

Economic Development Sites Readiness

Community Advisory
Committee

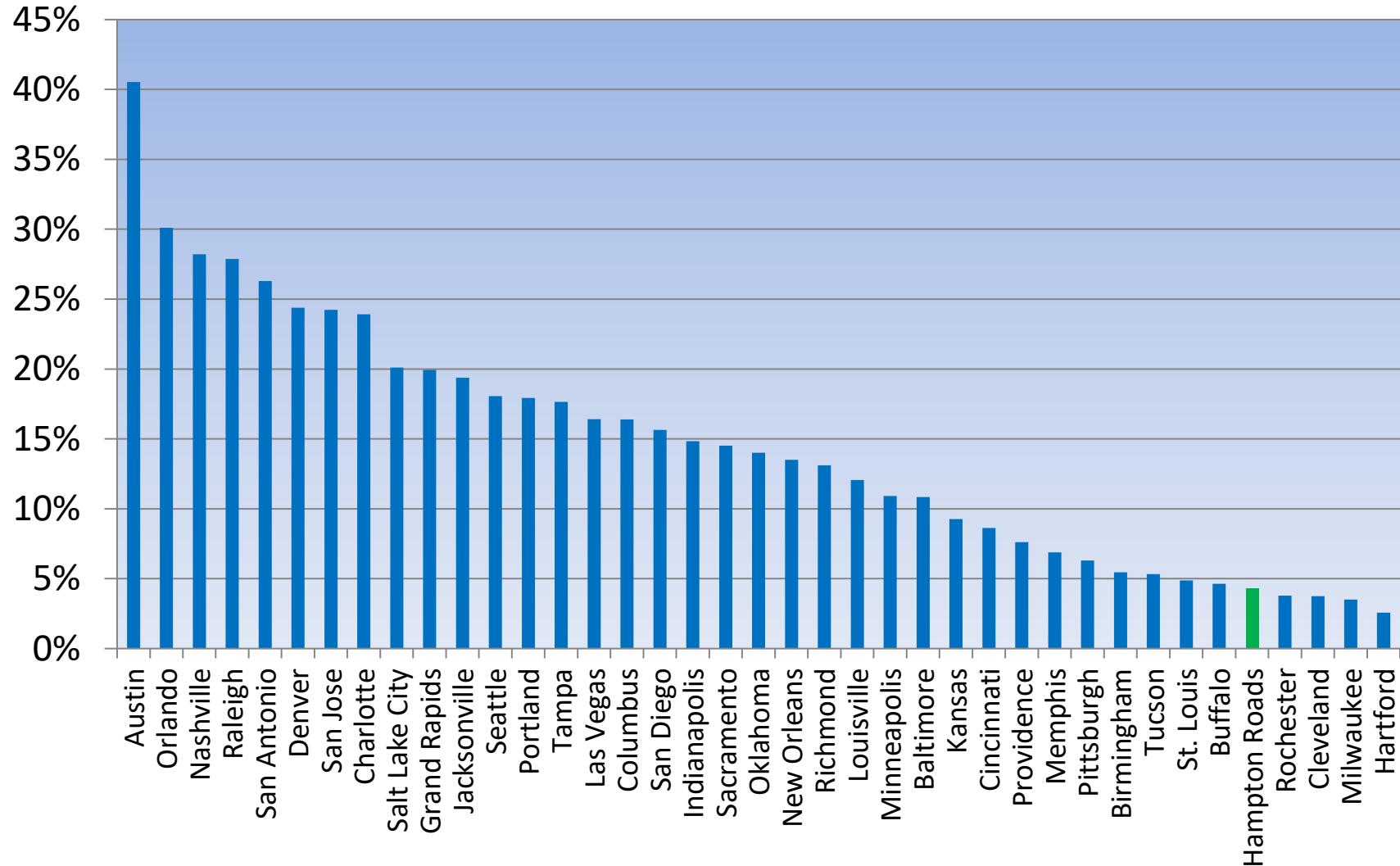
April 14, 2022

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

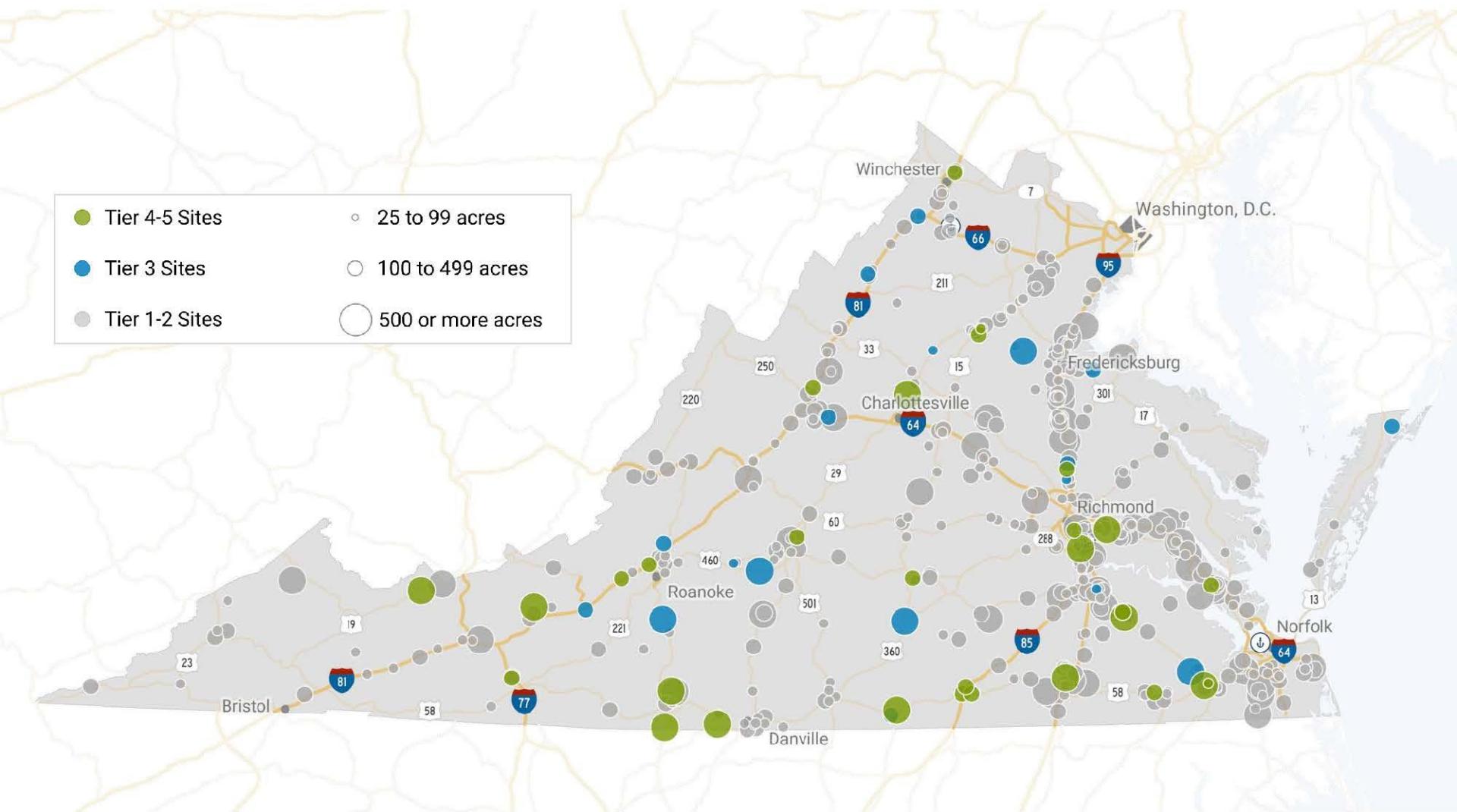
97K+

