# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>2</td>
</tr>
<tr>
<td>What is Economic Development?</td>
<td>3</td>
</tr>
<tr>
<td>Existing Business:</td>
<td>4</td>
</tr>
<tr>
<td>The Employment Generator</td>
<td>4</td>
</tr>
<tr>
<td>Today's Challenges</td>
<td>5</td>
</tr>
<tr>
<td>The Needs of Business</td>
<td>7</td>
</tr>
<tr>
<td>Keys to a Successful Local Economic Development Program</td>
<td>9</td>
</tr>
<tr>
<td>Workforce Development</td>
<td>11</td>
</tr>
<tr>
<td>Workforce Development in Action</td>
<td>11</td>
</tr>
<tr>
<td>Sites and Buildings</td>
<td>13</td>
</tr>
<tr>
<td>Sites and Buildings in Action</td>
<td>13</td>
</tr>
<tr>
<td>Economic Development Marketing</td>
<td>15</td>
</tr>
<tr>
<td>Economic Development Marketing in Action</td>
<td>16</td>
</tr>
<tr>
<td>Regional Cooperation</td>
<td>17</td>
</tr>
<tr>
<td>Regional Cooperation in Action</td>
<td>17</td>
</tr>
<tr>
<td>Existing Employer Retention &amp; Expansion</td>
<td>19</td>
</tr>
<tr>
<td>Existing Employer Retention &amp; Expansion in Action</td>
<td>19</td>
</tr>
<tr>
<td>Broader Aspects of Economic Development</td>
<td>21</td>
</tr>
<tr>
<td>Incentives</td>
<td>22</td>
</tr>
<tr>
<td>Virginia's Incentives</td>
<td>25</td>
</tr>
<tr>
<td>Workforce Development Programs</td>
<td>25</td>
</tr>
<tr>
<td>Enterprise Zone, Technology Zone, Defense Production Zone, and Community Block Grant Programs</td>
<td>25</td>
</tr>
<tr>
<td>Discretionary Incentives</td>
<td>26</td>
</tr>
<tr>
<td>Infrastructure Development</td>
<td>27</td>
</tr>
<tr>
<td>Other Incentives</td>
<td>27</td>
</tr>
<tr>
<td>Virginia's Incentives in Action</td>
<td>28</td>
</tr>
<tr>
<td>Arlington County (2017)</td>
<td>28</td>
</tr>
<tr>
<td>Nestlé USA</td>
<td>28</td>
</tr>
<tr>
<td>Frederick County (2017)</td>
<td>28</td>
</tr>
<tr>
<td>Navy Federal Credit Union</td>
<td>28</td>
</tr>
<tr>
<td>Botetourt County (2016)</td>
<td>28</td>
</tr>
<tr>
<td>Eldor Corporation</td>
<td>28</td>
</tr>
<tr>
<td>Teammates</td>
<td>29</td>
</tr>
<tr>
<td>Virginia Economic Development Partnership</td>
<td>29</td>
</tr>
<tr>
<td>Regional Economic Development Organizations</td>
<td>30</td>
</tr>
<tr>
<td>Virginia Community College System</td>
<td>31</td>
</tr>
<tr>
<td>Virginia Employment Commission</td>
<td>31</td>
</tr>
<tr>
<td>Department of Housing and Community Development</td>
<td>32</td>
</tr>
<tr>
<td>Virginia Initiative for Growth</td>
<td>32</td>
</tr>
<tr>
<td>Opportunity in Each Region</td>
<td>32</td>
</tr>
<tr>
<td>The Port of Virginia</td>
<td>33</td>
</tr>
<tr>
<td>Virginia Department of Agriculture and Consumer Services</td>
<td>33</td>
</tr>
<tr>
<td>Financing</td>
<td>34</td>
</tr>
<tr>
<td>Tobacco Region Revitalization Commission</td>
<td>35</td>
</tr>
<tr>
<td>Virginia Economic Developers Association</td>
<td>36</td>
</tr>
<tr>
<td>Contact</td>
<td>37</td>
</tr>
</tbody>
</table>
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 its localities. One of the many responsibilities of the local official is to guide and direct a locality’s economic development efforts. The 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 and to help gain a working knowledge of what is expected of localities in their economic development efforts. This information is intended to help officials make more informed decisions regarding the economic health of their community.

