

## **VLGMA 2018 Summer Conference**

### **June 22, 2018**



## **VEDA History**

- Late 1970s - research began, looking to North Carolina as an example
- Fall 1981 - formed committee to begin planning
- May 1982 – organizational meeting held; dues of \$25 established
- September 28, 1982 – Charter night banquet
- 1982-1983 – Cardinal Award established
- Membership has grown from 100 members in 1980s to more than 600 in 2007
- Membership decreased to ~476 in 2014
- Membership is ~527 as of March 2018

# Mission Statement



*The Virginia Economic Developers Association is the voice in Virginia for shaping economic development public policy and a primary source of strong and effective education and networking for economic development professionals.*



# VEDA Objectives

- To increase the effectiveness of individuals in the practice of economic development in Virginia.
- To provide a conduit for exchange of information among the members by verbal, written and electronic means.
- To establish and implement a method of providing input to programs for economic development in the Commonwealth of Virginia.
- To offer suggestions and recommendations to insure the Commonwealth of Virginia's competitive position in economic development.
- To promote the standards of professionalism among economic developers in the Commonwealth of Virginia.
- To encourage the pursuit of professional education through programs offered by organizations within and without the Commonwealth of Virginia.

# Board Governance

## ➤ Executive Committee

- President
- Vice President
- Treasurer
- Secretary
- Immediate Past President



## ➤ Ex-Officio Directors

- Virginia Economic Development Partnership
- Virginia Port Authority
- Virginia Department of Housing & Community Development
- Virginia Small Business Development Center
- Virginia Chamber of Commerce
- Virginia Community College System- Workforce Development
- VEDA Legal Counsel
- VEDA Executive Director

## ➤ Directors

- Nine
- Staggered three-year terms



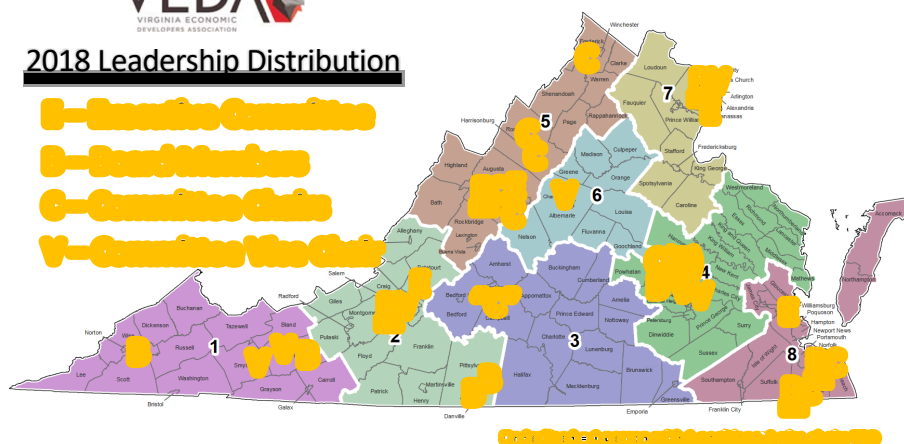
## 2018 Leadership Distribution

**E**—Executive Committee

**D**—Board Member

**C**—Committee Chair

**V**—Committee Vice Chair



## VEDA Committees

- **Community Economic Development Awards**
- **Communications**
- **Legislator of the Year Award**
- **Membership**
- **Mentor-on-Call**
- **Professional Development Program**
- **Scholarship**
- **Sponsorship**
- **Young Professionals Group**



## VEDA Awards & Recognition

### Community Economic Development Awards

**2018**

Prince George County  
City of Danville  
Suffolk, Franklin/  
Southampton County and  
Isle of Wight County

**2017**

Alleghany County, City of  
Covington, Town of Clifton  
Forge  
City of Lynchburg  
Arlington County  
Roanoke County (HM)  
Opportunity SWVA (HM)

**2016**

Town of Rocky Mount  
City of Charlottesville  
City of Virginia Beach  
Shenandoah Valley Region

