

Amelia County Strategic Economic Development Plan

January 2013



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Amelia County Strategic Economic Development Plan

I. Executive Summary

Amelia County Industrial Development Authority (IDA) through consultation with County officials, has embarked on a planning process to establish a new and invigorated economic development program that will build upon the economic development successes of the past and provide greater prosperity in the future. As the old saying goes "If you don't know where you are going any road will get you there". This plan establishes a renewed vision of a prosperous future and establishes a road map to achieve that vision. This planning process consisted of a eight work sessions with the IDA group that identified the assets of the County, established a vision for the County, proposed a set of goals and objectives to achieve that vision and established a series of strategies and actions to be taken by the County. The IDA group met monthly for 7 months from June to December to develop this Strategic Economic Development Plan. This report summarizes the work of this stakeholder group.

This Strategic Economic Development Plan integrates the combined thinking of the stakeholder group, and the recommendations of the staff of the Virginia Economic Development Partnership. The Strategic Plan outlines a series of actions that, when implemented, will create a vibrant and prosperous economy.

Vision 2030

With the greatly expanded commercial and industrial base our citizens no longer commute to neighboring communities to find quality employment. In fact, the County in partnership with the private sector has been successful in filling 3 industrial parks with businesses using state-of-art technologies. Our youth now have the option of staying at home or returning home to quality job opportunities right here in the County. The expanded commercial and industrial base has allowed tax rates to remain among the lowest in the state. The concentration of new development along the major transportation corridors has allowed farmers to maintain their farms in agricultural production.

Goals

Goals - The following set of goals have been developed to provide a way to achieve the vision of the County. These goals are the desired outcomes/results needed to fulfill the vision and establish the direction for the economic development efforts for the County well into the future.

- To develop fully serviced industrial land (parks) sufficient to provide a variety of marketable commercial properties to prospective businesses.
- To expand/upgrade the utility systems sufficient to serve future industrial/commercial customers.
- To provide a high-quality workforce training programs for our youth and adults targeted at current and future employer needs.
- To sustain an active and visionary County economic development program supporting existing business growth and new business location.
- Maintain a “pro-active” County business climate.



II. Introduction

Amelia County has made strategic investments in its Industrial Park and infrastructure that has positioned the County to achieve greater economic development success in the future but continued investment will need to be made if the County wishes to expand and diversify its economic base. Past efforts of the County have been successful in locating a major manufacturer in the central portion of the County. This success can be attributed in-part to the efforts of the County to invest in an industrial park and water and sewer infrastructure to serve new businesses. Building upon this success the County will need to ratchet up its economic development efforts to be competitive with regional, national and global competitors. It is not sufficient to sit back and wait for businesses to come knocking on your door. With over 15,000 economic development organizations in the United States alone competing for business expansions, a community must be proactive, prepared and highly competitive in all aspects of economic development if it is to be successful. Residential development is sure to expand from neighboring Chesterfield County in the coming years but balanced commercial and industrial development will require a strong economic development commitment and program by the County. This



will mean future investments by the County in offering a quality "product" (sites and buildings), a quality workforce and insuring that adequate staff resources are devoted to economic development activities.

If Amelia County is to be a rural leader in economic development it must provide the quality product (buildings, sites and infrastructure) that today's businesses are looking

for. There is only a couple of small industrial sites still available in the industrial park. As the economy rebounds there will likely be a demand for additional industrial property in the greater Richmond Metropolitan Area. The County has the opportunity to capture some of this business growth if it invests in the industrial infrastructure to accommodate these industries. A quality product is essential to be considered by a business prospect but the quality of the workforce is equally important to today's business success. Investment in the training programs for our youth and retraining of the adults will be necessary to supply the advanced skills needed by today's industries. With today's economy based upon a strong service sector fueled by small and emerging businesses the County should consider expanding its economic development efforts to include strong small and emerging business development initiatives.



The County is blessed with significant employers that have been the foundation of the County's economy. The County needs to continually recognize the contributions of these businesses and support their continued prosperity and expansion. Moving forward, the County should expand the activities supporting existing business retention and expansion.



The County is not an island but is a part of the greater Richmond region with its distinct characteristics. Today's businesses looking to locate to an area do not understand or appreciate political boundaries. They are interested in the characteristics of an area/region that will meet their needs. This is why it is so very important to think regionally and to position the economic development program based upon not only the County's assets but also those of the larger region. The amenities and resources of greater Richmond metropolitan area are at your doorstep. Business recruitment and marketing functions are enhanced tremendously through regional cooperation and collaboration.



