VIRGINIA BUSINESS READY SITES PROGRAM – GOVA REGION 9

Virginia State Capitol

August 8, 2022

VEDP

Virginia
Economic
Development
Partnership
VEDP.org

REAL ESTATE SOLUTIONS

Mission/Role

- The Real Estate Solutions Division analyzes market demands, manages a real estate portfolio to meet these demands (over 2,000 properties totaling 86,000 available acres), and markets properties to win investment in Virginia.

Major Deliverables (Illustrative)

- Grant Management (VBRSP, VBAF)
- Prospective Opportunity Support
- Real Estate Database Management
- Market Intelligence
- Stakeholder Reporting

How Real Estate Solutions Can Support VEDP Staff

- Recommend real estate
- Develop tailored real estate proposals
- Provide insight into industry and project trends

How Real Estate Solutions Can Support VEDP Partners

- Regional reviews and property tours
- Market demand analysis
- Real estate database training
- Community outreach
- Site specific strategy development

Team Members – Sites and Buildings

Michael Dreiling
Vice President
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- 13+ years of CAPEX Program Management
- Division Leadership
- VBRSP Preparation

John Loftus
Manager, Sites & Buildings
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- 25+ years experience
- Site selection support
- Grant programs

Abigail Patterson
Sites and Buildings Analyst
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- Community advocate
- Site selection support
- Market intelligence

Michelle Mende
Sites & Buildings Specialist
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- Database management
- User support
- Data analysis

SITES AND BUILDINGS DATABASE

- **Overview**
  - Inventory of available industrial and office property in Commonwealth
  - Inventory of Marketable Sites and Buildings is low

- **VirginiaScan**
  - Public facing site selection tool available on the VEDP website
  - Site Selectors: Starting point

- **iVS**
  - Allows partners to add and update properties online
  - Local and regional partners maintain property data

- **MyVAScan**
  - Allows partners to show a subset of their locality or region's data on their website using the VirginiaScan site selection tool.

VIRGINIA BUSINESS READY SITES PROGRAM OVERVIEW

History of Program

- VEDP notes lack of large project ready sites (2014)

- Senator Stanley requests development of "site certification program" (2015)

- Virginia Business Ready Sites Program (VBRSP) is formed (2015)

- 2 Components:
  - Site Characterization
  - Site Development

- Funding
  - FY 17/18 - $2,000,000
  - FY 23/24 - $159,000,000

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

THE VBRSP HAS TWO KEY ASPECTS: CHARACTERIZATION AND DEVELOPMENT

Characterization

Purpose: Assess existing levels of readiness and next steps for development for Virginia's 25+ acre sites

Process: Characterization grants (of up to $5,000 per site) are awarded on a rolling basis

Development

Purpose: Fund targeted development efforts to move identified sites of 100+ acres to higher tiers of readiness

Process: Development grants are awarded to sites selected from an applicant pool by a VEDP-led working group

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VIRGINIA BUSINESS READY SITES PROGRAM OVERVIEW

- The Virginia Business Ready Sites Program (VBRSP) has two grant programs:
  - **Characterization grants**
    - Matching grants up to $5,000 per site to characterize sites over 25 acres

  - **Site Development Grants** – Matching grants to advance site readiness.

- **The mission of the VBRSP Site Development Program:** to establish a portfolio of potential sites across the Commonwealth that are well-prepared and positioned for selection and development by economic development projects that seek to construct new industrial or commercial facilities

- The goal of the VBRSP is to further business attraction in the Commonwealth of Virginia through site development
  - By preparing more competitive project-ready sites, industrial end-users will be more likely to select Virginia for investment

- To accomplish this mission, VEDP awards available funds to site development projects to assist with the costs necessary to advance sites from their current Tier Level to higher Tier Levels

- VBRSP funds are awarded to site development projects based on **VBRSP Program Priorities** and the merits of the project

THE IMPORTANCE OF SITE DEVELOPMENT

Potential risk is reduced when site development is prioritized by the community.

