REGIONAL COUNCIL 9
SITES TASK FORCE MEETING
MARCH 29, 2021
2:30 PM to 4:00 PM
Zoom Link or Call-In

Due to the COVID crisis this meeting will be held via electronic means details included with this agenda.
*Public Comments are welcome. To submit a public comment form, enclosed, complete the attached form and email to sholland@centralvirginia.org by 7 am the day of this meeting.

AGENDA

1.	**Welcome**	**Ed Dalrymple, Vice-Chair, Region 9 Council**
2.	**Roll Call**	**Shannon Holland, Director**
3.	**Public Comment**	**Ed Dalrymple**
4.	**Approve Prior Meeting Minutes, if any**	**Ed Dalrymple**
5.	**DHCD Site Guidelines Update**	**Helen Cauthen, President, Central Virginia Partnership**
6.	**VEDP Site Characterization Report Overview**	**David Devan, AVP, Economic Competitiveness, VEDP**
7.	**Regional Site Portfolio**	**Shannon Holland Helen Cauthen**
8.	**Develop Recommended Site Grant Prioritization Criteria**	**Ed Dalrymple**
9.	**Other Business**	**Ed Dalrymple**
10.	**Adjourn**	**Ed Dalrymple**

Shannon Holland is inviting you to a scheduled Zoom meeting.

Topic: Sites Task Force Meeting - Reg. 9
Time: Mar 29, 2021 02:30 PM Eastern Time (US and Canada)

Join Zoom Meeting
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Region 9 Council Meeting
PUBLIC COMMENT FORM

Provide your public comments below. These comments will be read during Region 9 Council Meeting for which they are submitted. Simply email completed form as an attachment to sholland@centralvirgina.org with the subject line "Region 9 Meeting Public Comments" and includ the meeting date. Submissions will be accepted until at 7 am on the day of the meeting.

Name: _____

Organization: _____

Email: _____

Comments in the area below:

Working Draft

Virginia Growth and Opportunity Fund (GO Virginia) Regional Site Development Project Guidance

Section I: GO Virginia Program Intent and Regional Site Development

GO Virginia's goal is to facilitate regional collaboration to grow and diversify the economy through supporting projects leading to the creation of more, higher paying jobs through revenue derived from out-of-state sources. Programs and projects recommended by the Regional Councils and approved by the GO Virginia state board shall be consistent with the strategies and targeted industry clusters outlined in the regional growth and diversification plans.

In May 2019, the GO Virginia State Board directed the Department of Housing and Community Development (DHCD) and the Virginia Economic Development Partnership (VEDP) to identify strategies for aligning investments through collaboration between GO Virginia and VEDP's Virginia Business Ready Sites Program (VBRSP). Since both entities share the goal of increasing the number of business-ready sites regionally and statewide, additional site development activities will enhance the Commonwealth's competitive position, and ultimately expand the number of economic development prospects (new and expanding businesses) that choose Virginia.

In 2019, VEDP used VBRSP funds to characterize nearly 500 potential sites across the State to augment the Commonwealth's site inventory and to determine the types of investment to make these sites shovel-ready. The VEDP Site Characterization process scored each property using a 5-level tiered system to show the degree of readiness for economic development. The scoring system, along with a prioritization process guided by VEDP and aligned with each region's Growth and Diversification Plan, should serve as a guide to site investments by GO Virginia. Likewise, GO Virginia site development projects should also be aligned with the Virginia Collaborative Jobs Act, wherever possible.

The GO Virginia State Board approved Board Policy #9 - Use of GO Virginia Funds for Site Development Investments on December 9, 2019, stating that funds may be used for regional site **planning** efforts, as well as regional site development **implementation** activities. Specifically, GO Virginia funding of regional site planning projects should be used to initiate due diligence activities or advance a site to the lower level tiers of the VBRSP scoring system (e.g. 1-3). For site development implementation projects, investments should advance properties towards achieving Tier 4 or 5 status under the Virginia Business Ready Sites Program criteria. Sites that have been previously certified as Tier 4 or 5 may be considered for funding if the applicant can demonstrate that the investment will significantly increase the marketability of the site, as well as position the property for investment and job creation activities.

Board Policy #9 was amended on December 7, 2020, providing for state-funded investments in sites of no less than 25 contiguous acres and, further, allowing privately-owned sites to be

considered for GO Virginia investments if they meet the program requirements. The policy amendment also allows applicants to request a waiver of the 25-acre minimum if they can demonstrate a given, individual site is of regional significance or when development of a given site will precipitate extraordinary regional opportunities. Please refer to the definition of Regionally Significant Sites outlined in Section II for additional information.

The purpose of this administrative guidance is to ensure that the board policy is implemented in a way that is equitable and fair, supportive of rural/urban development strategies, provides clarity, and allows for autonomous decision-making by Regional Councils.

Further, the guidance has been developed to ensure that investment decisions are data-driven, transparent, and result in public investment that encourages alignment of both statewide and regional economic development goals, in order to maximize economic impact within regions and across the Commonwealth while protecting state and local interests.

Section II: Definitions

The following definitions are intended to provide clarity and consistency in review and implementation of Board Policy #9.

Due Diligence (Soft Costs): Due diligence is the process of investigating a parcel (s) of land for its viability and suitability for a particular project. Due diligence includes engineering, architectural or other professional services that assess the risk of undertaking development activities on a given site. Examples of typical due diligence efforts are topographical surveys, environmental site assessments (e.g. Phase 1/Phase 2 ESA), wetlands delineations, structural surveys (existing buildings), cultural and historic resources evaluations, existing infrastructure assessments, and development of preliminary conceptual plans.

Infrastructure Enhancements (Hard Costs): Infrastructure enhancement activities are those directly related to the development or strengthening of "systems" required to support public facilities essential to community and business operations. Examples of infrastructure systems include utility services such as water, wastewater, electricity, natural gas, telecommunications, storm water management facilities, and transportation networks. While buildings from which public services are delivered – such as fire stations, schools, and libraries – are often considered infrastructure, GO Virginia does <u>not</u> fund these types of projects. Similarly, GO Virginia funding of road construction/improvements will generally be limited to internal road systems, such as those typically found in industrial or corporate office parks, since other State programs are available to provide direct access to a given site (e.g. VDOT's Economic Development Access Program).

Previous Site Investments: Site investment and advancement activities recognized by GO Virginia include hard or soft costs expended within the last 24 months by a private land owner, developer, college or university foundation, locality, regional group, planning district commission, or other political subdivision. These investments may be used as matching funds

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for sites development planning or implementation grants requested from GO Virginia, as long as the costs previously incurred are directly related to the site(s) proposed for advancement in the grant application. Additionally, while not necessarily expended on an annual basis, site advancement investments consistently occurring over a five-year period prior to application will also be considered as matching funds. For redevelopment sites, funds spent on the demolition of deteriorated buildings by public or private owners can be used as matching funds, provided the activity has occurred within the last 24 months.

