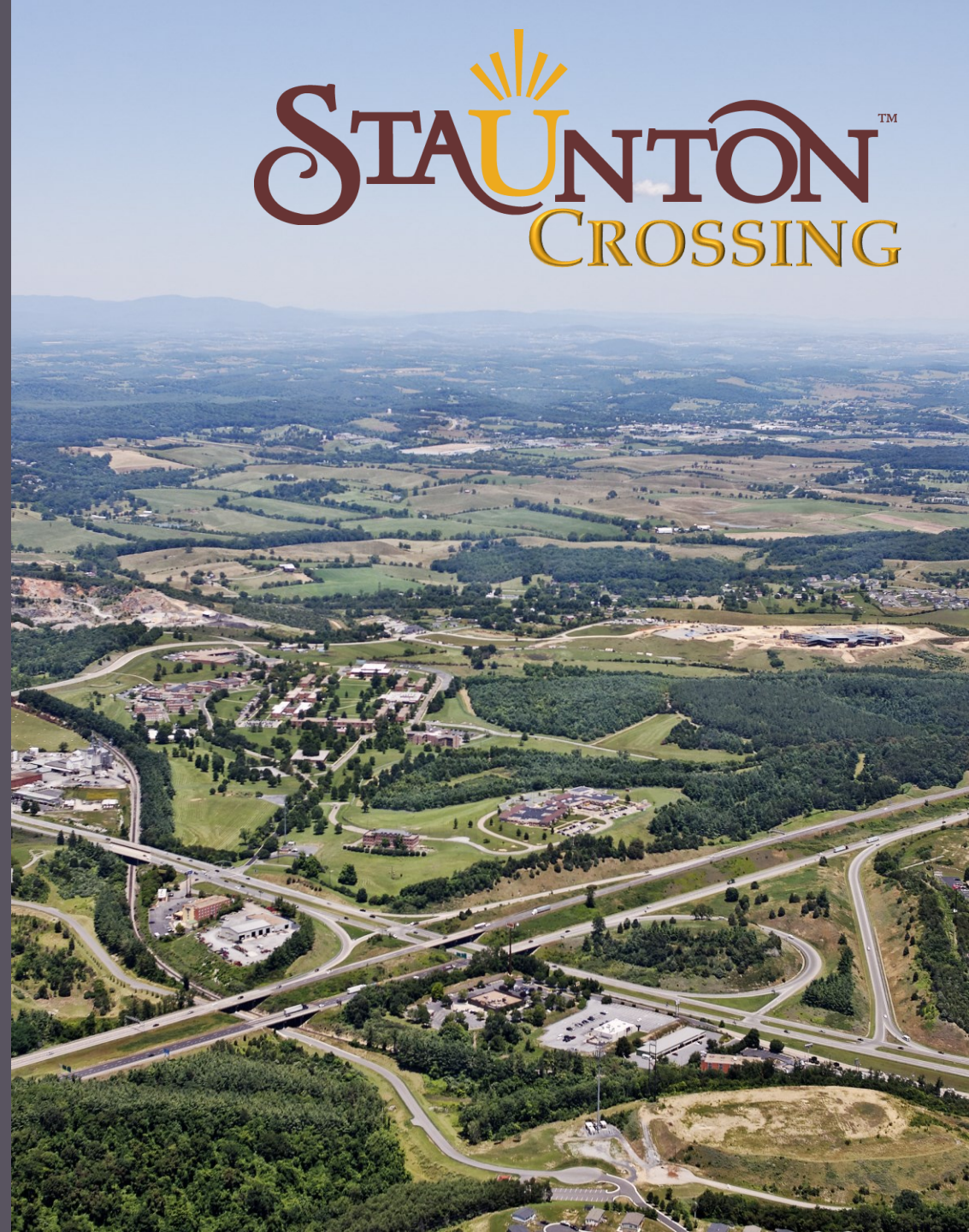


Staunton Economic Development Authority

# ECONOMIC DEVELOPMENT PUBLIC FORUM

**STATE AND REGIONAL**  
***ECONOMIC DEVELOPMENT PERSPECTIVES***

March 30, 2023



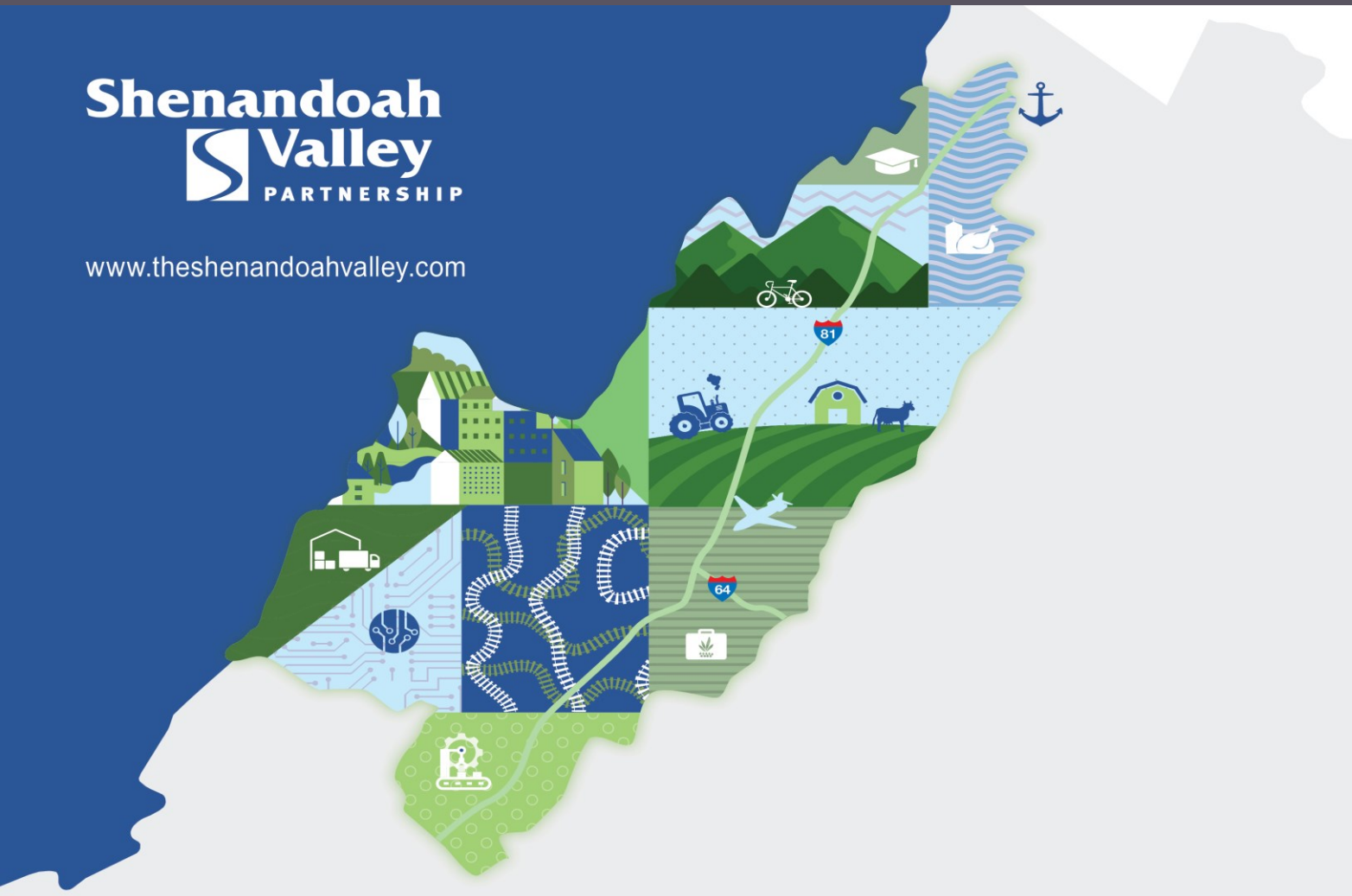
# STATE ECONOMIC DEVELOPMENT PERSPECTIVE



**Jason El Koubi, President & CEO**



[www.theshenandoahvalley.com](http://www.theshenandoahvalley.com)



# Regional Economic Development Perspective

Dr. Jay Langston, Executive Director



## 12 LOCALITY PARTNERS

### COUNTIES

Augusta  
Bath  
Highland  
Page  
Rockbridge  
Rockingham  
Shenandoah

### CITIES

Buena Vista  
Harrisonburg  
Lexington  
Staunton  
Waynesboro

## 11 EDUCATIONAL PARTNERS

## 130+ PRIVATE-SECTOR INVESTORS

## STATE-WIDE STRATEGIC PARTNERS

## KEY INDUSTRIES



AGRIBUSINESS



TRANSPORTATION  
& LOGISTICS



MANUFACTURING



INFORMATION  
TECHNOLOGY  
& PROFESSIONAL  
SERVICES

One-stop economic development resource and marketing organization seeking to grow and sustain a healthy economic future for our region.



*Colliers International recognized the Shenandoah Valley / I-81 Corridor among "10 Emerging Industrial Markets to Watch" in 2019*



# SVP Mission

**Improve the quality of life through economic prosperity**

- ✓ Private sector investment
- ✓ New job opportunities



# Basic Tenets of Economic Development

- **Prospects do not locate to do you a favor**
- **Competition**
- **Prospects do not understand local political boundaries**
- **Team sport**
- **Sale is made at the local level**

# Location Factors

- Sites and buildings
- Workforce
- Transportation/logistics and market proximity
- Quality of life
- Business environment

**70%** of prospects ask for ➡





# SVP Strategic Plan – Based on Trends

## **Location factors – historically**

- Sites and buildings
- Workforce
- Quality of Life
- Transportation/Market proximity
- Business environment

## **Workforce – dominating the discussion**

- Skills sets
- Availability
- Training customization
- The Gray Tsunami – aging workforce

## **Quality of Place**

- Place to live vs. place to work
- Amenities for workers
- Retention and attraction



## **Location factors – evolving**

- Quality of Place
- Workforce
- Sites and Buildings
- Transportation/Market proximity
- Business environment

## **Workforce – will continue to dominate**

- Availability – becoming critical now
- Skill sets – away from broad degrees
- Technological sophistication
- Younger workforce