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.
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. Businesses are 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
- If we provide enough incentives, anyone will locate here
- One big manufacturer will solve all of our economic problems
- The Commonwealth of Virginia controls where businesses locate

What is Economic Development?
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
The process of economic development has evolved over the years—it has changed as technology, global competition, and market demands have altered the needs of business and the way localities communicate their advantages. Fundamental improvements in global communication and transportation allow businesses to conduct 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.

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 70% of Virginia's new and expansion projects; today it produces less than 45%. 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, 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.

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 valuable contacts; they don't just manage a single project. If a consultant is handled properly and the community responds in a timely fashion, consultants will likely return with other prospects.
Today’s Challenges

Because of the internet and the work of consultants, the economic developer’s time to influence and work with a prospect has diminished significantly. Ten years ago, a project could have required 18 months to reach a conclusion. Today, with the availability of information, it is not unusual for a project to run its course in as little as eight weeks.

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 keep pace. 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 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.
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 businesses 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 remains the number one location criterion and concern. Labor attributes are a regional asset and should be presented at 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 a simplified view of the needs of business. For some companies, 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 companies to determine the community’s potential for its investment and for the community to begin a self-assessment. Ultimately, anything that can be done to minimize risk for business operations will enhance the community’s probability of success in economic development.

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.
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. A 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 ongoing 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 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.

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. Businesses understand no community is perfect and appreciate the community’s effort at self-improvement.

The following pages examine select issues found to be of great importance to the local economic development effort, along with some examples of how various communities or organizations have addressed these issues.
A community that is committed to workforce development is a community that will ultimately achieve a sound local economy. The first concern of most prospects is the availability of 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.

**Workforce Development in Action**

**Case Study: Allfirst, LLC**

Allfirst, LLC is a general contractor headquartered in Suffolk and serves regional and national clients providing industrial-grade construction services. The company employs carpenters, machinists, millwrights, pipefitters, riggers, and welders. In 2016, the company began a strategic effort to focus on workforce development with a particular focus on incumbent worker training.

In the spring of 2016, Governor Terry McAuliffe announced a plan to assist small businesses with training and credentialing through grant funding under the leadership of the Commonwealth’s community colleges and regional workforce development boards. Allfirst became the first recipient of the Hampton Roads Incumbent Worker Innovation Grant. The grant is managed by Tidewater Community College and Hampton Roads’ Workforce Development Board, Opportunity Inc., which partner to carry out the Governor’s initiative. The grant program focuses on small businesses with fewer than 250 employees and asks businesses to contribute between 10% and 50% of the cost of training depending on the number of employees. Allfirst has utilized the grant to upskill welders to more advanced levels, allowing for more productivity for the company, further career advancement for the employee, and the potential for new entry-level opportunities.

In addition to the Incumbent Worker Innovation Grant, the Governor announced the company’s expansion in 2017. Allfirst is eligible for the Virginia Jobs Investment Program (VJIP) incentive for new job creation and retraining existing workers. VJIP provides services and funding to companies creating new jobs or experiencing technological change. As a result of an upgrade in capital equipment and the increased level of training associated with it, VJIP was utilized to support the closing of the skills gap for workers receiving the training to operate the advanced machinery.

The Virginia Department of Labor and Industry (DOLI) supports the workforce development initiatives at
Allfirst by introducing Virginia’s Registered Apprenticeship program. Registered Apprenticeship allows businesses to create internal, formalized workforce development plans by creating career plans for employees, and building a pipeline of employees for succession planning. The program combines on-the-job training with related instruction. VJIP funds course expenses of the related instruction. To further reduce the cost to the company, select coursework provided through the Virginia Community College System may be eligible for the Workforce Credentials Grant. This grant program, the first of its kind, provides a pay-for-performance model for funding noncredit workforce training that leads to a credential in a high demand field. The services offered by the Apprenticeship Consultants of DOLI, which include designing the apprenticeship program and certifying the related instruction, are free of charge.

Allfirst, LLC is an example of a Virginia business leveraging state and regional workforce services and funding to continue the career pathways of existing employees, build the pipeline of the talent for years to come, and create entry points for new workers.

Partners include:
- Allfirst, LLC
- Virginia Economic Development Partnership (VEDP)
- Department of Labor and Industry (DOLI)
- Tidewater Commonwealth College
- Opportunity Inc.
Sites and Buildings

Equal to the importance of workforce, business must consider the availability of sites, existing buildings, and build-to-suit opportunities when making its decision to locate in a new area. 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 an unpredictable 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 their resources to provide quality product.