Redevelopment Sites: Redevelopment sites are vacant and deteriorated properties within city or county boundaries whose poor condition creates physical and economic blight to the surrounding area in which the structure is located. These structures are no longer suited for their former purpose and, in their current deteriorated condition, represent a substantial deterrent for future economic opportunity in the surrounding area and region. Sites redeveloped using GO Virginia funds must result in a net gain in the region's employment and average wage levels, not merely a shifting in these metrics from one locality to another.

Regionally Significant Sites: Any property designated as "regionally significant" should possess the following characteristics:

1) Development of the site(s) will facilitate or leverage private sector economic activity that is aligned with the regions' Growth and Diversification Plan (targeted industry sectors), and the creation of jobs that pay higher than the regional average wage.
2) Properties are deemed viable and developable based on the site characterization study conducted by VEDP in 2019, post-2019 site evaluation completed by VEDP, or another recent, comparable independent characterization study done by a qualified firm using the VBRSP criteria. A region may use GO Virginia funds to conduct a site characterization study (Sites Planning Grant) prior to an implementation grant request.
3) Development activities on the site(s) represent meaningful, ongoing collaboration of two or more localities. That collaboration may include one or more of the following:
   - Regional Industrial Facility Authority, or other similar legal structure, that allows for defined cost/revenue sharing in the development of the property;
   - Demonstration of a collective marketing effort of the site by two or more local economic development organizations and/or a regional economic development entity representing the partnering localities;
   - Joint financial contributions in initiatives that would further increase the marketability of the site or the region, such as new workforce development efforts designed to support the industries being targeted in business attraction efforts.
4) Development of the site(s) will support a level of economic activity that will provide regional impact, specifically net gains in targeted sector employment, average wage levels, and revenues coming into the Commonwealth. Concurrence on regional impact may be demonstrated through revenue sharing agreements among partnering localities, public-private partnerships with development entities, or analysis showing that the resulting

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intended use of the property, when fully developed, will create higher paying jobs and generate economic activity that will benefit two or more localities and their residents.

Site Characterization: A tool used by the Virginia Business Ready Sites Program (VBRSP) to assess and designate a site's current level of readiness for economic development activity. A site development professional (e.g. civil engineer, architect, site location or land development consultant experienced with sector-based requirements) evaluates the property to classify the current level of preparedness and existing infrastructure, as well as outlines the additional steps (and estimated costs) required to bring the site to the next level of readiness – i.e. Site Characterization Tier Levels. For more information about Site Characterization, click here.

Site Prioritization: A data-driven decision-making process undertaken by the Regional Council to rank properties to be targeted for development across the region. Whether formal or informal, prioritization of sites should focus on those offering good market position, elevated tier levels (see Site Tier Levels below), and the most cost-effective development strategies. Data used to inform the prioritization process may include Site Characterization reports provided by VEDP (or similar studies), economic impact models, demonstrated and substantial prospect activity (interest) in a given site, as well as prior efforts jointly undertaken by two or more localities to prepare a site(s) for business uses.

Site Tier Levels: A part of the Virginia Business Ready Sites Program (VBRSP) that describes the level of existing development of a potential site. The tiers range from Tier 1 (i.e. little to no prior planning or development activity) to Tier 5 (i.e. ready to go). For more information on Site Tier Levels, click here.

Virginia Business Ready Sites Program (VBRSP): A discretionary program administered by the Virginia Economic Development Partnership (VEDP) to promote development and characterization of sites (containing a minimum of 25 contiguous, developable acres) to enhance the Commonwealth's infrastructure and promote the Commonwealth's competitive business environment. The program's goal is to identify, assess, and improve the readiness of potential industrial sites, using a pre-determined scoring matrix (e.g. Tiers 1-5) around the viability and development opportunities for a given property. For more information on this program, click here.

Section III: Allowable Activities

Regional Site Development Planning

Pursuant to GO Virginia Board Policy #9, funds may be used to support regional site development planning activities. Site planning activities include characterization of properties not fully characterized previously by the Virginia Economic Development Partnership, as well as objective, data-driven site prioritization efforts within a region (e.g. feasibility studies, sector suitability analysis). In addition, planning funds may be used to develop collaborative cost/revenue sharing agreements, define and develop multi-jurisdictional organizational structures (e.g. RIFA), or establish contractual or option agreements with landowners. For site characterization projects,

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applicants should use the criteria and methodology established by VEDP's Business Ready Sites Program to allow for objective, data-drive evaluation of priority sites within a region.

Applicants must demonstrate meaningful outreach and commitment to a planning process that engages a variety of stakeholders, including public and private utility companies, utility cooperatives, local governments, regional planning organizations, and local and regional economic development organizations. The result of this outreach and planning process should enable the Regional Council to make informed decisions in prioritizing sites across the region. In addition to stakeholder outreach and engagement, the planning process should include an inventory of assets, current ownership of the site(s), engineering designs, and cost estimates.

Regional Site Development Implementation

Pursuant to GO Virginia Board Policy #9, regional site development implementation activities include necessary due diligence (soft costs) and infrastructure enhancements (hard costs) that advance a site's readiness for development. Likewise, consideration will be given on a case-by-case basis to public-private partnership activities providing extraordinary regional opportunities, such as those meeting a critical need of the region's targeted industry sectors (e.g. wet lab space).

Funds awarded for implementation grants may NOT be used for property acquisition, construction of speculative buildings, or demolition of existing buildings. Site enhancements benefitting only a single, known end-user will be considered for multi-tenant projects providing pad-ready sites or leasable space for more than one business in the region's targeted sectors, such as a biotech hub or co-location data center operation.

Section IV: Site Development Application Process

All applications must describe activities that lead to the development of regionally significant sites - those identified by Regional Councils as priority and aligned to support industry sectors in their Growth and Diversification Plans. All projects must include collaboration of at least two localities with efforts to jointly contribute to the project through cost/revenue sharing, collaborative marketing efforts, joint workforce[DS(1)][FM2] development activities and/or other partnerships or agreements, such as Regional Industrial Facility Authorities (RIFAs).

Recognizing the importance of partnerships in economic development activities, the GO Virginia Board will consider investments in publicly or privately-owned properties for both greenfield and redevelopment activities being led by the Regional Council when the following are met[DS(3)][FM4]:

1) Sites have been reviewed and prioritized relative to the region's total portfolio of available sites using an objective, data-driven process that assesses each site's location competitiveness and developability, such as that which was used in the statewide site characterization study conducted by VEDP in 2019. If requesting funding for a site that was NOT included in the characterization study or has not been independently reviewed using a similar methodology, an applicant may request funds to support the strategic sites

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prioritization (i.e. Sites Planning Grant). Likewise, VEDP will support and/or assist with characterization of other sites not previously studied.