Site due diligence, preliminary site engineering, and development provide significant risk mitigation for a prospective end-user. Site engineering allows a prospective end-user a level of security that the site should not present development risks.

Site development reduces a site's time to market.

The site development timeline is a critical driver in the site selection process, especially in the current environment. End users are looking for sites that allow the company to be operational in 12-18 months from decision. The faster an end-user is able to construct the new facility, the faster a company is able to output its products or launch services. Additionally, the community will benefit from the new property on its tax rolls.

The reduction in overall site development costs will likely attract site end-users.

Communities which invest in sites prior to securing an investor typically benefit in business attraction due to site cost savings. Prospective end-users strive to limit the amount of site development costs to its project budget and is a critical aspect of the site selection process.

Site development improves a prospect's ability to visualize the site

A site selection objective is for an end-user to visualize its facility and operations on-site. When a site is cleared and graded with key utilities and infrastructure in place, a prospect is more easily able to envision business operations and success on the site.

VIRGINIA BUSINESS READY SITES PROGRAM PRIORITIES

Investment decisions will be made according to the following program priorities, based on a thorough analysis of each site and surrounding location

Improve market-ready site inventory

The leading priority of VBRSP is to increase the market-ready product portfolio across the Commonwealth of Virginia. With the ever-changing landscape of product demands and supply chain considerations, market-ready sites are in high demand, driving the need for a strong site product inventory.

Create "high-win potential sites"

High-win potential sites are those which support demonstrated market demand. These sites are expected to locate a project within 18 months of VBRSP project completion.

Advance sites from lower tiers

The program recognizes the need to develop a robust inventory of sites across the Commonwealth, which at current state, may vary in the development spectrum. Therefore, projects that advance sites from Tiers 1 through 3 to Tiers 4 or 5 will be a priority.

Focus on sites with potential for regional and state-wide impact

VBRSP will fund sites that are at least 100 contiguous, developable acres[1], however it aims to fund larger sites given the potential for regional and state-level impact of project wins at these sites.

Ensure geographic diversity

Geographic diversity will ensure that site demands of any investor across a wide spectrum of project parameters can be met across Virginia (proximity to supplier, industry cluster, etc.), and that all regions participate in Virginia's economic growth.

Practice fiduciary stewardship

The program will carefully consider the total investment required for each site and the anticipated return on investment for each potential project to ensure the grant funds are responsibly invested.

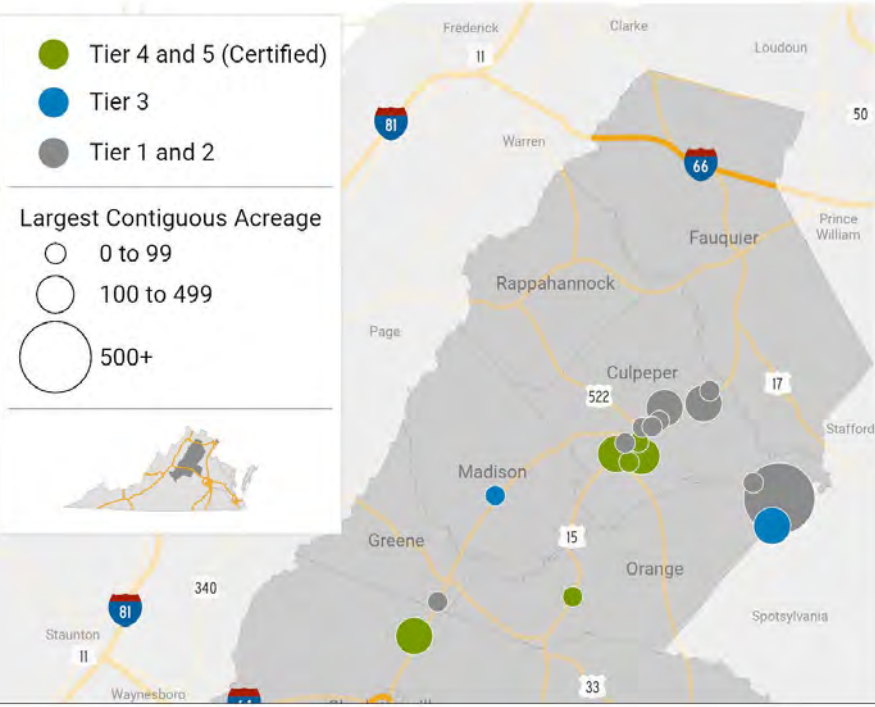1. GOVA Regions 1 and 2 will be eligible if the site is at least 50 contiguous developable acres.

