



VIRGINIA INITIATIVE FOR  
**GROWTH &  
OPPORTUNITY**  
IN EACH REGION

# Board Meeting December 9, 2019

# ENHANCED SITES CHARACTERIZATION

GO VIRGINIA BOARD PRESENTATION

December 9, 2019

# OVERVIEW OF THE ENHANCED SITES CHARACTERIZATION EFFORT, POTENTIAL BENEFITS, AND LIMITATIONS

Focus for today's conversation

## What we have

- Robust perspective on the **physical development potential** and **location competitiveness** (e.g., talent, quality-of-life, taxes) of 466 sites in 103 localities across the Commonwealth

## Who will have this information

- **Localities will be the primary owners of their data**, free to share with whomever they please (e.g., property owners, utilities). VEDP will strongly encourage localities to share their information with their REDOs and GOVA leaders.
- **VEDP can share data** on a site's relative attractiveness compared to other regional and/or statewide sites to aid in

## How it can be used

- **Localities:** identify and prioritize sites for investment; enhance current marketing efforts
- **Regional groups** (e.g., GOVA): aggregate data from localities to inform funding decision-making by benchmarking sites relative to each other and against objective measures
- **Commonwealth:** identify top sites for development, encourage localities to prioritize strategic sites and use relative attractiveness measures to aid funding decisions

## Keys for success

- **Education:** Localities are the linchpins in this effort. They need to submit sites for funding and provide local match. Thus, strong education push is needed.
- **Coordination:** Pre-prospect funds are available but scattered across various bodies relying on a variety of inputs and data to make funding decisions
- **Funding:** Local funding match requirements are frequent deterrents, leaving many localities on the sidelines

## What to keep in mind

- **Locality-driven; locality-dependent:** Even with perfect information, the current pre-prospect site development processes in Virginia require each locality to zone sites appropriately, source matching funding and apply for state-level funding. In short, site development efforts cannot succeed without significant local commitment.

# BROAD PUBLIC PARTNERSHIP LEVERAGED PRIVATE SECTOR EXPERTS TO BUILD DEEP INSIGHT INTO STATEWIDE SITES PORTFOLIO

## Public sector partners

VEDP partnered with GO Virginia and regional and local economic development partners to identify solutions to develop a geographically-balanced portfolio of project-ready sites



**103** localities

**16** Regional economic development organizations

## Private sector experts

Site engineers

- Compiled, reviewed, and assessed physical potential of each site
- Estimated cost to reach project-ready status



Site selection consultant

- Assessed location competitiveness relative to VA & Southeastern peers
- Assessed suitability of each site for 8 sectors



# WE LIKELY NOW HAVE THE MOST COMPREHENSIVE INSIGHT INTO STATEWIDE PORTFOLIO OF ANY STATE

We have comprehensive information on

**466 sites**

across

**103 localities**

evaluated for suitability

for

**8 sectors**

## Categories of information

### Site developability

- Are there any physical (e.g., topographical, environmental) challenges to developability?
- What is the estimated cost to develop the site to project-ready status?

