

GUIDEBOOK

2015-2016

FOR LOCAL ELECTED OFFICIALS



VIRGINIA ECONOMIC
DEVELOPMENT PARTNERSHIP

YESVIRGINIA.ORG

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INTRODUCTION

The economic health of a community can dictate the overall quality of life of its members and the fiscal health of government. For this reason, economic development activities are of key importance to the Commonwealth of Virginia as well as to her localities. One of the many responsibilities of the local elected official is to guide and direct a locality's economic development efforts. The elected official sets the philosophical framework for the economic direction of a locality.

Guiding successful economic development activities is no easy task. The purpose of this guide is to provide a broad understanding of what economic development entails as to help gain a working knowledge of what is expected of localities in their economic development efforts. This information is intended to help elected officials make more informed decisions regarding the economic health of their jurisdiction.

Economic development is a "team sport" and success cannot be achieved in this arena by one individual or organization. With this in mind, this guide will also introduce some of the partners in this very critical function of government. The Virginia Economic Development Partnership (VEDP), as well as other organizations, both public and private, exist to help with this essential undertaking. While economic development is a complex task, there are many willing partners to turn to for assistance.

You cannot begin a local economic development program the day your largest employer announces its closing.

WHAT IS ECONOMIC DEVELOPMENT?

Economic development is the process that influences the growth and restructuring of the local economy. Local and regional economies are in a constant process of change. Economic development is about understanding the dynamics of these changes and taking early steps to keep the economy healthy. It serves to increase wealth and enhance the well-being of the community.

The foundation of any local economy is jobs, especially those from basic employers—those that manufacture and distribute goods, set up headquarters, cater to tourists, or perform other functions that draw new income into the state and regional economy. Wages earned through these basic jobs are then spent within the community and support non-basic employment such as retail. Therefore, successful economic development efforts are designed to protect the jobs already in existence in the community, as well as to attract new basic jobs from outside the community.

The more attractive a community is to business, the more successful that community will be in retaining and recruiting companies. Business is primarily concerned with finding a location that matches its needs. Many different factors can have an effect on a company's decision to stay in, or relocate to, a particular region. These can include the quality of the local workforce, the regulatory environment, the transportation system, infrastructure, the educational system, and even recreational opportunities.

Because of the impact of these diverse factors on a company's location decision, economic development activities are not just limited to marketing and recruiting. They may also encompass any effort which makes the community more business-friendly. Depending on a community's needs, economic developers may invest resources in activities such as business retention, workforce development, entrepreneurial assistance, infrastructure improvements, real estate inventory, and general community development.

Competition is fierce; every community strives to appear as attractive as possible. A local economic development program must assess the strengths and weaknesses of its jurisdiction to create a strategy for success. This process cannot be done without considering the external influences on the locality as well. The community must evaluate its assets in terms of how its region is positioned, and develop its own niche within the overall strategy.

There are many popular misconceptions about economic development. Below are some common myths:

- We can handle our economic development needs alone.
- Economic development causes sprawl.
- Any new business is right for our community.
- An economic development officer will turn our economy around.
- We just need to advertise and businesses will flock here.
- Google will locate here if we provide enough incentives.
- One big manufacturer will solve all of our economic problems.
- The Commonwealth of Virginia controls where businesses locate.

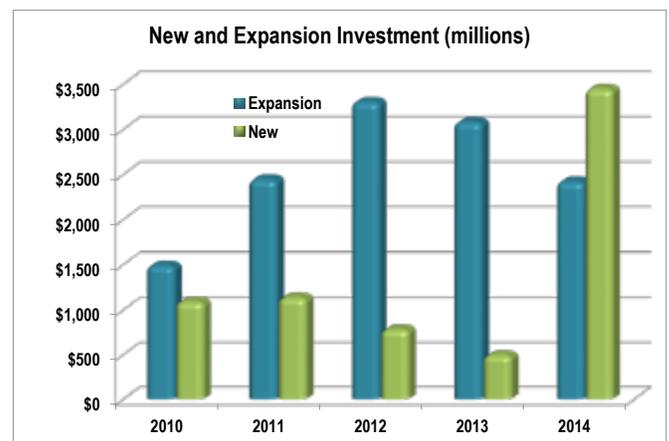
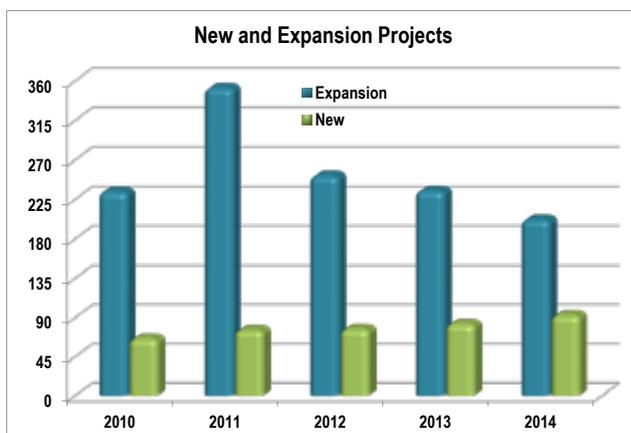
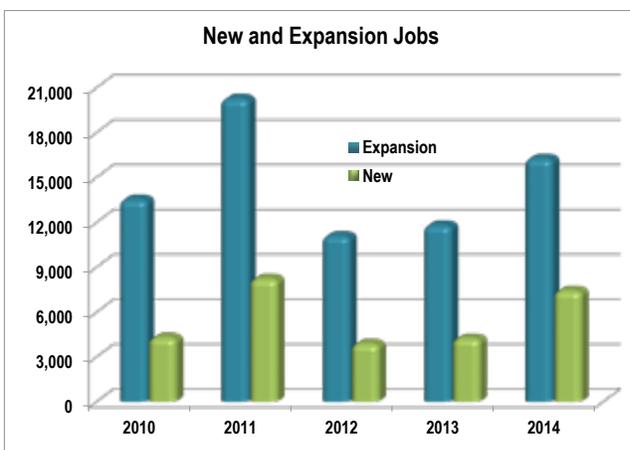
EXISTING BUSINESS: THE EMPLOYMENT GENERATOR



No matter how a locality chooses to position itself for growth, the importance of existing business cannot be overstated. Existing business is the source of most new job creation, with the majority of those jobs filled by local residents. In contrast, new projects are more likely to initially fill a significant number of jobs with out-of-town talent. This means that local expansion projects will typically have a more meaningful impact on unemployment and underemployment rates rather than other job creation sources. Therefore, a critical emphasis of any economic development strategy is to work with local businesses to encourage retention and expansion. The charts below show the dramatic effect that existing business expansions can have on local employment.

“Without continual growth and progress, such words as improvement, achievement and success have no meaning.”

Benjamin Franklin



TODAY'S CHALLENGES

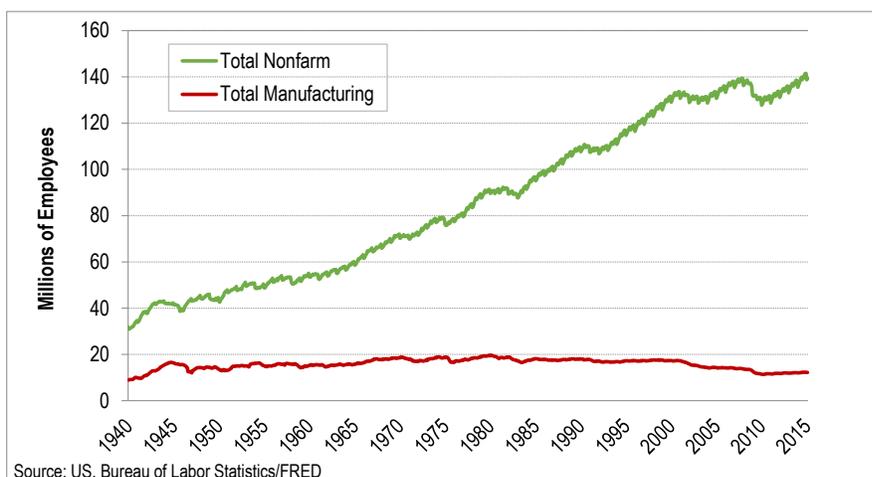
The process of economic development has evolved over the years—it has changed as technology, world competitiveness, and market demands have altered the needs of business and the way in which localities communicate their advantages. The fundamental improvement in global communications and transportation has allowed and even required business to conduct their operations wherever it best fits their business model. Thirty years ago the real playing field for economic development was the Southeastern United States. Today, first-rate economic development is practiced around the world. A community's competition for a project is not just the community down the road, or a similar locality in the Carolinas or Maryland, but can be almost any location across the globe.

