



# Commonwealth of Virginia

## GENERAL ASSEMBLY

RICHMOND

January 7, 2020

To Members of the General Assembly:

Pursuant to § 30-312 of the *Code of Virginia*, the Major Employment and Investment Project Approval (MEI) Commission shall report annually to the Virginia General Assembly. Detailed expectations of that report are outlined as follows:

The Commission shall report annually by the first day of each General Assembly Regular Session on all endorsed incentive packages for which an offer has been made and publicly announced. Staff identified in § 30-311 shall assist the commission in preparing such report, which shall contain the following information: (i) the industrial sector of the MEI project or other economic development project, (ii) known competitor states, (iii) employment creation and capital investment expectations, (iv) anticipated average annual wage of the new jobs, (v) local and state returns on investment as prepared by the Virginia Economic Development Partnership Authority, (vi) expected time frame for repayment of the incentives to the Commonwealth in the form of direct and indirect general tax revenues, (vii) details of the proposed incentive package, including the breakdown of the components into various uses and an expected timeline for payments, and (viii) draft legislation or amendments to the Appropriation Act that propose financing for the endorsed incentive package through the Virginia Public Building Authority or any other proposed funding or financing mechanisms.

The following packages of incentives were endorsed by the MEI Commission and publicly announced during calendar year 2019:

### February 23, 2019

Project “Pony” (Merck) was endorsed by the Commission as presented:

- i. Industrial sector: Pharmaceutical Preparation Manufacturing (NAICS: 325412).
- ii. Known competitor states: North Carolina and Pennsylvania.
- iii. Employment creation and capital investment expectations: 152 new jobs and \$1.0 billion investment.
- iv. Average annual wage of new jobs: \$100,000.
- v. Ten-year net return on state incentives as prepared by the Virginia Economic Development Partnership Authority: \$27.8 million.
- vi. Expected timeframe for repayment of incentives: Estimated cumulative revenues are greater than state costs in each year. Incentive grants will be paid in installments, assuming the company has fully achieved its pledged investment and employment.

- vii. Incentives endorsed (\$31.5 million total state incentives):
  - \$21.5 million sales and use tax exemption;
  - \$7.5 million custom performance grant payable to the company over five years, beginning in fiscal year 2021; and
  - \$2.5 million in workforce development assistance payable to Blue Ridge Community College and James Madison University over five years, beginning in FY 2021.
  - In addition, the locality is offering \$19.2 million in rebates on local machinery and tools taxes.
- viii. The incentive grant requires legislation. A draft of the bill to be introduced during the 2020 Session of the General Assembly is attached.

May 13, 2019

An incentive package for Smithfield Foods, Inc., which involves a potential relocation or expansion of its operations in one or more Virginia localities and a simultaneous closure or substantial reduction in the number of its employees in another Virginia locality, was endorsed by the Commission:

- i. Industrial Sector: Logistics.
- ii. Known competitor states: Unknown.
- iii. Employment creation and capital investment expectations: 140 new jobs and \$1.3 million investment.
- iv. Average annual wage of new jobs: \$74,006.
- v. Ten-year net return on state incentives as prepared by the Virginia Economic Development Partnership Authority: None provided.
- vi. Expected timeframe for repayment of incentives: None provided.
- vii. Incentives endorsed: \$112,000 in Virginia Jobs Investment Program grants.
- viii. The incentives offered are authorized under existing law. Accordingly, no legislation or budget items related to the incentive package will be presented at the 2020 Session of the General Assembly.

June 17, 2019

Project "Platform" (Volvo) was endorsed by the Commission as presented:

- i. Industrial sector: Heavy Duty Truck Manufacturing (336120) and Motor Vehicle Parts Manufacturing (NAICS: 3363).
- ii. Known competitor states: Kentucky.
- iii. Employment creation and capital investment expectations: 777 new jobs and \$400.0 million investment.
- iv. Average annual wage of new jobs: \$51,600.

- v. Ten-year net return on state incentives as prepared by the Virginia Economic Development Partnership Authority: \$8.4 million.
- vi. Expected timeframe for repayment of incentives: Grant payments to the company only occur after the company reaches and/or maintains capex and net new job creation targets; breakeven expected by approximately year three.
- vii. Incentives endorsed (\$29.1 million total state incentives):
  - \$11.1 million sales and use tax exemption;
  - \$16.5 million custom performance grant payable to the company as follows:
    - \$2.0 million each year FY21-22 based upon achievement of taxable capex (i.e. construction);
    - \$0.3 million in FY23 and \$1.74 million each year FY24-FY30 based upon net, new job creation over baseline employment.
  - \$1.5 million in Enterprise Zone grants.
  - In addition, the locality is offering \$3.8 million in local incentives including donated land (\$3.3 million) and infrastructure improvements (\$0.5 million).
- viii. The incentive grant requires legislation. A draft of the bill to be introduced during the 2020 Session of the General Assembly is attached.