Local governments must also work with the private sector to encourage the development of telecommunications, especially broadband networks.

Sites and Buildings in Action

Case Study: Patriot Centre — Martinsville-Henry County

The Patriot Centre Industrial Park in Martinsville-Henry County is a 1,000-acre industrial park developed with the support of local, state, federal, and private investments in infrastructure and site development. Since 1990, over $50 million has been invested in land acquisition, infrastructure, and site improvements to make the Patriot Centre a reality. This investment has resulted in the creation of more than 2,500 jobs and approximately $300 million in capital investments. Industries within the park include chemical manufacturer Eastman Chemical, clothing and apparel company Nautica Enterprises, titanium and engineered products manufacturer ALCOA, food manufacturer Monogram Meat Snacks, aircraft airframe and engine machined products supplier Kilgour Industries, and professional services provider ICF International.

In a strategic Mid-Atlantic location, the Patriot Centre is within one day’s drive (10 hours) of 40% of the nation’s population. The park is located at the crossroads of U.S. Highway 220, connecting I-81 in the Roanoke Valley with I-40 and I-85 in the Piedmont Triad, and U.S. Highway 58, Virginia’s major east-west route. Upgraded to four lanes east of Martinsville, U.S. 58 is an efficient access route to The Port of Virginia. Additionally, future Interstate 73 is designed to connect Martinsville-Henry County to Roanoke and then down to Blacksburg-Montgomery County before it heads into West Virginia. The Patriot Centre is located just 15 miles from a general aviation airport, the Blue Ridge Airport, and less than one hour from a commercial airport, Piedmont Triad International.

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

Airport. Eligible for Enterprise Zone incentives and located in Virginia’s Tobacco Region, the Patriot Centre offers a unique combination of logistic advantages coupled with the infrastructure required for demanding advanced manufacturing projects and food processing facilities.

Four tracts of land in the Patriot Centre are graded and shovel-ready (Tract #2, #4, #9N, and #11) and range from four to 26 acre pads. Tract #4 has been designated as a Certified Food Processing Site by Ady-Austin Consulting. In addition to four greenfield sites, the Patriot Centre also offers a 95,000-square-foot shell building, which is located on Tract #8. This newly constructed facility has 30-foot-high ceilings and is expandable to 180,000 square feet. The park is a node on the Mid-Atlantic Broadband Co-Op layout, which provides carrier-class broadband connectivity with access to long-haul and short-haul fibers. Electric, natural gas, and substantial water and sewer service is available to tenants. The suite of available infrastructure in addition to the park’s geographic location make the Patriot Centre a truly premier site for business success.
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 internet is an essential marketing mechanism, a local economic development website is mandatory. Prospects and consultants turn first to the internet to gather information about communities, which 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 your website 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:

Arlington County
www.arlingtonvirginiausa.com

Frederick County Economic Development
www.yesfrederickva.com

Greater Richmond Partnership
www.grpva.com

Hampton Roads Economic Development Alliance
www.hreda.com

Onward NRV (formerly known as the New River Valley Economic Development Alliance)
www.onwardnrv.org

Roanoke Regional Partnership
www.roanoke.org

Virginia Beach
www.yesvirginiabeach.com
Case Study: Shenandoah Valley Partnership — Harvest Box Save the Date

Asset-based economic development builds upon a region’s unique assets to build strong, sustainable local and regional economies. Examples could be environmental resources, a strong arts and cultural community, or a concentration of higher education. For the Shenandoah Valley, which is home to four of the top five agricultural counties in Virginia, which produces more than $1.2 billion annually, the assets are in the land.

In 2015, the Shenandoah Valley Partnership (SVP) developed an innovative marketing campaign to capture the attention of site selection consultants by highlighting their region’s agricultural assets. The SVP Marketing Committee, which includes members of the region’s communities, private sector leaders, and partner organizations, collaborated with local vendors to develop a harvest box to be sent to site selection consultants across the United States. These gift boxes included a “Save the Date” for an upcoming Shenandoah Valley Familiarization Tour. The Familiarization (FAM) Tour is an event to familiarize consultants with available properties, key regional assets, and connect them with strategic project resource partners throughout the region.

