



Commonwealth of Virginia

GENERAL ASSEMBLY

RICHMOND

January 14, 2026

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 as follows:

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 timeframe 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 2025:

August 21, 2025

Project “Whistler” (Eli Lilly) 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: Pharmaceuticals
- ii. Known competitor states: None
- iii. Employment creation and capital investment expectations: 468 new jobs and \$2.1 billion capital investment
- iv. Average annual wage of new jobs: \$113,632 for new jobs created in Goochland
- v. 15-year net return on state incentives as prepared by the Virginia Economic Development Partnership Authority: \$35.3 million
- vi. Expected timeframe for repayment of incentives: This project is projected to be always cash positive
- vii. Incentives endorsed (\$131.0 million total state incentives):
 - \$130.0 million custom performance grant earned over a 20-year period through job and capital investment performance
 - \$10.0 million of these incentives are frontloaded in years one through three of the project and still require the company to achieve performance milestones
 - \$1.0 million in services through the Virginia Talent Accelerator
- viii. Legislation and appropriations totaling \$3.1 million over the biennium are expected for this project during the upcoming General Assembly Session

Project “Zodiac” (AstraZeneca) was 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: Pharmaceuticals
- ii. Known competitor states: Maryland and Texas
- iii. Employment creation and capital investment expectations: 500 new jobs and \$4.0 billion capital investment

- iv. Average annual wage of new jobs: \$160,750 for new jobs created in Albemarle County
- v. 15-year net return on state incentives as prepared by the Virginia Economic Development Partnership Authority: \$57.6 million
- vi. Expected timeframe for repayment of incentives: This project is projected to be always cash positive
- vii. Incentives endorsed (\$192.0 million total state incentives):
 - \$191.3 million custom performance grant earned over a 20-year period through job and capital investment performance
 - \$745,000 in services through the Virginia Talent Accelerator
- viii. Legislation and appropriations totaling \$12.8 million over the biennium are expected for this project during the upcoming General Assembly Session

Project "26" (Hitachi) 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.

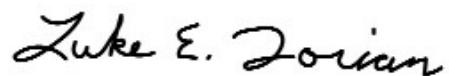
- i. Industrial sector: Transformer Manufacturing
- ii. Known competitors: Montreal, Quebec
- iii. Employment creation and capital investment expectations: 825 new jobs and \$457.2 million capital investment
- iv. Average annual wage of new jobs: \$73,830 for new jobs created in Halifax County
- v. 15-year net return on state incentives as prepared by the Virginia Economic Development Partnership Authority: \$26.3 million
- vi. Expected timeframe for repayment of incentives: This project is projected to become cash positive within 15 months
- vii. Incentives endorsed (\$32.3 million total state incentives):
 - \$29.4 million custom performance grant earned over a 10-year period for the creation of jobs and investment of capital
 - \$1.3 million in services through the Virginia Talent Accelerator Program

- \$1.6 million Economic Development Access Program and Rail Industrial Access Program

viii. Legislation and appropriations totaling \$4.0 million over the biennium are expected for this project during the upcoming General Assembly Session

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 black ink that reads "Luke E. Torian".

The Honorable Luke E. Torian
Chair, MEI Commission

A BILL to amend the Code of Virginia by adding in Title 59.1 a chapter numbered 22.25, consisting of a section numbered 59.1-284.46, relating to Active Pharmaceutical Ingredient Manufacturing Grant Fund.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 59.1 a chapter numbered 22.25, consisting of a section numbered 59.1-284.46, as follows:

CHAPTER 22.25.

ACTIVE PHARMACEUTICAL INGREDIENT MANUFACTURING GRANT FUND.

§ 59.1-284.46. Active Pharmaceutical Ingredient Manufacturing Grant Fund.

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

"Capital investment" means an expenditure by or on behalf of a qualified company on or after July 1, 2025, on or for real property, taxable tangible personal property, or both, at a facility in an eligible locality that is properly chargeable to a capital account or would be so chargeable with a proper election under Virginia law. Such term shall include (i) the purchase or lease of furniture, fixtures, business personal property, machinery, and tools, including under an operating lease, and (ii) expected building construction and up-fit by or on behalf of a qualified company.

"Eligible locality" means Goochland County.

"Facility" means the building, group of buildings, or corporate campus, including any related machinery and tools, furniture, fixtures, and business personal property, that is located at or near a qualified company's operations in an eligible locality and is owned, leased, licensed, occupied, or otherwise operated by a qualified company.

