M I N U T E S
JAMES CITY COUNTY ECONOMIC DEVELOPMENT AUTHORITY
RETREAT
5537 Centerville Road, Williamsburg, VA 23188

December 14, 2017
8:30 AM

A. CALL TO ORDER

At 8:34 a.m., a quorum was established and the meeting Called to Order.

B. ROLL CALL

Paul W. Gerhardt
Robin Bledsoe
Rick Shippey
Christopher J. Odle
Marshall N. Warner
Robin D. Carson, Vice Chairman
Thomas G. Tingle, Chairman

Also Present:

Amy B. Jordan, EDA Secretary
Teresa J. Fellows, EDA Recording Secretary
Maxwell Hlavin, EDA Legal Counsel
Stephanie Lahr, EDA Fiscal Agent
Kate Sipes, Assistant Director, Economic Development
Laura Messer, Tourism Coordinator
Jason Purse, Assistant County Administrator
Sue Mellen, Director, Financial and Management Services
Paul Holt, Director, Community Development
Jody Puckett, Facilitator

C. ROUTINE BUSINESS

1. Organizational Meeting and Appointment of Officers

   A motion to Appoint Marshall Warner as Chairman was made by Thomas Tingle, the motion result was Passed.
   AYES: 7 NAYS: 0 ABSTAIN: 0 ABSENT: 0
   Ayes: Carson, Gerhardt, Odle, Warner, Bledsoe, Shippey, Tingle

   A motion to Appoint Robin Bledsoe as Vice Chair was made by Thomas Tingle, the motion result was Passed.
   AYES: 7 NAYS: 0 ABSTAIN: 0 ABSENT: 0
   Ayes: Carson, Gerhardt, Odle, Warner, Bledsoe, Shippey, Tingle

2. Adoption of 2018 Meeting Dates and Times

   A motion to Approve was made by Marshall Warner, the motion result was Passed.
   AYES: 7 NAYS: 0 ABSTAIN: 0 ABSENT: 0
   Ayes: Carson, Gerhardt, Odle, Warner, Bledsoe, Shippey, Tingle

3. Minutes Adoption - November 9, 2017 Regular Meeting

A motion to Approve was made by Marshall Warner, the motion result was Passed.
AYES: 7 NAYS: 0 ABSTAIN: 0 ABSENT: 0
Ayes: Carson, Gerhardt, Odle, Warner, Bledsoe, Shippey, Tingle

4. Requested Subordination Agreement

A motion to Approve was made by Christopher Odle, the motion result was Passed.
AYES: 5 NAYS: 0 ABSTAIN: 2 ABSENT: 0
Ayes: Carson, Odle, Warner, Bledsoe, Tingle
Abstain: Gerhardt, Shippey

Ms. Jordan gave a brief overview of the memorandum and resolution included in the Agenda Packet.

Mr. Shippey declared his intent to abstain from the discussion and vote due to his conflict of interest as a principal investor in Billsburg Brewery.

Mr. Gerhardt declared his intent to abstain from the discussion and vote due to his conflict of interest as his law firm may be representing investors in Billsburg Brewery.

D. PRESENTATIONS/DISCUSSIONS

1. Retreat Overview

Ms. Puckett took over the meeting, as facilitator, at 8:47 a.m. and gave a brief overview of the format for the remainder of the morning.

2. Review of Research and Planning Documents

Mr. Christopher Johnson, Ombudsman, addressed the Authority giving an overview of the documents included in the Agenda Packet. He stated that since the Business Climate Task Force Report was presented to the Board of Supervisors in 2008, considerable progress has been made to address the report's recommendations. Comprehensive Plan Updates were adopted in 2009 and 2015 which incorporated input from the Office of Economic Development and the Economic Development Authority into the Goals, Strategies and Actions and highlighted successes and opportunities.

In an effort to promote economic development initiatives, County staff has processed multiple amendments to the Zoning Ordinance with particular emphasis on the Business, Industrial and Mixed Use Districts. These amendments have expanded the list of uses which can be approved administratively and made the development review process more predictable and transparent, allowed for greater flexibility in decision making and improved communication.

Mr. Johnson stated that another item that the Authority discussed several months ago was the formation of a Business Climate Think Tank which would be comprised of two Authority members, a Planning Commission member and a Board of Supervisors member.

Mr. Purse stated that he would like to see the Business Climate Think Tank move forward.

General discussion ensued about the relationship between Planning and Economic Development and how the two offices work together when a plan or application for a business comes into the Planning Division.

At 9:04 a.m., Ms. Ruth Larson, Board of Supervisors Liaison, joined the meeting.

Ms. Bledsoe stated that when she was a Planning Commission member, there were many times that

she would have liked to have had input from Economic Development on land use cases that involved businesses. She hopes that there can be more involvement from the Authority with the Planning Commission in the future.

3. Evaluate Target Sectors

Ms. Puckett stated that she is going to ask everyone to rank their top three target sectors identified in the Greater Williamsburg Partnership's (GWP) Target Sector Analysis.

The Authority spent several minutes individually identifying the three target sectors that it felt were the most important for the Authority to focus its efforts and resources.

The members of the Authority ranked the five target sectors in the following order:

1. Advanced Materials and Components - received 8 votes
2. Professional and Technical Services - received 7 votes
3. Food and Beverage - received 5 votes
4. Tourism - received 2 votes
5. Defense - received 2 votes

The Authority generally discussed its thought process for identifying the top three target sectors. Several members stated that there is the existing inventory to support the Professional and Technical Services sector and so this is one that makes sense to focus on. The consensus seemed to be that the Food and Beverage sector is the one that the Authority should focus its resources, as that would have the quickest impact and would be a boost to the Tourism sector. Everyone agreed that Advanced Materials and Components is the sector that will take the most time, energy and resources to see a return, but a success in that sector would have a significant impact on the economy. Other members stated that Food and Beverage and Tourism are sectors that are continuing to see growth and are the best for short-term returns on investment. Sports tourism and becoming a food/beverage destination are trends that have been happening in our area for the past few years.

General discussion ensued about the various target sectors and their impact on our economy.

At 9:35 a.m., the Authority recessed for a break.

At 9:55 a.m., the Authority reconvened.

4. Prioritize Needs

Ms. Puckett stated that now that the group has determined its top three target sectors, what needs to be done to have an impact in those sectors. What can the Authority do, or what tools are needed? How can the Economic Development staff support and help the Authority with its goals? She handed each member a sheet entitled "What needs to be done in order to pursue _____ Target Market?" Each sheet had the following options listed, as well as space for additional ideas:

1. Develop assessment of available product
2. Identify land for future development
3. Inventory existing office space
4. Build or improve infrastructure
5. Create areas for strategic investment and develop long-term vision
6. Develop incentives
7. Align administrative and legislative processes for investment
8. Leverage existing opportunities and relationships

At 10:05 a.m., the Authority broke into two small groups to discuss and identify the tools needed to pursue the top three target sectors that were identified. The small group discussions continued until 10:45 a.m.

Ms. Carson stated that her group felt that it was necessary to do all of the necessary assessments for each target sector. They felt that for advanced materials and components, that it is important to continue to work with the subject matter expert, and this would be where a consultant would be needed to pull information together on available product and what needs to be done to get sites ready. Their third priority would be to take all the information gathered and determine the areas for strategic investment and develop the long-term vision. Initially, the up-front cost would be minimal, except for hiring a consultant.

Mr. Tingle stated that his group felt that the first three items on the list are things that Economic Development staff can pull together and work on updating. His group spent most of its time discussing removal of barriers and streamlining the legislative process. Finally, with the three target sectors, advanced materials and components, food and beverage, and professional services, it felt we should really dig in the ordinances and see what is there that would prevent those sectors from moving forward in a streamlined process. His group also discussed incentives and thinks staff should continue to develop those. They felt that creating areas for strategic investment could be target sector specific, but that would have budgetary implications. Finally, they believed that they should take something to the Board of Supervisors and ask for a large sum for infrastructure improvements either in Stonehouse or at the bottom end of the County.

Ms. Jordan clarified that infrastructure improvements means extending the road in Green Mount or building the shell building in James River.

Mr. Tingle stated correct.

General discussion ensued about streamlining the legislative process and removing barriers.

The Authority and staff also discussed the budget timeline and its implications on these goals.

Ms. Puckett wrapped up the discussion by saying that she has heard three different sets of tools needed to proceed with the Authority's Strategic Initiatives: gather the research and get organized, streamline the legislative process and focus on infrastructure improvements.

5. Review Regional Funding

Ms. Puckett asked the Authority to participate in another dot exercise to prioritize the dollars being spent on Regional Partnerships. The members were given green, yellow and red dots to indicate items that should continue to be funded, items that they are unsure of and items that should not be funded anymore. The following is the result of the exercise:

WHO/WHAT	Green	Yellow	Red
GWP/HREDA	**8**	0	0
LPGA	**6**	0	0
Peninsula Chamber of Commerce	**6**	0	0
Launchpad	**4**	4	0
Virginians for High Speed Rail Funding	**3**	2	0
Arts Month/GWCTA	0	**5**	0
COB	0	**5**	0
Business Appreciation Event (JCC, York, & City EDAs)	0	**5**	1
Start! Peninsula	2	**3**	1
W&M Homecoming/Alumni Recruiting event	0	2	**4**
SBDC	0	1	**5**
RAISE (airport marketing)	0	2	**6**

6. Identify Incentives

The Authority was given the following list of possible incentive options in order to drive the discussion:

Traditional

- Capital investment (Technology Zone, County-wide, with investment thresholds)
- Specific to an industry sector (i.e., manufacturing, or specifically advanced materials, food & beverage, tech/professional)
- Redevelopment
- Demolition
- Physical improvements for investment or reinvestment

Non-traditional

- Stormwater improvements or credits
- "Green" or sustainable construction (such as green roof, geothermal, greywater reuse, solar/wind/alternative energy)
- Water conservation measures
- Technology grant for fiber installation
- "Made in JCC"
- Childcare
- Job Creation

Ms. Puckett asked for a general discussion about what incentives might work for the three target sectors that were identified earlier.

General discussion ensued about the machinery and tools tax grant, Business, Professional and Occupational License (BPOL) Tax grants or rebates, tourism zones and an expedited review process. It was also noted that this area struggles to get a piece of the State incentives that are available because it is not as as big and not distressed. We cannot be reliant on the State incentives to make us competitive, the County needs to be able to fill in the gap.

It was noted that a marketing plan needs to be in-place once new incentives are adopted, it is important to get the word out that these new incentives are available.

7. Wrap Up and Next Steps

Ms. Puckett wrapped-up the Retreat by determining the following next steps:

1. Staff to prepare the 3-5 target sector initiatives and any budgetary implications for FY19 and FY20
2. Regional partnership information and the return on investment
3. Prioritize the Business Climate Think Tank
4. Summary of the incentive ideas
5. Develop EDA Budget and any potential future Capital Improvement Projects (CIP) requests in line with the three to five target sector initiatives

The Authority thanked staff for all of their work in putting together the materials and thanked Ms. Puckett for leading them through the discussion.

E. ADJOURNMENT

1. Adjourn until 8 a.m. on January 11, 2018 for the Regular Meeting

A motion to Adjourn was made by Marshall Warner, the motion result was Passed.
AYES: 7 NAYS: 0 ABSTAIN: 0 ABSENT: 0
Ayes: Carson, Gerhardt, Odle, Warner, Bledsoe, Shippey, Tingle

AGENDA ITEM NO. C.1.

ITEM SUMMARY

DATE: 12/14/2017

TO: The Economic Development Authority

FROM: Maxwell Hlavin, EDA Legal Counsel

SUBJECT: Organizational Meeting and Appointment of Officers

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority	Fellows, Teresa	Approved	12/5/2017 - 9:06 AM

AGENDA ITEM NO. C.2.

ITEM SUMMARY

DATE: 12/14/2017

TO: The Economic Development Authority

FROM: Teresa Fellows, EDA Recording Secretary

SUBJECT: Adoption of 2018 Meeting Dates and Times

ATTACHMENTS:

	Description	Type
🗋	2018 Meeting Calendar	Exhibit

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority	Fellows, Teresa	Approved	12/5/2017 - 9:08 AM

2018 MEETING CALENDAR
ECONOMIC DEVELOPMENT AUTHORITY
OF JAMES CITY COUNTY, VIRGINIA

8:00 AM, THURSDAY, JANUARY 11, 2018

8:00 AM, THURSDAY, FEBRUARY 8, 2018

8:00 AM, THURSDAY, MARCH 8, 2018

8:00 AM, THURSDAY, APRIL 12, 2018

8:00 AM, THURSDAY, MAY 10, 2018

8:00 AM, THURSDAY, JUNE 14, 2018

8:00 AM, THURSDAY, JULY 12, 2018

8:00 AM, THURSDAY, AUGUST 9, 2018

8:00 AM, THURSDAY, SEPTEMBER 13, 2018

8:00 AM, THURSDAY, OCTOBER 11, 2018

8:00 AM, THURSDAY, NOVEMBER 8, 2018

8:00 AM, THURSDAY, DECEMBER 13, 2018

The Economic Development Authority reserves the right to modify this schedule as necessary. Special meetings may also need to be called as situations warrant.

Unless posted to the contrary, all meetings will be held in the main conference room of 101-D Mounts Bay Road, Williamsburg, VA 23185.

Updated December 1, 2017

AGENDA ITEM NO. C.3.

ITEM SUMMARY

DATE: 12/14/2017

TO: The Economic Development Authority

FROM: Teresa Fellows, EDA Recording Secretary

SUBJECT: Minutes Adoption - November 9, 2017 Regular Meeting

ATTACHMENTS:

	Description	Type
	110917 EDA Minutes	Minutes

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority	Fellows, Teresa	Approved	12/11/2017 - 9:23 AM

M I N U T E S
JAMES CITY COUNTY ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING
101 D Mounts Bay Road, Williamsburg, VA 23185
November 9, 2017
8:00 AM

A. CALL TO ORDER

B. ROLL CALL

Paul W. Gerhardt
Robin Bledsoe - Absent
Rick Shippey
Christopher J. Odle
Marshall N. Warner
Robin D. Carson, Vice Chairman
Thomas G. Tingle, Chairman

Ruth Larson, BOS Liaison
Amy Jordan, EDA Secretary
Teresa Fellows, EDA Recording Secretary
Maxwell Hlavin, EDA Legal Counsel
Stephanie Lahr, EDA Fiscal Agent
Jenni Tomes, EDA Treasurer
Kate Sipes, Assistant Director of Economic Development
Christopher Johnson, Ombudsman
Sharon Day, Assistant Director of Financial and Management Services

C. APPROVAL OF MINUTES

1. Minutes Adoption - September 14, 2017 Meeting

A motion to Approve was made by Paul Gerhardt, the motion result was Passed.
AYES: 6 NAYS: 0 ABSTAIN: 0 ABSENT: 1
Ayes: Carson, Gerhardt, Odle, Warner, Shippey, Tingle
Absent: Bledsoe

D. FINANCIAL REPORTS

1. October Financial Reports

A motion to Approve was made by Rick Shippey, the motion result was Passed.
AYES: 6 NAYS: 0 ABSTAIN: 0 ABSENT: 1
Ayes: Carson, Gerhardt, Odle, Warner, Shippey, Tingle
Absent: Bledsoe

2. Presentation of EDA Audit

Ms. Leslie Roberts, of Dixon Hughes Goodman, LLC, addressed the Authority and presented the findings of the audit and provided an overview of the financial reports included in the Agenda Packet. She stated that the audit went smoothly and again the Authority has a clean audit.

Ms. Roberts highlighted footnote 4 on page 13, footnote 6 on page 14 and footnote 7 on page 15. She noted that no material deficiencies were found during the course of the audit. She stated that the only negative finding is listed on page 21 under Findings and Responses for Commonwealth of Virginia Laws, Regulations, Contracts, and Grants and relates to a Conflict of Interest Statement not being filed for Mr. Shippey prior to him attending his first meeting.

E. CLOSED SESSION

1. The discussion or consideration of: (1) the acquisition of a portion of real property for the expansion of commercial and industrial facilities where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body pursuant to Section 2.2-3711(A)(3) of the Code; (2) the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the EDA and the County would be adversely affected pursuant to Section 2.2-3711(A)(6) of the Code; and (3) information subject to the exclusion in subdivision 3 of § 2.2-3705.6 related to economic development.

A motion to Enter a Closed Session was made by Marshall Warner, the motion result was Passed.
AYES: 5 NAYS: 0 ABSTAIN: 1 ABSENT: 1
Ayes: Carson, Odle, Warner, Shippey, Tingle
Abstain: Gerhardt
Absent: Bledsoe

Mr. Gerhardt stated that he could not participate in the Closed Session due to a conflict of interest.

At 8:20 a.m., the EDA entered into Closed Session.

At 8:41 a.m., the EDA re-entered Open Session.

2. Closed Session Certification

A motion to Certify the Closed Session was made by Marshall Warner, the motion result was Passed.
AYES: 5 NAYS: 0 ABSTAIN: 1 ABSENT: 1
Ayes: Carson, Odle, Warner, Shippey, Tingle
Abstain: Gerhardt
Absent: Bledsoe

F. NEW BUSINESS

1. Authorization of EDA Membership in the Virginia Peninsula Chamber of Commerce

A motion to Authorize was made by Marshall Warner, the motion result was Passed.
AYES: 6 NAYS: 0 ABSTAIN: 0 ABSENT: 1
Ayes: Carson, Gerhardt, Odle, Warner, Shippey, Tingle
Absent: Bledsoe

Ms. Jordan addressed the Authority giving an overview of the memorandum included in the Agenda Packet. She stated that currently, James City County is the only locality on the Peninsula without economic development representation. Additionally, the Military Advisory Committee of Virginia Peninsula Chamber of Commerce (VPCC) includes leadership from Fort Eustis, which would be beneficial to maintaining open lines of communication.

Mr. Tingle asked what the governmental rate would get the Authority.

Ms. Jordan stated that the Authority would then have a seat at the table of the VPCC and could begin participating in its Board meetings.

2. Review of Retreat Agenda and Approval of Facilitator Proposal

A motion to Authorize was made by Marshall Warner, the motion result was Passed.
AYES: 6 NAYS: 0 ABSTAIN: 0 ABSENT: 1
Ayes: Carson, Gerhardt, Odle, Warner, Shippey, Tingle
Absent: Bledsoe

Ms. Jordan addressed the Authority and gave an overview of the memorandum included in the Agenda Packet.

Mr. Tingle stated that the formal action that needs to be taken is to approve the facilitator agreement with Ms. Jody Puckett. He stated that the final agreement had been received and the amount is slightly higher than the estimate included in the memorandum. He asked that a motion be made to authorize the agreement with Ms. Puckett for $2,100 for facilitator services and to authorize Ms. Jordan to sign the agreement on behalf of the Authority.

Mr. Tingle opened the discussion on the draft agenda for the upcoming Retreat that was included in the Agenda Packet.

Mr. Warner mentioned that there needs to be a discussion of the Authority's financial position.

Ms. Jordan stated that the goal is to come out of the retreat with three to five goals that can then be presented to the Board of Supervisors with a request for funding. She stated that there will be a discussion of the regional

initiatives and a look at those costs over the last several years. The question will be "does the Authority believe they are value-added, or should we discontinue our participation."

Mr. Gerhardt asked if, during the update of the Business Climate Task Force, an update on the relationship between Planning and Economic Development will be discussed and the relative influence on that process.

Mr. Johnson stated that he could flush that out and put it on paper for discussion.

Mr. Tingle asked that as much information as possible be provided ahead of time to help the members be prepared for the agenda and the discussion.

3. Incentive Presentation and Broker Policy

A motion to Approve was made by Robin Carson, the motion result was Passed.
AYES: 6 NAYS: 0 ABSTAIN: 0 ABSENT: 1
Ayes: Carson, Gerhardt, Odle, Warner, Shippey, Tingle
Absent: Bledsoe

Ms. Sipes addressed the Authority giving an overview of the memorandum included in the Agenda Packet. Staff is proposing the consideration of a Technology Zone as a way to provide competitive incentives to commercial businesses making a significant capital investment in the County. Previously, local Enterprise Zone incentives have been offered to companies making a capital investment of at least $500,000. She stated that the Business Real Estate Improvement Grant and Business Equipment Grant are very similar to our previous Enterprise Zone incentives. Staff proposes shortening the time frame from 5 years to 3 years and increasing the percentage offered as a grant of 50% for each of the 3 years.

Mr. Tingle asked what types of businesses this would apply to.

Ms. Jordan stated that it would apply to all commercial businesses inside the Public Service Area. She stated that staff has struggled with whether or not to include retail businesses or whether there should be a different threshold for retail.

Mr. Hlavin recommended that there be some type of delineation made about the type of business that can qualify as a technology business.

Mr. Odle asked if a new business came into the Technology Zone, would they be automatically entitled to a benefit or would they still have to come and ask for it.

Ms. Jordan stated that if they come to us and fit within the parameters, then it would be handled administratively.

General discussion ensued about the parameters that would qualify for the incentive.

Mr. Tingle asked if the State Code regulates the funding mechanism of the Technology Zone.

Mr. Hlavin stated that the locality would adopt the Zone, but the Code does not stipulate the payment structure.

Ms. Jordan recommended that the EDA not be a pass through for the funding like it was under the Enterprise Zone. It is an unnecessary step that could be confusing for future Boards.

Ms. Jordan gave a brief overview of the Broker Policy that was included in the Agenda Packet and asked the Authority for a formal action.

Ms. Carson made a motion to approve the Broker Policy that was included in the Agenda Packet.

G. OLD BUSINESS

H. LIAISON REPORTS

At 9:31 a.m., Mr. Odle left the meeting due to a previous engagement.

1. BOS Liaison

Ms. Larson stated that the elections are over and Mr. Icenhour will be coming onto the Board of Supervisors (BOS) in January. She is pleased with all the interaction with the businesses lately as there have been many events and ribbon cuttings throughout the County. She stated that she forwarded the draft Retreat Agenda to the rest of the BOS and asked for comments back by the end of the month.

2. Greater Williamsburg Chamber & Tourism Alliance

Mr. Shippey stated that the quarterly meeting was held recently. There were four proposals submitted for the Sports Grant monies and all four were approved. He stated that there was discussion about funding structure and the return on the investment as seen as economic impact on the locality.

3. Planning Commission

None

4. Greater Williamsburg Partnership

Mr. Tingle stated that the organization is about one quarter of the way toward the goal for private sector funding. Mr. Denny, Executive Director of GWP, has passed along several prospect emails to the localities; and a

monthly email newsletter has been developed to keep everyone up-to-date on what is happening in the region.

5. JRCC Architectural Review Board

None

6. Real Estate Holdings

Discussed during Closed Session.

7. Finance

None

I. DIRECTOR'S REPORT

1. Director's Report

At 9:43 p.m., Ms. Larson left the meeting due to a previous engagement.

Ms. Jordan gave a brief overview of the report included in the Agenda Packet and discussed the status of the GoVirginia application that was submitted. She also stated that it looks like all three winners from StartPeninsula will be coming to Launchpad.

Ms. Carson stated that ChefsGo1.0 has been nominated for the Chancellor's Workforce Development Award, which is an award that all community colleges in the state participate in. Fingers crossed that the program wins, and she should know by the time the Authority meets for the Retreat.

J. ADJOURNMENT

1. Adjourn until 8:30 a.m. on December 14, 2017, for the EDA Retreat at Freedom Park

A motion to Adjourn was made by Robin Carson, the motion result was Passed.
AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 2
Ayes: Carson, Gerhardt, Warner, Shippey, Tingle
Absent: Odle, Bledsoe

At 9:50 a.m., Mr. Tingle adjourned the Authority.

Secretary, Economic Development Authority

Chair, Economic Development Authority

AGENDA ITEM NO. C.4.

ITEM SUMMARY

DATE: 12/14/2017

TO: The Economic Development Authority

FROM: Maxwell Hlavin, EDA Legal Counsel

SUBJECT: Requested Subordination Agreement

ATTACHMENTS:

	Description	Type
🗋	Memorandum	Cover Memo
🗋	Resolution	Resolution
🗋	Draft Agreement	Exhibit

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority	Fellows, Teresa	Approved	12/8/2017 - 3:46 PM

M E M O R A N D U M

DATE: December 14, 2017

TO: The Economic Development Authority

FROM: Max Hlavin, Assistant County Attorney

SUBJECT: Requested Subordination Agreement

The Economic Development Authority of James City County, Virginia (the "EDA"), by agreement dated December 9, 2016 (the "Lease"), leases a portion of property located at 2054 Jamestown Road to Billsburg Brewery, Inc. ("Billsburg"). The Lease states that upon request of Billsburg, the EDA shall subordinate its lien priority for rent to a Purchase Money Security Interest, but contains no other provision for automatic lien waiver or subordination. Billsburg has applied for a revolving line of credit from Citizens and Farmers Bank (the "Bank") in the amount of Two Hundred Thousand Dollar ($200,000). The Bank and Billsburg have requested that the EDA subordinate its lien priority for rent to the Bank in order for the Bank to secure the line of credit with collateral owned by Billsburg and located on the leased property.

The Bank has provided the request via the following narrative from Brad Bonney, Assistant Vice President of Commercial Lending:

> "C&F Bank is requesting for the EDA to agree to a subordination to a UCC priority lien for Billsburg Brewery that would be filed by the bank on all business assets to secure a $200,000 revolving credit line. The line of credit will be used for working capital to purchase new materials, inventory, etc. There appears to be a sufficient pool of collateral for the EDA to agree to subordinate their lien priority position to C&F.
>
> Per Billsburg's balance sheet provided to me for August 31, 2017, they have $863,364 in total fixed assets. This includes $350,302 in "brewery equipment", $510,109 in "building improvements" and $2,953 in "furniture". Billsburg wasn't yet operating on 8/31 and won't have an updated balance sheet until year-end, but that updated statement would likely show additional value from operations with the inventory, work-in-process and materials that further strengthens their position."

Attached for your consideration is a resolution authorizing a subordination agreement with the Bank.

MH/nb
MarinaRnt-mem

Attachment

R E S O L U T I O N

RESOLUTION REGARDING SUBORDINATION OF RENT LIEN PRIORITY TO CITIZENS

AND FARMERS BANK FOR A LEASE WITH BILLSBURG BREWERY, INC.

WHEREAS, the Economic Development Authority of James City County, Virginia, (the "EDA") subleases a portion of the James City County Marina located at 2054 Jamestown Road, Williamsburg, Virginia, (the "Property") to Billsburg Brewery, Inc. ("Billsburg") by lease dated December 9, 2016 (the "Lease"); and

WHEREAS, the Lease states that, upon request of Billsburg, the EDA shall subordinate its lien priority for rent to a Purchase Money Security Interest, but contains no other provision for automatic lien waiver or subordination; and

WHEREAS, Billsburg desires to obtain a revolving line of credit from Citizens and Farmers Bank, a Virginia corporation (the "Bank") in order to fund brewery operations on the Property; and

WHEREAS, Billsburg and the Bank have requested that the EDA subordinate its lien priority for rent to the Bank in the amount of Two Hundred Thousand Dollars ($200,000) in order for the Bank to secure its interest with equipment and other personal property owned by Billsburg located on the Property; and

WHEREAS, the EDA finds that subordinating its lien priority under the Lease as requested will not adversely impact its ability to collect future rent owed to the EDA.

NOW, THEREFORE, BE IT RESOLVED that the Economic Development Authority of James City County, Virginia, hereby authorizes its Chairman or Vice Chairman to execute those documents necessary to subordinate its lien priority for rent to the interest held by Citizen and Farmers Bank, up to a maximum of Two Hundred Thousand Dollars ($200,000).

The undersigned hereby certifies that the above Resolution was duly adopted by the directors of the Economic Development Authority of James City County, Virginia, at a meeting duly called and held on December 14, 2017 and that such resolution is in full force and effect on the date hereof.

Chairman, Economic Development Authority
James City County, Virginia

ATTEST:

Amy Jordan
Secretary to the EDA

	AYE	NAY	ABSTAIN
SHIPPEY			
CARSON			
ODLE			
GERHARDT			
BLEDSOE			
WARNER			
TINGLE			

Adopted by the Economic Development Authority of James City County, Virginia, this 14th day of December, 2017.

MarinaRnt-res

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT is made on this the _____ day of _____, 2017 by and between the **ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia, (the "Landlord"), party of the first part, and **CITIZENS AND FARMERS BANK**, a Virginia corporation (the "Bank"), party of the second part.

WHEREAS, by lease from the County of James City, Virginia (the "County") dated August 2, 2016, the Landlord has possessory interest in a portion of property located at 2054 Jamestown Road, Williamsburg, Virginia, and further identified as a portion of JCC Tax Map Parcel ID No. 4640100012 (the "Property"); and

WHEREAS, the Landlord has entered into a certain lease agreement with Billsburg Brewery, Inc. (the "Tenant") dated December 9, 2016 (the "Lease Agreement"), to lease a portion of the Property for purposes of constructing and operating a brewery and taproom (the "Premises"). The Premises is more fully described in the Lease Agreement, which is incorporated herein by reference; and

WHEREAS, the Lease Agreement states that, upon request of the Tenant, the Landlord shall subordinate its lien priority for rent to a Purchase Money Security Interest, but contains no other provision for automatic lien waiver or subordination; and

WHEREAS, the Tenant is obtaining financing from the Bank for a revolving line of credit and the Bank desires that the Landlord subordinate its lien priority on the trade fixtures, personal property, equipment, inventory, and merchandise that shall be secured by the UCC-1 Blanket Lien.

NOW, THEREFORE, in consideration of the terms of the Lease Agreement and the sum of ONE

DOLLAR ($1.00), cash in hand paid, the receipt of which is hereby acknowledged, THE ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA, hereby agrees to subordinate its priority lien for rent due under the Lease Agreement to the interest of CITIZENS AND FARMERS BANK, up to a maximum amount of Two Hundred Thousand Dollars ($200,000.00), in order that the Bank may secure all or a portion of a revolving line of credit made accessible to Billsburg Brewery, Inc., to the extent such interest attaches to trade fixtures, personal property, equipment, inventory, and merchandise that are secured by the line of credit and located on the Premises.

WITNESS the following signatures, all being first duly authorized.

THE ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA, a political subdivision of the Commonwealth of Virginia

By: _____

Its _____ and duly authorized agent

STATE OF VIRGINIA
CITY/COUNTY OF _____, to-wit:

The foregoing instrument was duly subscribed, sworn to and acknowledged before me by _____, in his/her capacity as _____ and duly authorized representative of **The Economic Development Authority of James City County, Virginia**, a political subdivision of the Commonwealth of Virginia on this the _____ day of _____, 2017.

_____
Notary Public
My commission expires: _____

CITIZEN AND FARMERS BANK, a Virginia Corporation

By: _____

Its _____ and duly authorized agent

STATE OF VIRGINIA
CITY/COUNTY OF _____, to-wit:

The foregoing instrument was duly subscribed, sworn to and acknowledged before me by _____, in his/her capacity as _____ and duly authorized representative of **Citizen and Farmers Bank**, a Virginia Corporation, on this the _____ day of _____, 2017.

_____
Notary Public
My commission expires: _____

AGENDA ITEM NO. D.1.

ITEM SUMMARY

DATE: 12/14/2017

TO: The Economic Development Authority

FROM: Amy B. Jordan, EDA Secretary

SUBJECT: Retreat Overview

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority	Fellows, Teresa	Approved	12/8/2017 - 2:04 PM

AGENDA ITEM NO. D.2.

ITEM SUMMARY

DATE: 12/14/2017

TO: The Economic Development Authority

FROM: Amy B. Jordan, EDA Secretary

SUBJECT: Review of Research and Planning Documents

ATTACHMENTS:

	Description	Type
🗋	Memorandum - Christopher Johnson	Cover Memo
🗋	Business Climate Task Force Report	Exhibit
🗋	Subdivision/Site Plan Review Improvement Team (SSPRIT) Report	Exhibit
🗋	JCC Essential Guide to Business	Exhibit
🗋	JCC Code Section 24-11	Exhibit
🗋	EDA Strategic Initiatives	Exhibit
🗋	Strategic Plan	Exhibit
🗋	ED Section of Comprehensive Plan	Exhibit

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority	Fellows, Teresa	Approved	12/8/2017 - 2:23 PM

MEMORANDUM

DATE: December 14, 2017

TO: The Economic Development Authority

FROM: Christopher Johnson, Ombudsman

SUBJECT: Business Climate Task Force Report Update

Since the Business Climate Task Force Report was presented to the Board of Supervisors in 2008, considerable progress has been made to address the report's recommendations. Comprehensive Plan Updates were adopted in 2009 and 2015 which incorporated input from the Office of Economic Development and the Economic Development Authority into the Goals, Strategies and Actions and highlighted successes and opportunities.

In an effort to promote economic development initiatives, County staff has processed multiple amendments to the Zoning Ordinance with particular emphasis on the business, industrial and mixed use districts. These amendments have expanded the list of uses which can be approved administratively and made the development review process more predictable and transparent, allowed for greater flexibility in decision making, and improved communication.

Attachments:

1. Business Climate Task Force Report
2. Subdivision/Site Plan Review Improvement Team (SSPRIT) Report
3. JCC Essential Guide for Business
4. JCC Code Section 24-11, Commercial Special Use Permit Requirements and Exemptions

Business Climate Task Force Report

Identify qualities, characteristics, and categories of businesses preferred in James City County and propose policies, programs, and ordinance changes that will attract, retain, and expand those businesses.

January 2008

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   b. Interim Report to BOS

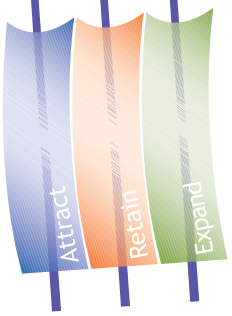
Foreword

In spring 2004, James City County's Office of Economic Development (OED) experienced two separate but significant situations when firms requested incentives that did not seem to comply with the County's business incentive policies. The first situation was a large industrial company new to the County that was bringing in new jobs, but no net increase in property tax revenues. The second instance involved a midsized longstanding, existing County company whose expansion into a larger existing facility would mean only marginal new jobs and tax revenue. Although both companies followed through with their plans, the experiences prompted the County Administrator to request the County's Industrial Development Authority (now the Economic Development Authority, or EDA) to conduct a "best practices" study with the assistance of the OED.

> "The main goal, or charter, of this Task Force should be to identify how James City County can be more of a value-added partner to the business and industrial community."
>
> *EDA recommendation to the Board of Supervisors 2006*

Through personal interviews, the OED staff looked at the business incentive assistance and retention policies in 10 comparable communities throughout Virginia and North Carolina. While the responses were interesting, the OED found very little that was new or applicable to the incidents that triggered the study request. Nonetheless, the EDA did submit some additional recommendations to the County Administrator for his consideration. The recommendations included consultative assistance, process improvement, and facility and workforce subsidies. The EDA suggested that they be available to existing businesses for expansion and retention as well as for new business attraction. This was the beginning of a reformatted economic development "menu."

With the emergence of countries such as India and China offering incredibly low-cost alternatives to product manufacturers all over the world, the traditional project opportunities which the County, and thousands of other U.S. communities for that matter, had been seeking were becoming fewer and farther between. This led the EDA to request County support for a study to assess how the County could better compete for other business target clusters in the technology arena where the USA was still regarded as a world leader. The results of that study and a follow-up study, both by Moran, Stahl & Boyer in 2004-2005, led the County's economic development team to start expanding its horizons beyond traditional industrial business targets and to begin looking at emerging business opportunities in areas such as sensor technology, nanotechnology, and advanced manufacturing. This expanded focus would include existing companies that were "reengineering" their products or processes, as well as "growing your own" by trying to identify and assist local entrepreneurs.



The Board of Supervisors unanimously adopted a resolution creating Business Climate Task Force on February 28, 2006. In April 2006, the Board appointed members to the Task Force. From the BCTF's first meeting in May 2006, these members have approached their charge with creativity, passion, and dogged determination.

BCTF Chairman: **Michael Matthews,** President, The Structures Group, Inc.

M. Anderson Bradshaw, Stonehouse District Supervisor, James City County

David Burris, Senior Vice President, Commercial Accounts, SunTrust Bank, Inc.

Tom Gillman, President, Energy Services Group International, Inc.

Bruce Goodson, Roberts District Supervisor, James City County

Robert Hershberger, Executive Vice President, Greater Williamsburg Chamber and Tourism Alliance

John Horne, Manager of Development Management, James City County

Bill Porter, Assistant County Administrator, James City County

Jody Puckett, Communications Director, James City County

Keith Taylor, Economic Development Director, James City County

Thomas Tingle, AIA, Principal, Guernsey Tingle Architects P.C.

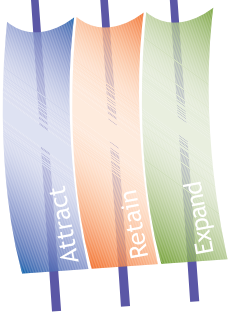
Marshall Toney, Associate Broker, GSH Real Estate

Primary Staff Support: **Steven T. Yavorsky,** Assistant Economic Development Dir., James City County.

A James City County Technology Business Incubator initiative was suggested and implemented in the spring 2006.

The number of elements in the County's economic development montage was still continuing to grow as additional questions continued to surface. How are we perceived as a place in which to do business? How do we become more competitive? Should we identify new or expanded business targets and their needs? Do we need new or improved business retention procedures and policies? How good is our customer service delivery? Do we need process improvements? This evolving work of art presented a challenge to the EDA, which it embraced.

In February 2006 the EDA, under the chairmanship of Virginia B. Hartmann, recommended that the Board of Supervisors appoint an interdisciplinary Business Climate Task Force (BCTF). The EDA stated, "The main goal, or charter, of this Task Force should be to identify how James City County can be more of a value-added partner to the business and industrial community." The EDA's recommendation memo also included specific "how-to" examples and approaches that would lead to its ultimate recommendations for achieving this goal.



Executive Summary

The EDA's concept of creating the BCTF was to review the climate for business retention and expansion of existing small, medium, and cornerstone businesses in the County, in addition to recruiting outside businesses. The main charter was broadly defined to identify how James City County can be more of a value-added partner to the business and industrial community. The breadth of the charter was meant to allow for the BCTF to develop those practices without constraint, and to allow for the freedom to discuss any and all possibilities to achieve the ultimate goal. Almost immediately following the first BCTF meeting, a statement was created to identify the qualities, characteristics, and categories of businesses preferred in James City County. Likewise, the BCTF intended to propose policies, programs, and ordinance changes that would attract, retain, and expand these businesses.

"It is imperative that the County find a balanced economic portfolio which preserves the uniqueness of our historic area while attracting and maintaining complementary businesses."

The BCTF noted James City County's quality of life as the most important aspect to maintain and preserve. This same attribute continues to be our competitive advantage to attract businesses, residents, and visitors. It is imperative that the County find a balanced economic portfolio which preserves the uniqueness of our historic area while attracting and maintaining complementary businesses. While our locality is unique, the need to manage growth while preserving character is not a unique concept. Identifying and implementing best practices for policies, programs, and procedures through peer locality benchmarking, our locality can achieve a tested process which results in prompt decisions and prompt action.

Making James City County "business ready" will ensure successful business economic development opportunities complementary to our uniqueness. Proactive decisions during the Comprehensive Plan update with regard to identifying and master planning areas suitable for economic development will allow for managed business growth as well as protection of our community's character. Installation of infrastructure, including regional storm water facilities in areas designated for business growth, will further James City County's business readiness. Additional tools, such as establishing research and technology zones, incentives allowed by State legislation or through local business investment funding, for developing a business in these areas would attract emerging businesses, including those companies graduating from the James City County Technology Business Incubator. A business facilitator, to serve as an advocate for the processing and permitting of site plans and building permits for matching businesses which foster our chosen attributes, can further demonstrate the County's commitment to

Business Climate Task Force Mission Statement

Identify qualities, characteristics, and categories of businesses preferred in James City County and propose policies, programs and ordinance changes that will attract, retain, and expand those businesses.

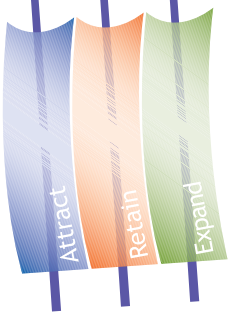
By becoming business ready while supporting actions to protect and enhance community resources such as recreation, culture, arts, and entertainment, James City County will continue to maintain its high standards of quality while attracting and retaining complementary businesses and employees.

awareness for timeliness in business decisions while not sacrificing quality.

A review of the James City County Development Management site plan review process revealed that the process was not predictable with respect to either outcome or timeliness. The number of projects that require Development Review Committee (DRC) and Planning Commission (PC) consideration further slows down the process. Outside agencies such as the Virginia Department of Transportation (VDOT) and the City of Newport News Water Works are outside of our County's control, and therefore cannot be required to meet ordinance mandated site plan review comment deadlines. The process is further delayed by design professionals submitting partially complete plans, just to get a sequential space in the already backed up site plan review queue. Amending the site plan ordinance to account for the outside agency review would provide for a more predictable process. Likewise, changes in the ordinance reducing the quantity of projects requiring DRC and PC review would also provide for a more predictable outcome. Encouraging pre-site plan application meetings and development roundtable meetings will both promote James City County's desire to be proactive as well as promote open communication in the process. By setting priorities for site plan review that are based on the preferred business qualities and characteristics desired to maintain our community's character, the site plan review process can be more expeditious and, therefore, more attractive to business.

The current workforce within James City County is not adequate to facilitate a balanced business portfolio. Increasing and expanding diverse workforce housing within James City County through zoning and incentives will attract an entry-level labor force which will live, work, and grow within our community. Developing the zoning regulations and incentives that attract such housing could be completed through a workforce housing task force. Developing and communicating prototype staffing policies and strategies that encourage hiring of retirees, job sharing, flexible working hours, and/or working from home will help in recruiting and retaining a diversified labor force within James City County. The diverse labor force will provide the foundation necessary to support the James City County economic portfolio.

In making James City County business ready, we cannot ignore the attributes of our community which make it unique and enhance the quality of our lives. James City County must protect its community character, its appearance, its environment, and its historic heritage. By becoming business ready while supporting actions to protect and enhance community resources such as recreation, culture, arts, and entertainment, James City County will continue to maintain its high standards of quality while attracting and retaining complementary businesses and employees.



Introduction

In months of discussion among committee members, with EDA funded consultants and staff, certain themes concerning the work of the BCTF kept surfacing. With the help of our consultants, those themes developed into principles we can articulate in this report with a high level of confidence.

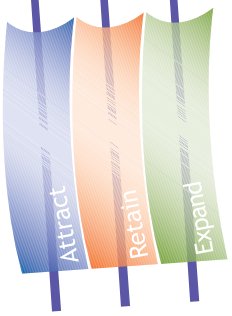
The primary principle is that, while attracting, retaining and expanding businesses are essential elements of our continued quality of life, they are subordinate to, and should be a means for, preserving the uniqueness of James City County, its historic legacy, its rural and forested area and its sense of community. A vibrant economy loses its virtue if it turns James City County into just another suburban shopping mall or Anytown, USA. All of this report must be read in the context of the area's uniqueness and quality of life. Its recommendations must be applied within the context of the community's broader goals, not simply within the narrower context of attracting, retaining and expanding business. Sometimes this means that the recommendations of the Task Force will have implications beyond economic development and choices for implementation will have to be weighed considering their social impact.

These principles emerged from BCTF discussion and research:

1. While attracting, retaining and expanding businesses are essential elements of our continued quality of life, they are subordinate to, and should be a means for, preserving the uniqueness of James City County, its historic legacy, its rural and forested area and its sense of community.
2. Our vision and plan must look twenty years ahead.
3. The private enterprises we may wish to attract, retain or expand, typically require predictable decisions and prompt action.

The second principle is that our vision and plan must look 20 years ahead. The pace of development, the limited and shrinking resource of available land, the time required to develop infrastructure, the natural life cycle of individual businesses, and the changes in the regional, national and global economies require that we look beyond the immediate future. We are, to a great extent, preparing for the build-out of James City County. Our business strategy needs both the exactitude of making our final investments and the flexibility to adjust to changes beyond our control. Consequently, this report must work its way into the next revision of the Comprehensive Plan.

The third principle is that the private enterprises we may wish to attract, retain and expand, typically require predictable decisions and prompt action. Predictability and promptness are occasionally competing aims. They are sometimes precluded by the involvement in the approval process of outside agencies over which we have no control. Legislative approvals, by their nature, are not entirely predictable. Nonetheless, James City County will likely miss economic development opportunities unless we recognize



the cost to business of delay and risk in approval processes, infrastructure development and construction schedules or building availability.

The initial work of the BCTF was to identify qualities, characteristics and categories of business preferred in James City County. The BCTF has used the term "qualities" to designate the attributes of a business which make it favored in the community, the term "characteristics" to designate the function of a business in the local economy, and the term "categories" to classify businesses by size or other variable. These are much more useful concepts than naming specific target industries because the matrix of qualities, characteristics and categories will still identify favored businesses even as new businesses emerge and the needs of the community change.

The BCTF consolidated a lengthy list, in no particular order, of attributes or qualities into five topics set forth below:

Quality Jobs

- Fair pay, high wages
- Jobs with benefits
- Year-round, full-time employment
- Diversity of workforce
- Interest in well being of employees

Community Values

- Respectable corporate citizen
- Enhances citizen's quality of life
- Uses local resources, buys locally
- Distinctive, unique
- Promotes community values
- Community involvement
- Likes, values and respects community

Fiscal Contribution

- Generates local tax revenue: *Capital investment (Real Estate, Tools and Machinery), Sales, Room & Business Licenses*
- Favorable tax/resource usage ratio
- Exports goods/services; imports new dollars
- Recycles local spending
- Economic diversification
- Supports other local businesses

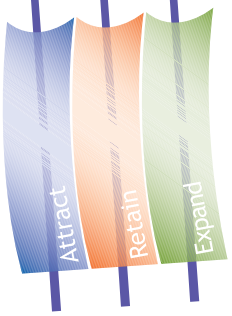
Environmentally Friendly

- Clean
- Low impact on natural resources

Stability

- Economic diversification
- Stability and loyalty
- Less affected by macroeconomic changes
- Headquarters location

This list is instructive because it also illustrates that the BCTF members intuitively perceived the relation between the businesses we target and the preservation of our uniqueness and the enhancement of our quality of life. Less apparent, but equally instructive, is that the list distinguishes us from some communities (those for whom jobs or tax revenue outweigh environmental or community value concerns) but identifies us as competitors with other communities who have similar needs and goals.



Following the convention used by our consultant, the BCTF adopted the terms Level I, Level II, and Level III to designate the characteristics (function in the local economy) of different businesses. These levels neither correspond to size, nor to

qualities (except for a few fiscal contribution qualities), and should not be considered a ranking by value, only a designation by function. Level I, sometimes called Primary Industries, are industries that infuse money into the County from outside sources. Level II, sometimes called Business Support Services, are businesses that provide support services to the primary industries located in the area. Level III, sometimes called Consumer Services, are businesses that provide services to local residents.

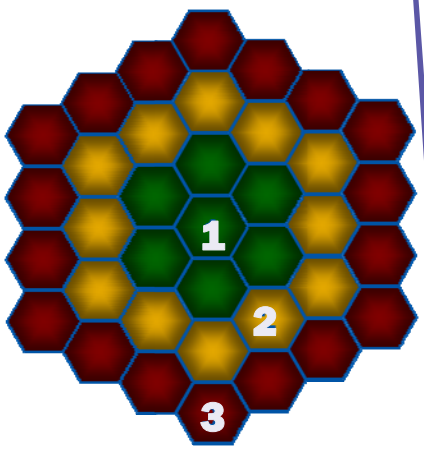
These characteristics become important in determining how to attract or expand a business. As a general rule, Level I industries look for either markets or resources (which may include labor force or certain support services) in making decisions to locate or expand. Level I businesses may require more incentives or recruitment. Level II businesses generally develop or grow in response to the presence of Level I industries. Rather than providing incentives to recruit Level II businesses, our task is to ascertain if there are barriers that hinder them from locating here or expanding. Level III businesses generally locate or grow in response to the market demands of a growing population. We should not, however, assume that no effort need be made to attract or retain Level III businesses, because some of the most favored Level I industries have particular labor force requirements and those potential employees can only be attracted to the area by the presence of Level III businesses.

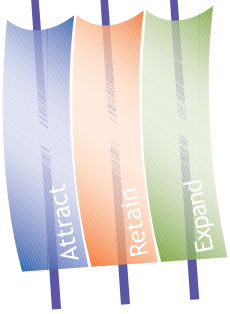
The BCTF encountered a confusing array of definitions of businesses by size. Categorizing businesses by size did not appear to be a fruitful exercise. Favorable characteristics did not seem to be related to size, other than some fiscal contributions.

Level 1: Core/Primary Industries… Cash flow from outside the area
- State/Federal Government
- Agriculture
- Manufacturing (Advanced/Traditional)
- Colleges/Universities
- National Financial Services Firms
- Business Services Outside Local Area
- Regional Healthcare Operations
- Regional Retail Operations
- Regional Distribution Operations
- Tourism-Related Businesses

Level 2: Business Support Services…Support local businesses
- Professional & Technical Services (local)
- Business Consulting Services (local)
- Construction Services/Developers
- Commercial Brokers
- Commercial Banking/Insurance
- Hospitality and Food Service (local)

Level 3: Consumer Services… Support local residents
- Builders/Developers
- Daycare/K-12 Education
- Local Healthcare
- Local Retail/Wholesale
- Personal Services
- Local Government Services
- Local Banking/Insurance Services





Background

To better understand the recommendations by the BCTF, it is important to consider James City County's economic history, background and people. How has the County grown? Who lives here and works here? What do we pay our workforce? Those answers can be found by looking at current population trends, land use and development, potential business growth, labor market, wages and housing.

This section will cover highlights of the BCTF's research, the BCTF consultant's report and the Greater Williamsburg Area (GWA) Workforce Development Study released in the spring 2007 for the Greater Williamsburg Chamber and Tourism Alliance.

Projections show the average age of the community will be above the national average by 2020 with over 25% of the population being over 65…. highly educated retirees may become potential workers.

The County's population should be considered by the population numbers and by age, income, education, available workforce and wages. Population has increased by 162 percent since 1980 with the rise of tourism, industrial and residential development. County population in 1980 was 22,763. By 2006, JCC's population increased to 59,741. As aging baby boomers retire and move to James City County, projections show the average age of the community will be above the national average by 2020 with more than 25 percent of the population over 65, nearly double the current U.S. average of 12 percent.

Highly educated retirees may fill retail and hospitality jobs.

College graduates in the County exceed 40 percent while the national average is 25percent. A higher education level within the local workforce means there are fewer individuals to fill retail and hospitality jobs although highly educate retirees may become potential workers in these jobs.

In 2000, 10,800 commuters came to work in JCC – mostly to fill retail, tourism and manufacturing jobs - while 12,500 left each day to work elsewhere. The 2000 figures show that approximately 9,300 County residents live and work in JCC, up from approximately 2,000 in 1990. It is important to keep in mind physical limitations and current trends when considering land use and development. James City County is one of the

smaller counties in the state with 144 square miles. In addition to limited physical size, a substantial amount of wetlands and steep slopes are not suitable for development.

Developable land designated for office and industrial park development is nearly built out with limited potential for future growth based on current land use plans. There are five major parks in James City County: Stonehouse, GreenMount, James River Commerce Center, Busch Corporate Center, and Hankins.

Retail space per capita in the Greater Williamsburg area is higher than the national average due to the impact of tourism. Currently the area has 31+ square-feet per person with the national average at 20.5 square-feet. Continued growth is expected.

According to the GWA Work Force Development Study, existing businesses are expected to grow 3.1% annually in the next 10 years creating an additional 27,000 jobs, for a total of 50,000 workers. Issues of housing, transportation, training and wages will need to be addressed with a projected shortage of workers.

Population growth and tourism have fueled housing and retail development growth which has fueled demand for construction, retail and service-related workers. Nearly 30 percent of the area's employment is in the hospitality sector followed by retail, education, and health care. The highest wage jobs in James City County in 2005 were in manufacturing, insurance/finance and professional/technical services. The lowest wages are found in hospitality and retail.

A James City County Police Officer makes an average salary of $41,240. A household income of $54,000 is needed to buy a house in the County.

A majority of County homes sell between $300,000 and $500,000. Banking industry standards indicate housing between $120,000 and $200,000 can attract and retain workers, especially young professionals and high school educated. Workers making $25,000 to $50,000 annually can afford housing anywhere from $90,000 to $170,000. Household annual income needed to afford a median priced home in James City County is $54,000.

According to the GWA Workforce Development Study, the current labor market includes James City County, the City of Williamsburg and York County.

There is more demand for jobs defined as retail, food services, construction and hospitality.

- The GWA market has a low unemployment rate at 2.5 % with 4,183 unfilled positions translating to a vacancy rate of 7 percent.
- The number of first-time workers in 2005 fell short of the needed 4,183 unfilled positions.
- The workforce coming out of high school, community colleges and 4-year degree colleges is estimated to fill only 2,401 positions per year.
- There is less demand for well-educated, highly skilled labor and more demand for jobs defined as retail, food services, construction and hospitality.

Work force coming out of high school, community colleges and 4-year degree colleges is estimated to fill only 2,401 positions per year.

Research

The Business Climate Task Force used the following previous studies:

Crossroads Research and Technology Committee (CRTC) Report, July 2000
The College of William & Mary's Department of Economic Development

Economic Assessment and Targeted Business (EATB) Study, November 2004
Hampton Roads Economic Development Alliance

Targeted Industry (TI) Study, September 2004
Peninsula Alliance for Economic Development

Industry and Occupational Cluster (IOC) Analysis, July 2005
Virginia Economic Development Partnership and Virginia Community College System

Payroll Impact (PI) Survey, Updated Monthly
Virginia Employment Commission

Williamsburg Business Owner (WBO) Survey, September 2006
Chesapeake Bank

Historic Triangle Compensation Survey, January 2007
Salary.com for Greater Williamsburg Chamber and Tourism Alliance

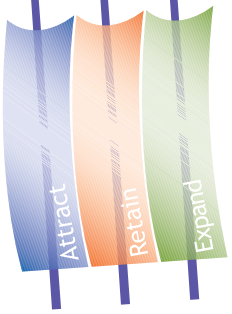
York County Business Environment Report, 2006
The College of William & Mary's Thomas Jefferson Program in Public Policy

Workforce Development Study, February 2007
Chmura Economics & Analytics for Greater Williamsburg Chamber and Tourism Alliance

Access information for all reports found in the reference section of this report.

The BCTF found that the first 3 studies listed above resulted in delineating how James City County strategically positioned and identified its economic strategic advantage. The BCTF found that the recommendations given by the Crossroads Research and Technology Committee Report were largely implemented. Results of those recommendations are visually apparent in New Town.

The IOC Analysis was found to be predominantly statistical data, including labor force, jobs, and salaries. While no recommendations were noted, the statistical data was utilized by the BCTF.



The WBO business climate survey of businesses in the greater Williamsburg/James City County area used the Chamber of Commerce's membership as its survey base. The information gathered from this survey was also utilized by the BCTF.

The BCTF believed that a review of the current fiscal impact of businesses in James City County was needed to determine the revenue provided versus expense to James City County. From meetings with James City County Financial and Management Services, the Commissioner of the Revenue and the Virginia Employment Commission, the BCTF produced lists of the largest employers and the largest real estate taxpayers within James City County.

Largest Employers

1,000 – 4,999 employees

- Williamsburg-James City County School Board

500 – 999 employees

- Anheuser-Busch, Inc.
- Eastern State Hospital
- James City County/James City Service Authority
- Busch Properties
- Wal-Mart Import Distribution Center
- Jamestown Yorktown Foundation

250 – 499 employees

- Riverside Regional Medical Ctr.
- Williamsburg Plantation*
- Avid Medical
- Williamsburg Landing

**timeshares*

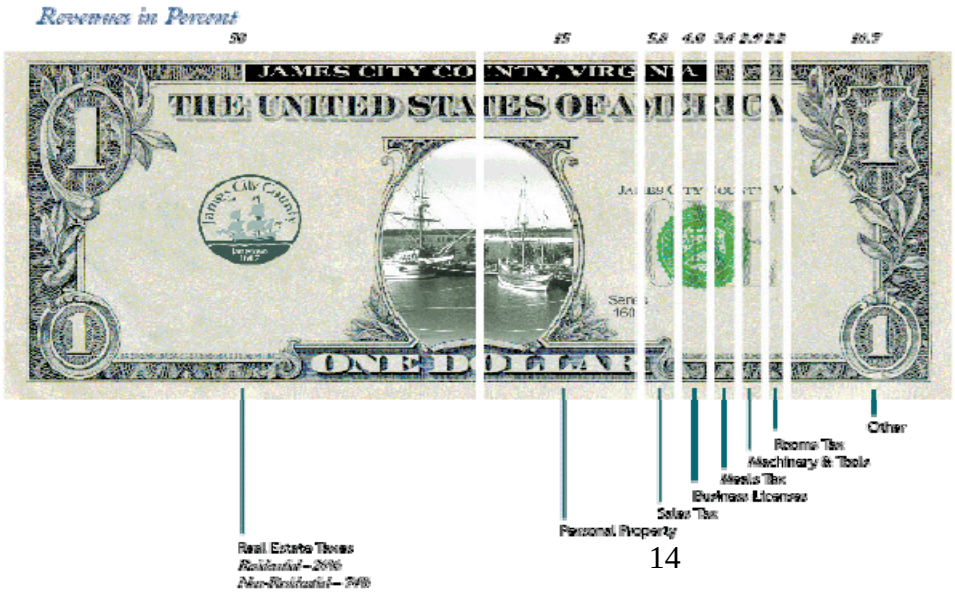
Source: Virginia Employment Commission, 1st Quarter 2007

Real Estate Taxpayers

- Anheuser-Busch, Inc.
- Powhatan Plantation*
- Wal-Mart Import Distribution Center
- Manor Club @ Ford's Colony*
- Williamsburg Plantation*
- Busch Properties
- Prime Outlets
- Williamsburg Landing
- Busch Entertainment
- Greensprings Plantation*

**timeshares*

Fiscal Impact Modeling



These largest employers and taxpayers make a significant contribution to the revenue side of the balanced fiscal impact equation, i.e. salaries paid to citizens of the greater James City County area who then purchase local goods and services and potentially pay real estate taxes to James City County. It is important to note that the largest employers are government, primary industry, and tourism.

Government Processes

Financial and Management Services

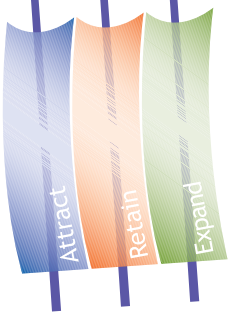
The BCTF met with the County's Financial and Management Services staff, Commissioner of the Revenue, and Virginia Employment Commission, in order to find ways to compare our community with other communities through national and State data classifications. Additionally, the BCTF sought measures to use tax data (BPOL, machinery & tools, personal property, payroll, etc.) in achieving our goal of recruiting, retaining, and developing companies that make significant fiscal contributions to the County. In our meetings with these three entities, we found that James City County's data was very difficult to separate and delineate into national and state classification systems.

In our discussions with the Commissioner of the Revenue, one reason for the difficulty in separating this data should not be overlooked. Producing revenue and expense data available to the public for unique businesses would likely provide proprietary information that could impact the company's strategic advantage. It was noted that there are several businesses in James City County that are unique in their classification. It was this desire by the Commissioner of the Revenue to understand one's business that the BCTF felt should not be overlooked in the future economic development of James City County. This illustrates that James City County works in partnership to maintain the privacy of its citizens and businesses.

Development Management

The plan review process was comprehensively analyzed most recently in 2003 through a cooperative private/public committee. That analysis resulted in recommendations in a number of areas such as:

- Earlier communication with designers prior to plan preparation
- Easier access to review comments during the plan review
- Regular coordination opportunities during plan review
- Establishment of reasonable turnaround times for review comments



As a result, some notable improvements are now in place, including:

- All review comments are now available on line for applicants and staff to view
- A regular "Roundtable" meeting schedule was established for meetings twice a month
- Increased use of conceptual plan review has taken place

Even with these changes, plan review times for larger, more complex plans have not met the target turnaround times in many cases, except for those plans designated for expedited review. Meanwhile, plan submittal levels have remained very high and many projects are complex due to the nature of the land being used and the scale of the proposed development.

The BCTF designated a subcommittee to evaluate the County's plan review processes; meetings were held with County staff involved in the plan review process to discuss all the issues impacting plan review. The subcommittee also reviewed the stakeholder feedback from the consultant report in order to help focus its efforts. The results of the subcommittee's and full BCTF's work are incorporated in the recommendations in the "James City County Process Improvements" section of the Task Force recommendations.

While many of the *Process Improvement* recommendations can be accomplished by staff, additional action by the Board of Supervisors will be necessary to improve the review process and remove unneeded barriers to targeted businesses. James City County's development management staff has grown and become more specialized over the years, as projects and regulations have become more complex, and as concerns have increased over quality of life and quality of the environment. But at the same time, the County Code as it has evolved now requires a "hands-on" review of projects by elected officials and appointed citizen bodies. While this process provides numerous opportunities for review and input, it adds to the unpredictability and delay in decision-making. The County's professional staff is quite capable of responding to minor development and construction issues and revisions, but the current process favors final approval/veto from the citizen bodies, and discourages collaborative solutions between staff and businesses. Likewise, involving the Board of Supervisors and Planning Commission in the detailed review of projects detracts those bodies from addressing the larger, county-wide issues of developing policy, comprehensive planning and visioning.

Workforce Issues

Existing businesses anticipate adding over 2,000 more workers per year over the next decade.

The labor market in the greater Williamsburg area is competitive. Unemployment rates are low and commercial growth throughout the area has led to a shortage of workers. Continued growth from already approved business developments and those in early planning stages will only increase pressure on employment in the future.

A study performed for the Greater Williamsburg Chamber and Tourism Alliance by Chmura Economics & Analytics identified 4,183 unfilled positions at the end of 2006 and predicts the size of workforce demand to double in the next 10 years. Existing businesses anticipate the need for over 2,000 more workers per year over the next decade.

> *"…population growth, according to the study, has fueled housing and retail development across the area, creating additional demand for construction, retail, and service-related workers."*

The study further identifies a greater concern with regard to the number of jobs required to support developments in planning or under construction in the area. These projects should add another 27,000 jobs, raising the total expected demand to over 50,000 jobs during the next 10 years.

The area's population is growing at a rate faster than the State average, particularly among those 65 years and older. This population growth, according to the study, has fueled housing and retail development across the area, creating additional demand for construction, retail, and service-related workers. This growing workforce and population will undoubtedly affect the demand for the health and human service needs of the community.

The study also notes that the area's over-50 population comprises over 18 percent of our workforce. These individuals, in addition to those over 65, are skilled and well-educated and require little on-site job training. Many of these individuals want to hold part-time employment positions. Efforts to increase and expand the area's workforce should include strategies to inform employers of the availability of this potential workforce and encourage them to employ these retirees.

While employment growth in the area has been fast, wages have not kept pace. A separate compensation study conducted for the Alliance indicated the average wage for workers in the Historic Triangle is $29,829, well below the state average of $42,368.

This difference is caused primarily because lower wages are paid to workers in the retail and hospitality sectors. Additionally, many of these jobs do not offer employee benefits such as health care insurance.

James City County and the area will need to address concerns such as workforce housing, recruitment and retainment, transportation, and education/training if it is to fill the jobs that are expected to be required over the next 10 years. This growing workforce and population will undoubtedly also affect the demand for health and human service needs of the community, placing an additional strain on those providing health services, business services, and, even government services, such as education, police and fire protection.

The average wage in the Historic Triangle is $29,829, well below the state average of $42,368. This difference is caused primarily because lower wages are paid to workers in the retail and hospitality sectors.

Workforce Housing

According to the Williamsburg Area Association of Realtors, the median price for a home sold in James City County year-to-date through September 2007 is $297,450 compared to the State average of $225,920. The area's current market rental rate is $1,077 per month. While housing costs and rental rates are above State averages, the recent compensation study indicated the average wage in the Historic Triangle area is 30 percent below the State average.

Will there be a day when the words "workforce housing" can appear in a sentence without the phrase "lack of?"

As the gap between the cost of housing and what the average working person earns continues to widen, the push for affordable housing for the workforce cannot be ignored.

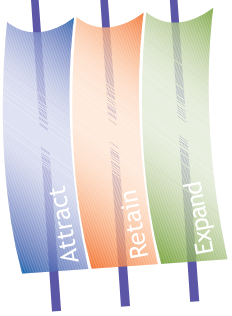
Supplying an adequate amount of local workforce housing is not only critical to sustaining our working professionals and maintaining our service, retail and public service jobs, it is also key to attracting new industries.

Supplying an adequate amount of local workforce housing is not only critical to sustaining our working professionals and maintaining our service, retail and public service jobs, it is also key to attracting new industries. Our workforce will need places to live that are affordable and enable them to enjoy quality shelter while also affording other necessities, such as daycare, health care and transportation.

The County will have to commit to supporting reforms on zoning ordinances and planning codes that promote affordable housing, such as streamlining the approval process, identifying and rezoning sites for multifamily housing, offering density bonuses and expedited review processes. The County additionally needs to re-examine regulations that drive up housing costs, and then seek ways to reduce or eliminate those barriers, including proffers.

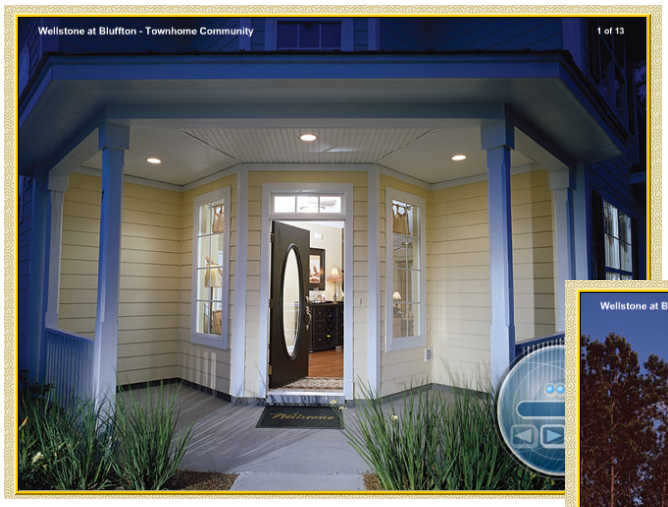
The County also will need to collaborate with local and State resources such as the Williamsburg Area Association of Realtors, Virginia Association of Realtors and local lenders to benchmark and partner with their efforts on the issue of affordable housing. Developing new employer-assisted housing initiatives, lender down payment credit for workforce housing and housing trust funds are examples of partnering efforts.

Housing that is affordable to people at all income levels should be one of the basic building blocks for personal growth, community revitalization and economic development. Together, we have to dispel the misperception about affordable



housing and educate the public about the benefits of affordable communities. By doing so we can then create a more favorable environment for affordable communities that offer a wide range of housing opportunities for all people with different needs and income levels resulting in more stable, diverse and integrated neighborhoods.

Source of fair market rent: Virginia Tech Center for Housing Research



This affordable housing community near Hilton Head, S.C. typically sells units between $160,000 and $180,000, attracting young professionals and service industry workers.

Images found on www.wellstone.com

"Together, we have to dispel the misperception about affordable housing and educate the public about the benefits of affordable communities."

Consultant Study Synopsis

When the BOS and EDA created the BCTF, they anticipated that additional resources would likely be needed to help assess the needs of businesses and industries, and research best practices for business retention, expansion and attraction. Once the BCTF established the qualities and characteristics of attractive businesses, the Task Force worked to understand the County's "internal" processes of economic development and development management, as well as other local initiatives that make up the existing network for business support. However, the Task Force recognized that it did not have the resources to independently solicit input from local businesses and other stakeholders on perceived business climate conditions, nor to identify best practices employed by other similar localities. For these efforts, the BCTF looked for outside assistance

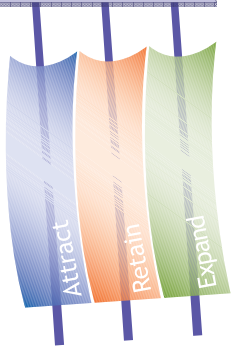
In October 2006, the Task Force, through James City County's Purchasing Office, sent out a Request for Proposal for qualified firms to provide a comprehensive study focused on benchmarking the County against other competitors. The EDA agreed to fund the study for the Task Force and the County.

A subcommittee of the BCTF evaluated four proposals received in response to the RFP, and recommended the team of Moran, Stahl & Boyer, LLC with E.M. Pemrick & Company (MSB/EMP Study) for the business climate study. The MSB/EMP Study team was retained by the Business Climate Task Force in December of 2006, and began working with the Task Force to fine tune the scope of the study to best address the needs of the Business Climate Study. The final study, attached as an appendix to this report, responds to the following BCTF objectives:

- To gain insights into James City County's business climate through stakeholder interviews.
- To identify best practices for policies, programs and procedures though review of peer localities.
- To assess the BCTF's desires for "preferred" businesses within the context of external perceptions of community resources.
- To provide recommendations to improve retention, expansion and attraction of referred businesses.

The RFP requested that the study include:

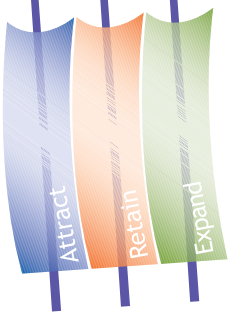
- The review and analysis of local and regional data to determine a quantitative baseline for measuring valued business aspects.
- A list of existing and prospective JCC businesses and/or business types that fit these quantitative profiles.
- A methodology for obtaining feedback from those businesses on how they perceive their ability to do business in JCC.
- The execution of this methodology through surveys, interviews and/or focus groups.
- A ranking of positive and negative aspects of business climate in JCC.
- The identification of peer localities and the benchmarking of those peer localities.
- A list of recommendations for improved practices in JCC.



While the BCTF did not take action on all of the study's recommendations (such as those addressing housing in adjacent counties or interstate highway expansion, for example), all the recommendations led to insightful discussions among Task Force members. And finally, the consultant team brought to their report a passion for James City County and the uniqueness of the area, and an understanding that the recommendations of the Business Climate Task Force could indeed shape the economic vitality of the County for the next 20 years.

The MSB/EMP study achieved several outcomes for the Task Force:

- The independent stakeholder interviews resulted in open and frank responses about the perceived business climate in the County.
- The consultant team's knowledge of economic development and site selection throughout the Eastern Seaboard provided a valuable outside analysis of available resources in the greater Williamsburg area that are needed to support business growth.
- The report's recommendations included both practical solutions and thought-provoking "out-of-the-box" concepts.



Conclusions

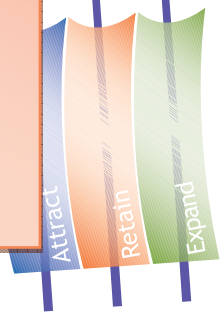
A tongue-in-cheek metaphor for the County's business climate was informally adopted by the BCTF in summer 2006: the County can be compared to a five-star restaurant, great food but a *slow kitchen*. The kitchen metaphor signaled that James City County produced a quality output; however the expectations of the "customer" or businesses and the "server" or the County differed. While businesses acknowledge the quality output, sometimes they preferred faster service, rather than quality. However, the County, as great chefs often do, refused to compromise quality, and expected the patience necessary for such quality. The alternative is that the County would produce high volume, low quality projects quickly, but it is the quality and community uniqueness that provides James City County its competitive advantage.

"The County is compared to a five-star restaurant, great food but a slow kitchen."

The conclusions of the BCTF were made in an effort to improve the business climate without compromising the County's competitive advantage.
The conclusions were formed to maintain the quality of product that is developed in the County; improve the level of predictability and communication throughout the development process; continue to attract high-priority business and retain and cultivate the established and small businesses in the County; continue to provide the level of services to both citizens and corporate citizens that they expect; and refrain from recommending changes for the sake of change.

Conclusions

- The overall criteria for preferred businesses the BCTF developed already existed as separate elements throughout other mission statements and documents within the County.
- Top Employers and Real Estate Taxpayers indicate a reliance on a few industries and/or companies for jobs and revenue.
- Clear development standards and procedures need to be published so that applicants can better understand what will be expected by County as well as external agencies in order to receive favorable staff recommendations for approval.
- As James City County grows, County government processes need to change to provide for managed growth.
- The area's population is growing at a rate faster than the State average – which is especially among those 65 years and older. This will require programs to ensure fiscal and residential balances.
- More moderately priced housing for new and emerging entry-level workforce to accommodate diversification within the population and workforce.
- James City County can look to peer communities for examples of best practices in terms of growth, labor issues, housing, quality of life, business support, and utilization of incentives.



Recommendations

The Business Climate Task Force recommendations are presented on pages 25-29 in a table format. Recommendations carried forward from the MSB business climate study report (see abbreviations below) are referenced back to the applicable section of the report.

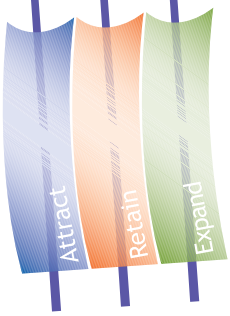
Several of these recommendations assign added responsibilities or expanded roles to existing JCC departments. The BCTF has made no judgment on existing work loads within JCC departments and it is likely that some of these recommendations may require additional resources.

Abbreviations/Definitions

Alliance: The Greater Williamsburg Chamber and Tourism Alliance
BCTF: Business Climate Task Force
BOS: JCC Board of Supervisors
CA: JCC County Administrator
COMM: JCC Communications Department
DM: JCC Department of Development Management
EDA: Economic Development Authority of JCC
IRM: JCC Information Resources Management Department
JCC: James City County
MSB/EMP: "James City County, VA * Business Climate Study, Final Report April 2007," Moran, Stahl & Boyer, LLC * E. M. Pemrick and Company
OED: JCC Office of Economic Development
OHCD: JCC Office of Housing and Community Development
PCWD: Peninsula Council for Workforce Development
VDOT: Virginia Department of Transportation

Based on conclusions, the BCTF developed 5 categories of recommendations in no particular order:

Implementation of BCTF Findings
Making the County "Business Ready"
Process Improvements
Workforce
The Community Uniqueness of the County

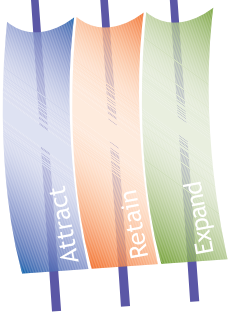


Implementation of BCTF Findings

Recommendation/Action Item	Reference	Responsible	Timeframe
• Assign responsibility for overseeing the execution of Business Climate Task Force recommendations.		EDA	Immediately and semi-annual updates
• Present the final BCTF report findings and recommendations to the Comprehensive (Comp) Plan Update Steering Committee.		BCTF	Immediately

Making the County "Business Ready"

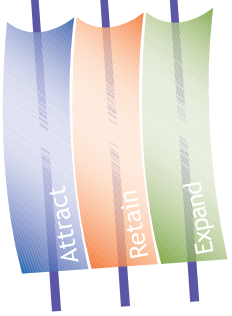
Recommendation/Action Item	Reference	Responsible	Timeframe
• Reduce number of items that require legislative review through Special Use Permit classifications and processes.		BOS	Concurrent with Comprehensive Plan Update
• Identify areas in the County suitable for economic development potential, and install infrastructure to target preferred businesses; master plan a business/industrial park to include regional stormwater management basin, so that businesses locating to park will not have to address issue.	MSB 6.1.1 MSB 6.1.3	EDA and OED	Concurrent with Comprehensive Plan Update
• Establish one or more Research & Technology Zones with appropriate incentives as allowed by State legislation.		EDA and OED	After Comprehensive Plan adoption



• "Landbank" (comprehensive plan area designations, site acquisitions, options to purchase, and public/private partnerships) additional land for James City County's economic development future. Identify and preserve, through a variety of methods, key sites for future economic development opportunities.	MSB 6.1.2 Note 1	EDA and OED	On-going
• Retain those companies who successfully graduate from the technology business incubator.	MSB 6.4.4	EDA and OED	12 months
• Expand existing industry visitation program to minor Level I businesses, and include select Level II businesses.		OED and CA	On-going
• Designate a Business Facilitator to serve as an advocate for the processing and permitting of "preferred" business site and building plans.	MSB 6.1.7 Note 2	CA and BOS	Fiscal Year 2009
• Encourage development of Class A & B space for office-based employers in mixed-use areas and other commercial areas.	Note 3	EDA and OED	On-going
• Pool investment resources from the local retirement community to build an investment fund for supporting local business development within target industries and operating criteria.	MSB 6.4.3 Note 4	EDA and Banking community	12 months
• Promote program that provides William & Mary students (senior business majors and MBA students) to write business and marketing plans.	MSB 6.4.2	W&M Dept. Economic Development and Mason School of Business, and Center for Innovative Technology	6 months (concurrent for fall semester)
• Sustain incentive fund to assist the retention, expansion, and attraction of valued businesses and explore additional incentive funds.	MSB 6.5.4	EDA/BOS	On-going

Process Improvements

Recommendation/Action Item	Reference	Responsible	Timeframe
• Amend site plan ordinance and site plan review to make process more predictable. Use internal and external historical review data to set adequate review time for full comments, extending the timeline, if needed.		DM	6 months
• Change ordinance to reduce the number and types of projects that require Development Review Committee and Planning Commission consideration.		DM	6 months
• Set priorities for site plan review based on qualities, characteristics, and categories of businesses preferred in James City County.	MSB 6.5.1	DM and OED	6 months
• Clarify and define eligibility for expedited review.	MSB 6.5.1	DM, OED, and CA	3 months
• Develop program to encourage site and building plans review by independent registered design professionals.		DM	18 months
• Promote site plan pre-application and Development Roundtable meetings to include outside agencies.		DM and OED	On-going
• Enhance marketing and communications efforts to improve development procedures and to recruit, retain, and expand businesses.		OED, COMM, DM and IRM	On-going



Workforce

Recommendation/Action Item	Reference	Responsible	Timeframe
• Increase and expand workforce housing options, including ownership opportunities through favorable zoning, incentives, and clear public policies by supporting Comprehensive Plan.	MSB 6.3.2	OHCD and DM	On-going
• Enhance transportation through Peninsula to Ports to promote commerce and economy. ➢ Support HRTA projects concerning improved access between James City County and Hampton Roads. ➢ Increase and support additional low cost public transportation from Hampton/Newport News to James City County by Williamsburg Area Transport supported by local businesses.	MSB 6.2.1	the Alliance and Chairman of BOS	On-going
• Develop prototype staffing policies for local companies to encourage them to hire retirees, to include job sharing, work from home, flex work hours, and other options.	MSB 6.2.3	PCWD and the Alliance	12 months
• Communicate with local employers on strategies to recruit and retain workers in the County.	MSB 6.2.5	PCWD and the Alliance	6 months
• Support a Workforce Housing Task Force to study housing needs currently and over the next 10 years.	MSB 6.3.1	OHCD and the Alliance	On-going
• Complete a workforce housing study that includes: ➢ Identification of housing demand vs. supply ➢ Recommendations for expanding the supply of needed housing; e.g., creative financing, addressing regulatory barriers	MSB 6.3.2	City of Williamsburg and OHCD	3 months

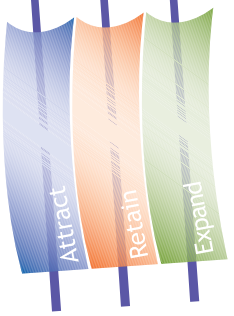
• Work with the JCC Office of Housing and Community Development to implement recommendations.		BOS	12 months
• Communicate the need for and availability of housing with local employers and prospects as a marketing tool on an on-going basis.	MSB 6.3.3	OHCD and the Alliance	On-going

The Community Uniqueness of the County

Recommendation/Action Item	Reference	Responsible	Timeframe
• Support actions to protect and enhance community resources such as recreation, culture, arts and entertainment, appearance, and the environment in order to attract and retain businesses and employees.		JCC County departments	On-going
• Pass resolution to acknowledge and concentrate economic development resources on recruiting and retaining businesses with attributes noted in BCTF report.		BCTF to prepare resolution; BOS to adopt	Immediately

Notes:

1. One option is to allow "non-industrial use" developers to develop land that is currently "banked" for industrial use, as long as an equal, developable amount of land, with similar value and marketability, is set aside for industrial use.
2. The BCTF believes the creation of the Facilitator position is a significant component to making JCC more "business friendly." The position will need to be funded and specific responsibilities will need to be determined, but the BCTF believes the Facilitator's focus should include the following:
   - Information resource to "preferred" business candidates for land/permitting/facilities issues.
   - Expediter (where warranted) of JCC review process.
   - Liaison to non-JCC review parties, such as VDOT, Newport News Water Works, etc.
3. Some methods to spur development include economic incentives, public investment in infrastructure, favorable zoning, and "landbanking."
4. This plan may also include placing certain investors on the Board of Directors (BOD) of the companies receiving investment funds. These BOD members would provide advice and oversee company progress.



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c. Crossroads Research and Technology Committee Report – Core Competencies Section 4
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n. Evaluating York County's Business Environment – William & Mary Thomas Jefferson Program in Public Policy, December 2006

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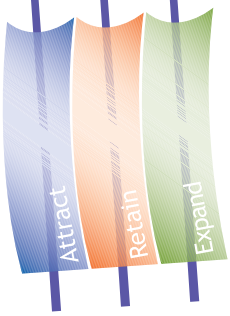

SUBDIVISION/SITE PLAN REVIEW IMPROVEMENT TEAM CONCLUSIONS AND PROPOSAL

"WORKING IN PARTNERSHIP WITH ALL CITIZENS TO ACHIEVE A QUALITY COMMUNITY"

P.O. BOX 8784
WILLIAMSBURG, VA 23187

PURPOSE

The purpose of this document is to present and encourage recommendations sought to improve the overall development plan review process. A diverse group of professionals (private and public) worked together and developed the proposed recommendations. These recommendations are designed to provide predictability and transparency throughout the review process, improve two-way communication, enhance the quality of plans and create a positive perception for all parties involved.

BACKGROUND

The Business Climate Task Force (BCTF) Report was presented to the Board of Supervisors in January 2008. This report "identifies qualities, characteristics, and categories of businesses preferred in James City County and proposes policies, programs and ordinance changes that will attract, retain, and expand those businesses." A subcommittee of the BCTF evaluated the development plan review process and forwarded the following recommendations in their report:

1. "Amend site plan ordinance and site plan review to make process more predictable. Use internal and external historical review data to set adequate review time for full comments, extending the timeline, if needed."

2. "Change ordinance to reduce the number and types of projects that require Development Review Committee and Planning Commission consideration."

After the release of the report, Mr. Sanford Wanner, County Administrator, charged Development Management with organizing a team to review the County's development plan (site and subdivision plan) review process. This team would identify issues at every level of the process and make recommendations to fulfill the BCTF action items.

Mr. William Porter, Acting Development Manager met with staff to coordinate this effort. The Subdivision/Site Plan Review Improvement Team (SSPRIT) was designed to incorporate members from all aspects of the development community. Representatives include professionals from local firms such as AES Consulting Engineers, Guernsey Tingle Architects, Jamestown Management and Kaufman & Canoles. A diverse group of staff members were also selected for this team as well as a representative from the Virginia Department of Transportation.

SSPRIT began meeting biweekly in February 2008. The Team began the process by discussing and establishing goals and objectives. Various speakers were invited to present and discuss new ideas for the Team's consideration. After much discussion and research, the following recommendations discussed in this report were developed to improve the development plan review process for all involved parties and to fulfill the recommendations of the Business Climate Task Force.

TEAM GOALS

- Predictability
- Consistency with all applicants
- Improve two-way communication
- Reduce submittals and achieve better plans
- Empower staff to make decisions independent of management, Development Review Committee or Planning Commission.

TEAM MEMBERS

Jim Bennett	Jamestown Management
Ellen Cook	James City County Senior Planner
Shawn Gordon	James City County Capital Projects Coordinator
Jason Grimes	AES Consulting Engineers
Chris Johnson	Kaufman & Canoles
Allen Murphy	James City County Principal Planner
Scott Thomas	James City County Environmental Director
Tom Tingle	Guernsey Tingle Architects
Bradley Weidenhammer	Virginia Department of Transportation

RECOMMENDATIONS AND TASKS

Recommendation # 1: Development Guide

Design and publish a comprehensive "Development Guide" with an overview, step- by-step process and submittal requirements for all development services. Development services would include rezonings, special use permits, site plans, subdivision plans, conceptual plans, land disturbing permits, building permits, etc.

Rationale:

Given that the development process is complicated in nature, it is essential to provide clear and specific guidelines to our citizens and customers. From a complex rezoning or special use permit case to the simplest site plan or boundary line adjustment, a well organized step-by-step procedures and checklists for all agencies will guide the development community though this complex process. This guide will provide customers predictability and transparency as well as improve the overall plan submittals. (Please note that recommendations # 2, # 3 and #4 will be included within this proposed Development Guide.)

Tasks:

- ✓ Planning Staff responsibilities:
  - Review and update all planning procedures and checklist
  - Collect all agency's updated procedures and checklists
  - Review and organize all development procedures
  - Coordinate with JCC Publications Management, Graphic Design and Communications for final layout and publication
  - Coordinate yearly updates of the guide
- ✓ All Development Review Agencies
  - Review and update all procedures and checklists
  - Work with the Planning Division to reduce and eliminate any repetitive procedures or checklist items before final publication

Recommendation # 2: Revise Development Checklists

All plan review agencies publish up-to-date checklists to ensure development plans address important features required by County, State and other ordinances. All agencies are encouraged to review and revise such lists to promote accurate information and reduce overlapping requirements.

Rationale:

Development checklists provide a list of key requirements and standards to guide development proposals. However, in general, current agency checklists are lengthy and cumbersome. In the Committee's discussion and review, it was found that these checklists were outdated and had overlapping requirements between agencies. Agencies shall provide the most current list of requirements for all development cases including the number of plans required for each type of submittal. Revising these checklists will provide clear guidelines to allow applicants to design and submit complete design packages at the beginning stages of the process. This will also eliminate redundancy between agencies and reduce the amount of submittals for various cases. These updated checklists will be included in the recommended Development Guide (see Recommendation # 1).

Tasks:

- ✓ All Development Agencies
  - Revise all development checklists
  - Work with all agencies to eliminate redundancies
  - Publish updated checklists on website and in Development Guide

Recommendation # 3: Response Letter Guide

Design a "Response Letter" guide to improve communication between agencies and applicants throughout the submittal process. This template will guide staff and applicants to ensure all comments are recognized, addressed and promote fewer re-submittals.

Rationale:

Review Agency comments letters are designed to provide a clear avenue for applicants to modify plans to ensure all requirements are satisfied. However, applicants' response letters often do not provide clear information as to whether an agency's comment has been addressed resulting in slower review time during re-submittals.

The Team found that developing a "Response Letter Guide" would reduce these issues and promote transparency throughout the development review process from both review agencies and the applicant. The guide shall include an example of a desired response letter format that will provide additional assurance that changes made to the initial plan will be easily recognized.

In addition, staff recognizes that numerous review comments can be cumbersome, overlapping and sometimes impose difficulties for applicants. Also, various review agencies have standard and "boiler plate" comments that simply require acknowledgement by the applicant without specific responses or changes to the plan. During the development of this guide, staff will review sample comment letters and eliminate all nonessential comments to promote clarity.