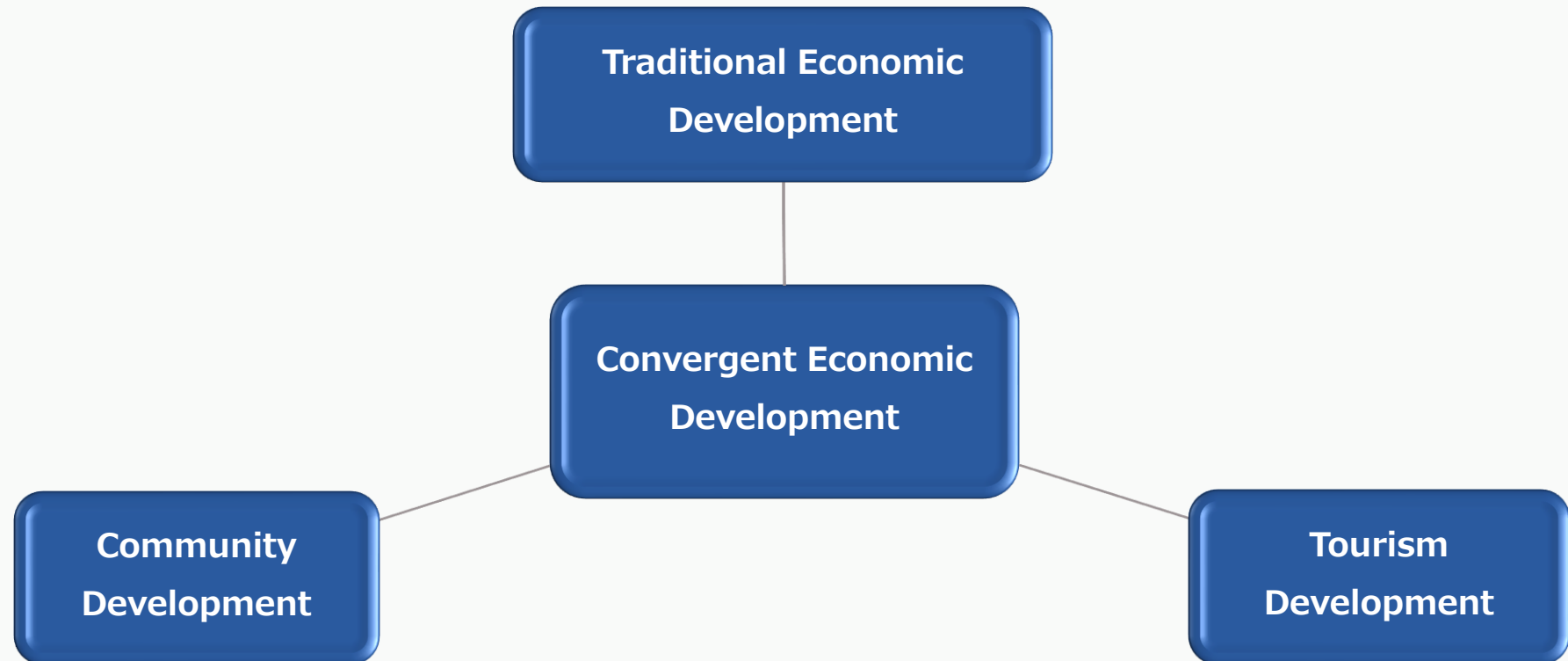
## **Quality of Place**

- Work/life balance
- Connectivity
- Benefits, workplace alternatives
- Cultural “infrastructure”
- Talent attraction

# **SVP Feasibility Study** *(June 2022)*

- **Talent Retention and Attraction**
- **Business Retention and Attraction**
- **Sites and Infrastructure**

# SVP Plan





# TARGET SECTORS

## Continuation of Traditional Programs

- Manufacturing (all facets of manufacturing regardless of subsector)
- Logistics and transportation
- Business and professional services, Information Technology
- Agribusiness, food and beverage
- Consultants, brokers, and others

## Non-Traditional Economic Development Initiatives

- ❑ Workforce – the region and state that gets this right will be the leader
- ❑ Supply chain – everyone talks about it, but no evidence of implementation
- ❑ Adventure/tourism manufacturing (ATM) - think canoes, kayaks, ATVs, bikes, camping gear, etc.
- ❑ Economic Gardening – growing small successful companies
- ❑ Destination project attraction, agritourism, destination retail, outdoor amenities (e.g. Spearhead Trails)
- ❑ Sites and buildings
- ❑ Talent retention and attraction
- ❑ International Trade and international markets