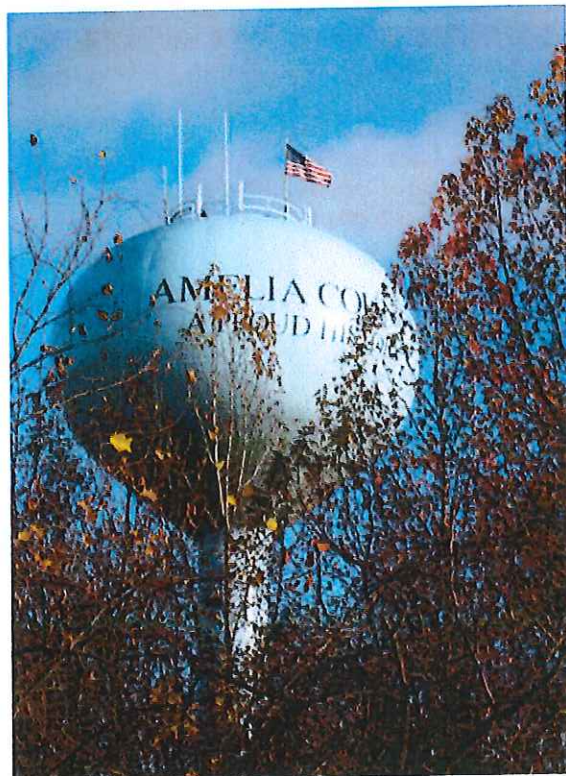
Today's younger businessmen and professionals care deeply about the quality of life that an area offers. It is not just about the "job" but the "community", quality of the schools, shopping opportunities, good places to eat and hang out, recreation and cultural outlets, access to high-speed internet service at home and in public spaces, quality and affordable housing options and the list goes on. For Amelia to be competitive and attractive to these younger decision makers, it must demonstrate quality in all aspects of public and private life and be able to illustrate how easily these assets can be accessed in a regional context.

III. Assets and Challenges

Assets

A strong economic development program is built upon a foundation of the community assets that can be leveraged to achieve lofty community goals. The positive attributes of a community can be the springboard for other positive results in the community - "success breeds success". Here is a partial listing of assets from which Amelia County can build a stronger economic base.

- **County-owned Industrial Park**
- **Location**
 - Near Rt. 288
 - Central along the East Coast
 - On the fringe of the Richmond metro region
- **Availability of an out-commuting skilled workforce**
- **Availability of water and sewer**
- **Pro business environment**
 - Low taxes
 - County helps meet the needs of businesses
- **Supportive County administration**
- **Good highway and rail access**
- **Giga Park – broadband access**
- **School system partnership with CCAM – advanced manufacturing training**
- **All of the assets of the greater Richmond region - business services, suppliers, markets, training and education resources, etc.**
- **Quality of life**
 - Historic homes
 - Available and affordable housing
 - Low crime
 - Recreational opportunities
 - Veterans cemetery



Challenges

While the County must build upon its assets it must also recognize the challenges that exist to economic development. Here is a partial list of challenges that have been identified by the strategic planning workgroup.

- **High water and sewer connection fees**
- **Selling change to landowners and the citizens – Status Quo preferred**
- **Opposition to higher wages – competition for workers**
- **How to keep our youth at home**
- **Provision of surface water supply**
- **Raising additional sources of capital for economic development activities – grants**
- **Providing professional economic development leadership**
- **Better trained and educated IDA**
- **Better identification of potential business prospects**

IV. Economic Development Approach and Vision

Localities and their economic development organizations must be able to meet the three basic needs of business: having a suitable location (site/building) to do business; abundant, quality workers that they can depend on; and a low cost of doing business initially and over the long haul. These basic elements are equally important to existing businesses wishing to expand, new businesses wishing to locate to the County or entrepreneurs wishing to establish a business. While the County has some of these elements in place it must continue to strengthen these elements in order to keep a competitive with other localities. With over 15,000 economic development organizations in the US, it is not enough to have the necessary components for successful economic development but your "product" must be *superior* in order to be the preferred business location.

With most job increases coming from existing employers in the community and region it is essential to be able to keep the existing employer base and help them expand.

Creating new businesses from local entrepreneurs offers an opportunity to take individuals with creative ideas and loyalty to the community and transform those ideas into new businesses ventures that will grow and flourish.

It is always important to continue to expand the business base by attracting new businesses to the community. This influx of new business capital expands the job opportunities for local residents and increases the tax base. These new business locations are few and far between, given the current economic climate, and are highly sought after by a host of competitor communities.

In today's modern society businesses and visitors alike are very aware and desire a community that offers quality in all of aspects private and community life. A community must have quality schools, cultural activities, recreation opportunities and quality residential areas to be able to attract the professional and managerial workers that are the core of our information and creative economy.