Tasks:

- ✓ Planning Staff responsibilities:
  - Coordinate efforts between review agencies to address the organization of comments and eliminate redundant and/or conflicting comments.
  - Work with review agencies to compile examples of good and bad comment response letters.
  - Promote and work with outside firms to standardize necessary information on a development plan coversheet.
  - Publish template on website and Development Guide
- ✓ All Development Agencies
  - Work with the Planning Division to eliminate redundant and /or conflicting comments and organize all other comments to provide transparency.

Recommendation # 4: Plan Review Timeline Revisions

Standardize agency review times to provide predictability for all applicants.

Rationale:

One recommendation and action item forwarded by the BCTF is to review and revise, if necessary, adequate review times for full plan review comments. SSPRIT found the review times crucial to provide predictability and consistency of all plans.

Currently, Section 24-150. Procedures for administrative review of site plans of the James City County Zoning Ordinance states, "the planning division shall transmit county staff comments to the applicant within 30 days of submittal of plans meeting all applicable submittal criteria." The Team discussed various cases and situations that prevented review agencies from meeting the 30-day deadline. After agency input and research, the Team recommends the following change:

Comment Response Deadlines	
First Submittal	45 days
Second Submittal	30 days
Third and Subsequent Submittal(s)	21 days (if needed)

The recommended changes will allow agencies additional time to complete the initial plan review thoroughly and reduce oversights that cause additional comments during the second or third submittal stage. This will result in improved predictability for the development community.

Tasks:

- ✓ Planning Staff responsibilities:
  - Coordinate a Zoning Ordinance amendment to Section 24-150 through the Policy Committee, Planning Commission and Board of Supervisors.

Recommendation # 5: Enhanced Development Roundtable Process

> Develop and implement a policy promoting the Roundtable meetings associated with complex subdivision and site plans. This policy shall encourage two- way communication during all stages of a development plan.

Rationale:

The Development Roundtable meeting was originally established to strengthen communication and to better inform applicants by providing a structured forum for discussion. These meetings allow applicants and staff from various agencies to meet and discuss code requirements, planning processes, and departmental policies in a central location. With Development Roundtable meetings, applicants are afforded the opportunity to have questions answered and overlapping and /or conflicting issues addressed by all parties early in the development process.

By enhancing the Development Roundtable, both reviewing agencies and applicants will rely more heavily on this exchange of information. Creating thresholds that mandate Development Roundtable discussions in the earlier stages of the application process will aid the applicant in gaining guidance from staff during formative stages of the development process. Applicants participating in Development Roundtable discussions will benefit from greater predictability as reviewing agencies work within guaranteed timelines. While engaging in an open exchange, review agencies will gain a greater awareness of departmental objectives and thus identify and eliminate conflicting requirements. Engaging applicants in a two-way dialogue by providing more informed and project- specific information will reduce costly, time-exhausting resubmittals. The Enhanced Development Roundtable Process will engage both applicant and staff in communication that is more productive and improve transparency of the process.

The following are suggested Enhanced Development Roundtable thresholds:

1. At the applicant's request;
2. At the request of the Development Manager, Planning and/or Environmental Director;
3. Any project after the initial review comments are issued (prior to next subsequent submittal);
4. Expedited review status cases (prior to the first submittal).

Enhanced Development Roundtable thresholds for conceptual plan cases:

1. All plans except those minor in nature (less than 5,000 square feet in size);
2. All projects within a defined County special study area, including but not limited to:
    - Designated Business Enterprise Zones
    - Five Forks area
    - Toano Community

- Watershed management plan areas
- Business, commercial or industrial parks

Tasks:

✓ Planning Staff responsibilities:

- Coordinate efforts to develop Enhanced Development Roundtable thresholds and procedures.

- Coordinate and forward a policy for the Board of Supervisors consideration.

✓ All Development Agencies

- Assist Planning efforts for Enhanced Development Roundtable thresholds and procedures.

Recommendation # 6: Development Review Committee Modifications

Examine, research and process Zoning Ordinance modifications to clarify responsibilities of the Development Review Committee and development triggers. This will provide predictability and transparency for new and existing businesses.

Rational:

The BCTF recommends changing the Zoning Ordinance "to reduce the number and types of projects that require Development Review Committee and Planning Commission consideration." In keeping with this recommendation, the Team discussed and researched this topic in detail and found evidence to recommend the following changes:

- Define the role of the Development Review Committee (DRC) in the Zoning Ordinance. This action will provide clarity to all parties involved.
- Adding a consent item section to the DRC meeting agenda. This will allow an opportunity for quick and efficient consideration of minor and minimal controversial items such as parking exception, buffer waivers, minor master plan amendments and cul-de-sac exceptions.
- Encourage attorneys and applicants to write proffers that do not send plans back to the DRC but to the Zoning Administrator or Planning Director.
- Amend the Zoning Ordinance to modify current triggers that require plans be reviewed and approved by the DRC and that may the lengthen plan review process for projects.
    - Eliminate "multi-family development of 50 or more units." In many cases, developments of this nature are part of an approved master plan that has already gone through legislative approval process.
    - Eliminate "two entrances on the same road. This type of item should be a planning staff / VDOT review issue.
    - Increase "building or groups of buildings over 30,000 square feet" to buildings over 50,000 square feet.
    - Eliminate all industrial and office buildings in an approved master planned industrial or office park.

Tasks:

- ✓ Planning Staff responsibilities:
    - Coordinate various Zoning Ordinance amendments through the Policy Committee, Planning Commission and Board of Supervisors.

Recommendation # 7: Enhanced Conceptual Plan Process

Implement an optional "Enhanced Conceptual Plan" process to allow the development community to obtain input from the Development Review Committee in the early stages of the design process prior to a substantial investment in detailed design and engineering.

Purpose:

Provide, by graphical and narrative means, a project development plan which at a preliminary, concept or schematic design level conveys to the review agencies and plan-approving authority that the public's health, safety and welfare is preserved and that no critical flaws exist in the project's intent, purpose or features. Upon approval of the enhanced concept plan by the DRC, the project can move forward into full design for further review and consideration by administrative staff. Approval of the enhanced concept plan does not imply final plan approval for development or construction plan as required by the County's Zoning, Subdivision, Erosion and Sediment Control, Chesapeake Bay Preservation or any other applicable ordinances.

Rationale:

The Enhanced Conceptual Review will improve the review process for both the development community as well as James City County citizens through the extension of the Development Review Committee. The applicant submitting Enhanced Conceptual Review plans will receive input earlier in the review process that will potentially reduce the number of re-submittals and costly changes in engineered plans, and the Development Review Committee will be further enabled to engage in shaping the substantive design and layout components of the development plan early in the process.

A progression in the review process which includes DRC review of an enhanced conceptual plan and moves to more detailed, engineering-related plans for staff review will benefit applicants by creating greater efficiency and aide in the predictability of the process. By creating a two-phased approach to plan reviews, the role of the DRC in guiding development plans will become more strategic as their input is received at a time when the plan is more adaptable. By voluntarily submitting to Enhanced Conceptual Review, once DRC approval is granted, applicants can more comfortably commit to the costly task of generating fully engineered plans for further staff review. The Enhanced Conceptual Review will benefit the citizens of James City County by creating plans that are guided by applicable ordinances and sound planning principles and at the same time improving the review process for the business community. However, should an applicant choose not to utilize this process, the existing ordinance requirements and policies would be followed.

Attached are draft submittal requirements for an Enhanced Conceptual Plan.

Tasks:

- ✓ Planning Staff responsibilities:
  - Coordinate various Zoning Ordinance amendments through the Policy Committee, Planning Commission and Board of Supervisors.

James City County
Essential Guide for Business

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If you note a correction needed in the James City County Essential Guide to Business, please contact the Office of Economic Development of James City County at 757-253-6607.

Last updated 11/2016

I. Getting Registered – The Quick Guide

Registering with James City County

James City County Business License

James City County requires that all businesses operating within James City County register with the Commissioner of the Revenue for local taxation purposes. Business licenses must be obtained by March 1 of the tax year or within ten (10) days of beginning business, whichever is later.

For additional information on licenses and fees, please refer to the Business Taxes section of this document or contact:

James City County Commissioner of the Revenue
101-B Mounts Bay Road
Williamsburg, VA 23185
757-253-6698
Fax 757-253-6733
http://www.jamescitycountyva.gov/439/Business-Licenses

Assumed Names, Trade Names and DBA's

Any business operating under an assumed name, trade name, or Doing Business As (DBA) which does not incorporate the true legal name of the entity conducting business must register that name with the local Clerk of the Circuit Court. No business license can be issued, or registrations for other local taxes accepted by the Commissioner of the Revenue, without documentation that this filing has been made.

For forms, and additional information on assumed names, trade names and DBAs, contact the:

James City County Commissioner of the Revenue
101-B Mounts Bay Road
Williamsburg, VA 23185
757-253-6698
Fax: 757-253-6733
http://www.jamescitycountyva.gov/385/Commissioner-of-the-Revenue

Clerk of the Circuit Court
5201 Monticello Avenue, Suite 6
Williamsburg, VA 23188
757-564-2242
http://www.jamescitycountyva.gov/150/Clerk-of-the-Circuit-Court

Registering with the State of Virginia

The official website of the Commonwealth of Virginia, www.virginia.gov, provides resources to assist businesses with relevant tax, workforce, licensing and other issues.

For more information, please visit https://www.virginia.gov/business services.

State Corporation Commission (SCC)

The State Corporation Commission has resources available to assist with identifying the appropriate business structure. Once you determine the appropriate structure, you can establish your business by filing with the State Corporation Commission. Filing your business ensures there isn't another business entity in the Commonwealth doing business under the same business name.

For more information on business organization, contact the:

SCC
Clerk's Office, Tyler Building
1300 East Main Street
P.O. Box 1197
Richmond, VA 23218
804-371-9967 (direct dial)
www.scc.virginia.gov

Virginia Department of Professional and Occupational Regulation (DPOR)

Businesses regulated by licensing or permitting requirements are involved in areas relating to public health or safety, such as engineering, architecture, health professions, environmental hazards, building codes, and financial services such as CPA's, real estate agents, surveyors and employment agencies.

To find out if the business you intend to start is subject to licensing by the Commonwealth of Virginia, contact the:

DPOR
Perimeter Center, Suite 102
9960 Mayland Drive
Richmond, VA 23233
804-367-8500
www.dpor.virginia.gov.

State Contractor Licenses, Tradesman Licenses, Certified Water Well System Providers, Certified Elevator Mechanics and Certified Backflow Prevention Device Workers

Persons, firms, or corporations engaging in the construction of new structures or new additions to existing structures, or those involved in remodeling, repair or demolition of existing structures are ***required*** to be licensed in the Commonwealth of Virginia, as well as being properly registered in James City County. Individuals performing work on water well systems, elevators, escalators or other such conveyances and those individuals performing plumbing, HVAC, electrical or gas-fitting work may be required to hold an individual certification/license issued by the Board for Contractors. This requirement is applicable to (but not limited to) ***building contractors, residential contractors, commercial contractors and subcontractors (electrical, plumbing, mechanical, masonry, etc).*** Fees for licenses vary according to the type of license issued.

For more information on state contractors' licenses, contact the:

Virginia Board of Contractors, Tradesman Program,
Department of Professional and Occupational Regulation
9960 Mayland Dr., Suite 102
Richmond, VA 23233
804-367-8500
www.dpor.virginia.gov

Virginia Department of Agriculture and Consumer Services (DACS)

Most businesses that engage in the manufacture or distribution of foods, beverages, and/or food additives of any type (whether on a seasonal basis or not) are required to be inspected by the Virginia Department of Agriculture and Consumer Services (note: Molluscan shellfish shucking plants, crab picking plants, and Grade A dairy processing facilities are inspected by the **Virginia Department of Health**). Should you intend to engage in a food-related business of this type, please contact the appropriate agency. The agency will supply you with an informative packet containing food-related business information and regulatory requirements. These businesses may also be required to obtain a permit from the Virginia Department of Commerce.

For basic information, starting a food business, licenses & registration and Inspection and grading services, please contact:

VDACS
102 Governor Street
Richmond, VA 23219
804-786-3520
www.vdacs.virginia.gov
www.vdacs.virginia.gov/starting a food business
www.vdacs.virginia.gov/licenses-registration
www.vdacs.virginia.gov/inspection-and-grading-services

Virginia Department of Health (VDH)

Several types of businesses, including all of those engaged in food handling, are required to obtain approval from the local office of the VDH and to have periodic inspections of their facilities in order to assure safe and sanitary operations within James City County. Permits are issued for restaurants, day care kitchens, school kitchens, catering operations, mobile food units, temporary food service events, and almost anytime food is prepared for, or served to, the public. These establishments are permitted annually, and there is a permit application fee. Any alterations, change of ownership, or new construction may require plan review, inspection, and approval by the local office of the VDH.

If you are planning to build a new food service establishment or renovate a facility that was not previously a restaurant, contact the Williamsburg Area Environmental Health Office (757-253-4813) regarding your plans so that an Environmental Health Specialist may advise you of the requirements and prevent any unnecessary delays. Plans and specifications for the construction, remodeling, or renovation ***are*** required.

For non-retail facilities, such as Molluscan Shellfish Shucking Plants, Crab Picking Plants, and Grade A Dairy Processing Facilities, VDH approval is also needed. VDH also regulates Summer Camps, Campgrounds, and Public Swimming Pools, among other types of operations.

For more information and specific fees that may apply to your business, please contact VDH. James City County is part of the Peninsula District of the Virginia Department of Health, and has a local office:

VDH, Williamsburg/James City County Regional Office
4095 Ironbound Road
Suite 200
Williamsburg, VA, 23188
757-253-4813
Fax: 757-253-4285
www.vdh.virginia.gov
www.vdh.virginia.gov/restaurant operators
http://EnvironmentalHealth/Regulations

Virginia Department of Alcoholic Beverage Control (ABC)

All businesses that sell alcoholic beverages of any kind are required to obtain a liquor license from the Virginia Department of Alcoholic Beverage Control and a local business license through the Commissioner of the Revenue.

For more information on liquor licenses, contact the:

ABC Central Office
2901 Hermitage Road
Richmond, VA 23220
P.O. Box 27491
Richmond, VA, 23261
804-213-4400

ABC Regional Office (Region 7)
4907 West Mercury Blvd.
Hampton, VA 23605
757-825-7830

www.abc.virginia.gov (click "licenses" across the top menu for more specific information)

Registering with the Federal Government

Employer Identification Number (EIN)

Businesses must have a taxpayer identification number so the Internal Revenue Service can process tax returns. These identification numbers are your *Social Security Number (SSN)* and/or your *Employer Identification Number (EIN)*.

When do you need an Employer Identification Number?
Proprietorships - An Employer Identification Number is needed if: 1) you pay wages to one or more employees, or 2) you file pension or excise tax returns (Source - IRS Pub. 334 - Tax Guide for Small Business).

Corporations, Partnerships and Limited Liability Companies by their nature will have EIN's assigned by the IRS upon registration.

For more information on Employer Identification Numbers, contact the:

IRS, Hampton Regional Office
903 Enterprise Pkwy.
Hampton, VA 23666
757-751-6200
www.irs.gov

IRS, Richmond Regional Office
400 North Eighth Street
Richmond, VA 23219
804-916-8700

II. Business Taxes

James City County Taxes

All James City County taxes are assessed by the Commissioner of the Revenue's Office and payable to the Treasurer's Office.

James City County Commissioner of the Revenue
101-B Mounts Bay Road
Williamsburg, VA 23185
757-253-6695
www.jamescitycountyva.gov/BusinessTaxes

James City County Treasurer's Office
101-B Mounts Bay Road
Williamsburg, VA 23185
(757) 253-6705
www.jamescitycountyva.gov/Treasurer

Business Professional Occupational License Tax (BPOL)

What is BPOL? - A tax assessed on non-manufacturing business according to gross receipts from operation at the following rates:

- As of January 2006, first-time business applicants with total gross receipts less than $4,000 are assessed a fee of $30.00.
- Renewals with gross receipts less than $4,000 are no charge.
- Businesses with gross receipts of $4,000 up to $49,999 are assessed a fee of $30.
- Businesses with gross receipts of $50,000 up to $99,999 are assessed a fee of $50.
- Businesses with gross receipts of $100,000 and over are assessed at the following rates:
    - Professional Services - $.58/$100 - Gross receipts
    - Other Services - .36/$100 - Gross receipts
    - Retail Sales - .20/$100 - Gross receipts
    - Contractors - .16/$100 - Gross receipts
    - Wholesale Sales - .05/$100 - Gross receipts

Business licenses must be filed with the Commissioner of the Revenue's Office by March 1of the tax year, and business license taxes are due by April 5 of the tax year. Penalties, plus interest, apply for late filings and payments.

Business Personal Property (BPP)

What is Business Personal Property? - All equipment, furniture, fixtures, books, appliances, tools, office equipment, cash registers, and any other items used in the pursuit of your business. Business Personal Property does not include motor vehicles.

Business Personal Property Rate - $4.00/$100 value
Business Personal Property is valued at 25 percent of original capitalized cost.

You must file BPP by May 1 for property in use as of January 1 of a tax year. The due dates for payments are August 5 and December 5.
www.jamescitycountyva.gov/Business-Personal-Property-Taxes

Manufacturers - Machinery and Tool Taxes (M&T)

What is Machinery and Tool Tax? - Machinery and Tools is equipment used by a manufacturer directly in the production of goods.

Machinery and Tools - $4.00/$100 value
Machinery and Tools are valued at 25 percent of original capitalized cost.

You must file M&T no later than May 1 for equipment in use as of January 1 of a tax year. The due dates for payments are August 5 and December 5.
www.jamescitycountyva.gov/Machinery-Tool-Taxes

Food, Beverage and Transient Occupancy Taxes

What is Food, Beverage and Transient Occupancy Tax? - Food and Beverage, and Transient Occupancy taxes (more commonly known as Meals and Room Taxes) are collected monthly from hotels, motels, and restaurants.
www.jamescitycountyva.gov/Food-Beverage-Transient-Occupancy-Taxes

Virginia Taxes

Unemployment Compensation and Workers' Compensation

Businesses with employees may be required to pay *State Unemployment Compensation Taxes*. For more information on unemployment compensation, contact the:

Virginia Employment Commission
Hampton Office
600 Butler Farm Road
Suite B
Hampton, VA 23666
757-865-5800
www.vec.virginia.gov/employers

Private employers with three or more employees must carry *Workers' Compensation* insurance. Workers' Compensation insurance is obtained from private insurance agents with premiums regulated by law.

For more information on workers' compensation, contact the:

Workers' Compensation Commission

Central Office:
1000 DMV Drive
Richmond, VA, 23220
804-367-9740

Regional Office:
281 Independence Blvd.
Pembroke One, Suite 600
Virginia Beach, VA 23462
804-367-8600
1-877-664-2566 (toll free in Virginia)
www.vwc.state.va.us

State Sales Tax, Withholding Tax, Corporate Income Tax and Other Non-Property Taxes

For businesses that are required to collect sales tax, the Virginia Department of Taxation issues a Certificate of Registration which allows you to collect and remit sales tax to the state.

Every corporation organized under the laws of Virginia, or having income from Virginia sources must file a *corporation income tax* return with the Virginia Department of Taxation.

State regulations also require registration with the Virginia Department of Taxation by businesses subject to litter tax, consumer use tax, and tire tax, as well as those required to withhold income tax from employees or to collect sales tax. In addition to the above-named taxes, there are others that pertain to specific products. Consult licensed professionals or the Virginia Department of Taxation for more information.

For more information on State taxes, contact the:

Virginia Department of Taxation
Office of Customer Services
P.O. Box 1115
Richmond, VA, 23218
804-367-8031
www.tax.virginia.gov

Federal Taxes

For more information on federal business taxes, contact the:
Internal Revenue Service
1-800-829-1040
www.irs.gov

III. Overview of County Regulations

Home Occupation

What if I want to start a business in my home?
Business activity within the home is limited. Always verify either in writing or in person with the Zoning Division that your business may be operated in a residential area without violating zoning laws. A business license cannot be obtained without a completed Home Occupation Registration when required.
www.jamescitycountyva.gov/HomeOccupationApplication

What kind of business may I have in my home?
The James City County Code for a home occupation requires that the occupation or activity be conducted entirely within the dwelling, i.e. not in the yard, garage, etc., and that no more than twenty-five percent (25%) of the first floor area is used throughout the structure for such activity.

In addition, the business cannot cause traffic to be generated in greater volumes than normal and cannot create noise, odor, smoke, dust or glare that may be detrimental to people residing in the home or on the adjacent properties.

Can I hire people to work for me from my home?
The only people that may work out of a particular home are those that live in the home.

If I would like to erect a sign for my home occupation - what are the limitations?

A sign for a home business is not required; however, if you desire to have one, then you may have one sign, ***not to exceed four (4) square feet in size.*** Such sign must be attached to the dwelling and ***shall not be illuminated***.

For information on sign requirements, to verify the zoning of the property you plan to use or for questions concerning zoning of a home-based business, contact:

James City County Zoning Enforcement
101-A Mounts Bay Road
Williamsburg, VA, 23185
757-253-6685
zoning@jamescitycountyva.gov
www.jamescitycountyva.gov/447/Zoning-Enforcement

Is there anything else I should know before I start a Home Occupation?
Prior to starting any home occupation, contact the Commissioner of the Revenue's Office to register your business.

To verify any licensing requirements of a home-based business, contact the:

James City County Commissioner of the Revenue
101-B Mounts Bay Road
Williamsburg, VA, 23185
757-253-6695
commissioner.revenue@jamescitycountyva.gov
www.jamescitycountyva.gov/385/Commissioner-of-the-Revenue

Locating a Business & Determining Permitting Requirements

If I do not plan to operate the business from my home, how do I know where my business is allowed to operate?
The James City County Zoning Ordinance, Comprehensive Plan, and Comprehensive Plan Land Use Map are important tools in determining where to locate a business. The Zoning Ordinance allows certain uses within specific zoning districts; you should first determine where your proposed business is permitted "by right," meaning the County Zoning Code specifically permits your proposed business in a specific zoning district. Some specific businesses are permitted only with a Special Use Permit, which can only be granted by the elected body. If you have a specific property in mind, it may not currently be zoned to accommodate your proposed business and may need to have the zoning changed, or rezoned, which also can only be approved by the elected body. The Comprehensive Plan and Land Use Map act as goals or guides, in terms of the development the County would like to see in certain areas. It is very important to check with the Zoning Enforcement Division to ensure that the proposed property for your business is properly zoned and designated or if additional approval is needed. Both a Special Use Permit and Rezoning require legislative

approval, meaning approval by the James City County Planning Commission and the James City County Board of Supervisors. Planning staff can assist with the application process for both Special Use Permits and Rezoning cases.

James City County Zoning Enforcement
101-A Mounts Bay Road
Williamsburg, VA, 23185
757-253-6685
zoning@jamescitycountyva.gov
www.jamescitycountyva.gov/447/Zoning-Enforcement

What if a previous business operated from the business location I selected for my proposed business?

The James City County Zoning Code identifies distinct business operations and each zoning district permits different types of business operations. Just because a building or site previously operated as a business does not necessarily mean your proposed business can operate there without further approval. It is imperative to confirm the zoning and permitted uses before proceeding to purchase a property or incurring other costs. The County Zoning Enforcement Division can assist in evaluating if a change of use form, site plan or site plan amendment, or other approvals are needed.

James City County Zoning Enforcement
101-A Mounts Bay Road
Williamsburg, VA, 23185
757-253-6685
zoning@jamescitycountyva.gov
www.jamescitycountyva.gov/447/Zoning-Enforcement

What is a site plan?

If you are planning to build a new structure, build an addition, rehabilitate/convert an existing structure, or make changes to the property (add parking, reconfigure access to the property, etc.), you will need to file a Site Plan and a Site Plan Application with the County Planning Division. A site plan shows the location of existing and proposed buildings, including outbuildings, as well as parking areas, drainage areas, entrances from public streets and the location of utility lines, among other details about the property. Typically site plans are prepared by licensed Professional Engineers or Land Surveyors; after being submitted to the County the plan gets reviewed by all appropriate review agencies (Virginia Department of Transportation; Zoning; Planning; Engineering & Resource Protection; James City Service Authority; Fire Department; and/or the Virginia Department of Health, as applicable to the application.). Once all comments have been addressed, final approval will be issued. Sometimes this takes two or more rounds of submittals and comment.

What is a conceptual plan?
It is recommended you meet with Planning or Zoning staff to discuss your plans before incurring any costs or committing to a lease or purchase of property. This discussion could result in questions that arise and need to be answered by staff from other divisions or agencies. A conceptual plan is an informal sketch that helps describe your proposed project. By submitting an application and a conceptual plan you are officially requesting feedback that will assist in determining what approvals are necessary for you to proceed.

This process is much less formal than a site plan application and can assist you with identifying critical issues and specific information that will be needed for a formal site plan application. An application for a Conceptual Plan review carries a fee of $25.

James City County Planning
101-A Mounts Bay Road
Williamsburg, VA 23185
757-253-6685
http://www.jamescitycountyva.gov/404/Planning

Sign Regulations

If I want to erect a sign for my business, what are the requirements?
All signs require an approved sign permit issued by the Zoning Enforcement Division. However, signs may also require a building permit depending on type, size and illumination of the sign. There are restrictions on the size and placement of the signs. The County Zoning Enforcement Division can provide more information on specific sign requirements.

James City County Zoning Enforcement
101-A Mounts Bay Road
Williamsburg, VA, 23185
757-253-6685
zoning@jamescitycountyva.gov
www.jamescitycountyva.gov/447/Zoning-Enforcement

Building Permits

Once you have confirmation that your property is properly zoned for your business and you have an approved site plan, obtaining the proper building permits is the next step. The following section provides answers to many commonly asked questions about building permits.

When is a building permit required?
A permit is required by the Virginia Uniform Statewide Building Code for almost all repairs, alterations, and new work for buildings, and electrical, plumbing/mechanical (heating & air) work. There are a few limited exceptions.

If the electricity and gas have been turned off to a vacant business location, what is necessary to restore it?

An application for service with the appropriate utility may be all that is necessary. However, if the gas has been off more than one year, it is necessary to obtain a "reconnect" permit from the Building Safety & Permits Division. The County will only perform an inspection for electrical reconnect after being contacted by the power company. Once this permit has been obtained, an inspection will be required to determine if the facility is safe and if service can be restored. If it is determined that any electrical problem exists, an electrical "reconnect" permit may be required.

How long does it take to get a permit?

Simple permits such as reconnect permits may be issued during one visit to the Building Safety & Permits Division. Permits for large, complex structures may take three weeks.

Who can apply for a permit?

An owner, tenant, or licensed contractor can legally apply for a permit in Virginia. It is against State Regulations for an owner or tenant to obtain a permit and then hire an unlicensed contractor to do the work.

What is required if a business wants to add on to an existing building or build a new building?

A site plan must first be approved indicating the location of the proposed footprint on the site (for commercial uses). Building permits are also required. The site plan must be approved prior to the issuance of the building permit, but the building permit application can be reviewed concurrently with the site plan review.

For information on building permits and review requirements, contact the:

James City County Building Permits & Safety
101-E Mounts Bay Road
Williamsburg, VA, 23185
757-253-6626
Fax: 757-259-4038
www.jamescitycountyva.gov/406/Building-Safety-Permits

Community Development

The James City County Department of Community Development consists of the following Divisions: Building Safety & Permits, Engineering and Resource Protection, Neighborhood Development, Planning, and Zoning Enforcement.

James City County Community Development
101-A Mounts Bay Road
Williamsburg, VA 23185
757-253-6671
www.jamescitycountyva.gov/403/Community-Development

IV. Fire Code

James City County has adopted for local enforcement the Virginia Statewide Fire Prevention Code. The James City County Fire Department conducts inspections of businesses in the County for compliance to the code on an annual basis. The Fire Marshal's Office is the division of the Fire Department responsible for enforcement of the Statewide Fire Prevention Code.

To ensure that your business complies with these codes, contact:

James City County Fire Code Enforcement/Fire Marshal
5077 John Tyler Highway
Williamsburg, VA 23185
757-220-0626
www.jamescitycountyva.gov/2542/Code-Enforcement-Investigations

V. Business Startup Resources

Launchpad: the Greater Williamsburg Business Incubator

Launchpad is a joint regional initiative between the Economic Development Authorities of James City County, the City of Williamsburg, and York County to support entrepreneurship in Greater Williamsburg. It is managed by the Hampton Roads Small Business Development Center. Launchpad provides entrepreneurs and startups in Greater Williamsburg with the amenities, counseling, and services necessary to grow a successful business.

To learn more, please visit www.gwlaunchpad.com or contact:

Tim Ryan
4345 New Town Avenue
Williamsburg, VA 23188
757-565-4373
go@gwlaunchpad.com

Hampton Roads Small Business Development Center

For established firms, emerging companies or aspiring entrepreneurs, the Virginia SBDC is the place where businesses go to talk business. Counseling, training and information resources are the hallmarks of the SBDC program. Business owners and managers can count on professional guidance, experienced insight, practical solutions and respect for confidentiality when they work with a Virginia SBDC.

Co-located with Launchpad
757-565-4373
www.hrsbdc.org

Williamsburg SCORE Chapter 0549

The Service Corps of Retired Executives (SCORE) offers free and confidential counseling, workshops on management, and a resource index for start-up or existing business. Williamsburg SCORE has been dedicated to providing free small business advice and mentoring services since October 1985.

Co-located with Greater Williamsburg Chamber and Tourism Alliance
421 N Boundary Street
Williamsburg, VA 23185
757-229-6511
www.scorewilliamsburg.org.

VI. Financing Your Business

U.S. Small Business Administration

The U.S. Small Business Administration (SBA) was created in 1953 as an independent agency of the federal government to aid, counsel, assist and protect the interests of small business concerns, to preserve free, competitive enterprise and to maintain and strengthen the overall economy of our nation. We recognize that small business is critical to our economic recovery and strength, to building America's future, and to helping the United States compete in today's global marketplace. Although SBA has grown and evolved in the years since it was established in 1953, the bottom line mission remains the same. The SBA helps Americans start, build and grow businesses. Through an extensive network of field offices and partnerships with public and private organizations, SBA delivers its services to people throughout the United States, Puerto Rico, the U. S. Virgin Islands and Guam.

Virginia District Office
400 North 8th Street, Suite 1150
Richmond, VA 23219
804-771-2400
Fax: 804-771-2764
www.sba.gov

Virginia Small Business Financing Authority

The Virginia Small Business Financing Authority (VSBFA) stands ready to assist those businesses and non-profit organizations looking to grow in Virginia, local economic development authorities and municipalities needing debt financing to attract businesses into their jurisdictions, as well as bankers seeking to find creative ways in which to make that next loan to a small business. The VSBFA is a political subdivision of the Commonwealth of Virginia whose mission is to promote Virginia businesses by increasing access to capital through the creative application of public and private financing, thereby maximizing

employment opportunities and investment throughout the Commonwealth. Through its portfolio of financing programs, the VSBFA assists in three primary ways:

1. Direct Lending: In partnership with banks and other lenders, VSBFA provides direct loans in economic development transactions. VSBFA also provides direct loans under specific programs designed to promote environmental stewardship and assist licensed daycare centers and family home providers.
2. Indirect Lending: VBSFA provides loan guarantees or other types of credit enhancements to commercial banks in order to increase access to capital for businesses.
3. Conduit Financing: VSBFA is the statewide conduit issuer of tax-exempt industrial development bonds for manufacturers and 501c3 organizations.

In order for the VSBFA to offer a business financing assistance, the business must meet VSBFA's credit standards and meet the definition of a small business as defined in the Code of Virginia. That definition states that a "small business" must meet at least one of the following criteria:

- Has fewer than 250 employees; or
- Has less than $10 million in annual gross revenues for each of its last three fiscal years; or
- Has a net worth of $2 million or less; or
- Is a not-for-profit entity granted tax-exempt status under § 501c3 of the Internal Revenue Code and operating in the Commonwealth of Virginia.

Contact Information:

Virginia Small Business Financing Authority
804-371-8254
www.vabankers.org/VSBFA

Sec. 24-11. - Special use permit requirements for certain commercial uses; exemptions.

(a) *General requirements.* A special use permit issued by the board of supervisors shall be required for:

(1) Any convenience store;

(2) Any commercial building or group of buildings which exceeds 10,000 square feet of floor area; or

(3) Any commercial building or group of buildings, not including office uses, which generates, or would be expected to generate, a total of 100 or more additional trips to and from the site during the peak hour of the operation, based on the application of the Institute of Transportation Engineers (ITE) traffic generation rates contained in the latest edition of its book entitled Trip Generation. The applicable trip generation rate shall be determined by the planning director. The planning director may permit other traffic generation rates to be used if an individual or firm qualified to conduct traffic engineering studies documents that the use would not reasonably be expected to generate the amount of peak hour traffic projected by application of ITE traffic generation rates, provided the documentation is acceptable to the planning director; or

(4) Automobile and gasoline service stations.

(b) *New buildings, additions or expansions.* A special use permit shall be required for a new building, addition or expansion when:

(1) In combination with the existing structure, it exceeds the thresholds set forth in paragraph (a);

(2) It adds 5,000 square feet or more of commercial floor area or, in combination with other new buildings, additions or expansions, generates 75 or more peak-hour trips than generated by the existing or approved use on May 21, 1990, or than approved in a special use permit, whichever is greater; and

(3) It is located on the same property as the existing structure or other parcel which is a logical component of such property. Factors to determine whether a parcel is a logical component include:

a. Common ownership or control of the parcels under consideration by the same person(s) or entity(ies), or similar or related entities;

b. Regardless of factor a. above, shared access to public roads, shared parking arrangements, shared traffic circulation or shared service areas; and

c. Proximity. For the purpose of this paragraph, "proximity" means adjacent parcels, parcels separated by property under common ownership or control by the same person(s) or entity(ies) or similar or related entities, or parcels separated by a public or private right-of-way.

(c) *Design and submittal requirements.* Any building or use and addition or expansion thereto requiring a special use permit under this section shall comply with the requirements of section 24-23.

(d) *Exemptions.* The following shall be exempt from the requirements of this section:

(1) Any use or building and expansion or addition thereto with preliminary site plan approval prior to May 21, 1990;

(2) Any use or building and expansion or addition thereto for which the start of construction began prior to May 21, 1990, in accordance with a site plan approved prior to that date;

(3) Any use or building and expansion or addition thereto shown on a proffered binding master plan that binds the general location of all of the features on the plan as required under this section;

(4) Any building located in a mixed use district, residential planned community district or planned unit development district; or

(5) Any building predominantly used as a warehouse, distribution center, office, or for other industrial or manufacturing purposes. For purposes of this exemption only, the term "predominantly" shall mean 85 percent of the total square feet of the building or more.

(Ord. No. 31A-121, 5-21-90; Ord. No. 31A-145, 7-6-92; Ord. No. 31A-155, 1-3-94; Ord. No. 31A-201, 12-1-99)

James City County EDA
Economic Development Initiatives – 2017

Adopted March 9, 2017

Regulatory Framework

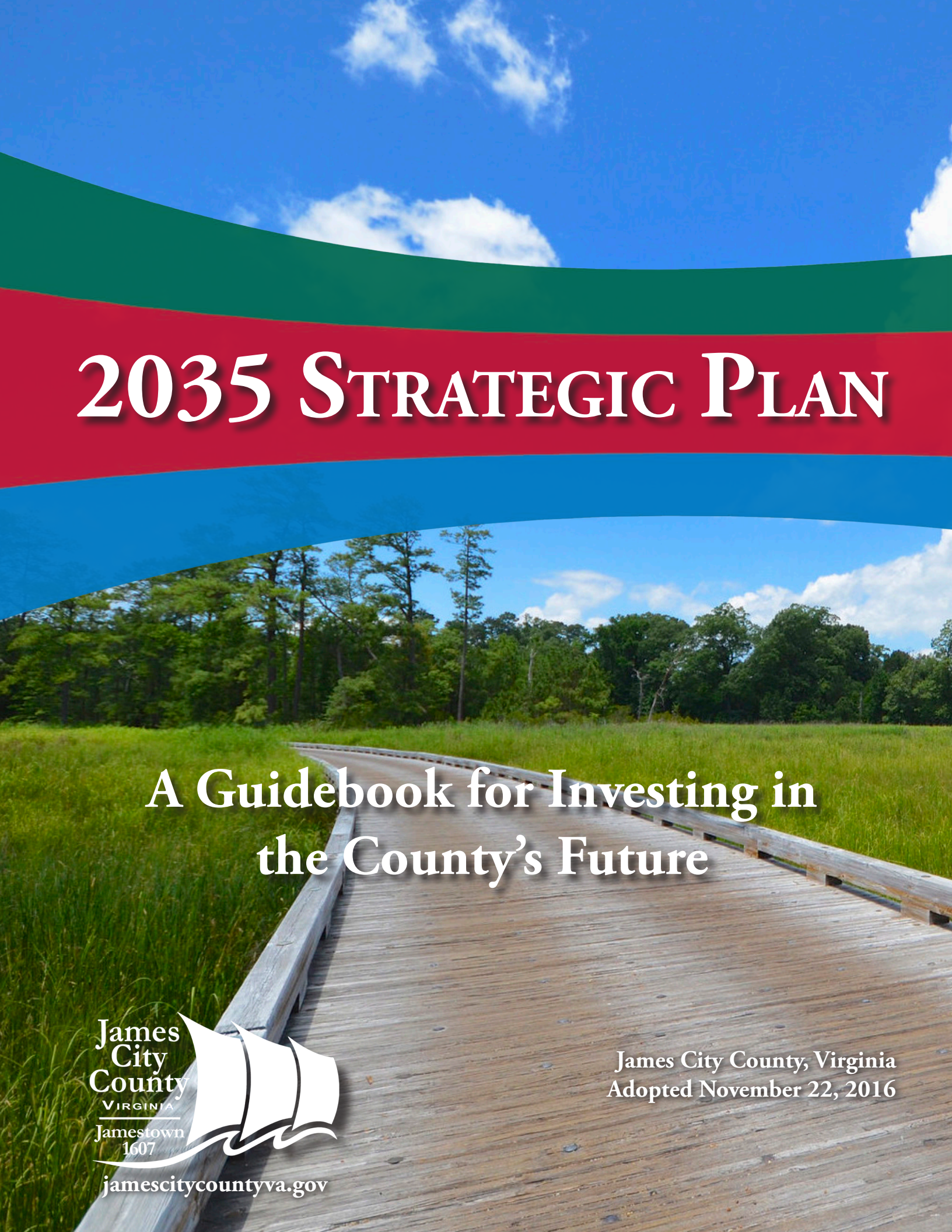
1. Continue to work with planning staff, economic development staff and administration, to streamline and simplify the development review process (both administrative and legislative).
2. Drive the updating of the Business Climate Taskforce Report and Recommendations.

Site & Building Development

1. Identify and pursue parcels of industrial land that JCC can improve through public investment or Public-Private-Partnership, to provide more inventory of sites ready for target industries identified by the GWP's Target Sector Analysis including: (1) Advanced Materials and Components, (2) Food and Beverage, (3) Professional and Technical Services, (4) Defense, and (5) Tourism.
2. Identify and pursue potential development of Class A or B office space or flex space to accommodate Professional and Technical Services, through public investment, private investment and/or PPP opportunities.
3. Along with County Administration and Parks & Recreation, develop a long-range vision and plan for the Jamestown Marina and Jamestown Beach sites.

Regional Initiatives

1. Advance the development of the Greater Williamsburg Partnership and the Launchpad so that they become valuable contributors and successful joint ventures with our partner localities.
2. Identify and prioritize regional opportunities that advance economic development efforts.



2035 Strategic Plan

A Guidebook for Investing in the County's Future

James City County
Virginia
Jamestown 1607

jamescitycountyva.gov

James City County, Virginia
Adopted November 22, 2016

Acknowledgments

James City County acknowledges the time and effort of those listed below, along with other participating citizens, staff and community members whose input enriched this plan.

Board of Supervisors

Michael J. Hipple, Chairman, Powhatan District
John J. McGlennon, Vice Chairman, Roberts District
Ruth Larson, Member, Berkeley District
Kevin Onizuk, Member, Jamestown District
Sue Sadler, Member, Stonehouse District

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1. Description of Short-Term Projects and Initiatives
2. List of Medium- and Long-Term Actions for Future Implementation
3. Estimates of Fiscal Implications

What is a strategic plan?

For a local government, a strategic plan:

1. Sets the focus for the community;
2. Defines the County's actions and investments; and
3. Directs the achievement of short-term and long-term goals.

James City County

About Our Strategic Plan

James City County's 2035 Strategic Plan is the County's guidebook for future investments, the provision of public services and facilities and County work plans for the next 20 years. This plan sets out priorities to be incorporated into future County budgets and Capital Improvement Plans (CIP), as well as new initiatives undertaken by County departments.

James City County in 2035 - Our Vision

This plan was predicated on achieving the County vision set out in our newest Comprehensive Plan - *Toward 2035: Leading the Way*.

"...We will sustain the quality of life and economic vitality in James City County while preserving our special natural and cultural heritage. We will accomplish this by promoting smart growth principles, adopting supporting strategies, providing a variety of housing options, supporting economic development, and providing diverse recreational, cultural, and education opportunities for all ages. These actions will be implemented to the benefit of all County residents. James City County will uphold its identity as an exceptional area to visit and a special place to live and work."

- Excerpt from Vision Statement in Toward 2035: Leading the Way

Why does JCC need this plan? It has a lot of plans already!

James City County (JCC) has no shortage of great ideas to implement. The list below illustrates the volumes of great planning work that the County has undertaken in the last two decades. What JCC needs is a guide that identifies the community's priorities for implementation, and a strategy for executing the actions. That is the purpose of this plan.

JCC's Plans, Policies and Studies

Board of Supervisors Adopted Policies
Greater Williamsburg Target Sector Analysis (2016)
FY2016 Adopted Operating Budget & Capital Improvement Plan (2016)
Williamsburg-James City County Public Schools Report of Facilities Condition and Educational Adequacy Assessment (2016)
James City County Housing Study (2016)
Greater Williamsburg 2014 Affordability Survey Results (2015)
Greater Williamsburg 2015 Brand Health Survey (2015)
James City County Credit Rating Presentation (2015)
Regulations Governing Utility Services (2015)
Toward 2035: Leading the Way, James City County Comprehensive Plan (2015)
Water Supply Study Final Draft Report (2015)
James City County Parks and Recreation Advisory Commission Senior Services Meeting (2015)
FY2016 Budget: County Administrator's Message (2015)
Economic Diversification in America's Historic Triangle: Progress and Next Steps (2015)
James City County Energy Use Report (2014)
James City County 2014 Planning Commission Annual Report (2014)
2014 Annual Lodging Report (2014)
James City County Sports Facilities Five-Year Operating Pro Forma (2014)
Longhill Road Corridor Study (2014)
Greater Williamsburg 2014 Tourism Strategy Brief (2014)
James City County Citizens Survey (2014)
Historic Triangle Coordinated Comprehensive Plan Review Final Summary Report (2014)
2013 Virginia Outdoors Plan (2013)
Williamsburg Area Visitor Research (2013)
2013 Williamsburg Post-Advertising Tracking Survey Results (2013)
Williamsburg - James City County Public Schools Five-Year Strategic Plan (2013)
Regional Bicycle Facility Plan (2013)
Williamsburg Regional Library Strategic Plan (2012)
Virginia's Golden Crescent Summit (2012)
James City County/Williamsburg/York County Comprehensive Transportation Study (2012)
James City County Tourism Zone (2012)
Board of Supervisors Adopted Policies (2012)
2011 Virginia Outdoors Demand Survey (2011)
James City County 2011 Pedestrian Accommodation Master Plan (2011)
James City County Enterprise Zone: Policies and Procedures for Requesting Local Enterprise Zone Incentives (2011)
James City County Parks & Recreation Economic Impact Study (2010)
Shaping Our Shores: Master Plan for Jamestown Beach Campground, Jamestown Yacht Basin & Chickahominy Riverfront Park (2009)
James City County Division of Parks and Recreation Master Plan Update (2008)
Business Climate Task Force Report (2008)
Housing Needs Assessment James City County and Williamsburg, Virginia (2007)
James City Community Profile (2007)
Better Site Design in James City County: Report and Findings from the Better Site Design Implementation Committee (2007)
Greenway Master Plan (2002)
James City County Strategic Plan for Children and Youth (2001)
James City County Chesapeake Bay Preservation Ordinance (1990)
Chesapeake Bay Preservation Act (1988)

What types of actions will the County take to implement the vision?

The County can take direct action through:

- Capital investments
- Public services
- County Programs

County leaders can also take indirect action to:

- Address legislative issues.
- Partner with other public agencies such as WJCC Schools.
- Work with community organizations and other governing bodies.

Achieving Our Vision - Challenges and Opportunities

This planning process provided an opportunity to sit back and consider the key opportunities and challenges JCC faces in achieving our vision, with particular emphasis on fiscal and economic implications.

Capitalizing on the County's Talented Workforce and Educational System
High educational attainment of JCC's residents and workers is an asset to the community. It means part of the County's economic strategy should support jobs that fit this specialized workforce and the importance of continuing to provide a high quality public education.

Responding to Generational Change
Shifting demographics of JCC's population will impact the types of different services that need to be provided to its citizens in the future, particularly those age 65 and up.

Expanding Economic Opportunities Through Regional Collaboration
The Greater Williamsburg region must maintain its distinct reputation as a destination for travelers and tourists while diversifying economic opportunities to create a more sustainable regional economy, including jobs for emerging young professionals. The challenge is to support economic development efforts to achieve these objectives through creating an environment for private investment and job creation that also maintains and enhances the County's unique community character.

Addressing Population Changes that Impact the County's Budget
As the population continues to grow and change, the County must provide new public services and facilities needed while maintaining existing infrastructure. Preparing the County for future public investments, such as a new long-term water source, are paramount.

Achieving a Fiscal Balance
Debt can be expensive, with public revenues spent on paying off past expenditures. JCC has taken aggressive steps to reduce outstanding debt so that it does not impact the County's ability to provide quality services in the future. Continuing to look forward to future funding needs, while also focusing on short-term budget planning is needed.

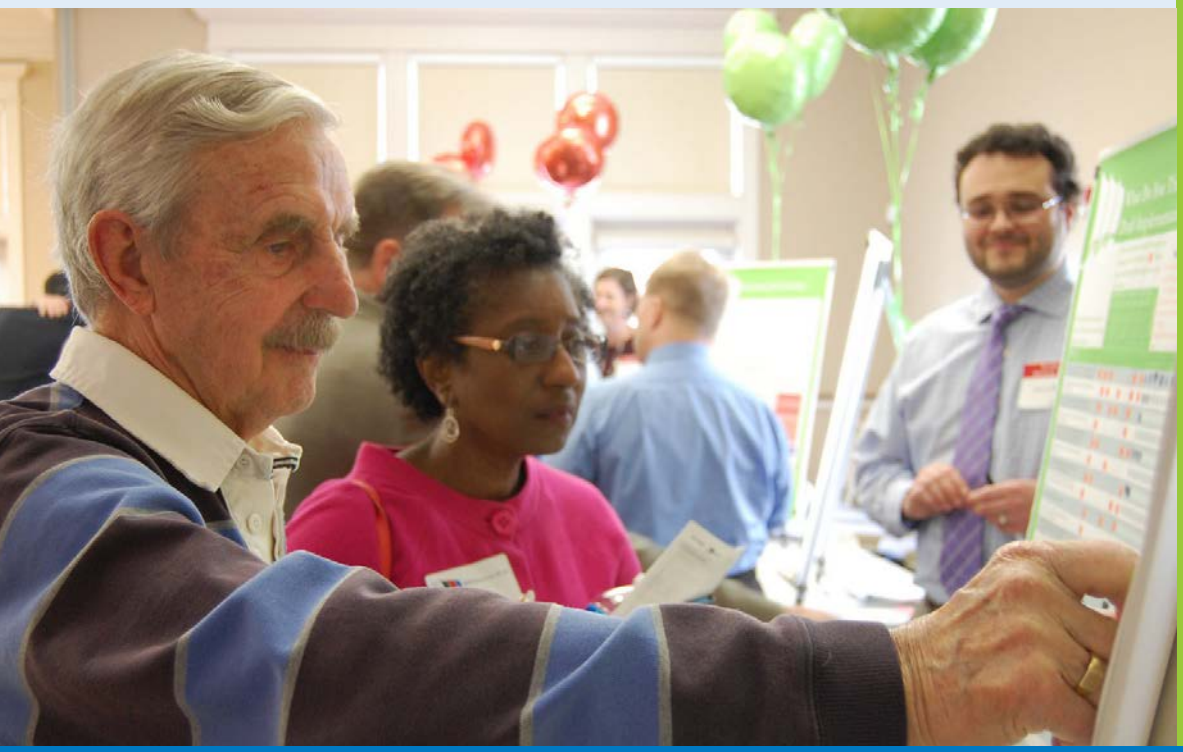
Developing the Plan

James City County's project leadership (Board of Supervisors, Strategic Planning Advisory Group, Technical Advisory Group and Staff Project Team) undertook a 14-month planning effort to identify the County's top priorities for action and investment over the next 20 years to set the course for a prosperous future. The objectives of the 2035 Strategic Planning process were to:

- Develop a method and approach to prioritize the County's established policy direction and actions in light of overarching community values, economic opportunities and fiscal considerations.
- Refine the County's policy direction to establish short-, medium- and long-term priorities for action.
- Identify appropriate roles and investments for the County and outside partners to implement the short-, medium- and long-term priorities.
- Develop a comprehensive and succinct 2035 Strategic Plan that will guide County operations and management over time.

This plan was developed directly from the input provided from James City County residents. The Strategic Plan Advisory Group and participating stakeholders were connected throughout the process, and spent numerous hours reviewing project reports, providing feedback on plan ideas, and serving as noble ambassadors to the planning efforts through volunteering and other assistance at public open houses. Their support and commitment is to be commended!

Citizens played a direct role in guiding the priorities included in this plan. At four public open houses and through online communications through the project website, citizens provided direct input on all the goals and actions set out in this plan.



Strategic planning by the numbers

A significant amount of time, County resources and volunteer hours were spent to develop this plan. This planning effort was a direct investment in JCC to create a framework for prioritizing future efforts and actions.

58
hours of public workshops and project team meetings

500
people participating in workshops and online activities

10
draft reports

185
people signed up for project updates on project website

5,432
miles driven by consultant to project meetings

30
hours on project conference calls

0
meetings missed by Board of Supervisor members

How will this plan be used?

James City County will use this plan to:

1. Focus its organizational efforts and resources at all levels.

2. Set priorities for staff work plans.

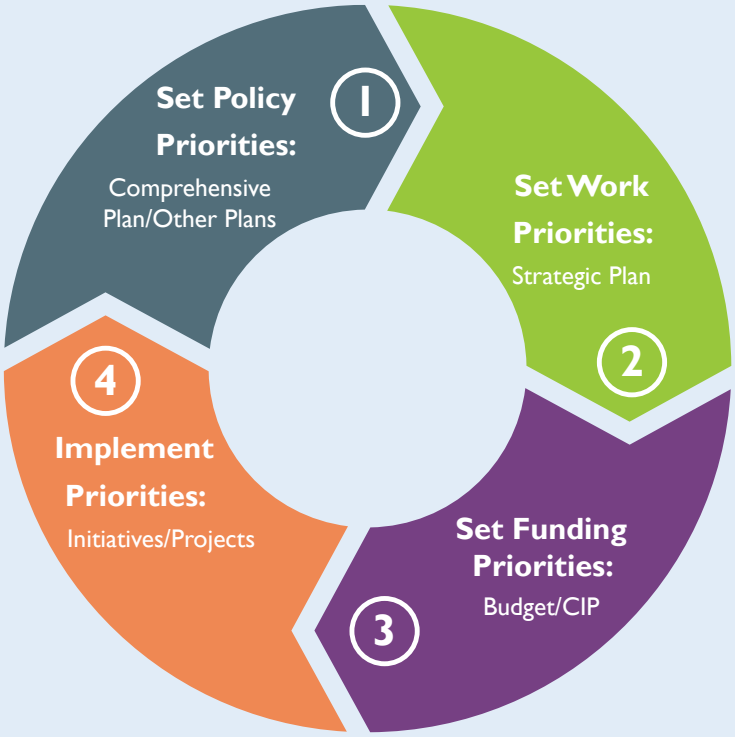
3. Evaluate progress toward achieving the vision.

4. Assess/adjust the organization's direction in response to a changing environment.

Investing in Our Future: The Strategic Plan in Action

This plan will work in tandem with existing policy documents, and the County's budget and CIP to inform decisions on community investments and improvements. First, this plan was developed to reinforce the policy direction set out in other JCC plans, most importantly the Comprehensive Plan. Second, the goals and actions included in this plan set out the capital projects for FY2022-26 and operational initiatives for FY2017-22. These projects and initiatives will be used to set funding priorities in future budget and capital improvement plans, which will lead to direct implementation of this plans actions. Over time, these actions will become a natural cycle of decision-making steps that the County's leaders will use to develop plans for investing in JCC's future. And medium- and long-term projects identified in an appendix to this plan will be used to identify future short-term projects and initiatives.

Process for County Decision-Making on Resource Allocation



Framework for Implementation

Our role as a County government to support and advance our community vision will be to:

INVEST in the capital facilities and infrastructure we need to be successful.

PROTECT people so they feel secure in their every day lives, and to protect the community's character.

SERVE people so that they can live full and healthy lives.

COLLABORATE with regional public, non-profit and private business partners to improve our community.

MANAGE all of these things in a fiscally responsible manner.

INVEST	PROTECT	SERVE	COLLABORATE
CAPITAL FACILITIES, INFRASTRUCTURE AND ECONOMIC INITIATIVES	*LIVES AND COMMUNITY CHARACTER*	*PEOPLE*	*PARTNERSHIPS*
Long-term Water Public Schools Transportation Stormwater Systems Government Facilities Other Public Infrastructure	Public Safety Built Environment Natural Environment	Parks and Recreation Social Services Housing and Neighborhoods Public Safety	Economic Development Workforce Development Education Human Services Programs for the Vulnerable and Underserved Programs for Seniors Programs for Youth

MANAGE

CAPITAL IMPROVEMENT PLAN | *COUNTY BUDGET* | *FISCAL HEALTH*

This All Sounds Great, But How Will This Really Work?

Each year, the County undertakes an important process to set its budget and capital improvement plan for subsequent years. The following steps outline how the County will use this Strategic Plan to inform development of the JCC Capital Improvement Plan that sets out future investments for the County.

Step 1

Departmental CIP Requests

At the beginning of the Capital Improvement Plan (CIP) process, each JCC department submits a list of capital projects to be reviewed for inclusion in the CIP. The Strategic Plan acts as an inventory of projects, and each responsible department will use the inventory to generate the requests.

Step 2

Administrative Review of Requests

Once the departments have submitted their requests, the County Administrator and County Financial and Management Services Director will review the requests to ensure they are consistent with the Strategic Plan and current capital needs. County Administration will check for adequate substantiation of projects not included within the Strategic Plan.

Step 3

Planning Commission Prioritization

Once vetted by County Administration, the list of requests are forwarded to the County Planning Commission for review. Using a set list of criteria that addresses both the Comprehensive and the Strategic Plans, the Planning Commission will prioritize the departmental and WJCC School Board CIP requests.

WJCC School Board CIP Requests

Step 4

BOS Confirmation of CIP

Based on available funding, the County Administrator will propose a CIP budget that includes Planning Commission priorities for the Board of Supervisors to review and approve.

Why is this plan so important?

The Strategic Plan plays a critical role to:

- Inform decisions on capital investments and operational initiatives.
- Form the development of the County's annual budget and Capital Improvement Plan (CIP).

Our Plan Goals and Future Actions

At the start of this planning process, project leaders continually asked...
"What are we trying to achieve?" For months, the SPAG, TAG and Board of Supervisors diligently worked to develop a set of seven goals that will set us on a path to realizing our community vision:

- Sustainable Long-Term Water Supply
- Modern Infrastructure, Facilities and Technology Systems
- Expanding and Diversifying Local Economy
- Protected Community Character and an Enhanced Built Environment
- Exceptional Public Services
- High Quality Education
- Fiscally Efficient Government

Future actions to achieve these goals are organized as either capital projects or operational initiatives. For each project and initiative, a mid-year 2016 cost estimate is provided in Appendix 3 to give some sense of the expected revenues needed to undertake each action. Moving forward, costs are expected to change, and will ultimately be finalized as part of the annual budget and CIP process.

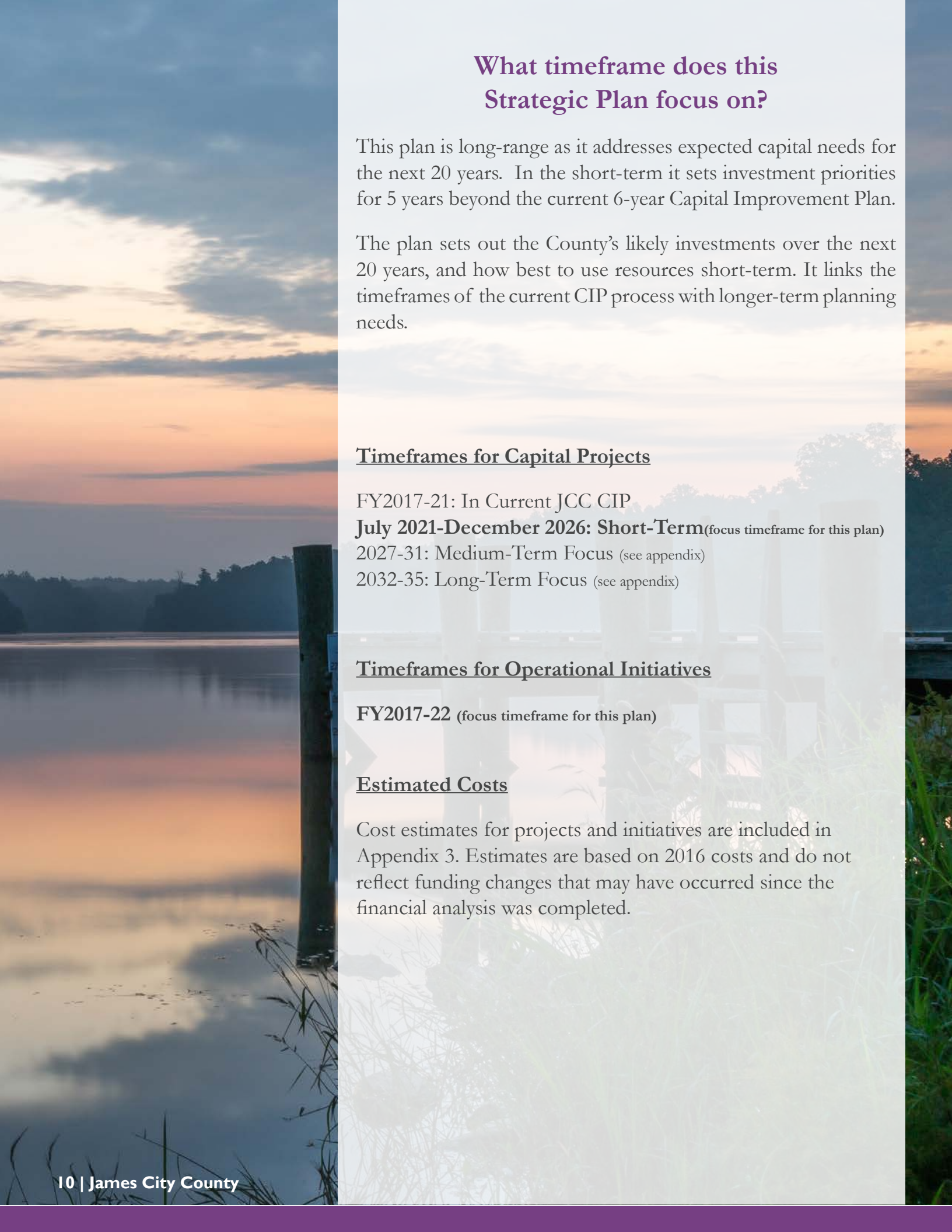
What we learned...

At the March 2016 public open houses, citizens:

1. Supported the seven goals.

2. Supported investments in public education and library programming.

3. Were reluctant to support the County taking a direct role in "lifelong learning" opportunities.



What timeframe does this Strategic Plan focus on?

This plan is long-range as it addresses expected capital needs for the next 20 years. In the short-term it sets investment priorities for 5 years beyond the current 6-year Capital Improvement Plan.

The plan sets out the County's likely investments over the next 20 years, and how best to use resources short-term. It links the timeframes of the current CIP process with longer-term planning needs.

Timeframes for Capital Projects

FY2017-21: In Current JCC CIP
July 2021-December 2026: Short-Term **(focus timeframe for this plan)**
2027-31: Medium-Term Focus (see appendix)
2032-35: Long-Term Focus (see appendix)

Timeframes for Operational Initiatives

FY2017-22 **(focus timeframe for this plan)**

Estimated Costs

Cost estimates for projects and initiatives are included in Appendix 3. Estimates are based on 2016 costs and do not reflect funding changes that may have occurred since the financial analysis was completed.

Goal 1: Sustainable Long-Term Water Supply

James City County will provide an adequate, potable, long-term water supply that is financially sustainable for the County's current and future residents and businesses.

Operational Initiatives

- Update JCSA Asset Management Plan (Capital Replacement Plan).
- Update JCSA Regulations.
- Develop Water Conservation Plan for Residences and Businesses.
- Evaluate Alternatives for Long-Term Water Supply.

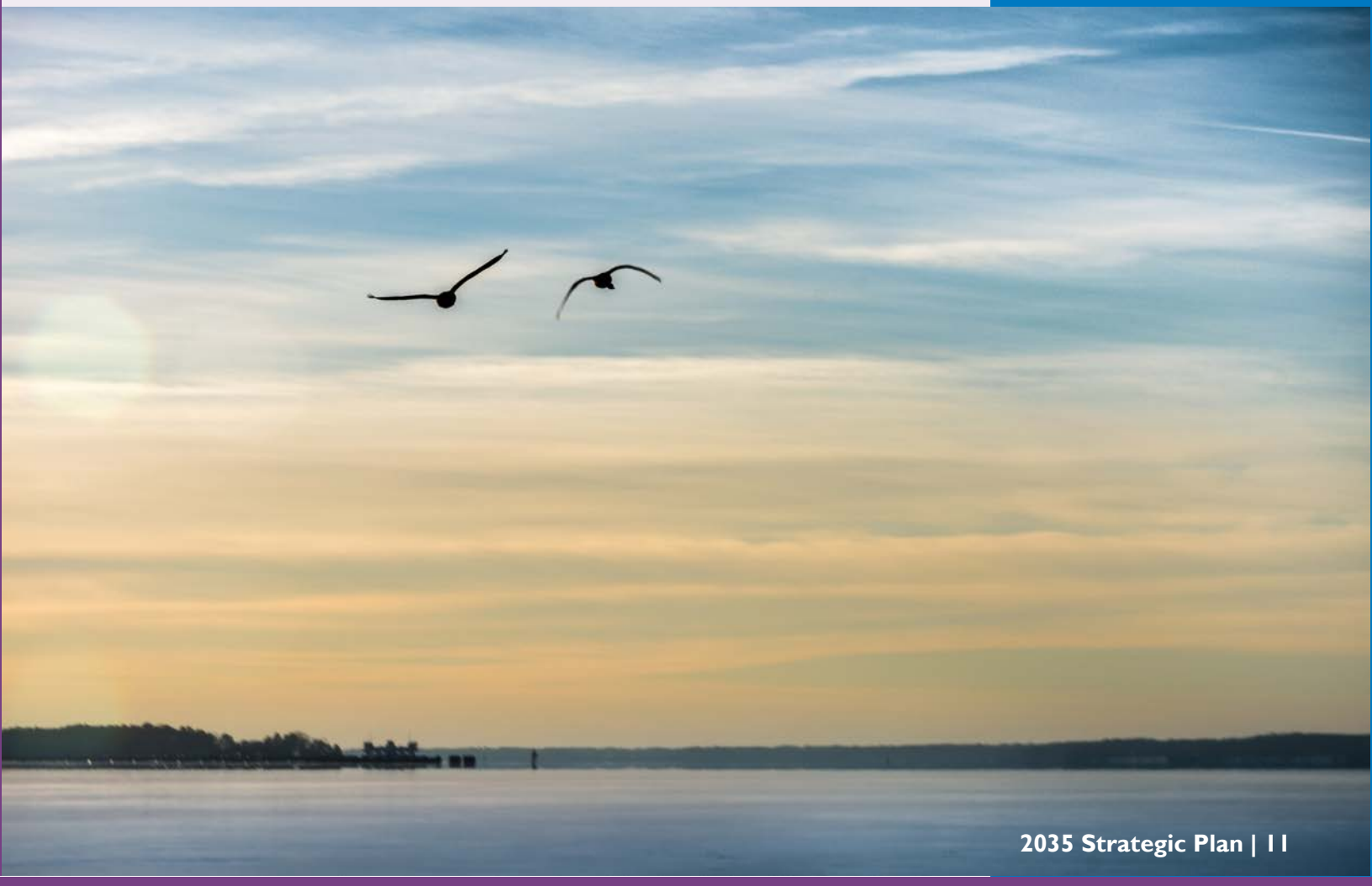
INVEST

COLLABORATE

MANAGE

What Are We Trying to Achieve?

Meet our long-term water supply needs in a sustainable manner.



INVEST

SERVE

COLLABORATE

MANAGE

What Are We Trying to Achieve?

Modernize infrastructure and enhance technology to support targeted economic development efforts and enhance quality of life for the citizens of James City County.

Goal 2: Modern Infrastructure, Facilities, and Technology Systems

The County will undertake strategic investments to modernize infrastructure, community facilities, public education and technology to enhance the quality of life provided to its residents, address the changing needs of its aging population and improve the prospects for growing and new businesses. These investments will be funded using sustainable approaches that will maintain the fiscal health of the County.

Capital Projects

- Construct Skiffes Creek Connector.
- Widen Croaker Road– Phase 1.
- Implement Stormwater CIP Projects.
- Replace JCSA Meters at Residences (ongoing).

Operational Initiatives

- Develop a Plan for a Multi-Use Venue for Arts, Sports, Education.
- Develop a Long Range Facilities Plan in Coordination with WJCC Schools.
- Conduct a Study of County Office Space Needs.
- Develop Enterprise Architecture Plan (Technology Plan).
- Develop a Plan to Reclaim Hospital Area at the JCCRC for Program Space for Users.
- Plan for Land Needs (future schools and JCC facilities).
- Update Master Transportation Plan and Prioritization of Road Projects.
- Continue to Develop Watershed Management Plans for the Remaining County Watersheds.

Goal 3: Expanding and Diversifying Local Economy

James City County will support the expansion and diversification of the local economy by providing the regulatory framework to support business development, by undertaking economic development marketing and recruitment efforts, by fostering the development and expansion of businesses, and by supporting strategies to facilitate the development of affordable workforce housing.

INVEST

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Operational Initiatives

- Review JCC Ordinances, Fees and Procedures to Remove Barriers for Business. Provide Incentives for Small Business, Home-Based Businesses and Entrepreneurs.
- Identify Opportunities to Prepare Shovel Ready Sites for Industrial and Business Development, with Preference for Locations within the Primary Services Area (PSA).
- Update Business Climate Taskforce Report.
- Implement Target Industries Study Strategies.
- Conduct Scenario Planning (Land Use and Fiscal Evaluation of Proposed Large Land Use Changes).
- Coordinate with Regional Partnerships (Tourism and Economic Department Initiatives).
- Establish Workforce Housing Task Force.

What Are We Trying to Achieve?

Create a diverse and sustainable local economy that upholds JCC's commitment to protect community character, and supports regional economic development targets.

PROTECT

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What Are We Trying to Achieve?

Protect community character, including natural and historic assets.

Improve visual character of the built environment.

Goal 4: Protected Community Character and an Enhanced Built Environment

James City County's unique historic assets, natural environment, rural character, hometown feel and attractive developments will be protected and maintained over time. Community corridors and older developed centers and neighborhoods will be enhanced and revitalized.

Operational Initiatives

- Implement Initiative to Improve Visual Character of Major Road Corridors.
- Develop Strategies to Promote Private Redevelopment of Underutilized Properties.
- Complete a Comprehensive Rewrite of the Zoning Ordinance to a Community Based Code.
- Develop Strategies for Open Space Preservation.
- Update Community Appearance Guide.
- Develop Local Green Infrastructure Map with HRPDC.
- Update Mandatory Tree Protection Standards.
- Update County Comprehensive Plan.

Goal 5: Exceptional Public Services

James City County will provide an exceptional quality of life to its residents by focusing on the provision of public services that meet the needs of a changing population, and by providing clear and transparent communications about County efforts and actions. The County will do this by maintaining a safe environment for its residents, improving services to the County's aging population, enhancing parks and recreational offerings, supporting strategies to facilitate the development of affordable housing for seniors and special needs populations, providing effective assistance to the County's underserved populations and improving County communications.

Capital Projects

- Implement Warhill Sports Complex Improvements (field hockey, lacrosse complex, traffic analysis/easement and new entrance road, multi-purpose field practice complex/restrooms, parking, community gym).
- Implement Safety/Fire Station Improvements (major renovation at Station 3, new fire training facility).
- Implement Jamestown Beach Event Park Improvements (Amblers House/Gardens, Event Area).
- Implement James City County Marina Improvements (Phase I – Bulkhead, Floating/Covered Docks Fuel).
- Implement Abram Frink Community Center Park Improvements (Splash pad/shelter).
- Implement Recreation Center Park Improvements (Parking Expansion, Outdoor Restrooms/Concession).
- Supplement Fire Safety Vehicles and Equipment (add 2 ambulances, add 1 pumper).
- Implement ADA Required Parks and Recreation Facility Improvements.

Operational Initiatives

- Develop Plan to Address the Health, Housing and Job Placement Needs of Homeless, Lower Income and Special Needs Populations.
- Develop a Strategic Plan for Seniors (Health, Housing, Transportation).
- Continue to Expand Parks and Recreation Services to Low Income Neighborhoods through Partnerships.
- Develop Strategies to Address Findings in Housing Conditions Study.
- Update Greenways Master Plan.
- Develop Mobile Integrated Healthcare / Community Paramedicine Program.
- Complete Fire and Emergency Service Accreditation (Fire and Emergency Service Self-Assessment, Community Risk Assessment - Standards of Cover).
- Complete Master Plan Revisions for All Individual Parks.
- Complete Parks and Recreation National Accreditation.
- Develop Plans to Enhance Emergency Preparedness.
- Expand Opportunities for Public Participation In JCC Government.

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What Are We Trying to Achieve?

Improve County services that meet the demands of our growing and changing population.

Improve quality of life for the aging community and special needs populations.

Achieve greater awareness and understanding of County efforts and actions.

INVEST

COLLABORATE

MANAGE

What Are We Trying to Achieve?

Advancement of Williamsburg-James City County Public Schools through capital investment and strategic partnerships.

Expand educational offerings for all JCC citizens through partnership efforts.

Goal 6: High Quality Education

James City County will support high quality education by focusing primarily on its core fiscal responsibility of funding high quality public schools through joint facility planning efforts with WJCC, and by collaborating on opportunities to support other education efforts in the County.

Capital Projects

- Purchase Land (future schools and JCC facilities).
- WJCC Schools CIP FY2021-26 (New facilities construction).

Operational Initiatives

- Collaborate with WJCC Schools to Implement WJCC Strategic Plan.
- Collaborate with Regional Entities on Workforce Development and Training Initiatives.
- Collaborate with Child Development Resources to Implement Smart Beginnings Program.

Goal 7: Fiscally Efficient Government

The County will manage government finances using sound fiscal management practices to ensure short-term and long-term funding strategies for future investments. These investments will be funded using sustainable approaches that will maintain the fiscal health of the County.

Capital Projects

- Implement County Operations Improvements (real estate management software replacement, accounting and purchasing software replacement, land development software replacement).

Operational Initiatives

- Conduct a Cumulative Fiscal, Infrastructure, Community Character, Environmental Impact Analysis of Expanding Primary Services Area (PSA).
- Update and Coordinate CIP Process and Timeline (Expand Timeline, Coordinate Process with Strategic Plan, and Role of WJCC Schools).
- Refine Fiscal Impact Model to Assess Development Impacts on Fiscal Health.

MANAGE

What Are We Trying to Achieve?

County decision-making informed by the true costs and benefits of implementation.

Update financing and service provision tools to increase efficiency of government services.

Keeping the Strategic Plan Current and Relevant

James City County will evaluate whether the Strategic Plan is achieving its desired outcomes over time. Monitoring will provide the County with important feedback, while reporting will facilitate transparency through the planning process. Periodic amendments will allow the Strategic Plan to stay relevant and concurrent with other County plans, such as the budget, CIP and Comprehensive Plan. Together, these three components will ensure that the plan adapts to County conditions, budgets and opportunities as they change over time.

Plan for Monitoring and Reporting

James City County will use existing metrics, both objective and subjective, to monitor overall County performance and Strategic Plan performance. The County will use a combination of progress and scorecard reporting on County performance and plan implementation. The following lists of metrics are a starting point for developing an ongoing system to evaluate the Strategic Plan, and can be used to develop annual reports on plan performance. This framework is for the first annual report. Metrics may be revised on an annual basis and will likely include revisions to the examples below.

Metrics for County Performance

Tracking the performance of County operations as a whole helps to understand how the JCC government is working efficiently and effectively over time. It is recommended that the annual monitoring of County performance address four categories:

1. Transparency and Openness
2. Employee Satisfaction
3. Citizen Satisfaction
4. Fiscal Responsibility/County Operation

Existing James City County documents, including the County Budget and Comprehensive Plan, already incorporate many useful metrics. Using existing metrics maximizes the efficiency of the monitoring process. The recommended metrics for each of the four categories are included here. Recommended metrics not found in existing JCC documents are marked as "new."

Why is monitoring the plan important?

Community plans are only as good as their implementation. And just checking the box on whether an action has been undertaken is not enough. Plan monitoring allows the County to track over time how well it is achieving its goals. Annual evaluation using metrics to measure performance identifies where adjustments will be needed.

How will I be able to see the results of the monitoring?

Results will be reported in multiple ways:

- Printed and online reports.
- Online dashboard to show performance tracking over time.
- As part of the County's Annual Report.
- Presented to the Board of Supervisors at a public meeting.

Transparency and Openness

- # of public outreach meetings
- # of county speaking engagements
- # of news releases published by County
- # of pages viewed on website
- # of social media followers
- # of On Demand viewers (new)
- # of original long-form videos produced (new)
- # of original short-form videos produced (new)
- Resident rating of quality of County communications (new)

Employee Satisfaction

- Employee satisfaction rating based on staff survey (new)
- Average # of applicants per job vacancy
- % Turnover rate
- % of employee participants reporting improved skill/knowledge level after training

Citizen Satisfaction

- Resident perception of overall quality of life (new)
- Resident rating of the services provided by JCC overall

Fiscal Responsibility/County Operation

- Per capita tax burden (new)
- Total cost of risk as a % of total budget
- JCC credit rating
- County growth rate (new)
- Resident rating of the value of County services provided in relation to the taxes paid

Evaluating How We Are Achieving Our Goals

To best measure the performance of achieving the Strategic Plan goals, metrics should relate directly to the goals. The following lists incorporate performance indicators found in the FY2017-18 budget, the Comprehensive Plan, the Citizen Survey and additional recommended metrics to create a framework for evaluating the performance of the Strategic Plan. Any new recommended metrics are listed as "new."

Goal #1: Sustainable Long-Term Water Supply

- Amount of water secured for future as percent of projected future demand (new)
- Average water consumption of JCC businesses (new)
- Compliance with federal/state safe drinking regulations (new)

Goal #2: Modern Infrastructure, Facilities and Technology Systems

- # of neighborhoods receiving Neighborhood Drainage Program assistance
- Miles of public roads improved (new)
- Transit ridership/# of trips
- Resident rating of quality of roads and highways
- # of roadways with a failing level of service (new)
- # of new sidewalks/bike lanes installed (new)

Goal #3: Expanding and Diversifying Local Economy

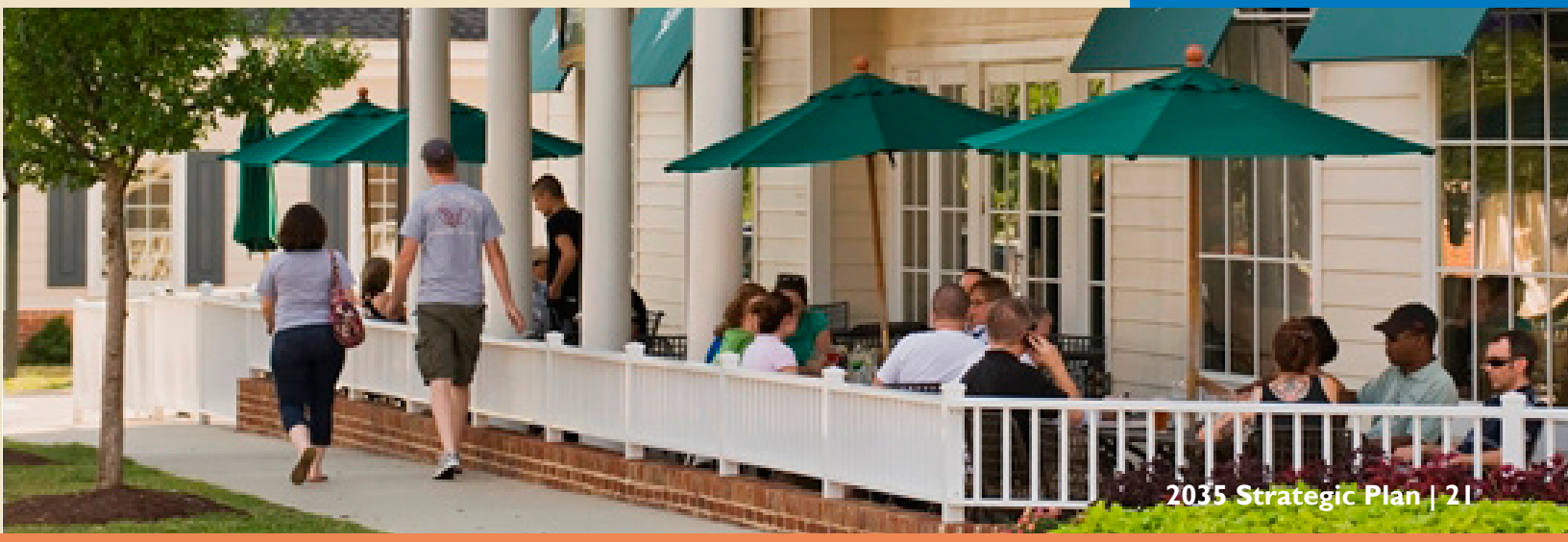
- # of new businesses announced through OED
- # of small businesses assisted by the County
- # of expanded existing business announced for County through OED
- # of jobs in JCC
- # of workers commuting in/out of JCC and WBG
- Per Capita Income (new)
- Tax revenue generated from business, professional and occupational license
- % of the County total revenues attributed to the 10 largest businesses (index of diversification of business tax base)
- Dollars travelers spent on tourism
- # of infrastructure projects implemented to directly support non-residential economic development (new)
- Median house value
- Resident ratings on quality of housing opportunities for citizens

How were these metrics developed?

Many of the metrics are already tied to the County's:

- Comprehensive Plan
- Adopted budgets
- Other required plans and reports

Other metrics are recommended but not finalized. Once vetted and approved, they will be included in the plan.



Goal #4: Protected Community Character and an Enhanced Built Environment

- Resident perception of current amount of development by type: residential, commercial, industrial
- # of acres of land under permanent protection from development (new)
- Resident rating of community character protection (new)
- # of miles of overhead utility lines relocated underground (new)

Goal #5: Exceptional Public Services

- Average response time to high priority emergency service calls
- % of crimes cleared
- # of residents and students reached through Community Risk Reduction programs
- Resident perceptions of safety in James City County during daylight hours/during evening hours
- % of senior homeowners/renters who are cost-burdened (i.e. >30% of income on housing costs)
- # of affordable housing units
- # of households assisted by JCC DSS through housing, financial benefits and services programs.
- # of homeless persons
- Resident perception of parks and recreation facilities, programs and services (overall and for youths and seniors)
- Total attendance at Parks and Recreation programs and facilities
- # of households receiving financial aid from Parks and Recreation
- Number of installed transit stops and bus shelters
- # of homes considered "distressed" (new)
- # of citizens aged 60 and older receiving services from community agencies (new)
- # of citizens receiving services from various community agencies providing health and mental health services, such as Colonial Behavioral Health, Olde Towne Medical and Dental Center and Lackey Clinic (new)
- # of citizens living in poverty (new)
- # or % of seniors living in "substandard housing" (new)

Goal #6: High Quality Education

- Resident perceptions of JCC public library services
- Resident perceptions of the public school buildings or facilities
- Achievement scores for County students
- Graduation rates for County students
- % of students pursuing higher education or job training
- # of citizens receiving job training and/or job placement services (new)
- % of work-eligible adults who are unemployed (new)

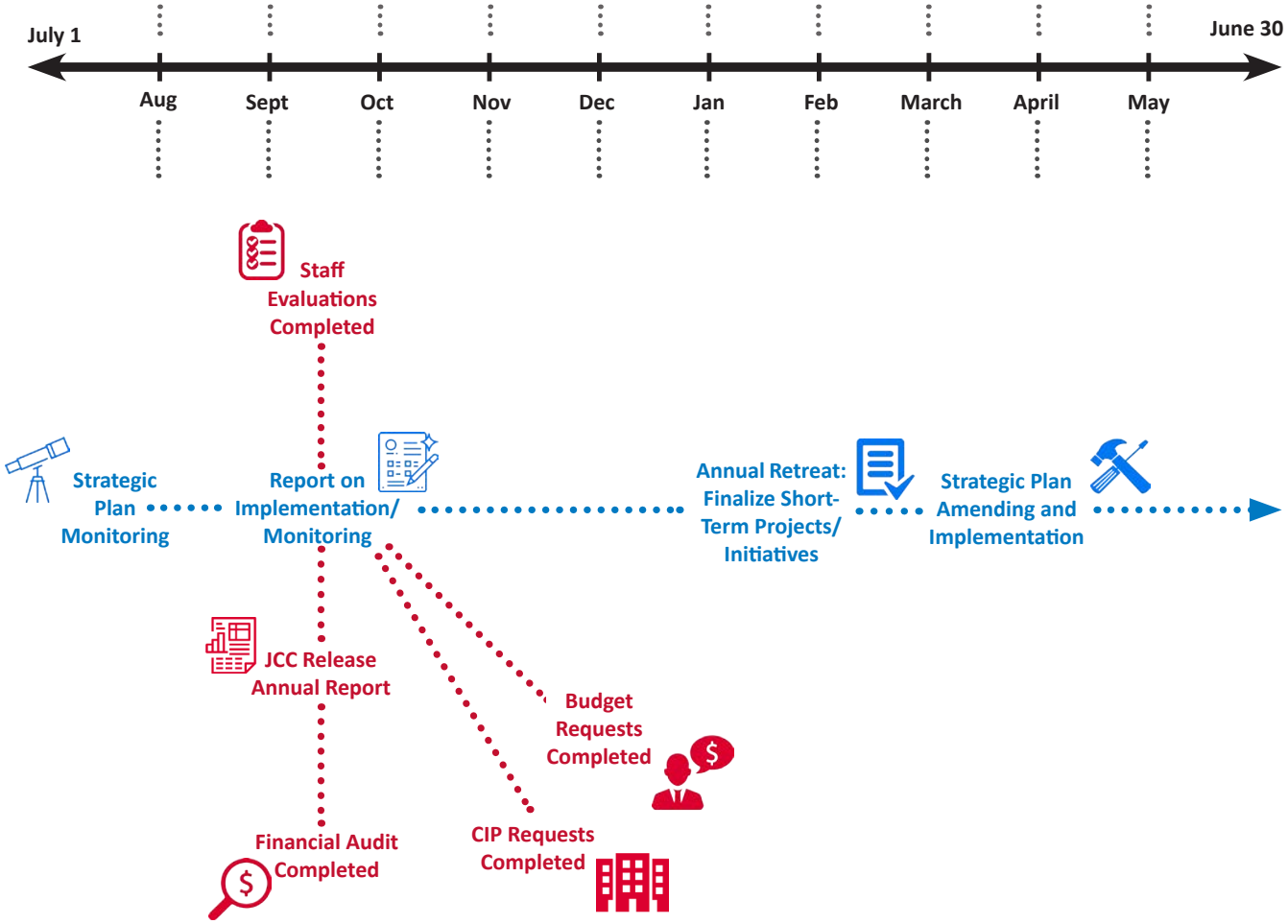
Goal #7: Fiscally Efficient Government

- Total cost of risk as a % of total budget
- JCC credit ratings
- % of capital projects completed on budget and on time
- Capital funding as % of asset/facility value (new)

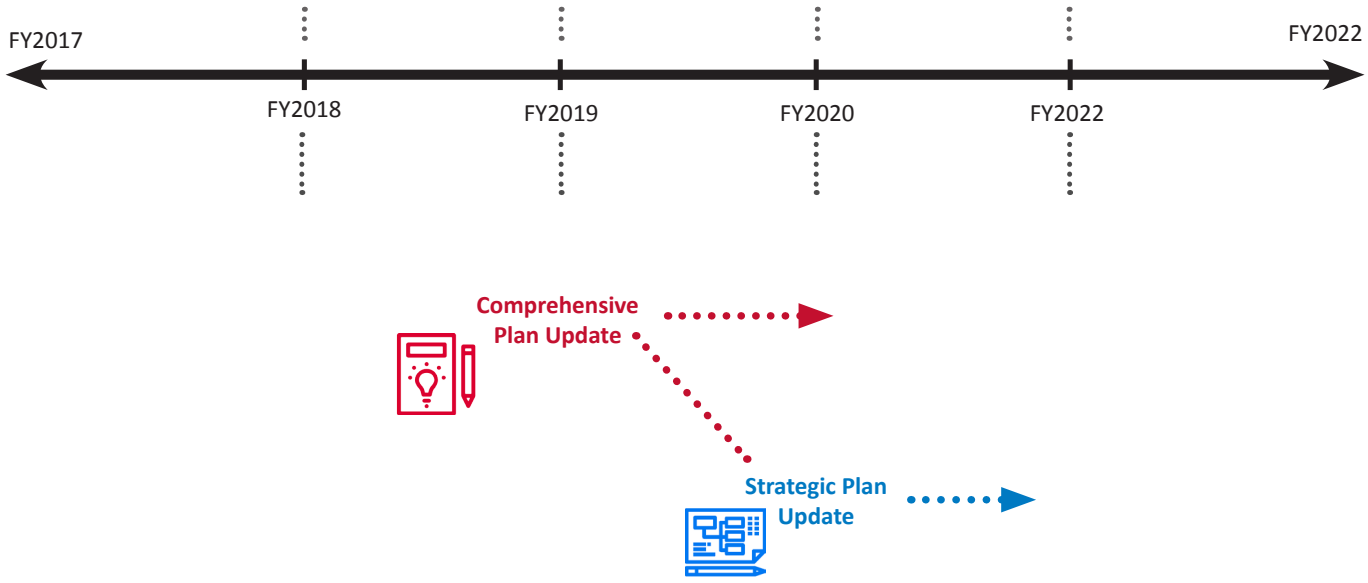
Amending the Strategic Plan Over Time

The County will revise the Strategic Plan annually as part of the performance evaluation process. A full Strategic Plan update should occur every five years, coordinated with the Comprehensive Plan update.

