

2020-2021

ANNUAL REPORT

NORTHLAKE II - Located on Harley Club Drive in Ashland, Virginia, this new multi-building industrial development by Matan is being constructed in one of Hanover County's premier industrial parks - Northlake.

Hanover County
Department of Economic Development





Hanover County Historic Courthouse

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+75%

NEW BUSINESS ANNOUNCEMENTS AND EXPANSION PROJECTS

FY-21 VS FY-20

The **Hanover County Industrial Air Park** is home to hundreds of small to medium-sized businesses including Morooka USA, James River Equipment, FedEx Ground, ChemTreat, Merchants Fixture, ARC Natural Surfaces and SON Metal Fab.

FROM THE DIRECTOR



E. LINWOOD THOMAS IV
Director

“In just one year, Hanover’s unemployment rate has almost returned to pre-COVID levels, and we still remain well below both the State and national averages. New capital investment exceeded \$63 million, which again was a record, along with new business announcements totaling more than \$140 million.”

Dear Community Stakeholders,

By all accounts, fiscal year 2021 was one of the most challenging on record for many sectors of our local economy, especially those small businesses in the retail and hospitality industries. For the first time in over 15 years, Hanover County experienced a net loss of over 3,000 jobs which can be directly associated with the pandemic. Though the County encountered some significant economic hardships, there were also some bright spots. Our unemployment rate spiked at 8.9% in May of 2020 at the height of the virus, but has since receded to 3.1% in June of 2021. In just one year, we have almost returned to pre-COVID levels and still remain well below both the State and national averages. New capital investment exceeded \$63 million, which again was a record, along with new business announcements totaling more than \$140 million. These investments, along with the blue collar mentality of our local business community, helped cushion the unexpected economic effects of the epidemic.

Building off our success from FY-20, the County had 150 new business announcements and expansion projects which was a 75% increase from the previous year. Though some sectors struggled, we actually saw significant growth in our logistics, manufacturing and supply chain operations which helped insulate Hanover County. The growth in our industrial tax base has been exorbitant as the County is in the process of adding over six million square feet of new space which equates to an increase of over 40% to our current offerings.

Some of our major new announcements and expansions this past year included: Matan Industrial Development, McKenzie Development, CodeBlue Technology, Rio Brazilian Steak House, Home Depot, Quikcrete, Green Air, Inc., Virginia Medical Training Academy, Pizza and Beer of Hanover, ACE Hardware/Mechanicsville, Hanover Specialties, Mygrant Glass, ARC Natural Surfaces, Virginia Urology Associates, Virginia Eye Institute, Anixter, MegaWash and the NEFCO Corporation.

Over the last year, there has never been a time when our existing industries needed our support more. The Department of Economic Development was able to touch and assist more small businesses through the pandemic than ever before. Through our small business resiliency grant program, we provided support to 58 local businesses totaling almost \$300,000. We also rolled out our first shop local campaign in almost 10 years which encouraged citizens to spend their hard-earned tax dollars through a marketing and media blitz. In all, we assisted over 670 businesses this last year alone which is almost as many businesses that were touched in the previous five years combined.

As we move into 2022, Hanover County will embark on a five-year update to our strategic economic development plan which was put on hold last year due to the pandemic. These efforts, working in partnership with the Board of Supervisors and Economic Development Authority, will help position us for sustained economic success over the coming years. Our team will also continue to leverage our local partners including the Hanover County Chamber of Commerce, Dominion Energy Innovation Center, Virginia Economic Development Partnership, Greater Richmond Partnership and Chamber RVA to support our existing businesses while working to attract new investments to the County. Though this has been a trying year by all accounts, Hanover County is well-positioned to take advantage of our strategic location, low taxes, and expedited permitting processes; not to mention, our excellent school system, low crime rates and quality of life.

In closing, I would like to personally thank our local Hanover businesses, Board of Supervisors, Economic Development Authority and community leaders for your continued support of our economic development efforts.

Sincerely,

E. Linwood Thomas IV

ABOUT HANOVER

Hanover County continues to make national waves as a preferred location for business operations. And, fiscal year 2021 proved to be another record year for business investment.

Hanover County’s strong growth in a number of sectors, including food and beverage, advanced manufacturing, and warehousing/logistics, has brought tremendous job opportunities to the residents of the community. And this growth comes not only from new businesses moving into the community, but equally as important, it comes from businesses already calling Hanover home. This continues to demonstrate that Hanover County is a great place to live, work and conduct business.

Many reasons businesses continue to express interest in Hanover County include:

1

MARKET PROXIMITY

Access to I-95, I-295, I-64 and other major highways places Hanover within a day’s drive of nearly half of the population of the United States, and is especially close to major Northeast markets.

2

COST TO DO BUSINESS

Hanover County has some of the lowest tax rates in the Greater Richmond Region as companies weigh their return on investment and cost to do business.

3

STRONG, WELL-RUN GOVERNMENT

Hanover County is one of the smallest U.S. counties by population to have a AAA bond rating from all three bond ratings agencies. Fiscal stability is paramount to the County. Additionally, businesses reap the benefits of a low, stable tax structure and minimal business regulation.

4

QUALITY OF LIFE

Citizens in Hanover County have an unparalleled quality of life with outdoor amenities, a strong healthcare system, and one of the top public school districts in the State. And if big city amenities are in order, Richmond is just a short drive away.

YEAR IN REVIEW

July 2020
Memorial Regional Medical Center receives State approval for 44 additional beds

September 2020
Anthem announces solar power purchase agreement in Hanover

November 2020
Winding Brook Industrial Park begins construction

January 2021
CodeBlue Technology announces new headquarters at Rutland Center

March 2021
Northlake II development by Matan announced

May 2021
Shop Local #HereInHanoverVA campaign launched

June 2021
Virginia ABC ribbon cutting for new distribution facility and administrative offices

August 2020
Wigwam Crossing Commerce Center announced

November 2020
Hanover County Airport Terminal Building groundbreaking

December 2020
First Bank & Trust opens first Richmond-area branch near Historic Hanover Courthouse

January 2021
ECC Test Lab announces move to Hanover County

April 2021
Blazer Heating & Air expansion announcement and groundbreaking

May 2021
Hanover Foils completes production line expansion

June 2021
Kings Dominion debuts Coconut Shores

PRODUCT DEVELOPMENT

Building on the successful implementation of the Virginia Business Sites Readiness Program (VBSRP) by the Virginia Economic Development Partnership in 2016, Hanover County Economic Development continues to work with landowners on promotion and development of key properties in the Suburban Services Area* for commercial and industrial uses.

*The Suburban Services Area (SSA), as defined in the comprehensive plan, makes up approximately 30% of Hanover County, and is where the Board of Supervisors has committed to concentrating investments in infrastructure and growth.

6.58 million square feet of flex, industrial, warehouse & distribution space under construction, approved, or proposed in FY 2021

+40%
FY-21 vs FY-20



Northlake II

Comprised of five buildings varying between 91,000 and 192,000 square feet, each building will offer numerous dock doors, 32' ceilings, and ample parking. This property is zoned M-2.

<1 mile from I-95 via Lewistown Road

DELIVERING Q2 2022

650,000 SF



Northlake Distribution Center

This building will consist of 110,000 square feet with 32' ceilings, 7" concrete slab, 88 parking spaces, and drive-in and dock doors available. This property is zoned M-2.

<1 mile from I-95 via Lewistown Road

DELIVERING Q2 2022

110,000 SF



North Richmond Industrial Park

This building will consist of 202,000 square feet of space with 32' clear ceilings, 46 9'x10' dock doors, 12'x14' drive-ins, 158 car parking and 46 trailer parking spaces. This property is zoned M-1.

<1.5 miles from I-95 via Lewistown Road

DELIVERING Q4 2021

202,000 SF

INDUSTRIAL SPACE INVENTORY

Added in FY-21: 847,000± s.f.
Total Inventory: 14.6± million s.f.

FLEX SPACE INVENTORY

Added in FY-21: 183,000± s.f.
Total Inventory: 2.17± million s.f.

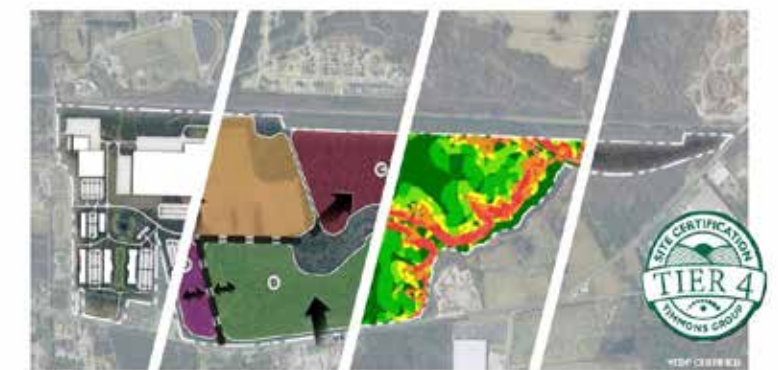
**NORTHLAKE
BUSINESS PARK**

As a result of years of collaboration with land owners, developers and brokers, the end of the fiscal year witnessed approximately 6.58 million square feet of flex, speculative, industrial and warehouse/distribution space under construction, approved, or proposed in Hanover County. Of this, approximately 1.44 million square feet has been filled, leaving about 5.14 million square feet available for lease. This vacant inventory is already garnering significant attention from companies looking to establish a presence in Hanover County, as well as existing companies greatly in need of additional space for expansion. There has also been a strong uptick in inquiries related to these projects from international companies looking to shore up, or establish, operations in the U.S. Over the next few years, these projects will house thousands of jobs in our community and contribute millions of dollars in tax revenue to support the County's schools, Fire/EMS, Sheriff's Office, social and community services and other critical county functions.

The impact of COVID-19 on the community, combined with strong growth in the Richmond Region, affected vacancy rates this past year. Both industrial and flex space vacancy rates increased, up to 2.9% and 5.9% respectively. This is largely attributable to additional product delivered to the Hanover market over the past twelve months. This product provides much needed inventory to absorb the strong interest the region is witnessing from industrial/logistics customers. Retail vacancy increased to 4.7% this year, which can be attributed to two factors: (1) changes in consumer habit due to the pandemic and less need for certain commercial uses, and (2) several new commercial projects completed during the year which added inventory to the market. Bucking national trends of increased office vacancy, Hanover County's rate decreased to 5.4% this year. This is largely attributed to limited office product hitting the market, and economic growth in the community driving demand to absorb existing space.

