

**AGENDA**

JOINT MEETING

ECONOMIC DEVELOPMENT AUTHORITY & BOARD OF SUPERVISORS

| WEDNESDAY, APRIL 25, 2018 |

| 5:30 PM – 6:30 PM |

COUNTY ADMINISTRATION BUILDING @ BOARD OF SUPERVISORS MEETING ROOM

107 N. KENT STREET WINCHESTER, VA

1. Call to order
2. Chair's comments
3. Brief recap of activities from since last joint meeting
4. Virginia Economic Development Partnership's view on overall trends in economic development
5. Discussion of EDA focus and planned activities for next 12 months
6. Board of Supervisors concurrence/endorsement of EDA focus and planned activities
7. Adjourn

DATE: April 20, 2018

TO: Frederick County Board of Supervisors

FROM: Patrick Barker, CEcD  
Executive Director

CC: Kris Tierney  
County Administrator

RE: Joint Meeting EDA & BOS Background Materials

The EDA Board looks forward to its annual discussion and review of the Board of Supervisors' expectations for economic development. This year's agenda (enclosed) will provide a brief recap of activities over the last 12 months. Jay Langston with the Virginia Economic Development Partnership will provide the State's perspective on how corporations are selecting where they plan to invest and/reinvest. Then, the EDA will look to the Board of Supervisors' for their feedback/endorsement to planned activities for the next 12 months.

The chief planned EDA activities for 2018-2019 center around short-term workforce and site readiness. Why these two areas? These elements are constantly ranked as some of the top factors with local influence used by corporate decision makers and site consultants when making business location and expansion decisions per Area Development Magazine's Annual Survey. County EDA staff routinely shapes its strategy based on this annual survey.

The full combined rankings of each group are included below.

### Combined Ratings\*

## CORPORATE SURVEY 2017

Site Selection Factors	2017	2016
<b>Ranking</b>		
1. Highway accessibility	91.3	94.4 (1)**
2. Labor costs	91.1	89.6 (3)
3. Availability of skilled labor	88.8	89.8 (2)
4. Quality of life	87.2	76.4 (10)
5. Tax exemptions	85.9	79.7 (7)
5T. Occupancy or construction costs	85.9	86.0 (4)
7. Proximity to major markets	84.6	78.1 (9)
8. Corporate tax rate	83.2	82.3 (6)
9. State and local incentives	81.3	84.0 (5)
10. Available land	76.9	75.3 (12)
11. Expedited or "fast-track" permitting	76.7	71.7 (13)
12. Proximity to suppliers	76.4	66.0 (20)
13. Energy availability and costs	76.0	78.5 (8)
14. Available buildings	75.9	75.5 (11)
15. Right-to-work state	74.7	70.1 (16)
16. Training programs/technical colleges	72.8	66.7 (18)
17. Inbound/outbound shipping costs	71.8	69.1 (17)
18. Low union profile	71.4	70.8 (14T)
19. Environmental regulations	70.2	70.8 (14)
20. Availability of long-term financing	64.6	66.7 (18T)
21. Accessibility to major airport	56.4	52.4 (22)
22. Raw materials availability	56.0	53.7 (21)
23. Water availability	55.3	46.3 (24)
24. Availability of unskilled labor	52.0	51.9 (23)
25. Proximity to innovation/commercialization R&D centers	44.7	39.2 (26)
26. Availability of advanced ICT services	42.7	40.9 (25)
27. Waterway or oceanport accessibility	31.2	18.1 (28)
28. Railroad service	29.9	33.7 (27)

\*All figures are percentages and are the total of the "very important" and "important" ratings of the Area Development Corporate Survey and are rounded to the nearest tenth of a percent.