# Questions?



# First Phase Development



**STAUNTON<sup>TM</sup>**  
**CROSSING**

**Over  
\$1,000,000  
Annually**



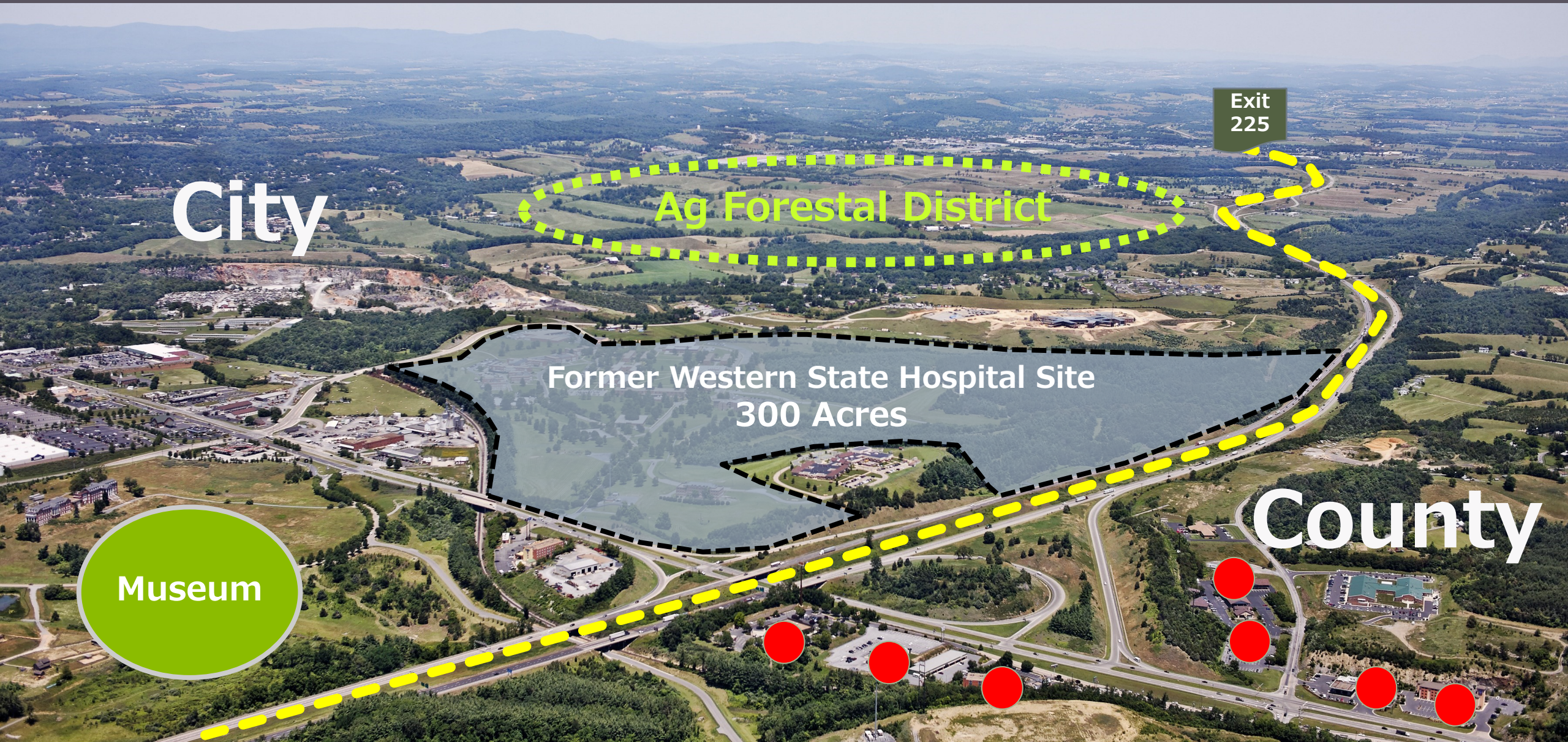
**Local Tax Revenue**

**Return on Investment**



# Site Importance

October 2009



City

Ag Forestal District

Former Western State Hospital Site  
300 Acres

Exit  
225

Museum

County



# Former Western State Hospital Campus 300 Acres

Virginia  
State Police

WSH  
Building 100

Fairfield Inn & Suites  
by Marriott Staunton  
4.5 ★ (868)  
2-star hotel

Tru by Hilton Staunton  
4.4 ★ (528)  
3-star hotel

Wendy's  
Fast Food

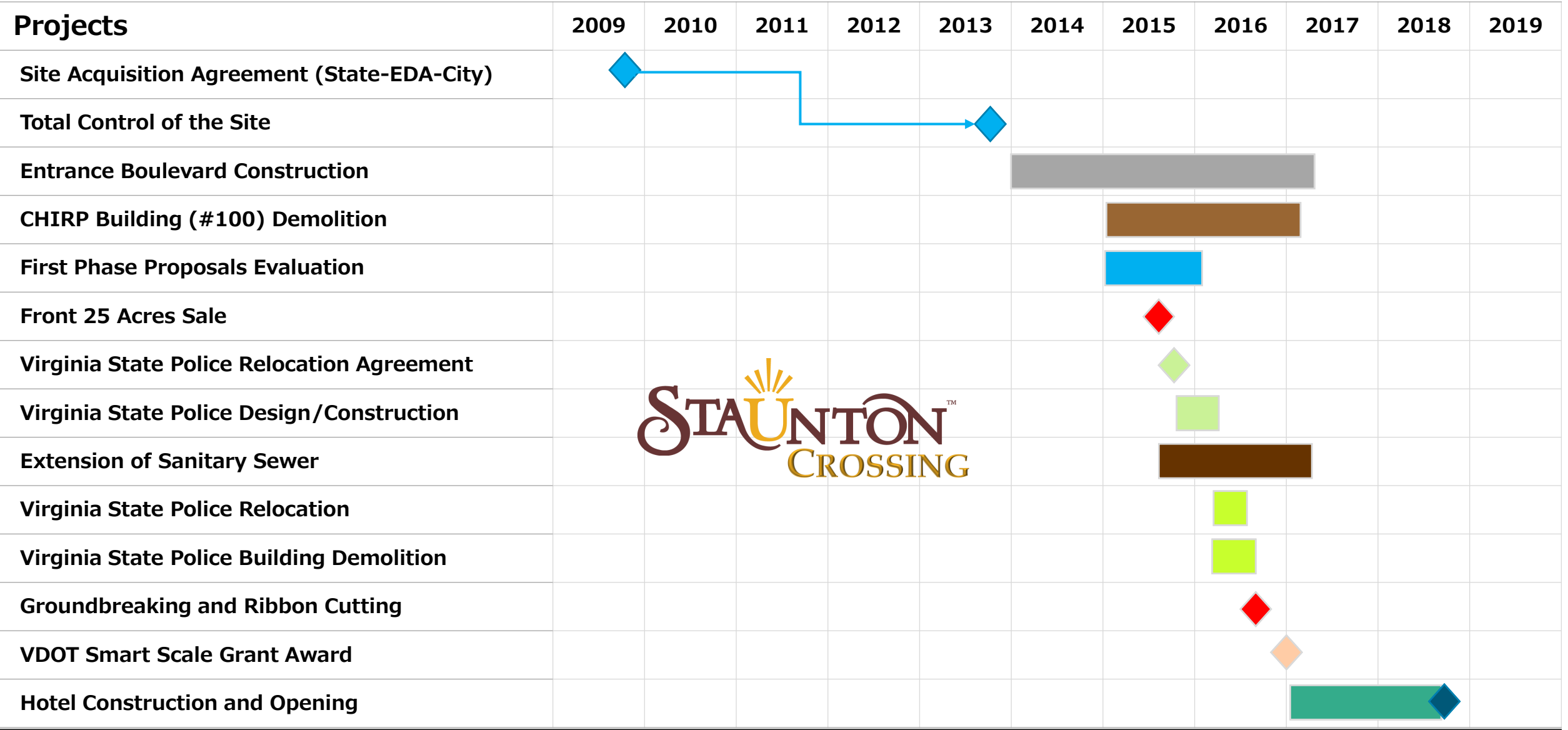
Chipotle Mexican Grill  
Mexican • \$

October  
2009

THE WAY TO GET STARTED IS TO  
QUIT TALKING AND BEGIN DOING.

