

A G E N D A

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY LEGISLATION AND POLICY COMMITTEE MEETING

**June 12, 2024
12:30 P.M. – 1:30 P.M.**

**One James Center, 9th Floor – VEDP Board Room
Richmond, Virginia**

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|--------------------------------|--|
| 12:30 p.m. – 12:33 p.m. | Welcome/Call to Order – Marianne Radcliff, Chair |
| 12:33 p.m. – 12:35 p.m. | Public Comment Period |
| 12:35 p.m. – 12:40 p.m. | Approval of Minutes for 12.06.23 and 03.06.24 Meetings |
| 12:40 p.m. – 1:00 p.m. | General Assembly Update – Nicole Riley <ul style="list-style-type: none">- Reconvene- Special Session |
| 1:00 p.m. – 1:20 p.m. | Closed Session <ul style="list-style-type: none">- Budget and Legislative Proposals- Legislator Engagement |
| 1:20 p.m. – 1:25 p.m. | Return to Open Meeting and Certification of Closed Meeting |
| 1:25 p.m. – 1:30 p.m. | Open Discussion and Anticipated Topics for Next Meeting |
| 1:30 p.m. | Adjournment |

Minutes
Legislation and Policy Committee Meeting
Board of Directors of the Virginia Economic Development Partnership
March 6, 2024
2:30 p.m. – 3:30 p.m.

One James Center, 9th Floor – Board Room
Richmond, Virginia

Welcome and Call to Order

Acting Chair Carrie Chenery called the meeting to order at 2:30 p.m. She noted that the Committee did not have a quorum of its members present for the meeting, so no votes would be taken.

In-person Committee members: Carrie Chenery, John Hewa, Steven Stone, and Bill Hayter (ex officio)

Committee members absent: Nancy Agee, Anne Oman, Marianne Radcliff, and Nick Rush

Other in-person Board members: Secretary Stephen Cummings, Rick Harrell, Pace Lochte, Secretary Caren Merrick, and Will Sessoms

Public Comment Period

Acting Chair Chenery solicited public comments. There were none.

Approval of Minutes for December 6, 2023

Approval of minutes was not considered due to lack of quorum.

Legislative Update

Acting Chair Chenery said that since the Committee last met in December, 2023, a special election was held to fill two vacant seats: House District 48 by Eric Phillips and Senate District 9 by Tammy Mulchi.

Acting Chair Chenery introduced Nicole Riley to provide an update on the 2024 General Assembly Session and other legislative highlights.

Ms. Riley provided a recap and statistics from the 2024 General Assembly session.

2024 Session Recap

- 2024 General Assembly Regular Session convened January 10, 2024
- Each Chamber passed their budgets on February 22, 2024
- Sine Die – March 9, 2024
- Reconvened Session – scheduled for Wednesday, April 17, 2024

2024 Session Statistics

- 2400+ Bills introduced
- 6 agency bills
- 198 Bills tracked by VEDP
 - Economic development-driven bills
 - Energy bills
 - Housing bills
- 20+ Legislative Action Summaries

Ms. Riley reviewed the timeline for the end of session. She shared that the General Assembly is scheduled to reconvene on Wednesday, April 17. She explained that this is when General Assembly members will return for a one-day session to address vetoes by Governor Youngkin, amendments to bills, and the Governor's amendments to the budget.

Ms. Riley said that VEDP will be conducting a bill review of final bills and submitting recommendations to the Administration as they work through those bills over the next 30 days.

Ms. Riley provided a thorough review of VEDP's Legislative Proposals and the status of each. She also highlighted several other economic development-related bills and their current status.

Ms. Riley spoke about the Virginia Business Ready Expedited Permitting Program bills which would allow VEDP to designate up to 2 sites and 4 projects to participate in the program. The bills set timelines for agency review, protect public comment, and will sunset after 3 years. Meeting attendees engaged in a discussion about the impacts of the bills.

