

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on April 11, 2012, at 3:00 p.m., Room 241, County Office Building, McIntire Road, Charlottesville, Virginia. This meeting was adjourned from an earlier meeting held at 10:00 a.m., at PVCC.

PRESENT: Mr. Kenneth C. Boyd, Mr. Christopher Dumler, Ms. Ann Mallek, Mr. Dennis S. Rooker, Mr. Duane E. Snow and Mr. Rodney S. Thomas.

ABSENT: None.

OFFICERS PRESENT: County Executive, Thomas C. Foley, County Attorney, Larry W. Davis, and Clerk, Ella W. Jordan.

Agenda Item No. 1. The meeting was called to order at 3:00 p.m., by the Chair, Ms. Mallek.

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Agenda Item No. 2. **Presentation:** Target Industry Study Final Report.

Ms. Lee Catlin, Assistant to the County Executive for Community and Business Partnerships, said that most Board members had the opportunity to hear the regional overview of the Target Industry Study earlier in the day and now would be focusing on the Albemarle County material that was part of the study. Ms. Catlin said that the regional portion provided a good foundation about the methodology, labor availability, existing industries, and other facets supporting the recommendations pertaining to the County.

She then introduced Ms. Sharon Younger, of Younger Associates, who put the study together. Also present from the Thomas Jefferson Partnership for Economic Department (TJPED) are Ms. Helen Cauthen and Mr. Tim O'Brien; and Ms. Leanne Landers, of the University of Virginia, who also helped put the study together.

Ms. Catlin explained that staff wasn't asking the Board to endorse specific recommendations but instead to have a conversation and ask any questions, then accept the study for further discussion. She mentioned that the Board does want the public to have an opportunity to comment on the report prior to any endorsement. During the afternoon of the May 2<sup>nd</sup> meeting the Board will be holding another work session and allow public input.

Ms. Younger said that this presentation will begin by identifying specifics from the County's perspective. They identified two regional targets for the entire region that TJPED covers – business and financial services, which is a broad, all inclusive sector. They then identified subsectors within business and financial services for the region along with those particular to each locality. The other regional target selected through their process was information technology and telecommunications, which is also a broad sector. Ms. Younger said that they also identified a number of different subcategories that pertain to the region in total, but they would narrow that down in this discussion to those most applicable to Albemarle County.

She stated that the first target is "biosciences and medical devices." Of all the localities in the TJPED region, this became a target only for Albemarle and the City of Charlottesville. This does not mean that the entire region would not benefit from growth and development in this area, but the assets and support infrastructure for this target industry are very tightly clustered in Charlottesville and Albemarle. Ms. Younger noted that this is not a target that would work in much of the country, as there are specific assets here that make this a viable target. She said that she teach and consult in economic development all over the U.S., and very few communities have the assets to make that target industry grow.

Ms. Younger explained that the University of Virginia is at the center of that target, with an internationally/reowned medical school that is doing research and development, a renowned biomedical engineer department, and consistently producing new technologies and research that are related to biosciences and medical devices. She stated that they found that to be true in the patent activity coming out of the University, and in terms of the types of grants being attracted by the University and affiliated businesses. That is an asset that is not found just everywhere; that is something very specific to this region and is an important building block. This target is not nearly as viable if that is not found at the core. Ms. Younger stated that the other facet to making this target successful is how well the workforce matched, and a lot of emphasis was put on that because it is the biggest asset and biggest cost of doing business. She said that in this case there is a large cluster of people in the life and physical sciences sector in the region, which support this target. Ms. Younger emphasized that there are lots of executive, management, and production positions that support this cluster. She stated that the cluster's performance is not on the scale of the bigger areas for biosciences, such as Boston, Washington D.C./Baltimore, or the Research Triangle, North Carolina. She said that what might work to Albemarle's advantage is the location between the two centers and the opportunity to create a biosciences corridor that is anchored by major research institutions and trades assets.

Ms. Younger stated that everyone in economic development should take the same oath as physicians – "do no harm" – with an emphasis on things that would improve the economy and the quality of life. She said that one consideration is target wages or average wages for an industry. She said that an area has to drive the economy with a higher skill, high wage jobs that then help bring the economy up to help create opportunities for everyone along the spectrum. In medical devices, she said, the national average wage is almost \$112,000 – which is well above the average wages in the County. Ms. Younger emphasized that it is also important to pursue targets that have growth. The subsectors within the biosciences cluster that were identified for the County have a projected growth rate of 12% over the next five years. She noted that the University's graduates are a critical product for supporting this, adding that

some of the degrees are very specific to this industry and most of these programs have the capacity to produce even more graduates.

Mr. Boyd asked how much potential there was that those graduates would stay in the community, even if the jobs are available.

Ms. Younger responded that the more jobs that are available, the higher that potential. She said that there is a pipeline of people leaving the University, and if they see available opportunities while they are here the odds of keeping them are much greater. Ms. Younger also emphasized that when a community is hoping to bring in a new company or start one up, it is important to show them there is a pipeline of people to recruit from. It does not assume that they are all going to stay here. She added that if the community does not have this pipeline of graduates, it is an asset that it cannot sell.

Referring to the number of graduates in the presentation (77), Mr. Boyd wondered what number of those are actually local people. Ms. Younger responded that she does not know the breakdown, but maybe the County needs to ask that of the University as it pursues this target going forward.

Ms. Mallek said that it also inspires local high school students who might go off to college for training but come back to the area to work.