**2015**

Shenandoah Valley Region

**2014**

Town of Marion

Caroline County  
Middle Peninsula/Northern Neck  
Regions

**2013**

Bedford County  
City of Fredericksburg  
Shenandoah Valley Region

**2012**

Highland County

City of Williamsburg  
City of Danville  
City of Richmond

**2011**

Caroline County

**2010**

Prince George County

**2010**

Roanoke County  
Winchester-Frederick County  
Economic Development  
Commission

Fairfax County Economic  
Development Authority

**2009**

Caroline County  
Shenandoah Valley Region  
York County

**2008**

City of Franklin  
City of Lynchburg

Hampton Roads Region

**2007**

Bland County  
Russell County  
Rockingham County

**2006**

City of Newport News

## VEDA Resources: Cardinal Community Assistance Program

- Assisting communities facing extraordinary economic needs, to review options and initiate a development strategy
- Unbiased review of a community's economic development situation through the eyes of development practitioners with decades of state, regional, and local experience
- Dialogue with local business, economic and political leadership
- Review data/profiles/information provided by the community
  - Economic base situation
  - Description of existing economic development effort
  - Self analysis of product/readiness for development/deficiencies
  - Identified potential opportunities
  - Community's desires/priorities/commitment
- Cardinal Team then spends one day in the community in meetings
- One-half day sharing thoughts, analysis and recommendations

## VEDA Public Policy

The Public Policy Committee is comprised of the VEDA Executive Committee; the VEDA Public Policy Chair; and the VEDA Public Policy Liaison. The Committee meets weekly during the General Assembly session and monthly during the rest of the year.



## VEDA Public Policy

- **Public Policy Agenda** – Developed and approved by the Board of Directors in the summer; finalized in fall and printed for distribution
- **Economic Development Day @ General Assembly** – During the Virginia General Assembly Session. Includes Board and selected economic development leaders.
- **Legislative Reception** – Held the evening before VEDA Day at the General Assembly in Richmond
- **VEDA's Public Policy Liaison** – Troutman Sanders Strategies, Clark Lewis and Mike Woods



## VEDA Awards & Recognition

### Legislator of the Year Award

- **Delegate Chris Jones – 2017**
- **Senator Frank Ruff - 2016**
- **Delegate Matthew James - 2015**
- **Delegate Steven Landes – 2012**
- **Delegate Kathy Byron - 2011**
- **Delegate Kirkland Cox - 2009**
- **Delegate Matthew Lohr - 2008**
- **Senator Walter Stosch - 2007**





## STRENGTHS

- Top 10 for educational attainment, higher ed, and K-12
- Attractive small sites (<25 acres) in some regions
- Mid-Atlantic location contiguous to Washington, D.C.
- Below-average state/local tax burdens for existing firms
- Impressive Port of Va., NOVA airports, and spaceport
- Diverse range of high-quality employers and HQs
- Impressive range of federal labs, higher ed research



## WEAKNESSES

- Lack of customized workforce incentive program offering; insufficient CS pipeline
- Meager inventory of large sites (especially 100+ acres) and certified sites
- Site development timeline/cost challenges due to lack of investment and topography
- Uncompetitive state/local tax burdens for new investment
- Metro, traffic congestion challenges in NOVA; road limitations in rural Va.
- High reliance on federal government-related activities
- Limited commercialization of intellectual property relative to our assets

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## Employment Growth in Virginia Has Been Highly Uneven Across Regions (2006-2016)



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## » In the Wake of Sequestration, Virginia's 5-Year Growth Rankings Plummeted