Ms. Riley spoke about bills that would impact data centers. She said a forthcoming Joint Legislative Audit & Review Commission (JLARC) report will take an in-depth look at data centers, including sales and use tax exemptions, environmental impacts, zoning requirements, etc.

Secretary Merrick spoke about the various stakeholders who have been involved in providing information for the JLARC report on data centers. She highlighted the importance of maintaining Virginia's leadership in data centers, so that the Commonwealth may remain competitive for future projects.

Attendees engaged in a robust discussion on data centers, including the energy needs of these projects and how Virginia is planning to meet these needs.

Closed Session

A motion was made by Mr. Stone and seconded by Mr. Hewa to move into a closed meeting. The members unanimously approved the motion shown below.

I move that the Legislation and Policy Committee of the Virginia Economic Development Partnership Authority convene a closed meeting to discuss elements of VEDP’s Strategic Plan, Marketing Plan, and Operational Plan pursuant to Subdivision A 50 of §2.2-3711 of the Code of Virginia, which allows for the discussion of such activities that would reveal to Commonwealth’s competitors for economic development projects the strategies intended to be deployed, thus adversely affecting the financial interests of the Commonwealth.

Return to Open Meeting, Certification of Closed Meeting – Followed by a Roll Call Vote:

Ms. Wallmeyer read the following certification and then conducted a roll call vote:

Do you certify, that to the best of your knowledge, (i) only public business matters lawfully exempted from the open meeting requirements of FOIA were discussed in the closed meeting, and (ii) only such matters as were identified in the motion to go into the closed meeting were heard, discussed, or considered during the closed meeting?

Upon the vote: Ms. Chenery Aye
 Mr. Hewa Aye
 Mr. Hayter Aye
 Mr. Stone Aye

Adjournment

There being no further business, Acting Chair Chenery adjourned the meeting at 4:00 pm.

Respectfully submitted,

Lesley Brown



LEGISLATION AND POLICY COMMITTEE

June 12, 2024

PRESENTERS



Nicole Riley

Senior Vice President of Policy and Strategic Partnerships

nriley@vedp.org

AGENDA

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General Assembly Update

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Closed Session: Legislator Engagement

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1 U.S. SENATE & 11 U.S. HOUSE OF REPRESENTATIVES SEATS ARE ON THE BALLOT THIS NOVEMBER

Key dates for the upcoming General Election:

June 18, 2024

- Primary Election Day

September 20, 2024

- First day of absentee and in-person early voting at your local registrar's office

November 2, 2024

- Last day of in-person early voting

November 5, 2024

- General Election Day



PRIMARY CANDIDATES ON THE BALLOT FOR THE GENERAL ELECTION (1 OF 2)

District	Democrat	Republican	Other
Senate	*Tim Kaine	Hung Cao Jonathan Emord Eddie Garcia Scott Parkinson Chuck Smith	Jonathan Hardin
1	Herb Jones Leslie Mehta	*Rob Wittman	
2	Missy Cotter Smasal Jake Denton	*Jen Kiggans	Robert Reid
3	*Bobby Scott		Shanise Williams
4	*Jennifer McClellan	Bill Moher	
5	Paul Riley Gary Terry Gloria Tinsley Witt	*Bob Good John McGuire	
6	Ken Mitchell	*Ben Cline	

* Incumbent

PRIMARY CANDIDATES ON THE BALLOT FOR THE GENERAL ELECTION (2 OF 2)

District	Democrat	Republican	Other
7	Andrea Bailey Carl Bedell Margaret Franklin Elizabeth Guzman Clifford Heinzer Briana Sewell Eugene Vindman	Derrick Anderson Cameron Hamilton Maria Martin Jonathan Myers John Prabhudoss Terris Todd	
8	*Don Beyer	Jerry Torres	
9	Karen Baker	*Morgan Griffith	
10	Jennifer Boysko Marion Devoe Eileen Filler-Corn Dan Helmer Krystle Kaul Mark Leighton Michelle Maldonado Travis Nembhard Adrian Pokharek Atif Qarni David Reid Suhas Subramanyam	Manga Anantatmula Aliscia Andrews Mike Clancy Alexander Issac	Dennis Aryan
11	*Gerry Conolly Ahsan Nasar	Michael Van Meter	

