



VIRGINIA'S GATEWAY REGION
Economic Development Organization

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Commonwealth of Virginia
Office of Governor Bob McDonnell

**“Virginia at Work”: Governor McDonnell and Lieutenant
Governor Bolling Highlight Administration Job Creation Efforts
71,500 Jobs Have Been Added in Virginia since February: Third
Highest Amount in Nation**

*110 Economic Development Projects Announced In Virginia since Inauguration
Day; Projects Create 7,154 Jobs and \$1 Billion in Capital Investment; New
Budget Contains More Resources and Tools for Economic Development Efforts*

RICHMOND- A day prior to the 6-month mark of the McDonnell Administration, Governor Bob McDonnell, Lieutenant Governor Bill Bolling, Secretary of Commerce and Trade Jim Cheng and Bob Sledd, the Governor’s Senior Economic Advisor, held a morning press briefing to discuss the aggressive work underway to bring new job-creating businesses to the Commonwealth, help existing businesses expand and grow Virginia’s economy. The briefing, “Virginia at Work”, also included an update on the overall jobs picture in the state, and came just two days prior to the Governor’s first overseas trade mission.

McDonnell, along with the First Lady, Secretary Cheng, and Secretary of Agriculture and Forestry Todd Haymore, will travel to Great Britain, Germany and the Netherlands to meet with business officials, encourage investment in Virginia, and promote tourism and Virginia products including wine, seafood, pork and peanuts. The mission follows a recent month-long economic development trip to Asia by Secretary Cheng in which he, along with other economic development officials, met with numerous business prospects with interests in Virginia.

Among the highlights noted during today’s “Virginia at Work” briefing:

- Statistics show that the Commonwealth has added 71,500 jobs since February. These jobs are in the private and public sectors and represent all employment: full-time, temporary, and part-time.
- This is the third-highest amount in the nation

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- Third-highest percentage increase in the nation
- Virginia's unemployment rate of 7.1% is the third lowest east of the Mississippi
- 13th lowest nationally
- 110 economic development deals have been closed in Virginia since Inauguration Day
- The 110 deals will produce 7,154 jobs and \$1 billion in capital investment
- The McDonnell Administration has appointed Virginia's first Chief Jobs Creation Officer and Virginia's first Deputy Secretary of Commerce and Trade for Rural Economic Development
- The new biennial budget includes significant new resources and incentives to help the Commonwealth better compete for job-creating projects
- Funding secured for new Virginia trade offices in Great Britain, India, and China
- Virginia landed the corporate headquarters of Fortune 100 company Northrop Grumman on the 101st day of the McDonnell Administration

Additional information about economic development projects announced by the Administration, and the new incentives and policies put in place to help spur job-creation, are available below.

Speaking about today's "Virginia at Work" briefing, the Governor noted, "The number one priority of our Administration is creating good-paying jobs for our citizens in the counties and cities where they live. A job provides dignity, self-worth, and opportunity. Every Virginian deserves that. In this tough economy there is no effort more important, no task timelier, than utilizing every resource available to bring new job-creating businesses to the Commonwealth, and to help existing businesses to expand. We will put in place policies that help entrepreneurs and job creators, and then we will get out of their way so they can create, grow and innovate."

The Governor continued, "Just this morning we are announcing that Regitex USA will be opening a new manufacturing facility in Mecklenburg County, and 60 new jobs will come along with it. Yesterday we announced new jobs in Altavista, and the day before it was Hopewell. Every day that we can announce new jobs for Virginia workers is a victory for the Commonwealth, and another step towards creating the "Commonwealth of Opportunity" that I spoke about in my Inaugural Address. This is the driving motivation behind everything we do in this Administration. These are tough economic times, and Virginians are hurting. We are just getting started in our work to get Virginians back to work. I know that we can get this economy turned around and bring jobs and opportunity to every corner of the Commonwealth."

Lieutenant Governor Bolling, who also serves as Virginia's first Chief Jobs Creation Officer, remarked, "Needless to say, we are very pleased with the progress that has been made in getting Virginia's economy moving again and creating jobs for Virginia's families. Over the last six months over 100 economic development deals have been closed in Virginia, and over 70,000 new jobs have been created, the third highest job creation rate in the nation. This shows that Virginia is on the right track and we are focused on making sound decisions on what needs to be done to position Virginia to take advantage of a future economic recovery. However, we know that we have a lot of work left to do, and we intend to continue working hard to do everything we can to lead our state into a period of greater economic prosperity."