Vision 2030

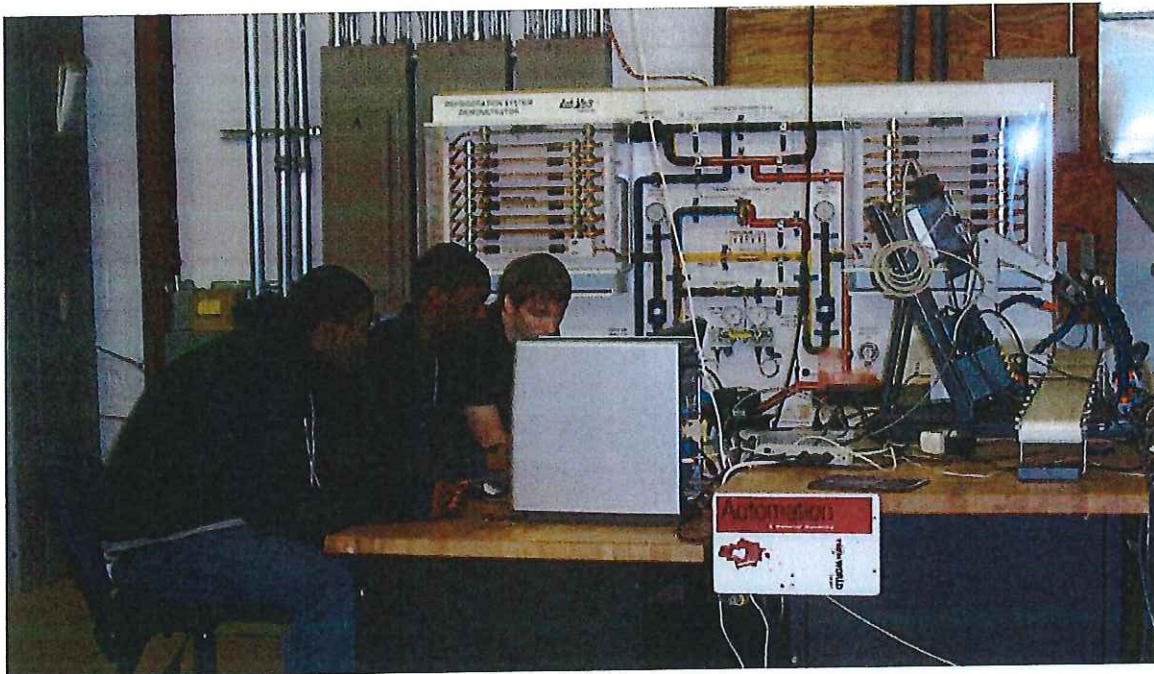
With the greatly expanded commercial and industrial base our citizens no longer commute to neighboring communities to find quality employment. In fact, the County in partnership with the private sector has been successful in filling 3 industrial parks with businesses using state-of-art technologies. Our youth now have the option of staying at home or returning home to quality job opportunities right here in the County. The expanded commercial and industrial base has allowed tax rates to remain among the lowest in the state. The concentration of new development along the major transportation corridors has allowed the County to remain rural and farmers to maintain their farms in agricultural production.



V. Goals

The following set of goals has been developed to provide a way to achieve the vision of the County outlined in the previous section. These goals are the desired outcomes/ results needed to fulfill the vision and establish the direction for the economic development efforts for the County.

- To develop fully serviced industrial land (parks) sufficient to provide a variety of marketable commercial properties to prospective businesses.
- To expand/upgrade the utility systems sufficient to serve future industrial/ commercial customers.
- To provide a high-quality workforce training programs for our youth and adults targeted at current and future employer needs.
- To sustain an active and visionary County economic development program supporting existing business growth and new business location.
- Maintain a “pro-active” County business climate.



VI. Objectives and Strategies/Actions

Specific objectives have been established for each goal. Several of the goals require that they be implemented by organizations outside of the sphere of influence of the IDA and core County offices. Particularly the goals related to improvements to the workforce will require that the School Board and School Administration embrace these goals and take the actions necessary to achieve them. Strategies can often impact several goals. Specific specific and actions are recommended that will lead to the achievement of the goals and objectives.

Goals, Objectives and Actions

- **Goal - To develop fully serviced industrial land (parks) sufficient to provide a variety of marketable commercial properties to prospective businesses.**

Objectives:

- **Insure that the vacant land and building in the existing industrial park is marketable.**

Actions:

- **Provide signage along Rt 360 and in the industrial park**
- **Ensure that all background studies are up-to-date and readily available (phase I environmental, wetlands, utility service, title search, etc.)**
- **Prepare a model preliminary development plan for the largest vacant lot**
- **Consider listing the vacant sites with a commercial real estate broker**
- **Work with the bank owner of the Old River Cabinet building to market the building to a new tenant.**

- **Purchase and develop additional land adjacent to the existing industrial park.**

Actions:

- **Contact adjacent property owners for willingness to sell**
- **Enter into an option to purchase adjacent properties**
- **Conduct initial due diligence studies, phase I environmental, wetlands delineation, title search, etc.**
- **Rezone the property to the correct zoning classification**
- **Prepare master plan of development and cost estimates**
- **Seek grant funding to develop the property**

- **Identify, acquire and develop industrial/commercial property at strategic locations along the Rt. 360 corridor.**

Actions:

- **Contract with a consultant to undertake an industrial site identification and feasibility study**

- Enter into an option with the high priority site(s) owner(s)
- Conduct initial due diligence studies, Phase I environmental, wetlands delineation, title search, boundary survey etc.
- Prepare master plan of development and cost estimates
- Rezone the property to the correct zoning classification
- Seek grant funding to develop the property
- Recruit development partners for the priority sites

- Identify additional marketable industrial properties in the county and partner with the private sector to develop and market those properties.