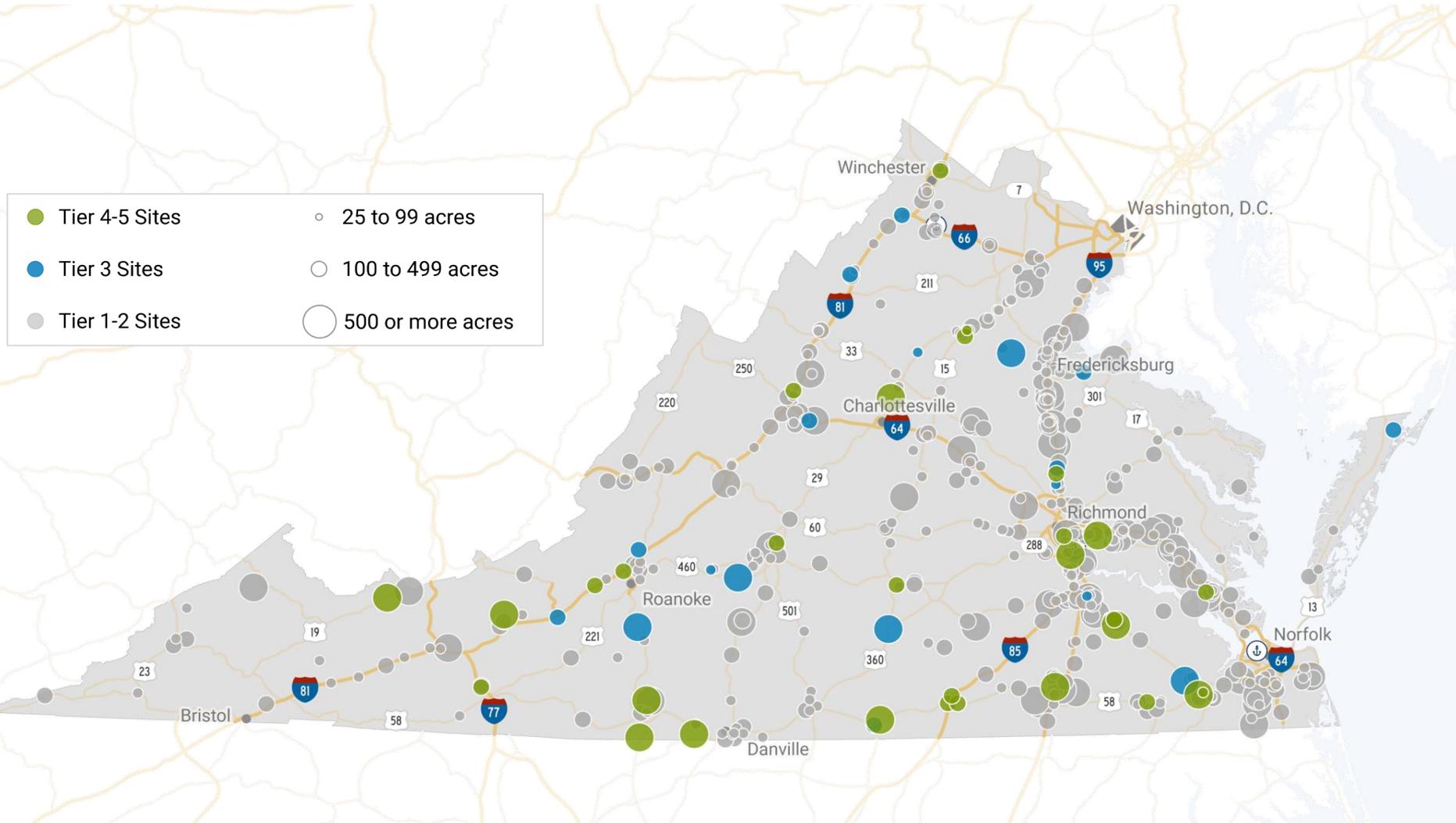
### Location competitiveness

- How competitive is the location (or region) relative to regional, statewide, or Southeastern peer locations?

### Sector suitability

- Incorporating minimum size and workforce thresholds, how suitable (or competitive) is each site within specific sectors?

# VIRGINIA HAS A SIGNIFICANT DEARTH OF PROJECT READY SITES - NEARLY 90% OF SITES ARE TIER 1 AND 2 AND ONLY 30 SITES ARE PROJECT-READY<sup>1</sup>



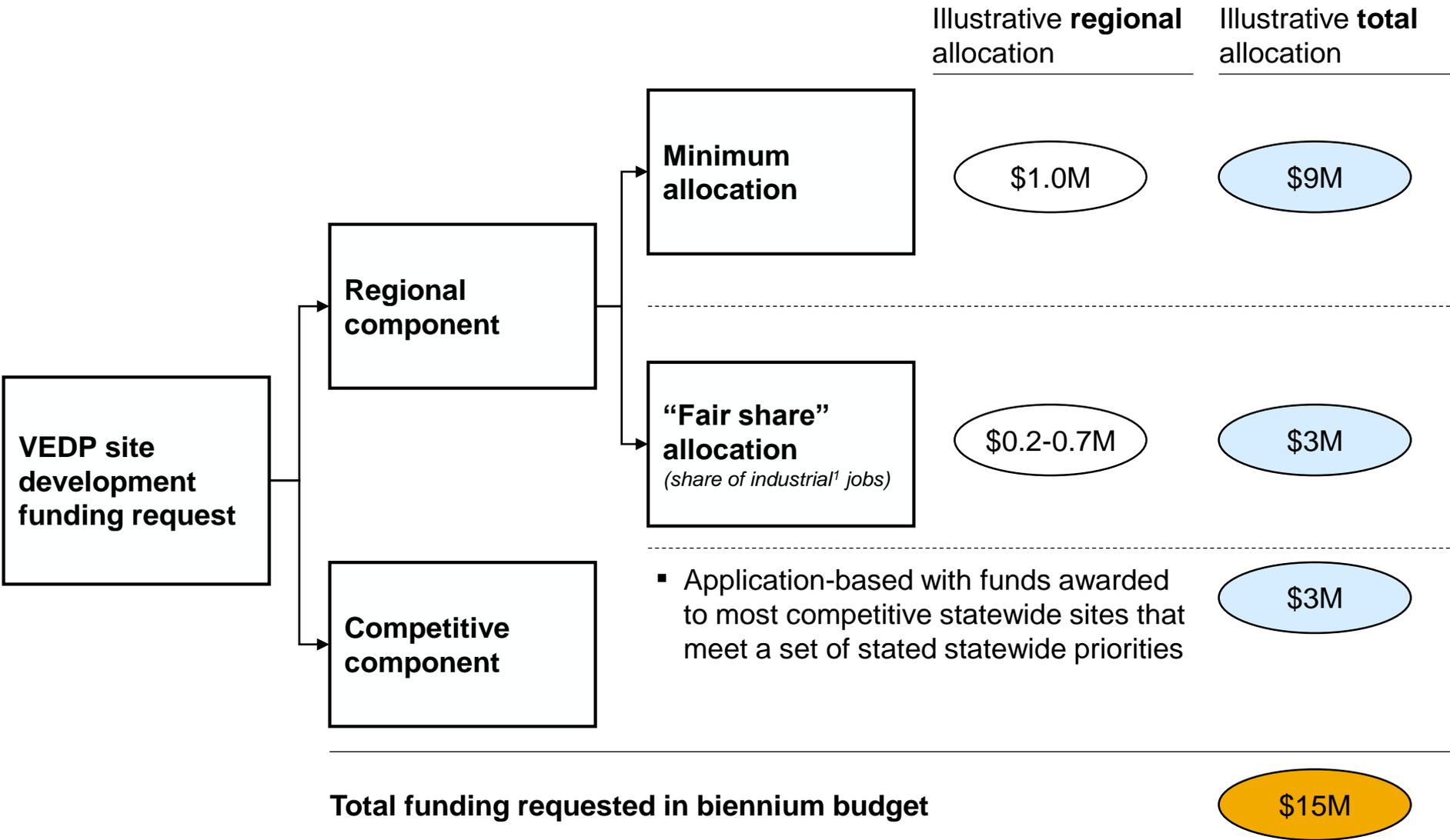
1. Count of project ready sites does not include parcels within a site if the entire site is not project-ready. Parcels within a site that are project ready will continue to be marketed separately from the parent on the VirginiaScan website.