* Incumbent

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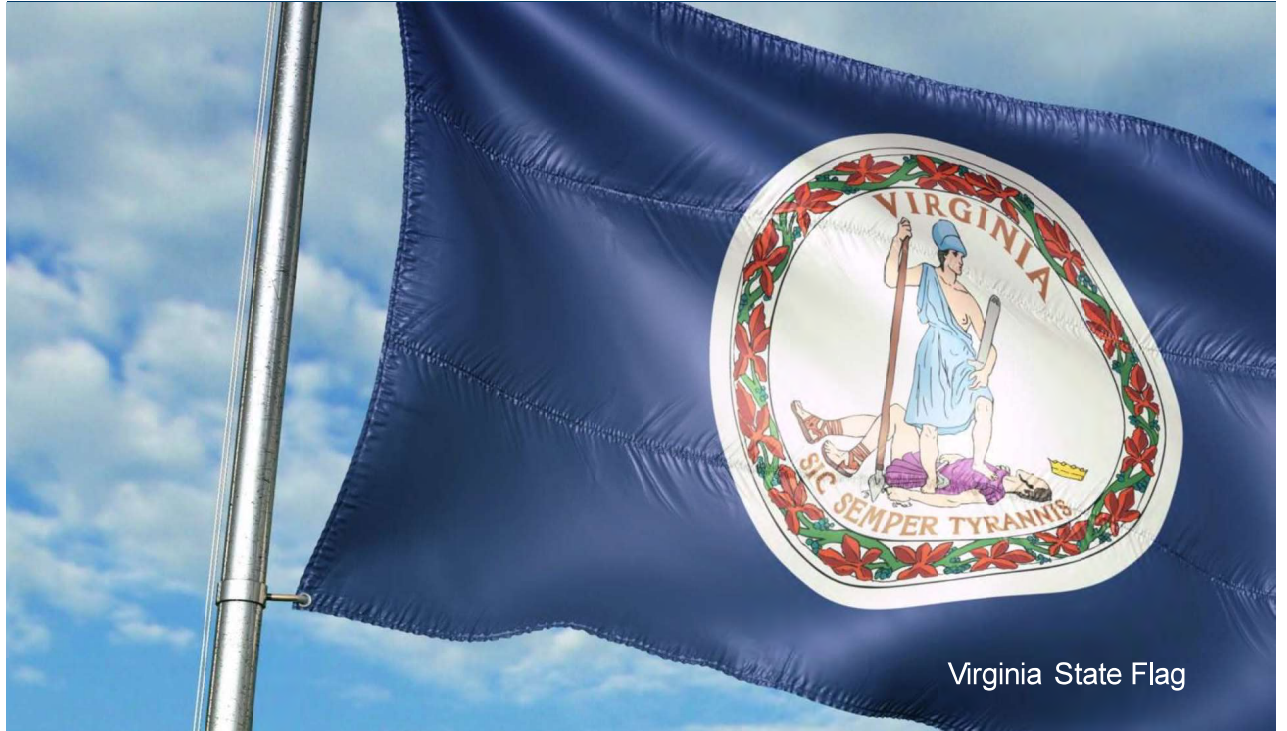