August 20, 2019

Project “Uniform” (Morgan Olson) was endorsed by the Commission as presented:

- i. Industrial sector: Motor Vehicle Body Manufacturing (NAICS: 336211).
- ii. Known competitor states: Kentucky, North Carolina, Ohio and possibly New Mexico.
- iii. Employment creation and capital investment expectations: 703 new jobs and \$57.8 million investment.
- iv. Average annual wage of new jobs: \$34,300.
- v. Ten-year net return on state incentives as prepared by the Virginia Economic Development Partnership Authority: \$6.4 million.
- vi. Expected timeframe for repayment of incentives: Grant payments are released only after the company reaches and/or maintains capex and net new job creation targets generating sufficient revenues exceeding total state grants; positive return is immediate.
- vii. Incentives endorsed (\$10.6 million total state incentives):
  - \$7.0 million custom performance grant payable to the company as follows:
    - \$0.5 million in FY22; and,
    - \$1.3 million each year, FY23-27.
  - \$0.5 million in Custom Workforce Program incentives (estimated cost to the Virginia Economic Development Partnership).
  - \$1.5 million in Enterprise Zone grants.

- In addition, the locality is offering \$3.9 million in local incentives including: donated land (\$1.9 million), a job creation grant (\$0.4 million), tax rebate on new investment (\$0.4 million), and Tobacco Region Opportunity Fund loan repayment (\$1.2 million).
- viii. The incentive grant requires legislation. A draft of the bill to be introduced during the 2020 Session of the General Assembly is attached.

The MEI Commission continues its work and will provide all relevant updates to the General Assembly by the next annual reporting deadline.

Sincerely,



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Luke E. Torian  
House Appropriations Committee



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Thomas K. Norment, Jr.  
Senate Finance Committee



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Emmett W. Hanger, Jr.  
Senate Finance Committee

cc: The Honorable Brian Ball, Secretary of Commerce and Trade  
Mr. Stephen Moret, President and CEO, Virginia Economic Development Partnership

## **Attachments**

**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIPS**  
**PHARMACEUTICAL MANUFACTURING GRANT PROGRAM**

**Title 59.1 Trade and Commerce**

**Chapter 22. Pharmaceutical Manufacturing Grant Fund**

**§ 59.1-284. . Pharmaceutical Manufacturing Grant Program; Grant to Qualified Company.**

A. As used in this section, unless the context requires a different meaning:

"Capital investment" means an expenditure by or on behalf of the qualified company on or after March 1, 2019, in real property, tangible personal property, or both, at a facility within an eligible county that is properly chargeable to capital account or would be so chargeable with a proper election. The purchase or lease of furniture, fixtures, business personal property, machinery, and tools, including under an operating lease, and expected building expansion and up-fit by or on behalf of the qualified company will qualify as capital investment.

"Eligible county" means Rockingham County.

"Facility" means the building, group of buildings, or corporate campus, including any related machinery and tools, furniture, fixtures, and business personal property, located at or near the qualified company's existing operations in the eligible county, that is owned, leased, licensed, occupied, or otherwise operated by the qualified company for use in the administration, management, and operation of its business.

"Fund" means the Pharmaceutical Manufacturing Grant Fund created under subsection B.

"Grants" means grants from the Pharmaceutical Manufacturing Grant Fund awarded to a qualified company in an aggregate amount not to exceed \$7.5 million. Grants are intended to pay or to reimburse the qualified company for the costs for workforce recruitment, development and training, and for stormwater management. The qualified company may use the award for any lawful purpose.

"Memorandum of understanding" means a performance agreement or related document entered into on or before August 1, 2020, among a qualified company, the Commonwealth and VEDP, that sets forth the requirements for capital investment and the creation of new full-time jobs for the qualified company to be eligible for grants from the fund.