# THIS GENERAL DEARTH OF PROJECT-READY SITES EXISTS ACROSS REGIONS

GO Virginia (#)	Incomplete	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Total <sup>1</sup>
Southwest (1)	-	3 (14%)	16 (76%)	-	2 (10%)	-	<b>21</b> (100%)
Roanoke/New River/ Lynchburg (2)	-	14 (31%)	22 (49%)	5 (11%)	3 (7%)	1 (2%)	<b>45</b> (100%)
Southside (3)	-	5 (10%)	36 (71%)	2 (4%)	8 (16%)	-	<b>51</b> (100%)
Greater Richmond (4)	-	28 (22%)	88 (69%)	3 (2%)	8 (6%)	-	<b>127</b> (100%)
Hampton Roads (5)	-	12 (17%)	55 (76%)	2 (3%)	2 (3%)	1 (1%)	<b>72</b> (100%)
Greater Fredericksburg (6)	2 (3%)	11 (18%)	48 (77%)	1 (2%)	-	-	<b>62</b> (100%)
Northern Virginia (7)	-	3 (43%)	4 (57%)	-	-	-	<b>7</b> (100%)
Shenandoah Valley (8)	-	5 (11%)	35 (78%)	3 (7%)	2 (4%)	-	<b>45</b> (100%)
Greater Charlottesville (9)	-	4 (11%)	27 (75%)	2 (6%)	3 (8%)	-	<b>36</b> (100%)
<b>Total</b>	<b>2</b> ( <b>&lt;1%</b> )	<b>85</b> ( <b>18%</b> )	<b>331</b> ( <b>71%</b> )	<b>18</b> ( <b>4%</b> )	<b>28</b> ( <b>6%</b> )	<b>2</b> ( <b>&lt;1%</b> )	<b>466</b> ( <b>100%</b> )

1. Counts are based on analysis of full sites or business parks. In addition to 30 full sites currently tier 4 or 5, there are 10 parcels or portions of sites that are tier 4 or 5.

# VEDP'S FUNDING REQUEST COULD CONSIST OF REGIONAL ALLOCATIONS AND STATEWIDE COMPETITIVE FUNDS



<sup>1</sup> Industrial jobs are manufacturing and distribution/logistics jobs

# VBRSP AND GOVA SITE DEVELOPMENT EFFORTS ARE COMPLEMENTARY, AND BOTH NECESSARY TO DRIVE IMPACT



## Takeaways

- Funding that can be applied to single-locality sites and can directly advance Commonwealth priorities
- Regional per capita funding pool as well as competitive pool can be used to develop regionally-significant sites prioritized by each region

## Site development program

- Virginia Business Ready Sites Program (VBRSP) matches local funds for site characterizations (up to \$5K per site) or site development (up to \$500K per site)
- Regions can apply regional per capita allocations (between \$1-4M, depending on population) to site characterizations or development and/or submit an application to win competitive funds to apply to site development

## Distinctive features

- VBRSP is Virginia's only funding pool solely dedicated to site development
- VBRSP funds can be applied to "single locality" sites (i.e., does not require multi-locality collaboration)
- Incentivizes bringing more local dollars and revenue sharing to regional priority sites
- Minimum of two localities must participate, though there is flexibility in determining qualifying participation
- State Board determines investment priorities; regions prioritize projects submitted for possible funding which are aligned with their regional priorities

