



Hanover
County
★
VIRGINIA

2015-2016
**Economic
Development
ANNUAL REPORT**

Innovate. Prosper. Grow.

Our mission is to attract, grow and retain businesses in Hanover County in a manner that contributes to our premier quality of life while fostering a profitable climate for business investment.

Dear Stakeholders,

This last year was another strong showing for Hanover County's economy. Over 1,600 jobs were added across a variety of industries and unemployment dropped to 3.4 percent! However, these statistics cannot properly articulate the great stories of success that come from the many companies that together make up the Hanover success story.

The credit due to our business community cannot be overstated. Their risk-taking, hard work, investment and tenacity continue to pay off for our community not only in terms of their well-deserved profits, but also via the many Hanover families that are sustained daily by the employees of these firms. The business community and residential community serve each other in a way that makes Hanover County truly a wonderful place to live, work and play.

The Hanover County Board of Supervisors has done much in recent years to encourage property

owners

to rezone

strategically-located

parcels to select commercial uses and these

forward-thinking policy actions have yielded results.

Several hundred acres have been rezoned with more sites to follow creating a roadmap to make public infrastructure investments in roads, water and sewer.

Our team is lucky to be able to tell the world about the successes our business community. We work hard every day to invite others to invest, expand, and/or locate here so that they too can be part of the Hanover success story. We are looking forward to another great year!

Sincerely,



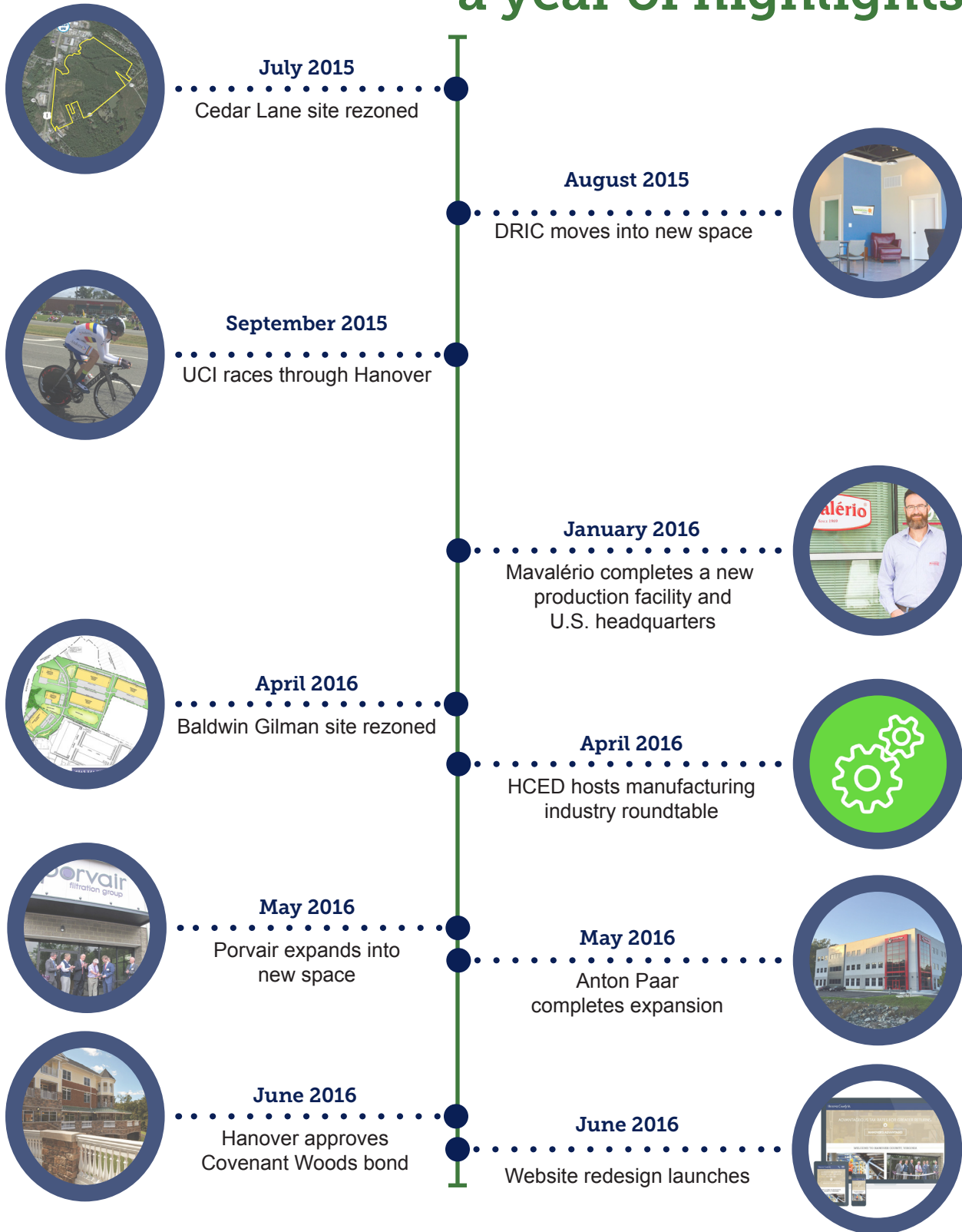
Edwin Gaskin, Director

Hanover County Economic Development



Innovate. Prosper. Grow.