*Walt Disney*





**Timeline – First Phase Accomplishments**

| Accomplishments (2009-2018)                                               | City Expenditures  | Proceeds & Grants  |
|---------------------------------------------------------------------------|--------------------|--------------------|
| WSH Land Acquisition (\$15,000,000)                                       |                    |                    |
| Entrance Boulevard Construction (VDOT's Revenue Sharing Program)          | \$797,500          | \$797,500          |
| CHIRP Building (#100) Demolition and Environmental Abatement              | \$198,571          |                    |
| Sale of Front 25 Acres to Staunton Crossing Partners, LLC                 |                    | \$1,250,000        |
| Relocation of Virginia State Police (Engineering/Design and Construction) | \$453,082          |                    |
| Extension of Sanitary Sewer to Front 25 Acres                             | \$188,265          |                    |
| Demolition/Abatement of Former Virginia State Police Building             | \$23,385           |                    |
| <b>Subtotal</b>                                                           | <b>\$1,660,803</b> | <b>\$2,047,500</b> |

# First Phase Financial Summary

# Property Acquisition/Debt Retirement

|                                                   |              |
|---------------------------------------------------|--------------|
| Purchase Price                                    | \$15,000,000 |
| First Payment Year                                | 2013         |
| Term                                              | 15 Years     |
| Interest Rate                                     | 1.395%       |
| Average Annual Payments ( <i>Thru FY23</i> )      | \$1,142,106  |
| Total Payments ( <i>Thru FY23</i> )               | \$11,420,164 |
| Average Annual Payments ( <i>Beginning 2024</i> ) | \$1,192,200  |
| Remaining Debt                                    | \$5,961,100  |
| Year Debt Retired                                 | 2028         |





# Staunton Crossing

## Phase 1 Commercial Development

September 2016



# Projected Return on Investment\*

## Phase 1 Commercial Development Annual Revenue Projections

| Hotels, Restaurant,<br>Grocery Store, Fast<br>Food, and<br>Convenience<br>Store/Gas Station | Tax Category |                |           |                |                      |                     |                         |
|---------------------------------------------------------------------------------------------|--------------|----------------|-----------|----------------|----------------------|---------------------|-------------------------|
|                                                                                             | Lodging      | Sales &<br>Use | Meals     | Real<br>Estate | Personal<br>Property | Business<br>License | Total Annual<br>Revenue |
| <b>Total</b>                                                                                | \$469,000    | \$233,000      | \$353,000 | \$131,587      | \$84,000             | \$46,000            | <b>\$1,316,587</b>      |

*\*Projected annual local tax revenues based on a developer's estimated annual income/sales, 2016.*

# Actual Return on Investments

| Calendar Year     | Annual Taxes <sup>1</sup> |
|-------------------|---------------------------|
| 2020              | <b>\$850,000</b>          |
| 2021              | <b>\$1.0 Million</b>      |
| 2022              | <b>\$1.1 Million</b>      |
| 2023 <sup>2</sup> | <b>\$1.4 Million</b>      |

<sup>1</sup> Annual taxes include sales, meals, and lodging, business licenses, personal property, and real estate.

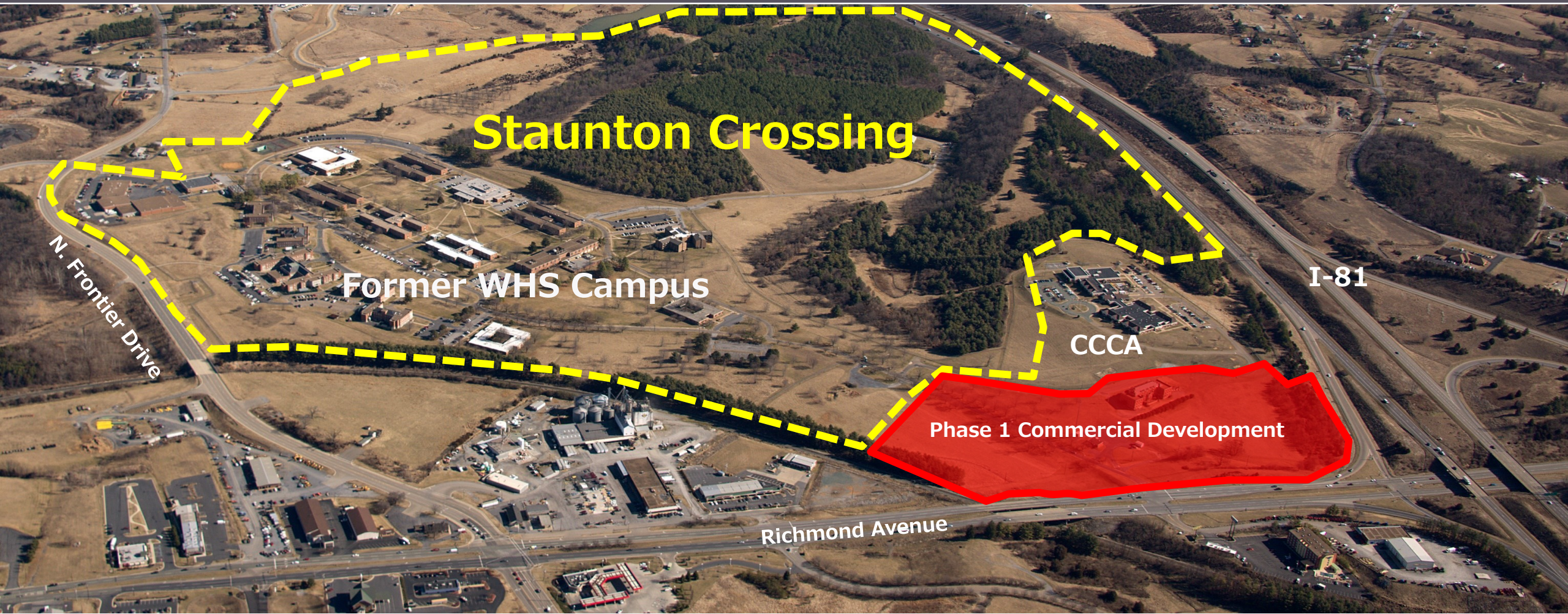
## Phase 1 Commercial Development Annual Revenue