# SEVERAL PRE-PROSPECT SITE DEVELOPMENT FUNDING POOLS EXIST BUT MOST PROGRAMS HAVE SIGNIFICANT CONSTRAINTS...

 Funds with significant restrictions

Owner	Program	Details
	Virginia Business Ready Sites Program (VBRSP)	<ul style="list-style-type: none"> <li>▪ Assigns a site characterization tier to quantify additional investment needed</li> <li>▪ Site must be at least 100 contiguous acres</li> </ul>
	GO Virginia economic development grants (regional and competitive)	<ul style="list-style-type: none"> <li>▪ Requires collaboration between localities and site being a regional priority</li> </ul>
Utilities	Utility right-of-way acquisition program	<ul style="list-style-type: none"> <li>▪ Application is limited to rights-of-way for utilities</li> </ul>
Public Power Companies	Power line extension pilot program	<ul style="list-style-type: none"> <li>▪ Limited to three RIFA sites in opportunity zones per provider</li> <li>▪ Recently enacted with sunset clause in 2023</li> </ul>
Commonwealth Transportation Board	Economic Development Access Program (EDAP)  Rail Industrial Access Program (RIAP)	<ul style="list-style-type: none"> <li>▪ EDAP is for existing roadways to accommodate project on site; Requires bond from local entity with high performance requirements</li> <li>▪ RIAP is for improving and constructing onsite rail access; Awards split 70/30 between department funding and local match</li> </ul>
	Tobacco Commission economic development funds	<ul style="list-style-type: none"> <li>▪ Region specific</li> <li>▪ Four grant programs; each must be matched dollar for dollar</li> </ul>

## ... AND MOST PRE-PROSPECT FUNDING POOLS CAN ONLY BE USED FOR SPECIFIC TYPES OF COSTS

Owner	Program	Due diligence	Tier 4 soft costs	Tier 4 hard costs	Restrictions
 VEDP	Virginia Business Ready Sites Program (VBRSP)	✓	✓	✗	<ul style="list-style-type: none"> <li>100 acre+ site</li> <li>Local match</li> </ul>
 GO VIRGINIA	GO Virginia economic development grants (regional and competitive)	✓	✓	Limited	<ul style="list-style-type: none"> <li>Regional collaboration</li> <li>Local match</li> </ul>
Utilities	Utility right-of-way acquisition program	✗	✓	✗	<ul style="list-style-type: none"> <li>Tier 3 and above</li> </ul>
Public power companies	Power line extension pilot program	✗	✗	✓	<ul style="list-style-type: none"> <li>RIFA</li> <li>Opportunity zone</li> <li>3 sites per provider</li> </ul>
Commonwealth Transportation Board	Economic Development Access Program	✗	✓	✓	<ul style="list-style-type: none"> <li>Pre-prospect requires locality bond</li> </ul>
Commonwealth Transportation Board	Rail Industrial Access Program	✗	✗	✗	<ul style="list-style-type: none"> <li>Rail only</li> <li>Committed prospect</li> </ul>
	Tobacco Commission economic development funds	✓	✓	✓	<ul style="list-style-type: none"> <li>Geographic</li> </ul>

# STAKEHOLDER ENGAGEMENT AND BUY-IN IS CRITICAL

As of December 5, 2019

## What have we done?

- Held meetings, webinars and presented updates to stakeholders throughout the process
  - Including GOVA staff and leadership, Secretary of Commerce and Trade, VEDA, VACO, VML, Virginia Business Council, Virginia Chamber of Commerce, REDOs, LEDOs. etc.

## Where are we now?

- All information is currently being reviewed by local partners to ensure accuracy (due December 11)
- Continue to engage partners and stakeholder organizations on the initiative, what's next, and how to use the data

## What's next?

- Work with engineers and consultants to make any updates needed to data and/or the analysis
- VEDP's Economic Competitiveness team will be hosting roadshows in each GOVA region (Spring 2020)
  - Two-day events will engage local and regional economic developers, local government officials, business leaders, GOVA Councils, etc. on the data and best practices

## NEAR-TERM NEXT STEPS

### Collaborate to review and share data

- Site reports were sent to localities for review on 11/12/19
- Localities have 30 days to verify information and provide feedback to VEDP
- VEDP will update VirginiaScan following the audit period
- Once localities have reviewed information, they should share with REDO / GOVA or give VEDP permission to share

### Evaluate relative attractiveness of sites

- Using aggregated data, evaluate sites using 2-dimensional approach
- Integrate local / regional perspectives for further evaluation
- Collaborate with VEDP when additional analysis is desired

### Develop Plan of Action

- Identify sources of local funding
- Coordinate with VEDP to identify state-level funding and prepare applications