Schedule for Annual Revisions to Strategic Plan



Schedule for 5-year Update to Strategic Plan



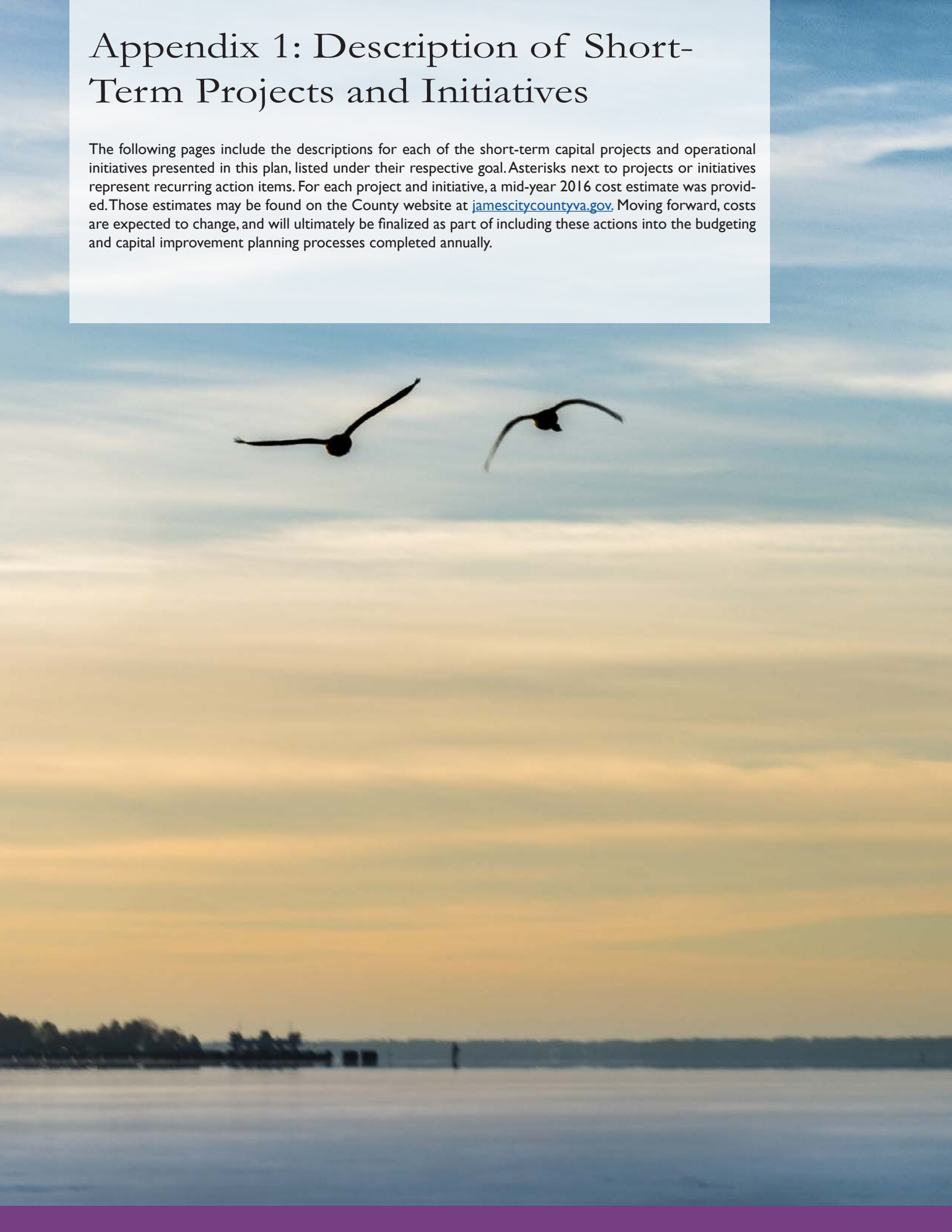
2035 Strategic Plan

A Guidebook for Investing in the County's Future

James City County, Virginia
Adopted November 22, 2016
jamescitycountyva.gov

Appendix 1: Description of Short-Term Projects and Initiatives

The following pages include the descriptions for each of the short-term capital projects and operational initiatives presented in this plan, listed under their respective goal. Asterisks next to projects or initiatives represent recurring action items. For each project and initiative, a mid-year 2016 cost estimate was provided. Those estimates may be found on the County website at jamescitycountyva.gov. Moving forward, costs are expected to change, and will ultimately be finalized as part of including these actions into the budgeting and capital improvement planning processes completed annually.



Goal 1: Sustainable Long-Term Water Supply

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What Are We Trying to Achieve?

Meet our long-term water supply needs in a sustainable manner

Operational Initiatives

Update JCSA Asset Management Plan (Capital Replacement Plan)

JCSA regularly prepares an update to its Asset Management Plan to identify short and longer term capital replacement needs for both the water and sanitary sewer systems. This Asset Management Plan should be updated during the FY2020 and FY2022 timeframe to plan for future facilities replacement needs.

Update JCSA Regulations

The JCSA Regulations Governing Utility Service reflect the obligation of the JCSA to its customers and the requirements that the customer must observe. It includes the rates required and services provided by JCSA and the policies for connecting to the service. These regulations have not been updated in 20 years and adjustments are needed to reflect current operating issues. JCSA conducted a comprehensive water and sewer rate study in FY2015 that concluded additional revenue is needed because current water rates and reserves are not sufficient to provide for near term water supply enhancement projects and operating and maintenance costs. The study therefore recommended the initiation of a fixed charge and an incremental water rate increase for FY2016 as part of a multi-year plan to ensure the long-term financial stability of the JCSA. This change is reflected in the FY 2016 budget, but also needs to be reflected in the Regulations Governing Utility Service.

Develop Water Conservation Plan for Residences and Businesses

James City County expects a growing demand for water that is currently met with a limited supply. Though other initiatives are geared towards securing long-term sources of water, a water conservation plan will help to lower demand pressures in both the short- and long-term.

Evaluate Alternatives for Long-Term Water Supply*

Perhaps the most critical infrastructure dilemma the County is facing is securing a long-term source for water. James City Service Authority (JCSA) is the largest public utility in Virginia with public aquifers as its only source of water. The Virginia Department of Environmental Quality has stated its intent to reduce the JCSA's groundwater withdrawal permit to a lower level than currently required to meet demand. Options existing to purchase water from another source or have the system absorbed by the Newport News Waterworks system. However, these solutions don't address the County's long-term water demand that will need to be operational by 2030. The County is currently exploring long-range water source alternatives that maximize investments in the short-term and set the County up to meet its long-term water needs in a manner that will allow the County to control its water supply. In addition, the County supports the implementation of water efficiency initiatives, such as developing regional reclamation and reuse technologies and infrastructure in conjunction with neighboring jurisdictions.

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What Are We Trying to Achieve?

Modernize infrastructure and enhance technology to support targeted economic development efforts and enhance quality of life for the citizens of James City County

Goal 2: Modern Infrastructure, Facilities, and Technology Systems

Capital Projects

Construct Skiffes Creek Connector

The Skiffes Creek Connector project will create a two-lane connection between Route 60 at the Greenmount Industrial Park and Route 143 in the vicinity of the VDOT maintenance facility. The project will span the CSX Railroad, which currently has no crossings between Elmhurst Street near Yorktown Road and the Grove Interchange, a length of 4.5 miles. In addition to creating this additional rail crossing, the Skiffes Creek Connector would provide better access between Route 60, Route 143, I-64 and the GreenMount industrial area. This project would not only be expected to relieve the congestion along Route 60, but also promote further commercial and industrial development in the vacant parcels around the GreenMount industrial area. More information is available at http://www.virginiadot.org/projects/hamptonroads/skiffes_creek.asp

Widen Croaker Road– Phase I

This project will expand a two lane road to a four lane road and provide active transportation facilities along a one mile length, from the James City County Library to Richmond Road, to accommodate expected future traffic. Administered by VDOT, the project is in the preliminary engineering phase and is expected to enter the right of way phase July, 2018. Phase I would include improvements between the existing four lane roadway in front of the Library to the base of the bridge over the CSX tracts. Phase II of the project would include improvements to the bridge and along the remainder of Croaker Road to Richmond Road. More information is available at http://hrtpotip.org/uploads/docs/100920.pdf

Implement Stormwater CIP Projects

Stormwater management is a critical challenge for JCC and its neighbors due to the number of local waterways with poor water quality and increasing Federal and State regulations. The County has been developing watershed management plans to preserve, restore and maintain the quality of waterways and wetlands. These plans identify retrofit and restoration projects which the James City County Stormwater Division and Stormwater Program Advisory Committee have developed into a list of priority stormwater projects. Several additional projects have been identified to mitigate flooding and shoreline erosion, but are not yet included in the stormwater CIP.

Replace JCSA Meters at Residences (ongoing)*

This is a multi-year capital maintenance project request for the JCSA Water Distribution System. The project consists of replacing existing water meters, meter reading equipment and associated system infrastructure reaching the end of their service lives with the next generation of radio read meter technology to maintain accuracy and efficiency. A portion of this work is being completed as part of the FY2016-FY2021 CIP. Beyond FY 2021, the County will still have considerable capital replacement costs to complete the project.

Goal 2: Modern Infrastructure, Facilities, and Technology Systems

Operational Initiatives

Develop a Plan for a Multi-Use Venue for Arts, Sports, Education

As part of this Strategic Planning effort, many stakeholders have raised the idea of a need for a multi-use venue for arts, sports, education. This venue could expand tourism development efforts, and provide citizens and tourists with a unique asset that can be used for a wide variety of events. This could be located as part of a field house, the marina, or some other location. A planning effort is needed to identify the best opportunity for developing this type of community asset – the location, programming, and design parameters.

Develop Long Range Facilities Plan in Coordination with WJCC Schools

James City County currently identifies capital facilities needs as part of the annual Capital Improvement Planning process that focuses on the immediate fiscal year and the five subsequent years. Through the Strategic Planning process, it has become evident that a longer range planning effort is needed to identify future public facility needs. This effort will be conducted in partnership with the Williamsburg James City County Schools to include plans for future school needs. This long-range planning will allow the County to better anticipate future capital facilities expenses and plan for these expenditures.

Conduct a Study of County Office Space Needs

The County will be considering a project to consolidate a number of departments, now located in several different buildings, into one central building. Prior to location and design activities for the new building, a study of the long term office needs of candidate departments needs to be undertaken to quantify the size of the site and building needed.

Develop Enterprise Architecture Plan (Technology Plan)

The planning process of defining architectures for the use of information in support of business and the plan for implementing those architectures. When used in local government this planning cycle depends on decision made during the Strategic Planning process and the Facilities Planning process. Goals determined from these plans drive the creation of the initial EAP to fulfill the business requirements, infrastructure and supporting technology needs to complete the County's mission. This plan should be revisited every 3 to 5 years due to rapidly changing advances in technology and increasing citizen and business requirements.

Develop a Plan to Reclaim Hospital Area at the JCCRC for Program Space for Users

The purpose is to provide additional health and wellness space for the users and remove them from the lobby area to avoid the existing user conflicts. Expansion of the cardio space and individual training space is desperately needed based on existing customer demand.

Plan for Land Needs (future schools & JCC facilities)

The 2035 Comprehensive Plan outlines the specific land requirements for various facilities (schools, emergency services, and administrative buildings) necessary to meet desired performance levels. As part of long-range planning for future public facility needs, the County will also need to identify and secure land for these public facilities. A planning process is necessary to evaluate land acquisition opportunities to efficiently and effectively accommodate future public facilities' needs.

Update Master Transportation Plan & Prioritization of Road Projects*

As part of updating the County's Comprehensive Plan, a Master Transportation Plan (MTP) will be developed. Transportation systems have a profound impact on the mobility and quality of life of its residents and, all too often, transportation systems are thought of only after land use decisions have been made. The purpose of the MTP is to coordinate transportation policy, investment, projects, and priorities through the year 2040 to ensure that the future transportation system supports the County's goals for land use, economic development, and quality of life.

Continue to Develop Watershed Management Plans for the Remaining County Watersheds*

The County has been developing watershed management plans to preserve, restore and maintain the quality of waterways and wetlands, and to meet the requirements of federal municipal separate storm sewer system (MS4) stormwater permit requirements. In the future, the County will identify and develop additional watershed management plan studies necessary to provide guidance for future stormwater management / TMDL (total maximum daily load) action plans that are part of the MS4 requirements.

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What Are We Trying to Achieve?

Create a diverse and sustainable local economy that upholds JCC's commitment to protect community character, and supports regional economic development targets

Goal 3: Expanding and Diversifying Local Economy

Operational Initiatives

Review JCC Ordinances, Fees and Procedures to Remove Barriers for Business. Provide Incentives for Small Business, Home-Based Businesses and Entrepreneurs

In an effort to support business development, particularly for small home-based businesses and start-ups, the County will evaluate its ordinances, business fees, and operational procedures to identify barriers to businesses entering the market, and to identify potential incentives for small-businesses that could enhance their viability.

Identify Opportunities to Prepare Shovel Ready Sites for Industrial and Business Development, with Preference for Locations within the Primary Services Area (PSA)

The County will continue to identify sites, preferably within the County's Primary Services Area (PSA), that are prime opportunities for marketing future industrial and business development. Strategies will be developed to identify needs to support these sites to make them "shovel-ready," including the potential for providing public infrastructure (transportation and utilities) to serve potential economic development locations.

Update of Business Climate Taskforce Report

The Economic Development Authority created the Business Climate Task Force (BCTF) to review opportunities for a better partnership between James City County and the business community. The BCTF was tasked with reviewing the climate for retention and expansion of the county's existing small, medium, and cornerstone businesses, in addition to recruiting outside businesses. The BCTF developed a comprehensive report that was published in 2008. An update to this report is needed to better address the current economic conditions and opportunities of the County.

Implement Target Industries Study Strategies

The Greater Williamsburg Partnership has initiated a target sector analysis to assist in identifying those key industry sectors with the greatest potential for building a sustainable, diverse regional economy. The final component of the Target Sector Analysis will consist of a concise, actionable set of marketing recommendations that will guide regional economic development programs and services. This analysis is occurring in two phases: Phase 1 gathers stakeholder input through the Market Street Services team. Phase 2 builds on stakeholder input and completes the target sector analysis to determine sectors of economic activity that can drive future growth and wealth creation. The James City County Office of Economic Development and the Economic Development Authority will develop specific implementation strategies to implement the findings of the Target Industry Analysis Report in partnership with the Greater Williamsburg Partnership.

Conduct Scenario Planning (land use and fiscal evaluation of proposed large land use changes)

The County needs a better tool to evaluate the potential impacts of development patterns on the future infrastructure needs, community character and environmental impacts, and other cumulative impacts to James City County. A scenario planning model can evaluate future land use alternatives for the County, and help to identify preferred growth patterns. This model can be augmented with a fiscal analysis model that translates future development into fiscal impacts on the County, evaluating both the revenue generated by new development, and the cost to serve these areas. (See #41: Develop Fiscal Impact Model to Assess Development Impacts on Fiscal Health.)

Goal 3: Expanding and Diversifying Local Economy

Coordinate with Regional Partnerships (tourism and economic department initiatives)*
The County will continue to partner with the Greater Williamsburg Partnership to recruit industries to the region and with the Greater Williamsburg Chamber and Tourism Alliance to support the enhancement of tourism products and marketing efforts by tourism partners.

Establish Workforce Housing Task Force
James City County's economic development patterns have followed those of many affluent suburban counties. Lower wage jobs in the County are filled primarily by people commuting from adjacent localities, while an even greater number of residents commute to other localities. This disconnect between jobs and housing can cause many challenges for the community, including high housing and transportation costs and traffic congestion, and can dampen desirable economic development due to a lack of diversity in the local labor force. The provision of affordable housing is an important tool which is often used as a strategy to balance this disconnect between jobs and housing. The strategy to address workforce housing needs is to establish a workforce housing task force to evaluate the findings of the recently completed Housing Conditions Study and to make recommendations to the Board of Supervisors on strategies to address workforce housing challenges, including exploring partnerships and funding sources.

Goal 4: Protected Community Character and an Enhanced Built Environment

Operational Initiatives

Implement Initiative to Improve Visual Character of Major Road Corridors
Community Character Corridors (CCCs) are roads in the County that were previously designated as greenbelt roads, described in the 1991 Comprehensive Plan as entrance corridors and roads which promoted the rural, natural or historic character of the County. Visual improvements may include plantings or signage that matches the character of the corridor. The Historic Triangle Corridor Enhancement Program, a public-private partnership between James City County, the City of Williamsburg, York County, VDOT, the Greater Williamsburg Chamber and Tourism Alliance, the Virginia Cooperative Extension and Master Gardeners, the Williamsburg Area Association of Realtors and the Williamsburg Land Conservancy, has worked together for the past nine years to implement a program to enhance the major entrance corridors in the region.

Develop Strategies to Promote Private Redevelopment of Underutilized Properties
The opportunity to redevelop underutilized commercial and industrial sites will allow the County to maximize area within existing development corridors for the further expansion of the County's economic and employment base.

Complete a Comprehensive Rewrite of the Zoning Ordinance to a Community Based Code
To better implement the land use and design policies included in the James City County Comprehensive Plan, the County will undertake an update to its zoning ordinance. The last major update to the Zoning and Subdivision Ordinances occurred in 2010-2012. It's imperative that James City County's Development Codes serve to implement the Comprehensive Plan vision by providing a regulatory framework that preserves, enhances, and creates a unique sense of place.

PROTECT
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What Are We Trying to Achieve?

Protect community character, including natural and historic assets

Improve visual character of the built environment

PROTECT

COLLABORATE

MANAGE

What Are We Trying to Achieve?

Protect community character, including natural and historic assets

Improve visual character of the built environment

Goal 4: Protected Community Character and an Enhanced Built Environment

Develop Strategies for Open Space Preservation

The Comprehensive Plan includes several goals, strategies and actions to acquire more greenspace for parks, greenways, and other recreational facilities. For instance, action PR 2.3.1 states: "Continue to seek funding in the Capital Improvements Program (CIP) for the acquisition and use of open space areas and greenways to preserve the scenic, natural, and historic character of the area." This project would identify strategies for protection of open space.

Update Community Appearance Guide

The Community Appearance Guide offers visual examples of suggested design elements for new developments and redevelopments. Adherence to the suggestions is voluntary; however, the re-zoning and SUP processes offer good opportunities for the County to influence site and building design in a regulatory capacity. The guide was last updated in 2007 and is in need of an update to strengthen design guidelines and better implement the community appearance policies set out in the County's Comprehensive Plan.

Develop Local Green Infrastructure Map with HRPDC

James City County will work with the Hampton Roads Planning District Commission (HRPDC) to develop a green infrastructure map that will identify a strategically planned and managed network of natural lands, working landscapes, prime agricultural land, and other open spaces that conserve ecosystem values and functions and provide associated benefits to human populations. This map could be used to identify priority sites for protection.

Update Mandatory Tree Protection Standards

In an effort to protect the County's tree canopy and the associated health and community aesthetic benefits that the rural lands tree cover and the urban tree canopy inside the primary service area provides to citizens and visitors to James City County, the County will undertake an update to its tree protection methods to modernize standards.

Update County Comprehensive Plan*

To maintain a current set of policies to guide growth and development, the Commonwealth of Virginia requires that comprehensive plans be updated every five years. James City County's last Comprehensive Plan update was adopted in 2015 – Toward 2035: Leading the Way. This comprehensive plan will need to be updated by 2020.

Goal 5: Exceptional Public Services

INVEST
SERVE
COLLABORATE
MANAGE

Capital Projects

Implement Warhill Sports Complex Improvements (field hockey, lacrosse complex, traffic analysis/easement & new entrance road, multi-purpose field practice complex/restrooms, parking, community gym)
The Warhill Sports complex is one of JCC's premier recreational centers. The maintenance and expansion of this center is important for bolstering regional, sports-related tourism. The following projects are proposed: field/hockey/lacrosse complex, traffic analysis/easement and new entrance road, multi-purpose field practice complex/restrooms/parking, and community gym.

Implement Safety/Fire Station Improvements (major renovation at Station 3, new fire training facility)
Emergency service facility improvements, replacements, and additions will enable faster and more efficient provision of services to all JCC residents. These include ADA required facility improvements, major renovation of fire station 3, and construction of a new fire training center.

Implement Jamestown Beach Event Park Improvements (Amblers House/gardens, event area)
Open year-round, the Jamestown Beach event park is an important and unique community asset for citizens and visitors to James City County. Plans have been developed to expand the park to include the Amblers House and gardens, and an event area.

Implement James City County Marina Improvements (phase 1 – bulkhead, floating/covered docks fuel)
Formerly known as Eco Discovery Park, the James City County Marina is located on the historic Powhatan Creek, behind Jamestown Island and across the street from Jamestown Settlement. The following capital improvements are intended for the marina: replace existing bulkhead, develop green shoreline, replace covered slips, uncovered slip area, improve parking areas, relocate and upgrade fuel dispensing system.

Implement Abram Frink Community Center Park Improvements (splash pad/shelter)
Additional facilities are proposed for the Abram Frink Community Center Park including a new splash pad water feature and a picnic shelter.

Implement Recreation Center Park Improvements (parking expansion, outdoor restrooms/concession)
To address growing demands for the Recreation Center Park, projects are proposed to expand the parking area, to construct outdoor restrooms, and to develop a concession stand for outdoor events.

Supplement Fire Safety Vehicles and Equipment (add 2 ambulances, add 1 pumper)
The following improvements will enable JCC to meet the service provision goals outlined in the comprehensive plan: adding two new ambulances and a pumper truck.

Implement ADA Required Parks and Recreation Facility Improvements
The County must undertake several projects to update public parks and recreation facilities to be in compliance with the Americans with Disabilities Act (ADA). These projects will improve accessibility of facilities through enhanced design of ingress/egress areas.

What Are We Trying to Achieve?

Improve County services that meet the demands of our growing and changing population

Improve quality of life for the aging community and special needs populations

Achieve greater awareness and understanding of County efforts and actions

Goal 5: Exceptional Public Services

Operational Initiatives

Develop Plan to Address the Health, Housing and Job Placement Needs of Homeless, Lower Income, and Special Needs Populations

The Comprehensive Plan includes several policies and strategies aimed at improving the quality of life and economic conditions for the County's lower income, homeless, and special needs populations. The purpose of this plan is to address the full spectrum of needs for the County's least fortunate and most vulnerable, including assessing access to healthcare, adequate and affordable housing, and job placement needs.

Develop a Strategic Plan for Seniors (health, housing, transportation)

Like many communities across the country, James City County's aging population is growing and needs for citizens are changing. Access to health care, emergency services, senior recreation, affordable housing, and other service demands are expanding. Thus, it is important to develop a plan to address the aging population to provide a high quality of life for this particular demographic. This plan will be developed in partnership with community agencies that play a key role in serving the senior population.

Continue to Expand Parks and Recreation Services to Low Income Neighborhoods through Partnerships

Neighborhood outreach programs like RECn' It Out provide important resources to youth, seniors, and families with limited to no access to James City County recreational programs and facilities. RECn' It Out partnered with over 10 public, private, and non-profit institutions including the Virginia Department of Health, and the Williamsburg/James City County School Health Initiative. An analysis of user participation identified a low to no participation trend among lower income citizens in James City County. This initiative, and others like it, supports goals outlined in the Comprehensive Plan, promoting social equity and health and wellness.

Develop Strategies to Address Findings in Housing Conditions Study

The James City County Office of Neighborhood Development commissioned this study to survey housing conditions throughout James City County and to quantify housing needs related to substandard conditions and the lack of affordable and appropriate housing options. The study evaluated the degree to which the County is poised to tackle challenges. The study builds a set of possible strategies to improve housing conditions, re-investment, and housing affordability in the County. The next step is to begin work to implement these strategies to improve housing conditions for the County's lower income population.

Update Greenways Master Plan

The Greenway Master Plan establishes a framework for a County-wide system of interconnected greenways and trails with the goal of balancing environmental protection with the need for recreational amenities. The current plan was adopted in 2002 and includes elements pertaining to greenway planning and design, maintenance and management, and implementation strategies and funding. The update will become part of a broader green infrastructure plan, which will identify a network of parks or conservation areas connected by linear greenway corridors.

Develop Mobile Integrated Healthcare / Community Paramedicine Program

Designed to provide health care resources to difficult to reach or underserved populations, mobile integrated healthcare utilizes patient-centered, mobile resources in the out-of-hospital environment to coordinate preventative care and post discharge follow up visits. Community paramedicine programs use a collaborative approach between the community and health care partners to provide reliable, quality, local healthcare. Healthcare partners may include social services, doctors, and hospitals.

Complete Fire and Emergency Service Accreditation (fire and emergency service self-assessment, community risk assessment - standards of cover)*

Accreditation is a comprehensive self-assessment and evaluation model that enables organizations to examine past, current, and future service levels and internal performance and compare them to industry best practices. This process leads to improved service delivery. The self-assessment process, set out by the Center for Public Safety Excellence, includes a community risk analysis, standards of cover, and strategic planning process. While this accreditation is not required for operation of a county or municipal fire and emergency services system, it benefits the community by utilizing data driven decisions consistent with industry best practices to enhance service delivery.

Goal 5: Exceptional Public Services

Complete Master Plan Revisions for All Individual Parks*

The County has developed master plans for four County-owned parks to coordinate construction phasing and validate capital improvement requests: Shaping our Shores (2008) Freedom Park (2007) Greenway (2002) and Warhill (2004). These plans need to be updated to address current conditions and facility needs to support the County's growing population.

Complete Parks and Recreation National Accreditation*

The Commission for Accreditation of Park and Recreation Agencies (CAPRA) accredits park and recreation agencies for excellence in operation and service. Accreditation is based on an agency's compliance with the 151 standards for national accreditation. To achieve accreditation, an agency must comply with all 37 Fundamental Standards and 103 (90%) of the 114 Non-Fundamental Standards upon initial accreditation and 108 (95%) of the 114 Non-Fundamental Standards upon reaccreditation. Accreditation is a five-step process: Preliminary application, Self-assessment, Visitation/On-site Evaluation, Accreditation, and Annual Report. Accreditation insures that James City County Parks and Recreation is managing its resources in an efficient and effective manner and is meeting and/or exceeding the national standards established by the National Recreation and Parks Association.

Develop Plans to Enhance Emergency Preparedness*

Identify and develop action plans to improve the level of emergency preparedness throughout the community. Collaborate with local, state and federal partners to create a culture of preparedness through education, comprehensive planning, shelter enhancements and training.

Expand Opportunities for Public Participation In JCC Government*

The County strives to be open and transparent through communications and public participation. As the population grows and technology changes, the County will need to offer more opportunities for citizens to access information, provide input and become involved.

INVEST

COLLABORATE

MANAGE

What Are We Trying to Achieve?

Advancement of Williamsburg-James City County Public Schools through capital investment and strategic partnerships

Expand educational offerings for all JCC citizens through partnership efforts

Goal 6: High Quality Education

Capital Projects

Purchase Land (future schools and JCC facilities)

The 2035 Comprehensive Plan outlines the specific land requirements for various facilities (schools, emergency services, utilities, and administrative buildings) necessary to meet desired public service performance levels. Following an operational initiative to plan for long-term public land needs for future public facilities, the County will need to identify and purchase the land for these future public developments.

WJCC Schools CIP FY21-FY26 (new facilities construction)

This is the Capital Improvement Plan for WJCC Schools available for review at https://wjccschools.org/wp-content/uploads/2014/02/FY17-26-School-Board-Approved-CIP.pdf

Operational Initiatives

Collaborate with WJCC Schools to Implement WJCC Strategic Plan*

The WJCC five year strategic plan, adopted in 2013, was developed to identify strategies to provide each and every student with the knowledge, skills and values to be a lifelong learner, communicate, think critically, work and live productively, and contribute constructively to the lives of others. James City County will work in partnership with the WJCC Schools to identify ways to support the implementation of the WJCC Strategic Plan.

Collaborate with Regional Entities on Workforce Development & Training Initiatives*

Several partnerships and programs are available to implement workforce development and training initiatives. These include Thomas Nelson Community College, the College of William and Mary, Williamsburg Area Learning Tree, the Virginia Employment Commission, and others. James City County's Economic Development Authority will work with these partners to assist in the implementation of workforce development and training initiatives.

Collaborate with Child Development Resources to Implement Smart Beginnings Program*

Child Development Resources (CDR) is a comprehensive resource for physicians, teachers, parents, or anyone who has a question about an infant or toddler, throughout the Historic Triangle. Smart beginnings is a program aimed at ensuring that all children in the Historic Triangle start kindergarten healthy and ready to succeed in school and in life. The County will work with CDR to assist in the implementation of the Smart Beginnings program.

Goal 7: Fiscally Efficient Government

Capital Projects

Implement County Operations Improvements (real estate management software replacement, accounting and purchasing software replacement, land development software replacement)*

To modernize and make government operations more efficient, James City County needs to replace several software systems: Real Estate Management Software, Accounting and Purchasing Software, and Land Development Software. The life cycle of corporate business software is 8 to 12 years depending on changes in technology. Replacement of these systems often leads to improved staff efficiency and increased citizen interaction. The FY 2016 budget funds the Land Development Software replacement. The FY 2018 budget plan proposes the replacement of Accounting and Purchasing Software. Real Estate Management Software replacement would be planned in the FY 2020 cycle.

Operational Initiatives

Conduct a Cumulative Fiscal, Infrastructure, Community Character, Environmental Impact Analysis of Expanding Primary Services Area (PSA)

The Primary Service Area (PSA) in James City County demarcates areas where public water, sewer, and high levels of other public services and facilities exist or are expected to exist over the next 20 years. The PSA encourages efficient use and delivery of public facilities and services and serves as a boundary within which most growth is targeted. However, the PSA is not unchangeable and may expand over time to meet growth needs. The Comprehensive Plan includes several strategies recommending the County explore the expansion of the PSA. The expansion of the PSA may have fiscal implications and could impact community character, the environment, and infrastructure. Thus a complete evaluation of expanding the PSA should include an analysis of these cumulative impacts. Refinement of the County's fiscal impact model (included as a later initiative) can be used to evaluate the fiscal impacts of PSA expansion.

Update and Coordinate CIP Process & Timeline (expand timeline, coordinate process with Strategic Plan, and role of WJCC Schools)

The County's current Comprehensive Improvement Program (CIP) process is the process for evaluating, planning, scheduling, and implementing public capital projects. The CIP supports the objectives of the Comprehensive Plan through the sizing, timing, and location of public facilities. The CIP is a multi-year flexible plan that is updated annually and sets out current fiscal year funding for projects and identifies planned funding needs for the next five years. To better align with the need for long-term planning, the County will evaluate the opportunity to expand the CIP process to including planning beyond five years, and methods to ensure coordination with the Strategic Plan and the priority capital projects set out within that Plan.

Refine Fiscal Impact Model to Assess Development Impacts on Fiscal Health

The County is charged with effectively managing government coffers to provide necessary public services and facilities to its citizens in a cost efficient manner. JCC currently uses a fiscal impact model to estimate fiscal impacts in rezoning and Special Use Permitting cases. The County plans to expand and update this model to reflect current best practices. This update will allow the County to better evaluate land development decisions and provide useful information for developing the annual Capital Improvement Plan (CIP).

MANAGE

What Are We Trying to Achieve?

County decision-making informed by the true costs and benefits of implementation

Update financing and service provision tools to increase efficiency of government services

Appendix 2: Future Action for Implementation and Responsible Parties

The following pages include lists of all short- medium- and long-term projects and initiatives identified for implementation during the strategic planning process. This Strategic Plan focuses primarily on the short-term time frame, which includes short-term capital projects and operational initiatives. The purpose of this appendix is to provide the County with an inventory of action items that may eventually be moved into the short-term time frame as the County amends and updates the plan. Projects and initiatives are organized first by goal, then by time frame, and finally by responsible department. Icons next to action items identify responsible departments. In the event that more than one department is responsible for implementation, icons for all responsible departments are shown. Projects and initiatives without an icon are associated with the previous icon. Time frames are as follows:

Short-Term Capital Projects: July 2021-December 2026
Medium-Term Capital Projects: Calendar Year 2027-2031
Long-Term Capital Projects: Calendar Year 2032-2035
Operational Initiatives: FY2017-FY2022

Goal 1: Sustainable Long-Term Water Supply

Short-Term Capital Projects (July 2021-December 2026)

N/A

Medium-Term Capital Projects (Calendar Year 2027-2031)

SA Secure Future Water Supply

Long-Term Capital Projects (Calendary Year 2032-2035)

N/A

Operational Initiatives (FY2017-FY2022)

SA Update JCSA Asset Management Plan (Capital Replacement Plan)

Update JCSA Regulations

Develop Water Conservation Plan for Residences and Businesses

Evaluate Alternatives for Long-Term Water Supply

AD Admin
CD Community Development
CT Courts
SA JCSA
SC WJCC Schools

Goal 2: Modern Infrastructure, Facilities, and Technology Systems

Short-Term Capital Projects (July 2021-December 2026)

- AD Implement Stormwater CIP Projects
- SA Replace JCSA Meters at Residences (ongoing)
- CD Construct Skiffes Creek Connector
- Widen Croaker Road– Phase 1

Medium-Term Capital Projects (Calendar Year 2027-2031)

- AD Implement Stormwater CIP Projects
- Construct Future New Central Office
- Construct New County Warehouse to Serve Many Departments
- Add Fleet and Equipment Building
- General Services Operational Building
- CT Expand Courthouse
- SA Replace of Water and Sewer Lines (maintenance)
- Expand of Existing JCSA Warehouse
- CD Relocate Route 60
- Widen Croaker Road– Phase 2
- Widen Longhill Road– Phase 2
- Implement Route 60 Multimodal & Safety Enhancements
- Implement Virginia Capital Trail Access at Route 5

Long-Term Capital Projects (Calendar Year 2032-2035)

- AD Implement Stormwater CIP Projects
- SA Upgrade and Integration SCADA PLC
- Operations Center
- CD Widen Longhill Road– Phase 3
- Extend Mooretown Road

AD Admin

CD Community Development

IRM Information Resources Management

PR Parks and Recreation

Goal 2: Modern Infrastructure, Facilities, and Technology Systems

Operational Initiatives (FY2017-FY2022)

- AD Develop a Plan for a Multi-Use Venue for Arts, Sports, Education
- Develop Long Range Facilities Plan in Coordination with WJCC Schools
- Plan for Land Needs (future schools & JCC facilities)
- Conduct a Study of County Office Space Needs
- Continue to Develop Watershed Management Plans for the Remaining County Watersheds
- IRM Develop Enterprise Architecture Plan (Technology Plan)
- PR Develop a Plan to Reclaim Hospital Area at the JCCRC for Program Space for Users
- CD Update Master Transportation Plan & Prioritization of Road Projects

AD Admin

CD Community Development

ED Econommic Development

FMS Financial Management Services

OM Ombudsman

Goal 3: Expanding and Diversifying Local Economy

Short-Term Capital Projects (July 2021-December 2026)

N/A

Medium-Term Capital Projects (Calendar Year 2027-2031)

N/A

Long-Term Capital Projects (Calendar Year 2032-2035)

N/A

Operational Initiatives (FY2017-FY2022)

- OM AD Review JCC Ordinances, Fees and Procedures to Remove Barriers for Business. Provide Incentives for Small Business, Home-Based Businesses and Entrepreneurs
- ED Identify Opportunities to Prepare Shovel Ready Sites for Industrial and Business Development, with Preference for Locations within the Primary Services Area (PSA)
- Update of Business Climate Taskforce Report
- Implement Target Industries Study Strategies
- Coordinate with Regional Partnerships (Tourism and Economic Department Initiatives)
- FMS CD ED Conduct Scenario Planning (land use and fiscal evaluation of proposed large land use changes)
- CD Establish Workforce Housing Task Force

CD Community Development

ED Econommic Development

Goal 4: Protected Community Character and an Enhanced Built Environment

Short-Term Capital Projects (July 2021-December 2026)

N/A

Medium-Term Capital Projects (Calendar Year 2027-2031)

N/A

Long-Term Capital Projects (Calendar Year 2032-2035)

CD Underground Utilities

Operational Initiatives (FY2017-FY2022)

ED Develop Strategies to Promote Private Redevelopment of Underutilized Properties

CD Implement Initiative to Improve Visual Character of Major Road Corridors

Complete a Comprehensive Rewrite of the Zoning Ordinance to a Community Based Code

Develop Strategies for Open Space Preservation

Update Community Appearance Guide

Develop Local Green Infrastructure Map with HRPDC

Update Mandatory Tree Protection Standards

Update County Comprehensive Plan

FI Fire

IRM Information Resources Management

PR Parks and Recreation

Goal 5: Exceptional Public Services

Short-Term Capital Projects (July 2021-December 2026)

FI Implement Safety/Fire Station Improvements (major renovation at Station 3, new fire training facility)

Supplement Fire Safety Vehicles and Equipment (add 2 ambulances, add 1 pumper)

PR Implement Warhill Sports Complex Improvements (field hockey, lacrosse complex, traffic analysis/easement & new entrance road, multi-purpose field practice complex/restrooms, parking, community gym)

Implement Jamestown Beach Event Park Improvements (Ambler House/gardens, event area)

Implement James City County Marina Improvements (phase 1 – bulkhead, floating/covered docks fuel)

Implement Abram Frink Community Center Park Improvements (splash pad/shelter)

Implement Recreation Center Park Improvements (parking expansion, outdoor restrooms/ concession)

Implement ADA Required Parks and Recreation Facility Improvements

Medium-Term Capital Projects (Calendar Year 2027-2031)

FI Implement Fire Station Improvements (new fire stations 6, 7, 8, major renovations at stations 2 and 5, renovate fire administration building, expand/replace emergency communications center, expand/replace emergency operations center)

Supplement Fire Safety Vehicle and Equipment (replace/add ambulance (2), replace/add pumper (2), add tanker, add rescue truck, add ladder, new CAD system)

Upgrade Fire/EMS Software Reporting

IRM Improve Park Communications

PR Freedom Park Environmental Ed Center

Implement Warhill Sports Complex Improvements (paved multi-use trails, baseball field 6, picnic areas/restrooms)

Implement Little Creek Reservoir Improvements (Master Plan implementation, new boat ramp)

Implement Mid-County Improvements - Phases 2 (splash pad, parking), 3 (shelters and parking), 4 (multi-use trail lighting)

Implement Abram Frink Community Center Improvements (sports lighting)

Implement School Site Improvements (field lighting, restroom facilities)

Implement Upper County Master Plan

Implement Greenway Master Plan

Implement James City County Marina Phase 2

Aquatic Facility (50m)

Implement Chickahominy Riverfront Park Phase 2 (shelters, parking, campsite improvements)

Implement Chickahominy Riverfront Park Phase 3 (utilities, bathhouses, docks, kayak launch, concession/store)

- AD Admin
- CD Community Development
- FI Fire
- IRM Information Resources Management
- PR Parks and Recreation
- PO Police
- GS General Services
- SS Social Services

Goal 5: Exceptional Public Services

PR Replace Kidsburg

Fence and Resurface Courts at Multiple Parks

Implement Freedom Park Phase 3 (passive recreation facilities)

Long-Term Capital Projects (Calendar Year 2032-2035)

PR Implement Freedom Park Phases 4 (active recreation facilities), 5 (water-based facilities)

Implement Warhill Sports Complex Improvements (softball complex, turf replacement)

Implement Chickahominy Riverfront Park Phase 4 (cabins, roads)

Implement Jamestown Beach Event Park Improvements (mountain area, landscaping, cabins)

FI Replace and Supplement Fire Safety Vehicle and Equipment (replace ambulance (3), replace pumper (3), replace brush truck (originally purchased as a demo)

PO Meet Level of Service (LOS) Standards – Facilities and Equipment Needs to Maintain Average Response Time of Eight Minutes for High Priority Calls

Build New Juvenile Detention Facility (identified with application of Level of Service standards)

GS Waste Disposal Facilities (future need to accommodate 280,755 estimated additional pounds of waste per day)

Operational Initiatives (FY2017-FY2022)

AD Expand Opportunities for Public Participation In JCC Government

SS Develop Plan to Address the Health, Housing and Job Placement Needs of Homeless, Lower Income, and Special Needs Populations

Develop a Strategic Plan for Seniors (health, housing, transportation)

FI Develop Mobile Integrated Healthcare / Community Paramedicine Program

Complete Fire and Emergency Service Accreditation (fire and emergency service self-assessment, community risk assessment - standards of cover)

Develop Plans to Enhance Emergency Preparedness

PR Continue to Expand Parks and Recreation Services to Low Income

Complete Master Plan Revisions for All Individual Parks

Complete Parks and Recreation National Accreditation

Neighborhoods through Partnerships

CD Develop Strategies to Address Findings in Housing Conditions Study

PR CD Update Greenways Master Plan

AD Admin

SS Social Services

ED Econommic Development

LIB Library

SC WJCC Schools

Goal 6: High Quality Education

Short-Term Capital Projects (July 2021-December 2026)

AD Purchase Land (future schools and JCC facilities)

SC WJCC Schools CIP FY21-FY26 (new facilities construction)

Medium-Term Capital Projects (Calendar Year 2027-2031)

SC Purchase Land (future schools and JCC facilities)

Long-Term Capital Projects (Calendar Year 2032-2035)

LIB Meet Level of Service Needs for New Library Space and New Collections

SC Purchase Land (future schools and JCC facilities)

Operational Initiatives (FY2017-FY2022)

AD Collaborate with WJCC Schools to Implement WJCC Strategic Plan

SS Collaborate with Child Development Resources to Implement Smart Beginnings Program

ED Collaborate with Regional Entities on Workforce Development & Training Initiatives

AD Admin

CD Community Development

FMS Financial Management Services

IRM Information Resources Management

Goal 7: Fiscally Efficient Government

Short-Term Capital Projects (July 2021-December 2026)

IRM Implement County Operations Improvements (real estate management software replacement, accounting and purchasing software replacement, land development software replacement)

Medium-Term Capital Projects (Calendar Year 2027-2031)

IRM Replace Human Resources and Payroll Software

Replace Tax Revenue Software

Long-Term Capital Projects (Calendar Year 2032-2035)

N/A

Operational Initiatives

FMS Refine Fiscal Impact Model to Assess Development Impacts on Fiscal Health

FMS CD Conduct a Cumulative Fiscal, Infrastructure, Community Character, Environmental Impact Analysis of Expanding Primary Services Area (PSA)

AD FMS CD Update and Coordinate CIP Process & Timeline (expand timeline, coordinate process with Strategic Plan, and role of WJCC schools)

2035 Strategic Plan

A Guidebook for Investing in the County's Future

James City County, Virginia
November 22, 2016
Public Hearing Draft

Economic Development

Introduction

James City County is a unique place and destination, making it a desirable community in which to visit, live and work. The uniqueness of the community is an important asset which can be used as an effective strategy to promote and nurture economic development in the County.

James City County's economy has been linked historically to strong industries such as manufacturing and tourism; however, advances in technologies have created the impetus for economic diversification and new opportunities. Globalization has expanded the County's economic opportunities from the local and regional to the international arena.

In order to provide for a diverse, competitive and prosperous economy for all its citizens, James City County continues to develop economic development strategies and policies which are sound and comprehensive in scope.

Citizen Commentary

Economic development continues to be an important topic of discussion for James City County, as many citizens have offered opinions about the rate and type of development that best suits the community. The 2014 Virginia Tech Citizen Survey asked respondents to rate the current amount of commercial and industrial development. Opinions indicate a shift away from new commercial development as only 11% thought the County had too little, whereas the remaining 83% were split between believing the amount of commercial development was just right (40%) and too high (45%).

Opinions on the amount of industrial development were not as strong, as 19% of respondents did not know or did not wish to respond when asked about industrial development, as compared to only four percent of non-responders to the commercial question. Overall 24% thought the amount of industrial development was too low, 44% of the respondents thought it was about right, and eight percent thought the amount was too high.

As a follow-up to the survey, Community Workshop respondents indicated that they would like to see existing empty buildings and shopping centers rehabilitated and reused where possible before constructing new commercial development. Community Workshop participants identified that the preferred ways to promote redevelopment should be incentive-based programs, and to identify and promote specific areas for redevelopment and create shovel-ready development sites. There were a small number of participants who preferred that the County not promote economic redevelopment.

When asked what important features citizens would like to see in the business and industries the County attracts, many respondents answered with the following (in no particular order): clean industries, high paying jobs, businesses that promote green building techniques, research and development jobs, and businesses that have low impact on natural resources. Community Workshop attendees indicated that the most important attributes are quality jobs, fiscal contribution, and community values. There were also statements made in support of encouraging more agricultural economic development, whether through facilitating more farmers markets and other direct selling opportunities or providing additional options for land uses that promote the rural economy. A majority of participants desired more support for local businesses and less retail overall.

Another significant aspect of economic development that was frequently mentioned in multiple venues is the retention and attraction of a skillful young workforce. To address these workforce needs, many residents voiced that the County should expand technical and workforce training opportunities, echoed by 90% of Citizen Survey respondents who indicated that this is "very" or "somewhat important."

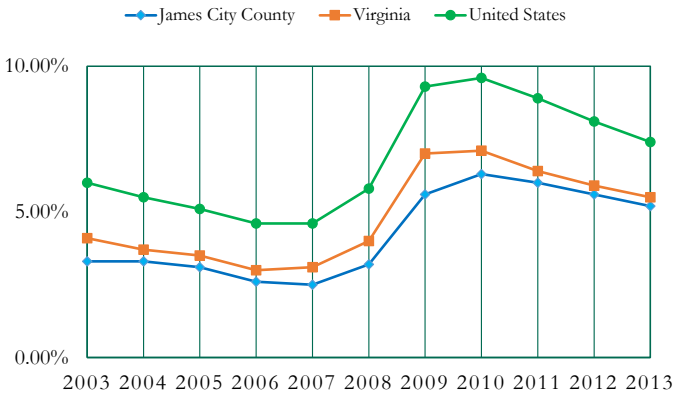
Workforce

Employment, Unemployment and Commuting Patterns

Our local economy is not isolated. While still being subject to national trends, we can measure ourselves relative to others to get a better understanding about how our actions and policies affect our local economic indicators.

As shown in **Figure ED-1**, while James City County saw a 3.8% increase in the unemployment rate from 2.5% in 2007 to 6.3% in 2010, this increase was lower than comparable numbers at the State and national levels. According to the Virginia Employment Commission (VEC), the unemployment rate for Virginia rose four percent from 3.1% in 2007 to an average of 7.1% in 2010. Nationwide, the unemployment rate rose five percent from 4.6% in 2007 to 9.6% in 2010. As of 2013, James City County has an unemployment rate of 5.2%, as compared to 5.5% for Virginia and 7.4% for the United States.

Figure ED-1. Unemployment Rates



Source: Virginia Employment Commission, Local Area Unemployment Statistics

According to Virginia Employment Commission (VEC) total annual employment statistics, James City County had 26,985 jobs in 2012. Overall, James City County and York County fared better than the Hampton Roads region in job growth rate during the past 10 years and also exceeded the State job growth rate during the same period (See **Table ED-1**). In fact, since 2007, James City County has seen an increase in jobs, whereas other localities in the Historic Triangle have been declining.

Table ED-1. Total Annual Employment

Year	James City	York	Williamsburg	Hampton Roads	Virginia
2001	20,944	15,784	19,436	698,331	3,436,172
2002	21,560	16,432	19,176	701,846	3,404,760
2003	22,611	17,117	18,119	706,387	3,410,834
2004	22,058	18,766	17,289	719,765	3,495,767
2005	23,681	19,639	16,624	731,869	3,578,558
2006	24,764	20,787	16,642	739,194	3,636,417
2007	25,690	22,514	15,924	744,054	3,672,958
2008	27,222	21,898	15,093	740,397	3,665,654
2009	26,269	21,269	14,259	712,354	3,545,623
2010	26,177	20,971	14,197	705,714	3,536,676
2011	26,385	21,319	13,388	705,315	3,578,848
2012	26,985	20,804	13,709	711,311	3,619,176
Annualized 10 Year Growth	2.3%	2.4%	-3.3%	0.1%	0.6%

Source: Quarterly Census of Employment and Wages

The economy in James City County relies a great deal on tourism, health care, manufacturing, educational services and retail, as those are the top five employment industries as can be seen in **Table ED-2**. James City County seeks to keep those strong, but also to diversify and attract additional jobs for the labor force. It is also worth noting that a little over 1,600 jobs come from manufacturing industries. These jobs generally encompass many desirable traits for employees, including higher pay, full-time/year-round employment and benefits. Continuing to attract these high quality jobs is an important goal for James City County.

Table ED-2. James City County Industry Employment, 2012

Industry	Employment
Health Care and Social Assistance	3,706
Retail Trade	3,563
Accommodation and Food Services	2,995
Educational Services	2,253
Manufacturing	1,659
Construction	1,393
Administrative Services	1,199
Professional, Scientific and Technical Services	1,079
Wholesale Trade	811
Public Administration	798
Management of Companies & Enterprises	704
Real Estate and Rental and Leasing	648
Other Services	500
Finance and Insurance	423
Information	278
Agriculture, Forestry, Fishing and Hunting	34
Total Employment Attributed to ND* Industries	4,942
Arts, Entertainment and Recreation	-
Mining, Quarrying, and Oil and Gas Extraction	-
Utilities	-
Unclassified	-
Total, All Industries	**26,985**

* ND - Data that is non-disclosable due to employer confidentiality rules

Source: Quarterly Census of Employment and Wages

Looking beyond the number of jobs offered in James City County to the people who hold them, according to the U.S. Census Bureau, approximately 15,848 workers come to the County, whereas 16,440 commute out of James City County for work. This slight out migration may indicate that some of the most desirable jobs are located in other localities, but that citizens choose to live in James City County.

Workplace and Business

Major Employers

The largest employers in the County, alphabetically by industry sector, include Kingsmill Resort, Williamsburg Plantation and Diamond Resorts (Accommodation and Food Service); SeaWorld Parks and Entertainment (Arts, Entertainment and Recreation); Branscome (Construction); Williamsburg-James City County Schools (Educational Services); Riverside Regional Medical Center, Williamsburg Landing, WindsorMeade of Williamsburg and Eastern State Hospital (Health Care and Social Services); Anheuser-Busch, Lumber Liquidators, Owens-Illinois, Ball Metal Beverage Containers, Printpack and Greystone of Virginia (Manufacturing); James City County (Public Administration); Martin's Food Market, Farm Fresh, Food Lion, Captain George's Seafood Restaurant, Target Corporation (Retail Trade), Walmart Import Distribution Center and Avid Medical (Wholesale Trade).

According to the Virginia Employment Commission Quarterly Census of Employment and Wages for the 4th Quarter 2013, each of the employers on the list above has 100 or more employees. **Table ED-3** lists the number of establishments in the County by number of employees. Establishments with one to four employees represent the largest number of business establishments in the County.

Table ED-3. Size of Business

Establishment Size	Number of Establishments
0-4 employees*	913
5-9 employees	310
10-19 employees	211
20-49 employees	157
50-99 employees	54
100-249 employees	28
250-499 employees	**
500-999 employees	4
1000+ employees	ND**
Total	**1,683**

* Zero employees typically represent new startup firm or sole-proprietorships.
** Non-disclosable data.

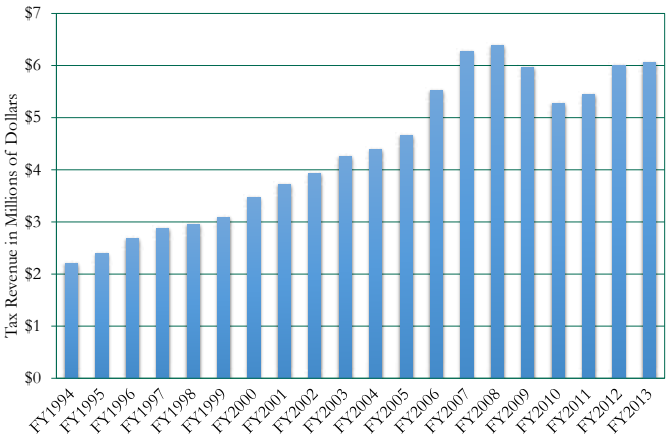
Source: James City County Economic Profile, VEC, which used VED, Quarterly Census of Employment and Wages (QCEW), 4th Quarter (October, November, December) 2013.

Business Growth

One important measure of business growth is the Business, Professional and Occupational License (BPOL) paid annually by businesses when renewing their business license in the County. A business license is required of all businesses (except manufacturing businesses), and is based

upon gross receipts or anticipated gross receipts. The tax revenue generated from business licenses sharply increased in Fiscal Years 2006-2008. After declines in 2009 and 2010, BPOL revenue once again saw increases from 2011-2013. **Figure ED-2** shows the upward trend the County has experienced in BPOL revenue since 1994. This positive trend is a result of new business activity and the growth of existing business.

Figure ED-2. BPOL Tax Revenue in James City County



Source: Va Auditor of Public Accounts: Comparative Report of Local Government Revenues and Expenditures, HRPDC

Another measure of business growth is the amount of capital investment made by businesses in the County. Between 2009 and 2013, the Office of Economic Development (OED) worked directly with 10 existing businesses and one not-for-profit generating investments totaling $93.5 million to expand existing operations in the County. Additionally, during the same time period, OED worked with five new businesses with investments totaling $9.1 million. Keeping in mind that this number is representative of only those businesses that worked directly with OED, the total capital investment made in the County is actually much higher, but ultimately cannot be tracked.

Business growth remains strong in James City County. In addition to being home to five Fortune 500 firms, the County continues to see significant growth in both the number of small businesses and start-up companies. According to information from the Virginia Employment Commission's Labor Market Information (LMI), James City County has seen a 37.5% increase in new startup firms between 2009 and 2013. Overall between 2011 and 2013, the number of new startup firms increased by 226 in James City County, as compared to 155 in York County and 34 for the City of Williamsburg. These sectors have and will continue to play a significant role in the County's growing economy.

Office of Economic Development (OED)

The mission of James City County's OED is "to foster the development and expansion of a diversified and healthy base of primary business and industry that will better balance the tax base, increase job opportunities and enhance both the quality and standard of living in James City County." The OED works to accomplish this mission through its efforts to increase commercial tax revenue, to attract improved job opportunities for County citizens and to enhance the quality of life for local residents. To accomplish these tasks, OED's core efforts are focused on business retention, expansion, attraction and creation. The OED is located at 101-D Mounts Bay Road at the James City County Government Center and can be accessed online at www.yesjamescitycountyva.com.

Economic Development Authority of James City County (EDA)

The EDA is a seven-member voluntary board whose members are appointed by the Board of Supervisors and serve staggered four-year terms. The EDA's purpose is to assist the County and the OED in expanding James City County's business tax base in order to maintain and enhance the quality of life for County's citizens. The EDA also acts as a conduit for issuing Industrial Revenue Bonds for manufacturing projects and qualifying medical, assisted living, nonprofit or public facilities. The EDA can be reached by contacting the OED at the address above or via phone at 757-253-6607 or by email at yesjcc@jamescitycountyva.gov.

Business Climate Task Force (BCTF) Report

In January 2008 the Business Climate Task Force Report was released along with recommendations to improve the business climate in the County. One of the main tasks of

the BCTF as indicated by its mission statement was to "identify qualities, characteristics and categories of business preferred in James City County and propose policies, programs and ordinance changes that will attract, retain, and expand those businesses." Instead of targeting specific industries/businesses clusters, the BCTF identified attributes and qualities to determine the types of business most desired in the County. These attributes, as seen on **Table ED-4**, were arranged in the following five broad categories: quality jobs, community values, fiscal contribution, environmentally sensitivity and stability. Many of the attributes and qualities described by the BCTF are sustainability indicators (e.g., economic diversification, fair pay, high wages, low impact on natural resources), which can be used as criteria for identifying and targeting the desired types of industries the County would like to attract.

During the 2014 Community Workshops, participants were asked what important features they would like to see in the business and industries the County attracts. Using the attributes from the BCTF Report and an "other" category, participants most often answered that attracting quality jobs was most important. These types of jobs would include those with fair pay, benefits and year-round full-time employment. Other high ranking responses were attracting businesses that provided fiscal benefits to the County, as well as those that promoted our community values.

Wages and Income

According to the VEC, the average weekly employee wage in James City County was $666 in the third quarter of 2013. This figure is equivalent to $16.65 per hour or $34,632 per year, assuming a 40-hour week year round. The County's average hourly wage is slightly higher than the City of Williamsburg's $16.53 per hour and York County's $16.20 per hour. However, when compared to the Metropolitan Statistical Area (MSA) and State averages ($20.33 per hour and $24.83 per hour respectively), the localities in the Historic Triangle as a whole display much lower than average wages. The lower wages compared to the MSA and State may contribute to the commuting patterns as mentioned in the employment discussion at the beginning of this section.

Per Capita Income (PCI)

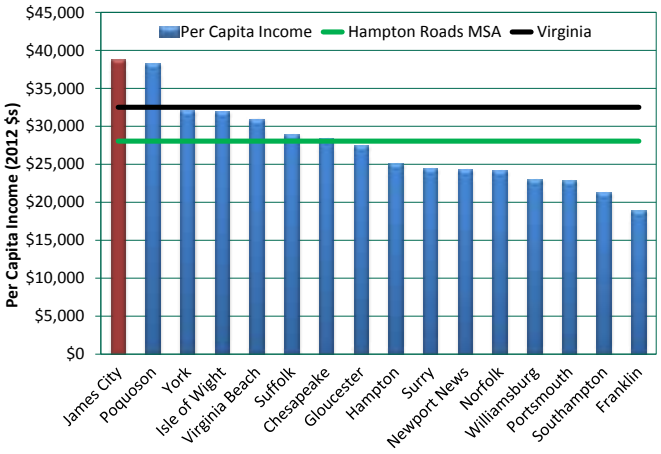
According to the U.S. Census, per capita income is one of the most comprehensive ways to measure household income. PCI is defined as "the average obtained by dividing aggregate income by total population of an area." The American Community Survey reported the average 2012 PCI for James City County as $38,788. This PCI ranked was 116% of the State average, $32,517, and 130% of the national average, $27,319. See **Figure ED-3**.

Table ED-4. Business Climate Task Force Table of Attributes

Categories	Qualities					
Quality Jobs	Fair pay	Benefits	Attributes and year-round, full-time employment	Diversification of the labor force	Interest in wellbeing of employees	
Community Values	Respectable corporate citizen	Enhances citizen's quality of life	Uses local resources, buys locally	Distinctive, unique	Promotes community values	Likes, values, and respects community
Fiscal Contribution	Generates local tax revenue	Favorable tax/ resource usage ratio	Exports goods/services; imports new dollars	Recycles local spending	Economic diversification	Supports other local business
Environmentally Sensitivity	Clean	Low impact on natural resources				
Stability	Economic diversification	Stability and locality	Less affected by macroeconomic changes	Headquarters location		

Source: Business Climate Task Force Report, 2008

Figure ED-3. Per Capita Income in the Past 12 Months



Source: U.S. Census American Community Survey, HRPDC

Household Income

The U.S. Census Bureau defines household income as "the sum of money income received in a calendar year by all household members 15 years old and over, including household members not related to the householder, people living alone, and other non-family household members." The median household income provides income information by dividing households into two equal parts with the first half of the households earning less than the median household income and the other half earning more. The most recent data on median household income is provided by the U.S. Census American Community Survey (2012 for James City County and York and 2008-2012 five-year estimates for Williamsburg). In 2012, James City County had the highest median household income of the localities of the Historic Triangle, $79,435, placing York County and the City of Williamsburg ($71,974 and $50,865 respectively).

Poverty

According to the 2012 American Community Survey, the poverty rate for James City County (for individuals 18 and over) was 10%, which was below the poverty rates for both the MSA (13%) and the State (12%).

Taxes

Tax Rates

Compared to other localities in the Historic Triangle area, James City County levies a relatively higher tax rate. In 2013, the real estate tax was 77 cents per $100, slightly higher than York County (75 cents) and Williamsburg (57 cents). However, the County compares favorably to other Peninsula localities such as Newport News ($1.22) and Hampton ($1.06). James City County's general personal property tax rate (not including business equipment, machinery and tools), has remained constant for the last 20 years at $4 per $100 of assessed value. York County has the same tax rate. Williamsburg has a slightly lower personal property tax rate at $3.50 per $100, while Newport News and Hampton have a slightly higher tax rate at $4.50 and $4.25 per $100 of assessed value, respectively.

Principal Taxpayers

According to information provided by the Department of Financial and Management Services, Anheuser-Busch was the overall highest taxpayer in 2013 with $4.8 million in property taxes assessed or 4.09% of all taxable revenue for the County. SeaWorld Parks and Entertainment was the second highest taxpayer with $1.84 million, representing 1.534% of total County revenues, followed by Walmart Import Distribution Center (0.98%), Powhatan Plantation Owners Association (0.82%), Virginia Electric and Power Company (0.75%), Premium Outlets of Williamsburg (0.70%), Williamsburg Landing, Inc. (0.63%), Ball Metal Beverage Containers (0.58%), Owens-Illinois (0.58%) and Williamsburg Plantation Owners Association (0.55%).

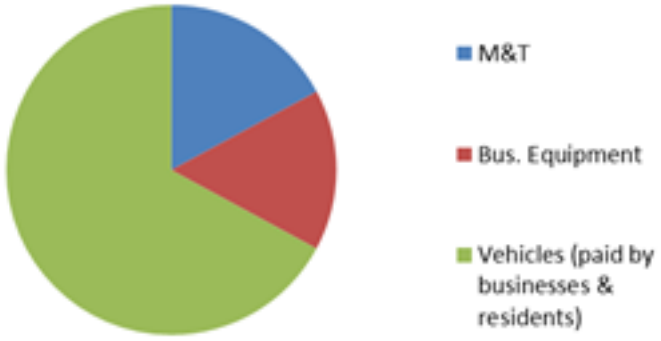
It is important to note that the percentage of the County total revenues attributed to the 10 largest business/industries has been gradually diminishing over the past 10 years, an indication that the business tax base has been diversifying. For the 2003 Fiscal Year, property taxes assessed on 10 of the largest businesses/industries contributed a total of 14.8% of total County revenues or $10.9 million; for the 2013 Fiscal Year the 10 largest businesses contributed approximately 11.2% of the total revenues or $13.3 million.

Commercial and industrial properties comprise a small part of the total properties in the County, but generate proportionally higher real estate tax revenues. In Fiscal Year 2013, 4.03% of the taxable parcels in the County were commercial/industrial properties; those parcels generated

13.7% of the total assessed value for the County. By contrast, 94.4% of all taxable parcels in the County were single-family residential; those parcels generated 80.5% of the total assessed value for the County.

Similar to taxes paid by County residents, County businesses also pay Personal Property Tax in addition to paying Real Estate Property Tax. Personal Property Tax is assessed on vehicles, as well as on other business equipment and machinery and tools (M&T). For FY13, 17.1% of the total Personal Property Tax revenue was from M&T and 15.7% was from Business Equipment. The remaining 67.1% includes both revenue from businesses for business vehicles and revenue from residents for personal vehicles (See **Figure ED-4**).

Figure ED-4. Personal Property Revenue FY13



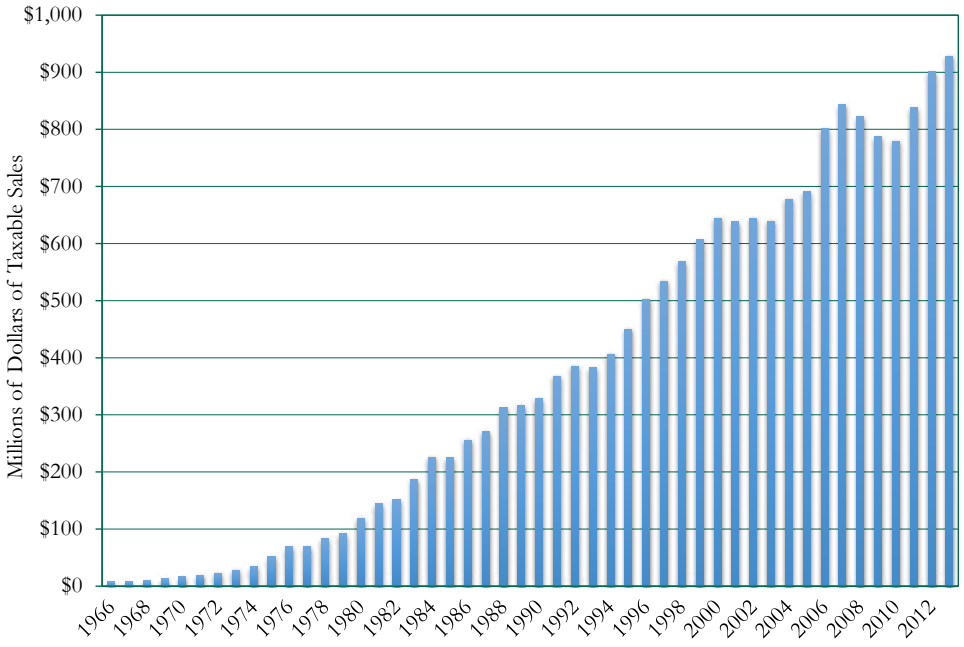
Retail Sales

According to the Weldon Cooper Center for Economic and Policy Studies, in 2013, Total Taxable Sales in James City County were $928.5 million, which represents an increase of 18% over that of 2009 (See **Figure ED-5** below). During the same time period, the City of Williamsburg saw an increase of 20%, the State saw an increase of 10%, and York saw a modest decrease of 1.7%. Additionally, the County has seen significant growth in Local Option Sales Tax (LOST), which is the taxable portion of retail sales that remains with the locality. Between 2010 and 2013, the LOST for James City County grew by 20.5%.

Tourism

Tourism plays an important role in both the regional and State economies. A study prepared for the Virginia Tourism Corporation, Economic Impact of Domestic Travel Expenditures on Virginia Counties 2007, found that domestic travelers spent close to $18.7 billion on transportation, lodging, food, entertainment, recreation and incidentals in Virginia. According to the 2012 report, domestic travel expenditures in the State increased to $21.2 billion, not adjusted by inflation, and directly supported 210,000 jobs within Virginia. Additionally, tax revenue generated by domestic travel in Virginia reached $2.7 billion, up 3.3% from 2011.

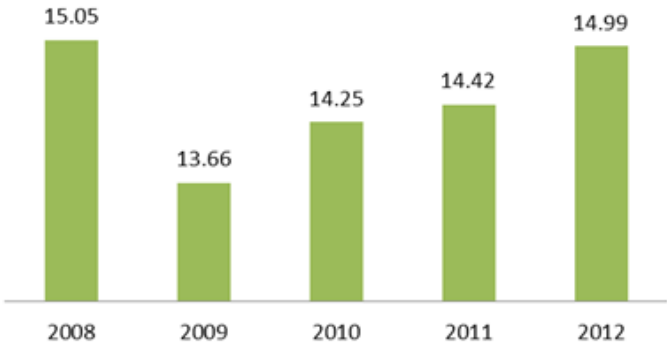
Figure ED-5. James City County Annual Retail Sales



Source: Virginia Department of Taxation, HRPDC

The Virginia Beach-Norfolk-Newport News MSA is well known for its tourist attractions and hospitality industry. In 2012, approximately $374.57 million was spent in James City County on items related to tourism (e.g. transportation, lodging, food, entertainment, recreation, etc.), which ranked fourth among the 14 localities within the MSA behind Virginia Beach, Norfolk and the City of Williamsburg. Local Tax Receipts for the County were $14.99 million in 2012, an increase of four percent over 2011 (See **Figure ED-6**).

Figure ED-6. JCC Tourism Local Tax Receipts in Millions



Source: Virginia Locality Economic Impact of Travel Data

Agriculture

The impact of traditional agricultural activities in the County's economy has been gradually declining over recent years; however, there has been a renewed interest in smaller niche agricultural markets, locally-grown foods and agritourism activities. This has been manifested in a small increase in the number of farms in the County but a decreasing average farm size. According to the Bureau of Labor Statistics (BLS), in 2009 approximately 38 jobs were associated with agriculture, forestry, farming and hunting activities in the County. This does not include sole and/or part-time proprietors so likely undercounts the actual number of jobs, especially when this statistic is compared to the 2012 Census of Agriculture. The Census of Agriculture states that there are 83 principal farm operators in the County, of which more than 70% are part-time farmers. This statistic also does not account for employment in other related industry sectors such as food manufacturing, tourism, equine activities, specialty food stores and food services that often rely on support or products from local agriculture. The 2009 average weekly wage for the agricultural jobs sector increased to $364 from $252 in 2007. A 2013 Assessment of Rural Economic Activity in James City County conducted by George Mason University determined that currently, agricultural activities represent a small percentage of the County's overall economy, but that there is significant room for the industry to grow and meet surrounding market demand, especially in the following four areas:

1) Traditional agricultural activities
2) Forestry activities
3) Value-added enterprises
4) Rural tourism and outdoor recreation

It is also important to note that the statistics provided by the BLS and by the Census of Agriculture do not provide a holistic picture of the state of agriculture in the County in terms of support for community values and quality of life. In recognition of this, the EDA created the Rural Economic Development Committee (REDC) in 2009 to explore opportunities for increasing the rural economy. The REDC completed a Strategy for Rural Economic Development that focuses on 13 projects in three broad categories (marketing/public relations, business development and facilities/capital projects) that can help increase the economic contribution of the County's rural lands. A vital, robust, rural economy will contribute to the diversification of the County's overall economy. Additionally, it will provide more choices and opportunities for rural landowners, preserve the rural landscape and support and complement the existing manufacturing, service and tourism sectors of the economy.

Economic Opportunities

Location

James City County is strategically located on the Virginia peninsula, midway between the Cities of Richmond and Virginia Beach, along the I-64 corridor. This location provides access to a number of economic drivers including the military, technical and research and development establishments in the Hampton Roads area and Port of Virginia, providing increased opportunities and options for exporting and importing activities through cooperation with regional partners. Also, proximity to academic research and workforce development activities at the College of William and Mary, Thomas Nelson Community College, Christopher Newport University and Old Dominion University present additional economic opportunities in a number of fields, including business, medical, multiple scientific and marine and advanced manufacturing.

Regional Efforts

The economic development offices of the three localities of the Historic Triangle collaborate on many ongoing initiatives in support of the local economic base. Examples include the Triangle Business and Innovation Center (TBIC), supported by the Economic Development Authorities (EDA) of each locality, which provides tangible hands-on support to start-up and small businesses; Start! Peninsula, an annual event to encourage entrepreneurship activity within the Peninsula; an annual regional business appreciation event and Global Entrepreneurship Week (in partnership with Thomas Nelson Community College). Other regional efforts include the Economic Diversification Task Force, Arts Month and the Economic Progress Committee (in partnership with the Greater Williamsburg Chamber and Tourism Alliance).

The College of William and Mary

The College of William and Mary remains a strong resource for the community. Through its numerous affiliations, the College has been active in linking companies to the development of new, cutting-edge technologies and ongoing research in areas such as sensors, modeling and simulation, material and applied sciences, alternative energy, bioscience, bioinformatics, aging and geriatric health and marine science. Furthermore, research and development activities have the potential to cluster and create an environment that is attractive to knowledge-based businesses.

Thomas Nelson Community College – Historic Triangle Campus

Throughout the years, Thomas Nelson Community College (TNCC) has played an increasingly important role in serving the workforce development needs of the business community and in helping individual citizens achieve their educational goals. TNCC first began providing classes in the Historic Triangle in the late 1990s. In 2009, a new permanent campus was established in James City County. The campus includes a 120,000-square-foot facility with classrooms, five science laboratories, a nursing laboratory, the Learning Resources Center and a state-of-the-art facility encompassing the College's Dental Hygiene Program.

TNCC offers a variety of programs at both its Hampton and Historic Triangle Campuses ranging from academic to career studies certificates. It also offers a dual enrollment program allowing high school students from Williamsburg-James City County Schools to earn college and high school credit concurrently. One of the college's main focuses is to meet the educational and workforce development needs in the Historic Triangle by providing cooperative education (co-op) programs for business, government and community employers, just-in-time education, and customized training. To this end, TNCC has established the Thomas Nelson Workforce Center on Ironbound Road in the New Town area of the County. The Center offers first-class training and economic and workforce development services for public and private organizations, including the business community, company employees and entrepreneurs.

James City County Enterprise Zone

The purpose of the Enterprise Zone is to create an improved climate for private sector investment, development and expansion, thereby improving the overall physical and social conditions within the zone.

Qualifying businesses locating within the Enterprise Zone are eligible for certain State and local incentives. Additional information, including the location of the Enterprise Zone, may be obtained from the James City County Office of Economic Development.

Spotlight on Successes and Opportunities

Building a diverse, balanced economy requires strategies that help it become adaptive, resilient, diverse and vibrant, providing high quality jobs and stability for County residents. A diverse employment base is, for instance, one of the features which can be used to gauge the vitality of James City County's economy. Income that meets the needs of workers and reduction of poverty rates are also important indicators.

Since 2009, a number of efforts have helped encourage a balanced mixture of business expansion and redevelopment. For instance, the Office of Economic Development has worked with 10 businesses that accounted for $93.5 million dollars in capital investments. Of that $93.5 million, $44 million was associated with expansions to Manufacturing/Wholesale Trade industries. Specifically, there have been expansions in the Jacobs/Hankins Industrial Park, as well as to the Lumber Liquidators facility in Stonehouse Commerce Park. County staff has also been working with developers on a number of redevelopment projects, including multiple tenants at the Candle Factory in Norge, Candy Store in Lightfoot and Colony Square Shopping Center on Jamestown Road.

In an effort to promote economic development, County staff also processed multiple amendments to the Zoning Ordinance, with particular emphasis on the business, industrial and mixed use districts. These amendments included streamlining the development review process, as well as expanding the list of uses that can be approved by-right.

James City County has also pursued actions to diversify the County's economy and support the tourism industry. Another focus of economic development has been the promotion of sports tourism activities in the County. James City County has hosted the National Softball Association Tournament, the LPGA golf tournament at Kingsmill and the Top Gun Football Academy at the Warhill Sports Complex.

James City County partners with a number of different regional organizations to further entrepreneurship and develop the transportation system. Work with the Thomas Nelson Workforce Center, the College of William and Mary, as well as adjacent localities' cooperation on the Triangle Business and Innovation Center, have helped foster development of the workforce in our County and provide training opportunities and support for small businesses and startups. With respect to transportation improvements, County staff has worked on a number of initiatives to further the economic interests of the area, including: the Mooretown Road extended corridor study, Route 60 relocated/Skiffes Creek connector project and widening of I-64.

As James City County moves forward, all of these accomplishments help to show important areas of the County's economic development strategy. However, there will also be new areas of focus, including rural economic development. The Rural Economic Development Committee (REDC) strategies will help increase the economic contribution of the County's rural lands. Implementation of these strategies will hopefully produce a vital, robust, rural economy that will contribute to the diversification of the County's economy.

Goals, Strategies and Actions

Goals

Economic Development (ED) – Build a diverse, balanced local economy that supports basic needs of all segments of the community and contributes positively to the quality of life.

Strategies and Actions

ED 1 – Encourage a balanced mixture of commercial, industrial, and residential land uses that support the County's overall quality of life, fiscal health and environmental quality.

- **ED 1.1** – Maintain an active and effective economic development strategy, which includes existing business retention and expansion, assistance to new business, new business recruitment and support to the tourism industry.

  ED 1.1.1 – Build on the New Town area and similar locations within the County as lifestyle commercial and residential hubs.

- **ED 1.2** – Encourage the creation of new and retention of existing small businesses, home-based businesses and entrepreneurial efforts including women-owned and minority-owned businesses by:

  ED 1.2.1 – Creating new and supporting programs to assist small businesses, home-based businesses and entrepreneurial efforts.

  ED 1.2.2 – Reviewing the Zoning Ordinance to ensure it allows appropriate home occupations and other small businesses consistent with neighborhood and community character.

  ED 1.2.3 – Developing strategies that strive to retain those companies who successfully graduate from the Triangle Business Innovation Center (TBIC).

- **ED 1.3** – Continue to emphasize the benefits of locating new business and industry within the County's Enterprise Zone.

  ED 1.3.1 – Continue to provide incentives to business that locate within the Enterprise Zone.

  ED 1.3.2 – Continue to ensure that the land area available to James City County for inclusion in the Enterprise Zone as allowed by the Code of Virginia is maximized.

- **ED 1.4** – Encourage private/public partnerships or similar initiatives to ensure the development and attraction of quality and innovative business ventures.
- **ED1.5** – Identify regulatory barriers in County regulations (such as special use permits), policies and procedures that may unnecessarily inhibit commercial and industrial development and amend the Zoning Ordinance to address these issues.
- **ED 1.6** – Update and support the recommendations of the Business Climate Task Force Report as determined by the Board of Supervisors.
- **ED 1.7** – Continue to pursue and develop additional incentives for both new and existing business development.
- **ED 1.8** – Update the Economic Diversification Task Force Report and support the implementation of identified initiatives.
- **ED 1.9** – Consider an update or progress report to the 2008 Business Climate Task Force Report.

ED 2 – Continue to diversify James City County's economy.

- **ED 2.1** – Support the development of diverse types of retail and non-retail core business.
- **ED 2.2** – Consider establishing and expanding incentive zone(s) and other programs as allowed by the Code of Virginia.
- **ED 2.3** – Promote tourism and associated industries as a year-round industry.
- **ED 2.4** – Analyze the opportunities for development and expansion of healthcare business, medical research sector jobs and related services.
- **ED 2.5** – Attract "clean and green" development and redevelopment projects that also offer enhanced job opportunities.
- **ED 2.6** – Analyze opportunities for expansion of new employment sectors, such as those in clean industries and technology focused industries.

ED 3 – Foster the development, training/retraining, diversification and retention of the James City County workforce.

- **ED 3.1** – Support public and private entities, like the Peninsula Council for Workforce Development.
- **ED 3.2** – Support the provision of mixed cost and affordable/workforce housing near employment centers and transportation hubs.
- **ED 3.3** – Working with Williamsburg-James City County Schools (WJCC), New Horizons Regional Education Center and local colleges and universities, facilitate technical and professional opportunities for high school and college students through internship, training and mentorship programs.
- **ED 3.4** – Promote the retention and creation of full-time job opportunities with wages and benefits sufficient to make housing attainable.
- **ED 3.5** – Leverage the resources of local colleges and universities to companies seeking technical and research assistance and job training.
- **ED 3.6** – Promote job opportunities for retirees still wanting or needing to work.
- **ED 3.7** – Support businesses, programs and developments that attract young professionals and retain the community's graduates.

ED 4 – Maintain partnerships with the College of William and Mary and Thomas Nelson Community College.

- **ED 4.1** – Work with the College of William and Mary Office of Economic Development and the Thomas Nelson Workforce Development Center in support of business attraction and expansion.
- **ED 4.2** – Support collaborations with the College of William and Mary, associated partnerships and/or other institutions to attract and mentor companies.
- **ED 4.3** – Partner with the College of William and Mary to attract and expand technology companies in designated research and technology zones, particularly in the areas of sensor, robotics, modeling and simulation and bioscience.
- **ED 4.4** – Support collaborations with the College of William and Mary Office of Economic Development and Thomas Nelson Community College to enhance training opportunities that meet the needs of our existing business community and target industry segments.

ED 5 – Encourage infill development, the redevelopment of existing parcels, and the adaptive reuse of existing buildings to efficiently use infrastructure and natural resources.

- **ED 5.1** – Encourage the rehabilitation of abandoned and/or underutilized facilities by promoting them to new business.
- E**D 5.2** – Identify regulatory barriers in County regulations (such as special use permits), policies and procedures that may unnecessarily inhibit redevelopment and adaptive reuse and amend the Zoning Ordinance to address these issues.
- **ED 5.3** – Encourage new development and redevelopment of non-residential uses to occur mainly in areas where public utilities are either available or accessible within the Primary Service Area (PSA) and infrastructure is supportive.
- **ED 5.4** – Facilitate the development of sub-area master plans for strategic areas such as the Croaker Interchange and the Lightfoot Corridor.
- **ED 5.5** – Provide meaningful incentives supporting sustainable design and for achieving LEED (Leadership in Energy and Environmental Design) or other similar sustainable design standards for the construction and/or retrofitting of non-residential buildings.
- **ED 5.6** – Develop strategies to encourage the redevelopment of commercial areas throughout the County.
- **ED 5.7** – Promote resource conservation techniques among new and existing business.

  ED 5.7.1 – Emphasize the attraction, retention and expansion of businesses that are less water dependent.

  ED 5.7.2 – For those businesses with higher water use, encourage and facilitate the use of grey or reclaimed water usage to meet water needs.
- **ED 5.8** – Provide adequate water and sewer services to designated industrial and commercial areas consistent with applicable policies and regulations.
- **ED 5.9** – Promote desirable economic growth through the provision of water and sewer infrastructure consistent with the Comprehensive Plan policies and the regulations governing utility service in partnership with the James City Service Authority (JCSA), Newport News Water Works and HRSD.

ED 6 – Support the tourism industry for the Historic Triangle and promote James City County as a destination of choice in the region.

- **ED 6.1** – Foster tourism development in James City County and the Historic Triangle by continuing to partner with the Greater Williamsburg Chamber and Tourism Alliance.
- **ED 6.2** – Identify and protect historic sites that are important to the heritage of James City County, allowing them to be preserved for future generations.
- **ED 6.3** – Support ecotourism and agritourism initiatives, identifying and designating lands and reducing barriers in support of this purpose.
- **ED 6.4** – Support the development of sporting events and potential facilities that promote the County as a sports tourism destination and other special events in James City County.
- **ED 6.5** – Support tourism initiatives that promote the Historic Triangle as an arts destination, including cultural and culinary activities.

ED 7 – Protect the County's existing physical transportation infrastructure. Plan and promote the development and coordination of transportation systems with the location of non-residential uses in a manner that maximizes the County's economic potential consistent with the policies of the Comprehensive Plan.

- **ED 7.1** – Participate in the development of master plans for the County's I-64 interchanges, specifically the Croaker Road and Barhamsville Road interchange areas, to preserve capacity for economic development for these areas.
- **ED 7.2** – Collaborate with the Virginia Department of Transportation (VDOT) and adjacent localities to improve access to interstate and major arterials such as relocating Route 60 East.
- **ED 7.3** – Assess and collaborate on opportunities and advocate for public transit (e.g. commuter rail, light rail or bus rapid transit service) to economic and business centers.
- **ED 7.4** – Improve the utilization of rail/interstate highway nodes and access to deep water ports to facilitate commercial freight access to and from local industries and for tourism access.
- **ED 7.5** – Support continued local access to general aviation facilities.
- **ED 7.6** – Work with regional airport facilities to promote additional direct commercial flights to serve the destinations preferred by James City County businesses.

ED 8 – Acknowledge the changing nature of the County's rural economy and promote viable traditional and emerging rural economic development initiatives as appropriate.

- **ED 8.1** – Support traditional agricultural and forestal uses through ordinances and policies favorable to such uses.
- **ED 8.2** – Coordinate with the State and private entities to market agri-business and agritourism as viable economic activities in James City County.
- **ED 8.3** – Identify opportunities for non-traditional agricultural and forestal uses, agritourism and ecotourism, such as those identified in the REDC report, and evaluate obstacles to and incentives for their private sector formation and/or expansion within the County.
- **ED 8.4** – Support marketing and procurement programs for local agricultural products, including farmer's markets and agritourism and the pursuit of industries that utilize local agricultural products.
- **ED 8.5** – Identify and pursue grants and programs that support the expansion of rural economic development initiatives, including ecotourism, agritourism, historical site preservation and interpretation, aquaculture and specialty products and services, as appropriate.
- **ED 8.6** – Offer informational programs to landowners about various rural economic development opportunities that may be of interest to them as business or hobby pursuits or as alternatives to sale of lands for subdivision development.
- **ED 8.7** – Encourage local institutional and educational entities, including public schools, Colonial Williamsburg and Eastern State Hospital, to expand programs for the purchase and use of locally-grown food products.

AGENDA ITEM NO. D.3.

ITEM SUMMARY

DATE: 12/14/2017

TO: The Economic Development Authority

FROM: Amy B. Jordan, EDA Secretary

SUBJECT: Evaluate Target Sectors

ATTACHMENTS:

	Description	Type
🗋	GWP Target Sector Analysis - Executive Summary	Exhibit
🗋	GWP Target Sector Analysis - Report	Exhibit

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority	Fellows, Teresa	Approved	12/8/2017 - 2:25 PM

GREATER WILLIAMSBURG PARTNERSHIP

EXECUTIVE SUMMARY: GREATER WILLIAMSBURG TARGET SECTOR ANALYSIS

GREATER WILLIAMSBURG, VIRGINA

Submitted by Market Street Services Inc.
www.marketstreetservices.com

August 16, 2016

MARKET ST

EXECUTIVE SUMMARY

The Greater Williamsburg region has taken an important step in charting its own path towards economic diversification and sustainability with the formation of the Greater Williamsburg Partnership. As the Greater Williamsburg Partnership seeks to market the region to site selectors and business executives charged with location decisions, the Greater Williamsburg Target Sector Analysis is designed to assist the Partnership in identifying its target audiences as well as provide actionable recommendations to recruit new businesses into the Greater Williamsburg region. The Greater Williamsburg Target Sector Analysis should also be used to guide business retention, expansion, and development activities at the economic development authorities of the City of Williamsburg, James City County, and York County. It is important to view this work as a first step, a beginning.

Greater Williamsburg's value proposition to prospective businesses is significantly enhanced by its asset base, which any of its peers would envy. The College of William & Mary, Thomas Nelson Community College, a robust scientific and engineering talent pool attracted to nearby premier national research and development laboratories, distinct identity, numerous place-based amenities and entertainment attractions, and sizable military instillations combine to yield competitive advantages for businesses seeking to relocate into the region. These attributes are further complemented by new initiatives, such as the Launchpad incubator, which advances the region's attractiveness to new businesses.

Promulgating the region's value proposition is not, however, without challenge. Given the Greater Williamsburg reputation as a destination for travelers and tourists, the core task ahead of the Greater Williamsburg Partnership is to complement current tourism messaging while shifting perceptions among national and international business communities that Greater Williamsburg is also a destination to locate and grow operations. As the Greater Williamsburg region seeks to enhance its attractiveness, new opportunities may lay outside of its historic economic borders.

