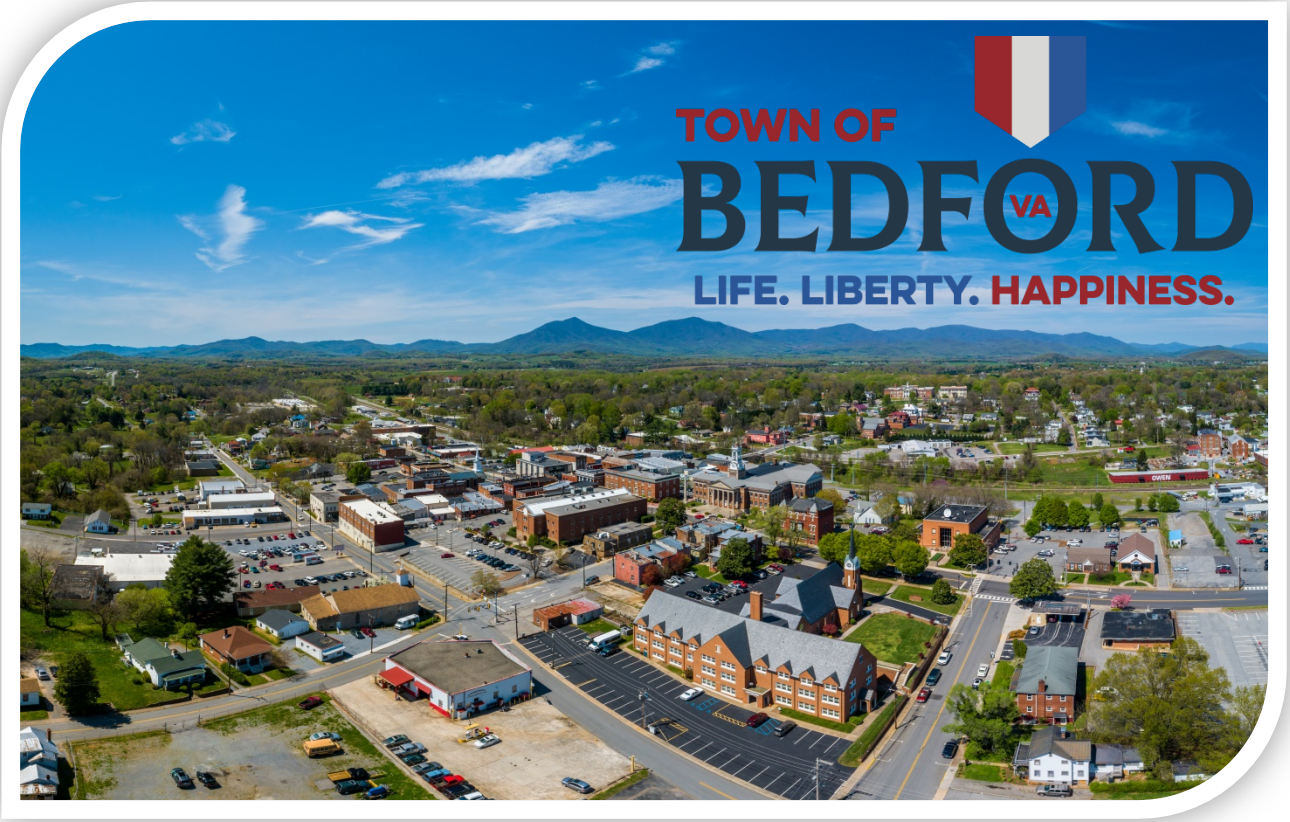
Town of Bedford Economic Development Strategic Plan

Town of Bedford Economic Development Authority



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1
EXECUTIVE SUMMARY

The Town of Bedford is a small town with significant potential for future economic growth having the following attributes:

- Location -Located between the metropolitan areas of Lynchburg and Roanoke and within a day's drive to 66% of the nation's population.
- Transportation – Serviced by rail service primary intra-state four lane highway.
- Communications - 400 Gb/s wavelength fiber optic "backbone"
- Water - Triple redundant sources (Smith Mountain Lake, Stoney Creek Reservoir and Lynchburg water system)
- Power - Municipal Utility offering 30% - 100% renewable electric options
- Tourism - Blue Ridge Parkway (National Forest Land) to the north, Smith Mountain Lake to the south along with numerous outdoor activities provided by local parks, streams, rivers, lakes as well as with historical attractions including D-Day Memorial, Thomas Jefferson's Poplar Forrest and local museum.

Although the Town of Bedford has many attributes, its economic industrial growth is impeded by a lack of access to natural gas, 25 miles from the nearest interstate highway, an aging commercial property inventory, absence of an industrial park, no business class hotel and limited skilled work force. The challenge for the Town of Bedford Economic Development Authority is to develop a strategy to address some of these deficiencies with the intent to maximize the growth of the local economy within the fiscal limits of the Authority. The Town of Bedford Economic Authority has spent years developing incentive grants and loans meant to assist businesses that operate within the town limits. This document delineates these and other programs while outlining a strategy going forward through both short and long-term goals and project priorities.

2
OBJECTIVE

The objective of the Town of Bedford EDA (TBEDA) Strategic Plan is to provide background information, specific goals, milestones and proposed actions that support the EDA Mission Statement. The plan described in this document has been prepared and approved by the Town of Bedford EDA. This document provides a blueprint for future economic advancement based on the economic parameters unique for the Town of Bedford and surrounding area. The TBEDA Strategic Plan is a living document that should be periodically updated and approved by the EDA to provide an accurate outline for long-term economic development for the Town of Bedford.

3
MISSION STATEMENT

To develop and implement strategies that encourage economic growth through the attraction of new businesses, the retention and growth of current businesses and the continued advancement of a pro-business environment intended to secure the long-term viability of the Town of Bedford, its neighborhoods and quality of life.

4
STRATEGIC ECONOMIC PARAMETERS

LOCATION

The Town of Bedford is centrally located in the mid-Atlantic region of US east coast positioned on the eastern slopes of the Blue Ridge mountains. Bedford's location provides strategic advantages to local businesses with 66% of the nation's population located within a one-day drive of Bedford as shown in Figure 4-1. Bedford is strategically positioned within daily commuting distances from both Roanoke and Lynchburg metropolitan areas providing the town direct access to the largest labor market in southwest Virginia of approximately 500,000 workers. Bedford is centrally located in GO Virginia Region 2 geographic area making it the ideal location for future GOVA projects that are regionally beneficial, such as job training centers (https://govirginia.org/regions/two/).