**\$4.35 Million**

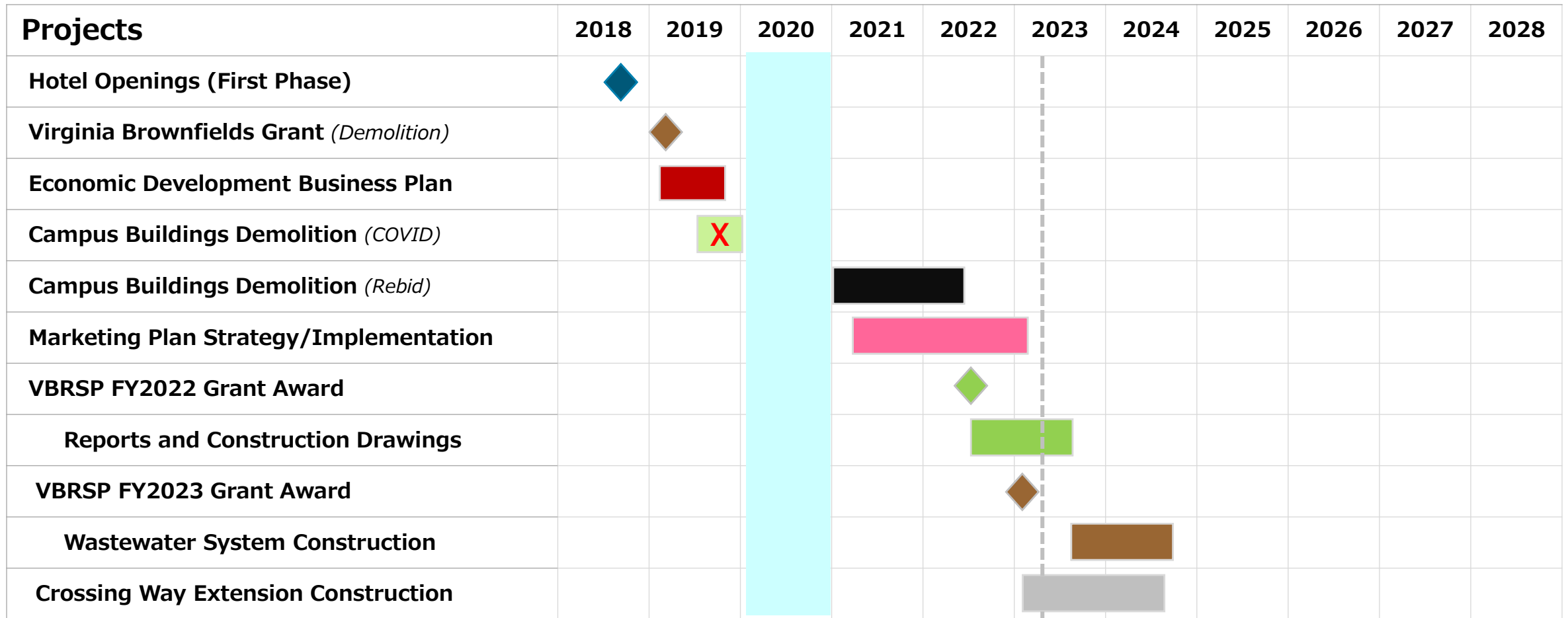




# Remaining 275 Acres Efforts







**Timeline – Remaining 275 Acres Accomplishments**

# Business Plan Recommendations



- ✓ Demolish Existing Buildings
- ✓ Build New VDOT Road
- ✓ Brownfields Grant Funding
  - ROI Analysis
- ✓ Tier 4 Site Readiness Certification
- ✓ Develop Marketing Plan
  - Draft Design Guidelines Agreements
  - Draft Covenants & Restrictions
  - Data Center Strategies
  - Get Ready for Construction







# Targeted Industries

- ✓ **Manufacturing**
- ✓ **Food & Beverage/Agricultural**
- ✓ **Professional Services**
- ✓ **Logistics/Transportation**
- ✓ **Rail-Oriented Industry**
- ✓ **Data Centers/Mission Critical**





# Master Plan

**ADVANCED  
MANUFACTURING**

**RETAIL**

**OFFICE/FLEX**

**OFFICE/FLEX**

**DATA CENTER**

**Phase 1**

ROUTE 250

N FRONTIER DR

NATIONAL AVE

VALLEY CENTER DR

VDOT ROAD

WESTERN  
STATE  
HOSPITAL

FRONTIER  
CENTER  
DEVELOPMENT

COMMONWEALTH  
CENTER FOR  
CHILDREN AND  
ADOLESCENTS

INTERSTATE 81

I-81

North



# THE BIG PICTURE

1.9 MILLION SQUARE FEET OF ECONOMIC DEVELOPMENT

UP TO 3,250 QUALITY JOBS

OVER \$4 MILLION IN ANNUAL TAX REVENUE TO CITY OF STAUNTON

| Use Type           | Total Square Footage | Tax Revenue        | Total Jobs   | Water Usage (GPD) | Sewer Usage (GPD) |
|--------------------|----------------------|--------------------|--------------|-------------------|-------------------|
| Retail             | 15,000               | \$16,000           | 60           | 1,500             | 1,200             |
| Office Flex        | 605,000              | \$884,000          | 2,420        | 60,000            | 36,300            |
| Adv. Manufacturing | 845,000              | \$2,012,000        | 720          | 211,250           | 169,000           |
| Data Center        | 375,000              | \$1,125,000        | 50           | 187,500           | 65,625            |
| <b>TOTAL</b>       | <b>1,840,000</b>     | <b>\$4,037,000</b> | <b>3,250</b> | <b>460,250</b>    | <b>272,125</b>    |