a year of highlights



Hanover made major advancements this year in rezoning well-located commercial sites.

Product Development

Hanover County made major advancements this year in our strategy to rezone well-located real estate to attract the attention of site selectors and target industries.

Three key properties successfully completed the rezoning process through the Land Use Program allowing qualified land to be taxed on a deferred basis.

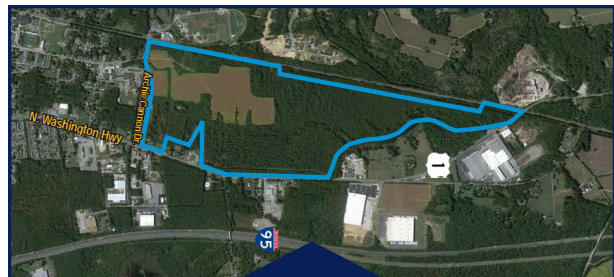
The first parcel, the Baldwin Gilman Tract, consists of nearly 100 acres and is located on the north boundary of Northlake adjacent to Interstate 95. The second property, the Holland Cedar Lane Tract, consists of 118 acres at the intersection of Cedar Lane and Route 1. This property has been submitted to the Dominion Virginia Power Data Center Site Certification Program. The third is the Holland Axselle Tract, which is 286 acres at the intersection of Route 1 and Archie Cannon Drive in the Town of Ashland.

All three properties have been zoned for industrial development. The cases included public hearings in which input from citizens was sought and received. Conditions include appropriate buffering and screening as well as standards for master planning, architectural and landscaping requirements.



HOLLAND CEDAR LANE

- 118 acres
- Zoned M-2
- Utilities at site
- Close proximity to Interstate 95



HOLLAND AXSELLE

- 286 acres
- Zoned M-1
- Utilities and rail at site
- Close proximity to Interstate 95



BALDWIN GILMAN

- 100 acres
- Zoned M-2
- Adjacent to Northlake
- Adjacent to Interstate 95

Capital investments reveal the overall competitiveness of the community, bolsters the tax base and create permanence to retaining business operations within Hanover County.

Business Investment

This marked a successful year for increased business investment in Hanover County. Commercial construction permits issued in 2015 added up to an investment value of \$49,352,660. Commercially assessed land values saw a slight, but steady increase to \$2,726,412,100. While capital investment increased and leasing and sales activity grew, vacancy rates were most flat. The year ended with a 2.8 percent vacancy for



industrial,
11.5 percent
for flex and
10.9 percent
for office.



Porvair Filtration Group, a manufacturer of high-technology filtration systems for demanding applications, moved into a larger, 55,000-square-foot facility in Ashland as it looks to secure further sustainable growth. The new facility doubles the size of its manufacturing floor. It also provides larger office and meeting space for growth in research and development, engineering, sales and marketing and finance.

Anton Paar, a developer and manufacturer of highly accurate laboratory instruments and process measuring systems, expanded its U.S. headquarters in Ashland. In addition to adding



jobs to the local economy, the USA headquarters recently completed a 30,000-square-foot, three-story, state-of-the-art facility. The addition doubles their space and provides the company an opportunity to invest in resources dedicated to improving the customer experience. In recent years, the company has experienced double digit sales growth and has added approximately 30 new jobs since 2015.

Hanover County approved a \$34 million bond resolution for Covenant Woods, an 86-acre



retirement community located in Mechanicsville. The expansion will include new amenities, residences and community enhancements. When complete, the expansion will nearly double the number of Covenant Woods' independent residences. Additionally, it will add approximately 30 new full-time jobs to Covenant Woods' 285-member workforce – helping cement the company as one of Hanover County's largest employers and biggest taxpayers.

