



Alexandria

POSITIONING VIRGINIA FOR THE FUTURE

February 02, 2026

VEDP'S STRUCTURE PROVIDES THE FOUNDATION FOR A NON-PARTISAN, LONG-TERM APPROACH TO ECONOMIC DEVELOPMENT

Virginia chose an innovative new model for economic development in 1995 with the creation of VEDP as the principal state economic development organization:

- **Legal status:** Independent public authority
- **Governance:** 17-member governing board that provides continuity across gubernatorial terms
- **Staff:** Approximately 230 full-time positions
- **International reach:** offices in Germany, Japan, South Korea, and Taiwan



VEDP Office



OUR PURPOSE

Enriching **lives, communities**, and
the **Commonwealth** through
economic development excellence

FY25-29 TRANSFORMATIONAL GOALS FOR THE COMMONWEALTH

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 retention, attraction, 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

750+
PROJECT WINS

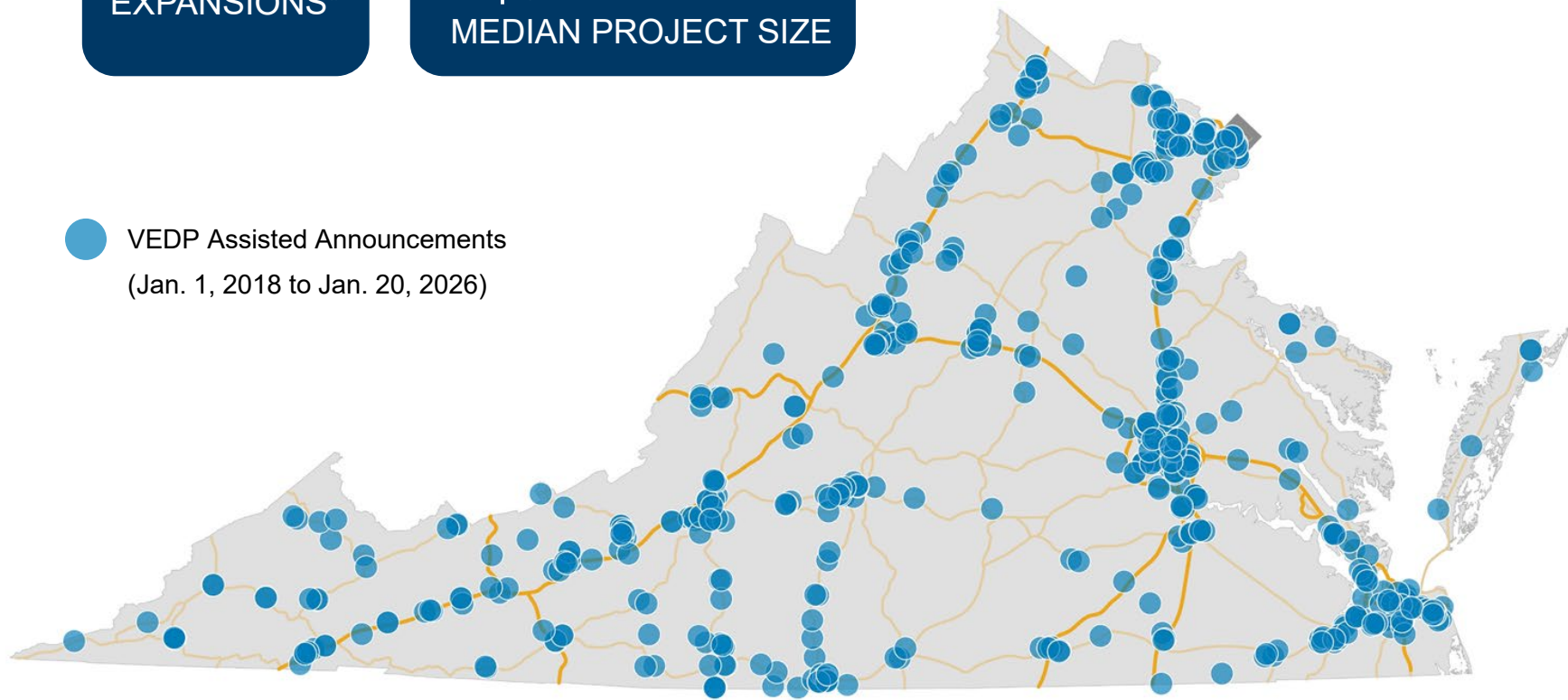
123,000+
NEW JOBS

\$143B+
IN CAPEX

66%
EXPANSIONS*

50 NEW JOBS
\$6.7M IN CAPEX
MEDIAN PROJECT SIZE

● VEDP Assisted Announcements
(Jan. 1, 2018 to Jan. 20, 2026)



*Percentage of projects that are expansion projects
Source: VEDP Announcement Database

CONCERTED EFFORTS HAVE DRIVEN IMPROVEMENTS IN VIRGINIA'S BUSINESS CLIMATE RANKINGS (ALL RANKED HIGHER THAN NO. 10)