2) The site characterization reports, including those completed by VEDP in 2019 and provided to each locality or similar evaluation, for any property being advanced has been reviewed by the applicant's Regional Council[DS(5][FM6], allowing for objective, data-centric evaluation of the site;

3) Previous site advancement activities and investments have consistently occurred over the five years prior to the submission of an application, by public or private entities, on at least an every other year basis;

4) Site development projects on privately owned properties require a contractual agreement between the local governing body, economic development authority (EDA or IDA), or RIFA and the owner of record of the land. The agreement should be more than a memorandum of understanding, clearly outlining the commitments of all parties in marketing and developing the site(s). Specifically, the agreement should: grant access to the property for evaluation/study purposes, state the intended commercial or industrial use, and define the maximum per acre price the landowner will charge an interested buyer. Where possible, the agreement should also stipulate any necessary, future restrictions that may be placed on the sites to ensure they will remain zoned for commercial and industrial uses as specified in the Region's Growth & Diversification Plan;

5) For large-scale, multi-year site development projects, a conceptual plan or publicly-approved Capital Improvements Program (CIP) plan should be provided to demonstrate both prior and future year investments being directed to the site(s), as well as documentation of any funding to-date;

6) For site development projects leading to Tier 4 or 5 characterization, a return on investment[DS(7] (ROI) analysis, such as the existing model used by GO Virginia, should accompany the application. The analysis should estimate the projected employment levels, wages, and State tax revenues expected to be generated from the site(s) when fully developed. Additionally, a timeline of efforts that will be undertaken to secure a targeted sector user within three years or enhance attractiveness of the site(s) to the desired end users should be provided. This may include local government actions needed to modify tax structures, development of new incentive programs, public-private partnerships, or focused marketing campaigns;

7) For site development projects leading to Tier 1-3 characterizations, a formal ROI analysis is not required; however, supporting documentation outlining the following must be provided: 1) additional, usable acreage that will be made available for business uses, 2) industry sectors being targeted for these sites, 3) activities that will be jointly undertaken by participating localities and/or the regional EDO to market or support the advancement of the site(s) and the timeframe for doing so (not to exceed 36 months), 4) a plan outlining future activities to advance the site to Tier 4 or 5 status.

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8) GO Virginia investments in site development implementation projects should begin to demonstrate favorable outcomes within 7-10 years of project close-out, depending on the scale of the project; however, in order to minimize GO Virginia's involvement in any requisite/future collection efforts, repayment[DS(8] of State funds for unrealized or underperforming site advancement projects (e.g. "claw-backs") should be agreed upon and clearly defined in the contractual agreement mentioned in item 4 above (or via a similar legally-binding document). When necessary, the source of repayment of GO Virginia funds can be either public and private funds as agreed to and specified in the contractual agreement, including shared repayment by participating localities, their EDA/IDA, private land owner or developer, or a combination thereof.

Regional Site Development Planning

Applicants requesting funds for regional site development planning activities must complete the Regional Site Development Planning Grant Application, included in this guidance as Attachment A.

Regional Site Development Implementation

Applicants requesting funds for regional site development implementation activities must complete the Regional Site Development Implementation Grant Application, included in this guidance as Attachment B.

Statewide Competitive Site Development Implementation

Applicants will be required to provide a completed Statewide Competitive Sites Development Implementation Grant Application, included in this guidance as Attachment C.

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WORKING DRAFT

SITE DEVELOPMENT: GOVA REGION 9

March 29, 2021

VEDP Virginia Economic Development Partnership VEDP.org

WORKING DRAFT

VEDP'S ENHANCED SITE CHARACTERIZATION INITIATIVE IS FOCUSED ON SITE DEVELOPMENT

- Over the course of 2019, VEDP engaged with over 1000 stakeholders to complete the Enhanced Site Characterization Initiative. The initiative had two primary objectives:
  - Understand the current state of development of Virginia's sites
  - Identify sites with high-potential for additional development
- The results of the study are meant to be used by economic development partners to prioritize sites for development and generate support for specific site development plans
- This information:
  - **IS NOT** a site selection tool for RFI responses
  - **IS NOT** meant to replace the decision making process for site development funding
- We understand some of this information may have changed since the study was conducted and we depend on local and regional partners to provide the updated information

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

Today's focus

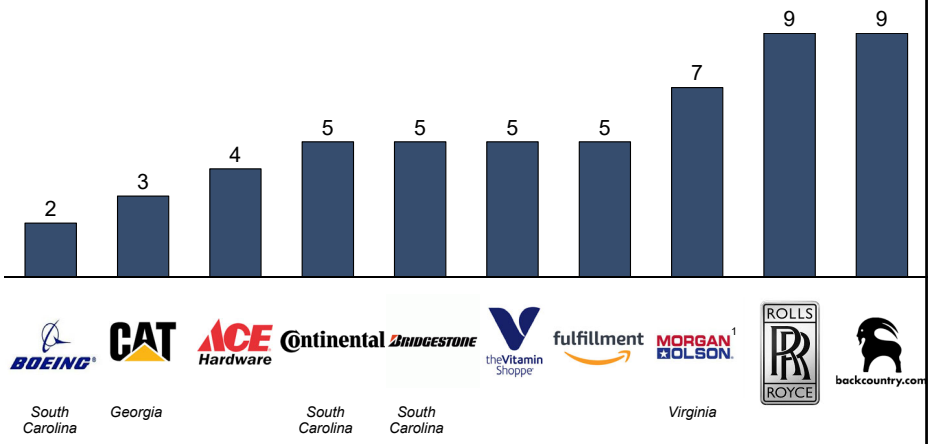
What businesses look for in a location

World-class talent	A place brimming with high-quality, hard-working workforce
Suitable sites & buildings	A place with locations 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

WORKING DRAFT

MAJOR PROSPECTS HAVE SHORT TIME LINES AND EXPECT TO START BUILDING IMMEDIATELY, REQUIRING UP-FRONT INVESTMENT

Timelines for project announcements
Initial contact to announcement, months



1. Morgan Olson required an existing building, rather than a project-ready site
Source: Timmons Group presentation, VEDP Projects

