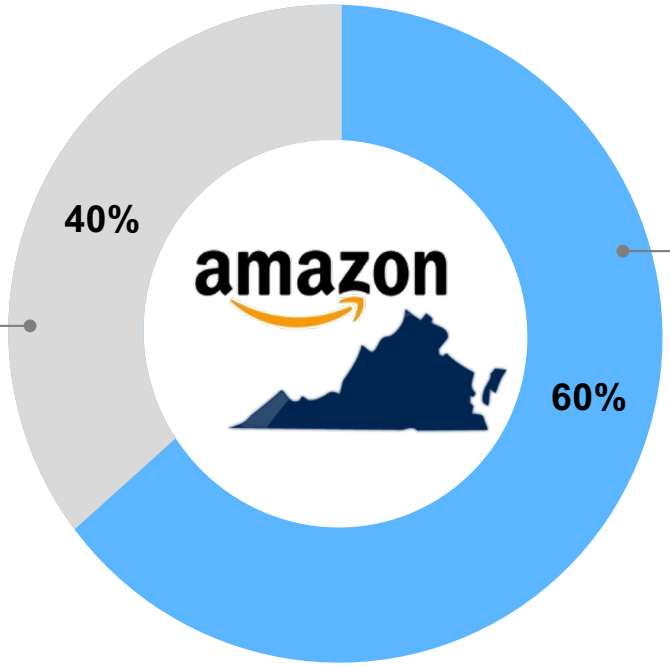
VIRGINIA'S INNOVATIVE INCENTIVE APPROACH

September 10, 2026

VEDP Virginia Economic Development Partnership
VEDP.org

WE PURSUED A DISTINCTIVE STRATEGY FOR HQ2 THAT WOULD POSITION OUR ENTIRE TECH SECTOR FOR SUCCESS

From the outset, we committed to **match the scale and structure of the financial commitment for HQ2 with the ambition of the project** through a combination of company commitments and investments in our state and regional competitiveness for all technology firms and corporate headquarters



TRADITIONAL INCENTIVES

INVESTMENTS IN VIRGINIA'S COMPETITIVENESS:

We will launch a series of initiatives to grow Virginia's tech talent and infrastructure, while supporting Amazon's success in Virginia

Note: The final package split was about 30% direct incentives and 70% investments in Virginia's competitiveness

MOST OF VIRGINIA'S PROPOSED COMMITMENTS ARE INVESTMENTS IN THE TECH-TALENT PIPELINE AND TRANSPORTATION INFRASTRUCTURE

Focus Area	Component	Description	Size ($M)
Company Incentive	Provide post-performance incentive grants	Provide post-performance job-creation grants to offset Amazon's talent acquisition and development costs associated with standing up HQ2	550*
Tech-talent pipeline initiative	Expand tech-talent pipeline across Virginia	Expand Virginia's statewide tech-talent pipeline, adding 12,500-17,500 bachelor's degrees in computer science and closely related fields in excess of current levels over the next 20 years, as well as invest $25 million in expanded internship opportunities to connect tech students to tech jobs	Up to 710**
	Launch tech campus(es) in Northern Virginia	Build a tech campus (or two distinct campuses) alongside a leading anchor university that will attract and retain top talent globally, creating an additional 12,500-17,500 master's degrees in computer science and closely related fields in excess of current levels over the next 20 years	Up to 375**
	Broaden K-12 tech-talent pipeline	Boost the tech-talent pipeline of the future by further developing and deploying K-12 tech-talent education programming	25
Regional infrastructure expansion	Enhance multimodal transportation infrastructure	Provide state support for priority transportation infrastructure projects that will improve mobility in the region	195***
Total of company incentives			**550***
Total of state competitiveness investments (tech-talent pipeline initiative and infrastructure expansion)			**Up to 1,305********

*Maximum value of $550M assumes company creates 25,000 jobs with average annual wages of $150,000, plus benefits, escalated at 1.5% annually. Up to $200M in additional company incentives (for a cumulative total of $750M) is available if the company creates a total of 37,850 qualifying jobs within 20 years.

**Value represents the maximum new state investment in capital and operational support that may be required to achieve the referenced degree production outcomes. Participating institutions will enter MOUs that detail their plans for growth, state funding, commitments, annual reporting requirements, and future funding parameters associated with performance. The total new state investment to grow bachelor's-level tech-talent education will be determined in part by how much of the growth in computer science and related fields is associated with an overall increase in college graduates at each institution and how much relates to a shift in the degree-field mix that may occur at some institutions.

***Maximum value of $195M assumes company creates 25,000 jobs with average annual wages of $150,000, plus benefits, escalated at 1.5% annually. Up to $100M in additional state infrastructure commitments (for a cumulative total of $295M) is available if the company creates a total of 37,850 qualifying jobs within 20 years.

****Maximum value assumes company creates 25,000 qualifying jobs and assumes maximum potential state investment for the tech-talent pipeline initiative.

Our proposal for Amazon's major new headquarters includes a post-performance incentive grant program

- **Phase I (up to 25,000 jobs):**
  $22,000 per job, for a total maximum of $550 million
- **Optional Phase II (25,001-37,850 jobs):**
  $15,564 per job, for a total potential of $200 million
- **Incentive payments** will be paid four years after qualifying jobs (minimum average of $150,000 per year, plus benefits, escalated at 1.5% annually) are created
- **6:1 return on incentives** (ratio of 20-year estimated NPV of general fund revenues to NPV of post-performance company incentive payments)

THE COMMONWEALTH LAUNCHES THE VIRGINIA ADVANCED PHARMACEUTICAL MANUFACTURING (APM) TRAINING NETWORK

The Virginia APM Training Network is a public-private initiative to develop a world-class talent engine preparing a highly skilled workforce aligned with the needs of all Virginia biopharmaceutical employers.

The Network will deliver:

Regional and Statewide Impacts

Facilities will be anchored across Richmond/Petersburg-Charlottesville-Harrisonburg, and the Network will reach the entire Commonwealth through partnerships and online resources.

Industry-Aligned Talent

- Training will provide transferable skills to support all pharmaceutical manufacturers and enable a shared, sustainable workforce.

Coordinated Programming and Pathways

- Community colleges and universities will collaborate with each other and industry to expand transferrable programming, stackable credentials, and seamless career pathways from entry-level training to advanced education.

Lilly AstraZeneca MERCK

BY THE NUMBERS

$120M
investment by industry

$10M
in-kind investment by state

2,500+
workers trained annually

Source: VEDP analysis

THANK YOU!

Jason El Koubi
President and CEO
804.219.6232
jelkoubi@vedp.org

VEDP Virginia Economic Development Partnership VEDP.org