

Economic Development Highlights



What's Happening?

Population = 133,330

Average annual growth of 1.1% for last 5 years

Housing Units = 47,453

Average annual growth of 1.7% for last 5 years

Median Home Price = \$274,198

Average annual growth of 7.1% for last 5 years

Median Household Income = \$76,181

119th highest of 3,194 counties, cities and states nationwide

Average # Businesses = 2,987

Increase of 555 (23%) from 2011 to 2016

Average # Jobs = 35,423

Increase of 5,338 (18%) from 2011 to 2016

Average Wage = \$39,676

Increase of \$4,212 (12%) from 2011 to 2016

Unemployment Rate = 3.8%

Down from 6.1% in 2012

What's It Mean for Us?

School Enrollment = 23,592

Average annual decline of 0.2% for last 5 years

Assessed Value of RE = \$13.8B

Average growth of 3.0% for last 5 years

Commercial/Industrial AV = \$2.7B

Average growth of 0.6% for last 5 years

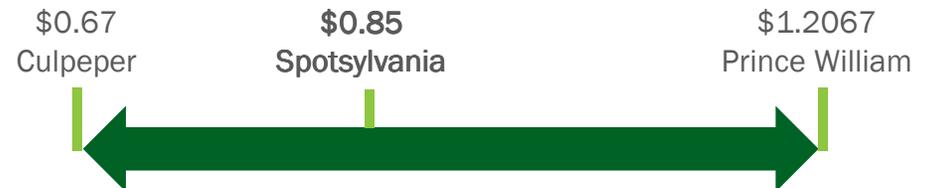
Property Tax Revenue = \$160.8M

Average growth of 2.3% for last 5 years

Staffing Requirements = +137 since 2013

- + Sheriff's Office + Fire/Rescue
- + DSS + Support staff

Comparatively Low Tax Rate = \$0.85 in 2017



Economic Development Highlights



Targeted Industry Growth - 2011 to 2016				
	Change in # of Establishments	Change in Average Annual Employment	Average Annual Wage - 2016	Change in Average Annual Wage From 2011
Healthcare	254	1,223	\$42,380	4.0%
Manufacturing	1	174	60,060	39.7%
Professional Services	50	363	89,752	8.8%

Economic Development Commitments in 2016/2017					
	Type	Location Type	# New Employees	Annual Salaries	Notes
LIDL	Grocery Distribution	Investment of \$125M in new facility	80 FT + 120 hourly	Average FT = \$80,000; Average hourly @ \$13 - \$15/hr	921,565 sq. ft. of new warehouse space.
Flatter & Assoc.	Professional	Investment of \$790K in new facility	21	Current average = \$125,000	3,500 sq. ft. of new office space
RPI	Professional	\$60K renovation of existing facility	8	Minimum of \$85,000	
HDT	Professional	Lease of new building to be built to suit	49	Min. average of \$70,000	At least 40,000 sq. ft. of new office space
Universal Dynamics	Manufacturer	\$4M renovation of existing facility	170	Average of \$40,000	
idX	Manufacturer	\$4.9M renovation and expansion of existing facility (former GM plant)	150	Average of at least \$55,502	Purchaser of the 250,000 sq. ft. former General Motors plant, causing the facility to be added back to the tax rolls. Planning for a 150,000 sq. ft. expansion of the facility, as well.
		Total	\$134,750,000	598	



RPI GROUP
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Una-Dyn
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Economic Development Commitments – Additional Information