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# ADMINISTRATIVELY APPROVED PROJECTS UNDER \$100,000

2 PROJECTS APPROVED

# ENHANCED CAPACITY BUILDING

- **2 proposals administratively approved**
  - **2 out of 9 regions participated**
  - **Total Request: \$150,000**
  - **Total Match: \$300,000**



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- **CVTC Redevelopment Plan**
  - Region 2
  - Total Request: \$100,000
  - Match: \$400,000
  - Total Project Budget: \$500,000
- **Richard Bland College Aeronautics Program**
  - Region 4
  - Total Request: \$50,000
  - Match: \$50,000
  - Total Project Budget: \$100,000



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PER CAPITA APPS

# PER CAPITA FUNDING

- **7 proposals submitted**
  - **6 out of 9 regions participated**
    - **2 Workforce Development, 2 Startup Ecosystems and Cluster-Scale Up, & 3 Entrepreneurship**
    - **Total Request: \$5,387,162**
  - **Total Match: \$9,604,577**
  - **Includes \$1,377,745 Local Match**

# RECOMMENDED APPROVALS

- **Region 4 – CampusRVA Phase 2**
  - Total Request: \$500,000
  - Match: \$500,000
  - Local Match: \$100,000
  - Total Budget: \$1,000,000
- **Region 7 – Centurion Innovation Hub**
  - Total Request: \$2,160,000
  - Match: \$6,540,000
  - Local Match: \$775,000
  - Total Budget: \$8,700,000
- **Region 5 – Coastal Virginia Maritime Advancement Programs (COVA MAP)**
  - Total Request: \$1,532,500
  - Match: \$1,636,500
  - Local Match: \$306,500
  - Total Budget: \$3,169,000
- **Region 9 – Biotech Innovation Cluster Growth**
  - Total Request: \$548,000
  - Match: \$604,740
  - Local Match: \$130,000
  - Total Budget: \$1,152,740

# RECOMMENDED APPROVALS

- Region 1 – Region One REI Coordinating Entity
  - Total Request: \$80,000
  - Match: \$40,000
  - Local Match: \$0
  - Total Budget: \$120,000
- Region 5 – REI: 757
  - Total Request: \$266,667
  - Match: \$133,333
  - Local Match: \$0
  - Total Budget: \$400,000
- Region 2 – Region 2 Entrepreneurship Initiative
  - Total Request: \$299,995
  - Match: \$150,004
  - Local Match: \$66,245
  - Total Budget: \$449,999



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# COMPETITIVE APPLICATION

- **1 proposal submitted**
  - **2 out of 9 regions participated**
  - **Total Request: \$2,424,537**
  - **Total Match: \$3,106,015**
  - **Local Match: \$3,106,015**



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- Virginia K-12 Computer Science Pipeline
  - Regions 5 & 7
  - Total Request: \$2,424,537
  - Match: \$3,106,015
  - Local Match: \$3,106,015
  - Total Project Budget: \$5,530,552