Ms. Younger reported that there are a number of different industrial subcategories that fall under "bioscience and medical devices," and a few are found to be a particularly good fit because of the types of patents, research, occupational skills, etc. that are available here. She said that pharmaceutical and medicine manufacturing are at the top of the list, and appears in the County but not in the City due to the larger commercial footprint of this industry. Ms. Younger stated that the rest of the categories are overlap between Charlottesville and Albemarle – medical equipment manufacturing, in-vitro diagnostic substance manufacturing – such as vaccines, and other related categories.

She said that the business and financial services target is a regional target and the only target group that is suitable to all localities in the TJPED region. Ms. Younger stated that this category has a high jobs multiplier region-wide – a 10.37 – which means that if a company is located somewhere in the TJPED region, there will be nine other jobs created somewhere else in the region to support that. She said this could be a supply company, a support service, a computer programmer, professional services such as insurance, or retail. Ms. Younger stated that much of that is occurring region-wide, but even within the confines of a single county the multiplier is 5.7. The connectiveness of that industry makes it very attractive in creating other jobs. She said that the wages are 39% above the County average. An important factor that sets this region apart is the broadband infrastructure – duplicate, redundant fiber-optic networks that are very supportive of the industry and provide a secure backbone in which to operate. Ms. Younger reported that this is synergistic with another target for the region and has a very strong projected growth rate of 17%, looking forward five years.

Mr. Rooker asked if they include positions at the very top as well as at the bottom. Ms. Younger replied, "yes"; it is industry-wide and is captured by the Bureau of Labor Statistics.

Mr. Dumler asked if there was median wage information available for this category. Ms. Younger replied that only entry level and average wages are reported for this particular sector.

Mr. Rooker asked if investment firms are included in the business and financial services category. Ms. Younger replied that they were. She added that a lot of different things fall under this category – architects, engineers, insurance carriers, etc. – and the study included a list of all industry groups and subcategories.

Mr. Dumler asked if there was information on the average wage of the second and third level jobs.

Ms. Younger responded, "yes". When a RIMS-2 multiplier is used, it indicates not only the number of additional jobs created but the percentage occurring in each of 328 industry categories. There is available an average wage for each of those 328 categories.

Mr. Dumler asked if a weighted jobs multiplier is used to account for quality and quantity. Ms. Younger responded, "no". Part of that is that people are looking to create jobs across the entire spectrum. A locality really should aim for the higher-wage and higher-skill jobs that would pull the economy into the future, and one of the nice benefits of doing that is that it has a multiplier effect that creates jobs at all skill and wage levels that allow people to enter the workforce at almost any point.

Ms. Younger noted that there are also good strong numbers of graduates in the subcategories supporting business and financial services.

Ms. Younger said that there are many industry subsectors that would be a good fit at various places around the County and around the region, with the ones identified specifically for the County including financial transaction processing and clearinghouse activities – with a projected job growth rate over five years at 26%. She stated that these services require great, fast broadband connectivity as well as specialized skills, and are building on a base of existing businesses. Ms. Younger said that data processing, hosting, and related services have a good strong base here with good growth potential; third-party administration of pension funds and insurance also have a high level of support here. These industries might not be headquartered in the County, but they have a lot of support services that are needed.

Mr. Boyd commented that the Swift operation in Culpeper ranked high on the list. Ms. Younger said that it did, with Swift doing financial processing here, having migrated out of New York and D.C.

Ms. Mallek stated that the founder of Swift lived in Albemarle; he moved to Culpeper because he wanted to be in this area.

Mr. Foley asked if there was any deeper analysis of opportunities that would make a difference in terms of increasing those jobs.

Ms. Younger responded that they have it down to a six-digit NIX code level and in the written report for Albemarle there is a little bit of narrative that pointed out some key areas of strength. She said that there is a huge next step that follows this – identifying existing strengths – but there is still some work to be done in translating that into specific competitive advantages and how that is communicated to actual companies falling within that group.

Ms. Younger reported that the next target – information technology and telecommunication - is not a perfect fit in all the counties, and is targeted more to Charlottesville/Albemarle and Culpeper. She said that the federal installations are here and tend to draw them into the area as well as the University. She stated that she already mentioned the relocation of assets from the D.C. area. Ms. Younger said that IT was thought of as an industry that was taken offshore, but a lot of the data is sensitive and thus must be kept here – along with intellectual property related to it. They attempted to identify those areas where this target can be grown.

She stated that they have not yet discussed specialization, but it is an indicator that there is a strength in a specific area. Ms. Younger said that a location quotient tells a locality what proportion of its workforce they have in an industry versus what proportion of the total workforce is in that industry, and these are remarkably high location quotients – meaning that in the three subsectors of identified IT, the workforce is four times more specialized in these industries than the national workforce. She stated that computer specialists are one of the occupational skill sets found – closely related and definitely in good supply.

Mr. Foley asked if the idea is that Albemarle has such an asset here that for the next level of analysis it needs to go out and sell it as opposed to investing in buildings, etc.

Ms. Younger responded, “yes”. She added that there is the organic growth of making sure that the infrastructure is in place, and available buildings and sites that match the industry. In terms of the biosciences and information technology, no one has gone out to promote these assets, or the workforce, or the cluster, and or to state that this is an excellent place to locate. That is where TJPED can represent the region by creating a brand that showcases this as a fine location for those industries.

Ms. Younger stated that IT companies also have higher wages. The broadband infrastructure is critically important and the central aspect to this – overlapping well with existing clusters and other target clusters. She said that it makes recruitment easier and creates certain business synergies when there are good strong relationships within industry clusters. Ms. Younger stated that the related technology coming out of the area is very attractive to new companies and start-ups and it really utilizes the area of specialization in the mathematic occupations.