The economic development process is continuously changing as businesses compete on a global basis.

One notable change has been the type of business sectors seeking new locations in Virginia. In the last half of the twentieth century, for most communities the main source for new employment came from the manufacturing industry. Before the mid-nineties, manufacturing provided about seventy percent of Virginia's new and expansion projects, today it produces less than forty-five percent. Currently, there is considerable activity being found in business and professional services, data centers and data processing, transportation equipment manufacturing, chemicals, and food processing. Because of this diverse industry mix, a community's long-term economic development success depends on its ability to satisfy the needs of many different types of businesses.

Another point for consideration is the impact of the internet both as a means of marketing a community and as the vehicle for gathering community information by the prospect. Through the internet, prospects can actively “watch” a locality—they know what is happening in local government and are familiar with the jurisdiction's degree of commitment to development. Prospects learn about local controversy, the status of the local school system, the quality of the area's workforce, and the community's quality of life.

Employment in the manufacturing sector has generally fallen since 1979 as the United States has moved toward more efficient factories that use fewer workers to make more sophisticated items.



TODAY'S CHALLENGES

Because of the internet, prospects have the ability to consider a community for a project and neither the local economic development office nor VEDP may know that a location search is underway. By the time VEDP receives the majority of projects, prospects have already narrowed their search parameters to a few regions.

Consultants are an influential part of the economic development equation. Because of their expertise in data collection and especially in negotiating incentives, it has become increasingly common for businesses to turn to consultants for assistance. A considerable amount of economic development projects are handled by consultants. These projects tend to be larger in terms of both employment and investment. Consultants can be lucrative contacts; they don't just manage a single project. If a consultant is handled properly and the community is responsive in a timely fashion, consultants will likely return with other prospects.

Because of the use of the internet and the work of consultants, the economic developer's time to influence and work with a prospect has diminished significantly. By the time state and local economic developers learn of a project, it is generally in the more advanced stages and consequently the prospect is closer to making a decision. While a project could have required eighteen months to reach a conclusion ten years ago, today it is not unusual for a project to run its course in four to six months.

The challenge then is to understand and confront these changes. Business cannot be done the way it has always been done. If prospects are making decisions faster, then the availability of information and the responsiveness of economic development organizations must also be faster. If customers are using the internet as a way to collect data, websites must be accurate, complete, and easy to navigate. If consultants have been integrated into the process, then understanding their needs and including them in marketing efforts is essential. Knowledge of active business sectors and those community assets which align with their needs will offer value to the consultant and the client.

The use of the internet and the involvement of consultants has changed the face of economic development. Timeframes for decisions are much quicker; therefore the economic developer's time to influence is shortened.

THE NEEDS OF BUSINESS

What does a business look for when considering locating or expanding in a community? Answers to this question provide an understanding of the keys to success. Knowing the potential employer's needs establishes a baseline for a strengths and weaknesses analysis at the community level.

There are literally hundreds of location factors—those items that business must consider when making an investment decision. Some are more important than others and some have greater significance depending on the industry, but there are a few that are critical to all. Regardless of the type of business—manufacturing or service industry—and no matter the type of operation—corporate headquarters or distribution—certain location factors must be acceptable or business will not consider the community.

These critical location factors include:

- Labor
- Real Estate (sites and buildings)
- Transportation and Access to Markets
- Business Climate
- Quality of Life

Each of these factors contain many sub-sections. For example, when discussing labor, such issues as cost, availability, productivity, education, labor-management relations, skill levels, work ethic, and adequate continuing education opportunities will be considered. Business wants to ensure that a location will offer suitable employees both now and in the future. For many companies, this factor is of overwhelming importance and may drive the location decision above all other criteria.

In the real estate category, quality sites and buildings must be available and ready-to-go. The competition has them, so a community that does not is at a distinct disadvantage. Once a decision has been made to move forward on a project, businesses want to begin without delay. It is not acceptable to be held up by zoning issues or other public hearing procedures. Getting the new project underway is essential and anything that hinders this process reduces a community's chances of success.

Of all the critical business location factors, labor and its attributes remain the number one location criterion and concern. Labor attributes are a regional asset and should be presented to the client as such.

THE NEEDS OF BUSINESS

It is of vital importance to business that they are able to move their product to customers; efficient access to markets is crucial. Needs vary by industry, but a company will generally consider access to major roadways, rail, ports, and airports. The critical factors of transportation and markets are issues the business has made preliminary decisions on prior to the involvement of local officials. If a business is considering a community, it has generally decided that the locality meets its needs on these issues.

Business climate evaluations may be subjective. However, business will look at such factors as an area's regulatory environment, taxing philosophy and practices, commitment to education, planning, zoning and approval process, quality of local government, and regional cooperation. These items are good measures of how business is viewed in an area and how the local government functions.

Quality of life is most often an individual judgment call, but generally refers to whether or not the community is perceived to be an attractive place to live. Factors can include recreational opportunities, education at all levels, cultural activities, healthcare, proximity to major airports, congestion, sports availability, housing, museums, and numerous other items. A locality must cast its net wide and catalogue items in this category that are not just within its boundaries, but also those that are within its region as well as those that are within easy access regardless of location.

The above is, admittedly, a simplified view of the needs of business. For some businesses additional factors such as natural resources, raw materials, proximity to suppliers, or energy will be included as critical. Others will have a different set of critical requirements. However, these five aforementioned critical location factors are a starting point for business to determine the community's potential for its investment and for the community to begin a self-assessment.

Quality of life is important to the people that live in a community and is also important to business. Though fewer company executives move with a new business location than in years past, an attractive community is critical for the company that wishes to recruit the best talent.

KEYS TO A SUCCESSFUL LOCAL ECONOMIC DEVELOPMENT PROGRAM



For any community, the economic development process begins with a candid critique of its location factors, the development of a practical approach for improvement where needed, and ultimately a strategy that builds upon the community's unique assets and attributes.

As with any endeavor, leadership is critical. The local elected official is in a position to make things happen in the community by committing resources to economic development. But this is not a task that can be completed alone. Civic leaders, business leaders, and education leaders must all come together to help form the critical mass that will determine where the community goes economically. It is this group that will build the consensus for action.

To assist the community's leadership, there must be a clear point of focus and accountability for the locality's economic development work. This is most often a local organization with the on-going responsibility for economic development. In some communities it is a department of local government. In others it is a commission or authority governed by a board of directors who are appointed by elected officials. Some of the duties of the organization will be active marketing, infrastructure development, prospect handling, and working with existing employers.

One method of implementing a local economic development program is through the provision of an Industrial Development Authority (IDA) or Economic Development Authority (EDA). They are similar organizations, the latter simply being the more current nomenclature.

Leadership is critical. One of the most important tasks in establishing a viable economic development program is forming the local team and then completing a thorough and honest analysis of the community's strengths and weaknesses.