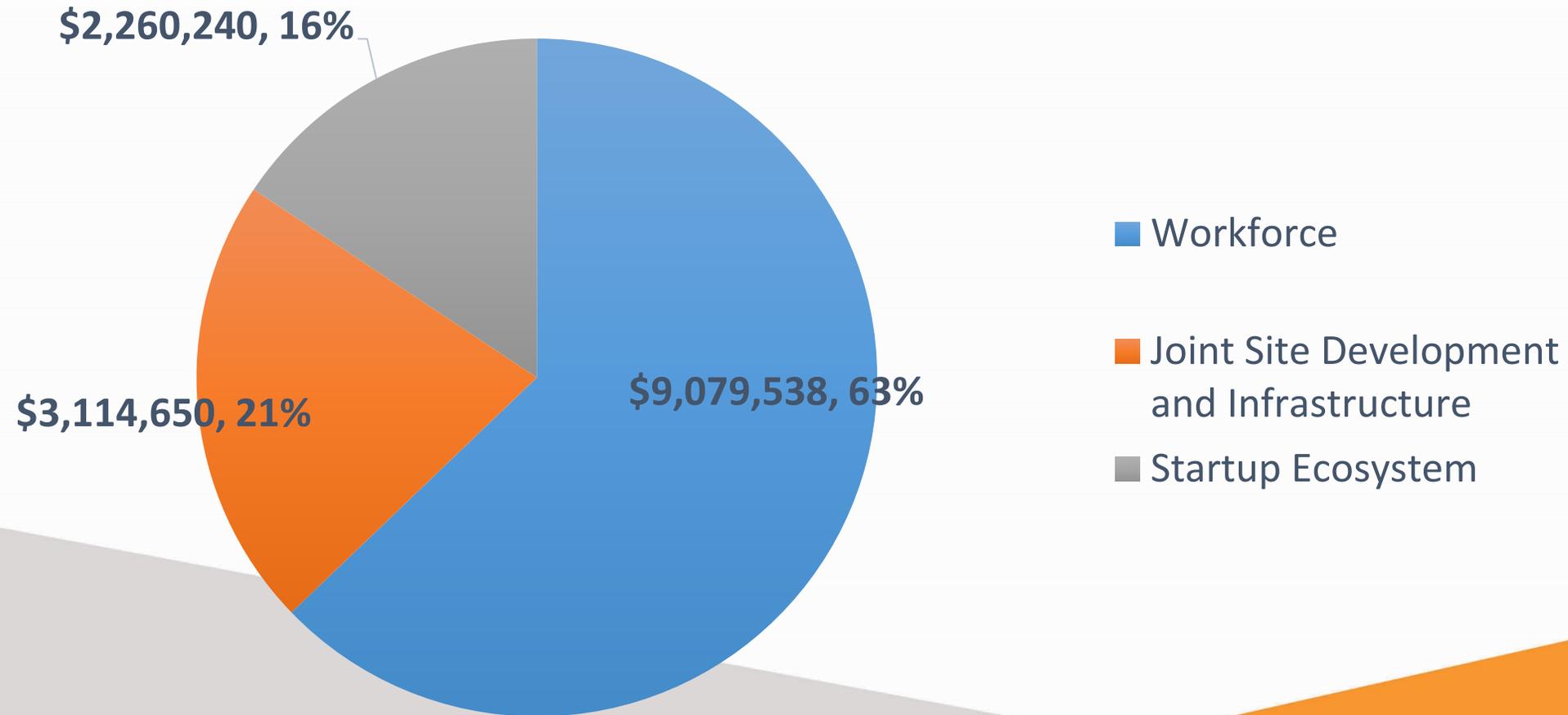


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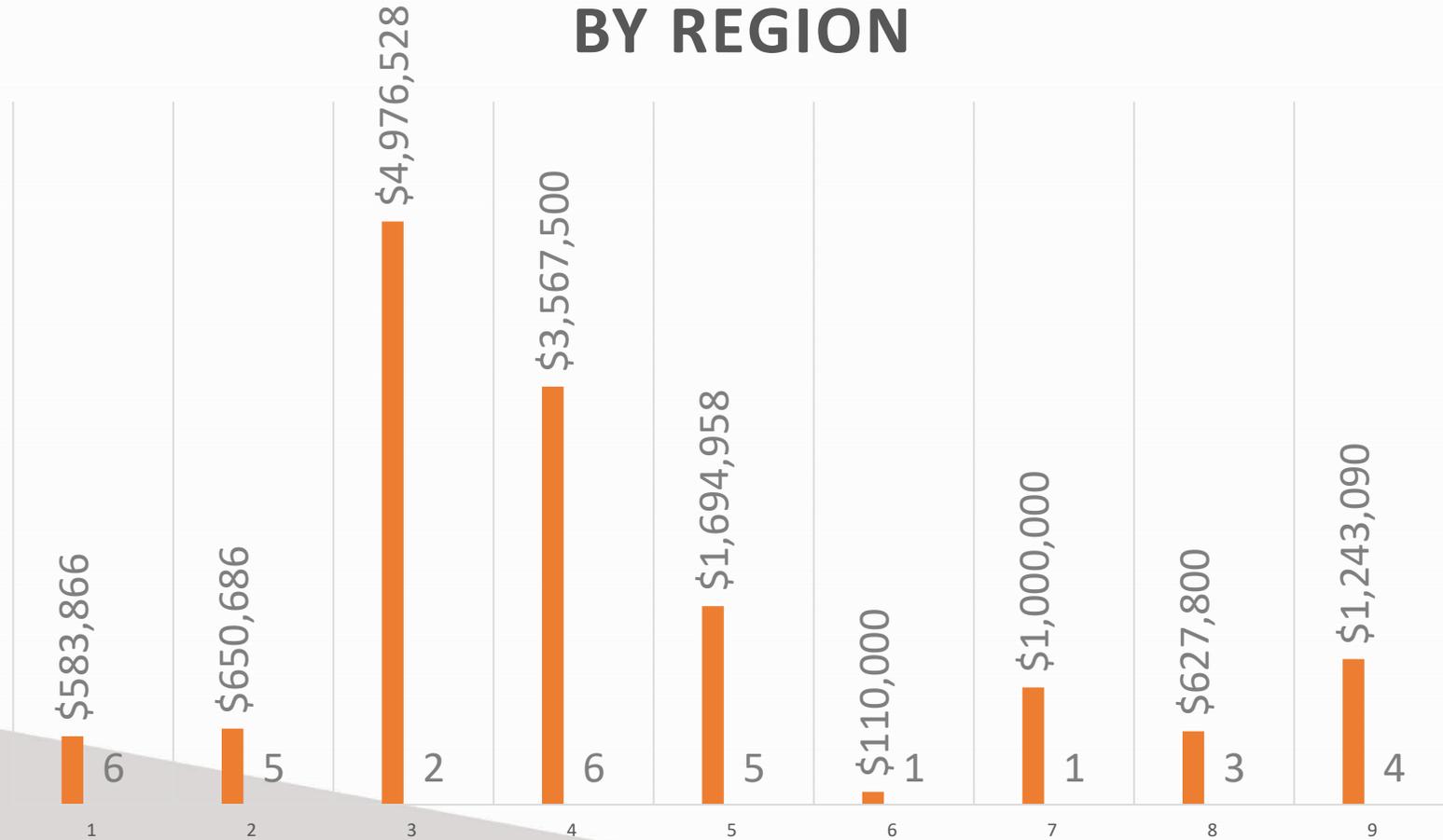
# GO VIRGINIA – FY19 (JULY 1, 2018-JUNE 30, 2019) YEAR IN REVIEW

