory minimum capital investment and new jobs targets to qualify for the grant. If the company fails to

achieve both statutory minimum requirements, the grant will not be paid out or, in the case of COF and VJIP grants, which may be paid out prior to the completion of the performance period based upon the company reaching certain milestones set forth in the performance agreement, the entire grant must be repaid to the Commonwealth.

- b) If the company achieves the statutory minimum requirements but does not fully achieve the expected capital investment and/or new jobs targets, the approved grant amount may be reduced proportionately or, in the case of a COF grant paid prior to the performance date, a portion of the grant may be required to be repaid to the Commonwealth.
4. To ensure the proper monitoring and review of the status and progress of these targets, each performance agreement contains specific reporting obligations and verification procedures.

B. Annual Progress Reports

1. For a COF grant, the locality in which a company's facility is located works with the company to file with the Incentives Division an annual progress report for each year of the performance period by the date set forth in the performance agreement.
2. For Virginia Investment Partnership (VIP) grants, Virginia Economic Development Incentive Grants (VEDIG), and Major Eligible Employer (MEE) grants, the company will file with the Incentives Division an annual progress report for each year of the performance period and the payment period by the date set forth in the performance agreement.
3. All annual progress reports will capture a company's progress toward the capital investment, average annual wage, and job creation targets as outlined in the performance agreement. The company will also reflect its confidence level (high, moderate, or low) in reaching those targets, if not yet achieved. The company is encouraged to discuss any potential changes which may impact the achievement of those targets. The company must certify as to the accuracy of the report. There may be times when it is necessary for the Incentives Division to discuss the terms of the agreement with the company and/or locality if sufficient progress towards the targets is not being made. A company's progress and its confidence in reaching its targets are reflected in VEDP's reports to its Board.
4. All annual progress reports will require, at a minimum, the company to submit, as applicable:
 - a) The amount of total capital investment and a summary breakdown of capital investment into categories such as land, purchase of existing building, new construction, renovation or building upfit, machinery and

- tools, furniture, fixtures and equipment, and other major categories of expenditures.
- b) A summary of the number of new jobs created and maintained at the facility, net of any baseline jobs, and the average annual wage of such new jobs.
 - c) Management's confidence level as to the achievement of its performance targets (to be classified as high, moderate, or low).
 - d) Such other documentation as the company may offer to evidence the capital investment and new jobs and average annual wage targets.
5. Upon receipt of the company's annual progress report, the Incentives Staff will compare the figures reflected on the annual progress report to the most current data available from the VEC database for purposes of ensuring general alignment between VEC's figures and the company's annual progress report.
 6. For VJIP grants:
 - a) Performance is monitored as reimbursement requests are submitted throughout the project life cycle.
 - a)b) Companies must meet the minimum threshold of job creation to begin receiving VJIP New Jobs payouts in support of their recruitment and training efforts. A single VJIP Retraining payout will be paid upon completion of the company's retraining project.
 - c) Each reimbursement request is verified through comparison with VEC data.
 - b)d) Incentives Staff will verify that the company met the capital investment thresholds to qualify for VJIP support and will track actual capital investment compared to projected.

C. Final Progress Report

1. Final Report Process
 - a) Companies receiving incentives through the COF are required in their performance agreement to file a final report after the performance date related to the performance targets outlined in the performance agreement for capital investment, average annual wage, and job creation. The report must be sent to VEDP's Incentives Staff within 90 days of the final performance date specified in the performance agreement. The final report must be accompanied by verification documentation from the VEC (i.e., FC-20) and the local Commissioner of the Revenue. The company and the locality must certify as to the accuracy of the information provided in the report.
 - b) The final report is to be submitted to VEDP's Incentives Staff along with copies of the company's four most current Employer's Quarterly Tax Reports (Form FC-20) that the company is required to submit to the VEC. The Employer's Quarterly Tax Reports (Form FC-20) are

required of all employers covered under the Virginia Unemployment Compensation Act.

- c) VEDP's Incentives Staff will compare the figures reflected on the final report to the Form FC-20. To verify the net new jobs figure, the Incentives Staff will subtract the company's baseline employment, as specified in the performance agreement, from the total employment figure reflected in the matching month of the initial performance period target date, as shown on Form FC-20 (Box A. "Employee Count") to calculate the net new jobs created. To calculate the average annual wage, the Incentives Staff will look to the wage figure reported on Box B.1. "Total Wages paid this quarter." The sum of each of the four most recent quarters' wages will be divided by the total average employment over the 12-month period to calculate the average annual wage. The verified figures are reflected in VEDP reports to its Board.
- d) VEDP's Incentives Staff will compare the figures reflected on the final report to the figures reported by the local Commissioner of the Revenue. The verified figures are reflected in VEDP reports to its Board of Directors.
- e) For VJIP, capital investment is verified directly with the local Commissioner of the Revenue at the end of the project life cycle. Capital investment data reported on the VJIP application is verified against data submitted by the Commissioner of the Revenue.
- f) The final report will compare the actual level of the local match at the final performance date with the promised local match.

2. Failure to Submit Final Report

- a) Should the Company be unable to file the report within the 90-day timeframe, the company may request a 60-day delay in filing the report. VEDP will require a \$3,000 fee to process the request for filing delay.
- b) Should the Company not file within the 90-day window nor request a filing delay (including required fee) or if the Company requests a filing delay but does not file the report prior to the new filing deadline, VEDP will withhold any grant payment and/or issue a clawback request on the full amount of the grant.

D. Initial Company Notifications

1. A company receiving a VIP, [VEDIG](#), or [MEE](#) grant will file what is referred to as ~~an Initial~~ Company Notification, ~~or a Company Notification in the case of a VEDIG or MEE grant~~, indicating the completion of the capital investment and, if applicable, the creation and maintenance of new jobs at the required average wage at the facility. The submission will include:
 - a) The amount of total capital investment and a summary breakdown of capital investment into categories such as land, purchase of existing building, new construction, renovation or building up-fit, machinery

- and tools, furniture, fixtures and equipment, and other major categories of expenditures.
- b) A summary of the number of new jobs created and maintained at the facility, net of any baseline jobs, and the average annual wage of such new jobs.
 - c) Copies of the company's four most recent Employer's Quarterly Tax Reports (Form FC-20) filed with the VEC.

E. Subsequent Company Notifications

- ~~1. A company receiving a VIP grant must submit an additional report referred to as a Subsequent Company Notification to the Incentives Division in order to ensure qualification for such grant. One year after the Initial Company Notification has been filed, the company must provide:
 - ~~a) A written certification to VEDP indicating whether there has been a net reduction in employment in the year since the completion of the capital investment and the creation of new jobs as required under its performance agreement.~~
 - ~~b) Copies of the company's four most recent Employer's Quarterly Tax Reports (Form FC-20) filed with the VEC.~~~~

F-E. Annual Payment Period Certifications

- 1. A company receiving a VIP, VEDIG, or MEE grant is required to make an additional certification to VEDP for each year throughout the payment period. Each year prior to the scheduling of the disbursement of the grant installment payment, the company must provide:
 - a) A written certification to VEDP that the capital investment has substantially remained in place during the payment period, the new jobs have been maintained during the payment period, and the facility continues to operate during the payment period at substantially the same level as existed at the time of the completion of the capital investment and creation of the new jobs as required under its performance agreement.
 - b) Copies of the company's four most recent Employer's Quarterly Tax Reports (Form FC-20) filed with the VEC.

G-F. Verification of Company Reported Capital Investment Data

- 1. Commissioner of the Revenue Records
 - a) The Incentives Division will verify the capital investment data by requesting the company's real estate tax, business personal property tax, and machinery and tools tax records from the local Commissioner

of the Revenue, or equivalent official, in the applicable locality where the company's facility is located.

- (1) In accordance with COV § 58.1-3122.3, VEDP is entitled to receive such tax information as may be required to facilitate the administration and enforcement of a performance agreement with a company that has received an incentive award.
 - (2) A performance agreement will contain language in which the company authorizes VEDP to access this tax information and agrees to provide such other consents as may be required.
 - (3) In order to verify the capital investment claimed by the company that received an incentive award, VEDP will ask for the change in the assessed value of the project facility from the beginning to the end of the performance period and/or confirmation that the tax records reflect the capital investment reported by the company.
 - (4) Promptly upon request made by the Incentives Division, the local Commissioner of the Revenue or equivalent official will release to the Incentives Division a company's real estate tax, business personal property tax, and machinery and tools tax information.
 - (5) If the Commissioner of the Revenue or equivalent official should require documentation verifying the Incentives Division's need to access the tax information, the Incentives Division will provide a copy of the performance agreement or such documentation as such office may reasonably require.
 - (6) Any tax information provided to VEDP shall be confidential and not divulged by VEDP.
 - (7) Such tax information will be used by VEDP solely for the purpose of verifying a capital investment.
- b) VEDP recognizes that the data provided by the Commissioners of the Revenue will not match exactly the data provided by the company.
- (1) The records of the Commissioners of the Revenue represent assessed real estate, business personal property, and machinery and tools tax value, rather than actual capital expenditures.
 - (2) Tax reporting periods may not align with performance reporting periods.
 - (3) Despite these limitations, records of the Commissioners of the Revenue are the most useful data source available for independent verification purposes and should represent confirmation that some or all the expected capital investment was indeed made and is in place.

2. Utilizing Company and Local Commissioner of the Revenue Data in Determining Performance
 - a) Based on the comparison results of the company's final report against the data provided by the local Commissioner of the Revenue, VEDP's Incentives Staff will calculate how closely the data reported to VEDP matches the data reflected by the local Commissioner of the Revenue. In the event the data provided by the local Commissioner of the Revenue is 75% or more of the company's reported data as reflected in its final report, then VEDP will consider the final report data to be effectively verified.
3. Invoices
 - a) If the records of the Commissioner of the Revenue reflect achievement of less than 75% of the capital investment target, the Incentives Division will work with the company to determine the source of such discrepancy.
 - b) The company may be required to submit copies of invoices related to the capital investment paid by or on behalf of the company, accompanied by a summary of the invoices and a certification by the company that such copies are true, accurate, and complete.
 - c) The Incentives Division will sample the invoices submitted by the company and review the dates and amounts of such invoices to determine whether they comport with the company's reported capital investment totals.
4. Right to Require Audit
 - a) In every performance agreement, VEDP reserves the right to require the company to submit to audits as may be required to properly verify the capital investment.
 - b) If the local Commissioner of the Revenue's records and the invoices do not appear to reflect the reported capital investment total, then VEDP may require the company to engage a mutually agreed-upon certified public accounting firm, at the company's expense, to audit the company's records with respect to the capital investment.

H.G. Verification of Company Reported Employment and Wage Level Data

1. Virginia Employment Commission Records
 - a) Using the company's most current Employer's Quarterly Tax Report (Form FC-20) filed with the VEC during the performance period, the Incentives Division will verify the employee count. The Incentives Division will also verify the average annual wage using the company's four most recent Employer's Quarterly Tax Reports (Form FC-20) filed with the VEC.
 - (1) In accordance with COV § 60.2-114, VEDP is entitled to receive the Company's employment level and wage information from the VEC as it may require to facilitate the

- administration and enforcement by VEDP of a performance agreement with a company that has received an incentive award.
- (2) Any VEC information provided to VEDP shall be confidential and only disclosed to employees and Directors of VEDP who are public officials for the performance of their official duties.
 - (3) No public official or employee can re-disclose any such confidential information to non-legislative citizen members of the VEDP Board or the public.
 - (4) Such VEC information will be used by VEDP solely for the purpose of verifying an employment and wage claim.
- b) Form FC-20 provides the total number of employees who worked during or received pay for any part of the payroll period, plus total wages paid in the quarter, and certifies that the information is true and correct. It should be recognized that the Form FC-20 does not distinguish between full-time and part-time employees, nor does it adequately account for turnover by position.
 - c) If more detailed data is necessary, the company may be asked to provide its most recent Employer's Quarterly Payroll Report (FC-21) filed with the VEC, which provides each individual employee position and associated wages paid for the payroll period. All personally identifying employee information on such form, including Social Security number and first, middle, and last names, must be redacted. The company will be asked to highlight new jobs, net of any baseline jobs, and strike part-time positions.
 - d) Each company is requested to report to the VEC with respect to its employees at a facility-level rather than at the company-level. This will ensure ease of access to information for a facility in a specific locality.
2. Utilizing Company and VEC Data in Determining Performance
- a) Based on the comparison results of the company's final report against the Form FC-20 (or FC-21, where appropriate), VEDP's Incentives Staff will calculate how closely the data reported to VEDP matches the data reported to VEC. In the event the data provided by the company in the final report is lower than the data provided on Form FC-20, VEDP's Director of Compliance will consider the final progress report as the figure to be used when determining performance against target. In those instances, the amount of repayment (if any) associated with the new jobs target will be prorated according to the company data.
 - b) If, however, the company's final report job figure is higher than the VEC data, VEDP will request that the company provide a list of the positions filled and the wages associated with those positions. The burden is on the company to prove that its figure is the most accurate and, if sufficiently convincing, then the company's figure will be used

to evaluate performance against target and the amount of the clawback (if any); otherwise, the VEC data will be controlling.

Example:

New jobs target per the performance agreement = 100 net new jobs above the baseline. Company's final report reflects 80 net new jobs above the baseline, and VEC Form FC-20 reflects 70 net new jobs above the baseline.

VEDP's Incentives Staff would request that the company provide detailed data on the positions filled to adequately explain the discrepancy. In some cases, this scenario would require an audit. Barring the company's ability to prove the accuracy of its figure, VEDP would use VEC's figure in determining the company's performance against target and the repayment amount (if any). In this example, VEDP would determine that the company's net new job figure was 70, not 80.

3. Average Annual Wage Calculations
 - a) Should the average annual wage calculation per the company's final report be lower than the average annual wage as calculated using the four most recent quarterly VEC FC-20 reports, then the Incentives Staff shall use the final report data to compare against the performance target for average annual wage.
 - b) If, however, the company's final report reflects an average annual wage that is higher than the average as calculated using the VEC Form-FC-20, then the wage as reflected on the VEC Form FC-20 will be used.
4. Right to Require Audit
 - a) In every performance agreement, VEDP reserves the right to require such other documentation as may be necessary to evidence the new jobs and average annual wage targets and to require the company to submit to audits as may be required to properly verify the employment and wage levels.
 - b) VEDP may also request both Forms FC-20 and FC-21 directly from the VEC to verify employment numbers submitted by the company.
 - c) If the VEC records do not appear to reflect the reported new jobs and average annual wage totals, then VEDP may require the company to engage a mutually agreed-upon certified public accounting firm, at the company's expense, to audit the company's records with respect to the new jobs.

I.H. Reporting of New Teleworking Jobs

1. For performance agreements that include employees that work from home or from a different location from that included in the performance agreement (“New Teleworking Jobs”):
 - a) Residents of other states may have hybrid schedules but must physically report to the company’s Virginia facility on a regular basis, which is defined as three or more days per week.
 - b) VEDP will use residential zip codes of non-resident employees to verify those qualifying workers reside within a reasonable commute of the company’s facility; a reasonable commute is typically defined as one hour or less drive time.
 - c) Fully remote workers with a residence outside of Virginia will not be considered toward meeting pledged metrics.
2. The company must provide the necessary documentation to prove that all Remote Workers meet the New Teleworking Jobs requirement, including:
 - a) Individual titles
 - b) Individual salaries
 - c) Hire date
 - d) Zip code of the home address
 - e) State of the home address
3. In reporting New Teleworking Jobs, the company may be asked to report to the VEC with respect to its employees at a facility-level, rather than at the company-level, and to report all New Teleworking Jobs associated with the project to a single facility. This will ensure ease of access to information for the specific project at hand.

VI. Performance Extensions

A. Written Request

1. If VEDP deems that good faith and reasonable efforts have been made and are being made by the Company to achieve the Targets, the Company may request an extension of the Performance Date by up to 15 months. A company may request an extension for consideration by providing the following on company letterhead:

- a) The progress of the company in reaching its performance metrics as agreed to in the performance agreement;
- b) The reasons for the company not meeting its targets;
- c) An explanation as to how the extension will enable the company sufficient time to reach its targets; and
- d) How the targets will be achieved.

~~1. In the case of a COF Performance Agreement, each performance agreement that may allow for an extension contains specific language permitting a request for an extension similar to the following:~~

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~~— If the Locality, in consultation with the Authority and VEDP, deems that good faith and reasonable efforts have been made and are being made by the Company to achieve the Targets, the Locality may, at any time prior to the Performance Date, request an extension of the Performance Date by up to 15 months. Any extension of the Performance Date shall require the prior approval of the Board of Directors of VEDP. If the Performance Date is extended, VEDP shall send written notice of the extension to the Authority and the date to which the Performance Date has been extended shall be the “Performance Date” for the purposes of this Agreement.~~

~~2. In the case of a VJIP incentive, a company may request an extension using the following process:~~

~~If VEDP deems that good faith and reasonable efforts have been made and are being made by the Company to achieve the Targets, the Company may, at any time prior to the Performance Date, request an extension of the Performance Date by up to 15 months. Any extension of the Performance Date shall require the prior approval of the Board of Directors of VEDP. If the Performance Date is extended, the VEDP shall send written notice of the extension to the Company, and the date to which the Performance Date has been extended shall be the “Performance Date” for the purposes of this Agreement.~~

~~3.2. The request shall be made in advance of the performance period expiration date.~~

~~4. The locality’s and company’s request must address:~~

- ~~a) The progress of the company in reaching its performance metrics as agreed to in the performance agreement;~~
- ~~b) The reasons for the company not meeting its targets;~~
- ~~c) An explanation as to how the extension will enable the company sufficient time to reach its targets; and~~
- ~~d) How the targets will be achieved.~~

~~3. COF extensions will also require a letter of support from the locality.~~

~~4. VJIP Retraining incentives are not eligible for extension requests.~~

5. Additional extensions of up to 15 months each may be requested and require approval by the MEI Project Approval Commission. For COF, if such request is made, the locality must, in addition to addressing the above issues, secure from the company a payment equal to 5% of the outstanding portion of the Commonwealth’s part of the grant. In the event that the Commonwealth holds the full grant award, the 5% fee will be assessed on that portion of the grant

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for which the company is not yet eligible and for which the extension is being requested.

6. If, however, the request for additional extensions is due to an event of force majeure, payment of the 5% fee will be waived. In addition, payment of the 5% fee may be waived in other circumstances with the approval of the VEDP Board or the MEI Project Approval Commission.

B. Considerations

1. Extension requests received prior to the performance period expiration date will generally be considered for events such as force majeure, unforeseen delays in business operations that are beyond the direct control of the business, unexpected major changes in the market or industry, and other such major events that have a material adverse change on the company. Extension requests received after the performance period expiration date may be considered under extenuating circumstances
2. The Incentives Division may determine that financial projections and evidence of financing for the project are needed from the company to make a determination as to whether the project remains financially viable. If so, the locality will obtain those from the company and any interim financial statements or other documentation to support the projections.

C. VEDP Project Review and Credit Committee (PRACC) Approval

1. The Incentives Division will present the request to PRACC for approval.
2. The Incentives Division will present all data and justifications provided by the locality and the company in support of the company's and locality's request.
3. The Incentives Division may also calculate a revised Return on Investment (ROI) in order to evaluate how the delayed completion of performance targets compares to the original ROI.
4. PRACC will consider the request at its weekly meeting and will make a determination on whether to recommend approval of the extension to VEDP's Board.
5. If the recommendation is not approved, the Incentives Division will give the locality and/or the company the reasons for the decision and sufficient guidance as to what would be necessary for a PRACC approval.
6. The Incentives Division will record the reasons for the approval or the disapproval in Salesforce.

D. Board and MEI Approval

1. If the extension is recommended for approval by PRACC, the request will be taken to the Board for a decision. All data and justifications provided in support of the recommendation of the company's and locality's request will be provided to the Board.
2. ~~For COF, in~~ In the event of an additional request for an extension, the request must be approved by the MEI Project Approval Commission (MEI) as well.
3. The Incentives Division will promptly notify the locality and/or company of the approval or the disapproval decision in writing.

VII. Clawbacks

A. If Statutory Minimum Eligibility Requirements Are Not Met

1. Failure by a company to meet the statutory minimums detailed in the "Statutory Eligibility" section will constitute a breach of the performance agreement, and the grant is subject to a 100% repayment or reduction.

B. If Statutory Minimum Eligibility Requirements Are Met

1. If a company meets its new jobs and capital investment targets by the Performance Date, there will be no repayment or reduction, assuming that the statutory minimum requirements have been achieved. If the minimum statutory thresholds are met, but the jobs and/or investment targets are not fully met, then there will be a repayment or reduction in proportion to the underperformance.

C. Determination of Inability to Comply

1. If at any time the community or VEDP concludes that the company will be unable or unwilling to meet its new jobs and capital investment targets by the performance date, the entire COF grant will be subject to repayment. Such a conclusion may be based on factors such as the bankruptcy of the company, the sale or liquidation of the company, or the cessation or substantial reduction of operations by the company in the community.

D. Demand for Payment

1. In the event that the terms of the performance agreement have not been met by the applicable performance period date, VEDP will verify employment, wage, and investment data provided by the company. Upon verification, demand for repayment or a grant reduction, if appropriate, will be made by VEDP within thirty (30) days of the date of verification. In most cases, VEDP will first go through the locality to request that the locality attempt to collect all COF funds previously disbursed to the company.

2. If appropriate, VEDP may agree to accept repayment in installments. The Board may direct the Office of the Attorney General to assist with the enforcement of a repayment.

E. Custom Grants/Special Appropriations

1. Collection procedures, where necessary, will vary based on the specific performance agreement and legislation associated with each Custom Grant on a case-by-case basis.

F. VIP, MEE, VEDIG

1. Performance agreements for these incentive programs will typically require that the company achieve employment and capital expenditure amounts above the statutory minimum and 50% of promised metrics as a basis for grant installment payments. Below this threshold, no money will be paid. Above this threshold, a prorated amount will be paid for any metric below those outlined in the performance agreement.

