

Virginia's Economic Development Landscape & VEDP's Statewide Site Characterization Study



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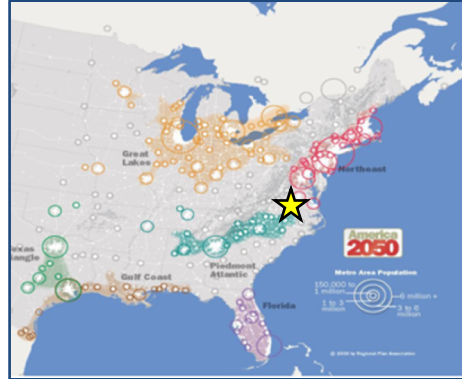


But FIRST – Happy 77th Birthday to Bob Roop!



What drives Prospect Location Decisions?

- ✓ Access to Markets
- ✓ Workforce
- ✓ Logistics Infrastructure
- ✓ Transportation Costs
 - Rail
 - Drayage for Trucking
 - Shipping Costs
- ✓ Total Costs of Ownership (TCO)
 - Energy Costs
 - Electrical & Natural Gas
 - Utility Costs
 - Tax Rates
 - Capital Investment



Virginia is at the crossroads of access to three major markets...



Trends in Economic Development & Site Selection A Consultant's Perspective....

- ✓ *Logistics & Workforce Analysis Completed First*
- ✓ *Prospects & consultants look at **STATES & REGIONS**, NOT sites or localities*
- ✓ **Speed to market** matters – *Projects move in MONTHS, not years*
- ✓ **"Ready to go" & Publicly Controlled Sites Rule**
- ✓ **Incentives do matter**, *AFTER you become a FINALIST*

100% of your success is **70-80%** out of your control...

Control what you can – your Sites and Infrastructure!



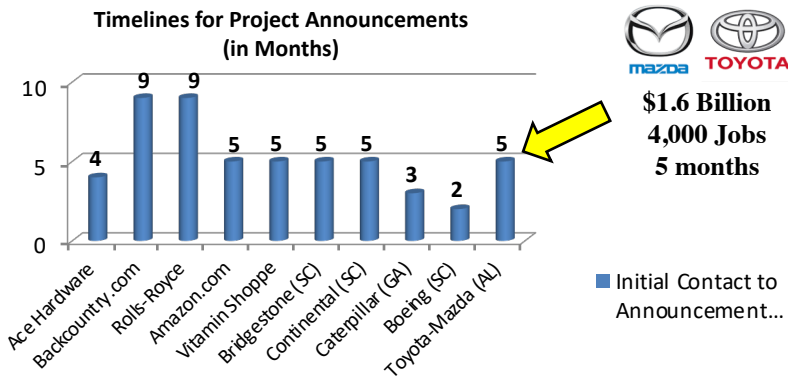
*The Why –
Lack of “Ready to Go” Sites costs Virginia Jobs & Investment*

Virginia was *eliminated* from consideration for at least **47 projects** and **\$6.5 billion in investment** from 2005-2014 because of the lack of developable sites and buildings. – VEDP

*This did NOT include Toyota/Mazda Plant in 2018, which is a **\$1.6 Billion Investment w/ 4,000 jobs***



*How fast are projects and prospects moving?
They are moving FAST...*



\$5.53 billion investment & over 14,000 jobs
2014 - Boeing announced \$1.1 billion & 2,000 add'l jobs



Formula for Economic Development Success...

“Pre-Prospect” Planning: Remove as many unknowns / development obstacles as practical & address all potential development scenarios (timing & costs) to give you best odds of success to close the deal

- Due Diligence (Site Eliminators)
- Master Planning Process & Build-out Analysis (Maximum Footprint & Build-out)
- Align Infrastructure & Site Requirements with Target Industries
- Definition of Site & Infrastructure Development Costs
- Address Cultural Resource & Permitting Issues up-front
- **Timelines for Implementation (12 months or less)**