"Fund" means the Active Pharmaceutical Ingredient Manufacturing Grant Fund.

"Grants" means the grant payments from the Fund that are awarded to a qualified company in an aggregate amount not to exceed \$130,000,000. The proceeds of any grants may be used by the qualified company for costs of construction and development of the facility, or any other lawful purpose.

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

"New full-time job" means a job position for an employee of a qualified company (i) that is principally located at a facility; (ii) for which the average annual wage is at least \$113,632, subject to an escalation factor for each year as set forth in the memorandum of understanding; (iii) for which the qualified company provides standard fringe benefits; and (iv) that requires a minimum of either (a) 35 hours of an employee's time per week for the entire normal year of the qualified company's operations, which "normal year" shall consist of at least 48 weeks, or (b) 1,680 hours per year. Seasonal or temporary positions 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 assess compliance with the new full-time job requirements for a qualified company by reference to the new payroll generated by a qualified company if provided for in the memorandum of understanding.

"Qualified company" means a company, including its affiliates, that engages in the manufacture of active pharmaceutical ingredients and that on and after July 1, 2025, but before July 1, 2045, is expected to (i) make a capital investment of at least \$2,148,793,019 and (ii) create and maintain at least 468 new full-time jobs.

"Secretary" means the Secretary of Commerce and Trade or his 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 Active Pharmaceutical Ingredient Manufacturing Grant Fund. The Fund shall be established on the books of the Comptroller. All funds appropriated to the 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 to pay grants pursuant to this chapter. 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 expected to begin with the Commonwealth's fiscal year starting on July 1, 2026, and ending with the Commonwealth's fiscal year starting on July 1, 2045, unless such timeframe is extended in accordance with a memorandum of understanding. Grants awarded pursuant to this section shall be subject to appropriation by the General Assembly during each such fiscal year and are contingent on a qualified company meeting the requirements set forth in this chapter and in the memorandum of understanding for the

number of new full-time jobs created and maintained and the amount of capital investment made.

D. The aggregate amount of grants payable under this section shall not exceed \$130,000,000. In any fiscal year, the aggregate amount of grants payable under this section shall not exceed \$15,000,000. Grants are anticipated to be paid in 20 annual fiscal year installments, calculated in accordance with the terms of a memorandum of understanding. In no event shall grants be paid from the Fund for more than 20 consecutive years. Any grants not earned by the end of a 20-year payment period shall be forfeited.

E. A qualified company applying for a grant installment under this section shall provide verifiable documentation satisfactory to the Secretary evidencing (i) the aggregate number of new full-time jobs created and maintained as of the last day of the fiscal year preceding the application and (ii) the amount of capital investment made in the fiscal year preceding the application. The application and evidence shall be filed with the Secretary in person, by mail, or as otherwise agreed upon in the memorandum of understanding no later than October 1 each year reflecting performance through the last day of the prior fiscal year. Failure to meet the filing deadline shall result in a deferral of any scheduled grant installment payment pursuant to subsection D. For such filings made by mail, the postmark cancellation shall govern for purposes of the date of the filing determination.

F. Within 60 days of receiving an application and satisfactory 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 an application. The Comptroller shall not draw any warrant to issue checks for grants without a specific appropriation for the same.

G. As a condition of receipt of grants under this section, a qualified company shall make available to the Secretary for inspection, upon request, all documents that are relevant or applicable to determining whether the qualified company has met the requirements for receipt of a grant pursuant to this section and subject to the memorandum of understanding. Any such documents appropriately identified by a qualified company shall be considered confidential and proprietary.

A BILL to amend the Code of Virginia by adding in Title 59.1 a chapter numbered 22.25, consisting of a section numbered 59.1-284.46, relating to Pharmaceutical Substance Manufacturing Grant Fund.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 59.1 a chapter numbered 22.25, consisting of a section numbered 59.1-284.46, as follows:

CHAPTER 22.25.

PHARMACEUTICAL SUBSTANCE MANUFACTURING GRANT FUND.

§ 59.1-284.46. Pharmaceutical Substance Manufacturing Grant Fund.

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

"Capital investment" means an expenditure by or on behalf of a qualified company on or after July 1, 2025, on or for real property, taxable tangible personal property, or both, at a facility in an eligible locality that is properly chargeable to a capital account or would be so chargeable with a proper election under Virginia law. Such term shall include (i) the purchase or lease of furniture, fixtures, business personal property, machinery, and tools, including under an operating lease, and (ii) expected building construction and up-fit by or on behalf of a qualified company.