Holland Technology Park

MASTER PLAN



Formerly known as the Holland Axselle site in the Town of Ashland, this property has been rebranded upon the completion of a master plan by Timmons Group. At 286 acres, and constituting nearly 7% of the total area of the Town, Ashland continues to work closely with the landowner and Hanover County on a vision to maximize development on the site. The master plan, which could take a decade or more to fully implement, shows a number of buildings on the site with the ability to accommodate a number of high-value uses such as advanced manufacturing, data center, office, life sciences, and research and development.

BUSINESS INVESTMENT

Despite economic challenges as a result of the pandemic, Hanover witnessed near record numbers of new and expanding businesses in fiscal year 2021.

150

NEW BUSINESSES, EXPANSIONS & ANNOUNCEMENTS



CodeBlue Technology, a provider of comprehensive computing technology solutions to small and mid-sized businesses, relocated its Richmond-area headquarters to the Rutland Center Office Building located in Mechanicsville, Virginia in February 2021. CodeBlue Technology's extensive offerings span a wide range of services including expert consultations during the procurement of new technology, managed services including security patching, data backups and network monitoring, voice over technologies, networking, security cameras, and more. Additionally, the company provides comprehensive public and private cloud hosting.

CodeBlue owner-occupies 6,000 square feet of the new Rutland Center Office Building's third floor located at 9204 Center Oak Court. The remaining two floors, each with over 5,500 square feet, are currently available for lease. This ideal location is within minutes of I-295 and I-95 in a picturesque mixed-use development with many walkable amenities.



Following two public hearings and a special meeting, the Virginia State Water Control Board approved a Water Protection Permit in March 2021 followed by a wetlands permit granted in June 2021 by the U.S. Army Corps of Engineers for a planned \$175 million Wegmans distribution and office campus situated on a 219-acre site located off Sliding Hill Road near its intersection with Ashcake Road.



ECC Test Lab established operations in January 2021 in space leased from Analytics Corporation, located near Lakeridge Parkway south of Ashland, Virginia. ECC Test Lab is an ISO 17025 accredited cannabis testing lab founded in 2018 at the Virginia Tech Corporate Research Center in Blacksburg, Virginia. Its mission is to help ensure consumer safety in the cannabis industry by providing validated testing results on the quality of hemp and cannabis products. This relocation to Hanover County allows for better access to customers, and positions ECC for strong growth and leadership in the anticipated development of Virginia's pharmaceutical and recreational cannabis industry. ECC is a small, woman-owned business that is SWaM certified by the Virginia Department of Small Business and Supplier Diversity.



The Virginia Alcoholic Beverage Control Authority (ABC) and Virginia Department of General Services were joined by Governor Ralph Northam, Secretary of Public Safety and Homeland Security Brian Moran, County officials and other distinguished guests for a ribbon cutting ceremony on June 21, 2021 to celebrate the completion of ABC's new administrative headquarters and distribution center in Hanover County. This relocation provides Virginia ABC continued growth as a modern retailer offering enhanced service and selection for customers and increased revenues to support various programs

across the commonwealth. Throughout the summer, ABC transitioned approximately 500 staff, as well as supplies and equipment to the new Hanover County facilities in Mechanicsville. Construction on the 40-acre site near the intersection of Pole Green Road and I-295 began in February 2020. The new office is 95,000 square feet with three floors, more than 40 meeting rooms and more than 500 workstations/offices. At 315,000 square feet and expandable to 399,000 square feet, the new distribution center is approximately 37% larger than the previous ABC warehouse in Richmond.



Pictured left to right: Neil Williams - SunEnergy1, Linwood Thomas - Hanover County Economic Development, Center: Broaddus family representatives - property owners, Sean Davis - Hanover County Board of Supervisors, and John Budesky - Hanover County Administrator

The ribbon cutting ceremony was held on September 21, 2020 at the Mechanicsville Solar Farm located on Route 360 in Mechanicsville, VA.

Anthem announces solar power purchase agreement in Hanover County to move company closer towards 100 percent renewable energy goal.

Anthem, Inc., a leading health benefits company, made the commitment in 2019 to invest in and source 100 percent renewable energy by 2025. As a key step in that strategy, Anthem announced in September 2020 that it signed a 15-year power purchase agreement with SunEnergy1, a top U.S. solar developer, owner and operator of utility-scale solar projects. The agreement is for the output from a new 182-acre solar field located in Hanover County, Virginia.

The Hanover County solar field generates more than 45,000 megawatt hours of electricity per year.

Combined with an additional solar field in North Carolina that came online in early 2021, Anthem will have supported the development of more than 1,000 acres of solar panels that will generate more than 225,000-megawatt hours of electricity per year.

The Virginia and North Carolina solar field locations were selected based on Anthem's material load (major office and data center footprint) in the grid zone that includes both states. Anthem expects the solar field developments to generate enough renewable electricity to power all Anthem offices and data centers across the country.

COMMERCE CENTER DEVELOPMENT

Despite challenges to the commercial/office sector posed since the onset of COVID-19, new commercial development continues to rise throughout Hanover County in response to demand fueled by increased residential growth.



Wigwam Crossing

10392 Washington Highway (Route 1)

With construction nearing completion in the fourth quarter of 2021, **Wigwam Crossing** consists of a 15,000 square foot commercial building fronting Route 1. The second phase is a 1.5 acre pad that can accommodate a 7,000 square foot build-to-suit building. Plans include restoration of the original Wigwam building with an adjoining 4,000 square foot event space.



Kings Charter Commerce Center

Charter Gate Drive at Atlee Station Road

Delivered in early 2021, **Kings Charter Commerce Center** brings commercial space into the highly sought-after, and fast growing, Kings Charter and Sliding Hill corridor of Hanover County. This flex space development consists of 25,000 square feet divisible into units starting at 1,625 square feet, and has easy access to I-95.



Montpelier Villa

16660 Mountain Road (Route 33)

Montpelier Villa is proposed to consist of 48,400± square feet of commercial and office space. There is a 4,400 square foot office on the site, which will be joined by approximately 29,000 square feet of retail space, 7,800 square feet of restaurant space and about 7,000 square feet of additional office space included in the conceptual plans.

Green Air Inc., an air conditioning installation, maintenance, and repair company, purchased the Redman Building located at 11250 Hopson Road in Ashland, VA for \$2.7 million.

The NEFCO Corporation, a fabricator and distributor of fasteners, support systems and other construction supplies, leased 83,217 square feet at Northlake Building C on North Lakeridge Parkway in Ashland, VA.

Anixter, global distributors of communication and security products, electrical and electronic wire and cable, leased 96,000 square feet at Northlake 95 on Washington Highway in Ashland, VA.

Virginia Eye Institute occupies 6,000 square feet of space in a newly constructed office building near Memorial Regional Medical Center. Additionally, Virginia Urology occupies a new adjacent medical office building.



GREEN AIR INC.



THE NEFCO CORPORATION



ANIXTER



VIRGINIA EYE INSTITUTE



Rutland/Atlee Corridor of Mechanicsville

Home to Owens & Minor corporate offices, Richmond Times Dispatch production facility, Federal Express and the future facility housing the Virginia Department of Forensic Science & Office of the Chief Medical Examiner, the Rutland/Atlee corridor is a thriving mixed-use development hosting a growing portfolio of office, retail and restaurants.



BUSINESS EXPANSIONS

BLAZER HEATING & AIR

New location for a growing business

In April 2021, Blazer Heating & Air broke ground on a new 6,000 square foot building at the corner of Lee-Davis and Pole Green Roads in Mechanicsville. In business since 1989, Blazer's growing customer base and workforce made it necessary to relocate from their existing facility off Atlee Commons Drive. Construction is expected to be complete by Summer 2022. Additionally, Blazer works with the Hanover Center for Trades & Technology to employ HVAC apprentices, and is an enthusiastic sponsor of Hanover youth sports.



Hanover Foils

Hanover Foils, a flexible packaging converting company, added a new \$4 million line to its 80,000 square foot facility at 301 Hill Carter Parkway in Ashland, Virginia. Hanover Foils was formed in 2009 after the closure of Reynolds Metals Company plant in Richmond, which left dozens of companies without a supplier for the foil they needed for packaging, pharmaceutical and food products. After locating to Ashland for its proximity to a workforce of engineers and mechanically skilled workers, the company has continued to witness strong growth.

The new line was built to coat heavy gauge foil products with chemical resistant coatings and sealants, allowing the company to produce foils for several different industries including cable wraps, coated food service pans, fin stock for HVAC systems, industrial insulation and pharmaceutical foils. Hanover Foils included a Regenerative Thermal Oxidizer (RTO) in the build of its new line, which destroys air pollutants emitted from process exhaust streams at temperatures ranging from 815 to 980 degrees Celsius.



BON SECOURS MEMORIAL REGIONAL MEDICAL CENTER

In the summer of 2020, Bon Secours Memorial Regional Medical Center (MRMC) received approval from the Virginia State Health Commissioner to its application for a Certificate of Public Need to increase its bed capacity. MRMC purchased the adjacent Sheltering Arms facility and will complete a \$50 million renovation to add 11 intensive care units and 33 surgical beds.



OWENS & MINOR

Owens & Minor, a Fortune 500 medical supply company headquartered in Mechanicsville, expanded its production to meet demands created by the pandemic. Future plans include an expansion of its campus with the addition of a distribution center and a surgical kit assembly facility.



HANOVER SPECIALTIES

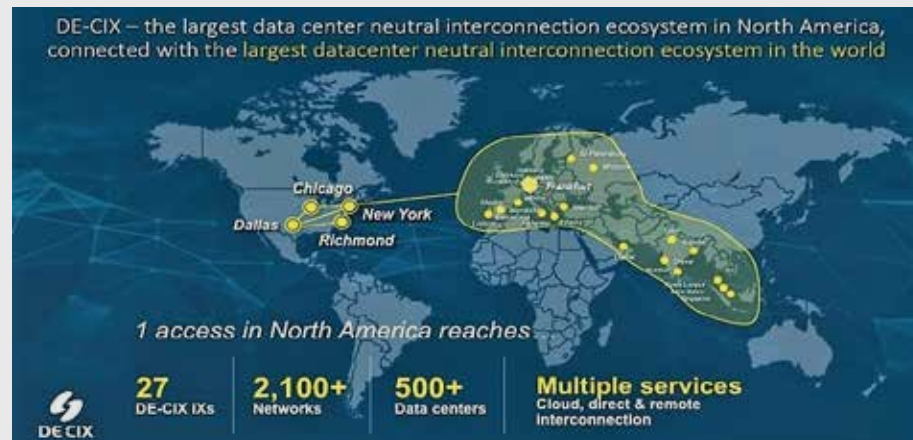
Hanover Specialties LLC, a small woman-owned business providing a wide range of products and comprehensive services to the commercial construction industry, completed its new 7,200 square foot office and warehouse space at 8800 Mongo Way in Mechanicsville, Virginia.