\*\* 2016 ranking

### Combined Ratings\*

## CONSULTANTS SURVEY 2017

Site Selection Factors	2017	2016
<b>Ranking</b>		
1. Availability of skilled labor	100.0	100.0
(1)**		
2. Labor costs	98.3	95.8 (3)
2T. Proximity to major markets	98.3	95.8 (3T)
4. State and local incentives	96.6	95.8 (3T)
5. Highway accessibility	95.0	98.7 (2)
5T. Available land	95.0	95.8 (3T)
5T. Available buildings	95.0	88.9 (11)
5T. Accessibility to major airport	95.0	88.8 (12)
9. Tax exemptions	93.3	95.8 (3T)
10. Training programs/technical schools	91.7	91.7 (10)
11. Energy availability and costs	90.0	93.0 (8)
11T. Proximity to suppliers	90.0	93.0 (8T)
13. Expedited or "fast-track" permitting	88.3	87.3 (13)
14. Inbound/outbound shipping costs	88.2	84.6 (15)
15. Occupancy or construction costs	85.0	86.0 (14)
16. Low union profile	80.0	82.0 (16)
17. Right-to-work state	78.3	76.4 (19)
18. Environmental regulations	75.0	80.3 (17)
19. Availability of unskilled labor	71.6	69.0 (22)
20. Quality-of-life	71.2	63.3 (24)
21. Corporate tax rate	70.0	78.9 (18)
22. Availability of advanced ICT services	67.8	69.5 (21)
23. Raw materials availability	66.6	64.8 (23)
24. Water availability	55.0	72.2 (20)
25. Railroad service	53.3	45.1
(26)		
26. Proximity to innovation/commercialization/R&D centers	51.8	62.0 (25)
27. Availability of long-term financing	41.7	40.8

\*All figures are percentages and are the total of the "very important" and "important" ratings of the Area Development Consultants Survey and are rounded to the nearest tenth of a percent.

\*\* 2016 ranking

The EDA has reviewed the list of identified factors and have identified below those areas over which localities have some influence:

- Availability of skilled labor
- Available land
- Quality of life
- Local incentives
- Expedited or fast track permitting
- Training programs/technical schools



**Planned Activity #1 | Partner with local and regional stakeholders to create solutions to current projected workforce needs.**

As noted in the above ranking, availability of workforce is often cited as a top factor in how corporations and site selectors decide where to invest. Frederick County, like other communities across the Commonwealth and the Nation, face a variety of workforce challenges. Low unemployment, coupled with existing demand from existing employers and new economic development projects, creates a significant issue for the short term and beyond.

The EDA plans to further its conversations with County employers and its workforce partners to collaborate on proactive solutions to addressing labor needs. A hardened focus will occur on those occupations with the greatest need and that offer moderate entry levels and a profitable career path. The following table provides a snapshot of those occupations.

**FREDERICK COUNTY TOP 2 YR OCCUP. BY NEED w/ ENTRY SALARY \$36,000 +**

Title	Total NEED	Entry Level	Experienced	Education Requirement	Training Requirement
Lending (NFCU)	265	\$55,600	\$55,600	4C	Moderate-term OJT
Contact Center (NFCU)	100	\$45,100	\$45,100	HS	Short-term OJT
General and Operations Managers	89	\$48,000	\$139,500	4C	None
ISD (NFCU)	83	\$94,600	\$94,600	CC	Moderate-term OJT
Elementary School Teachers, Except Special Education	61	\$40,900	\$63,500	4C	None
Business Operations Specialists, All Other	58	\$55,700	\$79,300	4C	None
First-Line Supervisors of Production and Operating Workers	53	\$36,900	\$70,700	HS	None
First-line Supervisors of Construction Trades and Extraction Workers	51	\$41,500	\$67,100	HS	None
Industrial Machinery Mechanics	49	\$41,000	\$59,600	HS	Long-term OJT
Accountants and Auditors	48	\$41,000	\$88,500	4C	None
Secondary School Teachers, Except Special and Career/Technical Education	46	\$38,600	\$71,100	4C	None
Electricians	42	\$36,300	\$58,700	HS	Apprenticeship
Managers, All Other	33	\$71,600	\$123,900	4C	None
Management Analysts	32	\$54,300	\$107,600	4C	None
Middle School Teachers, Except Special and Career/Technical Education	30	\$37,700	\$69,100	BS	None
Loan Officers	28	\$37,400	\$97,100	BS	Moderate-term OJT
First-Line Supervisors of Mechanics, Installers, and Repairers	27	\$46,100	\$80,700	HS	None
Financial Managers	25	\$78,400	\$173,500	BS	None
Construction Managers	25	\$74,200	\$212,300	BS	Moderate-term OJT
Human Resources Specialists	24	\$40,200	\$81,300	BS	None
Farmers, Ranchers, and Other Agricultural Managers	23	\$55,200	\$84,400	HS	None
First-Line Supervisors of Helpers, Laborers, and Material Movers, Hand	23	\$42,900	\$63,600	HS	None
Teachers and Instructors, All Other	22	\$36,600	\$57,100	4C	None