"New full-time job" means a job position, in which the employee of the qualified company works at the Facility, for which the average annual wage is at least \$100,000, the qualified company provides standard fringe benefits, and the position requires a minimum of either (i) 35 hours of an employee's time per week for the entire normal year of the qualified company's operations, which "normal year" must consist of at least 48 weeks or (ii) 1,680 hours per year. Seasonal or temporary positions, and positions created when a job function is shifted from an existing location in the Commonwealth shall not qualify as new full-time jobs. "New full-time job" does not include any existing full-time positions at the facility as of March 1, 2019. The Commonwealth may gauge

compliance with the new full-time jobs requirements for the qualified company by reference to the new payroll generated by a qualified company, as indicated in the memorandum of understanding.

"Qualified company" means a company, including its affiliates, that engages in pharmaceutical manufacturing in the eligible county, that between March 1, 2019 and February 28, 2025, is expected to (i) make a capital investment at a facility of at least \$1 billion and (ii) create at least 152 new full-time jobs at the facility related to, or supportive of, its business.

"Secretary" means the Secretary of Commerce and Trade or his or her designee.

"VEDP" means the Virginia Economic Development Partnership Authority.

B. There is hereby created in the state treasury a special nonreverting fund to be known as the Pharmaceutical Manufacturing Grant Fund. The fund shall be established on the books of the Comptroller. All funds appropriated for such fund shall be paid into the state treasury and credited to the fund. Interest earned on moneys in the fund shall remain in the fund and be credited to it. Any moneys remaining in the fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the fund. Moneys in the fund shall be used solely for the purpose to pay grants. Expenditures and disbursements from the fund shall be made by the State Treasurer on warrants issued by the Comptroller pursuant to subsection F.

C. A qualified company shall be eligible to receive grants each fiscal year beginning with the Commonwealth's fiscal year starting on July 1, 2020, and ending with the Commonwealth's fiscal year starting on July 1, 2022, unless such timeframe is extended in accordance with the memorandum of understanding. The grants under this section shall be paid to the qualified company from the fund, subject to appropriation by the General Assembly, during each such fiscal year, contingent upon the qualified company's meeting the requirements set forth in the memorandum of understanding for the number of new full-time jobs created and maintained and the amount of capital investment made. The first grant installment of \$2.5 million shall not be awarded until the qualified company has made a capital investment of at least \$420 million and has created at least 85 new full-time jobs.

D. The aggregate amount of grants payable under this section shall not exceed \$7.5 million, and grants are expected to be paid in three annual installments of \$2.5 million each, calculated in accordance with the memorandum of understanding, as follows:

1. \$2.5 million for the Commonwealth's fiscal year beginning July 1, 2020;
2. \$2.5 million for the Commonwealth's fiscal year beginning July 1, 2021; and
3. \$2.5 million for the Commonwealth's fiscal year beginning July 1, 2022.

E. A qualified company applying for a grant installment under this section shall provide evidence, satisfactory to the Secretary, of (i) the aggregate number of new full-time jobs created and maintained as of the last day of February in the fiscal year that immediately precedes the beginning of the fiscal year in which the grant installment is to be paid and (ii) the aggregate amount of the capital investment made as of the last day of February in the fiscal year that immediately precedes the beginning of the fiscal year in which the grant installment is to be paid. The application and evidence shall be filed with the Secretary in person, by mail, or as otherwise agreed upon in the memorandum of understanding, by no later than June 1 each year reflecting performance through

the prior February 28 or 29. Failure to meet the filing deadline shall result in a deferral of a scheduled grant installment payment set forth in subsection D. For filings by mail, the postmark cancellation shall govern the date of the filing determination.

F. Within 60 days of receiving the application and evidence pursuant to subsection E, the Secretary shall certify to the Comptroller and the qualified company the amount of grants to which such qualified company is entitled for payment. Payment of such grants shall be made by check issued by the State Treasurer on warrant of the Comptroller in the Commonwealth's fiscal year following the submission of such application. The Comptroller shall not draw any warrants to issue checks for the grants under this section without a specific appropriation for the same.

G. As a condition of receipt of the grants, a qualified company shall make available to the Secretary for inspection, upon request, all documents relevant and applicable to determining whether the qualified company has met the requirements for the receipt of grants as set forth in this section and subject to the memorandum of understanding. All such documents appropriately identified by the qualified company shall be considered confidential and proprietary.

**§ 59.1-284. . Pharmaceutical Manufacturing Grant Program; Resources for Higher Education.**

A. To support the workforce needs of the qualified company, as defined in §59.1-284. , and other manufacturers and research and development companies in and near the eligible county, as defined in §59.1-284. , up to \$2,525,000 will be made available to a comprehensive community college and a baccalaureate public institution of higher education in or near the eligible county.