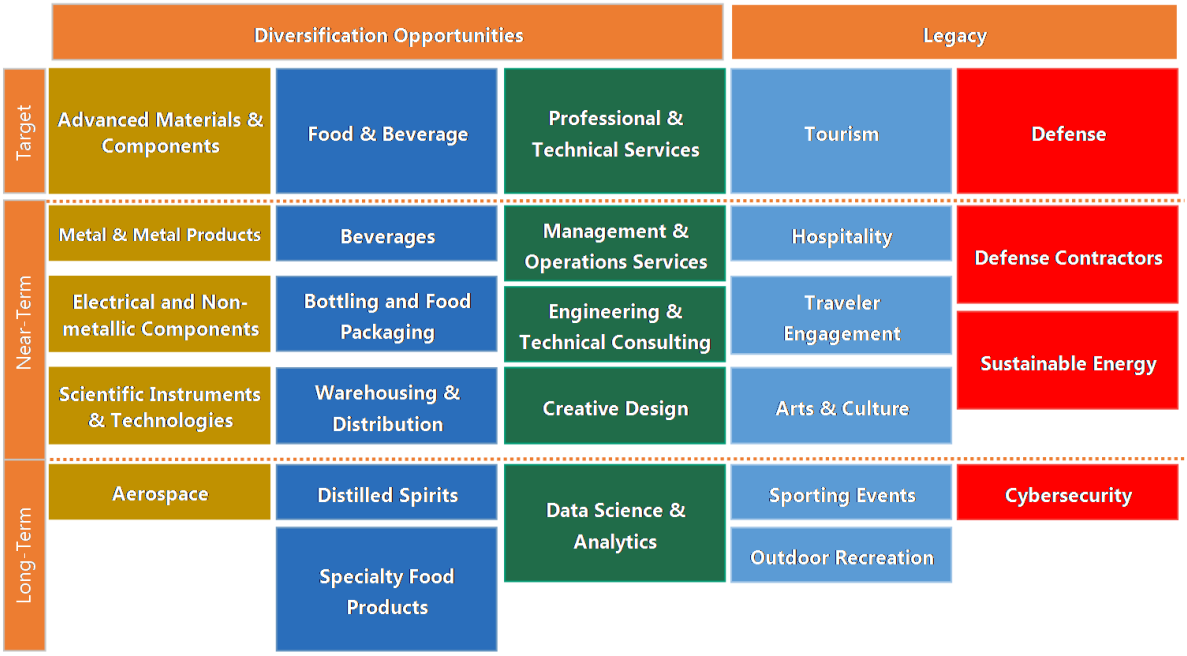
For much of its recent economic development history, the Greater Williamsburg region has largely identified with the Hampton Roads Corridor. While the regional economy is unquestionably interconnected to economic activity occurring in the Hampton Roads Corridor, the Greater Williamsburg region is now better positioned to leverage its proximity to the Greater Richmond region – potentially expanding its marketable opportunities. Greater Richmond affords access to a robust professional services workforce as well as an emerging young professional population that Greater Williamsburg can leverage among companies seeking access to both blue collar and white collar workforces. The Historic Triangle Collaborative 2010 report on economic diversification set the stage for this effort.

There is no better time for the Greater Williamsburg region to identify and market its competitive economic development strengths and diversify its mix of businesses and companies. Throughout the Great Recession and recovery undiversified regional economies suffered from sharper employment declines and prolonged economic recoveries. Sequestration and tightening federal spending on research and development further impacted regional economies strongly connected to federal investment. By attracting new companies of all sizes that offer high earnings opportunities to the region, the Greater Williamsburg Partnership has the capacity to reduce the region's historic dependency on tourism and defense and place the regional economy on a sustainable path.

TARGET SECTOR ANALYSIS

Based on an extensive analysis of Greater Williamsburg's economic position and assets, *Market Street* recommends five, top-level target sectors for the community to pursue as a means to diversify the economy and to attract quality jobs and investment in the next five years. Within these sectors, however, are numerous opportunities to leverage Greater Williamsburg's current business and occupational mix as well as emerging opportunities in order to tailor economic development messaging and marketing activities for specific audiences. The proposed sectors are shown in the following graphic. The following sections will provide a brief overview of the target sectors – for a more in-depth discussion please see the Greater Williamsburg Partnership Target Sector Analysis.

Greater Williamsburg Target Sectors and Niche Opportunities



The five target sectors shown in the graphic represent the sum total of Greater Williamsburg's asset base, business and occupational mix, and long-term opportunities for positive growth and change. Under each target sector is a host of current and future niche opportunities that can guide economic development marketing and other related activities in the Greater Williamsburg region over the next five years. As a whole, the above graphic reflects Greater Williamsburg's current competitive strengths as well as future opportunities to foster competitive advantages in rising sectors of the economy.

ADVANCED MATERIALS AND COMPONENTS

Definition: The advanced materials and components target captures business activity related to the production, fabrication, and manipulation of metal, metal substrates, non-metallic products, and electrical components including circuits and semiconductors. Advanced materials and components manufacturers in Greater Williamsburg leverage locational advantages due to proximity to large metal, non-metallic product, and electrical component customers including the United States Armed Forces, Thomas Jefferson National Accelerator, NASA Langley Research Center, and Newport News Shipbuilding among others. Regional advanced materials and components production in Greater Williamsburg also includes the manufacture of sophisticated scientific instruments, equipment, and other sensor technologies.

Justifications

- From a location standpoint, Greater Williamsburg's proximity to sizable metals, materials, and components purchasers in the broader Virginia Beach MSA is an attractive selling point to suppliers seeking to relocate operations.
- Proximity to the Port of Virginia enables access to international markets among the region's Advanced Materials and Components manufacturers, an attractive selling point for internationally focused firms.
- Advanced Materials and components manufacturers in Greater Williamsburg displayed robust post-recession growth. From 2009 to 2016, advanced materials and components employers added 460 jobs to their payrolls (a gain of 55.2 percent).
- Advanced materials and components activity in Greater Williamsburg is nearly twice as concentrated regionally as the average community nationwide.
- Engineering and scientific talent is highly concentrated in the region – concentrations among aerospace engineers, naval architects, and electrical and electronics engineers were highly localized compared to the average community nationwide.

Strategic Implications

- Greater Williamsburg makes a compelling case for advanced materials and components manufacturers who require highly skilled engineering and technical talent.
- Community "fit" is important to residents and prospective advanced materials and components manufacturers. Given the small acreage available to the region's economic development product, Greater Williamsburg should focus on small to medium sized advanced materials and components manufacturers.
- The Commonwealth of Virginia's tax structure may impact Greater Williamsburg's capacity to attract certain types of manufacturing operations. The commonwealth's structure favor's labor intensive manufacturing operations compared to capital intensive operations.

FOOD AND BEVERAGE

Definition: With industry leaders and rising new entrants, Greater Williamsburg's food and beverage sector captures manufacturing activity related to the production of alcoholic and non-alcoholic beverages in the Greater Williamsburg region along with the transportation and distribution of food, food products, and beverages. The target sector also includes food and beverage suppliers that provide product packaging materials and services.

Justifications

- Nationally, food and beverage is a growth sector. From 2006 to 2016, the national food and beverage sector grew by 6.5 percent, adding nearly 192,000 food and beverage jobs. Locally, the region's food and beverage sector is in decline – a concerning trend.
- Brewing activity in Greater Williamsburg represents a true business cluster. Brewing is highly localized and supports local supplier networks for glass bottles and metal cans. In 2013, the region's brewing niche consumed approximately $50 million worth of such products much of which is supplied regionally.
- Preserving and sustaining food and beverage operations in Greater Williamsburg will provide the region's residents with high-wage employment opportunities. In 2016, the average food and beverage employee earned roughly $52,499 annually.
- Prospective and existing food and beverage companies have access to a food and beverage labor shed of 35,803 workers. Captured within the labor shed are numerous occupations that support production and distribution activities.

Strategic Implications

- Greater Williamsburg should guide food and beverage companies to specific locations in the region until water availability issues are resolved. Such companies tend to require abundant water in order to sustain production processes – economic development marketing should emphasize certain portions of the region accordingly.
- Low concentrations of heavy and tractor-trailer truck drivers is a concern for incoming and existing food and beverage companies who depend upon strong logistics networks to transport perishable food products.
- Attracting or creating commercial kitchens and co-packing capacity in the region could improve the regional business climate for small batch and specialty food manufacturers.
- Given the relatively limited stock of available industrial properties and land suitable for industrial development, Greater Williamsburg should focus on food and beverage operations that offer high earnings potential.

PROFESSIONAL AND TECHNICAL SERVICES

Definition: Professional and technical services companies in Greater Williamsburg deliver a wide range of professional and technical services including: management, technical, engineering, and design consulting; corporate operations management; research and development; and information technology services. Professional and technical services firms typically utilize skilled, knowledge-based workers who are exceedingly mobile. As a result, Greater Williamsburg can leverage its strengths as a vibrant community to attract relocating or expanding professional and technical services operations.

Justifications

- In terms of "community fit," community stakeholders throughout public input identified professional and technical services as an attractive business sector to grow and sustain regionally.
- Professional and technical services in Greater Williamsburg is a growth sector. From 2006 to 2016, the business sector added 563 jobs, representing a gain of 14.5 percent. Compared to the national average (34.3 percent), the region's professional and technical services sector underperformed.
- Within a 50-minute commute time, Greater Williamsburg has access to roughly 84,000 professional and technical services workers. However, lower relative wages and the community's appeal to the young professional population could deter this workforce from the Greater Williamsburg region.
- Robust training capacity – particularly at the College of William and Mary's Mason School of Business – can nurture a sustainable pipeline of professional and technical services.

Strategic Implications

- Growing and sustaining certain types of professional and technical services businesses in Greater Williamsburg will be challenging. Limited supply of information technology workers, lower average annual wages relative to the national average, and the millennial generation's desire to live in large urbanized environments could curtail growth within Greater Williamsburg's professional and technical services sector.
- Since a qualified workforce is an integral input of professional and technical services operations, retaining William & Mary graduates is critical to the continued health of the sector. Internships and contract work are possible avenues to retain graduates.
- Congestion along the I-64 corridor could limit Greater Williamsburg's ability to tap professional and technical services talent pools within the city of Richmond and Norfolk. Encouraging alternative workforce arrangements and expanding transit and transportation connectivity could allow local professional and technical services businesses to better recruit and retain workers who live in both markets.
- Greater Williamsburg's economic development marketing should communicate the commonwealth's advantageous tax structure for corporate headquarters.

TOURISM

Definition: With deep historical ties to the American Revolution and Colonial America, the Greater Williamsburg local economy and tourism sector are strongly intertwined. Tourism activity within the Greater Williamsburg region encompasses not only public and private entities that leverage the region's rich history but is also inclusive of businesses that provide visitors with memorable amusement, entertainment, culinary, and hospitality experiences. Along with businesses that impact the traveler's experience when visiting the region, the tourism target also captures businesses that assist travelers with their travel arrangements.

Justifications

- As the first permanent English settlement in the Americas and home to the concluding battle of the American Revolutionary War, the Greater Williamsburg region is the foundation of American history. The region hosts a wealth of historical sites and museums capable of consistently drawing tourists in to the community.
- Complementing the region's historical sites and museums is a host of amusement attractions and entertainment amenities such as Busch Gardens Williamsburg and Water Country USA as well as new entertainment amenities such as the Virginia Beer Company and Copper Fox Distillery that continue to create new avenues for tourist visitation.
- Tourism is a growth sector for Greater Williamsburg's regional economy – between 2006 to 2016 employment within the sector grew by 3.9 percent, or roughly 750 jobs. However, national tourism employment growth (5.5 percent) outpaced the region.
- While low wages are emblematic of the tourism sector in general, the sector does support high wage employment opportunities including food service managers, lodging managers, and archivists, curators, and museum technicians.

Strategic Implications

- Limited higher education training capacity could curtail the region's capability to support new and existing tourism businesses. Expansion of tourism-related training at regional higher education institutions will strengthen tourism talent pipelines.
- The Greater Williamsburg Partnership should support food and beverage entrepreneurship opportunities that directly impact the growth and diversification of the regional tourism sector.
- Tourism marketing shapes national perceptions about the quality and character of Greater Williamsburg, as a result the Partnership should find opportunities to leverage existing tourism promotion to enhance the region's attractiveness as a place to grow a business.
- Improving air capacity and connectivity can allow the region to tap new tourism markets.

DEFENSE

Definition: Greater Williamsburg's defense sector is defined by numerous United States Armed Forces instillations in and proximate to the region. Armed forces institutions in and near the Greater Williamsburg region include Yorktown Naval Weapons Station, Naval Supply Center – Cheatam Annex, Camp Peary, Joint Base Langley-Eustis, and the U.S. Coast Guard Training Center. Much of the region's defense employment is housed within these military instillations as well as a sizable presence of civil servants supporting military operations. Compared to the public sector, Greater Williamsburg's private sector defense employment is far smaller and is driven by not only private defense contractors who benefit from close proximity to their customer base but also former military retirees turned entrepreneurs who have developed sustainable businesses around their defense expertise.

Justifications

- The sheer volume of military personnel and veterans located in the Greater Williamsburg region and the broader Hampton Roads corridor is an attractive asset for existing defense contractors and a boon to defense-related entrepreneurship in Greater Williamsburg.
- According to an economic impact analysis conducted by the Hampton Roads Planning District Commission, defense-related spending activities compose a sizable portion of the regional economy and generate $35.2 billion in gross regional product. Purchasing activity among the Hampton Roads military instillations is an attractive selling point for defense contractors, particularly those who need to operate in close proximity to these instillations.
- Cybersecurity, defense-related logistics, and sustainable energy are opportunity areas for the region and could lead to growth within the sector, limiting the sustained employment decline among military personnel.

Strategic Implications

- The Greater Williamsburg Partnership should continue to support lobbying efforts engaged by the Hampton Roads Military and Federal Facilities Alliance (HRMFFA). A future Base Realignment and Closure (BRAC) round remains a continuing threat to military instillations throughout the nation.
- Mapping defense-related purchasing activity could give insight into the types of defense contractors that might be attracted to Greater Williamsburg. Utilizing these supply chain linkages in marketing materials will enhance the region's defense-related marketing efforts.
- Developing a strong pool of qualified information technology talent will be instrumental to attracting, developing, or expanding defense-related businesses – especially those responsible for securing information technology systems.
- Developing startup defense businesses, through leveraging military retirees, could allow Greater Williamsburg's defense sector to growth from within.

MARKETING RECOMMENDATIONS: OVERVIEW

The identification of target sector opportunities is an initial step for the Greater Williamsburg Partnership on its path to attract and recruit businesses looking to relocate or expand operations. The next step is to utilize this information to effectively communicate Greater Williamsburg's value proposition as a place to do business. This message should incorporate the strengths of the region, particularly as it relates to quality of life, sense of place, and workforce capacities. The challenge before the Greater Williamsburg Partnership is not only to communicate its value proposition to a wider audience, but to do so in a way that leverages the region's existing tourism marketing activity. Without careful coordination, both messages run the risk of becoming muddled.

Based on extensive analysis and stakeholder guidance, Market Street recommended twelve actions for the Greater Williamsburg Partnership to pursue as it builds out capacity to actively market Greater Williamsburg as a place for business. For more detail and extensive discussion regarding each of the recommendations, please see the Greater Williamsburg Target Sector Analysis:

1.1 Enhance and improve the Greater Williamsburg Partnership website to reflect the community's key competitive advantages.

1.2 Continue to promote the Greater Williamsburg region through social media channels.

1.3 Identify opportunities to promote the Greater Williamsburg region as a place to do business through third-party media channels.

1.4 Identify high-value marketing mission and external trip locations for lead generation.

1.5 Leverage Greater Williamsburg's attractiveness as a place to visit by hosting corporate decision-makers and site selection professionals.'

1.6 Work with economic development professionals in the Greater Williamsburg region and at the Virginia Economic Development Partnership to plan high value external travel opportunities.

1.7 Tailor marketing materials and sales "pitches" to reflect marketing implications for each target sector identified within the Greater Williamsburg Target Sector Analysis.

1.8 Leverage existing business visitation to identify supplier relationships that can drive business recruitment.

1.9 Pursue co-branding opportunities with the economic development authorities of Greater Williamsburg.

1.10 Develop a distribution protocol for leads generated by the Greater Williamsburg Partnership.

1.11 Communicate economic development incentive offerings that support target sector development.

1.12 Confirm that the Greater Williamsburg Partnership needs to be the point-of-contact for the Greater Williamsburg region.

GREATER WILLIAMSBURG PARTNERSHIP

GREATER WILLIAMSBURG TARGET SECTOR ANALYSIS

GREATER WILLIAMSBURG, VIRGINA

Submitted by Market Street Services Inc.
www.marketstreetservices.com

August 16, 2016

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INTRODUCTION

The Greater Williamsburg region has taken an important step in charting its own path towards economic diversification and sustainability with the formation of the Greater Williamsburg Partnership. As the Greater Williamsburg Partnership seeks to market the region to site selectors and business executives charged with location decisions, this report is designed to assist the Partnership in identifying its target audiences as well as provide actionable recommendations to recruit new businesses into the Greater Williamsburg region. The Greater Williamsburg Target Sector Analysis should also be used to guide business retention, expansion, and development activities at the economic development authorities of the City of Williamsburg, James City County, and York County. It is important to view this work as a first step, a beginning.

Greater Williamsburg's value proposition to prospective businesses is significantly enhanced by its asset base, which any of its peers would envy. The College of William & Mary, Thomas Nelson Community College, a robust scientific and engineering talent pool attracted to nearby premier national research and development laboratories, distinct identity, numerous place-based amenities and entertainment attractions, and sizable military instillations combine to yield competitive advantages for businesses seeking to relocate into the region. These attributes are further complemented by new initiatives, such as the Launchpad incubator, which advances the region's attractiveness to new businesses.

Promulgating the region's value proposition is not, however, without challenge. Given the Greater Williamsburg reputation as a destination for travelers and tourists, the core task ahead of the Greater Williamsburg Partnership will be to complement current tourism messaging while shifting perceptions among national and international business communities that Greater Williamsburg is also a destination to locate and grow operations. As the Greater Williamsburg region seeks to enhance its attractiveness, new opportunities may lay outside of its historic economic borders.

For much of its recent economic development history, the Greater Williamsburg region has largely identified with the Hampton Roads Corridor. While the regional economy is unquestionably interconnected to economic activity occurring in the Hampton Roads Corridor, the Greater Williamsburg region is now better positioned to leverage its proximity to the Greater Richmond region – potentially expanding its marketable opportunities. Greater Richmond affords access to a robust professional services workforce as well as an emerging young professional population that Greater Williamsburg can leverage among companies seeking access to both blue collar and white collar workforces. The Historic Triangle Collaborative 2010 report on economic diversification set the stage for this effort.

There is no better time for the Greater Williamsburg region to identify and market its competitive economic development strengths and diversify its mix of businesses and companies. Throughout the Great Recession and recovery undiversified regional economies suffered from sharper employment declines and prolonged economic recoveries. Sequestration and tightening federal spending on research and development further impacted regional economies strongly connected to federal investment. By attracting new companies of all sizes that offer high earnings opportunities to the region, the Greater Williamsburg

Partnership has the capacity to reduce the region's historic dependency on tourism and defense and place the regional economy on a sustainable path.

OUR APPROACH TO TARGETING

A target sector, or simply a "target," is any type of business activity that an economic development organization and its partners strategically pursue for quality growth and development. In other words, a target is an area where financial and staff resources – and the programs and policies they support – are specifically focused. Targets are often those segments of the economy where there are existing competitive advantages and strong possibilities for growth and return on investment. Some communities, sometimes universally, choose to target sectors that are not presently concentrated in their community or characterized by an existing competitive advantage. In some cases, this is because the area of activity is rapidly expanding or exhibits the potential to do so, while other communities select targets that align with other strategic objectives in the community. **Given the focus on economic development marketing, however, this report will ultimately classify targets as those areas of activity that have the greatest potential to lead to quality job growth and increased investment in the community in the next five years.**

It is important to note that some business sectors that are already important sources of local employment are not necessarily targets. At the core, targeted economic development supports a net increase in prosperity for a community and its residents, which necessitates "exporting" goods and services. Economic activities related to travel and tourism fall into a similar but different category. When individuals visit a community for business, a trade show or a vacation, they bring in outside wealth in the form of spending on hotels, restaurants, entertainment, and so forth. However, growing travel and tourism business requires a special approach that is typically handled by a "destination marketing organization." This is the case locally, where the Greater Williamsburg Chamber and Tourism Alliance works to attract all manner of visitors to Greater Williamsburg, each whom could be a potential resident, employer, or investor. **Since tourism will remain an important economic driver for the Greater Williamsburg area over the next five years, it is treated as a "target" with the caveat that much of the Partnership's role in targeting tourism will be only through support of ongoing tourism marketing and development efforts.**

Businesses that can sell a product or service to a consumer or end user outside of the Greater Williamsburg region – whether abroad or in some other region in the United States – bring new wealth into the community that did not previously exist. This wealth then recirculates in the local economy, creating even more jobs and wealth. Economists refer to jobs in export-oriented sectors as "traded" or "basic employment." By contrast, sectors such as retail, food service, and health care are said to "follow rooftops." That is, they tend to serve local populations and typically expand as a result of population growth. Their potential to bring in significant wealth from outside the community is limited. **And as such, sectors like health care and retail are consider targets only in regions that are attracting significant numbers of outsiders to utilize these services.** For instance, Rochester, Minnesota has a focus on "destination healthcare" due to the fact that people travel from all over the world to visit the Mayo Clinic. There is no

evidence to suggest that similar activities are taking place in Greater Williamsburg to the extent that they would warrant a "targeted" approach.

KEY CONCEPTS RELATED TO TARGET SECTOR DEVELOPMENT

CLUSTERS: Agglomerations – or "clusters" – represent groups of interrelated businesses that choose to co-locate. The historical growth of clustered economic activity in areas such as the Silicon Valley, Route 128 in Massachusetts, and the Research Triangle Park in North Carolina are well-developed case studies to which many other regions across the nation refer as they strive to develop similar agglomerations. There are countless examples of such clusters around the country and the world. Clustering can occur among competing or cooperative firms for a variety of different reasons. For instance, a group of suppliers may choose to locate in proximity to a major manufacturer for research and development efficiencies and reduced transportation costs. Another example is the immense aerospace cluster developed around the Boeing Integrated Defense Systems operations in St. Louis, Missouri. Other firms may co-locate in a specific area in order to take advantage of a specialized labor pool or to be in close proximity to specific infrastructure.

While the factors that have led to clustering vary tremendously by region and sector, such agglomerations occur over time because a location has an asset base that affords the sector and the companies that operate within them some form of competitive advantage. The competitive advantages derived by these firms often result in comparatively high potential for employment growth and wealth creation. As the cluster grows, so too do the benefits afforded to the companies within the cluster: the available workforce grows, the potential for collaboration expands, competition may drive down costs, and buyer and supplier networks expand, among other potential impacts.

TARGETS: A targeted sector – or simply a **"target"**– is any type of business activity that is strategically pursued by an economic development organization and its partners for quality growth and development. That is to say, a "target" is an area where financial and staff resources, and the programs and policies they support, are specifically focused. "Targets" are often those segments of an economy where competitive advantages exist, prospects for future growth are greatest, and return on investment is likely highest. A "target" can be a single business sector with high growth potential or a "cluster" of businesses in related sectors. Many communities choose to target business sectors that are not presently concentrated in their community or characterized by existing competitive advantages. This may be because such activities are rapidly expanding, exhibit potential to become clusters in the years and decades to come, or align with other strategic objectives of the community. The ultimate aim of "targeting" is not necessarily to create new clusters of business activity – communities with multiple clusters are rare and tend to be among the nation's largest and most dynamic economies.

STRATEGIC CONSIDERATIONS FOR TARGET SECTOR DEVELOPMENT

UNDERSTANDING YOUR ASSET BASE: Strategic targeting is predicated upon a solid understanding of a community's strengths and weaknesses, specifically as they relate to the needs of specific business sectors and the companies that operate within them. The factors that medium to large companies consider when

evaluating a community as a potential location for a new facility are often referred to as site location factors, site selection factors, or site considerations. These factors vary tremendously by sector. For example, data center operations typically seek locations with low natural disaster risk, affordable and abundant water necessary for cooling, and redundant and exceptional fiber-optic infrastructure, among other attributes. Corporate headquarters typically seek locations with a well-educated workforce, exceptional passenger air connectivity, and abundant amenities. Accordingly, communities that are able to offer such characteristics are better positioned to attract these kinds of operations. Understanding the community's asset base – inclusive of a wide variety of these potential site location factors – is critical to understanding the community's competitiveness for various business sectors. Likewise, an understanding of its deficiencies in terms of such site location factors will help the community identify areas that need further investment if the community wishes to transform such deficiencies into future assets.

A HOLISTIC APPROACH: In many cases, targeted business sectors reflect existing clusters of establishments with similar business activities that have likely flourished in a community because of an asset base that aligns with that sector's primary site location considerations. Other sectors that share similar site location factors may not currently be concentrated in the community, but the aforementioned asset base could make the community an attractive location for these new activities. Accordingly, such sectors represent opportunities where the community may have a particularly high chance for success in marketing and recruitment efforts that seek to attract new corporate investments or relocations that would benefit from the community's existing asset base.

For decades many communities and their economic development organizations have exclusively associated "economic development" with "business recruitment." While the recruitment of new companies is an important component of any targeted economic development program, it is only "one leg of the stool." The growth of regional economies and their target business sectors are overwhelmingly driven by existing businesses and entrepreneurs. While new investments generate ribbon cuttings and headlines, a variety of studies have shown that the majority of the country's job creation over various time periods has been attributable to the expansion of existing companies. Accordingly, any effort to develop target sectors and nurture employment growth within them must focus upon the needs of existing businesses as well as entrepreneurs.

Holistic economic development must also focus on developing the community or region's asset base that supports the competitiveness of target business sectors and the companies that operate within them. This is necessary to alleviate barriers to expansion for existing companies and mitigate any potential risks that could lead to layoffs or business closures. But such strategies that focus on developing the community's asset base also contribute to long-term viability of the community as a location for a more diverse array of sectors, including sectors that the community is not currently competitive for in today's climate but which it hopes to develop in future decades.

TARGET SECTOR ANALYSIS: APPROACH AND METHODS

There are many methods used to identify economic development targets. Some approaches are based on incomplete or strictly industry-focused (business sector-focused) methodologies. Such methodologies ignore a variety of important issues from workforce attributes to educational assets to geographic advantages, all of which are vital to businesses. *Market Street's* approach to target identification is rooted in a more complete examination of the region's strengths and opportunities, including talent – the occupations and types of knowledge that support the region's business activities. This comprehensive, interrelated approach stands in contrast to the traditional "top down" approach long utilized in cluster identification and analysis. It recognizes the importance of talent and workforce sustainability to the business community. It is complemented by an evaluation of the region's business climate, networks, infrastructure, research assets, educational programs, and many other factors that influence site location decisions.

CLASSIFICATION: Our approach does not define targets strictly based on North American Industry Classification System (NAICS) codes or Standard Occupational Classification (SOC) codes. Though these codes are used to help quantify important trends and activity within each target, they should not be interpreted as rigid definitions of the composition of economic activity within a given target. Classification systems do not adequately capture certain niche technologies and opportunities that may deserve strategic attention in certain communities.

GEOGRAPHY: The research related to business composition within this report is based on an analysis of trends observed in the Greater Williamsburg region, which includes the City of Williamsburg, James City County, and York County. The research related to occupational composition within this report is based on analysis of trends observed for all zip codes within a 50-minute commute shed of Greater Williamsburg.

LOCATION QUOTIENTS: Location quotients (LQs) are used to measure the relative concentration of local employment in a given business sector or occupation. When applied to business sector employment, they measure the ratio of a business sector's share of total local employment to that business sector's share of total national employment. A business sector with LQ of 1.0 is exactly the same share of total local employment as that business sector's share of national employment. When a local business sector has a location quotient greater than 1.0, it signals that the sector is more heavily concentrated locally than it is nationwide. Those sectors with high LQs are often assumed to benefit from one or more sources of local competitive advantage. Location quotients can also be applied to occupational employment in the same manner that they are applied to business sector employment, helping to determine which occupations and corresponding skill sets – irrespective of the business sectors that employ them – are highly concentrated in the local workforce.

INTER-INDUSTRY LINKAGES: Data covering inter-industry purchases provides insight into the degree to which firms benefit from co-location and the ability to purchase products and services from local suppliers. When firms purchase goods from suppliers outside the region, money is leaving the region. When this leakage is reduced, employment and income multipliers rise. That is to say, when leakage is reduced and clustered firms are sourcing locally, the economic impact of each new job created is maximized.

DATA SOURCES: Unless otherwise noted, all quantitative data contained in this report is sourced from Economic Modeling Specialists International (EMSI), an industry-leading provider of proprietary data, aggregated from public sources such as the U.S. Census Bureau, the U.S. Bureau of Labor Statistics, the U.S. Bureau of Economic Analysis, the National Center for Education Statistics, CareerBuilder, and many others.

Public input – including that which was gathered via focus groups, interviews, and an online survey – is differentiated throughout the report and presented in bold red text.

TARGET SECTOR ANALYSIS

Based on an extensive analysis of Greater Williamsburg's economic position and assets, *Market Street* recommends five, top-level target sectors for the community to pursue as a means to diversify the economy and to attract quality jobs and investment in the next five years. Within these sectors, however, are numerous opportunities to leverage Greater Williamsburg's current business and occupational mix as well as emerging opportunities in order to tailor economic development messaging and marketing activities for specific audiences. The proposed sectors are shown in the following graphic.

Greater Williamsburg Target Sectors

The five target sectors shown in the graphic represent the sum total of Greater Williamsburg's asset base, business and occupational mix, and long-term opportunities for positive growth and change. The above graphic only tells part of the story however. Under each target sector is a host of current and future niche opportunities that can guide economic development marketing and other related activities in the Greater Williamsburg region over the next five years.

- ✓ The **Advanced Materials & Components** target encompasses companies such as Coresix Precision Glass, Greystone, and Service Metal Fabricators who gain value from proximity to the Port of Virginia, a large potential advanced material and component customer base, and a concentrated metals labor force.
- ✓ The **Food & Beverage** target leverages the Anheuser-Busch InBev Brewery in Greater Williamsburg and the bottling and canning suppliers that have co-located near the brewery. The target also captures food packaging activities as well as rising new food and beverage upstarts.
- ✓ The **Professional & Technical Services** target includes management, engineer, and design consultancies as well as corporate headquarter operations in the Greater Williamsburg region such as Enterprise Holdings, Cybernetics, and the National Center for State Courts.

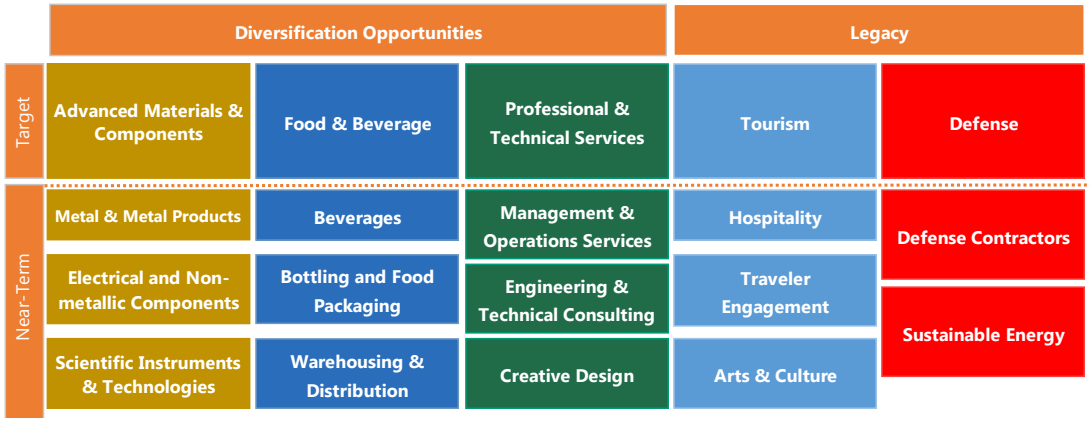
- ✓ The Tourism target is representative of Greater Williamsburg's legacy as a place to travel, recreate, and experience Colonial America.
- ✓ The Defense target captures the activities at Yorktown Naval Station and other military instillations outside of the Greater Williamsburg region. The target further captures private sector defense contractors and other business activities connected to military operations throughout the broader Virginia Beach-Norfolk-Newport News, VA-NC region.

Within each target sector are numerous niche opportunities that capitalize Greater Williamsburg's location, asset base, business and workforce composition, and long-term economic development opportunities.

Niche Opportunities: Near-Term Niches

As the regional economic development marketing organization, the Greater Williamsburg Partnership will actively promote the community's opportunities and resources to a national and international business audience. Promotion activities will leverage those assets currently, or soon to be present, in the region. Thus, Greater Williamsburg's near-term niches reflect the region's present value proposition as it relates to business expansion and recruitment. These near-term opportunities capture the types of businesses activity that the region is capable of attracting over the next five-years.

Near-Term Niche Opportunities



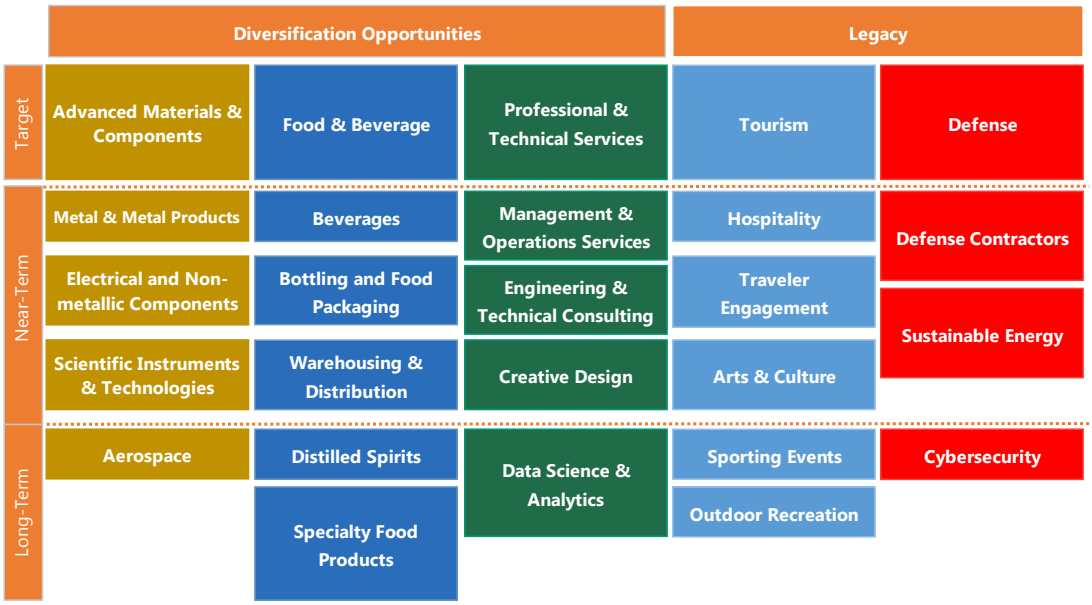
Niche Opportunities: Long-Term Niches

Greater Williamsburg's long-term niche economic development opportunities represent those sectors of the economy which Greater Williamsburg could be competitive for over the next ten to fifteen years. In many respects, promotion of these sectors requires additional investment in infrastructure and workforce capacities to engender an environment conducive to relocating or expanding business operations. For instance, Greater Williamsburg would need to attract or develop home-grown software programmers, software developers, and other information technology professionals to recruit data science and analytics firms beyond those currently operating in the region.

While there is a standing need for information technology professionals in Greater Williamsburg to sustain a data science and analysis sector, capacity is expanding. Programs such as William & Mary's business

analytics and computer science programs as well as the information technology programs offered through Thomas Nelson Community College indicate potential future capacity to supply a skilled workforce desirable to data science and analytics firms.

Long-Term Niche Opportunities



As a whole, the above graphic reflects Greater Williamsburg's current competitive strengths as well as future opportunities to foster competitive advantages in rising sectors of the economy.

GREATER WILLIAMSBURG'S CHANGING ECONOMIC COMPOSITION

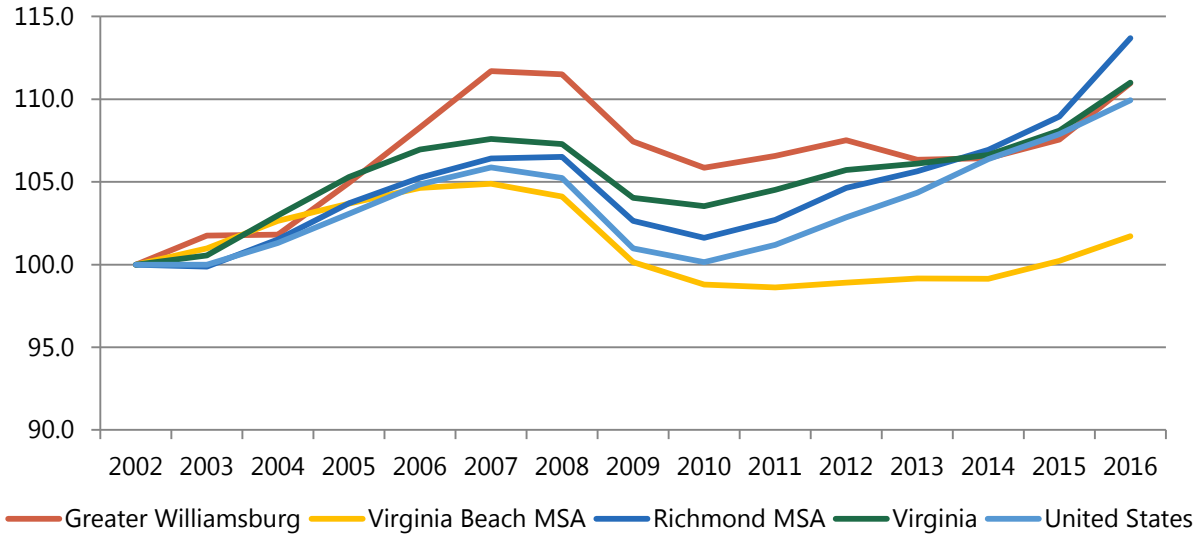
Like many communities throughout the nation, the Great Recession was a critical juncture for Greater Williamsburg. In the five years building up to the recession, Greater Williamsburg's economy grew at a brisk pace - nearly double the national average. From 2002 to the precipice of the recession in 2007, Greater Williamsburg added roughly 7,640 jobs, or a compound annual growth rate of 1.9 percent.[1] Greater Williamsburg's economy was expanding by 1.9 percent each year. In comparison, the national economy grew at a 1.0 percent rate on a compounded annual basis. As the following chart shows, Greater Williamsburg's compound rate of growth before the recession well outpaced the broader Virginia Beach (0.8 percent) and Richmond (1.0 percent) regions as well as commonwealth (1.2 percent), and nation (1.0 percent). **Although Greater Williamsburg witnessed strong growth leading up to the recession, growth trends would not follow it on into the recovery.**

In fact, Greater Williamsburg, like many regions across America, has yet to reach pre-recession peak employment. In 2016, the communities of Williamsburg, James City County, and York County reported

[1] A compound annual growth rate is the average growth rate across a specified period of time. More importantly, compound annual growth rates allow for comparability across two uneven periods of time.

total employment of only 72,452 jobs, approximately 500 jobs below pre-recession peak employment attained in 2007. As a result of the region's prolonged recovery, other comparison geographies are catching up. From 2009 to 2016, average growth in Greater Williamsburg (0.4 percent compound annual growth rate) has underperformed relative to the Richmond region (1.3 percent), commonwealth (0.8 percent), and nation (1.1 percent). Only the Virginia Beach region (0.2 percent) experienced more anemic growth over the last seven years.

Total Employment Index (2002 = 100), 2002-2016



Source: Economic Modeling Specialists Intl. (EMSI)

Underlying Greater Williamsburg's relatively languid recovery are both subtle and substantial changes to the region's economic structure. Put simply, **the sectors of the economy that drove pre-recession employment growth regionally either declined after the recovery or significantly curtailed their contribution to the region's overall economic growth.** Nationally, certain sectors of the economy such as manufacturing, warehousing and distribution, management of companies and enterprises, and accommodation and food services grew more rapidly post-recession compared to their pre-recession growth rates. Greater Williamsburg's economic "new normal" post-recession led to a tepid economic recovery, yielding just 2,295 jobs in the region between 2009 and 2016. Comparing compound annual growth rates, which normalizes growth on a yearly basis, between 2001-2007 and 2009-2016 shows the degree to which growth in certain sectors of the Greater Williamsburg economy slowed post-recession causing the region to underperform relative to the Richmond region, commonwealth of Virginia, and national averages.

For all intents and purposes, Greater Williamsburg's pre-recession economic growth had all the markings of a rapidly diversifying economy. In the five-years prior to the recession (2002-2007), numerous sectors contributed to the region's overall economic growth. Robust growth among management of companies and enterprises (18.9 percent compound annual growth rate); professional, scientific, and technical services (5.6 percent); whole sale trade (7.6 percent); and transportation and

warehousing (8.0 percent) sectors looked to reduce the region's dependence on the tourism thereby placing Greater Williamsburg's economy on a more sustainable growth path. Combined, these four sectors accounted more than a quarter (27.7 percent) of all jobs created prior to the recession. **The Great Recession, compounded by federal budget tightening, fundamentally altered Greater Williamsburg's path toward economic diversification.**

Compound Annual Employment Growth Rate (CAGR), 2002-2016

	CAGR		
	2002-2007	2009-2016	Diff.
Crop and Animal Production	-1.5%	0.0%	1.5%
Mining, Quarrying, and Oil and Gas Extraction	NR	NR	NR
Utilities	-4.3%	-2.4%	1.9%
Construction	3.9%	-0.5%	-4.4%
Manufacturing	-2.6%	-0.1%	2.4%
Wholesale Trade	7.6%	0.4%	-7.2%
Retail Trade	3.2%	0.2%	-3.0%
Transportation and Warehousing	8.0%	4.1%	-4.0%
Information	-1.0%	-2.5%	-1.5%
Finance and Insurance	6.0%	-1.1%	-7.1%
Real Estate and Rental and Leasing	1.9%	0.6%	-1.3%
Professional, Scientific, and Technical Services	5.6%	0.6%	-5.0%
Management of Companies and Enterprises	18.9%	7.7%	-11.2%
Admin./Support/Waste Mgmt./Remediation Services	2.3%	-0.6%	-2.9%
Educational Services	9.1%	2.3%	-6.8%
Health Care and Social Assistance	1.2%	3.7%	2.6%
Arts, Entertainment, and Recreation	-1.1%	2.2%	3.3%
Accommodation and Food Services	1.5%	-0.5%	-2.0%
Other Services (except Public Administration)	1.3%	1.7%	0.4%
Government	0.7%	-1.1%	-1.8%
Unclassified Industry	NR	NR	NR
Total	**1.9%**	**0.4%**	**-1.5%**

Source: Economic Modeling Specialists Intl. (EMSI)

Professional Services Sectors and Cooling Growth

Perhaps one of the highlights of Greater Williamsburg's pre-recession period was the rising professional services sector in Greater Williamsburg.[2] From 2002 to 2007, professional services employment increased by 1,525 jobs, representing compound annual growth rate of 8.9 percent. Professional services growth in Greater Williamsburg was spurred by the relocation of Lumber Liquidator's corporate headquarters as well as rising homegrown information technology and engineering businesses. **Professional services continues to be a growth area for the Greater Williamsburg region post-recession - albeit job growth within the sector is far less effervescent.**

In the seven years after the recession (2009 to 2016), the region's professional services sector added just 746 jobs, representing a 2.2 percent compound annual growth rate. The post-recession slowdown has not been without positive momentum. The relocation of Enterprise Holding fleet management operations in 2013 undoubtedly furnished the sector with positive momentum – making a strong business case for relocating and expanding future corporate operations in Greater Williamsburg. Job posting data from EMSI gives further reason for optimism. Over the last year, an uptick in hiring activity for certain professional services occupations including first-line supervisors of office and administrative workers, customer service representatives, and general and operations managers occurred within the region.

Logistics weakens and Manufacturing strengthens

Logistics employment in Greater Williamsburg experienced a similarly divided fate pre- and post-recession. From 2002 to 2007, the region's logistics employers added roughly 832 jobs, representing a 7.8 percent compound annual growth rate.[3] Post-recession logistics employment grew by just 395 jobs, representing a compound annual growth rate of 2.1 percent from 2009 to 2016. **Limited available land for warehousing operations and rising traffic congestion along Interstate 64 could further impact job creation capacity in the logistics sector.** It is also too soon to tell whether the Panama Canal expansion will positively impact logistics employment in the Greater Williamsburg region. The Port of Virginia is under intense competition from other east coast ports for servicing post-Panamax ships.

Among logistics occupations, hiring for heavy and tractor-trailer truck drivers is healthy post-recession. Over a one-year period, employers advertised an average of 270 unique monthly job postings for heavy and tractor-trailer truck drivers between April 2015 and April 2016. Employer interest for other logistics occupations was less robust over the last year.

In contrast to the logistics sector, Greater Williamsburg's manufacturing sector grew in strength post-recession. From 2002 to 2007, manufacturers in the Greater Williamsburg area shed more than -450 jobs, an annual compounded average decline of 2.7 percent. Post-recession, manufacturing employment in the Greater Williamsburg area declined by just -29 jobs, or -0.1 percent compounded annually. **The improving climate for manufacturers in Greater Williamsburg is a welcome sign given the considerably higher**

[2] In this context, professional services represent professional, scientific, and technical services and management of companies and enterprises employment figures combined.

[3] In this context, logistics represent transportation and warehousing and wholesale trade employment figures combined.

wages earned by manufacturing employees. On average, workers in the manufacturing sector earned $62,610 in wages annually – roughly $27,000 more than the prevailing average annual wage for Greater Williamsburg ($35,448).

Although the manufacturing sector has experienced systemic decline due to globalization and automation in recent history, there are indications that the national manufacturing sector has adjusted. From 2009 to 2016, the nation's manufacturers added more than 505,000 jobs to the economy, an increase of 4.2 percent. Whether the region's manufacturing sector will return to growth because of a more stable national manufacturing environment and uptick in manufacturing-related foreign direct investment remains to be seen. **According to the United States International Trade Administration, more than $1.2 trillion dollars' worth of manufacturing foreign direct investment occurred in the United States in 2016.** In 2009, foreign sources generated just under $700 billion worth of manufacturing investment nationally.

Greater Williamsburg's Legacy Sectors: Government

Along with curtailing job creation in rising sectors of the regional economy, the Great Recession negatively impacted the region's historic economic engines. **As stakeholders highlighted throughout public input, sequestration and continued government cutbacks have impacted federal and state employment levels within the region. Stakeholders also identified that spin-off activity or private sector job creation generated by military and government research operations have not reached full potential.** As a result of the Great Recession, the government sector transitioned from boon to drag.

Five years prior to the recession (2002-2007), the region's government sector grew by almost 700 jobs, growing at a compound annual rate of 1.4 percent. **After the recession, dwindling military employment negatively impacted the government sector's capacity to create jobs within Greater Williamsburg.** From 2009 to 2016, military employment declined by 594 jobs regionally. Taken as a whole, the region's government sector (including state and federal employment) shed more than 1,300 jobs during the recovery – representing a compound annual decline of 1.1 percent.

Not all government employers suffered from flagging growth in the post-recession environment. In fact, one government subsector displayed growth post-recession: state government of education and hospital facilities. After the recession, state education and hospital facilities employment increased by 406 jobs, a percent change of 9.7 percent. William & Mary, Thomas Nelson Community College, and Eastern State Hospital stabilized the government sector regional and could continue to have positive impacts on government employment. Job posting data from ESMI noted an increase in job posting activity from the commonwealth of Virginia and the College of William & Mary.

Falling government employment, particularly in the military sector, underscores the necessity to promote high-wage growth sectors in Greater Williamsburg. In 2016, military personnel in the Greater Williamsburg region earned $18,321 dollars above the regional average. The need to support high wage potential comes at a time when much of the national economy has down-shifted towards lower paying occupations.

Greater Williamsburg's Legacy Sectors: Tourism

There is little question that a fundamental shift has occurred over the last few decades in the commonwealth of Virginia. According to U.S Census Bureau data compiled by the Wall Street Journal, manufacturing represented the largest employment sector in the commonwealth of Virginia in 1990. In 2013, retail trade represented the commonwealth's largest employment sector. **State and regional economies are increasingly being driven by employment sectors that offer relatively low wages to their employees – limiting the potential for economic growth and prosperity in state and regional economies.** Tourism focused economies especially suffer from an abundance of low wage, seasonal employment. Given the region's abundance of historical sites and entertainment attractions, tourism is likely to remain an important economic engine for the Greater Williamsburg region. Moreover, tourism continues to positively impact employment growth regionally.

While tourism employment growth diminished post-recession, the sector has not been drastically impacted by recessionary forces.[4] Prior to the recession (2002-2009) regional tourism employment increased by 647 jobs or 0.9 percent compounded annually. Tourism's post-recession performance is remarkably similar. From 2009 to 2016, tourism employment increased regionally by 557 jobs, an increase of 0.4 percent on a compounded annual basis. What has shifted, however, are the underlying drivers behind Greater Williamsburg's tourism growth: the arts, entertainment, and recreation subsector is counterbalancing job loss in the accommodation and food services subsector post-recession.

During public input, stakeholders expressed concern that shifting consumer tastes and the decline of historical tourism visitation nationally was the health of the region's tourism sector. Many felt the need for Greater Williamsburg to not only diversify its economic base, but also to diversify Greater Williamsburg's tourism product, specifically focusing on sports tourism and attracting visitors from untapped markets across the nation. The recent growth in the region's breweries and distilleries, such as the Virginia Beer Company and AleWerks, are indicative of the types of opportunities that could diversify the region's tourism mix. The region also boasts two renowned 18-hole golf courses that can serve as an additional base for sports tourism promotion – Kingsmill Resort hosts an annual Ladies Professional Golf Association (LPGA) tournament.

If there is one key takeaway from the region's changing economic composition it is this: the Great Recession heavily curtailed economic diversification occurring regionally prior to the recession. Once more, the historic economic drivers of Greater Williamsburg's economy either declined or suffered from anemic growth post-recession.

[4] In this context, tourism represent accommodation and food services and arts, entertainment, and recreation employment figures combined.

GREATER WILLIAMSBURG'S CHANGING OCCUPATIONAL COMPOSITION

Greater Williamsburg's labor shed extends well beyond its administrative boarders. **Within a 50-minute drive time of the Greater Williamsburg region there are approximately 425,000 workers who possess a diverse array of skill-sets.** Similar to those trends already discussed, the region's labor shed remains in a state of recovery. As of 2016, there were approximately 1,735 workers fewer in the catchment area relative to its pre-recession peak in 2008. Despite being below pre-recession levels, it is important to note that Greater Williamsburg's labor shed is expanding post-recession. Occupational employment increased by 3.0 percent from 2009 to 2016. Government sequestration and declining military employment still represent significant drag on the expansion.

Greater Williamsburg's Labor Shed: Occupations in Decline

After the recession, only six occupational categories out of 24 in the Greater Williamsburg labor shed declined post-recession. These six occupational categories, however, had an oversized impact on overall occupational growth in the region's labor shed. Combined employment among these six categories decreased by 6,193 workers post-recession (2009-2016). Of the jobs lost within these six occupational categories military occupations accounted for roughly six out of every ten. As discussed earlier, declining military employment is concerning largely due to the higher earnings potential typically offered to regional military personnel who out-earned their national counterparts.

Declining military employment is not the only concerning trend occurring in the region's broader labor shed. For example, computer and mathematical occupational employment decreased by 439 workers or -4.5 percent. **As the region seeks to grow technology-oriented business and foster innovation, the loss in computer and mathematical occupations could stymie the region's capacity to attract new technology or research and development businesses who utilize these skill sets while also developing new homegrown businesses regionally.** Lower relative average annual wages earned by computer and mathematical occupations in the Greater Williamsburg region could further reduce the region's capacity to attract workers with these skill sets. On average, computer and mathematical occupations in Greater Williamsburg's labor shed earned 2.4 percent below the national average. Lower earnings are not necessarily a negative when the region's cost of living is taken into consideration. While data is not provided specifically for the Greater Williamsburg region, cost of living in the Virginia Beach-Norfolk-Newport News, VA-NC was 5.1 percent below the national average in the first quarter of 2016 according to the Council for Community and Economic Research. **While the Greater Williamsburg region enjoys a lower cost of living, it remains incumbent upon regional employers to reduce "sticker shock" and give financial context to prospective computer and mathematical talent.**

Occupational Employment, 2009-2016

SOC	Description	2016	2016 LQ	Post-Recession Change		Hourly Earnings	U.S. Ratio
				Labor Shed	U.S		
15-0000	Computer and Mathematical Occ.	9,279	0.79	-4.5%	18.5%	$38.41	97.8%
25-0000	Education, Training, and Library Occ.	18,400	0.76	-6.7%	2.8%	$23.45	91.1%
37-0000	Building/Grounds Cleaning/Maint. Occ.	14,371	0.88	-3.2%	8.8%	$11.65	87.8%
45-0000	Farming, Fishing, and Forestry Occ.	993	0.31	-3.2%	9.0%	$11.96	117.7%
47-0000	Construction and Extraction Occ.	21,681	1.13	-0.8%	4.4%	$20.13	93.1%
55-0000	Military Occ.	33,316	5.90	-10.1%	0.3%	$16.92	101.8%
	Total	**426,088**		**3.0%**	**8.9%**	**$19.74**	**94.8%**

Source: Economic Modeling Specialists Intl. (EMSI)

Greater Williamsburg's Labor Shed: Growing Occupations

Although declining military and computer and mathematical employment is a concern for Greater Williamsburg, there are many bright spots occurring throughout the labor shed. Employment growth among life, physical, and social science occupations (13.6 percent) far exceed the national average (7.4 percent). **Robust growth among life, physical, and social science occupations could make the region an attractive destination for companies engaged in research and development activity or require highly specialized skill sets like physicists, chemists, and other scientific occupations including scientific instrument and technology manufacturers.**

As a whole, growth among Greater Williamsburg's labor shed is indicative of an economic recovery – with broad growth occurring across numerous occupational categories. **While growth is occurring throughout many occupational categories, this does not necessarily mean that the regional labor shed is growing in attractiveness to outside businesses compared to average community nationwide.** For instance, management occupations in the regional labor shed grew by just 2.7 percent, well below the national average of 7.2 percent. Compared to the average community nationwide, management occupations in Greater Williamsburg's regional labor shed was roughly 31 percent less concentrated than the national average in 2016. Professional services companies looking to relocate into a region typically seek destinations with high concentrations of management occupations – typically these regions possess a managerial workforce 50 percent more concentrated than the national average. **Slower regional growth compared to the national average signals that Greater Williamsburg's management occupations (the category includes executives; advertising, marketing, promotions, public relations, and sales managers; operations managers; and other managerial positions including food service managers) are not likely to become specialized in the near-term.** Even so, growth among the region's labor force does indicate some occupational areas of specialization.

Occupational Employment, 2009-2016

SOC	Description	2016	2016 LQ	Post-Recession Change		Median Hourly Earnings	U.S. Ratio
				Labor Shed	U.S		
11-0000	Management Occ.	15,684	0.69	2.7%	7.2%	$45.990	105.5%
13-0000	Business and Financial Operations Occ.	22,968	1.09	8.9%	10.3%	$31.488	99.5%
17-0000	Architecture and Engineering Occ.	12,436	1.78	2.1%	6.4%	$36.839	97.8%
19-0000	Life, Physical, and Social Science Occ.	3,724	1.08	13.6%	7.4%	$32.734	102.6%
21-0000	Community and Social Service Occ.	7,069	1.03	6.3%	11.0%	$19.537	94.3%
23-0000	Legal Occ.	2,232	0.64	3.9%	2.2%	$34.299	80.2%
27-0000	Arts/Design/Entert./Sports/Media Occ.	5,015	0.68	7.3%	7.1%	$17.723	82.6%
29-0000	Healthcare Practitioners/Technical Occ.	23,282	1.01	19.3%	11.2%	$32.863	91.0%
31-0000	Healthcare Support Occ.	10,769	0.90	24.9%	16.0%	$12.518	93.0%
33-0000	Protective Service Occ.	10,741	1.14	1.2%	3.5%	$17.617	85.1%
35-0000	Food Prep. and Serving Related Occ.	37,895	1.07	10.3%	17.8%	$10.165	101.2%
39-0000	Personal Care and Service Occ.	16,884	0.99	15.1%	13.3%	$9.832	90.5%
41-0000	Sales and Related Occ.	41,854	0.97	1.3%	6.5%	$13.717	85.3%
43-0000	Office and Admin. Support Occ	55,181	0.86	0.9%	6.0%	$15.547	94.7%
49-0000	Installation/Maint./Repair Occ.	17,949	1.11	3.7%	9.5%	$21.125	102.7%
51-0000	Production Occ.	21,255	0.84	1.0%	7.7%	$18.257	111.7%
53-0000	Transportation/Material Moving Occ.	23,111	0.84	4.4%	13.1%	$15.873	102.4%
	Total	**426,088**		**3.0%**	**8.9%**	**$19.74**	**94.8%**

Source: Economic Modeling Specialists Intl. (EMSI)

Specialization in Greater Williamsburg's Labor Shed

Employment growth among architectural and engineering occupations is one such example of specialization despite underperforming growth relative to the national average. From 2009 to 2016, architectural and engineering occupations expanded by just 2.1 percent regionally, well below the national average of 6.4 percent. However, architectural and engineering occupations remain significantly concentrated regionally. **In 2016, architectural and engineering employment was 78 percent more concentrated in the Greater Williamsburg region compared to the average community nation-wide.** Particular occupations possessed far higher degrees of specialization. For instance, aerospace engineer employment was three times more concentrated than the national average. Marine engineers and naval architects (almost 20 times more concentrated), mechanical engineers (55 percent more concentrated), and nuclear engineers (almost 18 times more concentrated), similarly represent areas of occupational specialization within the Greater Williamsburg region. Other areas of strength among Greater Williamsburg knowledge-based STEM (science, technology, engineering, and mathematics) occupations include astronomers and space scientists (three times more concentrated than the national average, astronomers and physicists (three and a half times more concentrated), and computer research scientists (two times more concentrated).

High concentrations of exceptionally specialized engineering talent are further supported by a cadre of specialized occupations that typically require only a two-year degree. For instance, employment among mechanical drafters, responsible for compiling detailed diagrams and schematics of machinery and mechanical devices, was more than five times more concentrated in the Greater Williamsburg area compared to the national average. As a whole, drafters, engineering technicians, and mapping technicians were more than twice as concentrated regionally as in the average community nationwide.

Certain production and distribution occupations are also in the process of concentrating within the Greater Williamsburg region. Growth among welding, soldering, and brazing workers (2.6 percent) displayed a positive outlook despite the occupational decline nationally (-7.5 percent). **Much of Greater Williamsburg's growth among welding, soldering, and brazing workers is likely interlinked with shipbuilding operations in the Virginia Beach region which serves as a boon to advanced metals manufacturers who require these skill sets for manufacturing operations.** Similarly, proximity to the Port of Virginia supports high concentrations of crane and tower operators (nearly three times more concentrated than the national average) logisticians (two and a half times more concentrated), and water transportation workers (almost eight times more concentrated).

As occupational growth and specialization trends demonstrate, Greater Williamsburg has a wealth of opportunities to target particular business sectors that leverage these skill sets and knowledge bases. Put simply, while much of the region's labor shed is located outside of the communities of Williamsburg, James City County, and York County; regional employers have access to a diverse occupational mix that would be attractive to firms operating specific sectors of the economy.

1. Advanced Materials and Components

Definition and Overview: The advanced materials and components target captures business activity related to the production, fabrication, and manipulation of metal, metal substrates, non-metallic products, and electrical components including circuits and semiconductors. Advanced materials and components manufacturers in Greater Williamsburg leverage locational advantages due to proximity to large metal, non-metallic product, and electrical component customers including the United States Armed Forces, Thomas Jefferson National Accelerator, NASA Langley Research Center, and Newport News Shipbuilding among others. Regional advanced materials and components production in Greater Williamsburg also includes the manufacture of sophisticated scientific instruments, equipment, and other sensor technologies.

Local Companies: Advanced materials and components companies operating in Greater Williamsburg include, but are certainly not limited to: Service Metal Fabricators, Greystone of Virginia, Travaini Pumps USA, Ryson International, and STAIB Instruments.

Near-Term Niches: The **Metals and Metal Products** niche captures companies engaged in fabricating and producing metals for customer bases in the defense, maritime, and industrial sectors among others. **Electric and Non-metallic Components** covers economic activity related to the semiconductors and circuits while the **Scientific Instruments and Technologies** niche captures regional business activity engaged in sophisticated equipment production including highly sensitive measuring devices and sensors capable of registering minute changes in conditions

Long-Term Niches: Although Greater Williamsburg is not home to sizable aerospace production activity, the region could leverage its high concentration of aerospace engineers to generate new private sector aerospace investment. Along with workforce advantages, the region could leverage increasing military investment in unmanned aerial vehicles and the research capabilities of NASA Langley Research Center to build a sustainable **Aerospace** niche in the future.

Character Considerations: Due to a limited inventory of industrial space, small acreage economic development product, and stakeholder concern about maintaining community character, small to medium sized manufacturing enterprises, or larger firms that have a small industrial footprint, are ideal advanced materials and components targets for the Greater Williamsburg Partnership to pursue.

National Trends: Like many manufacturing-focused sectors, advanced materials and components manufacturers are slowly recovering from turmoil caused by globalization and rising competition from China. Product optimization, concerns over the security of intellectual property, and rising labor costs are once again pushing production back onto the United States' shores. America's long-standing strength in product and process innovation is serving as a compelling business case, especially as advances in automation technologies, rapid prototyping, and industrial sensors lower development costs and reduces turn-around time between ideation and production. The Manufacturers Alliance for Productivity and Innovation found that a strong dollar, continued excess capacity, and low commodity prices would hurt metals producers in the near-term but projects positive growth for the metal fabrication, electrical

components, and navigational, measuring, electromedical, and control instruments producers over the next two years.

LOCATION CONSIDERATIONS AND ADVANTAGES

When it comes to attracting and recruiting advanced materials and components manufacturers, Greater Williamsburg must balance the community's overall aesthetic, character, and land availability with the business requirements of incoming prospects. **A strong desire to maintain Greater Williamsburg's quality of life and place was a common theme among public input participants. At times, the desire to maintain the region's rich quality of life was seen as working at odds with the business community. Many within the real estate development community noted that permit processing times may negatively impact regional capacity to recruit and expand new businesses**. As the Greater Williamsburg Partnership actively markets the region to outside prospects, enhancing the region's inventory of shovel-ready sites can quicken development timelines and reduce friction for relocating businesses. Other important locational considerations and advantages include the following:

- ✓ **Industrial Site Inventory:** Perhaps the biggest barrier to attracting and retaining advanced materials and components manufacturers regionally is a dearth of development product. Of the 63 properties available for development listed on the Greater Williamsburg Partnership website only 15 properties are currently zoned for industrial use. Of these industrial zoned properties, just one is larger than 200 acers. For many vertically integrated manufacturing operations, it is not uncommon for large industrial users to occupy 1,000 acres or more. However, a small site does not necessarily preclude certain vertically integrated production operations from occurring in the Greater Williamsburg area. For instance, Tesla Motors' main product facility in Fremont California sits on just 370 acres of land occupying a former automotive manufacturing facility. However, the limited industrial site inventory in Greater Williamsburg narrows the prospective pool of advance materials and components manufacturers. Economic development marketing efforts should tailor their scope to target specific manufacturing categories such as **Small to Medium Enterprises** or highly automated operations that require reduced physical footprints.

  Along with focusing on small to medium enterprises, the region should continue to enhance its industrial inventory. Securing the Pottery Property for economic development purposes could enlarge the number of acers available for industrial use regionally.

- ✓ **Water Capacity:** Water is an abundant or scarce resource depending on geographic location in the region. On the one hand, large portions of the region are serviced by Newport News who currently possesses excess capacity and can meet heavy water user demand. On the other, the Virginia Department of Environmental Quality has required James City County to halve the amount of water it draws from groundwater sources potentially limiting its capacity to serve communities in the far north western reaches of the region. Municipal governments are expanding water service northward. For instance, York County is extending a water main to the Lightfoot area, opening up new development opportunities related to the Pottery Property. However, water availability will

likely direct prospective advanced materials and components manufacturers towards certain portions of the Greater Williamsburg region until the ground water issue is resolved.

- ✓ **Proximity to Consumer Markets:** From a location standpoint, Greater Williamsburg's proximity to sizable metals, materials, and components purchasers in the broader Virginia Beach MSA is an attractive selling point to suppliers seeking to relocate operations, especially those servicing maritime or defense industries. In 2013, the most recent data available, businesses in the Virginia Beach region, excluding the communities of Williamsburg, James City County, and York County, purchased roughly $3.8 billion worth of advance materials and component products – nearly 90 percent or $3.4 billion of this purchasing activity occurred outside of the Virginia Beach region. Mapping advance materials and components supplier networks within the Virginia Beach region could yield potential supplier prospects who may desire a more proximate location to their customer base.
- ✓ **Proximity to the Port of Virginia:** The inauguration of the $5 billion Panama Canal expansion opens the way for new economic activity to occur along the United States eastern ports. The Port of Virginia, however, will be in intense competition for new economic activity generated by the expansion. On July 11th, 2016, the Port of Virginia celebrated the first arrival of the MOL Benefactor, a neo-panamax class vessel and one of the first to travel through the Panama Canal. The Panama Canal expansion brings new avenues to China and offers potential economic opportunities for advance materials and components manufacturers, particularly those that import heavy raw materials, export cumbersome finished goods, or **Assembly and Distribution** operations that provide final assembly to goods shipped through the port.

REGIONAL EMPLOYMENT TRENDS

Greater Williamsburg's employment trends indicate two key niche opportunities within the advanced materials and components space: **metal and metal products** and **electrical and non-metallic components**. Metals and metal products captures activity related to the transformation or fabrication of raw, unfinished, or scrap metal into finished goods. The electrical and non-metallic components niche encapsulates highly specialized glass, instrumentation, circuitry, and semiconductor component activity within the region.

- ✓ **Regional advanced materials and components employment was relatively unaffected by the Great Recession.** From 2007 to 2009, advanced materials and components employment declined by just 3.2 percent regionally. In comparison, the national advanced materials and components sector (-14.1 percent) showed far more distress during the recession. Government spending, particularly as it relates to shipbuilding and scientific instruments and components, likely sheltered the region's advance materials and components manufacturers from bearing the full brunt of the recession.
- ✓ **Advanced materials and components manufacturers in Greater Williamsburg displayed robust post-recession growth.** From 2009 to 2016, advanced materials and components employers added 440 jobs to their payrolls (51.6 percent). Nationally, the advanced materials and components sector grew by just 2.9 percent during the seven year recovery. Again, rapid growth

among the region's advance materials and components sector denotes a regional competitive advantage relative to the average community nationwide.

- ✓ **Advanced materials and components manufacturing activity is specialized in the Greater Williamsburg region.** As a whole, advanced materials and components employment was nearly twice as concentrated regionally as the average community nationwide. Certain advanced materials and components subsectors display further signs of specialization including foundries (three times more concentrated than the national average); coating, engraving, heat treating, and allied activities (two times more concentrated); and other electrical equipment and component manufacturing (two and a half times more concentrated).

- ✓ **Advanced materials and components manufacturers are a source of high wage employment opportunities for Greater Williamsburg residents.** In 2016, the average advanced materials and components employee earned $70,885 annually, roughly double above the regional average annual wage ($35,448). Compared to the national average, regional labor is cost-competitive. In 2016, advanced materials and components workers earned 9.7 percent below the national average. Sub-national average wages are attractive to prospective businesses, regional employers could experience difficulty attracting and retaining advanced materials and components talent even when factoring favorable cost of living differentials.

Advanced Materials and Components Employment Trends, 2006-2016

NAICS	Description	Location Quotient	Jobs (2016)	Net Change in Jobs (06-16)	% Change in Jobs (06-16)	Net Change in Jobs (16-26)	% Change in Jobs (16-26)	US % Change in Jobs (06-16)	Average Wages (2016)	% of U.S.
Metals and Metal Products										
3315	Foundries	3.29	180	180	NA	100	55.7%	-26.1%	$86,361	160.9%
3323	Architectural and Structural Metals MFG.	0.30	52	6	13.3%	12	23.8%	-9.9%	$62,296	123.2%
3324	Boiler/Tank/Shipping Container MFG.	6.01	265	-15	-5.2%	5	1.9%	2.4%	$80,150	132.3%
3328	Coating/Engrav./Heat Treat./Allied Actvt.	2.02	128	80	169.3%	51	40.2%	-7.9%	$32,467	69.7%
Electrical and Non-Metallic Components										
3271	Clay Product and Refractory MFG.	0.54	11	NA	NA	-6	-45.5%	-29.6%	$12,130	24.7%
3272	Glass and Glass Product MFG.	6.80	275	22	8.9%	18	6.7%	-17.7%	$65,213	121.3%
3339	Other General Purpose Machinery MFG.	0.46	57	24	71.1%	41	71.7%	-3.9%	$99,189	149.7%
3341	Computer/Peripheral Equipment MFG.	0.74	54	-19	-25.9%	-7	-12.8%	-18.8%	$111,649	66.0%
3344	Semicndctr./Other Electron. Comp. MFG.	0.47	79	-4	-4.3%	-41	-52.0%	-19.8%	$98,072	100.0%
3345	Nav./Msr./Electromed./Ctrl. Instr. MFG.	0.23	42	NA	NA	-18	-42.5%	-9.1%	$73,780	77.4%
3359	Other Electrical Equipment/Comp. MFG.	2.46	149	NA	NA	10	6.8%	-4.3%	$45,833	72.6%
	Total, Target Sector	**1.93**	**1,293**	**460**	**55.2%**	**166**	**12.8%**	**-12.6%**	**$70,885**	**90.3%**
	Total, All Industries		**72,452**	**1,744**	**2.5%**	**10,886**	**15.0%**	**4.8%**	**$35,448**	**71.1%**

Source: Economic Modeling Specialists Intl. (EMSI)

OCCUPATIONAL TRENDS: GREATER WILLIAMSBURG'S LABOR SHED

Beyond the Greater Williamsburg Partnership's administrative boarders is a highly skilled workforce of 426,088 located in zip codes extending northwest to the city of Richmond and southeast to the city of Norfolk. The occupational mix of this workforce provides further niche opportunities within the target

sector. The sheer volume and concentration of STEM talent in the region may be attractive to **scientific instruments and technologies** companies as well as those operating in the **aerospace** sector.

The following are key occupational trends within the target sector, for a full list of the occupations that comprise the advanced materials and components sector please see appendix A:

- ✓ **Engineering and scientific talent is highly concentrated in the Greater Williamsburg labor shed.** Concentrations among aerospace engineers (LQ = 3.12), marine engineers and naval architects (LQ = 19.96), electrical and electronics engineers (LQ 1.75) astronomers and physicists (LQ = 3.51), and atmospheric and space scientists (LQ = 3.41) showed a high degree of specialization and is sufficiently concentrated to appeal to prospective advanced materials and components manufacturers, particularly those that rely on a knowledge-based workforce.
- ✓ **Robust concentrations of engineering technicians and drafters further support the advanced materials and components workforce.** Employment among drafters (LQ = 2.14) and engineering technicians, excluding drafters (LQ = 2.42) was twice as concentrated as the average community nationwide. The higher than average concentrations of technical talent further improve the region's attractiveness to advance materials and components manufacturers.
- ✓ **While the region does possess high concentrations of engineering and technical talent, the presence of preexisting large employers could leave little excess capacity for new advanced materials and components entrants.** For instance, many of the aerospace engineers in the region are likely employed at the NASA Langley Research Center, Thomas Jefferson National Accelerator Facility, or serve in the United States Armed Services. Defense contractors and engineering firms in the professional and technical services sector could also utilize these particular knowledge skill sets. This is to say that STEM skill sets are highly sought after and may not leave room for new businesses wishing to tap into the region's technical workforce.
- ✓ **Despite the significant toll of the Great Recession and subsequently reduced federal spending on basic scientific research and defense spending, the advanced materials and components workforce is recovering.** From 2009 to 2016, occupational employment grew by nearly 700 jobs, a gain of 2.5 percent. Fueling post-recession growth is an equal mix of knowledge-based and production-oriented employment. Strong growth among first-line supervisors of production and operating workers (5.7 percent); electrical, electronics, and electromechanical assemblers (8.2 percent); machinists (10.4 percent); and welding, soldering, and brazing workers (7.6 percent) signals an expanding pool of available labor for manufacturers and producers within the target sector.

TRAINING PROGRAMS

Advanced materials and components manufacturers workforce requirements are diverse, covering engineering positions responsible for product design and production efficiency as well as front-line assembly workers on the factory floor. Although William & Mary and Thomas Nelson Community College don't have specific advanced materials and components degree programs, the institutions do offer training

programs that provide translatable skill sets and knowledge bases relevant to employers in the target sector.

- ✓ Thomas Nelson Community College offers numerous advanced manufacturing programs including those in the following fields.
  - ❖ **Advanced Integrated Manufacturing Technology** – Offered at the associate's degree level, the program blends together knowledge clusters in the following fields: mechanical engineering, engineering technology, computer aided drafting, and robotics. The program further stresses critical thinking and collaboration.
  - ❖ **Advanced Mechatronics Technology** – Sponsored by Siemens, this accelerated program fills a critical demand response need in the region allowing employers to quickly train their production and technician employees.
  - ❖ **Electronics Technology** – The associate's degree program affords students the opportunity to prepare themselves for careers in electrical system technology, fiber optic installation, and industrial production.
  - ❖ **Computer Aided Drafting and Design** – The associate's degree program is focused on developing 3-D printing skill sets with industry leading computer design programs.
  - ❖ **Engineering** – The program prepares students for pursuit of an engineering bachelor's degree at a four-year higher education institution.
  - ❖ **Mechanical Engineering Technology** – Thomas Nelson's associate's program in mechanical engineering technology is tailored to meet the interests of the student. Students can specialize in various mechanical engineering technologies including marine engineering and mechanical design.
  - ❖ **Welding** – Through its workforce development division, Thomas Nelson Community College offers five or nine week welding training programs. Thomas Nelson Community College is an American Welding Society (AWS) accredited facility.
- ✓ Although William & Mary is a liberal arts research university, the College does house academic programs that may lead to careers in the advanced materials and components sector:
  - ❖ **Chemistry** – The College of William & Mary offers students a hands-on learning experience that stresses the importance of learning within a laboratory setting. The College is consistently recognized for its ability to produce quality chemistry graduates by the American Chemical Society.
  - ❖ **Physics** – Partnerships with the Thomas Jefferson National Accelerator and NASA Langley Research Center distinguish the learning environment for William & Mary physics students relative to other colleges and universities. The College offers degree programs at the bachelor's, master's, and doctoral degree levels.
  - ❖ **Mathematics** – Mathematics graduates are capable of translating and applying mathematical principles to solve problems in a variety of settings. Production efficiency and logistical problems are deeply rooted in mathematics.

- ✓ The **Peninsula Council for Workforce Development** is also a training resource available to new and existing employers in the Greater Williamsburg region. Through its employer initiatives, new and prospective businesses can obtain rapid response, on-the-job training, and applicant pre-screening services along with an advanced manufacturing flexible-entry-flexible-exit system offered in partnership with Thomas Nelson Community College.

MARKETING IMPLICATIONS

From an economic development marketing perspective, targeting advanced materials and components companies accomplishes two important goals for the Greater Williamsburg region: 1) The target aligns with the economic development marketing efforts of the Virginia Economic Development Partnership which currently targets plastics and advanced materials and 2) distinguishes Greater Williamsburg's advanced manufacturing niche to national and international audiences.

- ✓ **Greater Williamsburg makes a compelling case for advanced materials and components manufacturers who require highly skilled engineering and technical talent.** Further the immense presence of the United States Armed Forces and federal research and development institutions are scientific and engineering workforce magnets.
- ✓ **Community "fit" is equally important to residents and prospective advanced materials and components manufacturers.** Given the small acreage of the region's economic development product, Greater Williamsburg should focus its advanced materials and components marketing efforts on small to medium sized advanced materials and components manufacturers.
- ✓ From a product development standpoint, Greater Williamsburg's current industrial economic development product is a limiting factor for target sector business recruitment. Securing and assembling new industrial land as well as preserving existing industrial land from encroachment will be paramount to accommodating new advanced materials and components growth.
- ✓ **Virginia tax structure may impact Greater Williamsburg's capacity to attract certain types of manufacturing operations.** A recent report by KPMG and the Tax Foundation found that the commonwealth's tax structure favored labor intensive manufacturing operations compared to capital intensive manufacturing operations. For mature manufacturing firms, labor-intensive manufacturing operations enjoyed a 4.3 percent effective tax rate (2nd out of 50 states) while capital intensive manufacturing operations experienced a 9.3 percent effective tax rate (20th out of 50 States) according to the report.
- ✓ **Expanding infrastructure capacity within the region is paramount to recruit, retain, and expand advanced materials and components manufacturers.** Addressing the region's water capacity challenges as well as increasing capacity along the I-64 corridor can further enhance the community's viability for advanced materials and components operations.
- ✓ Economic development marketing efforts should relay the purchasing power and activity of nearby advanced materials and components consumers including the United States Armed Forces and Newport News Shipbuilding. Strengthening supplier relationships may also yield expansion opportunities of firms already located in the Greater Williamsburg region.

2. Food and Beverage

Definition and Overview: With industry leaders and rising new entrants, Greater Williamsburg's food and beverage sector captures manufacturing activity related to the production of alcoholic and non-alcoholic beverages in the Greater Williamsburg region along with the transportation and distribution of food, food products, and beverages. The target sector also includes food and beverage suppliers that provide product packaging materials and services.

Local Companies: Food and beverage companies in Greater Williamsburg comprise a mix of new, upstart companies seeking to build their brand as well as established industry veterans: Anheuser-Busch InBev, Printpack, La Tienda, Copper Fox Distillery, and Williamsburg Winery.

Near-Term Niches: The focal point of Greater Williamsburg's **Beverages** niche is the Anheuser-Busch InBev brewery although the niche is inclusive of both alcoholic and non-alcoholic beverage producers. As a result of brewery operations in the region, a host of supporting **Bottling and Food Packaging** companies such as Ball Metal and Owens-Illinois arose to provide packaging for beverages and other food products. Finally, the region's proximity to the Port of Virginia as well as its central location along the eastern coast is advantageous to **Warehousing and Distribution** companies who transport perishable goods along the value chain.

Long-Term Niches: Food and beverage companies with limited product runs have a wider range potential sites and locations relative to their industrial scale brethren. Demolition grant programs operated throughout the region, for instance, are opening up blighted commercial properties for food and beverage operations. Much of this activity is the result of entrepreneurship and will require time to mature. However, as these companies grow and expand, Greater Williamsburg could become an appealing destination for producers of **Distilled Spirits** or **Specialty Food Products** which includes snack food, candy, and animal food among other high wage opportunities

Character Considerations: In terms of "community fit," Greater Williamsburg's food and beverage sector, particularly as it relates to small batch producers, aligns with the community's desire to evolve its tourism product. As the community leverages incentive programs to redevelop distressed commercial properties, a variety of food and beverage companies have arisen that appeal to younger visitors seeking compelling experiences. Industrial scale producers, on the other hand, encounter many of the locational challenges of the advanced materials and components target: land and water availability could inhibit growth within the sector if not properly addressed.

National Trends: Shifting consumer tastes and increasing concern over the health impact of processed foods continues to shape the food and beverage sector nationally. The nation's beverage sector, especially as it relates to alcoholic beverages, is under a process of disruption, driven by a rising craft beer and spirits movement. To remain competitive in a diffuse beer and spirits marketplace, established brands are continually seeking to expand product selection through acquisitions. At the same time, food and beverage companies are also looking toward product innovation to drive new growth. A 2014 survey of food, drink, and consumer goods companies conducted by KPMG found that 52 percent of respondents believed that

product innovation would be the most significant driver for their company's revenue growth over the next three years.

LOCATION CONSIDERATIONS AND ADVANTAGES

On an industrial scale, food and beverage companies resemble advanced manufacturing operations requiring stable power, abundant water capacity, and an integrated transportation network to obtain raw materials and transport finished product to market. Small-scale production operations on the other hand typically experience the same challenges that many small businesses encounter. Other locational considerations and advantages include the following:

- ✓ **Transportation Networks:** Food and beverage companies are in a race against time. Whether it is obtaining perishable raw materials from agricultural producers or shipping finished product to market, increased travel time can reduce the market reach of food and beverage producers. Consequently, interconnected transportation networks are a critical location factor for many food and beverage companies. In terms of locational strengths, proximity to the Port of Virginia and adequate rail service provides prospective food and beverage companies with a competitive advantage. **However, public input participants noted the growing traffic along I-64 is a key concern for food and beverage producers. Survey input reinforced this concern. Approximately 53.2 percent of business stakeholders responding to the survey rated the Greater Williamsburg's interstate capacity as a "disadvantage" or "major disadvantage." Forty-nine percent of these respondents also rated the region's roadway connectivity and capacity as a "disadvantage" or "major disadvantage."** In 2011, the Virginia Department of Transportation (VDOT) rated level of service (LOS) along significant portions of the I-64 corridor extending from the city of Richmond to the city of Hampton as D, E, or F – the lowest ratings provided by VDOT which grades level of service along an A through F continuum. Current road improvements along I-64 may positively impact traffic congestion – improving the region's vital economic link between to I-85, I-95, and the Port of Virginia.
- ✓ **Trucking Capacity: Along with physical road infrastructure, food and beverage stakeholders expressed concern about declining availability of heavy and tractor-trailer truck drivers in the region.** These concerns are not unique to Greater Williamsburg. In 2015, the American Trucking Associations' Truck Driver Shortage Analysis found that the trucking industry would need to hire a total of 890,000 new drivers, or an average of 89,000 per year, to replace retiring truck drivers nationally. If current trends hold, the ATA found that the number of truck drivers could fall 175,000 short of national demand by 2024. **To address declining trucking capacity regionally, stakeholders acknowledge the need to find short-term solutions including promoting backhaul opportunities among businesses throughout the Greater Williamsburg and broader Virginia Beach region.**
- ✓ **Water Capacity:** As discussed in the previous section, water capacity in Greater Williamsburg is either a concern or a non-issue depending on geographic location in the region. Potential for food

and beverage operations in the northern portion of James City County will be severely limited until alternative water sources are identified and developed.

- ✓ **Food and Beverage Economic Development Product:** For industrial scale food, beverage and specialty food operations, the region's available economic development product is limited. For small batch producers, the region affords more options due to these producers spatial flexibility. Small batch producers have the potential to position operations outside of industrial zoned areas as well as catalyze redevelopment of blighted commercial property such as the redevelopment of Lord Paget Hotel by Copper Fox Distillery and the 401 Second Street body shop by the Virginia Beer Company.
- ✓ **Permitting Review Process: When asked to rate various aspects of Greater Williamsburg's business climate, stakeholders rated the region's "ease and speed of permit review process" as one of its top competitive disadvantages. Approximately 49.1 percent of respondents assessed Greater Williamsburg's collective permitting review processes as a disadvantage or major disadvantage.** In many communities across the country, business leaders, real estate developers, and entrepreneurs typically find permitting times too lengthy or cost prohibitive to promote new business growth. This issue is not specific to Greater Williamsburg. Even so, the Greater Williamsburg Partnership should work towards streamlining review processes, where appropriate, for entrepreneurs operating in business sectors that align with the region's targeted sectors.

EMPLOYMENT TRENDS

Food and beverage business sector data indicate three niche sectors in which Greater Williamsburg is particularly competitive: **Beverages**; **Bottling and Food Packaging**; and **Warehousing and Distribution**. Anheuser-Busch InBev operations in the region are unquestionably a catalyzing force for bottling and food packaging capacity. Proximity to the brewery is an attractive selling point for bottlers and canners such as Owens-Illinois and Ball Metal Manufacturing.

- ✓ **Brewing activity in Greater Williamsburg is highly localized.** In 2016, breweries in the Greater Williamsburg region employed nearly 16 times the number of workers expected national average for an economy of Greater Williamsburg's size. The continued presence of Anheuser-Busch InBev has further attracted bottling and canning suppliers who gain locational advantages by being located proximate to an engrained customer base. As a result, employment in the glass and glass product manufacturing (nearly seven times as concentrated as the average community nationwide) and metal can, box, and other metal container manufacturing (seventeen times as concentrated) is also highly localized in the Greater Williamsburg region.
- ✓ **Greater Williamsburg's brewery sector generates significant purchasing activity for glass bottles and metal cans much of which is locally produced.** In 2013, EMSI estimates that the Greater Williamsburg's brewery sector alone purchased $33 million worth of metal can manufacturing products and $17 million worth of glass products. In terms of the brewery supply chain, metal can manufacturing and glass product manufacturing represented sector's second and fourth largest supply chain linkages respectively.

- ✓ **Impacted by the Great Recession, food and beverage employment is still in recovery.** Over the past decade, food and beverage employment declined by -391 jobs, a loss of 15.4 percent. Along with the Great Recession, broader industry trends may also have negatively impacted employment within the food and beverage space. A variety of factors including the expansion of automation technologies on the factory floor and changing human resource strategies such as increased use of contract labor may also have contributed to employment declines.

Food and Beverage Employment Trends, 2006-2016

NAICS	Description	Location Quotient	Jobs (2016)	Net Change in Jobs (06-16)	% Change in Jobs (06-16)	Net Change in Jobs (16-26)	% Change in Jobs (16-26)	US % Change in Jobs (06-16)	Average Wages (2016)	% of U.S.
Beverages										
31212	Breweries	16.0	401	-37	-8.5%	-140	-35.0%	107.5%	$61,795	111.5%
31213	Wineries	1.5	43	-48	-52.8%	-33	-75.7%	70.8%	$28,383	67.4%
42449	Other Grocery/Related Products Whls.	1.1	119	-13	-9.6%	-1	-0.6%	0.9%	$39,968	70.1%
Bottling and Food Packaging										
32721	Glass and Glass Product Manufacturing	6.8	275	61	28.4%	18	6.7%	-17.7%	$65,213	121.3%
32619	Other Plastics Product Manufacturing	0.4	56	-54	-48.8%	-45	-80.1%	-18.5%	$58,670	126.7%
33243	Metal Can/Box/Other Metal Cntain. Mfg.	17.0	265	32	13.6%	5	1.9%	-23.9%	$80,150	132.8%
Warehousing and Distribution										
49311	General Warehousing and Storage	2.3	782	291	59.2%	119	15.3%	40.5%	$40,146	96.0%
49312	Refrigerated Warehousing and Storage	0.5	14	14	NA	5	34.2%	25.9%	$44,446	96.0%
48411	General Freight Trucking, Local	0.1	16	-22	-57.5%	NA	NA	-0.1%	$35,585	86.1%
48412	General Freight Trucking, Long-Distance	0.1	42	-71	-62.8%	-18	-42.9%	-2.7%	$36,849	78.2%
48422	Specialized Freight Trucking, Local	0.4	41	10	34.0%	15	36.9%	5.5%	$35,970	76.0%
48423	Special. Freight Trucking, Long-Distance	1.5	96	50	108.6%	34	35.2%	14.3%	$42,094	78.8%
	Total, Sector	**8.1**	**2,151**	**-391**	**-15.4%**	**-57**	**-2.6%**	**6.5%**	**$52,499**	**112.7%**
	Total, All Industries		**72,452**	**1,744**	**2.5%**	**10,886**	**15.0%**	**4.8%**	**$35,448**	**71.1%**

Source: Economic Modeling Specialists Intl. (EMSI)
NA = Not Available

- ✓ **The loss of employment regionally is particularly concerning given the rise of food and beverage employment across the United States.** From 2006 to 2016, the national food and beverage sector grew by 6.5 percent, adding nearly 192,000 food and beverage jobs. Employment growth among the nation's food and beverage sector was led by growth in breweries (107.5 percent), wineries (70.8 percent), and food and beverage warehousing and logistics operations including refrigerated storage (25.9 percent).

- ✓ **Preserving and sustaining food and beverage operations in Greater Williamsburg will provide the region's residents with high-wage employment opportunities.** In 2016, the average food and beverage employee earned roughly $52,499 annually. In comparison, average wages in the national food and beverage sector stood a just $46,569 – nearly $5,931 below the regional average. Although food and beverage employers may not view the region as cost competitive from a labor standpoint, higher average annual wages earned by regional food and beverage workers could be alluring to prospective new talent in the target sector.