KEYS TO A SUCCESSFUL LOCAL ECONOMIC DEVELOPMENT PROGRAM



With key leadership, committed resources, and a local economic development organization, a locality can undertake the very difficult task of assessing the community's status in the competitive arena and where its chances for success can be found. All of the critical location factors must be reviewed honestly in order to answer the question of how the community meets the needs of business. In which of these areas is the community strong? Which need improvement? And, in which areas are there notable competitive advantages? The strengths dictate the industries or businesses that are likely to prosper in the community. The weaknesses will dictate those areas that need improvement.

By completing an assessment of strengths and weaknesses, a locality can determine which types of business should be targeted for recruitment.

No locality or state can be perfect for all businesses and limited resources should be used as efficiently as possible. A locality must select where to concentrate its efforts by targeting those industries with which it has the greatest chances of success. A locality should also promote the distinguishing features that make it unique and different.

A by-product of the assessment is the vision—an agreed upon road map for building and maintaining a healthy local economy. This is not only important for the locality, but it is also comforting to the prospective businesses sought. Business understands no community is perfect and appreciates the community's effort at self-improvement.

In the pages that follow, there are some issues that are generally of great importance to the local economic development effort, along with some examples of how various communities or organizations have addressed them.

WORKFORCE DEVELOPMENT

The community that is committed to workforce development is the community that will ultimately achieve a sound local economy. The first concern of most prospects deals with potential employees for their operation. Skill levels, education, and quantity will certainly need to be demonstrated. Ensuring that the workforce maintains marketplace skills is of similar importance. Communities must have programs underway that will give assurance to new employers and demonstrate a commitment to producing a steady flow of trained workers.

The involvement of educational institutions at all levels in workforce development is critical to economic development success. These institutions have the facilities and expertise to not only award degrees, but also to develop training programs that meet the specific economic needs of the community.

Training the workforce of tomorrow is one of the most important things a locality can do to encourage economic growth.

WORKFORCE DEVELOPMENT IN ACTION

CASE STUDY: DANVILLE COMMUNITY COLLEGE

In 2011, Danville Community College (DCC) launched the start of a new CNC Precision Machining training initiative to meet the growing demand for highly skilled manufacturing workers in the Dan River Region. The school's legacy precision machining program was experiencing two setbacks—a waitlist of students who wanted to enroll in the program but could not due to capacity restraints, while graduating students were each receiving an average of three job offers, and employers' need to hire more program graduates. Thus, the initiative was born at DCC with the initial goal of doubling the size of DCC's Precision Machining Technology program, and includes partnerships with industry, K-12 school systems, and local economic developers.

The initiative addresses the full value chain of the education system from K-12 to universities. Danville Community College currently offers a 40-credit-hour dual enrollment program in the Pittsylvania County School System, with the City of Danville's program to begin in 2016, and the Halifax County Public Schools soon to follow. The program enables juniors and seniors from these local high schools to enroll in an Advanced Manufacturing Certificate program, with four career options: Precision Machining Technology, Electrical/Electronics, Industrial Maintenance, and Welding. Once students complete the dual-enrollment portion of the program, they earn a Level I certification and can enroll at DCC, complete their degree in one year, and earn Level II certification.

DCC also partners with the Institute for Advanced Learning and Research (IALR), and in early 2015 DCC/IALR announced the Capstone Integrated Machining Technology (IMT) program. The program provides a third year (Level III certification) of training for students that have completed a two-year Precision Machining Technology degree program at a community college or have prior work experience and the skills necessary to enroll in the program. Soon after, in May 2015, The Gene Haas Center for Integrated Machining officially opened at IALR. The Center, part of the Capstone IMT program, will provide students the opportunity to train in an authentic manufacturing workflow cell, a unique concept being implemented for the first time in America. Students will utilize state-of-the-art technology and equipment in the flow cell that integrates machining, metrology, lean manufacturing, visual management, and manufacturing economics. This equipment will be replaced and upgraded every 24 months with the most current machinery in the marketplace. This experience will enable students to earn valuable, nationally recognized industry credentials from such esteemed organizations as the National Institute for Metalworking Skills (NIMS). In 2014 DCC students earned 96 NIMS certifications, representing one-third of all NIMS certifications earned in Virginia. That figure is expected to far surpass 200 in 2015.

There are currently 120 students in the total pipeline of the Advanced Manufacturing Certificate program. The goal is to have 200 students in the pipeline at all times. Before the initiative, there were two full-time instructors, now there are seven. This initiative has received more than \$20 million in funding by numerous partners, including the Danville Regional Foundation, the Virginia Tobacco Region Revitalization Commission, and the Gene Haas Foundation. The success and advancement of this program is testimony of what can be accomplished when local government, community leaders, and industry all work together for the common good of the region.

Partners include:

- Babcock & Wilcox
- City of Danville School System
- Danville Community College
- Danville Regional Foundation
- Gene Haas Foundation
- Haas Automation Inc.
- Halifax County School System
- Institute for Advanced Learning and Research
- Master Gage & Tool Co. (Danville)
- Mitsubishi EDM
- Mitutoyo
- National Institute for Metalworking Skills
- Patrick Henry Community College
- Pittsylvania County School System
- Rolls-Royce
- Sandvik Coromant
- Skills USA
- Virginia Tobacco Region Revitalization Commission

SITES AND BUILDINGS

As equally important as labor considerations, it is most likely the prospect will want to explore the availability of sites, existing buildings, or build-to-suit opportunities. Business expects ready-to-go properties as the time frame for projects is such that business cannot wait for property to be rezoned or for extensive site work. Businesses do not want to endure what is many times a distasteful public process, especially if speed-to-market and competitive opportunities are in play.

Product is not just the responsibility of local government. The private sector plays a critical role in providing this location factor. The local economic development organization and local government must encourage and assist the private sector where possible in the development of quality product.

Part of the product development effort that does fall squarely on local government is the development of adequate local infrastructure, especially water and sewer. Having capacity available helps to ensure competitiveness, and it is an essential element in encouraging the local private sector developer to invest his or her resources to provide quality product. Local governments must also work with the private sector to encourage the development of telecommunications, especially broadband networks.

Timeframes for site location decisions have condensed rapidly over the years. All other things being equal, a community that has ready-to-go buildings and sites will win business decisions over those that do not.

SITES AND BUILDINGS IN ACTION

CASE STUDY: PROGRESS PARK – WYTHE COUNTY

Wythe County's Progress Park is a 1,200-acre regional industrial park developed over the past two decades with the support of local, state, federal, and private investments in infrastructure and site development. Industries within the park include a nearly one million square foot PepsiCo Gatorade facility, supporting bottle supplier Amcor Rigid Plastics, and Japanese auto parts supplier Somic America, among others.

The Park is serviced by Class 1 rail and is strategically located at the intersection of Norfolk Southern's Heartland Corridor and Crescent Corridor. Also located adjacent to the intersection of Interstates 77 and 81 in a strategic Mid-Atlantic location, Progress Park is within one day's drive (10 hours) of 47.5 percent of the nation's population. Eligible for Enterprise Zone incentives, and located in Virginia's Tobacco Region, Progress Park offers a unique combination of logistic advantages coupled with the infrastructure required for demanding advanced manufacturing projects as well as data centers.

With a diversified product offering, Progress Park also boasts Lot #24, a 232 acre site offering a graded 166 acre pad with rail service and high capacity infrastructure, as well as lots #35/#36 and #19/#20 which are AEP Qualified Data Center Sites. There is access to long-haul and short-haul fiber providers and parallel electrical supply feeds with available capacity that includes a 90-MW electrical substation in the park. Substantial water and sewer service is available to Park tenants. The suite of available infrastructure, coupled with the Park's geographic location, make Progress Park truly a premier site for business success.