Actions:

- Contract with a consultant (see above) to undertake an industrial site identification and feasibility study – specialty use sites that can function with on-site utilities
- Enter into an option with the high priority site(s) owner(s)
- Conduct initial due diligence studies, Phase I environmental, wetlands delineation, title search, boundary survey etc.
- Recruit development partners for the priority sites
- Rezone the property to the correct zoning classification
- Prepare master plan of development and cost estimates
- Seek grant funding to develop the property
- Enter into a development agreement with the private sector partner

- Goal - To expand/upgrade the utility systems sufficient to serve future industrial/commercial customers.

Objective:

- Systematically plan for the expansion of utility service based upon the projected future needs of businesses/industry at select locations in the County.

Actions:

- Based upon the future industrial sites identified (see above), contract with an engineering firm to project the utility needs into the future
- Update/prepare a master development plan for water and sewer service to the commercial/industrial areas of the County.
- Prepare and adopt a Capital improvements Program to implement the needed utility improvements.
- Identify potential funding sources for the utility improvements

- Goal - To provide a high-quality workforce training programs for our youth and adults targeted at current and future employer needs.

Objective:

- Restructure the program offerings and modernize the facilities/equipment at the Amelia-Nottoway Vocational Technical Center (ANVTC) to reflect current and future training needs of County/area employers.

Actions:

- Solicit the cooperation of the School Board in approaching Nottoway County in the expansion/restructure of the programs at the ANVTC.
- Conduct a study to determine the best program offerings at the ANVTC that will reflect current employer workforce needs and future workforce skills.
- Conduct a study in cooperation with education institutions and private employers of the program offerings suited to the ANVTC facility.
- Partner with C-CAM and other private and public institutions to bring state-of-art workforce training to the ANVTC.
- Seek funding for facility modernization, state-of-art equipment and program support.

- Partner with C-CAM and other private and public institutions to bring state-of-art workforce training to the County.

Actions:

- Identify an appropriate central location for a workforce training facility/higher education center based upon the studies above.
- Develop a set of comprehensive program offerings for the facility.
- Design the facility to accommodate the proposed program and develop associated cost estimates, facility, equipment and operational costs.
- Establish formal partnership relations with public and private program providers.
- Seek funding for the development of the facility and related programs.

- **Goal - To sustain an active and visionary County economic development program supporting existing business growth and new business development.**

Objectives:

- Periodically update the strategic economic development plan for the County.

Actions:

- The IDA and County should jointly review, update and adopt a revised strategic economic development plan every 2 years.

- The IDA should report periodically, every 6 months, to the Board of Supervisors on progress in achieving the goals and objectives of the plan.
 - Create a staffed economic development function within the County governmental structure.
 - Actions:
 - Work with the Board of Supervisors to allocate sufficient funding in the FY 2014 and future budgets to support a part-time or full-time economic development professional.
 - The IDA/County should contract with an economic development consultant to assist with the implementation of this strategic economic development plan, implement the proposed marketing plan and to help locate new businesses in the County.
 - As demand dictates, hire a full-time economic development director from the County.
 - Prepare and implement an annual economic development marketing plan and work program.
 - Actions:
 - The IDA in cooperation with the County and the economic development consultant should prepare a marketing plan during 2013 for implementation in 2014.
 - Convene a marketing team comprised of representatives of VEDP, Norfolk and Southern, Mid-Atlantic Broadband and Waste Management.
 - Establish a set of “target” industries for outreach marketing – advanced manufacturing, Richmond Metro business expansions/relocations are examples.
 - Based upon the marketing plan and the industrial park/site expansion plans establish an annual work plan for economic development.
 - Continually update the County’s website to reflect an aggressive economic development image.
- Goal: Maintain a “pro-active” business climate.

Objectives:

- Create a competitive utility fee structure for new or expanded businesses.

Actions:

- Conduct a periodic, every 2 years, analysis of neighboring Counties’ utilities fee structures to determine if fees are competitive for business and commercial customers.
- Develop an incentive policy for modifying utility fees based upon the impact a proposed business expansion/location.

- **Develop local set of incentive policies for new target industries to the County.**

Actions:

- **Review the incentive policies and recent incentives awarded to businesses in the greater Richmond region and the State.**
- **The County Board of Supervisors and IDA should establish a set of principles/policies that would guide the establishment of incentive for a given business/industry location in the County.**
- **Establish a process for determining the impact of a proposed business/industry on the County.**

- **Maintain an unencumbered “Fast Track” approach to providing local permit approvals.**

Actions:

- **Establish and publish a “fast track” land development and building permit process for business expansions and locations.**
- **Publish a case study of a successful project that utilized an expedited permit procedure.**

- **Competitively price IDA/County owned land for new industry locations or existing industry expansions.**

Actions:

- **Periodically review and price the land in the Industrial Park to be competitive with similar land in adjacent counties.**
- **Provide for reduced land pricing as an incentive for major target business/industry locations.**

- **Maintain a modest/low local business tax structure.**

Actions:

- **Utilize “Technology Zones” and other tools to structure a favorable tax structure for target industries.**