The harvest box was filled with six products representing local producers from throughout the region, each tying in to a special aspect of the region. For example, a jar of blueberry jam from Nu-Beginning Farms was included in the box with a note that read, “In a jam? Transportation presents no obstacle in the Shenandoah Valley, which lies an easy distance from Washington Dulles International Airport, the Virginia Inland Port and the Port of Virginia. Four railroads and the I-81 and I-64 interstate systems complete the Valley’s efficient logistics system.”

As a result of receiving the harvest box, 12 consultants contacted SVP to express their thanks and provide positive feedback. “This box easily is in the top 10 promos that I have received from an economic development organization, in terms of making a positive impression,” said one consultant. The following year, SVP mailed a box matching the design of the harvest box to the same site consultants, which included a formal invitation to attend the FAM Tour. In September 2016, seven site selection consultants attended the Familiarization Tour.

As a result of the FAM Tour, SVP has enjoyed a heightened recognition among site consultants. SVP has collaborated on several other asset-based economic development efforts in the Shenandoah Valley Region, including the “Shenandoah Beerwerks Trail,” which connects tourists to the region’s breweries; the “Shenandoah Spirits Trail,” which features the region’s wineries, cideries, breweries, and distilleries; and “Fields of Gold,” which is a regional agro-tourism program designed to promote the Shenandoah Valley’s vast agriculture and tourism assets.

On the web: www.shenandoah-valley.biz
As previously stated, successful economic development efforts require collaboration. This cannot be overemphasized when considering regional cooperation. It is readily apparent that many of the critical factors considered by companies 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, its suppliers, and customers need are regional.

This means that businesses consider 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 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. 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.

**Regional Cooperation in Action**

**Case Study: Frontier Secure**

When competing with other states for economic opportunities, an added quality that sets Virginia apart is the willingness of each region’s member localities, private partners, and strategic allies to collaborate. With the various entities leveraging their unique resources and skill sets, the region is better positioned to support existing businesses considering expansions and attract new prospects. In Southwest Virginia, several entities joined together in June of 2016 in a great show of regional cooperation to secure a new economic opportunity for Wise County.

Frontier Communications, a Fortune 500 company, announced their intent to locate a Frontier Secure customer support center in the region and to create 500 new jobs. While Wise County, the Virginia Coalfield Economic Development Authority, and VEDP sought to secure this project for the locality, the University of Virginia’s College at Wise (UVA-Wise) set out to create workforce development programs to help fill the 500 new jobs. Working closely with Frontier Secure, UVA–Wise’s Department of Economic Development & Engagement designed three programs to better prepare alumni and currently enrolled students for positions within the customer support center.

The first of the three programs is the Pre-Employment Training Program, which was established to provide job training to UVA–Wise alumni. The special four-week training program builds off of the degree already obtained by alums and is designed to familiarize...
participants with the job openings at Frontier Secure, providing the company with the skills it looks for in new hires. The program focuses on growing communication skills, customer service skills, and technical skills, such as how to use accounting software, the fundamentals of accounting principles, and basic accounting skills. While completing the program does not guarantee employment with Frontier Secure, those who complete the program are guaranteed an opportunity to interview for a position at the company. UVA–Wise launched its first Pre-Employment Training Program in June 2016 and of the 30 participants, over half were subsequently hired by the company. UVA–Wise is preparing to host its second class for the Pre-Employment Training Program in 2017.

The second program worked to bring the same accounting software used by Frontier Secure into its classrooms. Today, enrolled students are learning how to use this accounting software to better prepare them for future employment. The third program is in the planning phase and will provide internship opportunities at Frontier Secure for students currently enrolled at UVA–Wise. This program will provide students with on-site training and learning opportunities and will launch as soon as Frontier Secure is able to host interns.

The special relationship between UVA–Wise and Frontier Secure is just one example of the regional cooperation that occurred to win the Frontier Secure customer support center for Wise County. While UVA–Wise worked to solve the workforce needs of the company, other partners joined together to ensure a superior location, infrastructure improvements, and workforce training for Frontier Secure. Due in large part to the strong regional collaboration, Frontier Secure announced its decision for Wise Country on June 29, 2016.
Paying close attention to existing employers is likely the most important aspect of a local economic development program. 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 relationships 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 views 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.

### Existing Employer Retention & Expansion in Action

#### Case Study: Owens & Minor

In February 2017, Owens & Minor, a global healthcare services company, announced plans to establish a new Client Engagement Center (CEC) in downtown Richmond. The company was founded in 1882 in Richmond and has been headquartered in the region since. As a global healthcare services company with more than 8,000 employees worldwide, Owens & Minor provides vital supply chain service to healthcare providers and manufacturers of healthcare products.

