

TOOLS FOR COMPETITIVENESS

Chief among Virginia's tools to be competitive are economic development incentives. Virginia must strengthen and grow its economic development toolbox. It is imperative that Virginia live up to the commitments it has made in the past by fully funding existing initiatives and commitments and by increasing funding to the economic development incentives that clearly deliver success for the Commonwealth. VEDA supports transparency and accountability with regard to the use and management of incentives, but such measures should not restrict the state's ability to be responsive and flexible to the needs of business.

Virginia Business Ready Sites Program (VBRS). Site readiness is important to Virginia's economic development efforts. Currently, Virginia has the lowest number of buildable/certified sites in the nation. VEDA supports increased funding for the VBRS program and other efforts to provide a more competitive product for those businesses looking to locate or expand in the Commonwealth.

Commonwealth Opportunity Fund (COF). COF remains Virginia's flagship economic development incentive program and the state's premier deal closing fund. Virginia must remain competitive to make the short list of site selection projects by maintaining and increasing funding to the program.

Virginia Jobs Investment Program (VJIP). VJIP is the most frequently-used economic development program, as it is accessible to companies of all sizes in every corner of the Commonwealth. The program provides funding and free consulting services to new and existing companies creating new jobs or experiencing technological change. This funding helps offset recruitment and training costs, thus reducing companies' human resource development expenses and reinvesting these funds in the people of Virginia.

Virginia Economic Development Incentive Grant (VEDIG). VEDIG is an important tool to help the Commonwealth achieve its goal to continue to attract significant headquarters, administrative or service sector operations in Virginia. It should be funded at a level that allows the state to meet current commitments as well demand by future prospects.

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

Agriculture and Forestry Industries Development Fund (AFID). AFID is a critical tool for localities to support two of Virginia's largest industries: agriculture and forestry. This performance-based grant is made to companies that create jobs and investment, add value to Virginia-grown products, and commit to sourcing Virginia-grown agricultural and forest

products - creating additional marketplaces for Virginia's farmers and forestland owners. The AFID program helps both rural and urban localities throughout the Commonwealth attract new and expanding businesses. It is imperative that funding for the program be maintained.

New Economy Workforce Credential Grant. VEDA supports additional funding to build on the success of the Workforce Credential Grant, a pay-for-performance initiative that creates and sustains a demand-driven supply of credentialed workers to fill occupations where demand outstrips supply in Virginia. The program does this by driving increased attainment, by Virginians, of industry certifications and occupational licenses that count for jobs and business growth. The grant makes attainment of credentials in high-demand fields more affordable to Virginians through the Virginia Community College System.



Making Virginia the Best State for Business Again 2018 PUBLIC POLICY PLATFORM

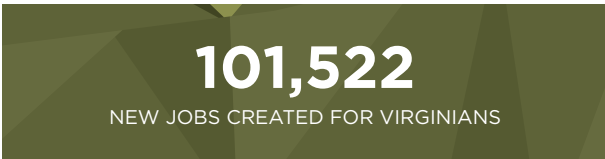
With nearly 500 members, VEDA is a professional association of economic developers and ally organizations, representing all corners of the Commonwealth. The association works to ensure Virginia's continued prosperity by supporting key economic development programs that assist in creating new jobs, investment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

From FY13-17, Virginia's economic development efforts resulted in:



WHY IS ECONOMIC DEVELOPMENT VITAL TO VIRGINIA'S FUTURE?

Economic development is an investment in our communities' prosperity. Economic development is about creating competitive communities across Virginia and attracting new and expanding businesses. Economic development generates revenue for the Commonwealth and its localities.



Source: Virginia Economic Development Partnership

A pro-business climate, fostered by all levels of government, is essential to continued success in promoting economic prosperity, broadening the tax base, and enhancing the Commonwealth's economic stability and quality of life.

ECONOMIC DEVELOPMENT: CREATING JOBS AND GROWING VIRGINIA

It is vital that the Commonwealth of Virginia invest in programs with a positive return on investment that help create new jobs to make Virginia more competitive. Not only will this dramatically improve Virginia's position in the national business climate rankings, it will also positively impact both our quality of life and the state's fiscal health. To bolster Virginia's economic development competitiveness in the global marketplace, VEDA recommends policy and budgetary actions that will support:

1 A SKILLED AND AVAILABLE WORKFORCE

Workforce Solution. To compete with top-ranked state workforce development programs (e.g., Georgia Quick Start and Louisiana FastStart), Virginia must create a world-class, turnkey, customized workforce recruitment and training incentive program available for significant expansions of existing firms as well as substantial new business facilities. Virginia must also seek opportunities to more directly engage higher education institutions in economic development projects.

High-demand Credential Training. Prospects and existing businesses need higher-skilled employees, and Virginians need affordable access to attaining credentials in demand by hiring companies. VEDA endorses additional funding for pay-for-performance attainment of high-demand credentials delivered through the Virginia Community College System. These credentials demonstrate the availability of a skilled, motivated, and plentiful workforce in the Commonwealth.

2 GROWTH FOR ALL REGIONS OF VIRGINIA

GO Virginia. VEDA supports initiatives to encourage collaboration among Virginia's localities to support economic diversification. The GO Virginia effort will make strategic investments in regional projects to achieve that goal and should continue in a way that complements the state's broader economic framework.

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

- **TRANSPORTATION.** VEDA has long held that Virginia's transportation and port system is an essential component of the state's economic development success. We strongly support policies to invest in infrastructure to enhance the state's competitiveness and the effective spending of funding.

- **BROADBAND.** Broadband access to all parts of the Commonwealth is essential to the state's competitiveness. It drives job creation, promotes innovation, and expands markets for Virginia businesses. Too many areas, both rural and urban, still lack access to this crucial resource. We urge Virginia policy makers to move forward with plans to expand deployment of broadband to all corners of Virginia in partnership with public and private providers.

- **ENERGY.** A reliable and cost effective energy supply is critical to the attraction of new companies and the retention of existing businesses, particularly in the energy-intensive manufacturing and Information Technology (IT) sectors. VEDA supports policies that allow

for the timely development of needed energy infrastructure investments across the Commonwealth.

3 LEADING THE NATION IN JOB CREATION

Economic Development Lead Generation. Even a great business climate and fully-funded incentives are of limited use if we do not have the resources or the people to tell the Virginia story. This, however, is the area where past budget cuts and/or stagnant funding have hit the hardest. Virginia must reengage business leaders globally to ensure top of mind awareness of the state as a great place to do business. VEDA supports a significant increase in the Virginia Economic Development Partnership's (VEDP) budget, while keeping our current economic development tools whole, to market Virginia and once again become the "Best State for Business."

Economic Development Leadership. Relationships are vital to economic development, and maintaining those contacts over time is essential. Virginia's unique one-term gubernatorial term in the past led to a situation of frequent turnover of state economic development leadership. For this reason, VEDA supports consistent and non-politically appointed leadership at VEDP. The result of such consistency will maintain and enhance the business community's confidence as it makes decisions about investments in Virginia. Moreover, a commitment to this consistency will give Virginia's governors an experienced resource to accomplish their economic development goals and objectives.

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

With the right public policy decisions, Virginia can clearly be the "Best State for Business" again.