She said that at the earlier meeting at PVCC, she pointed out the skill sets that are in the workforce and the skill sets that are not being utilized because people are underemployed or not employed. This has a nice match with those people who are seeking training, many of which expressed an interest in wanting some computer and technical training. If their desire for training could be aligned with where the opportunities are in entering this particular target, it provides a great way to put some people to work.

Ms. Younger then presented select industry subcategories that were identified – electronic connector manufacturing, equipment manufacturing, instruments and related products, and controlling processes. She said that these are considered “light manufacturing” and typically spin off from research and technology and did not have a huge footprint. They also will fit the natural environment and quality of life in the region.

Ms. Younger stated the next target did not come through in the initial analysis, but agribusiness and food processing is probably present in the second highest number of counties in the region. She said that her firm’s first reaction was to make it a target for some of the more rural counties, but Albemarle’s economic development staff emphasized that there is a desire for it in the area, a history of it here, and a demonstrated success in the winery/beverage and specialty foods areas. Ms. Younger said that given those factors and the fact that so much of the land mass in the County is dedicated to rural areas, this is deemed a good match for the County and something that is doable within those areas without being detrimental to that environment. She also stated that it is a good idea to balance the economy, as you do not want everything to be in a high-tech basket – and there are certainly global and national trends in the global and national economy to support it in the way of a growing demand for locally produced products. Ms. Younger noted that the County is located close to some major metropolitan markets so those products could be supplied very easily at a lower cost. She said that not all of the food processing industry has a high growth outlook, but several select sectors do that can be pursued. Being closer to the input and to the customers decreases transportation and logistics costs for the products which can also provide a cost advantage.

Ms. Mallek commented that she thinks it is also an indispensable link to the tourism side. Ms. Younger agreed, stating that this is one area where there is a dynamic intersection.

Ms. Mallek stated that the wages in the charts from the earlier session were definitely lower than some other industries, but it certainly suited a certain niche of the population. Ms. Younger agreed, stating that there are many things other than wineries that could be built on that model that takes in the visitor industry as well as agriculture.

Ms. Younger said that perishable food manufacturing was also identified and was not something heavily processed – but there are a lot of things that could fall into that, with a positive five-year forecasted growth. Food processing is somewhat of a recession-proof industry and they do not outsource food production. She stated that the wineries and breweries are projected to continue to grow, and one of the key elements is water supply.

Ms. Mallek mentioned that the community needs to ensure it is protecting its water quality, as this is vital to the breweries. Ms. Younger agreed, stating that they had not recognized water quality in their report.

She reported that they identified some complimentary targets also, all of which were intended to be a way of identifying priorities. Ms. Younger said that a target industry does not preclude a community from pursuing other opportunities and activities, but it does show where some of the greatest chances of success are and the greatest chances to integrate those into the existing economy to bolster the entire structure. She said that the ones that have been shown so far can be seen as both “organic” where the County supports it and grows it locally and the “more traditional economic development” targets where the County goes out, markets and recruits to bring it in.

Ms. Younger said that there are a few additional categories added that she considers as “more organic targets,” which were put in place to ensure broadening of the target set so there is a point of entry for people at all skill levels in the economy – health services, and arts, design, sports and media. She explained that health services is here because it was a logical companion to the biomedical and biosciences industry but is different in that it encompasses providers and care, such as assisted living, diagnostic facilities, etc. Ms. Younger said it is a good companion for that but since this is an attractive environment for retirees there is increasing importance put on healthcare amenities. She stated that this is a good fit for Charlottesville, Albemarle and surrounding localities. Ms. Younger noted that there are a large number of people who are unemployed or underemployed that has an interest in healthcare and health services, so this provides an avenue for them to get into the workforce. She stated that many of these can often start out as low-skilled jobs, with people laddering up through the industry. Ms. Younger said that this was a sector that requires support for existing facilities, such as the two local hospitals, with companion services encouraged to locate here.

Mr. Rooker commented that there is movement back to the mid-Atlantic area for retirement. Ms. Younger said the demographics certainly bear that out.

Ms. Younger reported that the second complimentary target group is arts, design, sports and media – and they are clustered around quality of life, drawing in the “creative class” who are attracted to a university-type city, walkability, certain amenities, etc. She said that it helps create reasons to keep more of the creative class here, allows the community to pursue opportunities because that demographic is already here, and it builds on the University environment. Ms. Younger noted that it is also an overlap with the visitor and tourism industry. She pointed out that her study did not look at the visitor/tourism industry as a discrete industry group for economic development – but instead what could be built around it to add value and create jobs. She said that visitors are bringing in a stream of revenue that could help support the development of the arts, design, sports and media cluster.

Mr. Rooker commented that that sector was cited by people who locate as a reason that they come to the area. Ms. Younger said that there are a lot of components beyond the performing arts, such as sports marketing and sports agents. There are a lot of start-up companies that are here because of the intersection of quality of life, the local talent, and the broadband infrastructure.

She stated that one of the industries that has traditionally been in this region is printing and publishing, and that is transitioned into a new type of industry – digital and online media – and since this region has the ability to grow in IT, there is an opportunity to transition the older economy into this area.

Mr. Thomas commented that with his printing company he gets digital processing from all over the country on his website, with big presses as well as digital machines used now.

Ms. Younger then presented a chart of all the target industry clusters identified, by locality, with Albemarle having the largest group of targets. She said that the bioscience and medical devices are only in the County and Charlottesville; agribusiness and food processing is in the County, but not the City; information technology and business/financial services are in both but are slightly different. She added that when this is looked at this from a global perspective, it is the power of the region when it comes together that really matters and that is what people are looking at.

She stated that she did not spend much time talking about defense and security, but that is an offshoot of information technology and is only viable in Albemarle, Charlottesville and Culpeper given that the type of defense and security is closely overlapped with IT. Ms. Younger stated that this sector has good growth potential because it was “not as vulnerable” to changes at the federal and international level.