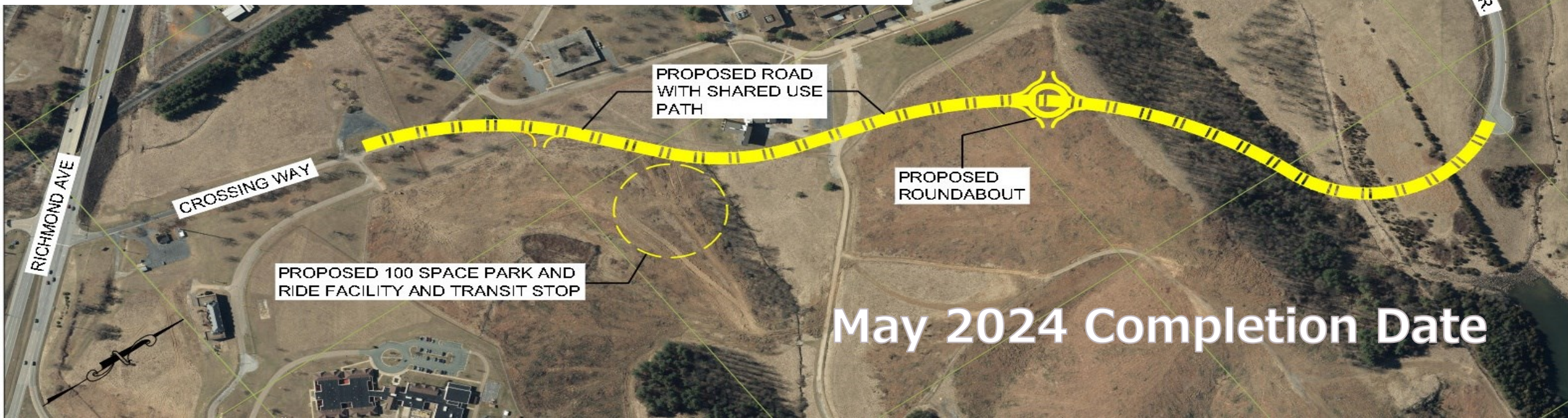
# WSH Campus Demolition - 2021



**Environmental Abatement  
Building Demolition  
Tank Removal**



# Crossing Way Extension - 2022









# Virginia Business Ready Sites Program

**FY2022 Grant Award  
\$850,750**

**FY2023 Grant Award  
\$4,550,000**

**Future VBRSP Grant  
Request?**

| <b>Environmental Due Diligence - \$318,280</b>      | <b>Status</b> |
|-----------------------------------------------------|---------------|
| ALTA / NSPS Land Title Survey                       | Completed     |
| Phase I Environmental Site Assessment               | Completed     |
| Phase I Archaeological or Cultural Resource Study   | Completed     |
| Topographic Survey                                  | Completed     |
| Floodplain Study (Stormwater/Environmental)         | Completed     |
| Wetlands Delineation and Determination              | Completed     |
| Preliminary Geotechnical Services and Soils Borings | Completed     |
| Wetland Impact Permitting with Mitigation           | Completed     |

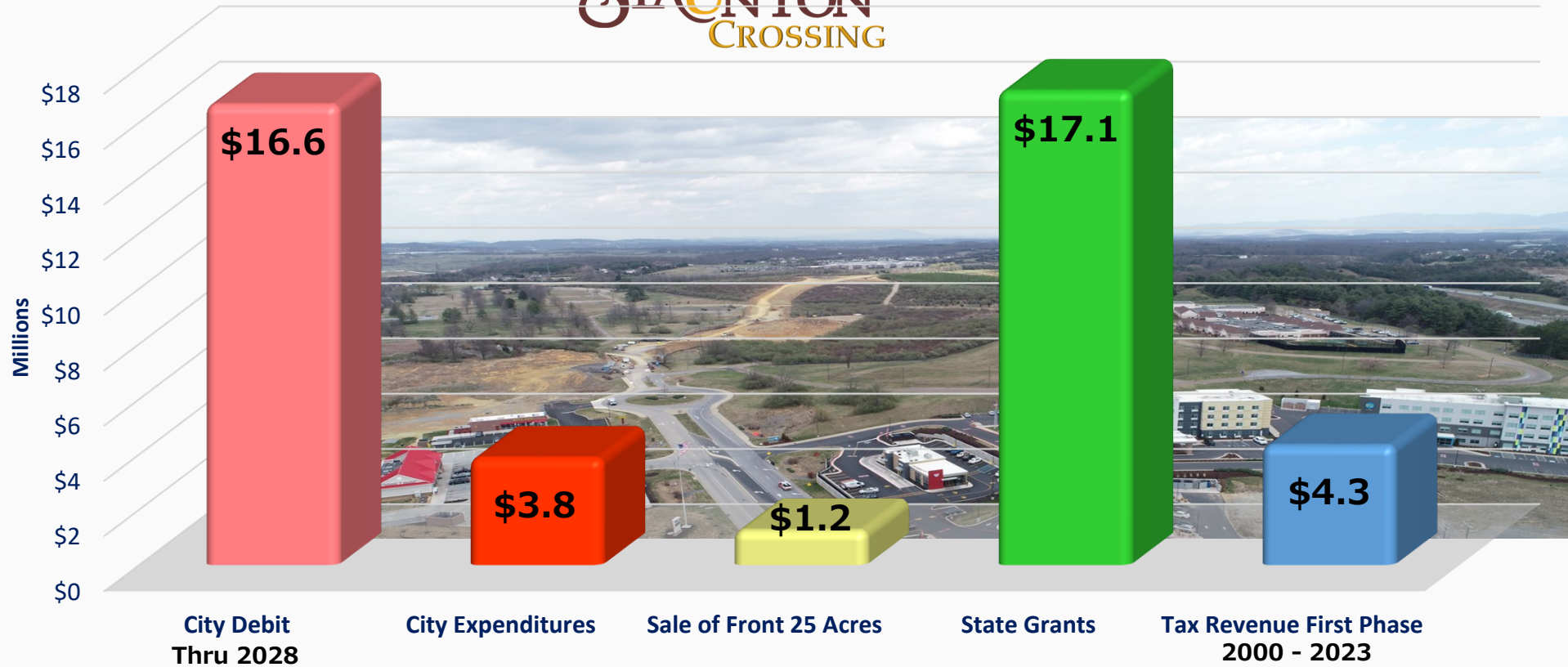
| <b>Engineering Design - \$532,500</b>    | <b>Completion Date</b> |
|------------------------------------------|------------------------|
| Water System Design                      | September 2023         |
| Water Storage Tank Design (1MG capacity) | September 2023         |
| Wastewater Collection System Design      | June 2023              |
| Wastewater Pump Station Design           | June 2023              |

