



STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT OF THE COMMONWEALTH OF VIRGINIA: BIENNIAL UPDATE (FY27-FY31) EXECUTIVE SUMMARY

July 1, 2026

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AT A GLANCE: THE STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT OF THE COMMONWEALTH OF VIRGINIA

- The Virginia Economic Development Partnership Authority (VEDP) was established by the General Assembly in 1995 (Code of Virginia, § 2.2-2234 et seq.)
- VEDP is given broad powers in its enabling legislation “...to encourage, stimulate and support the development and expansion of the economy of the Commonwealth.”
- This update to the Strategic Plan for Economic Development of the Commonwealth of Virginia has been prepared in accordance with Code of Virginia, § 2.2-205 and 2.2-2237.1, which requires a biennial update
- This update to the Strategic Plan began in September 2025 with partner engagement efforts, and the update process was completed in June 2026 upon approval by the VEDP Board of Directors
- To develop the FY27-31 Strategic Plan, VEDP engaged more than 80 economic development stakeholders through surveys, live engagements, and one-on-one meetings to gauge input across a range of focus areas
- The current plan is the result of a multi-faceted work plan, resulting in a set of 33 strategic initiatives with 7 new initiatives that address recent trends and shifting economic conditions
- The FY27-31 Strategic Plan update also includes VEDP’s Top State for Talent Strategy and the Virginia International Trade Plan, highlighting key initiatives to strengthen Virginia’s talent and workforce ecosystem and drive international trade growth in Virginia over the next five years

THE CODE OF VIRGINIA OUTLINES SPECIFIC STRATEGIC PLAN REQUIREMENTS AND A BIENNIAL UPDATE SCHEDULE

Code of Virginia, § 2.2-2237.1

A. The Board and the Chief Executive Officer shall develop and update biennially, prior to the start of each of the Commonwealth's biennial budget periods, a strategic plan for specific economic development activities for the Commonwealth as a whole. The strategic plan shall be responsive to the comprehensive economic development policy developed pursuant to § 2.2-205. The strategic plan of the Authority shall, at a minimum, include:

1. The identification of specific goals and objectives for the Authority and the development of quantifiable metrics and performance measures for attaining each such goal and objective;
2. A systematic assessment of how the Authority can best add value in carrying out each of its statutory powers and duties; and
3. Such other information deemed appropriate by the Board to ensure that the Authority fully executes its powers and duties.

B. The Authority shall report annually by November 1 on its strategic plan, any modifications to the strategic plan, and its progress toward meeting the goals and objectives as stated in the strategic plan. The report shall be submitted to the Governor, the Director of the Department of Planning and Budget, the special subcommittee on economic development of the Joint Legislative Audit and Review Commission, and the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations.

C. The Board shall include in its strategic planning process the participation of key economic development partners, including state, regional, and local economic development agencies and organizations, rural stakeholders, and international trade organizations.

VEDP LEVERAGED PARTNER AND BOARD INSIGHTS TO GUIDE A NEARLY YEAR-LONG STRATEGIC PLAN DEVELOPMENT PROCESS



- **September 2025:** Identified partner priorities through surveys and strategic plan feedback sessions at statewide economic development conference; gathered board feedback on economic trends
- **October 2025:** Engaged additional stakeholders from state agencies and key economic development-focused associations to gather additional input on trends, opportunities, and strategic priorities
- **December 2025:** Updated the transformational goal risk assessment in response to partner feedback and key economic trends
- **February 2026:** Completed updated target industry assessment, establishing three new target industries, including Energy Supply Chain
- **February – March 2026:** Developed strategies and initiatives in coordination with VEDP staff and partners
- **June 2026:** Strategic Plan finalized and approved by the VEDP Board of Directors



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VIRGINIA HAS SEEN MUCH PROGRESS ON ITS TRANSFORMATIONAL GOALS SINCE 2017, BUT WORK REMAINS TO DRIVE FUTURE GROWTH