Source: JobsEQ with 2017 Frederick County Announcements

In response to this top factor, the EDA will examine concepts that leverage any financial investment, complement existing programs and involve employer participation. For example, potential examples could focus on enhancing/creating a training pool for new and/or incumbent workers while at the same time creating a pipeline for future workforce via a clear



career pathway to high demand occupations, which would include providing educational outreach for students, parents, educators and underemployed individuals. In addition, the EDA will aim to improve the retention and attraction of young adults from regional high schools and universities/community colleges by delivering programs and tactics to overcome to-be identified obstacles and implement talent attraction strategies.

### **Planned Activity #2 | Encourage development “ready to go” business sites.**

As noted earlier, available land remains a top factor in site selection by corporations. The need for speed to market matters for most economic development prospects, which chiefly drives why this factor ranks high. Projects are seeking to move in months. For a community to succeed, they need ready to go sites. In short, a ready to go site has the following:

- All risks and unknowns have been discovered;
- The schedule of how the site can be developed is fully understood;
- Costs of development are known and controlled;
- The speed of which construction can start is known.

The Virginia Business Ready Sites Program was created to enable sites to be evaluated using a tier system that looks at a variety of site factors to include: ownership, zoning, and infrastructure to name a few. A brief description of the different tiers is described below:

- (i) **Tier 1:** Site under (a) public ownership, (b) public/private ownership, or (c) 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 development and use, but site is not zoned as such. Site has minimal or no infrastructure. Minimal or no due diligence has been performed.
- (ii) **Tier 2:** Site under (a) public ownership, (b) public/private ownership, or (c) 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.
- (iii) **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,



- an Endangered Species review, and a Phase I Environmental Site Assessment, has been completed. Estimated costs of development have been quantified.
- (iv) **Tier 4:** All infrastructure is in place or will be deliverable within 12 months. All permit issues have been identified and quantified.
  - (v) **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.

In response to this top factor, the EDA is proposing to undertake a site assessment of the large land bays in Frederick County and evaluate those parcels using the guidelines of the Virginia Business Ready Sites Program. This site assessment will determine the current tier level, and any additional actions needed to move the site to the next tier.

At the conclusion of the site assessment exercise, the EDA will communicate with the sites' landowners and their site development partners to collaborate on solutions to improve the tier status of these sites.

The EDA is seeking the Board of Supervisors' endorsement or concurrence with the two identified activities for the next 12 months:

**Planned Activity #1 | Partner with local and regional stakeholders to create solutions to current projected workforce needs**

**Planned Activity #2 | Encourage development of "ready to go" business sites.**

Should you have any questions regarding either of these planned activities, please do not hesitate to contact me.



Jay A. Langston  
Biography

Jay Langston is the Managing Director of Business Retention & Expansion within the Business Investment division of the Virginia Economic Development Partnership. He is responsible for coordinating the Business Retention & Expansion Managers on existing business calls in collaboration with Virginia's Localities. In his tenure with VEDP, he has been Sr. Advisor, coordinating with VTC and performing community assistance, Sr. Coordinating Director and Sr. Research Manager.

Prior to joining the Virginia Economic Development Partnership, Jay spent eight years as the executive director of Virginia's Gateway Region, and seven years with the Chesterfield County Department of Economic Development as the senior marketing representative. He began his economic development career in Georgia where he was a Project Manager for the Georgia Department of Industry & Trade.

Jay graduated with a B.S. in Industrial Management from Georgia Tech, a Masters in Public Administration and a Ph.D. in Public Policy at VCU. He served a president and was an officer for 7 years for the Virginia Economic Developers Association, and has served in board and advisory capacities with numerous organizations.