36<sup>th</sup>

Total Employment

42<sup>nd</sup>

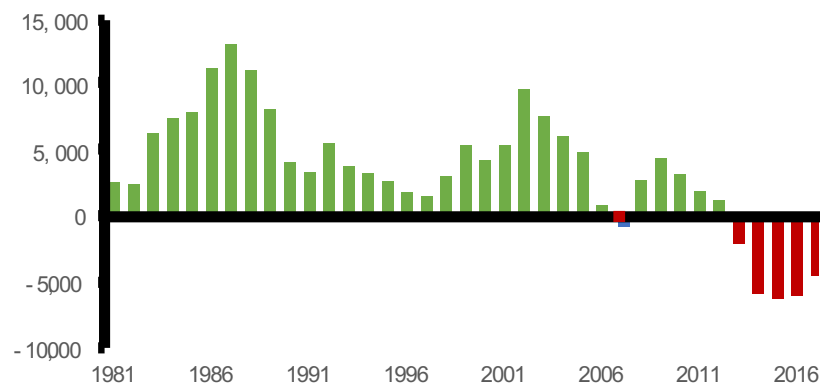
Gross State Product

46<sup>th</sup>

Median Earned Income

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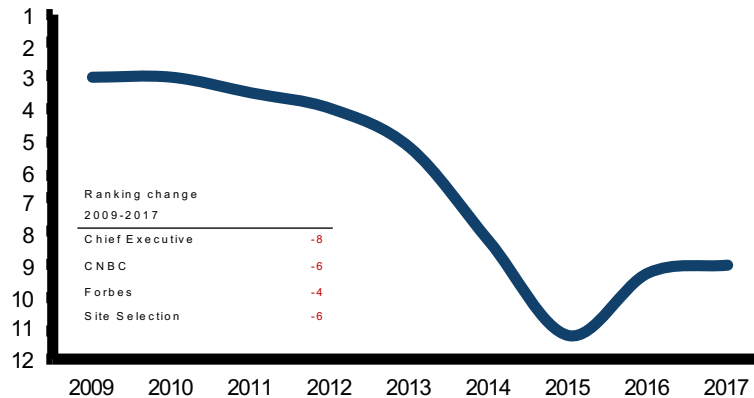
## » With Slower Growth, Virginia Recently Began Experiencing Net Domestic Out-Migration



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## Since 2009, Virginia Has Dropped About Six Places in National Business Climate Rankings



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## Virginia's Drop in Major Business Climate Rankings Can Be Tied to Three Main Factors



### BUSINESS COSTS

New rankings of some business costs (e.g., tax burdens on new investment) place Virginia in a relatively negative light



### ECONOMIC CLIMATE AND GROWTH

With federal sequestration and Virginia's reliance on federal spending, Virginia experienced a slowdown in growth



### PERCEPTIONS OF CEOs

While still positive overall, CEO perceptions of Virginia's business climate declined after 2009

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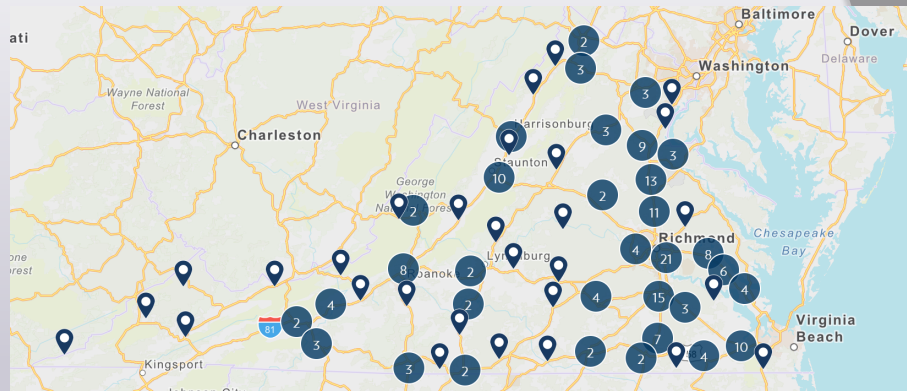
- 1 Robust State Growth
- 2 Every Region Wins
- 3 Best State for Business
- 4 Top State EDO
- 5 Super Collaborator

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## Virginia Business Ready Sites Program



## 208 Sites of 100 AC or Greater



### THE VIRGINIA BUSINESS-READY SITES PROGRAM (VBRSP) HAS TWO COMPONENTS: CHARACTERIZATION AND DEVELOPMENT

#### Characterization

Purpose: Assess existing levels of readiness and next steps for development for Virginia's 100+ acre sites

Process: Characterization grants (of up to \$5,000 per site) are awarded to sites selected from an applicant pool by a private sector-led working group

#### Development

Purpose: Fund targeted development efforts to move identified sites to higher tiers of readiness

Process: Development grants (of up to \$500,000 per site) are awarded to sites selected from an applicant pool by a private sector-led working group