- **Lidl USA** – Lidl, part of the Germany-based Schwarz Group, the largest retailer in Europe and one of the largest in the world, chose Spotsylvania as the location of its first distribution center in the U.S. market. The company constructed a 921,565 square foot distribution center over the course of the past few years. The construction was estimated to cost \$125 million. It is expected that **Lidl will create approximately 200 jobs with 80 full-time jobs to pay an average of \$80,000 each and 120 hourly jobs to pay \$13-\$15 per hour.** Spotsylvania will also be home to two of Lidl’s first U.S. based retail stores; with one currently under construction at a cost of \$2 million.
- **Flatter & Associates** – Flatter, a government contractor, is relocating its corporate headquarters from the City of Fredericksburg to a new 3,500 sq. ft., \$790,000 office building to be constructed in Spotsylvania near Shannon Airport. The company **intends to maintain 11 full-time employees and expects to add 10 new full-time employees by 2019.** The **current average salary is \$125,000.**
- **RPI Group, Inc.** – The company **currently employs 32 people full-time** in the business of cyber security, secure wireless solutions, systems engineering and technical assistance, and U.S. Department of Defense research and development. RPI currently operates in Spotsylvania and has committed to relocate its business operations to a larger premises in Spotsylvania, making renovations to the new space in the maximum amount of \$60,000. Additionally, RPI expects to expand its operations by **adding eight new full-time employees over the next three years at annual salaries at or above \$85,000.**



Economic Development Commitments – Additional Information



- **HDT Expeditionary Systems, Inc.** – HDT operates a military systems research, product development and engineering services business within Spotsylvania and currently employs 30 people on a full-time basis. The company intends to relocate several offices in the region and expand its current business operations in Spotsylvania by entering into a new 10-year lease for a new build-to-suit 40,000 square facility in the County. **The company plans to add 20 full-time employees to its operations in the first year and as many as 49 (including the initial year's 20) over the course of the 10-year period. The minimum average salary is expected at \$70,000.**
- **Universal Dynamics, Inc.** – Uni-Dyn is engaged in the business of designing, manufacturing and installing auxiliary products for the plastics industry. The company intends to relocate its principal business from Woodbridge, Virginia to Spotsylvania and will occupy an existing 88,000 square foot manufacturing plant. The company intends to make \$4,000,000 in capital improvements to the facility and will add \$1,000,000 in personal property investments, as well. Uni-Dyn currently operates with 120 full-time employees and intends to add at least 50 new full-time employees to its roster at the Spotsylvania plant, paying an average wage of \$40,000 or more.
- **idX** – idX manufactures consumer environments for the retail, financial, hospitality, restaurant and point-of-sale markets. The company has purchased and intends to relocate its business operations from Baltimore, Maryland to the 250,000 square foot former General Motors plant which has been vacant in Spotsylvania since approximately 2010. idX expects to incur costs totaling \$7,200,000 in capital expenditures including renovation and expansion of the facility and installation of equipment to make the existing facility useful to its operations. **The company intends to hire 150 full-time employees for its operations at an average annual salary of at least \$55,502.**

Planned and Approved New Developments



Planned and Approved New Developments						
Date Approved	Development	Type	# of Units			Proposed Commercial SF \$ Components
			SFD	SFA	MF	
7/9/2013	Spotsylvania Courthouse Village ¹	MU	445	205	900	536,000 sf – office, retail
8/13/2013	Crossroads Station ²	MU			610	950,000 sf – office, retail, hotel
9/10/2013	New Post ³	MU	219	104	102	160,000 sf – office, retail, hotel
9/24/2013	Fortune’s Landing	R	49			None
12/10/2013	Cosner Corner East Apartments	R			274	None
1/14/2014	Barley Woods	R	87	36		None
1/28/2014	Heritage Woods	R	697	180	183	None
6/24/2014	Courtland Park ⁴	MU	89			75,000 sf – office, church, daycare
6/24/2014	Southpoint Landing ⁵	MU			830	1,150,000 sf – retail, restaurant, office
9/9/2014	Benchmark	R		98		23,400 sf - office
9/9/2014	Legends of Chancellorsville	R	217			None
12/9/2014	Wheatland	R		98		None
12/9/2014	Thorburn Estates	R	59			None
6/23/2015	Jackson Village	MU		695	1,575	298,000 sf commercial/office
10/21/2015	Breckenridge Farms	R	52			None
11/12/2015	Retreat at Chancellorsville	R	192			None
12/8/2015	Alexander’s Crossing ⁶	MU	518	971	1,118	1,558,000 sf - office, hotel, grocery
1/12/2016	Avalon Woods	R	98			None
1/26/2016	Plantation Woods	R	132			None
5/24/2016	Goodwin Cove	R	35			None
3/14/2017	Cedar Forest	R	29			None
3/14/2017	Summit Crossing Estates	R	70			None
Total			2,988	2,387	5,592	4,750,400 sf

MU = mixed use

R = residential

SFD = single family detached

SFA = single family attached

MF = multi-family

SF = square feet

¹This development did not commit to number of units, unit type, or sf of non-residential development. The figures here are a potential build-out scenario.