VII. Newspaper Headlines - Common Themes - Why Economic Development

Newspaper Headlines

- **Look how far we have come!**
 - **Park Full**
 - **Additional acreage fully developed**
 - **Industry cluster industrial park developed**
 - **Governor Recognizes Amelia County for best economic development practices**
- **Governor visits County for third time this year to announce new businesses in County**
 - **Board of Supervisors discounts water and sewer hookup fees to attract/entice new business**
 - **150 acres acquired for industrial park**
 - **Water and sewer extended for new industrial park customers**
 - **30,000 sq ft shell building constructed to attract businesses**
 - **Vo-tech center used for high-tech training**
- **We are on our way!**
 - **Signs installed on 360 for industrial park**
 - **Economic development director hired**
 - **Economic development website developed**
 - **Vo-tech program restructured**
 - **Economic development strategic plan adopted and implemented**
- **Waste Management develops own industrial park**
- **Norfolk Southern partners with businesses along rail line**
- **Amelia opens 5th industrial park**
- **Tax base shoots up because of business locations in industrial parks**
- **Forest products fuel economy – motion**
- **Fortune 500 company invests in Amelia**
- **Training Center offers degree programs**
- **IDA purchases 150 acres in Chula**
- **New forest products company locates to Amelia**
- **Goodman opens manufacturing component of business**
- **School system provides 21st Century opportunities**
- **County receives a grant to increase water supply**
- **New industrial park to be dedicated to Canvana Hilton hotel to locate in Amelia**
- **Training Center to offer advanced agriculture programs**
- **Power plant expansion paid for from revenue for leacheate processing**

Common Themes

- Major improvements/restructuring of Vocational/Technical Training Center
- New Industrial parks/land developed in the County
- Added industrial land to the existing industrial park
- School system offers higher education offerings
- Forrest products is a major target industry group
- Utility system expansion
- Pro active and visionary leadership
- Pro development local government policies
- A local team of "PARTNERS" works towards economic development

Why Economic Development

- Stem the out-commuting of workers
- Provide jobs for our youth
- Increase the tax base of the County
- Clean and compatible business and industry growth

VIII. Action Plan Responsibility Chart

The following is a chart to help assign responsibilities for the implementation of the strategic plan. Strategic plans often are developed and then forgotten because no one person or organization took ownership for the actions recommended in the plan. The following is a suggested chart that can be used to establish a timeline for completion of the action items and to assign responsibility for each action item. Only through monitoring of the progress towards completion of the action steps will the goals be achieved.

Goal	Objective	Action Item	Timeframe	Responsibility	
Industrial Land	Market Park and Building	Signage			
		Background Studies			
		Prelim Dev Plan			
	Purchase Adjacent Land		Commercial Broker		
			Contact property owners		
			Obtain option		
			Due diligence		
			Rezone property		
			Master plan and cost estimates		
			Grant Funding		
Acquire Land along 360		Identification/feasibility study			
		Obtain Option			
		Due diligence			
		Master plan and cost estimates			
		Rezone property			
		Grant Funding			
		Recruit Dev partner			

Goal	Objective	Action Item	Timeframe	Responsibility
	Identify Other Sites	Identification/feasibility study		
		Obtain option		
		Due diligence		
		Recruit Dev partner		
	Identify Other Sites (cont.)	Rezone property		
		Grant Funding		
		Development Agreement		
Upgrand Utilities	Plan for Expansion	Project future needs		
		Update utility master plan		
		Adopt/revise CIP		
		Grant Funding		
Workforce Training	Restructure Vo-Tech Center	School Boards Cooperation		
		Program offerings study		
		Partner with institutions on program delivery		
		Grant Funding		
	New Workforce Training Center	Identify location		
		Feasibility study		
		Establish Partnerships		
		Design facility		
		Acquire facility		

Goal	Objective	Action Item	Timeframe	Responsibility
		Grant Funding		
County ED Program	Update Strategic Plan	IDA/CO review - 2 yr		
		IDA report progress - 6 months		
	ED Staff	Budget funding		
		Contract with consultant		
		Hire full-time staff		
	Marketing Plan and Work Program	Prepare plan and program - 2013		
		Assemble marketing team		
		Establish "target" industries		
		Prepare/amend work plan		
		Update website		
"Pro-active" Business Climate	Competitive Utility Fees	Conduct comparative analysis		
		Develop incentive policies		
	Develop Incentives	Conduct study of competition		
		Adopt incentive policies		
		Establish impact methodology		
	"Fast Track" permitting	Publish process		


Goal	Objective	Action Item	Timeframe	Responsibility
		Publish successful examples		
	Competitively Price IDA land	Review and price land based at market rate		
		Reduce price as an incentive		
	Low Tax Structure	Explore "Technology Zone" designation		