ARC NATURAL SURFACES

ARC Natural Surfaces, a family-owned Brazilian-based supplier of architectural stone, expanded its footprint by relocating to 10440 Leadbetter Road in March of 2021. This 40,984 square foot building provides additional offices and warehouse space for product storage.

BUSINESS ANNOUNCEMENTS



DE-CIX EXPANDS VIA RVA-IX

DE-CIX North America doubles its footprint with a new IX and multi-service interconnection platform in Richmond, Virginia via RVA-IX and Chicago, Illinois creating the largest carrier and data center neutral interconnection platform in the world.

RVA-IX was launched in 2016 as a non-profit community by SummitIG, Richweb and Pixel Factory both located in Hanover County, VA Skywire, and the Bank of Virginia.

“RVA-IX was chartered to ‘keep local traffic local’ and make ‘the Internet’ for our members and member’s users perform better. Proximity to Northern Virginia with direct access to a variety of subsea cables is unique and important to our location in Richmond. We think we did this for our members and we were also able to bring a lot of Internet content from across the country closer to our members. Now, we have the opportunity to bring the content from around the globe closer by becoming part of the largest internet exchange in the world.”

- Scott Brown, President of the Pixel Factory

TWO HANOVER-BASED COMPANIES NAMED TO 2020 INC. 5000 LIST

Connected Solutions Group based in Mechanicsville, VA and Allied Instructional Services located in Ashland, VA were once again named to the INC. 5000 list of fastest-growing private companies in America for 2020.

WINE & BEER SUPPLY INCREASES MARKET FOOTPRINT

Wine & Beer Supply, headquartered in Ashland, VA, announced its partnership with New Jersey-based Gino Pinto, Inc. With over 100,000 square feet of combined warehouse space, this partnership allows for expanded offerings to better service the growing wine and craft beverage industry from multiple locations.

MEMORIAL REGIONAL MEDICAL CENTER RATED AS A BEST HOSPITAL

Memorial Regional Medical Center, located in Mechanicsville, VA, received designation as a ‘best hospital’ for 2020-21 by U.S. News & World Report. MRMC was ranked 2nd in Metro Richmond and 14th in Virginia overall.

MOROOKA USA ACCEPTED INTO VEDP’S VALET PROGRAM

Morooka USA, a manufacturer of rubber tracked carriers used in heavy construction, was accepted into the two-year Virginia Leader’s in Export Trade (VALET) program that assists companies in the Commonwealth that are committed to international exporting as a growth strategy.

OWENS & MINOR NAMED IN LIST OF TOP 15 LARGEST MEDICAL DEVICES COMPANIES

Owens & Minor, headquartered in Mechanicsville, VA, was listed as #15 in the 2020 list of largest medical device companies in the world by Medical Design & Outsourcing.

VSC ACQUIRES FIRE PROTECTION EQUIPMENT SUPPLIER

VSC Fire & Security Inc. (VSC), based in Ashland, VA, acquired Siloam Springs, Arkansas-based AAA Fire Safety, a fire protection equipment supplier. Established in 1958, VSC has grown to employ more than 1,200 people in 20 offices across nine states. All 12 employees of AAA Fire Safety will join the VSC team.

STX INC. ROLLS OUT MOBILE CLINIC

STX Inc., a company located in the Hanover Industrial Air Park that designs and installs new and renovated labs, partnered with a Roanoke-based company to complete a mobile lab build commissioned by Hampton University. The lab, among other uses for the university, provided a practical solution to the critical need of providing COVID-19 vaccinations and health care to underserved communities. Terry Looney, a Hanover resident, is president and owner of STX.

DOMINION ENERGY INNOVATION CENTER

2020 in Review

Despite the changes in program delivery caused by COVID-19, calendar year 2020 finished as one of Dominion Energy Innovation Center’s (DEIC) most successful years to date. The Center grew its membership by over 400% and connected with an even wider audience of entrepreneurs.

Joining Adam Sledd, Director at DEIC, is Braden Croy as the new program manager. Braden is a specialist in entrepreneurship program development and entrepreneurial ecosystem management.

New in 2021

The DEIC Greentech Network connects early stage startups focused on energy, sustainability and agtech solutions, to funding opportunities, programs, ideas and each other.



This platform connects energy and sustainability startups with their next major customers and investors. The accelerator program enables the growth of high-potential companies with a focus on energy and sustainability solutions. The 18 week program provides 6-8 startup companies with networking space and intensive mentoring to help accelerate the growth of participating businesses.

The 2021 DEIC Accelerate co-hort teams:



PITCH COMPETITION

Each year, the Dominion Energy Innovation Center and Randolph-Macon College (R-MC) welcome emerging technology and sustainability-focused startups across Virginia to apply for its Pitch Competition. This year’s competition was held on February 25, 2021 via an online platform. From a large pool of competition applicants, eight teams made it through to the finals, and only three were selected as grand prize winners by a group of distinguished judges.

ATP-VA took home the \$7,500 cash prize and inclusive branding package for the Clean Technology and Sustainability track.

TeamExcel won the General Business track, earning them a \$7,500 cash prize and comprehensive branding package.

Lectito Dispenso was one of two student teams from R-MC to pitch and won the \$5,000 grand prize in the student track.



The Dominion Energy Innovation Center is located in Ashland, Virginia, just 20 minutes north of downtown Richmond. Renovated from a former firehouse in the heart of downtown, the facility offers a unique space for startups, early stage businesses and creatives alike. From nine available private offices for resident companies, to a large, open common area for co-working, the Dominion Energy Innovation Center is designed to foster collaboration and productivity.

DEIC’s vision is a net-zero carbon Virginia economy built by Virginia-born companies, and it works toward that goal every day by offering workspace, education, networking, and customer and funder connections to entrepreneurs in Hanover and beyond.

DEIC expanded in FY-21 into an additional 1,500 SF bringing the facility to a total of 5,000 SF.

BUSINESS ENGAGEMENT

IN FY-21, OUR DEPARTMENT CONDUCTED 150 BUSINESS VISITS AND ASSISTED MORE THAN 670 HANOVER BUSINESSES.

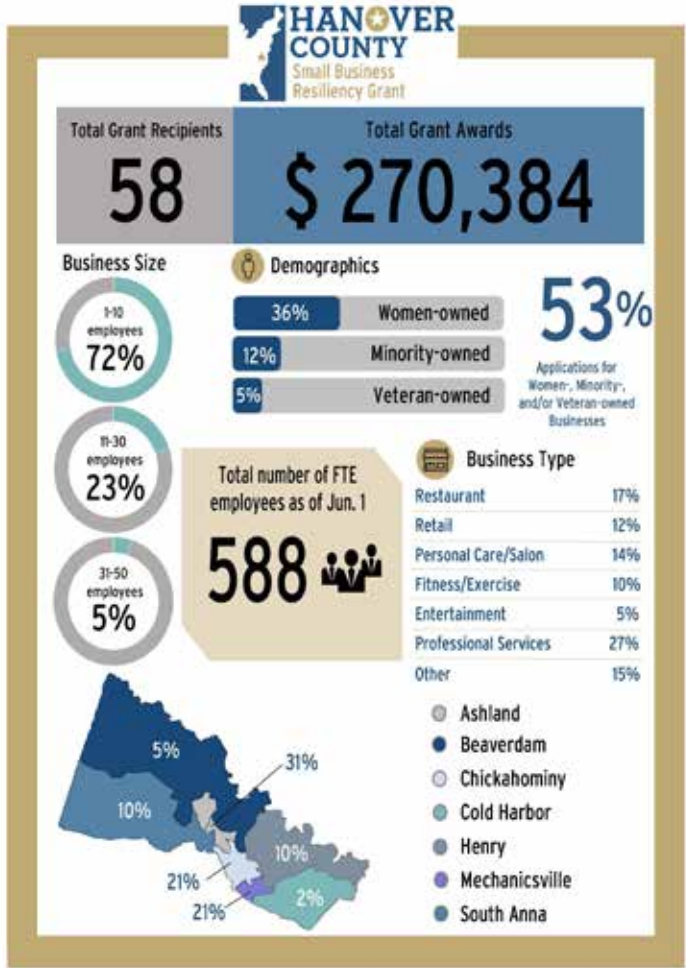
HANOVER COUNTY ASSISTS BUSINESSES WITH SMALL BUSINESS RESILIENCY GRANT

With unanimous approval by the Board of Supervisors and the Hanover County Economic Development Authority, the Department of Economic Development launched the Small Business Resiliency Grant program to support small businesses adversely affected by interruptions and mandated business closures due to COVID-19. The grant also received support from the Hanover County Chamber of Commerce and business owners. The Hanover County Small Business Resiliency Grant, which leveraged \$300,000 of federal funding under the CARES Act, offered up to \$7,500 in recovery funding to eligible businesses with 50 or fewer employees.

Applications were received during two separate rounds between July 27 and September 14, 2020. Businesses approved for funding met eligibility requirements, submitted proof of payment for eligible expenses, and were in compliance with Hanover County's registration and tax filing requirements. Of the 73 applications received, 58 were funded for a total amount of \$270,384. The 58 approved applicants employed a total of 588 people as of June 1, 2020. Additionally, 53% were Small, Women-owned and Minority-owned (SWaM) businesses, and more than 70% of applicants had fewer than 10 employees.

"We are grateful to the Hanover County Board of Supervisors for recognizing the importance of supporting our local small business community through our CARES Act Resiliency Grant Program," said Linwood Thomas, Director of Economic Development. "These businesses are the backbone of our community, and it is nice to be able to help them recover some of the investment they have been required to make during the pandemic to continue their operations."

58 Hanover businesses received grants totaling more than \$270,000.



Vinh Vo, owner of **Pampered Nails and Spa**, used the grant to purchase plexiglass dividers, hand sanitizer and other Personal Protective Equipment (PPE) to enable his business to safely continue operations after the State mandated closure of certain businesses types was lifted.