Owned by Wythe County and marketed by the Joint IDA of Wythe County, Progress Park offers a complete package of infrastructure prepared to serve ready-to-build sites.



ECONOMIC DEVELOPMENT MARKETING

Another key to success involves a strong, local economic development marketing and recruiting effort. It is not enough to have an excellent workforce and available product. The word must be spread that a community is indeed ready for new development, welcomes it, and can demonstrate fulfillment of key business needs. This involves understanding what the community's assets are and identifying target market sectors. Once target markets are identified, there are a number of methods of reaching them.

It is important that VEDP and other allies know the community's assets and what type of industries are sought. Teaming with these partners is an excellent way of leveraging resources to effectively market. It is also a good idea to join broad marketing outreach efforts with the state or regional economic development organizations. Relationship building and cooperation are intrinsic features of economic development.

Since the use of the internet is an essential marketing mechanism, a local economic development web site is mandatory. Prospects and consultants turn first to the internet to gather information about communities and this is often the first introduction to a locality. Many of these individuals are accessing the internet via their mobile devices so it is advantageous to make sure your website is mobile-friendly. Companies not only expect to find accurate and current data, but also general information about the community. Prospects may seek site and building information, labor force data, community economic and demographic statistics, and much more. A website is also an excellent way to introduce a prospect to the quality of life parameters in the community. Additionally, social media has become an effective, influential, and economical tool to engage and interact with various audiences, promote assets, quickly announce positive news, and support local business.

Notable websites for review:

Greater Richmond Partnership:
www.grpva.com

Hampton Roads Economic Development Alliance:
www.hreda.com

New River Valley Economic Development Alliance (Blacksburg):
www.nrvalliance.org

Region 2000 (Lynchburg area):
www.region2000.org

Arlington County:
www.arlingtonvirginiausa.com

Frederick County Economic Development:
www.yesfrederickva.com

Virginia Beach:
www.yesvirginiabeach.com

ECONOMIC DEVELOPMENT MARKETING IN ACTION



CASE STUDY: ROANOKE REGIONAL PARTNERSHIP – ASSET-BASED ECONOMIC DEVELOPMENT

On the web: www.RoanokeOutside.com

Asset-based economic development connects a region's unique and untraditional assets and turns them into an economic sector. Examples could be a strong arts community, a concentration of higher education, or a focus on innovation. For the Roanoke Region of Virginia, with the state's largest lake, two largest rivers, 1,000 miles of hiking and biking trails, and the nation's second largest municipal park, the assets lie in the outdoors. Such strong and unique assets, when packaged, enhanced, and communicated, create their own economic sector.

Since its launch in January 2010, Roanoke Outside has developed a website, started a weekly newsletter to 10,000 outdoor enthusiasts, created the Blue Ridge Marathon which is recognized as America's Toughest Road Marathon, organized a weekend-long Anthem GO Outside Festival, and sponsored programs on How to Start an Outdoor Business. The marathon has generated more than \$2 million in economic impact. The 2014 GO Fest attracted 20,000 people, a 66 percent increase over GO Fest's 2013 attendance at just over 12,000.

The outdoor brand has given confidence to start-ups, such as outfitter Roanoke Mountain Adventures, and helped small businesses such as Walkabout Outfitters grow. The messaging attracted the fulfillment center for Backcountry.com, an on-line retailer of premium outdoor gear, to nearby Montgomery County creating 200 jobs and investing \$20 million. It also has contributed to a community narrative that resonates with young people and helps local firms attract and retain young talent. Finally, outdoor recreation is a core value to many companies not traditionally associated with the outdoors such as foods or craft beer. When the region's values align with a company's, the location becomes a better fit.

Simply packaging the assets has also helped tourism by attracting more visitors. The Region received more than \$795 million in domestic travel expenditures in 2013 which represents a 23 percent increase (\$151 million) over 2009, according to the Virginia Tourism Corporation, and these figures are expected to continue to increase.



REGIONAL COOPERATION

As previously stated, successful economic development efforts require collaboration. This fact cannot be overemphasized when considering regional cooperation. It is readily apparent that many of the critical factors considered by business during a relocation project are regional in nature. An employer does not draw labor just from one locality, but from the region in which it is located. Quality of life is likewise regional. The services an employer needs, as well as its suppliers and customers, are regional.

This means that business considers a region as a whole when making location decisions, so it is imperative that economic development entities are able to pool resources and cooperate in order to present the best, most cohesive regional image possible. Localities are simply a sub-unit of regions and must utilize the regional resources as part of their marketing efforts.

In terms of economic development, the bottom line is regional cooperation and thinking beyond boundaries are essential. Prospects will only see limited resources if the locality is positioned otherwise.

The following case study is a good example of how communities and local partners have maximized their regional resources.

Companies think in terms of metropolitan areas or regions as their basis for business. It is fundamental to economic development success that localities think similarly.

REGIONAL COOPERATION IN ACTION

CASE STUDY: “IN-DEMAND CAREERS IN THE SHENANDOAH VALLEY” CAMPAIGN

The Shenandoah Valley Partnership (SVP) facilitates regional and local economic development efforts through and in support of its member localities, private partners, and strategic allies. The availability of a quality workforce is a priority for existing businesses considering expansions, as well as new prospects. With that goal in mind, SVP’s Workforce and Education Committee launched the “In-Demand Careers in the Shenandoah Valley” campaign.

The first component of the campaign is a partnership with SVP investor WHSV-TV3 to create a series of three-minute spots promoting high-wage, high-growth, high-demand careers that do not necessarily require a four-year degree, but do require further education after high school. The campaign launched in April 2015 with an interview with Governor Terry McAuliffe, who spoke about the importance of these careers to Virginia’s economic success. The first career spot, featuring welding, soon followed and 25 subsequent career spots will air throughout the next year. The campaign includes highly skilled technical positions in advanced manufacturing, as well as many others in information technology and healthcare. In addition to the news pieces, the broader “Valley Career Hub” campaign will include additional television, print, radio, and social media outreach to encourage students, parents, and career switchers to consider a career in one of these high-demand occupations.

Campaign partners include:

- Shenandoah Valley Partnership
- Shenandoah Valley Workforce Investment Board
- WHSV-TV3, Harrisonburg
- Blue Ridge Community College, including the Career Coaching Program
- Technical Centers: Massanutten and Valley Career and Technical
- Shenandoah Valley K-12 Public Schools
- Higher Education Providers
- Virginia Economic Development Partnership’s Virginia Jobs Investment Program
- Local Economic Development Departments
- Business and Industry Partners

If successful, the campaign will help fulfill the partners’ business needs by:

- Enhancing awareness of fantastic career opportunities for students, parents, and career switchers
- Increasing enrollment in available training programs and associated credential obtainment
- Providing an ample workforce pipeline for growing existing businesses and economic development prospects throughout the Shenandoah Valley

EXISTING EMPLOYER RETENTION AND EXPANSION



Paying close attention to existing employers is likely the most important aspect of a local economic development program, and one that generally pays the greatest dividends. Existing business is the fuel that runs the local economy, providing more job growth than any other source. Regular company visits are a meaningful way to learn about the needs and challenges facing local businesses, as well as a way of delivering the message that they are appreciated. Further, these visits help identify trends and opportunities in the marketplace that may be advantageous to attracting suppliers and customers of existing business. Learning of potential problems or needs is also a benefit because this presents the opportunity to minimize obstacles and offer valuable services from the local government. Solving small problems early often prevents major problems in the future.

Solid relations with existing employers are also important because these companies serve as the best ambassadors when recruiting new business. Prospects will want to talk with existing employers to gain their view on a variety of issues. If there is a strong existing business program, it helps set the tone for a pro-business environment, which is conveyed to the prospect. Conversely, if an existing employer has problems with a locality, this too will likely be passed along.

