



# VirginiaDBA

Connecting Businesses with Resources

*Department of Business Assistance*

# Virginia Department of Business Assistance

## State Agency – 3 Divisions

- Business Information Services
- Virginia Jobs Investment Program
- Small Business Financing



# Business Information Services

[www.vdba.virginia.gov](http://www.vdba.virginia.gov)

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# BUSINESS INFORMATION SERVICES START-UPS

## ○ Business One Stop

- Identifies federal, state and local new business formation requirements, including step-by-step process and forms completion
- Offers live customer support for users
- \$20 user fee
- Averaging approximately 700 new accounts per month
- Go to [www.bos.virginia.gov](http://www.bos.virginia.gov)

# BUSINESS INFORMATION SERVICES

## ALL BUSINESSES

- 
- Business One Stop
  - Virginia Business Information Center
    - 1-866-248-8814 or [vbic@vdba.virginia.gov](mailto:vbic@vdba.virginia.gov) or live chat at [www.vdba.virginia.gov](http://www.vdba.virginia.gov)
    - Answers questions for existing as well as startup businesses
    - No phone menus and quick response times
    - Free and confidential
    - Approximately 1,250 monthly contacts

# BUSINESS INFORMATION SERVICES START-UP AND SMALL BUSINESSES

- 
- Entrepreneur Express workshops (EE)
    - 1/2 day, free program
    - Delivered in local markets across the state
    - Targets young companies that need help with business planning, marketing and finance
    - Approximately 100 events offered per year
    - Go to [www.vastartup.org](http://www.vastartup.org) to find one near you

# BUSINESS INFORMATION SERVICES

## EXISTING BUSINESSES

- 
- **Growing Sales Workshops**
    - 1/2 day, free program
    - Delivered in local markets across the state
    - Targets existing businesses, especially those that want to sell to state or federal government or want help with marketing
    - Approximately 20 events per year
    - Go to [www.vastartup.org](http://www.vastartup.org) to find one near you
    - Wayne Waldrop, Director, 804-371-8228

# BUSINESS INFORMATION SERVICES

## EXISTING BUSINESSES

- 
- One on one Counseling sessions especially around Selling to the Commonwealth
    - \$8b in purchases runs through the state's eVa purchasing system every year
    - It is important to understand the system, to know how to find opportunities, to know how to respond
    - Call 1-866-248-8814 for an appointment



# Virginia Jobs Investment Program

[www.vdba.virginia.gov](http://www.vdba.virginia.gov)

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The Virginia Jobs Investment Program (VJIP) is a State-funded economic development incentive supporting Virginia's business development efforts.

It addresses an economic development prospect's #1 issue:

**WORKFORCE**

# VJIP CULTURAL VALUES



Non-Bureaucratic



**CUSTOMER  
SATISFACTION**

# VJIP FY12 RESULTS

Type of Project	Number of Projects	Number of Jobs	Amount of Incentives Received	% of Project Budget
New & Expanding Companies	155	4,172	\$ 3,658,752	51%
Small Business	260	1,824	\$ 1,393,814	19%
Retraining	96	5,095	\$ 2,179,817	30%
<b>Totals</b>	<b>511</b>	<b>11,091</b>	<b>\$ 7,232,383</b>	<b>100%</b>

# AVERAGE FUNDING PER JOB FY12 - \$730

- Performance-Based Program
  - Reimbursement made after new hire employed for 90 days
- Simple invoice process.
- Net new job creation - turnover is not reimbursed.

# PARTNERS WITH ECONOMIC DEVELOPMENT COMMUNITY

- Presentations to Prospects
- Requests for Proposals
  - Marketing Virginia's Work Force and Resources
  - Estimating Funding

# WORKFORCE DEVELOPMENT PARTNERS

- Virginia Employment Commission
- One-Stop Workforce Centers
- Workforce Investment Boards
- Community Colleges
- Universities
- Private Education/Training Providers
- Local and Regional Economic Developers



# Regional Recruitment Team

- National Job Posting
- Accept Applications
- Facilities for Interviewing
- Assessment of Candidates
- Schedule Interviews
- Assistance with Job Fair



# Virginia's Community Colleges

- **23 Colleges**
- **Multiple Campuses**
- **Customized Workforce Training**
- **Degree and Non-degree**

