# BREAKOUT ROOMS - Sites and Infrastructure

Based on their own experiences:

* Which strategies have been most successful in the region? How?
* Which strategies have been least successful? How?
* What strategies should we keep?
* What new strategies should we consider?
* What do we need to do differently in the coming 3-5 years?

Key points summarized

* What strategies seem promising?
* What new strategies do we need to consider?
* What additional information do we need for the next meeting?

# Attendees:

* + John Dooley and Beverly Dalton did not make it because of conflicts; John is recuperating from surgery
  + Scott Tate - with Virginia Tech
  + Luke Campbell – with Botetourt County Economic Development
  + Anne Bailey - with Bedford County Economic Development
  + Jerry Donovan - with Brown Edwards Covenant Real Estate Services
  + Jeremy Holmes - Executive Director of the Roanoke Valley Allegany Regional Commission
  + Cat Woodson - GA with Virginia Tech
  + Ashley Posthumus - Economic Development Specialist at the Center for Economic & Community Engagement
  + Jamie Glass - Lynchburg Regional Business Alliance
  + Phil Callicott - Workforce Sustainability Project
  + Deborah Flippo - Economic Development Program Manager at Draper Aden Associates
  + John Hull - Executive Director of the Roanoke Regional Partnership, also with the Western Virginia Regional Industrial Facility Authority
  + Kirk Johnson - Greystone Companies, a developer primarily in Blacksburg
  + Jonathan Sweet - Pulaski County Administrator
  + Mimi Coles - Marketing and Business Development for Permatile Concrete Products Co, Marketing and Business Development, and a member of the Board of Directors of the Roanoke Regional Chamber of Commerce

# Notes:

Glass - I'll speak on behalf of Lynchburg, since several of the sites and infrastructure projects belong to us. We've taken advantage of these strategies quite a bit. I would say one of the most successful ones was the **Lynchburg Site Program,** where we took 6 industrial sites and move them all up at least one Tier; one of those went from a Tier 2 to a Tier 5 because all it was missing was a due diligence and we've expanded on that one to add gas to that site.

Hull - From Roanoke regions POV we spent a good number of years developing real estate but there is a need at this point to pursue that first strategy (**Improve information about site and buildings characteristics**

**and market demand for sites and buildings)** at least to the degree that it's required to pick another maybe target or two for development before we start implementing; a lot of times it makes sense to look at a study of the opportunities. For example, in the wood haven project, a study revealed that regional opportunities by way of return on investment was the way to go. So if we were going to do something like that again we would need to start with that first strategy.

It's a bit early to toss out the strategies we have, it takes time. What are the measures that we’ve using for success? For example, the technology park, we had already done the kind of back of the envelope study work, it was one of the first projects in GOVA, we're just now getting that to a market ready state so to provide some perspective it takes a little time to do this work

We have a lot of opportunity to develop buildings and I'm not saying that GOVA should be a financial participant and development of the spec but perhaps there could be some investment in the **soft costs**, the engineering costs, related architecture, speculative development. I think that's the hard thing with GOVA, I know they're not interested in building buildings per say but building that infrastructure. Ever heard of the concept of a virtual building? You can take it a little bit further than just designing the pad and design a building, a little bit of investment in soft costs could go an extra mile and help with site readiness.

Scott - Are there particular types of buildings? or types of industries for which that's most essential or most needed?

Hull – It's the industrials through the beverage manufacturing, advanced manufacturing, would certainly fit that bill Scott

Jamie - I would echo what John is saying, a lot of the requests we’re getting now seem to be for existing buildings and I think as we go along with this site work we can only get so far before that's the logical next step, for communities or to start building buildings and any help we could give them would be great because a lot of our requests now are for existing buildings and it's just that speed to market and especially with those 2 that John just mentioned a lot of times we miss it because it's not there, it's not ready to go.

Anne - I agree, I think even having worked with a civil engineer, they're great but we don't want to use their resources, I mean we spend a lot of time, we will make a phone call like ‘hey what kind of building do we put on this lot’ and that's not necessarily fair to them so I do like the idea of having some kind of grant to figure out how big of a building could you put on this site, where would it go, what kind of infrastructure they are using, even identifying utilities and I think that would really feel a long way almost a virtual building then, but taking another step further just even seeing the difference - what is a 20,000 square foot building look like on this lot? versus a 60,000? or 150,000?

Hull - what kind of strategies around broadband could help further those types of projects? I think broadband is needed, it's necessary, it's required, there's a lot of different funding sources that might go into broadband development, so I mean if GOVA is going to enter that arena it seems to me it needs to be in concert with other funding sources.