“Virginia at Work”

Major Jobs Announcements in First 6 Months of McDonnell Administration*

February 26th: Morgan Lumber Expansion in Charlotte County: *25 New Jobs*
March 2nd: Kraft Foods Expansion in Frederick County: *100 New Jobs*
March 18th: Mercury Paper Moves North American Headquarters to Shenandoah County: *150 New Jobs*
March 30th: DirectTV and Convergys Virtual Call Center to Open in Southwest Virginia: *100 New Jobs*
March 31st: Polymer Expands in Waynesboro: *41 New Jobs*
April 13th: EcomNets Announces Computer Manufacturing Facility in Danville: *160 New Jobs*
April 26th: Fortune 100 Company Northrop Grumman Selects Fairfax for Corporate Headquarters: *300 New Jobs*
April 28th: Faneuil, Inc. Establish customer service center in Martinsville: *250 New Jobs*
May 6th: Phoenix Packaging Selects Pulaski County for First United States Manufacturing Facility: *240 New Jobs*
May 11th: Virginia Casting Industries Announces New Facility in Radford, Bringing Bankrupt Foundry back to Productive Capacity: *300 New Jobs*
May 24th: MeadWestvaco Moves Center for Packaging Innovation from Raleigh to Richmond: *128 New Jobs*
May 27th: Orion Air Group Consolidates Operations in Newport News: *51 New Jobs*
June 15th: KPMG Announces Expansion in Fairfax County: *375 New Jobs*
June 25th: Monogram Foods Grows Operation in Henry County: *150 New Jobs*
June 29th: Evatran LLC, to open new Wytheville facility that will manufacture Plugless Power™ charging technology for electric vehicles: *84 New Jobs*
July 13th: Praxair to Operate Gases Operation at Osage Bio Energy Facility in Hopewell: *17 New Jobs*
July 14th: Intersections Inc. Announces Customer Care Center in Altavista: *250 New Jobs*
TODAY: Regitex USA LLC Publicizes Opening of Manufacturing Operation in Mecklenburg County: *60 new jobs.*

“Virginia at Work”

New Economic Development and Job Creation Laws in Effect as of July 1st

SB475 (Watkins)/ HB380 (Edmunds) – Strengthens the criteria for Governor’s Opportunity Fund

- Provides that criteria to be used in awarding grants and loans from the Governor’s Development Opportunity Fund shall include (i) job creation, (ii) private capital investment, and (iii) anticipated additional state tax revenue expected to accrue to the state and affected localities as a result of the capital investment and jobs created.

SB554 (Puckett)/ HB1244 (D. Marshall) – Allows the Governor discretion regarding the local match for the Governor’s Opportunity Fund

- Provides that the guidelines for the Governor’s Development Opportunity Fund may require an affected locality or localities to provide matching funds,

which may be cash or in-kind, at the discretion of the Governor. In addition, the Governor may waive the cap on the amount of money that may be provided to any individual project if the project for which the waiver is granted is of regional or statewide interest.

- Incorporates HB602 (O'Bannon) and HB1371 (Lewis)

SB472 (Watkins)/ HB624 (Kilgore) – Expands the Major Jobs Facilities tax credit

- Amends the Major Business Facility Job Tax Credit, lowering the threshold to 50 full-time jobs (Current law provides a \$1,000 tax credit for major business facilities that create at least 100 qualified full-time jobs).
- In enterprise zones or economically distressed areas, the base or threshold is lowered from 50 newly created jobs to 25.
- Incorporates SB481 (Hurt) and HB853 (Morefield)

SB739 (Stosch/Whipple)/ HB1396 (Putney) – Expands economic development incentive programs to attract major businesses to locate in Virginia

- Allows the use of funds from the Governor's Development Opportunity Fund for construction or build-out of privately owned buildings
- Changes the caps for eligible projects awarded a Virginia Economic Development Incentive Grant (VEDIG) as follows: for eligible projects awarded grants prior to July 1, 2010, the aggregate amount of economic development incentive grants payable under this section in any fiscal year shall not exceed \$6 million, and the aggregate amount of such grants outstanding at any time shall not exceed \$30 million; and for eligible projects awarded grants on or after July 1, 2010, the aggregate amount of economic development incentive grants payable under this section in any fiscal year shall not exceed \$6 million and the aggregate amount of such grants outstanding at any time shall not exceed \$30 million.

SB 730 (Reynolds)/ HB1381 (Armstrong) – Establishes a major employment/investment project site planning grant fund

- Establishes the Major Employment and Investment Project Site Planning Grant Fund to award grants to political subdivisions to assist in site development work for certain prospective projects.
- This fund will support efforts to improve site location development to encourage large businesses to locate to the Commonwealth and create new jobs.