One tool that will allow a community to quickly develop an existing business program is ExecutivePulse©. ExecutivePulse© is a leading business retention and expansion tracking solution designed by a consulting firm that, in conjunction with the VEDP, has created a special pricing structure for this program. Their software streamlines survey development, data collection and analysis, which allows local officials to better make strategic decisions about local economic development resources. This program is customizable for each locality and will assist with the development and maintenance of an existing business effort.

An existing business program can be the most beneficial aspect of a local economic development program. Not only does most business growth come from existing business, but existing business can be the source of future business opportunities through the attraction of customers and suppliers.

EXISTING EMPLOYER RETENTION AND EXPANSION IN ACTION



CASE STUDY: CONTINENTAL - NEWPORT NEWS

In August 2014, Continental, one of the world's leading automotive suppliers, announced plans to invest \$150 million to expand and update machinery and equipment at its manufacturing operation in Newport News. The investment will enable the plant to become the company's first in the United States to produce turbochargers: three-cylinder direct injection gas engines that greatly reduce emissions and fuel consumption. The project will create 500 new jobs, doubling the facility's workforce by 2019. It will also expand production of Continental's gasoline high pressure injector, fuel rail and pump assembly lines.

Virginia successfully competed against Mexico for the project. The competition was intense as the company already has an existing facility near Mexico's booming automotive industry presence. Mexico is well-known for its low wages and in 2014 was the biggest supplier of car parts to the United States. Continental's Newport News facility was able to compete directly with Mexico, delivering a cost-effective solution along with the ideal workforce to handle the company's technological advances.

Virginia was selected for this project due to the company's more than 40-year history in Newport News, which includes a strong experience with the Port of Virginia and Hampton Roads workforce. The quality of the Hampton Roads region's workforce will enable the company to efficiently transition to new, leading-edge equipment and launch a new product line. In addition, Continental expanded its long standing partnership with Thomas Nelson Community College to develop a customized training program that will give its employees new integrated skills.

Continental's announcements of planned jobs and investment creation in Newport News total more than 1,000 new employees and nearly \$400 million since 2002. As a provider of brake systems, systems and components for powertrains and chassis, instrumentation, infotainment solutions, vehicle electronics, tires, and technical elastomers, Continental contributes to enhanced driving safety and global climate protection.

Local businesses may need assistance with some of the following issues:

- Managing and growing a business
- Financing information and resources
- Staffing and training resources
- International trade resources
- Regional transportation resources
- Industry-specific resources and information



BROADER ASPECTS OF ECONOMIC DEVELOPMENT

Specific economic development topics have already been discussed in this guidebook, but it is also important to understand some of the broader and more philosophical aspects of economic development. The points made here are conveyed to help explain the environment in which economic development is practiced.

- **The “sale” is made at the local level.** The state organization or other allies can bring prospects to the local area and help deliver state resources, but it is up to the locality to close the deal. The company is selecting a specific piece of property in a specific community – the owner of the property and the prospect must reach agreement. The company must become comfortable with the locality in which the business will “live” and the local officials with whom relationships must be built. Active and persuasive selling is required, and is based on a foundation of the business proposition to the company, i.e., why it makes business sense.
- **The prospect locates in a community because it makes good economic sense and the locality has demonstrated a willingness to cooperate.** The prospect locates in the prepared community where the least amount of delays or unknowns are anticipated. The prospect locates in a community where the environment is conducive to making a profit. The prospect does not locate in the community to do it a favor.
- **Competition is fierce.** Practically every community in the United States has an economic development effort. Foreign countries and most of their regions are seeking investment and employment opportunities for their citizens. Economic development is not a passive activity; the community that desires and needs economic growth must be aggressive in the implementation of its vision and prepared for opportunities.
- **Many of the location factors important to business are regional in nature.** This is reflected in the fact that businesses do not recognize political boundaries. The county/city structure in Virginia is meaningless to the prospect. It is the economic region that is important without regard to which geographic subdivisions may be included.
- **Economic development is a team sport.** Team sports require cooperation to achieve the win, so too for economic development. Cooperation among the many players in the economic development effort is essential if success is to be achieved.

Businesses do not locate in your community to do you a favor. They locate because it makes economic sense to do so. Business capital will go where it is appreciated.

INCENTIVES

Although very popular in the press and anecdotal conversations related to economic development, it is surprising to many to learn that incentives are generally not the reason a company locates. Instead, they are a “deal sweetener” or a “deal closer” that is negotiated only after all of the other critical factors related to the location decision have been investigated and found to meet the company’s business requirements. Thus, in the process of economic development, the incentive discussions should come only after many other issues have been settled. Incentives are not used to buy a project, but instead to tip the scales once basic considerations have been met.

Fundamental to Virginia’s economic development marketing is a firm understanding that it is the Commonwealth’s long-term, intrinsic advantages that will ultimately make the sale—not short-term incentives. Business finds Virginia attractive for a variety of reasons that can be best summarized as a “quality business climate.” These are the same factors that have led to Virginia being heralded among top states for business in the past decade. The factors that have lasting importance are:

- Reasonable regulatory and legal environment
- Stable tax structure, fair and equitable tax system
- Strategic tax exemptions
- Predictable government policies
- Reasonably low employment taxes
- Quality education system, especially higher education
- Overall acceptable cost structure
- Favorable geographic location
- Transportation infrastructure – roads, rail, air, and ports
- Right-to-work state
- Proximity to Washington, DC power structure
- Proximity to major markets in the Northeast and South
- Quality of life – ease of recruiting personnel

No amount of incentives can make a bad deal good. The location decision must be a “win-win” for the company and the locality.

INCENTIVES

Factors such as these are what most successful businesses will base their location decisions upon and they weigh heavier in the selection process than discretionary incentives. Many of these factors, based on the priorities, policies, and actions taken by the elected political leadership of the Commonwealth, are revisited often by the General Assembly, and require diligence to stay the course. Virginia must continue to guard and enhance natural advantages, but at the same time realize that specific economic development incentives are essential to ensure competitiveness. Businesses today, more than ever before, are seeking ways to minimize new location start-up costs, with a heavy emphasis on developing and maintaining a skilled workforce. If the marketplace is telling us anything, it is that the best incentives are the ones which help businesses through the start-up phases.

An established and thoughtful incentive philosophy is essential to gain public and political support. It also aids in explaining the government's position in negotiations with private sector investors. Public leadership needs to remain clear that governments conduct economic development activities to help pay for public services. Giving away all new revenue while claiming that incentives are used to further the public good is disingenuous. Clearly stated principles will go a long way in garnering support for the concept of economic development incentives. When offering incentives, they:

- Must make economic sense to all parties
- Should be equally available to both new and existing employers
- Should support the development goals of the public entity
- Should foster and enhance partnership between the public and private sector parties
- Ideally should be performance-based
- Require enforceable performance agreements with repayment provisions

Incentives should support the development goals of the locality and be available to both new and existing companies alike.

INCENTIVES

The utilization of incentives is as much a financial discussion as it is a philosophical one. First, the amount of incentives must be commensurate with the investment and job creation, but even small amounts are meaningful since they demonstrate a partner-oriented relationship and send the message that business is valued. Second, only enough to close the deal should be put on the table. All projects do not deserve the full complement of incentives. Third, there is a need for flexibility. While there is the general prohibition for using incentives to move a business from one locality to another, the law does provide for some exceptions with a justifying reason, such as preserving jobs for Virginia versus losing them to another state.

Just as the Commonwealth has an incentive policy, localities need one as well. Incentives can stir considerable debate and the time to resolve any issues is before the prospect nears decision-making time. Local economic development officials must be able to communicate to the prospect what can be expected. Incentive policy, procedures, and practices must be established by the locality both to be competitive and to avoid time-consuming controversy.