TIMMONS GROUP
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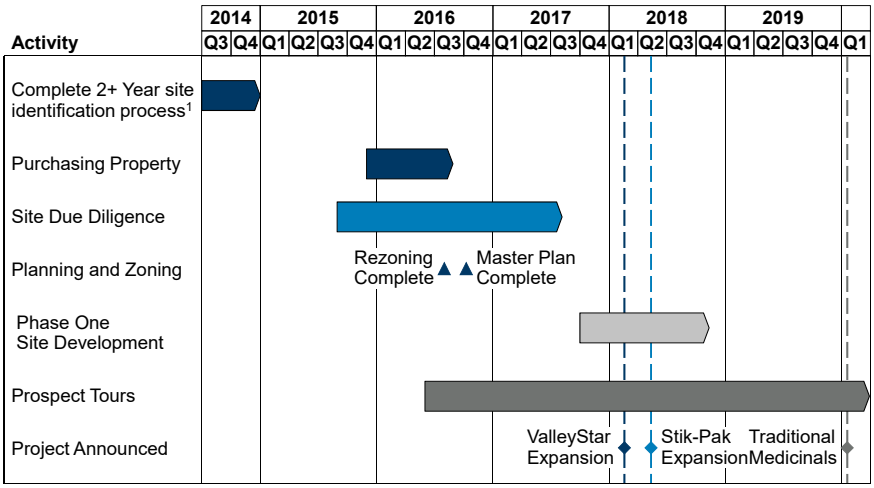
GIVEN THE TIMELINES ASSOCIATED WITH SITE DEVELOPMENT INVESTMENT IS NEEDED NOW TO GENERATE FUTURE RETURNS

Summit View Business Park: an example of site development success



1. The process of identifying a new site in Franklin County began in June of 2012. Identifying potential sites can be a multi-year process.

Source: Michael Burnette, Franklin County Economic Development Director

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THE LACK OF READY SITES IS ONE OF THE MOST COMMON REASONS VIRGINIA HAS LOST PROJECTS IN THE LAST 4 YEARS

- Over the last decade, Virginia has missed out on tens of thousands of jobs and billions of dollars in capital investment due to a lack of prepared sites
- From July 2016 – December 2020, the lack of suitable, developed sites and buildings resulted in Virginia being eliminated from consideration for at least **36** projects representing more than **15,000** forgone jobs and over **$5B** in capital investment
- These figures do not capture other projects (and associated jobs / capital investment) that did not even consider Virginia due to perceived lack of sites and buildings

Source: Internal VEDP data

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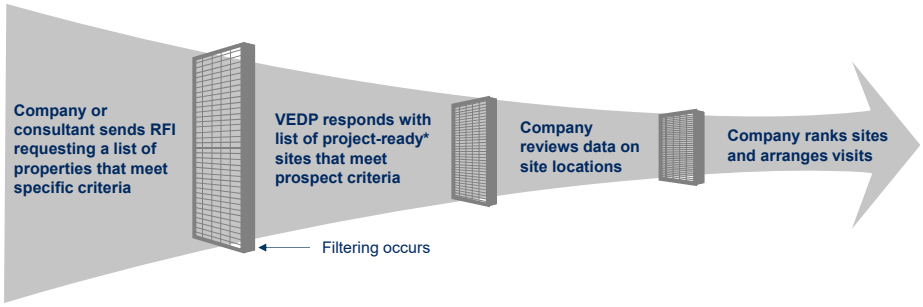
WITHOUT PROJECT-READY SITES, REGION 9 MAY NOT BE ABLE TO COMPETE FOR GREENFIELD ECONOMIC DEVELOPMENT PROJECTS

ILLUSTRATIVE



Companies and consultants rely on VEDP to only provide a list competitive sites that meet their criteria. Without project-ready sites, GOVA 9 would be far less competitive for projects

* VEDP does recommend Tier 2 & 3 sites but these sites are less competitive than Tier 4 and 5 sites.

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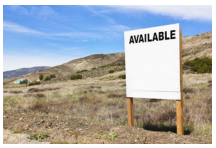
THE VBRSP TIER SYSTEM WAS CREATED TO ASSIST IN IDENTIFYING SITES THAT ARE MORE PREPARED AND MORE COMPETITIVE

Raw land	Tier 1-2	Tier 3	Tier 4-5
			
▪ Raw land identified for development and marketing to prospects	▪ Site controlled for marketing and development	▪ Zoned industrial/ commercial, due diligence completed	▪ "Project-ready" ▪ Infrastructure can be in place within 12-18 months

Chances of winning a project increase

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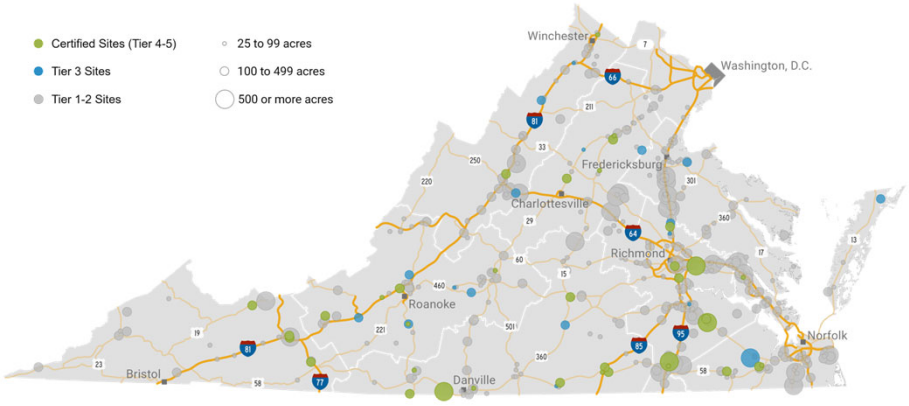
NEARLY 90% OF VIRGINIA'S SITES IN THE 2019 STUDY REQUIRED SIGNIFICANT INVESTMENT TO BE PROJECT-READY



- 71% of sites included in the Characterization Initiative were privately owned
- Four parcels (subsets of sites) were previously characterized as project-ready and two sub-25 acre sites were project-ready

Source: VEDP Enhanced Sites Characterization data; VEDP internal analysis

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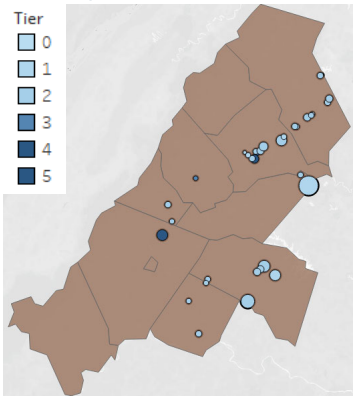
APPROXIMATELY 90% OF GOVA REGION 9 SITES REQUIRE ADDITIONAL INVESTMENT TO ATTRACT PROJECTS

GOVA Region 9 Sites[1]



Tier Level	<100 Acres	>=100 Acres	Total
Tier 4-5	1	2	3
Tier 3	1	1	2
Tier 2	20	4	24
Tier 1	4[2]	0	4[2]
Total	**26[2]**	**7**	**33[2]**

1 Counts are based on analysis of full sites or business parks included in the Initiative, updated based on VA Scan
2. Fluvanna has an additional Tier 1 site that was added to the Initiative after the 466 sites were analyzed
Source: Enhanced Site Characterization Initiative data, VA Scan, VEDP analysis

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SITE DEVELOPMENT SHOULD SUPPORT YOUR STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT

A rough framework for determining if site development is right for your region

- ✓ Develop a strategic plan for economic development
  - Your plan should include target industries and job growth goals
- ✓ Determine if sites are integral to attracting companies in your target industries
  - GOVA 9's target industries include light manufacturing and food & beverage manufacturing: companies will be looking for project-ready sites
- ✓ Determine if you have enough project-ready sites to meet your goals
  - Are your sites ready for a company to start building their facility? (Some)
- ? If not, make investments in site readiness
  - Evaluate the attractiveness of your investment options based on your goals
  - Some sites will have unique attributes that make them best suited to attracting companies in your target industries

The goal of VEDP's Site Development Initiative is to collaborate with localities to make strategic investments in site development.