EST. INDIRECT
AND INDUCED JOBS¹

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

Source: VEDP

NEARLY 90% OF VIRGINIA'S SITES ARE TIER 1 AND 2; ONLY 30 SITES ARE PROJECT-READY¹

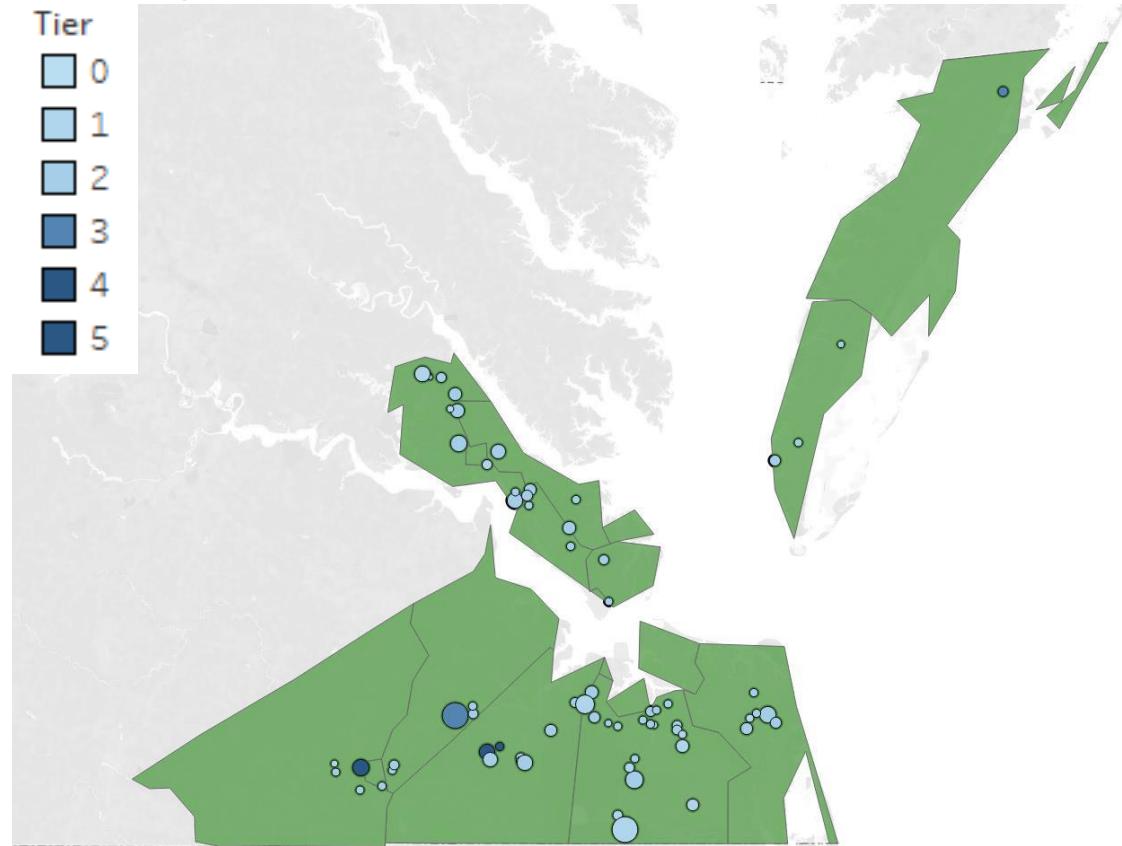


1. Count of project ready sites does not include parcels within a site if the entire site is not project-ready. Parcels within a site that are project ready will continue to be marketed separately from the parent on the VirginiaScan website.