On the following pages, there is a general guide to important incentives offered by the Commonwealth of Virginia. A more comprehensive discussion of incentives can be found in *A Virginia Guide to Business Incentives*, produced by VEDP and available online at www.yesvirginia.org.

The amount of incentives must be commensurate with the company's investment and job creation. The locality should predicate the amount based upon the return to the community.

VIRGINIA'S INCENTIVES

VIRGINIA JOBS INVESTMENT PROGRAM

The Virginia incentive most broadly used is the Virginia Jobs Investment Program (VJIP) which offers customized recruiting and training for companies creating new jobs or experiencing technological change. As a business incentive, this program is designed to reduce the human resource development costs for new and expanding business. VJIP offers consulting services, electronic media services, and funding. To qualify, a minimum \$9.79 per hour wage is required. While there are sub-sectors of this program that are aimed at small business and retraining existing employees, the major effort is to provide training assistance and funding for new and expanding business. In addition to the wage requirement, to utilize this program the company must make a minimum investment of \$1 million and create 25 new jobs within 12 months from the date of the first hire. This program is administered by the VEDP.

Virginia Economic Development Partnership
Virginia Jobs Investment Program
901 East Byrd Street
Richmond, VA 23218-0798
(804) 545-5710
www.yesvirginia.org/assetrich/workforcetraining

The Virginia Jobs Investment Program is the most used incentive in Virginia.

ENTERPRISE ZONE, TECHNOLOGY ZONE, DEFENSE PRODUCTION ZONE, AND COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAMS

The Virginia Enterprise Zone Program is administered by the Virginia Department of Housing and Community Development (DHCD). This program is designed to assist business development and expansion in targeted areas of need—Enterprise Zones. Qualified businesses that locate in one of these zones are eligible for job creation grants and real property investment grants. There are fairly detailed requirements for qualification; however, for those companies meeting the guidelines, these grants are meaningful. The number of zones is limited by legislation and localities are required to have local incentives as one of the qualifications to gain zone designation.

Localities that do not meet the criteria for an Enterprise Zone may statutorily adopt a Technology Zone and/or Defense Production Zone. While there are no state incentives associated with either of these Zones, they allow the adoption of local incentives similar to those found within Enterprise Zones.

The non-entitlement portion of the federal Community Development Block Grant Program is also administered by DHCD. These are funds localities may seek to support economic development activities, such as off-site water or sewer line extension, treatment facilities, or as a match for road and rail access.

VIRGINIA'S INCENTIVES

DISCRETIONARY INCENTIVES

The state incentive which is probably the most well-known and discussed is the Commonwealth's Opportunity Fund (COF) (formerly the Governor's Opportunity Fund). Worth noting, less than 20 percent of the VEDP assisted projects are offered funds from this program. The COF is a deal-closing fund used exclusively at the Governor's discretion. It is designed to give the Governor a negotiating tool to help secure a decision for Virginia.

This grant is made at the request of and paid out to a Virginia locality for the purpose of assisting the community with successfully locating a new employer or to have an existing employer expand. The program requirements are:

- Minimum job, wage, and capital investment based on locality's poverty and unemployment rate
- Locality must match the COF amount on a dollar-for-dollar basis
- The project is not an intrastate relocation
- The locality and the company must sign a performance agreement
- There will be a public announcement coordinated by the Governor's Office and VEDP

These grant funds can be used for a variety of purposes—from site development work to utility expansion and much more. The local match can be both cash grants usually payable within three years or foregone revenue, such as elimination of utility connection fees.

The Virginia Investment Partnership Grant, the Major Eligible Employer Grant, and the closely-related Virginia Economic Development Incentive Grant are discretionary performance grants that are offered directly to companies to encourage location decisions. They are payable over a period of years after the company has made its investment and hired its employees. Each of these programs has minimum capital investment, job creation, and payroll requirements and is designed to encourage plant modernization and/or the development of higher paying jobs.

Similar to the COF is the Governor's Agriculture and Forestry Industries Development Fund (AFID) administered by the Virginia Department of Agriculture and Consumer Services at the Governor's discretion. The AFID is a tool for communities within the Commonwealth to grow their agriculture and forestry industries through strategic grants made to businesses that add value to Virginia-grown agricultural and forestal products. This grant has similar requirements as the COF, however, requires that the new or expanding value-adding facility sources at least 30 percent of their agricultural or forestry products (on an annual basis in normal production years) from within the Commonwealth of Virginia.

Although probably Virginia's best known incentive, the Commonwealth's Opportunity Fund is used for less than 20 percent of VEDP assisted projects.

VIRGINIA'S INCENTIVES

INFRASTRUCTURE DEVELOPMENT

The Economic Development Access Program and the Rail Industrial Access Program are assistance programs aimed at improving transportation facilities to properties for basic industry. The road program, administered by the Virginia Department of Transportation (VDOT), can improve existing secondary roads and city streets to handle additional traffic and construct new roads to industrial property when no road exists. The use of this incentive requires a resolution of request from the local government and commitment of the right-of-way along with other mandates. The maximum award is \$500,000; however, an additional \$150,000 can be made available if it is matched dollar-for-dollar with funds which did not come from VDOT. The amount of the award is limited by the capital investment of the company.

The rail program, administered by the Virginia Department of Rail and Public Transportation (DRPT), is very similar to the Economic Development Access Program. It can be used to construct railroad tracks to new or substantially expanded industrial and commercial projects, but may not be used for mainline switch, rights-of way, or adjustment of utilities. For any locality the maximum amount for any one fiscal year is \$450,000, assuming that at least \$150,000 from other sources is provided as a match on a dollar-for-dollar basis, otherwise \$300,000 is the maximum unmatched amount.

Virginia Department of Transportation
Local Assistance Division
1401 East Broad Street
Richmond, VA 23219
(804) 786-2746
www.virginiadot.org/business/local-assistance.asp

Department of Rail and Public Transportation
Richmond Office Headquarters
600 East Main Street, Suite 2102
Richmond, VA 23219
(804) 786-4440
www.drpt.virginia.gov

REGIONAL INCENTIVES

This guide provides a brief overview of some of the major statewide incentives. There are others aimed at specific sectors of business or areas and targeted financing programs are available on a limited geographic basis. Additionally, there are regional incentive programs available through various entities such as the Coalfield Economic Development Authority and the Tobacco Region Revitalization Commission. Both have significant resources that can be used for economic development purposes.

VDOT and DRPT both report to the Secretary of Transportation and work closely together to provide Virginia with a comprehensive transportation network.

VIRGINIA'S INCENTIVES IN ACTION

MECKLENBURG COUNTY (2015) MICROSOFT CORPORATION

Microsoft Corporation announced it will invest \$402.4 million in its fourth data center expansion in Mecklenburg County, creating 42 new jobs. After an extensive search across the U.S., the company chose to expand its facility in Mecklenburg, which has continued to meet all of their requirements allowing the company to quickly ramp up to meet the growing needs for its cloud services clients. This fourth expansion project represents more than \$1.74 billion in total capital investment since 2010, bringing more than 200 jobs to citizens in Southern Virginia. Virginia's success with Microsoft is a result of the state's advantageous environment for data centers consisting of a reliable infrastructure base, favorable permitting, and powerful incentives, including a robust sales and use tax exemption for data centers. Mecklenburg has continued to plan for Microsoft's current and future needs by preparing and deeding adjacent land to Microsoft as expansions arise. The County has also made significant road, water, and sewer improvements to support the growing facility, as well as reward the company with cash grants for continuously investing in the facility.

The incentives available to relocating and expanding businesses are often combined to create a customized incentive package which is intended to aid in the closing of deals.