OCCUPATIONAL TRENDS: GREATER WILLIAMSBURG'S LABOR SHED

Behind the food and beverage operations in the region is a broader workforce with marketable skill sets that are appealing to food and beverage employers. Along with a knowledge-based workforce, the region houses strong capacity for warehousing and distribution operations, particularly as it relates to maritime shipping.

The following are key occupational trends within the target sector, for a full list of the occupations that comprise the food and beverage sector please see appendix A:

- ✓ **Prospective and existing food and beverage companies have access to a food and beverage labor shed of 35,803 workers.** Captured within this labor shed are numerous occupations that support production operations as well as distribution activities particularly related to port operations.
- ✓ **Compared to the national target sector, Greater Williamsburg's food and beverage sector is more oriented toward professional, supervisory, and skilled trades.** In 2016, sales representatives (2.7 percent of the total regional food and beverage sector), first-line supervisors of production and operating workers (2.2 percent), and industrial machinery mechanics represented a far larger portion of the target sector compared to their national averages (1.6 percent, 0.8 percent, and 0.4 percent respectively). This occupational mix likely supports elevated food and beverage wages regionally relative to the national target sector.
- ✓ **Food packaging operations, particularly producing plastic packaging products, could be impacted by a declining pool of metal and plastic workers in the future.** From 2006 to 2016, employment among metal and plastic workers declined by 377 jobs or 22.0 percent. Further weakening of the metal and plastic workforce could make Greater Williamsburg an unattractive relocation or expansion destination for food and beverage packaging operations in the future.
- ✓ **Greater Williamsburg's regional labor shed may be attractive to food and beverage companies who rely on importing or exporting raw materials or finished goods internationally.** Employment among sailors and marine oilers (eight times more concentrated than the national average), ship and boat captains and operators (five times more concentrated) and crane and tower operators (almost three times more concentrated) were highly concentrated in the Greater Williamsburg labor shed. Occupational concentrations among rail transportation workers were proximate to the national average.
- ✓ **An underdeveloped pool of driver/sales workers and truck drivers (which include heavy and tractor-trailer truck drivers) in the region's labor shed corroborates stakeholder trucking capacity concerns.** Compared to the national economy, employment among the Greater Williamsburg driver/sales workers and truck drivers workforce is 28 percent below expected employment levels. Employment trends further suggest that limited truck driver availability will be an ongoing issue for the food and beverage sector. From 2006 to 2016, regional occupational employment among driver/sales workers and truck drivers declined by -5.7 percent. Occupational employment increased 2.0 percent nationally during this time period.

TRAINING PROGRAMS

Due to close connection to consumer markets, food and beverage employers rely on a host of training programs that build sales capacities along with production and distribution skill sets. Although Thomas Nelson Community College and the College of William & Mary do not currently offer food and beverage specific programs, they do offer degree programs that appeal to prospective and existing food and beverage companies:

- ✓ **Along with the advanced manufacturing degree programs discussed in the advanced materials and components target profile**, other attractive degree programs offered by Thomas Nelson Community College include:
  - ❖ **Commercial Driver License Training –** Offered through the TNCC workforce development division, commercial driver license training provides hands-on tractor-trailer driver training from experts within the field. Upon completion of the program, students receive lifetime nationwide job placement assistance.
  - ❖ **Air Conditioning and Refrigeration** – Thomas Nelson Community College's Air Conditioning and Refrigeration certificate is a 10 course program that covers heating systems, planning and estimating, and mechanical codes for air conditioning and refrigeration systems. The certificate program meets the requirements for Journeyman licensing.
  - ❖ **Geographical Information Systems Technician –** Warehousing and distribution operations increasingly rely on geographic information systems to identify efficient routes to transport goods, track deliveries, and manage transportation assets. Geographic information systems graduates could fit into roles at food and beverage companies with extensive and complex distribution channels.
- ✓ In terms of four-year degree programs, the College of William & Mary offers a limited number of degree programs that could lead to careers in the food and beverage sector outside of chemistry. Vertically integrated food and beverage operators, however, may be interested in the following business degree programs offered through the Mason School of Business:
  - ❖ **Business Administration** – Through the business administration program, William & Mary students can pursue a minor in supply chain analytics. These graduates could fill positions at food and beverage distributors or straight-to-consumer manufacturing operations. The Mason College of Business also offers MBA and Executive MBA programs.
  - ❖ **Business Analytics** – The Master of Business Analytics is a new course offering from the Mason School of Business. The degree program is a full-time, accelerated program that can be completed in two semesters. The program of study focuses on preparing students for careers in big data – a field that food and beverage companies are increasingly leveraging to stay ahead of changing consumer tastes and predict future behaviors.

- ✓ As part of its demand response model, the Peninsula Council for Workforce Development is capable of developing customized training programs in partnership with employers. This service could be used by food and beverage companies to meet critical skill gaps and address workforce shortages.

MARKETING IMPLICATIONS

The Greater Williamsburg food and beverage target aligns with economic development programs in the commonwealth of Virginia. The Virginia Economic Development Partnership currently targets "food processing" while the commonwealth has developed incentive programs aimed at tourism promotion such as the Virginia Tourism Growth Fund that can be leveraged by small batch food and beverage companies.

- ✓ **Greater Williamsburg should guide food and beverage companies to specific locations in the region until water availability issues are resolved.** Since food and beverage companies require abundant water, economic development marketing should guide food and beverage producers to southern portions of the Greater Williamsburg region until water issues are resolved. Northern portions of the region are more suitable for food and beverage warehousing and distribution operations.
- ✓ **The presence of large food and beverage operations in the region signals that Greater Williamsburg can accommodate food and beverage production operations**.
    - ❖ Given the small size of the region's food and beverage sector, site selectors and business executives in charge of site selection could be deterred from relocating or expanding operations to the Greater Williamsburg region. Communicating labor availability within the Greater Williamsburg labor shed may ease these concerns.
    - ❖ Communicating rapid response training capacity at the Peninsula Council for Workforce Development and Thomas Nelson Community College can further alleviate workforce availability concerns.
- ✓ **The absence of a concentrated heavy and tractor-trailer workforce is a concern for incoming food and beverage companies who transport perishable food product.** Developing and communicating a plan of action to address the shortage will be critical to selling the region's market access to northeastern and southeastern markets. Such efforts may entail recruiting truck transportation and distribution companies to the region.
- ✓ From a transportation infrastructure standpoint, the Greater Williamsburg region is proximate to significant water and rail operations as well as the Port of Virginia. Capacity is also increasing at the Port of Virginia with the Craney Island expansion – a state-of-the-art automated container terminal with capacity to handle 50 percent of total container volume by rail.
- ✓ **Certain food and beverage infrastructure could improve the regional business climate for small batch and specialty food manufacturers.** Creating commercial kitchens or co-packing capacity in the region for instance can better allow small food and beverage businesses to scale business operations.

- ❖ Along with these opportunities, Greater Williamsburg will likely need to expand its capacity for cold storage. Current refrigerated warehousing and storage capability is likely insufficient to meet the needs of prospective food and beverage companies who require refrigerated facilities to store and distribute perishable goods.

✓ Identifying small batch expansion opportunities in the region, the commonwealth, or northeastern and southeastern markets could drive future growth within the target sector.

✓ **Given the relatively limited stock of available industrial properties and land suitable for industrial development, Greater Williamsburg should focus on food and beverage operations that offer high earnings potential.** Such operations should exceed the regional average ($35,448) and ideally offer comparable wages to those offered by existing food and beverage employers ($52,499). Nationally, high wage food and beverage manufacturing sectors include the following:

- ❖ Animal Food Manufacturing ($59,780 national average annual wage 2016)
- ❖ Flour Milling and Malt Manufacturing ($62,515)
- ❖ Starch and Vegetable Fats and Oils Manufacturing ($77,384)
- ❖ Non-chocolate Confectionery Manufacturing ($48,273)
- ❖ Fruit and Vegetable Canning, Pickling, and Drying ($49,495)
- ❖ Dairy Product (except Frozen) Manufacturing ($57,904)3
- ❖ Coffee and Tea Manufacturing ($52,282)
- ❖ Flavoring Syrup and Concentrate Manufacturing ($145,910)
- ❖ Seasoning and Dressing Manufacturing ($60,067)
- ❖ Soft Drink and Ice Manufacturing ($51,747)
- ❖ Breweries ($55,442)
- ❖ Distilleries ($73,933)

3. Professional and Technical Services

Definition and Overview: Professional and technical services companies in Greater Williamsburg deliver a wide range of professional and technical services including: management, technical, engineering, and design consulting; corporate operations management; research and development; and information technology services. Professional and technical services firms typically utilize skilled, knowledge-based workers who are exceedingly mobile. As a result, Greater Williamsburg can leverage its strengths as a vibrant community to attract relocating or expanding professional and technical services operations.

Local Companies: Professional and technical services companies operating in the Greater Williamsburg region include, but are certainly not limited to the following: Enterprise Holdings, AidData, Index AR Solutions, and INCOGEN.

Near-Term Niches: Given regional higher institution capacity and the presence of corporate operations already in the region, Greater Williamsburg is an attractive destination for **Management and Operations Services** companies responsible for providing management consulting services as well as other operations charged with overseeing corporate strategic execution. Over the next five-years, Greater Williamsburg is also an alluring location for **Engineering and Technical Consulting** firms that provide a wide range of services such as designing computer information systems, solving engineering challenges, and discovering new business opportunities through research and development. Finally, **Creative Design** covers a host of activity typically associated with the "creative economy" including architectural services, advertising and graphic design, and landscape architecture.

Long-Term Niches: Although there is an absence of information technology professionals within the regional labor shed, capacity for training computer, statistics, and data science professionals is expanding. So long as the region can retain these graduates, the Greater Williamsburg region could become competitive for **Data Science and Analytics** operations engaged in processing, analyzing, and visualizing extremely large data sets.

Character Considerations: Greater Williamsburg affords its residents with a high quality of life, memorable sense of place, and quality school systems, all elements which typically influence corporate regional office and headquarter relocations. While Greater Williamsburg is not an attractive destination for large headquarters, especially considering insufficient airport capacity, the community is appealing to less sizable corporate operations especially those looking for built-to-suit options.

National Trends: By far, the most important input into a professional and technical services company is its people. Workforce diversity and availability will continue to drive business decision making within the professional and technical services sector for the foreseeable future. In a recent survey of corporate executives, PricewaterhouseCoopers found that 78percent of US CEOs felt that a skilled, educated and adaptable workforce should be a priority for business. Shifting composition of consumer markets also demands an increasingly diverse workforce. In the same survey, PricewaterhouseCoopers found that 73 percent of CEOs in the United States felt that demographic shifts are a top global trend that will transform consumer expectations and desire for new product offerings. Concerns over talent sustainability and

diversity now, more than ever, stresses the importance of a community's built environment and the quality of life it can offer to employees within the professional and technical services sector.

LOCATION CONSIDERATIONS AND ADVANTAGES

The viability of the professional and technical services sector in any community is interlinked with its capacity to attract and retain highly skilled talent into their community. This is to say that a community's sense of place and quality of life is integral to the health and sustainability of employment within the target sector. Given the region's quality of life particularly for families, cultural and entertainment offerings, and highly regarded school districts, Greater Williamsburg is a competitive destination for **Regional Offices and Headquarters**. Moreover, mission-driven **Social Enterprises** operating in the region could be leveraged to grow the regional pool of young professional talent. **Throughout public input, focus group participants frequently highlighted many positive aspects of Greater Williamsburg's quality of life including quality school systems, numerous recreational trails, and new businesses such as the Virginia Beer Company and AleWerks which contribute to the region's attractiveness as a place to live.** Other locational advantages and considerations for Greater Williamsburg include the following:

- ✓ **Young Professionals: During focus group input, young professionals in Greater Williamsburg noted that the community is not appealing to certain segments of the millennial demographic. For instance, Greater Williamsburg was seen as an alluring destination for young professionals who have just started a family while single young professionals were thought to be more attracted to the city of Richmond. Survey respondents tended to support this viewpoint. When asked whether "Greater Williamsburg is an attractive and desirable place to live for young professionals" approximately 43.1 percent of survey respondents either disagreed or strongly disagreed with the statement. In contrast, just four percent of survey respondents cited similar levels of disagreement to the statement "Greater Williamsburg is an attractive and desirable place to live for families with children.**

  Stakeholders also felt that Greater Williamsburg must play to its strengths when it comes to young professional attraction. Along with young professionals starting families, those that enjoy the outdoors and water recreational activities were also seen as young professional population segments that would be attracted to Greater Williamsburg. Although many felt young professionals who don't fit these criteria would not want to live in Greater Williamsburg, it does not preclude regional businesses from pulling talent from other desirable young professional destinations such as the cities of Richmond and Norfolk.

  Access to a young professional workforce is particularly pertinent due to the challenge of attracting qualified workers to the area. **According to the online survey, six out of every ten business stakeholder respondents identified that they had experienced difficulty finding qualified workers for their business over the last five years.** Many respondents cited limited dining and entertainment options as well as prohibitively costly housing as a key challenge to their ability to attract talent to Greater Williamsburg.

- ✓ **Higher Education Assets:** The College of William & Mary is a critical asset in sustaining the regional talent pipeline. The College prepares numerous students for careers in the professional and technical services sector. In 2015, nearly 2,500 students completed their programs of study at the College of William & Mary according to the National Center for Education Statistics. Of the approximately 2,500 students who graduated approximately 56 percent were female and 44 percent were male. Many of these students also graduated with desirable professional and technical services skill sets. For instance, nearly 500 students graduated with a business management, marketing, or related degree while 454 graduated with a STEM-oriented degree. **Although the College of William & Mary produces capable graduates, stakeholders throughout public input noted that many of these graduates don't stay in Greater Williamsburg upon graduation. The College and private businesses are seeking solutions; however, it remains difficult to link college graduates with limited professional opportunities locally. Many identified job shadowing, summer internships, and programs like the City of Williamsburg's Life After College as potential catalysts to better connect recent graduates to regional employment opportunities. Connecting soon-to-be college graduates to young professional networks such as Young Emerging Professionals of Greater Williamsburg (YEP) is another mechanism to root young professionals in place.** Retaining graduates is an opportunity area for the Greater Williamsburg region. According to the College of William & Mary, approximately 64 percent of the William & Mary class of 2018 is from the commonwealth of Virginia and may desire to stay within the commonwealth upon graduation
- ✓ **Social Enterprises:** Greater Williamsburg is home to a number of mission-driven organizations that have the capacity to attract young professional and millennial populations into the Greater Williamsburg area. These organizations are non-traditional talent magnets. Non-profit organizations such as GuideStar, the National Center for State Courts, and AidData are capable of building new skill capacities that would otherwise not be present within the region. AidData alone boasts a highly technical workforce capable of processing and analyzing big data. While social enterprises do not directly contribute to the region's local tax digest, these organizations should be seen as an asset that can catalyze development of new workforce capabilities.
- ✓ **Office Product: During public input, stakeholders reported mixed viewpoints regarding the region's supply of office product. To some, vacant Class A office space was seen as a major competitive disadvantage for the region – only built-to-suit opportunities were seen as readily available. To others, Greater Williamsburg was seen as having sufficient office product to meet current and future demand. Survey respondents also did not give clear indication that availability of quality office space was an advantage or disadvantage for the community. Exactly 44.8 percent of survey respondents rated the region's availability of quality office space as "neutral."**
- ✓ **Air Transportation Capacity:** With the loss of low-cost carriers at Newport News/Williamsburg International Airport, regional air transportation capacity has declined in recent years. According to the United States Bureau of Transportation Statistics, passenger departures are down nearly 20 percent over a one-year period between April 2015 and April 2016. The decline is likely due to the

drop in scheduled flight departures – which also declined by approximately 20 percent during the same time period. Flight departures also decreased at the Richmond International Airport.

EMPLOYMENT TRENDS

Employment trends within Greater Williamsburg's professional and technical services sector highlight three core niches: **Management and Operations Services**, **Engineering and Technical Consulting**, and **Creative Design**. The management and operations niche encapsulates a broad range of activities that improve organizational efficiency and operations including accounting, bookkeeping, and payroll services; management consulting services; and management of companies and enterprises. Engineering and technical consulting captures a host of activity including research and development, engineering services, and geographic mapping companies. Finally, creative design businesses are typically associated with the creative economy such as architecture, advertising, graphic design, and interior design.

- ✓ **Only a handful of professional and technical services sectors have experienced growth over the last decade.** Growth in the management consulting services (65.7 percent), management of companies and enterprises (64.7 percent), computer systems design and related services (24.0 percent), interior design services (10.7 percent), other services related to advertising (273.7 percent), and all other professional, scientific, and technical services (179.2 percent) counterbalanced employment losses experienced in other subsectors. Overall regional professional and technical services employment growth (14.5 percent) underperformed relative to the national average (34.3 percent).
- ✓ Taken along with the community's quality of life offerings, the rise of management of companies and enterprise employment in the region signal that Greater Williamsburg is an attractive destination for regional offices and headquarters. **However, as the Partnership seeks to attract these headquarters operations to the region it should be mindful and selective in the types of opportunities it pursues.** For instance, administrative offices of manufacturing headquarters locations tend to generate a negligible tax base. Such operations should only be targeted if they will lead to follow-on investment such as the relocation or expansion of production or warehousing operations.
- ✓ **The Great Recession was a turning point for the regional engineering services sector.** In the five years leading up to the Great Recession, engineering services companies added 297 employees representing a gain of 61.4 percent. This rate of growth, however, would not continue after the recession. In 2016, engineering services employment remains 356 jobs below peek employment (780 jobs achieved in 2007). Overall, engineering services employment ended the last decade (2006-2016) down more than 280 jobs, a decline of 40.2 percent. The decline is particularly concerning give the strength of the engineering services sector nationally (7.8 percent) over the same time period.
- ✓ **Greater Williamsburg's professional and technical services workers tended to earn well below their national counter parts.** In 2016, the average professional and technical services employee earns roughly $62,664 annually, or more than 30 percent below the national average ($90,647).

Even considering cost of living differentials between Greater Williamsburg and other areas of the country, the wage differential between the region and the national average is significant given the highly mobile nature of professional and technical services talent who can choose to work anywhere.

Professional & Technical Services Employment Trends, 2006-2016

NAICS	Description	Location Quotient	Jobs (2016)	Net Change in Jobs (06-16)	% Change in Jobs (06-16)	Net Change in Jobs (16-26)	% Change in Jobs (16-26)	US % Change in Jobs (06-16)	Average Wages (2016)	% of U.S.
Management and Operations Services										
54161	Management Consulting Services	1.16	681	270	65.7%	277	40.6%	40.0%	$68,183	83.1%
55111	Mgmt. of Companies and Enterprises	1.26	1,302	511	64.7%	200	15.4%	26.0%	$64,479	55.7%
54121	Accounting/Tax Prep. And Bookkeeping^	0.53	292	-13	-4.4%	31	10.7%	13.1%	$51,169	80.7%
54111	Offices of Lawyers	0.39	279	-11	-3.6%	37	13.2%	-5.0%	$54,239	61.6%
Engineering and Technical Consulting										
54133	Engineering Services	0.94	424	-285	-40.2%	156	36.7%	7.8%	$66,689	73.7%
54134	Drafting Services	0.81	<10	NA	NA	NA	NA	-19.4%	NA	NA
54151	Computer Systems Design/Related Svcs.	0.50	483	93	24.0%	449	93.0%	50.3%	$73,863	72.9%
54162	Environmental Consulting Services	0.30	13	-5	-28.1%	-2	-13.4%	11.7%	$31,111	47.6%
54137	Surveying/Mapping Svcs.*	1.18	25	-36	-58.4%	-11	-41.4%	-33.2%	$45,607	85.3%
54171	R&D in the Physical/Eng./Life Sciences	0.18	52	-51	-49.7%	2	4.0%	12.7%	$54,980	41.0%
54172	R&D in the Social Sciences/Humanities	5.58	158	121	327.4%	21	13.2%	-5.8%	$71,986	101.7%
54169	Other Scientific/Tech. Consulting Svcs.	0.98	108	-7	-5.9%	12	11.0%	58.2%	$64,448	87.0%
Creative Design										
54131	Architectural Services	0.51	47	-61	-56.4%	-15	-32.3%	-10.6%	$45,494	59.5%
54132	Landscape Architectural Services	0.98	24	-5	-16.1%	-5	-21.8%	-14.1%	$36,095	77.9%
54143	Graphic Design Services	0.69	44	-4	-8.6%	-6	-13.9%	-1.0%	$33,978	80.7%
54141	Interior Design Services	1.02	43	4	10.7%	-2	-5.5%	-2.4%	$20,228	55.3%
54181	Advertising Agencies	0.12	12	-40	-76.7%	0	0.0%	8.7%	$55,903	60.9%
54189	Other Services Related to Advertising	1.06	52	38	273.7%	20	37.9%	32.1%	$42,257	78.7%
54149	Other Specialized Design Services	0.37	<10	NA	NA	NA	NA	27.4%	NA	NA
Supporting Sectors										
56111	Office Administrative Services	0.34	78	-21	-21.4%	9	12.0%	33.7%	$72,703	89.5%
56121	Facilities Support Services	2.57	174	-30	-14.6%	108	62.2%	17.5%	$64,419	131.0%
56149	Other Business Support Services	0.51	31	15	89.7%	6	19.4%	5.1%	$43,110	88.3%
54199	All Other Professional/Sci./Tech. Svcs.	1.20	124	79	179.2%	80	64.5%	83.7%	$42,696	58.7%
	Total	**0.81**	4,447	**563**	**14.5%**	**1,201**	**1,366**	**34.3%**	**$62,664**	**69.1%**
	Total, All Industries		**72,452**	**1,744**	**2.5%**	**10,886**	**15.0%**	**4.8%**	**$35,448**	**71.1%**

Source: Economic Modeling Specialists Intl. (EMSI)
*Excludes Geophysical Mapping
^Includes Payroll Services

- ✓ **While wages for professional and technical services workers are well below the national average, Greater Williamsburg's professional and technical services talent tends to be more entrepreneurial than the average community nationwide.** In 2016, roughly 14.6 percent of professional and technical services workers in Greater Williamsburg were self-employed. Nationally, only 13.4 percent of professional and technical services workers were self-employed.

The higher ratio of self-employed workers within the target sector may also explain a portion of the wage differential between the region and national annual average wages.

Even so, the self-employment data does give opportunity to the region's economic development activities related to promoting and strengthening a culture of entrepreneurship within the Greater Williamsburg region.

OCCUPATIONAL TRENDS: GREATER WILLIAMSBURG'S LABOR SHED

Professional and technical services businesses employ a diverse workforce with various skill sets and knowledge bases ranging from chief executives to operations research analysts. Within a 50-mile commute time, Greater Williamsburg boasts an 83,709 professional and technical services workforce.

The following are key occupational trends within the target sector, for a full list of the occupations that comprise the professional and technical services sector please see appendix A:

- ✓ **Technology companies relocating or expanding in the Greater Williamsburg area may find a limited pool of qualified applicants within the region's labor shed.** In 2016, employment concentrations of computer and information systems managers (LQ = 0.71), computer and information analysts (0.76), software developers and programmers (0.59), database and systems administrators and network architects (0.83), and computer support specialists (0.76) were well below the national average (1.00). **The limited availability of technology talent is having an impact on regional employers. Roughly a quarter of business leaders responding to the online survey who identified that they had trouble finding qualified employees over the last five years citied challenges with finding qualified information technology workers.**
    - ❖ Technology attraction opportunities in Greater Williamsburg may further be limited by the clustering of information technology employment in the Greater Richmond region. Employment among computer and information systems managers (LQ = 1.16), computer and information analysts (1.45), software developers and programmers (0.97), database and systems administrators and network architects (1.36), computer support specialists (1.03) were more concentrated in Greater Richmond.
- ✓ **Employers seeking to fill executive and managerial positions may also encounter a limited supply of qualified applicants.** Employment concentrations among chief executives (LQ = 0.60), general and operations managers (0.78), financial managers (0.58), and human resources managers (0.70) were 22 percent to as much as 42 percent below the national average (LQ = 1.00) in 2016. Regional offices and headquarters relocations or expansions will likely be required to attract talent from outside of the region – potentially increasing relocation or expansion costs.
- ✓ **From an occupational composition viewpoint, Greater Williamsburg does have a robust pool of potential professional and technical services talent below the managerial level.** Compliance officers (LQ = 1.34), cost estimators (1.59), management analysts (1.39), budget analysts (1.81), and first-line supervisors of office and administration workers (1.00) were sufficiently concentrated to support additional professional and technical services business activity.

TRAINING PROGRAMS

Driven by the College of William & Mary, Greater Williamsburg possesses dynamic training capacity to develop a homegrown professional and technical services workforce. The College offers a wide variety of degree offerings including business management and administration, accounting, computer and information technology, and other STEM fields. The region's training capacity is further enhanced by two-year degree capacity at Thomas Nelson Community College that can lead to a four-year degree at the College of William & Mary.

- ✓ With strong partnerships between the College of William & Mary and the University of Virginia, Thomas Nelson Community College students can complete a two-year degree before transitioning to a four-year university environment. Two-year programs of particular interest to professional and technical services employers include:
  - ❖ **Accounting** – Thomas Nelson Community College's accounting program prepares students to take the American Institute of Professional Bookkeepers (AIPB) national certification exam and covers fields of study including payroll accounting, fraud examinations, and computer accounting applications.
  - ❖ **Administrative Technology Support** – A wide-range of office administrative tasks are covered in the Administrative Technology Support program. Subjects covered under the program include office administration, editing and proofreading, database management, and advanced desktop publishing.
  - ❖ **Business Administration** – TNCC's business administration program is structured to ensure graduates are able to continue their degree at a four-year institution. Classes include core curriculum as well as business classes such as accounting and economics.
  - ❖ **Information Technology** – The information technology associates degree covers e-commerce, software design, and web design preparing students for entry level positions in the information technology sector.
  - ❖ **Paralegal Studies** – The two-year paralegal degree program prepares students for careers in criminal, business, constitutional, and family law.
- ✓ Complementing Thomas Nelson Community College's course offerings is a suite of College of William & Mary degree programs that increase the professional and technical services talent pool regionally:
  - ❖ **Accounting** – The accounting program at William & Mary prepares students for a variety of careers in the private and public spheres. Federal taxation, strategic cost management, and tax compliance are a few of the many subjects covered during the program.
  - ❖ **Business Analytics** – Offered through the Mason School of Business, the business analytics program prepares students for the growing field of analytics and data science. Subjects covered in the program include big data analytics, business intelligence development, and modeling among others.

- **Applied Statistics** – Information technology businesses, especially data science firms, increasingly require candidates with strong statistics background. William & Mary's applied statistics program teaches students to collect, analyze, interpret, and present data.
- **Computer Science** – Computer science programs are the foundation of a healthy, robust information technology sector. Along with undergraduate programs, the Department of Computer Science offers advanced degree programs at the master's and doctoral level.
- **Finance** – Graduates of William & Mary's finance program learn about equity markets, portfolio management, international finance, and private equity/venture capital among others.
- **Marketing** – Graduates of William & Mary's marketing program are prepared for marketing careers that increasingly use digital media to spread messaging. Consumer behavior and advertising strategic development is also a core focus of the program.

MARKETING IMPLICATIONS

The professional and technical services target is a growth sector for the Greater Williamsburg region. In terms of "community fit," the target sector represents a good match with both community perceptions and its quality of life. **Many stakeholders throughout public input indicated information technology and professional services companies as ideal candidates for attraction – especially given the relatively low impact information technology and professional services relocations can have on the environment and community aesthetic.**

- ✓ **Robust training capacity and a lack of strong concentrations in many professional and technical services occupations signals what many public input participants highlighted during focus group input – the region's higher education graduates often don't stay in Greater Williamsburg upon graduation.** Since a qualified workforce is an integral input of professional and technical services operations, retaining William & Mary graduates is critical to the continue the health of the sector. Internships and contract work are possible avenues to retain graduates.
  - Capturing the region's computer science graduates can make the region a more attractive destination for information technology operations. The College of William & Mary produced 66 computer and information sciences graduates and 58 mathematics and statistics graduates in 2015 according to the National Center for Education Statistics.
- ✓ Along with growing the pool of information technology talent in the region, Greater Williamsburg should also ensure adequate information technology infrastructure to support data science and analytics firms who typically require sizable bandwidth to obtain and distribute large data sets. Information technology firms also typically desire redundant capacity to maximize uptime and reduce utility costs. According to the National Telecommunications and Information Administration, Williamsburg (9th out of 134 counties), James City County (18th), and York (23rd)

ranked favorably compared to other Virginia communities in provider coverage of at least three broadband wireline providers.

- ✓ As stated in earlier portions of this report, congestion along I-64 could limit Greater Williamsburg's ability to tap professional and technical services talent pools within the city of Richmond and Norfolk. As travel times increase, prospective employees may look for opportunities close to home, even if they offer reduced pay scales. **Encouraging alternative work arrangements and expanding transit and transportation capacities could make the region a more attractive destination to professional and technical services firms.**
- ✓ Airport capacity at both the Newport News/Williamsburg and Richmond International Airports is a limiting factor for recruitment of certain corporate and headquarters operations. C-suite executives typically desire regions served by major "hub" airports.
- ✓ **According to the KPMG and the Tax Foundation, tax structure in the commonwealth of Virginia is advantageous to corporate headquarters.** The organizations found that the commonwealth's effective tax rate for a mature (12.0 percent) corporate headquarters is the 12th lowest out of 50 states. However, the commonwealth's tax structure could deter research and development headquarters recruitment – the effective tax rate of R&D headquarters operations (13.5 percent) ranked 35th out of 50 states. Greater Williamsburg should also be mindful of the impact of headquarters relocations on the tax bases of local municipalities.

4. Tourism

Definition and Overview: With deep historical ties to the American Revolution and Colonial America, the Greater Williamsburg regional economy and tourism sector are strongly intertwined. Tourism activity within the Greater Williamsburg region encompasses not only public and private entities that leverage the region's rich history but is also inclusive of businesses that provide visitors with memorable amusement, entertainment, culinary, and hospitality experiences. Along with businesses that impact the traveler's experience when visiting the region, the tourism target also captures businesses that assist travelers with their travel arrangements.

Local Companies: The following companies are an inclusive, but not exhaustive, list of tourism businesses in the Greater Williamsburg region: The Colonial Williamsburg Foundation, Jamestown-Yorktown Foundation, Busch Gardens Williamsburg, Great Wolf Lodge, and Kingsmill Resort.

Near-Term Niches: Three niches compose the Greater Williamsburg tourism target: **Hospitality**, **Traveler Engagement**, and **Arts and Culture**. Businesses within the hospitality niche are responsible for ensuring traveler comfort during their stay including providing hotel, motel, and resort accommodations; catering and culinary experiences; and personal pampering services. On the other hand, the traveler engagement and arts and culture niches are associated with businesses and non-profit operations typically thought of as tourism magnets – these businesses are responsible for generating visitation to the region.

Long-Term Niches: As the region continues to evolve its tourism product, tourism businesses and organizations responsible for the success of the tourism sector will look to build new amenities and reposition existing assets in order to attract new visitors to the Greater Williamsburg region. Potential opportunities exist in **Sporting Events** and **Outdoor Recreation**.

Character Considerations: The sheer number of historical sites and locations throughout the Greater Williamsburg region remains an important component of its tourism product. Perhaps the centerpiece of Greater Williamsburg's historical sites is Colonial Williamsburg, a living-history museum where visitors can experience the tradition of Colonial America.

National Trends: According to the World Economic Forum's 2015 Travel and Tourism Competitiveness Report, the travel and tourism sector is estimated to outpace financial services, transport, and manufacturing growth globally. As indicated by the Forum, key issues facing the tourism sector include slow global economic growth and growing terrorist threats that could impact individuals' willingness to travel within their home country or abroad. Even so, these issues were seen as not yet impacting growth within the global tourism sector. Economic Modeling Specialists Inc. estimates that the tourism sector will add roughly 2 million new jobs nationally (10.5 percent) between 2016 and 2026. While the national outlook of the tourism sector is positive, low wage employment remains a long-standing issue within the sector. In 2016, the average tourism worker ($21,913 average annual wage) earned well below the national average ($49,863) for all business sectors. To boost the potential for high wage tourism opportunities,

communities throughout the nation have pursued a wide range of specialized tourism activates including medical tourism, sports tourism, and other specialized tourism segments.

LOCATION CONSIDERATIONS AND ADVANTAGES

Due to the events at the Battle of Yorktown, Greater Williamsburg is forever engrained as a destination to learn about the American Revolution and Colonial America. As preserved sites brought tourists interested in learning about the revolutionary war to the region, living history museums arose to further enhance the traveler experience. At the same time, the sheer amount of preserved land further affords the region with a wealth of natural beauty and opportunities to promote recreational tourism.

- ✓ **Land Preservation and Recreation:** Communities with historical sites of national significance typically have large tracts of preserved land and forests held by the state or federal government. While preservation can impact capacity to accommodate new development, preserved land is also an asset. According to the Virginia Department of Forestry, local, state, and federal governments owned approximately 24,444 acres of Greater Williamsburg timberland in 2015. Combined, approximately one fourth of timberland in the region was local, state, and federally owned. The bulk of this preserved forestry space is located in York County.

  The wealth of preserved land and water amenities in the Greater Williamsburg supports a diverse array of outdoor recreational activities including hiking activities along Virginia Capital Trail, Powhatan Creek Trail, and the Colonial Parkway. Moreover, activities at the Virginia Institute of Marine Science may provide opportunities for eco-tourism in the Greater Williamsburg region.

- ✓ **Historical Sites and Museums:** As the first permanent English settlement in the Americas and the home to the concluding battle of the American Revolutionary War, the Greater Williamsburg region is the foundation of American history. The region hosts a wealth of historic sites and museums including but not limited to Yorktown Battlefield, Colonial Williamsburg, Yorktown Victory Center, the Jamestown Settlement, and the Muscarelle Museum of Art. **Although the region is home numerous historical sites and museums, stakeholders in Greater Williamsburg question whether these sites will continue to generate visitation or appeal to new, diverse audiences. Stakeholders noted that Greater Williamsburg's historical ties project a conflicting message between what the community is and what it wants to become.**

- ✓ **Amusement and Entertainment:** Complementing the region's historical sites and museums is a host of amusement attractions and entertainment amenities. Attractions such as Busch Gardens Williamsburg and Water Country USA continue to be important tourism magnets while new entertainment amenities such as the Virginia Beer Company and Copper Fox Distillery are opening new avenues for tourism visitation and market appeal.

EMPLOYMENT TRENDS

Tourism activity in the Greater Williamsburg area can be divided into three niches: Hospitality, Traveler Engagement, and Arts and Culture. Hospitality businesses provide hotel, resort, and other traveler

accommodations as well as culinary and personal care services to travelers. Greater Williamsburg's traveler engagement niche captures business activity among the community's entertainment magnets such as Busch Gardens and Water Country USA. Organizations and independent artists within the arts and culture niche add further depth to the tourism experience by reenacting historic events or creating engaging experiences through intimate performances.

Tourism Employment Trends, 2006-2016

NAICS	Description	Location Quotient	Jobs (2016)	Net Change in Jobs (06-16)	% Change in Jobs (06-16)	Net Change in Jobs (16-26)	% Change in Jobs (16-26)	US % Change in Jobs (06-16)	Average Wages (2016)	% of U.S.
Hospitality										
5615	Travel Arrangement/Reservation Svcs.	0.79	81	-85	-51.3%	-12	-14.5%	-9.9%	$22,990	43.6%
5617	Services to Buildings and Dwellings	1.58	2,023	-42	-2.0%	224	11.1%	13.9%	$22,601	94.9%
7211	Traveler Accommodation	2.98	2,546	-1,639	-39.2%	-556	-21.8%	4.6%	$22,334	76.1%
7223	Special Food Services	2.23	767	-224	-22.6%	5	0.6%	12.3%	$25,419	113.8%
7225	Restaurants and Other Eating Places	1.62	7,660	1,540	25.2%	587	7.7%	22.1%	$17,352	101.4%
8121	Personal Care Services	1.14	648	70	12.1%	93	14.4%	12.9%	$22,160	112.7%
Traveler Engagement										
7112	Spectator Sports	0.31	28	0	-1.5%	0	-1.1%	9.8%	$12,253	11.0%
7113	Promoters of Performing Arts/Sports*	0.52	34	11	46.8%	20	60.3%	44.8%	$74,093	196.8%
7131	Amusement Parks and Arcades	31.23	2,987	853	40.0%	236	7.9%	33.3%	$16,432	63.6%
7139	Other Amusement/Recreation Industries	1.74	1,076	141	15.1%	-10	-0.9%	16.6%	$19,760	100.8%
Arts and Culture										
7111	Performing Arts Companies	0.94	61	35	140.1%	56	92.3%	2.5%	$34,418	85.5%
7115	Indep. Artists/Writers/Performers	1.66	221	76	52.6%	24	10.8%	0.8%	$11,714	31.9%
7121	Museums/Historical Sites/Similar Instit.	23.61	1,713	14	0.8%	423	24.7%	27.0%	$35,208	106.1%
	Total	**1.99**	**19,845**	**749**	**3.9%**	**1,091**	**5.5%**	**10.5%**	**$20,631**	**94.1%**
	Total, All Industries		**72,452**	**1,744**	**2.5%**	**10,886**	**15.0%**	**4.8%**	**$35,448**	**71.1%**

Source: Economic Modeling Specialists Intl. (EMSI)
*Includes similar events

- ✓ **Low wage employment opportunities are emblematic of the tourism sector.** On average, Greater Williamsburg's tourism workforce earned almost $15,000 below the regional average annual wage. An abundance of part time work and the seasonality of employment opportunity diminish capacity to earn a living wage within the sector. Nationally, tourism workers earned just $21,914 annually in 2016.
- ✓ **The abundance of historical sites, living museums, and entertainment attractions engender specialization within the visitor engagement niche.** In 2016, museums, historical sites, and similar institutions (23 times more concentrated than the national average), amusement parks and arcades (31 times more concentrated), and traveler accommodations (three times more concentrated) were highly specialized in the regional economy. Supporting specialization is an atypical mix of occupations and professionals who maintain historical sites and artifacts along with occupations typically associated with the tourism sector.
- ✓ **Although tourism is a growth sector for the Greater Williamsburg region, tourism employment growth is underperforming relative to the national average.** Over the last decade (2006-2016),

the nation's tourism sector grew by 10.5 percent, outperforming the regional average (3.9 percent) by approximately 6.6 percentage points. **Underperforming tourism employment growth supports stakeholders' concerns about the impact of declining historical visitation on the region's tourism economy. Some stakeholders view the region's tourism sector in a state of flux as it adapts to new consumer behavior in the tourism sector. Many expressed excitement about the new restaurants, breweries, and distilleries that are evolving the region's tourism product and enhancing its quality of life.**

- Nationally, a 2012 report from the National Endowment for the Arts does support stakeholder input regarding declining historic site visitation. According to the Survey of Public Participation in the Arts, 23.9 percent of national respondents toured a park, monument, building, or neighborhood of historic or design value in 2012 – down a percentage point from the same survey conducted in 2008.
- There is also indication that historical visitation is declining regionally. In 2005, the Colonial Williamsburg Foundation sold 734,000 tickets to Colonial Williamsburg attractions. In 2015, the Foundation reported ticket sales of 574,300. **Nevertheless, Stakeholders expressed optimism that new leadership at the Colonial Williamsburg Foundation will positively impact visitation to Colonial Williamsburg and widen its appeal to a broader audience.**

OCCUPATIONAL TRENDS: GREATER WILLIAMSBURG'S LABOR SHED

Supporting Greater Williamsburg's tourism sector is a host of occupations that maintain and preserve historical sites, provide accommodations and hospitality services, and directly influence the traveler experience. Almost 75,000 workers within the Greater Williamsburg labor shed are employed in occupations that could be leveraged for new and existing tourism businesses.

The following are key occupational trends within the target sector, for a full list of the occupations that comprise the tourism sector please see appendix A:

- ✓ **Other sectors of the regional economy utilize the same talent pools as the tourism sector, causing shortages for particular skill sets. During focus group input, major employers in the Greater Williamsburg region noted that they often compete for general skill sets including housekeeping, building maintenance, and grounds keeping staff. This is a particular concern among major employers in tourism, higher education, and healthcare sectors.** Occupational employment data does indicate that the region's labor shed may not have sufficient concentrations of workers with these skill sets relative to the average community nationwide.

  Employment concentrations of first-line supervisors of building and grounds cleaning and maintenance workers (one percent less concentrated), building cleaning workers (six percent less concentrated), and grounds maintenance workers (twelve percent less concentrated), and general maintenance and repair workers (three percent less concentrated) were below the national average concentrations signifying a potential capacity issue.

- ✓ **Lower wages earned by tourism occupations potentially exacerbate workforce shortages**. With limited transportation alternatives, Greater Williamsburg's tourism labor shed is likely smaller than the 50-minute catchment area analyzed for this report. Put simply, it is likely that a 50-minute commute to and from work is economically unjustifiable for a portion of the region's tourism workforce. Of those occupations with shortages identified by stakeholders, only two paid an average hourly wage above $15.00: first-line supervisors of building and grounds cleaning and maintenance workers ($16.51 average hourly wage) and general maintenance and repair workers ($17.31).
- ✓ **High wage opportunities within the tourism sector do exist and are typically related to management, supervisory, and historical-site related occupations.** In 2016, food service managers ($27.36 average hourly wage); lodging managers ($30.62); archivists, curators and museum technicians ($22.60) earn above the average for the region's entire labor shed ($21.16). Moreover food service managers (29.2 percent above) and lodging managers (27.3 percent above) out earned their respective national counterparts.
- ✓ **Greater Williamsburg's effort to expand its culinary offerings is influencing occupational employment growth.** From 2009 to 2019, the region's tourism labor shed increased by 6.0 percent, adding 4,413 more workers regionally with skill sets desirable to the tourism sector. A large portion of this growth is attributable to occupational growth in the food services sector. Employment growth among fast food and counter workers (1,040 jobs gained), cooks (588), and supervisors of food preparation and serving workers (330) accounted for roughly four out of every ten tourism jobs gained in the regional labor shed.

TRAINING PROGRAMS

Developing tourism talent is usually outside of the purview of many higher education institutions who must often justify training costs with expected post-graduate earnings. Although this excludes training programs for many tourism occupations, the distinct nature of Greater Williamsburg's tourism assets does open the path for high earnings potential and training programs that prepare students for careers in select tourism fields.

- ✓ Along with the management occupations discussed in the preceding section, William & Mary offers a handful of degree programs that could lead to careers in the museum and historical preservation fields:
    - ❖ **Anthropology** – William & Mary's anthropology program is an interdisciplinary course that ties other programs and institutions into its training program including American Studies, Native Studies, History, Music, and the Colonial Williamsburg Foundation.
    - ❖ **History** – Students in William & Mary's history program have access to an award winning faculty and it is one of the top places in the nation to study American Colonial History.

- ❖ **Marine Science (Minor)** – The Marine Science minor teaches students about the complexity of marine ecosystems. The program is jointly offered by the Virginia Institute of Marine Science (VIMS) and the College of William & Mary.

- ✓ Although already discussed in previous sections, Thomas Nelson Community College offers a variety of business programs that could lead to work in the tourism sector. Aside from those programs already discussed, TNCC offers training in HVAC equipment maintenance and repair.
- ✓ The Peninsula Council for Workforce Development offers one of the only regional training programs focused on the tourism and hospitality industry. Through its partner organizations, the Council holds customer service training seminars twice a year.
- ✓ The Greater Williamsburg Chamber and Tourism Alliance's Prepare-Care-Share program is a 4-hour training course focused on developing customer services skills in the region's hospitality sector. Through the course, participants experience Greater Williamsburg's major attractions so as to better connect with travelers on a more personal level during their stay in Greater Williamsburg.
- ✓ While Greater Williamsburg does not possess significant training capacity for hospitality occupations, higher education institutions throughout the Virginia Beach region do offer hospitality related degree programs. Old Dominion University offers degree programs in Parks and Recreation Management, Tourism Management, Therapeutic Recreation, and Sport Management.

MARKETING IMPLICATIONS

With organizations already engaged in the promotion of tourism and branding the Greater Williamsburg region, the Partnership should find the best avenue to integrate business recruitment efforts with the "Find Your Freedom" campaign. The Partnership can also leverage Greater Williamsburg's tourism assets to support economic diversification and disseminate its message that Greater Williamsburg is open and ready for business.

- ✓ Tourism marketing shapes national perceptions about the quality and character of a community as well as the community's attractiveness as a destination to visit or live. **Through the Greater Williamsburg Chamber and Tourism Alliance, the Partnership can leverage existing tourism promotion which markets the region's attractiveness as a place to not only visit but also to grow a business.**
- ✓ **Leveraging the region's tourism assets in new and innovative ways could better connect the region's rich history to young audiences.** Civic hackathons or partnerships with William & Mary, Colonial Williamsburg, and entrepreneurs could lead to the development of new apps and augmented reality technologies that enhance the visitor experience.
- ✓ The large volume of preserved land and the Virginia Institute of Marine Science's preservation of marine ecosystems could allow for future ecotourism opportunities.

- ✓ Improving transportation connectivity may improve tourism employers' access to tourism talent pools far outside the Greater Williamsburg region. Affordable transportation options are critical to the tourism sector's workforce given the low average annual wages they earn.
- ✓ **The Partnership should support food and beverage entrepreneurship opportunities that directly impact the growth and diversification of the regional tourism sector.** Such activities align with the economic development authorities in the region – particularly as they relate to the redevelopment of dilapidated or blighted commercial property in the Greater Williamsburg region.
- ✓ **Expansion of tourism-related training capacity at regional higher education institutions will strengthen talent pipelines for hospitality, traveler engagement, and arts and culture businesses.** While first-line tourism occupations typically offer low earnings potential, hoteliers and managers within the tourism sector command high wages. For instance, lodging managers in the Greater Williamsburg region earned $33.08 per hour on average – approximately $9.00 an hour more than their national counterparts ($24.05). As capacity expands, the Partnership should ensure programs are not duplicative of those within the broader Virginia Beach region.
- ✓ **Improving air capacity and connectivity at airports servicing the Greater Williamsburg region could allow tourism businesses to tap new markets.** Declining air capacity at the Newport News/Williamsburg International and Richmond International Airports is a concern for the health and sustainability of the region's tourism sector. Loss of low cost carriers, such as Frontier Airlines, has impacted air capacity at the Newport News/Williamsburg International Airport. According to the United States Bureau of Transportation Statistics, passenger departures at Newport News/Williamsburg International Airport are down nearly 20 percent over a one year period between April 2015 and April 2016. Scheduled flight departures declined 2.0 percent at the Richmond International Airport over the same one year period.

5. Defense

Definition and Overview: Greater Williamsburg's defense sector is defined by numerous United States Armed Forces instillations in and proximate to the region. Armed forces institutions in and near the Greater Williamsburg region include Yorktown Naval Weapons Station, Naval Supply Center – Cheatam Annex, Camp Peary, Joint Base Langley-Eustis, and the U.S. Coast Guard Training Center. Much of the region's defense employment is housed within these military instillations as well as a sizable presence of civil servants supporting military operations. Compared to the public sector, Greater Williamsburg's private sector defense employment is far smaller and is driven by not only private defense contractors who benefit from close proximity to their customer base but also former military retirees turned entrepreneurs who have developed sustainable businesses around their defense expertise.

Local Employers: Federal military employment is largely representative of Greater Williamsburg's defense sector with a handful of private defense companies located in and proximate to the region: Yorktown Naval Weapons Station; Joint Base Langley-Eustis; and Air Vehicle Integrated Design (AVID LLC).

Near-Term Niches: As one of the nation's largest sustainable energy consumers, the Department of Defense is seeking energy flexibility in a dynamic global environment. Greater Williamsburg could leverage United States Armed Services demand for sustainable energy potentially leading to private sector growth. From a workforce availability standpoint, Greater Williamsburg makes a compelling case for locating **Sustainable Energy** operations, particularly in the nuclear energy space, in Greater Williamsburg. At the same time, the region should continue to promote private sector growth of **Defense Contractors**.

Long-Term Niches: Over the long-term, the region can build up capacity to support a **Cybersecurity** sector. Much like the data science and analytics niche, Greater Williamsburg will need to establish an engrained, competitive workforce of information technology professionals before the niche becomes a marketable opportunity. Cybersecurity firms ensure integrity of computer systems infrastructure and prevent intrusion from unwanted third parties.

Character Considerations: Greater Williamsburg community stakeholders frequently identified the region's military and state and government research institutions as a potential opportunity for innovation-led economic development. While many noted that relatively few companies have spun out of nearby government research institutions, stakeholders still view these institutions as untapped potential.

National Trends: Historically steady, the defense sector is undergoing turbulence as the United States military and the defense sector adjust to shifting threats, tightening federal military spending, and the emergence of new battlefields. Government sequestration has had an important impact in curtailing defense budgets and spending. According to the World Bank, the United States military expenditures accounted for 3.3 percent of the nation's total gross domestic product in 2015. In 2010, the highest level of spending as a percentage of GDP, national defense expenditures reached 4.7 percent of national GDP. As defense threats expand, the United States Armed Services continue to seek efficiencies and optimize military operations – the most impactful and visible process for communities across the nation is the Base Realignment and Closure (BRAC). In a March 2016 report, the Department of Defense estimated it has

excess capacity of 22 percent for its physical base infrastructure and has asked Congress for a new BRAC round. As the Department of Defense optimizes capacity the tools at its disposal are shifting to meet reduced force size and emerging threats. Cybersecurity is a growing concern for the United States Armed Forces who recently established the U.S. Cyber Mission Force, a command dedicated to attack and defend computer systems around the world.

LOCATION CONSIDERATIONS AND ADVANTAGES

Greater Williamsburg provides an advantageous strategic location proximate to numerous military instillations and multiple branches of the Armed Services. The region is an attractive destination for small-to-medium sized military contractors who gain competitive advantages from being located near their customer base – proximity is especially necessary for highly technical, sophisticated defense contracts. At the same time, retiring and discharged military personal provide a sustaining pool of defense entrepreneurs and potential defense contractors.

- ✓ **Military Veterans and Entrepreneurship:** **During public input, small businesses and entrepreneurs in the Greater Williamsburg region indicated that former military veterans are continuing work after retirement and leveraging their military experience to start and run successful defense contracting firms.** The Hampton Roads Chamber of Commerce estimates that 13,000 military personnel from military institutions throughout the Virginia Beach region enter the private sector each year. Moreover, the United States Census Bureau estimates that the Greater Williamsburg region is home to approximately 20,000 military veterans – representing 17.2 percent of its total population in 2014. Whether starting their own business or entering into a private sector business, military personal bring with them highly specialized skill sets, established relationships within the military chain of command, and knowledge of military procurement practices and regulations.
- ✓ **Defense Infrastructure:** From a private sector viewpoint, defense contractors share many similarities with professional and technical services companies. Class A office space and sufficient broadband connectivity are essential requirements to defense contractors and defense instillations operating outside of military bases. **According to the online community survey, only 31.7 percent of respondents identified the region's availability of high-speed internet as a disadvantage or a major disadvantage while 19.8 percent indicated that availability of quality office space was a disadvantage or major disadvantage. Even so, stakeholders during public input noted that defense contractors tend to favor locations outside of the Greater Williamsburg region – signifying that there may be barriers to defense contractor growth in the region.** As the Greater Williamsburg Partnership seeks to recruit defense contractors, it should remain mindful of potential competitor areas proximate to the region – such as City Center at Oyster Point.
- ✓ **Transportation Options:** Large employers, whether military or otherwise, require interconnected transportation systems for their workers. A lack of transportation options, specifically as it relates to public transit, can lengthen commute times and can negatively impact employee productivity. While data is not available for the Greater Williamsburg region specifically, data from the United

States Census Bureau does indicate a small rise in the percentage of residents in the Virginia Beach region who experience a commute time to work of 45 minutes or greater.

- ✓ **Defense Supply Chain:** According to an economic impact analysis conducted by the Hampton Roads Planning District Commission, defense-related spending activities compose a sizable portion of the region's economy (41.2 percent) and generate $35.2 billion in gross regional product. Understanding where this money is being spent could inform business attraction, retention, and expansion practices in the Greater Williamsburg region. Outside of the manufacturing sector, the United States Armed Services in the Virginia Beach region were large purchasers of professional services according to supply chain data from Economic Modeling Specialists International. In 2013, the United States Armed Services in the Virginia Beach region consumed approximately $985 million in engineering services, $947 million in research and development, $293 million in computer systems design services, and $192 million on administrative management and general management consulting services. Much of these services were acquired within the region – approximately 59.7 percent of services sourced were within the Virginia Beach region.

EMPLOYMENT TRENDS

Outside of Armed Services employment, Greater Williamsburg's defense sector shares many commonalities with the professional and technical services sector. Sophisticated military operations rely on a knowledge-based workforce as the defense supply chain data demonstrated. From computer systems design to logistics consulting, regional capacity is budding to better capture the professional services purchasing activity generated by the numerous military instillations in and around the Greater Williamsburg region. Its core niches are: **Military** and **Defense Contractors**.

- ✓ **Greater Williamsburg capacity to support defense-related cybersecurity operations will be limited in the near to medium-term.** At present, custom computer programming services (LQ = 0.30), computer systems design services (LQ = 0.71), and computer facilities management services (LQ = 0.42) sectors in Greater Williamsburg are unspecialized and unlikely to be attractive to technology-related defense firms.
- ✓ **However, growth in computer systems design services subsector could lead to future capacity to support such activities.** Over the last decade (2006-2016), computer systems design services employment grew by 57.1 percent, adding 116 jobs regionally. While the subsector underperformed relative to the national average (62.8 percent), employment projections indicate that regional subsector growth could outpace national growth over the next decade.
- ✓ **Logistics consulting services activity is specialized in Greater Williamsburg.** Although firms within the process, physical distribution, and logistics consulting services subsector may serve other business sectors, the nature of naval operations at the Yorktown Naval Weapons Station would indicate a demand for logistics consulting services. Process, physical distribution, and logistics consulting services in Greater Williamsburg is twice as concentrated as in the average community nationwide, denoting a localized competitive advantage in Greater Williamsburg.

- ✓ **Decline within the region's defense sector is a concern.** Employment loss was primarily driven by two subsectors: engineering services and federal military employment. From 2006 to 2016, engineering services employers shed 285 jobs, or 40.2 percent of their workforce. Similarly, federal military employment decreased by 229 jobs, or 10.2 percent. The decline of the region's defense sector is particularly troubling given the high average annual wages ($59,956) earned by defense sector workers and military personnel.

Defense Employment Trends, 2006-2016

NAICS	Description	Location Quotient	Jobs (2016)	Net Change in Jobs (06-16)	% Change in Jobs (06-16)	Net Change in Jobs (16-26)	% Change in Jobs (16-26)	US % Change in Jobs (06-16)	Average Wages (2016)	% of U.S.
541330	Engineering Services		424	-285	-40.2%	156	36.7%	7.8%	$66,689	73.7%
541511	Custom Computer Programming Services		128	-37	-22.6%	15	11.9%	48.9%	$81,558	78.9%
541512	Computer Systems Design Services		320	116	57.1%	417	130.5%	62.8%	$72,165	71.6%
541513	Computer Facilities Management Services		14	NA	NA	8	52.4%	21.1%	$51,593	60.0%
541519	Other Computer Related Services		21	3	17.7%	9	43.0%	8.7%	$68,434	68.5%
541611	Admin. Mgmt./General Mgmt Consulting Services		267	34	14.8%	63	23.6%	45.0%	$62,404	67.9%
541614	Process/Physical Distrib./Logistics Consulting Svcs.		128	101	364.9%	67	52.1%	46.2%	$88,282	131.5%
541690	Other Scientific and Technical Consulting Services		108	-7	-5.9%	12	11.0%	58.2%	$64,448	87.0%
541712	Research/Development in the Physical and Eng.*		47	-42	-46.9%	2	3.3%	10.9%	$52,678	42.3%
901199	Federal Gov., Civilian, Excld. Postal Service		1,104	88	8.7%	-60	-5.5%	10.9%	$58,460	71.3%
901200	Federal Government, Military		1,996	-228	-10.2%	-37	-1.9%	2.9%	$53,769	110.0%
	Total, Target Sector		**4,558**	**-242**	**-5.1%**	**651**	**14.3%**	**11.2%**	**$59,956**	**72.9%**
	Total, All Industries		**72,452**	**1,744**	**2.5%**	**10,886**	**15.0%**	**4.8%**	**$35,448**	**71.1%**

Source: Economic Modeling Specialists Intl. (EMSI)
NA = Not Available
*Includes life sciences except biotechnology

OCCUPATIONAL TRENDS: GREATER WILLIAMSBURG'S LABOR SHED

Within a 50-mile drive time, Greater Williamsburg's defense employers have access to a highly technical workforce. Approximately 74,000 workers were employed in occupations that would be attractive to relocating or expanding defense sector employers and businesses. Greater Williamsburg's occupational composition further supports the region's attractiveness to **Defense Contractors**, but also indicates potential opportunities in **Sustainable Energy**.

- ✓ According to Bloomberg New Energy Finance, the Pentagon was the nation's second largest consumer of alternative energy sources including solar, wind, biomass, and waste – consuming approximately 600 megawatts of renewable power purchase agreements. Only Google purchased more long-term contracts for renewable power. Greater Williamsburg could leverage the Pentagon's demand for sustainable energy in the future. Existing workforce concentrations could companies engaged across a wide range of sustainable energy production, particularly those servicing the defense sector.
    - ❖ Compared to the average community nationwide, Greater Williamsburg possessed high concentrations of nuclear engineers (LQ = 17.84) and nuclear technicians (2.36) – likely

driven by the nuclear demands of naval operations at the Yorktown Naval Weapons Station as well as private engineering firms within the region. Other sustainable energy occupations were less concentrated. Concentrations among solar photovoltaic installers (LQ = 1.12) and wind turbine service technicians (LQ = 0.43) were proximate to or below the national average (LQ = 1.00).

- ❖ While the Virginia Institute of Marine Science is focused on coastal and estuarine science, it could serve as an attractive resource for firms generating sustainable energy from tidal forces or oceanic sources.

- ✓ **Logistics consulting companies that provide services to the defense sector could find the region an attractive destination due to the availability of logistics occupations regionally.** In 2016, logistician occupations were 2.6 times more concentrated regionally than the average community nationwide while employment among buyers and purchasing agent was 1.5 times more concentrated.

- ✓ **Information technology skill-sets are shrinking in the Greater Williamsburg region, potentially impacting its capacity to leverage military investment and contracting related to cybersecurity.** Over the last decade, the region's information technology workforce declined by 62 positions leaving the region's total information technology workforce at approximately 9,500 workers. Moreover, employment concentrations were lower than the average community nationwide in almost all information technology occupations. Only concentrations among computer and information research scientists (LQ = 2.57) would be considered sufficient to accommodate new or expanding technology-related defense contracting operations.

TRAINING PROGRAMS

Along with higher education institution programs, Greater Williamsburg's defense sector is aided by significant training capacity within the United States Armed Services. These programs complement higher education training capacity discussed in previous sections of this report.

- ✓ Joint Base Langley-Eustis houses a variety of commands that support United States Training Activity across the United States and globe:

  - ❖ **U.S. Army Training and Doctrine Command** – The U.S. Army Training and Doctrine Command (TRADOC) is responsible for recruiting and training soldiers as well as developing adaptive leaders in the military and civilian spheres. TRADOC is also responsible for establishing Army doctrine and oversees 32 Army schools under eight Centers of Excellence.

  - ❖ **Army Training Support Center** – Through 400 soldiers, civilians, and contractors, the Army Training Support Center manages the Army Training Support Enterprise by providing oversight to programs that develop, deliver, and sustain training and education across the United States Army.

- ❖ The United States Coast Guard Training Center Yorktown provides training to thousands of Coast Guard personnel in the techniques and applications of the modern Coastguard. Training programs cover a wide array of specialties including machinery maintenance, electrical systems, and marine science among others.

MARKETING IMPLICATIONS

The presence of military activity within the Greater Williamsburg region and the broader Virginia Beach region is both a blessing and a curse. On the one hand, the large volume of defense spending in the region supports defense contractors and service providers throughout the Greater Williamsburg region. On the other hand, the region's defense sector is closely tied to rises and falls in federal defense spending. Sequestration and an ever-tightening defense budget is, however, not the only risk to the sustainability of the region's defense sector. As the United States Armed Forces continually adjust their operations to meet the nation's strategic defense needs, certain communities and defense contractors stand to benefit while others could be left behind.

- ✓ **The Greater Williamsburg Partnership should continue to support lobby efforts engaged by the Hampton Roads Military and Federal Facilities Alliance (HRMFFA).** A future Base Realignment and Closure (BRAC) round remains uncertain. The Department of Defense has identified the need for base closures, but the United States legislative branch is mulling cost effective alternatives. Engaging in business retention and expansion practices with the region's military employers is also a potential avenue to improve the community's attractiveness for United States Armed Services military operations.
- ✓ Attracting, developing, or expanding sustainable energy or cybersecurity businesses could leverage the United States Armed Forces' current needs while growing private sector defense activity. Cybersecurity firms in particular will require a robust information technology workforce. At present, information technology skill sets is an area of critical need for the Greater Williamsburg region. Improving talent attraction and, perhaps more appropriately, retaining graduates from the College of William & Mary, could assist in expanding the region's pool of qualified information technology workers.
- ✓ Logistics employment in the region is highly concentrated compared to the average community nationwide. Defense contractors or service providers may find Greater Williamsburg's pool of logisticians and purchasing agents attractive.
- ✓ **Mapping defense-related purchasing activity could give insight into the types of firms that may be attracted to Greater Williamsburg.** Tapping these supplier networks will identify businesses that gain value from being located proximate to the region's military instillations.
- ✓ **Developing startup defense businesses and leveraging military retirees could allow Greater Williamsburg's defense sector to grow from within.** Transitioning self-employed defense contractors to employer firms could enhance defense-related expansion and relocation activity.

- ✓ **The Greater Williamsburg region should prepare for the eventual loss of its HUBZone status.** As a replacement, the Greater Williamsburg region should pursue defense production zones authorized by the commonwealth of Virginia. Communities throughout the commonwealth can establish local defense production zones to incentivize businesses engaged in the design, development, or production of materials, components, or equipment required to meet the needs of the national defense. Companies that are ancillary to or support these tasks can also qualify for incentives offered through the program.
    - ❖ Defense production zone allow municipalities to create special incentives and certain flexibility for qualified businesses in the zone such as reduction of user and permit fees, special zoning treatment, exemption from local ordinances, or other incentives adopted by ordinance.
    - ❖ While the Greater Williamsburg region has two census tracts that qualify under the Small Business Administration's Historically Underutilized Business Zones (HUBZone), the SBA recently updated HUBZone designations in May 2016. Under the updated zones, both census tracts in Greater Williamsburg are considered "redesignated tract areas" and will lose HUBZone designation within the next three years.
        - ▪ Under the HUBZone program, government contractors must remain in a HUBZone in order to receive the benefits of the program. Once a former HubZone loses its designation, government contractors located in the former zone are viewed as non-compliant under the program.

MARKETING RECOMMENDATIONS

The identification of target sector opportunities is an initial step for the Greater Williamsburg Partnership on its path to attract and recruit businesses looking to relocate or expand operations. The next step is to utilize this information to effectively communicate Greater Williamsburg's value proposition as a place to do business. This message should incorporate the strengths of the region, particularly as it relates to quality of life, sense of place, and workforce capacities. The challenge before the Greater Williamsburg Partnership is not only to communicate its value proposition to a wider audience, but to do so in a way that leverages the region's existing tourism marketing activity. Without careful coordination, both messages run the risk of becoming muddled.

Economic development marketing activities engaged by the Greater Williamsburg Partnership represents an expansion of existing regional economic development capacity. While each of the municipalities of the City of Williamsburg, James City County, and York County run effective economic development programs, there remains no organization dedicated to communicating Greater Williamsburg's business case to broader national and international audience. **Community and business stakeholders responding to the online community survey indicated that the region's economic development marketing capacity is insufficient. Approximately half of all survey respondents rated Greater Williamsburg's success at "marketing the community to potential businesses considering relocation" as either unsuccessful or very unsuccessful. In comparison, only 12.0 percent of survey respondents rated the community's success at "marketing the community to potential visitors (travelers and tourists)" as unsuccessful or very unsuccessful.** Community and business stakeholder input should not be surprising as the 2010 Economic Diversification in America's Historical Triangle report identified the region's absence of marketing to businesses as a key competitive concern. An effective marketing message ensures that the region speaks with one voice and communicates a single message.

Of course, economic development marketing is more than just communicating a business case to external audiences. Successful communities with effective marketing programs align internal capacities to accommodate new business growth. Ensuring a sustainable workforce pipeline, preserving land for industrial and office use, and engaging in extensive community development are a handful of efforts engaged by effective regional economic development organizations. Put simply, economic development marketing is not only about crafting the right message and getting that message to the right audience it is also about improving upon the product that it markets.

The following marketing recommendations and considerations are placed into three primary categories:

- ✓ **External Marketing –** The Greater Williamsburg Partnership is charged with shifting national business community perceptions that Greater Williamsburg is only a destination for visitors or that Greater Williamsburg is simply a tourism community. Effective marketing tactics are covered within the External Marketing category.
- ✓ **Organizational Capacity –** Economic development marketing is more than projecting Greater Williamsburg's value proposition to a broader business audience. Indeed, reaching preferred

audiences is only half the challenge. Greater Williamsburg must also be prepared to accommodate requests for proposals, establish protocols for responding to requests for proposals, and establishing mechanisms that can hasten the development review process. These issues along with the internal capacity at the Greater Williamsburg Partnership itself are addressed in this category.

- ✓ **Product Development -** At the end of the day, establishing Greater Williamsburg's business case relies on effectively marketing the community's assets and attributes. Product development recommendations focus on avenues to enhance the region's economic development product and assets.

Since the Greater Williamsburg Partnership is focused on building its economic development marketing capacity, *Market Street* has only provided recommendations for external marketing. However, organizational capacity and continued product development in Greater Williamsburg will be critical marketing efforts. As a result, potential avenues for advancing the region's organizational capacity to accommodate new development and expand its economic development product are also discussed.

EXTERNAL MARKETING

Greater Williamsburg has a story to tell beyond its quality of life and numerous place-based amenities. The Greater Williamsburg region houses operations of Fortune 500 companies including Anheuser-Busch InBev, Wal-Mart, Owens-Illinois, Owens & Minor, and Enterprise Holdings. At the same time, the region supports numerous small to medium sized advanced metals and components manufacturers, food and beverage manufacturers, and professional and technical services companies. This is all to say that the region is not solely a tourist destination or place to retire – but a location to conduct and grow business. To spread this message, the Greater Williamsburg Partnership should engage in marketing activities that occur across multiple channels. Given the importance of relationships within the economic development profession, these marketing activities should emphasize face-to-face communications.

Economic development marketing activities should incorporate and align with all current or planned programs and activities engaged by the economic development authorities of the City of Williamsburg, James City County, and York County. Economic development retention, expansion, and development programs are increasingly an important component of business recruitment efforts. Marketing activities should similarly align with tourism promotion activities engaged by the Greater Williamsburg Chamber and Tourism Alliance.

1.1 Enhance and improve the Greater Williamsburg Partnership website to reflect the community's key competitive advantages.

The most important aspect of the Greater Williamsburg Partnership's economic development marketing activities is its web presence. A 2014 survey of site selectors and corporate decision makers by Development Counsellors International found that 67 percent of business executives and those charged with site selection decisions identified an economic development organization's website as the most effective marketing technique at a community's disposal. An economic development organization (EDO) website is often the front door to the community – a first

impression to site selectors, prospective companies, and future residents. In many respects, a website is the initial standard by which communities and organizations are judged. The online presence of an economic development organization must be its most polished marketing tool. Websites are typically the point of first contact for prospects and site selection professionals, who will only contact a community (either directly or through a state agency) once a short list of destinations, has been developed. Therefore, economic development websites must be graphically compelling, user-friendly, logically designed and structured, and provide a wealth of timely information on all aspects of the regional economy, population, physical assets, and quality of life and place amenities.

The Greater Williamsburg Partnership website gives the appearance of a professionally staffed organization capable of handling site selection and business location inquiries of all shapes and sizes. The Greater Williamsburg Partnership should ensure that its current web presence continues to be dynamic, consistently updated, interactive, and user-friendly. Given the professional quality of the website, only minor alterations are recommended to the Greater Williamsburg Partnership website including the following:

- ✓ Upon approval, the Greater Williamsburg Partnership should enhance its website and tailor its content to support target sectors and key competitive strengths identified throughout this report.
- ✓ The Greater Williamsburg Partnership should consider updating the home or landing page of the website to direct users to key pieces of information or highlight the region's competitive strengths as well as incorporate links to tourism promotion organizations including the Greater Williamsburg Chamber and Tourism Alliance and other entities where appropriate
    - ❖ At present, the homepage successfully portrays the region's logistics and distribution capacity – however, it could better communicate Greater Williamsburg's strengths in terms of its scientific and engineering labor pool, research and development capacity proximate to the region, and advantages as a hub for professional and technical services.
    - ❖ On initial glance, the Partnership homepage does not adequately communicate where the community is located within the United States or what constitutes the "Greater Williamsburg" area. For someone with familiarity with the region, the home page content flows naturally, but an outsider may have trouble understanding which communities the Greater Williamsburg region represents.
    - ❖ Given water availability concerns, highlighting Stonehouse Commerce Park may not be an ideal candidate to display so predominately on the Partnership's home page. Alternatively, proprieties in Green Mount Industrial Park may be a more appropriate property to feature.
- ✓ Workforce information contained within the Greater Williamsburg Partnership website should be greatly expanded and encapsulate the broader Greater Williamsburg labor shed.

- ✓ The Greater Williamsburg should scan the website to ensure that it is free of typos or other errors.
    - ❖ Links to external websites should be checked for accuracy, ensuring that links lead to desired pages.

1.2 Continue to promote the Greater Williamsburg region through social media channels.

Leveraging social media as a tool for business and economic development marketing is a relatively new practice, but one that is expanding and evolving every year. Organizations that are able to capitalize on new and dynamic tools with flexibility, discretion, and targeted success can reach new markets and building trust and communication among existing audiences. There are many reasons for economic practitioners to utilize social media networks and tools; principal among them is being able to contribute and guide online conversations that are shaping how communities are perceived and promoted.

Greater Williamsburg Partnership should continue and expand its **social media** presence across several venues. Accounts to be maintained include LinkedIn, Twitter, and Facebook. Greater Williamsburg Partnership may consider alternative social media platforms including Instagram and Periscope and reevaluate social media platforms on an annual basis.

1.3 Identify opportunities to promote the Greater Williamsburg region as a place to do business through third-party media channels.

Through "**earned media**," communities win coverage by reaching out to and interacting with a third-party channel. This type of coverage carries the most legitimacy and authenticity as it is part of an ongoing information flow. Of course, "earned media" cannot be controlled and can, at times, be negative. The proverbial "buzz" is a type of earned media, and usually the result of a strategic media relations effort. To identify and generate "earned media," the Greater Williamsburg Partnership could work with the Greater Williamsburg Chamber and Tourism Alliance, Colonial Williamsburg, or Busch Gardens Williamsburg to identify areas of "earned media" opportunities between the Partnership and its tourism organizations.

The recent BuzzFeed article chronicling a trip from the Williamsburg neighborhood in Brooklyn to Williamsburg, Virginia is an example of the potential for "earned media" to generate attention especially in its capacity to connect to young audiences. Establishing a point of contact for third party media outlets may further facilitate earned media opportunities.

1.4 Identify high-value marketing mission and external trip locations for lead generation.

Planned trips to corporate executives should be scheduled to locations that can serve as fertile prospect markets for the advancement of Greater Williamsburg's target sectors. Destinations should include areas identified through supply chain mapping, business retention and expansion visits, or the headquarters of a corporation with a presence already in the Greater Williamsburg region.

Comprehensive research should be conducted to determine travel locations that yield the highest value.

Both international and national trip visitation should be coordinated with the Virginia Economic Development Partnership and other key personnel at the commonwealth of Virginia to ensure external trips generate adequate return on investment. Moreover, the Virginia Economic Development Partnership sponsors numerous international travel opportunities – it is recommended that the Greater Williamsburg only travel to international countries with strong ties to the region or are major trading partners with the Port of Virginia. Upcoming international opportunities include:

- ✓ Italy Technology Expo 2016
- ✓ United Kingdom Technology Expo 2016
- ✓ Trade Mission to Colombia and Peru
- ✓ Trade Mission to India
- ✓ Trade Mission to Poland and Czech Republic

Corporate headquarter leads are typically generated through state-level economic development departments. Building close relationships with the commonwealth's economic development representatives will likely improve corporate headquarter lead generation for the Partnership. At the same time, the Greater Williamsburg Partnership should focus its planned visitation on hub and regional offices that align with the business sectors identified in the Professional and Technical Services target definition.

1.5 Leverage Greater Williamsburg's attractiveness as a place to visit by hosting corporate decision-makers and site selection professionals.

The Greater Williamsburg Partnership can leverage **in-bound marketing opportunities** that play to the community's strengths as a tourism destination. Planned excursions to locations throughout the Greater Williamsburg region will allow the Partnership to develop relationships with visiting executives, business owners, and site-selection professionals. Hosting site selectors in Greater Williamsburg should be done in concert around high profile or one-time events. The Greater Williamsburg Chamber and Tourism Alliance will likely be a strong partner in identifying opportunities and ensuring success of any in-bound marketing activities engaged by the Greater Williamsburg Partnership. Such in-bound marketing opportunities include the following:

- ✓ LPGA Kingsmill Championship
- ✓ Williamsburg Fall Arts
- ✓ Busch Gardens Bier Fest
- ✓ Williamsburg Harvest Celebration
- ✓ Yorktown Victory Celebration

Along with these in-bound opportunities, the Greater Williamsburg Partnership should continue to leverage the William and Mary homecoming as a potential lead generation resource. Former alumni

who are now in leadership positions at their company may be influenced to relocate company operations to the region or may know of other business leaders who are seeking a quality of life improvement. Further, the Greater Williamsburg Partnership may also attract targeted industry conferences to the region – allowing the Partnership to display the region's quality of place offerings while building relationships within key leaders in its targeted industry sectors.

1.6 Work with economic development professionals in the Greater Williamsburg region and at the Virginia Economic Development Partnership to plan high value external travel opportunities.

Typically associated with industry sectors (aviation, biotechnology, etc.) or real estate associations (NAI, SIOR, CORENET, etc.), these shows and events can be ways to invest in marketing opportunities geared towards local target sectors or communicate to site consultants and real estate professionals the community's competitive strengths and targeted opportunities. While they can be useful, these trips are often cost-intensive (travel, booth display, marketing materials, etc.) and crowded, with hundreds of competing communities vying for attendees' attention. Local communities should always try to piggyback trips with regional or state organizations that might help shoulder the financial burden. On the whole, marketing missions tend to provide more value than these industry events and should be prioritized as necessary.

Conferences and meetings that align with the Greater Williamsburg Partnership's adopted target sectors should only be attended in coordination with state economic development partner organizations. Securing resources to attend high-value meetings with partners from the Virginia Economic Development Partnership (VEDP) could enhance the effectiveness of trade show, conference, and meeting attendance. Upcoming industry specific conferences and meetings sponsored by the VEDP include the following:

- ✓ AUSA Annual Meeting and Exposition
- ✓ Innovative Energy Solutions for Military Applications 2016
- ✓ ISDEF 2017
- ✓ Feria Aeroespacial México

During the first year of implementation, it is advised that staff from the Greater Williamsburg Partnership solely attend conferences and meetings throughout the southeastern region– that align with its target sectors and niche opportunities. As financial resources build out in years two through five, it is recommended that Greater Williamsburg Partnership focus its travel and marketing activities on an equal mixture of international and domestic conferences and meeting attendance.

1.7 Tailor marketing materials and sales "pitches" to reflect marketing implications for each target sector identified within the Greater Williamsburg Target Sector Analysis.

Economic development marketing materials and approaches must be tailored to each individual industry sector currently targeted by the Greater Williamsburg Partnership. All business sectors are not created equal. An executive of an advanced materials and components manufacturer may find production workforce capacity, industrial electricity rates, and proximity to the Port of Virginia as

critical location factors while another executive in the professional and technical services sector may find the region's scientific and technical workforce an influential consideration guiding a relocation or expansion decision. Throughout the Greater Williamsburg Target Sector Analysis are key marketing implications for each sector, which should shape and inform marketing material, tactics, and "sales pitches."

Similarly, the Greater Williamsburg Partnership should develop "talking points" that discuss the challenges and solutions to key regional economic development issues including but not limited to: water availability, existing economic development product, information technology workforce capacity, and transportation infrastructure among others. Site selectors and corporate executives often know about community challenges well before they visit the region – what is important is not the challenges themselves but whether the community is proactively addressing its most critical economic development challenges.

1.8 Leverage existing business visitation to identify supplier relationships that can drive business recruitment.

The Greater Williamsburg Partnership should leverage existing economic activities engaged by the economic development authorities of the city of Williamsburg, James City County, and York County to adapt and evolve economic development marketing strategies. More specifically, the Greater Williamsburg Partnership should attend high-value existing industry visits along with appropriate economic development staff to both understand the advantages and challenges of businesses operating within its target sectors as well as identify important supply chain linkages that could lead to new business recruitment opportunities.

As economic development marketing strategies engaged by the Greater Williamsburg Partnership become more sophisticated, the Partnership should engage in a more extensive and detailed process of mapping supply chains within each target sector. Supply chain mapping can inform planned trips to executives or high-value conferences or meetings.

1.9 Pursue co-branding opportunities with the economic development authorities of Greater Williamsburg.

Business executives and site selectors look for communities that "sing with one voice." This is to say, they actively assess a community's capacity to work together to recruit, retain, or expand their business operations. Visiting business executives and site selectors constantly search for conflicts in the community, especially in multi-jurisdictional regions. Adopting a common brand among the economic development authorities of the city of Williamsburg, James City County, and York County could further cement regional cooperation and send a positive message to corporate executives or site selectors. The economic development authorities should seek approval from their respective boards and local elected leadership before moving forward. To gain support, the Partnership should communicate the importance of a shared brand as well as the potential value it could generate among a broader business audience.

- ✓ To reduce cost, the economic development authorities of Greater Williamsburg could augment the existing partnership logo to incorporate their organization. Alternatively, the economic development authorities could hire a design consultant to develop co-branded logos, marketing material, and other marketing collateral.

1.10 Develop a distribution protocol for leads generated by the Greater Williamsburg Partnership.

Regional economic development organizations throughout the United States handle lead generation differently. However, each process conforms to the relationships and norms of the local region. In some regions, only communities with attractive sites that fit lead criteria are given opportunity to respond to a request for proposal. In others, each community underneath the economic development marketing umbrella is given opportunity to respond to all requests for proposals – ensuring fair competition and limiting potential for favoritism (perceived or otherwise). The economic development authorities of Greater Williamsburg should reach an agreement on how leads generated through Greater Williamsburg Partnership's activities will be distributed as well as establish the protocol for responding to these proposals. Lead distribution protocol should be established before the Greater Williamsburg Partnership actively engages in external marketing activities.

1.11 Communicate economic development incentive offerings that support target sector development.

Regional economic development organizations typically collect and report all incentive programs applicable to prospective businesses looking to relocate into the region. Marketing materials and electronic collateral offered by the Greater Williamsburg Partnership should act as a one-stop source for all incentive programs offered by municipal economic development authorities as well as applicable state incentive programs. For instance, the Partnership website does not currently list commonwealth discretionary programs, such as the Commonwealth's Development Opportunity Fund, which is designed as a "deal closing" fund to secure company location or expansion in Virginia, on its website. Other potential incentive programs to advertise include the Virginia Economic Development Incentive Grant, the Corporate Income Tax Credit, and workforce development training incentives such as customized training programs offered through the commonwealth's community college network.

Along with these incentive programs, the Greater Williamsburg region may seek new designations under current commonwealth incentive programs. Obtaining one or more technology zone or defense zone designations can supplement the region's efforts to expand shovel-ready sites in the region. Qualified businesses locating or expanding operations in a zone can receive a variety of local waivers including permit and user fees, local tax incentives, special zoning treatment, or exemption from ordinances. Such designations can supplement efforts to develop shovel-ready sites within the Greater Williamsburg region.

1.12 Confirm that the Greater Williamsburg Partnership needs to be the point-of-contact for the Greater Williamsburg region.

Often times, economic development professionals at the state or national level desire a point person that acts as the day to day contact for a region. Along with day to day communication, a regional point-of-contact is similarly responsible for managing relationships with state and national economic development partners as well as the site selection community. The economic development authorities should identify an appropriate point-of-contact for the Greater Williamsburg region.

ORGANIZATIONAL CAPACITY

External marketing activities engaged by the Greater Williamsburg Partnership will require time and resources. There are a variety of methods in which the regional economic development authorities can meet the time and resource requirements of the Greater Williamsburg Partnership. At present, the Greater Williamsburg Partnership is a shared responsibility between the economic development authorities of Greater Williamsburg. While there is nothing inherently wrong a cooperative marketing model, filling out at least basic staff capacity at the Greater Williamsburg Partnership will establish accountability for marketing effectiveness, lead generation, and prospect management. Further, staff capacity at the Greater Williamsburg Partnership should lighten the load of the municipal economic development authorities allowing them to focus on other economic development activities.

Establishing and filling an executive director position at the Greater Williamsburg Partnership would allow the region's economic development authorities to focus their economic development efforts on existing operations including business retention, expansion, and development while providing an oversight role in the Partnership's economic development marketing activities. Due to the core mission of the Greater Williamsburg Partnership, the executive director's roles and responsibilities should be heavily focused on economic development marketing and project initiation:

- ✓ Oversee efforts involving external and internal marketing, public relations, website development and maintenance, branding and graphic identity, and serve as the Partnership's point of contact to investors and the media.
- ✓ Coordinate scheduling of prospect visitation, mission trips, inbound marketing events, and other high value marketing initiatives.
- ✓ Provide point-of-contact services for economic development leads generated through the Virginia Economic Development Partnership, Launchpad, and other sources if desired by the economic development authorities of Greater Williamsburg.
- ✓ Coordinate with the Virginia Economic Development Partnership to ensure that the Greater Williamsburg Partnership's target sectors are integrated into national and international marketing efforts, initiatives, websites, and collateral.
- ✓ Build relationships with economic development organizations in the Hampton Roads and the Richmond regions and identify mutually beneficial advocacy positions.
- ✓ Report the status of ongoing projects and prospects/lead management to the regional organization's public and private partners.

Ideal candidates should have strong economic development project manager experience, possess strong interpersonal skills with the ability to build relationships across multiple constituencies, and possess robust knowledge of all available economic development incentives offered in the commonwealth of Virginia, and hold familiarity with the Greater Williamsburg region.

Along with the executive director, the Greater Williamsburg Partnership could consider the addition of an assistant to help carry out the roles and responsibilities of the director. The assistant would be responsible for social media campaigns, website maintenance, staffing target council meetings, and communicating with staff from the economic development authorities of Greater Williamsburg.

Other organizational considerations include creation of "target sector councils" that support existing business retention and expansion efforts in the Greater Williamsburg region and, at the same time, inform economic development marketing strategies.

Economic development business attraction practices are shifting towards a "continuing care" model whereby the economic development organization maintains close contact with the relocated or expanded company. This shift is largely due to the realization among corporate executives that economic development organizations are only around "when they need something from me or I need something from them." While the Greater Williamsburg Partnership will likely not possess adequate staff capacity to develop a fully-fledged continuing care operation, it could establish "target sector councils" as a substitute in lieu of a "continuing care" model. Many great leads come from existing firms.

Target Sector Councils would be charged with identifying core issues of their target sector and work collectively to address these issues. The economic development authorities of the Greater Williamsburg region would likely need to devote staff capacity to support council facilitation.

Finally, throughout public input, business stakeholders, entrepreneurs, and real estate developers acknowledged the significant regulatory burden of opening a business in the Greater Williamsburg region. Development review processes from initial submittal to final approval can often take a prohibitively long time to complete. As the Economic Diversification Task Force stated in its 2010 Economic Diversification in America's Historical Triangle report "Our normal bureaucratic processes in re-zoning and site approval make it difficult to predict if and when projects might be approved." **Online survey respondents tended to agree, 49.1 percent rated the region's "ease and speed of permit review process" as disadvantageous.** An expedited review process could reduce the turn-around time for economic development projects deemed critically important to the region's economic growth and diversification. Components of the expedited review process may include:

- ✓ Designation of a "project concierge" to assist the applicant through the expedited approval process.
- ✓ Establishment of an "expedited review" team composed of appropriate staff from the municipalities of the city of Williamsburg, James City County, and York County to address development review issues in a single expedited process.

- ✓ Hold a preliminary review meeting with the architect, developer, and/or project applicant to resolve any code interpretation questions.
- ✓ Provide mechanism for "next day" inspection services throughout the design review process.

Expedited review processes can often take considerable staff time and energy to complete along with requiring municipal governments to redefine permitting review protocols. This is to say that expedited review processes should not be taken lightly. As a result, the Greater Williamsburg Partnership along with its municipal partners should establish specific criteria that would qualify economic development projects for an expedited review process. Potential criteria may include:

- ✓ Project's capacity to positively impact the region's economic diversification
- ✓ Project's capacity to promote sizable job creation in the region
- ✓ Project's capacity to provide high-wage opportunities to regional residents
- ✓ Project's capacity to positively diversify tax base of the local municipality in which it will locate

The municipalities could create a metric-driven "grading system" that qualifies projects to undergo expedited review. Business relocation and expansion projects that fall within the **Advanced Materials and Components**, **Food and Beverage**, **Professional and Technical Services**, and private sector **Defense** businesses should be given priority under the grading system. Given the desire to diversify the regional economy, **Tourism** businesses should not qualify for the expedited review process. The expedited review process should act as a supplement to a shovel-ready sites program.

PRODUCT DEVELOPMENT

Economic development marketing is not simply about selling a community to outside audiences. High performing economic development organizations understand that "what" they are featuring in marketing campaigns and initiatives is as important as "how" they sell it or "who" they sell it to. This is to say that economic development organizations charged with marketing their community are actively engaged in developing the product and advancing workforce and community development initiatives that place their communities on a sustainable path to prosperity. As a new organization with limited staff capacity and a limited mission, the Greater Williamsburg Partnership will likely possess only some capability to improve and expand the regional asset base. However, over the near-term, there are a few key influence areas that the Greater Williamsburg Partnership could actively support through partner organizations.

Economic Development Product: Although the region may not have the desire to attract a "mega" project, the economic development authorities of the Greater Williamsburg region and the Greater Williamsburg Partnership should continue to work toward expanding the region's capacity to accommodate new business growth. A relative lack of attractive, shovel-ready sites can undermine a community's capacity to effectively recruit new corporate investment and, to some extent, support the expansion of businesses already in the Greater Williamsburg region. Given the limited available land in the city of Williamsburg, these efforts will likely rely on the municipalities of James City County and York County. However, as

identified by the Economic Diversification Task Force, the economic development authorities of Greater Williamsburg could work towards a shared-revenue business park for office or industrial users.

Establishing a small work group composed of economic development authority representatives, private sector businesses, commonwealth economic development officials, relevant local government staff and leadership, and utility providers could assist efforts to expand the region's economic development product. The work group would ideally review existing inventory, prioritize sites for evaluation and improvement, and begin to work towards higher levels of readiness as defined by the Virginia Business Ready Sites Program.

As regional economic development authorities and the Greater Williamsburg Partnership seek to build out its economic development product, it could leverage funds offered through the Virginia Business Ready Sites Program potentially culminating in at least one Tier 5 site as defined by the site ready program.