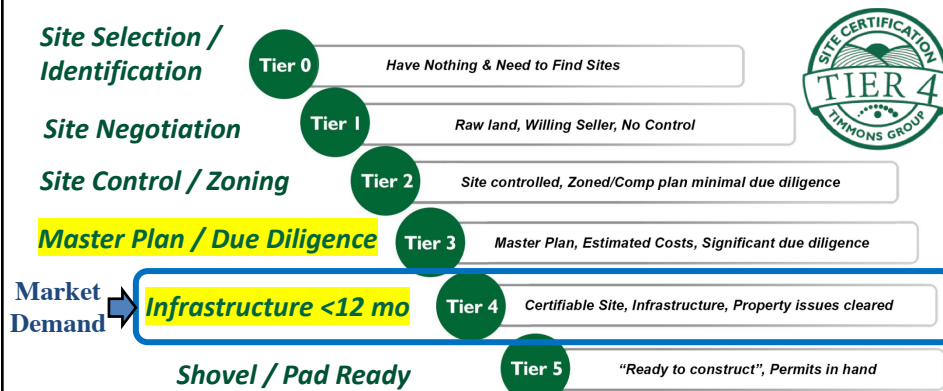


“Post-Prospect” Execution: Respond to Prospect inquiries within 48-72 hrs and show how the site & infrastructure can work for their project

- 3D Visualization & Site Schematics
- Responsiveness to RFI’s
- Deal Closing



What does the market want? Market Demand calls for a Tier 4 Site



Site Readiness Road Map to Success

Tier 4 brings Certainty, and Certainty brings Business.

TIME > MONEY

& Competitive Advantage in Site Selection

TIER 1 RAW LAND, WILLING SELLER, NO CONTROL
 Find a Site
 Comprehensive Plan Alignment & Amenable Seller
 Preliminary Site Evaluation
 Property Control / Set Price
 Begin Marketing Site

TIER 2 SITE CONTROLLED, ZONED/COMP PLAN, MINIMAL DUE DILIGENCE
 Rezoned for Industrial/Commercial Use
 Begins/Complete Significant Due Diligence
 Master Planning
 Infrastructure Evaluations
 Necessary Preliminary Engineering Investigations & Cost Estimates

TIER 3 MASTER PLAN, ESTIMATED COSTS, SIGNIFICANT DUE DILIGENCE
 Due Diligence Complete & Issues Resolved
 Significant Clearing & Grubbing
 Infrastructure Design and Construction Underway or Beginning within 12 months
 Permit Issues Identified & Quantified

TIER 4 CERTIFIABLE SITE, INFRASTRUCTURE, PROPERTY ISSUES CLEARED
 "Pad Grade" Portion or Entire Site
 Infrastructure Constructed & In Place
 Prospect Ready for Disturbance Permit

TIER 5 "READY TO CONSTRUCT" PERMITS IN HAND

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Smart Test Fits

Converting Your Site to Potential Tax Revenue

Industry	Building Size or Acreage Range	Single or Multi-Story	Traffic Demands	Water Demands ⁽¹⁾	Wastewater Demands	Power Demands	Natural Gas Demands
Business / Financial Services	20k SF to 100k SF	Multi	Low - Med	Low	Low	Low-High	None-low
Transportation & Logistics							
Information Tech / Data Centers							
Chemicals & Plastics							
Light Mfgr / Adv Mfgr							

(1) Most industries require a minimal fire storage)

Legend

- Buildings
- Roads
- Property Line
- National Hydrography Dataset Streams
- National Wetlands Inventory

Connection to Tax Revenue



- **100 acres** can accommodate **1 million SF**
- **1 million SF** Facility @ **\$100 per SF** for Real Estate
- **\$100 million** Investment
- Real Estate Tax Rate: **\$0.85 per \$100**
- Annual RE Tax Revenue: **\$850,000 Per year**

Bonding Capacity (20-yr @ 4%)

\$11.7 million



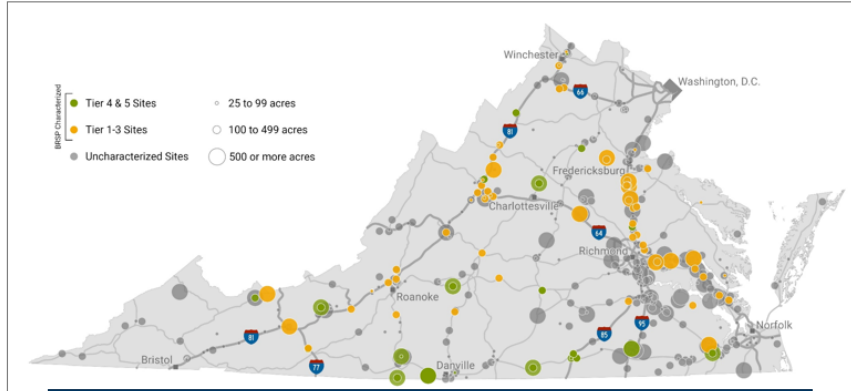
Project Overview Enhanced Site Characterization Study



