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VRA Investments Activated Major Economic Engine in Virginia

~ Economic impact study shows 35 jobs supported per million dollars of VRA loans ~

RICHMOND – Virginia Resources Authority invested over \$2.2 billion in Virginia’s vital infrastructure during the period between fiscal year 2006 to calendar year-end 2009, producing over 40% of VRA’s lifetime performance. The loans to localities generated jobs and economic growth across the Commonwealth. These findings are documented in a 2009 professional study, *Economic and Fiscal Impacts from VRA Loan Programs on the Commonwealth of Virginia*, by Chmura Economics and Analytics.

According to the Chmura study, VRA’s vital infrastructure investments in FY2006-CYE2009 generated over \$3.3 billion of construction spending and over 31,000 one-time construction jobs. Additionally, the investments are supporting over \$13.0 billion of additional sustained spending and over 124,000 permanent jobs. These tremendous economic impacts are enhancing the vitality and economic growth of every planning district in the Commonwealth.

Among the key findings, the study confirmed:

- ★ Each \$1 million of VRA infrastructure investment supported 35 permanent jobs.
- ★ VRA generated more than \$3.3 billion of construction spending and over 31,000 one-time construction jobs in just four years (FY 2006-FY2009).
- ★ Infrastructure investments FY2006-FY2009 are supporting over \$13.0 billion in sustained additional spending and more than 124,000 permanent jobs in Virginia.
- ★ VRA’s investments in rural infrastructure more than doubled the employment impacts of the same dollars invested in urban areas (60% of total VRA loans).
- ★ Lasting employment impact: Counties receiving VRA infrastructure loans since FY 1986 grew about 1.0% faster than other counties.

“We typically think of state agencies almost solely as service providers as opposed to their capacity for creating jobs in the private sector,” said President & Chief Economist Christine Chmura. “We used some credible nationally recognized economic models to conduct our analysis and I can say that the Virginia Resource Authority is clearly one of the exceptions.”

“As a long-time resident of the Shenandoah Valley, I’m particularly pleased about the study’s findings of VRA’s tremendous economic and employment impact in rural communities,” said William O’Brien, VRA Board Chair.

“This independent study has enabled us to connect the dots between VRA’s investments in local communities and their substantial economic and employment impacts across the Commonwealth,” said VRA Executive Director Sheryl Bailey. “This study confirms that VRA’s statewide infrastructure investments have boosted the productive and job capacity of Virginia’s regional economies.”

The economic impact of VRA loans can be grouped into two categories: one-time construction impacts when the dollars associated with VRA loans are injected into the economy during project construction, and sustained impacts after VRA-funded loan projects are complete. Once constructed, capital investments in community infrastructure such as water and sewer facilities have long-lasting, sustained economic benefits in attracting businesses and creating permanent jobs. Both impacts are key to economic vitality.

To view the study’s executive summary, please visit www.virginiaresources.org.

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About the Virginia Resources Authority:

VRA provides innovative, cost-effective and sustainable financial solutions to local governments and other public bodies for projects that build vibrant and healthy Virginia communities. Created by the General Assembly in 1984, VRA is a self-financed state authority that supports vital community investments. In response to the expressed infrastructure needs of the Commonwealth’s local communities, VRA has augmented its eligible program areas to support state initiatives and better serve localities. Those project areas now include public safety, transportation, wastewater, broadband, energy, flood prevention and dam safety, solid waste, water, federal facility development, brownfield remediation and redevelopment, airports, land conservation and preservation, parks and recreation, local government buildings, administrative and operations systems, site acquisition and development for economic and community development.

Since 1984, VRA has funded more than 955 critical projects across the Commonwealth representing nearly \$5 billion of investment in Virginia's localities with over \$2.2 billion of funding provided since 2006, greatly enhancing the health, safety and vitality of Virginia's communities. VRA maintained high AAA/AA credit ratings during recent tumultuous financial markets and quadrupled the annual volume of loans during the FY 2006 - FY 2009 period. The Authority's cost-effective and custom-tailored financing solutions save Virginia's taxpayers millions of dollars annually in financing costs and make many local and regional projects possible. These financing solutions draw on VRA's unique credit enhancements and its ability to provide revolving fund loans to localities at below-market interest rates. The VRA staff offers extensive experience and expertise in a variety of financing techniques and the staff provides ongoing assistance and oversight to localities and their public projects.

In recent years, VRA has undertaken a number of initiatives to strengthen its connectivity with local communities. In 2008, the Authority established the Community Investment Advisory Council comprised of current and former chief administrative officers, finance and public works directors. Its Regional Workshop and Financial Sustainability Workshop series has familiarized community officials with a variety of infrastructure financing tools.

The ability to maximize value for local communities with cost-effective and innovative financing options has made VRA a major strategic partner for Virginia communities.

In 2009, VRA was awarded the Government Finance Officers Association certificate of achievement for excellence in financial reporting.