

MOTION:

**August 4, 2020
Regular Meeting**

SECOND:

Res. No. 20-

RE:

AMEND THE LIST OF TARGETED INDUSTRIES FOR NEW AND EXPANDING COMPANIES TO INCLUDE RETAIL REUSE AND COVID-19 RECOVERY TARGETED FAST TRACK PERMITTING

ACTION:

WHEREAS, the Prince William Board of County Supervisors adopted, as part of its Strategic Plan, a list of targeted industries for its economic development efforts; and

WHEREAS, these targeted industries reflect the investment and employment goals of the County's economic development program; and

WHEREAS, the Department of Economic Development uses these targeted industries to develop specific marketing efforts; and

WHEREAS, this list of targeted industries was developed in 1995; and amended in 1999, 2014, and 2019; and

WHEREAS, the County's marketing initiatives should reflect the impacts of the COVID-19 pandemic in changing the economy of the Northern Virginia and Metropolitan Washington area and emerging new technologies; and

WHEREAS, changing market conditions and the rise of e-commerce may result in vacant retail space that can negatively impact surrounding businesses and neighborhoods; and

WHEREAS, the County's Robust Economy Strategic Plan has goals of increasing investment in redevelopment areas and increasing the commercial tax base; and

WHEREAS, the County may provide incentives to assist locating targeted industries in the County; and

WHEREAS, the Director of Economic Development makes the determination of whether a company meets the criteria of targeted industries;

NOW THEREFORE, BE IT RESOLVED that the Prince William Board of County Supervisors hereby amends the list of targeted industries for new and expanding companies to include Retail Reuse and COVID-19 Recovery Targeted Fast Track Permitting.

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ATTACHMENT: List of Targeted Industries Amended for Retail Reuse and COVID-19 Recovery
Targeted Fast Track Permitting.

Votes:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:

For Information:

Department of Economic Development

ATTEST: _____

Clerk to the Board

Prince William County, Virginia

List of Targeted Industries New or Expanding Companies August 4, 2020

Information Communication Technology

- Software design, production and testing
- Equipment design, production and testing (telecom, computers, internet service equipment)
- Satellite design, production, testing and servicing
- Communication providers (ISP's)
- Data Centers
- Computer Game Design
- IT and Cyber Security
- Modeling/Simulation
- Data Analytics
- Computer-aided design and controls
- Internet of Things design and production

Life Sciences

- Pharmaceutical-research, drug development and manufacturing
- Contract research organization
- Contract manufacturing organization
- Biomedical-research, development, testing, manufacturing, clinical trials
- Medical and diagnostic devices
- Manufacturing of biological materials
- Personalized Medicine
- Bioinformatics
- Proteomics
- Nanotechnology related to life sciences and health care

Medical Networks

- Medical Networks
- Sports and preventive medical practices and other large specialty practices
- Laboratory testing facilities with no on-site patients
- Healthcare providers that partner with a research university; or, involved in product development or clinical trials.

Federal Government Contracting

- Biosecurity
- Cybersecurity
- Forensics
- Information Communications Technology

Corporate Facilities

- Headquarters – global, national, regional and divisional
- Technical/operations centers and training facilities
- Back Office Facilities

Logistics and Supply Chain

- E-Commerce Fulfillment or Distribution Centers
- Last-Mile Fulfillment or Distribution Centers
- Retail Distribution Centers
- Wholesale Distribution Centers (except those with on-site retail operations)
- Food and Beverage Distribution Centers

Advanced Manufacturing

- Advanced Manufacturing is defined as companies and organizations that are engaged in the manufacturing of goods with an advanced technological component or support the

manufacturing process through research and development and technological advances, to help advance manufacturing processes and produced goods.

Destination based revenue positive tourism-related projects

- Including distilleries, wineries and breweries that provide a customer venue in a commercial space for tastings, sales and/or restaurant services.

Retail Reuse

- Unique and/or innovative anchor retail tenant opportunities in Small Area Plans, Opportunity Zones, redevelopment geographies and blighted areas, or that fill and/or reuse vacant retail space that assists in revitalizing an area.

COVID-19 Recovery Targeted Fast Track Permitting

- The temporary condition will be in effect for 1 year, from August 4, 2020 through August 3, 2021.