Workforce Development: The Greater Williamsburg region unquestionably has critical skill gaps within its regional labor shed. For instance, information technology businesses are unlikely to find Greater Williamsburg a desirable destination due to limited workforce availability. While the region should engage in talent attraction efforts, retaining existing graduates could prove a less challenging and more cost effective method to expand the regional workforce and fill critical skill gaps. The Greater Williamsburg Partnership could support existing talent retention efforts already occurring in the region including the City of Williamsburg's Life After College program. Along with these supporting efforts, the Greater Williamsburg Partnership may also look towards new retention programs that focus on particular skill gaps and connect higher education students to internship and job shadowing opportunities at employer firms throughout the region.

Advocacy: The Greater Williamsburg Partnership could leverage its status as a 501(c) 6 organization to pursue issue positions that positively impact regional economic growth and development. Such an agenda should work in partnership with institutions or advocacy organizations in the region – such as the Greater Williamsburg Chamber and Tourism Alliance, the College of William & Mary, Thomas Nelson Community College, the United States Armed Forces, and Peninsula Council for Workforce Development among others – to ensure that the region speaks as one voice.

During its advocacy efforts, the Greater Williamsburg Partnership will likely identify areas of opportunity and mutual interest with economic development and advocacy organizations within the Hampton Roads Corridor and the Greater Richmond region. The Partnership should seize upon these opportunities where appropriate. As a mid-point between the Greater Richmond region and the Virginia Beach region, Greater Williamsburg could benefit from improved connection and cooperation between and among both regional economies.

Place-making: Although "bricks and mortar" continues to be an important criteria for relocating and expanding companies, talent availability and workforce quality are now equality important in location decision-making. Businesses are increasingly worried about the overall impact of the retirement of the baby boom generation as it relates to capacity to support and grow their business operations. As a result, communities across the country are relying on the quality of their built environment and entertainment

amenities to recruit and retain talent and businesses alike. The Greater Williamsburg Partnership should support place-making efforts engaged by the municipalities throughout the Greater Williamsburg region including the revitalization of dilapidated or blighted commercial properties.

To support place-making efforts, the Greater Williamsburg Partnership could spend a portion of its attraction and retention activities recruiting smaller companies that enhance place-making efforts regionally. These opportunities will likely be among small batch food and beverage companies who can fit into existing zoning without running into significant non-conforming use issues. Along with attraction efforts, the region may investigate the viability of a commercial kitchen in the Greater Williamsburg region to promote homegrown food and beverage companies.

Conclusion

The Great Recession represented a turning point for economic diversification within the Greater Williamsburg region. Like many communities throughout the nation, Greater Williamsburg must find a new path towards economic sustainability. In finding this path, the Greater Williamsburg region is not without its guide-posts. The region is home to numerous marketable assets that can entice new businesses to relocate or expand their operations within the Greater Williamsburg region. These assets extend well beyond the region's quality of life – and include a diverse mix of scientific, engineering, and technical knowhow, an internationally renowned education institution, budding culinary scene, and destinations forever engrained in the national consciousness. As the Greater Williamsburg region looks to the future, it must also look to opportunities outside of its geographic and administrative boarders. As a midpoint between the Greater Richmond and Virginia Beach regions, the Greater Williamsburg regional economy could stand to prosper if both economies were more strongly intertwined. Improving economic relationships between the Greater Richmond region and the Virginia Beach region could yield increased economic activity for communities in the Greater Williamsburg region so long as its infrastructure and development can sustain and accommodate new growth.

This Greater Williamsburg Target Sector Analysis is only a starting point for advancing regional prosperity. Once begun, it is a process that will require significant attention now and long into the future. The dividends of its activities will promote the economic security and wellbeing of the region's current and future residents as well as their posterity.

Appendix A: Occupational Tables

Advanced Materials and Components, Workforce Trends 2006-2016

SOC	Description	2016 Jobs	2016 LQ	10-Year Jobs Change	U.S. 10-Year Jobs Change	Median Hourly Earnings	U.S. Ratio
Production Occupations							
11-3050	Industrial Production Managers	304	0.65	-9.6%	-8.2%	$49.29	110.1%
11-3060	Purchasing Managers	198	0.99	5.8%	2.0%	$54.04	106.3%
11-3070	Transportation, Storage, and Distribution Managers	270	0.86	6.8%	7.4%	$47.03	115.3%
13-1080	Logisticians	929	2.57	17.1%	9.5%	$36.33	101.7%
15-1110	Computer and Information Research Scientists	173	2.32	19.2%	23.6%	$49.55	96.3%
15-1140	Database and Systems Administrators and Network Architects	1,486	0.83	-1.7%	8.9%	$38.39	96.7%
17-2010	Aerospace Engineers	602	3.12	25.4%	3.7%	$55.64	107.9%
17-2040	Chemical Engineers	42	0.45	-13.9%	2.1%	$41.54	88.2%
17-2060	Computer Hardware Engineers	142	0.64	-30.9%	1.5%	$53.81	102.8%
17-2070	Electrical and Electronics Engineers	1,517	1.75	2.8%	-2.2%	$40.51	89.1%
17-2120	Marine Engineers and Naval Architects	439	19.96	19.5%	12.6%	$41.02	90.9%
17-2130	Materials Engineers	59	0.86	2.0%	-0.9%	$50.92	119.2%
17-2140	Mechanical Engineers	1,195	1.55	10.9%	2.6%	$39.96	99.2%
17-3010	Drafters	1,242	2.14	-3.4%	-10.6%	$24.69	97.1%
17-3020	Engineering Technicians, Except Drafters	2,924	2.42	7.2%	-1.4%	$31.23	115.4%
19-4030	Chemical Technicians	145	0.82	37.4%	2.7%	$21.73	100.6%
49-2090	Miscellaneous Electrical and Electronic Equipment Mechanics, Installers, and Repairers	952	1.40	-2.0%	-1.3%	$25.23	107.0%
51-1010	First-Line Supervisors of Production and Operating Workers	2,318	1.38	3.1%	-9.0%	$30.91	115.7%
51-2010	Aircraft Structure, Surfaces, Rigging, and Systems Assemblers	<10	0.08	NA	13.1%	NA	NA
51-2020	Electrical, Electronics, and Electromechanical Assemblers	399	0.54	-12.0%	-9.1%	$14.35	96.2%
51-2040	Structural Metal Fabricators and Fitters	329	1.51	-5.1%	-10.2%	$15.61	87.9%
51-2090	Miscellaneous Assemblers and Fabricators	2,493	0.63	-16.0%	-8.1%	$12.88	93.2%
51-4010	Computer Control Programmers and Operators	227	0.47	-5.6%	5.9%	$19.73	105.7%
51-4020	Forming Machine Setters, Operators, and Tenders, Metal and Plastic	109	0.32	-33.5%	-20.6%	$16.41	97.4%
51-4030	Machine Tool Cutting Setters, Operators, and Tenders, Metal and Plastic	239	0.26	-36.3%	-21.7%	$14.88	94.1%
51-4040	Machinists	1,335	1.22	8.8%	3.3%	$22.78	117.5%
51-4050	Metal Furnace Operators, Tenders, Pourers, and Casters	94	1.19	-15.6%	-17.6%	$19.76	105.3%
51-4060	Model Makers and Patternmakers, Metal and Plastic	13	0.49	-24.1%	-16.8%	$19.80	90.9%
51-4070	Molders and Molding Machine Setters, Operators, and Tenders, Metal and Plastic	316	0.84	-25.5%	-23.1%	$16.60	117.2%
51-4080	Multiple Machine Tool Setters, Operators, and Tenders, Metal and Plastic	65	0.24	-24.2%	-9.7%	$9.61	58.2%
51-4110	Tool and Die Makers	192	0.93	-13.3%	-17.4%	$26.05	107.3%
51-4120	Welding, Soldering, and Brazing Workers	2,418	1.96	2.6%	-7.5%	$20.84	114.9%
51-4190	Miscellaneous Metal Workers and Plastic Workers	594	2.17	-8.2%	-21.3%	$21.12	126.1%
51-9010	Chemical Processing Machine Setters, Operators, and Tenders	141	0.46	10.9%	-0.9%	$21.16	97.1%
51-9030	Cutting Workers	100	0.46	-34.0%	-16.8%	$15.52	103.9%
51-9040	Extruding, Forming, Pressing, and Compacting Machine Setters, Operators/Tenders	93	0.50	-17.7%	-16.7%	$17.03	109.8%
51-9050	Furnace, Kiln, Oven, Drier, and Kettle Operators and Tenders	53	0.93	-21.3%	-19.0%	$19.02	110.5%
51-9060	Inspectors, Testers, Sorters, Samplers, and Weighers	1,041	0.75	-1.0%	-4.2%	$21.00	119.9%
51-9120	Painting Workers	537	1.17	1.8%	-8.6%	$20.54	122.0%
51-9140	Semiconductor Processors	<10	0.08	NA	-19.1%	NA	NA
51-9190	Miscellaneous Production Workers	1,750	0.74	-19.2%	-11.2%	$14.66	109.2%
Research and Development							
17-3030	Surveying and Mapping Technicians	184	1.23	-19.7%	-10.5%	$17.56	85.2%
19-2010	Astronomers and Physicists	188	3.51	31.8%	15.1%	$41.89	78.9%
19-2020	Atmospheric and Space Scientists	107	3.41	33.5%	18.5%	$41.37	98.9%
19-2030	Chemists and Materials Scientists	192	0.74	26.1%	4.8%	$35.64	98.3%
19-2040	Environmental Scientists and Geoscientists	308	0.83	16.0%	13.3%	$33.40	90.9%
19-2090	Miscellaneous Physical Scientists	154	2.04	21.0%	12.6%	$47.48	102.8%

Source: Economic Modeling Specialists Intl. (EMSI)

NA = Data Not Available

Food and Beverage, Workforce Trends 2006-2016

SOC	Description	2016 Jobs	2016 LQ	10-Year Jobs Change	U.S. 10-Year Jobs Change	Median Hourly Earnings	U.S. Ratio
Production							
11-3050	Industrial Production Managers	304	0.6	-9.6%	-8.2%	$49.29	110.1%
11-3070	Transportation, Storage, and Distribution Managers	270	0.9	6.8%	7.4%	$47.03	115.3%
13-1020	Buyers and Purchasing Agents	1,814	1.5	6.9%	1.1%	$31.38	110.6%
13-1080	Logisticians	929	2.6	17.1%	9.5%	$36.33	101.7%
17-2020	Agricultural Engineers	33	4.6	15.5%	11.4%	$29.86	87.4%
17-2040	Chemical Engineers	42	0.4	-13.9%	2.1%	$41.54	88.2%
17-2110	Industrial Engineers, Including Health and Safety	620	0.8	-3.1%	-2.3%	$41.32	103.8%
17-3020	Engineering Technicians, Except Drafters	2,924	2.4	7.2%	-1.4%	$31.23	115.4%
19-1010	Agricultural and Food Scientists	37	0.4	-1.8%	8.6%	$28.48	97.0%
19-2030	Chemists and Materials Scientists	192	0.7	26.1%	4.8%	$35.64	98.3%
19-4010	Agricultural and Food Science Technicians	15	0.2	-4.6%	9.7%	$17.77	105.4%
19-4030	Chemical Technicians	145	0.8	37.4%	2.7%	$21.73	100.6%
51-1010	First-Line Supervisors of Production and Operating Workers	2,318	1.4	3.1%	-9.0%	$30.91	115.7%
51-2090	Miscellaneous Assemblers and Fabricators	2,493	0.6	-16.0%	-8.1%	$12.88	93.2%
51-3010	Bakers	286	0.5	-5.6%	14.9%	$11.10	96.5%
51-3020	Butchers and Other Meat, Poultry, and Fish Processing Workers	747	0.7	1.9%	3.0%	$11.58	91.9%
51-3090	Miscellaneous Food Processing Workers	459	0.7	-4.9%	4.8%	$11.01	84.6%
51-4010	Computer Control Programmers and Operators	227	0.5	-5.6%	5.9%	$19.73	105.7%
51-4020	Forming Machine Setters, Operators, and Tenders, Metal and Plastic	109	0.3	-33.5%	-20.6%	$16.41	97.4%
51-4030	Machine Tool Cutting Setters, Operators, and Tenders, Metal and Plastic	239	0.3	-36.3%	-21.7%	$14.88	94.1%
51-4060	Model Makers and Patternmakers, Metal and Plastic	13	0.5	-24.1%	-16.8%	$19.80	90.9%
51-4070	Molders and Molding Machine Setters, Operators, and Tenders, Metal and Plastic	316	0.8	-25.5%	-23.1%	$16.60	117.2%
51-4080	Multiple Machine Tool Setters, Operators, and Tenders, Metal and Plastic	65	0.2	-24.2%	-9.7%	$9.61	58.2%
51-4190	Miscellaneous Metal Workers and Plastic Workers	594	2.2	-8.2%	-21.3%	$21.12	126.1%
51-9020	Crushing, Grinding, Polishing, Mixing, and Blending Workers	529	1.0	9.7%	-8.7%	$15.92	98.9%
51-9040	Extruding, Forming, Pressing/Compacting Machine Setters, Operators/Tenders	93	0.5	-17.7%	-16.7%	$17.03	109.8%
51-9060	Inspectors, Testers, Sorters, Samplers, and Weighers	1,041	0.8	-1.0%	-4.2%	$21.00	119.9%
51-9110	Packaging and Filling Machine Operators and Tenders	754	0.7	3.6%	0.5%	$14.99	116.0%
Distribution							
53-1020	First-Line Supervisors of Helpers, Laborers, and Material Movers, Hand	356	0.7	-5.4%	3.9%	$22.43	99.6%
53-1030	First-Line Supervisors of Transp./Material-Moving Machine/Vehicle Operators	582	1.0	-5.2%	3.5%	$28.37	107.0%
53-3030	Driver/Sales Workers and Truck Drivers	6,809	0.8	-5.7%	2.0%	$14.86	89.3%
53-4010	Locomotive Engineers and Operators	134	1.1	12.8%	-5.3%	$26.73	101.5%
53-4020	Railroad Brake, Signal, and Switch Operators	63	1.1	14.5%	-2.5%	$27.25	108.2%
53-4030	Railroad Conductors and Yardmasters	131	1.1	14.0%	-5.2%	$27.12	103.4%
53-4090	Miscellaneous Rail Transportation Workers	<10	0.7	NA	3.9%	NA	NA
53-5010	Sailors and Marine Oilers	626	8.4	-13.5%	-0.5%	$19.30	103.7%
53-5020	Ship and Boat Captains and Operators	529	5.2	-16.4%	0.8%	$33.50	99.7%
53-7010	Conveyor Operators and Tenders	40	0.4	-16.5%	-0.9%	$14.81	95.4%
53-7020	Crane and Tower Operators	355	2.9	-2.2%	-4.1%	$26.90	106.1%
53-7040	Hoist and Winch Operators	<10	1.1	NA	-3.6%	NA	NA
53-7050	Industrial Truck and Tractor Operators	1,145	0.8	-13.0%	2.1%	$16.52	107.4%
53-7060	Laborers and Material Movers, Hand	7,399	0.7	-2.9%	3.0%	$11.29	97.3%
53-7120	Tank Car, Truck, and Ship Loaders	25	0.7	-39.9%	8.1%	$18.25	90.8%

Source: Economic Modeling Specialists Intl. (EMSI)

NA = Data Not Available

Professional and Technical Services, Workforce Trends 2006-2016

SOC	Description	2016 Jobs	2016 LQ	10-Year Jobs Change	U.S. 10-Year Jobs Change	Median Hourly Earnings	U.S. Ratio
11-1010	Chief Executives	499	0.60	-4.0%	-0.6%	$78.79	106.5%
11-1020	General and Operations Managers	4,617	0.78	1.5%	5.7%	$50.98	106.7%
11-3010	Administrative Services Managers	414	0.53	3.4%	9.8%	$38.56	94.8%
11-3020	Computer and Information Systems Managers	700	0.71	4.3%	20.2%	$61.73	100.7%
11-3030	Financial Managers	880	0.58	3.3%	3.7%	$53.75	96.4%
11-3050	Industrial Production Managers	304	0.65	-9.6%	-8.2%	$49.29	110.1%
11-3060	Purchasing Managers	198	0.99	5.8%	2.0%	$54.04	106.3%
11-3110	Compensation and Benefits Managers	24	0.55	6.7%	6.2%	$48.15	90.0%
11-3120	Human Resources Managers	255	0.70	11.1%	13.4%	$45.64	94.1%
13-1030	Claims Adjusters, Appraisers, Examiners, and Investigators	697	0.85	16.0%	4.4%	$27.07	91.1%
13-1040	Compliance Officers	943	1.34	19.4%	7.3%	$30.03	94.7%
13-1050	Cost Estimators	1,014	1.59	-11.6%	-10.1%	$27.85	96.4%
13-1070	Human Resources Workers	1,826	1.17	8.2%	5.8%	$28.07	100.6%
13-1110	Management Analysts	2,982	1.39	17.2%	16.1%	$39.31	104.9%
13-1140	Compensation, Benefits, and Job Analysis Specialists	199	0.87	5.7%	0.8%	$26.36	90.0%
13-1150	Training and Development Specialists	865	1.25	13.4%	12.0%	$29.58	105.5%
13-1190	Miscellaneous Business Operations Specialists	4,013	1.49	14.7%	9.4%	$34.64	105.5%
13-2010	Accountants and Auditors	3,404	0.89	10.4%	10.5%	$30.33	95.5%
13-2030	Budget Analysts	293	1.81	16.0%	6.5%	$34.78	100.3%
13-2060	Financial Examiners	97	0.91	28.3%	7.4%	$34.42	89.0%
13-2080	Tax Examiners, Collectors and Preparers, and Revenue Agents	502	1.08	16.9%	7.1%	$18.94	86.1%
13-2090	Miscellaneous Financial Specialists	630	1.58	16.2%	5.9%	$32.99	103.9%
15-1110	Computer and Information Research Scientists	173	2.32	19.2%	23.6%	$49.55	96.3%
15-1120	Computer and Information Analysts	1,406	0.76	7.0%	26.3%	$39.13	97.4%
15-1130	Software Developers and Programmers	2,705	0.59	-6.6%	22.9%	$42.27	96.9%
15-1140	Database and Systems Administrators and Network Architects	1,486	0.83	-1.7%	8.9%	$38.39	96.7%
15-1150	Computer Support Specialists	1,768	0.76	-4.7%	15.1%	$23.69	95.1%
15-1190	Miscellaneous Computer Occupations	1,395	2.16	17.2%	10.3%	$41.74	104.2%
15-2020	Mathematicians	14	1.33	NA	29.8%	$51.46	107.8%
15-2030	Operations Research Analysts	249	0.93	25.3%	32.0%	$44.39	118.3%
15-2040	Statisticians	69	0.80	53.8%	42.1%	$32.76	84.2%
17-1010	Architects, Except Naval	276	0.71	-26.7%	-9.6%	$31.35	94.7%
17-1020	Surveyors, Cartographers, and Photogrammetrists	146	0.93	-17.4%	-3.9%	$27.75	98.8%
17-2010	Aerospace Engineers	602	3.12	25.4%	3.7%	$55.64	107.9%
17-2020	Agricultural Engineers	33	4.60	15.5%	11.4%	$29.86	87.4%
17-2050	Civil Engineers	846	1.09	-6.0%	3.5%	$35.97	90.7%
17-2060	Computer Hardware Engineers	142	0.64	-30.9%	1.5%	$53.81	102.8%
17-2070	Electrical and Electronics Engineers	1,517	1.75	2.8%	-2.2%	$40.51	89.1%
17-2080	Environmental Engineers	230	1.52	10.5%	14.6%	$40.62	101.0%
17-2120	Marine Engineers and Naval Architects	439	19.96	19.5%	12.6%	$41.02	90.9%
17-2140	Mechanical Engineers	1,195	1.55	10.9%	2.6%	$39.96	99.2%
17-2150	Mining and Geological Engineers, Including Mining Safety Engineers	30	1.41	4.1%	2.3%	$45.84	104.1%
17-2190	Miscellaneous Engineers	860	2.19	15.4%	5.3%	$48.04	106.6%
17-3010	Drafters	1,242	2.14	-3.4%	-10.6%	$24.69	97.1%
17-3020	Engineering Technicians, Except Drafters	2,924	2.42	7.2%	-1.4%	$31.23	115.4%
17-3030	Surveying and Mapping Technicians	184	1.23	-19.7%	-10.5%	$17.56	85.2%
19-3040	Sociologists	<10	0.33	NA	3.2%	NA	NA
19-3050	Urban and Regional Planners	122	1.24	4.9%	3.6%	$29.51	90.6%
19-3090	Miscellaneous Social Scientists and Related Workers	395	2.57	23.1%	11.4%	$39.35	104.9%
19-4060	Social Science Research Assistants	85	1.03	42.3%	10.7%	$17.83	90.9%
19-4090	Miscellaneous Life, Physical, and Social Science Technicians	564	1.36	20.4%	11.4%	$24.24	113.7%
43-1010	First-Line Supervisors of Office and Administrative Support Workers	4,055	1.00	4.1%	5.8%	$22.77	92.7%
43-3010	Bill and Account Collectors	909	0.94	5.4%	-5.6%	$14.07	86.3%
43-3020	Billing and Posting Clerks	1,074	0.74	14.5%	13.4%	$14.91	89.0%

Source: Economic Modeling Specialists Intl. (EMSI)

NA = Data Not Available

Professional and Technical Services, Workforce Trends 2006-2016 Cont.

SOC	Description	2016 Jobs	2016 LQ	10-Year Jobs Change	U.S. 10-Year Jobs Change	Median Hourly Earnings	U.S. Ratio
Cont.							
43-3030	Bookkeeping, Accounting, and Auditing Clerks	4,175	0.87	-9.9%	-6.4%	$16.32	92.1%
43-3050	Payroll and Timekeeping Clerks	364	0.75	-4.7%	-0.9%	$18.54	95.7%
43-3060	Procurement Clerks	354	1.74	6.0%	1.0%	$19.38	101.1%
43-4010	Brokerage Clerks	42	0.26	-6.9%	-6.0%	$20.37	87.3%
43-4020	Correspondence Clerks	17	0.84	-7.3%	-18.9%	$13.55	79.2%
43-4040	Credit Authorizers, Checkers, and Clerks	51	0.41	-23.2%	-11.1%	$13.14	78.1%
43-4050	Customer Service Representatives	5,321	0.74	-5.9%	7.0%	$13.75	89.9%
43-4060	Eligibility Interviewers, Government Programs	553	1.60	18.0%	2.3%	$17.65	88.1%
43-4110	Interviewers, Except Eligibility and Loan	413	0.68	32.2%	12.4%	$13.02	85.0%
43-4140	New Accounts Clerks	100	0.74	-13.7%	-12.8%	$16.05	97.0%
43-4160	Human Resources Assistants, Except Payroll and Timekeeping	518	1.29	4.1%	2.0%	$17.30	93.2%
43-4170	Receptionists and Information Clerks	3,135	1.07	12.0%	9.4%	$12.24	93.5%
43-4190	Miscellaneous Information and Record Clerks	1,509	2.74	19.2%	10.4%	$17.28	94.4%
43-5020	Couriers and Messengers	173	0.64	-7.3%	-3.8%	$14.14	105.1%
43-6010	Secretaries and Administrative Assistants	6,788	0.60	-4.2%	2.8%	$16.61	92.1%
43-9010	Computer Operators	86	0.51	-20.3%	-12.5%	$17.96	92.1%
43-9020	Data Entry and Information Processing Workers	488	0.55	-10.4%	-7.4%	$14.66	95.2%
43-9030	Desktop Publishers	15	0.40	-28.0%	-22.8%	$19.35	93.9%
43-9040	Insurance Claims and Policy Processing Clerks	223	0.31	-1.5%	4.8%	$14.10	78.6%
43-9060	Office Clerks, General	8,556	0.94	-2.5%	2.2%	$13.36	95.3%
43-9070	Office Machine Operators, Except Computer	98	0.53	-9.6%	-11.8%	$10.28	74.0%
43-9080	Proofreaders and Copy Markers	13	0.38	-21.8%	-5.7%	$15.12	86.5%
43-9110	Statistical Assistants	10	0.27	NA	-4.4%	NA	NA
43-9190	Miscellaneous Office and Administrative Support Workers	921	0.99	5.4%	9.4%	$17.97	111.9%

Source: Economic Modeling Specialists Intl. (EMSI)

NA = Data Not Available

Tourism, Workforce Trends 2006-2016

SOC	Description	2016 Jobs	2016 LQ	10-Year Jobs Change	U.S. 10-Year Jobs Change	Median Hourly Earnings	U.S. Ratio
11-1020	General and Operations Managers	4,617	0.78	1.5%	5.7%	$50.98	106.7%
11-9050	Food Service Managers	512	0.65	-6.9%	5.1%	$23.88	120.5%
11-9080	Lodging Managers	68	0.60	-43.0%	-15.6%	$27.52	127.7%
13-1120	Meeting, Convention, and Event Planners	271	1.02	15.0%	26.7%	$20.61	91.2%
19-1030	Conservation Scientists and Foresters	141	1.67	21.1%	2.3%	$30.69	103.9%
19-3090	Miscellaneous Social Scientists and Related Workers	395	2.57	23.1%	11.4%	$39.35	104.9%
25-4010	Archivists, Curators, and Museum Technicians	220	2.96	2.8%	16.4%	$20.91	88.5%
27-1010	Artists and Related Workers	384	0.71	3.5%	-3.1%	$14.58	71.5%
27-1020	Designers	973	0.58	-14.3%	-4.7%	$17.51	86.9%
27-2010	Actors, Producers, and Directors	197	0.36	9.7%	9.5%	$20.73	73.2%
27-2020	Athletes, Coaches, Umpires, and Related Workers	641	0.79	3.4%	16.4%	$12.86	81.6%
27-2030	Dancers and Choreographers	46	0.69	16.3%	10.6%	$16.65	94.4%
27-2040	Musicians, Singers, and Related Workers	712	1.03	6.8%	6.8%	$13.99	66.7%
27-2090	Miscellaneous Entertainers and Performers, Sports and Related Workers	136	1.32	26.2%	8.9%	$9.83	57.3%
35-1010	Supervisors of Food Preparation and Serving Workers	3,272	1.12	11.2%	20.0%	$15.74	104.6%
35-2010	Cooks	5,713	0.88	9.9%	15.8%	$10.65	100.0%
35-2020	Food Preparation Workers	2,373	0.96	9.3%	16.5%	$9.66	98.2%
35-3010	Bartenders	1,152	0.69	13.6%	15.2%	$13.77	140.9%
35-3020	Fast Food and Counter Workers	13,141	1.26	11.3%	22.3%	$8.79	97.1%
35-3030	Waiters and Waitresses	6,935	0.99	7.5%	16.7%	$10.37	110.7%
35-3040	Food Servers, Nonrestaurant	846	1.19	23.6%	14.9%	$8.88	86.8%
35-9010	Dining Room and Cafeteria Attendants and Bartender Helpers	1,394	1.17	4.3%	18.7%	$9.12	97.1%
35-9020	Dishwashers	1,575	1.11	2.5%	11.1%	$8.71	92.8%
35-9030	Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	1,414	1.32	9.3%	19.0%	$8.63	91.9%
35-9090	Miscellaneous Food Preparation and Serving Related Workers	80	0.58	2.3%	15.9%	$9.59	91.1%
37-1010	First-Line Supervisors of Building and Grounds Cleaning and Maintenance Workers	941	0.95	-7.0%	2.3%	$15.35	88.1%
37-2010	Building Cleaning Workers	9,613	0.85	-5.4%	9.1%	$9.39	85.5%
37-3010	Grounds Maintenance Workers	3,561	0.93	6.3%	10.2%	$10.86	90.9%
39-1020	First-Line Supervisors of Personal Service Workers	619	1.13	11.5%	5.3%	$15.21	92.6%
39-3020	Motion Picture Projectionists	32	1.82	-16.3%	-9.6%	$8.71	82.4%
39-3030	Ushers, Lobby Attendants, and Ticket Takers	584	1.69	5.3%	16.5%	$8.43	88.2%
39-3090	Miscellaneous Entertainment Attendants and Related Workers	1,465	1.54	19.4%	14.1%	$8.40	84.4%
39-5010	Barbers, Hairdressers, Hairstylists and Cosmetologists	2,413	1.16	27.1%	12.7%	$11.80	106.4%
39-5090	Miscellaneous Personal Appearance Workers	531	0.90	30.7%	24.3%	$10.60	95.5%
39-6010	Baggage Porters, Bellhops, and Concierges	202	0.93	-3.2%	14.2%	$10.68	85.1%
39-7010	Tour and Travel Guides	403	2.92	0.3%	16.5%	$11.17	83.7%
41-3040	Travel Agents	111	0.53	-37.7%	-15.6%	$17.09	104.5%
43-4080	Hotel, Motel, and Resort Desk Clerks	824	1.23	-26.1%	7.3%	$9.04	86.2%
43-4170	Receptionists and Information Clerks	3,135	1.07	12.0%	9.4%	$12.24	93.5%
43-4180	Reservation and Transportation Ticket Agents and Travel Clerks	619	1.55	42.1%	-0.9%	$12.63	76.6%
49-9070	Maintenance and Repair Workers, General	3,803	0.96	-2.9%	5.2%	$16.49	93.4%
53-3020	Bus Drivers	1,543	0.87	0.0%	7.5%	$14.15	91.9%
53-3040	Taxi Drivers and Chauffeurs	652	0.86	15.3%	25.4%	$11.68	106.6%

Source: Economic Modeling Specialists Intl. (EMSI)

Defense, Workforce Trends 2006-2016

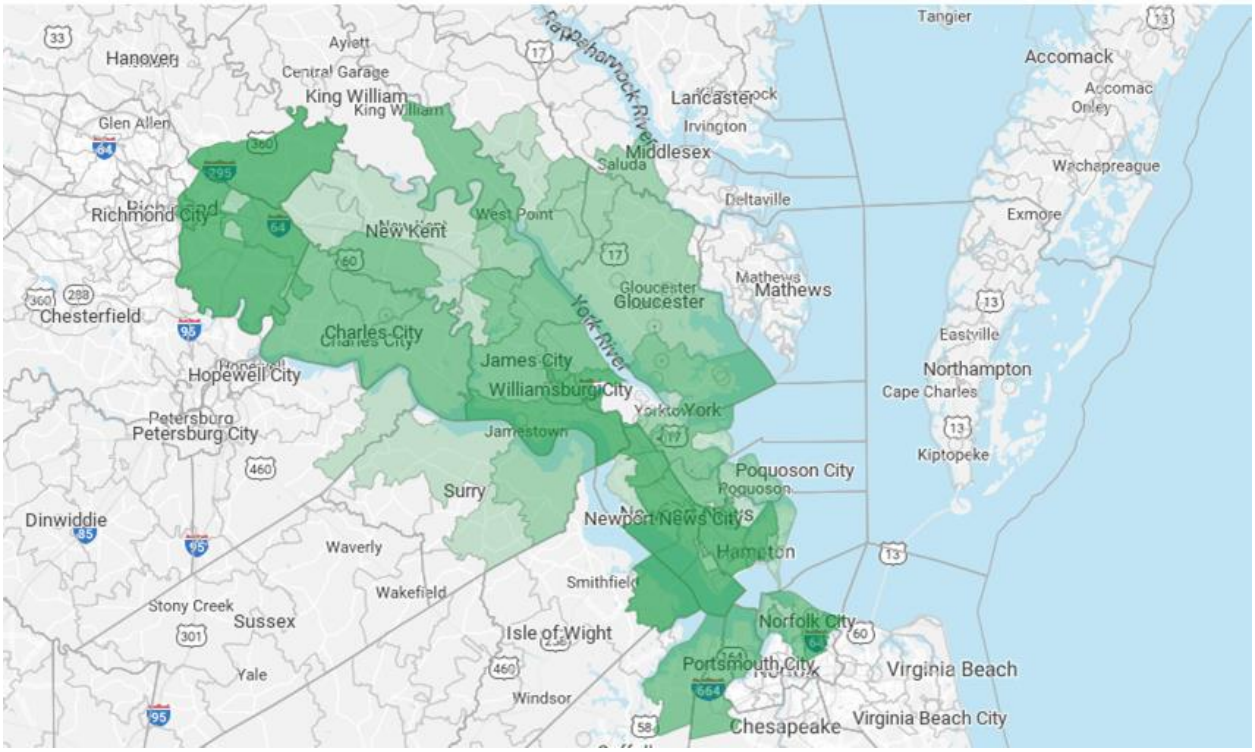
SOC	Description	2016 Jobs	2016 LQ	10-Year Jobs Change	U.S. 10-Year Jobs Change	Median Hourly Earnings	U.S. Ratio
11-3020	Computer and Information Systems Managers	700	0.71	4.3%	20.2%	$61.73	100.7%
11-3070	Transportation, Storage, and Distribution Managers	270	0.86	6.8%	7.4%	$47.03	115.3%
13-1080	Logisticians	929	2.57	17.1%	9.5%	$36.33	101.7%
15-1110	Computer and Information Research Scientists	173	2.32	19.2%	23.6%	$49.55	96.3%
15-1120	Computer and Information Analysts	1,406	0.76	7.0%	26.3%	$39.13	97.4%
15-1130	Software Developers and Programmers	2,705	0.59	-6.6%	22.9%	$42.27	96.9%
15-1140	Database and Systems Administrators and Network Architects	1,486	0.83	-1.7%	8.9%	$38.39	96.7%
15-1150	Computer Support Specialists	1,768	0.76	-4.7%	15.1%	$23.69	95.1%
15-1190	Miscellaneous Computer Occupations	1,395	2.16	17.2%	10.3%	$41.74	104.2%
17-1010	Architects, Except Naval	276	0.71	-26.7%	-9.6%	$31.35	94.7%
17-1020	Surveyors, Cartographers, and Photogrammetrists	146	0.93	-17.4%	-3.9%	$27.75	98.8%
17-2010	Aerospace Engineers	602	3.12	25.4%	3.7%	$55.64	107.9%
17-2060	Computer Hardware Engineers	142	0.64	-30.9%	1.5%	$53.81	102.8%
17-2070	Electrical and Electronics Engineers	1,517	1.75	2.8%	-2.2%	$40.51	89.1%
17-2120	Marine Engineers and Naval Architects	439	19.96	19.5%	12.6%	$41.02	90.9%
17-2130	Materials Engineers	59	0.86	2.0%	-0.9%	$50.92	119.2%
17-2140	Mechanical Engineers	1,195	1.55	10.9%	2.6%	$39.96	99.2%
17-2160	Nuclear Engineers	897	17.84	20.7%	4.2%	$38.37	80.0%
17-3010	Drafters	1,242	2.14	-3.4%	-10.6%	$24.69	97.1%
17-3020	Engineering Technicians, Except Drafters	2,924	2.42	7.2%	-1.4%	$31.23	115.4%
17-3030	Surveying and Mapping Technicians	184	1.23	-19.7%	-10.5%	$17.56	85.2%
19-2020	Atmospheric and Space Scientists	107	3.41	33.5%	18.5%	$41.37	98.9%
19-4050	Nuclear Technicians	41	2.36	8.2%	3.4%	$29.17	80.6%
43-9010	Computer Operators	86	0.51	-20.3%	-12.5%	$17.96	92.1%
43-9020	Data Entry and Information Processing Workers	488	0.55	-10.4%	-7.4%	$14.66	95.2%
43-9030	Desktop Publishers	15	0.40	-28.0%	-22.8%	$19.35	93.9%
55-9990	Military occupations	33,316	5.90	-16.8%	2.9%	$17.22	101.8%
13-1110	Management Analysts	2,982	1.39	17.2%	16.1%	$39.31	104.9%
13-1190	Miscellaneous Business Operations Specialists	4,013	1.49	14.7%	9.4%	$34.64	105.5%
15-1130	Software Developers and Programmers	2,705	0.59	-6.6%	22.9%	$42.27	96.9%
17-2050	Civil Engineers	846	1.09	-6.0%	3.5%	$35.97	90.7%
43-9060	Office Clerks, General	8,556	0.94	-2.5%	2.2%	$13.36	95.3%
47-2230	Solar Photovoltaic Installers	20	1.12	-6.9%	0.4%	$18.83	95.6%
49-9080	Wind Turbine Service Technicians	<10	0.43	NA	73.9%	NA	NA

Source: Economic Modeling Specialists Intl. (EMSI)

NA = Data Not Available

Appendix B: Occupational Trends Map

For occupational trends, *Market Street* utilized a drive time analysis capturing all zip codes within a 50 minute commute time of the Greater Williamsburg region. The following map displays the boundaries of the labor shed used for the occupational analysis.



Source: Economic Modeling Specialists Intl. (EMSI)

Appendix C: Sources

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AGENDA ITEM NO. D.4.

ITEM SUMMARY

DATE: 12/14/2017

TO: The Economic Development Authority

FROM: Amy B. Jordan, EDA Secretary

SUBJECT: Prioritize Needs

ATTACHMENTS:

	Description	Type
🗋	Combined Attachments Part 1	Exhibit
🗋	Combined Attachments Part 2	Exhibit

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority	Fellows, Teresa	Approved	12/8/2017 - 2:26 PM

Virginia Business Ready Sites Program Tier Level Ranking:

Tier 1:

Site under public ownership, public/private ownership or private ownership which such private owner(s) agreeable to marketing the site for economic development purposes and to allowing access to the property for site assessment and marketing purposes, but at no established sales price. Comprehensive Plan reflects site as appropriate for industrial or commercial deve3lopment and use, but site is not zoned as such. Site has minimal or no infrastructure. Minimal or no due diligence has been performed.

Tier 2:

Site under public ownership, public/private ownership or private ownership with an option agreement or other documentation of a commitment by the private owner(s) to a competitive sales price, to permit access to the site for site assessment, construction, and marketing, and to market the site for industrial or commercial economic development purposes. Comprehensive Plan reflects site intended for industrial or commercial development and use, but site is not zoned as such and a rezoning hearing needs to be scheduled. Site has minimal or no infrastructure. Minimal or no due diligence has been performed.

Tier 3:

Site is zoned for industrial or commercial development and use. Site has minimal or no infrastructure. Due diligence including, among other things, a wetlands survey with Army Corps of Engineers approval within the last five years, geotechnical borings, boundary and topographical survey, cultural resources review, and Endangered Species review, and a Phase I Environmental Site Assessment, has been completed. Estimated costs of development have been quantified.

Tier 4:

All infrastructure is in place or will be deliverable within 12 months. All permit issues have been identified and quantified.

Tier 5:

All permits are in place and the site is ready for a site disturbance permit from the locality in which the site is located.

Green Mount Industrial Park

Total acreage	219 acres	
Developable acreage	154 acres	
Yield in S.F.	1.5 M S.F.	
Zoning/Land Use	M-2/General Industry	
Distance to I-64	3.5 miles	
Water	12” NNWW along Green Mount Parkway. 30” water main within the transmission line easement on site.	
Sewer	4” force main along Green Mount Parkway.	
Power	230 kV transmission line on site	
Natural Gas	6” (60 psi) adjacent to site. 16” (150 psi) along Route 60	
Fiber	Can be extended within 12 months; estimated cost of $105,000-310,000	
Tier/Readiness (Timmons scale)	2	

5-10 ACRE LOTS FOR SALE

Green Mount Industrial Park

1651 Green Mount Parkway, Williamsburg, Virginia

- From 5.0 up to 239.1 acres for sale
- Zoned M2: General Industrial
- Park is inside a designated Foreign Trade Zone
- Easy access to Interstate 64
- Multiple pricing options based on requirements
- Sites available for up to 1 million square foot building

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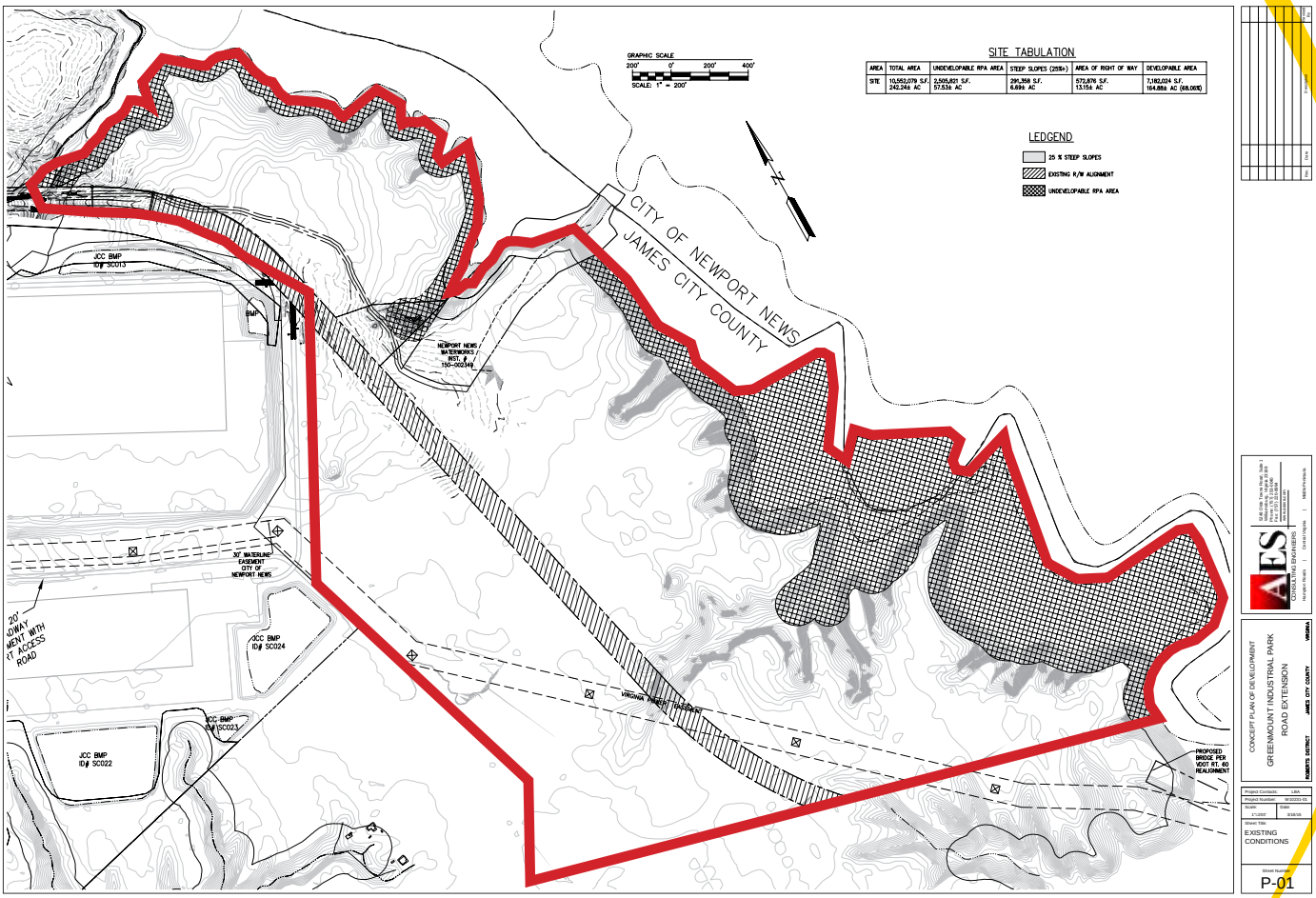
5-10 ACRE LOTS FOR SALE

Green Mount Industrial Park

1651 Green Mount Parkway, Williamsburg, Virginia



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We cannot be responsible for errors, omissions, withdrawal, or prior lease.

James River Commerce Center – EDA parcel

Total acreage	70 acres	
Developable acreage	40 acres	
Yield in S.F.	421,000 S.F.	
Zoning/Land Use	M-1/General Industry & Mixed Use	
Distance to I-64	2.4 miles	
Water	12" main along Columbia Drive. 16" NNWW through site.	NNWW indicates an ADF of 5MGD can be delivered
Sewer	4" force main on site. 24" HRSD force main along Route 60.	
Power	230 kV transmission line adjacent to site	
Natural Gas	16" (150 psi) along Route 60	
Fiber	Can be extended within 12 months; estimated cost of $160,000-205,000	
Tier/Readiness (Timmons scale)	4	Petroleum pipeline easement and other easements on property

Comp Plan description of JRCC Mixed Use: This area is located on the southwest side of Pocahontas Trail (Route 60) adjacent to James River Elementary School. The property is being jointly developed by Williamsburg Development Inc. (WDI), a subsidiary of Colonial Williamsburg, and James City County. Principal suggested land uses are limited industrial and office development. Public facilities are suggested as clearly secondary uses. The timing and intensity of development in this area are also conditioned on sufficient buffering and screening of Carter's Grove and adjacent residential development, if necessary.

James City County

Virtual Building

James River Commerce Center

- Ready-to-construct industrial building, up to 80,000 square feet on 11.37 acre site
- Expansion capability up to 150,000 square feet
- Additional property available on site; 35 total developable acres
- Owner will build to suit
- For sale, lease, or lease to own
- Zoned M-1, Light Industrial
- Site is served by public water and sewer, electric, natural gas, and regional storm water.

Site is owned by the James City County Economic Development Authority

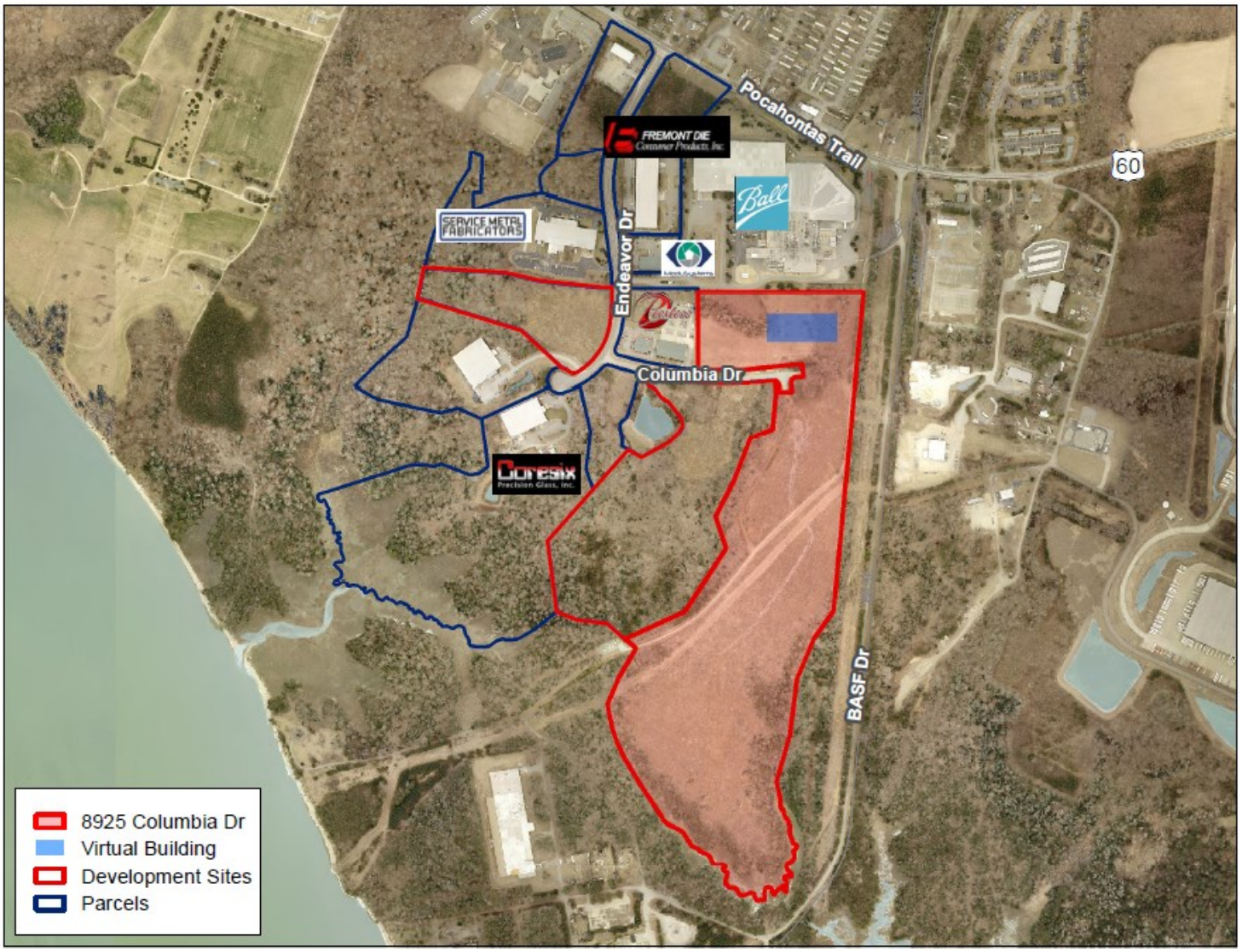
For questions or information:
Amy Jordan, Director
Office of Economic Development
Amy.Jordan@jamescitycountyva.gov
757-253-6607

yesjamescitycountyva.com

James City County

Virtual Building

James River Commerce Center



Site is owned by the James City County Economic Development Authority

For questions or information:
Amy Jordan, Director
Office of Economic Development
Amy.Jordan@jamescitycountyva.gov
757-253-6607

yesjamescitycountyva.com

James River Commerce Center – 1720 Endeavor Drive, (formerly Keystone Auto Parts), existing building

Total acreage	12.6 acres	
Developable acreage	6.4 acres	
Yield in S.F.	72,000 S.F.	
Zoning/Land Use	M-1, Mixed Use	
Distance to I-64	2 miles	
Water	16" main along Endeavor Drive; 8" line on property.	NNWW indicates an ADF of 5MGD can be delivered
Sewer	Two 4" force mains along Endeavor Drive, combining into one 8" force main right before Route 60.	JCSA force main on Endeavor Drive. HRSD force main along Route 60.
Power	3-phase power on site	
Natural Gas	16" (150 psi) along Route 60	
Fiber	Can be extended within 12 months; estimated cost of $160,000-205,000	
Tier/Readiness (Timmons scale)	N/A	

Comp Plan description of JRCC Mixed Use: This area is located on the southwest side of Pocahontas Trail (Route 60) adjacent to James River Elementary School. The property is being jointly developed by Williamsburg Development Inc. (WDI), a subsidiary of Colonial Williamsburg, and James City County. Principal suggested land uses are limited industrial and office development. Public facilities are suggested as clearly secondary uses. The timing and intensity of development in this area are also conditioned on sufficient buffering and screening of Carter's Grove and adjacent residential development, if necessary.

For Sale

Industrial/warehouse facility

- Up to 51,390 square feet available
  - Office: 4,754 square feet
  - Warehouse: 45,636 square feet
  - Vehicle maintenance area: 907 square feet
- 19,800 square feet future expansion
- M-1 zoning
- 12.6 acres, located within James River Commerce Center
- 3-phase power
- High quality construction
- Full sprinkler system
- Paved parking/loading area
- Sale price: $2,985,000
- Approximately 1 acre of outside storage area

1720 Endeavor Drive
Williamsburg, VA 23185

Adam Lawson
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adam.lawson@am.jll.com

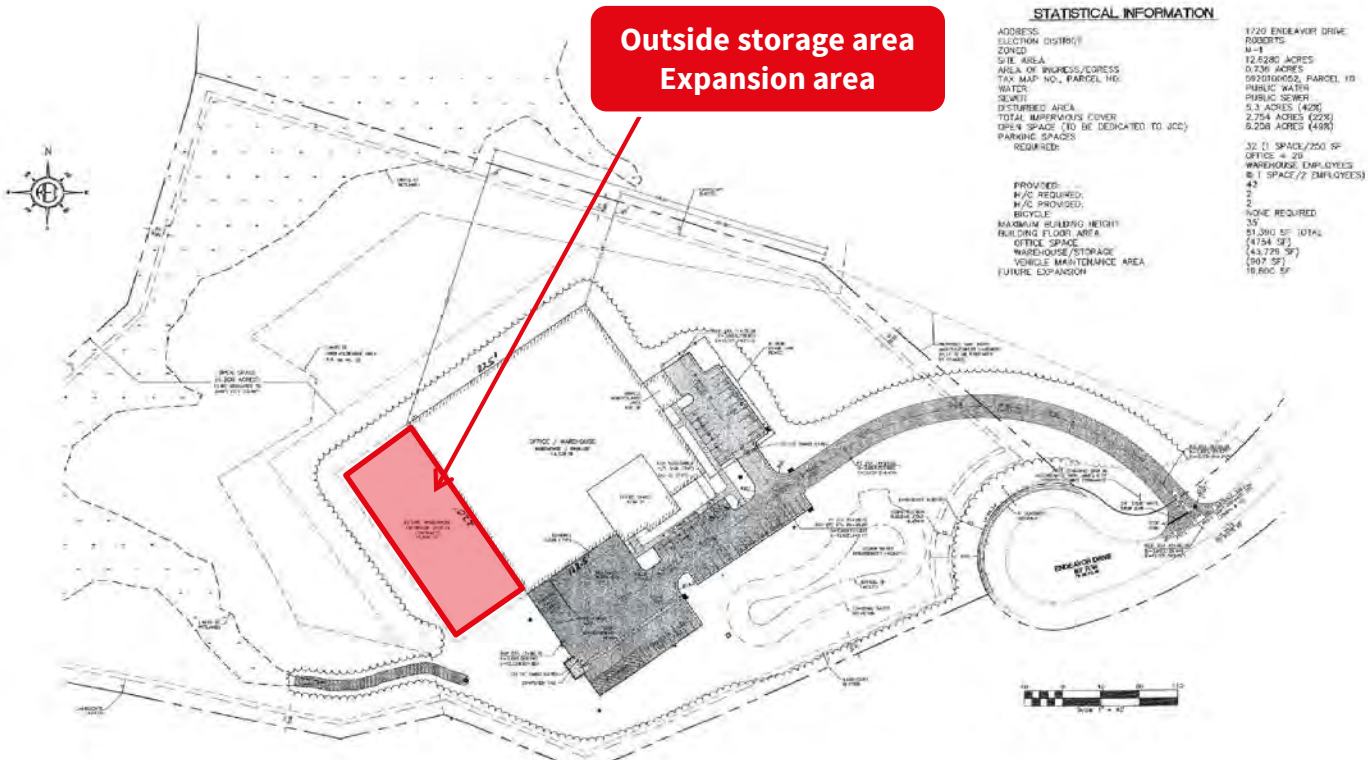
Gregg Christoffersen
+1 757 348 1477
gregg.christoffersen@am.jll.com

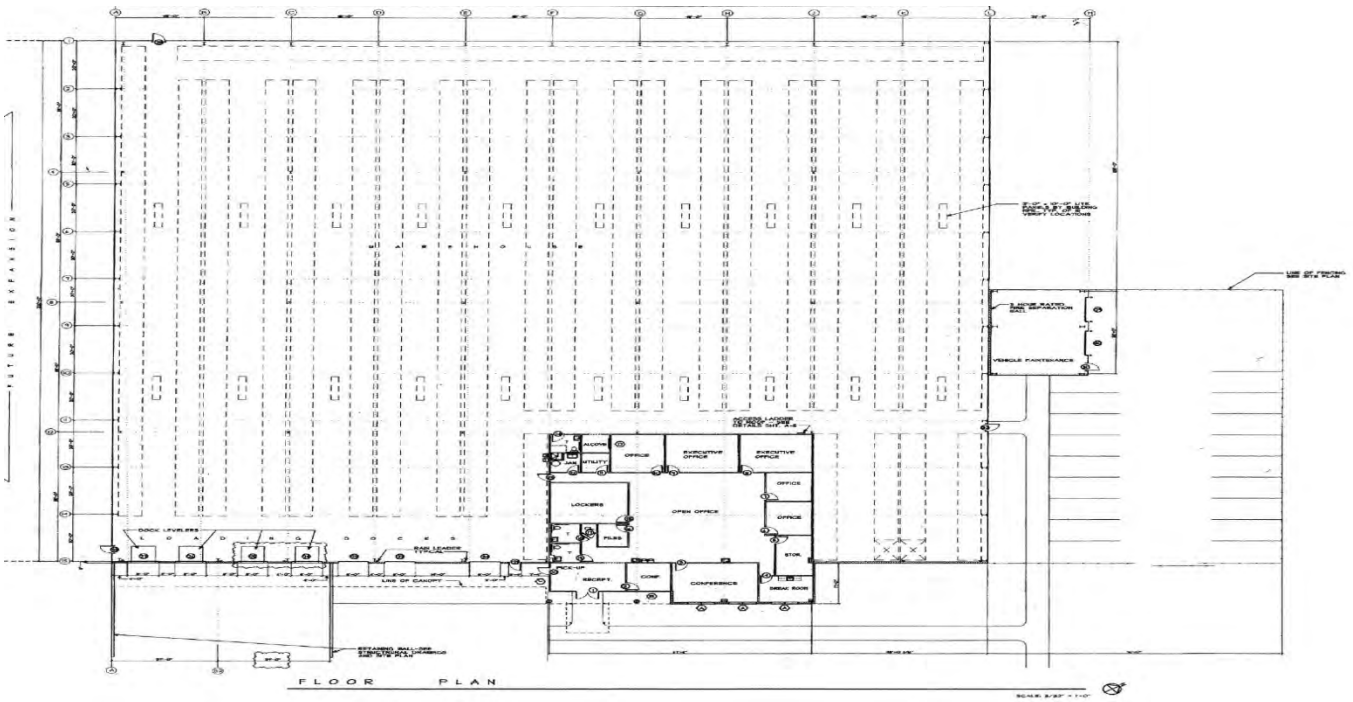
jll.com/hampton-roads

JLL®

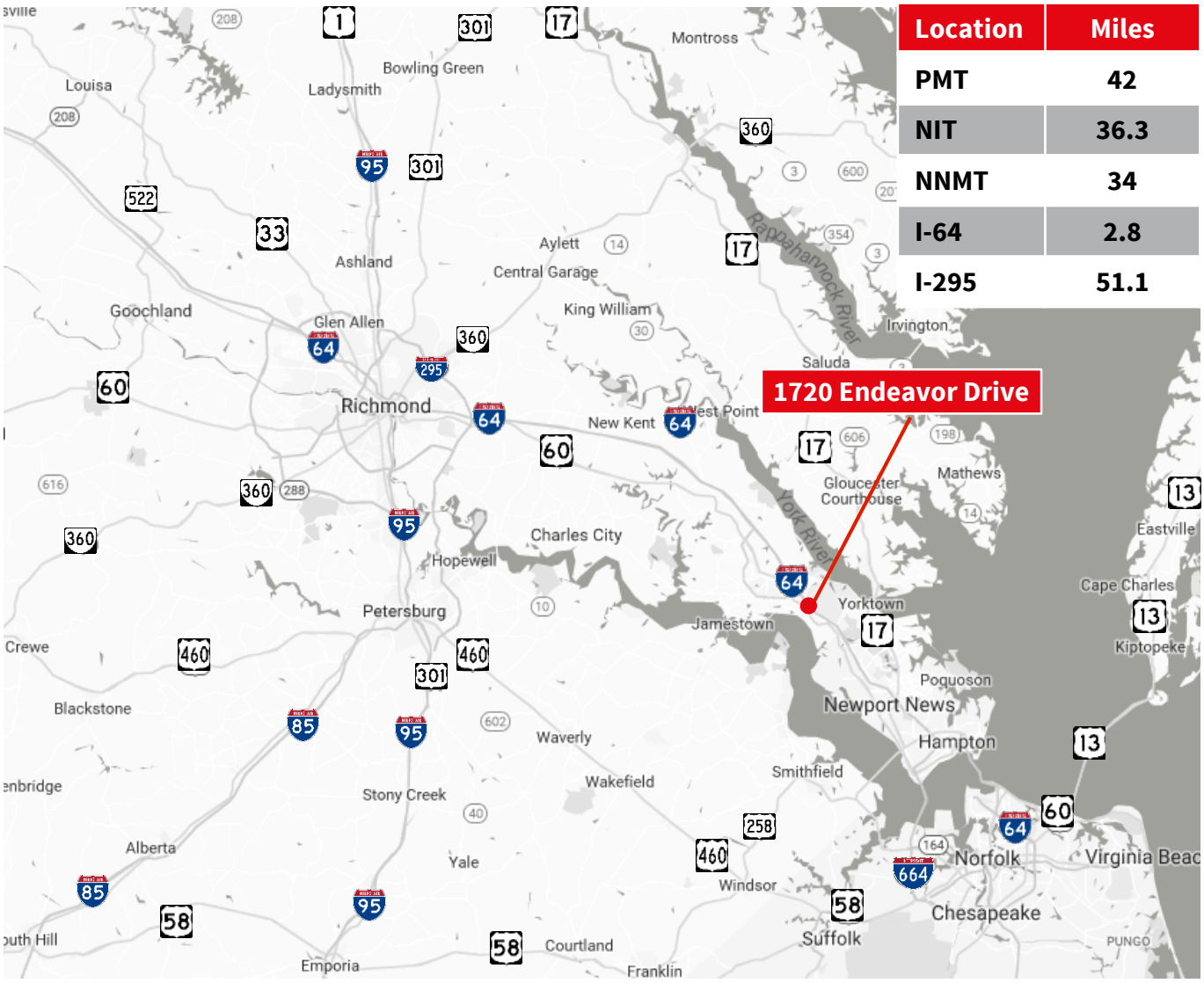
Building photos

Site layout


Outside storage area
Expansion area
STATISTICAL INFORMATION


FLOOR PLAN

Location map



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gregg.christoffersen@am.jll.com

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Jacobs/Hankins: 137 Industrial Boulevard, George Nice & Sons undeveloped site

Total acreage		
Developable acreage		
Yield in S.F.		
Zoning/Land Use	M-2, M-1; General Industry	
Distance to I-64		
Water	12” water main along Industrial Blvd, in front of parcel.	Same side of the road as the property
Sewer	6” force main along Industrial Blvd, in front of parcel.	Same side of the road as the property
Power		Not confirmed
Natural Gas		Not confirmed
Fiber	Cost not estimated	
Tier/Readiness (Timmons scale)		

AVAILABLE
UP TO 150,000 SQUARE FEET
137 Industrial Boulevard, Williamsburg, Virginia

- From 10,000 s.f. to 150,000 s.f. available
- 20 ft. to 25 ft. clear height
- Dock and grade doors
- Zoned M2: General Industrial
- Inside a designated Foreign Trade Zone
- Enterprise Zone
- Easy access to Interstate 64

CONTACT:

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AVAILABLE
UP TO 150,000 SQUARE FEET
137 Industrial Boulevard, Williamsburg, Virginia

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137 Industrial Boulevard, James City County, VA

1 Building Plan

February 18, 2016

Artist Rendering - Image Subject To Change

GEORGE NICE & SONS INC. GNS CONTRACTOR

GuernseyTingle

ARCHITECTURE | INTERIORS | PLANNING

137 Industrial Boulevard, James City County, VA

1 Building Aerial View

February 18, 2016

Artist Rendering - Image Subject To Change

GEORGE NICE & SONS INC. GNS CONTRACTOR

GuernseyTingle

ARCHITECTURE | INTERIORS | PLANNING

137 Industrial Boulevard, James City County, VA

5 Building Plan

February 18, 2016

Artist Rendering - Image Subject To Change

GEORGE NICE & SONS INC. GNS CONTRACTOR

GuernseyTingle

ARCHITECTURE | INTERIORS | PLANNING

137 Industrial Boulevard, James City County, VA

5 Building Aerial View

February 18, 2016

Artist Rendering - Image Subject To Change

GEORGE NICE & SONS INC GNS CONTRACTOR

GuernseyTingle

ARCHITECTURE | INTERIORS | PLANNING

Stonehouse Commerce Park (remaining parcels)

Total acreage	Approx.. 7, 35, and 37 acres	3 sites
Developable acreage	Less than 1, 16.5, and 15.3 acres	Estimated
Yield in S.F.		Minimal, but not calculated
Zoning/Land Use	PUC-C; Mixed Use	
Distance to I-64	1 mile	
Water	16" main along LaGrange Parkway; 12" and 16" main along Westmont (16" for elevated storage tank)	
Sewer	12" force main along LaGrange Parkway; 4" lines to the parcels	
Power		Not confirmed
Natural Gas		Not confirmed
Fiber	Can be extended within 12 months; estimated cost of $120,000	
Tier/Readiness (Timmons scale)		

Comp Plan description of Stonehouse: The principal suggested uses for the Stonehouse Mixed Use area are light industrial and office/business park. Except for the area between I-64 and Old Stage Road, commercial uses should be clearly secondary in nature, should be limited in scale, comprise a small percentage of the land area of the overall mixed use area, and be oriented towards support services that employees and residents in the Stonehouse area can utilize….

COMMONWEALTH COMMERCIAL
Comprehensive Property Solutions

FOR SALE

9770 Six Mt. Zion Road | Toana, Virginia 23168

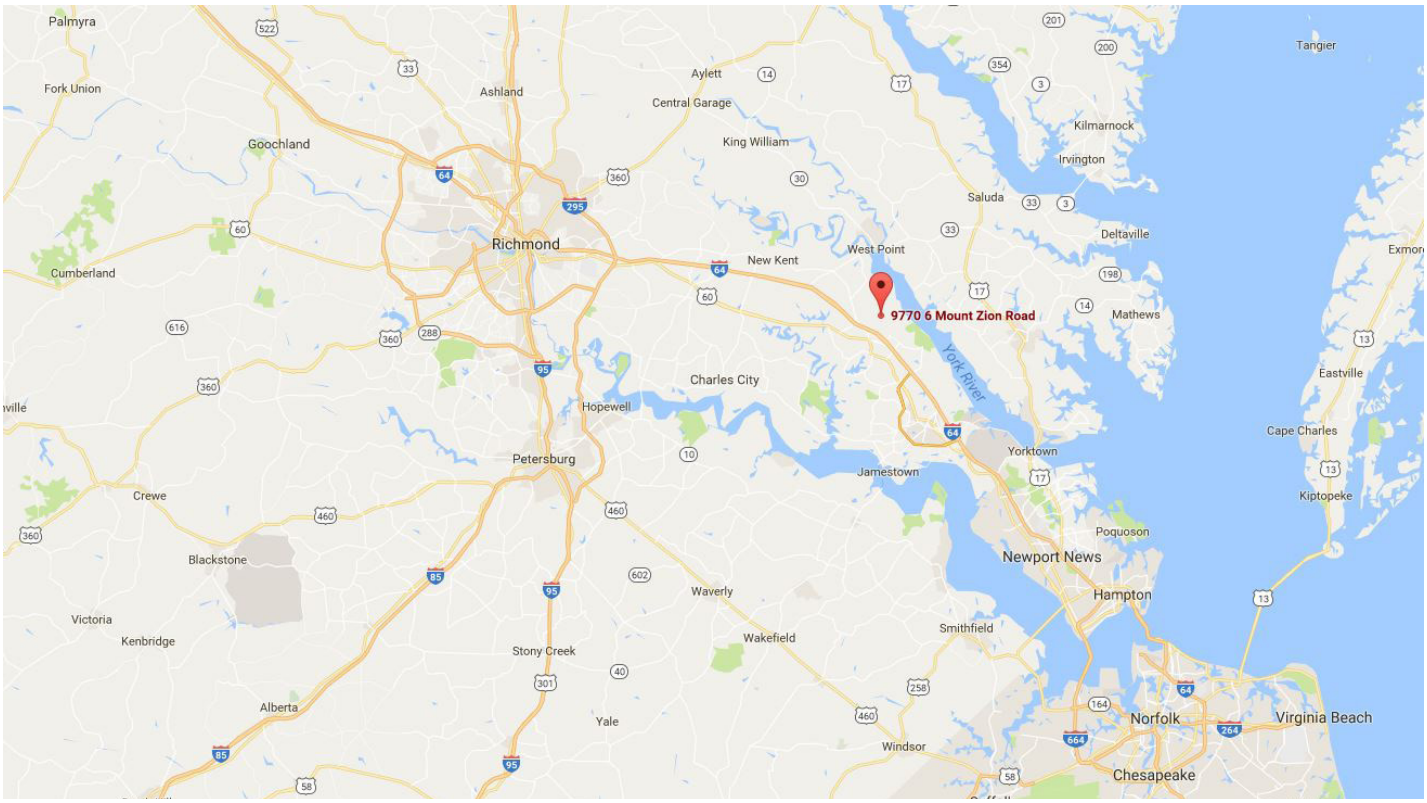
Ben Bruni
T 804-793-0046
E bbruni@commonwealthcommercial.com

Ryan Fanelli
T 804-400-6163
E rfanelli@commonwealthcommercial.com

Features

- New Enterprise Zone
- A 100+ acre master planned commerce park
- Zoning available for office, warehouse & light industrial
- Parcels: 7± acres, 35± acres & 37± acres (will subdivide)
- Interstate frontage available (70,000 VPD)
- Infrastructure (inclusive of water & sewer) in place
- Adjacent to exclusive Stonehouse Preservation and Stonehouse Golf & Residential Community
- Close to beautiful Williamsburg, Virginia with fantastic quality of life for residents
- (Drive times on next page)
- Price: $70,000/acre

Commonwealth Commercial Partners, LLC represents the Owner of this property. Information contained herein, is deemed reliable but not guaranteed.



Driving distances from site

	Distance (Miles)	Time (Minutes)
1 NN/Williamsburg International Airport	30	33
2 Richmond International Airiport	34.5	38
3 Norfolk International Port	52	59
4 Norfolk International Airport	54	65

Stonehouse Commerce Park – 3005 John Deere, (Design Master Associates) existing building

Total acreage	4.1 acres	
Developable acreage	Developed	
Yield in S.F.	40,000 S.F.	
Zoning/Land Use	PUD-C; Mixed Use	
Distance to I-64	1 mile	
Water	12” line along John Deere Road, reducing to 8” at property	
Sewer	4” force main along John Deere Road & Westmont, tying into 12” force main on LaGrange Pkwy.	
Power	3-phase power to building	
Natural Gas		Not confirmed
Fiber	Can be extended within 12 months; estimated cost of $120,000	
Tier/Readiness (Timmons scale)		

Comp Plan description of Stonehouse: The principal suggested uses for the Stonehouse Mixed Use area are light industrial and office/business park. Except for the area between I-64 and Old Stage Road, commercial uses should be clearly secondary in nature, should be limited in scale, comprise a small percentage of the land area of the overall mixed use area, and be oriented towards support services that employees and residents in the Stonehouse area can utilize….

CUSHMAN & WAKEFIELD
THALHIMER

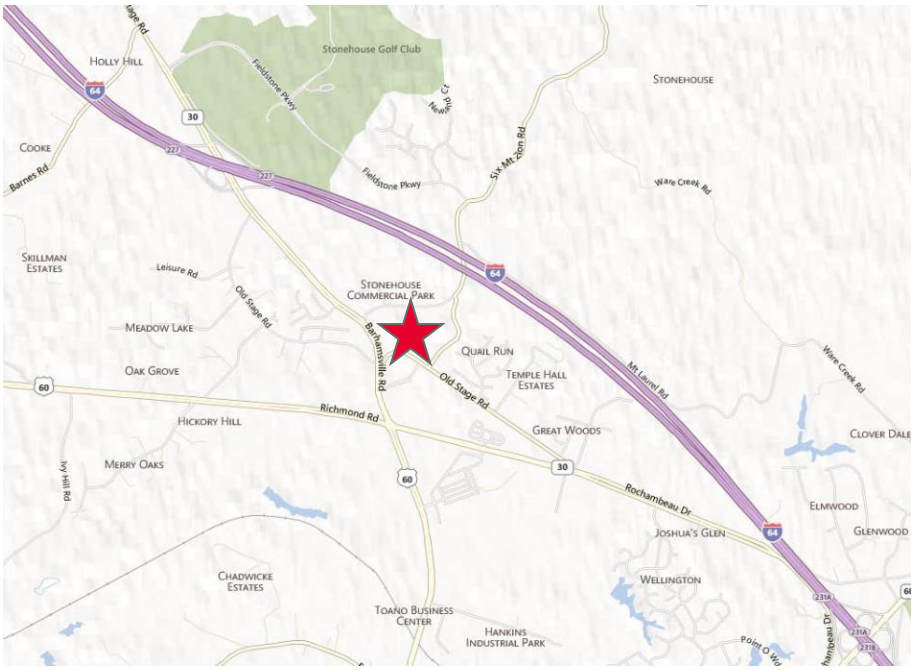
MANUFACTURING/INDUSTRIAL FOR SALE

Stonehouse Commerce Center

3005 John Deere Road | Williamsburg, VA

Property Features

- Sale Price: $2,850,000
- Perfectly located manufacturing/distribution building; 50 minutes to Port of Virginia
- 40,000± SF (expandable)
- 4.127 acres
- Excellent condition
- High-bay distribution space
- Corporate entrance
- Within a James City County Enterprise Zone
- Fully conditioned space
- 22‘ clear ceiling height
- 3 phase power to the building



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CUSHMAN & WAKEFIELD
THALHIMER

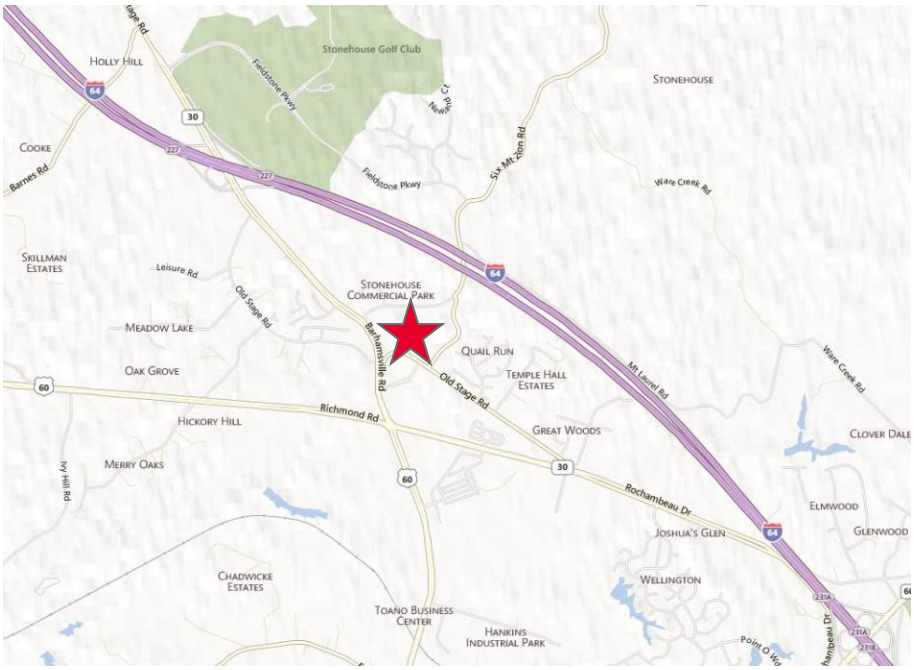
MANUFACTURING/INDUSTRIAL FOR LEASE

Stonehouse Commerce Center

3005 John Deere Road | Williamsburg, VA

Property Features

- Asking Rate: $6.00/SF, Modified Net
- 10,000 SF
- Nice office warehouse space with dock doors
- Corporate entrance
- Within a James City County Enterprise Zone
- Fully conditioned space
- 22‘ clear ceiling height
- 3 phase power to the building
- 50 minutes to Port of Virginia



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Stonehouse Commerce Park (undeveloped)

Total acreage	466 acres	
Developable acreage	258 acres	
Yield in S.F.	2 M S.F.	
Zoning/Land Use	PUD-C/Mixed Use	
Distance to I-64	1 mile	
Water	16” line along Six Mount Zion Road, bisecting the site	Serves residential development; additional phase in progress.
Sewer	12” force main along Six Mount Zion Road, bisecting the site	Serves residential development; additional phase in progress.
Power	115 kV and 230 kV located 2 miles from site	
Natural Gas		Not confirmed
Fiber	Cost not estimated	
Tier/Readiness (Timmons scale)	2	

Comp Plan description of Stonehouse: The principal suggested uses for the Stonehouse Mixed Use area are light industrial and office/business park. Except for the area between I-64 and Old Stage Road, commercial uses should be clearly secondary in nature, should be limited in scale, comprise a small percentage of the land area of the overall mixed use area, and be oriented towards support services that employees and residents in the Stonehouse area can utilize….

STONEHOUSE COMMERCE PARK
LA GRANGE PARKWAY
TOANO, VA

LAND FOR SALE

CUSHMAN & WAKEFIELD | THALHIMER
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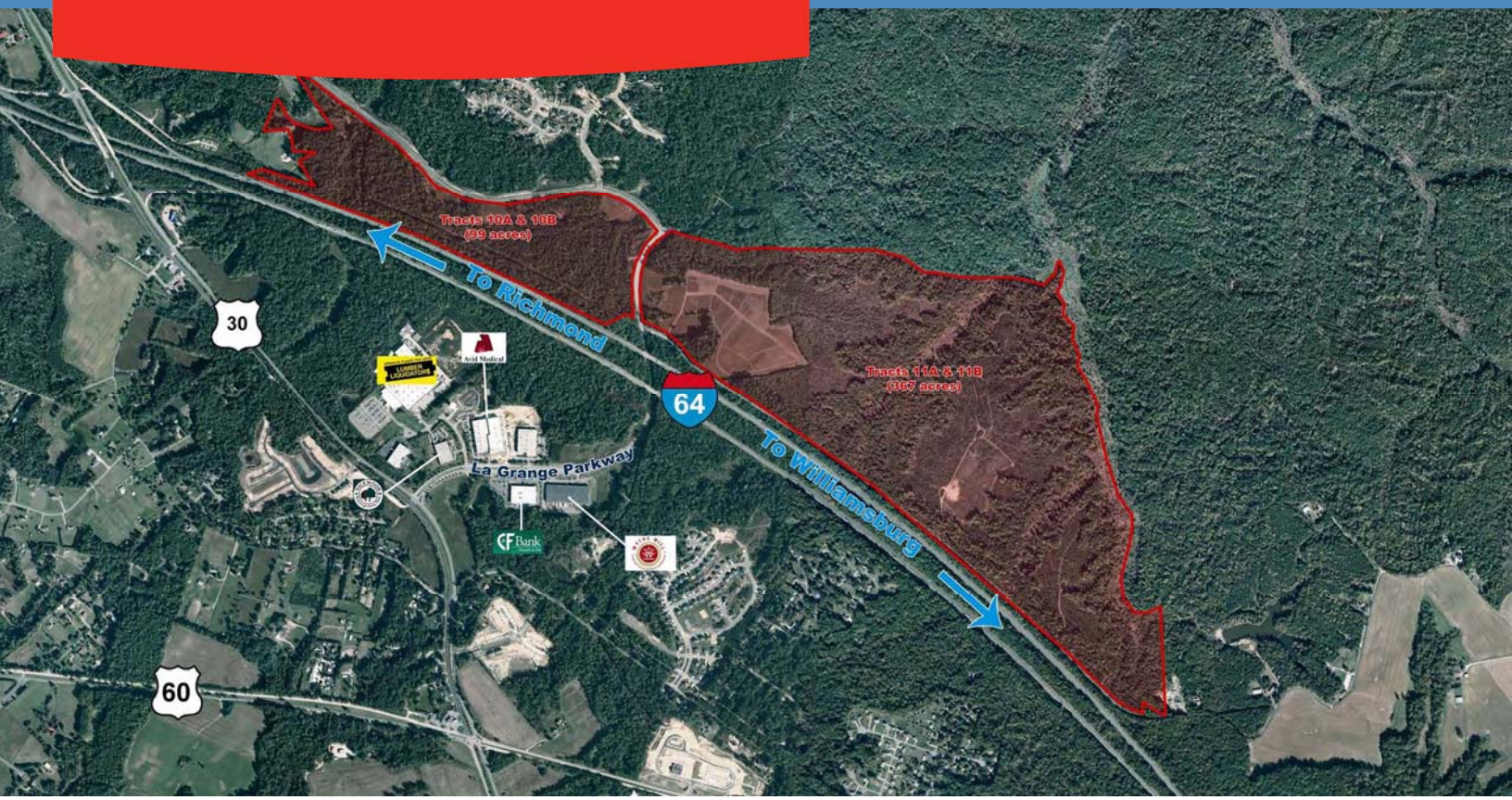
HEADQUARTERS OPPORTUNITY



DEMOGRAPHICS	1 MILE	3 MILE	5 MILE
ESTIMATED POPULATION	1,102	5,435	13,691
AVG. HOUSEHOLD IMCOME	$65,141	$72,158	$71,445

PROPERTY FEATURES

- New Enterprise Zone
- 466 acres (will subdivide)
- Adjacent to Stonehouse Commerce Park
- General commercial and office zoning available
- Interstate frontage available (70,000 VPD)
- Water & sewer existing
- Adjacent to exclusive Stoenhouse Preservation and Stonehouse Golf & Residential Community
- Close to beautiful Williamsburg, Virginia with fantastic quality of life for residents
- (Drive times on next page)

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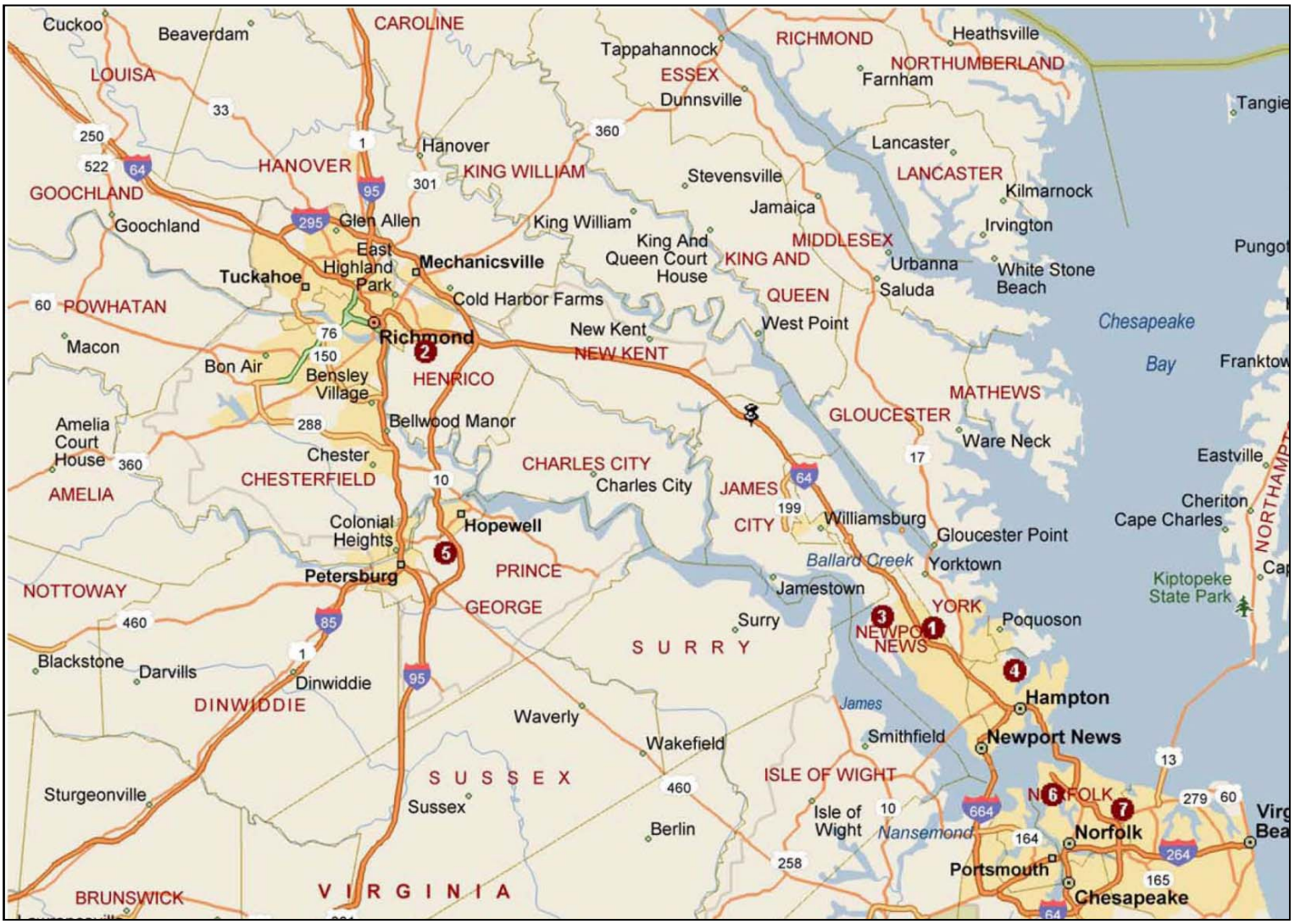
STONEHOUSE COMMERCE PARK

Land for Sale

466 ACRES AVAILABLE

DRIVING DISTANCES FROM SITE	DISTANCE (MILES)	TIME (MINUTES)
1 NN/WILLIAMSBURG INTERNATIONAL AIRPORT	30	33
2 RICHMOND INTERNATIONAL AIRPORT	34.5	38
3 FT. EUSTIS	25	30
4 LANGLEY AIR FORCE BASE	37	43
5 FT. LEE	50	53
6 NORFOLK INTERNATIONAL PORT	52	59
7 NORFOLK INTERNATIONAL AIRPORT	54	65



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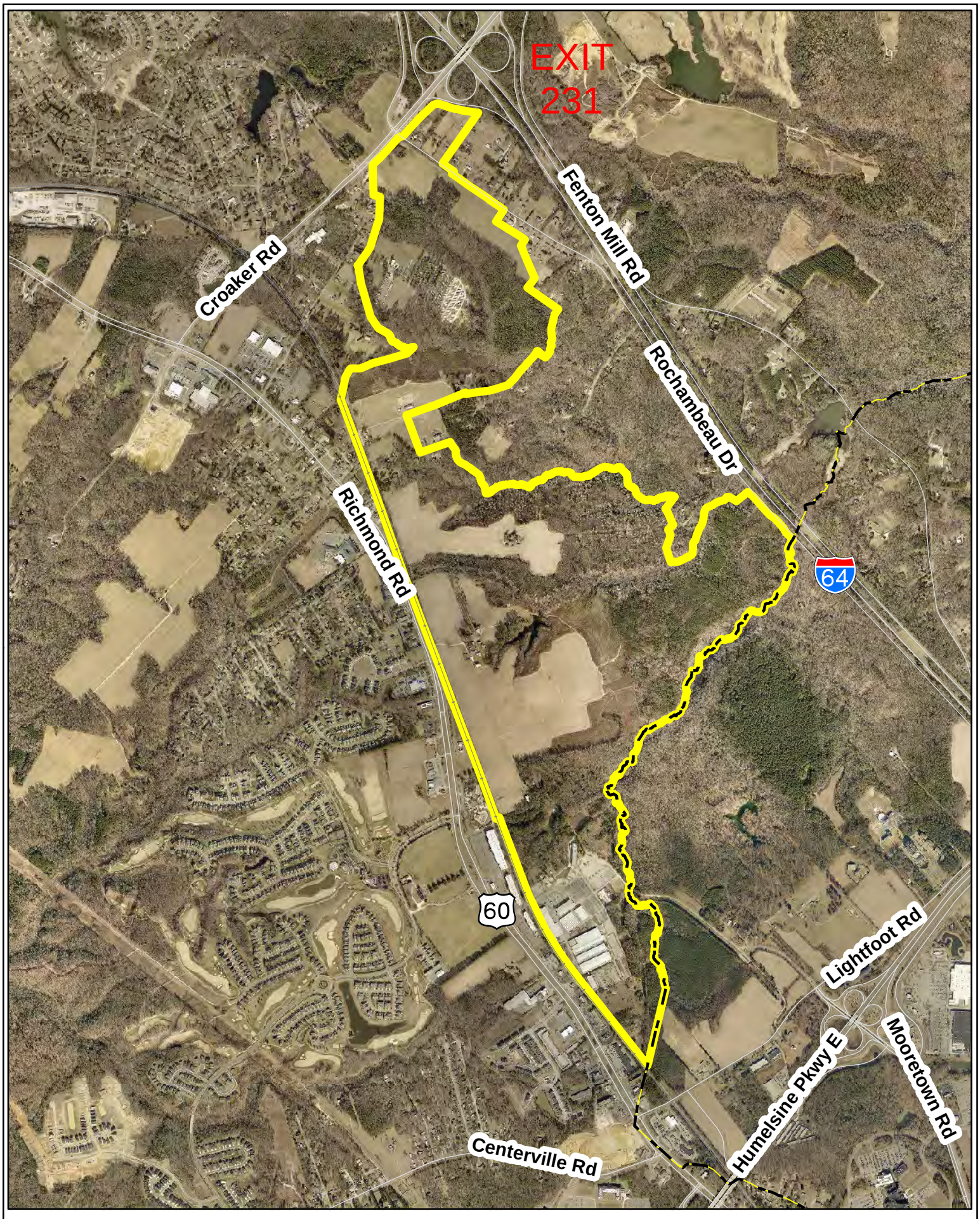
Economic Opportunity

Total acreage	812 acres	
Developable acreage	482 acres	
Yield in S.F.	3.2 M S.F.	
Zoning/Land Use	M-1, M-2, R8, A-1; Economic Opportunity	Some property in AFD
Distance to I-64	.1 miles	
Water	12" JCSA water line across S.R. 30 16" JCSA water line across Route 60	JCSA has concerns about capacity in this part of the County
Sewer	24" force main HRSD running along Route 60	Would require manifold connection, per Timmons study
Power	115 kV transmission line .75 miles from site	
Natural Gas	8" (150 psi) along Route 60 6" (60 psi) along SR 30	
Fiber	Cost not estimated	
Tier/Readiness (Timmons scale)	1	



Economic Opportunity

0 700 1,400 Feet

N

This drawing is neither a legally recorded map nor a survey and is not intended to be used as such. The information displayed is a compilation of records, information,and data obtained from various sources, and James City County is not responsible for its accuracy or how current it may be.