²This development committed to a maximum of 950,000 sf of non-residential development. To build out the residential units, 75,000 sf of non-residential development must be constructed.

³This development committed to 20,000 sf of non-residential development to build out their residential units.

⁴This development committed to 2,000 sf of non-residential development to build out their residential units.

⁵This development has no maximum number of mf units nor any commitment or cap on the non-residential development.

⁶This development committed to 750,000 sf of non-residential development to build out their residential units.

New Business/Expansions



- **Office Market**– The office market in the County experienced a high performance year in 2016, and those trends appear to be continuing into 2017. The Region continues to see new construction with over **68,000 sf of new office space** under construction in Q1-2017 with over 90% located in Spotsylvania. Vacancy rates have steadily declined since Q1 2016 and are expected to continue falling.



- **Industrial Market**– Following the “Great Recession” vacancy rates peaked at 18.4% in Q4-2011 in the region. Over the past two years industrial vacancy rates have dropped nearing 5 percentage points from 12.2% Q1-2015 to the current rates of 7.6%. The increase in demand for industrial space has been astounding, and can be witnessed over the **past 8 consecutive quarters where the region recorded over 860,000 sf of positive absorption**. The inventory of properties over 50,000 sf has almost been depleted with a combination of consolidations into larger facilities and new companies moving into the County.



New Business/Expansions (Continued)



- **Shannon Airport and Shannon Museum** – Shannon Airport is one of the most historic airports in the nation and recently expanded to include a restaurant, pilot shop and developed the Shannon Museum. The airport owner is also the owner of Spotsylvania-based *Mid-Atlantic Vinyl Products* and Regency Polymer Materials. A dozen historic planes originally collected by airport founder Sydney L. Shannon, Jr. that have been on display at the Virginia aviation museum in Richmond now reside at the Shannon Museum in Spotsylvania. There was an original Shannon Museum open between 1976-1985 and the planes had been previously displayed there. After that museum closed to the public, the planes eventually went to the Virginia Aviation Museum.



- **Mid-Atlantic Vinyl Products** relocated its manufacturing facility within the County and renovated a 102,000 sf vacant manufacturing facility adjacent to the airport to expand its operations.
- **Major Police Supply** is a manufacturer of cages and other infrastructure for military and police vehicles. The company purchased the existing 17,200 square foot building formerly occupied by Mid Atlantic Vinyl. The company will initially employ 5 people in Spotsylvania. The company has two locations in New Jersey and one in Maryland.



MAJOR POLICE SUPPLY

New Business/Expansions (Continued)



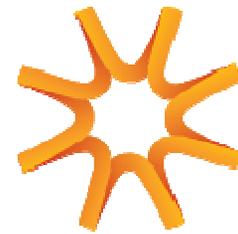
- **Publix Supermarket** announced plans to open a **new 49,000 sf store located at Cosner Corner**. The projected opening is in 2018 and will employ approximately **140 associates**. Publix is a privately-owned company that has been named to Fortune Magazine's list of 100 best companies to work for in America 19 years in a row. Last year Publix announced a partnership with the Spotsylvania-based Virginia Youth Soccer Association, which renamed its soccer facility the Publix Virginia Soccer Training Center.
- **Alorica**, an existing business, located in the Lee's Hill Corporate Center at 10300 Spotsylvania Avenue, offers call center services that consist of customer relationship management and back office support in financial services, healthcare, retail and tech companies. The company recently **expanded its workforce by 500 positions** and now has 850 employees. Additionally, the company has expanded its office space from 20,000 sf to 40,000 sf. Alorica operates in 98 domestic locations in 79 cities across 33 states.
- **Capital Caring** who has been in operation since 1977 opened a new office in the Old Greenwich Office Park providing direct support to patients and their families with life-limiting illnesses. Varying workforce.