# Virginia's Colleges & Universities

- 15 public four-year institutions
- Two nationally ranked engineering schools
- Averages each year:
  - 42,000+ bachelor's degrees
  - 10,500+ master's degrees
  - 1,200+ doctorates





# Virginia's Colleges & Universities

- **Resource Deliverables**
  - **Recruitment of Talented Labor Supply**
  - **Internships for Technology Development**
  - **Virtual Product Design Teams**
  - **Project Solution Teams**
  - **Workforce Career Development**
- **Support Business Growth by Providing a Hub for Innovation**

# VEDP

- **Virginia Guide to Business Incentives**
  - **All financial, infrastructure development grants, tax credits & exemptions.**
- **Inventory of available buildings & sites for new and expanding business locations.**
- **Export assistance.**
- **[www.yesvirginia.org](http://www.yesvirginia.org)**

# VJIP ELIGIBILITY

- 
- **Company must be in targeted for-profit business sectors:**
    - **Manufacturing, distribution, research & development, inbound call center, information technology (B2B), or corporate HQs (for companies with multiple facilities)**
    - **Note: Applies to large and small companies.**

# NEW JOBS PROGRAM

- Large Companies (250+ employees)
  - Create 25 New Jobs Paying At Least \$9.79/hr
  - \$1,000,000 Capital Investment
  - 50% or more revenue
  - Competitive Project



# SMALL BUSINESS NEW JOBS

## 250 Employees or less

- Creating at least five (5) net new jobs paying at least \$9.79/hour
- New capital investment of at least \$100,000
- 50% or more revenue

# RETRAINING PROGRAM (Large Companies)

- Retraining at least ten (10) full-time employees
- \$500,000 Capital Investment
- Minimum wage rate of \$9.79/hour
- Retraining may be accessed only once every three years
- Open to manufacturing and distribution facilities only

# SM. BUS. RETRAINING PROGRAM (New FY12)

- 250 employees or less companywide
- Retraining at least 5 net new jobs
- \$50,000 minimum capital investment
- Minimum \$9.79 per hour wage rate
- Open to manufacturer, wholesale distribution center, or B2B information technology companies
- Accessed only once every three years



# Virginia Small Business Financing Authority

[www.vdba.virginia.gov](http://www.vdba.virginia.gov)

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# VSBFA'S PURPOSE

To provide financing programs to help businesses of all sizes gain **access to capital** to fund the growth of the business.

# HOW DO WE DO THIS?

We offer 12 state and federally sourced financing programs.

- Direct Loans to work in partnership with bank loans;
- Credit enhancements to banks;
- Tax-exempt private activity bonds;
- Niche programs for other state agencies.

# Key Drivers

- 5 C's of Credit (character, capacity, capital, conditions, & collateral)
- Sufficient cash flow to repay debt
- Job Creation
- Economic benefit to the Commonwealth
- Leveraging Public Funds with
  - Private Funds (Private Debt + Private Equity)
- No Grants, No Forgivable Loans

# Dispelling Misconceptions

The VSBFA's programs are...

- for start up's. - We can help start up's, but our "bread & butter" is existing businesses with a track record.
- for "financially troubled" companies. – Too late.
- to replace an owner's need for equity. – Wrong. – Owners must have "skin in the game".
- to be cheaper than bank loans. – No – We don't compete with the private sector.
- just for small businesses. – Not true – We can work through the locality to help larger businesses too.
- not a good fit for the many economic development projects. - We are a good fit for the creative thinking economic developer.

# ECONOMIC DEVELOPMENT LOAN FUND

- Low interest “gap financing” direct loans to businesses and/or local IDA/EDA’s to fund economic development projects
- Direct loans typically subordinate to financial institution’s loan
- Fixed asset financing
- Applicant business must demonstrate repayment ability and the loan purpose should provide for economic benefit to Virginia
- Loans up to 40% of the project amount or \$1 million (sometimes more)

# SMALL BUSINESS MICRO LOAN PROGRAM

*(Started in February)*

- Direct loans to businesses to finance most business credit needs (**Must be in business for at least 2 years**)
- VSBFA can be sole lender
- Loan based purely on credit score of guarantors (650 minimum); blanket lien on business assets
- Avg. loan size: \$19K

# CASH COLLATERAL PROGRAM

**New!**



Cash placed on deposit at bank to be used to make up for collateral shortfall  
– Up to 40% of the outstanding loan amount (up to \$500,000), or the shortfall, whichever is less.



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