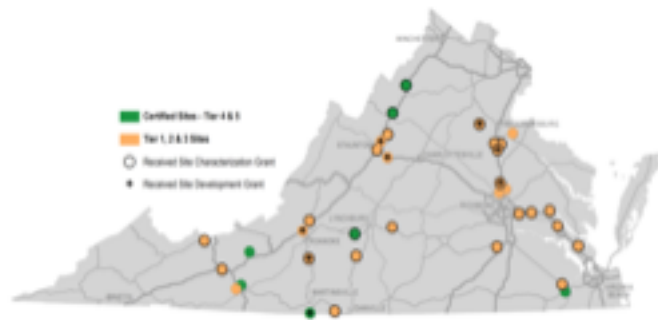
## VIRGINIA BUSINESS-READY SITES PROGRAM: TIER DESCRIPTIONS FOR SITE READINESS

Tier	Description	Estimated development investments
1	<ul style="list-style-type: none"> <li>Raw land with interested seller</li> <li>Not zoned for economic development, but Comp Plan indicates appropriateness.</li> </ul>	n/a
2	<ul style="list-style-type: none"> <li>Site controlled and marketed for development</li> <li>Option agreement with commitment to a competitive sales price</li> </ul>	\$50-100k (from Tier 1 to Tier 2)
3	<ul style="list-style-type: none"> <li>Zoned industrial/commercial, due diligence completed               <ul style="list-style-type: none"> <li>Wetlands survey with ACOE approval within last 5 years</li> <li>Geotechnical borings</li> <li>Boundary and topographical survey</li> <li>Cultural resources review</li> <li>Endangered species review</li> <li>Phase I ESA</li> </ul> </li> <li>Quantified estimated costs of development</li> </ul>	\$1-2k per acre (from Tier 2 to Tier 3)
4	<ul style="list-style-type: none"> <li>Certified as "infrastructure-ready"</li> <li>Infrastructure in place or deliverable within 12 months</li> <li>All permit issues identified and quantified</li> </ul>	\$25-100k per acre (from Tier 3 to Tier 4)
5	<ul style="list-style-type: none"> <li>"Shovel Ready"</li> <li>Most permits in place</li> <li>Site ready for site disturbance permit</li> </ul>	n/a