- **33 projects funded in 9 GO Virginia regions**
- **\$14.5 million with \$20.5 million in matching funds from private and public sources**
  
- **22% increase in the number of approved projects**
- **130% increase in funds awarded**

## FY 19 GO VIRGINIA AWARDS BY PROJECT STRATEGY



## FY 19 GO VIRGINIA AWARDS BY REGION



# GO VIRGINIA – FY19 YEAR IN REVIEW

- **Board Policy**
  - Per Capita Allocation and Competitive Fund Redistribution
  - Capacity Building Match Requirement
- **Program Guidance**
  - Working Project Guidance and Metrics
  - Grant Scoring Guidelines
  - Growth and Diversification Plan Amendment Guidelines
  - Regional Entrepreneurship Initiative
  - Areas of Opportunity for Future GO Virginia Funding
- **Other Activities**
  - TEconomy Reports Issued

# PROGRAM IMPACT SINCE INCEPTION

## Funded Projects and Leverage

- \$21 million in GO Virginia funding has leveraged more than \$38 million from public and private sources

## Regional Collaboration

- More than 100 public entities, including 85 localities, have contributed \$11.8 million in qualifying local match to GO Virginia projects
- GO Virginia funds have helped to form or strengthen four Regional Industrial Facility Authorities (RIFAs), a best practice in regional collaboration and one which sets the stage for cost and revenue sharing around site development projects of regional significance

# PROGRAM IMPACT SINCE INCEPTION

## Committed Project Outcomes

- Creation of more than 10,000 high-paying jobs in regions' priority industry clusters
- Credential 1,500 new workers, engaging secondary and postsecondary education partners as well as employers.
- Incentivize the creation of almost 600 new internships for high school and college students
- Created 420 new apprenticeship opportunities.
- Impact 45 development sites and approximately 4,000 acres have been characterized, improved, or otherwise advanced towards business-readiness

# Ignite

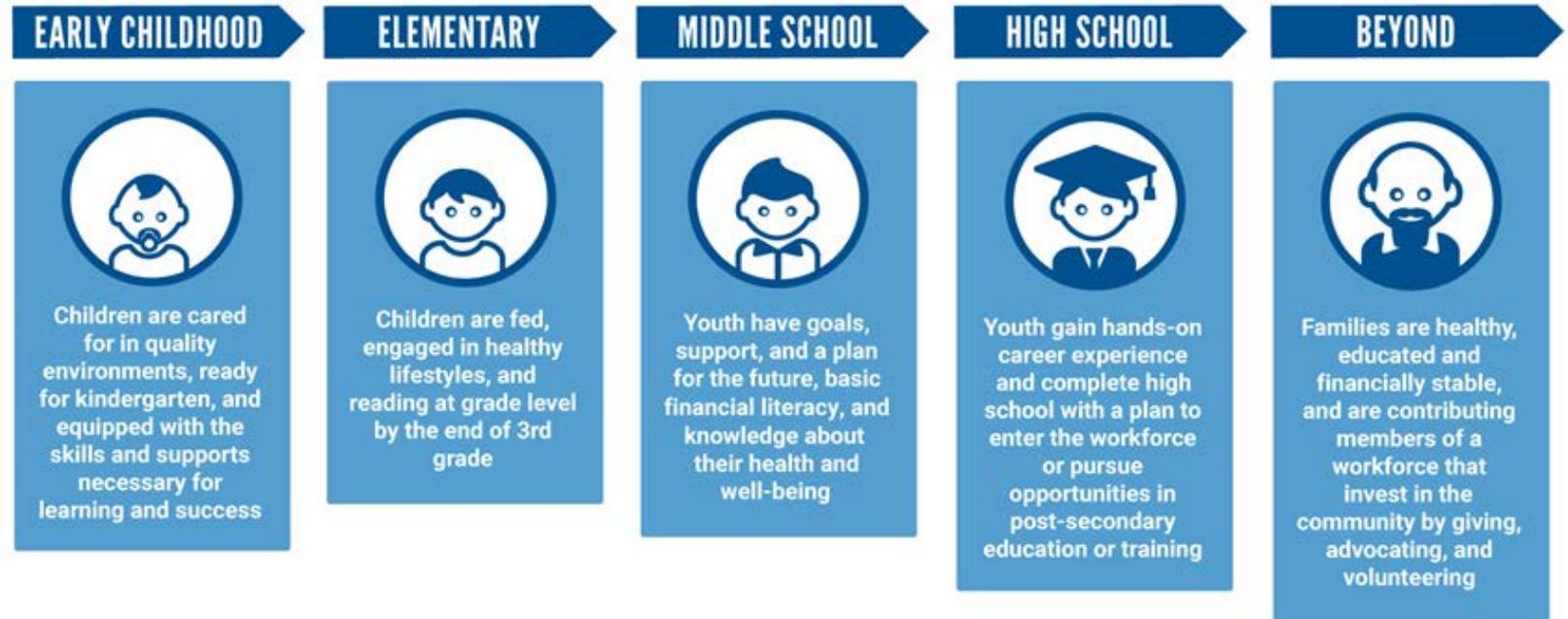
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GO Virginia

