



Commonwealth of Virginia

GENERAL ASSEMBLY

RICHMOND

January 8, 2025

To Members of the General Assembly:

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

The Chair of 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,
- 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 2024:

April 18, 2024

Project "DRAM4" (Micron) was endorsed by the MEI Commission as presented and required MEI review due to the incentive package offered by the Commonwealth exceeding \$10.0 million.

- i. Industrial sector: Semiconductor manufacturing
- ii. Known competitor states: Indiana, New York
- iii. Employment creation and capital investment expectations: 340 new jobs and \$2.2 billion capital investment
- iv. Average annual wage of new jobs: \$104,873 for new jobs created in Manassas
- v. Ten-year net return on state incentives as prepared by the Virginia Economic Development Partnership Authority: \$8.3 million
- vi. Expected timeframe for repayment of incentives: This project is projected to be always cash positive
- vii. Incentives endorsed (\$70.7 million total state incentives):
 - \$60.0 million custom performance grant earned over a 15-year period through job and capital investment performance
 - \$10.0 million custom performance grant bonus for additional job creation during the 15-year contract or maintenance of the 340 jobs in years 16 – 20 of the project
 - \$700,000 in services through the Virginia Talent Accelerator
- viii. Legislation is expected for this project during the upcoming General Assembly Session. VEDP reported that \$37.8 million was returned by Micron in July 2024 due to its under performance on a 2018 economic development project, and the previous project has been canceled.

Compass Datacenters incentive required MEI review and approval due to the company's request for a 2nd extension of its grant performance period. MEI granted the company's request. It has received \$22.2 million in benefits from the Data Center Sales and Use Tax Exemption with the promise of investing \$150.0 million in the state and creating 50 new jobs at an average wage of \$98,594. The company has exceeded its capital investment commitment and has created 38 jobs. With the extension

granted by MEI, Compass Datacenters has until July 7, 2025, to create 12 new jobs to meet its job performance criteria.

Additionally, the MEI Commission endorsed one incentive package for a project that has not yet been publicly announced involving a manufacturing facility project in planning district 11.

Finally, The MEI Commission received an update on a previously approved project in planning district 23 at the April meeting.

July 1, 2024

Project "Genesis" (LS Cable) was re-endorsed by the MEI Commission as presented. The project required MEI review due to the incentive package offered by the Commonwealth exceeding \$10.0 million.

- i. Industrial sector: Energy Wire Manufacturing
- ii. Known competitor states: Maryland and New Jersey
- iii. Employment creation and capital investment expectations: 338 new jobs and \$681.1 million capital investment
- iv. Average annual wage of new jobs: \$76,227 for new jobs created in Chesapeake
- v. Ten-year net return on state incentives as prepared by the Virginia Economic Development Partnership Authority: \$7.4 million
- vi. Expected timeframe for repayment of incentives: This project is projected to be always cash positive
- vii. Incentives endorsed (\$14.2 million total state incentives):
 - \$13.2 million grant from the Commonwealth Development Opportunity Fund
 - \$500,000 in services through the Virginia Talent Accelerator Program
 - \$500,000 grant from the Port of Virginia Economic and Infrastructure Development Grant
- ix. Legislation is expected for this project during the upcoming General Assembly Session

The MEI Commission received an update on a previously approved manufacturing facility project in planning district 11.

October 16, 2024

Project “Dipper” (Microporous) was endorsed by the MEI Commission as presented and required MEI review due to the incentive package offered by the Commonwealth exceeding \$10.0 million.

- viii. Industrial sector: Storage Battery Manufacturing
- ix. Known competitor states: North Carolina
- x. Employment creation and capital investment expectations: 2,015 new jobs and \$1.35 billion capital investment
- xi. Average annual wage of new jobs: \$45,896 for new jobs created in Pittsylvania County
- xii. Ten-year net return on state incentives as prepared by the Virginia Economic Development Partnership Authority: \$23.4 million
- xiii. Expected timeframe for repayment of incentives: This project is projected to be always cash positive
- xiv. Incentives endorsed (\$64.0 million total state incentives):
 - \$60.6 million custom performance grant earned over a 20-year period for the creation of jobs and investment of capital
 - \$2.9 million in services through the Virginia Talent Accelerator Program
 - \$500,000 grant from the Port of Virginia Economic and Infrastructure Development Grant
- x. Legislation is expected for this project during the upcoming General Assembly Session

Cyxetra Communications/Phoenix Infrastructure incentive required MEI review and approval due to the company’s request for a 2nd extension of its grant performance period. MEI decided to consider the company’s request at a later meeting.

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

Sincerely,

A handwritten signature in cursive script that reads "L. Louise Lucas".

The Honorable L. Louise Lucas
Chairman, MEI Commission

cc: The Honorable Caren Merrick, Secretary of Commerce and Trade
Mr. Jason El Koubi, President and CEO, Virginia Economic Development
Partnership