



April 2, 2026

The Honorable Abigail Spanberger
Governor, Commonwealth of Virginia
P.O. Box 1475
Richmond, VA 23218

Governor Spanberger:

On behalf of the Northern Virginia Chamber (NVC), I write to share the concerns of our members and to outline a path to rebuild the strong partnership between government and business that has long defined Virginia's economic success.

Northern Virginia is the economic engine of the Commonwealth, providing over 40% of Virginia's GDP with an economy larger than 20 states. Business leaders in Northern Virginia increasingly perceive a growing disconnect between state leadership and the business community. The message we hear is not simply disagreement over policy, but a deeper concern that decision-making is occurring without engagement with the industries and businesses most impacted by these policy changes. Businesses create jobs, but policymakers are increasingly disconnected from how their decisions impact Virginia's ability to attract investment and sustain job growth.

We greatly appreciate your willingness to meet with us prior to your election to discuss NVC's NOVA Roadmap. We are even more grateful that, in your first days in office, your Executive Orders on affordability, housing, and economic resilience showed you agreed with many of the recommendations in the report. The NOVA Roadmap highlights how sustained collaboration between government and business is essential to navigating federal disruptions and global competition.

Historically, Virginia has been a model for collaboration between government and business. Today, our members share their growing fear that collaboration is weakening to the point where they perceive an active force working at odds with economic growth rather than in partnership with it. Business leaders have grave concerns that this disconnect will limit growth and, in many cases, inhibit their ability to keep their business in Virginia. These leaders represent a cross-section of industries, including construction, government contracting, hospitality, technology, and small businesses. All feel their voices are not being heard.

Business leaders increasingly point to examples from other states, including proposed wealth taxes in California and the paid family leave program in Maryland, where policy changes or even proposed changes directly led to business departures. In Virginia, proposals that were defeated in this General Assembly session may have the same effect. Even when not enacted, discussion of major tax increases and changes in our regulatory environment has created a branding challenge for the Commonwealth. Businesses make long-term decisions based on the confidence they have in the future, and uncertainty can be as impactful as policy itself. This sentiment is reflected in our most recent survey of business leaders which found 66% of executives expect our economy to remain stagnant or even decline, and half of respondents feel elected leaders in Richmond do not understand how their businesses actually operate.

Northern Virginia businesses and employers are still facing strong economic pressures primarily attributable to new and shifting federal policies. These economic pressures are now being compounded by state and local actions.

Here is what our members are telling us:

- The CEO of a major construction company told us that multiple data center projects have already been cancelled, directly attributable to tax measures proposed or approved by the General Assembly.
- A hospitality company CEO shared that the slowdown that began in early 2025 persists today, caused by fewer international visitors – particularly from Canada – along with a decrease in business travel and a notable reduction in conference volume. Revenue per room, a key indicator of the hospitality industry’s health, has fallen across the National Capital Region, dropping by as much as 12% in Alexandria. Now the General Assembly is considering raising the hotel occupancy tax in Northern Virginia, which is already contributing to that industry’s struggles.
- The CEO of an HR and staffing agency based in Northern Virginia and working across the country specializing in high paying professional services jobs painted a stark picture: in the past two years, more than 66% of their new business has come from outside of Virginia, up from their usual 20%. Their clients in Virginia are increasing their reliance on contracted employees rather than full-time employees, which they say is because of their lack of confidence that Virginia’s economic environment will allow them to grow.
- The CEOs of two technology companies said their organizations have redirected all future expansion plans outside of the state. One is even considering relocating. Both cited rising taxes as the main driver, with the proposed wealth tax and local property taxes as primary concerns. Both want to remain in Northern Virginia because they

are invested here and appreciate the high quality of life and exceptional talent, but neither is sure that remaining is the right business decision.

The consideration of the repeal of data centers' sales tax exemption signals to the larger business community that Virginia no longer favors business incentives. Worse yet, it is a signal that Virginia will not keep its word on the incentives it does offer. This will likely lead to a reduction in Virginia's ability to attract new businesses and keep Virginia businesses investing here. Other recent tax proposals including a wealth tax, while dropped for now, are a direct disincentive to many privately held businesses to relocate to or remain in Virginia. Many of them have thousands of employees. Simply put, businesses and high earners are increasingly mobile, both physically and fiscally; they can and will choose to locate and invest in environments where they feel welcomed and supported.

While NVC is deeply concerned with employers' negative perception of Virginia as a business-friendly place, we can change this by working together. We offer our partnership to help Virginia's economy grow in these difficult times. The levers of government can either advance growth or impede it. The performance of Virginia's economy reflects a Governor's leadership. Together, we can build on our relationship and believe you share our concern that a strong business climate is an economic imperative.

We believe there is a clear path forward, and we stand ready to partner with you to achieve it. We ask that you:

- **Rebuild the Government–Business Partnership:** Establish regular, structured engagement with our business leaders to ensure policies are informed by real-world impacts.
- **Restore Certainty and Competitiveness:** Work with us to develop clear, consistent reforms to state tax and regulatory policy to strengthen Virginia's reputation as a stable place to do business.
- **Advance a Pro-Growth Agenda:** Utilize the clear path set by *NOVA Roadmap* to affirm your commitment to growth. Develop a new economy and prepare the workforce and digital infrastructure to support it; tackle affordability of housing and childcare; address impediments to growth by streamlining taxation, regulatory, and procurement systems; help re-brand Virginia as a destination for high-growth businesses.
- **Address Housing Supply:** Work with local leaders to support the efforts of regional private sector collaborations – like the *NOVA Housing Supply Framework*, a partnership with NVC, the Northern Virginia Association of Realtors, and the Northern Virginia Building Industry Association.

- **Promote Affordability in All Forms:** Prioritize legislative and regulatory reforms to reduce the cost of healthcare and energy – two of the most pressing concerns for employers and employees alike.
- **Invest in Talent Pipelines:** In your budgets, include sustained and growing support for K-12 education, higher education, and workforce training programs – all long-standing legislative priorities for NVC – to ensure Virginia remains competitive.

While slowing project pipelines, worsening hospitality metrics, increased business caution, and heightened concern about long-term competitiveness remain at the forefront of the conversations we are having with our members, these signals should serve as an opportunity, rather than a setback, to recalibrate and move forward together.

We are here to help strengthen and grow the government-business partnership. Northern Virginia and therefore the Commonwealth have the talent, infrastructure, and strategic advantages to lead the nation in economic innovation and competitiveness. With renewed collaboration, we can ensure that Virginia remains a place where businesses choose to invest, grow, and create opportunity.

We welcome the opportunity to meet with you and your team in a roundtable setting with a cross-section of Northern Virginia business leaders to discuss the next steps in making Virginia the top state for doing business.

Respectfully,

A handwritten signature in black ink that reads "Julie Coons". The signature is written in a cursive, flowing style.

Julie Coons

President & CEO, NVC