Rankings Results



#9

April 2025



#2

June 2025



#4

July 2025



#7

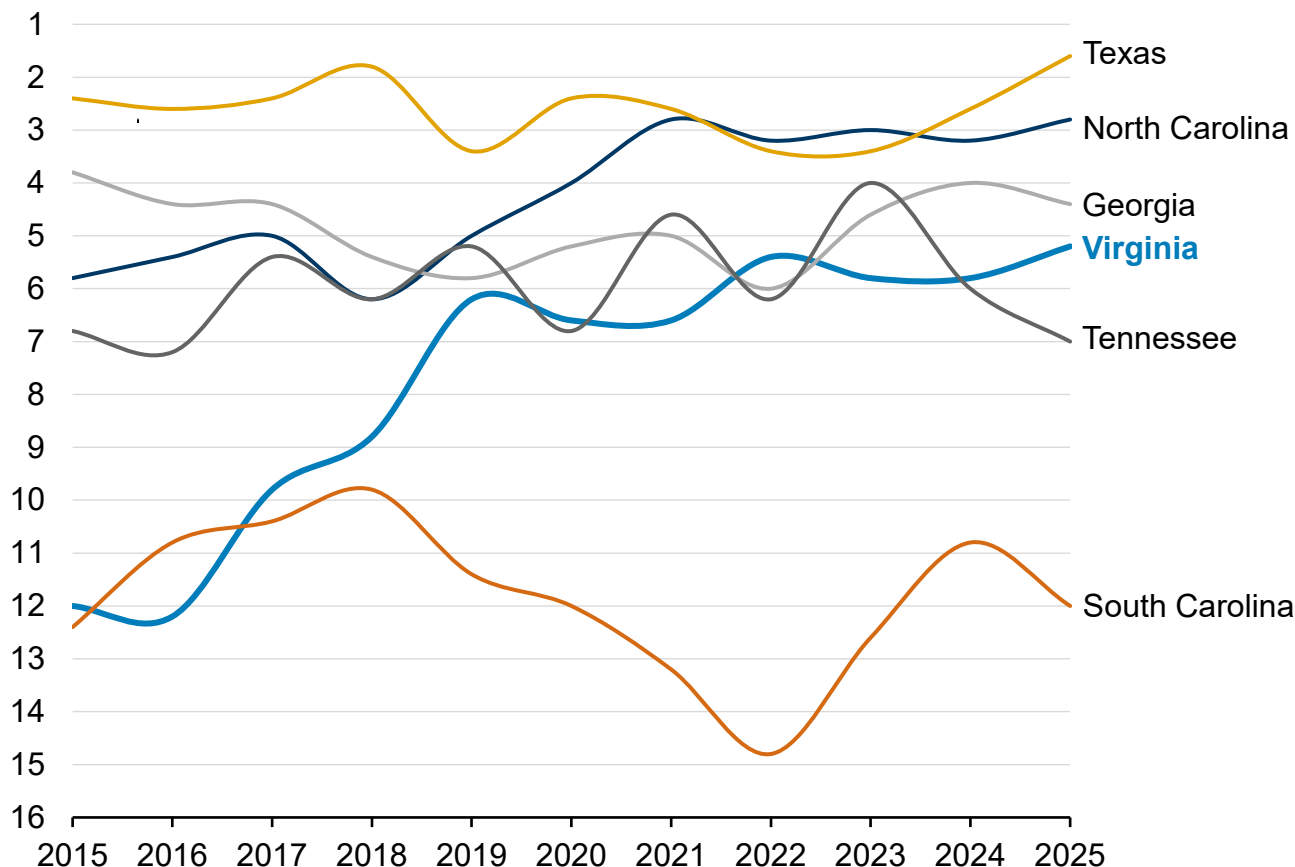
Sept. 2025



#4

Nov. 2025

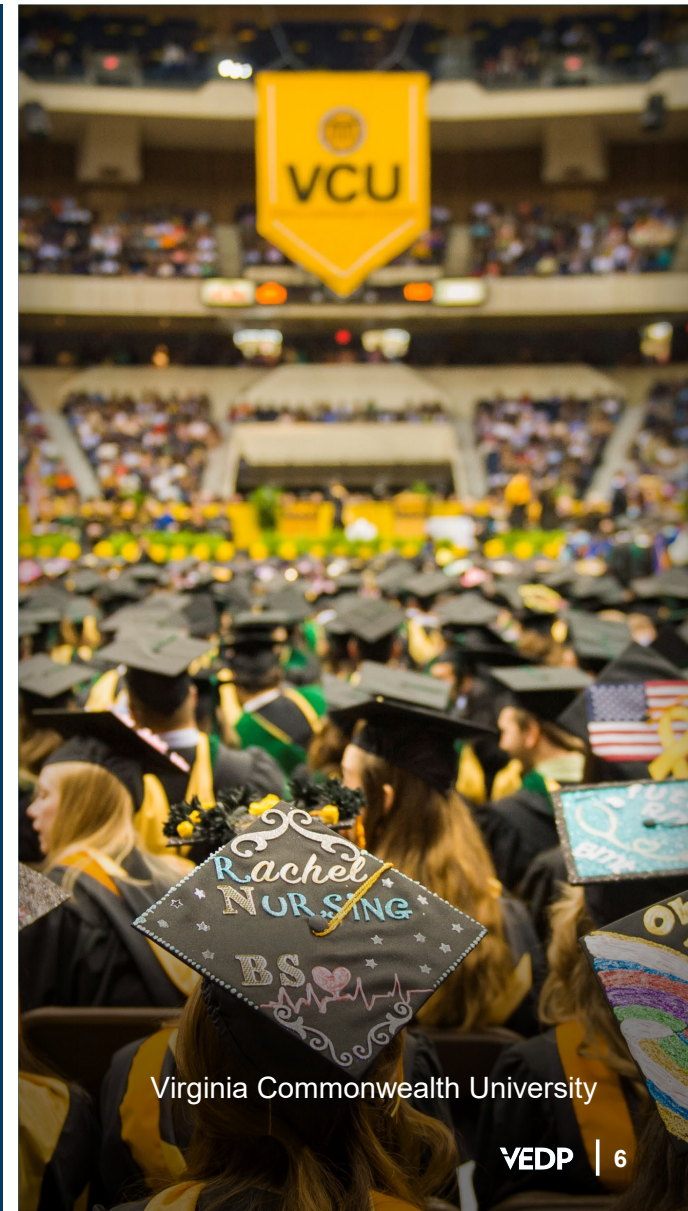
Average state rank in selected national business climate rankings¹



¹Business Facilities lists only the top ten ranked states. In years where a state was not in the top ten, they were assigned eleventh for the purposes of the average

WE ARE POSITIONING VIRGINIA AS AMERICA'S TOP STATE FOR TALENT

- ✓ We developed Virginia's Top State for Talent Strategy as part of our strategic plan for economic development
- ✓ We hired a strong Chief of Talent and Workforce Strategy and are currently building out the team
- ✓ VEDP recently launched InternshipsVA to connect businesses with students
- ✓ We are more directly addressing systemic talent pipeline needs on major projects — on top of VJIP/Talent Accelerator
- ✓ We are promoting our rank as a top state for education with strong colleges/universities, high ed attainment rates, etc.
- ✓ Statewide workforce, education, and business leaders are coming together around a unified state talent strategy



Virginia Commonwealth University

VEDP HAS DELIVERED SIGNIFICANT IMPACTS THANKS TO INVESTMENTS MADE BY THE COMMONWEALTH



Virginia Business Ready Sites Program (VBRSP)



48 sites advanced towards project readiness; already unlocking early-stage impact of 11,000 new, direct jobs with positive ROI



Virginia Talent Accelerator Program



No. 1 custom workforce training program in U.S.; helped secure 17,000+ new jobs



International Trade Strategic Plan



500+ companies supported in FY25 with ~100% satisfaction, with \$2.3B in international sales attributed to VEDP's trade programs



Virginia Office of Education Economics (VOEE)



Nation-leading, actionable insights on the linkages between education and labor market



Target Sector Depth and Connectivity



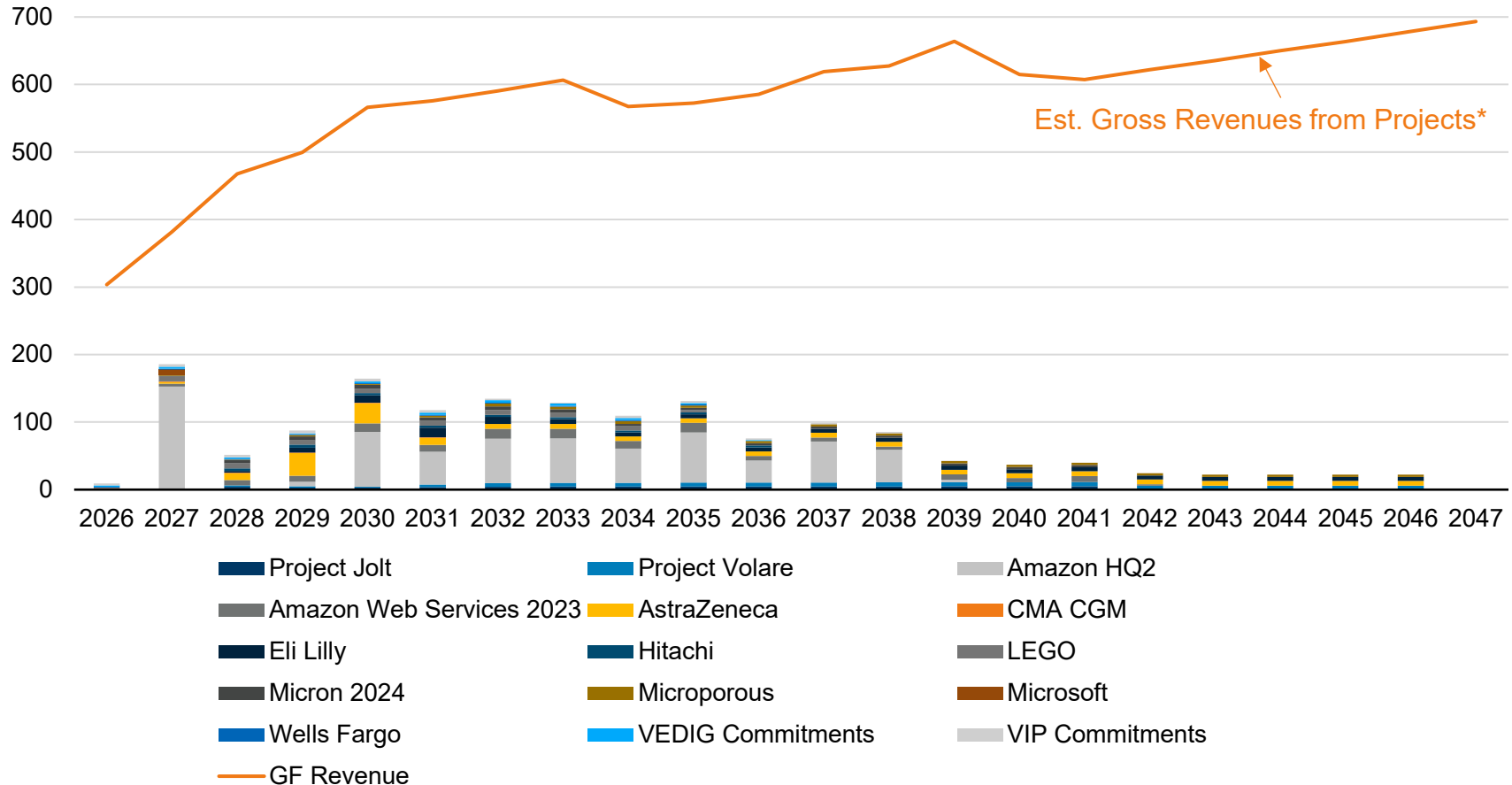
55% increase in lead-generation activities in FY26; transformational biopharma wins totaling 1,750 jobs and \$12.5B in capex