Virginia has been the home of Owens & Minor for 135 years, and has provided a competitive business to remain as such. A major factor in the decision-making process for the recent expansion and consolidation was the company’s confidence in their ability to recruit a millennial workforce to the state-of-the-art facility in Richmond. Research conducted by the company determined that within the next few years, more than 50% of its workforce will be millennials and thus locating in an urban area with a growing millennial population was a priority.

Virginia was in part selected for this project due to the company’s long history in the state. To assist the company in workforce development, incentive funds provided by the Commonwealth of Virginia and the City of Richmond were allocated to worker training. In particular, the City’s Office of Community Wealth Building is committed to working with Owens & Minor to develop training programs for the specific jobs created for the CEC.
Existing Employer Retention & Expansion

The $15 million investment will enable Owens & Minor to consolidate all of its customer engagement and support operations from around the country into one location. The innovative CEC facility will house nearly 500 employees, including the 300 new jobs created with this investment, and operations within this facility will include customer service, purchasing, sales, and financial management. Owens & Minor’s recent announcement builds on the company’s longtime commitment to the Commonwealth.

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
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 an 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.

- **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 too. 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 and so does economic development. Cooperation among the many players in the economic development effort is essential.
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 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. Businesses find 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 among the 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 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.
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
- Must require enforceable performance agreements with repayment provisions
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 the 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 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 the Virginia Guide to Business Incentives, produced by VEDP and available online at www.vedp.org/vedp-reports-and-publications.
Virginia’s Incentives

Workforce Development Programs

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, organizational development training, and funding. To qualify, a minimum of $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 businesses. 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 VEDP.

Virginia Jobs Investment Program
Virginia Economic Development Partnership
901 E. Cary Street, Suite 900, Richmond, Virginia 23219-0798
804.545.5600 | VEDP.org/incentive/virginia-jobs-investment-program-vjip

Enterprise Zone, Technology Zone, Defense Production Zone, and Community 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% 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
- 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 (VIP), the Major Eligible Employer Grant, and the closely-related Virginia Economic Development Incentive Grant (VEDIG) 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), which is administered by the Virginia Department of Agriculture and Consumer Services and is available at the Governor’s discretion. AFID is a tool for communities 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, the new or expanding value-adding facility must source at least 30% of its agricultural or forestal products on an annual basis in normal production years.
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 and by the cost of the road improvements.

**Virginia Department of Transportation**  
**Local Assistance Division**  
1401 East Broad Street, Richmond, Virginia 23219  
804.786.2746 | [www.virginiadot.org/business/local-assistance.asp](http://www.virginiadot.org/business/local-assistance.asp)

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.

**Department of Rail and Public Transportation**  
**Richmond Office Headquarters**  
600 East Main Street, Richmond, Virginia 23219  
804.786.4440 | [www.drpt.virginia.gov](http://www.drpt.virginia.gov)

Other 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. Another notable program is that of The Port of Virginia, which administers a cash grant for businesses involved with shipping via The Port.
Virginia’s Incentives In Action

Arlington County (2017)
Nestlé USA

Nestlé USA announced plans to relocate its U.S. headquarters to a new 175,000-square foot facility in Arlington County. The approximately $39.8 million project is expected to create 748 new jobs. The company has successfully operated its U.S. headquarters in California since 1990 but decided to seek a more central location that would allow them to improve operational efficiency. In making its relocation decision, Nestlé USA took into consideration the high quality of Virginia’s workforce and proximity to Washington, D.C. Nestlé USA is a Fortune Global 500 company with 29 brands that have annual sales of over $1 billion. Nestlé USA considered quality of life for current employees and strong talent availability for future growth. Nestlé USA was offered a variety of incentives including: COF; VEDIG; VJIP; Major Business Facility Job Tax Credits (MBFJTC), available for each full-time job created over a threshold number of jobs; and lastly, a strong financial offer and project relocation assistance from Arlington County.