Mr. Rooker said that there was a statistic in the report that struck him as odd, as it cited a net loss of 300 defense jobs over the last five years. He asked how that could be possible, given that NGIC expanded, DIA moved in and hired, and contractors has come in behind them.

Ms. Younger replied that there has been a lot of shift in that, with technology companies relocating that offset some of that, and some of the companies got reclassified as they were bought out – moving from defense to IT. She said that 300 jobs would not have been a very big loss over a five year period, and she thinks that it is really just a transition in ownership.

Mr. Rooker said it seems odd because DIA moved in during that five-year period.

Mr. Boyd noted that the DIA indicated it represented 3,000 jobs when including the contractors.

Ms. Younger said that it might bear some further investigation.

Mr. Foley stated that business and financial services was up 26%, and perhaps some of those jobs transitioned from defense to that sector. Ms. Younger said that is possible, as there is a fine line with what is considered “government.”

Mr. Rooker commented that there are a lot of civilian jobs at DIA. He reiterated that it needs to be looked at.

Mr. Rooker said that the target industries set out are less government dependent than defense is, as defense is subject to significant swings. Ms. Younger responded that that is true, and harder to target and influence.

Ms. Mallek thanked Ms. Younger for her presentation.

Ms. Catlin stated that the next step for the County will be the May 2 work session to include another conversation about this, allow for public input, assess whether any of this needed to be revisited, and then provide an endorsement.

Mr. Foley said that they have identified strategies in the Economic Vitality Action Plan, but this study would drive the next round of strategies and what would be incorporated into the strategic plan. If they look at these targets, the question becomes what is the next step. Mr. Foley said that the discussion should include some brainstorming on what types of things should be done differently, such as providing incentives, changing zoning classifications, etc. The strategic plan is going to be developed around what the Board focuses on over the course of the next year. He added that it will not be that long before the point that this becomes a much more focused approach to economic vitality.

Mr. Snow said his question is where the Board goes from here.

Ms. Helen Cauthen, Executive Director of TJPED, said that there is a lot of continued research that goes into this – such as under the target of business and final services determining data hosting, which could be an effort to attract a data center. She explained that TJPED would talk to electric utility providers, Century Link, Comcast, and other partners to understand where a medium sized data center could be placed in the region. Ms. Cauthen said that another step would be to evaluate where people working in that sector get together and what industry groups they belong to. She stated that the study provides a great starting point, but TJPED needs to articulate that better and have a message around those targets. Ms. Cauthen said that TJPED would lead that on a regional level. The other piece is that this study is very important to existing businesses and it is important to show them that this as a good place for them to remain and grow, and show how they fit into a larger picture. She said that TJPED will be spearheading the implementation along with other regional partners. This was not going to be a report that just sits on the shelf. It is important to use the report to take the next steps. TJPED is also available to help facilitate Board discussions and get it to the point it wants to get to. Ms. Cauthen said she is really excited; she thinks it is a great launching point for her as a newcomer to come in and have all this work within just a couple of months of being here.

Mr. Boyd stated that he thinks it is TJPED's place to market the County, but it is government's role to ensure it is not impeding the process. The next step for the Board is to endorse the study and say this is the way it wants to go. It is also important for the Board to establish some targets and then get out of the way. It is also important for the Board to make sure that it does not have policies and procedures in place that would prevent these things from happening. He added that what the Board needs to fast track is some ordinance changes and rezoning of light industrial. Mr. Boyd added that it is also important to send the County's assets to the state level.

Mr. Rooker commented that in reading the report, it was clear that there was very little physical zoning change needed in order to accommodate the target industries. Most of these target industries can locate in commercial zoning. He stated that there are millions of square feet of commercial zoning available and are located on transportation routes. Mr. Rooker also said that the subcategories should be analyzed for their fit to the area, and TJPED would not be doing that on their own. He said that the advantages raised are the availability of graduates and intellectual property, and that does not require broad zoning changes – it requires an atmosphere that encourages them to operate here and that the support system is here to operate successfully. Some of these things can be small, but they make a difference. Mr. Rooker added that the more people coming in with venture capital, the more likely it would be to develop these industries locally. In his mind, the Board really needs to drill down into these

subgroups and define where it is the Board wants to focus its efforts. There is limited time and effort from staff, et cetera, to try to become sub-specialists in some of these particular industry subcategories.

Mr. Boyd said he disagrees with Mr. Rooker about the County's available space. A lot of that available space is conditioned on a lot of other things happening. He would like to know how much of that land is in receivership because it has been taken back over by a bank due to the economy. How much of that land has a willing owner who wants to use it for industrial purposes. He said that it is not realistic to just look at the acreage of available light industrial land – one-half of which is the University's – and say it is a match for the target industries, which is not a match for everybody.

Mr. Rooker said that the report states that it is a match for most of the target industries.

Mr. Boyd stated that technology companies have said that the University Research Park is too expensive for them, and a start-up company cannot afford it.

Ms. Mallek said the company is shopping to get to the best. She said that six months ago the Batten Institute held an innovation conference that she attended, and there were six or eight entrepreneurs there – with every single one of them mentioning capital in their summaries, and even the instructors said that it is easier to get venture capitalists to bigger cities, with something as simple as air and train. These kinds of other infrastructure things that are completely unrelated to the operation of the business, but make it easier for people who have money to invest to come and see what their money is buying is a tangible, important idea. That is something she had never thought of before.