THE CUSTOM PERFORMANCE GRANT IS A CRITICAL COMPONENT OF THE COMMONWEALTH'S COMPETITIVE INCENTIVE TOOLKIT

- VEDP only recommends Custom Performance Grants (CPGs) for competitive project opportunities in tradable sectors
- CPGs are structured with performance-based payouts requiring milestones (e.g., jobs and investment) to be met before funds are released, protecting the Commonwealth's investment in projects
- Per the 2024 JLARC report on Custom Performance Grants:
 - CPGs are generally well-designed, well-targeted, and have influenced business location and expansion decisions more than other state incentives
 - CPG projects generate moderate or high economic benefits when assessed per \$1 million of incentive spending
 - Companies receiving CPGs collectively met 120% of their job creation goals or milestones to date, outperforming many other incentive programs
- VEDP performs rigorous company due diligence for all projects recommended for a CPG
- Every company awarded a CPG must submit annual progress reports, which are verified by VEDP, ensuring compliance, reporting, and transparency requirements are met

ANTICIPATED ANNUAL GENERAL FUND REVENUE FAR EXCEEDS INCENTIVE COMMITMENTS TO COMPANIES

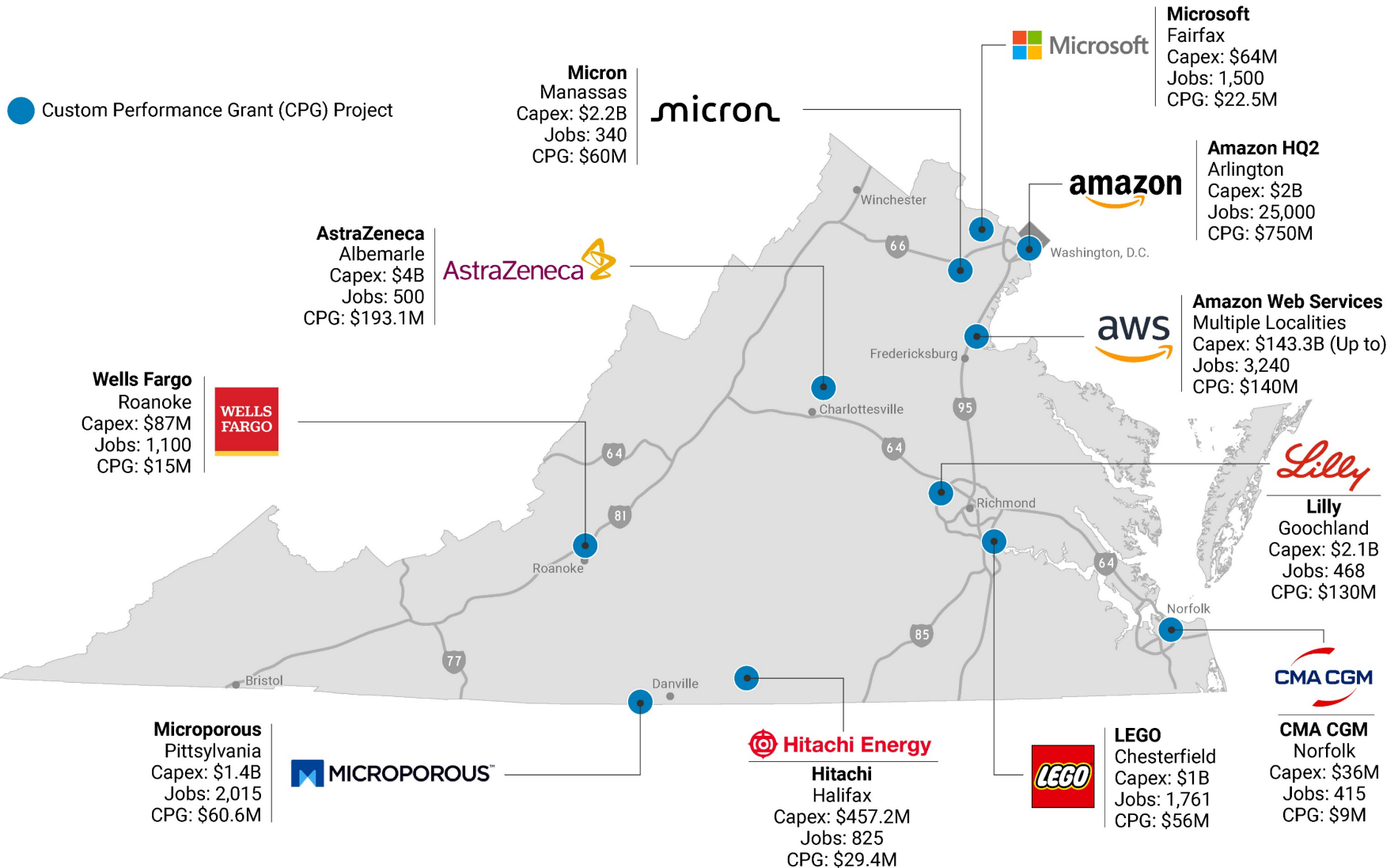
Incentive Commitments to Companies through FY2047 (\$M)



Note: Commitments include all GA-approved incentive commitments that require new appropriations, as well as pending projects and custom incentives as of 1/13/2026; does not include incentive programs that have regular annual appropriations such as COF and VJIP.

*Estimated revenues assume 2.025% sales tax is distributed to the General Fund without restriction.