A satellite campus of the Central Virginia Community College (CVCC) is located at The Bedford Center for Business. Both CVCC (located in Lynchburg) and Virginia Western Community College (located in Roanoke) provide industry focused training programs that benefit local companies as well as offer off-campus classes for the University of Virginia, Virginia Tech, and Old Dominion University. Liberty University's Center for Energy Research & Education (CERE) research campus is a 10-minute drive from the Town of Bedford providing an influx of high tech and engineering talent into the region. Potential exists for Bedford to benefit from future high-tech businesses that spin-off from the CERE as it develops into a major engineering center.

Figure 4-1
Approximately 66% of the nation's population is within a 1-day drive of Bedford.

TRANSPORTATION

The Town of Bedford is serviced by a main rail line owned by Norfolk Southern Corporation that connects the agricultural Midwest, the industrial Great Lakes and the Allegheny coalfields with the Atlantic Coast shipping ports. There are several rail spurs within the Town limits that service current businesses as well as vacant industrial properties. Amtrak passes through Bedford daily between Roanoke and Lynchburg stations. Bedford is actively soliciting for a future Bedford Amtrak station for a stop in the town.

Lynchburg Regional (LYH) and Roanoke-Blacksburg Regional (ROA) airports provide air travel for the Bedford area offering direct flights to eight major cities via American, United Airlines, and Delta, as well as Allegiant Air.

Primary ground transportation is provided by U.S. Route 460, a 4-lane divided highway that serves as a major east-west artery in the southern third of the state. It is recognized as a "Corridor of Statewide Significance" by the Virginia Department of Transportation for planning. Interstate I-81, a major US transportation route connecting six states from the Canadian border to Tennessee, is a 25-minute drive from Bedford via US 460. US Route 29 is a 19-minute drive from Bedford providing a direct route south to the Tri-State area of North Carolina as well as to Interstates I-85 and I-40.

UTILITIES - WATER

Water is provided to the Town of Bedford by the Bedford Regional Water Authority (BRWA). The Town is currently supplied by two redundant sources, the Stoney Creek Reservoir (SCR) and the Smith Mountain Water Treatment Plant (SMWTP). A third source, the Lynchburg Water Department, will be available to the Town following upgrades planned for 2020-2021. The Town of Bedford currently has a 4-million gallon/day supply capacity of which only 900,000 gallons/day are used. Additional capacity could be realized via staffing and system upgrades if required.

The Stoney Creek Reservoir (SCR) shown in Figure 4-2, provides water to the town year-round but currently is limited by daily single shift staffing schedule at the Bedford City Water Treatment Plant (BCWTP). The BCWTP is a sand-based filter plant which is located on Turkey Mountain which must be staffed by two employees during operation. For this reason, the TMR water source is not currently operated at full capacity. The SCR Reservoir is fed by numerous granite mountain springs sourced mostly from National Park Service land resulting in a very palatable and clean water supply suitable for **food/beverage** and **manufacturing purposes**. The SCR water is categorized as being "soft" at 30 ppm, having relatively low mineral content, an excellent supply for industrial water handling equipment such as boilers, and permitting more effective use of cleaning protocols. The water supplied from the SCR enters Town from the north side on a dedicated supply line.

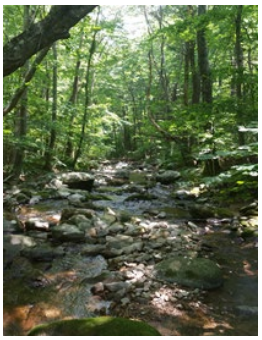

Figure 4-2
Stoney Creek Reservoir and Source Feed

Water supplied from the Smith Mountain Water Treatment Plant (SMWTP), shown in Figure 4-3, is drawn from Smith Mountain Lake, the second largest reservoir in Virginia. The SMWTP uses a membrane filtration system which operates continuously and was designed for expansion if future increases in capacity are needed. The average water hardness levels from the SMWTP are at moderate levels ranging from 120-140 ppm. Water from the SMWTP connects to the Town network via a second dedicated supply line on the south side of town. The Town's water supply is a blend of water from both sub-systems providing reliability through redundancy.

Figure 4-3
Smith Mountain Water Treatment Plant

The City of Lynchburg Water system is connected to the BRWA network and does periodically provide water to some customers on the eastern most side of the network. Water from this source is currently not provided to Town residents due to the need for the installation of a planned pump station to overcome elevation effects on pressure. Once complete, the Town will have triple-redundant supply making it effectively a water rich location. High water quality, significant capacity in both delivered volume as well as reservoir stored volume coupled with redundancy places Bedford in a strong position to entice water dependent companies to our region.

The water rates associated with the BRWA are comparable with surrounding localities (i.e., Campbell County) with lower rates for industrial customers. For example, industrial customers that use 600,000 or more gallons per month are billed at a rate of $6.50 per 1000 gallons (as of June 1, 2021).

UTILITIES - SEWER

The Bedford Regional Water Authority provides sewer service inside and around the Town of Bedford using a Wastewater Treatment Plant ("WWTP") located on Orange Street in Bedford. The Central WWTP is rated at 2.0 million gallons a day. This facility treats, on average, 700,000 gallons of sewage per day, or 35% of maximum capacity.

UTILITIES – ELECTRICITY

The Town of Bedford is one of 14 Virginia municipal utilities that provides its citizens and industrial customers with electrical power. Bedford Power utilizes a diverse portfolio of energy sources as illustrated in Figure 4-4. Bedford Electric is unique in the eastern USA in its ability to provide a high percentage of "green" renewable electricity to all its customers. Approximately 30% of all power provided is generated from both hydroelectric and solar sources as shown in Figure 4-5. Bedford Electric owns and operates one hydro-electric facility on the James river while purchasing power from three additional hydro sources. Additionally, the Bedford Solar Project was completed in 2017, providing renewable solar based power to the Bedford grid with additional capacity expected in the future. Bedford Electric also offers its customers with the option to have either 50% or 100% renewable power certification. This option could be attractive to companies that want to attached special "green" labeling to their products or interested in additional LEED certification (Leadership in Energy and Environmental Design) points associated with building certification.

Coal	34.8%
Natural Gas	20.0%
Hydro	22.3%
Solar	2.2%
Diesel	1.0%
Purchases	19.7%
	100.0%

Figure 4-4
Projected 2019-2020 Energy Sources

Figure 4-5
Bedford Electric solar and hydro-electric assets.

The reliability of the Bedford Electric grid is good in and around the Bedford town limits with minimal outage periods. The Utility employ its own repair staff dedicated to system operation and recovery. The Bedford Electric grid is connected to the Appalachian Power Company (APCO) service lines in two locations on opposite sides of town. This dual point redundancy minimizes the likelihood of a system wide outage. Bedford Electric operates 5.5 MW of diesel generation capacity which, in the event of a major regional event, can be configured to energize a small sector of the grid primarily along Orange Street extending to the Walmart complex.