Ms. Younger stated that she is glad that was mentioned, because access to capital is a key piece of infrastructure for the biosciences industry and one that was reported locally to be less accessible than it should be in order for that cluster to grow and survive. She said that currently the way a company grows is bought out, and the company that bought it would move it. Part of preparing the infrastructure is somewhat nontraditional thinking in preparing the venture capital infrastructure for it as well, as well as the buildings and sites. Ms. Younger stated that in looking at an eight-county region, there is somewhere in that region that almost any kind of business within any of these targets can fit. It is how the region works together to make sure they are going where they should be and that each part of the region is getting the benefit of that. Everybody has some infrastructure development that needs to be done. She said that hopefully the County could align this with its Comp Plan.

Ms. Younger said that another issue for discussion is capturing out-commuters. This region has a lot of people that drive out of here every day who have exactly the skills that some of the clusters need to grow. Growing them and strengthening them will create more opportunities to keep the talent at home, and there are a lot of benefits to that as well.

Ms. Catlin added that staff had begun some work on looking at the specific sectors and businesses and what their specific needs are for locations, so when the staff is looking at availability of sites and buildings it is more than just available acreage – such as proximity to the University and the City center. Staff is trying to take it to a little finer level of definition than just "we need x number of acres," or "we need x number of buildings." It is what does those attributes need to be, and what is the flexibility, etc., needed to happen.

Mr. Foley said that once the Board receives public comment at the May meeting, it will have to drill down to the next level and come back with a more defined discussion. Without some more analysis it is hard to have some of this discussion that does impact the Comp Plan. He said that he thinks both views are valid in terms of what Board members are talking about, but the Board needs to get to the next level of analysis before it really knows how to focus on strategy.

Mr. Boyd asked what the next level was because there always seems to be a next level of analysis to do.

Ms. Mallek said that it involves getting feedback such as that given at the roundtables.

Mr. Boyd said he thought they had already been through that.

Ms. Catlin stated some of what the Board will hear with the industrial land discussions and some other issues has the beginnings of that consideration, because the targets have not yet been finalized but that is very much how the land was re-designated in the Land Use Plan and the Comp Plan update.

Mr. Boyd said that there has to be service supplements to the target industries.

Mr. Snow responded that it is part of the expanded benefit, the job multiplier.

Mr. Boyd said that those businesses have needs for land use and industrial property too.

Ms. Younger said that is an excellent point, because the target industries are really just the drivers.

Mr. Rooker noted that this area currently has 4.8% unemployment, which is low compared to the rest of the country. He said that surveys consistently show that residents here want to maintain the quality of life. From his perspective, he is more interested in quality rather than quantity. It seems to him that as they are drilling down they should be looking at things such as how to take the existing workforce and upgrade it into better jobs; how to help businesses that look like they are on successful tracks to be

successful and grow where they are, and how to target specific additions to your clusters that will provide long-term benefits – not just one-time benefits.

Ms. Younger stated that Mr. Rooker has reiterated some of the key points from the workforce part of the study. One of the reasons it was important to start there was the low unemployment rate. She said that the County should want to pursue some economic activities and continue to modernize its economy so it does not get passed over by opportunities that would take it in that direction. Ms. Younger stated that part of this process is helping the County to stay positioned and stay in front of opportunities that it has been fortunate to get thus far. She said that there is sensitivity in this region to finding things that are a good fit. She added that huge manufacturing was not present in the report and is not where the County is the most competitive. The County has the advantage of allowing it to go for the knowledge worker, but it also must have that sensitivity that it has to bring along the entire employment base.

Mr. Rooker said that if good jobs are created, there will be a multiplier effect. Ms. Younger agreed.

Mr. Foley said that staff will follow up with the Board with the next step in the process.

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**NonAgenda.** At 4:12 p.m., the Board recessed and then reconvened at 4:19 p.m.

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Agenda Item No. 3. **Work Session:** Comprehensive Plan Review.

The following executive summary was forwarded to Board members:

“Staff provided a summary of the Planning Commission’s work to-date for the March 7 Board of Supervisor’s meeting. At the request of the Board, the Clerk provided additional information so that a more comprehensive discussion could take place at the April 11 meeting.

On March 8, staff held a neighborhood meeting for the southern urban areas (Neighborhoods 4 & 5). Approximately one hundred persons attended that meeting and input was received on the existing goals and Land Use Plan.

On March 20, the Planning Commission continued its work on the Comprehensive Plan update with a work session on the industrial land inventory, rural interchanges, and locations for industrial uses and target Industries. The staff report for that meeting is provided as Attachment I.

On April 2, a follow-up neighborhood meeting for the southern urban areas was held in conjunction with the western urban areas (Neighborhoods 6 & 7). Input was received on recommended goals and two land use alternatives for development of the framework plan for the neighborhoods. The Planning Commission will receive this information for its April 24 meeting.

At the March 20 meeting, the Commission provided the following recommendations:

**Interstate Interchange Policy**

- No changes are needed to the Interstate Interchange policy for Rural Areas, including the Crozet interchange which the Commission considered to have been previously decided during the Crozet Master Plan.
- Bring back a recommendation for future land use on the south side of the Shadwell interchange including the north side of Rt. 250 from I-64 to Hunter’s Hall Industrial Park.
- Benchmark projected needs over time. Twenty years may be too far in the future to project employment needs – monitor inventory of industrial/employment land and assess needs every 5 years.
- Add language to the text of the Land Use Plan for the urban interchanges, similar to what was done for the Fifth Street Avon project that would allow for industrial rezonings also.
- The uses suggested by staff for rural interchanges would likely be appropriate in other places in the Rural Areas so they should be considered for inclusion in the zoning ordinance. Staff needs to bring back recommendation on size, scale, and constraints needed for the potential rural uses noted in the staff report as well as for mini-warehouses & contractors storage yards.