VIII. Commonwealth's Development Opportunity Fund (COF)

A. Guiding Principles

1. General: COF grants are made at the discretion of the Governor with the expectation that grants awarded to a locality or authority will result in a favorable decision for Virginia. Although the COF may be used to make loans, the practice has been to use the COF for grants.
2. Allocations: In accordance with COV § 2.2-115 C "Beginning with the five fiscal years from fiscal year 2006-2007 through fiscal year 2010-2011, and for every five fiscal years' period thereafter, in general, no less than one-third of the moneys appropriated to the Fund in every such five-year period shall be awarded to counties and cities having an annual average unemployment rate that is greater than the final statewide average unemployment rate for the calendar year that immediately precedes the calendar year of the award. However, if such one-third requirement will not be met because economic development prospects in such counties and cities are unable to fulfill the applicable minimum private investment and new jobs requirements set forth in this section, then any funds remaining in the Fund at the end of the five-year period that would have otherwise been awarded to such counties and cities shall be made available for awards in the next five fiscal years' period." VEDP will compile a report at each fiscal year end to include the most current five-year period to ensure compliance is maintained.

COV § 2.2-115 F.1.: "The guidelines and criteria shall include provisions for geographic diversity and a cap on the amount of funds to be provided to any individual project. At the discretion of the Governor, this cap may be waived

for qualifying projects of regional or statewide interest. In developing the guidelines and criteria, VEDP shall use the measure for Fiscal Stress published by the Commission on Local Government of the Department of Housing and Community Development for the locality in which the project is located or will be located as one method of determining the amount of assistance a locality shall receive from the Fund.”

3. Multiple Grants: Localities may receive more than one COF grant during a fiscal year. Grants may be made for more than one project for a single company, but the projects must clearly represent separate investments for separate projects.
4. Relocations: COV § 2.2-115 D “...the Fund shall not be used for any economic development project in which a business relocates or expands its operations in one or more Virginia localities and simultaneously closes its operations or substantially reduces the number of its employees in another Virginia locality, unless the procedures set forth in § 30-310 are followed. The Secretary of Commerce and Trade shall enforce this policy and for any exception thereto shall, pursuant to § 30-310, submit such projects to the MEI Project Approval Commission established pursuant to § 30-309.”
5. Downsizing: If the company has existing operations in Virginia and has closed, downsized, consolidated, or laid off employees within the past 30 months prior to such company filing a COF application, there may be a bias toward not approving such application. The company will be offered an opportunity to explain such actions and to provide assurances regarding the expected new jobs and capital investment.
6. Hiring of Virginia Residents: In the performance agreement for the COF grant, the company will be strongly encouraged to ensure that at least 30% of the new jobs are offered to “Residents” of the Commonwealth, as defined in COV § 58.1-302.
7. Use of COF Proceeds: In accordance with COV § 2.2-115 D of the COF Act, COF Proceeds “may be used for public and private utility extension or capacity development on and off site; public and private installation, extension, or capacity development of high-speed or broadband Internet access, whether on or off site; road, rail, or other transportation access costs beyond the funding capability of existing programs; site acquisition; grading, drainage, paving, and any other activity required to prepare a site for construction; construction of publicly or privately owned buildings or build-out of publicly or privately owned buildings; training; or grants or loans to an industrial development authority, housing and redevelopment authority, or other political subdivision for purposes directly relating to any of the foregoing. In no case may COF proceeds be used, directly or indirectly, to pay or guarantee the payment for any rental, lease, license, or other contractual right to the use of any property.”

8. Political Contributions: For a company receiving a COF grant based upon an application made on or after July 1, 2016, there is a notification requirement for certain political contributions. For any political contributions, gifts, or other items with a value greater than \$100 made by the company to the Governor or his/her political action committee or his/her campaign committee from the date of the application for the COF grant until one year after the COF grant is awarded, the Governor, or his/her political action committee or campaign committee, must notify the Virginia Conflict of Interest and Ethics Advisory Council that such a contribution, gift, or other item of value over \$100 has been received.

B. Statutory Eligibility

1. The COF has several levels of qualification based on such measures as a locality's unemployment rate and poverty rate.

General Eligibility Thresholds: COV § 2.2-115 E.1.a. and E.1.b.

- a) 50 new jobs/\$5 million capital investment; or
 - b) 25 new jobs/\$100 million capital investment
 - c) The average annual wage for the new jobs must be at least equal to the prevailing average annual wage in the locality, excluding fringe benefits
 - d) If the average annual wage is twice the prevailing average annual wage, the Governor may reduce the new jobs threshold to as low as 25
2. Eligibility Thresholds in Localities with Above-Average Unemployment or Above-Average Poverty (so-called distressed localities): COV § 2.2-115 E.2 and E.4
 - a) For a locality with an unemployment rate for the most recent calendar year for which such data is available above the average statewide unemployment rate for that calendar year **or** with a poverty rate for the most recent calendar year for which such data is available above the statewide average poverty rate for that calendar year, the thresholds are:
 - (1) 25 new jobs/\$2.5 million capital investment
 - (2) Jobs may pay below the prevailing average annual wage in the locality, but must pay at least 85% of such prevailing average annual wage
 - (3) If the average annual wage of the new jobs is less than 85% of the prevailing average annual wage, but the customary employee benefits are offered, the Governor may still award a grant or loan, but the Secretary of Commerce and Trade must furnish a written explanation to the Chairmen of the Senate Finance and House Appropriations Committees setting forth the urgent need to provide a grant or loan to that project

3. Eligibility Thresholds in Localities with Above-Average Unemployment and Above-Average Poverty (so-called double distressed): COV § 2.2-115 E.3. and E.4
 - a) For a locality with an unemployment rate for the most recent calendar year for which such data is available above the average statewide unemployment rate for that calendar year **and** with a poverty rate for the most recent calendar year for which such data is available above the statewide average poverty rate for that calendar year, the thresholds are:
 - (1) 15 new jobs/\$1.5 million capital investment
 - (2) Jobs may pay below the prevailing average annual wage in the locality, but must pay at least 85% of such prevailing average annual wage
 - (3) If the average annual wage of the new jobs is less than 85% of the prevailing average annual wage, but the customary employee benefits are offered, the Governor may still award a grant or loan, but the Secretary of Commerce and Trade must furnish a written explanation to the Chairmen of the Senate Finance and House Appropriations Committees setting forth the urgent need to provide a grant or loan to that project
4. In accordance with COV § 2.2-115 A "Prevailing average wage" means that amount determined by the Virginia Employment Commission to be the average wage paid workers in the city or county of the Commonwealth where the economic development project is located. The prevailing average wage shall be determined without regard to any fringe benefits.
5. Data from the Bureau of Labor Statistics' Local Area Unemployment Statistics (LAUS) is the primary source of annual unemployment rates (<https://data.virginialmi.com>).
6. Capital Investment Waiver for Remote Work: In circumstances where a company will create at least the minimum number of new jobs required by Code, and at least 75% of those jobs will be new teleworking jobs for which the majority of the work is performed remotely, the Governor may reduce or waive the COF capital investment requirement. For new teleworking jobs to be considered, the jobs must be held by Virginia residents and pay at least 120% of the Virginia Minimum Wage as defined by the Virginia Minimum Wage Act (§ 40.1-28.8 et seq.)

C. Local Matches

1. Qualifying Local Matches: Localities must at least match dollar-for-dollar with local funds the amount requested from the COF. Previously invested local funds, grants of moneys from other government sources (except as noted below with respect to the Tobacco Region Opportunity Fund), and contributions from private interests which benefit from the project's location may not be counted as part of the local match. A local match may be funded

by an in-kind contribution from the locality for the direct benefit of the grantee, such as infrastructure development, fee waivers, or free or reduced-price land or buildings.

2. Local Match Waiver: In very unique circumstances, the Governor may waive or reduce the requirement for a local match for projects that the Governor has determined are of statewide or regional interest. Criteria such as vacancy and unemployment or poverty rates in the immediate area of the proposed site may be considered in the decision-making process. If the minimum private capital investment is reduced or waived for a company creating jobs of which at least 75% will be new teleworking jobs in Virginia, the Governor may provide full or partial relief from the local matching requirement as well.
3. Local Enterprise Zone incentives may be counted toward the local match where the locality makes actual expenditures after the project is announced to benefit the project.
4. Grants for a project made to the locality from the Tobacco Region Opportunity Fund may be used as up to one-half of the local match for the COF grant.
5. Date by Which Local Matches Must be Provided: Local matches generally must be made by the performance date by which the company is obligated to complete its capital investment and job creation and maintenance; however, an additional two years may be granted for the local match to be completed if needed.

D. Application Process

1. Once the due diligence process is complete and a COF grant has been pre-approved for a company, the company can submit an application to VEDP.
2. Applications should consist of two documents: 1) a community letter sent by the chief appointed official of any county, city, town or other applicable political subdivision to the President and Chief Executive Officer of VEDP, and (2) a letter sent by the company to the locality where the project will be located. The company letter should accompany the community letter.
3. Community Letter: It is expected that the letter from the community will use the following format and include the following information:
 - a) A summary statement presenting the importance of the project to the community and why support from the COF is being sought;
 - b) Amount requested;
 - c) The expected use of the funds;
 - d) Description of the project, including:
 - (1) Company name and information (website, stock exchange ticker)
 - (2) Type of operation (i.e., manufacturing, distribution, etc.)

- (3) Headquarters location
 - (4) Virginia operations (if any exist)
 - (5) What the company is planning to do in Virginia
 - (6) Employment impact on current operations in Virginia
 - e) Location of the project, including the community, and its population, current unemployment and poverty rates, and prevailing average annual wage;
 - f) Details of capital investment, including, but not limited to, the value of property to be leased under a capital lease, or other investments of capital that add to the local tax revenues;
 - g) Jobs anticipated to be created and maintained by the company's performance date (generally three years after the locality receives a grant payment), information on "jobs saved," average salary level and total yearly payroll of jobs created;
 - h) Local and state financial participation, specifying new moneys to be allocated to the project and how those funds will be used;
 - i) Description of other public funds that have been or will be expended for the project, such as training or past public expenditures for road, utility extension, or site development;
 - j) If the project for which a COF grant is being requested involves the relocation of a business from one Virginia locality to another, the community applying for the grant must officially notify the community from which the business is moving. For such projects, a statement must be included in the COF application that this notification has taken place and must also provide the reasons for the move and the out-of-state competition;
 - k) If applicable, an acknowledgement that the COF grant proceeds will be disbursed in installments, as certain milestones are achieved; and
 - l) Any other current or background information pertinent to the project that might assist the Governor in making an informed decision based on complete knowledge. Communities are obliged to disclose any information that could reflect negatively on the project.
4. Company Letter: It is expected that the letter from the company will use the following format and include the following information:
- a) An indication from the company that without support from the COF, there is a possibility that the project could be located outside of Virginia and that only one site in Virginia is under consideration for the project;
 - b) An indication from the company of the number of new jobs expected to be created (and saved, if any) and maintained, payroll and salary levels, and a statement confirming the company offers its employees a standard package of fringe benefits;
 - c) An indication of the capital investment expected to be made by or on behalf of the company at the facility in the community by the

- performance date, which is generally three years, including an indication of the extent to which the company expects to make the capital investment through the use of operating or capital leases;
- d) An affirmation that the proposed project will not result in a closing, loss of jobs, consolidation, or change to any existing operations in Virginia for the duration of the performance period;
 - e) If applicable, an acknowledgement that the COF grant proceeds will be disbursed in installments, as certain milestones are achieved;
 - f) An affirmation that the company has not closed, downsized, consolidated, or laid off employees at existing operations in Virginia within the past 12 months prior to the application date, or, if it has, additional assurances regarding the stability of the new jobs and capital investment.
 - g) A copy of the company's W-9.

E. Performance Agreement

1. Performance Agreement Between VEDP, Community, and Company: Since a COF grant is awarded to a community, the community is required to enter into a performance agreement with the company and VEDP before it may receive the COF grant. This is to ensure that the company will meet the new job and capital investment levels as stated in its application and as agreed to. It is expected that the performance agreement will also have the community's industrial or economic development authority and VEDP as parties. (§2.2-115 F.2.a.).
2. Targets and Statutory Criteria: The performance agreement will set forth the (i) capital investment target; (ii) new jobs target; (iii) wage target; (iv) fair market value of all funds the Commonwealth is expected to provide; (v) fair market value of the local match; (vi) prevailing average wage in locality; (vii) performance date; (viii) reporting and target verification procedures; and (ix) any repayment obligations.
3. Disbursement of COF Grant: The performance agreement generally will call for the COF grant to be disbursed by VEDP to the locality. In most cases, the Commonwealth will hold the grant funds until certain milestones are achieved, after which the COF funds will be paid to the locality to disburse to the company. In some circumstances, but only with the consent of the locality, VEDP may cause the COF grant proceeds to be disbursed directly to the company upon the terms and conditions to be set forth in the performance agreement.
4. Performance Date: The performance agreement will include an end date by which the company will achieve the capital investment and new jobs targets ("Performance Date"). The Performance Date is generally 36 months after the date the project is announced. If the company has not achieved its pledged new jobs and capital investment targets by the Performance Date set forth in

the performance agreement, the locality, in consultation with VEDP, may request an extension of up to 15 months. Any extension of the Performance Date requires prior approval by VEDP's Project Review and Credit Committee ("PRACC") and the VEDP Board of Directors. Any additional extensions must be approved by PRACC, the VEDP Board, and the Major Employment and Investment (MEI) Project Approval Commission. COV § 2.2-115 F.2.b. and 2.2-2237.2.

5. Office of the Attorney General (OAG) Review: Once VEDP, the locality, and the company are comfortable with the language of the performance agreement, the performance agreement must be presented to the OAG for review of proper legal form. The OAG will have up to seven days to provide written comments regarding the performance agreement.

IX. Virginia Economic Development Incentive Grant (VEDIG)

A. Guiding Principles

1. General: To be eligible for a VEDIG grant, companies located in a Metropolitan Statistical Area with a population of 300,000 or more in the most recently preceding decennial census, must: (A) create or cause to be created and maintained (i) at least 400 jobs with average salaries at least 50% greater than the prevailing average wage, or (ii) at least 300 jobs with average salaries at least 100% greater than the prevailing average wage; and (B) make a capital investment of at least \$5 million or \$6,500 per job, whichever is greater. For all companies located elsewhere in Virginia, the company must create or cause to be created and maintained at least 200 jobs with average salaries at least 50% greater than the prevailing average wage and make a capital investment of at least \$6,500 per job. Investments resulting from ongoing VEDP projects will be eligible for consideration for a VEDIG provided the investments have not yet been publicly announced. Investments made with no prior VEDP involvement and/or investments previously announced, committed, or begun will not be eligible for consideration for a VEDIG.
2. Allocations: In accordance with COV § 2.2-5102.1, A through C references that the fund is subject to the appropriation by the General Assembly of sufficient moneys to the Economic Development Incentive Grant sub-fund, and that any eligible company that meets the requirements of this section and is not awarded a VIP grant or MEE grant for the same project shall be eligible to apply for a VEDIG. VEDP established an application process by which eligible companies may apply for a VEDIG. An application for a VEDIG under this section shall not be approved for payment until VEDP has verified that the requirements for capital investment and new job creation have been satisfied.

Further, in accordance with COV § 2.2-5102.1, E through G any eligible company may be eligible to receive a grant from the Fund in no fewer than

five installments beginning in the ~~third~~^{first} year after VEDP has verified that the requirements applicable to such grant have been satisfied. All such terms shall be negotiated and set forth in a performance agreement.

3. Multiple Grants: An applicant may be granted more than one VEDIG at a time if it has more than one project and if the scope of each project has a different timeframe and independently meets the minimum capital investment, new jobs, wage rates, and all other criteria expressed herein. An applicant that has an active VEDIG but separately meets the investment threshold and employment requirements for a new project may apply for an additional VEDIG. For project investment and employment occurring in phases or stages, however, the Commonwealth will consider it as one project if: (i) the entire investment and employment is announced at one time, and (ii) the phases are clearly related to one project. If these conditions are met, the negotiated amount will reflect the entire single investment. If the company currently participates in another production grant program sponsored by the Commonwealth for a project, or another grant program under the Act, it shall not be eligible for a VEDIG for that project.

B. Application Process

1. Once the due diligence process is complete and a VEDIG has been pre-approved for a company, the company can submit an application to VEDP.
2. The applicant shall submit a detailed letter of application for a VEDIG directly to the President and Chief Executive Officer of VEDP providing the following information:
 - a) The amount and timing of the expected capital investment;
 - b) The number of new jobs expected to be created and maintained because of the capital investment and a timeline for their creation;
 - c) If the company has existing operations in Virginia, whether it has closed, downsized, consolidated, or laid off employees within the past 30 months prior to the application date;
 - d) (i) The average annual wages expected to be paid for the new jobs, (ii) whether a package of fringe benefits will be provided by the applicant to a typical employee (the statute requires standard fringe benefits), and (iii) the amount by which the expected average annual wages exceed the prevailing average wage for the area;
 - e) The amount of other incentives requested of, or offered by, the Commonwealth and the locality, including grants, tax credits or exemptions, and other cost-avoidance incentives;
 - f) General corporate information about the applicant, including date of establishment, tenure and nature of presence in Virginia, and amount of previous capital investment and existing employment; and
 - g) Other factors as may be presented and demonstrated by the applicant that might affect the calculation of the net present value of benefits to Virginia. Specifically, applicants may present marginal corporate

income (or analogous) tax revenues to Virginia attributable to the investment for which the VEDIG grant is made. If accepted, these revenues would be included in the calculation of the net present value of benefits to Virginia.

C. Amount of VEDIG Grant Award

1. For VEDIG grants awarded on or after July 1, 2019, in the aggregate, no more than \$6 million in total VEDIG grants may be awarded. The VEDIG will be paid in five annual installments at the time described below under “Performance Agreement – VEDIG Payout Schedule.”

D. Performance Agreement

1. General Provisions: Once negotiated and agreed upon, the amount and terms of the VEDIG shall be reflected in the performance agreement expected to be executed by the eligible company no later than 120 days after the public announcement of the project by the Governor.
2. Targets and Statutory Criteria: The performance agreement will set forth the (i) capital investment target; (ii) new jobs target; (iii) wage target; (iv) prevailing average manufacturing wage in locality; (v) expected performance date; (vi) reporting and target verification procedures; and (vii) any grant reduction circumstances.
3. Performance Date: The performance agreement shall contain an end date by which the capital investment and new jobs targets must have been achieved (a “Projected Completion Date”). It is VEDP’s strong preference that this date will be three years, but no more than five years, from the date the performance agreement is signed, but extensions will be considered on a case-by-case basis and shall be determined solely at VEDP’s discretion. The performance agreement will set forth the performance goals and require the VEDIG grantee to provide annual notice to VEDP of the VEDIG grantee’s progress on meeting its performance goals. Any extension of the Performance Date requires prior approval by VEDP’s Project Review and Credit Committee (“PRACC”) and the VEDP Board of Directors. Any additional extensions must be approved by PRACC, the VEDP Board, and the Major Employment and Investment (MEI) Project Approval Commission. COV § 2.2-2237.2. See also VEDP’s Policy and Procedural Guidelines on Extensions.
4. Company Notification: The performance agreement will require the VEDIG grantee to notify VEDP in writing within 90 days of completion of the capital investment and new jobs creation, certifying the amount of capital investment and providing the number of new employees at the facility at the completion of the capital investment, the average annual wage paid to such employees, and a summary of the fringe benefits package offered by the grantee to a typical employee (a “Company Notification”). The performance agreement will

likely require other notices to VEDP as may be necessary to administer the VEDIG grant program.

5. VEDIG Payout Schedule: Payouts of VEDIG grants will begin no sooner than the fiscal year in which the verified Company Notification has been on file at VEDP for ~~36-12~~ months and pursuant to the provisions of the Act, subject to appropriations. VEDIG grants will be paid in no fewer than five installments. Payouts of VEDIG grants are conditioned upon the capital investment remaining in place and the new jobs being maintained during the payment period and the applicable facility continuing to operate through the payment period at substantially the same level as existed at the time of the Company Notification.

E. Conditions to Payouts of VEDIG Grants; Reductions

1. Annual Appropriation: VEDIG payments are subject to annual appropriation by the Virginia General Assembly. If there are insufficient moneys in the VEDIG sub-fund to pay all VEDIG grant payments due to intended recipients, the provisions of COV § 2.2-5104 of the Act shall govern the distribution of the available funds.
2. No Payouts: No VEDIG payment in any amount shall be forthcoming if the VEDIG grantee fails to achieve by the end date stated in the performance agreement: (A) the greater of (i) the statutory minimum capital investment requirement and (ii) 50% of its capital investment goal; and (B) the greater of (i) the statutory minimum new jobs requirement with average salaries at least 50% or 100% greater than the prevailing average wage in the locality, as applicable, and (ii) 50% of its goal of new jobs with average salaries at least 50% or 100% greater than the prevailing average wage in the locality, as applicable.
3. Reduced Payouts; Allocations: To the extent that the VEDIG grantee achieves at least the statutory minimum requirements for capital investment and new jobs by the end date stated in the performance agreement, but does not completely attain its goals, the total VEDIG to be paid shall be diminished proportionately, but only if the capital investment remains in place and the new jobs are maintained during the payment period, and the facility continues to operate throughout the payment period at substantially the same level as existed at the time of the completion of the capital investment. For this purpose, in the performance agreement, it is expected that the VEDIG grant will be allocated between the capital investment goal and the new job creation goal. Generally, the VEDIG grant will be allocated proportionally to the revenue split from the project ROI between capital investment and job creation, one-quarter to the capital investment goal and three-quarters to the new job creation goal. For example, if the VEDIG grantee achieves 60% of its capital investment goal and 75% of its new job creation goal, the VEDIG will be diminished proportionately to 60% of that portion allocable to the capital

~~investment and 75% of that portion allocable to the new jobs created and maintained, to be paid out on the schedule set forth above.~~

X. Virginia Investment Performance Grant Program (VIP)

A. Guiding Principles

1. General: To be eligible for a VIP grant, a minimum of \$25 million in capital investment is required by an eligible existing Virginia manufacturer or research and development service, as these terms are defined below.
2. Although no minimum new job creation is required for a VIP grant, the investment must not result in any net reduction in employment from the date of the completion of the capital investment through one year from the date of completion. For the purpose of any VIP Grant award determination that includes a job creation requirement, the eligible manufacturer or research and development service shall pay an average wage, excluding fringe benefits, that is no less than the prevailing average wage for such new jobs. New job creation associated with the capital investment may, ~~however,~~ result in an increased negotiated VIP grant benefit under this program. Even if there is no requirement to create new jobs, there may be a requirement to maintain a certain level of existing full-time jobs.
3. Investments resulting from ongoing VEDP projects will be eligible for consideration for a VIP grant, but only if the investments have not yet been publicly announced. Investments made with no prior VEDP involvement and/or investments previously announced, committed, or begun will not be eligible for consideration for a VIP grant.
4. Allocations: COV § 2.2-5101, A through C references that the fund is subject to the appropriation by the General Assembly of sufficient moneys to the Investment Performance Grant sub-fund, and that any eligible manufacturer or research and development service that is not eligible for a MEE grant under COV § 2.2-5102 shall be eligible for an investment performance grant as provided in this section. VEDP established an application process by which eligible manufacturers and research and development services may apply for a grant. An application for a VIP grant shall not be approved for payment until VEDP has verified that the capital investment has been completed. The amount of the VIP grant that an eligible manufacturer or research and development service shall be eligible to receive shall be determined by the Secretary of Commerce & Trade (SCT), based on the recommendation of VEDP, and contingent upon approval by the Governor. The determination of the appropriate amount of a VIP grant shall be based on the application of guidelines that establish criteria for correlating the amount of a VIP grant to the relative value to the Commonwealth of the eligible investment.