Scholarships Awarded to Virginia Tech Richmond Center Workshop Series

Strategic Planning for Your People

Hanover County Economic Development offered scholarships to Hanover-based businesses interested in attending the workshop series. The 3-session workshop focused on building the right team, growing and developing existing employees, as well as business succession planning for the future. Four Hanover-based businesses took advantage of the scholarship that paid \$75 of the \$99 cost for one session.

HANOVER COUNTY LAUNCHES SHOP LOCAL CAMPAIGN

SHOP LOCAL VIDEO

This two minute video educates citizens on the trickle down economic impact of shopping locally, and how those tax revenues come back to our community to support many important programs and services.



Hanover County Economic Development launched the **Shop Local – Here In Hanover, VA** campaign in May, 2020 to commemorate Business Appreciation month, and to emphasize the impact that buying from neighborhood businesses has on the greater community. The six-week rollout of the campaign included the Shop Local video featuring local businesses, citizens, Hanover Fire/EMS, Sheriff's Department, Hanover Public Schools, County Administration and the Board of Supervisors.

For more campaign details, see pages 22-23.

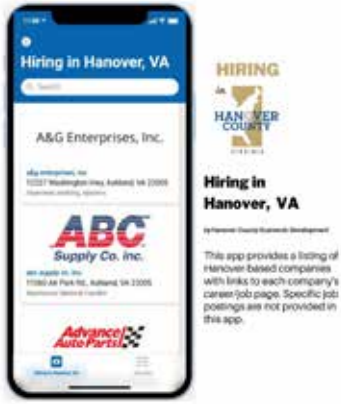
“Overall, small businesses make up two-thirds of new jobs created nationally and almost 44% of GDP. Locally, our existing businesses continue to be the backbone of our economy here in Hanover County, and we are always looking for new and creative ways to support their growth and success. I encourage citizens to purchase locally when possible. These revenues support important community priorities, including our Sheriff's Office, Fire and EMS, Hanover schools, and our community-based services. As we roll out our shop local campaign – I, and your entire Hanover County Board of Supervisors, want to personally thank our small business community for their investment in Hanover.”

- Sean Davis, Chairman

WORKFORCE ASSISTANCE #WORKFORCEWEDNESDAY



To assist Hanover businesses with advertising open positions to prospective employees, our department began featuring a Hanover-based business every Wednesday on our social media platforms with links to our Hiring in Hanover, VA app using the hashtags #HiringinHanoverVA and #Workforce-Wednesday. Since March 2021, 13 companies have been featured with more than 2,900 views on Facebook and 3,300 views on LinkedIn.



Business Walks

Hanover County Economic Development continued its business outreach utilizing staff and volunteers through its Business First program. Two business walks were conducted in FY-21 of Route 1 and Old Mechanicsville with 53 businesses visited.



Virtual Career Fair

In collaboration with Virginia Career Works Center–Capital Region and other regional partners, Hanover County Economic Development hosted a virtual hiring event on October 22, 2020. Participating businesses offered immediate job openings.



Capital Region SBDC

In late November 2020, the Small Business Development Center relaunched in Greater Richmond through support of the region's localities and economic development offices. The SBDC offers technical assistance and resources to the business community.

MARKETING & PROSPECT DEVELOPMENT

Winding Brook is home to Bass Pro, Fairfield Inn, and the future home of Mygrant Glass in the Winding Brook Industrial Park. This corridor is a growing retail, office, commercial, and mixed-use development.

Hanover County Economic Development (HCED) continued to intensify promotion of sites and buildings utilizing the department's website and social media platforms. This additional emphasis on digital content was critical during this past year as travel disruptions made it nearly impossible for prospects and consultants to have boots on ground in the community.

Prioritizing virtual content was timely as prospect interest in the community accelerated as the year progressed. With global supply chains continuing to shift, and a desire to have more logistics and production facilities in the United States, the Greater Richmond Region has garnered significant attention as an outstanding location in which to establish a business. In FY 2021, Hanover County responded to 101 prospect leads (defined as companies/consultants with a specified project) that came to us directly and from our local partners at VEDP and GRP, which is a 29% increase over FY 2020 and the highest level since FY 2018.

Despite significant travel disruptions this previous year, HCED was able to take part in 51 prospect visits to Hanover. These prospects included businesses actively seeking a location for a project, site selection consultants, as well as trade/embassy officials. Of these visits, nearly 76% were held virtually to accommodate health and travel restrictions.



AREA DEVELOPMENT SUMMER CONSULTANTS FORUM

Area Development Magazine, considered the leading executive magazine covering corporate site selection and relocation, chose Richmond to produce its first Summer Consultants Forum. Held in-person in June 2021 at the Jefferson Hotel, the multi-day event provided an opportunity to network with leading site selection consultants and industry experts from across the nation. Brandon Turner, representing Hanover County, attended as part of a strong delegation from the Richmond Region.



SELECT USA VIRTUAL TRADE MISSION

HCED took part in a virtual trade mission with Select USA, the business development arm of the United States Government. In addition to presenting the Richmond Region to several dozen global business and site selection leaders, the region also followed-up directly with several companies looking to establish a presence in the U.S.



DUNDEE AND ANGUS CHAMBER OF COMMERCE

HCED and the Greater Richmond Partnership were honored to virtually present Hanover County, and the Richmond Region, to the Dundee and Angus Chamber of Commerce. Hosted by the Scottish North American Business Council, presentations were made to nearly a dozen Scottish-based businesses interested in having a presence in the U.S.

Aerial Photography



Bon Secours Memorial Regional Medical Center looking east from Atlee Road, Mechanicsville, VA.

The Hanover County Department of Economic Development worked closely with New Media Systems in the spring of 2021 to commission aerial photography on 18 key sites, buildings, and corridors in the County. These photos are being distributed to property owners and commercial brokers to help promote these sites, and are being utilized in marketing collateral for our department.

Aerial photographs obtained include: Atlee/Rutland, Lakeridge Parkway, Cardinal Commerce Center, Graymont Industrial Park, U.S. Route 1, Northlake 95, Northlake Business Park, Northlake II, Pole Green Commerce Center, Winding Brook, Hill Carter Parkway, Memorial Regional Medical Center, Town of Ashland, Hanover Air Park, North Richmond Industrial Park and Richfood Road.

Drone Videos

HCED helped produce drone videos for two additional properties this year: Atlee Station Road and 9204 Center Oak Court.

Drone videos provide a bird's eye perspective that add context to a property's value-added proposition. These videos are well received by prospects and site selection consultants alike.

Videos were heavily promoted on the Department's social media channels, and were more important than ever due to continued travel restrictions related to COVID-19.



FY-21 Lead Generation



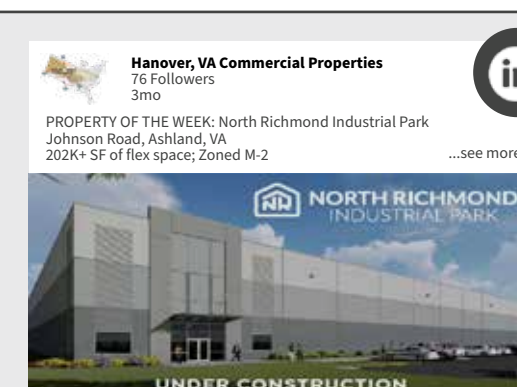
51 leads
50%



28 leads
28%



22 leads
22%



Hanover County Property of the Week

Beginning in January 2021, HCED commenced with a new initiative to promote key industrial and commercial sites and buildings through LinkedIn on a weekly basis. With our department's success in connecting with numerous brokers, business leaders, and site selection consultants throughout North America, this was viewed as a way to get featured properties in front of key decision makers.

By the end of the fiscal year, 23 properties had been highlighted garnering over 13,000 views. This initiative has been well received by property owners and brokers alike.

SHOP LOCAL CAMPAIGN

#HEREINHANOVERVA

Hanover County launched the **Shop Local – Here In Hanover, VA** campaign in May 2021 to commemorate Business Appreciation month, and to emphasize the impact that buying from neighborhood businesses has on the greater community. Throughout the initial six week campaign, Hanover County’s Department of Economic Development showcased a variety of local establishments, as well as promoted a weekly giveaway contest aimed at engaging residents to promote their favorite spots in Hanover County.

This campaign recognizes the importance of supporting small businesses, the jobs they help create, and the culture they foster in our community. To bolster this message, the campaign incorporated the Here in Hanover, VA App which provides a directory of businesses including restaurants, specialty shop, events, parks and more. Additionally, a marketing kit is available with various materials to display in businesses and for use on social media.



Businesses and residents of Hanover interested in getting involved can visit HanoverVirginia.com to access the campaign marketing kit which includes:

- The **Shop Local. Buy Local. Here in Hanover, VA!** video showcasing local businesses across the County, and the incredible services that tax dollars from money spent in those businesses supports, such as the Sheriff’s Department, Fire/EMS, and Hanover County Public Schools. Businesses interested in having their logo added to the video for use in their own marketing efforts may do so for a nominal fee. Contact our office for more information.
- Window clings are available to interested local businesses, which feature the Here in Hanover, VA App QR code, allowing patrons to scan the code in order to access a directory of businesses throughout the County.
- A Facebook frame for your profile picture to promote shopping locally online.



Facebook posts promoting the shop local giveaway contest received more than 15,000 views.

Businesses donating prizes to the contest included: Red Vein Escape, Little Bean Coffee Company, More Than Greek, FOTF Concert Series, and gift cards to use at businesses in the Town of Ashland.

Additional marketing materials are available including posters for recommending other local businesses and infographics illustrating the direct economic impact of dollars spent in Hanover County.

All materials are available for use by the local business community, and are offered free of charge.

Individuals interested in following along with the campaign are encouraged to follow the Hanover County Economic Development Facebook page and the campaign’s corresponding hashtag – #HereInHanoverVA. By using this hashtag on any posts made to showcase your favorite local business, the community at large can follow along and find new establishments to visit and explore.