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C:\GIS\Daily\BaseMap for County Size Letter.mxd by KAH

8963 Pocahontas Trail, formerly Trusswood

Total acreage	16.1	
Developable acreage	16 acres	
Yield in S.F.	150,000 S.F.	
Zoning/Land Use	M-2; General Industry	
Distance to I-64	2.5 miles	
Water	16” NNWW on site.	NNWW indicates an ADF of 5MGD can be delivered
Sewer	4” force main on site. 24” HRSD force main along Route 60.	
Power	230 kV transmission line adjacent to site	
Natural Gas	16” (150 psi) along Route 60	
Fiber	Cost not estimated	
Tier/Readiness (Timmons scale)	N/A	

FOR LEASE OR SALE

8963 POCAHONTAS TRAIL

WILLIAMSBURG, VIRGINIA
23185

PROPERTY FEATURES

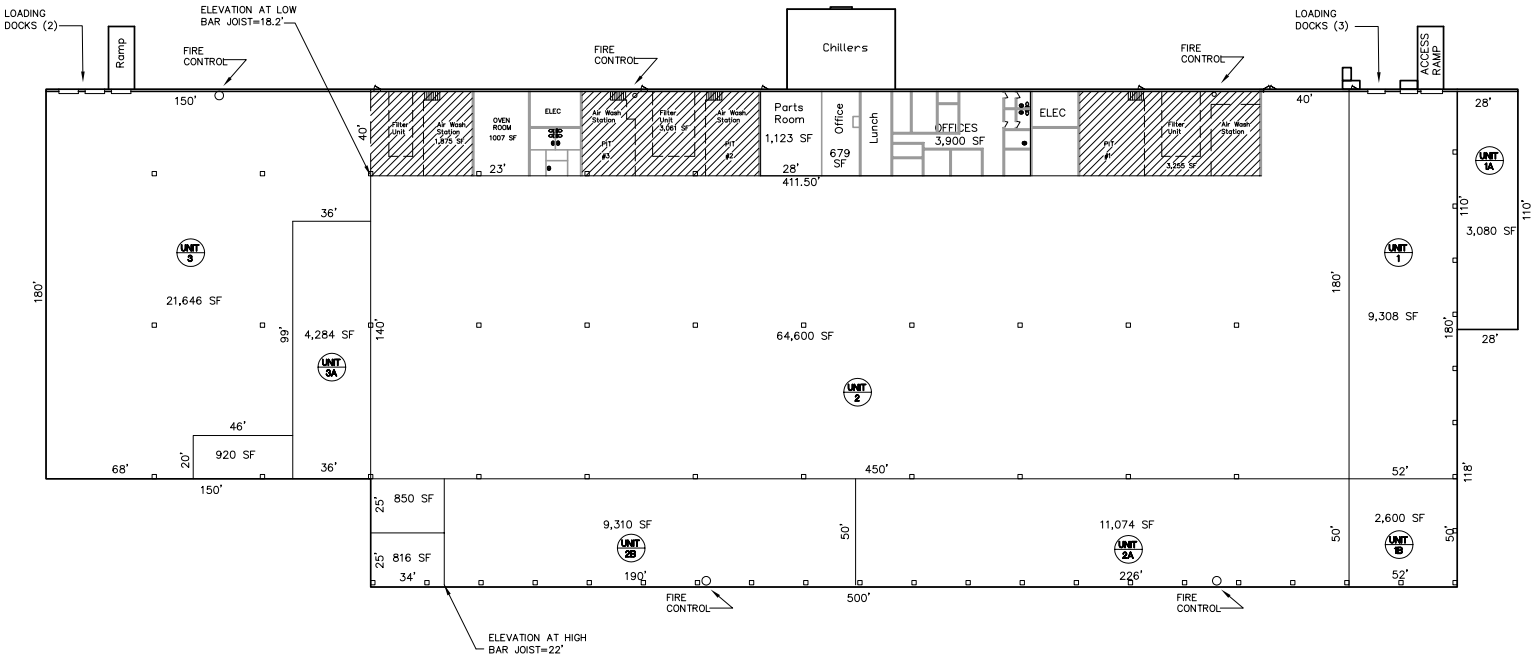
- 145,585 SF available for sale or lease
- 20 acres cleared, fenced
- Office area is build-to-suit shell condition now
- M-2, General Industrial zoning
- LEASE PRICE: Negotiable
- Outside storage is permitted
- 18' - 21' ceiling height
- Dock and grade loading
- 2.5 miles from I-64/Rt. 60 Interchange
- SALES PRICE: $4,000,000

FOR LEASE

8963 POCAHONTAS TRAIL

WILLIAMSBURG, VIRGINIA
23185

FLOOR PLAN



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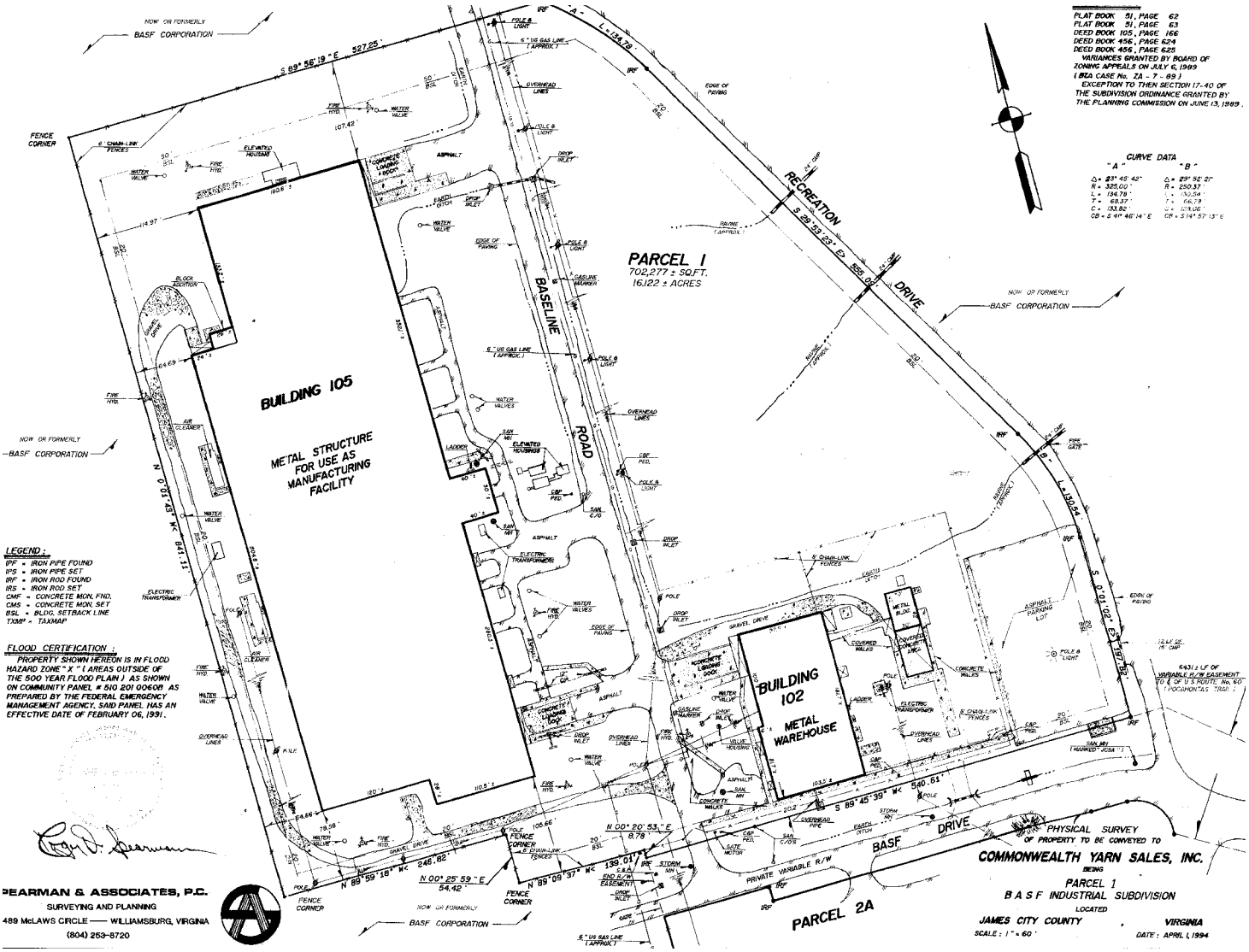
FOR LEASE

8963 POCAHONTAS TRAIL

WILLIAMSBURG, VIRGINIA
23185

SITE PLAN



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FOR LEASE

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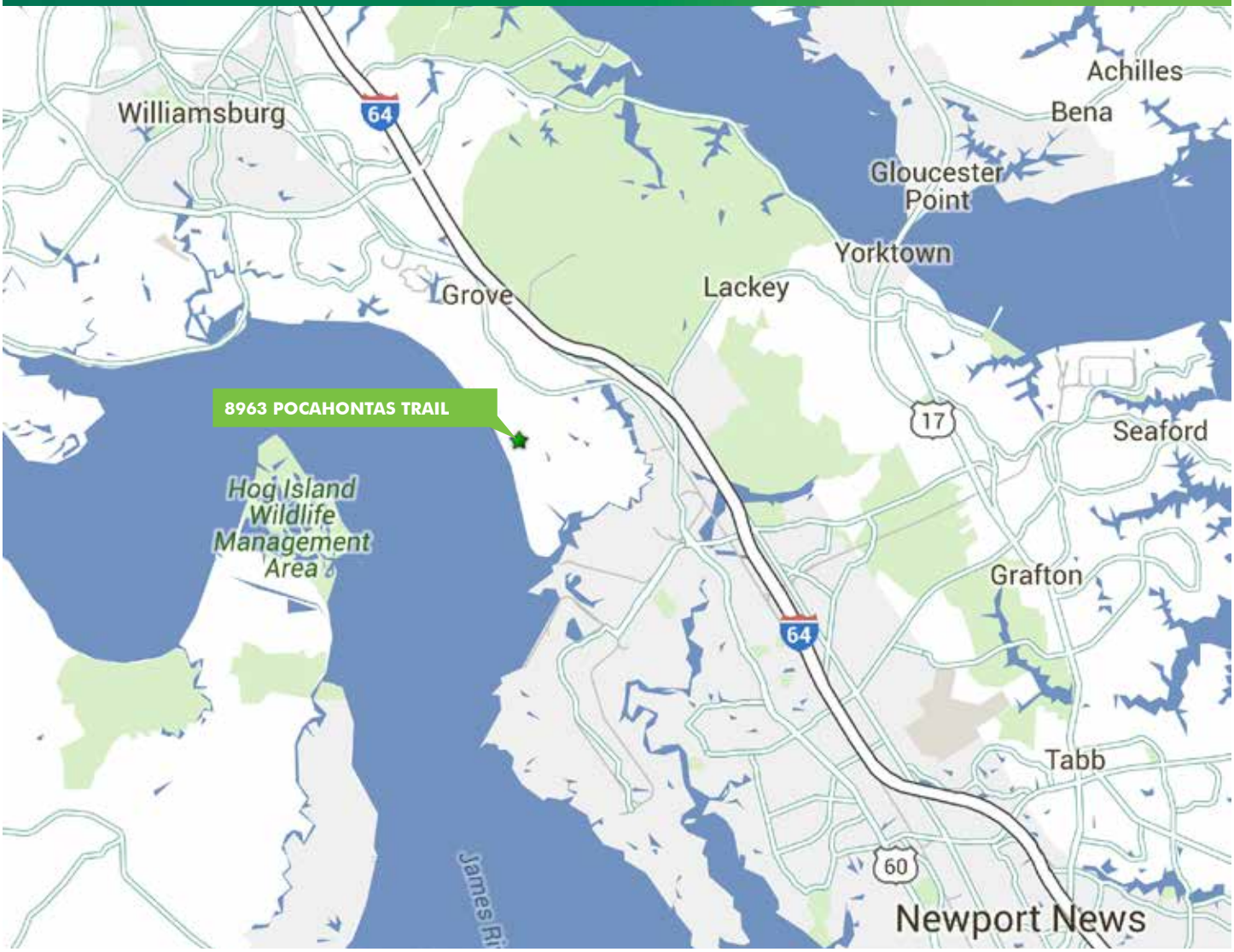

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8961 Pocahontas Trail, formerly BASF

Total acreage	588 acres	
Developable acreage	344 acres	
Yield in S.F.	2.2 M S.F.	
Zoning/Land Use	M-2/General Industry	
Distance to I-64	2.7 miles	
Water	16” NNWW main on site.	
Sewer	24” force main along Route 60. Pump station on site, but may not be accessible for industrial use.	
Power	115 kV on site 230 kV on adjacent property	
Natural Gas	16” (150 psi) along Route 60	
Fiber	Cost not estimated	
Tier/Readiness (Timmons scale)	N/A noted by Timmons	Environmental remediation in progress

LAND FOR SALE

INDUSTRIAL ACREAGE
JAMES CITY COUNTY, VIRGINIA

8961 POCAHONTAS TRAIL

Gross Acreage:	+/- 620 acres
Wetlands, Sensitive Environmental areas, Easements:	+/- 309 acres, subject to verification
Acreage conveyed in Fee:	+/- 306 acres
Acreage conveyed by Lease:	+/-314 acres
Zoning:	M-2 General Industry (property will be deed restricted against residential use)
Utilities:	Water, sewer, electricy, gas
Purchase Price:	$10.5 million

FEATURES

FOR MORE INFORMATION PLEASE CONTACT

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LAND FOR SALE

INDUSTRIAL ACREAGE
JAMES CITY COUNTY, VIRGINIA

The Property is currently zoned M-2 General Industry, although other types of uses may be allowed (subject to rezoning), including golf courses, timeshares, hotels, marinas, and theme parks. The Property has extraordinary river frontage (approximately two miles) that provides direct access to the world's greatest harbor, Hampton Roads. In addition, the Property is currently served with rail lines and excellent interstate access to I-64, the primary east-west corridor in Southeastern Virginia. It is located at a signalized intersection of US Route 60 and BASF Drive in James City County, Virginia.

The topography consists of a rolling terrain with bluffs offering panoramic views of the James River and surrounding estuaries. The site contains a system of deep water wells potentially available for irrigation and fire suppression.

The Property is designated as an Enterprise Zone and certain types of projects may be eligible for financial incentives

2008 Estimated Demographics	1-Mile	3-Miles	5-Miles
POPULATION	2,869	8,178	35,891
NUMBER OF HOUSEHOLDS	954	3,067	13,110
AVERAGE HOUSEHOLD INCOME	$35,711	$45,431	$48,941
DAYTIME POPULATION	1,114	4,575	16,415

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LAND FOR SALE

INDUSTRIAL ACREAGE
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Eastern State

Total acreage	Approximately 419 acres	
Developable acreage	Approximately 275 acres	
Yield in S.F.	10-12M S.F.	
Zoning/Land Use	PL; Federal, State, County Land	
Distance to I-64		
Water	12" water main along Eastern State side of DePue Road (formerly Longhill Connector). 16" water main along Plumeri Park side of DePue, then crosses DePue to Eastern State side.	12" line feeds Eastern State property in two places. Details not firm due to state ownership.
Sewer	Property connects to JCSA via 15" gravity sewer along 199 and	Other sewer close to the property, serving New Town and Ford's Colony, but not connected to the Eastern State property.
Power		Not confirmed
Natural Gas		Not confirmed
Fiber	Cost not estimated	
Tier/Readiness (Timmons scale)	N/A	

www.cbremarketplace.com/easternstatehospital

EASTERN STATE HOSPITAL

±418.98 ACRES FOR SALE

James City County | Williamsburg, Virginia

CBRE | Richmond

Part of the CBRE affiliate network

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CONFIDENTIAL DISCLAIMER

This is a confidential memorandum (the "Memorandum") intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Eastern State Hospital Facility, 4601 Ironbound Road, Williamsburg, Virginia (the "Property").

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the owner or the Property, to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition, and other factors beyond the control of the owner and CBRE|Richmond. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. Neither the owner or CBRE|Richmond, nor any of their respective directors, officers, affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the owner and any conditions to the owner's obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the owner or CBRE|Richmond. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the owner or CBRE|Richmond.

In this Memorandum, certain documents and other materials are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner. All terms and conditions as expressed within this Memorandum are also applicable to associated materials and information gathered from the website dedicated to this offering located at www.cbremarketplace.com/easternstatehospital.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE|Richmond.

PROPERTY SUMMARY

Zoning Designation:	PL, Public Land
Land Area:	±418.98 acres
Water:	James City County
Sanitary Sewer:	Hampton Roads Sanitation District
Natural Gas:	Virginia Natural Gas
Electricity:	Provided by Dominion Virginia Power

PROPERTY OVERVIEW

PROPERTY NAME: Eastern State Hospital Site

OWNER: Commonwealth of Virginia

ADDRESS: Ironbound Road
Williamsburg, VA 23188
James City County

LAND AREA: ±418.98 acres

PROPERTY DESCRIPTION: The Eastern State Hospital site is located in central James City County two to three miles northwest of Colonial Williamsburg and the College of William and Mary and immediately north of New Town. The subject contains 540 acres of which approximately ±418.98 acres of surplus land is for sale.

EXECUTIVE SUMMARY

The ±418.98 acre Eastern State Hospital site is a unique opportunity for a developer to acquire a large in fill site in Williamsburg, Virginia. The property is immediately adjacent to New Town, which is a 365 acres, very successful, mixed use project that has been developed over the last 12 years. The Eastern State site is also across the street from the College of William and Mary which was founded in 1693.

The site has been surplused by the Commonwealth of Virginia. In 2008 a group of stakeholders (not endorsed by the Commonwealth) in the region founded a conceptual plan by Urban Design Associates for this site. A copy of this study is in the Property Information section of the website.

The Commonwealth of Virginia has several agencies, including a DMV Customer Service Center, in the region that may recquire new office space as part of the development of this project. A copy of the RFP is in the Document Center of the website.

Surplus Building 22 may qualify for state and federal rehabilitation tax credits. Potential purchasers should contact Chris Novelli with DHR at 804-482-6097 for additional informaiton. The property contains previously assessed Native American archaeological sites. For questions regarding the sites, buyers should contact Roger Kirchen with DHR at 804-482-6091.

LOCATION OVERVIEW

WILLIAMSBURG - JAMES CITY OVERVIEW

Williamsburg and surrounding James City County are a part of the larger Hampton Roads MSA. These jurisdictions are two of 16 total municipalities that make up the Hampton Roads MSA. Williamsburg and James City County are located at the northwestern edge of the MSA, in the Peninsula section of Hampton Roads. The Peninsula is approximately 45 miles in length and 13 miles wide. James City County, the Peninsula's northernmost county, is bordered to the northwest by New Kent County, which is part of the Richmond MSA. The greater Williamsburg market area consists of the City of Williamsburg, James city County, and the Burton District of York County.

The Williamsburg area is best known as a destination tourist center because of Colonial Williamsburg, and its proximity Jamestown and Yorktown. It is also a popular retirement area, and features an active residential market within Hampton Roads. Kingsmill, Ford's Colony, Governors Land, Colonial Heritage and Stonehouse are large planned developments in the area.

TRANSPORTATION

The Williamsburg area is well-located with respect to transportation. Interstate 64 provides the primary regional access, extending southeast to other areas of Hampton Roads and northwest to Richmond. I-64 connects with Interstates 95 and 81 that run north/south along the entire Eastern Seaboard. State Highway 199 serves as a route around Williamsburg, while the primary local routes through Williamsburg is U.S. Highway 60 (the Pocahontas Trail), York Street, Bypass Road and Richmond Road. The Colonial National Historic Parkway, a federally-maintained highway, extends from the Yorktown Battlefield across the Peninsula through the central portion of the City of Williamsburg to Jamestown.

POPULATION

James City County is a growing and vibrant community. James City County has an estimated 2014 population of 71,870, which reflects an increase of 0.96% over the current population of 68,874. The population is projected to be 77,103 by 2018. James City County added an average of 1,090 residents per year over the 2010-2013 period. Looking forward, James City County's population is projected to continue to increase at the same rate between 2013-2018.

EMPLOYMENT

James City County has access to a large and skilled labor force. Trends in employment strongly correlate with real estate demand. Between Hampton Roads and Richmond (each within 45 minutes), the county pulls from a combined labor force of approximately 1.5 million.

Total employment in James City County is currently estimated at 27,433 jobs. Between 2002 and the present, employment rose by 32.6% (over the entire period). There were gains in employment eight out of the last ten years despite national economic downturns during this time. The unemployment rate as of November 2013 for James City County was 4.1%, which is less than the rates of Virginia (5.2%) and of the United States.

Data Sources: *www.yesjamescitycountyva.com*
www.jamescitycountyva.gov
Independent appraisal performed by Integra Realty Resources

SUBJECT LOCATION

ACCESS AND LINKAGES

The location has good transportation linkages. Longhill Road intersects with Humelsine Parkway (VA Route 199) at the subject property's northern boundary. Humelsine Parkway is a limited access highway that serves as a partial beltway around the Williamsburg area, intersecting with Interstate 64 northwest and southeast of the city. Traffic reports for 2012 available from the VDOT indicate that 28,000 vehicles travel past the subject each day on Route 199. The traffic counts along the subjects frontage on Longhill Road, DePue Drive and Ironbound Road are 9,100 to 12,000 vehicles per day. Ironbound Road, located at the subject's southeast corner, accesses Richmond Road to the east as well as Monticello Avenue to the south. Public transportation is provided by the Williamsburg Area Transport, which provides bus service throughout the urban and inner suburban areas.

LAND USE

Founded in 1773 and originally located adjacent to what is now the restored Colonial Williamsburg, Eastern State Hospital began transitioning to its current location in 1937 and completed the move in 1970. Excluding the excess land that is the subject of this, the 97-acre hospital campus has two patient care buildings as well as a number of support facilities, all of which are low-rise suburban in scale. The hospital employs a staff of 900 to care for 300 patients.

The area is suburban in character and approximately 80% developed. Although predominantly residential, a wide range of land uses are represented. Major land uses in the subject area include Ford's Colony (west of Route 199 and the subject), the Richmond Road commercial corridor (one mile east of the subject), Eastern State Hospital (immediately east of the subject area), and New Town (immediately south of the subject area). Virginia Department of Transportation and James City County maintenance facilities anchor a small light industrial park on Ironbound Road just south of Eastern State Hospital and northeast of New Town.

Other land uses include single- and multi-family residential communities, the James City County/Williamsburg Community Center, and several parks.

Richmond Road is an intensively developed commercial corridor characterized by freestanding restaurants, shops and hotels, although there are several larger shopping centers and outlet malls. While improvements on Richmond Road vary in age, all appear to be well maintained. Buildings along the corridor are routinely renovated or razed and replaced to meet current market standards.
New Town is a 365-acre, mixed-use, "New Urbanism" community that is being developed by a joint venture between the College of William & Mary Endowment Association and a private developer. New Town has two main retail components: New Town Shops on Main, located at the corner of Monticello Avenue and Ironbound Road, is a 253,000 square foot lifestyle center anchored by Regal Cinemas, Barnes & Noble, Jo-Ann and American Family Fitness. Settlers Market, located at the corner of Monticello Avenue and Route 199, is a community shopping center anchored by a Walmart Neighborhood Market, Michael's, Home Goods, Stein Mart and Trader Joe's.

New Town's office/institutional component includes the 64-acre Discovery Business Park, located in the eastern to north-central part of the development, and the City and County Courthouse, U.S. Post Office and other government offices located along Monticello Avenue.

New Town's residential component will include approximately 1,000 units, ranging from townhomes and condominiums in the center of the development to The Pointe at New Town Apartments (a 265-unit rental community located at the northeast corner of the development), to single-family detached residences located in the northwest part of the development.

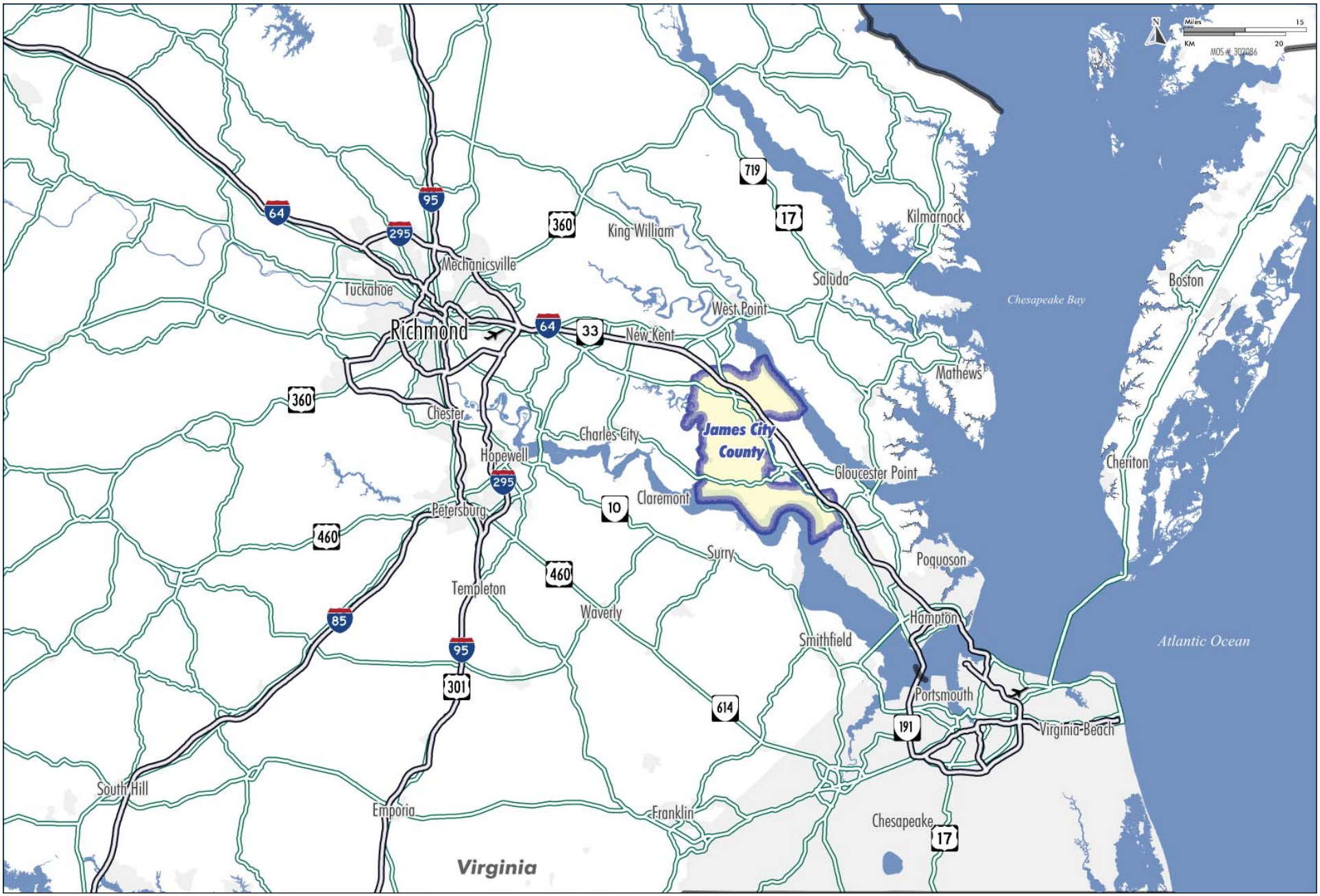
Source: Independent appraisal performed by Integra Realty Resources

DEMOGRAPHICS

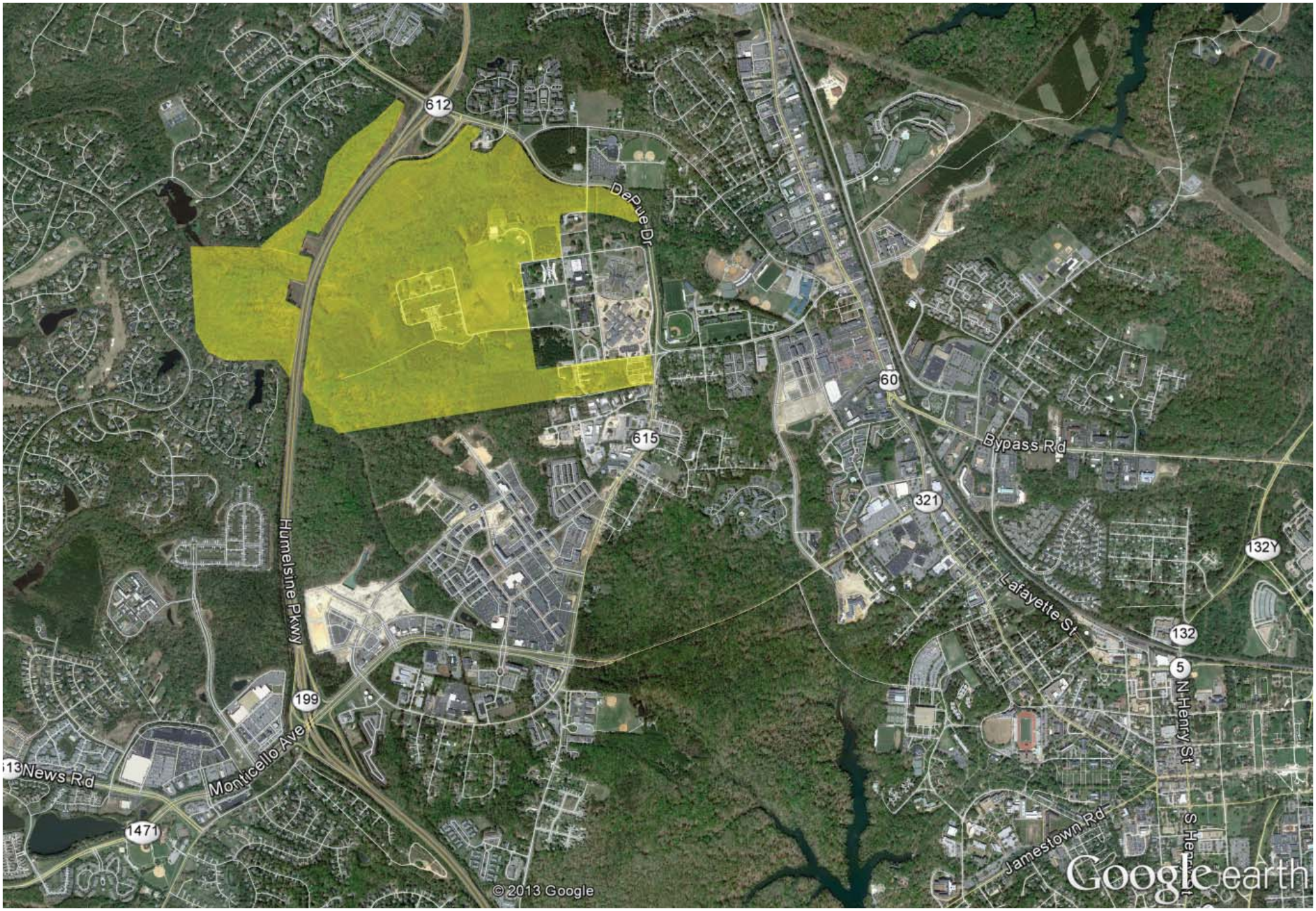
		4601 Ironbound Rd 1 mile radius	4601 Ironbound Rd 3 mile radius	4601 Ironbound Rd 5 mile radius
POPULATION	2014 Estimated Population	4,564	38,921	72,411
	2019 Projected Population	5,035	41,901	77,550
	2010 Census Population	4,140	36,324	68,084
	2000 Census Population	2,913	26,203	49,724
	Growth 2010-2014	10.25%	7.15%	6.35%
	Growth 2014-2019	10.30%	7.66%	7.10%
	2014 Estimated Median Age	41.86	37.43	41.30
	2014 Estimated Average Age	44.61	40.77	41.74
HOUSEHOLDS	2014 Estimated Households	2,092	14,697	28,203
	2019 Projected Households	2,377	15,852	30,279
	2010 Census Households	1,820	13,692	26,446
	2000 Census Households	1,030	9,251	18,710
	Growth 2010-2014	15.00%	7.34%	6.65%
	Growth 2014-2019	13.60%	7.86%	7.36%
	2014 Est. Average Household Size	2.02	2.33	2.40
INCOME	2014 Est. Median Household Income	$49,170	$66,639	$68,998
	2019 Prj. Median Household Income	$40,594	$54,783	$57,786
	2000 Cen. Median Household Income	$41,378	$47,098	$51,450
	2014 Est. Average Household Income	$62,365	$85,872	$88,442
	2014 Estimated Per Capita Income	$28,590	$32,426	$34,447
HOUSING	2014 Estimated Housing Units	2,409	17,774	32,327
	2014 Estimated Occupied Units	2,092	14,697	28,203
	2014 Estimated Vacant Units	316	3,077	4,123
	2014 Est. Owner Occupied Units	912	9,238	19,408
	2014 Est. Renter Occupied Units	1,181	5,459	8,795
	2014 Est. Median Housing Value	$269,294	$332,821	$324,000
	2014 Est. Average Housing Value	$321,434	$391,370	$375,112

Source: Neilson via CBRE FastReport

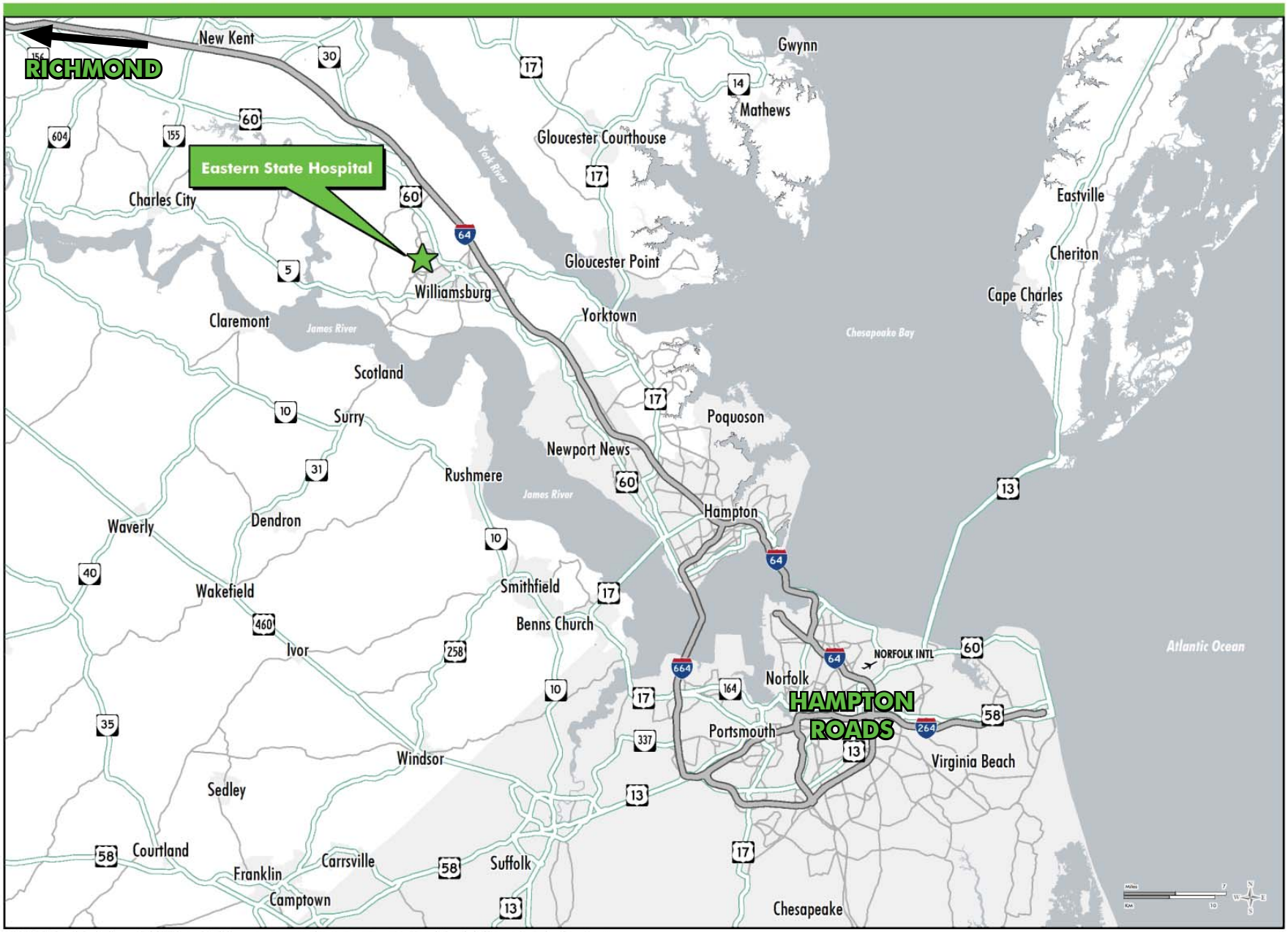
JAMES CITY COUNTY LOCATION MAP



SITE MAP


612
DePue Dr
60
615
Bypass Rd
321
132Y
Lafayette St
132
5
N Henry St
S Henry St
Jamestown Rd
199
Monticello Ave
Humelsine Pkwy
News Rd
1471
© 2013 Google
Google earth

ROAD MAP



CBRE | Richmond

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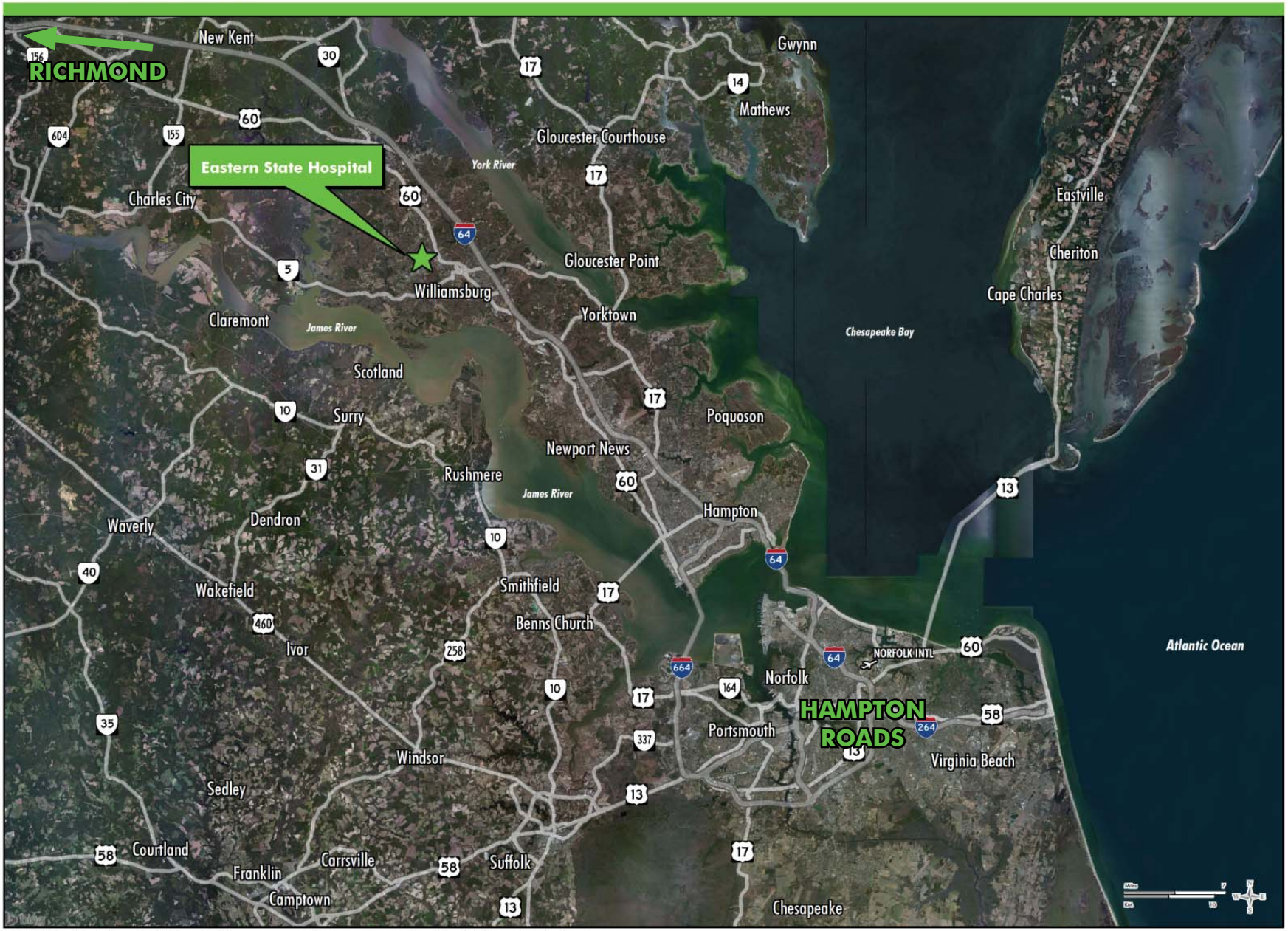
AERIAL MAP



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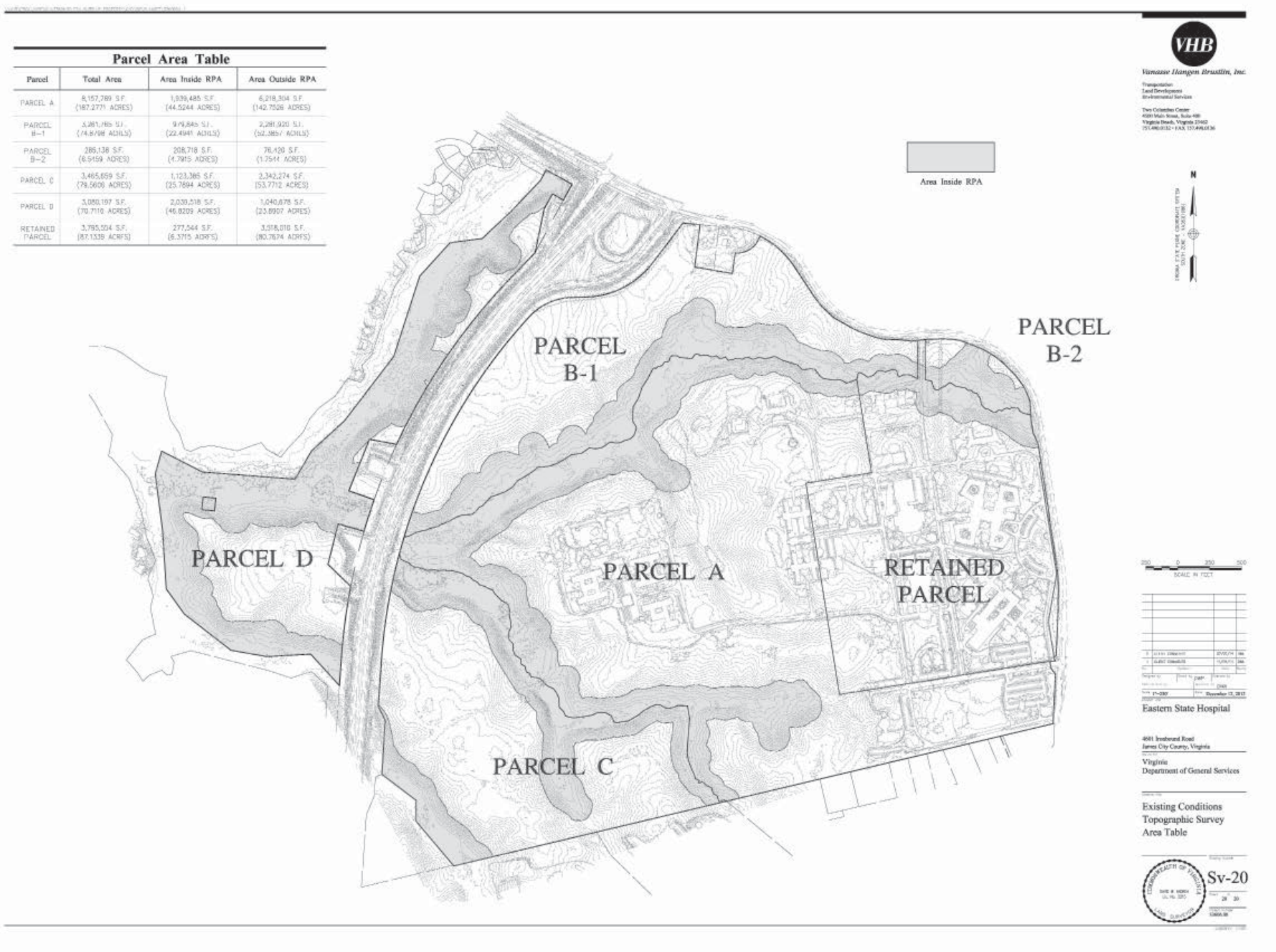
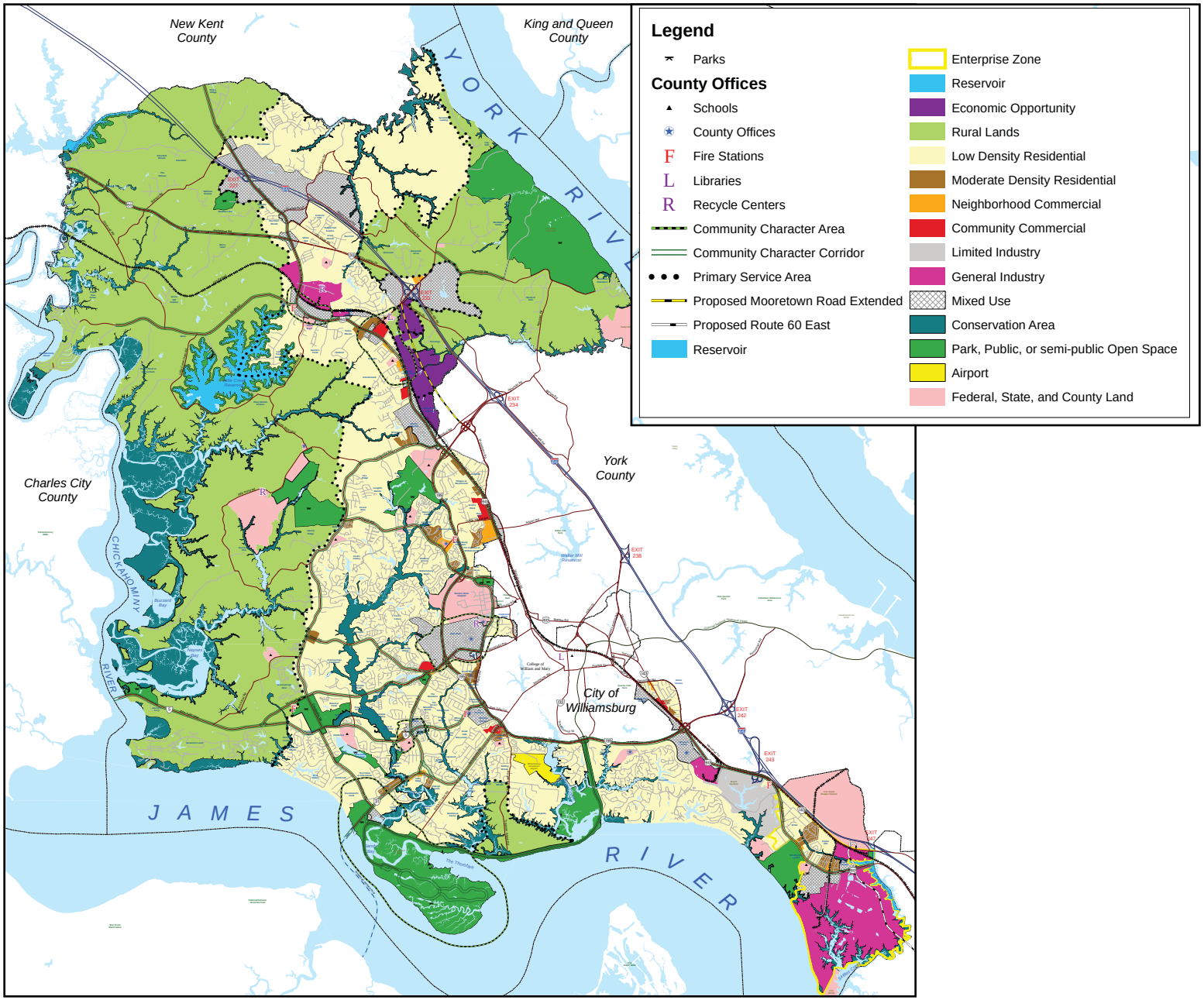
PARCEL MAP


Parcel Area Table
Parcel | Total Area | Area Inside RPA | Area Outside RPA
PARCEL A | 8,157,789 S.F. (187.2771 ACRES) | 1,939,485 S.F. (44.5244 ACRES) | 6,218,304 S.F. (142.7526 ACRES)
PARCEL B-1 | 3,281,765 S.F. (74.8798 ACRES) | 979,845 S.F. (22.4941 ACRES) | 2,281,920 S.F. (52.3857 ACRES)
PARCEL B-2 | 285,138 S.F. (6.5459 ACRES) | 208,718 S.F. (4.7915 ACRES) | 76,420 S.F. (1.7544 ACRES)
PARCEL C | 3,465,659 S.F. (79.5606 ACRES) | 1,123,385 S.F. (25.7894 ACRES) | 2,342,274 S.F. (53.7712 ACRES)
PARCEL D | 3,050,197 S.F. (70.7110 ACRES) | 2,039,518 S.F. (46.8209 ACRES) | 1,040,678 S.F. (23.8907 ACRES)
RETAINED PARCEL | 3,795,224 S.F. (87.1338 ACRES) | 277,544 S.F. (6.3715 ACRES) | 3,518,010 S.F. (80.7674 ACRES)
Area Inside RPA
PARCEL B-1
PARCEL B-2
PARCEL D
PARCEL A
RETAINED PARCEL
PARCEL C
VHB
Eastern State Hospital
Virginia Department of General Services
Existing Conditions Topographic Survey Area Table
Sv-20

PROPERTY PHOTOGRAPHS

PROPERTY PHOTOGRAPHS

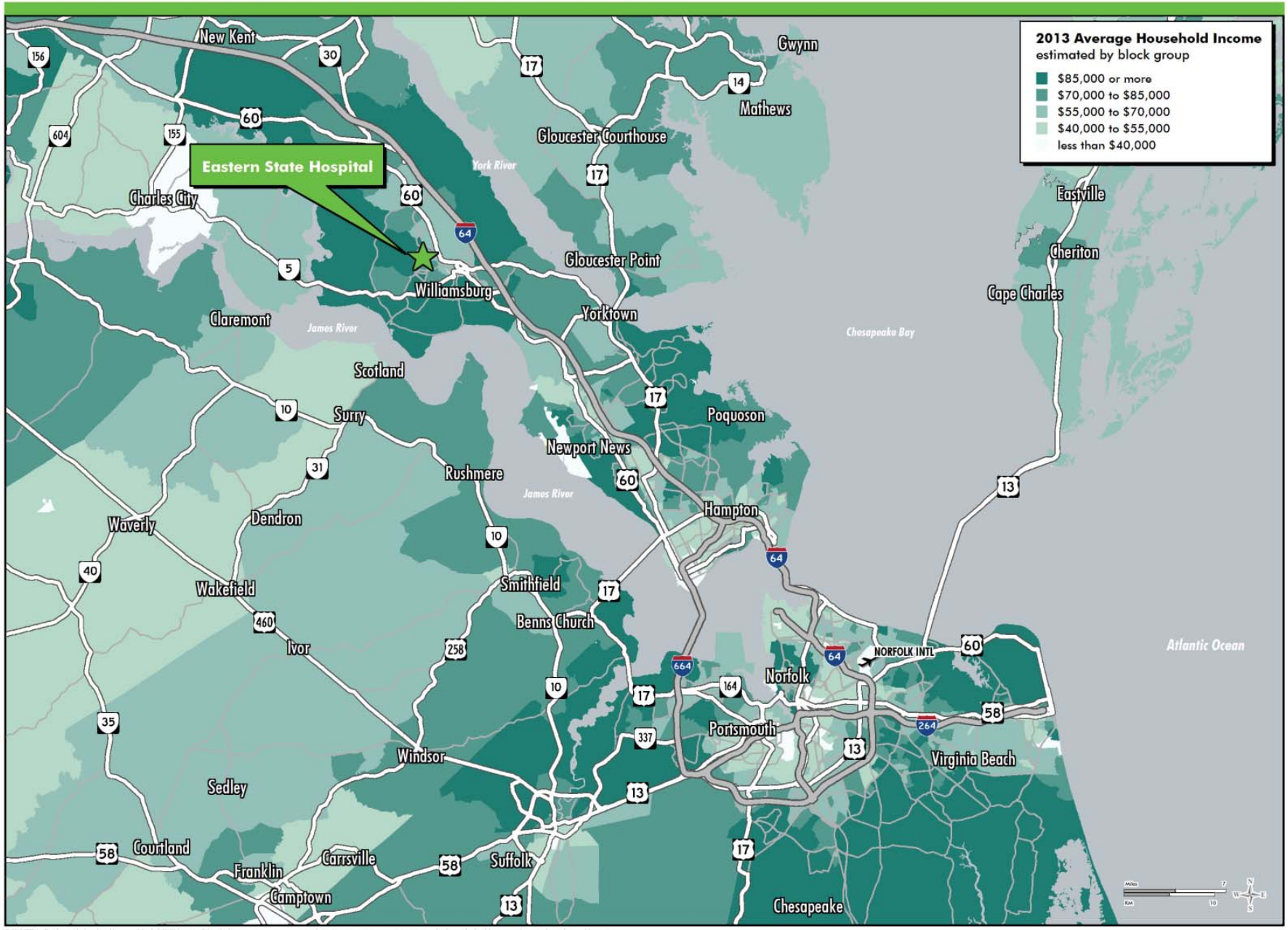
LAND USE MAP


New Kent County
King and Queen County
YORK RIVER
Charles City County
York County
City of Williamsburg
CHICKAHOMINY RIVER
JAMES RIVER
Legend
Parks
County Offices
Schools
County Offices
Fire Stations
Libraries
Recycle Centers
Community Character Area
Community Character Corridor
Primary Service Area
Proposed Mooretown Road Extended
Proposed Route 60 East
Reservoir
Enterprise Zone
Reservoir
Economic Opportunity
Rural Lands
Low Density Residential
Moderate Density Residential
Neighborhood Commercial
Community Commercial
Limited Industry
General Industry
Mixed Use
Conservation Area
Park, Public, or semi-public Open Space
Airport
Federal, State, and County Land

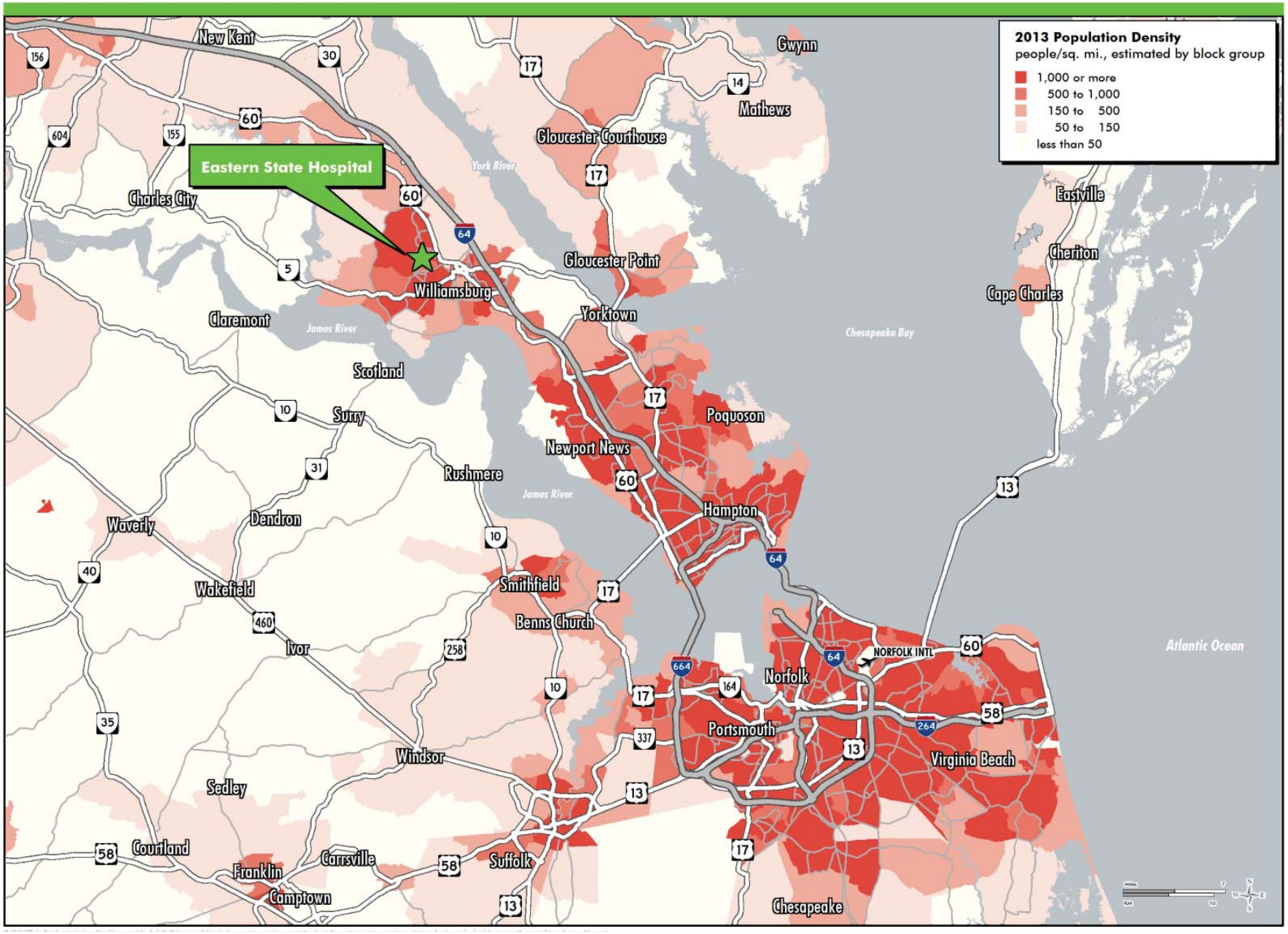
RESOURCE PROTECTION AREA MAP

TOPOGRAPHIC/WETLANDS DELINEATION MAP

AVERAGE HOUSEHOLD INCOME



POPULATION DENSITY



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CB Richard Ellis of Virginia, Inc. represents the Seller of this property.

AGENDA ITEM NO. D.6.

ITEM SUMMARY

DATE: 12/14/2017

TO: The Economic Development Authority

FROM: Amy B. Jordan, EDA Secretary

SUBJECT: Review Regional Funding

ATTACHMENTS:

	Description	Type
🗋	Regional Funding Breakdown	Exhibit
🗋	FY16 EDA Budget	Exhibit
🗋	FY17 EDA Budget	Exhibit
🗋	FY18 EDA Budget	Exhibit

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority	Fellows, Teresa	Approved	12/8/2017 - 2:36 PM

REGIONAL PARTNERSHIPS
Funded by the EDA

Keep = green Maybe = yellow No way = red

WHO/WHAT	FY18 budget	Cumulative total FY16-FY18	Notes
Arts Month/GWCTA	$15,000	$45,000	$12,000/yr prior to FY16
Business Appreciation Event (with York and City EDAs)	$2,000	$6,000	Has remained at this level since at least FY14. EDA pays 1/3 total cost.
COB	$3,000	$9,000	Has remained at this level for several years.
GWP/HREDA	$69,659	$204,825	Based on per capita, which increased for FY18.
Launchpad	$34,500	$107,336	Additional $3,836 paid FY17 for shortfall.
LPGA	$36,000	$108,848	Could share cost with GWP in FY18
Peninsula Chamber of Commerce	$300	$300	New expense in FY18
RAISE (airport marketing)	$26,804	$33,505	Paid QTR1 in FY17; none to date FY18. Based on per capita.
SBDC	$5,000	$15,000	

Start! Peninsula	$9,201	$20,902	MOU began in FY17 at $6,701 + sponsorships for EDA and/or Launchpad
Virginians for High Speed Rail Funding	$2,500	$7,500	
W&M Homecoming/Alumni Recruiting event	OED budget for FY17 & 18	$2,196	Paid by EDA FY16 and prior. Total of $3,833.55 paid by OED for FY 17 & 18
Total	$203,964	$560,412	

Account#	Account Name	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Approved FY 2015	Explanation Budget FY 2016	Proposed FY 2016 Budget
INCOME								
021-309-3971	Technology Incubator Revenue	$ 21,253.58	$ 34,640.64	$ 14,685.00	$ 15,375.00	$ -	Revenue received from JCCBTI Clients	$ 19,200.00
021-309-3972	Bond Fee Revenue	$ 10,119.31	$ 29,490.00	$ 88,873.18	$ 19,050.15	$ 6,000.00	CNU, APVA, D & D Properties, Williamsburg Landing split with Mathews IDA	$ 6,000.00
021-305-3511	Interest Revenue	$ 60,176.51	$ 40,465.14	$ 17,733.61	$ 15,385.48	$ 12,500.00	**Based on Cash balance, CD's, and anticipated earnings rates++**	$ 12,500.00
	Fund Balance	$ 175,440.98	$ 279,322.25	$ 138,621.21	$ 144,633.44	$ 203,023.00	If lack of revenue due to spending presents shortfall, needed funds will be transferred from cash reserves	$ 242,826.00
021-308-3400	Renwood Farm Income from Mainland Farm	$ 68,773.50	$ 159,692.42	$ 244,008.77	$ 14,725.00	$ 14,725.00	New contract began in FY2014	$ 14,725.00
021-309-3699	Miscellaneous Revenue	$ -	$ 36,000.00	$ 9,025.00	$ -	$ -		$ -
021-310-3037	EDA Member Contributions	$ -	$ -	$ 34,500.00	$ 69,000.00	$ 35,000.00	Revenue received from regional incubator partners (includes $5,000 for START!)	$ 74,000.00
	Total Revenues and Fund Balance	**$ 335,763.88**	**$ 579,610.45**	**$ 547,446.77**	**$ 278,169.07**	**$ 271,248.00**	**Total Revenues and Fund Balance**	**$ 369,251.00**
EXPENSES								
021-259-0203	Professional Services	$ 401.68	$ 374.15	$ 14,760.64	$ 438.18	$ -	No longer needed	$ -
021-259-0205	Promotion	$ 20,836.85	$ 7,722.02	$ 92,796.80	$ 53,368.32	$ 60,000.00	$6,000 for routine expenditures for sponsorships and events (includes $2,500 for EDA portion of Celebration of Business), one LPGA and related-event, Arts Month ●	$ 60,000.00
021-259-0207	Utilities	$ -	$ -	$ 2,677.73	$ -	$ -	No longer needed	
021-259-5900	Regional Economic Development Support	$ 63,793.30	$ 67,048.25	$ 63,658.55	$ 54,790.00	$ 70,262.00	Includes the Greater Williamsburg regional initiative ($67,583) and SBDC ($5,000) ●●	$ 72,583.00
021-259-5901	Rural Economic Development Committee	$ -	$ 92.51	$ -	$ 33.00	$ 500.00	Expenses related to the Rural Economic Development Committee	$ 500.00
021-259-5902	Virginians for High Speed Rail Funding	$ 2,500.00	$ 2,500.00	$ 2,500.00	$ 2,500.00	$ 2,500.00	Support of Virginians for High Speed Rail ($2,500)	$ 2,500.00
021-259-0220	Travel & Training	$ 3,036.70	$ -	$ -	$ -	$ 6,500.00	$2,500 to cover OED expenditures in excess of County per diem (as per EDA travel policy adopted 5/17/01); $1,500 to cover incidental costs incurred by EDA Directors for travel, training (VIDA), and marketing events	$ 6,500.00
021-259-0222	Local Travel	$ -	$ 33.08	$ 162.21	$ 61.83	$ 500.00	Expenses related to meal meetings and beverages for EDA meetings	$ 500.00
021-259-5903	James River Commerce Center Operating Expense	$ 4,189.80	$ 4,189.40	$ 4,189.40	$ 4,189.80	$ 5,000.00	Estimated JRCC Association Maintenance Fees (est. $4,800) and expenses (signs, etc.) Funding of this expense from the County general fund was withdrawn in FY04. **(Additional Expenditures pending for directional and speed limit signs on Columbia Dr. Additionally, site clearing - $20,000 estimated)**	$ 25,000.00
021-259-0235	Annual Audit	$ 5,746.00	$ 5,878.00	$ 6,037.00	$ 9,600.00	$ 9,782.00	**Estimated cost of EDA's annual audit∞**	$ 9,909.00
021-259-5904	Mainland Farm - Operating Exp.	$ -	$ -	$ -	$ -	$ 500.00	Costs related to power and incidental expenses (signs, etc.) at Mainland Farm.	$ 500.00
021-259-0710	Legal Fees	$ 6,000.00	$ 6,000.00	$ 6,000.00	$ 6,000.00	$ 6,000.00	Legal fees for EDA Counsel	$ 6,000.00
021-259-0200	Advertising	$ 263.00	$ 272.00	$ 408.00	$ 386.00	$ 1,000.00	Publishing audit report (required by law), unforeseen expenses (ex in FY00: flooding from the hurricane, EDA advertised that businesses were open), etc.	$ 1,000.00
021-259-0319	Office Supplies & Equipment	$ 17.58	$ 209.07	$ 394.56	$ 271.25	$ 400.00	Printing for copies of meeting materials	$ 400.00
021-259-5906	Business Climate Task Force	$ -	$ -	$ -	$ -	$ -	To cover expenses required by Business Climate Task Force	$ -
021-259-5908	Newport News/Williamsburg International Airport Funding (RAISE)	$ 10,896.00	$ 23,896.00	$ 26,804.00	$ 26,804.00	$ 26,804.00	Fund air carrier incentives	$ 26,804.00
021-259-5909	OED Discretionary Expenses	$ 186.59	$ 500.00	$ 634.79	$ -	$ 6,500.00	Contingency to cover special Economic Development Expenses for OED ●●●	$ 5,000.00
021-259-5910	Renwood Farm Rebate from Mainland Farms	$ 57,148.50	$ 148,067.42	$ 232,383.77	$ -	$ -	No longer needed	$ -
021-259-5912	PBA Payments	$ 86,890.50	$ 220,917.68	$ -	$ -	$ -		$ -
021-259-5913	Business Assistance	$ 14,900.00	$ 3,500.00	$ -	$ -	$ 25,000.00	Expenses related to Business Assistance Program, Small Business Events, Minority and Woman Owned Small Businesses	$ 25,000.00
021-010-0405	Interest Expense on Mainland Farm Purchase							
	Regional Incubator							
021-261-0205	TBIC Promotion	New accounts as of FY2014			$ 6,154.00	$ -	TBIC joint promotion account - each EDA puts in $2,500, used for Start! Peninsula promotion as well	$ 7,500.00
021-261-0207	TBIC Utilities				$ 2,571.17	$ 1,500.00	TBIC utilities	$ 3,000.00
021-261-0219	TBIC Telecommunications	$ 1,490.19	$ 3,098.92	$ 5,915.69	$ 4,512.12	$ 3,500.00	TBIC internet and telephone	$ 5,000.00
021-261-0320	TBIC Lease	$ -	$ -	$ -	$ -	$ -	TBIC Lease (11 months at $5,512.50 and 1 month at $5,677)	$ 66,315.00
021-261-5907	TBIC Management Fee	$ 57,467.19	$ 85,311.95	$ 88,123.63	$ 106,489.40	$ 45,000.00	Per JCCBTI Management agreement with TBC as of 11/12/2014 ●●●●	$ 45,240.00
	Total Expenses	**$ 335,763.88**	**$ 579,610.45**	**$ 547,446.77**	**$ 278,169.07**	**$ 271,248.00**	**Total Expenses**	**$ 369,251.00**
		$ -	$ -	$ -	$ -	$ -		$ -

Footnotes

++ In order to propose a budget for next year we determined what we believe the average cash balance will be as CDs will not mature until FY16

●Includes a $3,000 increase in Art's Month funding request - $15,000 total and $3,000 for Entrepreneurship Academy

●● Includes FY16 regional ed request of $0.95 per capita = $67,583 (pop. 71,140-Weldon Cooper)

∞The EDA has a contract with the auditor, however the cost differs based on consumer price index.

●●● Includes assistance for new marketing materials and updates to OED website

●●●● Management Contract

Orange defines EDA paid expenses that were prior to FY2010, JCC expenses

Regional Incubator related

Proposed FY 2019 EDA Budget

Account Code	Account Name	Actual FY 2015	Approved FY 2016 Budget	Proposed FY 2017 Budget
	Revenue:			
021-309-3972	Bond Fee Revenue	$ 22,860	$ 6,000	$ 15,000
021-305-3511	Interest Revenue	$ 13,759	$ 12,500	$ 9,500
021-308-3400	Renwood Farm Income from Mainland Farm	$ 20,575	$ 14,725	$ 14,725
021-309-5915	Marina Property	$ -	$ -	$ -
021-309-3699	Miscellaneous Revenue	$ 5,314	$ -	$ -
	Fund Balance	$ 157,963	$ 242,826	$ 233,123
	Subtotal EDA Revenue:	**$ 220,471**	**$ 276,051**	**$ 272,348**
021-309-3971	Launchpad Client Revenue	$ 5,650	$ 19,200	$ 26,545
021-310-3037	Launchpad Member Contributions	$ 69,000	$ 74,000	$ 111,000
	Subtotal Launchpad Revenue:	**$ 74,650**	**$ 93,200**	**$ 137,545**
	Total Revenue:	**$ 295,121**	**$ 369,251**	**$ 409,893**
	Expenses:			
021-259-5901	Rural Economic Development Committee	$ -	$ 500	$ -
021-259-5903	James River Commerce Center Operating Expense	$ 4,190	$ 25,000	$ 30,000
021-259-5904	Mainland Farm Operating Expense	$ -	$ 500	$ 100
021-259-5912	PBA Payments	$ 82,000	$ -	$ -
021-259-5913	Business Assistance	$ -	$ 25,000	$ 25,000
021-259-5915	Marina Property Expense	$ -	$ -	$ 101
021-259-5900	Regional Economic Development Support	$ 70,262	$ 72,583	$ 72,583
021-259-5902	Virginians for High Speed Rail Funding	$ 2,500	$ 2,500	$ 2,500
021-259-5908	Newport News/Williamsburg International Airport Funding (RAISE)	$ 26,804	$ 26,804	$ 26,804
021-259-0203	Professional Services	$ 4,571	$ -	$ -
021-259-0205	Promotion	$ 61,233	$ 60,000	$ 60,701
021-259-0220	Travel & Training	$ -	$ 6,500	$ 100
021-259-0222	Local Travel	$ 80	$ 500	$ 500
021-259-0235	Annual Audit	$ 9,782	$ 9,909	$ 9,959
021-259-0710	Legal Fees	$ 6,000	$ 6,000	$ 6,000
021-259-0200	Advertising	$ 415	$ 1,000	$ 500
021-259-0319	Office Supplies	$ 324	$ 400	$ 400
021-259-5909	OED Discretionary Expenses	$ 345	$ 5,000	$ 100
	EDA Transfer to Launchpad	$ -	$ -	$ 37,000
	Subtotal EDA Expenses:	**$ 268,505**	**$ 242,196**	**$ 272,348**
021-261-0205	Launchpad Promotion	$ 1,000	$ 7,500	$ 10,000
021-261-0207	Launchpad Utilities	$ 2,764	$ 3,000	$ 4,000
021-261-0219	Launchpad Telecommunications	$ 4,802	$ 5,000	$ 4,000
021-261-0318	Launchpad Operating Supplies	$ -	$ -	$ 6,000
021-261-0320	Launchpad Lease	$ 5,513	$ 66,315	$ 68,305
021-261-5907	Launchpad Management Contract	$ 12,538	$ 45,240	$ 45,240
	Subtotal Launchpad Expenses:	**$ 26,617**	**$ 127,055**	**$ 137,545**
	Total Expenses:	**$ 295,121**	**$ 369,251**	**$ 409,893**

Blue highlighted cells are pass-through (Launchpad Budget)

Account Code	Account Name	Explanation
	Revenue:	
021-309-3972	Bond Fee Revenue	CNU -$1,500 (1/2 year), Williamsburg Landing split with Mathews IDA - $14,000
021-305-3511	Interest Revenue	Based on Cash Balance, CD's, and anticipated earnings rates
021-308-3400	Renwood Farm Income from Mainland Farm	New contract began in FY 2014
021-309-5915	Marina Property	
021-309-3699	Miscellaneous Revenue	
	Fund Balance	If lack of revenue due to spending presents shortfall, needed funds will be transferred from cash reserves
	Subtotal EDA Revenue:	
021-309-3971	Launchpad Client Revenue	Revenue received from Launchpad Clients
021-310-3037	Launchpad Member Contributions	Revenue received from regional incubator partners (includes $7,500 for START!)
	Subtotal Launchpad Revenue:	
	Total Revenue:	
	Expenses:	
021-259-5901	Rural Economic Development Committee	Expenses related to the Rural Economic Development Committee
021-259-5903	James River Commerce Center Operating Expense	Estimated JRCC Association Maintenance Fees ($4,800) and expenses (signs, etc.). Additional $20,000 for access road received from Columbia Gas in FY 2016. Potential for additional marketing, signage, and site maintenance
021-259-5904	Mainland Farm Operating Expense	Costs related to power and incidental expenses (signs, etc.) at Mainland Farm
021-259-5912	PBA Payments	
021-259-5913	Business Assistance	Expenses related to various business assistance initiatives and Small Business Events
021-259-5915	Marina Property Expense	$1 for annual lease agreement, $100 for unexpected costs
021-259-5900	Regional Economic Development Support	Includes the Greater Williamsburg regional initiative ($67,583) and SBDC ($5,000)
021-259-5902	Virginians for High Speed Rail Funding	Support of Virginians for High Speed Rail ($2,500)
021-259-5908	Newport News/Williamsburg International Airport Funding (RAISE)	Fund air carrier incentives
021-259-0203	Professional Services	
021-259-0205	Promotion	START! $6,701; LPGA $34,000 (includes caterer); Arts Month $15,000; COB $3,000; BAE $2,000
021-259-0220	Travel & Training	$100 for unexpected costs
021-259-0222	Local Travel	Expenses related to meal meetings and beverages for EDA meetings
021-259-0235	Annual Audit	Estimated cost of EDA's annual audit
021-259-0710	Legal Fees	Leagal fees for EDA Counsel
021-259-0200	Advertising	Publishing audit report (required by law), unforeseen expenses (ex. In FY00: flooding from a hurricane, EDA advertised that businesses were open)
021-259-0319	Office Supplies	Printing for copies of meeting materials
021-259-5909	OED Discretionary Expenses	Contingency to cover special EDA Expenses for OED
	EDA Transfer to Launchpad	Launchpad Agreement $34,500, START! For Launchpad $2,500
	Subtotal EDA Expenses:	
021-261-0205	Launchpad Promotion	Launchpad joint promotion account - each EDA puts in $2,500 used for START!
021-261-0207	Launchpad Utilities	Launchpad Utilities
021-261-0219	Launchpad Telecommunications	Launchpad internet and phone
021-261-0318	Launchpad Operating Supplies	Launchpad Operating Supplies/Materials
021-261-0320	Launchpad Lease	Launchpad Lease (11 months at $5,677.88 and 1 month at $5,848.22)
021-261-5907	Launchpad Management Contract	Management Contract with SBDC
	Subtotal Launchpad Expenses:	
	Total Expenses:	

Blue highlighted cells are pass-through (Launchpad Budget)

Proposed EDA FY2018 Budget

Account Code	Account Name	FY 2016 Actual	Amended FY 2017 Budget	Proposed FY 2018 Budget
	Revenue:			
021-309-3972	Bond Fee Revenue	$ 18,426	$ 15,000	$ 20,000
021-305-3511	Interest Revenue	9,895	9,500	5,000
021-308-3400	Renwood Farm Income from Mainland Farm	14,975	14,725	14,725
021-309-5915	Marina Property	-	-	50,000
021-309-3699	Miscellaneous Revenue	20,021	-	-
021-310-3014	JCC Contribution	29,524	500,000	-
	Strategic Initiatives (Cash Reserves)	102,491	483,123	497,360
	Subtotal EDA Revenue:	**$ 195,332**	**$ 1,022,348**	**$ 587,085**
021-309-3971	Launchpad Client Revenue	$ 15,380	$ 26,545	$ -
021-310-3037	Launchpad Member Contributions	69,000	111,000	-
021-310-3736	Launchpad Landlord Contributions	50,000	-	-
	Subtotal Launchpad Revenue:	**$ 134,380**	**$ 137,545**	**$ -**
	Total Revenue:	**$ 329,712**	**$ 1,159,893**	**$ 587,085**
	Expenses:			
021-259-5901	Rural Economic Development Committee	$ 51	$ -	$ -
021-259-5903	James River Commerce Center Operating Expense	15,885	30,000	25,000
021-259-5904	Mainland Farm Operating Expense	-	100	100
021-259-5913	Business Assistance	5,000	25,000	25,000
021-259-5915	Marina Property Expense	-	750,101	101
021-259-5900	Regional Economic Development Support	72,583	72,583	111,659
021-259-5902	Virginians for High Speed Rail Funding	2,500	2,500	2,500
021-259-5908	Newport News/Williamsburg International Airport Funding (RAISE)	26,804	26,804	26,804
021-259-0203	Professional Services	785	-	-
021-259-0205	Promotion	62,545	60,701	60,701
021-259-0220	Travel & Training	-	100	100
021-259-0222	Local Travel	10	500	500
021-259-0235	Annual Audit	9,909	9,959	10,039
021-259-0710	Legal Fees	6,000	6,000	6,000
021-259-0200	Advertising	248	500	500
021-259-0319	Office Supplies	-	400	400
	Strategic Initiatives Projects	-	-	317,581
021-259-5909	OED Discretionary Expenses	337	100	100
021-259-5916	EDA Transfer to Launchpad	-	37,000	-
	Subtotal EDA Expenses:	**$ 202,657**	**$ 1,022,348**	**$ 587,085**
021-261-0205	Launchpad Promotion	$ 7,500	$ 10,000	$ -
021-261-0207	Launchpad Utilities	3,000	4,000	-
021-261-0219	Launchpad Telecommunications	5,000	4,000	-
021-261-0318	Launchpad Operating Supplies	-	6,000	-
021-261-0320	Launchpad Lease	66,315	68,305	-
021-261-5907	Launchpad Management Contract	45,240	45,240	-
	Subtotal Launchpad Expenses:	**$ 127,055**	**$ 137,545**	**$ -**
	Total Expenses:	**$ 329,712**	**$ 1,159,893**	**$ 587,085**

Blue highlighted cells are pass-through (Launchpad Budget)

Account Code		Account Name		Explanation
		Revenue:		
021-309-3972		Bond Fee Revenue		CNU , Williamsburg Landing split with Mathews IDA
021-305-3511		Interest Revenue		Based on Cash Balance, CD's, and anticipated earnings rates
021-308-3400		Renwood Farm Income from Mainland Farm		New contract began in FY 2014
021-309-5915		Marina Property		$5,000 for each month (10 months)
021-309-3699		Miscellaneous Revenue		
		Strategic Initiatives (Cash Reserves)		Funds Available for Strategic Initiatives Projects outside of budgeted items
		Fund Balance		If lack of revenue due to spending presents shortfall, needed funds will be transferred from cash reserves
		Subtotal EDA Revenue:		
021-309-3971		Launchpad Client Revenue		Revenue received from Launchpad Clients
021-310-3037		Launchpad Member Contributions		Revenue received from regional incubator partners (includes $7,500 for START!)
		Subtotal Launchpad Revenue:		
		Total Revenue:		
		Expenses:		
021-259-5901		Rural Economic Development Committee		Expenses related to the Rural Economic Development Committee
021-259-5903		James River Commerce Center Operating Expense		Estimated JRCC Association Maintenance Fees ($4,800) and expenses (signs, etc.). Additional $20,000 for access road received from Columbia Gas in FY 2016. Potential for additional marketing, signage, and site maintenance
021-259-5904		Mainland Farm Operating Expense		Costs related to power and incidental expenses (signs, etc.) at Mainland Farm
021-259-5912		PBA Payments		
021-259-5913		Business Assistance		Expenses related to various business assistance initiatives and Small Business Events
021-259-5915		Marina Property Expense		$1 for annual lease agreement, $100 for unexpected costs
021-259-5900		Regional Economic Development Support		Includes the Greater Williamsburg Partnership ($69,659), JCC Launchpad contribution ($34,500), JCC portion of the Start! Contribution for Launchpad ($2,500) and SBDC ($5,000)
021-259-5902		Virginians for High Speed Rail Funding		Support of Virginians for High Speed Rail ($2,500)
021-259-5908		Newport News/Williamsburg International Airport Funding (RAISE)		Fund air carrier incentives
021-259-0203		Professional Services		
021-259-0205		Promotion		START! $6,701 - Per MOU and based on 2010 Census Data; LPGA $34,000 (includes caterer); Arts Month $15,000 (anticipated last year of contribution - typically invoiced in January and paid July 1); COB $3,000; BAE $2,000
021-259-0220		Travel & Training		$100 for unexpected costs
021-259-0222		Local Travel		Expenses related to meal meetings and beverages for EDA meetings
021-259-0235		Annual Audit		Estimated cost of EDA's annual audit
021-259-0710		Legal Fees		Leagal fees for EDA Counsel
021-259-0200		Advertising		Publishing audit report (required by law), unforeseen expenses (ex. In FY00: flooding from a hurricane, EDA advertised that businesses were open)
021-259-0319		Office Supplies		Printing for copies of meeting materials
		Strategic Initiatives Projects		Costs related to Strategic Initiatives Projects
021-259-5909		OED Discretionary Expenses		Contingency to cover special EDA Expenses for OED
021-259-5916		EDA Transfer to Launchpad		combined into Regional Economic Development Support
		Subtotal EDA Expenses:		
021-261-0205		Launchpad Promotion		Launchpad joint promotion account - each EDA puts in $2,500 used for START!
021-261-0207		Launchpad Utilities		Launchpad Utilities
021-261-0219		Launchpad Telecommunications		Launchpad internet and phone
021-261-0318		Launchpad Operating Supplies		Launchpad Operating Supplies/Materials
021-261-0320		Launchpad Lease		Launchpad Lease (11 months at $5,677.88 and 1 month at $5,848.22)
021-261-5907		Launchpad Management Contract		Management Contract with SBDC
		Subtotal Launchpad Expenses:		
		Total Expenses:		

Blue highlighted cells are pass-through (Launchpad Budget)

AGENDA ITEM NO. D.5.

ITEM SUMMARY

DATE: 12/14/2017

TO: The Economic Development Authority

FROM: Amy B. Jordan, EDA Secretary

SUBJECT: Identify Incentives

ATTACHMENTS:

	Description	Type
🗋	State Guide to Business Incentives	Exhibit

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority	Fellows, Teresa	Approved	12/11/2017 - 4:14 PM

GUIDE TO INCENTIVES 2017-2018

Virginia
YesVirginia.org
BEST STATE FOR BUSINESS

VIRGINIA ECONOMIC
DEVELOPMENT PARTNERSHIP

YESVIRGINIA.ORG

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Introduction

Virginia's most valuable business incentive is its pro-business climate. The Commonwealth strives to maintain traditions of sound fiscal management: a growing, diversified economy, moderate and stable taxes, and a conservative, results-oriented approach to business regulation. This advantageous climate—together with assets such as a strategic location, a highly productive workforce, and excellent quality of life—makes Virginia the best place to do business.

In support of this pro-business environment, Virginia offers a range of incentives and services to encourage business growth and reduce the costs of opening or expanding a business facility within the Commonwealth. Incentives include discretionary cash grants, infrastructure development grants, tax credits and exemptions, customized training, technical support programs, and financing assistance. The state's guiding principles for offering discretionary incentives to projects are to target those projects that:

- align with local, regional, and/or state strategic sectors and strategies;
- are impactful;
- maximize community wealth;
- diversify the job base in regards to skill sets;
- solve a specific need;
- and advance the qualify of life for Virginians.

This guide mainly focuses on state incentive programs. Local governments may offer additional business incentives to further reduce the costs of locating or expanding a business in Virginia.