Frederick County (2017)
Navy Federal Credit Union

Navy Federal Credit Union (NFCU), headquartered in Vienna, Virginia, announced a $100 million investment to expand its operations center in Winchester. The new operations center will allow NFCU to increase its support and service operations to better serve its 6.3 million members worldwide. NFCU is the world’s largest credit union with more than $79 billion in assets, six million members, 295 branches, and a workforce of more than 14,000 employees worldwide. The project will create 1,400 new jobs in Virginia and nearly double the company’s employee-count in the state. Virginia competed against other states for this project and was successful thanks to its skilled workforce. Navy Federal Credit Union was offered a variety of incentives including: COF; VEDIG; VJIP; and lastly, a significant financial offer from Frederick County.

Botetourt County (2016)
Eldor Corporation

Eldor Corporation, an international leader in the automotive industry, announced a $75 million investment to establish its first U.S. production plant. The project will create 350 new jobs in Botetourt County. Headquartered in Italy, Eldor is a leading company in the research, development, and production of ignition coils, engine control units, and combustion management systems based on the analysis of ionic currents, as well as of electric systems for hybrid and electric applications. Eldor selected Virginia over several other U.S. states due to its pro-business laws, access to the Port of Virginia, and existing infrastructure as well as the quality of life and natural beauty found in the Roanoke Valley. Eldor business leaders were also impressed by the area’s institutions of higher education and training programs in the mechatronics sector. Eldor was offered a variety of incentives including: COF; VJIP; Port of Virginia Economic & Infrastructure Development Grant, a cash grant for projects utilizing The Port of Virginia; MBFJTC; Port-related tax credits; Manufacturing Sales & Use Tax Exemptions on machinery and equipment; and a robust financial offer from Botetourt County.
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 its localities healthy.

**Virginia Economic Development Partnership**

The lead organization for economic development in the Commonwealth is VEDP. Funded by the state and governed by a board of directors, VEDP’s function is to market the many benefits of a Virginia location to businesses around the world. Additionally, it has the duty to assist Virginia businesses to grow through export assistance as well as to aid in expansions. 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, VEDP’s “Partner Resources” webpage 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**

901 E. Cary Street, Suite 900, Richmond, Virginia 23219-0798
804.545.5600 | [www.vedp.org](http://www.vedp.org) | [www.vedp.org/partner-resources](http://www.vedp.org/partner-resources)
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, often coordinate prospect responses and/or site visits, and act as the regional liaison with VEDP. 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 16 regional organizations in Virginia.

Virginia's Regional Economic Development Organizations

1. Virginia's e-Region (Virginia Coastal EDA)
   Jonathan Belcher, Executive Director
   276.889.0381 jonathan@vacea.org

2. Virginia's Industrial Advancement Alliance
   Joshua Lewis, Executive Director
   276.783.5103 jlewiss@viassociation.org

3. Onward New River Valley
   Charlie Jewell, Executive Director
   540.267.0007 charlie@onwardnrv.org

4. Roanoke Regional Partnership
   Beth Doughty, Executive Director
   540.343.1550 beth@roanoke.org

5. Shenandoah Valley Partnership
   Carrie Chenery, Executive Director
   540.568.3259 cchenery@shenandoahvalley.com

6. Lynchburg Regional Business Alliance
   Megan Lucas, CEO & Chief Economic Development Officer
   434.845.5968 meganlucas@lynchburgregion.org

7. Southern Virginia Regional Alliance
   Linda Green, Director of Economic Development
   434.766.6707 lindagreen.svra@alfr.org

8. Virginia's Growth Alliance
   Jeffrey Reed, Executive Director
   434.265.2382 jeff@vagrowth.com

9. Central Virginia Partnership
   Helen Cauthen, President
   434.979.5610 hcauthen@centralvirginia.org

10. Fredericksburg Regional Alliance (Fredregion)
    Curry Roberts, President
    540.361.7373 crroberts@fredregion.com

11. Northern Neck Chesapeake Bay Region Partnership
    Jerry W. Davis, AICP, Executive Director
    804.333.1900 jtdavis@mnpcdc17.state.va.us