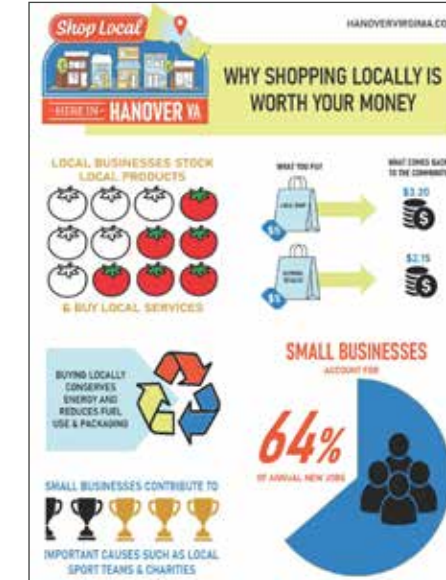


With the success of the Hanover County Food and Beverage App contributed by Hanover-based business Whittington Consulting at the onset of the COVID-19 pandemic in April 2020, it was a natural progression to elaborate on the offerings of this app platform to include the many historical, cultural, leisure and entertainment sites and businesses in Hanover County – especially during Hanover County’s 300th birthday!

Since the introduction of the Here In Hanover, VA App in September 2020, more than 19,000 pages of the platform have been viewed.

The app, which is solely maintained by the Department of Economic Development, now also features shopping and venue events. Additionally, the app spotlighted the 300th events held in 2021.

A convenient QR code is available to easily access the app on a desktop or mobile device.



SHOP LOCAL MEDIA COVERAGE & PARTNER PARTICIPATION

The Shop Local campaign included advertising in **The Mechanicsville Local** and **The Hanover Local** featuring the QR code to the Here In Hanover, VA App.

The press release was picked up and featured on the front page of The Mechanicsville Local, and CBS6 featured the Shop Local campaign and video during one of its morning broadcasts.

Our partner organizations who supported and promoted the campaign included the Hanover Chamber of Commerce, Downtown Ashland Association, Marketing Ashland Partnership and the Town of Ashland.

SHOP LIKE YOUR COMMUNITY DEPENDS ON IT. BECAUSE IT DOES!



SHOP LOCAL BUSINESS FEATURES

During the initial six week campaign, our department featured six businesses with over 9,600 views on our Facebook platform.



Shop Local Logo designed by: Stone’s Throw Studios, Montpelier, VA

AGRICULTURE & TOURISM

KINGS DOMINION'S COCONUT SHORES OPENED IN JUNE 2021

Kings Dominion Provides Family Fun for 2021 Season

Kings Dominion opened for the 2021 season in May after updating its COVID-19 protocols in accordance with CDC and State guidelines. The park was unable to open for a majority of 2020 due to the onset of the pandemic.

For the 2021 season, Kings Dominion upped its offerings by providing new entertainment, attractions and food including:

Coconut Shores – The redesigned area of Soak City Water Park features two new family-friendly attractions including Sand Dune Lagoon, a mini-wave pool for kids, and Lighthouse Landing, a multi-level aqua play structure. Families can refuel for more fun at Beach Street, an all-new food truck-themed dining experience.

New Eats and Treats – Dozens of delicious combinations were offered at Grain & Grill International Kitchen, the park's new signature dining location. The culinary team also introduced overloaded gourmet hot dogs at Dogwood's Grille, and other delicious signature items.

The Return of Grand Carnivale – The park's immersive international celebration returned July 17 through August 1 providing guests with food, drinks and entertainment inspired by countries from around the world.

New Shows and Live Entertainment – A total of five new shows delighted guests of all ages including PEANUTS Block Party where guests could dance and sing with Snoopy and the gang to top hits.



BRIDGETTE BYWATER
Vice President & General Manager

Bridgette Bywater, named as Kings Dominion's Vice President and General Manager in January 2021, has led an impressive career in the amusement industry.



TONY JOHNSON
Retired

After rising through the ranks throughout a 47 year career at Kings Dominion, Tony Johnson retired as Vice President & General Manager in January 2021.



TASTE OF THE SEASON

After experiencing a mandated closure for the entire prime 2020 season, the park was able to open late in the year with capacity restrictions. Kings Dominion rolled out a scaled-back version of its popular WinterFest incorporating holiday treats and traditions.

\$775,710
HOTEL TAX REVENUE (FY21)

Source: Richmond Region Tourism

According to the 2020 Economic Impact of Visitors in Virginia prepared for the Virginia Tourism Corporation, visitation declined by 26.6% with visitor spending dropping by 39.7% as the pandemic severely affected travel as a result of closures and restrictions. Even so, more than 84.4 million visitors still traveled to and within Virginia spending \$17.5 billion. Prior to the pandemic, visitor spending in Virginia was growing on average 4.8% per year from 2016 to 2019.

In Hanover County, local tax receipts from lodging over the past decade were averaging gains at 8% each fiscal year. Following trending data reflecting the adverse effects of the pandemic on the travel industry, Hanover experienced a 23.7% decrease in hotel tax revenue for fiscal year 2021. In light of the significant financial impact at the onset of the pandemic, the Hanover Board of Supervisors adopted Ordinance 20-07 in March, 2020 as an emergency ordinance to provide temporary relief from applicable penalties and interest of transient occupancy taxes and water and sewer charges. On May 27, 2020, the Board adopted Ordinance 20-09 to continue this relief through August 20, 2020.

Hanover Tomatoes Receive More National Attention

Tomatoes grown in Hanover County, VA are simply the best! Recent articles published by two prestigious and widely circulated magazines agree with that assertion! **Food & Wine** and **Southern Living** articles published in 2021 proclaimed that "Hanover-grown tomatoes as the most delicious in the country!" and "They're just better!"

Both articles featured **Village Garden RVA**, a small farm located in the Atlee area. Situated on an old forest mix of loam, sand and clay soils of Kersey Creek, smack in the middle of the world famous Hanover tomato growing area, farmers David Hunaker and Barbara Hollingsworth grow more than 200 varieties of tomatoes, a wide diversity of herbs, chiles and specialty items using organic, biodynamic methods.



Promotion of Hanover County

The Hanover County Department of Economic Development took advantage of a promotional offer to advertise in the Fall 2020 issue of **Virginia Living Magazine**. This issue focused on travel and tourism throughout the State of Virginia. The homepage of our website directed viewers to the 'Here In Hanover, VA App' and 'Things to Do' page.



FOTF Concert Series

The **Five-O's Tiki Foundation (FOTF)** was formed in 2018 with the mission of supporting law enforcement officers and their families in times of need as well as other community initiatives. The Foundation's Concert Series is just one of many event platforms used to raise funds and awareness to achieve its goals. After hosting a successful soft opening in the summer and fall of 2019, the pandemic shelved the performance lineup during the 2020 season. With restrictions loosened as vaccinations rolled out, the Hart Nissan Concert Series benefitting the Five O's Tiki Foundation hosted a very successful 2021 season at Richmond Harley Davidson located in Ashland, VA with ten events including national and local talent.



James River Cellars Winery

James River Cellars Winery enhanced its outdoor space with a permanent 48 foot by 80 foot pavilion on its back lawn. This new space is ideal for the winery's many events, private functions and weddings. The pavilion provides a spacious covering over a stone patio with tapered retaining wall on three sides. The venue is adorned with lighting and ceiling fans and includes various sized tables and white chairs for up to 150 guests. In addition to the main Pavilion structure which features a small elevated seating/stage area, this rental option includes a secondary tented structure that can be used as a band stage, and offers a beautifully landscaped spacious lawn adjacent to the pavilion.



VTC RMLP Grants

The **Five O's Tiki Foundation Concert Series**, **Hanover Tavern Foundation** and **Center of the Universe Brewing Company** were all awarded grants from the Virginia Tourism Corporation's (VTC) Recovery Marketing Leverage Program (RMLP). This program was designed to help local and regional tourism entities attract more visitors by leveraging limited local marketing dollars through a local match of the state grants funds. The COVID-19 pandemic has had a devastating impact on the tourism and hospitality industries in Virginia. As the Commonwealth slowly reopened for business, VTC offered these grant funds as a first step to re-entry into the marketplace to spur economic activity and future travel across Virginia.

FACTS & FIGURES

Total Business Establishments

3,860

Bon Secours Memorial Regional Medical Center

Top 250
America's
Best Hospitals
Healthgrades - 2021

2020-2021
Best Hospitals
2nd in Metro Richmond
14th in Virginia
U.S. News & World Report

Major Private Sector Employers (100+ Employees)

- Amazon Fulfillment Center
- Bon Secours Memorial Regional Medical Center
- Tyson Farms
- Wal-Mart
- Owens & Minor (Headquarters)
- RMC Events
- SuperValue (UNFI)
- FED-EX Ground
- Woodfin Oil Company
- Vitamin Shoppe Distribution Center
- The Home Depot
- UPS
- Bell Nursery USA
- Covenant Woods
- Carter Machinery
- Owens & Minor Distribution
- LogistiCare Solutions
- BH Media Group
- Federal Express
- Kings Dominion Kings Dominion
- AMF Bowling Companies

Hanover County Public Schools

100%
Fully Accredited

10
National Blue Ribbon School of Excellence Awards

71
National Board Certified Teachers

On-Time Graduation Rate
96%
2020 Graduates Earning an Advanced Diploma

15th Largest School Division in Virginia
Number of Students Served **16,500+**

200+ Businesses Participate in the Partners-in-Education Program

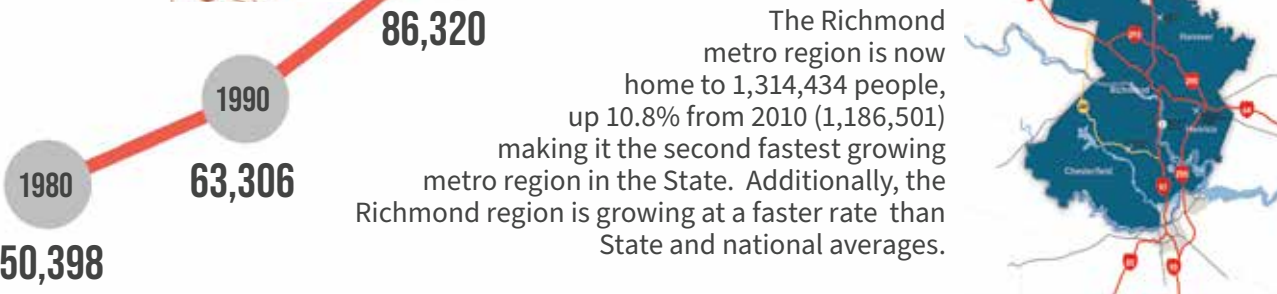
89 Different Career & Technology Courses

Top 100 Healthiest Communities

#61
2021 RANKING
U.S. NEWS & WORLD REPORT

UNITED STATES CENSUS 2020

Hanover County grew to 109,979 residents per the 2020 Census which is up 10.1% from the 2010 Census count of 99,863. Hanover's growth is above State and National averages, and is the 17th largest locality (including cities) and the 10th largest county by population in Virginia.



