

# Economic Development Sites Readiness

**Community Advisory  
Committee**

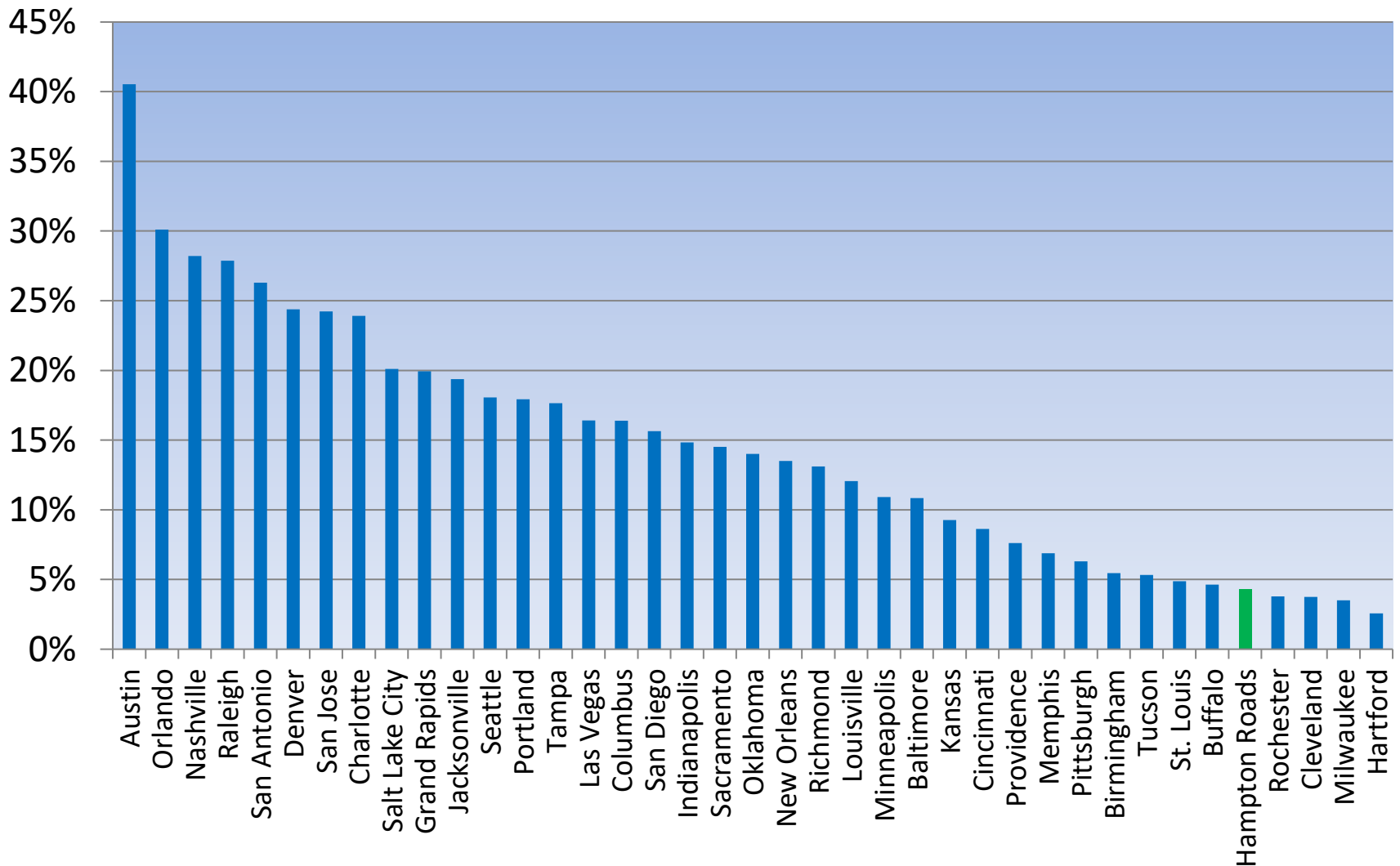
**April 14, 2022**

# Outline

- Background: Job Creation & Site Development
- Regional & State-Wide Sites Initiative
- Ongoing Site Development Projects
- Next Step: Site Development Strategy

# 10-Year Change in Total Employment

Metro Areas with 1 to 4M Residents (2008-2018)