12. Middle Peninsula Alliance
    Elizabeth Pover, Principal Officer
    804.399.8297 riverlinklic@gmail.com

13. Greater Richmond Partnership*
    Barry Matherly, President & CEO
    804.343.6970 bmatherly@grpva.com

14. Greater Williamsburg Partnership
    David Denny, Executive Director
    804.497.2020 ddenny@gwpva.com

15. Virginia's Gateway Region*
    Keith Boswell, President & CEO
    804.732.8971 kboswell@gatewayregion.com

16. Hampton Roads Economic Development Alliance
    Rick Weddle, President & CEO
    757.627.2315 rweddle@hreda.com

* Chesterfield County is in the Greater Richmond Partnership and Virginia's Gateway Region
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. Of particular interest to prospects would be the New Economy Workforce Credential Grant program, which reduces the cost of high demand workforce training programs that lead to industry credentials by two-thirds. Over 130 workforce training programs in industries such as manufacturing, trades, healthcare, and information technology are supported by the credential grant program. 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 Innovation and Opportunity Act of 2014 (WIOA). WIOA 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 WIOA Title I is administered at the state level by the Virginia Community College System (VCCS). At the local level, workforce development boards appointed by local elected officials oversee the implementation of the program. The majority of WIOA funding is allocated by VCCS to 15 local workforce development areas (local jurisdictions) 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.

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**Virginia Community College System**

**Workforce Development Services**

300 Arboretum Place, Suite 200, Richmond, Virginia 23236

804.819.1680 | www.vccs.edu/workforce

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**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 at the state office in Richmond, 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, Virginia 23219 | 804.832.2363 | www.vec.virginia.gov

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**Teammates**
The Virginia Department of Housing and Community Development (DHCD) has already been mentioned for its 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, the Industrial Revitalization Fund to achieve redevelopment of vacant and deteriorated industrial and commercial properties, 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) program 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 and 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, Virginia Tourism Corporation, VEDP, DHCD, VCCS, and other agencies as appropriate.

Virginia Department of Housing and Community Development
Main Street Centre, 600 East Main Street, Suite 300
Richmond, Virginia 23219
804.371.7000 | www.dhcd.virginia.gov

Virginia Initiative for Growth and Opportunity in Each Region

The Virginia Initiative for Growth and Opportunity in Each Region (GO Virginia) was initiated by the Virginia Business Higher Education Council (VBHEC) and the Council on Virginia’s Future to foster private-sector growth and job creation through state incentives for regional collaboration by business, education, and government. Recognizing the harsh effect of deep federal budget cuts on a Virginia economy that is overly dependent on public-sector jobs, business leaders formed the GO Virginia campaign to strive for regional cooperation on private-sector growth, job creation, and career readiness.

GO Virginia
11008 East Main Street, Suite 1100, Richmond, Virginia 23219 | www.govirginia.org
The Port of Virginia

With 50-foot inbound/outbound shipping channels to the most advanced container terminals in the Americas, The Port of Virginia serves as a global gateway to commerce and a driving economic engine for the Commonwealth of Virginia and the contiguous states of the Mid-Atlantic. The Port of Virginia's economic development team offers a full complement of economic development services to assist existing and prospective companies.

Virginia Port Authority
600 World Trade Center, Norfolk, VA 23510
757.683.2115 | www.portofvirginia.com

Virginia Department of Agriculture and Consumer Services

The Virginia Department of Agriculture and Consumer Services (VDACS) supports the state's varied agricultural community by assisting producers and processors in locating the best markets for their products, both domestically and abroad. VDACS' Division of Marketing and Development serves producers, commodity boards and associations, and retailers and buyers by providing marketing assistance. Field offices are located throughout the state, as well as overseas.

Virginia Department of Agriculture and Consumer Services
102 Governor Street, Richmond, VA 23219
804.786.3531 | www.vdacs.virginia.gov
Financial Assistance

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
101 N. 14th Street, 11th Floor, Richmond, Virginia 23219

The 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 1,500 projects throughout Virginia, totaling more than $7.5 billion.

Virginia Resources Authority
1111 East Main Street, Suite 1920, Richmond, VA 23219
804.644.3100 | www.virginiaresources.org
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 for localities in Virginia’s Tobacco region to assist with job creation and capital investment
- 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

Virginia Tobacco Region Revitalization Commission
701 East Franklin Street, Suite 501, Richmond, VA 23219
804.225.2027 | www.tic.virginia.gov

The Tobacco Commission has awarded more than 2,036 grants totaling over $1.1 billion across the tobacco region of the Commonwealth and has provided $309 million in indemnification payments to tobacco growers and quota holders.
Virginia Economic Developers Association

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 for shaping economic development public policy and a primary source of strong, 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 of Virginia's competitive position in economic development
- Promoting the standards of professionalism among economic developers
- Encouraging the pursuit of professional education through programs offered by organizations within and without the Commonwealth

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

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.

Finally, there are numerous private sector firms—architectural, 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.
Contact

Virginia Economic Development Partnership

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