Source: VEDP Enhanced Sites Characterization data; VEDP internal analysis

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

GOVA Region 5 Sites¹



Tier Level	Number of Sites
Tier 4-5	3
Tier 3	2
Tier 2	55
Tier 1	12
Total	72

¹ Counts are based on analysis of full sites or business parks

Source: Enhanced Site Characterization Initiative data, VEDP analysis

Project Partners

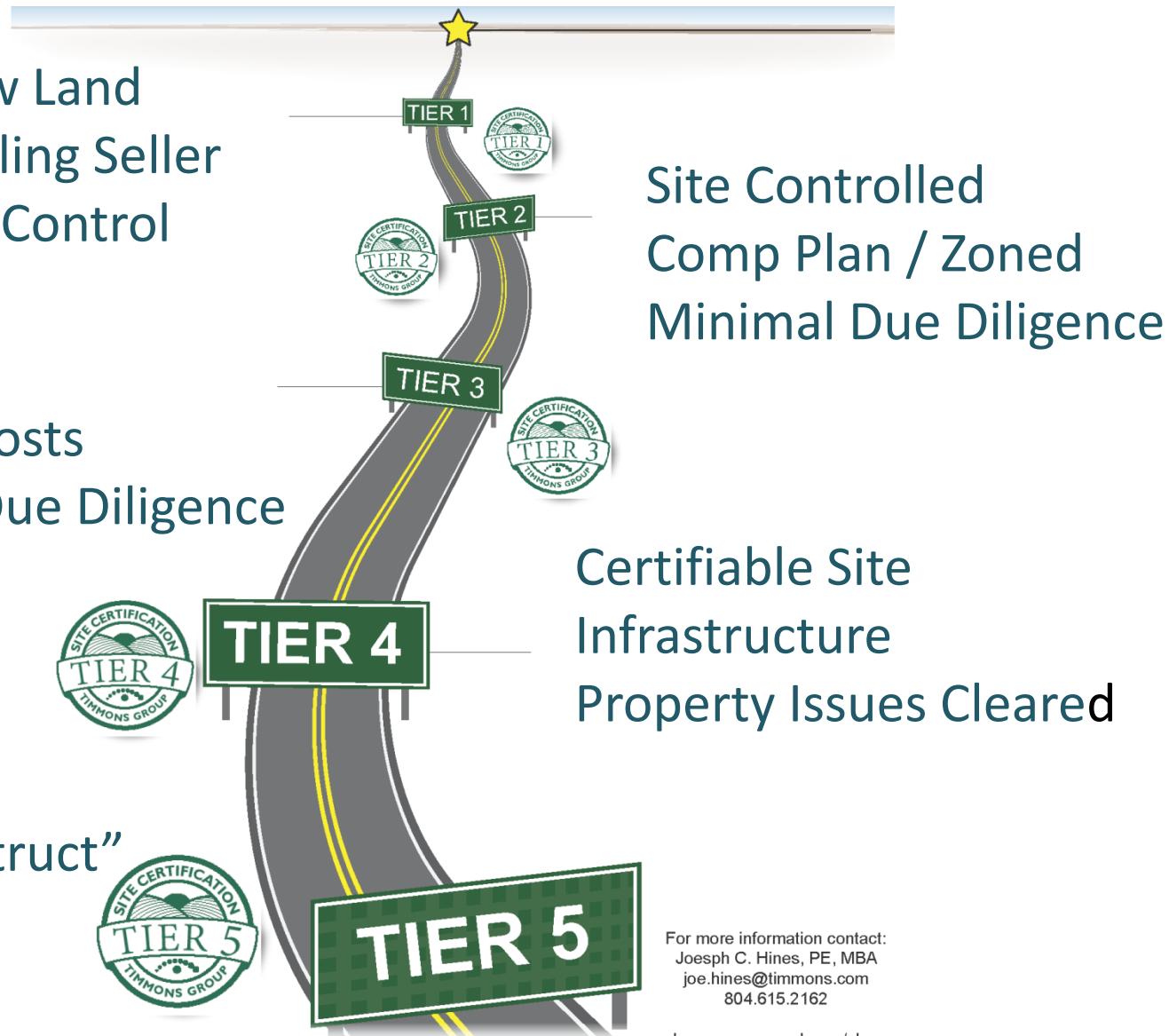
Local Elected Officials	Local Chief Administrative Officers
Regional and Local Economic Development Staffs	Virginia Economic Development Partnership
GO Virginia	Port of Virginia
Utility/Infrastructure Providers	Local Planning Staff
Real Estate Community	Private Investors/Site Consultants

Site Readiness Road Map

Raw Land
Willing Seller
No Control

Master Plan
Estimated Costs
Significant Due Diligence

“Ready to Construct”
Permits in Hand



For more information contact:
Joseph C. Hines, PE, MBA
joe.hines@timmons.com
804.615.2162

also see: 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>	
Total	495			\$1,122,240	

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>
(Grant Administration)					<u>\$178,645</u>
Total	365				\$3,751,545