**Designating Additional Industrial Land**

The Commission asked for the following additional information once the Board has provided direction on the Target Industry Study:

- Bring back actual acreage and location needs for target industries and businesses.
- Bring back additional information on parcels of 3 acres and remove information on parcels of less than 3 acres in the inventory.
- Bring back information on commercially zoned properties that can accommodate the targets.
- Consider the transportation impacts of targets.
- See if the Boulders Road area near NGIC and the properties in Neighborhoods 4 & 5 between Avon and Rt. 20 would fill some of the needs of the targets. If so, these areas should be considered for industrial designation.

- If a need continues to exist for larger parcels than currently exist in the inventory, approach owners about consolidation of smaller parcels in industrially designated areas.

This report is provided for the Board's information. If the Board would like more information on any specific topic, staff can provide this during the work session or at a subsequent Board meeting."

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Mr. V. Wayne Cilimberg, Director of Planning, reported that staff has been working with the Planning Commission. The Commission's charge under the State Code is to deliver a recommended Comprehensive Plan – with the last full plan being done in 1996, but a lot of updates in sections done since. He said that this work session is intended to inform Board members of the highlights of where things stand with the Plan, and to provide an opportunity for the Board to note particular issues that the consensus want the Commission to consider in recommending the updated Plan to it.

Ms. Elaine Echols, Principal Planner, reported that there had been six work sessions with the Planning Commission on the Comp Plan. Staff has asked for guidance as to what the Commission wants to see in its updates. She said that the beginning of the process focuses on the vision, and it is important to the Commission to use the vision the Board already articulated for the County. She said that the Commission also wanted to have the same goals and relate to those goals that the Board set. The Commission pulled the following four goals from the Board's list: 1) provide community facilities that meet existing and future needs; 2) encourage a diverse and vibrant local economy; 3) protect the County's parks and its natural, scenic and historic resources; and 4) ensure the health and safety of the community. She added that the Commission will update its goals in the same manner the Board updated theirs.

Ms. Echols stated that in November, the Commission looked at several things: the existing and projected population for the future; the capacity of land to satisfy needs for additional residential development; and to see what the existing land use plan and zoning would allow for. She said that the Commission also looked at eight requests for expansion areas for residential uses. After looking at the amount of land available for the projected population, the Commission concluded that it did not believe there was a need to expand the development areas for additional residential growth because of the existing capacity. Ms. Echols stated that the Commission also made a statement that it was wary of recommending that additional development occur when infrastructure has not caught up with what proposed needs are with the un-built projects.

Mr. Boyd asked if any effort was made to look at some of the larger developments such as Northpointe and Cascadia to see if there were any plans to build the developments out, because to say there is enough supply for 20 years might not take into account property that will not develop out.

Mr. Cilimberg said that in talking with developers, their response has been when the market is there, they will be ready to go. He stated that the banks do not want to hold onto these properties.

Mr. Boyd asked if staff is taking the economy into account.

Mr. Cilimberg responded that he wished he could predict when and how development would occur, but he could not.

Mr. Snow stated that just because land is not been built upon does not mean it is going to be dormant, as plans could be dusted off and executed at any time.

Mr. Dumler noted that the staff report points out that additional rezonings approved for additional expansion of the development area would provide less of an incentive for Northpointe to build out because it would increase the supply of rezoned land on the market.

Mr. Boyd commented that it might bring down affordable housing prices by increasing supply.

Mr. Cilimberg said it is a good question as to whether those properties would be available, but staff has been told by developers that the plan is to move forward.

Ms. Echols reported that in November, in conjunction with the Economic Vitality Action Plan Work Program, the County held some roundtables with interested individuals to talk about agribusiness and agri-tourism in the rural areas. The results were brought to the Commission along with some other information. Ms. Echols indicated that the Commission said the Comp Plan should be changed to better support transient lodging and food service, distilleries and breweries, and low-impact commercial recreation; but it was important to them that these be at the appropriate scale and in the right locations. She emphasized that appropriate scale is often in the eye of the beholder, but the Commission has tasked staff with establishing some thresholds that might be appropriate. In addition, she said, the Commission were concerned about the need to expand opportunities for areas of assembly – religious institutions – because there has been an effort to make those by-right, so those thresholds are needed to be included in the Comp Plan. The Commission also noticed that there was a lack of parity for special events, and that was borne out in the roundtables – with farm winery events having one level allowed and special events with a special use permit having a much lower threshold.

Ms. Mallek asked if that pertained to someone not related to a farm property there coming to have a festival, or the farm owners wanting to have an event – because those were two completely different things.

Ms. Echols said that the next step would be looking into that further, as there have been complaints from people who live near wineries about noise and traffic but it has to be balanced out with the uses there. She stated that the Commission's concern was that someone could do something by-right that has a greater impact than something that could be done by special use permit.

Mr. Cilimberg emphasized that staff is talking about addressing standards in the Plan that are the guidance for how the projects would be judged and how the Zoning Ordinance changes would be structured to ensure the appropriate levels are covered with by-right versus special use permit.

Ms. Mallek said that there is very little middle ground as it stands now.

Mr. Foley noted that the Commission has its full process ahead, including public hearings, and the Board will have an opportunity to provide direction based on that input.

Ms. Echols said that the Commission reviewed the interstate interchange policy in March and determined that there was not a need to change the policy related to rural interchanges because the types of uses staff had suggested might be appropriate for those interchanges might be appropriate in other places in the rural areas. Ms. Echols said that the Commission thought it would be important for the Comp Plan to recognize that and the Zoning Ordinance potentially be changed to allow some uses by special use permit in the RA district that currently are not allowed, and that they might be appropriate at an interchange – or in other places. She emphasized that the Commission did not believe that the policy needed to be changed and asked staff to convey to the Board that they believed the Crozet interchange has already been decided with the Crozet Master Plan.