CITY OF RICHMOND (2014) STONE BREWING CO.

Stone Brewing Co. announced a \$74 million investment to construct a brewery, packaging hall, restaurant, gardens, retail store, and offices in Richmond. Virginia was selected over more than 20 states, and the project will create more than 288 new jobs. Stone Brewing is the 10th largest craft brewer in the United States and has been called the "All-Time Top Brewery on Planet Earth" by *Beer Advocate* magazine twice. The San Diego-based company was looking to expand operations east of the Mississippi to reduce its carbon footprint and ensure its East Coast customers receive the freshest beer possible. Richmond was selected because it offered a unique site that matched the company's requirements, a strong craft beer culture, and the infrastructure and natural resources to enable Stone Brewing to successfully expand.



Governor McAuliffe's Thomas Jefferson presentation to Stone Brewing officials in San Diego.

LOUDOUN COUNTY (2014) K2M GROUP HOLDINGS

K2M Group Holdings Inc. announced plans to relocate its global headquarters and R&D operations to a new 146,000-square-foot facility in the Town of Leesburg in Loudoun County. The approximately \$28 million project is expected to create 97 new jobs and retain 268 jobs, and will be funded through contributions from Trammell Crow Company, Keane Enterprises, Inc., and K2M, as well as the Town of Leesburg, Loudoun County, and the Commonwealth. K2M has successfully operated its headquarters and light manufacturing operation in Leesburg and Loudoun County for 10 years. The company is a publicly traded (NASDAQ: KTWO) global medical device provider that designs, develops and commercializes technologies that allow surgeons to treat complex spinal disorders in a minimally invasive way.

TEAMMATES

As mentioned several times in this guide, a locality does not have to face the difficult task of economic development alone. There are multiple organizations, both public and private, prepared to help with each bringing a different set of expertise to the table. Many have resources to assist, and all have the same goal—keeping the Virginia economy and that of her localities healthy.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP

The lead organization for economic development in the Commonwealth is the Virginia Economic Development Partnership (VEDP). Funded by the state and governed by a board of directors, VEDP's function is to market to businesses around the world the many benefits of a Virginia location. Additionally, it has the duty to assist Virginia businesses to grow through export assistance as well as to aid in expansions. While a marketing organization, VEDP possesses extensive research capabilities, manages a large community site and building database, maintains an award-winning website, and acts as the clearinghouse and coordinator for state incentives. The expertise at VEDP can help localities not only with their marketing, but also targeting, product development, prospect handling, and incentive utilization. Headquartered in Richmond, VEDP has representation in multiple international locations.

In addition, the Virginia Economic Development Partnership's Ally Information Exchange website is designed to help you, the local or regional economic developer, in furthering your community's corporate recruitment goals. It can be used as an interactive tool for property and community profile updates as well as to obtain general information specific to economic development in the Commonwealth of Virginia.

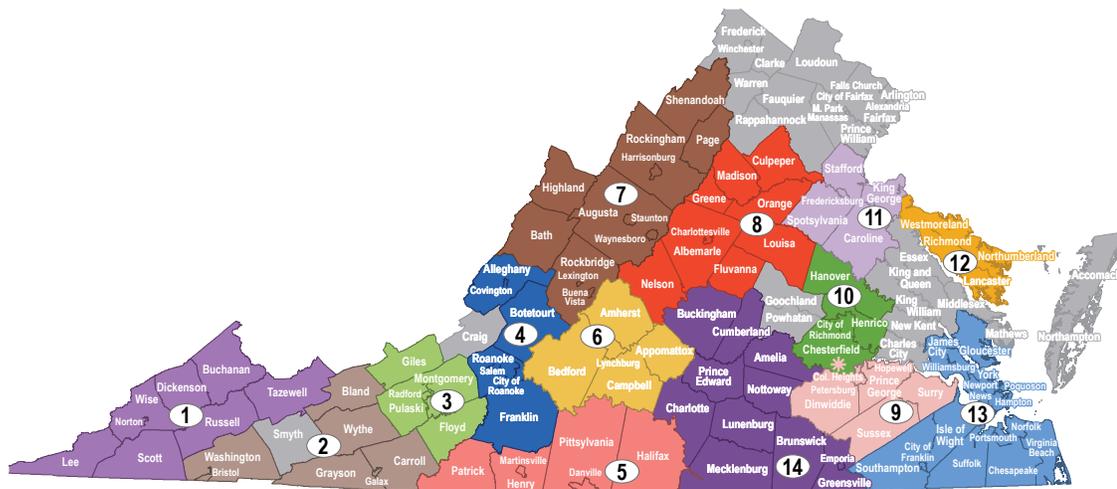
Virginia Economic Development Partnership
P. O. Box 798
Richmond, VA 23218-0798
(804) 545-5600
www.yesvirginia.org
www.virginiaallies.org

VEDP maintains an extensive website which includes many relevant resources for economic developers throughout Virginia, including a site and building database, accolades, economic data, and community profiles.

TEAMMATES

REGIONAL ECONOMIC DEVELOPMENT ORGANIZATIONS

Most localities in Virginia are within a regional economic development marketing organization. The regional groups market the region as a whole, are the regional liaison with the VEDP, and will most often coordinate prospect responses and/or site visits. Regional organizations maintain site and building databases, have extensive websites, and perform a variety of functions for the member communities. Below is a map showing the 14 regional organizations in Virginia.



- 1

Virginia Coalfield Economic Development Authority (Virginia's e-Region)
Jonathan Belcher, Executive Director
P: 276-889-0381, E: jonathan@vaceda.org
- 2

Mount Rogers Development Partnership Inc. (Virginia's aCorridor)
Tom Elliott, Executive Director
P: 276-783-9474, E: telliott@acorridor.com
- 3

New River Valley Economic Development Alliance
David Denny, Interim Executive Director
P: 540-267-0007, ext. 202; E: ddenny@nrvalliance.org
- 4

Roanoke Regional Partnership
Beth Doughty, Executive Director
P: 540-343-1550 x102, E: beth@roanoke.org
- 5

Southern Virginia Regional Alliance
Steve Bridges, Director
P: 434-766-6707, E: sbridges@gosouthernvirginia.com
- 6

Virginia's Region 2000 Business & Economic Development Alliance
Megan Lucas, CEO
P: 434-847-1447, ext 314; E: meganlucas@region2000.org
- 7

Shenandoah Valley Partnership
Carrie Hileman Chenery, Executive Director
P: 540-568-3259, E: chenerch@jmu.edu
- 8

Central Virginia Partnership for Economic Development
Helen Cauthen, President
P: 434-979-5610, E: hcauthen@centralvirginia.org
- 9

Virginia's Gateway Region
Renee Chapline, Executive Director
P: 804-732-8971, E: rchapline@gatewayregion.com
- 10

Greater Richmond Partnership
Barry I. Matherly, President/CEO
P: 804-343-6970, E: bmatherly@grpva.com
- 11

Fredericksburg Regional Alliance
Curry Roberts, President
P: 540-361-7373, E: croberts@fra-yes.org
- 12

Northern Neck - Chesapeake Bay Region Partnership
Jerry W. Davis, Executive Director
P: 804-333-1900, E: jdavis@nnpdc17.state.va.us
- 13

Hampton Roads Economic Development Alliance
Kevin Sweeney, Interim President & CEO
P: 757-664-2620, E: ksweeney@hreda.com
- 14

Virginia's Growth Alliance
Jeffrey G. Reed, Executive Director
P: 434-738-2544, E: jeff@vagrowth.com
- No Affiliation**

* Chesterfield County participates in both the Greater Richmond Partnership and Virginia's Gateway Region
Source: Virginia Economic Development Partnership

TEAMMATES

VIRGINIA COMMUNITY COLLEGE SYSTEM

Additionally, localities must build relationships with the local community college and include them as an active member of the economic development team. Training, education, and workforce development are at the forefront of the prospect's concerns. Having a team in place to demonstrate the area's ability to meet workforce needs is critical.