Jeremy - I agree, some of the stuff I've seen here between the governors was a $750 million investment funding the infrastructure bill, assuming it makes it through, it has capacity for broadband I think Senator Warner on a webinar said to me of all that money goes through, 98% of the state will get broadband just through those funding pots, so I would worry about a **duplicative effort if GOVA funded broadband versus just leveraging with some of those other programs**

Anne - I'm not sure it makes sense for the current like this one, I think I'd like to see what else comes out of the next rounds once you start getting money

Scott - At the state level in terms of broadband guides, they wanted to open up a pathway or broadband for GOVA. I think to your point, the available funding each region has - that's relatively small - but could be a catalyst for a plan or preparing a larger project for another funding source? Could you combine our funding to help catalyze the next step whatever that might be?

I know one point we haven't had much activity in this region on, although we were in conversation with the group led by the Roanoke Valley Broadband Authority was looking at some sort of 5G network development. I was encouraged to think about the planning route with our broadband funding and you could develop a plan for what you want to do, to develop some sort corridor development. The question is whether we want to explicitly mention it or just say the lane is there will support efforts if there's an actor.

Jeremy - I guess there might be something to say for like a strategy looking at prioritizing where state or federal funding may be coming from to take advantage of some of those things but I'm not sure where else GOVA might fit in right now.

In terms of funding stuff, I don't suppose it hurts to leave the lane open, I would just be concerned that if there's another part, that could fit, it would be a shame that they didn't go to some of these federal programs and use your approaches to bridging funds. Then again if there's something that just doesn't fit those federal programs then perhaps GOVA is a decent route

Jerry - Is there any avenue in which GOVA is going to gain funds through an infrastructure bill or state funding governance fund that would then be allocated or is that going to come from a different route for this particular use?

Scott - I think it comes from the dedicated GOVA pool, so I think it's already allocated some funding for broadband availability but it's not a large event and you don't anticipate that number changing. The other watchword with all of this, is all these things that we don't know yet, how a lot of them are being programmed

* + the governors funding
  + often multiple avenues
  + the infrastructure bill - there's a chance something would certainly be programmed by GOVA
  + sometimes broadband will be programmed through the USDA rural development or something like that, rather than one thing so the trick might be to put the pressure on that

They're probably targeted to these different areas but that may not be GOVA’s target area, their priority is that someone can go after a project, we've identified this pool of money for our broadband needs which you might make a project more attractive otherwise

Scott - One of the things that we had in the last plan of insights was how we could encourage sites that advance some of the other needs that we saw in the region. For example, when the planning capacity building project was recently funded, we looked at the need for wetlabs and complexes to help grow the life sciences sector. It is important but it's also very small in terms of existing companies in life sciences research and in making these special research assets we help build Virginia’s contribution to commercialization activity

So **sector strengthening** through specific research assets, technically that's a lot of our strategies; there is some crossover from the cluster-up work group. But it's also **sites work.** For example, when GOVA council invested in the Lynchburg Liberty University projects, the CERE labs, those were sites projects that they were also sector strengthening projects. There are other opportunities for particular research assets or sector assets that we haven't taken advantage of yet or that we could really grow and I'm you know **agricultural processing** comes to mind, that came up as an area that we particularly need. I feel like the assets are there and they could be developed even more.

Jonathan – in Pulaski County or the NRV, we're having conversations right now and one of the things that I pitched was **carbon neutral electric vehicles**; it needs to be manufactured on a carbon neutral footprint and there's a possibility of utilizing research from commerce parks to develop the next generation of automotive manufacturing when it comes to the supply chain with electric vehicles.

We think we've got a critical mass both with OEM's and two year the row controller valley to really be able to do something with supply chain. Whether it's batteries or electric drive trains, this assembly of all of the above, I see assistance with developing that infrastructure. We can continue to leverage and harness and do something special. I know it's bold but that's just what we're stretched on right now.

Are there special opportunities that you think we should continue to encourage or support that would make sense for your region?

The status of **CVTC (?)** is complicated so that's a big project and a long one, we are obviously very **heavy manufacturing** but **automation robotics programs**, **engineering programs**, for us that's a huge need.

Every company I meet with has an **engineering need.** We have BWXT, we have Framatome and in support of them we have a lot of other very **innovative smaller companies** around them that just have a **need for that workforce** and so it seems like **robotics** continues to come up over and over again, so I'll just throw that one out there.

Jamie - I would say what Jonathan was saying about TV and automotive, 100% agree with that, we don't have a lot of automotive in Lynchburg but I mean there's a lot of companies around us where we could all support supply, supply chain and being closer to those companies.

This idea of electric/robotic vehicles, is the wave of the future I think the communities that go ahead and kind of put that stake in the ground now have a great idea.

Anne - I'm still kind of new, but do we ever invest in a sewer project or picking up your sewer system to add more capacity?

John - Yes, I mean that's a good investment, in the wood haven project we had added some infrastructure to the site, but I think this question is actually a good one and something you might consider because if you have to develop a food and beverage cluster or on the sector there are communities and there are sites that could probably use **downstream improvements** you know to **water or sewer raise capacity** and make those sites more competitive for that sector.

Anne - We're running into some of that and that sounds like it definitely would help improve marketability and I know they're making some improvements but we just have seen exponential growth in Botetourt County. Its the largest fastest growing county West of Richmond, 15%. We've had a dramatic increase and we just need to make sure we could take care of it.