AVAILABLE SITES IN VIRGINIA
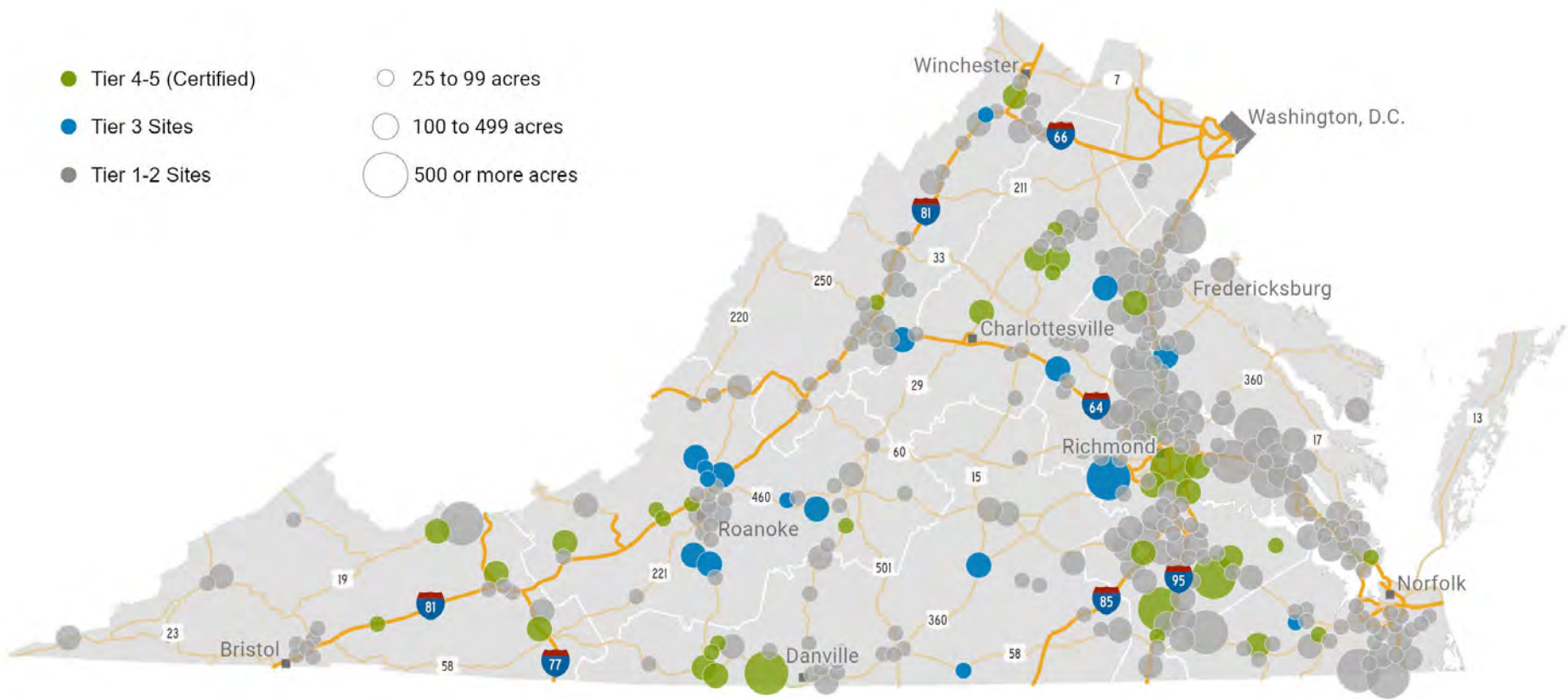
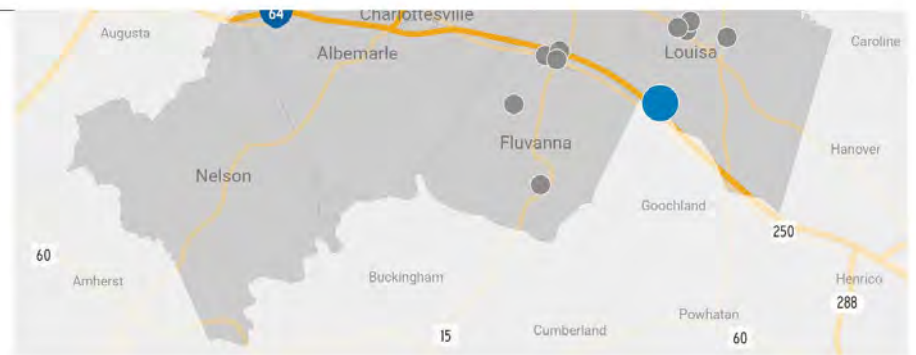Source: VEDP Sites and Buildings Database as of August 5, 2022

