**HOW VEGI WORKS**

**VEPC Authorizes Company to Earn VEGI Incentive $885,000**

### 5 YEAR EARNING PERIOD:

**NEW EMPLOYEES: Net Incremental Payroll $3.4 Million**

- **Sales**: $85,000 (X2)
- **Engineers**: $70,000 (X18)
- **Executives**: $56,000 (X10)
- **Production**: $44,000 (X32)
- **Administration**: $34,000 (X8)

**TOTAL JOBS**: 70

**MACHINERY & EQUIPMENT INVESTMENTS: $3 Million**

**FACILITY CONSTRUCTION & IMPROVEMENT INVESTMENTS: $7.5 Million**

**INCENTIVE $885,000**

Incentive earned only if base payroll and employment is maintained and targets are met and maintained. Earned over 5 years, paid over 9 years.

**NEW NET TAX REVENUES $1.5 M over 5 Years**

**Revenue Benefits and Costs to the State**

- Total New Revenue to SOV: $2.2 Million over 5 years
- Incremental Revenue Costs Due to Project:
  - Par Person General Fund Costs
  - Par Pupil Education Fund Costs
  - Par Person Transportation Fund Costs
- Revenue Costs to SOV: $675,000 over 5 years

**New Business to Business Relationships**

- New Machinery & Equipment
- New Employees

**Annual Claim Reviews by Tax Department**

Targets must be met to earn incentive. If earned, each annual incentive pays out over 5 years.

**Targets not met or maintained or project does not occur. No incentives are paid or incentive installments are stopped.**

**NOTE:** All dollar estimates are present value and represent a single application example.