New Business/Expansions (Continued)



- **BetterMed Urgent Care**, an urgent care center, opened a new location in the Southpoint. They currently have 5 locations throughout Richmond and one in the County. They currently employ 10 people.
- **Camping World** is one of the largest RV retailers in the country and recently acquired the existing Safford RV dealership in Thornburg. The company is headquartered in Lincolnshire, Ill., and has more than 115 SuperCenters nationwide. They currently employ 20 people.
- **BMC** located into an existing 74,000 sf industrial building in the Berkeley Commerce Park. BMC is one of the nation's leading providers of diversified building products and services to professional builders and contractors in the residential housing market. This operation specializes in manufacturing and distribution of doors and custom millwork. BMC operates in 17 states and 42 metropolitan areas. The company currently employs approximately 25 employees.



BetterMed
urgent care



**CAMPING
WORLD**

The Camper's Choice Since 1966



**Building Materials and
Construction Services**

New Business/Expansions (Continued)



- **Tactical Engineering & Analysis** (“TEA”) is a professional services company providing support services to military combat communications systems. TEA leased 4,100 sf of office space in Jackson Square Office Park at 4621 Carr Drive, for a technical support facility relocating and expanding from their existing office in the County. Other technical support facilities are located in San Diego and Washington, DC. The company currently has 10 employees at the Spotsylvania location.



- **Power Door Products** leased 3,750 sf of industrial space at 11720 Main Street in the Spotsylvania County Industrial Park. The company is the largest wholesale supplier of gate and door operating equipment and access control equipment in the Northeast. The company has 8 employees.



Power Door Products, Inc

- **Wal-Mart Stores** leased 46,530 sf of *warehouse space* in the Mck Business Park located at 3010 Mine Road for additional storage – no employees.



- **Tipco Technologies** is a complete fluid solution supplier for industrial, hydraulic and high-purity applications. Tipco is the largest stocking distributor in the Mid-Atlantic region. The company leased 3,300 sf of industrial space in the Commerce Center on Lafayette Blvd. and employ 8 people. They currently have locations in Maryland, Virginia and Delaware.

TIPCO
TECHNOLOGIES, INC.

Customer First, Always!



New Business/Expansions (Continued)

- **Zenith Aviation** provides corporate and regional airline operators a comprehensive range of services including aircraft sales, completions and modifications and airframe and engine maintenance. The company leased 18,000 sf of warehouse space in the Spotsylvania County Industrial Park. They employ 10 people.
- **Kaeser Compressors**, an existing industry, leased 28,800 sf of *warehouse space* in the McK Business Park for additional storage – no employees.
- **E-Labs** is an existing industry that provides full service testing and an evaluation laboratory for aerospace, automotive, military, commercial, electronics and IT industries. The company has been located in the County since 2000. They are currently located in 12,000 sf in the Central Corridor Industrial Park and are currently under construction to expand an additional 14,000 sf. They have 2 employees.



Retail & Mixed-Use Developments



Large Space Retail Changes			
Closed	Available SF	Location	Space Re-Occupied
Staples	20,000	Cosner Corner	Planet Fitness Gym
Dick's Sporting Goods	30,000	Cosner Corner	Vacant
Best Buy	25,000	Cosner Corner	Vacant
K-Mart	90,000	Route 3 Corridor	In-Home Store
Gander Mountain	75,000	Route 3 Corridor	Camping World Holdings
Offenbachers	42,000	Route 3 Corridor	Vacant

- The retail market in Spotsylvania is experiencing continued rent growth and an impressive increase in new construction. Despite news of retail chain store closures nationwide, the local retail market is healthy with a low vacancy rate and continued construction activity. For example, a new 35,000 sf retail/office building is under construction at Harrison Crossing and an 85,000 sf mixed use building is taking shape at Spotsylvania Courthouse Village.