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VEDP LEGISLATIVE ITEMS

2 OUT OF 3 VEDP LEGISLATIVE PROPOSALS SIGNED INTO LAW

Initiative	Final Summary	Final Action
HB468 (McNamara) SB156 (Head) Financial Services Expansion Grant Fund	Codifies the MEI approved project for Wells Fargo to make grant payments to an eligible financial services company that makes a capital investment of at least \$87 million at a facility in Roanoke County and creates at least 1,100 new full-time jobs.	HB468: Signed into law SB156: Signed into law
HB1514 (Torian) SB718 (Surovell) Virginia Sports and Entertainment Authority	Establishes the Virginia Sports and Entertainment Authority as a political subdivision charged with financing the construction of a sports and entertainment campus to include the global corporate headquarters, an industry-leading arena for both NHL and NBA, a state-of-the-art media studio, NBA practice facility, performing arts venue, and an e-sports facility.	HB1514: Passed House 59 Y – 40 N Failed in Senate Committee SB718: Failed in Senate committee
HB1457 (Carr) SB496 (Carroll Foy) Virginia Investment Performance Grants	Reauthorizes Virginia Investment Performance (VIP) Grant administered by VEDP. Includes JLARC recommendation to move from a 3-year waiting period for 1st payment to 1 year. Annual payments per year are set to \$7 million. SB496 includes additional JLARC recommendations related to GoVA to lower local match to half of state grant & adds Secretary of Labor to GoVA Board.	HB1457: Signed into law SB496: Signed into law



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LEGISLATION IMPACTING ECONOMIC DEVELOPMENT

OTHER LEGISLATIVE PROPOSALS OF INTEREST FOR 2024 GENERAL ASSEMBLY SESSION (1 OF 4)

Initiative	Final Summary	Final Action
<p>HB233 (Campbell) SB135 (Head)</p> <p>VBRSP; eligible site for site development grant.</p>	<p>Drops from 100 acres to 50 acres as the minimum number of contiguous acres if the smaller site meets certain criteria such as topographical or environmental factors, unique economic development project opportunity, or lack of inventory within the region for that unique opportunity.</p>	Signed into law
<p>HB1083 (Coyner)</p> <p>Virginia Education and Workforce Longitudinal Data System</p>	<p>Directs the Secretary of Education to convene a work group to review the current capabilities and future needs of the Virginia Longitudinal Data System and the Virginia Workforce Data Trust and, based on the results of such review, develop a work plan for improving the Virginia Longitudinal Data System. VOEE is a participant of the workgroup.</p>	Signed into Law
<p>HB1125 (Carr) SB217 (Locke)</p> <p>Virginia Business Ready Expedited Permitting Program</p>	<p>Allows VEDP to designate up to 2 sites and 4 projects to participate in the program. Sets timelines for agency review; protects public comment and sunsets after 3 years. Effective date is January 1, 2025.</p>	Signed into law
<p>SB581 (Stuart) Department of Environmental Quality; data; groundwater and surface water withdrawal permits</p>	<p>Authorizes DEQ to utilize and incorporate comprehensive groundwater, surface water, and aquifer data in its processes related to the issuance and renewal of groundwater withdrawal permits and surface water withdrawal permits.</p>	Signed into law

OTHER LEGISLATIVE PROPOSALS OF INTEREST FOR 2024 GENERAL ASSEMBLY SESSION (2 OF 4)

Initiative	Final Summary	Final Action
<p>HB1491 (O'Quinn)</p> <p>Small Modular Nuclear Facility development (AEP)</p>	<p>Permits American Electric Power, prior to the filing of an application for a certificate to construct a small modular nuclear facility, to request the State Corporation Commission to review such utility's decision to incur project development costs, as defined in the bill. The bill has an expiration date of July 1, 2034.</p>	<p>Signed into law</p>
<p>SB454 (Marsden)</p> <p>Small Modular Nuclear Facility development (Dominion)</p>	<p>Permits Dominion Energy Virginia to petition the State Corporation Commission at any time for the approval of a rate adjustment clause for the recovery of small modular reactor project development costs for up to one small modular reactor facility. This bill also permits the utility to petition the SCC for project development cost recovery along separate development phases. The bill has an expiration date of December 31, 2029.</p>	<p>Signed into law</p>
<p>HB 61 (Wright) SB 679 (Head & Mulchi)</p> <p>Renew Enterprise Zones</p>	<p>Provides that any enterprise zone in existence as of June 30, 2024, shall be extended for a period of four years in addition to any renewal periods currently authorized by law.</p>	<p>Signed into law</p>
<p>HB 619 (Price) SB 343 (Rouse)</p> <p>Military centered community zones</p>	<p>Allows localities to establish, by ordinance, one or more military centered community zones, which is defined in the bill as a community that has a significant presence of military personnel living or working in the designated area and where such presence drives, or has the potential to drive, significant economic activity.</p> <p>Provides that a locality may offer unique benefits to businesses looking to locate within a zone for the purpose of serving the needs of the military personnel, including reduction of certain fees and taxes. As well as provides local governments authorized to enter into agreements for the payment of economic development incentive grants to such businesses and allows a governing body to provide for certain regulatory flexibility.</p>	<p>Signed into law</p>