5. **Multiple Grants:** An applicant may be granted more than one VIP grant at a time if the scope of each project has a different timeframe and independently meets the minimum investment and all other criteria expressed herein. An applicant that has an active VIP grant but separately meets the investment threshold and employment requirements for a new project may apply for an additional VIP grant. For an investment occurring in phases or stages, however, the Commonwealth will consider as one project a phased-in investment if: (i) the entire investment is announced at one time, and (ii) the phases are clearly related to one project. If these conditions are met, the negotiated amount will reflect the entire single investment.

If the applicant participates currently in another production grant program sponsored by the Commonwealth for a project, or another grant program under the Act, as defined below, it shall not be eligible for a VIP grant for that project.

B. Application Process

1. Once the due diligence process is complete and a VIP grant has been pre-approved for a company, the company can submit an application to VEDP.
2. The applicant shall submit a detailed letter of application for a VIP grant directly to the President and Chief Executive Officer of VEDP providing the following information:
 - a) The amount and timing of the expected capital investment;
 - b) The extent to which, if applicable, the expected capital investment produces (i) measurable increases in capacity, productivity, or both, (ii) measurable decreases in the production of flawed product, or (iii) measurable advances in knowledge, research, or the application of research findings for the creation of new or significantly improved products or processes that support manufacturing;
 - c) The number of new jobs expected to be created and maintained because of the capital investment, if any, and a timeline for their creation;
 - d) (i) The average annual wages expected to be paid for the new jobs, if any, (ii) whether a package of fringe benefits will be provided by the applicant to a typical employee (the statute requires standard fringe benefits), and (iii) a comparison of the expected average annual wages with the average manufacturing wage for the locality or region;
 - e) The amount of other incentives requested of, or offered by, the Commonwealth and the locality, including grants, tax credits or exemptions, and other cost-avoidance incentives;
 - f) General corporate information about the applicant, including date of establishment, tenure and nature of presence in Virginia, and amount of previous capital investment and existing employment; and
 - g) Other factors as may be presented and demonstrated by the applicant that might affect the calculation of the net present value of benefits to Virginia. Specifically, applicants may present marginal corporate

income (or analogous) tax revenues to Virginia attributable to the investment for which the VIP grant is made. If accepted, these revenues would be included in the calculation of the net present value of benefits to Virginia.

C. Amount of VIP Grant Award

1. ~~Except as provided in the next paragraph, no one VIP grant may exceed \$3 million. In the aggregate, no more than \$4 million in total VIP grants may be paid out in any one year. The total aggregate amount of outstanding VIP grants approved after July 1, 2019, cannot exceed \$20 million. At no time shall the aggregate amount of grants payable in any fiscal year exceed \$7 million.~~
2. ~~Although each VIP grant generally cannot exceed \$3 million, a VIP grant may be for as much as \$5 million for a project that meets more than one of the extraordinary characteristics set forth below:
 - a) ~~Desirable workforce characteristics (e.g. significant job numbers, especially high wage levels or sophisticated skill sets)~~
 - b) ~~Strategic industry sector~~
 - c) ~~Significant impact on or transformation of the local/regional economy~~
 - d) ~~Significant R&D component, especially if in concert with Virginia's public higher educational institutions~~
 - e) ~~Considerable capital investment~~
 - f) ~~Likelihood of attracting a significant supply chain or other significant follow-on opportunities~~~~No grant award to an eligible manufacturer or research and development service shall exceed \$5 million in total, and no annual payment shall exceed \$1 million~~~~
- 3.2. ~~The maximum \$5 million grant is intended to be reserved for special projects deemed meritorious of such a significant investment by the Commonwealth.~~
- 4.3. ~~The VIP grant will be paid in five annual installments at the times described below under "Performance Agreement – VIP Grant Payout Schedule."~~

D. Performance Agreement

1. General Provisions: Once negotiated and agreed upon, the amount, terms, and conditions of a VIP grant shall be reflected in a performance agreement expected to be executed by the applicant no later than 120 days after the public announcement of the project by the Governor.
2. Targets and Statutory Criteria: The performance agreement will set forth the (i) capital investment target; (ii) new jobs target, if applicable; (iii) wage target, if applicable; (iv) prevailing average manufacturing wage in the locality; (v)

expected performance date; (vi) reporting and target verification procedures; and (vii) any grant reduction circumstances.

3. Performance Date: The performance agreement shall contain an end-date by which the capital investment and, if applicable, new job creation, is expected to have been completed (a "Projected Completion Date"). It is VEDP's strong preference that this Projected Completion Date will be three years, but no more than five years, from the date the performance agreement is signed, but extensions will be considered on a case-by-case basis. The performance agreement will set forth the performance goals and require the VIP grantee to provide annual notice to VEDP of the VIP grantee's progress on meeting its performance goals.
 4. Any extension of the Projected Completion Date shall require the prior approval of VEDP's Project Review and Credit Committee ("PRACC") and the Board of Directors of VEDP. If the Projected Completion Date is extended, VEDP will notify the company of any such extension. Generally, the extension should be granted only in circumstances under which it is reasonable to believe that the company is likely to make significant progress toward meeting its performance targets by the extension date. In the unlikely event that a second extension request will be considered, that extension will require the approval of PRACC, the Board of Directors of VEDP, and the Major Employment and Investment (MEI) Project Approval Commission.
 5. ~~Initial~~ Company Notification: The performance agreement will require the VIP grantee to notify VEDP in writing within 90 days of the completion of the capital investment and any new job creation or existing job maintenance, certifying the amount of capital investment and, if applicable, the number of net new jobs created and maintained at the facility, the average annual wage rates paid to such employees, and a summary of the fringe benefits package offered by the VIP grantee to a typical employee (an "~~Initial~~ Company Notification").
 6. ~~Subsequent Company Notification: One year after the completion of the capital investment and, if applicable, any new job creation, the performance agreement will require the VIP grantee to certify to VEDP whether there has been a net reduction in employment in the year since the completion of the capital investment (a "Subsequent Company Notification"). If so provided in the performance agreement, whether there has been a net reduction in employment in such year may be determined solely with respect to the employment related to the improvements made by the capital investment. If, for example, the capital investment updated a single production line, it may be possible to look solely at that production line in determining whether there has been a reduction in employment during that one-year period.~~
- 7.6. The performance agreement will likely require other notices to VEDP as may be necessary to administer the VIP grant program.

~~8.~~ VIP Grant Payout Schedule: Beginning with the fiscal year in which the verified Initial Company Notification has been on file at VEDP for ~~36-12~~ months, and pursuant to the provisions of the Act, the Commonwealth will make five equal annual grant installment payments to the VIP grantee. ~~In fiscally stressed localities, installment payments can begin in the fiscal year in which the verified Initial Company Notification has been on file at VEDP for 24 months.~~

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E. Conditions to Payouts of VIP Grants; Reductions

1. Annual Appropriation: VIP grant installment payments are subject to annual appropriation by the Virginia General Assembly. If there are insufficient moneys in the Investment Performance Grant subfund to pay all VIP grant payments due to intended recipients, the provisions of COV § 2.2-5104 of the Act shall govern the distribution of the available funds.
2. Conditions to Payouts: VIP grant installment payments are subject to the conditions that (i) the capital investment remains in place during the payment period, (ii) ~~the Subsequent Company Notification has not revealed a net reduction in employment,~~ (iii) if applicable, the new jobs have been maintained during the payment period and the average wages paid for the new jobs exceed the prevailing average wage of the locality, and (iii) ~~iv~~ the facility continues to operate throughout the payment period at substantially the same level as existed at the time of the completion of the capital investment. If the capital investment does not remain in place, if the new jobs and wages have not been maintained, or if the facility is no longer so operated, the performance agreement will require the VIP grantee to provide immediate notice to VEDP. In the event that conditions (i), (iii) or (iv) are not met, the installment payments on the VIP grant will cease, but the VIP grantee will not be required to return any VIP grant installments previously paid.
3. No Payouts: If the VIP grantee does not achieve the statutory minimum capital investment requirement of \$25 million or does not maintain at least steady employment in the one-year period after the completion of the capital investment, or the average wages for the new jobs is below the prevailing average wage of the locality, no VIP grant payment will be made. If the VIP grantee achieves the statutory minimum capital investment and maintains steady employment but does not achieve at least 50% of the capital investment goal and any jobs goal stated in the performance agreement, no VIP grant payment will be made.
4. Reduced Payouts; Allocations: If the VIP grantee achieves the statutory minimum capital investment goal and maintains steady employment and achieves between 50% and 100% of the targeted capital investment and new jobs, and wages for the new jobs exceed the prevailing average wage of the locality, the total VIP grant to be paid shall be diminished proportionately.

5. In the event that the total VIP grant is reduced, the VIP grant will still be paid out as provided in the Act, so long as the capital investment remains in place during the payment period, the new jobs, if applicable, have been maintained during the payment period and the wages for the new jobs exceed the prevailing average wage of the locality, and the facility continues to operate throughout the payment period at substantially the same level as existed at the time of the completion of the capital investment. For this purpose, in the performance agreement, it is expected that the VIP grant will be allocated between the capital investment goal and the job creation or retention goal. Generally, the VIP grant will be allocated ~~three-quarters to the capital investment goal and one-quarter to the job creation or retention goal~~ proportionally to the revenue split from the project ROI between capital investment and job creation. ~~For example, if the VIP grantee achieves 60% of its capital investment goal and 75% of its job retention and creation goal, the VIP grant will be diminished proportionately to 60% of that portion allocable to the capital investment and 75% of that portion allocable to jobs retained and created, to be paid out on the schedule described above.~~ If there is no new job creation goal, the entire VIP grant may be allocated to the capital investment goal.

F. Local Matches

1. Qualifying Local Matches: Localities are expected to provide local matches at least equal to 50% of the VIP grant. Previously invested local funds, grants of moneys from other government sources, and contributions from private interests which benefit from the project's location may not be counted as part of the local match. A local match may be funded by an in-kind contribution from the locality for the direct benefit of the grantee, such as infrastructure development, fee waivers, or free or reduced-price land or buildings.

Local Enterprise Zone incentives may be counted toward the local match where the locality makes actual expenditures after the project is announced to benefit the project.

2. Date by Which Local Matches Must be Provided: Local matches generally must be made by the performance date by which the company is obligated to complete its capital investment and job creation and maintenance. Generally, this period is three to five years.

XI. Major Eligible Employer Grant Program (MEE)

A. Guiding Principles

1. General: To be eligible for an MEE grant, a minimum capital investment of \$100 million and the creation of at least 1,000 new full-time jobs are required, although the job creation threshold can be lowered for exceptionally high-paying new jobs, as described below. The MEE grant is available to existing

Virginia manufacturers and other non-manufacturing traded sector employers, as these terms are described below.

2. Investments resulting from ongoing VEDP projects will be eligible for consideration for an MEE grant, but only if the investments have not yet been publicly announced. Investments made with no prior VEDP involvement and/or investments previously announced, committed, or begun will not be eligible for consideration for an MEE grant.
3. Allocations: In accordance with COV § 2.2-5102, B through D references that the fund is subject to the appropriation by the General Assembly of sufficient moneys to the MEE Grant sub-fund, and that any major eligible employer shall be eligible for a MEE grant of up to \$25 million to be payable from such sub-fund over a period of not less than five years and not more than seven years, commencing in the third year following the approval by the Secretary of Commerce & Trade (SCT) of the employer's grant application. VEDP has established an application process by which major eligible employers may apply for a grant. An application for a MEE grant shall not be approved for payment until VEDP has verified that the capital investment and job creation metrics have been completed. The payment of any MEE grant shall be in accordance with the terms and conditions set forth in a performance agreement between a major eligible employer and the Commonwealth. These terms and conditions shall supplement the provisions of the Act and shall include but not be limited to the terms of the payment of the grant. The payment of the grant shall be made in full or in proportion to a major eligible employer's fulfillment of the terms of the performance agreement. The Secretary shall consult with the House Committee on Appropriations and the Senate Committee on Finance prior to entering into any performance agreement and seek the approval of the Major Employment and Investment (MEI) Project Approval Commission. The House Committee on Appropriations and the Senate Committee on Finance shall have the opportunity to review any performance agreement prior to its execution by the Commonwealth.
4. Multiple Grants: An applicant may be granted more than one MEE grant at a time if the scope of each project has a different timeframe and independently meets the minimum investment and all other applicable criteria. An applicant that has an active MEE grant but separately meets the investment threshold and employment requirements for a new project may apply for an additional MEE grant. For an investment occurring in phases or stages, however, the Commonwealth will consider as one project a phased-in investment if: (i) the entire investment is announced at one time, and (ii) the phases are clearly related to one project. If these conditions are met, the negotiated amount will reflect the entire single investment.

If the applicant participates currently in another production grant program sponsored by the Commonwealth for a project, or another grant program

under the Act, as defined below, it shall not be eligible for an MEE grant for that project.

5. Downsizing: If the company has existing operations in Virginia and has closed, downsized, consolidated, or laid off employees within the past 30 months prior to such company filing an MEE application, there may be a bias toward not approving such application. The company will be offered an opportunity to explain such actions and to provide assurances regarding the expected new jobs and capital investment.

B. Statutory Eligibility

1. General Eligibility Thresholds: COV § 2.2-5102 A.
 - a) 1,000 new jobs/\$100 million capital investment;
 - b) "For corporate headquarters and other basic employers that make a capital investment of at least \$100 million and create at least 400 new jobs paying at least twice the prevailing average wage for the area, the 1,000 job requirement may be reduced in proportion to the factor by which the wages for the new jobs exceed the prevailing average wage for the area." In accordance with COV § 2.2-5100, "Prevailing average wage" means that amount determined by the Virginia Employment Commission to be the average wage paid workers in the city or county of the Commonwealth where the eligible company is located."

C. Application Process

1. Once the due diligence process is complete and a MEE grant has been pre-approved for a company, the company can submit an application to VEDP.
2. The applicant shall submit a detailed letter of application for an MEE grant directly to the President and Chief Executive Officer of VEDP providing the following information:
 - a) The amount and timing of the expected capital investment;
 - b) The number of new jobs expected to be created and maintained because of the capital investment, and a timeline for their creation;
 - c) If the company has existing operations in Virginia, whether it has closed, downsized, consolidated, or laid off employees within the past 30 months prior to the application date;
 - d) (i) The average annual wages expected to be paid for the new jobs, (ii) whether a package of fringe benefits will be provided by the applicant to a typical employee (the statute requires standard fringe benefits), and (iii) the amount by which the expected average annual wages exceed the prevailing average wage for the area;
 - e) The amount of other incentives requested of, or offered by, the Commonwealth and the locality, including grants, tax credits or exemptions, and other cost-avoidance incentives;

- f) General corporate information about the applicant, including date of establishment, tenure and nature of presence in Virginia, and amount of previous capital investment and existing employment; and
- g) Other factors as may be presented and demonstrated by the applicant that might affect the calculation of the net present value of benefits to Virginia. Specifically, applicants may present marginal corporate income (or analogous) tax revenues to Virginia attributable to the investment for which the MEE grant is made. If accepted, these revenues would be included in the calculation of the net present value of benefits to Virginia.

D. Amount of MEE Grant Award

- 1. No one MEE grant may exceed \$25 million.
- 2. The MEE grant will be paid in five to seven annual installments at the times described below under “Performance Agreement – MEE Grant Payout Schedule.”

E. Performance Agreement

- 1. General Provisions: Once negotiated and agreed upon, the amount, terms, and conditions of an MEE grant shall be reflected in a performance agreement expected to be executed by the applicant no later than 120 days after the public announcement by the Governor. Prior to entering into a performance agreement for an MEE grant, the Commonwealth’s Secretary of Commerce and Trade will consult with the Virginia General Assembly’s House Appropriations Committee and Senate Finance Committee and offer those Committees an opportunity to review the performance agreement prior to its execution by the Commonwealth and will seek the approval of the Major Employment and Investment Project Approval Commission.
- 2. The performance agreement will set forth the performance goals and require the MEE grantee to provide annual notice to VEDP of the MEE grantee’s progress on meeting its performance goals.
- 3. Targets and Statutory Criteria: The performance agreement will set forth the (i) capital investment target; (ii) new jobs target, if applicable; (iii) wage target, if applicable; (iv) prevailing average manufacturing wage in the locality; (v) expected performance date; (vi) reporting and target verification procedures; and (vii) any grant reduction circumstances.
- 4. Performance Date: The performance agreement shall contain an end date by which the capital investment and new jobs targets must be achieved. It is VEDP’s strong preference that this date will be three years, but no more than five years, from the date the performance agreement is signed, but extensions will be considered on a case-by-case basis and shall be determined solely at VEDP’s discretion. The performance agreement will set

forth the performance goals and require the MEE grantee to provide annual notice to VEDP of the MEE grantee's progress on meeting its performance goals. Any extension of the Performance Date requires prior approval by VEDP's Project Review and Credit Committee ("PRACC") and the VEDP Board of Directors. Any additional extensions must be approved by PRACC, the VEDP Board, and the Major Employment and Investment (MEI) Project Approval Commission. COV § 2.2-2237.2. See also VEDP's Policies and Procedural Guidelines on Extensions.

5. **Company Notification:** The performance agreement will require the MEE grantee to notify VEDP in writing within 90 days of completion of the capital investment and new jobs creation, certifying the amount of capital investment and providing the number of new employees at the facility at the completion of the capital investment, the average annual wage paid to such employees, and a summary of the fringe benefits package offered by the grantee to a typical employee (a "Company Notification"). The performance agreement will likely require other notices to VEDP as may be necessary to administer the MEE grant program.
6. **MEE Grant Payout Schedule:** Beginning with the fiscal year in which the verified Company Notification has been on file at VEDP for three years, and pursuant to the provisions of the Act, the Commonwealth shall make five to seven equal annual grant payments to the grantee.

F. Conditions to Payouts of MEE Grants; Reductions

1. **Annual Appropriation:** MEE grant payments are subject to annual appropriation by the Virginia General Assembly. If there are insufficient moneys in the Fund's MEE Grant sub-fund to pay all MEE grant payments due to intended recipients, the provisions of COV § 2.2-5104 of the Act shall govern the distribution of the available funds.
2. **Conditions to Payouts:** MEE grant installment payments are subject to the conditions that (i) the capital investment remains in place during the payment period, (ii) the new jobs are maintained during the payment period, and (iii) the facility continues to operate throughout the payment period at substantially the same level as existed at the time of the Company Notification. If the capital investment does not remain in place, if the new jobs are not maintained, or if the facility is no longer so operated, the performance agreement will require the MEE grantee to provide immediate notice to VEDP. In the event that clauses (i), (ii) or (iii) are not met, the installment payments on the MEE grant will cease, but the MEE grantee will not be required to return any MEE grant installments previously paid.
3. **No Payouts:** If the MEE grantee does not achieve the statutory minimum capital investment requirement of \$100 million and the statutory minimum number of new jobs, no MEE grant payment will be made. If the MEE grantee

achieves the statutory minimums but does not achieve at least 50% of the capital investment and jobs goals stated in the performance agreement, no MEE grant payment will be made.

4. **Reduced Payouts; Allocations:** If the MEE grantee achieves the statutory minimums and achieves between 50% and 100% of the required capital investment and new jobs, the total MEE grant to be paid shall be diminished proportionately.
5. In the event that the total MEE grant is reduced, the MEE grant will still be paid out as provided in the Act, so long as the capital investment remains in place and the new jobs are maintained during the payment period and the facility continues to operate throughout the payment period at substantially the same level as existed at the time of application for the first grant installment. For this purpose, in the performance agreement, it is expected that the MEE grant will be allocated between the capital investment goal and the job creation and maintenance goal. Generally, the MEE grant will be allocated one-half to the capital investment goal and one-half to the new job creation and maintenance goal. For example, if the MEE grantee achieves the statutory minimum eligibility requirements and achieves 60% of its capital investment goal and 75% of its new job creation and maintenance goal, the grant will be diminished proportionately to 60% of that portion allocable to the capital investment and 75% of that portion allocable to new jobs created and maintained, to be paid out on the schedule described above.