IX. VEDP Discussion Notes - August 14,2012

- **Must have “Product” that meets prospect’s requirements – ready-to-go sites and/or buildings to be competitive**
- **Businesses want to be up and running very quickly and do not have time for questions/issues with the site to be answered – utilities in place, proper zoning, graded pad, road access, etc.**
- **Workforce important – having skilled workers in the area or the ability to train workers quickly**
- **Successful economic development programs have a person dedicated to economic development – ED director, consultant, existing county staff person or dedicated citizen- central point of contact**
- **Economic development is a multi-year effort – requires a strong commitment of the County over many years**
- **Having a general aviation airport at hand is not critical – having airports within easy commute is more than adequate**
- **Amelia is in the best of both worlds – close to the urban amenities of the Richmond Metro Area but with lower cost of operations and business friendly environment for businesses**
- **Chesterfield’s back door – opportunity for businesses that need to access to Chesterfield/Richmond metro market but prefers lower cost environment**
- **Possible target industries for Amelia**
 - **Firms like Superior Walls and Old River Cabinets**
 - **Regional (metro Richmond) business expansions and relocations**
 - **Agribusiness**
 - **Service sector – trucking and transportation**
 - **Advanced manufacturing**
 - **Construction and wood products**
 - **Metal Fabrication**
- **VEDP Target Industries**
 - **Data processing and service centers**
 - **Advanced Manufacturing**
 - **Food processing – requires large capacity water and sewer**
 - **Wood products**
 - **Logistics and distribution**
- **Most frequently request site/building characteristics**
 - **Fully served sites at least 25 acres**
 - **Buildings 50,000 to 60,000 sq ft with ceiling heights of 28’**
 - **Shell building of 40,000 sq ft expandable to 80,000 or more**
- **Light manufacturing is most likely target for the existing industrial park**
- **Industrial park improvements**
 - **Signage – park entrance and at the sites**
 - **Rendering of a building on the site**
 - **Engineer the site and rough grade it**
 - **Provide Storm water management facilities**

- **Marketing of the park**
 - Signage on 360 and in the park
 - Commercial real estate brokers – commission for sale
 - Greater Richmond Association for Commercial Real Estate membership
- **Industrial Park only has 3 sites of size – 10 acres or better – need to start on developing another industrial park**
 - Prince George/Hollingsworth model of public private partnership something to explore
 - Publicly owned/controlled land a must
- **The additional land at the landfill site offers potential for industrial development with rail spur and cogeneration facility there**
 - Wood products a possibility – pellets, dry kiln, etc.
- **Incentives – start looking at them now**
 - Current tax rate already an incentive but businesses want cash or equivalent up front
 - Reduced land price based upon scale of project
 - Based upon a ROI – not all projects worth the costs
- **Workforce development – within a 30 to 45 mile radius**
 - Market/use regional workforce development resources
 - Institute target industry training in high school and technical school
- **Marketing**
 - Staff necessary – full-time, part-time or contract
 - Use your partners – Norfolk Southern, VA Power, Mid-Atlantic Broadband, VEDP, etc.
 - Website very important – update needed

X. VEDP Presentation - July 10, 1012



**ECONOMIC DEVELOPMENT AND THE
USE OF INDUSTRIAL DEVELOPMENT AUTHORITIES**

JULY 10, 2012

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TOPICS TO BE COVERED

- VEDP Background
- Legal Underpinnings
- Common Activities and Incentives
- Less Common Activities
- Special Zones
- Administration of Grants
- Bond Financing
- Local Loan Programs
- Sources of Funding
- FOIA and COIA



VEDP's MISSION STATEMENT

*To enhance the quality of life and raise the standard of living for all Virginians, **in collaboration with Virginia communities**, through aggressive business recruitment, expansion assistance, and trade development, thereby building the tax base and creating higher income employment opportunities.*



THE COMPANY'S NEEDS MATTER

- **It's Our Job to Help a Company Solve its Problems:**
 - It needs a new, expanded or improved facility with appropriate infrastructure
 - It needs a trained workforce
 - It needs ready access to markets, suppliers and customers
 - All buttressed by reasonable costs and taxes
- **Companies Go Where the Problems are Solved, not Where we Tell them to Go**



VIRGINIA PARTNERSHIPS

- Days of Relying on a Single State Entity to Address the Economic Health of Virginia are Long Past
- Work Together to Unify Message and Align Resources to Maximize Economic Development
- Build Partnerships with Universities, Regional and Local ED Leaders, Virginia Port Authority, Center for Innovative Technology and Various Chambers, Tech Councils and Other Entities to Promote Message Unification and Resource Alignment



VIRGINIA: BEST STATE FOR BUSINESS

- **Why Virginia is the BEST State for Business:**
 - Business-first values
 - Easy access to global markets
 - Stable and low operating costs
 - Talented and educated workforce



VIRGINIA: BEST STATE FOR BUSINESS

- **Business-First Values**
 - Virginia's leaders are committed to businesses' needs, free enterprise, and maintaining a profit-friendly environment
 - An experienced and professional economic development team—focused on concierge service and business solutions
 - Right-to-work state—third lowest unionization rate in the US
- **Easy Access to Domestic and Global Markets**
 - Washington Dulles International Airport
 - Ports: Port of Virginia; Inland Ports; Spaceport
 - Two of the nation's largest railroads operate in Virginia



