

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number:** SB119

House of Origin      X     Introduced                 Substitute                 Engrossed  
Second House                In Committee             Substitute                 Enrolled

**2. Patron:**        Edwards

**3. Committee:** Courts of Justice

**4. Title:**        **Property transfer; Virginia Polytechnic Institute and State University**

**5. Summary:** Authorizes the board of visitors of Virginia Polytechnic Institute and State University, with the approval of the Governor, to convey 95 acres to the Virginia Tech Foundation, Inc. to allow for the expansion of the Virginia Tech Corporate Research Center (CRC).

**6. No Fiscal Impact:** Preliminary. See Item 8.

**7. Budget Amendment Necessary:** No.

**8. Fiscal Implications:** The property will be an asset of the CRC to support economic development for the Commonwealth. The purpose of the CRC is to develop a growing, prestigious research park for high-technology companies. Phase I of the CRC began in 1985 and is essentially built. The limitation of available space has capped the potential for further economic development, technology transfer and entrepreneurship. With this property transfer, the CRC will be able to continue its efforts for economic development and research.

Applying the property value estimates of CRC Phase I, the proposed 95 acres can be estimated at \$120,000 per acre for a total of \$11.4 million. The Virginia Tech Foundation and private entities have built 28 buildings with a current asset value of \$80 million, employing 2,500 people in Phase I. In the event the CRC ceases to exist, the assets would flow to the university. The plan for Phase II includes 23 new buildings over time. Therefore, a capital asset base similar to that of Phase I can be expected.

**9. Specific Agency or Political Subdivisions Affected:** Virginia Polytechnic Institute and State University

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** This is a companion bill to HB978.

**Date:** 1/18/2008    dpbsbj

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cc: Secretary of Education