COMPANIES AWARDED CPG HAVE PLEDGED MORE THAN \$156B OF CAPITAL INVESTMENT AND OVER 37,000 JOBS



TOP BUDGET OPPORTUNITIES FOR VEDP

MARKETING

Increasing awareness
to drive more project
opportunities

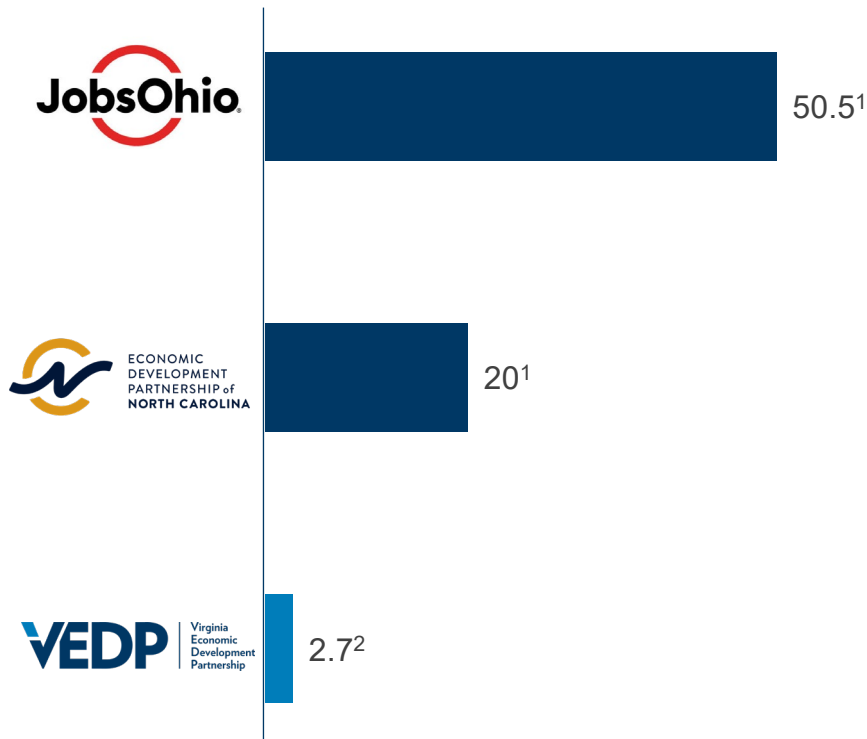
SITES

Sustaining momentum
on project-ready sites
investment

COMPETITOR STATES ARE INVESTING IN MARKETING 8 TO 20 TIMES MORE THAN WHAT VIRGINIA IS CURRENTLY DOING

Marketing budget

Contract expenses may be also included, \$M



We Must Invest Like the Best State for Business

- Reach top execs consistently and repeatedly where they go for business news
- Capitalize on earned media hits via paid media campaigns with national outlets
- Generate and maximize more leads in target industries
- Execute regional-specific, mid- to large-scale marketing campaigns for Virginia's efforts (e.g., FDI, site development, FAM tours, Int'l Trade)
- Dramatically expand our reach to business decision makers and the consultants that advise them

¹Budget for FY22 (latest available)

²Budget for FY24

Source: JobsOhio Tax Returns; Jobs Ohio 2021 Annual Report Results; North Carolina Department of Commerce Memorandum 2022; EDPNC Staff Directory; North Carolina GA FY21-23 Biennium Appropriations Bill; North Carolina GA FY22-23 Revised Appropriations Bill

Increased investments in marketing will attract more project opportunities to Virginia

¹VEDP wins ~10% of new to VA project opportunities; winning projects involves other factors such as sites, workforce, energy, and low costs of doing business

²Average project opportunity creates 160 direct jobs, with site selector cultivation resulting in larger than average projects

Estimated Impact

14-40

New Project Wins¹ over five years

3,000+

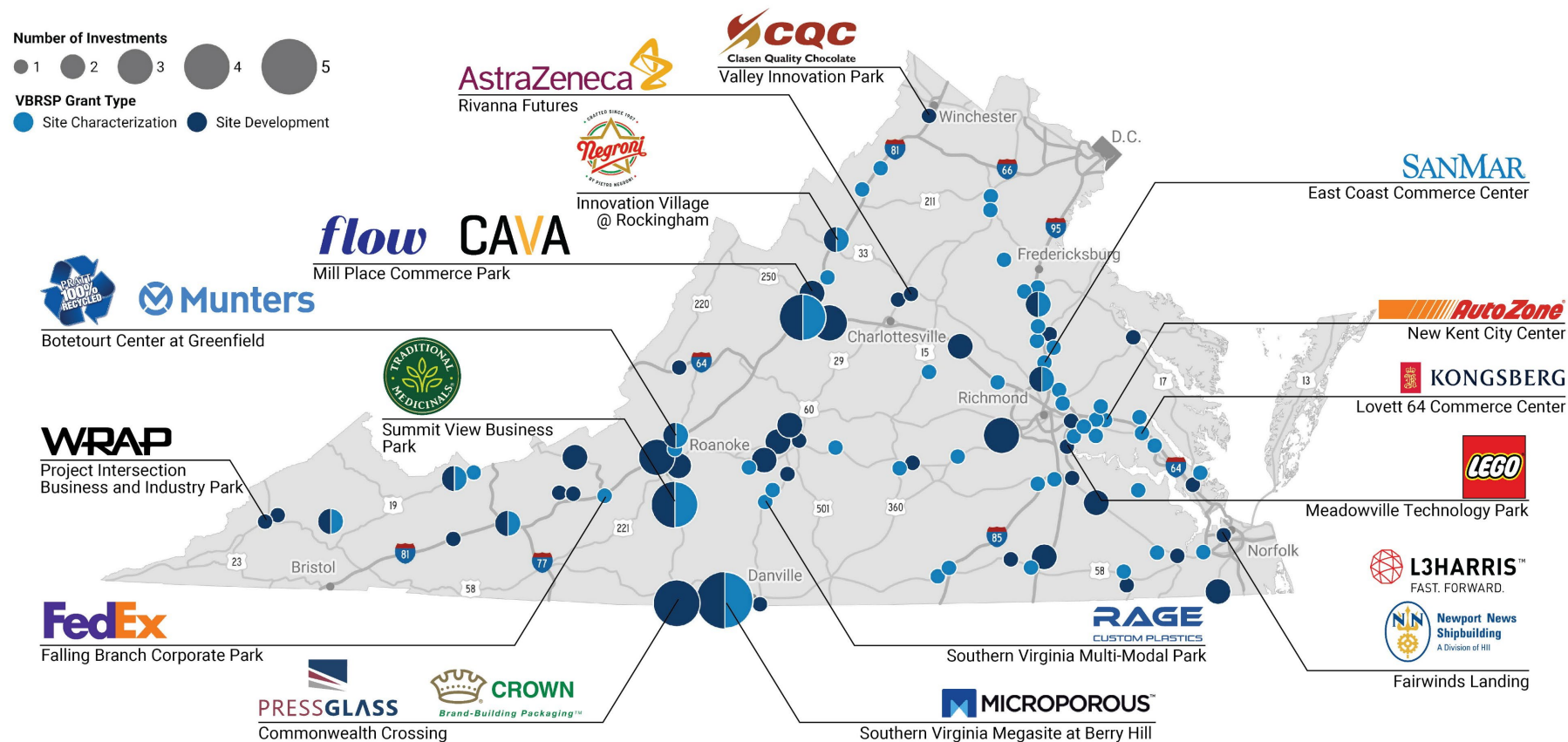
Direct Jobs²

\$200M+

Net State Revenue (20 years)

THE VIRGINIA BUSINESS READY SITES PROGRAM HAS GENERATED THOUSANDS OF JOBS AND ROI OF STATE DOLLARS

FY17 to Present: \$278M invested, 11K+ jobs and \$27B in capex



VIRGINIA'S INVENTORY OF PROJECT-READY SITES IS BEING DEPLETED FASTER THAN NEW ACREAGE IS BEING ADDED

Acreage of properties created or removed from iVS

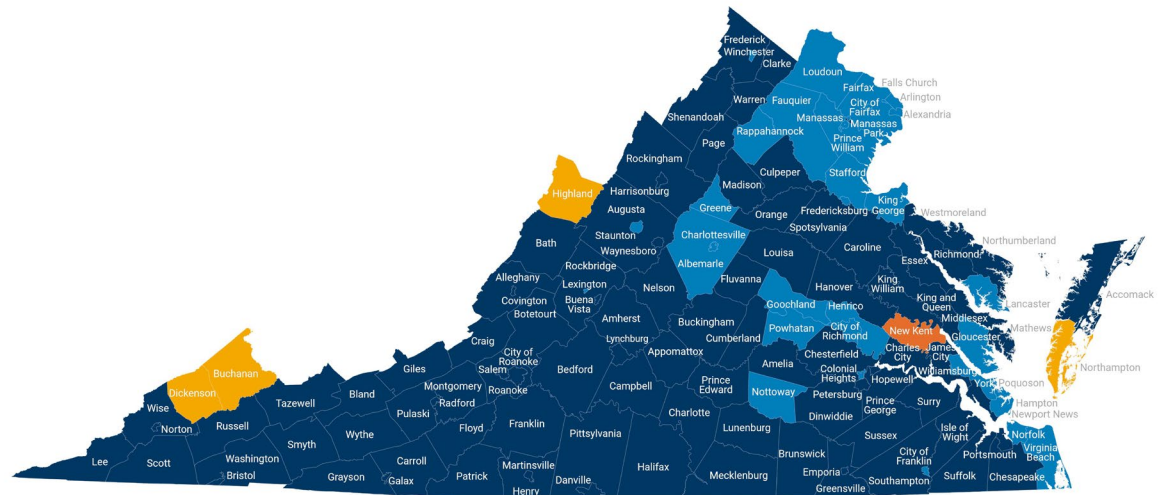
Statewide site acreage removed or added (November 2024-October 2025)



