

VIRGINIA: AT THE SPECIAL MEETING OF THE DINWIDDIE COUNTY BOARD OF SUPERVISORS, THE INDUSTRIAL DEVELOPMENT AUTHORITY, AND THE PLANNING COMMISSION HELD IN THE BOARD ROOM OF THE PAMPLIN ADMINISTRATION BUILDING IN DINWIDDIE COUNTY, VIRGINIA, ON THE 7TH DAY OF NOVEMBER 2007 AT 6:30 P.M.

BOARD OF SUPERVISORS

PRESENT: MICHAEL W. STONE - CHAIR ELECTION DISTRICT #5
JOHN V. TALMAGE – VICE CHAIR ELECTION DISTRICT #3
DORETHA E. MOODY ELECTION DISTRICT #4
DONALD L. HARAWAY ELECTION DISTRICT #2

ABSENT: HARRISON A. MOODY ELECTION DISTRICT #1

INDUSTRIAL DEVELOPMENT AUTHORITY

PRESENT: FRANKLIN ZITA
VICKY HELLER
CHARLES JOHNSON - CHAIR
ROBERT WALLACE

PLANNING COMMISSION

PRESENT: DANIEL D. LEE - CHAIR
CALVIN "BUTCH" CUNNINGHAM
PATRICIA HAMILTON
THOMAS E. TUCKER, JR.
J. BRYAN COBB – VICE CHAIR

ADMINISTRATION

PRESENT: W. KEVIN MASSENGILL, COUNTY ADMINISTRATOR
MICHAEL DREWRY, COUNTY ATTORNEY
TAMMIE COLLINS, DIRECTOR OF ECONOMIC DEVELOPMENT
MARK BASSETT, DIRECTOR OF PLANNING

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1. ROLL CALL

Michael Stone, Chairman of the Board, called the meeting to order at 6:30 p.m., followed by the roll call.

ROLL CALL

PRESENT: Mr. Haraway
Ms. Moody
Mr. Talmage
Mr. Stone

ABSENT: Mr. Moody

RKG ASSOCIATES, INC. – DINWIDDIE COUNTY COMMERCE PARK MARKETING ANALYSIS

The following was presented by Russell Archambault, Vice President and Principal, and Melissa Cohen, Market Analyst/Planner, of RKG Associates, Inc.

Population Projections

- Projected growth impacted by Fort Lee expansion
- Current share = growth relative to existing breakout of population
- Shifted share = accounts for recent trends/perceptions of communities impacting location decisions
- Fort Lee growth = 434 new residents

Potential Impacts of Fort Lee

Growth in Dinwiddie County is stronger than historic trends; less than regional impact average.

- Transient population not conducive to Dinwiddie housing stock (hotel)
- Lack of "middle ground" housing

- Housing availability in Gateway Region (Chesterfield) presents strong competition

Additional households could be captured in County with increased housing stock (Military and Non-Military)

Real Estate Analysis

Development Trends: *Commercial development in Dinwiddie County relatively modest since 2000.*

- Eleven total properties
- Concentrated in Northeast portion of County
- No buildings over 50,000 sf
- Food Lion
- Does not account for Wal-Mart Distribution Center, AmeriSteel

Value of new construction substantially higher than existing building stock of similar size.

Opportunities: *Nine large parcels actively being marketed in Dinwiddie.*

- Total more than 3,000 acres (<1,000 have utilities)
- Price varies between \$10,000 and \$35,000 per acre
- Variation impacted by distance from major road, utilities, potential use
- Other, smaller lots available along Rt. 1 and Rt. 460

Only one building actively marketed (Button Factory); one potential (Philip Morris USA). More than 120 large parcels available in Gateway Region.

- Totals almost 19,000 acres
- Most of the supply in Chesterfield (70% 77%)
- Every community marketing land
- Chesterfield sets market price (\$10k to \$350k)
- Pricing generally higher in region (Petersburg)
- Retail land captures a premium (\$1M per acre in Colonial Heights)

Industrial vacancy is plentiful in Region.

- More than 4.16 million sq. ft. of industrial space
- Mostly in Chesterfield (39 of 55 buildings)

Office and flex space more scarce.

- 17 flex and 24 office buildings (1 and 4 not Chesterfield)
- Only 210k marketed outside Chesterfield (Dinwiddie)
- Sale pricing in Chesterfield above rest of region

Dinwiddie County expected to experience continued job growth through 2013.