XII. Virginia Jobs Investment Program (VJIP)

A. Guiding Principles

1. **General:** VJIP grants are made at the discretion of the Governor. VJIP is a performance-based incentive that provides a reimbursement to businesses for each net new full-time job created or full-time employee retrained. VJIP consists of four programs: the Virginia New Jobs Program, the Workforce Retraining Program, the Small Business New Jobs Program, and the Small Business Retraining Program. In addition to direct funding to offset a company's recruitment and training costs, VEDP offers human resource consultative support at no charge to the company. Consulting services include: assistance guiding the employee recruitment and selection process, assistance evaluating training needs and coordinating resources, and coordination solutions offered by Virginia's workforce and higher education partners.
2. **Project Types:** The Virginia New Jobs Program of VJIP is the Commonwealth's premier tool for offsetting recruitment and training costs for new or expanding businesses that choose to operate in Virginia, rather than another state or country. Accordingly, there must be active, realistic competition between Virginia and another state or country for attracting the project. The ~~Retraining, VJIP~~ Small Business New Jobs~~s~~, and Small Business

Retraining ~~VJIP~~ programs do not have a competitiveness requirement.

3. Incentive Philosophy: These factors, among others, will be considered by VEDP when determining whether to recommend VJIP grant funding:
 - a) proportion of company revenues directly or indirectly derived from outside Virginia, including international exports (i.e., determination of traded sector company or function)
 - b) wages that meet the minimum wage requirements per COV § 2.2-2240.3 D
 - c) alignment with strategic sectors and state/local strategies
 - d) establishment of a competitive advantage
 - e) advancement of the quality of life
 - f) estimated business cost associated with workforce development activities
 - g) analysis of company's anticipated training and recruitment activities
4. Grant Amounts: Grant amounts for each net new full-time job created or full-time employee retrained is based on a customized budget determined by an assessment of the company's recruiting and training activities as well as the project's expected benefit to the Commonwealth. The reimbursement rate is limited to 50% of the company's average cost for recruitment and training or retraining and a one-year return on investment for the Commonwealth unless approved by the Vice President of Regional Talent Solutions & Business Outreach (RTSBO).
5. Allocations: In accordance with COV § 2.2-2240.3 E "There is hereby established in the state treasury a special non-reverting fund to be known as the Virginia Jobs Investment Program Fund (the Fund). The Fund shall consist of any moneys appropriated thereto by the General Assembly from time to time and designated for the Fund. Any moneys deposited to or remaining in the Fund during or at the end of each fiscal year or biennium, including interest thereon, shall not revert to the general fund but shall remain in the Fund and be available for allocation under this article in ensuing fiscal years. Moneys in the Fund shall be used solely for grants to eligible businesses as permitted by the Program."
6. Allocations Required: COV § 2.2-2240.3 E "The total amount of funds provided to eligible businesses under the Program for any year shall not exceed the amount appropriated by the General Assembly to the Fund for such year, plus any carryover from previous years. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the President and Chief Executive Officer or his/her designee. The Fund shall be administered by the President and Chief Executive Officer" of VEDP.

7. Project Cycle: Project cycles run for 36 months, beginning with the date of the first hire or, in the case of retraining projects, the application date. After 36 months, the project must be closed, unless an extension is granted. The RTSBO VP may recommend a longer performance period for a project at the time VEDP is making a commitment to a prospect, and this will be noted in the approval memo to the SCT.
8. Extensions: The process for extending the performance period in the VJIP program will be performed ~~in a similar manner~~ as described in Section VI, Performance Extensions, ~~with the exceptions that (i) the Company will initiate the extension request in lieu of the Locality, (ii) all extension requests require Board approval, and (iii) no extension will require a fee.~~ VJIP Retraining incentives are not eligible for extension requests.
9. Multiple Grants: If the company is continuing to grow and meets the eligibility criteria (including competitive criteria for large businesses), it may apply again for an award under a New Jobs Program or Small Business New Jobs Program. Companies accessing the Retraining Program must wait at least 36 months before applying to the program again. The 36-month waiting period begins on the date of the last payment to the company.
10. Downsizing and Relocation: If a company has accessed VJIP in the past and has downsized its workforce, VJIP can consider a new project to support the anticipated net new, full-time job creation. The company will be asked to explain the reduction and provide assurances regarding the expected new jobs and capital investment. In order to use the current employment as a baseline headcount, the Vice President of RTSBO must approve the request. The new project must meet capital investment and jobs thresholds. If a company is relocating from one locality to another, VJIP will only support the net new, full-time job creation in the Commonwealth, and the project must meet all of the qualifying criteria for the program.
11. Clawbacks: VJIP is a pay-for-performance grant that only reimburses a company for recruitment and training costs after the company certifies that the training and/or new hire requirements have been met. The VJIP application includes the following paragraph:

"I understand any funding for this project is contingent upon appropriations to the Virginia Jobs Investment Program by the Commonwealth of Virginia. I also understand that from time to time, I may be required to produce additional documents or other information related to the project that is deemed necessary by the Virginia Economic Development Partnership to verify the information I provided to obtain VJIP funding. I understand that we will be required to pay back the VJIP grant if our facility closes within a year of the first reimbursement or prior to the Commonwealth of Virginia recovering its investment in this project or if the information on this application or on request for reimbursement is found to be false or inaccurate."

Grant funding is only awarded to the company after an employee has either completed the relevant training or been on the job a minimum of 90 days. Should a clawback prove necessary due to the conditions described in the application language above, VJIP will follow a process similar to the one described in Section VII, Clawbacks.

B. Use of VJIP Proceeds and Program Components

1. In accordance with COV § 2.2-2240.3 B, "there is hereby created the Virginia Jobs Investment Program to support private sector job creation by encouraging the expansion of existing Virginia businesses and the start-up of new business operations in Virginia. The Program shall support existing businesses and economic development prospects by offering funding to offset recruiting and training and retraining costs incurred by companies that are either creating new jobs or implementing technological upgrades and by providing assistance with workforce-related challenges and organizational development workshops."

C. Statutory Eligibility

1. General Eligibility Thresholds: COV § 2.2-2240.3 D. To be eligible for assistance under any of the component programs of VJIP, a company shall:
 - a) Create or sustain employment for the Commonwealth in a traded sector industry or function;
 - b) Include businesses or functions that directly or indirectly derive more than 50% of their revenues from out-of-state sources, as determined by the Authority;
 - c) Pay a minimum entry-level wage rate per hour of at least 120% of the Federal Minimum Wage or the Virginia Minimum Wage as defined in the Virginia Minimum Wage Act § 40.1-28.8, whichever is higher. In areas that have an unemployment rate greater than 150% of the statewide average unemployment rate, the wage rate minimum may be waived by the Authority; and
 - d) Meet employment thresholds for full-time positions with benefits.

D. Virginia New Jobs Program

1. In accordance with COV § 2.2-2240.4 A, VEDP is required to "develop as a component of the Virginia Jobs Investment Program the Virginia New Jobs Program to support the expansion of existing Virginia companies and new facility locations involving competition with other states or countries."
2. Virginia New Jobs Program Eligibility Thresholds: COV § 2.2-2240.4 B. In addition to the requirements of subsection D of § 2.2-2240.3 regarding general eligibility, to be eligible for assistance, an expansion of an existing company or a new company location shall:

- a) Create 25 net new full-time jobs and \$1 million capital investment; and
 - b) Include Virginia in a current competition for the location of the project with at least one other state or country.
3. The Secretary of Commerce and Trade (SCT) may waive these requirements but shall promptly provide written notice of any such waiver to the Chairmen of the Senate Finance and House Appropriations Committees, which notice shall include a justification for any waiver of these requirements.

E. Workforce Retraining Program

1. In accordance with COV § 2.2-2240.5 A, VEDP is required to “develop as a component of the Virginia Jobs Investment Program the Workforce Retraining Program to provide consulting services and funding to assist companies and businesses with retraining their existing workforces to increase productivity.”
2. Workforce Retraining Program Eligibility Thresholds: COV § 2.2-2240.5 B. In addition to the requirements of subsection D of § 2.2-2240.3 regarding general eligibility, to be eligible for assistance, a company shall demonstrate that:
- a) It is undergoing integration of new technology into its production process, a change of product line in keeping with marketplace demands, or substantial change to its service delivery process that would require assimilation of new skills and technological capabilities by the firm's existing labor force; and
 - b) For each such integration of new technology, change of product, or substantial change to its service delivery process, ~~25~~ten full-time employees will be retrained, and \$~~51,000,000~~ capital investment will be made within a 12-month period. Although the COV requires a minimum of ten full-time employees to be retrained and a minimum capital investment of \$500,000, VEDP has opted to increase the qualifying thresholds to a minimum of 25 full-time employees to be retrained and a minimum capital investment of \$1,000,000 in order to support projects with an enhanced economic impact.
 - b)c) Although the COV does not require a competitive situation, VEDP has opted to only consider Retraining support for large businesses when the location of the project is in competition with at least one other state or country.
3. The SCT may waive these requirements but shall promptly provide written notice of any such waiver to the Chairmen of the Senate Finance and House Appropriations Committees, which notice shall include a justification for any waiver of these requirements.

F. Small Business New Jobs and Retraining Programs

1. In accordance with COV § 2.2-2240.6 A, VEDP is required to “develop as a component of the Virginia Jobs Investment Program the Small Business New

Jobs and Retraining Programs to support the establishment or expansion of Virginia's small businesses or to improve their efficiency through retraining."

2. Small Business New Jobs Program Eligibility Thresholds: COV § 2.2-2240.6 B. In addition to the requirements of subsection D of § 2.2-2240.3 regarding general eligibility, to be eligible for assistance, a company shall:
 - a) Create five net new full-time jobs and \$100,000 capital investment.
3. Small Business Retraining Program Eligibility Thresholds: COV § 2.2-2240.6 B. In addition to the requirements of subsection D of § 2.2-2240.3 regarding general eligibility, to be eligible for assistance for retraining, a company shall demonstrate that:
 - a) It is undergoing integration of new technology into its production process, a change of product line in keeping with marketplace demands, or substantial change to its service delivery process that would require assimilation of new skills and technological capabilities by the firm's existing labor force; and
 - b) For each such integration of new technology, change of product, or substantial change to its service delivery process, five full-time employees will be retrained, and \$5100,000 capital investment will be made within a 12-month period. Although the COV requires a minimum capital investment of \$50,000, VEDP has opted to increase the qualifying threshold to a minimum capital investment of \$100,000 in order to support projects with an enhanced economic impact.
 - b)c) The VJIP Small Business New Jobs and Small Business Retraining programs do not have a competitiveness requirement.
4. The SCT may waive these requirements but shall promptly provide written notice of any such waiver to the Chairmen of the Senate Finance and House Appropriations Committees, which notice shall include a justification for any waiver of these requirements.

G. VJIP Definitions

1. Full-Time Employee: COV § 2.2-2240.3 A. "Full-time employee" means a natural person employed for indefinite duration in a position requiring a minimum of either:
 - a) 35 hours of the employee's time per week for the entire normal year, which "normal year" shall consist of at least 48 weeks; or
 - b) 1,680 hours per year.

Seasonal or temporary employees shall not qualify as new full-time employees under the VJIP."
2. New Job: "New job" means net new full-time employment, created on or after the application date, as a result of the capital investment, that meet the minimum wage requirements as per COV § 2.2-2240.3 D, requiring a minimum of 35 hours of the employee's time a week for the entire normal

year of the firm's operations, which "normal year" shall consist of at least 48 weeks. Seasonal or temporary positions or positions created when a job function is shifted from an existing location in the Commonwealth to the location of the economic development project, positions with suppliers, and multiplier or spin-off jobs shall not qualify as new jobs.

3. Capital Investment: COV § 2.2-2240.3 A. "Capital investment" means an investment in real property, personal property, or both, at a manufacturing or basic nonmanufacturing facility within the Commonwealth that is or may be capitalized by the company and that establishes or increases the productivity of the manufacturing facility, results in the utilization of a more advanced technology than is in use immediately prior to such investment, or both." The capital expenditure may be made by or on behalf of the company but must be at the company's facility for which the application is being made. Capital expenditures by governmental entities shall not count toward a company's required capital investment.
4. Incentive Payout: ~~Once the company reaches the minimum number of net new hires employed for 90 days or retrained employees (according to the program for which they applied), the company submits a Reimbursement Request Form to the assigned PM. The PM continues to work with the company to issue reimbursements until all projected net new hires or retained employees have been achieved or until the project performance period is complete. For VJIP New Jobs projects, once the company reaches the minimum number of net new hires, the company submits a Reimbursement Request Form to the assigned PM. The PM continues to work with the company to issue reimbursements until all projected net new hiring has been achieved or until the project performance period is complete, whichever happens first. For VJIP Retraining projects, once the company completes the entire retraining activity, the company submits a Reimbursement Request Form to the assigned PM.~~
5. As part of the application process, the PM will collect SCC verification that the company is registered to do business in Virginia and verification of Good Standing as noted on the State Corporation Commission website and a copy of the Federal Tax form W9 - Taxpayer Identification Number (TIN)

H. Verification Process

1. Companies receiving VJIP self-report full-time employee headcount and average wages of individuals listed on the Reimbursement Request Form. RTSBO Managers process reimbursements for the net increase in the company's full-time headcount (as compared to the full-time headcount at the time of the application) for New Jobs projects, or for individuals who have completed the retraining activity for Retraining projects. New hires must have been on the company's payroll for at least 90 days to be eligible for reimbursement.

- a) Employment and wage level data is verified when a company submits a reimbursement request. ~~Reimbursement requests may be submitted on a rolling basis as newly hired employees reach eligibility.~~ To qualify for reimbursement, a position's wages must exceed 120% of the Federal Minimum Wage or the Virginia Minimum Wage, whichever is higher, as of the hire date for the employee.
 - b) All reimbursement requests, with the exception of Retraining reimbursements, must be submitted with the corresponding quarter's FC-20 documentation from the VEC. Retraining reimbursement requests do not require the submittal of FC-20s.
 - c) Incentives Staff will compare employment numbers listed on the reimbursement request to the corresponding quarter's VEC-reported data to ensure compliance.
2. Verification of jobs, wages, and capital investment in the VJIP program is performed in the manner described in Section V, Capital Investment, Employment, and Wage Level Reporting and Verification.

XIII. New Company Incentive Program (NCIP)

A. Guiding Principles

1. General: Multi-state and in-state companies are eligible to decrease the amount of income taxed by Virginia when they start doing business in qualified localities pursuant to COV § 58.1-405.1.

These guidelines establish the process for VEDP to certify whether a company qualifies as an "eligible company."

B. Benefits of Certification as an Eligible Company

1. A company certified by VEDP as an "eligible company" may decrease the amount of income taxed by Virginia. For multi-state companies, this is accomplished by allowing them to make certain modifications to the apportionment factor(s) described in COV § 58.1-408, § 58.1-417, § 58.1-418, § 58.1-419, § 58.1-420, § 58.1-422, § 58.1-422.1 or § 58.1-422.2. For in-state companies, this is accomplished differently. As a general rule, in-state companies do not utilize apportionment factors because they pay tax to Virginia on all of their Virginia taxable income. However, § 58.1-405 allows eligible in-state companies to utilize apportionment factors based on their Virginia activities in qualified localities and outside qualified localities and thereby decrease their Virginia tax liability. Additional information regarding these tax provisions are available on the Virginia Department of Taxation website, www.tax.virginia.gov.
2. A company certified by VEDP as an "eligible company" may apply to VEDP for consideration for a discretionary grant from the COF as described in COV

§ 2.2-115. This is an avenue for a project which doesn't meet the typical COF criteria to access to these funds within qualified localities.

C. Statutory Eligibility

1. To be certified as an eligible company, each of the following criteria must be met:
 - a) Corporation or Pass-Through Entity: A company must be a corporation or pass-through entity, as defined in COV § 58.1-390.1.
 - (1) "Pass-through entity" means any entity, including a limited partnership, a limited liability partnership, a general partnership, a limited liability company, a professional limited liability company, a business trust, or a Subchapter S corporation, that is recognized as a separate entity for federal income tax purposes, in which the partners, members, or shareholders report their share of the income, gains, losses, deductions, and credits from the entity on their federal income tax returns.
 - b) No Existing Property or Payroll: A company must have no existing property or New Teleworking Jobs payroll in the Commonwealth of Virginia (the "Commonwealth") as of January 1, 2018.
 - c) New Capital Investment and New Jobs Requirements: A company must on or after January 1, 2018, but before January 1, 2025, either (i) spend at least \$5 million in new capital investment in a qualified locality or qualified localities and create at least 10 new jobs in a qualified locality or qualified localities, or (ii) create at least 50 new jobs in a qualified locality or qualified localities.
2. VEDP will deny certification to any company it determines has engaged in a merger, acquisition, similar business combination, name change, change in business form, or other transaction the primary purpose of which is to obtain status as an eligible company.

D. Policy Regarding Job Creation

1. Definition of New Job: In accordance with COV § 58.1-405.1 A., "new job" means a permanent, full-time position of indefinite duration that pays at least 150% of the minimum wage, as defined in the Virginia Minimum Wage Act § 40.1-28.8, and that requires a minimum of (i) 35 hours of an employee's time a week for the entire normal year of the eligible company's operations, which normal year shall consist of at least 48 weeks, or (ii) 1,680 hours per year. Each new job must be created on or after January 1, 2018, but before January 1, 2025.
2. Employment and wage level data will be verified annually at the time of the application for certification and re-certification. To qualify for an NCIP payment, the company must create the minimum number of jobs required by the Code, and the positions' wages must exceed 150% of the Virginia

Minimum Wage for the Calendar Year for which they are requesting certification.

E. Policy Regarding Capital Investment

1. Definition of New Capital Investment: In accordance with COV § 58.1-405.1 A., "New Capital Investment" means real property acquired in a qualified locality or qualified localities on or after January 1, 2018, but before January 1, 2025, and any improvements to real property in a qualified locality or qualified localities on or after January 1, 2018, but before January 1, 2025.
2. Capital Leases: New capital investment will include the value of the construction or improvement of real property leased under a capital lease.

F. Policy Regarding Qualified Localities

1. New Capital Investment and New Jobs in Qualified Locality or Qualified Localities: The new capital investment must be made and new jobs must be created in a qualified locality or qualified localities.
2. Qualified Locality or Qualified Localities: In accordance with COV § 58.1-405.1 A., "qualified locality" means (i) the County of Alleghany, Bland, Buchanan, Carroll, Craig, Dickenson, Giles, Grayson, Lee, [Page](#), Russell, Scott, Smyth, Tazewell, Washington, Wise, or Wythe or the City of Bristol, Galax, or Norton; (ii) the County of Amelia, Appomattox, Buckingham, Charlotte, Cumberland, Halifax, Henry, Lunenburg, Mecklenburg, Nottoway, Patrick, Pittsylvania, or Prince Edward or the City of Danville or Martinsville; (iii) the County of Accomack, Caroline, Essex, Gloucester, King and Queen, King William, Lancaster, Mathews, Middlesex, Northampton, Northumberland, Richmond, or Westmoreland; or (iv) the County of Brunswick or Dinwiddie or the City of Petersburg.
3. Qualified Development Site: A qualified locality may be deemed to include a qualified development site. In accordance with COV § 58.1-405.1 A., "qualified development site" means real property that is in a locality adjacent to a qualified locality and, before January 1, 2018, either (i) was owned or partly owned by a qualified locality or an industrial development authority of which a qualified locality is a member or (ii) was owned or partly owned by a locality or industrial development authority, was leased to a private party, and was subject to a revenue-sharing agreement providing that a portion of the revenues from the lease would be distributed to a qualified locality. A qualified development site does not include real property that is not owned by the Commonwealth or a political subdivision thereof.

G. Policy Regarding Positive Fiscal Impact

1. Considerations: As noted above, (i) job creation; (ii) private capital investment; (iii) anticipated additional state and local tax revenue; and (iv) the

additional revenue the Commonwealth likely would expend in and for the localities if the economy in the localities continues to erode will be considered in a determination of whether a company will generate a positive fiscal impact. Additional factors to be considered include: (i) the company average annual wage in comparison to the local average annual wage; (ii) the local unemployment level; (iii) local poverty level; (iv) the value of other economic development incentives and by-right incentives the company receives or has received; and (v) community impact and support.

H. Application Process

1. Annual Application: For each taxable year for the period beginning January 1, 2018, and ending January 1, 2025, a company may file with VEDP an application for certification or re-certification that the company is an Eligible Company. Applications will be accepted during the period beginning on January 1 and ending April 1 of the calendar year immediately following the taxable year for which certification is sought. To remain an eligible company for any taxable year, a company must obtain certification or re-certification annually.
2. Application: Exhibit B details the full list of requirements for this application, which is expected to include the following:
 - a) The full legal name of the company and a description of whether the company is a corporation or pass-through entity.
 - b) The name of the qualified locality or qualified localities in which the company is located.
 - c) The history of the company, including any activities, assets, or employees in Virginia prior to January 1, 2018.
 - d) General corporate information including the names of officers, directors, owners, partners, or members as may be applicable.
 - e) Either (i) the amount of total new capital investment by the company in a qualified locality or qualified localities on or after January 1, 2018, and a summary breakdown of new capital investment into categories such as land, purchase of existing building, or real property improvements, or (ii) in the case of re-certification, whether the capital investment has been substantially retained or the additional amount of new capital investment made since the company's previous application.
 - f) A "Locality Certification," including a copy of the company's property tax records from the Commissioner of the Revenue or equivalent official in the applicable qualified locality or qualified localities where the company's facility is located.
 - g) If the company's real estate tax record does not accurately reflect the new capital investment made, copies of invoices related to the new capital investment paid by or on behalf of the company accompanied by a summary of the invoices and a certification by the company that such copies are true, accurate, and complete.

- h) Either (i) the number of new jobs created in a qualified locality or qualified localities beginning on or after January 1, 2018, a list of the new jobs, and the wage associated with each such new job, or (ii) in the case of re-certification, whether the new jobs have been substantially maintained.
 - i) A copy of the company's four most recent Employer's Quarterly Tax Reports (Form FC-20) filed with the Virginia Employment Commission.
 - j) A certification and evidence that the company is a traded-sector company.
3. Consultation with Virginia Department of Taxation (TAX): VEDP may consult with TAX regarding the additional state and local tax revenue expected to be generated by the company.