VIRGINIA: BEST STATE FOR BUSINESS

- **Stable and Low Operating Costs**
 - 6% corporate income tax rate not increased since 1972
 - One of the lowest average workers' compensation costs and unemployment tax burdens in the US
- **Talented and Educated Work Force**
 - Virginia ranks as the national leader for its concentration of high-tech workers
 - Nearly 20,000 doctoral scientists and engineers are employed in Virginia—one of the highest concentrations in the US
 - More than 500,000 students are enrolled in over 100 in-state institutions of higher education



VIRGINIA'S TARGET SECTORS

Advanced Manufacturing

- Food Processing
- Pharmaceuticals
- Chemicals
- Natural Resources

Security & Services

- Federal Security Agencies & Providers
- Information Technology
- Finance, Insurance, HQ
- Professional & Business Services

Science & Research

- Clean Energy
- Biotechnology/R&D
- Emerging Industries
- Medical/Federal Labs

Transportation

- Aerospace
- Global Logistics
- Automotive
- Distribution



LEGAL UNDERPINNINGS

- **Virginia Constitution**
 - Credit Clause
 - Public Purpose Clause
 - Uniformity of Taxation Clause
- **Dillon Rule: Local Governments and Authorities have Only the Powers Expressly Granted to Them and Those Necessarily or Fairly Implied in or Incident to the Powers Expressly Granted**
- **For IDAs, Broad Powers under Industrial Development and Revenue Bond Act**
- **Always Mindful of Animating Public Purpose**



LEGAL UNDERPINNINGS, CONT.

- **Includes Powers Not Specifically Granted to County:**
 - Make Grants to Private Businesses
 - Sell Properties to Private Entities without Holding a Public Hearing
 - Lease and Sell Properties At, Above or Below FMV
 - Issue Bonds for the Benefit of Private Entities
 - Make Loans to Private Entities and, If Appropriate, Forgive Repayment of those Loans



COMMON ACTIVITIES

- **ED Cheerleaders and Ambassadors**
- **Issue Bonds for Private Entities and Localities**
- **Administer Grant and ED Incentive Programs**
 - Unrestricted Cash Grants
 - Cash Grants Tied to Certain Behaviors: Façade Improvement, Signs, Cooperative Advertising
- **Own / Market Industrial or Commercial Parks, Shell Buildings and Other Properties**



LESS COMMON ACTIVITIES

- Own and Operate Business Incubators
- Develop Local Infrastructure
- Administer Loan Programs for Local Businesses



COMMON LOCAL INCENTIVES

- Product: Land Graded, with Utilities, Roads and Zoning
- Product: Shell Building, Real and Virtual
- Assistance with Utilities and Access Roads
- Font of all Knowledge / Introductions to Other Businesses as Vendors and Customers
- Grants
- Tax and Utility Fee Classifications
- Industrial Development Bond and Loan Programs
- Specialty Zones



SPECIALTY ZONES

- Technology Zones, up to 10 Years:
- Defense Production and Support Services Zones; up to 20 Years:
 - Reductions on Permit Fees, User Fees and BPOL
 - Special Zoning and Permitting, Exemptions from Ordinances, Other Incentives
 - Need Not be Related to Technology; Must be Related to Defense
- Tourism Zones, up to:
 - 20 Years: Reductions on Permit Fees, User Fees and BPOL
 - 10 years: Special Zoning and Permitting, Exemptions from Ordinances, Other Incentives
 - Need Not be Related to Tourism



TOURISM ZONES: CAPTURE SALES TAX

- In Tourism Zones, for Tourism Projects, Can Assist with Gap Financing by Capturing from the Tourism Project:
 - 1% (of the 4%) from State Sales Tax Revenues
 - The 1% Local Sales Tax Revenues
 - A Like Amount from the Developer
- Apply These Funds to Debt Service on Gap Financing (Up to Last 20% of Financing Needed for a Project)
- Requires a Performance Agreement Between the Developer and the IDA; with the IDA Collecting the Revenues Quarterly



POSSIBLE SET ASIDES IN ZONES

- In Technology Zones and Defense Production and Support Services Zones, but not Tourism Zones, can Capture and Hold Some or All of the Increases in Real Property and M&T Taxes in Those Zones
- Use Funds to Provide for the Zones:
 - Enhanced Government Services and Infrastructure
 - Grants to Organizations to Promote ED
 - Grants to Authorities to Promote ED



COMMUNITY DEVELOPMENT AUTHORITIES

- A Separate Authority Created at the Request of Landowners in a Defined Area
- Place an Assessment on Landowners
- Can Request that the Locality Assess a Special, Additional Tax in the Area
- Revenues Typically Used to Pay Debt Service on Bonds Issued by Authority to Finance Infrastructure In or Serving the Area
- Often, a Grant is Made of a % of Other Local Tax Revenues in the Area



GRANTS

- At the Intersection of Dillon's Rule, the Credit Clause and the Uniformity of Taxation Clause
- Other States Can, and Do, Provide Direct Tax Abatements
- Virginia Localities Can Get to the Same Place by Offering, through the EDA, a Grant Equal to % of Taxes Paid