| <b>Utility Installation - \$4,550,000</b> | <b>Completion Date</b> |
|-------------------------------------------|------------------------|
| Wastewater Collection System Construction | May 2024               |
| Wastewater Pump Station Construction      | May 2024               |

|  | Project                                                                | City Expenditures | Grants       |
|--|------------------------------------------------------------------------|-------------------|--------------|
|  | VEDP Grant - Virginia Business Ready Sites Program (Tier 2)            | \$5,000           | \$5,000      |
|  | WSH Campus Buildings Demolition                                        | \$2,002,125       |              |
|  | VEDP Grant - Virginia Brownfields Program - Environmental Abatement    |                   | \$431,200    |
|  | VDOT Smart Scale Grant - Crossing Way Extension to Valley Center Drive |                   | \$10,500,000 |
|  | Staunton Crossing Economic Development Business Plan Preparation       | \$53,000          |              |
|  | VEDP FY 2022 Grant - Virginia Business Ready Sites Program (Tier 4)    |                   | \$850,780    |
|  | VEDP FY 2023 Grant - Virginia Business Ready Sites Program (Tier 4/5)  |                   | \$4,550,000  |
|  | Staunton Crossing Economic Development Marketing Plan Strategy         | \$147,500         |              |
|  | Subtotal                                                               | \$2,207,625       | \$16,336,980 |
|  | Remaining 275 Acres Financial Summary                                  |                   |              |
|  |                                                                        |                   |              |



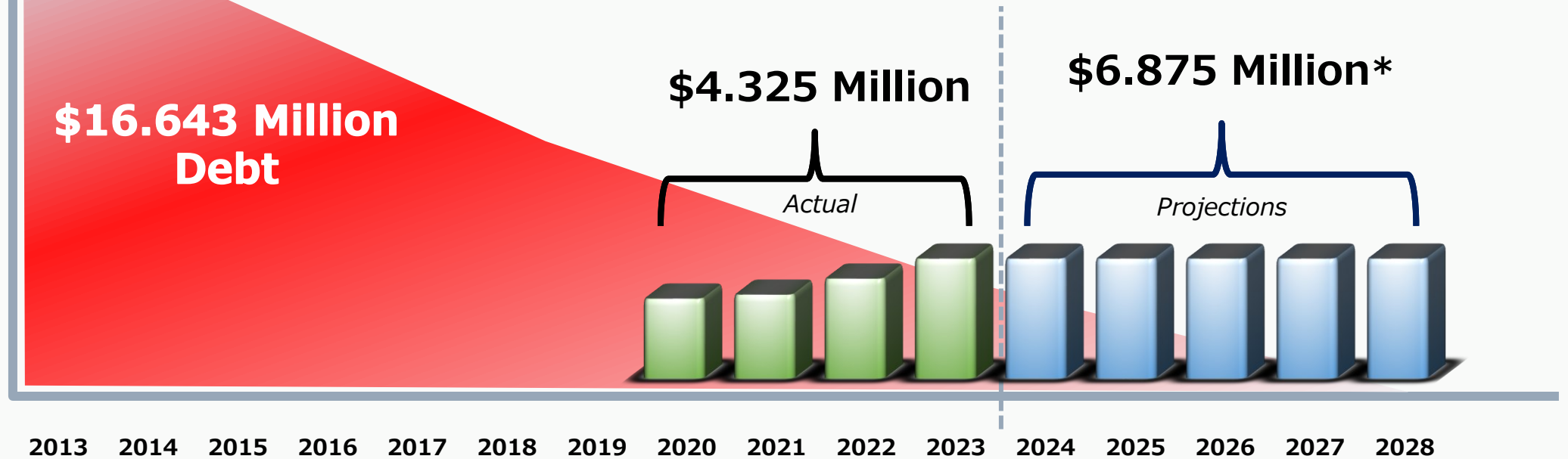
|  | Funding Source                                              | Expenditures | Grants and Proceeds | Annual Tax Revenue |
|--|-------------------------------------------------------------|--------------|---------------------|--------------------|
|  | Property Acquisition (City Debt Retirement 2028)            | \$16,643,163 |                     |                    |
|  | City General Fund Expenditures                              | \$3,868,428  |                     |                    |
|  | Proceeds from Sale of Front 25 Acres                        |              | \$1,250,000         |                    |
|  | State Grants                                                |              | \$17,134,480        |                    |
|  | Virginia Economic Development Partnership (\$5,836,980)     |              |                     |                    |
|  | Virginia Department of Transportation (\$11,297,500)        |              |                     |                    |
|  | City Tax Revenues for a 4-Year Period (Front 25 Acres Only) |              |                     | \$4,325,000        |
|  | Total                                                       | \$20,511,591 | \$18,384,480        | \$4,325,000        |
|  | Staunton Crossing Financial Summary                         |              |                     |                    |
|  |                                                             |              |                     |                    |



## Comparison of Debt, Expenditures, Sales, Grants, and Revenues



# First Phase Tax Revenues



## Debit Retirement vs Annual Revenue

\*Projections based on annual tax revenue remaining unchanged at \$1.4 million from 2024 thru 2028.



# Marketing & Social Media Strategy

Lee Downey, Director of Economic and Business Development,  
Hunton Andrews Kurth LLP



THANK YOU!



## ***Economic Development Office: 540-332-3869***

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❖ ***Amanda DiMeo, Economic Development Specialist***

[dimeoah@ci.Staunton.va.us](mailto:dimeoah@ci.Staunton.va.us)

❖ ***Kim Cormier, Administrative Assistant***

[cormierkb@ci.Staunton.va.us](mailto:cormierkb@ci.Staunton.va.us)

### ***Link to Forum Information:***

<https://www.stauntonbusiness.com/news/announcements/economic-development-efforts>

## **Contact Information**

*Upcoming meeting: Diversity Equity and Inclusion Commission, Business Meet & Greet, April 5 at 6 p.m., Innovation Hub, 11 N Central Avenue.*