OTHER LEGISLATIVE PROPOSALS OF INTEREST FOR 2024 GENERAL ASSEMBLY SESSION (3 OF 4)

Initiative	Final Summary	Final Action
<p>SB581 (Stuart) Department of Environmental Quality; data; groundwater and surface water withdrawal permits</p>	<p>Authorizes DEQ to utilize and incorporate comprehensive groundwater, surface water, and aquifer data in its processes related to the issuance and renewal of groundwater withdrawal permits and surface water withdrawal permits.</p>	Signed into law
<p>SB 436 (Suetterlein) Department of Workforce Development and Advancement</p>	<p>Follow up legislation on the new agency for Workforce Development and Advancement. Changes include title change to Commissioner and that the new Department, in consultation with the Governor, is responsible for developing the formula for providing for 30 percent of WIOA Adult and Dislocated Worker funds (rather than VCCS).</p> <p>Bill includes the work VOEE is doing for the Virginia Board of Workforce Development in establishing the high-demand fields for which noncredit workforce training programs may be offered by eligible educational institutions.</p>	Signed into law
<p>HB 1499 (Willett) SB 155 (Head) Virginia Health Workforce Development Authority</p>	<p>Clarifies work and duties of the Virginia Health Workforce Development Authority including creating the Virginia Health Care Career and Technical Training and Education Fund. It includes authorizing the Authority to partner with other agencies and institutions to obtain and manage health workforce data with VOEE listed as a possible data source.</p>	Signed into law

OTHER LEGISLATIVE PROPOSALS OF INTEREST FOR 2024 GENERAL ASSEMBLY SESSION (4 OF 4)

Initiative	Final Summary	Final Action
<p>SB729 (Surovell) Virginia Clean Energy</p>	<p>Creates the Virginia Clean Energy Innovation Bank to finance clean energy projects, greenhouse gas emissions reduction projects, and other qualified projects through the strategic deployment of public funds in the form of grants, loans, credit enhancements, and other financing mechanisms. The Bank would leverage state dollars to receive available federal funds.</p> <p>The Bank is governed by a 12-member Board of Directors, which would include VEDP's CEO. The bill contains provisions for (i) the appointment of a president and the hiring of staff, (ii) the powers and duties of the Bank, (iii) lending practices, (iv) a strategic plan, (v) an investment strategy, (vi) public outreach requirements, (vii) audits, (viii) exemptions from taxes and from personnel and procurement procedures, and (ix) reporting requirements.</p>	Vetoed
<p>HB212 (Watts) SB393 (Pekarsky) MEI Project Approval Commission; board-level gender and diversity requirements</p>	<p>Requires the MEI Project Approval Commission to consider, prior to recommending approval of any MEI project, a board diversity disclosure statement submitted by the business seeking incentives. MEI is required to consider (i) whether such statement specifies the number and percentage of diverse directors who identify as female or as representing a national, racial, ethnic, indigenous, or cultural minority in the country of the business's principal executive offices and (ii) whether the business commits to annually updating and submitting such statement.</p>	Vetoed



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VEDP BUDGET UPDATE

FINAL VEDP INCENTIVE BUDGET ITEMS (1 OF 2)