UP-FRONT GRANTS

- An Up-Front Cash Grant Is Every Prospect's Favorite Incentive
- May or May Not be Tied to Particular Assets
- Should be Structured with a "Clawback" if Targets are not Achieved
- Could be Structured as a "Forgivable" Loan



ONGOING GRANTS

- Often Tied to Taxes Paid – a "Rebate" of Incremental Taxes Earned by the Locality
 - Tax "Abatements" and Direct "Rebates" are not Permitted
- Especially Important to Have a Clear Performance Agreement
- Especially Important to Document Ongoing Public Purpose



PATH FOR GRANT PAYMENT



PERFORMANCE AGREEMENTS

- Document the Public Purpose
- Describe How, When and in What Amounts Grant Payments will be Made
- If Desired, Describe any Restrictions on the Use of Grant Proceeds
- Describe What Performance Targets the Company Must Achieve, and by When
- Describe How, When and in What Amounts any Clawback Repayments may be Due



BOND FINANCING

- Revenue Bonds for Private Entities
 - Manufacturing Facilities
 - Exempt Facilities
 - Charitable Facilities
- Revenue Bonds for Public Facilities
- Authority Generally Has no Payment Responsibility, but Merely Acts as a Conduit



LOCAL LOAN PROGRAMS

- Scores of Local and Regional Programs
- Tailored to Meet Perceived Need
- May be Industry-Specific
- Variety of Sources of Funds
- Often the 1st \$ in and the Last \$ out of a Deal – Gap Financing
- Requires Staffing to Administer Correctly



SOURCES OF AUTHORITY FUNDING

- Most Authorities Operate on a Shoe-String
- Contributions of \$\$ and Property from Locality
 - Can be Tied to Particular Revenue Streams
- Revenues from Property – Industrial Parks and Shell Buildings
- Fees Charged for Issuing Bonds or Making Loans
- Federal and State Grants
- Specialty Zone Taxation Capture Program



FREEDOM OF INFORMATION ACT

- Two Parts – Ensures the People of the Commonwealth:
 - Ready Access to Public Records Held by a Public Body
 - Free Entry to Meetings of Public Bodies
- Authority is a Public Body
- Each New Director Must be Provided with a Copy of FOIA



CONFIDENTIALITY / FOIA

- Maintaining the Confidentiality of Company Data is Critical, Including the Fact that the Company is Looking
- Our Stock Response to Inquiries:

“We do not comment on economic development projects, real or imagined.”



FOIA: PUBLIC RECORDS

- Most any Piece of Paper or Electronic Entry is a Public Record
- Brain Cells are not a Public Record
- Unless Exemption Exists, Any Public Record May be Requested by and Must be Disclosed to a Virginia Resident or Media Representative
- Request Need Not Invoke FOIA
- Request Need Not be Written
- Have 5 Business Days to Respond



FOIA: TYPICAL ED EXEMPTIONS

- Primary Exemption for Economic Development:
 - Confidential proprietary records, voluntarily provided by private business pursuant to a promise of confidentiality from a public body, used by the public body for business, trade and tourism development or retention; and memoranda, working papers or other records related to businesses that are considering locating or expanding in Virginia, prepared by a public body, where competition or bargaining is involved and where, if such records are made public, the financial interest of the public body would be adversely affected.
- Contract Negotiation, Until Final Decision Made
- Financials Submitted with Financing Applications



FOIA: PUBLIC MEETINGS

- Gathering of ≥3 Directors, at Which Public Business May be Discussed, is a Public Meeting
- Includes Committee Meetings
- Might Include Ribbon-Cuttings and Other Public or Private Events
- Must be Open to the Public and 3 Day's Prior Notice Must be Provided / Posted
- Public Meetings vs. Public Hearings
- Must have Written Minutes



FOIA: PUBLIC MEETINGS, CONT.

- Except in Emergencies, Cannot Meet by Conference Call or Electronically
- Cannot Vote by Proxy
- Closed Meetings Permitted in Some Cases
 - For Purposes Described in FOIA Exemption
 - To Discuss Sales of Property
- Cannot Vote (Except Straw Poll) in Closed Meeting
- To Take Formal Action, Need to Reconvene in Open Meeting



CONFLICT OF INTERESTS ACT

- Prohibits Certain Contracts and Transactions by Authority Members with Public Entities
- May Require Notice of Potential Conflicts and Abstention
- Requires Public Financial Report by Authority Members:
 - As a “Condition to Assuming Office”
 - Annually Thereafter, by January 15
- Each New Director Must be Provided with a Copy of COIA



OATH OF OFFICE

- Each Director Needs to Take Oath of Office
- Upon Appointment or Reappointment and “before entering upon his duties”
- Words Prescribed by Law (Section 49-1)
- For IDA / EDA Directors, Administered by the Clerk of the Local Circuit Court



RESOURCE INFORMATION

- VEDP Main Marketing Site:
 - www.yesvirginia.org
- VEDP Resource Site for Allies:
 - www.virginiaallies.org
- Virginia Department of Business Assistance:
 - www.dba.virginia.gov
- Virginia Economic Developers Association:
 - www.goveda.org
- Council of Development Finance Agencies:
 - www.cdfa.net