I. Distribution of Grant Proceeds to Employees

- 1. Per Subsection J. of COV § 2.2-115, the New Company Incentive Program requires that a Company distribute at least 50% of all Grant proceeds to its employees in jobs located in a Qualified Locality.
- 2. It is expected that the distribution to the employees will take place in the calendar year in which the COF Grant proceeds were received by the Company. The Company has latitude to determine how, when, and in what manner to make the distribution to the employees. In each Company Application, the Company will indicate how, when, and in what manner the distribution is to be made. In the next Company Application, following receipt of COF Grant proceeds by the Company, the Company will report to VEDP how, when, and in what manner the distribution was made to the Company's employees.
- 3. While the Company may determine how, when, and in what manner to make the distribution to the employees, VEDP will consider the following factors in determining the appropriateness of any distribution:
 - a) VEDP does not consider the payment of wages for hours worked, or contractual commissions, or piece-work payments or the provision of standard fringe benefits to be in the spirit of the Program;
 - b) VEDP would consider extraordinary training opportunities for employees (such as certification programs through the local community college), beyond training commonly provided by the Company, to be in the spirit of the Program; and
 - c) VEDP does not consider the payment of bonuses to the management or executive team members to be in the spirit of the Program, unless bonuses are provided to all employees on a pro-rata basis or on a basis inverse to salary.

J. Failure to Distribute Funds and Demand for Payment

1. If the Company fails to make the distribution or if the distribution was not made in the spirit of the Program, VEDP may not re-certify the Company as an Eligible Company for the following year(s) and will require repayment of any amount in excess of what was distributed to employees, such that 50% of the Grant retained by the Company was distributed to the employees.
2. The repayment will be due within 90 days of the request by VEDP for the repayment. The amount repaid will be redeposited by VEDP to the Commonwealth's Development Opportunity Fund. At VEDP's discretion, any required repayment may be made by a reduction of any COF Grant Payment for the next Grant Year.
3. If appropriate, VEDP may agree to accept repayment in installments. The Board may direct the Office of the Attorney General to assist with the enforcement of a repayment.

XIV. Custom Performance Grants/Special Appropriations

A. Guiding Principles

1. VEDP will consider existing incentive programs before recommending projects for a Custom Performance Grant (CPG)/Special Appropriation. When determining if existing programs are appropriate, VEDP will consider the balance of unencumbered funds, timing of the award, and a locality's ability to meet program requirements.
2. Companies receiving a CPG/Special Appropriation will not be eligible to receive, nor apply for, any other discretionary or by-right state grants (e.g., Commonwealth Development Opportunity Fund, Virginia Investment Performance Grant, Port of Virginia Economic and Infrastructure Development Grant, Enterprise Zone Job Creation or Real Property Investment Grants, Virginia Economic Development Incentive Grant, etc.)
3. Projects recommended to the Major Employment and Investment Project Approval Commission (MEI Commission) for a CPG/Special Appropriation will have a substantial direct and indirect economic impact on the locality and/or surrounding communities.
4. Generally, projects recommended to the MEI Commission for a CPG/Special Appropriation will meet the following qualifications:

- a) Projects will meet qualifications detailed in the Incentive Guiding Principles.
 - b) Manufacturing projects will create at least 500 net new jobs and have a capital investment of at least \$250 million.
 - c) Non-manufacturing projects will create at least 800 net new jobs and have a capital investment of at least \$50 million.
 - d) Projects will be within a target sector of VEDP and/or the region competing for the project.
 - e) The overall average wage for all jobs associated with the project will meet or exceed the Prevailing Average Wage (PAW) in the community under consideration.
5. Determining CPG/Special Appropriation Amount and Eligible Grant Jobs:
- a) All jobs, regardless of salary, will be included in the state's Return-on-Investment model (ROI) to understand the estimated state revenue generated by the project and determine an incentive recommendation.
 - b) The company may only claim an annual CPG/Special Appropriation payment on jobs with salaries above the PAW AND that, when averaged with other eligible jobs, meet or exceed the average salary/payroll target for the year in which the grant payment is claimed.
 - c) Jobs with salaries that initially do not qualify for an annual grant payment may be considered eligible if subsequent salary increases result in a wage above the PAW AND, when averaged with the salaries of other eligible jobs, meet or exceed the salary/payroll target for that year.
 - d) All jobs will be eligible for standard benefits.
6. The Memorandum of Understanding (MOU) will include a chart illustrating the annual wage target for the term of the agreement, which will outline the wage escalation based upon the rate used in calculating the ROI for the project; the MOU will note the ten-year average of the U.S. Employment Cost Index, Wages and Salaries is used in determining the annual wage escalation in a footnote beneath the chart along with the current escalation rate.
7. Local Match Requirements:
- a) Localities will offer a dollar-for-dollar local match equal to the state CPG/Special Appropriation; or
 - b) Total local incentives as a percentage of total local revenues are expected to be within 10 percentage points of the total state grants as a percentage of total state revenues for the timeframe used in considering the state incentive package.
 - (1) For example, if the state is returning 58% of the ten-year estimated state revenues as a CPG/Special Appropriation incentive to the project, the locality is expected to provide local incentives that equal at least 48% of local revenues generated by the project during a ten-year period.

8. If more than \$10 million in COF funds are recommended for a project endorsed by the MEI Commission, VEDP will submit proposed budget language to memorialize the use of the COF funds. Th proposed budget language will include the qualifying terms and conditions for the MEI-endorsed COF grant, including any terms or conditions approved by MEI that differ from the COF statutory requirements and require specific legislative approval.

XIV. ~~Virginia Offshore Wind Supplier Development Grant (VOWSD)~~

A. ~~Guiding Principles~~

1. ~~General: To be eligible for a VOWSD grant, a minimum of \$40,000 in qualifying capital investment is required by an eligible existing Virginia manufacturer over a three-year period.~~
2. ~~Although no minimum new job creation is required for a VOWSD grant, the investment must not result in any net reduction in employment during the performance period. However, new job creation associated with the capital investment will be viewed favorably when evaluating grant applications.~~
3. ~~Investments made outside of the performance period and/or unrelated to the production of goods to support the offshore wind industry will not be eligible for inclusion in a VOWSD award.~~

Exhibit A - Checklist for PRACC

Key information to be gathered by the PM will generally include:

- Company name
- Company address
- Company Federal Employer Identification Number
- Company website URL
- Company stock ticker (if applicable)
- Company key management or principals
- Company contact phone number and email address
- Date the company was established and locations
- Nature of the business
- NAICS code
- Unique needs of the project
- Expected exports
- Factors which will drive the business' decision
- Project information
 - Number of new jobs by year (if applicable)
 - Traded-sector employer: Y or N (Provide source of confirmation)
 - Compensation and benefits for the new jobs
 - Proposed capital investment
 - Schedule for implementation

Tier 1: Additionally, for any project where VEDP is considering any pre-performance incentives or for any project where any individual post-performance incentive is \$100,000 or more, VEDP will generally request:

- Three years of the company's audited financial statements and interim financial statements if the prospective company is six months into the current fiscal year.
- If audited financial statements are not available, then the company should provide CPA-reviewed or compiled statements, supported by company tax returns.
- Any financial statements provided to VEDP should be in English, converted to U.S. dollars (where applicable), and prepared according to Generally Accepted Accounting Principles (GAAP) (if possible).
- Foreign-owned companies should provide financial statements prepared according to International Financial Reporting Standards (IFRS) (where applicable).

Tier 2: Additionally, for any project where VEDP is considering post-performance incentives and all individual incentives are under \$100,000 but one or more are \$30,000 or more, VEDP will generally request:

- One year of the company's financial statements

Tier 3: Additionally, for any project where VEDP is considering post-performance incentives and all individual incentives are under \$30,000, VEDP will generally not need to request financial statements from the Company.

VEDP may request additional information, particularly in circumstances where the company is less than two years old or the company has never been profitable. Examples of what VEDP may request in these situations include:

- A business plan
- Three years of cash flow projections (month-by-month the first year, quarterly thereafter)
- Three years of projected balance sheets and profit and loss statements
- Evidence of equity and its source(s) (e.g., executed term sheet, bank statements, executed investor agreements)
- Schedule of debt and schedule of future debt needed to finance the project
- Copies of commitment letters/term sheets (if available)
- Bank references, to include the contact information of the financial institution and the relationship manager
- Name, address, and contact information of the company's CPA firm
- Name, address, and contact information of the company's legal counsel

Exhibit B - Application for Certification of Companies Eligible to Decrease Income Taxed by Virginia by Modifying Apportionment Factor(s)

Please include:

- Name
- FEIN
- Street address
- Entity type corporation pass through entity
- North American Industry Classification System (NAICS) Code
- Industry description
- General corporate information including the names of officers, directors, owners, partners, or members as may be applicable
- Copy of articles of incorporation, articles of organization, or other corporate formation document as applicable
- Copy of certificate of good standing, certificate of fact, or certificate of fact of registration from the Virginia State Corporation Commission as applicable
- Certify no existing property or payroll yes no
- Taxable year for which certification is sought
- Has the company been certified an eligible company previously yes no
- In which years has the company been certified an eligible company
- Qualified locality or qualified localities where new capital investment made or new jobs created
- Amount of new capital investment or amount of capital investment substantially retained
- Summary breakdown of new capital investment
- Real estate tax record attached yes no
- Copies of invoices attached
- Certification that the invoices are true, accurate, and complete yes no
- Number of new jobs or number of new jobs substantially maintained
- List of each new job position
- Wage associated with each new job
- FC-20s attached yes no
- Certification that the company is a traded-sector company yes no

TOPICS FOR NEXT MEETING

September 18, 2024

APPENDIX

VEDP-Administered Incentives Dashboard (as of June 30, 2024)
Commonwealth's Opportunity Fund (COF)

Within Performance Period (and Post Performance Follow-up Stage)¹

Fiscal Year of Governor's Approval	Total Number of Projects	Total Approved (\$) ⁶	Total Number of Projects by Estimated Risk ²				Moderate or High Risk Projects By...			Current Portfolio Performance Recap by Fiscal Year					
			Low	Moderate	High	To Be Determined ³	Jobs	Capital Investment	Average Wages	Job Creation			Capital Investment		
										Future Target	Actual as of Most Recent Report ⁴	% of Future Target Met	Future Target (\$M)	Actual as of Most Recent Report ⁴	% of Future Target Met
2018	0	\$0	0	0	0	0	0	0	0	0	0	N/A	0	0	N/A
2019	8	\$7,222,000	6	1	1	0	2	1	0	1,399	1,820	130%	1,510.0	2,359.7	156%
2020	13	\$6,415,000	7	2	4	0	6	4	3	2,308	1,148	50%	461.8	444.5	96%
2021	19	\$11,630,500	11	3	4	1	5	4	2	1,901	1,496	79%	735.1	592.5	81%
2022	23	\$19,785,052	11	5	3	4	8	4	4	3,706	1,495	40%	1,178.0	819.0	70%
2023	28	\$18,836,950	9	6	4	9	10	7	5	4,441	619	14%	1,397.6	207.7	15%
2024	22	\$42,647,500	1	0	0	21	0	0	0	3,755	0	0%	2,144.9	0.5	0%

Post Performance Period⁵

Fiscal Year of Governor's Approval	Total Number of Projects	Total Approved (\$) ⁶	Total Number of Projects by Closeout Status			Total Number of Projects			Final Portfolio Performance Recap by Fiscal Year					
			Achieved/Full Clawback/Reduced Payment	Clawback in Process (not yet due)	Clawback Unsuccessful to Date	Met Both Targets for Jobs and Capital Investment	Met Target for Either Jobs or Capital Investment	Missed Both Targets for Jobs and Capital Investment	Job Creation			Capital Investment		
									Target	Actual as of Final Report ⁷	% of Target Met	Target (\$M)	Actual as of Final Report ⁷	% of Target Met
2018	28	\$14,145,500	28	0	0	5	6	17	4,701	1,982	42%	389.1	205.8	53%
2019	19	\$4,047,931	18	0	1	3	5	11	1,412	541	38%	272.9	173.1	63%
2020	10	\$4,590,000	10	0	0	5	2	3	1,339	1,513	113%	400.9	443.9	111%
2021	3	\$1,550,000	3	0	0	1	1	1	531	182	34%	50.2	55.5	110%
2022	1	\$457,125	1	0	0	0	1	0	265	177	67%	1.5	1.7	111%
2023	0	\$0	0	0	0	0	0	0	0	0	N/A	0.0	0.0	N/A
2024	0	\$0	0	0	0	0	0	0	0	0	N/A	0.0	0.0	N/A

¹Within Performance includes all COF projects approved from July 1, 2017 through June 30, 2024 which are currently within their performance period, an extended performance period, subsequent notification period, or undergoing final verification of performance.

²Estimated risk of not achieving metrics based on the company's self-reporting on the most recent progress report.

³Projects remain in this category until the first annual progress report is received indicating a company's self-reported confidence level.

⁴For projects within performance, actual job creation and capital investment shown reflects job creation and capital investment as of the most recent progress report submitted. Figures are company-reported and not yet verified.

⁵Post Performance includes all COF projects approved between July 1, 2017 through June 30, 2024 which have reached their performance date. All projects considered 'closed' except those listed as "Clawback in Process (not yet due)" or "Clawback Unsuccessful to Date."

⁶Total Approved reflects the total COF award approved by the Governor. For Post-Performance Projects, if the company was subject to clawback or received a reduced award due to underperformance, the Total \$ Approved does not reflect the final amount received by the company.

⁷Projects which paid full clawbacks (i.e., 100% of incentive grant amount) are excluded from actual job creation and capital investment so as not to present a misleading perspective on performance. Such excluded projects resulted in minimal job creation and capital investment.

VEDP-Administered Incentives Dashboard (as of June 30, 2024)
Commonwealth's Opportunity Fund (COF)

Clawback History

Fiscal Year of Governor's Approval	Projects Within Perf. or Post-Perf. Follow-up	Post-Performance Projects (ie. Closed-Out)	Clawback Summary By Number of Projects			Clawback Summary By \$			Companies with Unpaid Clawbacks
			Clawbacks Requested	Clawbacks Received	% of total received	Total Clawbacks Requested (\$)	Total Clawbacks Received (\$)	% of total received	
2018	0	28	20	20	100%	\$7,334,250	\$7,334,250	100%	N/A
2019	8	19	16	15	94%	\$2,411,431	\$2,281,431	95%	Plasticap (being referred to OAG)
2020	13	10	4	4	100%	\$1,848,275	\$1,848,275	100%	N/A
2021	19	3	2	2	100%	\$965,650	\$965,650	100%	N/A
2022	23	1	1	1	100%	\$151,800	\$151,800	100%	N/A
2023	28	0	0	0	N/A	\$0	\$0	N/A	N/A
2024	22	0	0	0	N/A	\$0	\$0	N/A	N/A

VEDP-Administered Incentives Dashboard (as of June 30, 2024)

VIP, MEE, VEDIG, Custom Grants, and Data Centers reflect projects since inception.

VJIP reflects projects with Application Date between July 1, 2017 through Present.

Within Performance Period as of June 30, 2024 (including Data Center Projects within Verification Process)¹

Incentive Program	Total Number of Projects	Total \$ Approved	Jobs			Capital Investment		
			Future Target	Actual as of Most Recent Report ²	% of Future Target Met ²	Future Target (\$M)	Actual as of Most Recent Report (\$M) ²	% of Future Target Met ²
Data Center Retail Sales and Use Exemptions (DCRSUT Exemption) ³	31	N/A	1,550	TBD	TBD	\$4,650.0	TBD	TBD
Major Eligible Employer (MEE) ⁴	0	0	0	0	0	\$0.0	\$0.0	0%
Virginia Economic Development Incentive Grant (VEDIG)	5	\$18,500,000	3,455	TBD	TBD	\$213.4	TBD	TBD
Virginia Investment Partnership (VIP)	20	\$18,550,000	2,245	TBD	TBD	\$1,407.2	TBD	TBD
Virginia Jobs Investment Program (VJIP) New Jobs Programs ⁵	142	\$12,443,000	17,116	3,376	20%	\$3,596.7	N/A	N/A
Virginia Jobs Investment Program (VJIP) Retraining Programs	3	\$156,650	257	0	0%	\$17.1	N/A	N/A
Custom Grants ⁶	12	\$910,542,875	37,945	10,561	28%	\$56,315.4	\$3,555.0	6%

Post Performance Period as of June 30, 2024 (including VIP/VEDIG Projects within Company Notification Period)⁷

Incentive Program	Total Number of Projects				Total \$ Approved	Jobs			Capital Investment		
	Approved	Target Metrics Achieved	Post-Perf. Follow Up	Target		Actual as of Final Report ²	% of Target Met	Target (\$M)	Actual as of Final Report (\$M) ²	% of Target Met	
Data Center Retail Sales and Use Exemptions (DCRSUT Exemption) ⁸	25	24	1	N/A	1,250	1,200	96%	\$3,750.0	\$3,600.0	96%	
Major Eligible Employer (MEE)	2	2	0	\$33,000,000	4,150	5,544	134%	\$433.0	\$597.4	138%	
Virginia Economic Development Incentive Grant (VEDIG)	8	5	3	\$37,300,000	3,899	4,746	122%	\$430.3	\$589.3	137%	
Virginia Investment Partnership (VIP)	79	66	13	\$61,900,000	7,019	8,526	121%	\$5,917.6	\$6,961.9	118%	
Virginia Jobs Investment Program (VJIP) New Jobs Programs ^{5, 9}	218	83	N/A	\$22,381,849	30,145	18,532	61%	\$2,825.6	N/A	N/A	
Virginia Jobs Investment Program (VJIP) Retraining Programs ^{5, 10}	26	17	N/A	\$1,556,902	5,186	5,022	97%	\$397.9	N/A	N/A	
Custom Grants ¹¹	4	4	0	\$132,000,000	4,025	2,334	58%	\$3,962.4	\$2,829.9	71%	

¹Within Performance includes all active Data Center Retail Sales & Use Tax Exemption MOUs, MEE, VEDIG, VIP, VJIP, and Custom grant projects approved through June 30, 2024. These projects are currently within their performance period or an extended performance period. For data center MOUs, this includes projects which have reached their performance date but are in the process of documenting and verifying final performance.

²Actual performance and percentage of targets met for projects within performance will be determined during post-performance follow-up and project closeout. For DCRSUT Exemptions, should the data center not achieve the statutory minimums reflected as targets, the data center will be required to repay the value of the tax benefits received. For MEE, VEDIG, VIP, and VJIP, companies receive grant payments post-performance, and the total received is adjusted from the Total \$ Approved based on actual performance. Metrics for three DCRSUT projects had not been verified and one clawback for OVH Holdings was requested as of as of June 30, 2024.

³For DCRSUT Exemptions, the Total \$ Approved will be the value of the tax benefit received on qualifying computer equipment and enabling software; VEDP does not have the authority to track this amount. The combined state and local sales tax rates in Virginia vary by locality from 5.3-7%. Target jobs and capital investment reflect the statutory minimums of 50 new jobs and \$150 million in capital investment for each of the 34 DCRSUT Exemption MOUs within a performance period.

⁴There are no MEE projects within performance period.

⁵Capital investment targets for VJIP projects reflect company forecast for the projects. For VJIP grants, should the company not achieve the statutory minimum capital investment, the company will be required to repay the grant received. VJIP statutory minimums are \$1 million for New Jobs Program; \$100,000 for Small Business New Jobs Program; \$1 million for Retraining Program; \$50,000 for Small Business Retraining Program.

⁶There are 12 active custom grants: Amazon, AWS, Blue Star, CMA CGM, CoStar, Huntington Ingalls, Lego, Merck, Microsoft, Morgan Olson, Rocket Lab, and Wells Fargo.

⁷Post Performance Period projects include all projects that have reached their performance date, as well as those VIP/VEDIG Projects within the Company Notification or Payment periods.

⁸For DCRSUT Exemptions, the Total \$ Approved will be the value of the tax benefit received on qualifying computer equipment and enabling software; VEDP does not have the authority to track this amount. The combined state and local sales tax rates in Virginia vary by locality from 5.3-7%. Target jobs and capital investment reflect the statutory minimums of 50 new jobs and \$150 million in capital investment for each of the 21 DCRSUT Exemption MOUs in a post-performance period. VEDP is currently unable to track job creation and investment above the statutory minimums, which are verified when a Letter of Satisfaction is issued.

⁹83 (38%) of the 218 projects achieved full performance targets; 135 (62%) of these projects partially completed their metrics and received a portion of the original VJIP amount.

¹⁰17 (65%) of the 26 projects achieved full performance targets; 9 (35%) of these projects partially completed their metrics and received a portion of the original VJIP retraining amount.

¹¹Siemens Gamesa was cancelled and is not included in these numbers.