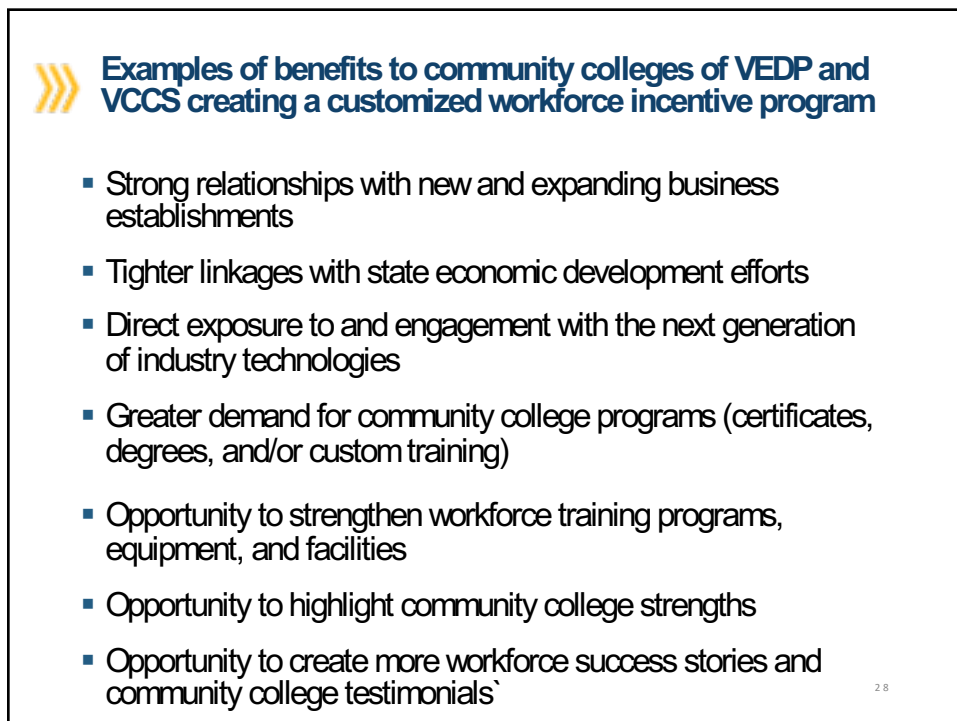
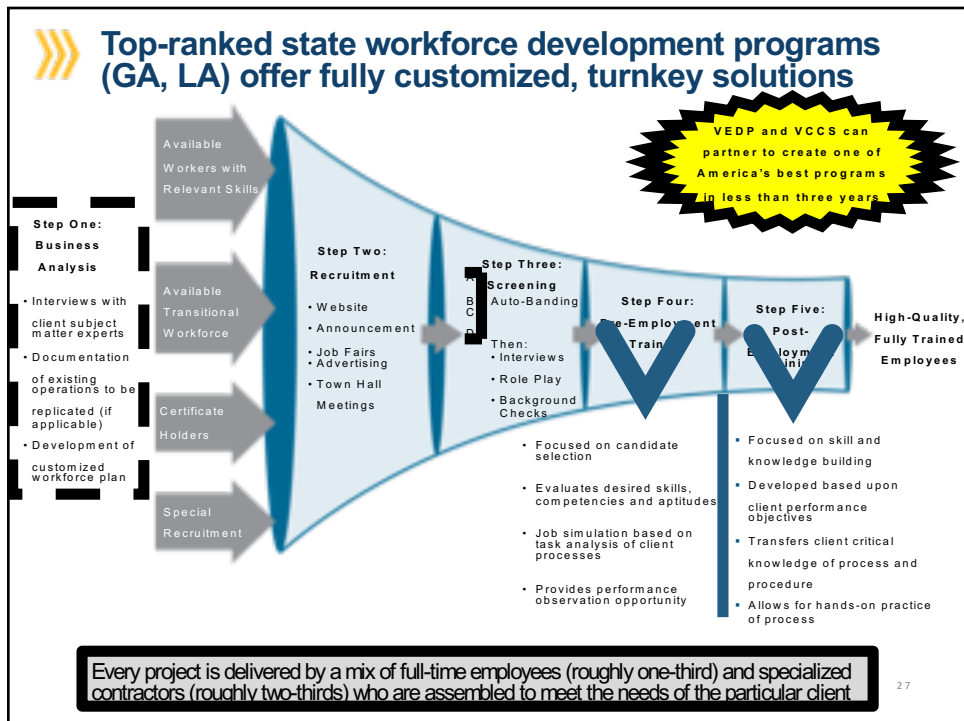
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## WE NOW HAVE 39 SITES CHARACTERIZED ACROSS FIVE TIERS OF DEVELOPMENT PREPAREDNESS (AND 8 MORE IN PROCESS)

Tier Level	Number of sites
Tier 1 – Site under possible control, planning work underway	1
Tier 2 – Site under control/contract, due diligence underway	8
Tier 3 – Due diligence and zoning complete	10
Tier 4 – Infrastructure in place/deliverable and permits delineated	15
Tier 5 – Pad ready, all permits in place	5



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## VEDP and GO Virginia alignment

ROUGH DRAFT

### VEDP leads

- Marketing, branding, and lead generation
- Biz recruitment and project mgmt. for target industry sectors (e.g., IT, advanced manufacturing, BPO, distribution)
- One-stop shop for prospects, with close local/regional coordination and alignment
- Proactive business retention and expansion program for large/medium-sized firms, in partnership with localities
- Custom workforce recruitment/training incentive program for firms, with VCCS
- Trade development services
- Administration of business incentives
- Research / business intelligence
- State/local economic competitiveness

### VEDP/GOVA Collaboration

- Site intelligence and development (VEDP will focus on site intelligence and managing site database; GOVA could fund site development)
- Cluster development (VEDP could focus on larger firms; GOVA could focus on cluster scale-up initiatives)
- Design of human capital development strategies, including various initiatives to fully leverage higher education's economic development potential

### GOVA leads

- Design of targeted, regional product development initiatives (e.g., broadband strategy for a region)
- Workforce development initiatives for sectors/regions
- Research and technology commercialization initiatives
- Initiatives to encourage capital and/or business formation (?)
- Funding for development of regional growth plans
- Incentives to encourage regional collaboration

**GO Virginia and VEDP both are focused on increasing growth in traded-sector employment and earnings**

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## QUESTIONS & COMMENTS