Sources: Bureau of Economic Analysis and HRPDC

# HAMPTON ROADS: TARGET INDUSTRIES

- Port Operations, Logistics and Warehousing
  - Advanced Manufacturing
- Cybersecurity, Data Analytics and Model Simulation
  - Shipbuilding and Ship Repair
    - Water Technologies
  - Unmanned Systems and Aerospace
    - Clean Energy

# TRADED SECTORS DRIVE JOB CREATION WITH HIGH EMPLOYMENT MULTIPLIERS AND GENERATE NEW REVENUE



## Employment multiplier

Additional jobs created for every 1 direct job

### Direct jobs

Plastic resin manufacturer

### Indirect jobs

Suppliers to company

### Induced jobs

Where employees spend money


### Total jobs

$$1.0 + 1.2 + 2.2 = 4.4$$

Example: Plastic resin manufacturer

$$25 + 30 + 55 = 110$$

# SITES AND BUILDINGS ARE MAJOR CONSIDERATIONS FOR BUSINESSES WHEN CHOOSING NEW LOCATIONS

 Today's focus



## **What businesses look for in a location**

**World-class talent**

A place with a high-quality, hard-working workforce

**Suitable sites & buildings**

A place with sites that are (close to) ready for operations

**Supportive business climate**

A place that partners with business to drive growth

**Attractive quality-of-life**

A place that people want to call home

# THE LACK OF PROJECT-READY SITES AND BUILDINGS HAS COST VIRGINIA OVER 47K JOBS AND OVER \$115B IN CAPEX SINCE 2016

Since 2016, Virginia has lost:

**47K+**

DIRECT JOBS

**\$115B+**

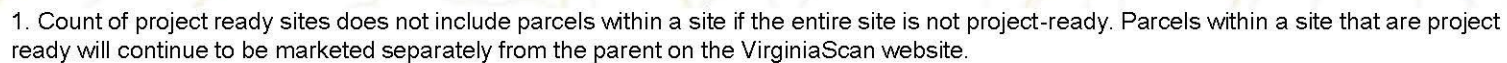
CAPEX

**97K+**

EST. INDIRECT  
AND INDUCED JOBS<sup>1</sup>

<sup>1</sup>Estimated indirect and induced jobs calculated using project NAICS codes for projects in which detailed ROI estimates were unavailable