Mr. Boyd stated that he took exception to that. Mr. Thomas agreed with Mr. Boyd.

Mr. Boyd said that the interchange is not in the Crozet Master Plan area, and no vote was ever taken by the Board on it.

Ms. Mallek pointed out that it was included in the Crozet Master Plan process and all six districts were represented.

Mr. Boyd said that he will convey to his Commissioner that he disagrees with their assessment.

Mr. Cilimberg stated that it is a good idea to communicate with each Commissioner.

Ms. Echols said that the Commission also discussed urban interchanges. Currently the interstate interchange policy will support industrial and commercial uses at those interchanges. There was support for adding some language in the Comp Plan that would support industrial development at those interchanges, not just commercial development. Ms. Echols said that might open some opportunities for the interchanges to be used by employment uses, which would not necessarily be of a regional/commercial or community/commercial nature. The staff saw real opportunities there, especially with the landowners whom they have been talking to.

Mr. Boyd asked if that included Route 29.

Ms. Echols responded that it included Route 29 South, Route 20, and Pantops – all of which have undeveloped property at all of the interchanges on the south side.

Mr. Thomas asked if staff has talked with VDOT about their plans for the interchanges.

Ms. Echols responded, "yes"; VDOT has some plans to improve the 29 South interchange. VDOT is developing some plans for the Route 250/Shadwell interchange which also needs some work.

Mr. Cilimberg clarified that VDOT does not currently have plans but are working on them.

Mr. Rooker pointed out that 15 years ago, the MPO Technical Committee discussed how the Route 29 South/I-64 interchange was very dangerous and needed improvements – and it was estimated to cost between \$75 million to \$100 million to fix the interchange – but it never received a dime of funding, and it does impact what can be done with the properties near there.

Ms. Echols said that would be true for the Shadwell interchange, and the Commission said they wanted staff to bring back recommended land use for the south side of it. The Commission recognized that South Leggo Farm has limitations currently, the biggest of which was access, but VDOT talked with staff about future efforts to change access in that area. She said that the Commission was receptive to the idea that it should be kept on the table.

Ms. Echols stated that the last issue discussed was the request from the Commission for staff to bring forth information on size, scale and limitations for additional rural uses such as mini-warehouses and contractors storage yards, which they were considering supporting through special use permit.

Mr. Dumler asked if this refers to local food packing sheds or U-Store Its. Ms. Echols responded that it refers to U-Store Its.

Ms. Echols said that the Planning Commission could not get into industrial land expansions without knowing the target industries. Staff provided the Commission with some inventory information and they wanted to know the acreage and location needs of the selected target industries and businesses –

and how many might be accommodated under existing commercial zoning. Ms. Echols stated that once the targets are identified, the Commission wants staff to provide additional information on properties that could address those needs. She said that two properties that existed for designation would be near NGIC, and near Avon and Route 20. The Commission said they would consider those properties if these properties could help meet the needs of the targets.

Mr. Boyd asked if there had been discussion with those landowners as to their preference for using their properties, and as he recalled there was some resistance.

Mr. Dumler stated that the Southpoint property owner expressed no interest in developing out, but not the property in question.

Ms. Echols clarified that there is a 12-acre parcel and the owner's representative came and talked to the County about that and was very receptive to the idea. She said that the Southpoint and Golden Eagle property owners were not receptive to re-designation as industrial because they felt it was more valuable for commercial. Staff and the Commission felt that adding language in the Comp Plan that would allow rezoning to either of those might be an effective approach. She added that this was done with the Avon-5<sup>th</sup> Street property.

Mr. Boyd asked if there has been any discussion of rezoning, as what was done in Crozet.

Mr. Cilimberg responded that that would be a follow-up in the expedited review, as it was identified as a process that follows up the Comp Plan adoption. He said that staff already knows that it needs to work on the currently designated lands that are not zoned, but also new lands that the Board might want to pursue.

Mr. Foley said that the idea was that the Board would drill down into the target industry study and provide guidance to the Commission, and asked Mr. Cilimberg what level of specificity was expected.

Mr. Cilimberg stated that staff has been working with Ms. Catlin and Ms. Stimart on a level that would mean using the target industry direction the Board provided after May as determining the appropriateness of existing lands as "fits" for those kinds of businesses or industries.

Ms. Mallek said that when Ms. Stimart meets with Business First representatives, a lot of good information could be obtained.

Mr. Cilimberg said that staff has heard there are some ranges for size of acreage that fit some of the targets.

Mr. Rooker pointed out that only two of the five categories of the target industries need industrial zoned land. The other three could be accommodated with commercial. He said that only two of the target industries need parcels larger than five acres, with those two not needing anything above 25 acres. A whole lot of focused effort on the target industries could be done without any kind of massive changing of existing zoning or designation. Mr. Rooker asked about the property south of Hollymead Town Center that is mostly controlled by one party; it is already designated light industrial.

Mr. Cilimberg said that that is one of the parcels identified to be changed – if the owner agrees – to industrial zoning.

Mr. Boyd stated that a realtor at one of the roundtables said the County's definition of light industrial was not matching what the target industries truly needed.

Mr. Cilimberg said that that pertains to industrial uses. Staff does not believe that is necessarily a Comp Plan matter but instead a zoning issue. Staff is talking more about the opportunity to blend between uses with industrial.

Mr. Dumler asked what the timeline was for the zoning text amendment process.

Mr. Cilimberg responded that staff is hoping to get back to the Commission next month and would like to see amendments go through a Commission hearing early in the summer.