Discretionary Incentives

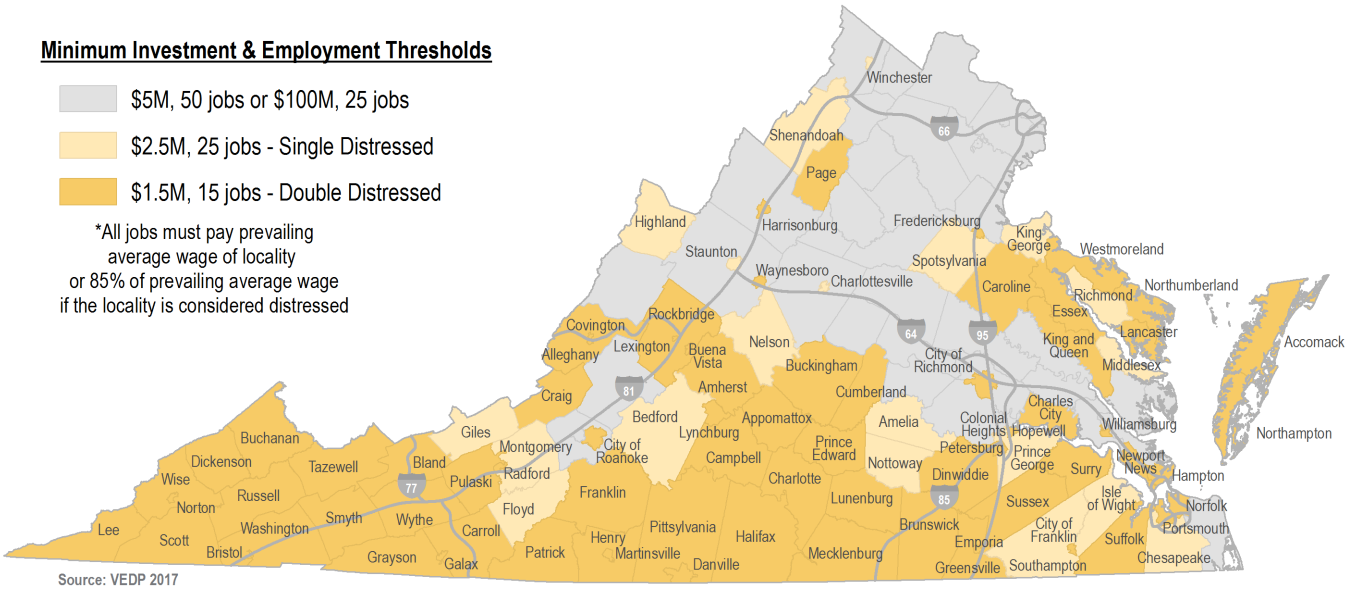
Commonwealth's Development Opportunity Fund

The Commonwealth's Development Opportunity Fund (COF) (formerly the Governor's Development Opportunity Fund) is designed as a "deal closing" fund to be employed at the Governor's discretion to secure a company location or expansion in Virginia. Administered by the Virginia Economic Development Partnership (VEDP), the COF serves as a final resource for Virginia in the face of serious competition from other states or countries. The COF grant is a negotiated amount determined by the Secretary of Commerce and Trade, based on the recommendation of VEDP, and subject to the approval of the Governor. A COF grant is awarded to the Virginia locality (county, city, town, or applicable political subdivision) for the benefit of the company, with the expectation that the grant will result in a favorable decision for the Commonwealth.

Grants are made at a locality's request for a project under the following conditions:

- Minimum project capital investment, job creation, and wage requirements
- The locality participates with a matching dollar-for-dollar (cash or in-kind) financial commitment
- Review of financial documents and/or other information from company
- Public announcement of the project is coordinated by VEDP and the Governor's Office
- A performance agreement is executed between the locality and the company outlining promised job creation, capital investment, and wages
- Annual updates from the company reporting the status of the capital investment and job creation outlined in the performance agreement

Monies may be used for such things as public and private utility extension or capacity development on and off site; public and private installation, extension, or capacity development of high-speed or broadband internet access, whether on or off site; road, rail, or other transportation access costs beyond the funding capability of existing programs; site acquisition; grading, drainage, paving, and any other activity required to prepare a site for construction; construction or build-out of buildings; or training.



Discretionary Incentives

Once a company decides on one potential Virginia location, the locality works with VEDP within the guidelines of this program to seek the funds necessary to apply toward the project. The success of the COF application is based on the project's eligibility and the locality's financial support for the project, as well as the actual project requirements and availability of funds. As with all Virginia discretionary incentives, the Commonwealth's investment must make good fiscal sense for both sides and must carry a suitable benefit for Virginia, based on a return on investment analysis prepared for every project.

Virginia Investment Partnership Grant

The Virginia Investment Partnership Grant (VIP) is a discretionary performance incentive designed to encourage continued capital investment by Virginia companies, resulting in added capacity, modernization, increased productivity, or the creation, development, and utilization of advanced technology. The program targets manufacturers or research and development services supporting manufacturing that have operated in Virginia for at least three years and are making a capital investment of at least $25 million, while maintaining stable employment levels. There must be an active and realistic competition between Virginia and another state or country for attracting the project and matching local financial participation is expected.

The amount of each VIP grant is determined by the Secretary of Commerce and Trade, based in part on the Virginia Economic Development Partnership's (VEDP) return on investment analysis and recommendation, and is subject to the approval of the Governor. VIP grants are paid in five equal annual installments beginning in the third year after the capital investment and job creation or retention are achieved, or in the second year if the company is locating in a fiscally distressed area of the state. Distressed communities are highlighted in the map on page 2.

Companies are required to execute a performance agreement outlining performance expectations prior to receipt of the grant. Public announcement of the project must be coordinated with VEDP and the Governor's Office.

Major Eligible Employer Grant

The Major Eligible Employer Grant (MEE) is a discretionary performance incentive designed to encourage significant capital investment and job creation, by Virginia manufacturers and other basic employers, to grow in Virginia rather than another state or country. The program targets major employers that make a capital investment of at least $100 million and create at least 1,000 new jobs (a minimum of 400 jobs, if the average pay is at least twice the locality's prevailing average wage).

The amount of each MEE grant is determined by the Secretary of Commerce and Trade, based in part on the Virginia Economic Development Partnership's (VEDP) return on investment analysis and recommendation, and is subject to the approval of the Governor. MEE grants are paid in five to seven equal annual installments beginning in the third year after the capital investment and job creation targets are met.

Companies are required to execute a performance agreement before receipt of the grant outlining performance expectations. Public announcement of the project must be coordinated with VEDP and the Governor's Office.

Discretionary Incentives

Virginia Economic Development Incentive Grant

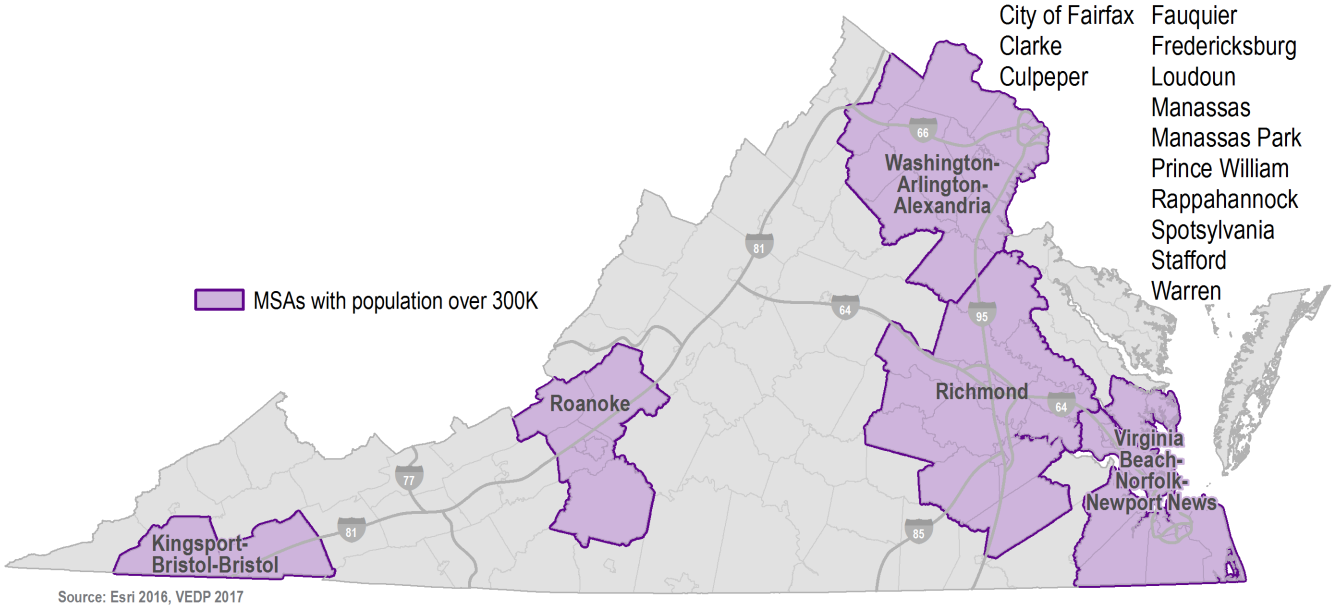
The Virginia Economic Development Incentive Grant (VEDIG) is a discretionary performance incentive designed to assist and encourage companies to invest and create new employment opportunities, by locating significant headquarters, administrative, or service sector operations in Virginia. Selected companies must meet the following eligibility requirements.

A company locating in a Metropolitan Statistical Area (MSA) with a population of 300,000 or more in the most recent decennial Census must:

- Create 400 new full-time jobs with average salaries at least 1.5 times the local prevailing average wage; or create 300 new full-time jobs with average salaries at least twice the local prevailing average wage
- Make a capital investment of at least $5 million or $6,500 per job, whichever is greater

A company locating elsewhere in Virginia must:

- Create 200 new full-time jobs with average salaries at least 1.5 times the local prevailing average wage
- Make a capital investment of at least $6,500 per job



Source: Esri 2016, VEDP 2017

Washington - Arlington - Alexandria

Alexandria
Arlington
City of Fairfax
Clarke
Culpeper
Fairfax
Falls Church
Fauquier
Fredericksburg
Loudoun
Manassas
Manassas Park
Prince William
Rappahannock
Spotsylvania
Stafford
Warren

Kingsport - Bristol - Bristol

Bristol
Scott
Washington

Roanoke

Botetourt
Craig
Franklin
City of Roanoke
Roanoke
Salem

Richmond

Amelia
Caroline
Chesterfield
Charles City
City of Richmond
Colonial Heights
Dinwiddie
Goochland
Hanover
Henrico
Hopewell
King William
New Kent
Petersburg
Powhatan
Prince George
Sussex

Virginia Beach - Norfolk - Newport News

Chesapeake
Gloucester
Hampton
Isle of Wight
James City
Mathews
Newport News
Norfolk
Poquoson
Portsmouth
Suffolk
Virginia Beach
Williamsburg
York

Discretionary Incentives

The amount of each performance grant is determined by the Secretary of Commerce and Trade, based in part on the Virginia Economic Development Partnership's (VEDP) return on investment analysis and recommendation, and is subject to the approval of the Governor. VEDIG grants are paid in no fewer than five equal annual installments beginning in the third year after the capital investment and job creation are completed. Companies are required to execute a performance agreement before receipt of the grant outlining performance expectations. Public announcement of the project must be coordinated with VEDP and the Governor's Office.

Virginia Economic Development Partnership
P.O. Box 798
901 East Cary Street
Richmond, Virginia 23218-0978
804.545.5600

http://www.YesVirginia.org

Discretionary Incentives

Governor's Agriculture & Forestry Industries Development Fund

The Governor's Agriculture and Forestry Industries Development Fund (AFID) is a discretionary incentive designed to grow Virginia's agriculture and forestry industries through strategic grants made to businesses that add value to Virginia-grown agriculture and forestry products. AFID grants are made to localities at the discretion of the Governor with the expectation that the grant will be critical to the success of a project that will result in the creation of new jobs and investment.

Grants are made to a political subdivision for a project under the following conditions:

- The business beneficiary is creating new capital investment and jobs in Virginia.
- The business beneficiary is a facility that produces "value-added agricultural or forestal products"
- At least 30 percent of the agriculture or forestry products to which the facility is adding value are grown within Virginia
- The grant may not exceed $500,000 unless the project is determined to have statewide or regional importance
- The political subdivision applying for the grant provides a matching financial commitment
- A performance agreement is executed between the applicant and the business beneficiary outlining the agreed upon job creation, capital investment, and purchase of Virginia-grown agriculture or forestry products
- Public announcement of the project is coordinated with the Governor's Office

Grants may be used for a variety of purposes including public and private utility extension or capacity development on and off site; high-speed or broadband internet access extension or capacity development; road, rail, or other transportation access costs beyond the funding capability of existing programs; site acquisition; grading, drainage, paving, and any other activity required to prepare a site for construction; construction or build-out of buildings; or training.

Virginia Department of Agriculture and Consumer Services
Office of Agriculture and Forestry Department
102 Governor Street
Richmond, Virginia 23219
804.225.4535
AFID@vdacs.virginia.gov

http://www.vdacs.virginia.gov/agriculture-afid-facility-grants.shtml

Discretionary Incentives

Port of Virginia Economic & Infrastructure Development Grant

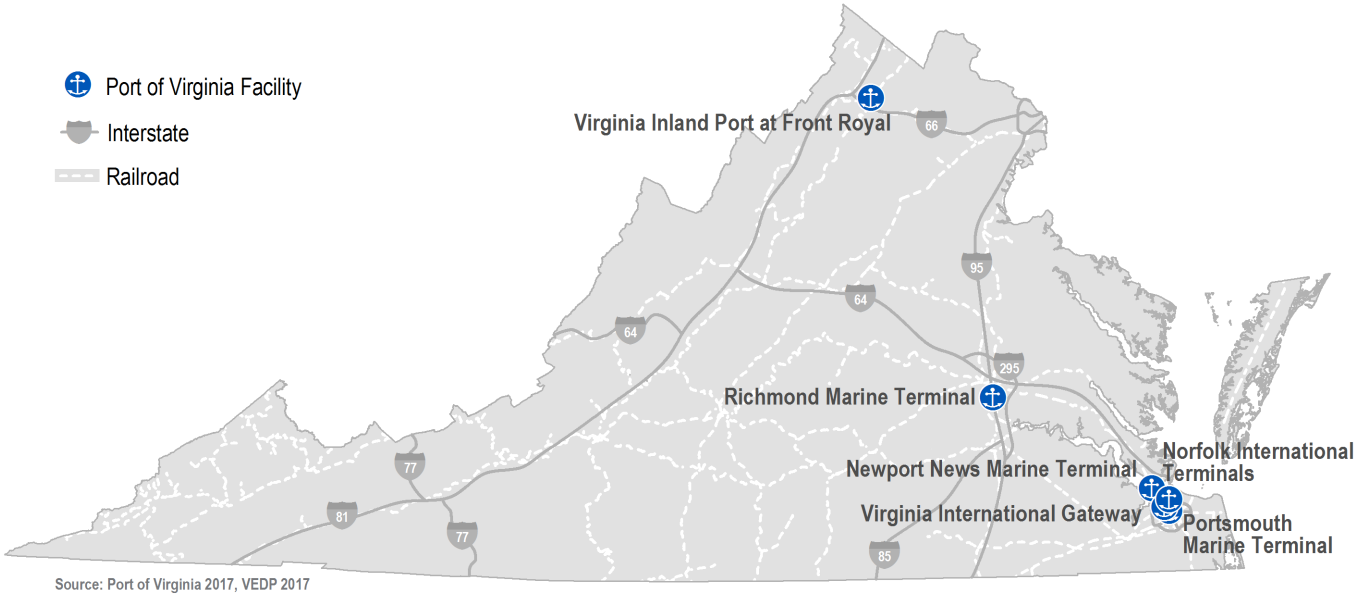
The Port of Virginia Economic and Infrastructure Development Grant, administered by the Virginia Port Authority, is designed to incentivize companies to locate new maritime-related employment centers or expand existing centers to encourage growth of The Port of Virginia.

A business entity that meets all four criteria listed below may be eligible for a cash grant from Port of Virginia Economic and Infrastructure Development Grant:

1. Locates or expands a facility within the Commonwealth.
2. Creates at least 25 new, permanent full-time positions at a facility within Virginia from commencement of the project through the first full year of operation or during the year when the expansion occurs.
3. Is involved in maritime commerce, or exports or imports manufactured goods through The Port of Virginia.
4. Is engaged in one or more of the following: distribution, freight forwarding, freight handling, goods processing, manufacturing, warehousing, crossdocking, transloading, or wholesaling of goods exported and imported through The Port of Virginia; ship building and ship repair; dredging; marine construction; or offshore energy exploration and extraction.

The amount of the grant is calculated by the following formula, subject to a maximum amount of $500,000 per year:

- 25–49 new jobs: $1,000 per job
- 50–74 new jobs: $1,500 per job
- 75–99 new jobs: $2,000 per job
- 100+ new jobs: $3,000 per job



Source: Port of Virginia 2017, VEDP 2017

Discretionary Incentives

To receive the grant, a qualifying company must apply to the Virginia Port Authority no later than March 31st in the year immediately following the first full year of operation or expansion within Virginia. The qualifying company must also agree to maintain the jobs at the facility within Virginia and continue to move cargo through The Port of Virginia for each of the three years following the receipt of the grant by entering into a Memorandum of Understanding with the Virginia Port Authority. In the event that the company fails to maintain the job number or cargo moving through The Port of Virginia during any of those three years, the company may be required to pay all or a portion of the grant back to the Virginia Port Authority.

A company that has received a grant from this fund may be eligible for a second grant if it locates or expands an additional facility in a separate location within the Commonwealth, creates at least 300 new permanent jobs, and increases cargo volumes through The Port of Virginia by at least five percent.

Please note, a company may not claim the Port of Virginia Economic and Infrastructure Development Grant, the Major Business Facility Jobs Tax Credit, or the International Trade Facility Tax Credit for the same jobs.

Virginia Port Authority
600 World Trade Center
Norfolk, Virginia 23510
757.683.2125 *http://www.portofvirginia.com/stewardship/economic-development/ed-infrastructure-grant-program/*

Regional & Local Assistance

Tobacco Region Opportunity Fund

The Tobacco Region Opportunity Fund (TROF) provides performance-based monetary grants and loans to localities in Virginia's tobacco producing regions (34 counties and six cities in Southside and Southwest Virginia as defined by the Virginia Tobacco Region Revitalization Commission) to assist in the creation of new jobs and investments, whether through new business attraction or existing business expansion. These grants and loans are awarded at the Commission's discretion.

The TROF program is intended to support the goal of the Commission to revitalize the economies of tobacco dependent regions and communities. This goal is measured by job creation, workforce participation rate, wealth, diversity of economy, and taxable assets. Eligible projects must include a minimum private capital investment of $1 million within 36 months (amount spent to acquire real estate will be counted as capital investment).

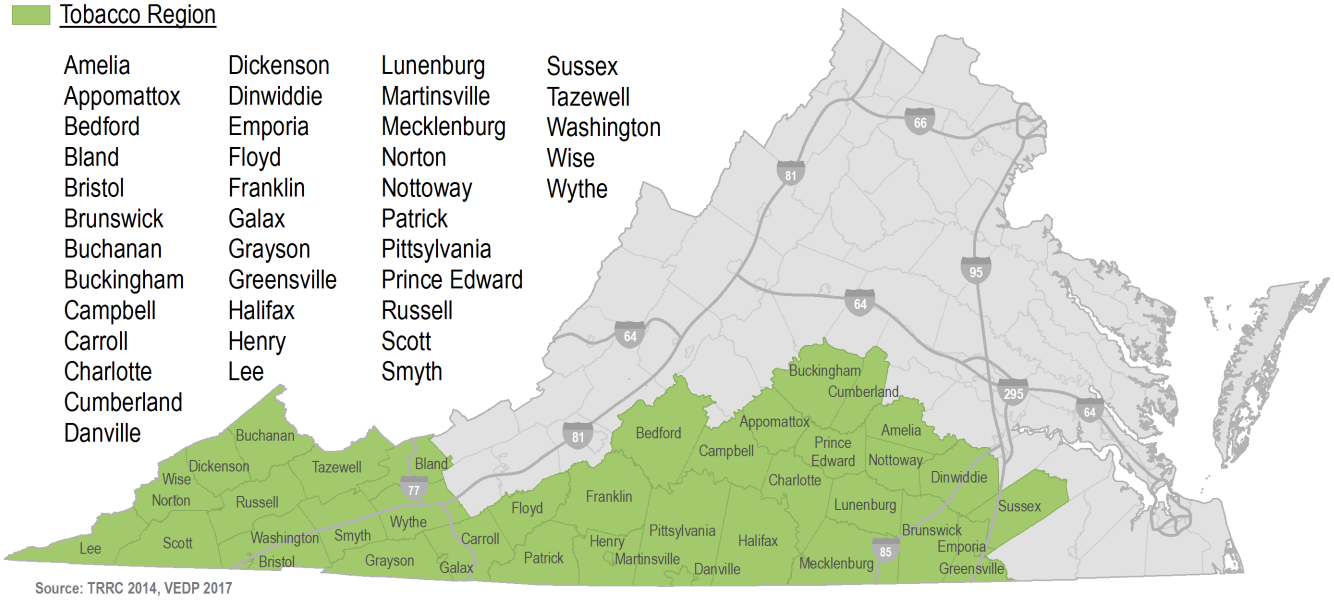
A performance agreement will be required for all grants and loans, and repayment of all or part of grant funds is required if performance is not met. The Commission determines grant amounts based on local unemployment rates, prevailing wage rates, capital investment levels, industry type, and other factors determined by the Commission. Grants are limited to three per county per fiscal year. Applications from incorporated towns count against the county limit, but independent cities do not. An acknowledgement of the Commission must appear in any publication, announcement, or significant event related to the project.

Virginia Tobacco Region Revitalization Commission
701 East Franklin Street, Suite 501
Richmond, Virginia 23219
804.225.2027

http://www.tic.virginia.gov/tobregionoppfund.shtml

Tobacco Region

Amelia	Dickenson	Lunenburg	Sussex
Appomattox	Dinwiddie	Martinsville	Tazewell
Bedford	Emporia	Mecklenburg	Washington
Bland	Floyd	Norton	Wise
Bristol	Franklin	Nottoway	Wythe
Brunswick	Galax	Patrick	
Buchanan	Grayson	Pittsylvania	
Buckingham	Greensville	Prince Edward	
Campbell	Halifax	Russell	
Carroll	Henry	Scott	
Charlotte	Lee	Smyth	
Cumberland			
Danville			



Source: TRRC 2014, VEDP 2017

Regional & Local Assistance

Virginia Coalfield Economic Development Authority (Virginia's e-Region)

The Virginia Coalfield Economic Development Authority (VCEDA) works to enhance the economic base of Virginia's e-Region, the seven counties and one city of southwestern Virginia (Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, and Wise counties and the City of Norton). Virginia's e-Region focuses on electronic information technology, energy, education, emerging technologies, and existing industries.

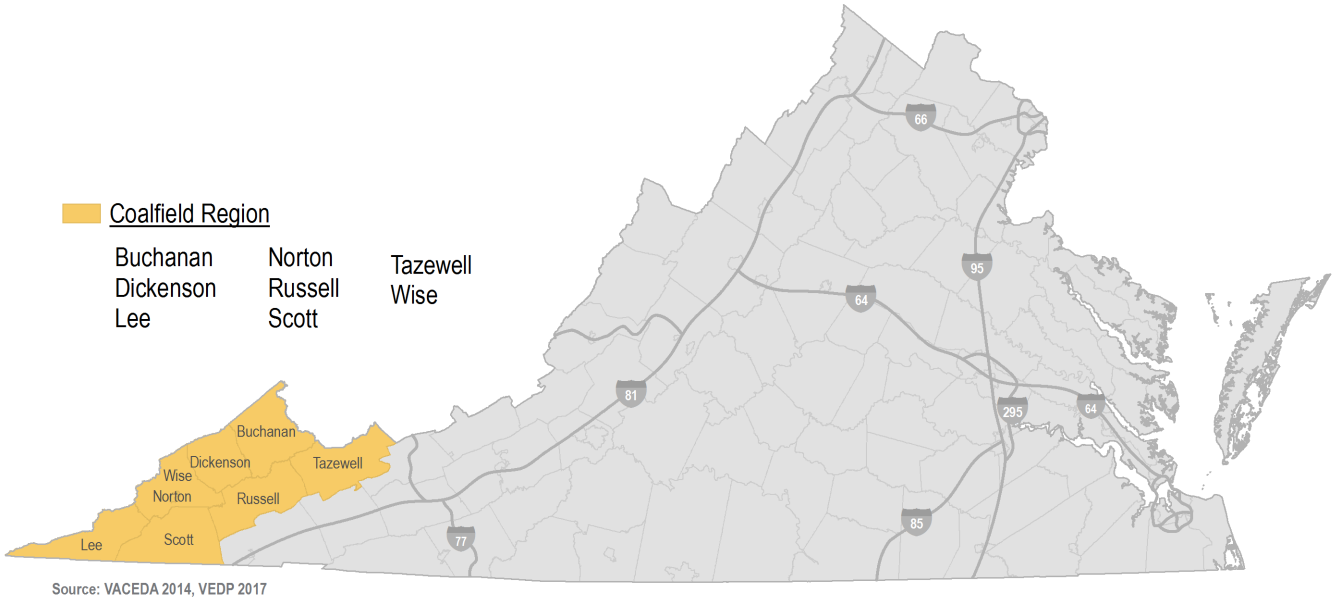
The Authority provides low-interest loans to qualified new or expanding businesses through its financing program. The loans may be used for real estate purchases, construction or expansion of buildings, and the purchase of machinery and equipment.

To be eligible for the VCEDA loans, private businesses must be basic employers that will bring new income to the area. Priority will be given to loans requiring $10,000 - $25,000 or less for each new full-time basic job created, depending upon wage rate. The average minimum hourly wage should equal or exceed 1.5 times the current federal minimum wage rate, or $10.88. Any project providing at least 15 full-time jobs within 36 months of start-up will be given priority.

VCEDA also administers other funding programs designed to encourage economic development and diversification in Virginia's e-Region, including the Coalfield Regional Opportunity Fund (CROF). Eligibility requirements vary by program.

Virginia Coalfield Economic Development Authority
P.O. Box 1060
Lebanon, Virginia 24266
276.889.0381

http://vaceda.org/vceda-funding



Regional & Local Assistance

Virginia Enterprise Zone Program

The Virginia Enterprise Zone Program, administered by the Virginia Department of Housing and Community Development (DHCD), assists with business development and expansion in specially targeted areas throughout the state called enterprise zones. Virginia's Enterprise Zone Program offers two state incentives to qualified businesses and zone investors located in a Virginia Enterprise Zone. In addition to state incentives, each zone community offers additional local incentives to qualified businesses. In order to access Enterprise Zone incentives, companies must submit applications and all required attachments to DHCD by April 1st of each year.

Enterprise Zone Job Creation Grant

Qualified businesses in an enterprise zone are eligible for cash grants for permanent net, new jobs created over a four-job threshold. Qualifying jobs must offer health benefits and meet certain wage thresholds. Positions created over the four-job threshold that pay at least 1.75 times the federal minimum wage rate ($12.69) are eligible for a maximum grant of $500 per position per year for up to five years. Businesses in enterprise zone localities designated as high unemployment areas by DHCD can qualify for the $500 grant using a lower wage threshold of 1.5 times the federal minimum wage ($10.88). Positions that pay at least twice the federal minimum wage rate ($14.50) are eligible for a maximum grant of $800 per position per year for up to five years. Jobs with pay rates below these thresholds or without adequate health care benefits, as well as positions in retail, personal service, or food and beverage service, are not eligible for grants.

Grants are calculated based on the number of full months worked during a calendar year. In cases where a position is filled or is eligible for a grant for only a portion of the year, the grant is prorated based on the number of full months the position was filled and/or eligible for a grant. This applies to cases where there is a change in the wage rate, health benefits, or the federal minimum wage rate. Businesses must qualify for the grants annually. A business can receive grants for a maximum of 350 jobs annually above the four-job threshold. Businesses may qualify for additional five-year grant periods with additional job creation. Business facilities located in an enterprise zone and electing to receive this grant are not eligible for the Major Business Facility Job Tax Credit for the same jobs.

Enterprise Zone Real Property Investment Grant

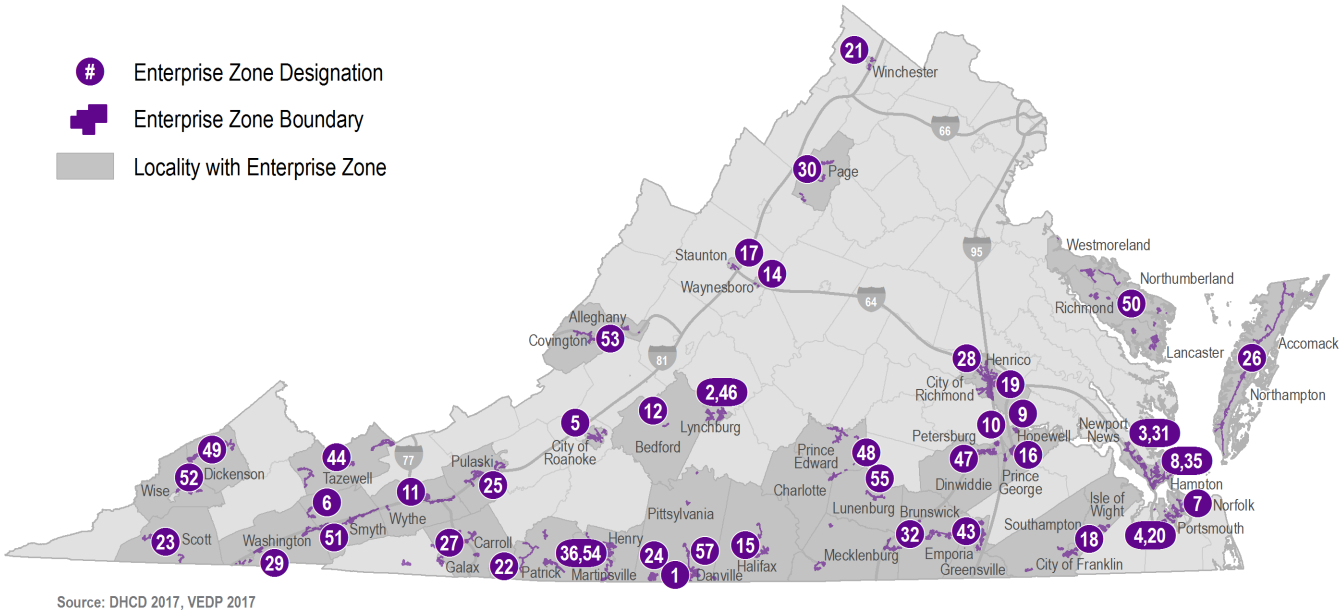
Qualified zone investors (entities and individuals) making a qualified investment in industrial, commercial, or mixed-use real property located within an enterprise zone are eligible for a cash grant. The grant is equal to 20 percent of the excess above the minimum required investment up to a maximum of $100,000 for companies investing $5 million or less in qualified real property investments. For companies investing more than $5 million, the maximum grant is equal to 20 percent of the excess above the minimum required investment up to a maximum of $200,000. Total grant awards may not exceed the maximums specified above within any five-year period for a specific building or facility. Investment in rehabilitation/expansion projects must equal at least $100,000. New construction projects must invest at least $500,000 in qualified real property investments.

Note: State Enterprise Zone incentives are subject to proration if the grants requested exceed allocated statewide funding. The Job Creation Grant receives funding priority and the Real Property Investment Grant is funded with the remaining balance.

Virginia Department of Housing and Community Development
600 East Main Street, Suite 300
Richmond, Virginia 23219
804.371.7030

http://www.dhcd.virginia.gov

Regional & Local Assistance



Source: DHCD 2017, VEDP 2017

1 Danville
2,46 Lynchburg
3,31 Newport News
4,20 Portsmouth
5 City of Roanoke
6 Saltville/Smyth
7 Norfolk
8,35 Hampton
9 Hopewell*
10 Petersburg
11 Wythe
12 Bedford
14 Waynesboro
15 Halifax/South Boston
16 Prince George
17 Staunton
18 Isle of Wight/Southampton/ City of Franklin*
19 City of Richmond
21 Winchester
22 Patrick/Stuart
23 Scott
24 Pittsylvania
25 Pulaski/Radford
26 Accomack/Northampton
27 Carroll/Galax/Grayson
28 City of Richmond/Henrico
29 Bristol
30 Page*
36,54 Martinsville*/Henry
32 Brunswick*/Mecklenburg
43 Emporia*/Greensville
44 Tazewell*
47 Dinwiddie/Petersburg*
48 Charlotte/Lunenburg/ Prince Edward
49 Dickenson*/Clintwood/Haysi
50 Lancaster*/Northumberland/ Richmond/Westmoreland/ Kilmarnock/Warsaw
51 Smyth/Washington/ Chilhowie/Glade Spring
52 Wise*
53 Alleghany/Covington/ Clifton Forge
55 Lunenburg/Kenbridge/Victoria
57 Pittsylvania/Danville*

* Businesses in these zones are eligible to apply for the $500 per job grant at the reduced wage rate threshold for job grants in areas with unemployment rates that are equal to or more than one and one-half times the state average to 150 percent of the federal minimum wage or $10.88 per hour. If a joint zone, the wage reduction only applies to the part in the locality indicated.

Regional & Local Assistance

Foreign Trade Zones

Foreign trade zones (FTZs) allow businesses to defer paying U.S. Customs duties on imported goods held within the zones until the goods enter the United States for domestic consumption. No duties are paid if goods are re-exported. Companies also receive the benefit of not having to pay duties on broken or scrapped product. Businesses are allowed to store goods within foreign trade zones for an unlimited period of time. They are also allowed to manufacture products within zones and pay duties at the duty rate of either the foreign parts used or on the finished product, whichever is most advantageous to the company. Virginia offers six general-purpose FTZs designated by the U.S. Department of Commerce. Each of Virginia's six FTZs are Alternative Site Framework (ASF) designated which allows greater flexibility when adding new zone operations as well as expedited FTZ Board applications. Any property within the ASF designated area of a particular FTZ can obtain status as a usage driven FTZ site. All zones provide space for storage, distribution, and light assembly operations. These zones are geographically dispersed around the state and include the following:

1. Suffolk FTZ #20. The Virginia Port Authority administers Virginia's first foreign trade zone. FTZ #20 is the most active in the state and has a service area that includes the counties of Accomack (partial), Gloucester, Isle of Wight, James City, Mathews, Northampton, Southampton, Sussex, Surry, and York, and the cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg. Contact: Laura Godbolt—757.683.2135

2. Washington Dulles FTZ #137. Foreign trade zone #137 is located at Washington Dulles International Airport with two operators using the Alternative Site Framework (ASF) zones. The Grantee of FTZ #137 is Washington Dulles Foreign Trade Zone, Inc. Contact: Peggy Dyer—703.572.8714

3. Culpeper FTZ #185. Located in north-central Virginia, the Culpeper foreign trade zone has three sites in its general-purpose zone, including a 78 acre site located on Route 29 and Route 666, a 104 acre site located at the Culpeper County Industrial Airpark, and a 64.6 acre site in Waynesboro. The zone also contains three subzones. Contact: Phil Sheridan—540.727.3410

4. Tri-Cities TN/VA FTZ #204. Foreign trade zone #204 has a service area in Virginia covering the counties of Buchanan, Dickenson, Lee, Russell, Scott, Washington, and Wise and the cities of Bristol and Norton. The Grantee of FTZ #204 is the Tri-Cities Airport Authority. Contact: Mark Canty—423.367.2385

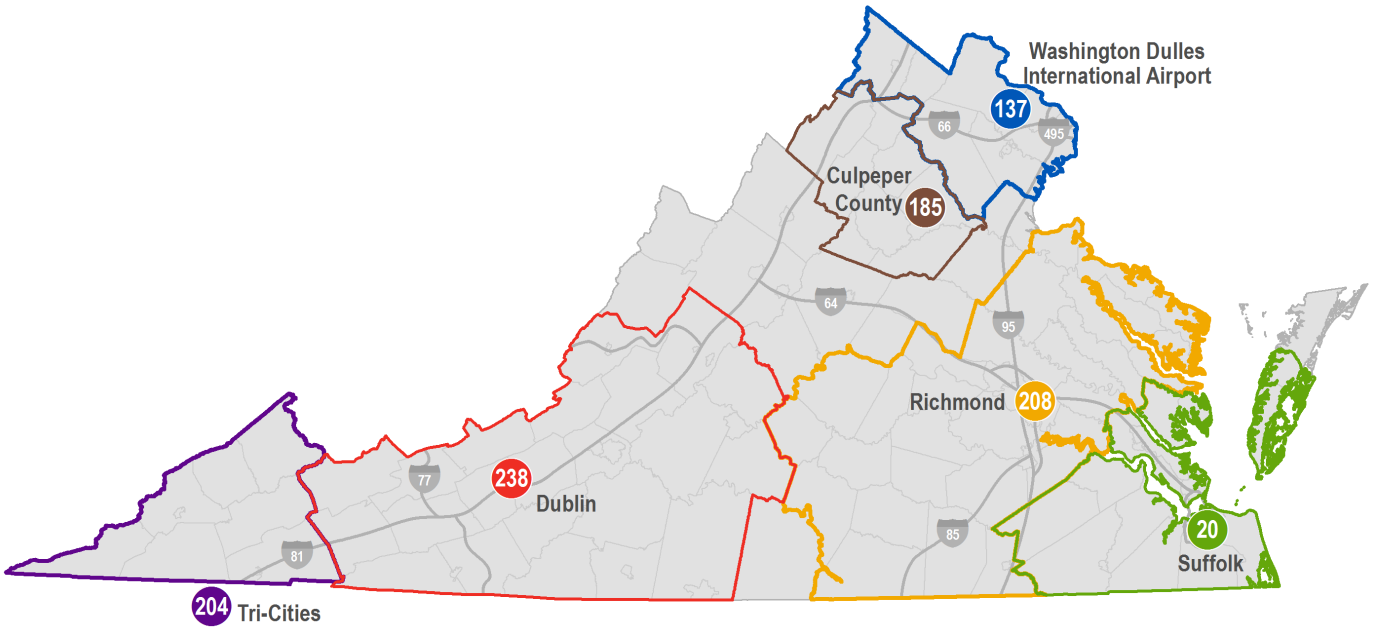
5. Richmond FTZ #207. Central Virginia's FTZ #207 includes on-airport warehousing options at the Richmond International Airport and over 100 acres available for development on-airport. Additional magnet sites are located in Ashland, Prince George, and South Hill. The approved ASF service area includes the counties of Amelia, Appomattox, Brunswick, Buckingham, Caroline, Charles City, Charlotte, Chesterfield, Cumberland, Dinwiddie, Essex, Greensville, Goochland, Hanover, Henrico, King and Queen, King George, King William, Lancaster, Lunenburg, Mecklenburg, Middlesex, New Kent, Northumberland, Nottoway, Powhatan, Prince Edward, Prince George, Richmond, Westmoreland, and the independent cities of Colonial Heights, Emporia, Hopewell, Petersburg, and Richmond. Contact: Russ Peaden—804.226.8520

Regional & Local Assistance

6. New River Valley Airport FTZ #238. The New River Valley Economic Development Alliance administers Virginia's newest foreign trade zone. FTZ #238's service area encompasses 22 counties and nine cities in Southern, Central, and Southwest Virginia, and includes a 35 acre general-purpose zone at the New River Valley Airport in Dublin as well as a 200,000 square foot warehouse on a 15 acre site in Pulaski. Contact: Tabitha Hodge—540.267.0007 x201

U.S. Department of Commerce
Foreign Trade Zone Board
1401 Constitution Avenue, NW
Washington, District of Columbia 20230
202.482.1346

http://enforcement.trade.gov/ftzpage/index.html

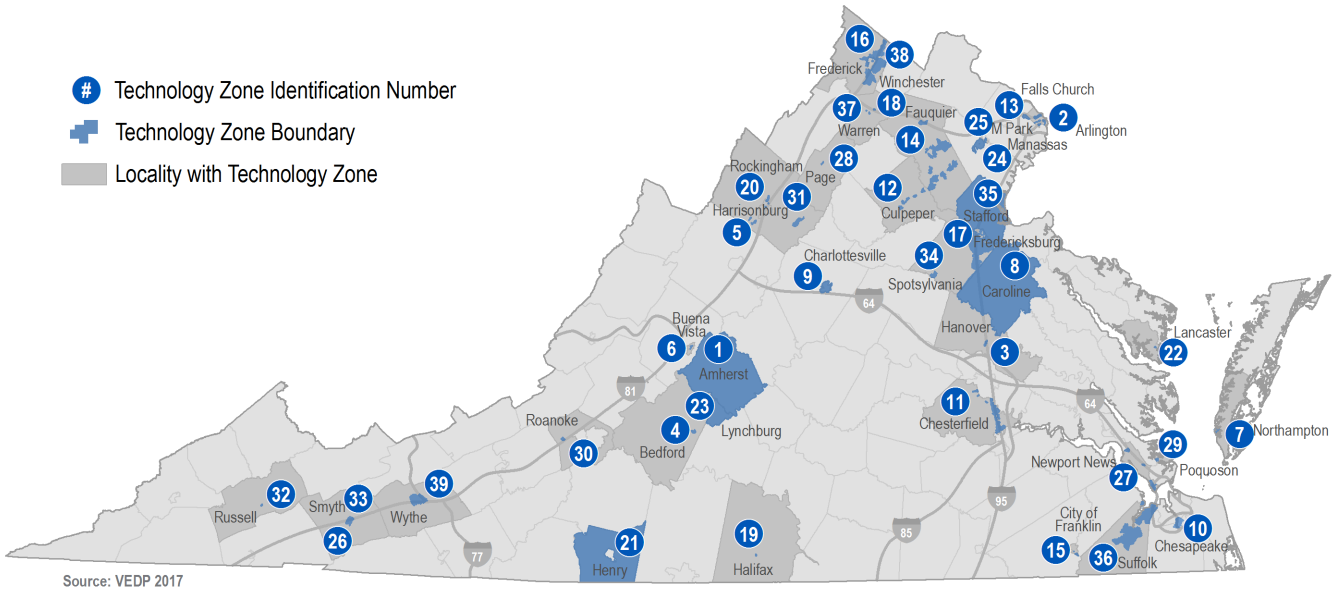


Source: International Trade Administration 2014, VEDP 2017

Regional & Local Assistance

Technology Zones

Virginia cities, counties, and towns have the ability to establish, by ordinance, one or more technology zones to attract growth in targeted industries. Qualified businesses locating or expanding operations in a zone may receive local permit and user fee waivers, local tax incentives, special zoning treatment, or exemption from ordinances. Once a local technology zone has been established, incentives may be provided for up to 10 years. Each locality designs and administers its own program. The establishment of a technology zone shall not preclude the area from also being designated as an enterprise zone.



1 Amherst
2 Arlington
3 Town of Ashland
4 Bedford
5 Town of Bridgewater
6 Buena Vista
7 Town of Cape Charles
8 Caroline
9 Charlottesville
10 Chesapeake
11 Chesterfield
12 Town of Culpeper
13 Falls Church
14 Fauquier
15 City of Franklin
16 Frederick
17 Fredericksburg
18 Town of Front Royal
19 Halifax
20 Harrisonburg
21 Henry
22 Town of Kilmarnock
23 Lynchburg
24 Manassas
25 Manassas Park
26 Town of Marion
27 Newport News
28 Page
29 Poquoson
30 Roanoke County
31 Rockingham
32 Russell
33 Smyth
34 Spotsylvania
35 Stafford
36 Suffolk
37 Warren
38 Winchester
39 Town of Wytheville

Regional & Local Assistance

Defense Production Zones

Virginia's cities, counties, and towns have the ability to establish, by ordinance, one or more defense production zones to attract growth in national defense-related businesses. Qualified businesses include:

- Service providers that support national defense, including, but not limited to, logistics and technical support
- Designers, developers, or producers of materials, components, or equipment required to meet the needs of national defense
- Companies deemed ancillary to or in support of the aforementioned categories

Establishment of a defense production zone allows localities to create special incentives and certain regulatory flexibility for qualified businesses locating or expanding operations in a zone. These incentives may include: a reduction of user and permit fees, a reduction of any type of gross receipts tax, special zoning treatment, permit process reform, exemption from local ordinances, or other incentives adopted by ordinance.

Once a defense production zone has been established, incentives may be provided for up to 20 years. Each locality designs and administers its own program. The establishment of a defense production zone shall not preclude the area from also being designated as an enterprise zone.

Fauquier County and the City of Manassas Park are currently the only localities to have established zones. Henrico County will create individual defense production zones based around individual projects on a case-by-case basis.

Infrastructure Assistance

Rail Industrial Access Program

The Rail Industrial Access Program provides funds to construct railroad tracks to new or substantially expanded industrial and commercial projects having a positive impact on economic development in Virginia.

In accordance with program guidelines, financial assistance to any one county, city, or town is limited to $450,000 in any one fiscal year, and the locality may utilize the entire allocation for one project. The state program will provide a maximum of $300,000 in unmatched funds. An additional $150,000 is available if matched on a dollar-for-dollar basis.

Funds may be used to construct, reconstruct, or improve part or all of the necessary tracks and related facilities on public or private property. Funds may not be used for mainline switch, right-of-way acquisition, or adjustment of utilities.

Each application must be accompanied by a resolution from the local governing body requesting the allocation of the funds.

Virginia Department of Rail and Public Transportation
600 East Main Street, Suite 2102
Richmond, Virginia 23219
804.786.4440

http://www.drpt.virginia.gov/grantees/rail-grants/

Transportation Partnership Opportunity Fund

The Virginia Department of Transportation (VDOT) administers the Transportation Partnership Opportunity Fund (TPOF) which may be used to address transportation aspects of economic development opportunities.

TPOF monies are awarded at the discretion of the Governor in the form of grants, revolving loans, or other financial assistance to an agency or political subdivision of the Commonwealth for activities associated with eligible transportation projects.

Projects that are developed with monies from the Fund do not become private property but become or remain public property following completion. The transportation improvements have to be accomplished according to VDOT standards and specifications and have to be maintained by the appropriate public entity pursuant to relevant agreements.

Virginia Department of Transportation
Director of Financial Planning Division
1401 East Broad Street
Richmond, Virginia 23219
804.786.3096

http://www.virginiadot.org/projects/tpof.asp

Infrastructure Assistance

Economic Development Access Program

The Virginia Department of Transportation (VDOT) administers a program that assists localities in providing adequate road access to new and expanding manufacturing and processing companies, research and development facilities, distribution centers, regional service centers, corporate headquarters, government installations, and other basic employers with at least 51 percent of the company's revenue generated from outside the Commonwealth. The program may be used to:

- Improve existing secondary highway system roads and city streets to accommodate the anticipated additional and type of traffic generated by an eligible economic development site
- Construct a new road from a publicly maintained road to the new eligible establishment's primary entrance when no road exists

Access road construction is scheduled for completion simultaneously with the start-up of plant operations. The access road is not intended to serve as a haul road during plant construction. Before VDOT can act on a particular proposal, a resolution from the local governing body requesting the allocation of access road funds must be submitted to the department through the office of VDOT's local representative. The award amount is limited by the eligible capital investment of the company and the estimated cost of the access road.

In the event there is no new or expanding eligible establishment, a locality may request funding to provide adequate road access to eligible property under the program's option to bond the project until sufficient investment is established, warranting the cost for construction of the access road. Under this option, the locality must provide acceptable surety to VDOT and document eligible investment within the timeframe specified, beginning with the approval of the project.

The maximum award for an economic development access road is $500,000. However, the state will fund an additional $150,000 if the estimated cost of the project justifies it and the amount is matched on a dollar-for-dollar basis from sources other than those administered by the Commonwealth Transportation Board. Typically, the total yearly allocation to be utilized for projects approved under the Economic Development Access Program, Airport Access Program, and the Rail Industrial Access Program is $5.5 million.

For project sites meeting the Major Employment and Investment (MEI) definition in §2.2-2260 of the Code of Virginia, a provision of the Economic Development Access Program allows a locality to receive up to the maximum $500,000 unmatched and $150,000 matched allocations for a design-only project. Furthermore, for these same MEI projects, the locality may receive up to a maximum allocation of $500,000 unmatched ($1 million over two years) and $500,000 matched ($1 million over two years) for an access road construction project with cumulative allocations for no more than two years. Including the matching funds from the locality, MEI sites may receive a total of $3.8 million toward design and construction of an access road project.

Virginia Department of Transportation
Director of Local Assistance Division
1401 East Broad Street
Richmond, Virginia 23219
804.786.2746

http://www.virginiadot.org/business/local-assistance.asp

Tax Incentives

Corporate Income Tax

Virginia's corporate income tax is six percent and no unitary tax is levied on Virginia companies' worldwide profits. Corporations generally apportion their multistate income by using a three-factor formula that consists of a property factor, a payroll factor, and a double-weighted sales factor.

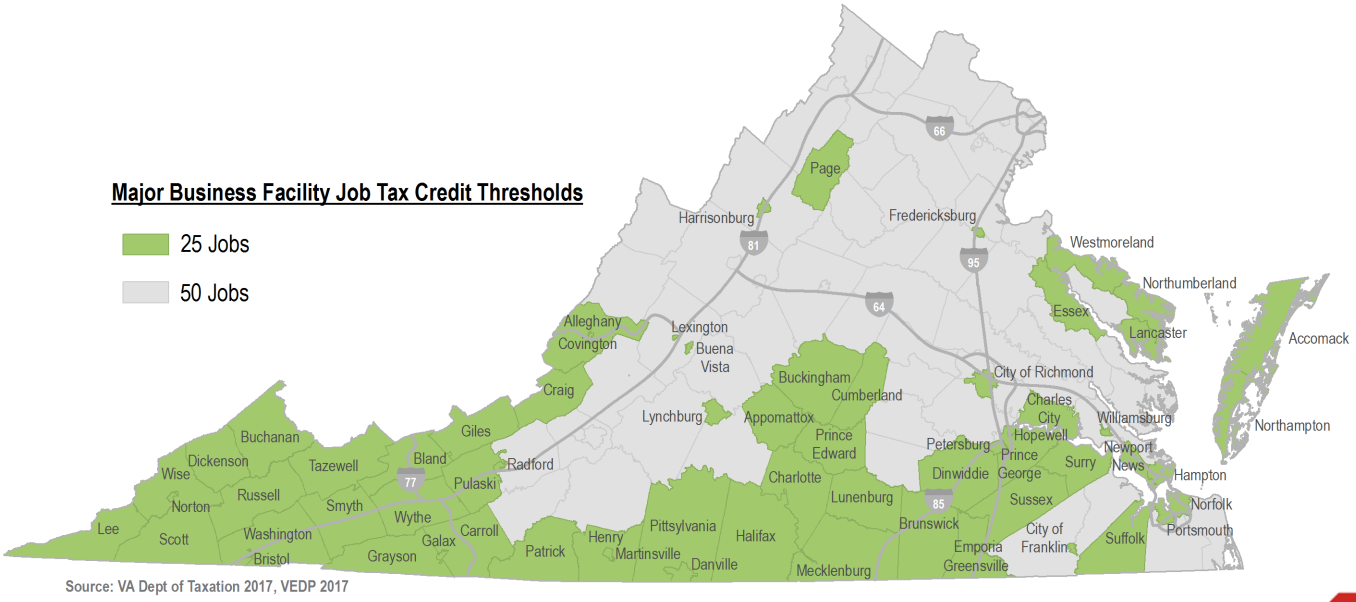
Virginia provides special apportionment formulas for certain motor carriers, financial corporations, construction corporations, railway companies, manufacturing companies, retail companies, and enterprise data centers. Of these, only the method that applies to manufacturing companies is optional. Manufacturing companies may elect to use a single factor apportionment based on sales to determine their Virginia taxable income.

Corporate Income Tax Credits

Major Business Facility Job Tax Credit

Qualified companies locating or expanding in Virginia are eligible to receive a $1,000 income tax credit for each new full-time job created over a threshold number of jobs beginning in the first taxable year following the taxable year in which the major business facility commenced or expanded its operations.

- Companies locating in enterprise zones or economically distressed areas are required to meet a 25-job threshold; all other locations have a 50-job threshold. The threshold number of jobs must be created within a 12-month period.
- The $1,000 credit is available for all qualifying jobs in excess of the threshold and may be claimed in equal installments over two years ($500 per year).
- Non-qualifying jobs include seasonal or temporary jobs, positions in building and grounds maintenance, security, positions ancillary to the principal activities of the facility, and/or a job created when a position is shifted from an existing location within the Commonwealth to the new major business facility.
- Credits are available for taxable years beginning before January 1, 2020. Unused credits may be carried over for up to 10 years.
- For jobs on the payroll for less than the full calendar year, the credit will be prorated.



Source: VA Dept of Taxation 2017, VEDP 2017

Refundable Research and Development Expenses Tax Credit

For taxable years beginning before January 1, 2022, businesses may claim a tax credit equal to 15 percent of the first $300,000 ($45,000) in Virginia qualified research and development expenses incurred during the taxable year; or they may claim a tax credit equal to 20 percent of the first $300,000 ($60,000) in Virginia qualified research and development expenses if the qualified research was conducted in conjunction with a Virginia college or university.

Effective for taxable years on or after January 1, 2016, a taxpayer may elect to calculate the credit using an alternative, simplified method. Under such method, the credit is equal to 10 percent of the difference between the qualified research and development expenses paid or incurred by the taxpayer during the taxable year and 50 percent of the average qualified research and development expenses paid or incurred by the taxpayer for the three years immediately preceding the taxable year for which the credit is being determined. If no qualified research and development expenses were incurred in any one of the previous three years, then the credit is equal to five percent of the qualified research and development expenses paid or incurred during the relevant taxable year. Regardless of calculation method, the credit shall not exceed $45,000 for any year. The exception is if the research is conducted in conjunction with a Virginia college or university. In this case the credit may not exceed $60,000.

If the amount of the credit allowed exceeds the taxpayer's tax liability, the amount that exceeds the tax liability shall generally be refunded to the taxpayer. There is a statewide cap of $7 million per fiscal year. If applications for credits total less than $7 million, then the remaining balance of credits will be prorated among applicants, up to doubling the amount of their credits. Conversely, if applications for credits exceed $7 million, applicants' credits will be prorated.

Major Research and Development Expenses Tax Credit

For taxable years beginning on or after January 1, 2016, but before January 1, 2022, a taxpayer that incurs more than $5 million of Virginia qualified research and development expenses during a taxable year may claim the Major Research and Development Expenses Tax Credit. The credit is equal to 10 percent of the difference between the qualified research and development expenses paid or incurred by the taxpayer during the taxable year and 50 percent of the average qualified research and development expenses paid or incurred by the taxpayer for the three taxable years immediately preceding the taxable year for which the credit is being determined. If no qualified research and development expenses were incurred in any one of the previous three years, then the credit is equal to five percent of the qualified expenses paid or incurred during the relevant taxable year.

The amount of the credit allowed may not exceed 75 percent of the total amount of income tax imposed upon the taxpayer for the taxable year. Any remaining credit amount may be carried forward for the next 10 taxable years.

The credit is capped at $20 million per taxable year. If the total eligible credit requests exceed the $20 million credit cap for all credits, each taxpayer will be granted a prorated amount of credits. No taxpayer with Virginia qualified research and development expenses in excess of $5 million may claim both the Refundable Research and Development Expenses Tax Credit and the Major Research and Development Expenses Tax Credit for the same taxable year.

Recyclable Materials Processing Equipment Tax Credit

An income tax credit is available to manufacturers for the purchase of certified machinery and equipment used for processing recyclable materials in taxable years beginning before January 1, 2020. The credit is equal to 20 percent of the purchase price paid during the taxable year for the machinery or equipment. For purposes of determining the purchase price paid, a taxpayer

may use the original total capitalized cost of such machinery and equipment, less capitalized interest. In any taxable year, the amount of credit allowed cannot exceed 40 percent of the company's Virginia income tax liability before the credit. The unused amount of the credit may be carried over for 10 years. The Virginia Department of Environmental Quality (DEQ) must certify that the eligible equipment is integral to the recycling process before a taxpayer may claim this credit. For taxable years beginning on and after January 1, 2015, the credit is subject to a $2 million cap per fiscal year. To apply for certification, a taxpayer must submit a completed application to DEQ by March 1st of the year following the year it purchased the machinery or equipment. To apply for an allocation of credits, a taxpayer must submit a completed application to the Department of Taxation by June 1st of the year following the year it purchased the machinery or equipment.

Worker Retraining Tax Credit

Virginia employers will be eligible to receive an income tax credit equal to 30 percent of all expenditures made by the employer for eligible worker retraining. If the eligible worker retraining consists of courses at a private school, the credit is equal to the cost per qualified employee, up to $200 per qualified employee annually, or $300 per qualified employee annually if the eligible worker retraining includes retraining in a STEM or STEAM discipline. The credit has a statewide spending cap of $2.5 million in any fiscal year. Eligible worker retraining consists of noncredit courses at Virginia community colleges and private schools, certified by the Virginia Economic Development Partnership, or retraining programs through apprenticeship agreements approved by the Commissioner of Labor and Industry.

Green Job Creation Tax Credit

For taxable years beginning before January 1, 2018, a taxpayer will be allowed a credit against the Virginia personal or corporate income tax for each new green job created within the Commonwealth by the taxpayer. The amount of the annual credit for each new green job will be $500 for each annual salary that is $50,000 or more. The credit will be first allowed for the taxable year in which the job has been filled for at least one year and for each of the four succeeding taxable years, provided that the job is continuously filled during the respective taxable year. Each qualifying taxpayer may claim the credit for up to 350 green jobs.

A "green job" means employment in industries relating to the field of renewable, alternative energies, including the manufacture and operation of products used to generate electricity and other forms of energy from alternative sources that include hydrogen and fuel cell technology, landfill gas, geothermal heating systems, solar heating systems, hydropower systems, wind systems, and biomass and biofuel systems.

The amount of the credit may not exceed the total amount of Virginia income tax for the taxable year in which the green job was continuously filled. If the amount of credit allowed exceeds the taxpayer's tax liability for such taxable year, the amount that exceeds the tax liability may be carried over for credit against the income taxes of the taxpayer in the next five taxable years or until the total amount of the tax credit has been taken, whichever is sooner.

If the taxpayer is eligible for the Green Job Creation Tax Credit and creates green jobs in an enterprise zone, such taxpayer may also qualify for the benefits under the Enterprise Zone Job Grant Program. The taxpayer may not, however, claim this Green Jobs Tax Credit in addition to a Major Business Facility Job Tax Credit nor a federal tax credit for investments in manufacturing facilities for clean energy technologies that would foster investment and job creation in clean energy manufacturing.

Tax Incentives

Port Volume Increase Tax Credit

Prior to January 1, 2022, a taxpayer that is an agricultural entity, manufacturing-related entity, or mineral and gas entity that uses port facilities in the Commonwealth and increases its port cargo volume at these facilities by a minimum of five percent in a single calendar year over its base year is eligible to claim a credit against its income tax liability. The amount of the credit is generally equal to $50 for each 20-foot equivalent unit (TEU), unit of roll-on/roll-off cargo, or 16 net tons of non-containerized cargo above the base year port cargo volume, as applicable, transported through a port facility during a major facility's base year. For purposes of calculating the credit amount, one TEU is equivalent to 16 net tons of non-containerized cargo or one unit of roll-on/roll-off cargo. The Virginia Port Authority may waive the requirement that port cargo volume be increased by a minimum of five percent over base year port cargo volume for any taxpayer that qualifies as a major facility.

The maximum amount of tax credits allowed to all qualifying taxpayers pursuant to this section may not exceed $3.2 million for each calendar year. If the credit exceeds the taxpayer's tax liability for the taxable year, the excess amount may be carried forward and claimed against income taxes in the next five succeeding taxable years. If applications for credits total less than $3.2 million, then the remaining balance of credits will be prorated among applicants. Conversely, if applications for credits exceed $3.2 million, applicants' credits will be prorated.

International Trade Facility Tax Credit

A Virginia taxpayer is allowed a credit against its income tax liability if the taxpayer is engaged in port-related activities, uses maritime port facilities located in the Commonwealth, increases the amount of cargo transported through Virginia maritime port facilities by at least five percent, and either hires new qualified full-time employees or makes a capital investment to facilitate increased qualified trade activities. The amount of the credit earned is equal to either $3,500 per new, qualified full-time employee or two percent of the new capital investment made by the taxpayer. The amount of the credit allowed shall not exceed 50 percent of the tax imposed for the taxable year. Any remaining credit amount may be carried forward for the next 10 taxable years. The fund is capped on a fiscal year basis at $1.25 million and credits may be prorated if the fund is oversubscribed. The credit is scheduled to expire for taxable years beginning on and after January 1, 2022. No taxpayer may claim the International Trade Facility Tax Credit, the Port of Virginia Economic and Infrastructure Development Grant, or the Major Business Facility Job Tax Credit for the same jobs.

Barge and Rail Usage Tax Credit

A company that is an international trade facility, as defined under the Barge and Rail Usage Tax Credit, that transports cargo through Virginia ports by barge or rail rather than by trucks or other motor vehicles on the Commonwealth's highways is allowed a credit against its income tax liability. The amount of the credit is $25 per 20-foot equivalent unit (TEU), or 16 tons of non-containerized cargo, or one unit of roll-on/roll-off cargo moved by barge or rail. The credit has a spending cap of $500,000 per fiscal year. Unused credits may be carried forward for five years. The credit is scheduled to expire for taxable years beginning on and after January 1, 2022.

Virginia Department of Taxation
Tax Credit Unit
P.O. Box 715
Richmond, Virginia 23218-0715
804.786.2992

http://www.tax.virginia.gov/tax-credits

Tax Incentives

Property Tax Incentives

Virginia does not tax property at the state level; real estate and tangible personal property are taxed at the local level. Moreover, Virginia differs from most states in that its counties and cities are separate taxing entities. A company pays either county or city taxes, depending on its location. If the company is located within the corporate limits of a town, it pays town taxes as well as county taxes. In addition, Virginia localities do not have separate school district taxes.

Virginia does not tax: Intangible property, which includes: manufacturers' inventory; manufacturers' furniture and fixtures; certified pollution control facilities and equipment; and solar energy equipment, facilities, and devices that collect, generate, transfer, or store thermal or electric energy.

Localities have the option to fully or partially exempt the following property from taxation: Certified recycling equipment; rehabilitated commercial/industrial real estate for up to 15 years; manufacturers' generating and co-generating equipment; certified solar energy devices; and environmental restoration sites (eligible real estate in the Virginia Voluntary Remediation Program).

Localities may elect to tax the following tangible personal and real property at reduced rates: Research and development tangible personal property; equipment used for biotechnology research, development, and production; semiconductor manufacturing machinery and tools; computer hardware and peripherals; aircraft; clean-fuel vehicles; tangible personal property used in the provision of certain internet services; tangible personal property owned by qualifying businesses in their first two taxable years; and energy-efficient buildings.

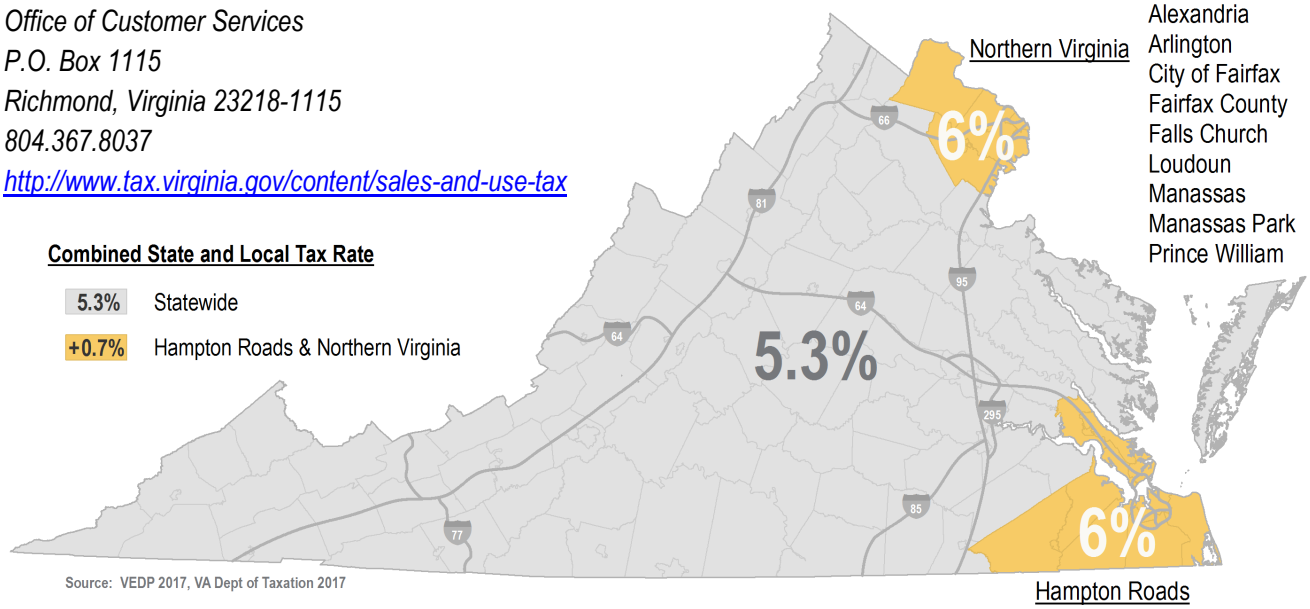
Tax Incentives

Sales and Use Tax Exemptions

Virginia's combined state and local sales and use tax is 5.3 percent (4.3 percent state tax and 1 percent local tax). An additional regional sales tax is imposed in the Hampton Roads and Northern Virginia regions at a rate of 0.7 percent, for a total 6.0 percent rate. A seller is subject to a sales tax imposed on gross receipts derived from retail sales or leases of tangible personal property, unless the retail sales or leases are specifically exempt by law. When a seller does not collect the sales tax from the purchaser, the purchaser is required to pay a use tax on the purchase, unless the use of the property is exempt. Some important exemptions include:

- Manufacturers' purchases used directly in production including machinery, tools, spare parts, industrial fuels, and raw materials
- Items purchased for resale by distributors
- Certified pollution control equipment and facilities
- Custom computer software
- Utilities delivered through lines, pipes, or mains
- Purchases used directly and exclusively in research and development in the experimental or laboratory sense
- Most film, video, and audio production-related purchases
- Machinery, tools, and equipment of a public corporation used to generate energy derived from sunlight or wind
- Charges for internet access and sales of software via the internet
- Purchases used directly and exclusively in activities performed in cooperation with the Virginia Commercial Space Flight Authority
- Semiconductor clean rooms or equipment and other tangible personal property used primarily in the integrated process of designing, developing, manufacturing, or testing a semiconductor product
- Computer equipment purchased or leased for the processing, storage, retrieval, or communication of data in large data centers (requires a minimum capital investment, job creation, and wage level to qualify)
- Machinery, tools, equipment, and materials used by a licensed brewer in the production of beer and materials such as labels and boxes for use in packaging and shipment for sale

Virginia Department of Taxation
Office of Customer Services
P.O. Box 1115
Richmond, Virginia 23218-1115
804.367.8037
http://www.tax.virginia.gov/content/sales-and-use-tax



Alexandria
Arlington
City of Fairfax
Fairfax County
Falls Church
Loudoun
Manassas
Manassas Park
Prince William

Chesapeake
City of Franklin
Hampton
Isle of Wight
James City
Newport News
Norfolk
Poquoson
Portsmouth
Southampton
Suffolk
Virginia Beach
Williamsburg
York

Recruitment & Training Incentives

Virginia Jobs Investment Program

The Virginia Jobs Investment Program (VJIP) provides customized recruiting and training services to companies creating new jobs or experiencing technological change. As a business development incentive supporting economic development efforts throughout Virginia since 1965, the program reduces the human resource development costs of new and expanding companies throughout the Commonwealth. VJIP offers consulting services and funding in support of a company's workforce development efforts. Funding is provided as cash reimbursements and is performance-based. No funds are disbursed to participating companies until eligible positions have been filled for at least 90 days or retraining efforts have been completed, and capital investments have been made.

Eligibility for assistance in any of the VJIP program offerings is limited to basic sector businesses that directly or indirectly derive more than 50 percent of their revenues from out of state sources and pay at least 1.35 times the federal minimum wage, or $9.79. Only full-time Virginia jobs eligible for benefits qualify for funding.

Virginia New Jobs Program

The New Jobs Program is a vital part of the Commonwealth of Virginia's economic development efforts, providing services and funding to offset the cost of recruiting and training new workers. The program targets expansions of existing companies or new facility locations which involve competition with other states or countries. Expansions of existing companies or new company locations must create a minimum of 25 net, new jobs within 12 months from the date of the first hire and make a new capital investment of at least $1 million.

Small Business New Jobs Program

The Small Business New Jobs Program supports Virginia companies that have 250 employees or less company-wide. The program provides services and funding to small businesses to offset the cost of recruiting and training new workers. For the Small Business New Jobs Program, the business must create a minimum of five net, new jobs within 12 months from the date of first hire and make a new capital investment of at least $100,000.

Workforce Retraining Program

The Workforce Retraining Program provides services and funding to assist in upgrading the skills of existing workers. To be eligible for assistance, a company must demonstrate it is undergoing an integration of new technology in its production processes, changing product lines in keeping with marketplace demands, or substantially changing service delivery processes requiring an assimilation of new skills and technological capabilities. Companies that have over 250 employees company-wide must have a minimum of 10 full-time employees needing to be retrained, and a new capital investment of at least $500,000 is required as the catalyst for the project. Companies that have 250 employees or fewer company-wide must have a minimum of five employees needing to be retrained and a capital investment of at least $50,000.

Virginia Jobs Investment Program
Virginia Economic Development Partnership
P.O. Box 798
Richmond, Virginia 23218-0798
VJIPmail@yesvirginia.org
804.545.5706

http://www.yesvirginia.org/AssetRich/VJIP

Recruitment & Training Incentives

Virginia's Community Colleges

Virginia's community colleges are well-positioned to align education and economic development to extend workforce development courses, training, and programs into the community. The Commonwealth's 23 colleges prepare a workforce able to respond to new and expanding businesses and industries across Virginia. Colleges serve employers through open enrollment courses that allow emerging or incumbent employees to upgrade their skills. Colleges also offer customized training services that provide employers with tailored training programs that meet specific training needs at a significant value. The result is a workforce that is better prepared to quickly meet changing workplace demands, ensuring that employers are better able to provide direct benefit to their community and economy.

Open Enrollment

These short-term courses are open to the general public and give workers and job seekers an opportunity to develop and enhance workplace skills and prepare for industry recognized certifications. Often, by taking these open enrollment courses, workers are able to take on more responsibilities in their place of work, and businesses become more productive and efficient. Open enrollment classes are delivered in the classroom at the college or offered online.

Customized Training

Virginia's community colleges further serve employers by identifying training needs, delivering training, and assessing training results. Customized training is convenient for the employer – delivered at the business or at the college on a schedule to meet the business's needs. By taking advantage of these responsive, cost-effective, and flexible programs, employers see improvement in productivity and company growth – an immediate benefit that gives them a competitive edge. Workforce development training services offer open enrollment and customized training focusing on, but not limited to:

- Business and professional development: project management, communications, human resources, and customer service
- Technical skills: cyber security, networking, web programming, and online marketing
- Health and wellness knowledge: medical coding, certified nurse assistant, medication aide, and pharmacy technician
- Manufacturing and trades skills: plumbing, HVAC, electrical, welding, advanced manufacturing, and industrial maintenance mechanics
- Logistics and Transportation: commercial driver's license, logistician technician, and engine repair

Career Readiness Certificate

The Career Readiness Certificate (CRC) provides employers with a standardized measurement tool to assess workplace skills of potential candidates and current employees to match the right person to the right job, reducing turnover and increasing productivity. WorkKeys® simplifies hiring by streamlining the application process and reduces training time and increases skill levels of existing employees. The CRC, based on the ACT WorkKeys® job skills assessment system, is available at Virginia's community colleges. To date, nearly 104,000 CRCs have been issued in Virginia. For more information about the CRC please visit www.vccs.edu/crc/.

Virginia Community College System
Workforce Development Services
300 Arboretum Place, Suite 200
Richmond, Virginia 23236
804.819.4985

http://www.vccs.edu/workforce

Recruitment & Training Incentives

Virginia Registered Apprenticeship Related Instruction Incentive Program

The Virginia Registered Apprenticeship Related Instruction Incentive Program (ARIIP) partially reimburses eligible sponsors (employers) for certain costs of related instruction. The incentive funding is available to private industry sponsors in the specific fields of Professional and Business Services, Information Technology, and Cyber Security.

State and local government entities have access to the incentive reimbursements for related instruction in **any occupation.** Registered Apprenticeship benefits these entities by allowing them to better recruit, retain, and strengthen the skills of workers beginning their public service careers.

ARIIP is administered by the Virginia Department of Labor and Industry's (DOLI) Registered Apprenticeship Division. DOLI may reimburse the sponsor, up to a maximum of $1,000 annually, per apprentice, for a maximum of 10 apprentices. Reimbursement is not guaranteed and is subject to available funding on a first-come, first-serve annual basis **after** the apprentice has successfully completed the coursework.

Virginia Department of Labor and Industry
Registered Apprenticeship Division
Main Street Centre
600 East Main Street, Suite 207
Richmond, Virginia 23219
804.371.2327

http://www.doli.virginia.gov/apprenticeship/sponsors_occupations_2016.html

New Economy Workforce Credential Grant Program

Established in 2016, the New Economy Workforce Credential Grant is a pay-for-performance workforce training program to support career paths to high-demand occupations that require training that leads to industry-based certifications. Institutions eligible for the program include community colleges and higher education centers in Virginia. The grants can be used for training programs that align with high demand occupational fields as identified by the Virginia Board for Workforce Development and lead to an industry certification.

The pay-for-performance model provides funding to cover up to two-thirds of the cost of the training program. A student pays one-third of the program upon enrollment in the training program. If the student completes the training program, the fund reimburses the training provider with one-third of the cost, up to $1,500. If the student does not complete the training, then the student is responsible for paying an additional one-third of the cost of the program. The final one-third of the cost of the program, up to $1,500, is paid to the training provider when the student completes the industry credential.

State Council of Higher Education for Virginia
James Monroe Building
101 North 14th Street, 10th FL
Richmond, Virginia 23219
804.225.2600

http://www.elevatevirginia.org/wcg/

Recruitment & Training Incentives

The Workforce Innovation and Opportunity Act

The Workforce Innovation and Opportunity Act (WIOA) provides federal funding for employment and training activities to enhance productivity and competitiveness. Through statewide and local workforce investment systems, WIOA attempts to increase employment, retention, skill levels, credential attainment, and earnings. In Virginia, the WIOA is administered at the state level by the Virginia Community College System. At the local level, workforce boards appointed by local elected officials oversee the program.

Through the one-stop service delivery network established by WIOA, available employment and training services include:

For Employers:

- Assistance in finding qualified workers, including interview facilities
- Information on and referral to business start-up, retention, and expansion services
- Information and access to a variety of training-related resources to provide for a skilled workforce
- Information on labor markets, workplace accommodations, and tax credits for new hires

Some of the specific training options of value to employers funded by WIOA include:

- On-the-job training (OJT), which allows the employer to be reimbursed for up to 75 percent of the participant's wage rate to compensate for employer costs during training depending on Local Workforce Development Board Policy
- Customized training, which allows up to 75 percent of an employer's training costs to be covered by WIOA funds for training designed to meet the needs of an employer, or group of employers, if there is a commitment to employ or retain individuals at the completion of training depending on Local Workforce Development Board Policy
- Incumbent worker training, which provides the opportunity to upgrade skills of the existing workforce

For Individuals:

- Job, career, and skill self-assessment tools and assessment services
- Information about and access to a variety of educational and training resources to enhance skill levels and make individuals either work-ready or provide opportunities for advancement along their career pathway
- Information about and access to other supportive services that can help guarantee success while in educational or training programs

The majority of WIOA funding is passed directly to 15 local workforce development areas for direct service delivery. In addition, WIOA funds at the state level can assist businesses with layoff aversion strategies and fund rapid-response services to workers affected by plant closings and other dislocations.

Virginia Community College System
Mindy C. Fast, Workforce Development Services
300 Arboretum Place, Suite 200
Richmond, Virginia 23236
804.819.4985

http://www.vccs.edu/workforce/

Management & Technical Support

International Trade

The Virginia Economic Development Partnership's (VEDP) Division of International Trade helps Virginia companies sell their manufactured goods and services to markets around the world. International Trade annually serves 300+ Virginia companies. It maintains offices across the state and offers a global network of on-call consultants in over 75 countries.

Through the Virginia Leaders in Export Trade (VALET) program, International Trade works with companies to accelerate their international sales into international markets. Since its inception, over 250 companies representing a wide cross-section of industries have been accepted into and graduated from the VALET program.

Through the Going Global Defense Program, International Trade assists Virginia's defense-related companies to enter international markets. Over 300 companies have been assisted in this program. International trade maintains a Global Network of consultants in 75+ countries who provide international market research and set up one-on-one meetings with prospective clients for Virginia exporters. International trade conducts 15+ international trade missions and trade shows annually to introduce Virginia products and services to global markets.

Virginia Economic Development Partnership
International Trade
P.O. Box 798
Richmond, Virginia 23218-0798
804.545.5755

http://www.exportvirginia.org

The Virginia Small Business Development Center Network

The Virginia Small Business Development Center Network (SBDC) provides business advising, training, and information resources to help grow and strengthen Virginia businesses. SBDC professionals assist with business planning, marketing, financial analysis, access to capital, exporting, innovation commercialization, and business start-up issues. For established firms, emerging companies, or aspiring entrepreneurs, the SBDC is where business comes to talk business. Advising is provided at no cost.

The SBDC Network is the most extensive business development program in Virginia, with 28 local centers across the state. The Network is a partnership between the U.S. Small Business Administration, George Mason University's Mason Enterprise Center, and local sponsors including universities, community colleges, chambers of commerce, municipalities, and economic development organizations.

Virginia SBDC Network
George Mason University - Mason Enterprise Center
4031 University Drive, Suite 100
Fairfax, Virginia 22030
703.277.7703

http://www.virginiasbdc.org

Management & Technical Support

Center for Innovative Technology

The Center for Innovative Technology (CIT) has been accelerating innovation, technology, and technology-based economic development opportunities and strategies for the Commonwealth of Virginia since 1984. CIT carries out its mission through three service lines: CIT Entrepreneur, CIT R&D, and CIT Broadband. Through all these activities, CIT leverages public and private sector investments to develop Virginia's new innovation economy that is creating new, high-growth companies and sustainable job growth.

CIT Entrepreneur: Access to Capital

Because the availability of early-stage capital is critical for many emerging technology companies, CIT offers the CIT GAP Funds and Federal Funding Assistance Program. The CIT GAP Funds make seed-stage equity investments in Virginia-based technology, green technology, and life science companies with high growth potential. The GAP Funds are overseen by CIT and private sector experts, the Investment Advisory Board, who conduct thorough due diligence on the companies before making investments.

CIT's Federal Funding Assistance Program (FFAP) identifies and accelerates opportunities for Virginia's small technology businesses to obtain Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) funding from 11 federal agencies. CIT hosts low cost workshops, webinars, mentoring, expert consultant support, and small proposal development grants for Virginia based firms and university researchers.

CIT R&D: Strategic Investments in Research Commercialization

The CIT R&D team facilitates commercialization of research and brings together public and private sector teams to develop and deploy marketable solutions. They manage the Commonwealth Research Commercialization Fund (CRCF), which invests in research and commercialization at Virginia colleges and universities, companies, federal labs, and other research institutions in their efforts to advance technology and drive economic growth in the Commonwealth. In the five years since the program's inception in FY2012, the CRCF has awarded funding to more than 230 projects. Closely aligned with the CRCF in driving economic growth are the Commonwealth Research and Technology Strategic Roadmap (Roadmap) and the Innovation and Entrepreneurship Measurement System (IEMS). The Roadmap is a strategic planning tool that identifies key industry sectors with commercial promise that are worthy of institutional focus and economic development for Virginia. The IEMS is a web-based portal that uses key metrics and outcomes to track the performance of Virginia's innovation economy.

CIT Broadband: New Infrastructure for the New Innovation Economy

CIT Broadband is the only resource in Virginia that works comprehensively to establish broadband infrastructure, accelerating the socio-economic growth of Virginia's rural and underserved areas. CIT Broadband is an honest broker between providers and customers, a trusted resource for localities, a market analyst, and an advocate for broadband adoption and use.

Center for Innovative Technology
2214 Rock Hill Road, Suite 600
Herndon, Virginia 20170
703.689.3000

http://www.cit.org

Financing Assistance

Virginia Small Business Financing Authority

The Virginia Small Business Financing Authority (VSBFA) provides small businesses and communities with debt financing resources for business formation and expansion. VSBFA's definition of "small" business is $10 million or less in annual revenues over each of the last three years; or a net worth of $2 million or less; or fewer than 250 employees in Virginia; or qualification as a 501(c)(3) non-profit entity.

Industrial Development Bonds (IDBs). The VSBFA issues tax-exempt and taxable bonds to provide qualifying businesses and 501(c)(3) corporations with access to long-term, fixed asset financing at favorable interest rates and terms. IDBs can fund land acquisition, building construction, and capital asset (equipment) purchases. Eligible borrowers include new or expanding manufacturing companies, "exempt" facilities such as solid waste disposal facilities, and 501(c)(3)s. Through IDBs, creditworthy manufacturers and 501(c)(3) corporations can borrow up to 100 percent of the cost of acquiring, constructing, and equipping a facility, including site preparation. IDBs may also facilitate tax-exempt funding for leased manufacturing facilities and equipment. All projects financed with IDBs must meet federal tax code eligibility requirements. The maximum manufacturing project size is $20 million; 501(c)(3) corporations and exempt projects are not subject to this dollar limitation. At current interest rates, projects under $3 million are generally not cost-effective due to the transaction costs of bond financing. Interested companies should contact the VSBFA.

Economic Development Loan Fund (EDLF). The Virginia EDLF offers permanent working capital, owner occupied commercial real estate, and equipment loans to fill the "gap" unmet by equity, conventional financing, and other sources (COF, Historic Tax Credits, etc.). Project eligibility is determined by guidelines set by the federal Economic Development Administration (EDA) and the VSBFA. Eligible borrowers include local Industrial or Economic Development Authorities and businesses engaged in technology, biotechnology, tourism, engine and vehicle manufacturers for the professional motor sports industry, basic industries, manufacturing, and those businesses or entities that provide for a locality's economic and "quality of life" development. Businesses that derived 15 percent or more of their revenues from defense-dependent activities and can demonstrate economic hardship related to defense downsizing may also apply. Eligible projects must provide economic benefit to the community through job creation/retention (minimum $10.00 hourly wage) or by enhancing a locality's ability to attract private capital investment. The maximum loan amount is generally the lesser of 40 percent of the total project cost or $500,000 unless the project is located in a city/county defined by the EDA as "economically distressed." Loans in distressed areas can be higher – potentially in excess of $1 million depending on risk factors, the number of jobs created, and the region in which the project is located. Generally, loans have 10-year maturities with amortizations based on the life of the asset and the borrower's ability to repay. Rates are risk-based but can be below market. Loans are secured by assets and require personal guaranties. Businesses apply directly to the VSBFA.

Loan Guaranty Program. The Loan Guaranty Program reduces bank commercial loan risk to increase the availability of small business loans. The maximum guaranty is the lesser of 75 percent of the credit amount or $750,000. The guaranty term is no longer than seven years. Eligible borrowers must be a VSBFA-defined small business and meet VSBFA credit standards. Loan purposes include lines of credit for accounts receivable and inventory, term loans for permanent working capital, and fixed asset purchases. Businesses apply directly to the bank. Interested banks then contact the VSBFA if a guaranty is desired and the borrower creditworthy.

Financing Assistance

SWaM Loan Fund (SLF). The SLF funds a maximum of $10,000 in loans to existing Virginia small businesses. Eligibility requirements are a minimum of two years of active operation in the Commonwealth and business owners/loan guarantors' credit scores must be at least 650 each. Terms are a maximum of four years and rates are Wall Street Journal Prime plus three percent. If a business has received counseling from a Virginia Small Business Development Center, the maximum loan amount may increase to $25,000. Interested parties should apply directly to the VSBFA.

Virginia Capital Access Program (VCAP). The VCAP promotes business credit by mitigating risk through a form of loan portfolio insurance for participating lenders. Businesses must meet the definition of a small business with credit approval performed by the bank. The lender notifies the borrower that the loan will be VCAP enrolled and sets the fee (two to seven percent of the enrolled amount). VSBFA matches the fee and the monies are used as special loan loss reserve accounts. Maximum enrolled amounts are $500,000 and maximum term is 10 years. Interested parties should apply to a participating bank.

Cash Collateral Program (CCP). The CCP is designed to help Virginia's businesses obtain the funds to start, enhance, or expand their operations, and thereby create or maintain jobs in the Commonwealth. The VSBFA's participation helps reduce a lender's credit risk by providing cash collateral on deposit at the lender bank as support for a business purpose loan. Most typically, the CCP is used in those instances when the applicant company has demonstrated the ability to cash flow the debt, but the collateral coverage is insufficient for the lender's normal underwriting standards. It is also used for SBA 504 loans when the lending bank is funding the certified development company's loan pending the sale of a debenture. The VSBFA can provide cash collateral up to 40 percent of a loan or $500,000, whichever is less, with a maximum relationship participation between the borrower and the VSBFA of $500,000. The lender sets the interest rates and terms. The VSBFA's participation is for a maximum of five years on term loans. Annual lines of credit not matured may be renewed up to two times with a maximum term of three years. Interested parties should apply to a participating lender.

Small Business Investment Grant Fund (SBIGF). Virginia taxpayers that invest in Virginia businesses may qualify for cash grants of up to 10 percent of their investment amount. Qualified investments can be in the form of cash equity or subordinated debt. For investors to be eligible for the grant, they must invest in a business that has been certified as a qualifying small business by the Virginia Small Business Financing Authority. Investors must be certified as eligible also. Eligibility requirements are defined in the Code of Virginia, Chapter 16.1 of Title 2.2 §2.2-1616.

Virginia Small Business Financing Authority
101 North 14th Street, 11th Floor
Richmond, Virginia 23219
804.371.8254 *https://www.sbsd.virginia.gov/virginia-small-business-financing-authority/*

Financing Assistance

Community Development Block Grants

Community Development Block Grant funds (CDBG) are available to eligible cities, counties, and towns to support local community and economic development activities. Funds may be used for off-site development such as public facilities improvements including, but not limited to, construction of access roads, water and sewer line extensions, and installation of fiber network for telecommunications.

Funds may also be available as loans for on-site redevelopment that supports economic development, subject to underwriting. CDBG funds are available for small business and entrepreneurship development, revitalization of a downtown or other commercial district, and projects resulting in job creation and retention. Funds are awarded to localities on a competitive basis during an annual application cycle. Funds are also awarded noncompetitively, provided certain thresholds are met. Applications for these funds may be submitted at any time from January 1st through September 30th. At least 51 percent of jobs created or retained by a project using CDBG funding must be held by or made available to low and moderate-income persons. The Virginia Department of Housing and Community Development administers the non-entitlement portion of the federal CDBG program for cities and towns with populations under 50,000 and counties with populations under 200,000. The U.S. Department of Housing and Urban Development administers the CDBG entitlement program for metropolitan areas.

Virginia Department of Housing and Community Development
Main Street Centre
600 East Main Street, Suite 300
Richmond, Virginia 23219
804.371.7061

http://www.dhcd.virginia.gov

Notes

CONTACT

901 East Cary Street
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AGENDA ITEM NO. D.7.

ITEM SUMMARY

DATE: 12/14/2017

TO: The Economic Development Authority

FROM: Amy B. Jordan, EDA Secretary

SUBJECT: Wrap Up and Next Steps

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority	Fellows, Teresa	Approved	12/8/2017 - 2:38 PM

AGENDA ITEM NO. E.1.

ITEM SUMMARY

DATE: 12/14/2017

TO: The Economic Development Authority

FROM: Teresa J. Fellows, EDA Recording Secretary

SUBJECT: Adjourn until 8 a.m. on January 11, 2018 for the Regular Meeting

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REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority	Fellows, Teresa	Approved	12/8/2017 - 2:39 PM