Another workforce incentive is provided through the Workforce Investment Act of 1998 (WIA). WIA enables states to receive federal funds for employment and training services and also provides for a more flexible workforce development system geared towards meeting the demands of both individuals and employers in a streamlined and efficient manner.

In Virginia, the WIA 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. The majority of WIA funding is passed directly to 15 local workforce investment areas for direct service delivery. In addition, WIA 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
Workforce Development Services
300 Arboretum Place, Suite 200
Richmond, VA 23236
(804) 819-1680
www.VCCS.edu/workforce-development/

VIRGINIA EMPLOYMENT COMMISSION

Another player in the workforce arena is the Virginia Employment Commission (VEC). Quantitative data concerning labor supply, cost, and skill levels is available from the state office in Richmond as well as the local field offices and the VEC's website. Many localities have representatives from the Commission involved with their economic development program.

Virginia Employment Commission
703 East Main Street
Richmond, VA 23219
(804) 832-2363
www.vec.virginia.gov

During Fiscal Year 2014 the Virginia Community College System provided more than 66,000 individuals with non-credit workforce training and served more than 13,000 employers.

TEAMMATES

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

The Virginia Department of Housing and Community Development (DHCD) has already been mentioned for their Enterprise Zone and Community Development Block Grant programs. Additional economic development programs include the Building Entrepreneurial Economies to promote micro business, the Virginia Main Street Program to assist in the revitalization of downtown areas, and the Appalachian Regional Commission assistance efforts. DHCD has broad interests and expertise and its experience and advice should be utilized.

In addition, the Building Collaborative Communities (BCC) is designed to assist regions in creating and sustaining new economic opportunities across Virginia. The program promotes regional economic collaborations in economically distressed areas to stimulate job creation, economic development, and build community capacity and leadership. BCC is a broad-based program that brings to bear resources from a number of state entities, including the Lieutenant Governor's Office, Department of Business Assistance, Virginia Tourism Corporation, Virginia Economic Development Partnership, Department of Housing and Community Development, Virginia Community College System, and other agencies as appropriate.

Virginia Department of Housing and Community Development
Main Street Centre
600 East Main Street, Suite 300
Richmond, VA 23219
(804) 371-7000
www.dhcd.virginia.gov

The DHCD specializes in community development issues and offers several different incentives and programs to Virginia localities.

TEAMMATES

FINANCING

The Virginia Small Business Financing Authority (VSBFA) is a political subdivision of the Commonwealth that promotes 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:

- **Direct Lending**—In partnership with banks and other lenders, it provides direct loans in economic development transactions. It can also provide direct loans under specific programs designed to promote environmental stewardship and assist licensed daycare centers and family home providers.
- **Indirect Lending**—VSBFA provides loan guarantees or other types of credit enhancements to commercial banks in order to increase access to capital for businesses.
- **Conduit Financing**—It is the statewide conduit issuer of tax-exempt industrial development bonds for manufacturers and 501(c) (3) non-profits.

Virginia Small Business Financing Authority
1220 Bank Street, 3rd Floor
Richmond, VA 23218-0446
(804) 371-8254
www.vabankers.org/VSBFA

Virginia Resources Authority (VRA) tailors low-cost financing solutions that take advantage of its unique capabilities to issue bonds backed by the moral obligation of the Commonwealth and to make revolving fund loans at below-market interest rates. Its mission encompasses financing infrastructure in the areas of environmental quality, public health, transportation, economic development, brownfield remediation, and public safety. Since its inception, VRA has funded over 1,000 projects throughout Virginia, totaling over \$5.5 billion.

Virginia Resources Authority
1111 East Main Street, Suite 1920
Richmond, VA 23219
(804) 644-3100
www.virginiaresources.org

The VSBFA provides debt financing assistance to Virginia's established businesses and entrepreneurs as well as businesses looking to expand into the Commonwealth.

TEAMMATES

TOBACCO REGION REVITALIZATION COMMISSION

The Tobacco Region Revitalization Commission is a 28-member body created by the 1999 General Assembly to promote economic growth and development in tobacco-dependent communities using proceeds of the national tobacco settlement.

The Tobacco Commission provides various grant programs including:

- Tobacco Region Opportunity Fund (TROF)—performance-based monetary grants to localities in Virginia’s Tobacco region to assist with job creation and investments
- Southside and Southwest Economic Development—provides funds for the development of industrial sites and business/technology parks
- Research and Development
- Agribusiness
- Special Projects
- Reserve Fund
- Education

The Tobacco Commission has awarded more than 1,830 grants totaling over \$1.07 billion across the tobacco region of the Commonwealth and has provided \$309 million in indemnification payments to tobacco growers and quota holders.

Virginia Tobacco Region Revitalization Commission
 701 East Franklin Street, Suite 501
 Richmond, VA 23219
 (804) 225-2027
www.tic.virginia.gov

Tobacco Region

Amelia	Carroll	Galax	Norton	Tazewell
Appomattox	Charlotte	Grayson	Nottoway	Washington
Bedford	Cumberland	Greensville	Patrick	Wise
Bland	Danville	Halifax	Pittsylvania	Wythe
Bristol	Dickenson	Henry	Prince Edward	
Brunswick	Dinwiddie	Lee	Russell	
Buchanan	Emporia	Lunenburg	Scott	
Buckingham	Floyd	Martinsville	Smyth	
Campbell	Franklin	Mecklenburg	Sussex	



Source: ESRI 2014, Tobacco Commission 2015, VACEDA 2015, VEDP 2015

■ Tobacco Region

TEAMMATES

OTHER RESOURCES

Virginia's colleges and universities have become active in the economic development effort and should be viewed as important partners. University research, competent graduates in all fields, and the diversity associated with institutions of higher education add to a region's attractiveness. Several years ago, the University Based Economic Development (UBED) group was formed to "fully integrate public higher education into the overall economic development system in Virginia." Today most public colleges and universities are part of this group and regularly meet with those responsible for development in the Commonwealth.

Since 1982, the Virginia Economic Developers Association (VEDA) has been increasing the effectiveness of those who practice economic, industrial, and community development in Virginia. VEDA is the voice in Virginia for shaping economic development public policy and a primary source of strong and effective education and networking for economic development professionals.

The Virginia Economic Developers Association's mission includes:

- Increasing the effectiveness of individuals in the practice of economic development in Virginia
- Providing a conduit for exchange of information among the members by verbal, written, and electronic means
- Providing input to programs for economic development in the Commonwealth of Virginia
- Offering suggestions and recommendations to insure the Commonwealth of Virginia's competitive position in economic development
- Promoting the standards of professionalism among economic developers in the Commonwealth of Virginia
- Encouraging the pursuit of professional education through programs offered by organizations within and without the Commonwealth of Virginia

Virginia Economic Developers Association
1340 North Great Neck Road, #1272-128
Virginia Beach, VA 23454
(757) 412-2664
www.GoVEDA.org

Finally, there are numerous private sector firms—architectural and engineering, construction, legal, financial institutions, and utilities—which have keen interests in seeing the economy grow and prosper. Businesses such as these are often heavily involved in working with prospects on a pro bono basis and add considerable expertise to the local effort.

Local chambers of commerce already have relationships with community businesses and can be a good partner for economic development organizations.



Virginia Economic Development Partnership

P. O. Box 798

Richmond, VA 23218-0798

(804) 545-5600

OR GO TO

YESVIRGINIA.ORG

Virginia
ExportVirginia.org
BUSINESS WITHOUT BORDERS