Paycheck Protection Program

The Paycheck Protection Program (PPP), a \$600+ billion business loan program established by the United States federal government in 2020 through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), was structured to help certain businesses and entities continue paying their workforce.

The Program, which ended on May 31, 2021, allowed entities to apply for low-interest private loans backed by the U.S. Small Business Administration to cover payroll and other specific costs. Additionally, some borrowers were eligible for PPP loan forgiveness.

The greatest number of Hanover businesses that received PPP loans are in the restaurant and construction industries.

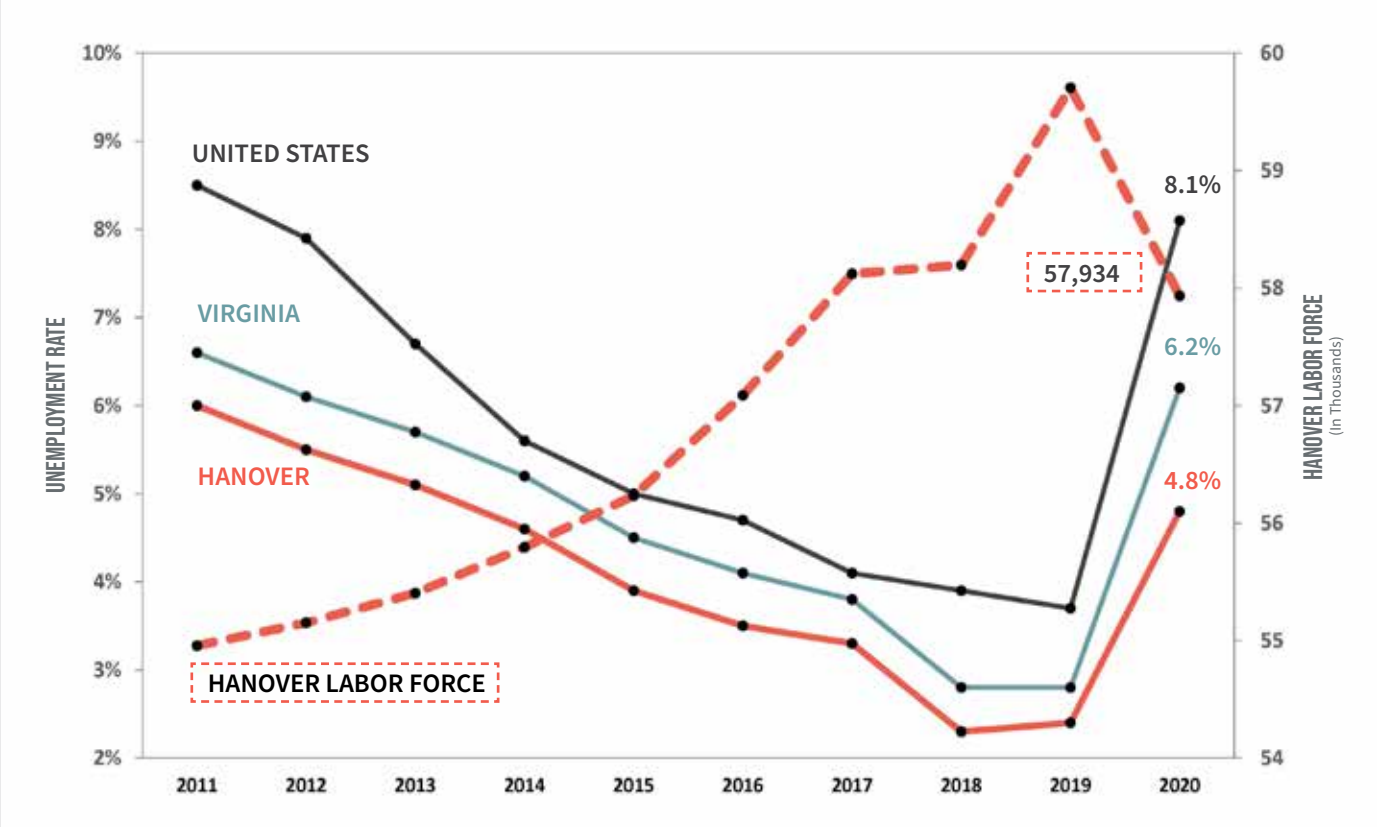
HANOVER BUSINESSES RECEIVING PPP LOANS	
Total Loan Amount	\$247+ million
Number of Companies	1,850+
Number of Employees	26,600+
Source: www.federalpay.org/paycheck-protection-program	

Hanover County Economic Development Authority

The Industrial Development Authority (now Economic Development Authority) was established by ordinance of the Hanover County Board of Supervisors pursuant to the Industrial Development and Revenue Bond Act (Chapter 33, Title 15.1, Code of Virginia of 1950, as amended).

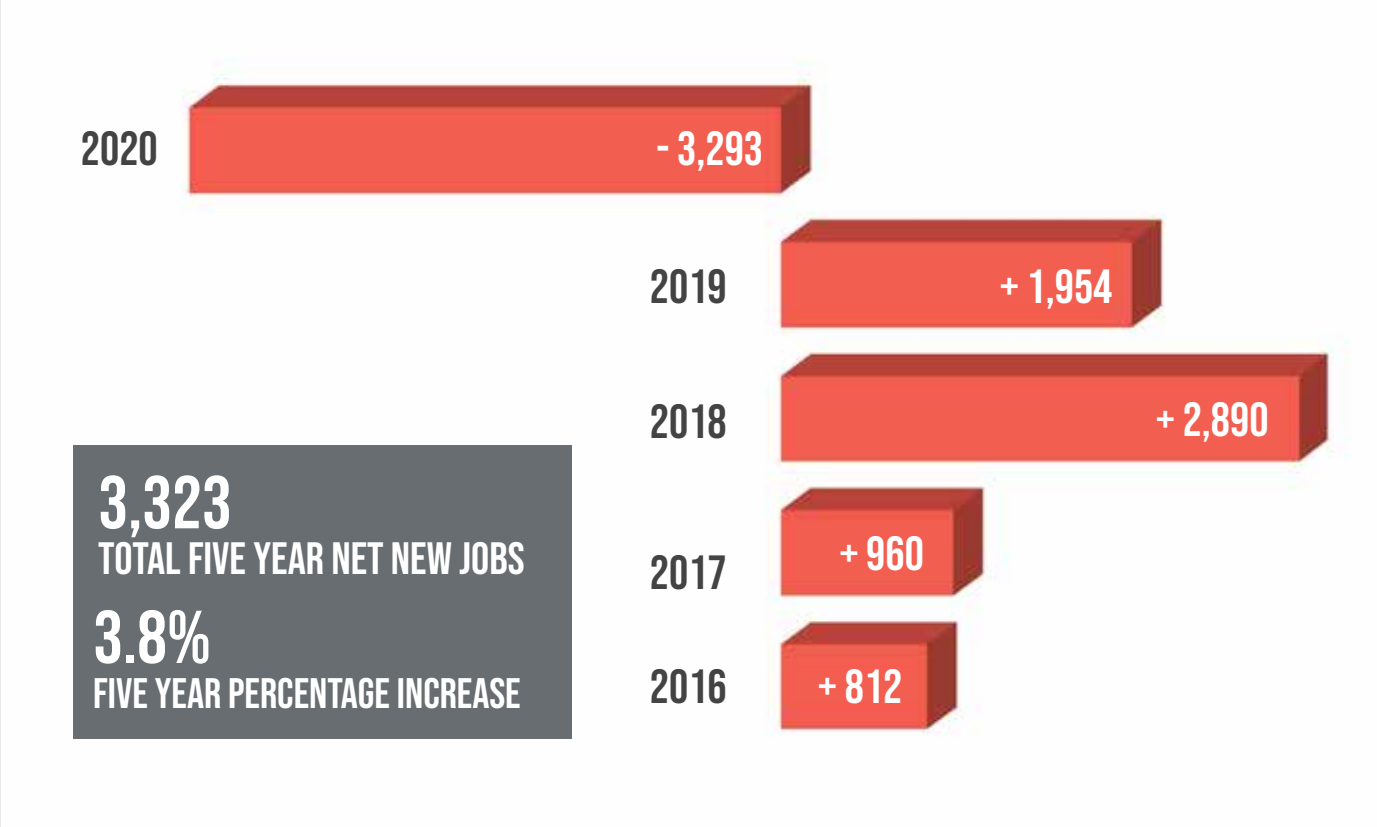
Over the last year, the seven member Economic Development Authority has taken on more of a leadership role in helping the County identify strategic sites that could be conducive for future economic development opportunities. As the County moves towards our five year comprehensive plan update, the authority will look to work closely with community stakeholders, Board of Supervisors, County Administration and the Department of Economic Development to help set priorities for future growth.