Projects that require ready sites are the greatest opportunities for most regions

70%

Of projects that do not select Virginia identify site-related issues as one of the primary factors¹



Largest traded sector industry by employment:

- Manufacturing and logistics
- Knowledge work
- Agriculture / resource extraction
- Recreation, entertainment

¹VEDP projects from which feedback was received and which did not expand at existing location (1/2023-8/2025)

Many VEDP initiatives directly impact Northern Virginia's economy

- Supporting commercial real estate transition
- Preserving a strong business climate
- Building the Top State for Talent
- Focusing on priority industries to diversify the economy
- Supporting the growth of innovation districts
- Amplifying Virginia's value proposition as an innovation hub



Fairfax County

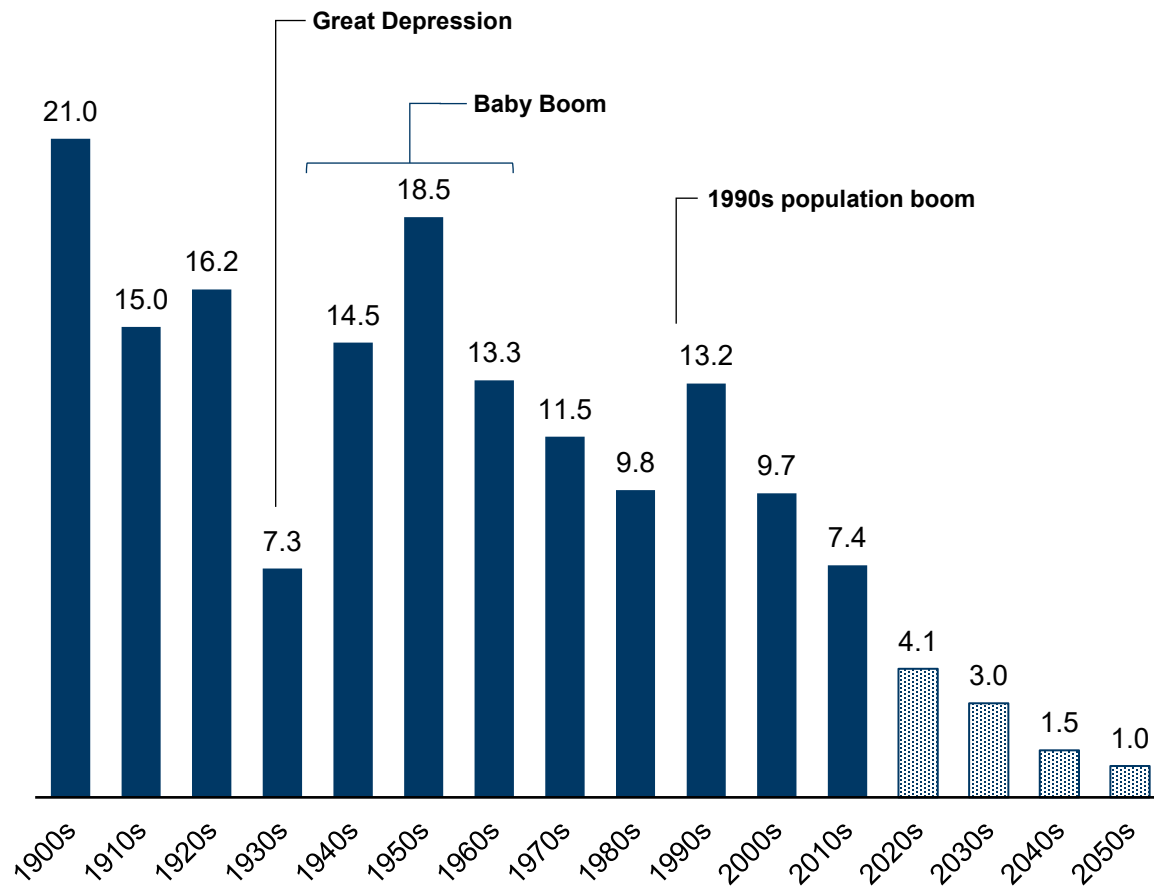
MAJOR SHIFTS ARE RESHAPING ECONOMIC DEVELOPMENT



Great Falls National Park, Fairfax County

As population growth decelerates, demographic pressures are poised to intensify

U.S. resident population growth between decennial census
%, (1900-2050, forecast)



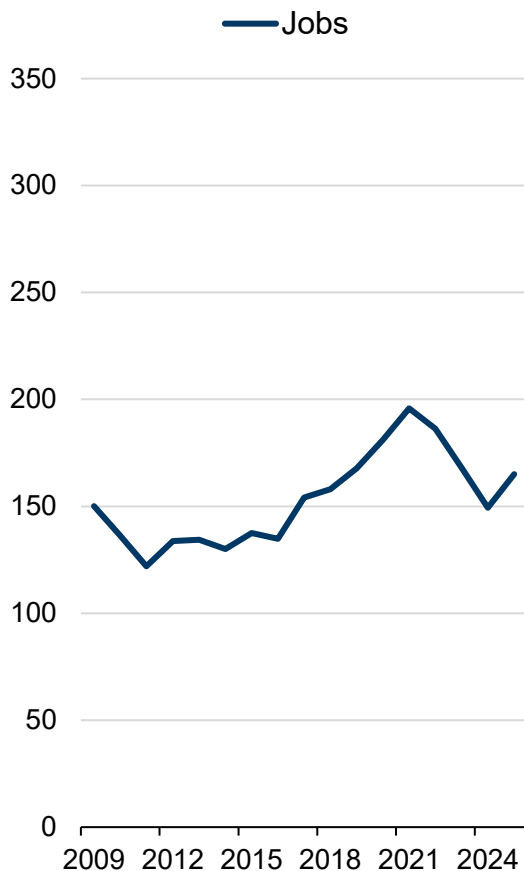
Source: Census Bureau Population Estimates Program, National Population Projections

Demographic slowdown

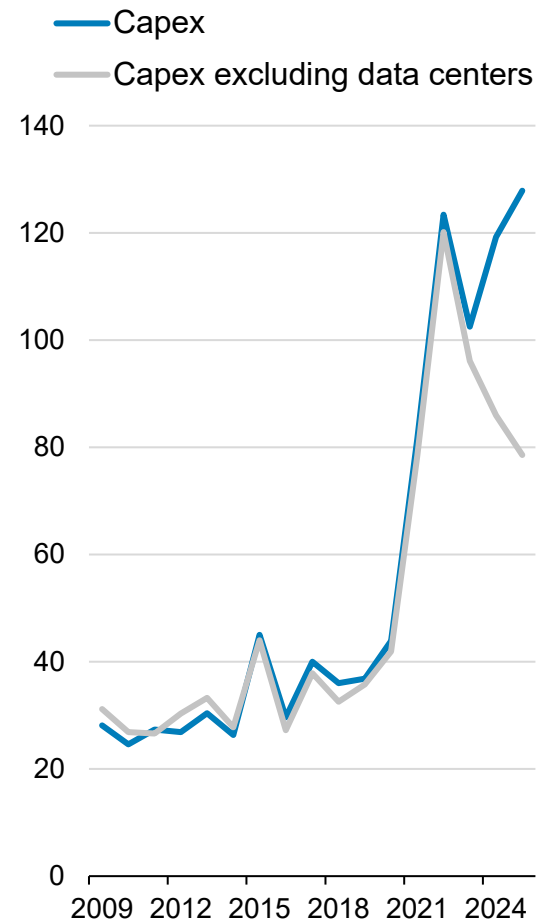
1

Technological innovation is changing the face of economic development projects

Nationwide average announced jobs per project



Nationwide average announced capex per project (\$M)