Transformational Goal	Progress Description	Outlook
1. Robust state job growth	<ul style="list-style-type: none"> Historical five-year job growth rate rank is No. 23, an improvement from No. 25 in 2024 As of April 2026, Virginia's five-year job growth forecast ranks No. 29, down from No. 17 in 2024; bold action is required to reach growth goals 	
2. Every region wins	<ul style="list-style-type: none"> All 18 marketing regions have experienced job growth since 2021 The number of marketing regions forecast to grow jobs over the next five years increased from 4 in 2017 to 17 in 2026 	
3. Best state for business	<ul style="list-style-type: none"> Secured average rank of 5.4 across five business climate rankings (CNBC, Site Selection, Chief Executive, Business Facilities, and Area Development) as of April 2026; Virginia last ranked this well in 2022 Core sector employment growth has not yet reached Virginia's ambitious targets (No. 10 or higher) for Knowledge Work, Manufacturing, Logistics 	
4. Top state for talent	<ul style="list-style-type: none"> Virginia Talent Accelerator Program recognized as best-in-the-nation by Area Development and Business Facilities Created new Talent and Workforce Strategy team to coordinate and communicate talent-related economic development efforts Launched InternshipsVA to connect employers with potential interns 	
5. Most Innovative, Collaborative, and Effective State EDO	<ul style="list-style-type: none"> Ranked as among the five most effective State EDOs by Development Counsellors International in 2023 Sustained 97% client satisfaction rate and improved employee satisfaction rate from 90% to 92% 	

-  On track to achieve long-term goals with no major concerns
-  Will make progress against long-term goals but concerns

-  Will likely not meet goal
-  Not started

Virginia announced multiple historic projects



Transformative investments in Virginia's life sciences industry



Top 5 manufacturing project in Virginia history



Largest service-sector project west of the Blue Ridge in Virginia history



Largest announcement by capital investment in Virginia history



Largest competitive economic development project by jobs in U.S. history

VEDP has achieved numerous landmark objectives since the 2017 Strategic Plan



Established InternshipsVA to help employers design and launch high-quality, paid internships for Virginia higher ed students



Launched the Virginia Talent Accelerator Program in 2019, now ranked the No. 1 customized training program in the U.S.



Implemented Virginia's first-ever comprehensive International Trade Strategic Plan



Launched the Virginia Office of Education Economics (VOEE) to strengthen workforce alignment in the Commonwealth



Launched the VEDP Real Estate Solutions division to enhance the Commonwealth's project-ready site portfolio; secured over \$300 million in site development funding



Launched the \$2 billion Tech Talent Investment Program, a historic investment to expand Virginia's tech talent pipeline

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KEY TRENDS IN ECONOMIC DEVELOPMENT DRIVE UPDATED GOALS AND INITIATIVES FOR THE STRATEGIC PLAN

Economic Development Trends*

GLOBAL ECONOMIC HEADWINDS

After post-pandemic acceleration, changes to federal employment, trade uncertainty, and shifts in knowledge work hiring are reducing growth nationally. With high exposure, Virginia is experiencing slower absolute and relative growth.



TALENT MIGRATION PATTERNS

Talent availability remains the top driver of firms' location decisions. Virginia must look to ensure housing availability and affordability in the face of changing migration patterns, and to align education and work-based learning with firms' evolving needs.



THE AI TRANSFORMATION

Given its existing strengths, Virginia is poised to capture AI-driven commercial opportunities and productivity growth. However, some occupations may face disruption.



SCARCITY OF SITES, CHANGING OFFICE NEEDS

A deepening nationwide shortage of large industrial sites has reinforced the need for sustained investment in site development. Separately, lower office space demand has left many properties vacant and ripe for redevelopment.



RISING ENERGY DEMAND

Heightened need from industrial and commercial users and broader electrification has led to a significant increase in power demand with businesses prioritizing power availability and timing at competitive rates.