A major advantage Bedford Electric provides over large utilities is direct access to the decision makers at the utility. Companies can discuss special arrangements related to connections, special off-peak electric rates or other company specific agreements that can substantially reduce power costs for high power consumption customers. For example, Bedford Electric has experience with a high consumption customer who purchased electric directly off the national grid with Bedford Electric providing transmission and billing services resulting in significant savings even when compared to large Utilities.

UTILITIES - GAS

The Town of Bedford does not have access to natural gas and no plans currently exist for extending pipelines to the town limits. The closest natural gas pipelines are approximately 20 miles to the west in Blue Ridge and 19 miles to the East in Lynchburg. Bedford is serviced by several propane delivery companies.

REAL ESTATE (COMMERCIAL)

Commercial real estate located within the governmental boundaries of the Town of Bedford can generally be divided into three sectors: Downtown, the Route 460 Corridor and the Norfolk Southern (NS) Corridor. The Downtown area consists primarily of retail and professional businesses and government facilities located with a multi-block region comprised of a variety of historic buildings, the majority of which were constructed from the late 1800s to mid-1900s. The 460 Corridor consists of businesses bordering US Route 460, a major Virginia divided

highway that by-passes Bedford Downtown on the southern side. Businesses in the 460 Corridor are largely corporate-based retail with the majority located on the eastern side of town, the location of a concentration of shopping and restaurants establishments. The NS Corridor is defined as businesses that are located adjacent to the NS railway property that runs east/west located adjacent to the northern side of Downtown. The NS Corridor is populated primarily with manufacturing facilities distributed along the railway property apart from one shopping center property located within walking distance from Downtown. This sector contains some large vacant industrial buildings as well as the Bedford Center for Business located on the eastern side of town.

The Bedford Center for Business (BCB) is an industrial park originally constructed by the City of Bedford with ownership transferred to Bedford County EDA during reversion to Town status and dissolution of the Bedford Joint EDA (BJEDA). The BCB, located on the eastern side of town, currently contains a manufacturing business and community college facility with significant space for additional industrial businesses. It is important to note that the Town of Bedford EDA has no authority regarding this business park with all final development decisions controlled by the Bedford County Economic Development Authority.

A general assessment of commercial properties was conducted by the Town of Bedford EDA in September 2019. The purpose of this survey was to provide a snap-shot valuation of available commercial properties within the Town limits. This survey was performed by a drive-by canvasing method of all commercial properties within the Town limits listing those that were either vacant or under-utilized (i.e., used for storage). All buildings were visually assessed from the street perspective, and with no exception, were properties or surrounding land encroached to assist with its evaluation. Also, no Town/County of Bedford public records, such as tax listing or building permit documents, were used in this survey. Properties containing operating businesses identified by signage on or in front of the property were not listed. Some properties listed were individual suites of a larger complex (i.e., vacant store in a shopping center) while others were separate buildings or part of the interconnected downtown superstructure.

The building "footprint" of each listed property was calculated along with the building's total square footage. The "footprint" was roughly estimated using scaled satellite imagery. This value typically equated to the ground floor area of each property which can be assumed to be handicap assessable and commercially useable for all applications. The total building area was calculated by multiplying the footprint value by the number of floors. It can be assumed that most of the buildings are not equipped with elevators resulting in those floors as having limited commercial value. For this reason, the building footprint area values should be the most accurate estimate for potential commercial space.

Each property was also provided a "Capital Investment Ranking" using a scale from 1-3 in an attempt to quantify the amount of capital investment required by a new business using the following method; 1 – minimal (painting, cleaning, etc.), 2- moderate (drywall, new windows, painting, etc.), 3 – major (structural, renovations required, wiring, HVAC, etc.). These ranking

value estimates were provided as a simple assessment of the condition of each property and were based solely on exterior observations. Also listed was the configuration of building (i.e., retail, office, manufacturing, etc.,) based on previous use, location and construction. The general location as well as type of property (building or suite) was also included. This survey did not identify the location or owner of any properties nor does it imply availability for sale or lease. Although some properties included in the survey were posted for sale or lease, many were not. However, for the purpose of this analysis all properties will be compared equally regardless of their availability. The information provided by this investigation is general in nature and may vary in accuracy but was needed to assist with planning or project selections. This survey should be used to describe the general condition of the available commercial real estate market and was not designed to gauge the condition of any one property.

Figure 4-6 provides the results of the commercial property survey. This survey, performed between August and September 2019, identified 39 commercial properties which were either vacant or not identified via signage as currently being used. It is possible that some properties were being used as a warehouse or storage when viewed and were considered underutilized for the purpose of this survey. This following analysis and observations were derived from this data.

ID	Configuration	Building or Suite in Complex	Location	Building Foot Print (estimated via satelite data)	Total Building Size (estimated via satelite data)	Capital Investiment Ranking
1	Retail	Complex	NS Corridor	1000	1000	1
2	Retail	Complex	NS Corridor	1000	1000	1
3	Retail	Complex	NS Corridor	1000	1000	1
4	Retail	Complex	NS Corridor	2000	2000	1
5	Retail	Complex	NS Corridor	3000	3000	1
6	Retail	Complex	NS Corridor	2000	2000	2
7	Retail	Complex	NS Corridor	2000	2000	2
8	Retail	Complex	NS Corridor	2000	2000	2
9	Retail	Complex	NS Corridor	2000	2000	2
10	Office	Complex	Downtown	1500	1500	2
11	Office	Building	Downtown	1600	3200	3
12	Retail	Building	Downtown	1300	2600	3
13	Retail	Building	Downtown	2100	4200	1
14	Retail	Building	Downtown	2100	4200	3
15	Manufacture	Building	Downtown	2500	2500	3
16	Retail	Building	Downtown	1600	3200	3
17	Retail/Office	Building	Downtown	4,000	12,000	2
18	Manufacture	Building	Other	40,000	40,000	1
19	Office/Man.	Building	Other	5000	5000	2
20	Retail	Complex	Other	900	900	1
21	Retail	Building	Other	1300	1300	2
22	Manufacture	Building	NS Corridor	2100	2100	1
23	Manufacture	Building	NS Corridor	40000	120000	3
24	Manufacture	Building	NS Corridor	40000	120000	3
25	Retail/Office	Building	Downtown	625	1250	1
26	Office	Building	Downtown	1900	1900	1
27	Retail/Office	Complex	460 Corridor	1200	1200	1
28	Retail	Building	460 Corridor	2700	2700	1
29	Office	Complex	460 Corridor	2500	2500	1
30	Manufacture	Complex	460 Corridor	4500	4500	1
31	Retail/Man.	Building	460 Corridor	7800	7800	3
32	Retail/Office	Complex	460 Corridor	1200	1200	1
33	Retail/Office	Complex	460 Corridor	1200	1200	1
34	Retail/Office	Complex	460 Corridor	1200	1200	1
35	Manufacture	Building	NS Corridor	14000	40000	3
36	Manufacture	Building	NS Corridor	3500	3500	3
37	Manufacture	Building	NS Corridor	275,000	275,000	3
38	Manufacture	Building	NS Corridor	140000	140000	1
39	Manufacture	Building	NS Corridor	4000	4000	1

Figure 4-6
Results of commercial property survey.