1

Demographic slowdown

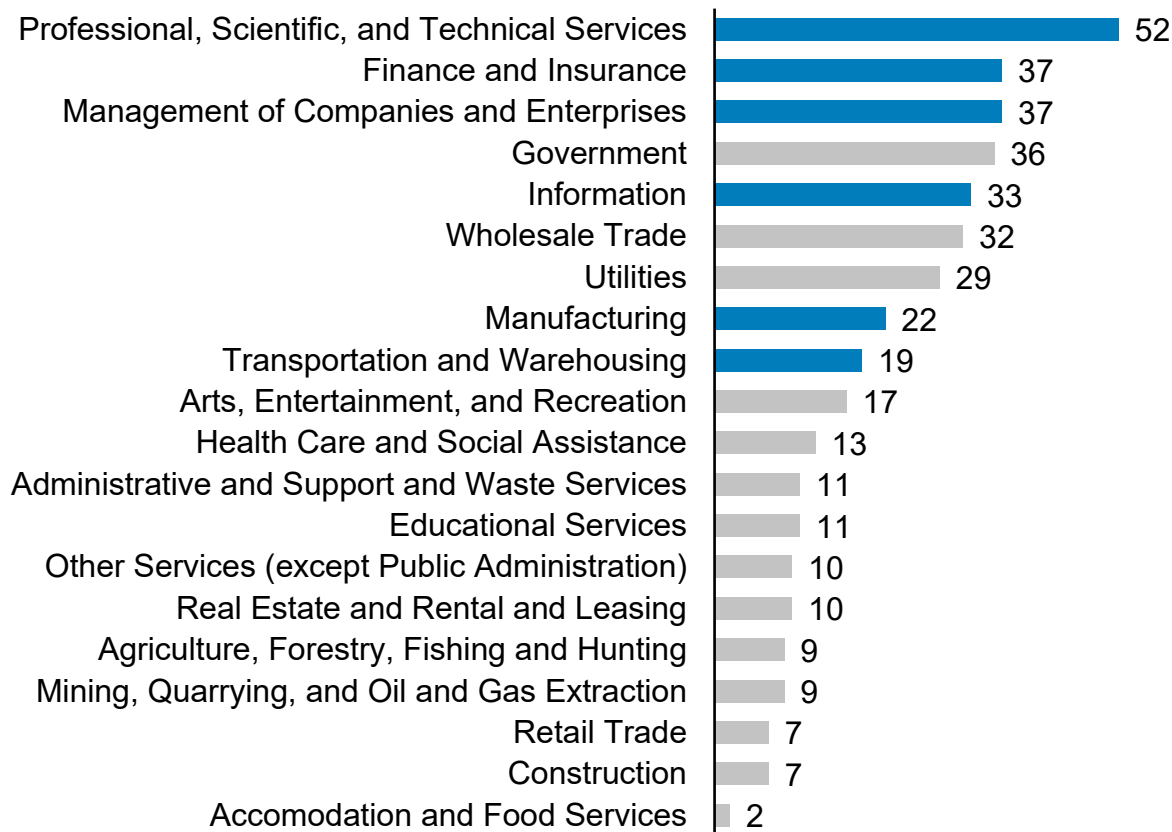
2

Technological change

AI is creating unprecedented demand for reskilling, upskilling, and next-skilling

Estimated share of workers likely to see high AI exposure by industry
%, industry workers with high exposure (2023)

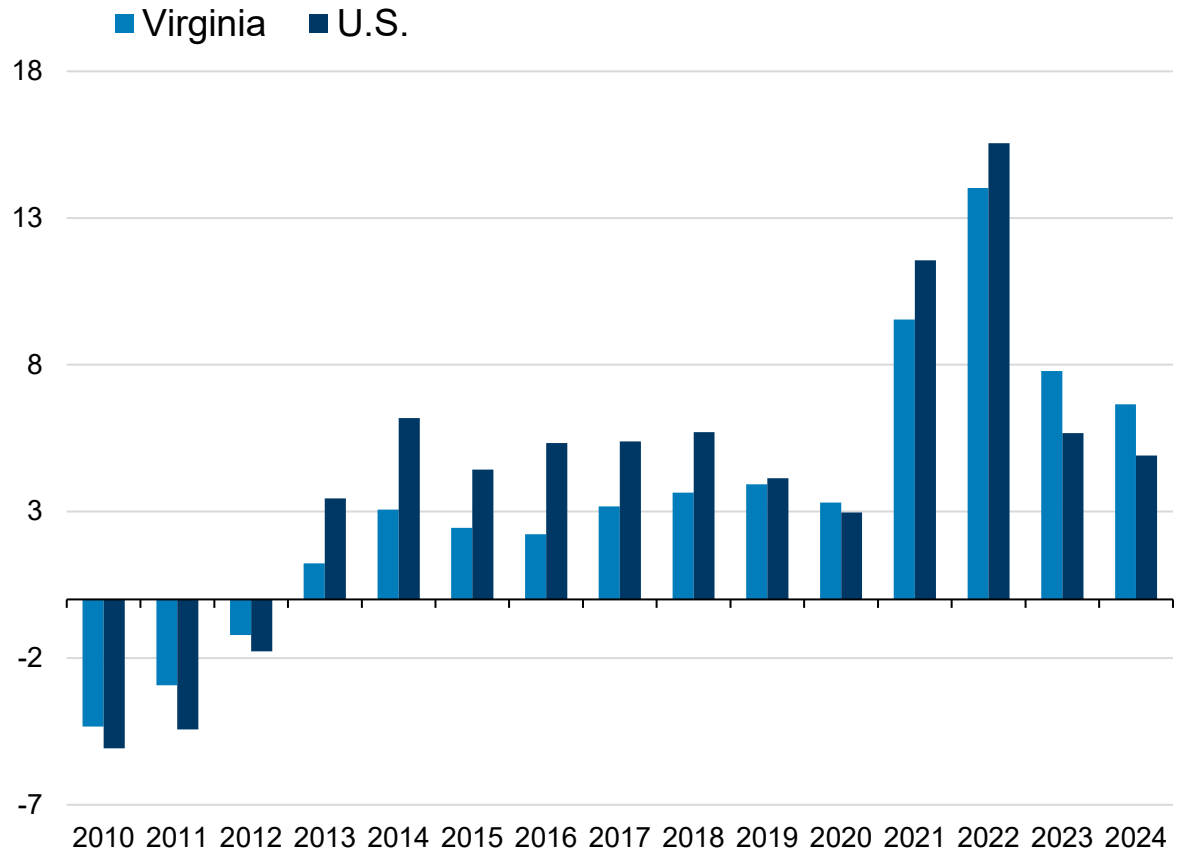
■ Denotes VEDP core industry



Both supply and demand challenges are leading into soaring housing costs, burdening households and reducing mobility

Housing Price Index

%, year over year change in FHFA Housing Price Index (2010-2024)