FY27-31 Strategic Plan Updates

Key Themes

- The FY27-31 Strategic Plan adapts VEDP's deep sector focus and whole-of-government approach to a dynamic economic environment
- Virginia's core sectors were reviewed and reaffirmed; new industry targets, including Energy Supply Chain, were added to reflect evolving growth areas

Updated strategies & initiatives

- Four initiatives that prioritize growing international trade and supporting communities facing impacts of economic shifts
- Ten talent-related initiatives to attract, retain, develop, and support the workers needed to propel Virginia's economy and prepare talent for an AI future
- Three initiatives to accelerate property development (sites and buildings)
- One initiative to address utility capacity, timelines, and rates

*Not comprehensive

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VEDP WILL TARGET 15 INDUSTRIES THAT DRIVE EMPLOYMENT GROWTH OR PROVIDE VIRGINIA AND ITS REGIONS UNIQUE VALUE

Core Sectors

Dedicated holistic approach

Knowledge Work

Aerospace & Defense* Biz./Financial Services
Tech & Cybersecurity

Manufacturing

Advanced Materials Food & Beverage Mfg.
Life Sciences

Logistics

Supply Chain Management

Additional Target Industries

Focused, traditional tactics

Strategic Projects & Lead Generation

Aerospace & Defense*
Automotive & Battery
Building Materials
Cloud & AI Infrastructure
Energy Supply Chain
Industrial Machinery
Quantum Computing
Semiconductors
Wood Products

*Targeted collaboratively across VEDP's Knowledge Work and Strategic Projects & Lead Generation Teams

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THE STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT OF THE COMMONWEALTH OF VIRGINIA INCLUDES 3 CORE COMPONENTS



TRANSFORMATIONAL GOALS FOR ECONOMIC DEVELOPMENT REFLECT STAKEHOLDER INPUT & SHIFTING BUSINESS NEEDS

1

Robust State Growth

Position Virginia to achieve a growth rate among that of the top 10 states in the U.S.

2

Every Region Wins

Ensure that every region participates in the growth of the Commonwealth

3

Best State Business Climate

Cultivate a leading business climate and sector-specific ecosystems

4

Top State for Talent

Establish Virginia as a top state for talent attraction, retention, development, and alignment

5

Most Innovative, Collaborative, and Effective State EDO

Solidify VEDP's position as one of America's top state EDOs through an innovative strategy, collaborative approach, and effective outcomes

FY27-31 TRANSFORMATIONAL GOALS REFLECT STAKEHOLDER INPUT & INCORPORATE ELEMENTS OF THE INNOVATIVE FRAMEWORK

Transformational goal	Description	Metrics (Targets)
1. Robust state job growth	Position Virginia to achieve a growth rate among that of the top 10 states in the U.S.	<ul style="list-style-type: none"> ▪ Five-year historic employment growth rate rank (Top ten) ▪ Five-year forecast employment growth rate rank (Top ten) ▪ Five-year historic inflation-adjusted Median Household Income (MHI) growth rate rank (Top ten)
2. Every region wins	Ensure that every region participates in the growth of the Commonwealth	<ul style="list-style-type: none"> ▪ Count of marketing regions with positive five-year historic employment growth (All positive) ▪ Count of marketing regions with positive five-year forecast employment growth (All positive) ▪ Count of marketing regions with positive five-year historic inflation-adjusted MHI growth (All positive)
3. Best state business climate	Cultivate a leading business climate and sector-specific ecosystems	<ul style="list-style-type: none"> ▪ Average rank in the state business climate rankings (Top five) ▪ Five-year historic core sector growth rate ranks (Top ten)
4. Top state for talent	Establish Virginia as a top state for talent retention, attraction, development, and alignment	<ul style="list-style-type: none"> ▪ Rank of net in-migration as a % of population (Top ten) ▪ Rank of credential and degree attainment rate (Top five) ▪ Strada Education Foundation State Opportunity Index <ul style="list-style-type: none"> – Ten-year Bachelor’s and Associates ROI (Top ten) – Employer Alignment (Leading category) ▪ Labor force participation rate rank (Top five)
5. Most innovative, collaborative, and effective state EDO	Solidify VEDP’s position as one of America’s top state EDOs through an innovative strategy, collaborative approach, and effective outcomes	<ul style="list-style-type: none"> ▪ Client satisfaction surveys (95% target) ▪ VEDP employee satisfaction (90% target) ▪ VEDP partner satisfaction (80% target) ▪ DCI Best in Class: State Economic Development Organizations (Top three)