ECONOMIC DEVELOPMENT SITE READINESS

Business Ready Sites

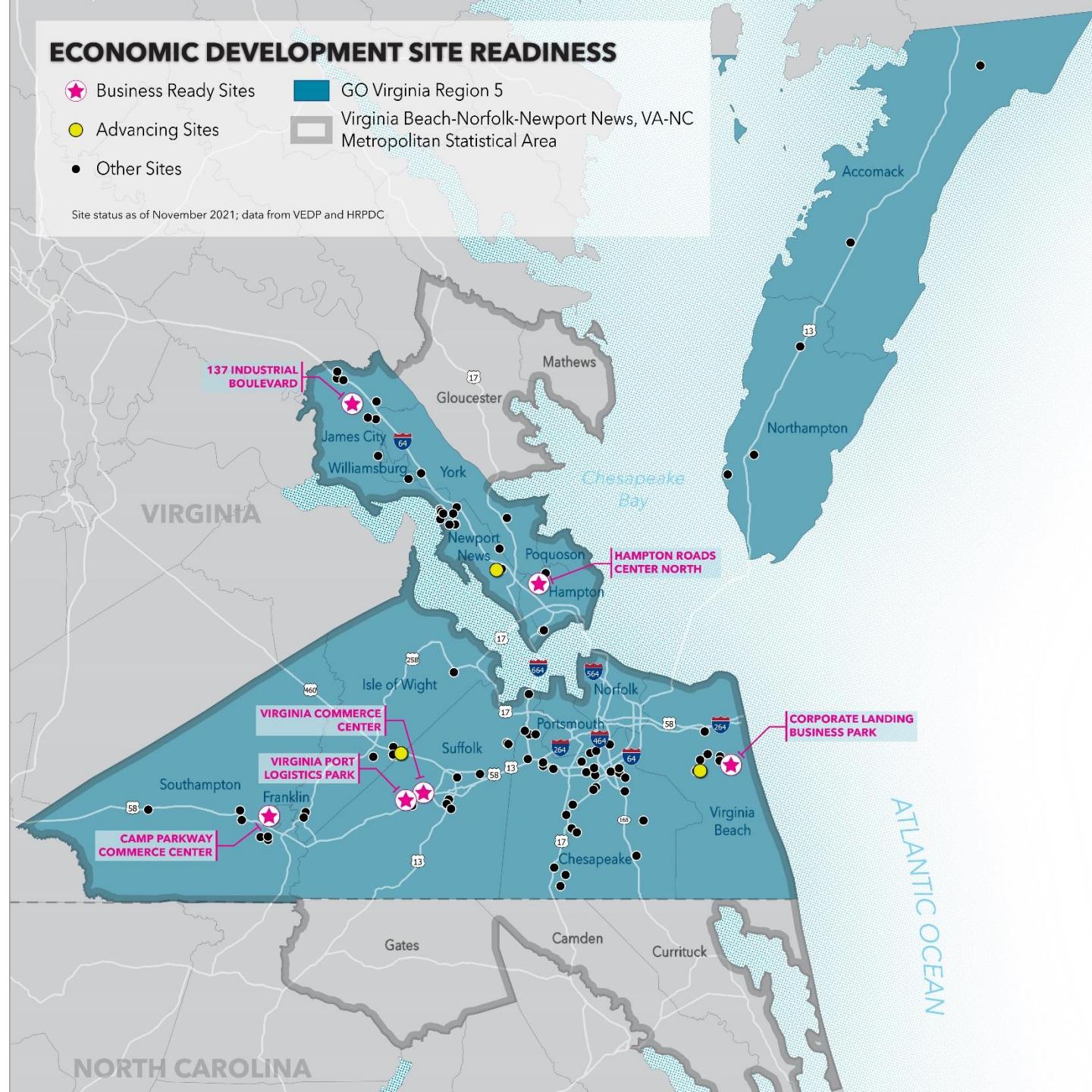
GO Virginia Region 5

● Advancing Sites

Virginia Beach-Norfolk-Newport News, VA-NC
Metropolitan Statistical Area

- Other Sites

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.