Source: Federal Housing Finance Agency

1

Demographic
slowdown

2

Technological change

3

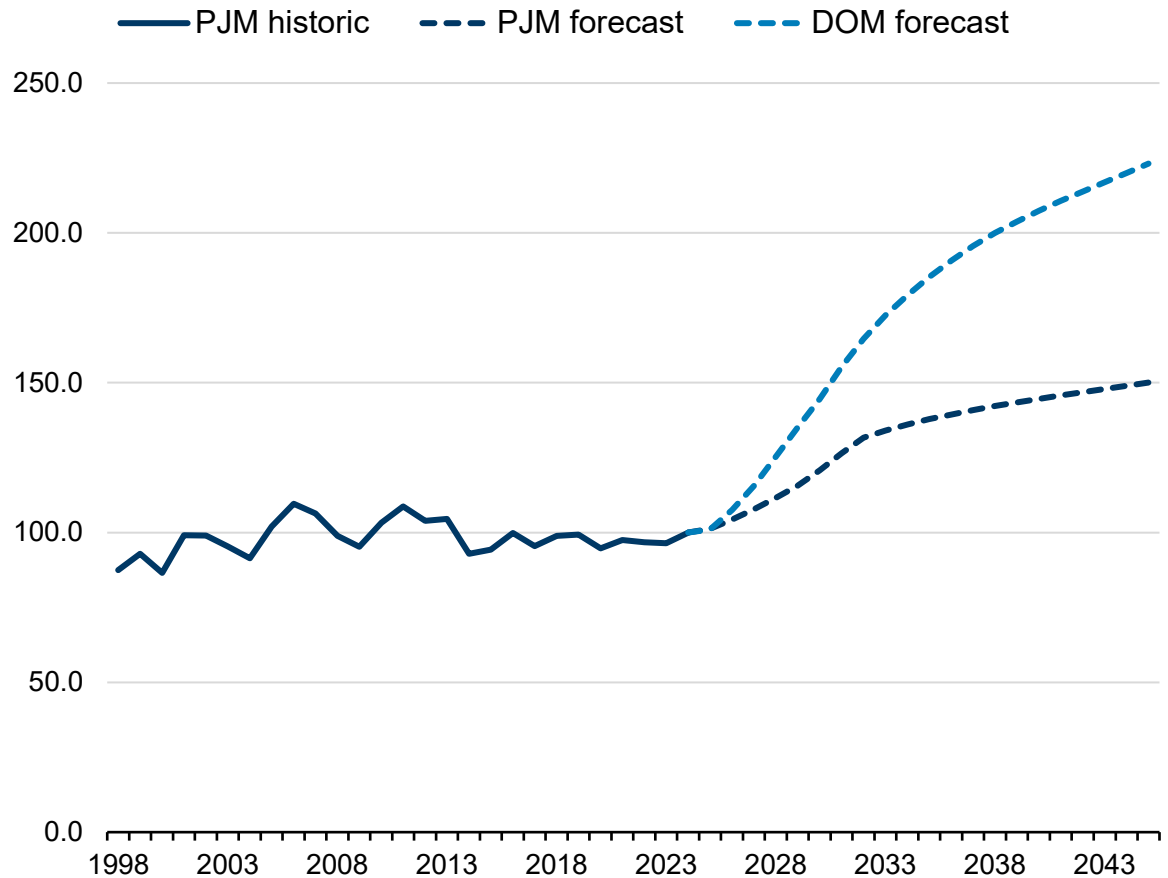
Workforce and skills

4

Housing

Energy demand is surging, supply is struggling to keep pace

Summer peak load forecast for PJM and Dominion
MW (indexed to 2024 levels)



Source: PJM Load Report Tables, 2025

1

Demographic
slowdown

2

Technological change

3

Workforce and skills

4

Housing

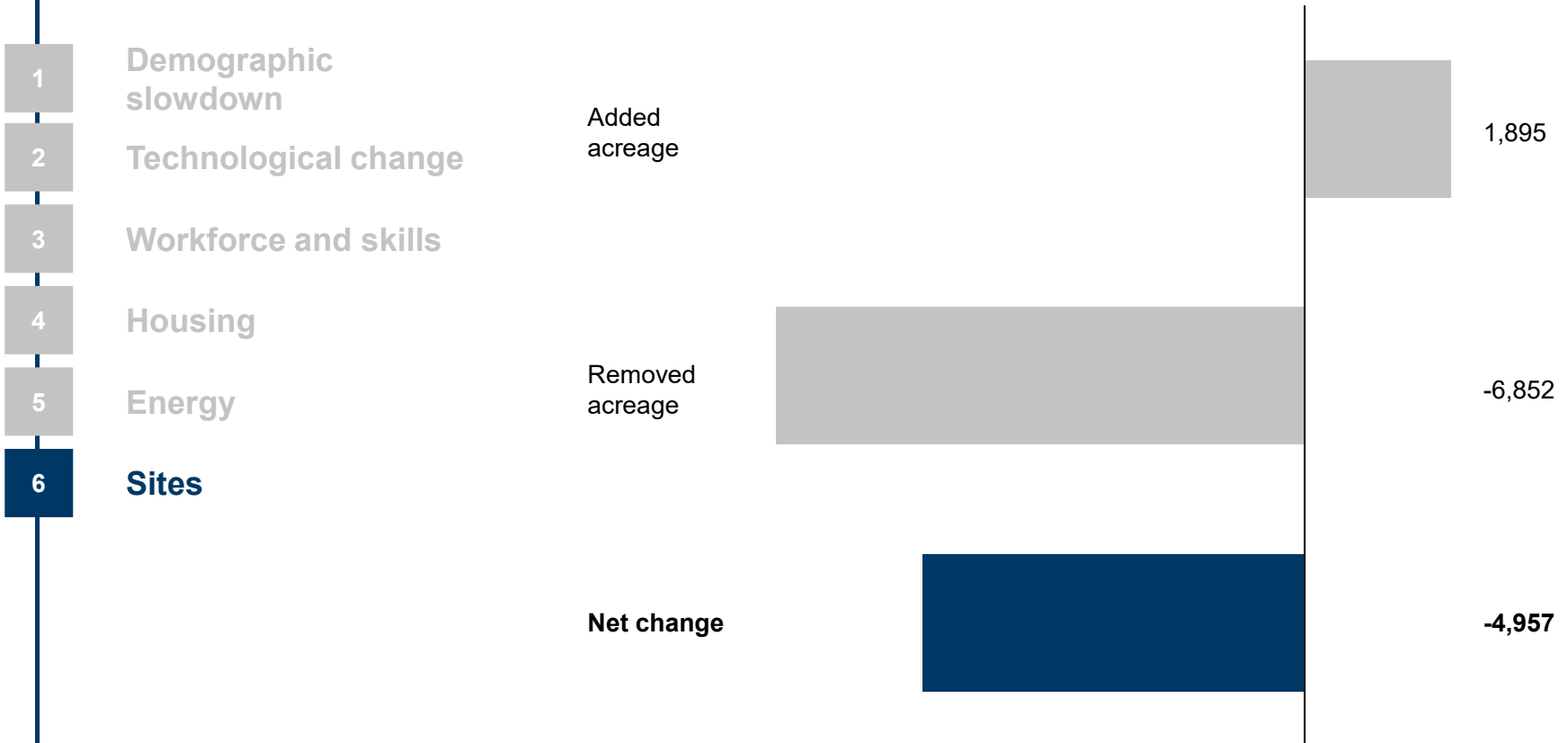
5

Energy

Virginia's inventory of project-ready sites is being depleted faster than new acreage is being added