UNEMPLOYMENT & LABOR FORCE



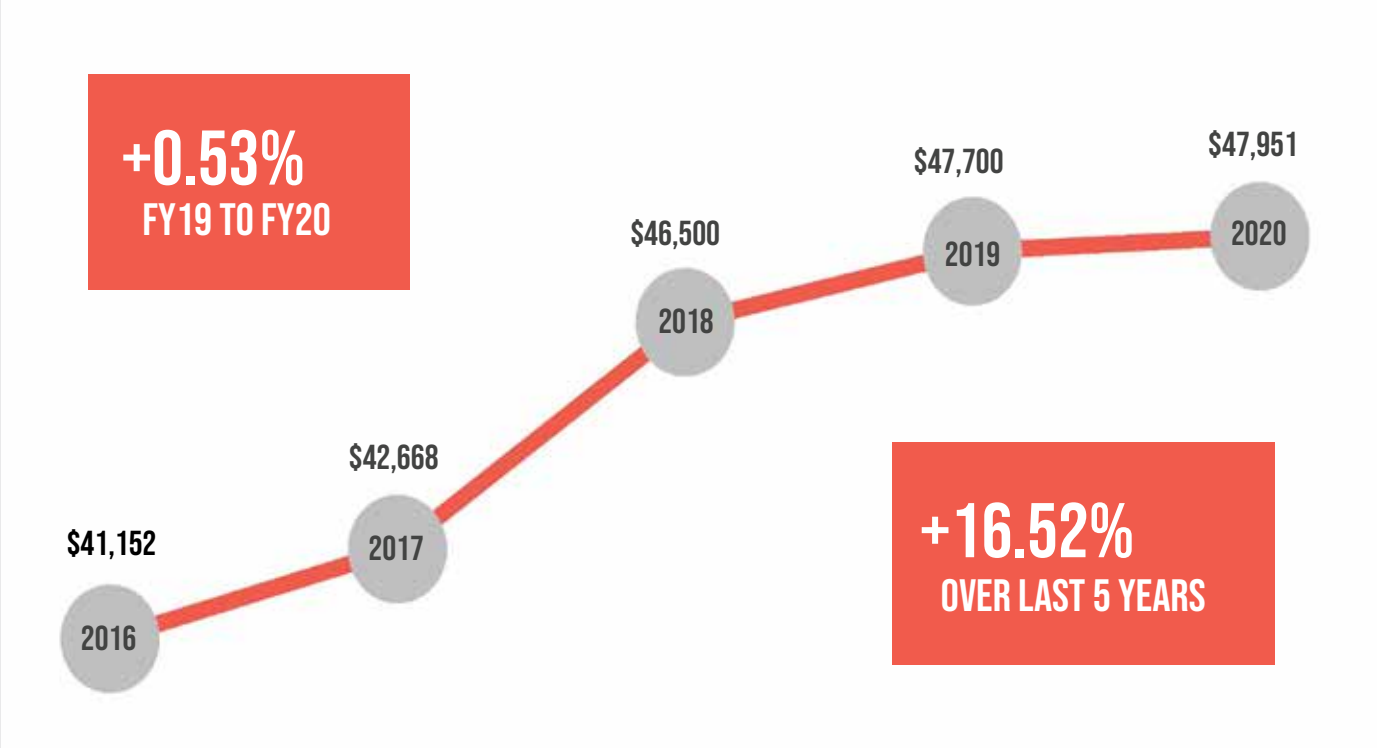
Source: VEC/QCEW, Q4-CY. VEC data subject to adjustment.

NET NEW JOBS IN ALL INDUSTRIES



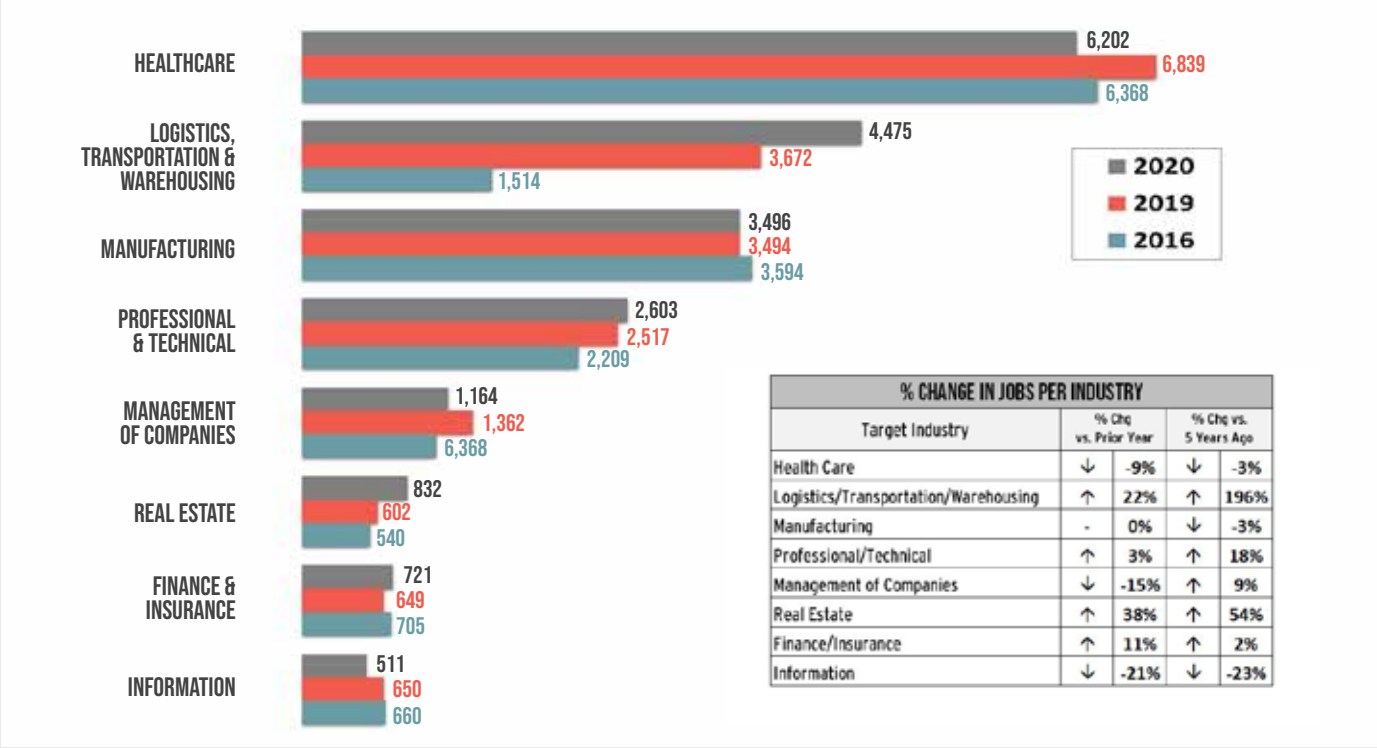
Source: BLS/QCEW, Q4-CY. All data updated to BLS figures as of 9-7-2021. Data subject to adjustment by U.S. Bureau of Labor Statistics (BLS).

AVERAGE ANNUAL WAGES



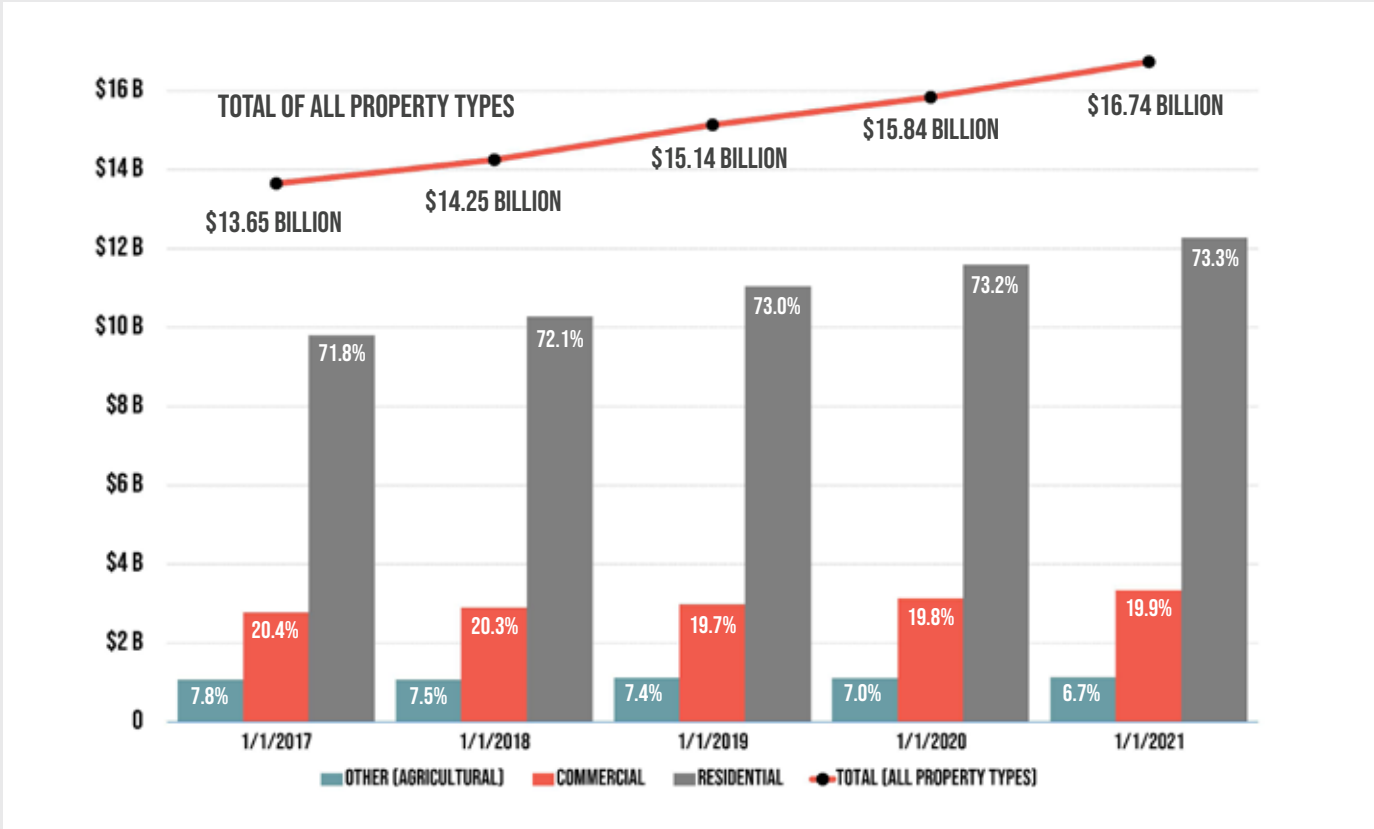
Source: Jobs EQ, CY.