Footnotes::
Characterized Sites
25+ acre sites

AVAILABLE SITES IN GOVA REGION 9

GOVA Region 9 Sites[1]

Tier Level	<100 Acres	>=100 Acres	Total
Tier 4-5	3	3	6
Tier 3	1	2	3
Tier 2	13	2	15
Tier 1	3	1	4
Total	**20**	**8**	**28**

Source: VEDP Sites and Buildings Database as of August 5, 2022

Footnote: Characterized Sites

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PROGRAM TIMELINE (PAGE 1 OF 2)

The timeline has been developed to ensure expeditious award announcements and is subject to approval by the Governor's Administration.

Process	Description	Date
Pre-Launch Overview	An overview of the program, application process, and ability for local stakeholders to ask questions	June 6, 2022
Application launch	A brief pre-application will be made available on the website. Qualified applicants will be sent the full application packet	July 1, 2022
Program launch webinars	Overview of guidelines, application process and selection process, plus examples of strong applications and the importance of site development	July 12, 19, 2022
Pre-Application Due	Pre-Applications will be available on VEDP's website. Pre-applications will be screened for eligibility prior to sharing a full application with the applicant	August 1, 2022
Applications Issued	Pre-Applications that qualified will be issued a full application	August 15, 2022
Application due date	Applications must be submitted via the VBRSP FileShare site by September 13, 2022, to be considered for funding. No late submissions will be accepted	September 13, 2022

PROGRAM TIMELINE (PAGE 2 OF 2)

Process	Description	Date
Application review	Each application will be reviewed for completeness. The applicant will have time to respond to comments. Applications will be reviewed by the Project Review Committee and competitively ranked against all projects considered for the Round. Top applications will be selected for a virtual site tour	September 2022
Virtual Site Tours	A virtual site tour will be used for the Project Review Committee to learn more about the proposed project, business case, return on investment, and ask any questions about the project. The call will be 15-20 minutes in length and will require a prepared slide deck	October 24-28, 2022 (October 31-November 4 tentative)
Virtual Site Tour Review	After the virtual site tours, the Project Review Committee will select projects that will move onto the in-person site tour round	November 2022
Site Tours	The site tour expectation is that the tour will be treated as a real site selection project. This tour will aid in determining funding recommendations	November 28 - December 9, 2022
Award Offers	When an award is accepted, the recipient is required to enter into a performance agreement	December 2022 - January 2023

Questions?