You’ll hear that this town’s side has very good sewage, but this side of town not so much so that's without being in all those meetings and getting into it; that's kind of what I'm here for so I just feel like there are some opportunities that would improve infrastructure caps.

Besides sewers are there any other infrastructure that needs capacity building? G**as lines.**

Jeremey - For the sake of having a conversation about it and this is may be a particular blip in time but the relationship between **sites and housing and transportation connections** are becoming a real issue. We've done a lot of work in western north county for example with job investment and they can't get people there. We're looking at what's happening in Greenfield for example and it's a long term, I don't know where that fits in with the strategies but how can sites relate to the long-term impact of the community?

I think this came up in a recent GOVA thing, I know this isn't necessarily your thing but people would keep hearing again and again, people can't afford to live where the work and so that's either resulting in people having to live significantly farther away which puts strains on infrastructure or increases its potential impact of what a particular site location means.

If you're thinking two or three years for example the dynamic between sites and housing and whether or not your metrics of how is this going to pay off for where's your job growth or so forth it's either going to be a matter of John’s point earlier or you're not going to think longer term before the pay offs are there. The community is going to have to think really creatively about how site development interacts with community development and are those things happening in tandem? People seem less excited right now to build the kind of housing that we need, for the kind of jobs that people are excited for, for the kinds of companies that people are excited for. For example, no one wants to build multifamily housing, to a large extent the payoff just isn't traditionally there.

Scott - I think it's a great point that you bring out. The strategies in the plan don't stand alone right? They interact with each other so I think**,** how the supporting site development and infrastructure development also encourages talent attraction and retention is a big piece that's happening in place right to some extent. In terms of funding I think there's some limits to what we can put in there as a formal strategy that we can support with GOVA investment.

Kirk – Does GOVA support any road improvements or roads to sites?

Scott - Short answer is no. The long answer is it would be helpful to review the brand-new guidance document from state on what they do and do not fund. It's worth looking into but I don't think we do transportation, or that the state does transportation or road improvements, unless it's directly to a park. Maybe there are some preparatory transportation, kind of planning or entryways, projects.

That is often the question we get when we have prospects, ‘who's paying for the roads?’

Sweet - Speaking of roads, could we do something crazy like utilize GOVA to convert a portion of I-81 into an autonomous testing lane for autonomous trucks? We have such high dollar freightliner for a number of companies, it would help our truck industry.

There are so many funds GOVA monies could be used for really creative approaches to making our region unique and really pushing us in emerging technologies and emerging markets and attracting niches for this part of the Commonwealth taking us to the next level, that's part of what we're doing here.

The blockchain project comes to mind, we supported a blockchain acceleration catalyst program so is there something like that that has a sites/infrastructure element?

Kirk- We're working on some pretty big initiatives for workforce housing in and around Blacksburg. You're all probably familiar with the housing study that the county had done and the obvious need and shortage of workforce housing and the difficulty that I think someone alluded to of developing it. Given the cost of construction these days, and the cost of land, I can tell you it won't be possible to develop workforce housing; there are lots of developers, buyers, if it's rental product. But these days in most jurisdictions will require a **zoning change.**

That's one area where I don't know where GO Virginia can get involved but we're got a major project 200 acre development that we're trying to do and we wanted to it make about 50% workforce housing but it's going to require a major zoning change and it'll be opposed by a lot of residents and we're going to need support from the business community and as many groups as possible.

Perhaps it's a parlay, emerging industries with merging technologies with existing demand and future demand with respect to things like workforce housing**.** It couldn't use funds to create a space in our region or to attract a 3D printing company. But it could help support and set up the entire network of training and equipping for companies/contractors to support. This house building technology brings computer market at a better price link and is trending. A printing manufacturing hub that had a live work component that was multi company and GOVA was one piece of the funding or funding the plan to do that then then I think the answer is yes

There's so much opportunity for most types of technologies to meet demand to solve a whole bunch of different problems; and at the same time differentiate us as a region. This is the type of thing that we're looking for from a GOVA approach.

I would just say that one thing that strikes me is when we did the first growth and diversification plan - we tried to encourage sort of big picture or creative outside the box thinking but we don't really have a

good apparatus for that type of thinking you described. Where you had people come together and think about creative ideas, part of what happens is our job is telling people that's a great idea, here's the parameters you have to fit and here's why GOVA may or may not be interested and here's what you need to do to get the funding so we're **having this space for gestating some of those more creative ideas before they give to the application stage could be a nice addition to our process.**

I think they have brought enough to where they accomplished what is here [in the strategies] and so it's almost the definition like you could ask about, the first one “improve information” and your point is improving information about where the infrastructure stands. If you look at the metrics that are there, it was almost in my feeling back in 2017 when we didn’t know what we have and so we need to **build a database of the inventory that we have**

People don't know what they have because there's kind of one man for this in general so changing that definition of the improved information. Need to keep in mine the tangential third-party perspective.