Budget Amendment to Study FDI in Virginia

My name is James Metz. I am a member of the Virginia Coalition for Human Rights (VCHR). I am here to request a budget amendment to fund a JLARC study into the rationale for the Commonwealth financing two separate agencies to manage Foreign Direct Investment (FDI). The two agencies in question are the Virginia Economic Development Partnership Authority (VEDP) and the Virginia-Israel Advisory Board (VIAB).

In 2017, the General Assembly passed HB2471[1] to empower the Board of VEDP as a **"supervisory board"** with the **"**powers and duties . . . [of developing] a strategic plan for economic development, a marketing plan, and an operational plan.**"** The legislation was in response to a JLARC study that found problems with the way opportunity grants and loans were being tracked, managed and coordinated.

FDI is one of the tools of economic development. Foreign businesses expect the Commonwealth to be consistent and fair in the way foreign direct investment is solicited; opportunity grants and loans are arranged, and performance agreements are enforced.

How is there consistency and fairness when the point of contact for businesses from **all** foreign countries **but one** is VEDP? Why doesn't the Executive Director of VIAB report to VEDP's Vice President of Business Investment Administration as an "FDI Lead Generation Contractor"? [2]

VCHR argues that VIAB's status as both a state agency arranging economic development projects, and as the exclusive agent for Israeli businesses wishing to do business in the Commonwealth represents a conflict of interest.

VCHR requests that JLARC investigate:

1. how VIAB's projects are vetted for their compliance with VEDP's strategic economic development plan.
2. how Performance Agreements with Israeli businesses are negotiated
3. how compliance with these Performance Agreements is monitored and enforced.

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[1] LIS > Bill Tracking > HB2471 > 2017 session (virginia.gov)
[2] https://www.vedp.org/sites/default/files/2019-08/Business_Investment_819_0.pdf