

Commonwealth's Development Opportunity Fund (COF)

Administered by: Virginia Economic Development Partnership

Va. Code § 2.2-115

Program Goals:

The goals of awarding the Commonwealth's Development Opportunity Fund (COF) are to attract economic development prospects and secure the expansion of existing business and industry in the Commonwealth. The program uses the following metrics:

- Virginia jobs created, and their average wage
- Value of capital investment in Virginia

Structural Information:

The incentive is paid after an approved performance agreement among the locality, the Commonwealth, and the receiving company has been signed. The performance agreement contains a clawback provision. The performance period is typically 36 months; milestones reflect latest information received from the company and may fluctuate between fiscal years.

Summary of Incentives, Relevant Goals, and Performance:

<i>Projects Awarded</i>		FY2015	FY2016	FY2017	FY2018	FY2019	Total
Funds Appropriated		\$ 11,811,055	\$ 19,916,000	\$ 21,750,000	\$ 20,750,000	\$ 19,750,000	\$ 93,977,055
Number of Projects		30	35	26	24	32	147
Incentives Awarded		\$ 25,225,000	\$ 28,460,000	\$ 24,007,500	\$ 10,890,000	\$ 18,853,431	\$ 107,435,931
Average Incentive per Job		\$ 3,392	\$ 4,481	\$ 5,342	\$ 2,453	\$ 4,011	\$ 3,918
Expected at time of award	Jobs Created	7,436	6,351	4,494	4,439	4,701	27,421
	Average Wage (weighted)	\$ 59,923	\$ 57,959	\$ 76,182	\$ 55,929	\$ 79,895	\$ 64,910
	Value of Capital Investment	\$ 3,111,284,783	\$ 1,395,430,811	\$ 852,516,735	\$ 476,537,948	\$ 1,812,755,537	\$ 7,648,525,814
	Benefit-to-Cost Ratio (10-year)	5.6	8.7	5.5	7.3	7.6	9.2
<i>Projects awarded in Fiscal Year that were Completed or at Milestone on or before 6/30/2019 (subset of Projects Awarded)</i>							
Number of Projects		30	35	26	24	10	125
Incentives Awarded		\$ 25,225,000	\$ 28,460,000	\$ 21,607,500	\$ 10,890,000	\$ 10,350,000	\$ 96,532,500
Incentives Paid		\$ 25,225,000	\$ 28,460,000	\$ 21,607,500	\$ 10,890,000	\$ 10,350,000	\$ 96,532,500
Incentives Repaid		\$ 3,608,063	\$ 6,344,125	\$ 125,000	\$ -	\$ -	\$ 10,077,188
Milestone ³	Jobs Created	1,241	3,294	2,350	1,633	846	9,364
	Average Wage (weighted)	\$ 84,971	\$ 77,240	\$ 73,998	\$ 64,223	\$ 155,527	\$ 58,916
	Value of Capital Investment	\$ 991,792,458	\$ 1,052,572,590	\$ 986,860,285	\$ 271,534,740	\$ 84,365,714	\$ 3,387,125,787
Completed	Jobs Created	942	1,284	-	162	-	2,388
	Average Wage (weighted)	\$ 63,500	\$ 112,157	\$ -	\$ 59,800	\$ -	\$ 49,872
	Value of Capital Investment	\$ 260,790,788	\$ 33,143,298	\$ -	\$ 64,705,705	\$ -	\$ 358,639,791
Projected Benefit-to-Cost Ratio ⁴ (10-year)		4.4	13.0	12.0	11.5	17.5	9.2
Current Benefit-to-Cost Ratio ⁴		2.0	3.4	2.6	1.3	n/a	2.5

³Values reported here are primarily based on survey results during unofficial milestone reporting for added transparency. VEDP uses this data, as well as VEC QCEW data (when applicable—contractual milestone needing verification) to calculate the Current and Projected Benefit-to-Cost Ratios. ⁴ The Current Benefit-to-Cost Ratio is calculated by determining state revenues generated to date from direct, indirect, and induced effects from survey data provided by companies, and dividing that amount by Incentives Awarded. The Projected Benefit-to-Cost Ratio takes the results from the Current ratio calculation, and models the remaining portion of the Company's 10-year revenue generation assuming original project parameters.