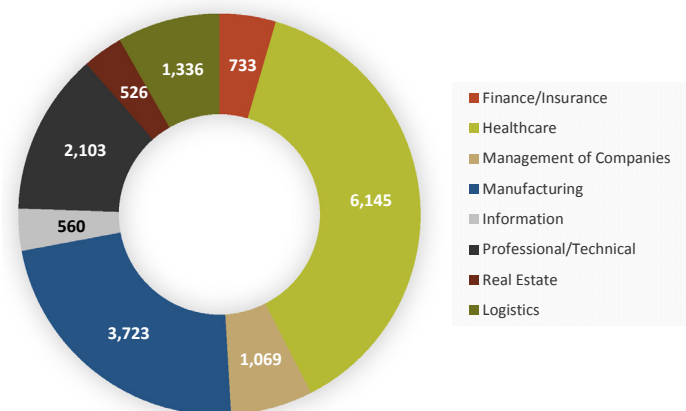
Since 2009, Dominion Resources Innovation Center has been providing start-ups and early-stage companies with mentoring and business support services so that those ventures will become financially successful, high-growth companies creating local employment opportunities and community wealth for Hanover County. This



year, DRIC moved into the 2,700-square-foot revamped former fire station on Duncan Street in Ashland. The new space features an open co-working space, private offices, basic wet labs and a conference room. During its first year in its new space, DRIC leased four out of nine available offices and added two co-working members.

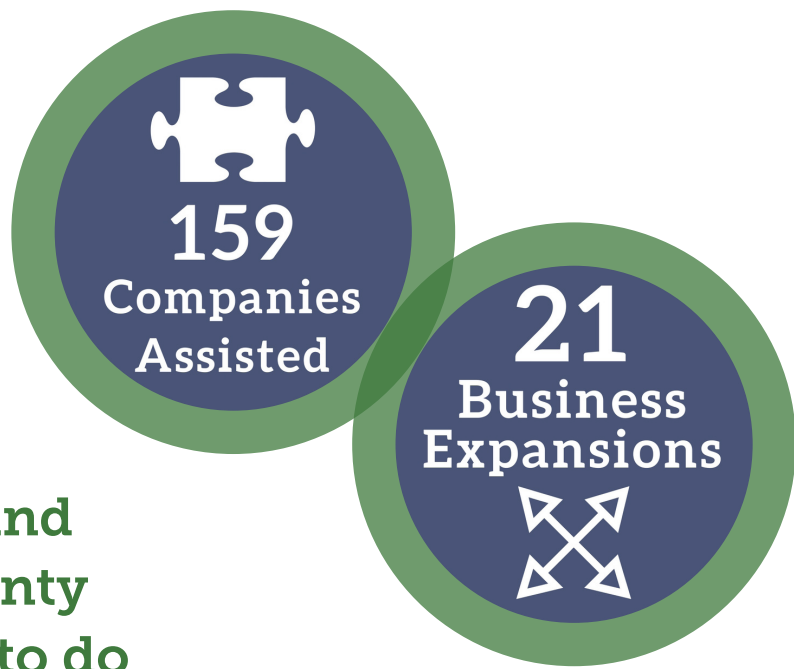
Approximately 1,660 jobs were added bringing Hanover's job total to 49,809 this year. Our efforts continue to target key industries poised for growth including: Professional Services, Advanced Manufacturing, Healthcare, Supply Chain and Logistics, and Destination Retail. Within these growth industries, we specifically work to recruit those with higher wage jobs.

Number of Jobs by Target Industry



Source: VEC. Data based on calendar year.

Our business outreach program continues success in its mission to understand local business issues and promote the County as an ideal place to do business.



Business Engagement

The Hanover Business Outreach program was successful this year in its mission to understand local business issues and assist with challenges. We conducted 198 interviews with Hanover businesses, a 92 percent increase from FY2015. The outcomes of these visits include 159 companies assisted and we learned that 21 business expansions were taking place.

The new Business Walk initiative continued in 2016 with four business walks, the first of which occurred in an expanded area of Historic Mechanicsville, two walks were held in the Hanover Industrial Airpark and one in the Timber Ridge Industrial Park. The success of the Hanover Business Walk program inspired the Greater Richmond Partnership to host a regional business walk. This walk was held during Economic Development Week and sought to raise industry awareness. Hanover



used this opportunity to show our support for the business in the offices along Bell Creek Road in Mechanicsville.

New in 2016, industry-focused collaborative breakfasts were brought back to the program with the first one focusing on the manufacturing industry. Manufacturers were brought together to discuss relevant industry topics with much of the conversation focusing around workforce related issues. There has been increased focused placed on the manufacturing industry and the unique needs this segment faces. Hanover's



understanding of the industry's needs, coupled with the unique position of Hanover County Public Schools to align with those needs, culminated in HCPS being the first school system in the region to create a pilot program and be granted funding to initiate a summer governors school for the career and technical education programs. Courses were held at the University of Richmond with an infield tour and demonstration at Morooka America located in Hanover County. We hope to continue the success of these collaborative breakfasts.

