
VIRGINIA STATE BUDGET

2010 Session

Budget Bill - HB29 (Chapter 872)

Bill Order » Office of Commerce and Trade » Item 105

Secretary of Commerce and Trade

| Item 105 | First Year - FY2009 | Second Year - FY2010 |
|-------------------------------------------------------|---------------------|--------------------------------------------|
| Economic Development Services (53400) | \$23,846,722 | \$12,486,055 \$14,136,006 |
| Financial Assistance for Economic Development (53410) | \$23,846,722 | \$12,486,055 \$14,136,006 |
| Fund Sources: | | |
| General | \$23,846,722 | \$12,111,055 \$13,761,006 |
| Special | \$0 | \$375,000 |
| Dedicated Special Revenue | \$0 | \$375,000 |

Authority: Discretionary Inclusion.

A. Any unexpended balance remaining in this Item on June 30, 2009, shall be carried forward on the books of the Comptroller and shall be available for expenditure in the second year of the current biennium. Any unexpended balance remaining in this Item on June 30, 2010, shall be carried forward on the books of the Comptroller and shall be available for expenditures in the next biennium.

B.1. Out of the amounts in this Item, \$7,600,000 the first year and ~~\$11,911,055~~ \$12,500,000 the second year from the general fund shall be deposited to the Governor's Development Opportunity Fund, as established in § 2.2-115, Code of Virginia. ~~The Governor shall restore \$588,945 the second year for this item from funds received by the Commonwealth from the flexible fund component of the State Fiscal Stabilization Fund authorized under the American Recovery and Reinvestment Act of 2009.~~ Such funds shall be used at the discretion of the Governor, subject to prior consultation with the Chairmen of the House Appropriations and Senate Finance Committees, to attract economic development prospects to locate or expand in Virginia.

2. The Governor may allocate these funds as grants or loans to political subdivisions. Loans shall be approved by the Governor and made in accordance with procedures established by the Virginia Economic Development Partnership and approved by the State Comptroller. Loans shall be interest-free unless otherwise determined by the Governor and shall be repaid to the general fund of the state treasury. The Governor may establish the interest rate to be charged, otherwise, any interest charged shall be at market rates as determined by the State Treasurer and shall be indicative of the duration of the loan. The Virginia Economic Development Partnership shall be responsible for monitoring repayment of such loans and reporting the receivables to the State Comptroller as required.

3. Funds may be used for public and private utility extension or capacity development on and off site; road, rail, or other transportation access costs beyond the funding capability of existing programs; site acquisition; grading, drainage, paving, and other activity required to prepare a site for construction; construction or build-out of publicly-owned buildings; grants or loans to an industrial development authority, housing and redevelopment authority, or other political subdivision pursuant to their duties or powers; training; or anything else permitted by law. In accordance with Chapters 1019 and 1044 of the Acts of Assembly of 2000, the project list is amended to

include state road improvements for the APM terminal to address costs beyond the funding capability of existing programs. In accordance with Chapter 655 of the Acts of Assembly of 2005, the Commonwealth Transportation Board is authorized to provide funding for state road improvements for the State Fair of Virginia to address costs beyond the funding capability of existing programs and private contributions.

4. Consideration should be given to economic development projects that 1) are in areas of high unemployment; 2) link commercial development along existing transportation/transit corridors within regions; and 3) are located near existing public infrastructure.

5. It is the intent of the General Assembly that the Virginia Economic Development Partnership shall work with localities awarded grants from the Governor's Development Opportunity Fund to recover such moneys when the economic development projects fail to meet minimal agreed-upon capital investment and job creation targets. All such recoveries shall be deposited and credited to the Governor's Development Opportunity Fund.

6. Out of the amounts in paragraph B of this item, up to \$1,500,000 the second year from the general fund may be provided to offset training expenses for a major automotive employer operating a diesel assembly and test facility in the City of Newport News, contingent upon such employer entering into a performance agreement with the Virginia Economic Development Partnership describing the employer's commitments regarding job creation and retention. The funds shall be administered in a manner similar to existing training grant programs permitted under § 2.2-902, Code of Virginia. The major automotive employer shall certify to the Secretary of Commerce and Trade that it has retained at least 500 jobs in the Commonwealth and has taken actions to increase employment by at least 250 new full-time jobs in the Commonwealth.

C. Out of the appropriation for this Item, \$3,720,000 the first year from the general fund shall be deposited to the Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Fund to be used to pay semiconductor memory or logic wafer manufacturing performance grants in accordance with § 59.1-284.14, Code of Virginia.

D. Out of the appropriation for this Item, \$11,750,000 the first year from the general fund shall be deposited to the Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Fund II to be used to pay semiconductor manufacturing performance grants in accordance with §§ 59.1-284.15 and 59.1-284.15:1, Code of Virginia.

E. Out of the appropriation for this Item, \$576,722 the first year *and \$1,061,006 the second year* from the general fund shall be deposited to the Investment Performance Grant subfund of the Virginia Investment Partnership Grant Fund to be used to pay investment performance grants in accordance with § 2.2-5101, Code of Virginia. ~~The Governor shall restore \$1,562,756 the second year for this item from funds received by the Commonwealth from the flexible fund component of the State Fiscal Stabilization Fund authorized under the American Recovery and Reinvestment Act of 2009.~~

F. Out of the appropriation for this Item, \$200,000 the first year and \$200,000 the second year from the general fund shall be deposited to the Governor's Motion Picture Opportunity Fund, as established in § 2.2-2320, Code of Virginia. In addition to these amounts, \$375,000 in nongeneral fund revenues shall be deposited to the Fund from revenues generated by the digital media fee established pursuant to § 58.1-1731, et seq., Code of Virginia. Such funds shall be used at the discretion of the Governor to attract film industry production activity to the Commonwealth.

G. The Secretary of Commerce and Trade shall evaluate the efficacy of and the financial and programmatic efficiencies that could be generated by consolidating the Department of Business Assistance into an appropriate agency within the Commerce and Trade Secretariat. Agencies that the Secretary shall consider consolidating the Department of Business Assistance into shall include, but not be limited to, the Virginia Economic Development Partnership and the Department of Minority Business Enterprises. As part of this evaluation, the Secretary shall develop a process to transfer the workforce-related service activities at the Department of Business Assistance to the Virginia Economic Development Partnership. The evaluation shall include, but not be limited to, establishing

the goals of the new agency; measurable objectives to assess the future performance of the agency; the strategies to carry out the objectives; and identification and description of the activities and services to be reorganized, enhanced, curtailed, or eliminated. The Secretary of Commerce and Trade shall report its findings to the Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2008, with a detailed review of the plan for completing the consolidation.