United Way of  
Southwest Virginia



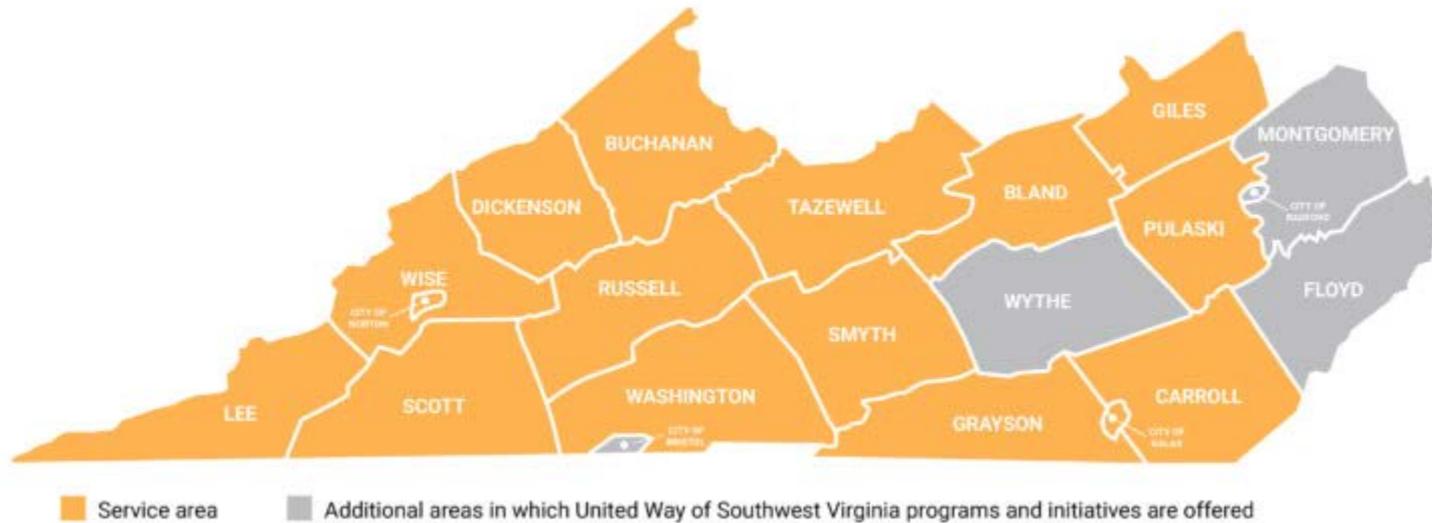
# OUR CRADLE-TO-CAREER APPROACH



United Way of  
Southwest Virginia



# Service Area



# Ignite

- sparks career interest in the next generation of Southwest Virginia's workforce through
  - career awareness
  - skill development
- bridges the gap between the worlds of learning and work by connecting schools and students with employers and employees
- 30,000 students annually– enabling middle school and high school students to realize their potential and be ready to enter and advance in the region's workforce

United Way of  
Southwest Virginia



# GO Virginia

- credential alignment study
- internship experience
- software
- coordination
- technical assistance

# Credential Study

- 44% of credentials offered at one school were not required by any of the 100+ participating employers
- There were 69 credentials that one or more employer required that zero of the 39 high schools offered

# Summer Internships

- Provide high school Juniors and Seniors with a paid summer internship to teach critical workplace skills and prepare students for the workplace through hands-on work experience
- Over 5,000 hours worked with nearly \$45,000 in combined earnings
- Wages ranged between \$7.50 to \$12.00 per hour with \$8.49 per hour being the average

# Interns



Hannah



Caleb

United Way of  
Southwest Virginia



# Ignite



United Way of  
Southwest Virginia





**United Way of  
Southwest Virginia**