Once again this year, the Economic Development department participated in the Hanover Center for Trades and Technology "Ready. Set. Hire." event. The event allows prospective employers to interact with students, teachers and school administration and staff from The Hanover Center for Trades and Technology. Participating businesses learn about internship and employee programs while students become more prepared for the workplace by participating in mock interviews and learning about the skills and experience required to better meet

current and future business needs. Staff from our department aided in facilitating mock interviews between the carpentry trades businesses and Hanover school students. This year, more than 50 businesses and 43 students participated in the event.

Also new in 2016, in response to information gathered by outreach efforts, the partnership between the Hanover County Economic Development office and the Hanover Airpark Business Association was put to use in a trash clean-up effort. The economic development office and the airpark business association organized and coordinated efforts with business leaders and members of the Airpark Business Association, the Hanover County Sheriff Office, the Hanover Public Works department and VDOT to spend a morning promoting community service and helping to clean up a one-block area of the Hanover Industrial Airpark.

Our marketing efforts are focused communicating our strategic advantages, generating quality leads and helping our existing businesses thrive.

Marketing and Prospect Development

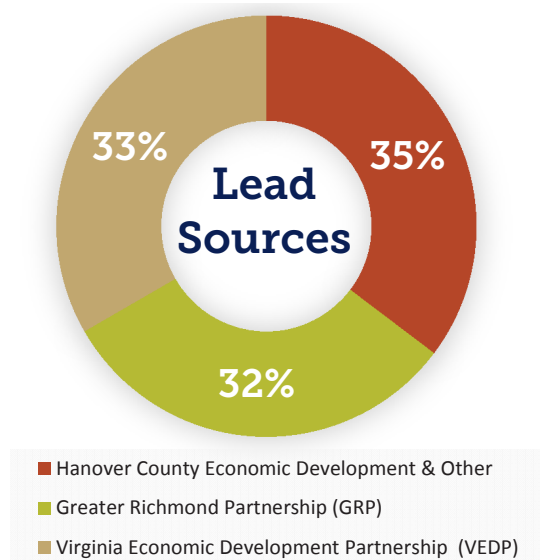
A strong web presence is essential to promoting Hanover County as a great place to do business. To strengthen our online presence, we updated the economic development website, hanovervirginia.com, for a fresh look and an enhanced user experience. Launched in May 2016, the site now features quick links on the homepage to the most visited pages, a directory of available sites, a blog for the most current content and a Q&A on starting a new business in Hanover. Over the past fiscal year, our website has attracted more than 19,000 unique visits.

We continued our social media marketing strategy implemented in the previous fiscal year, publishing content for the blog and sharing relevant announcements and helpful business information. As a result, we generated 1,025 website hits from our social media accounts. Interest in our social media networks continued to show significant growth with followers increasing by 46 percent on Facebook, 61 percent on LinkedIn and 7 percent on Twitter.



Business attraction through lead generation continues to be a vital component to our marketing strategy. Lead generation is paramount in achieving economic development success with new business recruitment.

The volume and quality of leads translate directly into landed investments. For this report, a qualified lead is any company receiving personal or a direct contact from Hanover staff. The contact could be in the form of a real estate recommendation, information on business operating costs or a response to a proposal.



Hanover continues its goal of making the County a wonderful destination spot by encouraging ongoing investments and promoting regional marketing initiatives.

Tourism

Hanover County Economic Development continues its goal of promoting tourism by encouraging ongoing investments, promoting regional marketing initiatives, such as the Hanover's tourism microsite VisitHanoverVA.com, and connecting local businesses with regional tourism groups such as Richmond Region Tourism.

This year, tourism was racing in Hanover, literally. Our visitor centers attracted 27,579 visitors, up

almost ten percent from the previous year. In 2015, U.S.

Travel reported that Hanover's tourism industry brought \$219,861,573 in revenue and employed 2,495 people. Hotel sales increased by 12 percent to \$12,523,213 with \$1,001,857 in hotel taxes collected in the County.

27,579
Visits at
Visitor Centers



\$1,001,857
Hotel Tax
Revenue



UCI Road World Championships Men's Elite Time Trials

Without a doubt, September 23, 2015 was a day for Hanover to shine in the international spotlight. More than 50 of the world's best cyclists battled it out during the UCI Road World Championships Men's Elite Time Trials. Thousands of spectators lined the course, and many more watched as the race was televised internationally, enjoying the competition as picture-perfect weather framed Hanover's bucolic landscape.



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Hanover County Economic Development **Innovate. Prosper. Grow.**

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