Interim status report on Commonwealth's Development Opportunity Fund (COF) projects that have not yet reached their Performance Date¹ (clawbacks do not apply to these projects until Performance Date is reached)

Important note: Projects have NOT yet reached their Performance Date or Subsequent Performance Date (i.e., date on which target performance levels are required by performance agreement)

As of June 30, 2024 - sorted by time remaining until performance date

Project number	Project name	Locality	Grant amount (\$)	Jobs target for perf. date	Actual jobs as of most recent progress report	% of future target jobs attained as of most recent progress report	Company-reported confidence level for jobs ²	Capital investment target for perf. date (\$)	Actual capital investment as of most recent progress report (\$)	% of future target capex attained as of most recent progress report	Company-reported confidence level for investment ²	Avg. annual wage target for perf. date (\$)	Actual avg. annual wage as of most recent progress report (\$)	% of future target avg. annual wage attained	Company-reported confidence level for wage ²	Perf. agreement date	Initial perf. date for meeting job, investment, and wage targets	Extension granted - new perf. date (if applicable) ³	Reason for extension	Subsequent perf. date (if applicable)
2019-140619	Howell Metal	Shenandoah	400,000	102	7	7%	Low	8,039,000	6,731,918	84%	Moderate	37,175	45,443	122%	High	8/12/2019	7/31/2024	None	No Extension	None
2018-140262	Microsoft BN 9-13	Mecklenburg	1,500,000	108	387	358%	High	1,066,755,918	1,817,305,847	170%	High	47,000	90,092	192%	High	11/8/2018	9/1/2024	None	No Extension	None
2020-141613	Acoustical Sheetmetal	Virginia Beach	750,000	200	67	34%	High	15,800,000	16,529,328	105%	High	46,781	47,908	102%	High	8/31/2020	6/30/2023	9/30/2024	Hiring difficulty for worker job set	None
2021-141972	Oransi	Radford	50,000	101	19	19%	Low	2,215,000	1,627,754	73%	High	39,556	107,963	273%	High	7/1/2020	9/30/2024	12/31/2025	Job/Investment ramp up slower than anticipated	None
2019-140581	Teal Jones	Henry	200,000	67	30	45%	Moderate	21,000,000	34,162,196	163%	High	35,450	73,478	207%	High	9/25/2019	6/30/2023	9/30/2024	Job/Investment ramp up slower than anticipated	None
2019-140687	Total Fiber Recovery	Chesapeake	200,000	68	0	0%	High	48,985,034	16,475,856	34%	High	44,066	0	0%	High	12/1/2020	6/30/2023	9/30/2024	Equipment installation delay	None
2018-140319	Traditional Medicinals	Franklin	350,000	56	0	0%	Low	29,679,998	0	0%	Low	47,682	0	0%	Low	1/16/2020	9/30/2024	None	No Extension	None
2017-137709	Eastman	Henry	50,000	15	74	493%	Not Reported	11,700,000	11,661,208	100%	Not Reported	43,000	60,449	141%	Not Reported	5/30/2017	7/1/2020	11/1/2020	COVID-19	11/1/2024
2019-140790	Aery Aviation	Newport News	280,000	211	19	9%	Low	15,250,000	13,619,315	89%	High	80,073	107,770	135%	High	9/1/2021	12/31/2024	None	No Extension	None
2020-141626	Applied Felts	Henry	65,000	15	17	113%	High	1,950,000	3,519,895	181%	High	50,000	50,000	100%	High	7/30/2020	12/31/2024	None	No Extension	None
2020-141516	Drake Extrusion	Henry	90,000	30	9	30%	High	6,850,000	8,867,304	129%	High	34,500	41,600	121%	High	8/25/2020	12/31/2024	None	No Extension	None
2020-141150	Laminate Technologies	Henry	100,000	42	10	24%	High	4,000,000	8,059,941	201%	High	36,171	44,635	123%	High	12/31/2020	12/31/2024	None	No Extension	12/31/2025
2019-140987	Litehouse Foods	Danville	600,000	160	101	63%	Low	46,240,000	51,958,465	112%	High	34,875	48,999	140%	High	11/13/2020	12/31/2024	None	No Extension	None
2020-141457	Metalworx	Grayson	150,000	59	72	122%	High	7,595,000	8,596,832	113%	High	49,028	50,556	103%	High	6/15/2020	12/31/2024	None	No Extension	None
2022-142623	Muhlbauer	Newport News	227,700	34	31	91%	Moderate	9,000,000	4,933,178	55%	Moderate	57,500	61,000	106%	Moderate	1/20/2023	12/31/2024	None	No Extension	None
2021-141814	PPD	Henrico	2,000,000	458	0	0%	Not Reported	92,316,547	0	0%	Not Reported	62,395	0	0%	Not Reported	5/6/2024	12/31/2024	None	No Extension	None
2021-142047	PPD	Richmond City	151,952	48	0	0%	Not Reported	4,700,000	0	0%	Not Reported	62,395	0	0%	Not Reported	5/13/2024	12/31/2024	None	No Extension	None
2020-141403	Rage	Pittsylvania	500,000	200	52	26%	Low	34,000,000	538,187	2%	Low	37,000	34,900	94%	Low	11/30/2020	12/31/2024	None	No Extension	None
2021-141954	Tyson Foods	Pittsylvania	3,048,000	376	233	62%	Moderate	295,452,718	345,709,479	117%	High	41,668	63,015	151%	Moderate	8/1/2021	12/31/2024	None	No Extension	None
2021-142033	Bonumose	Albemarle	256,000	64	21	33%	Low	27,700,000	29,652,322	107%	High	76,563	92,808	121%	High	9/1/2021	3/31/2025	None	No Extension	None
2018-140024	Cascades	Hanover	1,950,000	140	159	114%	Not Reported	275,010,000	346,863,384	126%	Not Reported	75,551	77,339	102%	Not Reported	7/25/2018	12/31/2021	3/31/2023	Job/Investment ramp up slower than anticipated	3/31/2025
2018-138535	Harlow	Danville	147,000	49	17	35%	Moderate	8,000,000	3,100,000	39%	Moderate	55,000	56,000	102%	High	9/18/2019	12/31/2023	3/31/2025	Job/Investment ramp up slower than anticipated	None
2018-140324	KPMG	Fairfax	1,000,000	355	489	138%	Not Reported	31,426,000	31,010,000	99%	Not Reported	124,694	132,297	106%	Not Reported	1/31/2019	12/31/2021	3/31/2023	COVID-19	3/31/2025
2020-141661	Mohawk	Carroll	80,000	35	0	0%	Low	22,489,000	18,599,998	83%	High	40,319	0	0%	High	9/30/2020	3/31/2025	None	No Extension	None
2018-140032	Press Glass	Henry	1,000,000	212	293	138%	Not Reported	43,550,000	60,222,319	138%	Not Reported	37,736	44,949	119%	Not Reported	8/28/2018	12/31/2021	3/31/2023	COVID-19	3/31/2025
2021-142051	Service Center Metals	Prince George	350,000	94	116	123%	High	101,722,000	111,401,301	110%	High	74,968	83,934	112%	High	9/1/2021	3/31/2025	None	No Extension	None
2020-141700	Shenandoah Valley Organic	Harrisonburg	500,000	110	625	568%	High	64,250,000	60,336,560	94%	High	44,300	46,111	104%	High	11/24/2020	3/31/2025	None	No Extension	None
2021-142116	VF Corporation	Henry	225,000	82	146	178%	High	10,200,000	12,307,292	121%	High	33,823	36,860	109%	High	5/25/2022	3/31/2025	None	No Extension	None
2021-142079	VFP	Scott	100,000	30	267	890%	High	7,165,800	9,613,321	134%	High	34,715	41,309	119%	High	12/1/2021	3/31/2025	None	No Extension	None
2021-142184	Certified Origins	Newport News	125,000	30	6	20%	High	24,625,000	15,790,000	64%	High	41,254	50,268	122%	High	10/1/2022	6/30/2025	None	No Extension	None
2021-142131	Granules India	Prince William	200,000	57	37	65%	High	12,500,000	12,701,664	102%	High	53,764	59,666	111%	High	7/1/2022	6/30/2025	None	No Extension	None
2019-141109	MEP	Danville	135,000	45	3	7%	Low	6,445,000	346,387	5%	Low	56,077	73,315	131%	Moderate	6/1/2021	6/30/2025	None	No Extension	None
2019-141112	Simplisafe	Henrico	200,000	572	314	55%	Moderate	5,489,000	4,054,752	74%	Moderate	54,338	88,333	163%	Moderate	6/15/2020	6/30/2025	None	No Extension	None
2019-140498	Veronesi Holding	Rockingham	3,816,800	161	41	25%	Moderate	105,250,000	40,654,244	39%	Moderate	38,416	37,682	98%	Moderate	7/8/2021	6/30/2025	None	No Extension	None
2022-142418	Church & Dwight Company	Chesterfield	300,000	53	0	0%	Low	27,000,000	2,255,266	8%	High	55,559	0	0%	Moderate	5/1/2023	9/30/2025	None	No Extension	None
2022-142353	Unilock	Hanover	340,000	50	0	0%	Moderate	55,600,000	0	0%	Moderate	65,592	0	0%	High	6/15/2022	9/30/2025	None	No Extension	None
2022-142466	Hitachi Energy USA	Halifax	511,500	165	69	42%	Moderate	37,000,000	8,630,267	23%	High	43,500	56,903	131%	High	7/1/2022	10/1/2025	None	No Extension	None
2020-141268	Bausch & Lomb	Lynchburg	210,000	79	37	47%	High	35,425,000	37,530,906	106%	High	29,583	42,065	142%	High	9/15/2020	12/31/2025	None	No Extension	None
2021-142226	BWXT	Campbell	400,000	97	115	119%	High	65,000,000	36,815,414	57%	High	116,591	92,607	79%	High	8/23/2023	12/31/2025	None	No Extension	None
2020-141712	Civica	Petersburg	5,700,000	186	87	47%	High	124,562,136	138,793,941	111%	High	83,978	99,011	118%	High	1/26/2021	12/31/2025	None	No Extension	None
2023-142795	Civica Rx	Chesterfield	400,000	51	0	0%	High	27,800,000	2,220,703	8%	High	100,000	0	0%	High	3/1/2023	12/31/2025	None	No Extension	None
2019-140771	East Coast Repair and Fabrication	Newport News	1,314,000	332	253	76%	High	64,400,000	48,036,701	75%	High	51,024	70,757	139%	High	11/8/2022	12/31/2025	None	No Extension	None
2021-141835	Grayson Natural Farms	Grayson	50,000	40	36	90%	High	1,530,000	701,262	46%	High	31,706	27,075	85%	High	11/10/2020	12/31/2025	None	No Extension	None
2023-142849	Hollingsworth & Vose	Floyd	558,700	25	0	0%	Moderate	40,189,956	8,765,042	22%	Low	52,488	0	0%	High	12/20/2022	12/31/2025	None	No Extension	None
2020-141427	Huntington Ingalls	Hampton	1,500,000	268	37	14%	Low	46,000,000	48,428,480	105%	High	69,201	81,545	118%	High	11/10/2020	12/31/2025	None	No Extension	None
2021-141891	Intertape Polymer	Pittsylvania	150,000	50	61	122%	High	44,500,000	28,980,316	65%	Moderate	38,000	42,261	111%	High	9/1/2021	12/31/2025	None	No Extension	None
2022-142672	IperionX	Halifax	300,000	108	2	2%	Moderate	82,100,000	3,468,840	4%	Moderate	52,382	125,000	239%	High	6/1/2023	12/31/2025	None	No Extension	None

Interim status report on Commonwealth's Development Opportunity Fund (COF) projects that have not yet reached their Performance Date¹ (clawbacks do not apply to these projects until Performance Date is reached)

Important note: Projects have **NOT** yet reached their Performance Date or Subsequent Performance Date (i.e., date on which target performance levels are required by performance agreement)

As of June 30, 2024 - sorted by time remaining until performance date

Project number	Project name	Locality	Grant amount (\$)	Jobs target for perf. date	Actual jobs as of most recent progress report	% of future target jobs attained as of most recent progress report	Company-reported confidence level for jobs ²	Capital investment target for perf. date (\$)	Actual capital investment as of most recent progress report (\$)	% of future target capex attained as of most recent progress report	Company-reported confidence level for investment ²	Avg. annual wage target for perf. date (\$)	Actual avg. annual wage as of most recent progress report (\$)	% of future target avg. annual wage attained	Company-reported confidence level for wage ²	Perf. agreement date	Initial perf. date for meeting job, investment, and wage targets	Extension granted - new perf. date (if applicable) ³	Reason for extension	Subsequent perf. date (if applicable)
2024-143320	Desi Fresh Foods	Frederick	150,000	56	0	0%	Not Reported	13,000,000	0	0%	Not Reported	61,815	0	0%	Not Reported	Not Yet Established	Not Yet Established	None	No Extension	None
2023-142883	Engineered BioPharmaceuticals	Danville	150,000	34	0	0%	Not Reported	6,125,000	0	0%	Not Reported	55,882	0	0%	Not Reported	Not Yet Established	Not Yet Established	None	No Extension	None
2022-142616	EPL America	Danville	90,000	24	0	0%	Not Reported	37,431,268	0	0%	Not Reported	42,750	0	0%	Not Reported	Not Yet Established	Not Yet Established	None	No Extension	None
2022-142624	FreezPak	Suffolk	175,000	80	0	0%	Not Reported	77,500,000	0	0%	Not Reported	44,625	0	0%	Not Reported	Not Yet Established	Not Yet Established	None	No Extension	None
2023-142784	Grucci Holdings	Pulaski	212,000	45	0	0%	Not Reported	5,450,000	0	0%	Not Reported	49,851	0	0%	Not Reported	Not Yet Established	Not Yet Established	None	No Extension	None
2024-143427	JKOZ Engineering	Nottoway	125,000	45	0	0%	Not Reported	5,000,000	0	0%	Not Reported	44,331	0	0%	Not Reported	Not Yet Established	Not Yet Established	None	No Extension	None
2022-142588	Liebherr	Newport News	1,500,000	175	0	0%	Not Reported	72,329,755	0	0%	Not Reported	48,082	0	0%	Not Reported	Not Yet Established	Not Yet Established	None	No Extension	None
2023-142802	LS Cable	Chesapeake	13,200,000	338	0	0%	Not Reported	681,100,000	0	0%	Not Reported	76,227	0	0%	Not Reported	Not Yet Established	Not Yet Established	None	No Extension	None
2023-143177	Mack Trucks	Roanoke	255,000	51	0	0%	Not Reported	14,500,000	0	0%	Not Reported	52,530	0	0%	Not Reported	Not Yet Established	Not Yet Established	None	No Extension	None
2022-142749	Massimo Zanetti Beverage USA	Suffolk	450,000	79	0	0%	Not Reported	29,103,926	0	0%	Not Reported	50,246	0	0%	Not Reported	Not Yet Established	Not Yet Established	None	No Extension	None
2023-142950	Modine	Rockbridge	470,000	211	0	0%	Not Reported	18,134,000	0	0%	Not Reported	47,711	0	0%	Not Reported	Not Yet Established	Not Yet Established	None	No Extension	None
2023-143189	Press Glass	Henry	2,000,000	335	0	0%	Not Reported	155,198,255	0	0%	Not Reported	40,397	0	0%	Not Reported	Not Yet Established	Not Yet Established	None	No Extension	None
2024-143416	Simmons Equipment	Russell	270,000	75	0	0%	Not Reported	8,213,650	0	0%	Not Reported	55,667	0	0%	Not Reported	Not Yet Established	Not Yet Established	None	No Extension	None
2023-142959	Solenis	Suffolk	275,000	34	0	0%	Not Reported	193,000,000	0	0%	Not Reported	81,088	0	0%	Not Reported	Not Yet Established	Not Yet Established	None	No Extension	None
2023-143002	STS Plastics	Salem	500,000	119	0	0%	Not Reported	32,600,000	0	0%	Not Reported	49,569	0	0%	Not Reported	Not Yet Established	Not Yet Established	None	No Extension	None
2022-142334	Zim American Integrated Shipping	Virginia Beach	1,497,300	307	0	0%	Not Reported	16,356,800	0	0%	Not Reported	67,708	0	0%	Not Reported	Not Yet Established	Not Yet Established	None	No Extension	None
TOTAL	Total		106,587,002	17,525	6,652	38%		7,439,138,765	4,435,560,862	60%										

¹These projects are all within performance periods; thus, **clawbacks do not apply to these projects until they reach their Performance Date.**

²Confidence levels are documented for annual progress reporting effective January 2018; data for those projects without confidence levels will be collected with the next scheduled report.

³Effective 04/05/17, extensions require formal approval of first extension by VEDP Board and formal approval of second extension by VEDP Board and the Major Employment and Investment (MEI) Commission; Mid-2016 until 04/05/17, extension required approval of VEDP's Project Review and Credit Committee.

This report was prepared in response to §2.2-2237.3., which states in part: "The Division of Incentives shall provide semiannual updates to the Board of the status and progress of investment and job creation requirements for all projects for which economic development incentives have been awarded, until such time as the investment and job creation requirements are met or the incentives are repaid to the Commonwealth. Updates shall be provided more frequently upon the request of the Board, or if deemed necessary by the Division of Incentives."

Status report on Commonwealth's Development Opportunity Fund (COF) projects approved from FY 18 through FY 24 in **Post-Performance Period** (excludes projects within performance period)¹

Important note: Projects have reached their Performance Date or Subsequent Performance Date (i.e., date on which target performance levels are required by performance agreement)

As of June 30, 2024 - sorted by status (last column), then alphabetical

Status Key:

Yellow: Clawback in Process (not yet due)
Green: Metrics Achieved or Clawback Amount Received in Full
White: In Post Performance Follow-Up Period

Project number	Project name	Locality	Grant amount (\$) ²	Jobs target for Perf. Date	Actual jobs as of Perf. Date	% of target jobs attained as of Perf. Date	Capital investment target for Perf. Date (\$)	Actual capital investment as of Perf. Date (\$)	% of target capex attained as of Perf. Date	Avg. annual wage target for Perf. Date (\$)	Actual avg. annual wage as of Perf. Date (\$)	% of target avg. annual wage attained	Perf. Agreement Date	Initial Perf. Date for meeting job, investment, and wage targets	Extension Granted - New Perf. Date (if applicable)	Reason for Extension ^{3,4}	Subsequent Perf. Date (if applicable)	Status
2018-138265	Unison	Pittsylvania	105,000	35	0	0%	5,041,462	0	0%	51,771	0	0%	1/4/2018	12/31/2020	None	No extension	12/31/2022	Full clawback of \$105,000 received 3/22/21
2017-137719	Willow Tree	Albemarle	500,000	200	143	72%	12,302,000	16,374,230	133%	80,000	139,715	175%	9/18/2018	3/31/2023	None	No extension	None	Underperformed; clawback of \$70,000 received 9/27/23
2019-140586	Yak Attack	Prince Edward	100,000	34	0	0%	3,408,541	0	0%	32,058	0	0%	5/24/2019	7/31/2022	None	No extension	None	Full clawback of \$100,000 received 6/8/23
2020-141460	ASGN/Apex	Henrico	900,000	700	Pending Receipt ⁵	0%	12,441,743	Pending Receipt ⁵	0%	92,068	Pending Receipt ⁵	0%	9/14/2020	12/31/2023	None	No extension	None	Post Performance FollowUp
2021-141987	Breeze Airways	Norfolk	400,000	116	Pending Receipt ⁵	0%	5,150,000	Pending Receipt ⁵	0%	55,333	Pending Receipt ⁵	0%	8/18/2021	6/30/2024	None	No extension	None	Post Performance FollowUp
2020-141439	DHL Exel	Stafford	1,700,000	577	Pending Receipt ⁵	0%	72,000,000	Pending Receipt ⁵	0%	46,065	Pending Receipt ⁵	0%	12/15/2020	6/30/2024	None	No extension	None	Post Performance FollowUp
2019-140789	Hershey	Augusta	600,000	65	Pending Receipt ⁵	0%	104,400,000	Pending Receipt ⁵	0%	46,400	Pending Receipt ⁵	0%	4/28/2020	6/30/2024	None	No extension	None	Post Performance FollowUp
2019-140582	Teal-Jones	Westmoreland	125,000	59	Pending Receipt ⁵	0%	10,750,000	Pending Receipt ⁵	0%	36,273	Pending Receipt ⁵	0%	2/24/2020	6/30/2024	None	No extension	None	Post Performance FollowUp
2020-141609	Zesti	Loudoun	150,000	60	Pending Receipt ⁵	0%	5,930,000	Pending Receipt ⁵	0%	71,250	Pending Receipt ⁵	0%	4/19/2021	6/30/2024	None	No extension	None	Post Performance FollowUp
TOTAL⁶			28,665,556	8,248	4,395	53%	1,114,590,685	879,921,022	79%									

¹Excludes projects approved by the Governor for which funds were never disbursed due to cancellation.

²Reflects grant amount approved by the Governor; the actual final grant amount received is the amount approved less any clawback received.

³No formal verification procedures were in place prior to 04/01/17. Projects with final performance dates on or after 04/01/17 have been verified through VEC data and with local Commissioners of the Revenue. Exceptions include those projects referred to the Attorney General's Office and those for which full clawbacks were received (no verification required as no jobs or investment were created) and those which are currently within post performance follow-up period.

⁴Effective 04/05/17, extensions require formal approval of first extension by VEDP Board and formal approval of second extension by VEDP Board and the Major Employment and Investment (MEI) Commission; mid-2016 until 04/05/17, extensions required approval of VEDP's Project Review and Credit Committee.

⁵Awaiting final reporting for those projects within post performance followup.

⁶Excludes jobs and capital investment for projects for which final report has not yet been submitted.

This report was prepared in response to §2.2-2237.3., which states in part: "The Division of Incentives shall provide semiannual updates to the Board of the status and progress of investment and job creation requirements for all projects for which economic development incentives have been awarded, until such time as the investment and job creation requirements are met or the incentives are repaid to the Commonwealth. Updates shall be provided more frequently upon the request of the Board, or if deemed necessary by the Division of Incentives."

Status report on Virginia Economic Development Investment Grant (VEDIG) projects - Inception through present¹

Important note: VEDIG grants are post performance grants; thus, no funds are released until targets are met and verified. Clawbacks do not apply to VEDIG grants, as they are paid post performance.