VEDP'S STRATEGIC PLAN IDENTIFIES 10 STRATEGIES TO BE IMPLEMENTED OVER A 5-7 YEAR PERIOD, SUBJECT TO FUNDING

Position Virginia as America's top state for talent

1. Retain and attract talent to drive growth in target industries
2. Align talent development to the needs of employers
3. Activate individuals' potential by increasing supports to ensure Virginians participate in the labor force

Strengthen Virginia's economic competitiveness

4. Improve site and infrastructure assets to accelerate industry growth
5. Strengthen Virginia's business climate through strategic ecosystem initiatives and statewide collaboration
6. Support and promote programs and state assets that drive international trade growth
7. Increase economic development capacity and investment in economically-challenged regions

Enhance VEDP's capabilities

8. Elevate Virginia through best-in-class marketing and consultant cultivation programs
9. Deliver best-in-class lead generation and business engagement through innovative strategies
10. Cultivate world-class talent development and knowledge management at VEDP

Signifies updates from the previous (FY25-FY29) Strategic Plan

FY27-31 STRATEGIC PLAN INITIATIVES REINFORCE MANY CORE COMPONENTS OF VEDP'S EXISTING STRATEGY



-  Expands on VEDP talent priorities, emphasizing internships, veterans, project support, and housing
-  Establishes several new target industries, largely confirms current strategic direction
-  Maintains prioritization of site programs and infrastructure assets for further investment, including a renewed focus on energy
-  Reinforces internal talent development and use of Artificial Intelligence within VEDP
-  Promotes statewide partner collaboration; prioritizes resiliency for economically challenged communities
-  Reinforces our programs that support new and existing businesses and international trade growth

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VEDP HAS UPDATED THE INTERNATIONAL TRADE PLAN AS PART OF THE FY27-FY31 STRATEGIC PLANNING PROCESS

Background

- The original ITP, developed in 2019, laid out an ambitious long-term plan to increase Virginia's exports by 50% over the next 15 years and increase Virginia's ranking for exports per capita from 39th to 20th
 - These goals were achieved in 2023 and 2024, respectively
- The ITP was comprised of 26 initiatives to support businesses by targeting exports (13 initiatives), international supply chains (6), and enablers (7) that touch all facets of international trade
- With 57% of the \$8.1M that was originally planned to fully implement VEDP's ITP initiatives, 15 of the 17 VEDP-led initiatives have been fully or partially implemented, and 22 of the 26 initiatives were fully or partially implemented

International Trade Plan updates

- Beginning in 2024, VEDP integrated an update to the International Trade Plan (ITP) into the FY25–FY29 Strategic Plan to ensure alignment with agency-wide goals and priorities
- Through this integrated planning process, VEDP collaborated with partner agencies and stakeholders to shape priorities and develop new initiatives to grow international trade in Virginia
- Progress on strategic plan initiatives has advanced international trade outcomes through expanded export programs and services for existing businesses; advancement of logistics, site development, and air, cold chain, and intermodal infrastructure priorities; and strengthened coordination across sector teams and ecosystem partners
- Enhanced coordination and communication with key partners, including VDACS and the Port of Virginia, has improved alignment across trade-related programs to support international trade activity statewide

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THE CODE OF VA REQUIRES VEDP TO ASSESS HOW IT CAN BEST ADD VALUE IN CARRYING OUT ITS STATUTORY POWERS AND DUTIES

Code of Virginia, § 2.2-2237.1

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C. The Board shall include in its strategic planning process the participation of key economic development partners, including state, regional, and local economic development agencies and organizations, rural stakeholders, and international trade organizations.