Retail & Mixed-Use Developments



- **Spotsylvania Courthouse Village** – An elegant hometown is underway, combining a commercial and residential streetscape. A bypass was completed in 2010, improving traffic flow to the Courthouse area, new retail development, and tourism attractions. The project developer envisions that the Village could eventually include 500,000 square feet of office, retail and civic uses, as well as 1,500 residential units including townhomes, apartments, condos and single family homes. A four-building, 66-unit apartment complex was completed in 2015. **Construction was recently completed on five retail buildings**, which range in size from 1,000 to 7,000 square feet. Tenants include a Subway, El Patron Mexican Restaurant, hair salon, investment company, a gym and several other smaller uses.
- The third phase of the project under construction includes a **five-story mixed-use building** (Hanover House), with four floors of apartments over retail space. The County owns a 55,000 square feet office building within the Village which houses the Planning, Zoning, Building, Economic Development, Tourism, and Social Services offices. The developer is also working on construction plans that will feature single-family houses and townhomes.
- After Hanover House is completed, the developer has future plans to build **another mixed-use building and hotel**.



Hanover House



Retail & Mixed-Use Developments (Continued)

- **Spotsylvania Towne Centre** – The Spotsylvania Towne Centre is located on Rt. 3, just off I-95 Exit 130. This approximately 1.6 million sq. ft. development offers the premier shopping, dining and entertainment experience in the region. An \$80 million renovation and expansion to the Towne Centre and an open-air lifestyle center were completed in 2012. The 180,000 square foot lifestyle center has attracted a Residence Inn, and other high-end retailers such as That’s My Dress, Saxon Shoes, White House/Black Market, Sephora, Bravo! Cucina Italiana, and many other retailers. The lifestyle center has also attracted Paragon Village 12 and Splitsville Lanes, a luxury movie theatre and bowling alley combination, as well as Residence Inn by Marriott.
- **Southpoint I & II** – Located in one of the fastest growing corridors in Virginia at Exit 126, the 256-acre development consists of 1.2 million+ square feet of mixed use retail/commercial space offering a variety of retail, restaurants, office and professional office space. The retail offerings are anchored by Wal-Mart and Lowe’s. Restaurants include Longhorn Steakhouse, Applebee’s, Chick-Fil-A, Coldstone Creamery, Chipotle, and Firehouse Subs. A large American Family Fitness is also present in the development. The development will also be the location of one of the first U.S. stores for the German grocery chain Lidl, which will be located on a two-acre parcel across from Lowe’s and a new Indian Motorcycles dealership.
- **Southpoint Landing** is the final area within Southpoint’s 335 acres to be developed. Construction **has begun on a 48,000 sf, 3-story office building**. The developer is working with several national retailers and a hotel and plans several more mixed used buildings to complete the project. The project is expected to **have more than 1 million square feet** that includes Abberly at Southpoint Apartment Homes, an already completed **280-unit apartment complex**.



Retail & Mixed-Use Developments (Continued)



- **Cosner's Corner** – Located a few miles south of Southpoint is Cosner's Corner, a 980,000 square foot retail and office development located one mile from I-95, at the corners of U.S. Rt. 1, U.S. Rt. 17, and Spotsylvania Parkway. The development features a Super Target, Ross, Marshalls, Kohl's, & PetSmart. It is also home to numerous other national retailers, banks and a full palette of restaurants. Located across I-95 from Cosner's Corner, "Cosner East" is home to Spotsylvania Regional Medical Center as well as 2 luxury apartment home complexes. The newest complex is the Silver Collection at Cosner's Corner which is located directly across from the hospital. The \$75 million dollar complex contains 274 apartments, a clubhouse, and 10,000 square feet of indoor amenity space. Nearby, Station Square at Cosner's Corner has recently completed phase 2 of their development plans, adding 120 new units housed in 4 buildings to their existing 260-unit complex. Additionally, the area is populated with abundant medical offices to serve the community and has space for growth or such services.
- **Harrison Crossing** – Harrison Crossing is a unique, 70-acre, 600,000 square foot development located on Rt.3 at its intersection with Harrison Road in Spotsylvania. Harrison Crossing is anchored by Home Depot, Petco, and a Super Giant Food. It is home to a variety of services, shops and restaurants, including Walgreen's, Wells Fargo, Bank of America, Neibauer Dental, Hope Animal Hospital, Firestone Tires, O'Reilly's Auto, Rob's Car Wash, Sonic, Salsarita's, Starbucks, Subway, Wendy's McDonalds, Popeyes, and Taco Bell. Harry's Ale House is the newest restaurant to be added. Construction is underway for a Lidl grocery store. Pad sites are still available for growth throughout Harrison Crossing area.
- **Thornburg**- Exit 118 at Thornburg is Spotsylvania's southernmost I-95 exit. The Virginia Department of Transportation has begun work on a **\$22.4 million road improvement project** at Exit 118 that includes widening the Mudd Tavern Bridge over I-95, adding new turn lanes, and installing new traffic lights at the I-95 off ramps onto Mudd Tavern Rd. **The opening of the Racetrack is anticipated to be a catalyst for development in Thornburg.** A 2,550 square foot Taco Bell has recently opened, as well as an **8-story, 59,000 square foot, Best Western Plus hotel with 82 rooms and 16 longer-term suites.**