Figure 4-7 illustrates the distribution of the use "configurations" of the buildings listed in their current form. The largest category (dark blue) were buildings/suites configured for retail purposes. These listings were typically located in shopping complexes (both new and old) and downtown building, having plate glass fronts and were not divided into smaller office areas. The next largest category of buildings was manufacturing which was expected considering the number of vacant older industrial buildings in town. Approximately 10% of the buildings were configured as dedicated office space although some smaller retail spaces could be used for that purpose. Figure 4-7 does indicate a lower availability of buildings compatible for office use.

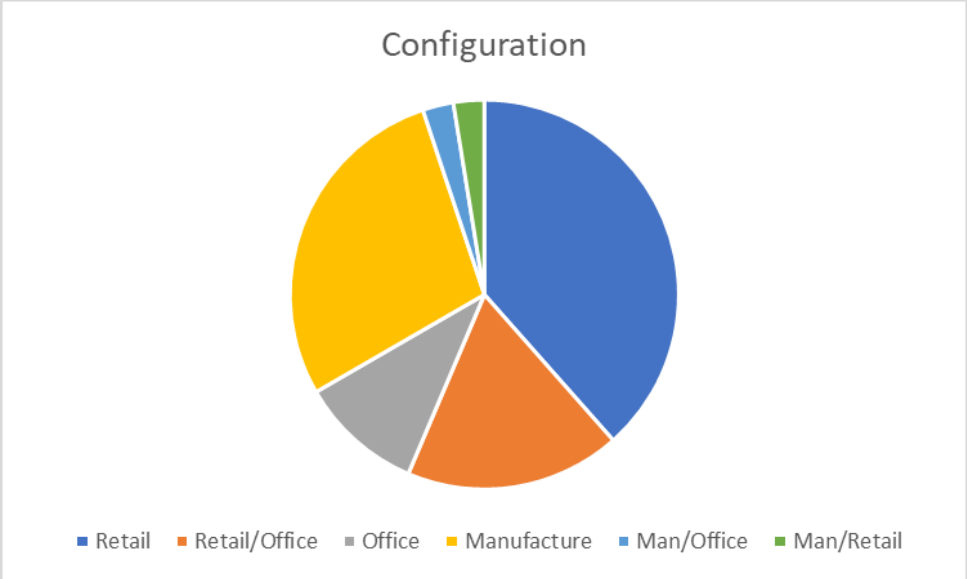

Figure 4-7
Building configurations

The survey results indicated that approximately **46%** of the properties identified had a Capital Investment Ranking of 2 or 3 requiring a significant renovation budget for interested businesses. Any ranking higher than a 1 suggests that some remodeling/repairs are likely needed based on the condition of the building. A ranking of 1 was applied only to newer construction or older building that have been renovated. Figure 4-8 shows the general locations of buildings with a ranking of 1 requiring little modifications being mostly move-in ready. These locations were primarily associated with vacant retail locations in a shopping complex in the NS corridor as well as suites located in an office building complex in the Route 460 corridor. Three buildings identified in the downtown sector obtained a 1 ranking, one office building and two configured for retail purposes. In general, the data indicated a large population of buildings that require significant capital improvements which is expected in an older, historic town. Although Bedford does have some unoccupied commercial locations for businesses to locate, the majority of these

are located on Route 460, not within a walking distance to downtown. Additional more modern retail units are also located in an older shopping center which are also not in the downtown sector. Unoccupied commercial locations in the downtown sector that are well-suited for small businesses with limited capital budgets are not plentiful.

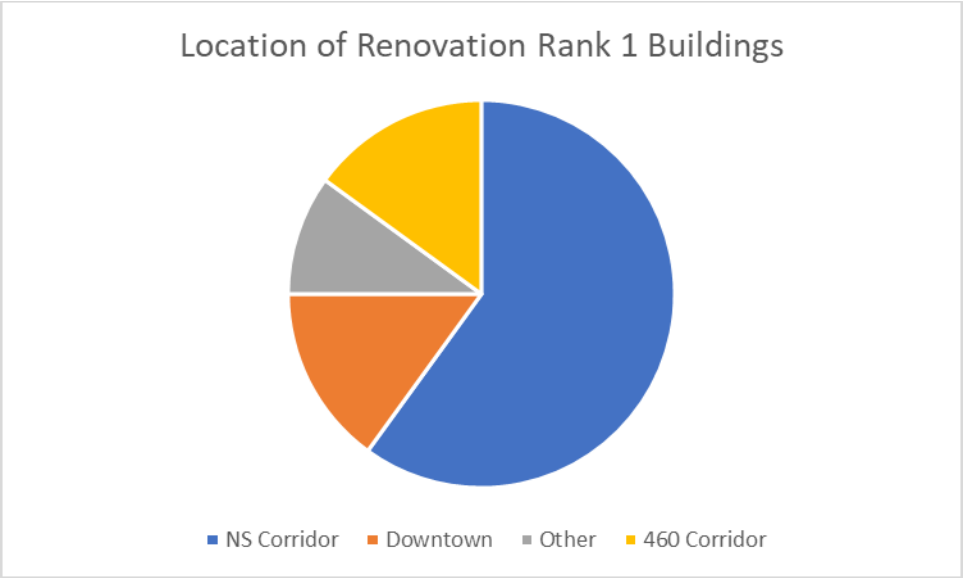

Figure 4-8
Sector Location of buildings requiring minimal renovation.

This study indicated that the Town of Bedford has approximately 830,000 square feet of unoccupied/under-utilized property of which 620,000 is likely handicap accessible. This value does include numerous large vacant industrial warehouse type buildings which would not be applicable to smaller business. If these larger building are removed from this calculation, the Town had approximately 130,000 square feet of ground level commercial space vacant not fully utilized at the time of this study. This ground level unused commercial area reduces to approximately 19,000 square feet for the downtown sector alone.