The Department of Economic Development Executive Director may designate any commercial project not already included in a category on the Targeted Industry List as Targeted, to receive expediting permitting and associated fee reduction if it can be clearly demonstrated that the project will create jobs or stimulate economic development in this COVID-19 recovery.

Other Companies and Opportunity Zone locations:

Companies that do not meet the definition of one of the industries listed above may be deemed by the Prince William County Board of County Supervisors, upon recommendation of the Department of Economic Development, as appropriate to merit as a targeted industry if the company meets at least two of the following criteria:

- A company that plans to create 50 net new full-time jobs because of a new business location, or 25 net new full-time jobs as a result of an existing business expansion; or
- A company whose average wage is 125% of Prince William County's average annual wage; or

- A company investing at least \$5,000,000 (new business) \$2,500,000 (existing business expansion) in manufacturing equipment, computer or processing equipment, building or capitalized lease value; and/or business equipment, furniture, and fixtures as a result of a new business location or business expansion.
- Or, the company is locating in an Opportunity Zone or designated redevelopment area.

Any project deemed by the Board of County Supervisors, upon recommendation of the Department of Economic Development, as appropriate to merit such designation as being in accordance with the County's Economic Development Strategic Plan.



STAFF REPORT

Board Meeting Date:	August 4, 2020
Agenda Title:	Amend the List of Targeted Industries for New and Expanding Companies to Include Retail Reuse and COVID-19 Recovery Targeted Fast Track Permitting
Requested Action:	Approve the resolution.
Department / Agency Lead:	Economic Development
Staff Lead:	Christina Winn, Executive Director

EXECUTIVE SUMMARY

The Prince William Board of County Supervisors (BOCS) adopted, as part of its Strategic Plan, a list of targeted industries for its economic development efforts. These targeted industries reflect the investment and employment goals of the County's economic development program and the Department of Economic Development uses these targeted industries to develop specific marketing efforts and incentive programs to assist companies. This list of targeted industries was developed in 1995 and amended in 1999, 2014 and 2019, as the County's marketing initiatives reflect the changing economy of the Northern Virginia and Metropolitan Washington area and emerging new technologies.

The current changing market conditions and the rise of e-commerce may result in vacant retail space that can negatively impact surrounding businesses and neighborhoods. The current economic crisis caused by the COVID-19 pandemic will give rise to entrepreneurship and innovation. As retail innovates and adapts, to attract these types of companies to Prince William County we should be ready to assist these new innovative retail strategies which utilize new technology, innovation and experiential retail practices. Furthermore, the County's Robust Economy Strategic Plan has goals of increasing investment in redevelopment areas and increasing the commercial tax base. Adding Redevelopment and Reuse to the list of Targeted Industries is another incentive in the County's toolbox to attract investment to redevelopment areas.

To further aid businesses seeking to relocate, expand or move to the County during the COVID-19 pandemic, a temporary 1-Year measure has been added to the List of Targeted Industries stating that the Department of Economic Development Executive Director can designate any commercial project as Targeted to receive expediting permitting and/or associated fee reduction if it can be clearly demonstrated that the project will create jobs or stimulate economic development in this COVID-19 recovery. The temporary condition will also provide the County flexibility in attracting more businesses during this economic downturn.

Staff recommends that the Board of County Supervisors amend the list of targeted industries for new and expanding companies to include Retail Reuse and the COVID Recovery Targeted Fast Track Permitting.

BACKGROUND

Chronological Development of the List of Targeted Industries

- A. County's Strategic Plan Guidance – In 1992, Prince William County developed its first Strategic Plan including a strategy to develop a list of industries targeted for economic development. This list prioritized the County's activities by focusing its economic development efforts on specific key or critical industrial sectors.
- B. Targeted Industries List Developed – In 1995, a targeted list of industries developed under the 1992 Strategic Plan was approved by the Prince William Board of County Supervisors (BOCS).
- C. Targeted Industries List Amended – In 1999, the targeted list of industries initially approved by the BOCS was amended and approved. After a competitive analysis study completed in 2013, the BOCS approved additional amendments to the Targeted Industries.
- D. Targeted Industry Study – In 2018, the Department of Economic Development, with the help of Camoin Associates, completed a Targeted Industry Study to validate current industry targets and propose new business and industry targets. The Study also recommended policies for each Small Area Plan to support targeted industries in the Small Area Plan Geographies.
- E. Targeted Industries List Amended – In February 2019, a revised targeted list of industries developed under the 2018 Targeted Industry Study was approved by the BOCS. This amendment added Opportunity Zones and Redevelopment Areas to reflect strategic goals regarding redevelopment.