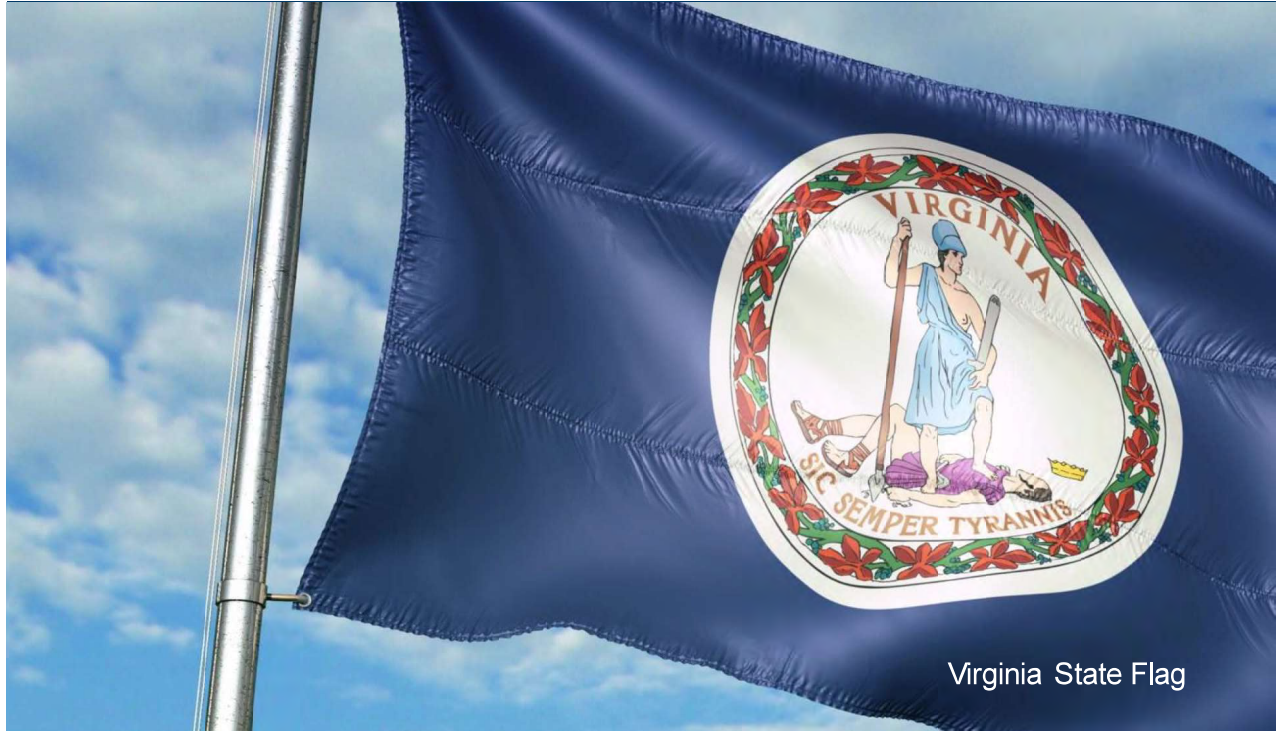
		Final Action (\$M)		
Initiative (Item)	Summary	FY25	FY26	
Incentives	Expand Virginia Business Ready Sites Program (101#1h) / (101#1s)	Provides additional funding for the Virginia Business Ready Sites Program, which provides competitive matching grants to localities to develop a portfolio of project-ready sites for the Commonwealth.	20.00	20.00
	Fund the Virginia Business Ready Sites Acquisition Program (101#2s)	Provides funding for the site acquisition program established in 2023 to enable the Commonwealth to purchase or option megasites to fill gaps within the site portfolio for transformative large scale industrial projects.	0.00	0.00
	Launch talent and workforce retention and recruitment campaign	Directs VEDP to develop and implement a statewide talent attraction & retention strategy to fill key talent gaps through in-migration and reductions in outmigration. VEDP will consult with Department of Workforce Development and Advancement & Virginia Tourism Authority.	0.00	0.00
	Financial Services Expansion Grant (101#7h)	Authorizes incentive payments from the Financial Services Expansion Grant Fund beginning in FY25 for a qualified company (Wells Fargo) which meets its targets outlined in MOU.	1.60	1.40