In summary, this snapshot of the state of commercial spaces within the Town of Bedford indicates:

- Nearly half (46%) of the unoccupied buildings within the town limits need significant renovation.
- Approximately 80% of the unoccupied commercial space is in the form of large abandon industrial properties.
- The Town lacks appropriate building space for offices and smaller scale manufacturing.

INTERNET ACCESS

A 400 Gb/s wavelength fiber optic "middle-mile backbone" runs throughout the Town of Bedford is owned and operated by Mid-Atlantic Broadband Communities Corporation (MBC) having 4 Terabit transport capacity. MBC operates a network node in the Town of Bedford located within the Bedford Center for Business industrial park shown in Figure 4-9.

The "final mile" connection service for Bedford customers is provided by Shenandoah Telecommunications Company (Shentel) which offers 1 Gbps download/10 Mbps upload service on a tiered payment basis. This capability is critical for businesses reliant on cloud-based services, use of large multi-media files, peer-to-peer networking and data sharing. Bedford's ability to provide reliable power and ultra-fast internet access could be attractive to companies requiring the utilization of data centers, which are target industries for the Bedford infrastructure.

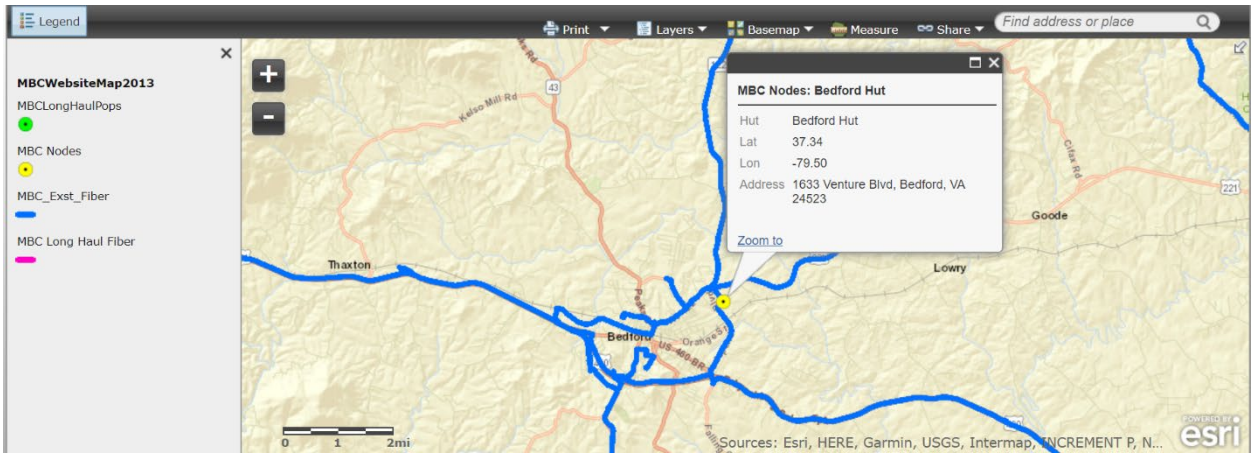

Figure 4-9
Mid-Atlantic Broadband network in Bedford showing location of the MBC node facility.

TOURISM

Tourism is defined as the movement of people outside their usual environment for personal or business/professional purposes. Tourism is important to local economies since it results in the introduction of new revenue using funds that otherwise would be spent in other locations, as opposed to the recirculation of local dollars. The Town of Bedford is uniquely situated to attract tourists through diverse offerings in both built and natural attractions and environments. The following is a summary of key components of Bedford's portfolio. Specific information related to Bedford's tourism sectors can be found at https://destinationbedfordva.com/.

RECREATION

The Town of Bedford as well as surrounding Bedford County owns numerous parks offering hiking and mountain bike trails, six-disc golf courses one of which is of championship level (opening in 2021), picnic pavilions, baseball and soccer facilities. Bedford is located adjacent to thousands of acres National forest land as well as the Blue Ridge Parkway. The 30,000-acre Smith Mountain Lake with its 500-miles of shoreline is located 20 minutes from Bedford to the south combined with the James River 20 minutes to the North, provide ample water sport/boating/fishing opportunities.

HISTORICAL ATTRACTIONS

The Town of Bedford is the home of the National D-Day Memorial built to honor those solders who participated in one of the most pivotal battles of World War II by invading the French coastline to propel German soldiers out of Western Europe. Tourists can further this experience by visiting the train station where troops departed, location of the drug store where families learned of the fate of loved ones via telegraphs as well as the local church which provided support.

Thomas Jefferson's Poplar Forrest is a National Historic Landmark located a short drive from town which was the summer retreat of Thomas Jefferson. The home has significant architectural significance as it was designed by Jefferson with significant restoration work completed.

The Blue Ridge Parkway is 469 mile a historic roadway built among the ridges of the Blue Ridge mountains from North Carolina to Virginia. The parkway is approximately 10 miles from the Town of Bedford where the Peak of Otter lodge and recreation area is located.

DINING

The Town of Bedford has an unusually large variety of restaurants for a town its size. Options range from fine dining, Americana, Italian, Mexican, Asian, seafood, barbeque to southern "soul food" offered by local restaurateurs and national chain establishments.

Bedford is also home to a regionally renown micro-brewery which has established its brand throughout the mid-Atlantic region. Bedford has potential as a regional attraction for beer connoisseurs who travel to town to sample alternate varieties in a small-town setting as more breweries consider establishing in Bedford.

ARTS AND CULTURE

Artists and artisans are important cultural contributors in the town. Many of them work cooperatively to provide education in art and crafts-work. The Bower Center for the Arts and a number of other galleries and outlets contribute to the economy and the quality of life.

LODGING

The Town of Bedford has limited lodging options including two chain hotels (Super 8 and Day Inn) located in town and the Peaks of Other Lodge located outside of town on the Blue Ridge Parkway. A new 35-room boutique hotel is scheduled to open in 2022, which will be located within walking distance from downtown and the brewery and will rehabilitate an iconic historic school. Bedford has numerous bed and breakfasts and short-term rental options within the Town limits. Bedford lacks a business class hotel, which is a priority of the Town of Bedford EDA to support both the tourism industry and industrial companies that need to house visitors such as executives or need to attract talent.