The funds are expected to be available in the Commonwealth's fiscal years 2021 through 2025 on the following schedule:

1. \$730,000 for the Commonwealth's fiscal year beginning July 1, 2020;
2. \$493,750 for the Commonwealth's fiscal year beginning July 1, 2021;
3. \$493,750 for the Commonwealth's fiscal year beginning July 1, 2022.
4. \$493,750 for the Commonwealth's fiscal year beginning July 1, 2023; and
5. \$313,750 for the Commonwealth's fiscal year beginning July 1, 2024.

B. The funds are expected to be used for enhanced soft skills training, collaboration to ensure an effective workforce development program, equipment, maintenance and personnel needs for bioscience training and education, and increased educational opportunities in science, technology, engineering and math.

C. Decisions on which institutions will receive funds, in which fiscal years funds will be requested, and for which purposes funds will be allocated will be determined annually jointly by a committee consisting of the President and Chief Executive Officer of VEDP, as defined in §59.1-284. , the Chancellor of the Virginia Community College System or his designee, and the Director of the



State Council of Higher Education for Virginia or his designee. The committee may request from the institutions, and base its decisions on, annual reports indicating how funds have been spent and are proposed to be spent.

**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP  
TRUCK MANUFACTURING GRANT PROGRAM**

**Title 59.1 Trade and Commerce**

**Chapter 22. Truck Manufacturing Grant Fund**

**§ 59.1-284. . Truck Manufacturing Grant Program.**

A. As used in this section, unless the context requires a different meaning:

"Capital investment" means an expenditure, or an asset transfer from a different qualified company site outside of the eligible county to the facility, by or on behalf of the qualified company on or after October 1, 2018, in real property, tangible personal property, or both, at a facility within an eligible county that is properly chargeable to capital account or would be so chargeable with a proper election. The purchase or lease of furniture, fixtures, business personal property, machinery, and tools, including under an operating lease, and expected building expansion and up-fit by or on behalf of the qualified company will qualify as capital investment.

"Eligible county" means the County of Pulaski.

"Facility" means a truck manufacturing facility to be expanded, equipped, improved and operated by the qualified company in the eligible county.

"Fund" means the Truck Manufacturing Grant Fund created under subsection B.

"Grants" means grants from the Truck Manufacturing Grant Fund awarded to a qualified company in an aggregate amount not to exceed \$16.5 million. Grants are intended to pay or to reimburse the qualified company for the costs related to the construction and renovation of the facility. The qualified company may use the award for any lawful purpose.

"Memorandum of understanding" means a performance agreement or related document entered into on or before August 1, 2020, among a qualified company, the Commonwealth and VEDP, that sets forth the requirements for capital investment and the creation of new full-time jobs for the qualified company to be eligible for grants from the fund.

"New full-time job" means a job position, in which the employee of the qualified company works at the facility, for which the average annual wage is at least equal to the wage required by the memorandum of understanding, the qualified company provides standard fringe benefits, and the position requires a minimum of either (i) 35 hours of an employee's time per week for the entire normal year of the qualified company's operations, which "normal year" must consist of at least 48 weeks, or (ii) 1,680 hours per year. Seasonal or temporary positions, and positions created when a job function is shifted from an existing location in the Commonwealth shall not qualify as new full-time jobs. Other positions, including employees of affiliates and certain suppliers may be considered new full-time jobs if designated as such in the memorandum of understanding. The new full-time jobs must be in addition to the baseline of 3,219 full-time employees at the facility. The Commonwealth may gauge compliance with the new full-time jobs requirements for the

qualified company by reference to the new payroll generated by a qualified company, as indicated in a memorandum of understanding.

"Qualified company" means a truck manufacturer, including its affiliates, that engages in truck manufacturing in the eligible county, that between October 1, 2018 and September 30, 2029 is expected (1) to make or cause to be made a capital investment at a facility of at least \$397,000,000, (2) within the capital investment, to make or cause to be made investments related to the construction or renovation of real property at a facility of at least \$93,600,000; and (3) to create at least 777 new full-time jobs at the facility related to, or supportive of, its business.

"Secretary" means the Secretary of Commerce and Trade or his or her designee.

"VEDP" means the Virginia Economic Development Partnership Authority.

B. There is hereby created in the state treasury a special nonreverting fund to be known as the Truck Manufacturing Grant Fund. The fund shall be established on the books of the Comptroller. All funds appropriated for the fund shall be paid into the state treasury and credited to it. Interest earned on moneys in the fund shall remain in the fund and be credited to it. Any moneys remaining in the fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the fund. Moneys in the fund shall be used for the purpose to pay grants. Expenditures and disbursements from the fund shall be made by the State Treasurer on warrants issued by the Comptroller pursuant to subsection F.