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VEDP EVALUATED SITES IN THE STUDY ALONG TWO DIMENSIONS TO DETERMINE TOP CANDIDATES FOR INVESTMENT

Site factors

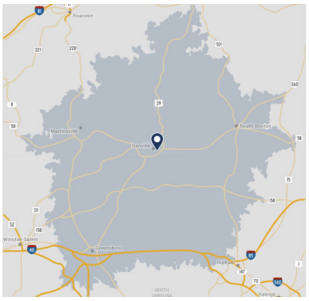
Including but not limited to:

- Acreage
- Power
- Natural gas
- Water / sewer
- Topography

Location factors

Including but not limited to:

- Talent availability
- Labor quality
- Labor cost
- Quality of life
- Taxes



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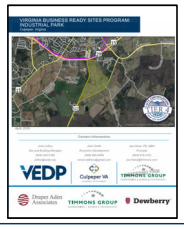
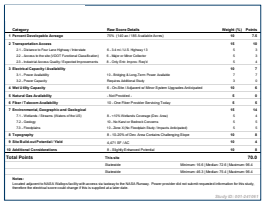
FINAL DELIVERABLES INCLUDE FOUR DISTINCT PIECES OF INFORMATION FOR EACH OF THE 466 SITES

Individual site characterization reports



Informs

Site developability score

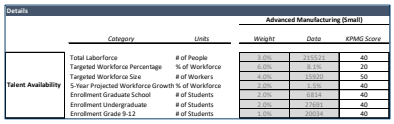


Category	Raw Score Details	Weight (%)	Points
1 Power Developable Average	500, 2 GW or 1 GW, Available Survey	10	10
2 Transportation Scores		10	10
2.1 - Distance to Four Lane Highway / Interstate	0 - 3.2 mi / U.S. Highway 1 S	5	5
2.2 - Access to the site (VDOT Functional Classification)	0 - Major or Minor Collector	5	5
2.3 - Industrial Access Quality (Proposed Improvements)	0 - Only One Access Road	5	5
3 Electrical Capacity / Availability		10	7
3.1 - Power Availability	10 - Bridging & Long Term Power Available	7	7
3.2 - Power Capacity	Requires Additional Study	3	0
4 Wet Utility Capacity	0 - On-Site / Adjacent or Minor System Upgrades Anticipated	10	0
5 Natural Gas Availability	- Not Provided -	0	0
6 Fiber / Telecom Availability	10 - Over Fiber Provider Servicing Today	0	0
7 Environmental, Geographic and Geological		10	10
7.1 - Wetlands / Streams (Waters of the US)	0 - >15% Wetlands Coverage (Con. Area)	5	5
7.2 - Geology	10 - No Karst or Blatant Concerns	5	5
7.3 - Floodplains	0 - >25% Site in 100 Year Floodplain (Neg. Impacts Anticipated)	5	0
8 Topography	0 - >25.25% of Con. Area Contains Challenging Slope	10	0
9 Site Build-out Potential / Yield	4,271 SF / AC	10	9
10 Additional Considerations	0 - Slightly Enhancers Potential	10	0
Total Points	**Site-wide**		**70.0**
	Statewide	Minimum: 55.0 | Median: 72.0 | Maximum: 89.0	
	Statewide	Minimum: 20.0 | Median: 70.0 | Maximum: 89.0	

Notes:
Site is adjacent to NASCA Phillips facility with access via railway to the NASCA Raceway. Power provider did not submit requested information for this study, therefore the electrical score could change if this is supplied at a later date.

Study ID: 397-247997

Location competitiveness data

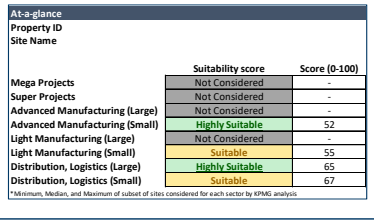


Details

	Category	Units	Advanced Manufacturing (Small) Weight	Data	KPMG Score
Talent Availability	Total Laborforce	# of People	5.0%	215521	40
	Targeted Workforce Percentage	% of Workforce	5.0%	8.1%	20
	Targeted Workforce Size	# of Workers	4.0%	15920	50
	5-Year Projected Workforce Growth	% of Workforce	2.0%	1.5%	40
	Enrollment Graduate School	# of Students	2.0%	5814	40
	Enrollment Undergraduate	# of Students	2.0%	27691	40
	Enrollment Grade 9-12	# of Students	1.0%	20034	40

Informs

Sector suitability



At-a-glance
Property ID
Site Name

	Suitability score	Score (0-100)
Mega Projects	Not Considered	-
Super Projects	Not Considered	-
Advanced Manufacturing (Large)	Not Considered	-
Advanced Manufacturing (Small)	Highly Suitable	52
Light Manufacturing (Large)	Not Considered	-
Light Manufacturing (Small)	Suitable	55
Distribution, Logistics (Large)	Highly Suitable	65
Distribution, Logistics (Small)	Suitable	67

* Minimum, Median, and Maximum of subset of sites considered for each sector by KPMG analysis

SITE CHARACTERIZATION REPORTS

WORKING DRAFT

ENGINEERS GATHERED DATA AND PREPARED DETAILED REPORTS FOR ALL PREVIOUSLY UNCHARACTERIZED SITES

Each characterization report includes:

Report cover

Tier certification letter

Site summary
- Site background and history
- Wet utilities (water and sewer)
- Dry utilities (electricity, natural gas, and fiber)
- Transportation and access issues