5
TOWN ECONOMIC DEVELOPMENT PLAN

BACKGROUND

The purpose of this section is to outline the economic development master plan for the Town of Bedford EDA. This master plan describes a strategy that targets the introduction and growth of small to medium size businesses as well as the retention of existing businesses. Since its restoration in 2016, the Town of Bedford EDA has been focused on establishing a variety of EDA controlled grant and loan programs that are designed to attract and assist businesses located in the Town limits. These coupled with gained knowledge and experience with applicable State and Federal programs has positioned the Town of Bedford EDA, supported by Town Staff, in the implementation of a long-term business development strategy. The next phase in the economic development of the town is to focus on identified deficiencies in order to make it more attractive to small and medium sized businesses. There is a general perception that some existing businesses will relocate to smaller, safer communities with many more employees working from homes and remote offices. Also, 1.7 million new businesses were created in 2020.

Small and medium businesses are also the focus of the Bedford strategy due to the limited capacity of developable land (greenfields) and existing buildings that are available for rehabilitation (brownfields) to accommodate large employers. Also, lessons learned from the loss of larger employers such as Rubatex and Trident Foods taught that a diverse economy and workforce are critical to weathering changes in the ebb and flow of industrial sectors.

The EDA strategy is to identify projects that will facilitate these companies and employees making the Town of Bedford a destination for their business or offices while taking actions to retain existing companies. This section describes this strategy, and, in some cases, actions taken to date.

Described are three "Essential" proposed projects that have been identified as crucial to the long-term expansion of the Town of Bedford's industrial portfolio. These three projects all have equally high priority with each being addressed pro-actively. The Essential Projects may involve significant EDA capital investment, funding from other sources and partnering with third party entities. Also described are "Focused" projects that are more reactive based on specific requests from either a business or from the Bedford Town Government. Some of the Focused Projects are on-going, expired or recurring monthly based on business requests. Finally, a listing of "Potential Projects" that provided for discussion purposes, but no action is currently planned.

ESSENTIAL PROJECTS

Business Development Center (BDC) – **High Priority – Focus on Entrepreneurship**

Historically, the Town of Bedford has never had a centralized location for small businesses to locate or initiate. The Region 2000 organization built a business incubator in the 90's which was designed to support business development for the Bedford area. Although this facility remains successful, businesses that leave this facility typically stay in the Lynchburg area, thus not benefiting the Town of Bedford directly. Data presented in Chapter 4 - Real Estate (*Commercial*), shows that nearly half of unoccupied buildings in the Town need renovation with limited availability of small office/manufacturing space typical of that required for startups. This data clearly indicates that if a business were to identify an existing structure in the Town limits, significant capital investment would likely be needed either by the business or a property owner prior to opening. This factor alone is a deterrent for new small businesses identifying the Town as their business location. Although the EDA offers grants to offset some capital improvement expenses, larger scale structural investments are less likely until a significant uptick in business activities in the downtown sector are realized. Property owners are reluctant to make major property investments unless a commercial rental market exists. The creation of a Bedford Business Development Center would provide a modernized complex offered at reasonable rental rates allowing businesses to focus on capital investments targeted on their product development. This coupled with EDA business programs such as the "5 for 5" Loan Program or Equipment /Infrastructure and Job Creation Grant could provide additional financial resources to small developing businesses.

It is important to note that the BDC has been identified as a potential revenue source for the TBEDA and is viewed as an investment with some income generated from space leases. The Town of Bedford EDA is actively assessing building options to locate a Business Development Center. The following attributes are to be considered when making its selection:

- **Value** – the "value" of a location is based on the initial cost of the structure, the amount of useable space and the cost to renovate to modern office standards.
- **Location** – the preferred location of the BDC would be within the downtown footprint. Such a location would indirectly add foot traffic in and around the downtown area resulting in tertiary commercial activity.
- **Use** – the ideal structure would be compatible for the inclusion of the following:
    - Offices rented out on an individual/suite basis to small companies or those currently needing to relocate a home-based business.
    - Laboratory space used for small scale production, product development or research activities.
    - Large conference/training room(s) used for specializing training, seminars, remote meetings, conferences, etc.
- **Income Potential –** the BDC must generate positive cash flow over a designated period to supplement the TBEDA's limited revenue so that future investments are possible.

- **Team Partner –** The Town of Bedford EDA must identify a partner willing and capable of running the day-to-day operation of the BDC and assist with its marketing and development.
- **Structure** – the BDC will utilize an existing vacant building likely requiring some level of renovation (new construction will not be considered due to the large number of vacant structures).

Period of Performance: 2020-2022
Projected Investment: The BDC is expected to require EDA funds or financing the amount depending on renovation requirements, grants and involvement level of the "Team Partner". The Town is located centrally in the GOVA Region 2 opening possible funding for a regional training center. Other funding sources such as Tobacco Commission and Federal grants are possible (USDA, U.S. EDA, etc).
Projected Benefit: The BDC provides an avenue for new and developing businesses to locate within the Town limits. This facility will spur economic growth within the Town center as well as provide a stream of new companies that may elect to expand by renovating vacant Town buildings or relocate to the Bedford Center for Business industrial park, or when developed, the Town's new industrial complex. The BDC will result in expanding the Town tax base as well as stimulating job growth. Lastly, this project should generate a second revenue stream for the TBEDA.

Town Business/Industrial Park – **High Priority**

The of reversion from City to Town status in July 2013 resulted in the transfer of ownership of the Town's only industrial park "The Bedford Center for Business" to Bedford County. As a result, this park is now controlled and marketed by Bedford County Economic Development Authority. Although the Town of Bedford EDA and Town staff actively supports the county EDA with providing information to potential companies when requested, the Town of Bedford EDA cannot participate in any negotiations related to this property. This situation can create a dilemma for the Town EDA when approached by industrial companies who inquire about establishing within the Town limits. These inquiries eventually are referred to the County who are obligated to introduce numerous industrial land options not located in the Town limits. The Town of Bedford needs to establish its own Industrial/Business complex to attract small-to-medium sized manufacturing companies. Such a park is also needed in combination with the proposed Business Development Center providing companies that outgrow the business incubator a location within the Town limits to expand.

The Town of Bedford is limited in possible locations for an industrial park complex due to the size of the town and developed real estate. One option the EDA considered for a complex was the old Valley Processing property located at 902 Adams Street (see Figure 5-1) owned by Mitchell Rubber Products Inc. This 10.4-acre property has been vacant since 2016, has a dedicated rail spur, and EPA Phase I and II studies in place. At the time of plan writing, the property was listed for sale for $2 million being comprised of some usable structures, but many that would be targeted for demolition. The Town of Bedford EDA made an offer to the out-of-

state owner requesting they donate the property to the Town in return for a $1.6 million tax write off. The property subsequently sold at a low amount to a private owner in the nearby area. The property still has great potential for industrial re-use but is now unavailable to the EDA, which could leverage grant funds if it was in public ownership.

