

Investment Partnership Grant subfund (VIP)

Administered by: Virginia Economic Development Partnership

Va. Code § 2.2-5101

Program Goals:

The goal of awarding the Investment Partnership Grant (VIP) is to encourage continued capital investment by existing Virginia manufacturers or research and development services which support manufacturing in the Commonwealth. While no new job creation is required, existing employment levels must be maintained over time. The program uses the following metrics:

- Virginia jobs created and/or saved, and their average wage (if applicable)
- Value of capital investment in Virginia

Structural Information:

The incentive is paid after an approved performance agreement between the Commonwealth and company has been signed and performance milestones have been achieved.

The performance agreement does not contain a clawback provision because the incentive is always paid (typically in five annual installments) after performance has been achieved and maintained.

Summary of Incentives, Relevant Goals, and Performance:

<i>Projects Awarded</i>		FY2015	FY2016	FY2017	FY2018	FY2019	Total
Funds Appropriated		\$ 3,957,289	\$ 3,602,914	\$ 2,722,310	\$ 2,220,330	\$ 2,220,330	\$ 14,723,173
Number of Projects		9	4	10	4	4	31
Incentives Awarded		\$ 9,650,000	\$ 2,800,000	\$ 6,100,000	\$ 4,400,000	\$ 2,850,000	25,800,000
Average Incentive per Job		\$ 10,376	\$ 29,787	\$ 9,414	\$ 3,150	\$ 6,404	\$ 7,342
Expected at time of award	Jobs Created	930	94	648	1,397	445	3,514
	Average Wage (weighted)	\$ 44,019	\$ 42,970	\$ 42,643	\$ 69,422	\$ 36,181	235,235
	Value of Capital Investment	\$ 524,275,000	\$ 320,295,591	\$ 412,910,014	\$ 190,143,000	\$ 334,692,396	1,782,316,001
	Benefit-to-Cost Ratio (10-Year)	2.76	3.89	3.19	9.92	2.88	4.91
<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		9	1	2	-	-	12
Incentives Awarded		\$ 9,650,000	\$ 1,300,000	\$ 2,600,000	None Completed or at Milestone	None Completed or at Milestone	\$ 13,550,000
Incentives Paid		\$ -	\$ -	\$ -			\$ -
Incentives Repaid		\$ -	\$ -	\$ -			\$ -
Milestone ⁷	Jobs Created	568	-	53	None at Milestone	None at Milestone	621
	Average Wage (weighted)	\$ 51,450	\$ -	\$ 78,824			\$ 37,559
	Value of Capital Investment	\$ 447,016,063	\$ 282,000,000	\$ 31,440,000			\$ 760,456,063
Completed	Jobs Created	None Completed	None Completed	None Completed	None Completed	None Completed	None Completed
	Average Wage (weighted)						
	Value of Capital Investment						
Projected Benefit-to-Cost Ratio ⁸ (10-Year)		4.1	14.8	7.6	17.0	n/a	8.4
Current Benefit-to-Cost Ratio ⁸ (December 2018)		2.9	17.1	4.5	4.8	0.0	5.0

⁷ Values 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. ⁸ 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.