Mr. Boyd said that all of these pieces seem to fit together and should be handled together.

Mr. Foley said that there is a place staff could go to connect some of the dots as there are different processes underway – and there had been criticism of high lease costs of some properties in the County. He stated that a lot of these issues could be addressed when the ZTA come forward, and staff will then be able to assess how much of that concern could be addressed with that versus land uses.

Ms. Echols said that since a lot of large parcels were not revealed in the inventory study, the Commission wanted staff to start approaching landowners about consolidating those smaller parcels so that there are larger parcels available for development. She said that those were the recommendations from the Planning Commission on industrial land expansion to date.

Ms. Mallek said that she has been asking for those parcels in common ownership for about three years and was glad to see it coming forward.

Ms. Echols then provided Board members with information on work to-date. The Commission will be holding a work session with the City the following week on joint goals, with two more items back to the Commission before staff begins writing the draft Comp Plan. Staff will then be bringing to the Commission a review of the draft Comp Plan with text and maps near the end of July. The Commission will then have work sessions and citizen discussions after that, with public hearings scheduled to be finished by this fall for the final plan to be brought to the Board by the end of the year.

Mr. Thomas asked what the joint goals with the City would be.

Ms. Echols responded that they are part of the Livability Project. There are about six places where the joint Commissions want to do some planning together. She said that they want to get in synch on items such as environmental planning and housing. The staffs are working on the Area B studies to complete that work and make some recommendations to PACC-TECH and PACC.

Mr. Thomas asked if staff felt it would improve communications between the City and County if they keep each other better informed.

Mr. Cilimberg responded that one of the focus areas identified was land use on the borders, and some of that gets addressed through the PACC and PACC Tech. Some of it is not in Area B but is still of interest to the City and County.

Mr. Boyd said that with the Livability Project, the goal was stated to "achieve the goals of the 1998 Sustainability Accords". He asked if the Accords were part of the County's Comp Plan.

Mr. Cilimberg explained that there are 15 accords that were included in the Comp Plan, and there were lots of additional information associated with the Sustainability Accords work.

Mr. Boyd said that the accords document he read was separate from the Comp Plan, or perhaps an excerpt.

Mr. Rooker stated that there were two different sets of accords, one of them being the set adopted by the local Sustainability Council – and the Board took some of those and embodied them in the Comp Plan. He said that the ones that became controversial a couple years ago were not in the Plan, and the Livability Project referenced them for historical purposes.

Mr. Cilimberg clarified that the County is working with the 15 Comp Plan sustainability accords as part of the Livability Project. At Mr. Boyd's request, he agreed to send those to him, noting that they are available online in the Comp Plan in the Natural Resources and Cultural Assets section. He added that that is what staff is considering as the accords.

Ms. Mallek said that the community meetings held on the topics offers parallels with City and County goals, with a few being the same – but there is no effort on the part of the City to get the County to change what it is doing and vice-versa. It is where they already have common ground.

Ms. Echols agreed that was true, but said there are also things uncovered that are different nuances about how they approach the same issue. She said if they happen to be out of synch there is an effort to improve collaboration, citing water quality as an example because streams run through both the City and the County. Ms. Echols added that staff would be bringing that back to the Planning Commission the following week, but also back through the Livability Project with the Comp Plans. She added that to date it has been a very good process.

Mr. Dumler said that he and Ms. Echols talked about master planning for Neighborhoods 6 and 7, but was not sure of what that timeline would be. He mentioned that a few weeks earlier, over 100 people showed up for a meeting regarding that planning.

Mr. Cilimberg explained that staff has not decided that yet; it needs to be incorporated into the Community Developments Work Program. After adoption of the Comp Plan any follow-up actions to implement the plan will need to be considered. He added that those neighborhoods could be one of those.

Mr. Boyd asked if staff kept a record of how many people were from the City and how many were from the County in those meetings. Ms. Echols responded, "yes"; most were from the County, at both meetings.

Ms. Echols then presented information on Comprehensive Plans established over time, with the first being in 1971 and the last final full Comprehensive Plan adopted in 1996.

Mr. Boyd asked if the Commission creates a list of actions following its meetings similar to what is done for Board meetings.

Ms. Mallek said that is a great idea, rather than having to read through minutes.

Mr. Cilimberg responded, "yes".

Mr. Boyd asked that the Board be included on the mailing list to receive the actions.

Mr. Rooker mentioned that the memos are online. Mr. Cilimberg agreed to add Board members to the distribution list.

Ms. Mallek stated that in considering available industrial land, the County should be careful to protect the open space around NGIC for their expansion.

Mr. Cilimberg said staff needs to contact NGIC about their plans.

Mr. Boyd said that they are going through a master planning process now, so this would be a good time to consider that.

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Agenda Item No. 4. Closed Meeting.

At 5:01 p.m. **motion** was offered by Mr. Dumler that the Board go into Closed Meeting pursuant to Section 2.2-3711(A) of the Code of Virginia under Subsection (7) to consult with legal counsel and staff regarding pending litigation concerning a tax assessment for real property because a public discussion would adversely affect the litigating posture of the County. The motion was **seconded** by Ms. Mallek. Roll was called, and the motion carried by the following recorded vote:

AYES: Mr. Rooker, Mr. Snow, Mr. Thomas, Mr. Boyd, Mr. Dumler and Ms. Mallek.

NAYS: None.

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Agenda Item No. 5. Recess.

The Board immediately recessed.

**(Note:** The Board reconvened into open session and certified the closed meeting motion during the night part of the meeting.)

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Chairman

Approved by Board
Date: 08/01/2012
Initials: EWJ