Site readiness roadmap
- Steps to achieve up to Tier 3

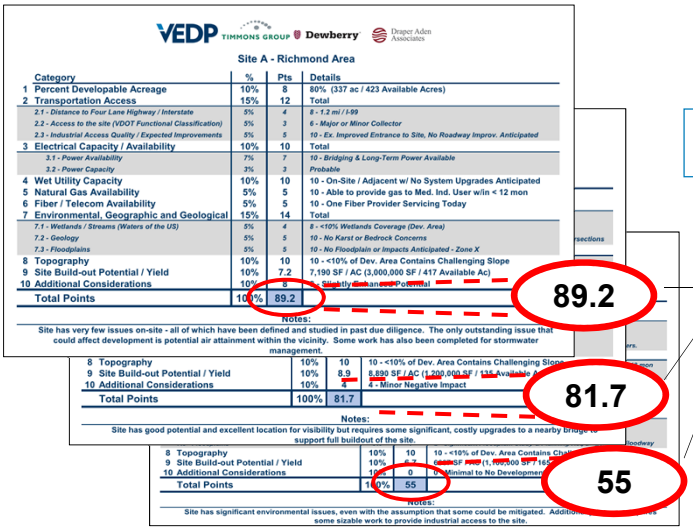
Exhibits
- Aerial and environmental
- Utilities
- All constraints mapping
- Site schematic build-out

Each report is a 'snapshot in time' based on readily available information, much like a financial statement or audit

SITE DEVELOPABILITY SCORES

WORKING DRAFT

THE SITE DEVELOPABILTY REPORT TURNS THE DATA FROM THE CHARACTERIZATION INTO A SCORE - ALL SITES RECEIVED A SCORE



VEDP TIMMONS GROUP Dewberry Draper Aden Associates

Site A - Richmond Area

	Category	%	Pts	Details
1	Percent Developable Acreage	10%	8	80% (337 ac / 423 Available Acres)
2	Transportation Access	15%	12	Total
	2.1 - Distance to Four Lane Highway / Interstate	5%	4	8 - 1.2 mi / I-99
	2.2 - Access to the site (VDOT Functional Classification)	5%	3	6 - Major or Minor Collector
	2.3 - Industrial Access Quality / Expected Improvements	5%	5	10 - Ex. Improved Entrance to Site, No Roadway Improv. Anticipated
3	Electrical Capacity / Availability	10%	10	Total
	3.1 - Power Availability	7%	7	10 - Bridging & Long-Term Power Available
	3.2 - Power Capacity	3%	3	Probable
4	Wet Utility Capacity	10%	10	10 - On-Site / Adjacent w/ No System Upgrades Anticipated
5	Natural Gas Availability	5%	5	10 - Able to provide gas to Med. Ind. User w/in < 12 mon
6	Fiber / Telecom Availability	5%	5	10 - One Fiber Provider Servicing Today
7	Environmental, Geographic and Geological	15%	14	Total
	7.1 - Wetlands / Streams (Waters of the US)	5%	4	8 - <10% Wetlands Coverage (Dev. Area)
	7.2 - Geology	5%	5	10 - No Karst or Bedrock Concerns
	7.3 - Floodplains	5%	5	10 - No Floodplain or Impacts Anticipated - Zone X
8	Topography	10%	10	10 - <10% of Dev. Area Contains Challenging Slope
9	Site Build-out Potential / Yield	10%	7.2	7,190 SF / AC (3,000,000 SF / 417 Available Ac)
10	Additional Considerations	10%	8	Slightly Enhance Potential
	Total Points	100%	89.2	

Notes:
Site has very few issues on-site - all of which have been defined and studied in past due diligence. The only outstanding issue that could affect development is potential air attainment within the vicinity. Some work has also been completed for stormwater management.

8	Topography	10%	10	10 - <10% of Dev. Area Contains Challenging Slope
9	Site Build-out Potential / Yield	10%	8.9	8,890 SF / AC (1,200,000 SF / 135 Available Ac)
10	Additional Considerations	10%	4	4 - Minor Negative Impact
	Total Points	100%	81.7	

Notes:
Site has good potential and excellent location for visibility but requires some significant, costly upgrades to a nearby bridge to support full buildout of the site.

8	Topography	10%	10	10 - <10% of Dev. Area Contains Challenging Slope
9	Site Build-out Potential / Yield	10%	6.2	[illegible]
10	Additional Considerations	10%	0	0 - Minimal to No Development
	Total Points	100%	55	

Notes:
Site has significant environmental issues, even with the assumption that some could be mitigated. Additional [illegible] some sizable work to provide industrial access to the site.

89.2

81.7

55

Developability score is independent of tier level

A unique site evaluation score allows sites to be compared within a region or service territory, by size and by industry

SITE DEVELOPABILITY SCORES

WORKING DRAFT

THE DEVELOPABILITY SCORE WAS DEVELOPED WITH INPUT FROM THE SITES ADVISORY GROUP

Sites Advisory Group Participants

Jim Noel, VEDA Representative (Local)

Linda Green, VEDA Representative (Regional)

Faith McClintic, GO Virginia Region 8

Chris Lloyd, GO Virginia Foundation

Matt Weaver, Department of Housing and Community Development

Kent Hill, Dominion Energy

John Smolak, American Electric Power

David Hudgins, Old Dominion Electric Cooperative

George Faatz, Virginia Natural Gas

Todd House, Washington Gas

Gina Slaunwhite, Columbia Gas

Russ Held, Port of Virginia

Amanda Nesmith, Norfolk Southern

Scott Cox, CSX

Jeff Steers, Virginia Department of Environmental Quality

Ronique Day, Office of Intermodal Planning and Investment

Tim Pfohl, Tobacco Region Revitalization Commission

Ray Lamura, Virginia Cable Telecommunications Association

Tad Deriso, Mid-Atlantic Broadband Communities Corporation

Phil Abraham, Virginia Association for Commercial Real Estate

Jenny Carter, Virginia Community College System

Jeff Merriman, Verizon

Lang Williams, Colliers International (Hampton Roads)

John Lesinski, Colliers International (Winchester)

David Williams, Commonwealth Commercial (Greater Richmond)

Matt Anderson, Colliers International

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SITE DEVELOPABILITY SCORES

WORKING DRAFT

THE SITE DEVELOPABILITY REPORT EVALUATES THE SITE ACROSS TEN FACTORS RELATED TO COST AND TIMELINE OF DEVELOPMENT

Higher scores reflect that the site is more attractive from a development perspective

Criteria	Weight
1. Percent Developable Acreage	10%
2. Transportation Access	15%
3. Electrical Capacity/Availability	10%
4. Wet (Water & Sewer) Utility Capacity	10%
5. Natural Gas Availability	5%
6. Fiber / Telecom Availability	5%
7. Environmental, Geographic & Geological Features	15%
8. Topography	10%
9. Site Build-out Potential / Yield	10%
10. Additional Considerations / Intangibles	10%
Total	**100%**