VEDP'S STATUTORY RESPONSIBILITIES CAN BE GROUPED INTO EIGHT CORE CATEGORIES

1. Ensure that effective marketing programs are delivered
2. Engage in business development activities
3. Engage in product development activities
4. Encourage coordination of organizations engaged in economic development
5. Encourage exports of Virginia products and services and encourage imports
6. Assist in developing Virginia's economic development strategies
7. Administer economic development incentive programs
8. Fulfill various administrative and reporting responsibilities

VEDP ASSESSED ITS STATUTORY RESPONSIBILITIES TO DEVELOP AND REFINE STRATEGIES AND INITIATIVES TO FURTHER VALUE-ADD

Category of Statutory Powers or Duties	Strategies to increase VEDP's value-add
Ensure that effective marketing programs are delivered	<ul style="list-style-type: none"> ▪ #1 - Attract and retain talent to drive growth in target industries ▪ #8 - Elevate Virginia through best-in-class marketing and consultant cultivation programs ▪ #9 - Deliver best-in-class lead generation and business engagement through innovative strategies
Engage in business development activities	<ul style="list-style-type: none"> ▪ #8 - Elevate Virginia through best-in-class marketing and consultant cultivation programs ▪ #9 - Deliver best-in-class lead generation and business engagement through innovative strategies
Engage in product development activities	<ul style="list-style-type: none"> ▪ #4 - Improve site and infrastructure assets to accelerate industry growth ▪ #5 - Strengthen Virginia's business climate through strategic ecosystem initiatives and statewide collaboration ▪ #6 - Support and promote programs and state assets that drive international trade growth
Encourage coordination of organizations engaged in economic development	<ul style="list-style-type: none"> ▪ #7 - Increase economic development capacity and investment in economically-challenged regions ▪ #9 - Deliver best-in-class lead generation and business engagement through innovative strategies
Encourage exports of Virginia products and services and encourage imports	<ul style="list-style-type: none"> ▪ #4 - Improve site and infrastructure assets to accelerate industry growth ▪ #5 - Strengthen Virginia's business climate through strategic ecosystem initiatives and statewide collaboration ▪ #6 - Support and promote programs and state assets that drive international trade growth

VEDP ASSESSED ITS STATUTORY RESPONSIBILITIES TO DEVELOP AND REFINE STRATEGIES AND INITIATIVES TO FURTHER VALUE-ADD

Category of Statutory Powers or Duties	Strategies to increase VEDP's value-add
Assist in developing Virginia's economic development strategies	<ul style="list-style-type: none"> ▪ #2 - Develop talent to align with the evolving needs of employers ▪ #3 - Support the workforce through targeted talent solutions, including improved access to childcare and housing ▪ #5 - Strengthen Virginia's business climate through strategic ecosystem initiatives and statewide collaboration ▪ #7 - Increase economic development capacity and investment in economically-challenged regions ▪ #9 - Deliver best-in-class lead generation and business engagement through innovative strategies
Administer economic development incentive programs	<ul style="list-style-type: none"> ▪ #5 - Strengthen Virginia's business climate through strategic ecosystem initiatives and statewide collaboration ▪ #9 - Deliver best-in-class lead generation and business engagement through innovative strategies ▪ #10 - Cultivate world-class talent development and knowledge management at VEDP
Fulfill various administrative and reporting responsibilities	<ul style="list-style-type: none"> ▪ #10 - Cultivate world-class talent development and knowledge management at VEDP
Utilize powers granted to VEDP under statute in order to enable it to carry out its responsibilities	<ul style="list-style-type: none"> ▪ #4 - Improve site and infrastructure assets to accelerate industry growth ▪ #10 - Cultivate world-class talent development and knowledge management at VEDP