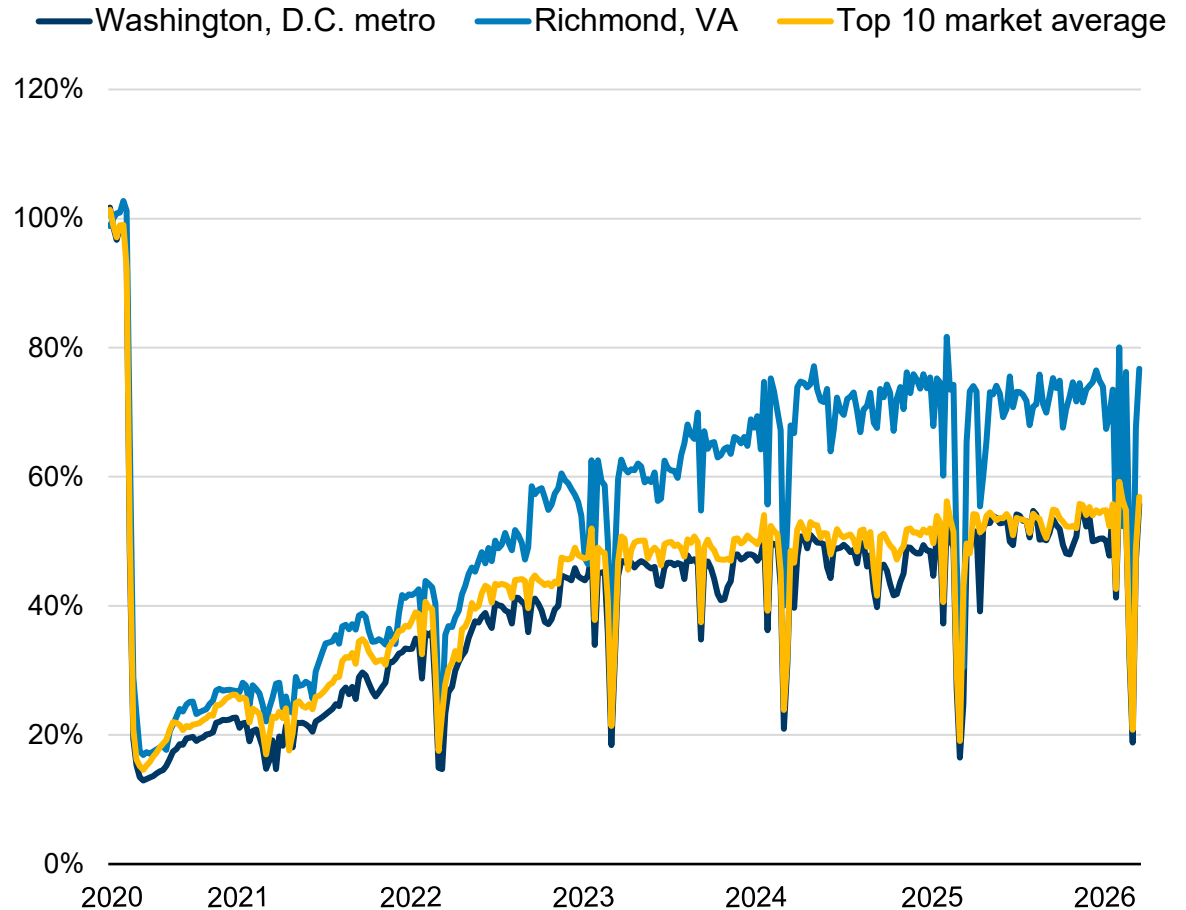
Acreage of properties created or removed from iVS

Statewide site acreage removed or added (November 2024-October 2025)



Technology and cultural shifts have changed white-collar working habits permanently

Unique cardholder activity in Kastle buildings by MSA
%, pre-COVID baseline* (February 2020-November 2025)



*Percentage calculations are based on the average card holder activity between February 3-13, 2020

Source: Kastle Weekly Occupancy Report, November 13, 2025

1 Demographic slowdown

2 Technological change

3 Workforce and skills

4 Housing

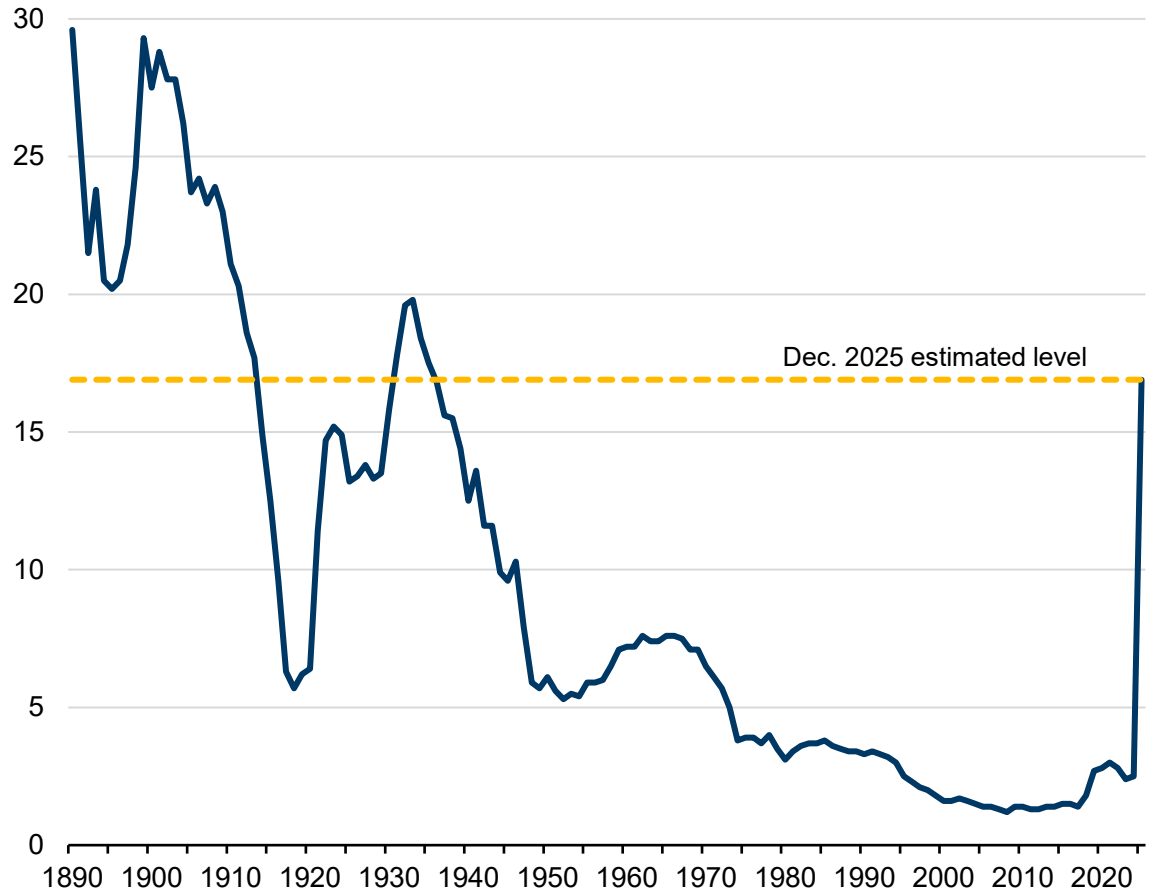
5 Energy

6 Sites

7 Corporate real estate

The United States is abruptly reversing a half century of trade policy, creating many challenges but also some opportunities

U.S. average effective tariff rate
%, (1890-December 2025)



Source: U.S. International Trade Commission; Yale Budget Lab

1

Demographic
slowdown

2

Technological change

3

Workforce and skills

4

Housing

5

Energy

6

Sites

7

Corporate real
estate

8

Trade Policy

THANK YOU!

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APPENDIX

VEDP'S STRATEGIC PLAN FOR THE COMMONWEALTH SETS OUT THREE COMPLEMENTARY TALENT-FOCUSED STRATEGIES

Retain and attract talent

Strengthen and highlight the Commonwealth's assets and economic opportunities to retain and attract the talent

Develop talent and align to employer needs

Produce in-demand talent aligned with industry needs to create pathways to opportunity and build a thriving workforce

Unlock worker potential by reducing barriers

Reduce barriers to workforce access (e.g., childcare, transportation) to ensure Virginians participate in the labor force