TIMMONS GROUP Dewberry Draper Aden Associates VEDP | 19

SITE DEVELOPABILITY SCORE

WORKING DRAFT

SITES' DEVELOPABILITY CAN BE COMPARED TO OTHER SITES IN THE REGION OR STATEWIDE

VEDP TIMMONS GROUP Dewberry Draper Aden Associates

Category	Raw Score Details	Weight (%)	Points
1 Percent Developable Acreage	64% (52 ac / 83 Available Acres)	**10**	**6.4**
2 Transportation Access		**15**	**14**
2.1 - Distance to Four Lane Highway / Interstate	10 - 0.2 mi	5	5
2.2 - Access to the site (VDOT Functional Classification)	8 - Minor Arterial	5	4
2.3 - Industrial Access Quality / Expected Improvements	10 - Ex. Improved Entrance - No Improv. Anticipated	5	5
3 Electrical Capacity / Availability		**10**	**10**
3.1 - Power Availability	10 - Bridging & Long-Term Power Available	7	7
3.2 - Power Capacity	Probable	3	3
4 Wet Utility Capacity	10 - On-Site / Adjacent w/ No System Upgrades Anticipated	**10**	**10**
5 Natural Gas Availability	8 - Able to Supply Med. Ind. User in 12-24 mon	**5**	**4**
6 Fiber / Telecom Availability	8 - One Fiber Provider Can Service in <6 months	**5**	**4**
7 Environmental, Geographic and Geological		**15**	**14**
7.1 - Wetlands / Streams (Waters of the US)	10 - No Wetlands Concern	5	5
7.2 - Geology	8 - <10% of Dev. Area has Bedrock Concerns	5	4
7.3 - Floodplains	10 - Zone X (No Floodplain Study / Impacts Anticipated)	5	5
8 Topography	10 - <10% of Dev. Area Contains Challenging Slope	**10**	**10**
9 Site Build-out Potential / Yield	8,060 SF / AC	**10**	**8**
10 Additional Considerations	6 - Normal	**10**	**6**
Total Points		**100%**	**86.4**
State-wide Comparison	Minimum: 16.6 | Median: 72.6 | Maximum: 96.4		
GOVA Region Comparison	Minimum: 34.7 | Median: 72.8 | Maximum: 96.4		

Notes:

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LOCATION COMPETITIVENESS REPORT

WORKING DRAFT

KPMG'S SITE SELECTION TEAM EVALUATED EACH LOCATION IN THE STUDY FOR SUITABILITY ACROSS EIGHT DIFFERENT PROJECT TYPES

Criteria	Mega Project	Super Project	Advanced Manufacturing (Large Scale)	Advanced Manufacturing (Small Scale)	Light Manufacturing (Large Scale)	Light Manufacturing (Small Scale)	Distribution & Logistics (Large Scale)	Distribution & Logistics (Small Scale)
Example Industries	Automotive OEM	Automotive Parts Manufacturer, Aerospace & Defense	Advanced Materials, Aerospace & Defense	Advanced Materials, Aerospace & Defense	Food & Beverage Processing, Wood Products	Food & Beverage Processing, Wood Products	Logistics / Distribution, Online Retailer	Logistics / Distribution, Online Retailer
Site Characteristics								
Contiguous Acreage	>=1,000	>=500	>=150	>0	>=150	>0	>=50	>0
Employment Characteristics								
Total Workforce Threshold	NA	>100,000	>40,000	>10,000	>40,000	>10,000	>100,000	>10,000
Drive Time Data Capture	60 Min	60 Min	45 Min	30 Min	45 Min	30 Min	45 Min	30 Min

KPMG

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LOCATION COMPETITIVENESS REPORT

WORKING DRAFT

THE LOCATION COMPETITIVENESS SCORES ARE CALCULATED BY SECTOR AND FORCE RANK SITES AGAINST EACH OTHER

Criteria	Weight
Talent availability	10-35%
Labor quality	5-20%
Labor cost	20-40%
Transportation	5-35%
Quality-of-life	5-20%
Industry compatibility	5-10%
Taxes	5%
Total	**100%**

KPMG's Scoring Methodology

Each criteria is force ranked on a 0-100 scale.

Criteria include:

- Talent availability
  - Total laborforce and projected laborforce growth
  - Targeted workforce size and percentage of total
  - Graduate, undergraduate, and high school enrollment
- Labor quality
  - Degree attainment
- Labor cost
- Transportation
  - Proximity to roadways, ports, and airports
- Quality-of-life
  - Median and discretionary income
  - Median home value
  - Average commute time
- Industrial compatibility
  - Attainment status
  - Natural disaster risk
- Taxes

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SECTOR SUITABILITY INFORMATION

WORKING DRAFT

SITES' SECTOR SUITABILITY CAN BE COMPARED TO OTHER SITES IN THE REGION OR STATEWIDE

Sector Suitability Definitions

- **Not Considered:** Site did not meet gating criteria for sector
- **Highly Suitable:** Site is in top 25% of locations considered
- **Suitable:** Site falls between the 50th and 75th percentile
- **Below Median:** Site is below the median

At-a-glance

Property ID	555-55555
Site Name	Art Vandelay Site
Contig. Acreage	
Locality	

	Score (0-100)
Mega Projects	-
Super Projects	-
Advanced Manufacturing (Large)	60
Advanced Manufacturing (Small)	52
Light Manufacturing (Large)	61
Light Manufacturing (Small)	56
Distribution, Logistics (Large)	64
Distribution, Logistics (Small)	68

GOVA Region 4 - Range of Scores

Suitability (GOVA)[1]	Minimum[2]	Median[2]	Maximum[2]
Not Considered	48	50	53
Not Considered	42	53	56
Highly Suitable	44	56	60
Highly Suitable	40	49	58
Highly Suitable	44	58	61
Highly Suitable	42	51	66
Suitable	47	63	75
Highly Suitable	48	65	80

Statewide Range of Scores

Suitability (State)[1]	Minimum[2]	Median[2]	Maximum[2]
Not Considered	35	49	56
Not Considered	34	48	56
Highly Suitable	40	53	63
Suitable	36	50	64
Highly Suitable	37	55	69
Suitable	33	53	72
Suitable	37	62	75
Suitable	40	65	82

1. Sector suitability categories are defined as follows: "Suitable" falls within the 50th and 75th percentile of scores amongst sites that meet KMPG's gating criteria (e.g., acreage and workforce minimums); "Highly Suitable" falls above the 75th percentile
2. Minimum, Median, and Maximum of subset of sites considered for sector suitability by GOVA analysis

Individual site score is measured against the range (min, med, max) of scores by sector across the state and GOVA region to provide sector suitability