As of June 30, 2024 - sorted by Status (last column), then alphabetical

Project number	Project name	Locality	Grant amount (\$)	Projected Completion Date	Date Company Notification Received ²	Jobs target for Completion Date	Actual jobs as of Completion Date ³	% of target jobs attained as of Completion Date	Capital investment target for Completion Date (\$)	Actual capital investment as of Completion Date (\$) ³	% of target capex attained as of Completion Date	Avg. annual wage target for Completion Date (\$)	Actual avg. annual wage as of Completion Date (\$) ³	% of target avg. annual wage attained	Status ⁵
2023-142885	CoStar	Arlington	3,500,000	Not yet established	Pending receipt	650	TBD ⁴	TBD ⁴	20,000,000	TBD ⁴	TBD ⁴	185,000	TBD ⁴	TBD ⁴	Performance Agreement Not Yet Executed
2022-142268	Clarabridge	Fairfax	2,000,000	12/31/2026	Pending receipt	400	TBD ⁴	TBD ⁴	15,900,000	TBD ⁴	TBD ⁴	157,198	TBD ⁴	TBD ⁴	Within Performance Period
2022-142272	DroneUp	Virginia Beach	4,000,000	6/30/2027	Pending receipt	655	TBD ⁴	TBD ⁴	27,200,000	TBD ⁴	TBD ⁴	103,652	TBD ⁴	TBD ⁴	Within Performance Period
2022-142446	Hilton	Fairfax	5,000,000	6/30/2027	Pending receipt	350	TBD ⁴	TBD ⁴	50,300,000	TBD ⁴	TBD ⁴	242,297	TBD ⁴	TBD ⁴	Within Performance Period
2017-137060	Navy Federal Credit Union ⁶	Frederick	4,000,000	3/31/2024	Pending receipt	1,400	TBD ⁴	TBD ⁴	100,000,000	TBD ⁴	TBD ⁴	60,314	TBD ⁴	TBD ⁴	Within Performance Period
2014-114342	Lidl	Arlington	2,000,000	6/30/2020	12/21/2020	500	464	93%	77,000,000	92,907,929	121%	128,000	128,066	100%	Company Notification Period; grant reduced to \$1,895,000; job target not fully met
2016-137003	Dollar Tree	Chesapeake	5,300,000	1/31/2023	8/30/2019	600	840	140%	110,000,000	118,800,000	108%	61,000	100,818	165%	Within Payout Period
2017-137362	Nestle	Arlington	4,000,000	12/31/2019	1/10/2020	748	813	109%	36,300,000	39,581,952	109%	127,719	140,230	110%	Within Payout Period
2011-21744	Bechtel	Fairfax	5,000,000	1/31/2016	4/22/2015	625	854	137%	18,000,000	23,900,000	133%	134,200	198,100	148%	Payout Completed
80-17605	Hilton	Fairfax	2,500,000	12/31/2010	10/12/2011	325	325	100%	17,000,000	17,000,000	100%	136,186	136,900	101%	Payout Completed
80-14945	MeadWestvaco	Richmond	4,000,000	7/1/2008	4/28/2014	400	723	181%	30,000,000	111,200,000	371%	90,000	112,356	125%	Payout Completed
14-18054	Northrop Grumman	Fairfax	10,000,000	10/31/2013	1/21/2013	300	322	107%	24,000,000	78,000,000	325%	200,000	254,770	127%	Payout Completed
80-16745	Volkswagen	Fairfax	4,500,000	12/31/2009	3/28/2012	401	405	101%	118,000,000	107,948,082	91%	115,000	117,822	102%	Payout Completed
TOTAL⁷			55,800,000			3,899	4,746	122%	430,300,000	589,337,963	137%				

¹Excludes projects approved by the Governor which did not meet their targets by the projected completion date and for which funds were never disbursed.

²Company notification reports the actual jobs, investment, and wages achieved as of the projected completion date.

³No formal verification procedures were in place prior to 04/01/17. Projects with projected completion dates or payout dates on or after 04/01/17 have been verified through VEC data and with local Commissioners of the Revenue.

⁴To be determined upon receipt of Company Notification.

⁵Status Definitions:

Within performance period: Companies within performance period are not required to report until the established projected completion date.

Company notification period: Company notification period means that companies are within the reporting stage for the agreed-upon targets.

Within payout period: Denotes companies that have met the established targets and are within the payout period. VEDIG grants are paid in five equal installments over a five-year period.

Payout completed: Denotes companies that have met the established targets and for which the grant has been fully paid.

⁶Extension of 15 months granted to allow company additional time to reach performance metrics.

⁷Excludes jobs and capital investment for projects for which company notification has not begun.

This report was prepared in response to §2.2-2237.3., which states in part: "The Division of Incentives shall provide semiannual updates to the Board of the status and progress of investment and job creation requirements for all projects for which economic development incentives have been awarded, until such time as the investment and job creation requirements are met or the incentives are repaid to the Commonwealth. Updates shall be provided more frequently upon the request of the Board, or if deemed necessary by the Division of Incentives."

Status report on Major Eligible Employer (MEE) projects - Inception through present^{1,2}

Important note: MEE grants are post performance grants; thus, no funds are released until targets are met and verified. Clawbacks do not apply to MEE grants, as they are paid post performance.

As of June 30, 2024 - sorted by Status

Project number	Project name	Locality	Grant amount (\$)	Projected Completion Date	Date Company Notification Received ³	Jobs target for Completion Date	Actual jobs as of Completion Date ⁴	% of target jobs attained as of Completion Date	Capital investment target for Completion Date (\$)	Actual capital investment as of Completion Date (\$) ⁴	% of target capex attained as of Completion Date	Avg. annual wage target for Completion Date (\$)	Actual avg. annual wage as of Completion Date (\$) ⁴	% of target avg. annual wage attained	Status ⁵
31-14283	Booz Allen Hamilton	Fairfax	8,000,000	6/30/2009	5/15/2009	3,700	5,094	138%	133,000,000	171,800,000	129%	79,591	104,000	131%	Payout Completed; last three payments foregone; jobs not maintained
23-13491	Philip Morris	Richmond/Henrico	25,000,000	12/31/2006	10/22/2009	450	450	100%	300,000,000	425,600,000	142%	133,333	156,596	117%	Payout Completed
TOTAL			33,000,000			4,150	5,544	134%	433,000,000	597,400,000	138%				

¹Excludes projects approved by the Governor which did not meet their targets by the projected completion date and for which funds were never disbursed.

²**Extensions do not apply to MEE grants.**

³Initial company notification reports the actual jobs, investment, and wages achieved as of the projected completion date.

⁴No formal verification procedures were in place prior to 04/01/17. Projects with projected completion dates or payout dates on or after 04/01/17 have been verified through VEC data and with local Commissioners of the Revenue.

⁵Status Definitions:

Within performance period: Companies within performance period are not required to report until the established projected completion date.

Company notification period: Company notification period means that companies are within the reporting stage for the agreed-upon targets.

Within payout period: Denotes companies that have met the established targets and are within the payout period. MEE grants are paid in five equal installments over a five-year period.

Payout completed: Denotes companies that have met the established targets and for which the grant has been fully paid.

This report was prepared in response to §2.2-2237.3., which states in part: "The Division of Incentives shall provide semiannual updates to the Board of the status and progress of investment and job creation requirements for all projects for which economic development incentives have been awarded, until such time as the investment and job creation requirements are met or the incentives are repaid to the Commonwealth. Updates shall be provided more frequently upon the request of the Board, or if deemed necessary by the Division of Incentives."

Interim status report on Virginia Jobs Investment Program (VJIP) projects that have not yet reached their Performance Date¹

Important note: Companies are eligible for per job reimbursement once statutory minimum of jobs is achieved. Companies are only paid for jobs created or retrained. If statutory capital investment is not achieved, a full clawback is requested.

As of June 30, 2024 - sorted by time remaining until Initial Performance Date.

Project number ¹	Project name	Locality	Awarded Grant Amount (\$)	Actual Grant Amount Paid to Date (\$)	Reimbursement Rate Per Job (\$)	New Jobs Target ²	Actual New Jobs As of Most Recent Reimbursement Request	% of New Job Target Achieved	Retrained Jobs Target	Actual Retrained Jobs As of Most Recent Reimbursement Request	% of Retrained Job Target Achieved	Average Hourly Wage Target (\$)	Actual Hourly Wage As of Most Recent Reimbursement Request (\$)	Capital Investment Target (\$) ³	VJIP Application Date	Date of First Hire ⁴	Initial Performance Date ⁵
2019-141109	MEP Ltd.	Danville	14,400	0	800	18	0	0%	-	-	-	28.71	TBD	6,445,000	12/1/2019	TBD	TBD
2018-138535	Harlow Group	Danville	44,100	0	900	49	0	0%	-	-	-	28.33	TBD	8,000,000	12/15/2019	TBD	TBD
2020-141313	Acesur	Suffolk	16,250	0	650	25	0	0%	-	-	-	21.16	TBD	10,965,000	4/1/2020	TBD	TBD
2019-141112	Simplisafe	Henrico	155,500	0	500	311	0	0%	-	-	-	16.85	TBD	3,528,500	5/15/2020	TBD	TBD
2019-140878	Hitachi Energy	Bland	28,000	0	700	40	0	0%	-	-	-	19.26	TBD	6,200,000	6/1/2020	TBD	TBD
2014-108775	Dominion Aquaculture	Tazewell	130,800	0	600	218	0	0%	-	-	-	31.27	TBD	198,437,000	8/1/2020	TBD	TBD
2021-141851	Grenova	Richmond City	200,000	0	800	250	0	0%	-	-	-	34.76	TBD	10,619,905	9/15/2020	TBD	TBD
2020-141461	Plasser American	Chesapeake	51,000	0	750	68	0	0%	-	-	-	31.37	TBD	40,000,000	10/7/2020	TBD	TBD
2019-140498	Veronesi Holding	Rockingham	120,750	0	750	161	0	0%	-	-	-	25.49	TBD	105,250,000	12/1/2020	TBD	TBD
2021-141989	Ryzing Technologies	Staunton	23,250	0	750	31	0	0%	-	-	-	18.35	TBD	149,000	1/28/2021	TBD	TBD
2021-141826	SES Americom	Prince William	105,750	0	750	141	0	0%	-	-	-	61.76	TBD	13,500,000	2/18/2021	TBD	TBD
2021-141890	Katoen Natie Norfolk, Inc.	Norfolk	24,500	0	700	35	0	0%	-	-	-	19.90	TBD	61,000,000	3/1/2021	TBD	TBD
2019-140687	Zero Waste Energy, LLC	Chesapeake	34,000	0	500	68	0	0%	-	-	-	21.09	TBD	48,985,034	5/13/2021	TBD	TBD
2021-142157	Kristi Corporation USA	Suffolk	6,500	0	650	10	0	0%	-	-	-	20.63	TBD	1,060,000	5/20/2021	TBD	TBD
2021-142182	Prism Maritime	Chesapeake	124,500	0	750	166	0	0%	-	-	-	23.03	TBD	4,024,000	6/3/2021	TBD	TBD
2022-142413	Ashworth Bros., Inc.	Winchester	33,750	0	750	45	0	0%	-	-	-	23.18	TBD	4,500,000	10/4/2021	TBD	TBD
2022-142677	RapidFlight, LLC	Manassas	83,300	0	700	119	0	0%	-	-	-	50.57	TBD	5,499,018	10/12/2021	TBD	TBD
2019-141076	UVision USA	Stafford	30,000	0	750	40	0	0%	-	-	-	43.86	TBD	2,175,000	11/18/2021	TBD	TBD
2021-142055	Simplisafe	Henrico	161,200	0	650	248	0	0%	-	-	-	23.60	TBD	3,034,000	11/29/2021	TBD	TBD
2021-141960	Intact Technology	Richmond City	100,000	0	800	125	0	0%	-	-	-	40.73	TBD	100,000	1/1/2022	TBD	TBD
2022-142269	Starplast USA LLC	Chesterfield	150,000	0	750	200	0	0%	-	-	-	17.73	TBD	15,190,000	1/1/2022	TBD	TBD
2022-142524	Blue Origin	Fairfax	218,750	0	1,250	175	0	0%	-	-	-	80.71	TBD	3,300,000	1/27/2022	TBD	TBD
2022-142609	AccuTec	Augusta	13,000	0	1,000	13	0	0%	-	-	-	30.84	TBD	6,600,000	2/7/2022	TBD	TBD
2021-142184	Certified Origins	Newport News	22,500	0	750	30	0	0%	-	-	-	20.34	TBD	23,000,000	3/1/2022	TBD	TBD
2022-142607	Blue Ridge Optics	Bedford	14,250	0	750	19	0	0%	-	-	-	17.47	TBD	2,460,000	3/3/2022	TBD	TBD
2022-142579	Virongy LLC	Prince William	52,500	0	750	70	0	0%	-	-	-	33.17	TBD	529,000	3/7/2022	TBD	TBD
2022-142550	Layman Distributing	Salem	29,400	0	700	42	0	0%	-	-	-	16.23	TBD	6,790,000	3/13/2022	TBD	TBD
2022-142633	SWVA Biochar	Floyd	13,500	0	900	15	0	0%	-	-	-	21.87	TBD	2,550,000	4/1/2022	TBD	TBD
2022-142446	Hilton	Fairfax	315,000	0	900	350	0	0%	-	-	-	116.49	TBD	47,800,000	5/1/2022	TBD	TBD
2023-142823	EZ Treat	Fauquier	12,000	0	750	16	0	0%	-	-	-	28.31	TBD	3,540,000	5/11/2022	TBD	TBD
2023-142789	Armored Fresh	Fairfax	16,200	0	600	27	0	0%	-	-	-	28.31	TBD	125,000	6/28/2022	TBD	TBD
2022-142709	Wilderness Asset Holdings LLC	Bland	22,500	0	900	25	0	0%	-	-	-	33.32	TBD	12,850,000	8/2/2022	TBD	TBD
2022-142581	Lutron Electronics Co., Inc.	Hanover	150,000	0	750	200	0	0%	-	-	-	22.18	TBD	28,300,000	9/1/2022	TBD	TBD
2022-142660	Skip Barber	Halifax	21,600	0	900	24	0	0%	-	-	-	49.08	TBD	3,500,000	10/1/2022	TBD	TBD
2023-142986	Richmond National Group	Henrico	77,250	0	750	103	0	0%	-	-	-	47.67	TBD	350,000	11/22/2022	TBD	TBD
2023-143035	Altec Industries	Botetourt	112,500	0	750	150	0	0%	-	-	-	25.65	TBD	1,400,000	12/7/2022	TBD	TBD
2023-142914	Magazine Jukebox	Norfolk	15,000	0	750	20	0	0%	-	-	-	28.96	TBD	1,000,000	12/14/2022	TBD	TBD
2023-142819	Heyco	Greensville	18,900	0	900	21	0	0%	-	-	-	21.63	TBD	16,800,000	1/1/2023	TBD	TBD
2023-143139	Hermes Abrasives	Virginia Beach	24,000	0	800	30	0	0%	-	-	-	23.56	TBD	3,600,000	1/6/2023	TBD	TBD
2023-143178	Contraline	Charlottesville	13,600	0	800	17	0	0%	-	-	-	48.00	TBD	935,779	4/14/2023	TBD	TBD
2023-143103	Silver Branch Brewing Company	Fauquier	6,300	0	700	9	0	0%	-	-	-	21.00	TBD	190,000	5/5/2023	TBD	TBD
2023-143208	Republic National Distributing Company	Hanover	67,500	0	750	90	0	0%	-	-	-	27.45	TBD	3,119,804	5/8/2023	TBD	TBD
2024-143330	Parkland Direct	Bedford	36,900	0	900	41	0	0%	-	-	-	22.81	TBD	10,000,000	5/25/2023	TBD	TBD
2020-141244	Lowe's Companies, Inc.	Suffolk	85,000	0	850	100	0	0%	-	-	-	19.29	TBD	103,442,731	6/27/2023	TBD	TBD
2024-143341	Commonwealth Computer Research (CCR)	Charlottesville	114,300	0	900	127	0	0%	-	-	-	70.67	TBD	6,700,000	8/2/2023	TBD	TBD
2023-143166	Lyon Shipyard	Norfolk	110,550	0	825	134	0	0%	-	-	-	27.72	TBD	8,500,000	8/7/2023	TBD	TBD
2024-143423	ASM Mining	Sussex	71,000	0	1,000	71	0	0%	-	-	-	43.03	TBD	43,390,000	9/1/2023	TBD	TBD
2023-143184	Camrett Logistics	Pulaski	46,400	0	800	58	0	0%	-	-	-	17.87	TBD	2,150,000	9/1/2023	TBD	TBD
2024-143398	Trident Systems	Fairfax	27,000	0	750	36	0	0%	-	-	-	34.59	TBD	1,530,000	10/18/2023	TBD	TBD
2024-143354	TTM Technologies, Inc.	Loudoun	36,750	0	750	49	0	0%	-	-	-	30.46	TBD	13,500,000	10/18/2023	TBD	TBD
2024-143345	DOMA Technologies, LLC	Virginia Beach	245,600	0	800	307	0	0%	-	-	-	27.30	TBD	3,725,000	12/5/2023	TBD	TBD
2024-143319	JTI Leaf Services LLC	Danville	79,200	0	800	99	0	0%	-	-	-	33.40	TBD	46,000,000	1/1/2024	TBD	TBD
2023-143177	Mack Trucks	Roanoke	51,000	0	1,000	51	0	0%	-	-	-	25.26	TBD	14,500,000	1/1/2024	TBD	TBD
2022-142750	Coldwater Veneer, Inc.	King William	46,000	0	500	92	0	0%	-	-	-	18.57	TBD	2,500,000	1/2/2024	TBD	TBD
2024-143468	ESS Technologies Inc	Montgomery	27,000	0	1,000	27	0	0%	-	-	-	39.11	TBD	1,600,000	1/23/2024	TBD	TBD
2024-143521	JDSAT	Fairfax	45,000	0	750	60	0	0%	-	-	-	60.26	TBD	630,000	2/28/2024	TBD	TBD

Interim status report on Virginia Jobs Investment Program (VJIP) projects that have not yet reached their Performance Date¹

Important note: Companies are eligible for per job reimbursement once statutory minimum of jobs is achieved. Companies are only paid for jobs created or retrained. If statutory capital investment is not achieved, a full clawback is requested.

As of June 30, 2024 - sorted by time remaining until Initial Performance Date.

Project number ¹	Project name	Locality	Awarded Grant Amount (\$)	Actual Grant Amount Paid to Date (\$)	Reimbursement Rate Per Job (\$)	New Jobs Target ²	Actual New Jobs As of Most Recent Reimbursement Request	% of New Job Target Achieved	Retrained Jobs Target	Actual Retrained Jobs As of Most Recent Reimbursement Request	% of Retrained Job Target Achieved	Average Hourly Wage Target (\$)	Actual Hourly Wage As of Most Recent Reimbursement Request (\$)	Capital Investment Target (\$) ³	VJIP Application Date	Date of First Hire ⁴	Initial Performance Date ⁵
2023-143225	Aerojet Rocketdyne	Orange	72,000	0	900	80	0	0%	-	-	-	27.24	TBD	41,250,000	3/15/2024	TBD	TBD
2024-143589	Virginia Panel Corporation (VPC)	Waynesboro	80,000	0	500	-	-	-	160	0	0%	26.36	TBD	11,035,984	4/8/2024	N/A	TBD
2024-143523	Boxer Gifts	Harrisonburg	13,500	0	900	15	0	0%	-	-	-	17.04	TBD	1,405,000	4/15/2024	TBD	TBD
2024-143405	Eska Graphic Board	Suffolk	9,000	0	1,000	9	0	0%	-	-	-	30.85	TBD	5,272,320	5/1/2024	TBD	TBD
2022-142616	EPL America	Danville	62,400	0	800	-	-	-	78	0	0%	18.22	TBD	4,241,268	TBD	N/A	TBD
2024-143459	Paden Cold Storage	Norfolk	14,250	0	750	-	-	-	19	0	0%	20.58	TBD	1,800,000	TBD	N/A	TBD
2021-141894	Amazon	Henrico	500,000	0	500	1,000	0	0%	-	-	-	15.53	TBD	340,000,000	TBD	TBD	TBD
2022-142515	ARDX	Norfolk	12,750	0	850	15	0	0%	-	-	-	37.18	TBD	295,120	TBD	TBD	TBD
2018-140258	Armed Forces Brewing Company	Norfolk	24,500	0	700	35	0	0%	-	-	-	40.71	TBD	4,000,000	TBD	TBD	TBD
2023-142951	Automatic Coating, Limited	Suffolk	37,500	0	750	50	0	0%	-	-	-	31.57	TBD	22,700,000	TBD	TBD	TBD
2021-141923	AutoZone, Inc.	New Kent	221,900	0	700	317	0	0%	-	-	-	21.33	TBD	72,000,000	TBD	TBD	TBD
2023-142913	Berkley Mid-Atlantic Group	Henrico	43,200	0	600	72	0	0%	-	-	-	43.51	TBD	5,126,544	TBD	TBD	TBD
2024-143594	Carry On Trailer Company	Westmoreland	42,000	0	700	60	0	0%	-	-	-	16.74	TBD	9,200,000	TBD	TBD	TBD
2023-142885	CoStar Group	Arlington	150,000	0	1,000	150	0	0%	-	-	-	88.94	TBD	10,000,000	TBD	TBD	TBD
2023-142883	Engineered Biopharmaceuticals	Danville	34,000	0	1,000	34	0	0%	-	-	-	26.86	TBD	6,125,000	TBD	TBD	TBD
2022-142624	FreezPak	Suffolk	56,000	0	700	80	0	0%	-	-	-	24.31	TBD	71,500,000	TBD	TBD	TBD
2022-142672	IperionX	Halifax	108,000	0	1,000	108	0	0%	-	-	-	33.17	TBD	78,135,431	TBD	TBD	TBD
2022-142445	ISO Group	Chesterfield	16,000	0	800	20	0	0%	-	-	-	40.38	TBD	540,000	TBD	TBD	TBD
2024-143427	JKOZ Engineering	Nottoway	25,500	0	850	30	0	0%	-	-	-	20.39	TBD	2,550,000	TBD	TBD	TBD
2023-143060	Katoen Natie Norfolk, Inc.	Norfolk	53,200	0	700	76	0	0%	-	-	-	19.84	TBD	59,900,000	TBD	TBD	TBD
2022-142423	Leiber	Rockingham	29,750	0	850	35	0	0%	-	-	-	24.24	TBD	21,014,377	TBD	TBD	TBD
2022-142588	Liebherr Mining Equipment Company	Newport News	76,500	0	750	102	0	0%	-	-	-	23.12	TBD	74,000,000	TBD	TBD	TBD
2022-142487	MSI	Suffolk	57,800	0	850	68	0	0%	-	-	-	26.62	TBD	61,550,000	TBD	TBD	TBD
2020-141329	Ozark Automotive Distributors, Inc.	Stafford	202,500	0	750	270	0	0%	-	-	-	18.92	TBD	67,000,000	TBD	TBD	TBD
2023-143189	Press Glass	Henry	259,200	0	800	324	0	0%	-	-	-	19.42	TBD	126,500,800	TBD	TBD	TBD
2023-142784	Pyrotechnique by Grucci	Pulaski	24,000	0	800	30	0	0%	-	-	-	23.97	TBD	5,350,000	TBD	TBD	TBD
2022-142757	Ronald Mark Associates Inc.	Tazewell	23,400	0	900	26	0	0%	-	-	-	25.12	TBD	9,500,000	TBD	TBD	TBD
2022-142353	Unilock	Hanover	37,500	0	750	50	0	0%	-	-	-	32.55	TBD	55,600,000	TBD	TBD	TBD
2023-143111	Virginia Artesian Bottling	Hanover	9,750	0	750	13	0	0%	-	-	-	20.38	TBD	3,000,000	TBD	TBD	TBD
2023-143212	Wells Fargo	Roanoke	825,000	0	750	1,100	0	0%	-	-	-	25.05	TBD	87,000,000	TBD	TBD	TBD
2023-142881	Wilderness Asset Holdings LLC	Bland	27,000	0	900	30	0	0%	-	-	-	20.61	TBD	3,300,000	TBD	TBD	TBD
2022-142334	Zim American Integrated Shipping Services	Virginia Beach	177,300	0	900	197	0	0%	-	-	-	32.55	TBD	14,300,000	TBD	TBD	TBD
TOTAL			12,599,650	2,268,300		17,116	3,376	20%	257	0	0%			3,613,785,737			

¹Reporting includes all announced VJIP projects that are within a performance period or are pending the submission of a VJIP application.

