



VEDP BRIEFING

September 5, 2023

HISTORIC INVESTMENT BY AWS ANNOUNCED IN 2023

Announcement of Amazon Web Services' (AWS) plans to invest \$35 Billion in the Commonwealth by 2040 to Expand Data Center Campuses is the largest capital investment program in Virginia's history.

These new campuses when combined will provide expandable capacity to position AWS for long-term growth in the Commonwealth.

Planned investment will create at least 1,000 total new jobs across Virginia.

TIMELINE OF PROJECT

- 2009 to Present** **Virginia passes first data center sales tax exemption and continues to refine it along with extending the sunset until 2035 to encourage growth of data center industry in the Commonwealth**
- November 4, 2021** **VEDP receives lead and begins working the project**
- December 13, 2022** **MEI Commission Approves Project**
- January 20, 2023** **Governor Announces Project**
- Feb – Mar 2023** **VEDP receives letters of support from localities under consideration**
- February 25, 2023** **General Assembly Approves Project with strong bipartisan support**
- March 27, 2023** **Governor Signs Legislation**

DEC 13, 2023: MEI COMMISSION APPROVES PROJECT

Major Employment & Investment Commission review and approval required when the Commonwealth offers an incentive package over \$10 million

Commission shall consist of 14 members. Current Members are:

- Delegate Barry Knight
- Delegate Rob Bloxom
- Delegate Terry Austin
- Delegate Danny Marshall
- Delegate Lee Ware
- Delegate Mark Sickles
- Delegate Luke Torian

- Senator Janet Howell (*at time of Dec 2022 MEI meeting*)
- Senator Dick Saslaw
- Senator Maime Locke
- Senator Tommy Norment
- Senator Frank Ruff

Affirmative vote by a majority of each Chamber's membership required to endorse any incentive package

02/21/23 - LEGISLATION AFFIRMING MEI APPROVED PROJECT RECEIVED STRONG BIPARTISAN SUPPORT

HB 2479 and SB 1522 (Knight - R) and (Barker - D) passed with strong bipartisan support

- House: 87-Y 11-N 1-A
- Senate: 35-Y 4-N

Key Elements of the Legislation:

- Extends to 2040 the Commonwealth's Data Center Sales and Use tax exemption on qualifying equipment and enabling software should company a) make a capital investment of at least \$35 billion in data centers in the Commonwealth and (b) create at least 1,000 direct new jobs, of which at least 100 of such jobs pay at least one and one-half times the prevailing average wage in the Commonwealth
- Extends to 2050 the Commonwealth's Data Center Sales and Use tax exemption on qualifying equipment and enabling software should the company a) make a total capital investment of at least \$100 billion, and (2) create a total of at least 2,500 direct new jobs, of which at least 100 of such jobs pay at least one and one-half times the prevailing average wage in the Commonwealth
- Provides an MEI-approved custom performance grant of up to \$140 million for site and infrastructure improvements, workforce development, and other project-related costs.
- Requires a "Performance Agreement" between qualified company, a locality, and VEDP to include a 2 to 1 local match of the State's grant payments
 - Locality may offer either annual cash grants or local infrastructure costs related to the qualified company. May also include commitments related to accelerated permitting, property tax classifications, and other such issues to which the parties agree.
- Disperses grant payments for each fiscal year beginning on July 1, 2025

THANK YOU



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