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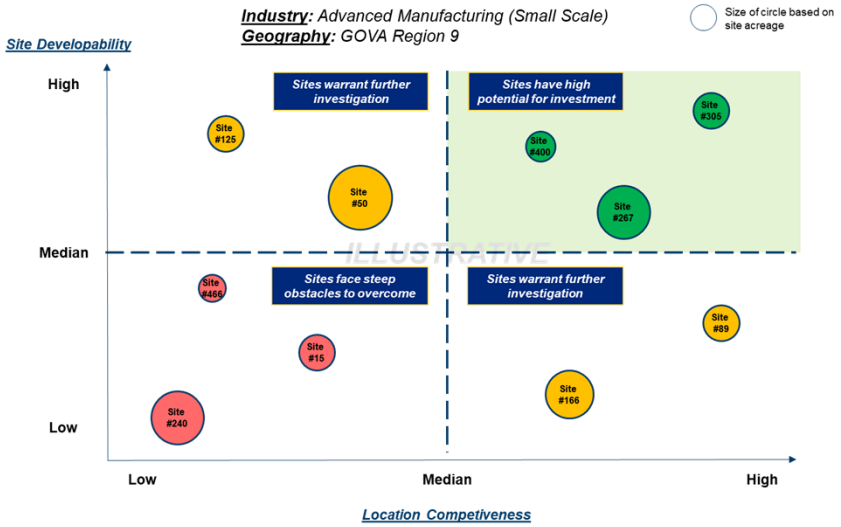
WORKING DRAFT

USING THESE TWO DIMENSIONS, WE CAN DETERMINE THE TOP SITES FOR ADDITIONAL INVESTMENT BY PROJECT AND GEOGRAPHY



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WORKING DRAFT

WITH THESE TWO DIMENSIONS, WE CAN HELP GOVA REGION 9 DETERMINE TOP SITES FOR ADDITIONAL INVESTMENT

Shift to live visualization

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WORKING DRAFT

THESE TWO DIMENSIONS DO NOT TELL THE FULL STORY, ADDITIONAL ELEMENTS SHOULD BE CONSIDERED

Industry cluster concentration

- A strong presence of the target industry in the area will be a major attractor to companies, something that KPMG's analysis does not capture

Recent project wins in target industry

- Even if the industry is not highly concentrated in a location, recent project wins reflect an attractive value proposition and may serve to attract additional companies

Regional impact

- Localities / Regions are the best source of detailed information on the transformational potential of a site – they provide this information via their funding applications
- High impact projects may warrant above average development costs

Community commitment

- The most important element of successful site development and project wins is local commitment
- Community commitment, often in the form of matching funding (dependent on community resources), should be strongly considered when evaluating investments

WORKING DRAFT

TABLE OF CONTENTS

Why do project-ready sites matter?

Do we have enough project-ready sites?

How do we determine the best sites for investment?

Next steps

WORKING DRAFT

RECOMMENDED PROCESS TO PRIORITIZE SITES

1. REDO,GOVA Support Org or PDC engages with localities to **determine level of interest in collaboration**
2. With Locality alignment, **REDO or GOVA requests aggregated site data from VEDP** (details in appendix)
3. REDO / GOVA uses aggregated data (2x2 matrix) and local / regional insight to **develop a short list of high potential sites** for development
4. **Incorporate additional analysis and insight** to paint a more holistic picture of short-listed sites; *including updated information since report was conducted (2019)*
5. **Request support from VEDP** in answering specific questions (see next page for details)
6. **Synthesize all sources of information** to make the strongest case for sites that you intend to develop

This is the process that Hampton Roads followed with their PDC serving as coordinator

- Their efforts resulted in a $1.1M GOVA grant to support the advancement of three sites to Tier 4

Source: Daily Press

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WORKING DRAFT

VEDP CAN PLAY A SUPPORTING ROLE IN GOVA GRANT PROCESS FOR SITES

VEDP can pre-review applications and provide feedback during application development

- VEDP uses information from 2019 study, updated information in VA Scan, and first-hand knowledge of site to develop a two-page summary of strengths and weaknesses of each site
- VEDP staff can share insights with applicants to help them reinforce strengths and proactively address any potential concerns

VEDP serves as subject matter expert for GOVA site development grants

- Members of VEDP's Sites and Buildings team meet with the GOVA Site Development Workgroup to discuss site development applications
- VEDP's perspective takes into account site characterization analysis, new information in the application, and any additional information provided during pre-review with applicants
- VEDP input on the site is one of many factors considered

VEDP staff is always available to discuss report contents, applications or answer any questions

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VEDP wants to collaborate to advance site development

How can VEDP help you achieve your goals?

VEDP | Virginia Economic Development Partnership

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Questions?

- Partnership region= 8 counties plus City of Charlottesville (does not include Fauquier and Rappahannock Counties)

- Meeting of Partnership County Administrators/City Manager and local Economic Development Directors on March 5, 2021

  - All localities represented; most by both County Administrator and ED Director

  - Developed recommendation for "regionally significant" sites

- Partnership Executive Committee considered that recommendation on March 11, 2021

Central Virginia PARTNERSHIP for ECONOMIC DEVELOPMENT

Criteria Adopted by Partnership:

- Locality's Commitment to Make it Happen
- Localities should be responsible for advancing sites from Tier 1 to Tier 2
- Use GO Virginia dollars for sites at a higher Tier level; move them towards increased marketability for target industries

Central Virginia PARTNERSHIP for ECONOMIC DEVELOPMENT

C O N F I D E N T I A L

SAMPLE SPREADSHEET: VEDP SITE CHARACTERIZATION 2019

	Tier Level	VEDP Scoring	Largest Contiguous Acreage	Due Diligence	Tier 4 Costs	Developability relative to Region	Developability relative to State	Mega	Super	Adv Mfg Large	Adv Mfg Small	Light Mfg Large	Light Mfg Small	Distribution Large	Distribution Small
1	1	86	<25	<$100k	<$250k	Highly Developable	Highy Developable				Highly Suitable		Suitable		Suitable
2	4	85	<100	<$250k	<$250k	Highly Developable	Highy Developable				Suitable		Suitable	Highly Suitable	Suitable
3	2	84	<50	<$250k	<$2.5M	Highly Developable	Highy Developable				Highly Suitable		Suitable		Suitable
4	2	82	<25	<$250k	<$5M	Highly Developable	Highy Developable				Highly Suitable		Highly Suitable		Highly Suitable
5	3	81	<25	<$100k	<$2.5M	Highly Developable	Highy Developable				Suitable		Highly Suitable		Highly Suitable
6	1	79	<50	<$100k	<$250k	Highly Developable	Developable				Below		Below		Below
7	2	79	<50	<$100k	<$250k	Highly Developable	Developable				HIghly Suitable		Highly Suitable		Highly Suitable
8	2	76	>100	<$500k	<$2.5M	Deveopable	Developable			Highly Suitable	Highly Suitable	Highly Suitable	Highly Suitable	Suitable	Highly Suitable
9	2	74	<50	<$100k	<$10M	Deveopable	Developable				Suitable		Suitable		Suitable
10	2	73	<50	<$250k	>$10M	Below	Developable				Suitable		Suitable		Highly Suitable
11	2	71	<50	<$250k	<$10M	Below	Below				Below		Below		Below
12	2	70	>100	<$500k	>$10M	Below	Below			Suitable	Below	Below	Below	Below	Below