²Reflects company's commitment to job creation and/or retraining. Company is not reimbursed for new jobs or retrained jobs above the target.

³Reflects company's commitment to capital investment. VJIP grants are not offered for projects not meeting the statutory minimum threshold of projected capital investment (statutory minimums: \$1MM for New Jobs Program; \$100K for Small Business New Jobs Program; \$500K for Retraining Program; \$50K for Small Business Retraining Program).

⁴Reflects date of first hire, which is the starting date of the 36-month performance period for New Jobs Programs. TBD reflects projects pending the submission of the VJIP application or that have not yet submitted their first reimbursement request.

⁵Reflects the Initial Performance Date of the project, which occurs 36 months after the date of the first hire. TBD reflects projects pending the submission of the VJIP application or that have not yet submitted their first reimbursement request.

Status report on Virginia Jobs Investment Program (VJIP) projects approved from FY18 through FY24 in Post-Performance Period (excludes projects within performance period)¹

Important note: Companies are eligible for per job reimbursement once statutory minimum of jobs is achieved. Companies are only paid for jobs created or retrained. If statutory capital investment is not achieved, a full clawback is requested. As of June 30, 2024- sorted by Initial Performance Date

Project number ¹	Project name	Locality	Awarded Grant Amount (\$)	Actual Grant Amount Paid (\$)	Reimbursement Rate Per Job (\$)	New Jobs Target ²	Actual New Jobs	% of New Job Target Achieved	Retrained Jobs Target ²	Actual Jobs Retrained	% of Retrained Jobs Target Achieved	Average Hourly Wage Target (\$)	Actual Hourly Wage (\$)	Capital Investment Target (\$) ³	VJIP Application Date	Date of First Hire ⁴	Initial Performance Date ⁵
2022-142322	Rivanna Medical	Albemarle	16,200	16,200	900	18	18	100%	-	-	-	43.26	37.51	260,000	8/23/2021	8/30/2021	6/27/2024
TOTAL			23,938,751	15,374,581		30,145	18,532	61%	5,186	5,022	97%			3,223,438,705			

¹Reporting includes projects with applications submitted FY18 (July 1, 2017) through FY24 (June 30, 2024)

²Reflects company's commitment to job creation and or retraining. Company is not reimbursed for new jobs or retrained jobs above the target.

³Reflects company's commitment to capital investment. VJIP grants are not offered for projects not meeting the statutory minimum threshold of projected capital investment (statutory minimums: \$1MM for New Jobs Program; \$100K for Small Business New Jobs Program; \$500K for Retraining Program; \$50K for Small Business Retraining Program).

⁴Reflects date of first hire, which is the starting date of the 36-month performance period for New Jobs Programs. N/A reflects this item is not applicable because it is a retraining project.

⁵Reflects date of project closeout. Initial Performance date is 36 months after the date of first hire (New Jobs programs) or the date of the application (Retraining programs), or once the company achieves the target new jobs or retrained jobs, whichever occurs first.

Status report on Custom Grants projects - Inception through present¹

Important note: Additional requirements for Custom Performance Grant outlined in individual MOUs.

As of June 30, 2024 - sorted by time remaining until performance date

Project Number	Company Name	Locality	Grant Amount (\$)	Grant Amount Paid to Date ²	MOU Execution Date	Performance Date	Job Creation Target	Job Creation as of Most Recent Payment Application ⁴	% of Job Creation Target as of Most Recent Payment Application	Capital Investment Target (\$)	Capital Investment as of Most Recent Payment Application (\$) ⁴	% of Capital Investment Target as of Most Recent Payment Application	Average Annual Wage Target (\$) ⁴	Status	Comments
34-15515	Rolls-Royce	Prince George	35,000,000	11,000,000	11/20/2007	12/31/2023	642	391	61%	501,400,000	273,000,000	54%	40,000	Completed	Payments of the grant are made after new job and capital investment milestones have been met and are, therefore, not subject to clawback. The Company notified VEDP that it is closing operations in Prince George and the MOU has been terminated.
2018-140398	Merck & Co., Inc.	Rockingham	7,500,000	5,000,000	8/20/2019	2/28/2025	152	373	245%	1,000,000,000	843,185,534	84%	100,000	Within Performance Period	Payments of the grant are made after new job and capital investment milestones have been met and are, therefore, not subject to clawback.
2017-137665	Amazon Web Services, Inc.	Fairfax County	10,500,000	10,500,000	7/1/2018	12/31/2025	1,500	1,682	112%	84,000,000	113,263,668	135%	90,000	Completed	Payments of the grant are made after new job and capital investment milestones have been met and are, therefore, not subject to clawback.
2020-141161	Microsoft Corporation	Fairfax County	22,500,000	11,250,000	8/1/2020	12/31/2025	1,500	892	59%	64,000,000	136,289,378	213%	112,215	Within Performance Period	Payments of the grant are made after new job and capital investment milestones have been met and are, therefore, not subject to clawback.
2021-141926	Blue Star	Wythe	8,500,000	0	6/1/2022	12/31/2026	2,464	TBD	N/A	714,100,000	TBD	N/A	42,671	Within Performance Period	\$8.5 million grant will be paid upfront to Wythe County for public water and sewer infrastructure improvements. The contract will have a maximum annual repayment schedule for underperformance. Project does not appear to be moving forward. The locality is requesting \$3.3 million from the appropriation for infrastructure expenses incurred to date for water/sewer infrastructure; the locality has halted additional work.
2016-133016	Huntington-Ingalls	Newport News	46,000,000	38,000,000	8/15/2016	12/31/2026	1,120	1,502	134%	750,000,000	1,821,300,000	243%	50,289	Within Performance Period	Award consists of two separate grants of which the company has satisfactorily met the requirements of one. Further, the company must file a final report in 2025 for the Foundry grant and may be subject to clawback in the case of underperformance.
2019-141041	Morgan Olson, LLC	Pittsylvania	7,000,000	500,000	6/30/2020	12/31/2027	703	384	55%	57,837,356	53,233,007	92%	34,274	Within Performance Period	Payments of the grant are made after new job and capital investment milestones have been met and are, therefore, not subject to clawback. VEDP has been made aware that the Company will essentially lay off all employees in Pittsylvania by the end of 2024 and discussions will be held to discuss termination of the MOU.
2019-140584	Volvo Trucks North America	Pulaski	16,500,000	4,000,000	8/1/2020	9/30/2029	777	111	14%	397,000,000	134,604,170	34%	51,624	Completed	Payments of the \$12.5 million grant related to job creation are made after new job milestones have been met, and are, therefore, not subject to clawback. Payment of \$4.0 million grant related to capital investment is not subject to clawback as capital investment has been achieved. The Company notified VEDP that it would be unable to meet the job creation component of the MOU and the MOU was terminated.
2021-141906	CMA CGM	Norfolk	9,042,875	1,398,465	8/1/2021	9/30/2030	415	272	66%	36,000,000	4,718,244	13%	113,636	Within Performance Period	Payments of the grant are made after new job and capital investment milestones have been met and are, therefore, not subject to clawback.
2021-141926	CoStar	Richmond City	15,000,000	0	05/02/24	12/31/2028	1,984	TBD	N/A	460,500,000	TBD	N/A	85,000	Within Performance Period	\$15.0 million grant will be paid upfront to the City of Richmond for pedestrian improvements. The contract will have a maximum annual repayment schedule for underperformance.
2018-138527	Micron Technology, Inc.	Manassas	70,000,000	70,000,000	8/1/2018	6/30/2033	1,106	150	14%	2,980,000,000	2,309,000,000	77%	92,000	Completed	Company received the full grant but secured any potential repayment through a cash escrow. The contract has a maximum annual repayment schedule for underperformance. The Company was unable to meet the job creation component of the MOU and a portion of the grant was repaid and the MOU was terminated.

Status report on Custom Grants projects - Inception through present¹

Important note: Additional requirements for Custom Performance Grant outlined in individual MOUs.

As of June 30, 2024 - sorted by time remaining until performance date

Project Number	Company Name	Locality	Grant Amount (\$)	Grant Amount Paid to Date ²	MOU Execution Date	Performance Date	Job Creation Target	Job Creation as of Most Recent Payment Application ⁴	% of Job Creation Target as of Most Recent Payment Application	Capital Investment Target (\$)	Capital Investment as of Most Recent Payment Application (\$) ⁴	% of Capital Investment Target as of Most Recent Payment Application	Average Annual Wage Target (\$) ⁴	Status	Comments
2023-143212	Wells Fargo	Roanoke	15,000,000	0	9/25/2023	12/31/2033	1,100	TBD	N/A	87,000,000	TBD	N/A	52,114	Within Performance Period	Payments of the grant are made after new job and capital investment milestones have been met and are, therefore, not subject to clawback.
2022-142431	LEGO	Chesterfield	75,000,000	18,292,347	6/1/2022	12/31/2035	1,761	199	11%	1,043,000,000	97,350,938	9%	64,257	Within Performance Period	Grant consists of \$56.0 million custom grant and \$19.0 million grant paid upfront to Chesterfield County for infrastructure improvements. The contract will have a maximum annual repayment schedule for underperformance related to the infrastructure grant; otherwise, payments of the grant are made after new job and capital investment milestones have been met and are, therefore, not subject to clawback.
2019-140933	Siemens Gamesa	Portsmouth	17,100,000	0	10/22/2021	9/30/2036	310	0	0%	83,638,400	0	0%	63,091	Canceled	The Company notified VEDP that it would not proceed with the project and the MOU was terminated. No state funds were released.
2018-138510	Amazon.com, Inc.	Arlington	550,000,000	0	11/12/2018	12/31/2038	25,000	6,939	28%	2,000,000,000	598,946,080	30%	150,000	Within Performance Period	Payments of the grant are made after new job and capital investment milestones have been met and are, therefore, not subject to clawback.
2021-142060	Rocket Lab USA	Accomack	15,000,000	0	8/15/2023	6/30/2040	246	TBD	N/A	103,000,000	TBD	N/A	95,822	Within Performance Period	\$15.0 million grant will be paid upfront to the Virginia Spaceflight Authority for the infrastructure improvements and construction of the facility. The contract will have a maximum annual repayment schedule for underperformance.
2022-142442	Amazon Web Services, Inc.	Multiple	140,000,000	0	TBD ³	12/31/2040	1,500	TBD	N/A	50,000,000,000	TBD	N/A	122,300	MOU Not Yet Executed*	*MOUs for the Data Center Sales and Use Tax Exemption have been executed for the five target AWS communities. The MOU/PAs for the custom grant are under development. Payments of the grant are made after new job and capital investment milestones have been met and are, therefore, not subject to clawback.
TOTAL			1,059,642,875	169,940,812			42,280	12,895	30%	60,361,475,756	6,384,891,019	11%			

¹Reflects latest data received from the company; TBD means the company has not yet filed its first payment application; thus, performance has not yet been verified.

²Denotes how much of the grant has actually been paid out to the company.

³Project has been announced but the performance agreement has not yet been signed.

⁴Job creation and wages are verified with the Virginia Employment Commission and capital investment is verified through the local Commissioner of the Revenue.

KEY - CUSTOM GRANT LEGISLATIVE NAMES BY PROJECT

- Amazon.com, Inc. = Major Headquarters Program
- Amazon Web Services, Inc.(2017-137665) = Special Workforce Grant
- Amazon Web Services, Inc. (2022-142442) = Cloud Computing Cluster Infrastructure Grant
- Blue Star = Nitrile Glove Manufacturing Training Program
- CMA CGM = Shipping and Logistics Headquarters Grant Program
- CoStar = Property Analytics Firm Grant Program
- Huntington-Ingalls = Advanced Shipbuilding Production Facility Grant Program
- LEGO = Precision Plastic Manufacturing Grant Program
- Merck & Co., Inc. = Pharmaceutical Manufacturing Grant
- Micron Technology, Inc. = Semiconductor Manufacturing Grant Program
- Microsoft Corporation = Technology Development Grant Program
- Morgan Olson, LLC = Advanced Production Grant Program
- Rocket Lab USA = Space Flight Operations Facilitation Program
- Rolls-Royce = Aerospace Engine Manufacturing Performance Grant Program
- Siemens Gamesa = Offshore Wind Component Grant Program
- Volvo Trucks North America = Truck Manufacturing Grant Program
- Wells Fargo = Financial Services Expansion Program

Interim status report on Data Center Retail Sales & Use Tax Exemption (DCRSUT) projects - MOUs executed since 7/1/14 and those with current agreements

Important note: DCRSUT is a tax credit program; thus, if the company does not meet statutory minimum criteria the company will be required by the Virginia Department of Taxation to repay taxes owed.

As of June 30, 2024 - sorted by Status (last column), then Performance date (either column E or F), then alphabetically

Project Name	Locality	Type	Perf. Agreement date	Initial perf. Date for meeting job and investment targets	Extension Date	Company has Achieved Statutory Minimum Target of 50 Jobs ¹	Company has Achieved Statutory Minimum Target of \$150 million in Capital Investment ¹	Status ²
SI NVA01 ABS, LLC (Previously Infomart Ashburn, LLC)	Loudoun	Co-location	03/01/17	03/01/21	11/01/24	No	No	Within Performance Period
Quality Tech, LP	Prince William	Co-location	02/01/18	01/01/22	01/01/25	No	No	Within Performance Period
Vantage Data Centers VA11, LLC (Previously Vantage Data Centers, LLC)	Loudoun	Co-location	05/01/18	05/31/24	None	No	No	Within Performance Period
Point One Holdings Inc.	Fauquier	Co-location	10/10/18	06/30/22	12/31/23	No	No	Within Performance Period
Phoenix Infrastructure, LLC (Previously Cyxtera)	Loudoun	Co-location	02/01/19	02/01/23	08/01/24	No	No	Within Performance Period
NOVA Mango Farms LLC	Prince William	Single User	07/01/19	12/31/24	None	No	No	Within Performance Period
Compass Datacenters IAD I, LLC	Loudoun	Co-location	07/07/19	07/07/22	07/07/25	No	No	Within Performance Period
PointOne IX USA, Inc.	Virginia Beach	Co-location	12/12/19	03/31/23	09/30/24	No	No	Within Performance Period
Microsoft Corporation	Loudoun	Single User	09/02/20	CO + 5	None	No	No	Within Performance Period
Manuchehr Ventures LLC	Prince William	Co-location	09/15/20	06/30/27	None	No	No	Within Performance Period
SI NVA04, LLC	Prince William	Co-location	12/08/21	06/30/26	None	No	No	Within Performance Period
Digital Realty Trust, Inc.	Prince William	Co-location	06/01/22	06/30/25	None	No	No	Within Performance Period
Cologix US, Inc.	Loudoun	Co-location	08/01/22	07/31/27	None	No	No	Within Performance Period
Yondr JK II, LLC	Loudoun	Co-location	09/01/22	09/30/26	None	No	No	Within Performance Period
NTT Global Data Centers VA10, LLC	Prince William	Co-location	11/01/22	12/31/27	None	No	No	Within Performance Period
Jamshid Ventures LLC	Loudoun	Co-location	12/23/22	12/31/27	None	No	No	Within Performance Period
Vantage Data Centers VA21, LLC (Previously Vantage2)	Loudoun	Co-location	02/01/23	02/01/26	None	No	No	Within Performance Period
GCDC Purchaser Phase 1	Prince William	Co-location	05/22/23	06/30/27	None	No	No	Within Performance Period
Chirisa Richmond LLC	Chesterfield	Co-location	07/01/23	06/30/26	None	No	No	Within Performance Period
CoreWeave, Inc	Mecklenburg	Co-location	08/01/23	07/31/26	None	No	No	Within Performance Period
Ashburn Data Property Owner, L.P.	Loudoun	Co-location	09/10/23	09/09/28	None	No	No	Within Performance Period
Microsoft Corporation	Prince William	Single User	10/24/23	06/30/30	None	No	No	Within Performance Period
Digital Gold Venture, LLC	Loudoun	Co-location	11/01/23	12/31/26	None	No	No	Within Performance Period
Digital Gold Venture, LLC	Prince William	Co-location	11/01/23	12/31/26	None	No	No	Within Performance Period
GCDC Purchaser Phase 2 LLC	Prince William	Co-location	12/01/23	06/30/27	None	No	No	Within Performance Period
Amazon Data Services, Inc.	King George	Single User	03/29/24	06/30/29	None	No	No	Within Performance Period
Amazon Data Services, Inc.	Louisa	Single User	03/29/24	06/30/29	None	No	No	Within Performance Period
Amazon Data Services, Inc.	Spotsylvania	Single User	03/29/24	06/30/29	None	No	No	Within Performance Period
Amazon Data Services, Inc.	Stafford	Single User	03/29/24	06/30/29	None	No	No	Within Performance Period
Digital Carver Brickyard, LLC	Prince William	Co-location	04/05/24	12/31/27	None	No	No	Within Performance Period
Amazon Data Services, Inc.	Caroline	Single User	05/29/24	06/30/29	None	No	No	Within Performance Period
Microsoft Corporation	Mecklenburg	Single User	10/08/10	12/31/14	None	Yes	Yes	Post-Performance
Amazon Data Services (Previously Vadata, Inc.)(Prince William)	Prince William	Single User	05/05/11	05/01/14	None	Yes	Yes	Post-Performance
Amazon Data Services, Inc. (Previously Vadata Inc.)(Loudoun)	Loudoun	Single User	05/05/11	05/01/14	None	Yes	Yes	Post-Performance
Amazon Data Services, Inc. (Previously Vadata, Inc.)(Fairfax)	Fairfax	Single User	05/11/11	05/01/14	None	Yes	Yes	Post-Performance
Salesforce.com	Loudoun	Single User	07/01/11	12/31/15	None	Yes	Yes	Post-Performance
Capital One	Chesterfield	Single User	06/22/12	09/30/15	None	Yes	Yes	Post-Performance
DuPont Fabros Technology, Inc.	Loudoun	Co-location	07/01/12	06/30/20	None	Yes	Yes	Post-Performance
Equinix	Loudoun	Co-location	10/31/12	12/31/14	None	Yes	Yes	Post-Performance
Visa, Inc.	Loudoun	Single User	12/17/12	07/01/14	None	Yes	Yes	Post-Performance
Digital Realty Trust, Inc.	Loudoun	Co-location	01/16/13	12/31/15	None	Yes	Yes	Post-Performance
QTS Data Centers	Henrico	Co-location	02/07/13	01/01/17	None	Yes	Yes	Post-Performance
NTT Global Data Centers Americas, Inc. (Previously Raging Wires Data Centers, Inc.)	Loudoun	Co-location	04/25/13	03/31/18	None	Yes	Yes	Post-Performance
zColo, LLC (Previously Zayo)	Loudoun	Co-location	08/12/13	07/31/18	None	Yes	Yes	Post-Performance
Amazon Data Services, Inc. (Previously Vadata Inc.)(Culpeper)	Culpeper	Single User	11/15/13	12/31/18	12/31/21	Yes	Yes	Post-Performance
Amazon Data Services, Inc. (Previously Vadata Inc.)(Fauquier)	Fauquier	Single User	11/15/13	12/31/18	12/31/21	Yes	Yes	Post-Performance
CoreSite Realty Corporation	Fairfax	Co-location	05/15/14	06/01/17	None	Yes	Yes	Post-Performance
CyrusOne	Loudoun	Co-location	06/12/14	12/31/18	12/31/19	Yes	Yes	Post-Performance
Abteen Ventures LLC	Prince William	Co-location	06/16/16	06/30/20	None	Yes	Yes	Post-Performance
Quality Tech Loudoun	Loudoun	Co-location	08/01/17	01/01/22	None	Yes	Yes	Post-Performance
Aligned Data Centers REIT, LLC	Loudoun	Co-location	12/03/18	12/31/22	None	Yes	Yes	Post-Performance
Bank of America	Henrico	Single User	09/14/19	12/31/13	None	Yes	Yes	Post-Performance
OVH Group	Fauquier	Co-location	09/26/16	06/30/21	03/31/22	No	No	Clawback Requested
Iron Mountain Information Management, LLC	Prince William	Co-location	05/10/17	12/31/21	06/30/23	No	No	Verification in Progress
Wheeler Survey Company LLC	Loudoun	Single User	01/26/18	12/31/22	None	No	No	Verification in Progress
Iskandar Ventures LLC	Loudoun	Co-location	03/19/18	03/31/23	None	No	No	Verification in Progress

¹ VEDP verifies that the company meets statutory minimum targets of 50 jobs and \$150 million in capital investment in order to be eligible for the program.

² Status Definitions:

Within Performance: Companies within performance period are not required to meet performance targets until the established projected completion date.

Post-performance: Denotes companies that have met the established targets and have been issued an exemption certificate.

Clawback Requested: Company has failed to meet the performance obligation and the Commonwealth is requesting the benefit due back.

Verification in Progress: Companies have submitted documentation that they have achieved qualifying targets for capital investment and job creation, and VEDP is in process of verifying the information with Virginia Employment Commission and the Commissioners of the Revenue.