- ✓ Getting Virginia's Product In Line with the Market
- ✓ \$2 million from State Legislature to Characterize all 25+ acre sites in VirginiaScan
- ✓ Characterize (Tier Assess) & Grade ~ **466 total sites**
- ✓ Completed by Aug 1, 2019 (FAST TRACK)
- ✓ Teamed with Dewberry & Draper Aden
- ✓ Statewide Advisory Committee to pick top sites across Virginia to invest in developing further



Sites Under Consideration 25+ acre sites in VirginiaScan Database

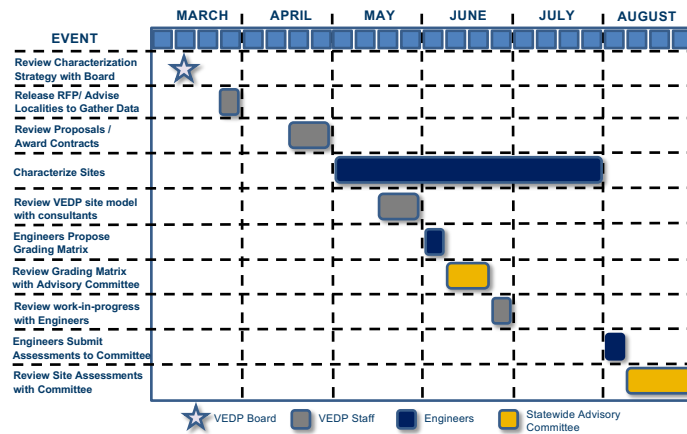


- 95% of 535 sites of 25+ acres have been characterized, approximately half funded by VBRSP characterization grants and the remainder by regional / local efforts
- VBRSP has provided characterization grants to 40 sites² to date
- Sites characterized as tier 4 and 5 are considered certified or "project-ready" (43 sites)

1. Numerous additional sites have been characterized by engineering firms but are not 25+ acres and in VAScan database
2. VBRSP grants can be applied to an entire site, a subset(s) of one "parent" site, or multiple sites (i.e., two sites within one industrial park)



PROJECT TIMELINE



Total Sites in the Study & Responsiveness to Date (as of June 20, 2019)

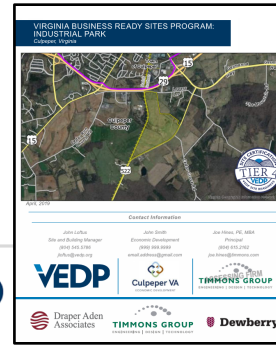
- **358** Full Tier Site Assessments & Overall Site Grading
- **108** Already Tier Assessed Sites to be Graded
- **466** Total Sites
- **105** Localities & **161** Utility Providers

Phase 1 – Full Characterizations

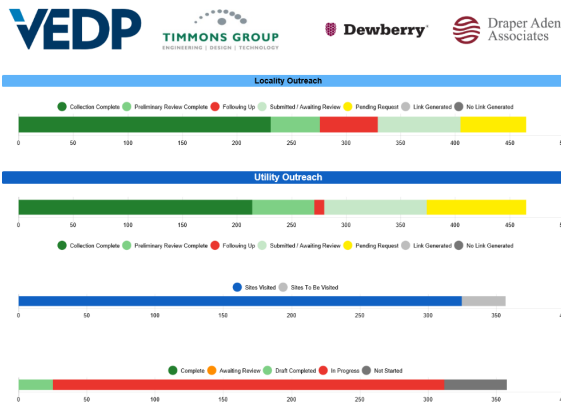
- **98.6%** completed by Localities (5 outstanding)
- **91%** completed by Utilities

Phase 2 – Updated for Site Grading Info

- **~50%** Completion (Deadline was June 19)



We're maintaining a Project Dashboard...



Statewide Advisory Committee

The statewide advisory group will consist of representatives from the following categories:

- GO Virginia
- Local and Regional Economic Developers
- Utilities (Dominion, AEP, VNG, Columbia)
- Telecommunications Representatives (VCTA)
- State Agencies (DHCD, TRRC VDOT, VDEQ)
- Private Business Leaders
- Commercial Real Estate Developers
- Site Consultants
- Workforce Experts



Thanks for your Partnership to make Virginia Successful in Economic Development!



Thanks for your time !

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