- Office – 400 to 600 jobs
- Industrial/Warehouse -140 to 340 jobs
- Indirect Construction – 500 jobs

This growth translates into demand for new building space in Dinwiddie County.

- Office estimated at 60,000 to 90,000 sf by 2013
- Industrial/Warehouse demand could translate into more than 1M sf

Retail Market Analysis

Retail Demand:

- Dinwiddie residents consume more than \$276M in retail goods
- Region totals more than \$2.0B in consumption, driven by STA North (Chesterfield)
- Demand greatest for staple goods (groceries, building materials, general merchandise)
- Dining out (fast food and sit-down) also has strong local & regional demand

Retail Supply:

- Dinwiddie retail market limited (\$99.4M)

- Concentrated in Northeast Dinwiddie (Westgate Shopping Center) and along U.S. Highway 1
- Roughly 50% of retail categories not represented in Dinwiddie
- Capture in STA North = \$1.32B (Colonial Hgts.)
- Capture in STA South = \$128.2M

Sales Leakage: *Dinwiddie severely underserved in retail.*

- Accounts for 13.6% of demand and 36.9% of leakage (\$176.9M)
- In contrast, PTA North has \$237.0M in leakage on \$1.32B in spending

Leakage greatest in building materials, general merchandise and pharmaceuticals. Strong demand in eating and drinking places (\$15.7M).

Recaptured Sales: *Sales recapture a percentage of leakage.*

- Personal preference; convenience, internet
- Market competition
- Higher recapture estimated for goods of convenience (groceries, dining...)

Capture can occur from STA areas.

- Same reasons
- Much smaller rates

Results in supportable square footage.

Opportunities currently exist for Dinwiddie.

- Conservative = 77,694 sf
- Moderate = 144,088 sf
- Aggressive = 210,482 sf

Notable retail sectors:

- Pharmacy = 7,000 sf
- Dining Out = 7,000 sf
- Gifts/Novelties = 3,400 sf
- Clothing (All) = 7,200 sf
- Shoes = 1,500 sf

*Growth projections equal greater unmet demand for retail goods (30% to 60%).
Moderate = 176,000 to 201,000 sf*

Demand for:

- Clothing Store/Boutique
- Pharmacy
- 2-3 Dining Facilities
- Gift/Greeting Card Store
- Shoe Store
- Specialty Home Furnishings

(Roughly 65,000 SF)

Hotel Market Analysis:

Analyzed competitive hotels and motels within Gateway Region that reported data.

- Smith Travel Research
- 34 hotels totaling 3,858 rooms
- 10 motels totaling 650 rooms

Anticipated impact from new developments and growth in Fort Lee supply and demand:

- Natural growth
- Increased demand
- Anticipated development on base

Future Implications: *Future demand indicates opportunity for additional hotels.*

- 2009 occupancy near 63%
- Over 67% with Fort Lee (65% rule of thumb)

Several location advantages:

- Transportation access
- Local amenities (Track, Pamplin)
- Last/first stop on I-85

Over-speculation potential:

- Potential development at Fort Lee
- New product elsewhere in region

Demand is strong for a new hotel.

- Amenities to attract Fort Lee demand (balance)
- Tied into conference space a plus
- Should offer on-site dining (design important)
- Market may support two if conference successful
- Timing will be important if additional regional construction

MARKET FINDINGS

RETAIL:

- Collection of smaller retailers totaling 50,000 to 70,000 sf feasible in near future (5-7 years)
- Business mix focus on goods of convenience
- Two to three dining facilities by 2013

HOTEL:

- One conference related business/hybrid hotel
- Should be tied to restaurant
- Timing and amenities will impact success
- Could generate opportunity for additional facility

OFFICE:

- Growth demand ranges from 60,000 to 90,000 sf
- Could be as high as 120,000 sf by 2013
- Vision goal likely 15-20 years
- Special marketing/Spec building could hasten

WAREHOUSE/FLEX:

- Growth in employment/regional trends strong
- Preferred strategy shows 589,000 sf
- Achievable in three to seven years (infrastructure)

ADJOURNMENT

Upon motion of Mr. Haraway to adjourn, seconded by Mr. Talmage,

Ayes: Ms. Moody, Mr. Haraway, Mr. Talmage, Mr. Stone
 Nays: None
 Absent: Mr. Moody

The meeting was adjourned at 7:26 p.m.

 Michael W. Stone, Chairman

ATTEST: _____
 W. Kevin Massengill
 County Administrator
 Clerk to the Board

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