"Eligible locality" means Albemarle County.

"Facility" means the building, group of buildings, or corporate campus, including any related machinery and tools, furniture, fixtures, and business personal property, that is located at or near a qualified company's operations in an eligible locality and is owned, leased, licensed, occupied, or otherwise operated by a qualified company.

"Fund" means the Pharmaceutical Substance Manufacturing Grant Fund.

"Grants" means the grant payments from the Fund that are awarded to a qualified company in an aggregate amount not to exceed \$191,255,000. The proceeds of any grants may be used by the qualified company for costs of construction and development of the facility, or any other lawful purpose.

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

"New full-time job" means a job position for an employee of a qualified company (i) that is principally located at a facility; (ii) for which the average annual wage is at least \$160,750, subject to an escalation factor for each year as set forth in the memorandum of understanding; (iii) for which the qualified company provides standard fringe benefits; and (iv) that requires a minimum of either (a) 35 hours of an employee's time per week for the entire normal year of the qualified company's operations, which "normal year" shall consist of at least 48 weeks, or (b) 1,680 hours per year. Seasonal or temporary positions 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 assess compliance with the new full-time job requirements for a qualified company by reference to the new payroll generated by a qualified company if provided for in the memorandum of understanding.

"Qualified company" means a company, including its affiliates, that engages in the manufacture of pharmaceutical substances and that on and after July 1, 2025, but before July 1, 2045, is expected to (i) make a capital investment of at least \$4.0 billion and (ii) create and maintain at least 500 new full-time jobs.

"Secretary" means the Secretary of Commerce and Trade or his 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 Substance Manufacturing Grant Fund. The Fund shall be established on the books of the Comptroller. All funds appropriated to the 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 to pay grants pursuant to this chapter. 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 expected to begin with the Commonwealth's fiscal year starting on July 1, 2026, and ending with the Commonwealth's fiscal year starting on July 1, 2045, unless such timeframe is extended in accordance with a memorandum of understanding. Grants awarded pursuant to this section shall be subject to appropriation by the General Assembly during each such fiscal year and are contingent on a qualified company meeting the requirements set forth in this chapter and in the memorandum of understanding for the

number of new full-time jobs created and maintained and the amount of capital investment made.

D. The aggregate amount of grants payable under this section shall not exceed \$191,255,000. In any fiscal year, the aggregate amount of grants payable under this section shall not exceed \$34,000,000. Grants are anticipated to be paid in 20 annual fiscal year installments, calculated in accordance with the terms of a memorandum of understanding. In no event shall grants be paid from the Fund for more than 20 consecutive years. Any grants not earned by the end of a 20-year payment period shall be forfeited.

E. A qualified company applying for a grant installment under this section shall provide verifiable documentation satisfactory to the Secretary evidencing (i) the aggregate number of new full-time jobs created and maintained as of the last day of the fiscal year preceding the application and (ii) the amount of capital investment made in the fiscal year preceding the application. The application and evidence shall be filed with the Secretary in person, by mail, or as otherwise agreed upon in the memorandum of understanding no later than October 1 each year reflecting performance through the last day of the prior fiscal year. Failure to meet the filing deadline shall result in a deferral of any scheduled grant installment payment pursuant to subsection D. For such filings made by mail, the postmark cancellation shall govern for purposes of the date of the filing determination.

F. Within 60 days of receiving an application and satisfactory 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 an application. The Comptroller shall not draw any warrant to issue checks for grants without a specific appropriation for the same.

G. As a condition of receipt of grants under this section, a qualified company shall make available to the Secretary for inspection, upon request, all documents that are relevant or applicable to determining whether the qualified company has met the requirements for receipt of a grant pursuant to this section and subject to the memorandum of understanding. Any such documents appropriately identified by a qualified company shall be considered confidential and proprietary.

A BILL to amend the Code of Virginia by adding in Title 59.1 a chapter numbered 22.25, consisting of a section numbered 59.1-284.46, relating to Power Transformer Manufacturing Grant Fund.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 59.1 a chapter numbered 22.25, consisting of a section numbered 59.1-284.46, as follows:

CHAPTER 22.25.

POWER TRANSFORMER MANUFACTURING GRANT FUND.