HB555 (D. Marshall) – Expands Enterprise Zones and reinvests surplus into real property grants

- Changes the eligibility for enterprise zone job grants in areas with an unemployment rate that is one and one-half times or more than the state average to positions paying at least 150 percent of the federal minimum wage including health benefits.
- Currently positions paying less than 175 percent of the federal minimum wage are not eligible for the job grants.
- Also provides that when the sum of grants for job creation and real property investment exceeds the total annual appropriation for payments, allocations shall be prioritized to fully fund the grants for job creation with any remaining funds to be allocated to the real property investment grants.
- Incorporates HB660 (Armstrong) and HB1299 (Crockett-Stark)

SB623 (Hanger)/ HB803 (Poindexter) – Creates a Green Jobs tax credit

- Allows a \$500 tax credit for the creation of “green” jobs for taxable years beginning on and after January 1, 2010.
- Each taxpayer is allowed a credit for up to 350 new green jobs and may qualify for the Enterprise Zone Grant program if the job is located in an enterprise zone.
- Incorporates HB268 (Englin) and HB1132 (Keam)

SB257 (Lucas)/ HB861 (Cline) – Creates a motion picture film production tax credit

- Provides a refundable credit for any motion picture production company with qualifying expenses of at least \$250,000, in an amount equal to 15 percent of the production company’s qualifying expenses or 20 percent of such expenses if the production is filmed in an economically distressed area of the Commonwealth.

SB474 (Watkins)/ HB792 (LeMunyon) – Provides for temporary business licenses

- Authorizes the regulatory boards within the Department of Professional and Occupational Regulation to issue a temporary license or certification to an applicant who holds a comparable license or certification issued by another state. A temporary license or certification shall be valid for not more than 45 days.

SB237 (Watkins)/ HB588 (Landes) – Dedicates a portion of the wine liter tax to wine promotion

- Requires the portion of the wine liter tax collected from the sale of wine produced by farm wineries to be deposited in the Virginia Wine Promotion Fund for use by the Wine Board.
- This is the first time Virginia has had an ongoing dedicated source of revenue for wine marketing, research, and education efforts that is linked to the growing success of the industry.

SB428 (Herring)/ HB523 (Nixon)– Grants income tax exemption on capital gains related to investments in science based or bio-tech start-ups

- Grants an income tax deduction for any income taxed as a long-term capital gain for federal income tax purposes or any income taxed as investment services partnership interest income that is related to a qualified investment in a technology and science start-up business having a principal office or facility in the Commonwealth and less than \$3 million in annual revenues in the fiscal year prior to the investment. The deduction would relate to investments made between July 1, 2010, and June 30, 2013.

HB928 (Bell) – Creates the Universities Clean Energy Development and Economic Stimulus Foundation

- Creates the Virginia Universities Clean Energy Development and Economic Stimulus Foundation as a body corporate and a political subdivision of the Commonwealth.
- The Foundation shall identify, obtain, disburse, and administer funding for (i) research and development of alternative fuels, clean energy production, and related technologies; (ii) support of economic development projects in

disadvantaged rural areas; and (iii) the provision of assistance in the commercialization of alternative fuels and clean energy technologies.

- Funding shall be awarded only to those proposed projects that best meet the established criteria and purposes of this act.

SB473 (Watkins)/ HB604 (Merricks) – Adds the Lieutenant Governor and Commerce and Trade Secretary to Center for Rural Virginia Board of Trustees

- Would add the Lt. Governor (or designee) and Secretary Of Commerce & Trade (or designee) as ex-officio members to the Board of Trustees of the Center for Rural Virginia.
- Lt. Governor and Secretary of Commerce & Trade would have voting privileges.
- Increases total membership from 18 members to 20 members.
- With the Lt. Governor taking an increased role in job creation and economic development, particularly in Southside and Southwest Virginia, it's important for him to be as engaged as possible in boards and commissions that deal with economic development. Adding the Secretary of Commerce & Trade who has a vested interest, and actual experience in job growth and creation is an asset this Board could fully utilize.

HB1372 (Comstock) – Changes the title of VEDP Executive Director to CEO

- Changes the title of the Executive Director of the Virginia Economic Development Partnership to the Chief Executive Officer.
- This change is important because when VEDP is engaged in negotiations with companies, having VEDP represented by someone with the same title as the person with whom he is negotiating enhances Virginia's bargaining position instead of a title that could contribute to the appearance that he is governmental and does not understand their business concerns. Often in such negotiations, subtle things like this can make a significant impact and we expect this legislation to help VEDP recruit new jobs and investment to Virginia.

**Job announcements are made by the Administration when the Commonwealth has played a role in the facilitation of the project.*

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