C. A qualified company shall be eligible to receive grants each fiscal year beginning with the Commonwealth's fiscal year starting on July 1, 2020, and ending with the Commonwealth's fiscal year starting on July 1, 2029, unless such time frame is extended in accordance the memorandum of understanding. The grants under this section shall be paid to the qualified company from the fund, subject to appropriation by the General Assembly, during each such fiscal year, contingent upon the qualified company's meeting the requirements set forth in the memorandum of understanding for the number of new full-time jobs created and maintained and the amount of capital investment made related to the construction and renovation of the facility. The first grant installment of \$2.0 million shall not be awarded until the qualified company has made a capital investment related to the construction and renovation of the facility of at least \$46,800,000 and has retained at least 2,700 full-time positions at the facility.

D. The aggregate amount of grants payable under this section shall not exceed \$16,500,000, and grants are expected to be paid in ten annual installments, calculated in accordance with the memorandum of understanding, with the grants that may be awarded in a particular fiscal year not exceeding the following:

- a. \$2,000,000 for the Commonwealth's fiscal year beginning July 1, 2020;
- b. \$4,000,000, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2021;
- c. \$4,300,000, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2022;
- d. \$6,042,857, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2023;

- e. \$7,785,714, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2024;
- f. \$9,528,571 less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2025;
- g. \$11,271,428 less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2026;
- h. \$13,014,285 less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2027;
- i. \$14,757,142 less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2028; and
- j. \$16,500,000 less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2029.

E. A qualified company applying for a grant installment under this section shall provide evidence, satisfactory to the Secretary, of (i) the aggregate number of new full-time jobs in place in the grant year that immediately precedes the expected date on which the grant installment is to be paid and (ii) the aggregate amount of the capital investment, and the capital investment related to the construction and renovation of the facility, made as of the last day of the grant year that immediately precedes the expected date on which the grant installment is to be paid. The application and evidence shall be filed with the Secretary in person, by mail, or as otherwise agreed upon in the memorandum of understanding, by no later than October 31 each year reflecting performance in and through the prior grant year. Failure to meet the filing deadline shall result in a deferral of a scheduled grant installment payment set forth in subsection D. For filings by mail, the postmark cancellation shall govern the date of the filing determination.

F. Within 30 days of receiving the application and evidence pursuant to subsection E, the Secretary shall certify to the Comptroller and the qualified company the amount of grants to which such qualified company is entitled for payment. Payment of such grants shall be made by check issued by the State Treasurer on warrant of the Comptroller by the end of the calendar year of the submission of such application. The Comptroller shall not draw any warrants to issue checks for the grants under this section without a specific appropriation for the same.

G. As a condition of receipt of the grants, a qualified company shall make available to the Secretary for inspection, upon request, all documents relevant and applicable to determining whether the qualified company has met the requirements for the receipt of grants as set forth in this section and subject to the memorandum of understanding. All such documents appropriately identified by the qualified company shall be considered confidential and proprietary.

## **PROPOSED LEGISLATION FOR PROJECT UNIFORM**

### **Title 59.1 Trade and Commerce**

#### **Chapter 22. Advanced Production Grant Fund**

##### **§ 59.1-284. Advanced Production Grant Program.**

A. As used in this section, unless the context requires a different meaning:

"Capital investment" means an expenditure by or on behalf of a qualified company on or after October 1, 2019, in real property, tangible personal property, or both, at a facility within an eligible county that is properly chargeable to capital account or would be so chargeable with a proper election. The purchase or lease of furniture, fixtures, business personal property, machinery, and equipment, including under an operating lease, and expected building up-fit and improvements by or on behalf of a qualified company will qualify as capital investment.

"Eligible county" means the County of Pittsylvania.

"Facility" means an advanced production and development facility to be purchased, equipped, improved and operated by the qualified company in the eligible county.

"Fund" means the Advanced Production Grant Fund created under subsection B.

"Grants" means grants from the Advanced Production Grant Fund awarded to a qualified company in an aggregate amount not to exceed \$7.0 million. A qualified company may use the proceeds of the grants for any lawful purpose.

"Memorandum of understanding" means a performance agreement or related document entered into on or before August 1, 2020, among a qualified company, the Commonwealth and VEDP, that sets forth the requirements for capital investment and the creation of new full-time jobs for the qualified company to be eligible for grants from the fund.