Tourism



- One of the primary markets due to its relative size and importance within the local economy is tourism. According to the Virginia Tourism Corporation 2015 report, Spotsylvania County currently ranks 17th out of 134 counties and incorporated cities within the Commonwealth for tourism, continuing to remain within the top 20 in the state. The tourism “industry” is actually a cluster of industries. Tourism provides revenue for the County through sales to visitors who come for various attractions, accommodations, shopping, dining, and to experience recreation and entertainment.
- The County estimates that over 500,000 people stayed overnight in the County in 2015 and more than 900,000 visits were recorded at local attractions, including the Civil War battlefields, Lake Anna and other popular visitor sites and special events. According to the Virginia Tourism Corporation, visitors to the County in 2015 generated approximately \$265 million in overall economic value, up from \$258 million in 2014.
 - **Virginia Renaissance Faire** – The Faire currently is held at the Lake Anna Winery for four weekends each year, averaging 20,000 visitors each season. The primary activity of the cast consists of presenting a series of events that will both educate and entertain audiences.



Tourism (Continued)



- **Trolley Tours** - The popular Trolley Wine Tour occurs on Sundays during the summer is usually fully booked, and includes increased retail sales for the wineries. The five-hour tour begins and ends at Spotsylvania Towne Center with visits to four Spotsylvania wineries. The trolley company also offers tours to groups requesting a special tour during the week.
- **Virginia Youth Soccer Association (VYSA)** – VYSA, a nonprofit devoted to promoting youth soccer in Virginia and D.C., at the Spotsylvania Sportsplex, is situated on 80 acres in Spotsylvania. The facility boasts eight Federation International Football Association (FIFA) regulation fields including a small stadium. VYSA will host the 2017/2018 U.S. Youth Soccer Region 1 Championships. The Championships will utilize 4,000 hotel rooms in the region from Alexandria to Glen Allen and ample opportunities for tourism exposure and retail sales for the County.
- The County continues to grow in the agritourism industry with the addition of breweries and wineries to our tourism inventory. Lake Anna Winery, Wilderness Run Vineyard, Mattaponi Winery are large farm wineries that grow their own grapes or fruit. Eden Try Winery is a boutique winery that grows only a small amount of grapes with all production and bottling being done elsewhere and the product is sold only onsite at special occasions. Bacchus Winery is a micro-winery that purchases grape juice and creates the wine in their facility. Additionally, multiple breweries exist in the County.



Tourism (Continued)



- **A. Smith Bowman Distillery** is located in the Bowman Center and continues to win awards for its special blends of bourbon. The company has added an additional still and several new staff members. In March 2017, the company’s John J. Bowman Single Barrel was named the “World’s Best Bourbon” for the second year in a row by Whisky Magazine. Visits to the distillery continue to grow and there are plans to market the distillery as a destination to out of state markets in 2018.
- **Lake Anna State Park** continues to expand its program offerings and to host events that draw large crowds such as Iron Man competitions, Lake Anna Brewfest, and a wine festival. Two 16-person lodges were recently dedicated and opened at the park, and work is occurring on several yurts which will be available for rent at the park in the future.