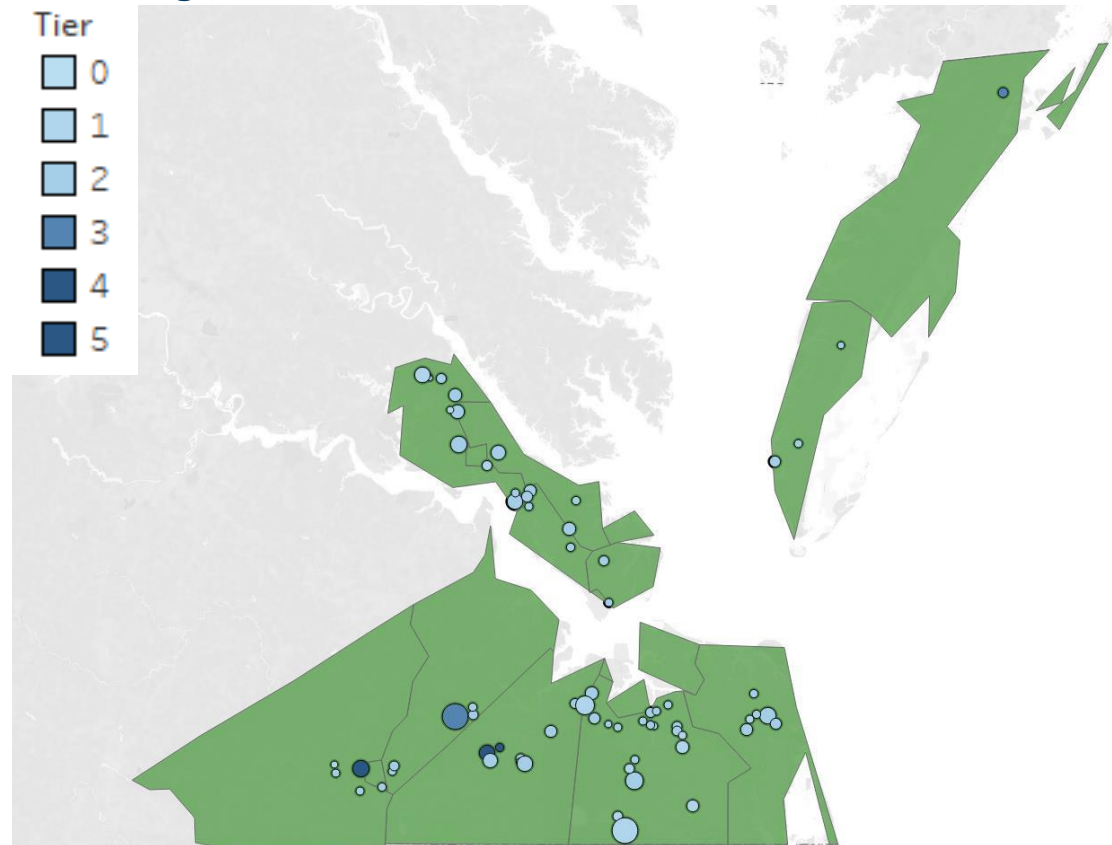
Source: VEDP





# INVESTING IN SITE DEVELOPMENT CAN MAKE GOVA 5 MORE COMPETITIVE FOR FUTURE PROJECTS

GOVA Region 5 Sites<sup>1</sup>



Tier Level	Number of Sites
Tier 4-5	3
Tier 3	2
Tier 2	55
Tier 1	12
<b>Total</b>	<b>72</b>

<sup>1</sup> Counts are based on analysis of full sites or business parks  
Source: Enhanced Site Characterization Initiative data, VEDP analysis

# Project Partners

Local Elected Officials	Local Chief Administrative Officers
Regional and Local Economic Development Staffs	Virginia Economic Development Partnership
GO Virginia	Port of Virginia
Utility/Infrastructure Providers	Local Planning Staff
Real Estate Community	Private Investors/Site Consultants

# Site Readiness Road Map

Raw Land  
Willing Seller  
No Control

Site Controlled  
Comp Plan / Zoned  
Minimal Due Diligence

Master Plan  
Estimated Costs  
Significant Due Diligence

Certifiable Site  
Infrastructure  
Property Issues Cleared

“Ready to Construct”  
Permits in Hand



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also see: [www.vedp.org/vbrsp](http://www.vedp.org/vbrsp)

# Key Takeaways #1

- Lack of Shovel Ready Sites Confirmed
- Certification Reports Complete (25+ Acres)
- Market Evaluations Complete
- Ability to set priorities and maximize project impact to improve readiness.

## Key Takeaways #2

- Investing in site development can make Hampton Roads more competitive for future projects.
- Data from the inventory will allow the region to identify the less costly sites, increasing ROI.
- GOVA Funding: regional collaboration can maximize participation in site development and project wins.
- VEDP Funding: significant increase expected this year.