Figure 5-1
10.4 acre lot located at 902 Adams Street

A second potential industrial park site is a 15-acre complex located at 1 Abrasive Ave, Bedford, VA (see Figure 5-2). This property is currently owned by Wheelabrator Abrasives Inc (Winoa USA in Canada, a French-owned company) who closed their shot abrasive manufacturing facility in 2020 due to global market changes for the product. The site is currently being dismantled of all foundry related hardware leaving mostly two large bays (one crane compatible) and two storage warehouse areas. The site also has a dedicated rail spur with a cover rail weight scale. Winoa is currently working to close its sediment pond and addressing any other identified environmental issues. The plot has additional land behind the main plant (north) that could be developed with pad-ready sites compatible for multiple small to medium sized buildings. The Town of Bedford EDA could consider a similar offer as presented to Mitchell Rubber Products where it is donated for tax credits. Any related action cannot occur until an EPA Phase I and II assessments have been performed and the sediment pond issue resolved to determine potential liability.

Figure 5-2
15.4 acre lot located at 1 Abrasives Avenue

Period of Performance: 2021-2022
Projected Investment: The Town of Bedford EDA is not intending on offering to purchase either of the described site options as the donation-for-tax-credit option needs to be exhausted. Purchase could only be considered if 1) an industrial company is willing to lease one of more existing buildings for an extended period to cover financing costs, or 2) Bedford Town Council offers to subsidize such purchase. The Town of Bedford EDA prefers to reserve limited funds for the site renovations including razing outdated buildings and creating pad ready sites.
Projected Benefit: A Town controlled business park is needed to provide options for industrial businesses to locate within the Town limits. The Town has suffered significant reduction in tax revenue due to the exodus of industrial manufacturing jobs. An industrial park controlled and marketed by the Town of Bedford EDA will provide needed tax revenue and manufacturing jobs.
Projected Partners: Future use of one of the properties could involve developing the site to meet a workforce need for steel and metal industries, one of five target sectors defined in the 2016 "Target Sector Analysis" prepared by Market Street Services, Inc. for the Regional Comprehensive Economic Development Strategy (CEDS). This project could include industry partners as "end users" with a partnership for higher education to produce a curriculum to meet both credit and certificate program needs for trade students and adults. The Town EDA could act as property owner and convener of the components necessary for metal workforce retention in across the Lynchburg and Roanoke regions and for Virginia.

Business Class Hotel – **High Priority**

The Town of Bedford does not have a business class hotel located any closer than 20 miles from Town limits. This type of hotel is considered essential in attracting certain types of companies who need to have housing options for potential customers/employees/contractors. The Town of Bedford commissioned a study to evaluate the feasibility and need for a business class hotel located on the Route 460 corridor within the town boundaries. This study was performed by

R.W. White (Hospitality Appraisals Inc.) in June 2016. This study concluded that considering the current and projected market growth patterns and hotels currently available in Bedford and those 20 miles to the east in Lynchburg, the addition of a business class hotel was economically feasible. This analysis was based on a 75-room, 4-story hotel with per night rates ranging from $98 to $116. Suggested hotel options included Hampton Inn, Holiday Inn Select and Hilton Garden Inn. This study justified the Town of Bedford EDA to sign a Memorandum of Understanding (MOU) with Dogwood Development Co. who had experience in the construction and subsequent management of a Holiday Inn Select located in Lebanon VA. Two EDA members visited the hotel and were impressed with the facility. Some TBEDA members also met with representatives from InterContinental Hotels Group (owners of Holiday Inn) for a pre-approval tour of the proposed site at the Harmony complex. IHG eventually approved the site and Dogwood Development was tasked with projecting construction costs and gathering interested investors with the objective of informing the Town of Bedford EDA the amount of funds needed to initiate the project. Dogwood Development cancelled all communication with the EDA for approximately 1 ½ years letting the MOU expire and the project stopped. Dogwood President Jamie Oliver did attend an EDA meeting in early 2020 where he expressed renewed interest and contacted the Tobacco Commission along with Mary Zirkle to discuss funding. The summary of this meeting concluded that Dogwood would have to find significant third-party funding and the validity of the 2016 study was questionable due to time and changing market conditions (i.e., planned 30-room boutique hotel at Middle School Complex, COVID, etc). Finally, the effects of COVID-19 and the related negative consequences on the national hotel market may temporarily increase risk, decreasing interest in potential investors (i.e., Tobacco Commission).

The TBEDA is committed to continued pursuit of a business class hotel although significant hurdles exist under the current environment. Efforts are underway to identify additional contractors interested in exploring a hotel in town. Dogwood Development is still a factor as they attempt to identify potential investors. Meanwhile, the TBEDA is currently involved with a Boutique Hotel project in town which should add 30 rooms to the market in the next two years. This project may further delay the business class hotel project since it softens the need for additional rooms even though many business travelers prefer national business class hotel chains on highway corridors. It is likely that the TBEDA will be required to fund an additional Hotel feasibility study, but this action would be unwise until the COVID 19 pandemic effects have stabilized or are no longer a factor.

Period of Performance: 2021-2025
Projected Investment: The TBEDA is not expected to fund or invest in this project but rather be a conduit through which the contractor can benefit from grants and tax advantages. The TBEDA may fund a second market analysis following the effects of COVID19 have subsided.
Projected Benefit: A business class hotel is needed to attract regional/national/international companies who need to entertain and house guests/workers. An example of a Bedford company in need of such services is Blue Ridge Optics who currently houses its guests in Lynchburg. This facility will also support tourism. A business class hotel is considered an essential resource

for serious consideration for certain types of companies. The hotel also provides jobs for workers and tax revenue collected from transients. This project may provide an opportunity to partner with Bedford County EDA in a mutually-beneficial arrangement since a hotel closer to County businesses benefits their position.

FOCUSED PROJECTS

Bedford Middle School Apartments/ Boutique Hotel – **High Priority (underway)**

The TBEDA has signed a Performance Agreement and MOU with Waukeshaw Development Inc., for the construction of a 60-unit apartment complex and 34 room boutique hotel in the iconic Bedford Middle School complex. This project has been delayed due to an extensive fire which destroyed much of the Middle School building without significant damage to the façade. Waukeshaw closed on the property and remains bound by performance agreements and zoning parameters for completion of the work.

This project will bring many new families and individuals to the downtown district. It is anticipated that some of these individuals will need office space outside of their apartments which meshes with the development of a Business Development Center. The 34-room hotel will also serve as a new higher end hotel serving as an alternative to business travelers. This hotel should also spur additional tourism and related tax revenue and provide a place to stay when visiting the D-Day Memorial.