NET CHANGE IN NUMBER OF JOBS PER TARGET INDUSTRY



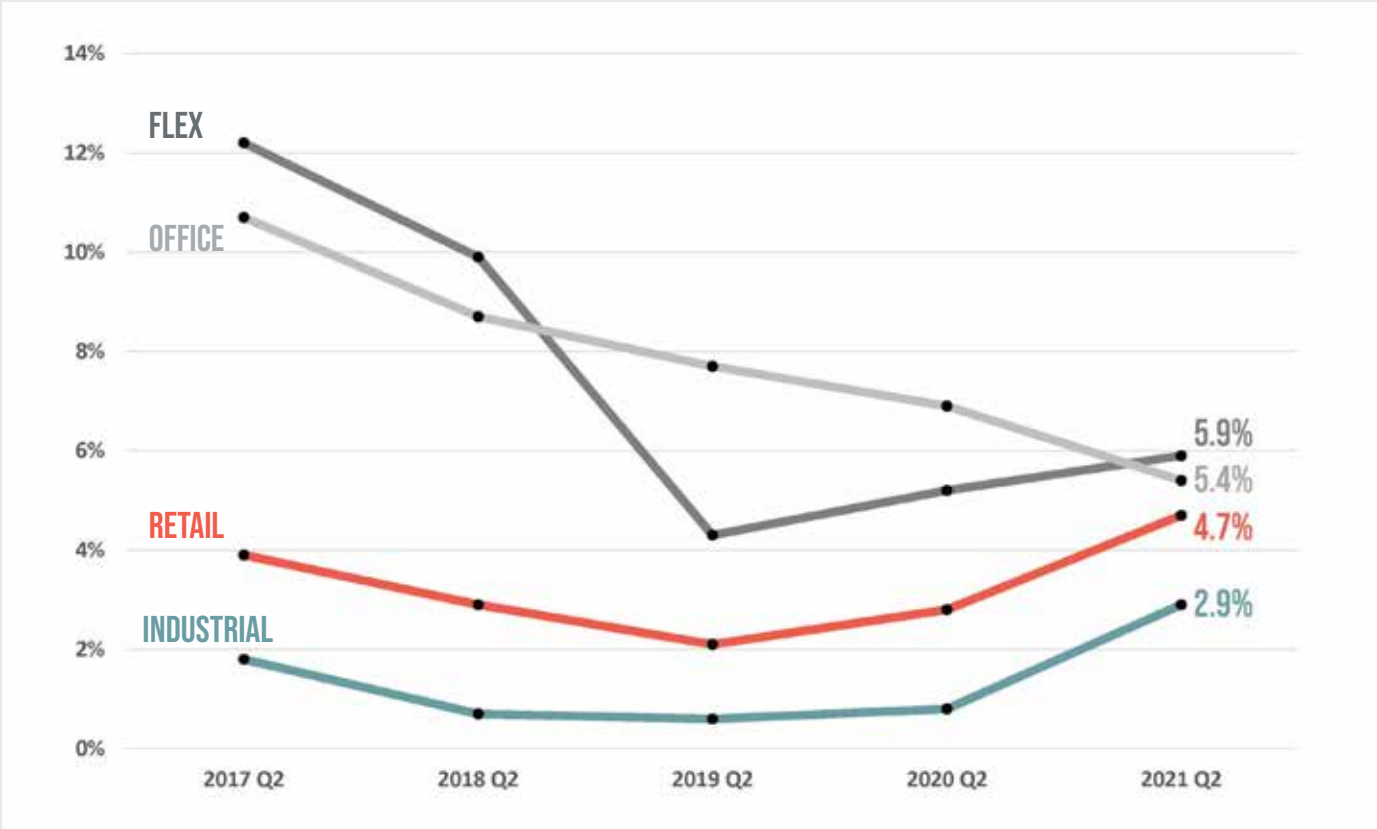
Source: BLS/QCEW, Q4-CY. BLS data subject to adjustment.

PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE BY PROPERTY TYPE



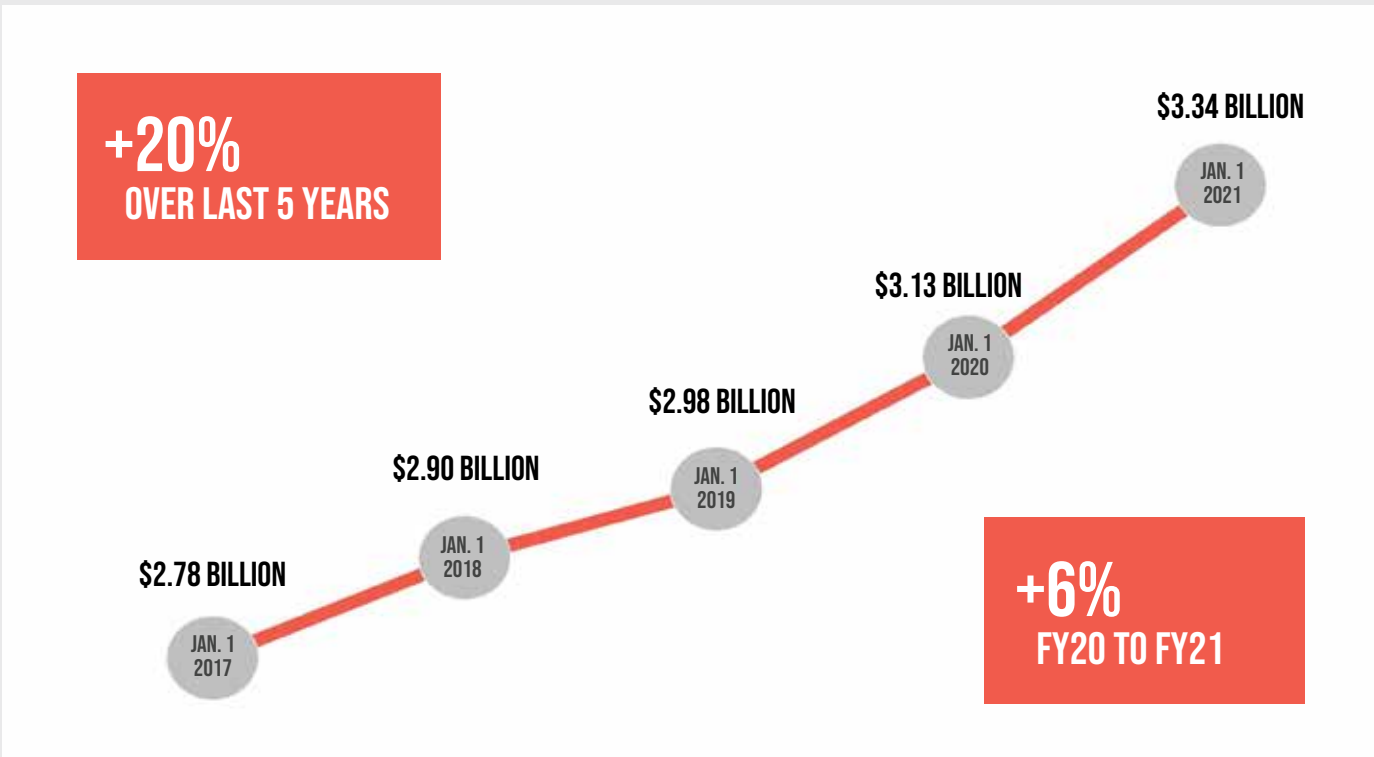
Source: Hanover County Assessor's Office. Data based on previous CY as of January 1.

VACANCY RATES BY PROPERTY CLASS



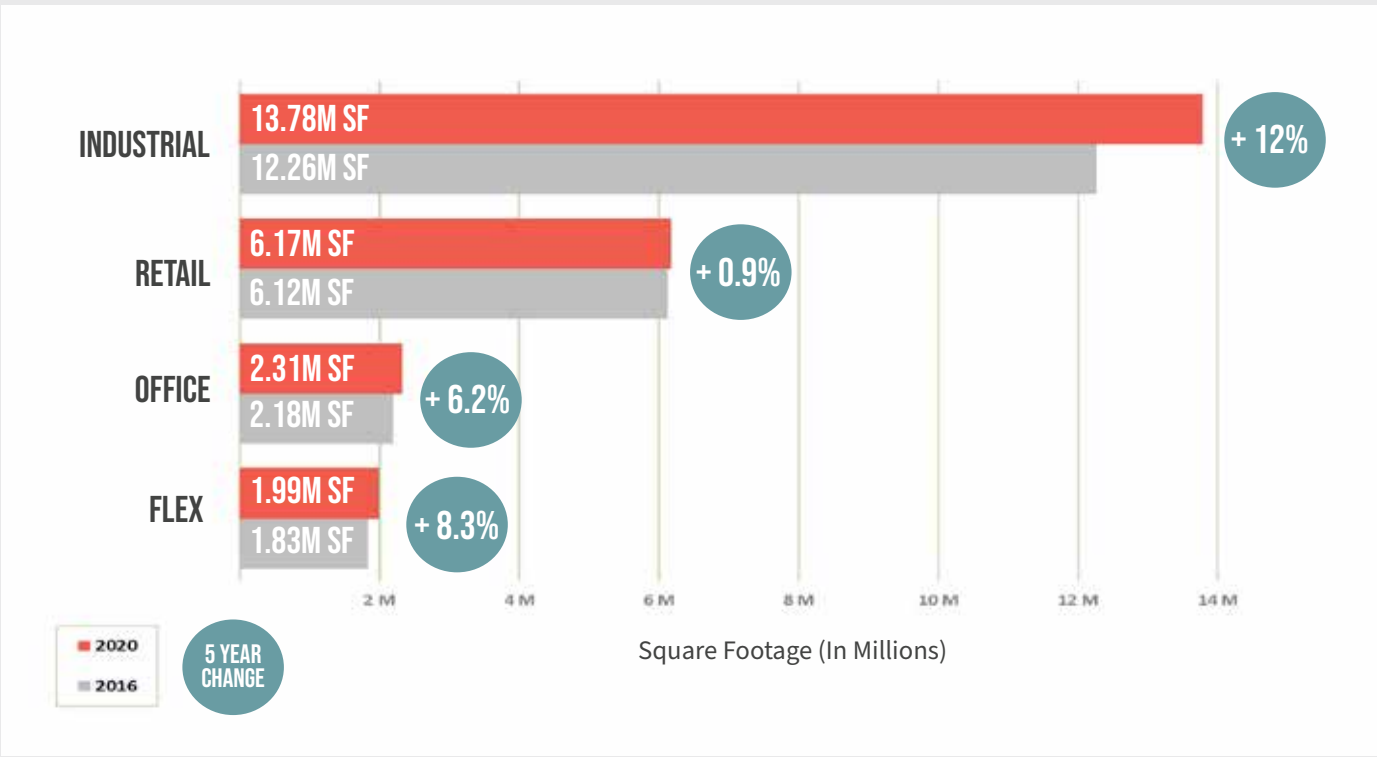
Source: CoStar, Q2-CY.

TOTAL TAXABLE ASSESSED VALUE OF COMMERCIAL PROPERTY



Source: Hanover County Assessor's Office. Data based on previous CY as of January 1.

RENTABLE COMMERCIAL BUILDING AREA (SF)



Source: CoStar, Q4-CY.

HANOVER COUNTY

Department of Economic Development

Providing local assistance for businesses looking to relocate or expand within Hanover County including financing, workforce development solutions, incentives and technical support that will encourage investment and growth in our community to enhance the lives of our citizens.

INNOVATE. PROSPER. GROW.



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