# Phase One

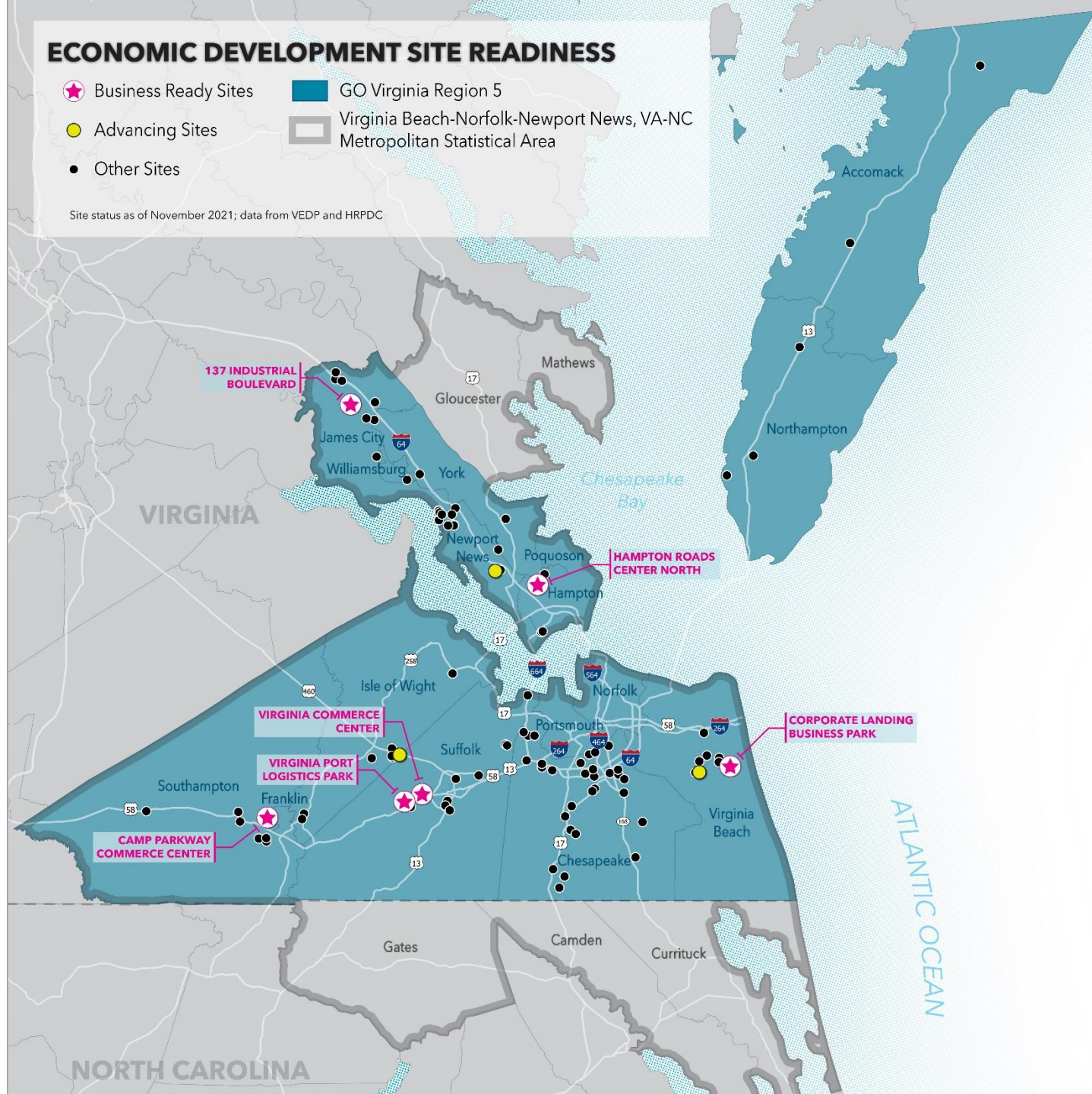
Sites	Acres	Tier	Site Work	GOVA Grant (Sept 2020)	% Complete (DD)
Tech Center: Newport News	64	2 to 4	Due Diligence (DD)	\$51,400	97%
Innovation Park: Virginia Beach	163	2 to 4	Due Diligence + Infrastructure	\$866,900	91%
Shirley T. Holland: Isle of Wight	<u>268</u>	2 to 4	Due Diligence	\$150,500	96%
<i>(Grant Administration)</i>				<u>\$53,440</u>	
<b>Total</b>	<b>495</b>			<b>\$1,122,240</b>	

# Proposed Phase Two

Sites	Acres	Locality	Tier	Site Work	GOVA Grant Request
Three Oaks Industrial Park	83	Chesapeake	2 to 4	Due Diligence + Infrastructure	<u>\$3,480,000</u>
Southampton Commerce & Logistics Center	80	Southampton County	2 to 4	Due Diligence	<u>\$87,900</u>
Beale Farm Properties	<u>202</u>	Southampton County	TBD	Tier Level Study	<u>\$5,000</u>
<i>(Grant Administration)</i>					<u>\$178,645</u>
<b>Total</b>	<b>365</b>				<b>\$3,751,545</b>



Site status as of November 2021; data from VEDP and HRPDC





# **Next Step: Site Development Strategy**

- Revisit/Revise Region's Site Inventory
- Greatest Potential for Job Creation
- Best ROI for Public Expenditures
- Leverage Potential New Funding Sources
- Explore Regional Approaches



## Due Diligence/Soft Costs

Environmental Site Assessment	Geotechnical Survey & Report
Cultural Resources Review	Floodplain Study
Wetlands Delineation	Threatened & Endangered Species Review
Boundary/Topographic Survey	Planning & Zoning

## **Regional Economic Development Initiatives**

- Offshore Wind Supply Chain Opportunities
- Revenue Sharing Model (EVRIFA)
- Restructuring Regional Economic Development
- Economic Development Plans: EGDP & CEDS
- Economic Development Sites Readiness

# Key Milestones

June 2016	GOVA Region 5 funds a regional sites inventory.
October 2018	Reinvent leads a regional site characterization study.
2019	VEDP conducts a state-wide characterization study.
2020/2021	GOVA State Board recommends DHCD/VEDP collaboration.
July 2020	GOVA Region 5 funds site development projects.