Targeted Industry List Uses

The Targeted Industry List focuses the business development, existing business and marketing work of the Department of Economic Development on companies within the Targeted Industries. A company must be within the Targeted Industries to qualify for Economic Development Opportunity Fund grants, Expedited Permitting, and Permit Fee Reduction.

New Target Identified

Changing market conditions and the rise of e-commerce may result in vacant retail space that can negatively impact surrounding businesses and neighborhoods. To effectively adapt to these rapidly changing conditions in 2020, the Department of Economic Development recommends inclusion of Retail Reuse on the Targeted Industry List, defined as follows:

Retail Reuse

- Unique and/or innovative anchor retail tenant opportunities in Small Area Plans, Opportunity Zones, redevelopment geographies and blighted areas, or that fill and/or reuse vacant retail space that assists in revitalizing an area.

COVID-19 Recovery Targeted Fast Track Permitting

To further aid businesses seeking to relocate, expand or move to the County during the COVID-19 pandemic, the Department of Economic Development recommends inclusion of a temporary, 1-Year condition to the List of Targeted Industries as follows:

COVID-19 Recovery Targeted Fast Track Permitting

- The Department of Economic Development Executive Director may designate any commercial project not already included in a category on the Targeted Industry List as Targeted, to receive expediting permitting and/or associated fee reduction if it can be clearly demonstrated that the project will create jobs or stimulate economic development in this COVID-19 recovery. The temporary condition will be in effect for 1 year, from August 4, 2020 through August 3, 2021.

STAFF RECOMMENDATION

Amend the list of Targeted Industries for new and expanding companies to include Retail Reuse and COVID-19 Recovery Targeted Fast Track Permitting.

Service Level / Policy Impact

Approval of the Amended List supports the economic development goals of increasing capital investment and targeted jobs by new and expanding companies and increasing at-place employment. More importantly, it will improve the County's ability to fill retail vacancies, strategically capture a larger share of the market in new and emerging retail sectors and offer a boost to revitalizing areas with much needed anchor tenants. The temporary COVID-19 Recovery Targeted Fast Track Permitting offers all commercial businesses added assistance and assurance during the current pandemic and economic downturn. Timely approval of the Amended List of Targeted Industries will provide direction to staff on current projects.

It is difficult to project how many projects could potentially request COVID-19 Recovery Targeted Fast Track Permitting and consequently the impact on Development Services or EDOF monies for associated fee reduction. The Department of Development Services will monitor impact in terms of workload and will alert the Department of Economic Development if targeted requests are about to hit a threshold and it may be necessary to limit the number of targeted submittals.

Fiscal Impact

Amending the targets aligns the focus of the types of companies eligible for incentives from the Economic Development Opportunity Fund (EDOF) and targeted industry status for site and building permitting fee reduction. In Calendar Year 2019 the Department of Economic Development provided expedited

permitting to 15 targeted projects and to date in Calendar Year 2020 the Department has provided 11 Targeted Industry letters for expedited permitting.

Fiscal Impact (Continued)

Any site permit fee reductions granted through the Targeted Industry program are funded by the EDOF. In FY 2020, the fee reductions amounted to \$97,745.13 and in FY 2019 the reductions amounted to \$47,476.71. The current balance as of July 16, 2020 in the EDOF is \$3,399,257.73. Since Retail Reuse is focused on existing buildings, there will be very limited amount of site permit reduction associated with adding Retail Reuse to the Target Industry list. The COVID-19 Recovery Targeted Fast Track Permitting is a temporary 1-Year measure and will be monitored to address Development Services workload and available funds for permit fee reduction.

Legal Impact

The Board of County Supervisors has the legal authority to amend the List of Targeted Industries.

STAFF CONTACT INFORMATION

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