§ 59.1-284.46. Power Transformer Manufacturing Grant Fund.

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

"Capital investment" means an expenditure by or on behalf of a qualified company on or after July 1, 2025, on or for real property, taxable tangible personal property, or both, at a facility in an eligible locality that is properly chargeable to a capital account or would be so chargeable with a proper election under Virginia law. Such term shall include (i) the purchase or lease of furniture, fixtures, business personal property, machinery, and tools, including under an operating lease, and (ii) expected building construction and up-fit by or on behalf of a qualified company.

"Eligible locality" means Halifax County.

"Facility" means the building, group of buildings, or corporate campus, including any related machinery and tools, furniture, fixtures, and business personal property, that is located at or near a qualified company's operations in an eligible locality and is owned, leased, licensed, occupied, or otherwise operated by a qualified company.

"Fund" means the Power Transformer Manufacturing Grant Fund.

"Grants" means the grant payments from the Fund that are awarded to a qualified company in an aggregate amount not to exceed \$29,400,000. The proceeds of any grants may be used by the qualified company for costs of construction and development of the facility, or any other lawful purpose.

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

"New full-time job" means a job position for an employee of a qualified company (i) that is principally located at a facility; (ii) for which the average annual wage is at least \$73,830, subject to an escalation factor for each year as set forth in the memorandum of understanding; (iii) for which the qualified company provides standard fringe benefits; and (iv) that requires a minimum of either (a) 35 hours of an employee's time per week for the entire normal year of the qualified company's operations, which "normal year" shall consist of at least 48 weeks, or (b) 1,680 hours per year. Seasonal or temporary positions 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 assess compliance with the new full-time job requirements for a qualified company by reference to the new payroll generated by a qualified company if provided for in the memorandum of understanding. Any new full-time job must be in addition to the qualified company's 1,178 existing full-time positions in the Commonwealth as of July 1, 2025.

"Qualified company" means a company, including its affiliates, that engages in the manufacture of power transformers and that on and after July 1, 2025, but before July 1, 2035, is expected to (i) make a capital investment of at least \$457,157,000 and (ii) create and maintain at least 825 new full-time jobs.

"Secretary" means the Secretary of Commerce and Trade or his 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 Power Transformer Manufacturing Grant Fund. The Fund shall be established on the books of the Comptroller. All funds appropriated to the 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 to pay grants pursuant to this chapter. 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 expected to begin with the Commonwealth's fiscal year starting on July 1, 2026, and ending with the Commonwealth's fiscal year starting on July 1, 2035, unless such timeframe is extended in accordance with a memorandum of understanding. Grants awarded pursuant to this section shall be subject to appropriation by the General Assembly during each such fiscal year and are contingent on a qualified company meeting the

requirements set forth in this chapter and in the memorandum of understanding for the number of new full-time jobs created and maintained and the amount of capital investment made.

D. The aggregate amount of grants payable under this section shall not exceed \$29,400,000. In any fiscal year, the aggregate amount of grants payable under this section shall not exceed \$4,600,000. Grants are anticipated to be paid in 10 annual fiscal year installments, calculated in accordance with the terms of a memorandum of understanding. In no event shall grants be paid from the Fund for more than 10 consecutive years. Any grants not earned by the end of a 10-year payment period shall be forfeited.

E. A qualified company applying for a grant installment under this section shall provide verifiable documentation satisfactory to the Secretary evidencing (i) the aggregate number of new full-time jobs created and maintained as of the last day of the fiscal year preceding the application and (ii) the amount of capital investment made in the fiscal year preceding the application. The application and evidence shall be filed with the Secretary in person, by mail, or as otherwise agreed upon in the memorandum of understanding no later than October 1 each year reflecting performance through the last day of the prior fiscal year. Failure to meet the filing deadline shall result in a deferral of any scheduled grant installment payment pursuant to subsection D. For such filings made by mail, the postmark cancellation shall govern for purposes of the date of the filing determination.

F. Within 60 days of receiving an application and satisfactory 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 an application. The Comptroller shall not draw any warrant to issue checks for grants without a specific appropriation for the same.

G. As a condition of receipt of grants under this section, a qualified company shall make available to the Secretary for inspection, upon request, all documents that are relevant or applicable to determining whether the qualified company has met the requirements for receipt of a grant pursuant to this section and subject to the memorandum of understanding. Any such documents appropriately identified by a qualified company shall be considered confidential and proprietary.