FINAL VEDP INCENTIVE BUDGET ITEMS (2 OF 2)

		Final Action (\$M)		
Initiative (Item)	Summary	FY25	FY26	
Incentives	Cloud Computing Cluster Infrastructure Grant Program payments (101#9h)	Authorizes incentive payments from the Cloud Computing Cluster Infrastructure Grant Fund beginning in FY26 for a qualified company (AWS) that meets its targets outlined in their MOU.	0.00	4.00
	Sites Threshold Language	Updates language in budget for VBRSP to conform with the provisions of HB223 and SB135.	Lang.	Lang.
	Sites Contiguous Language	Permits participation of sites that may be bisected by a roadway or other utility related infrastructure in the VBRSP.	Lang.	Lang.
	Amazon HQ2 Advance Payments	Removes advance deposit to Major Headquarters Workforce Grant Fund. With proposed deposit of \$42.5m in FY25 combined with previous deposits, \$163.0 million will be available for payments to Amazon starting in FY27.	21.25	21.25

FINAL VEDP OPERATIONAL BUDGET ITEMS

		Final Action (\$M)		
Initiative (Item)	Summary	FY25	FY26	
Operational	Launch Innovative Framework (113#1h) / (113#1s)	Positions Virginia as a leader in its approach to economic growth by focusing on sector-specific project cultivation and collaborative ecosystem building. Establishes sector teams at VEDP focused on lead generation and ecosystem-building across government and with other partners to improve alignment on core growth sectors for Virginia.	1.0	1.25
	Increase capacity for VOEE (113#2s)	Ensures VOEE has the capacity, resources, and technology infrastructure to meet the current demands of stakeholders to share research publicly and provide high-impact analysis on linkages between education and the labor market in Virginia.	1.25	1.50
	Increase capacity for site-related administration (113#3s)	Increases funding for VEDP to administer both the Virginia Business Ready Sites Program and Virginia Business Ready Sites Acquisition. Also, includes the newly passed legislation creating the Expedited Permit pilot.	0.50	0.50
	Establish Taiwan office (113 #5h)	Establishes VEDP office in Taiwan focused on foreign direct investment and export assistance.	0.30	0.30
	Cybersecurity Upgrades	Provides funding for increased costs of cybersecurity operations using managed service providers, certified audit firms, and new technology.	0.20	0.20
	Audit Provisions	Includes in VEDP’s annual operational plan the most recent audit report from the APA in lieu of audited financial statements	Lang.	Lang.



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BUDGET ITEMS IMPACTING ECONOMIC DEVELOPMENT

GENERAL ASSEMBLY RETURNED TO RICHMOND ON MAY 13, 2024, FOR SPECIAL SESSION TO FINALIZE A COMPROMISE BUDGET

General Assembly members gathered to convene a one-day special legislative session with the following outcomes related to additional items of interest:

- 3% state raises for teachers, state employees, and support staff for each year of the biennium
- \$2.5M in the second year (FY26) for the continuation of the Inland Port development led by the Virginia Port with VEDP support to include a business recruitment strategy for the inland port.
- \$3.95M (FY25) and \$5.25M (FY26) to expand access to high demand credentials through increased funding for the Workforce Credential Grant
- \$1.50M in the first year (FY25) to support the transition of the workforce programs to the newly established Department of Workforce Development and Advancement
- \$90M over six years to increase Transportation Partnership Opportunity Fund (TPOF) funding to address infrastructure needs of large economic development related projects
- \$10M in the first year (FY25) to establish the Virginia Clean Energy Innovation Bank to finance climate initiatives within the Department of Energy. Up to \$2,000,000 of these amounts may be used for administration.