"New full-time job" means a job position, in which the employee of the qualified company works at the facility, for which the average annual wage is at least equal to \$34,274, the qualified company provides standard fringe benefits, and the position requires a minimum of either (i) 35 hours of an employee's time per week for the entire normal year of the qualified company's operations, which "normal year" must consist of at least 48 weeks, or (ii) 1,680 hours per year. Seasonal or temporary positions, positions created when a job function is shifted from an existing location in the Commonwealth, and positions with construction contractors, vendors, suppliers and similar multiplier or spin-off jobs shall not qualify as new full-time jobs. The Commonwealth may gauge compliance with the new full-time jobs requirements for a qualified company by reference to the new payroll generated by a qualified company, as indicated in a memorandum of understanding.

"Qualified company" means a business transportation manufacturer and producer, including its affiliates, that engages in the production of business trucks in the eligible county, that between

October 1, 2019 and December 31, 2027 is expected (1) to make or cause to be made a capital investment at a facility of at least \$57,837,356, and (2) to create at least 703 new full-time jobs at the facility related to, or supportive of, its business.

"Secretary" means the Secretary of Commerce and Trade or his or her designee.

"VEDP" means the Virginia Economic Development Partnership Authority.

B. There is hereby created in the state treasury a special nonreverting fund to be known as the Advanced Production Grant Fund. The fund shall be established on the books of the Comptroller. All funds appropriated for the fund shall be paid into the state treasury and credited to it. Interest earned on moneys in the fund shall remain in the fund and be credited to it. Any moneys remaining in the fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the fund. Moneys in the fund shall be used for the purpose to pay grants. Expenditures and disbursements from the fund shall be made by the State Treasurer on warrants issued by the Comptroller pursuant to subsection F.

C. A qualified company shall be eligible to receive grants each fiscal year beginning with the Commonwealth's fiscal year starting on July 1, 2021, and ending with the Commonwealth's fiscal year starting on July 1, 2026, unless such time frame is extended in accordance the memorandum of understanding. The grants under this section shall be paid to a qualified company from the fund, subject to appropriation by the General Assembly, during each such fiscal year, contingent upon the qualified company's meeting the requirements set forth in the memorandum of understanding for the number of new full-time jobs created and maintained and the amount of capital investment made and retained. The first grant installment of \$500,000 shall not be awarded until the qualified company has made a capital investment of at least \$40,800,000 and has created at least 373 new full-time jobs at the facility.

D. The aggregate amount of grants payable under this section shall not exceed \$7 million, and grants are expected to be paid in six annual installments, calculated in accordance with the memorandum of understanding, with the grants that may be awarded in a particular fiscal year not exceeding the following:

- a. \$500,000 for the Commonwealth's fiscal year beginning July 1, 2021;
- b. \$1,800,000, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2022;
- c. \$3,100,000, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2023;
- d. \$4,400,000, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2024;
- e. \$5,700,000, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2025; and
- f. \$7,000,000, less the total amount of grants previously awarded pursuant to this subsection, for the Commonwealth's fiscal year beginning July 1, 2026.

E. A qualified company applying for a grant installment under this section shall provide evidence, satisfactory to the Secretary, of (i) the aggregate number of new full-time jobs in place in the

calendar year that immediately precedes the expected date on which the grant installment is to be paid and (ii) the aggregate amount of the capital investment made as of the last day of the calendar year that immediately precedes the expected date on which the grant installment is to be paid. The application and evidence shall be filed with the Secretary in person, by mail, or as otherwise agreed upon in the memorandum of understanding, by no later than April 1 each year reflecting performance in and through the prior calendar year. Failure to meet the filing deadline shall result in a deferral of a scheduled grant installment payment set forth in subsection D. For filings by mail, the postmark cancellation shall govern the date of the filing determination.

F. Within 60 days of receiving the application and evidence pursuant to subsection E, the Secretary shall certify to the Comptroller and the qualified company the amount of grants to which such qualified company is entitled for payment. Payment of such grants shall be made by check issued by the State Treasurer on warrant of the Comptroller by the September 1 succeeding the submission of such timely-filed application. The Comptroller shall not draw any warrants to issue checks for the grants under this section without a specific appropriation for the same.

G. As a condition of receipt of the grants, a qualified company shall make available to the Secretary for inspection, upon request, all documents relevant and applicable to determining whether the qualified company has met the requirements for the receipt of grants as set forth in this section and subject to the memorandum of understanding. All such documents appropriately identified by the qualified company shall be considered confidential and proprietary.