Period of Performance: 2020-2022
Projected Investment: The Town of Bedford EDA is not expected to fund or invest in this project.
Projected Benefit: This apartment and hotel complex will add to Town tax revenue due to tourism and through the addition of increase downtown population.

COVID 19 Business Relief Grants – **Completed**

The TBEDA along with the Bedford Town Council conducted a unique COVID business support grant program. This program provided $5,000 to eligible existing Town business who met eligibility criteria. This program was the first of its kind in the State of Virginia and was used as a model for other localities. The grant program distributed a total of $215,000 which was reimbursed by the CARES Act funding.
Period of Performance: 2020
Projected Investment: The Town of Bedford EDA was reimbursed for all funds invested in this project. The EDA may continue to assist with funding of similar assistance projects in the future as the need arises and as State or Federal funds exist.
Projected Benefit: This project was intended to preserve as many brick-and-mortar Town businesses from closure due to lost revenue resulting from COVID pandemic effects. The grant program was considered effective with most non-chain establishments remaining open to date.

Façade/Equipment/Infrastructure/Job Grants – **High Priority** (Recurring monthly)

The Town of Bedford EDA considers grant requests monthly for town-based businesses providing financial assistance with building façade, signage, equipment and infrastructure expenditures, some of which are tied to job creation. These grant programs have distributed a total of $68,675 so far in the calendar year 2020. These programs are described further in a separate chapter of this document.
Period of Performance: Continuous
Projected Investment: The TBEDA must preserve funds to continue these programs over time.
Projected Benefit: This project primarily assists companies with building expenses and promotes job growth.

POTENTIAL PROJECTS

Building Preservation Program

The downtown area of the Town of Bedford contains many historic buildings which require maintenance and upkeep to retain integrity for use as future retail/residential purposes. Many of the commercial buildings in downtown are listed on the National Register of Historic Places and are therefore eligible for State and Federal Tax Credits.

The TBEDA recognizes its downtown structures as unique and irreplaceable. The TBEDA currently provides incentives and grants that assist maintenance upgrades and associated costs. However, in the event of extensive degradation, the cost to renovate and repair may exceed a reasonable return on investment (ROI) scenario for a potential investor. The owner may not be able to sell the property due to its degraded state, financial liabilities and large investment requirements. If the TBEDA identifies a historic downtown structure that has been condemned, under consideration for demolition or in such a state of disrepair that potential buyers are lacking, the TBEDA may invoke its Building Preservation Program (BPP).

The BPP involves a 4-step process: 1) TBEDA makes an offer to purchase the property at or near fair market value. 2) TBEDA applies for grants and/or secures funding to renovate/restore the property to a commercially useable condition, 3) TBEDA leases the property until all outstanding debts are settled and 4) property is sold at fair market value. The details of the BPP may vary from project to project but the overall goal is to restore historic dilapidated downtown properties and reintroduce them to private ownership. This program requires significant funds and equity to be successful. The TBEDA currently has extremely limited funding and resources which prevent this program from being enacted in the short-term.

Southern Bedford Town Entrance

Most retail businesses prefer placing their businesses in locations having high traffic count. In the downtown region of Bedford, preferred business locations are on Main Street and North Bridge Street. The southern half of downtown is less preferred and is mostly populated with

destination types businesses due to low traffic count. The streets of South Bridge and Washington are not heavily traveled since no thru-town traffic is routed through these areas. This could be remedied by changing the route that traffic approaching from the south (Route 122 from Smith Mountain Lake) is modified with the addition of a small extension road connecting 122/Crenshaw Street to Edmund Street forcing traffic onto South Bridge Street intersecting Main Street in the middle of town as illustrated in Figure 5-3. This change would provide a more scenic route to town, coincide with a planned bike route and utilize existing streets requiring mostly widening but significantly increase traffic count to the southern side of town. This would revitalize the downtown region increasing its attractive real estate footprint by nearly 50% resulting in increased tax revenue while filling vacant buildings.

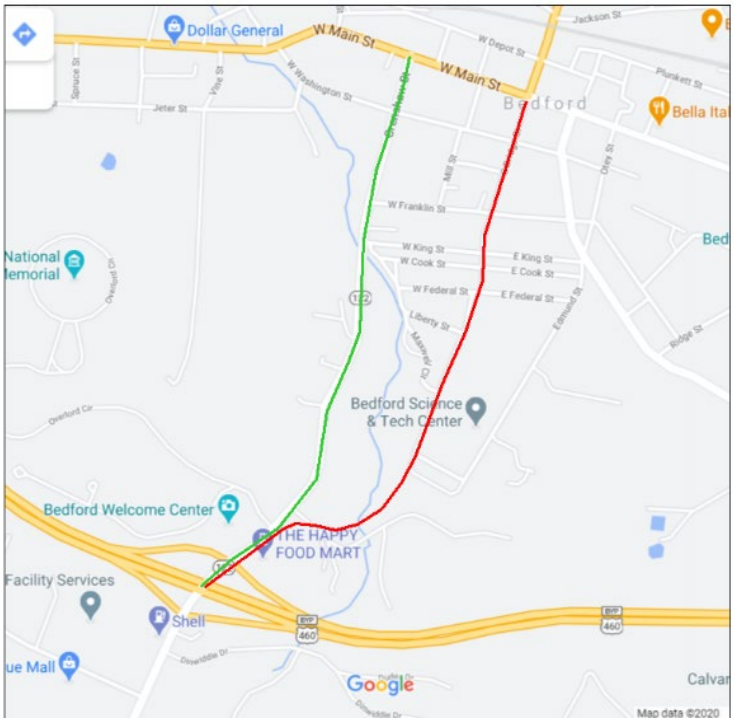

Figure 5-3
Proposed southern Bedford entrance change; Red – proposed, Green – current route.

Strategic Business Marketing

The Town of Bedford has suffered from a lack of promotion or marketing to prospective businesses. Although an aggressive business marketing effort could initiate immediately, the lack of an industrial park as well as small business office space/buildings makes this effort less attractive at this time. The TBEDA would prefer to focus limited resources on the high priority projects described in this report.

However, a marketing effort could stress the following:

- Renewable power certification – Bedford Electric's ability to issue renewable power certification to businesses makes Bedford unique on the eastern seaboard.
- 66% of the nation's population is within 1-day drive of Bedford
- Future Amtrak stop likely
- Redundant/High very capacity water system
- Diesel power backup potential
- 400 Gb/s wavelength fiber optic "backbone" runs throughout the Town of Bedford
- 1 Gbps download/10 Mbps upload service

A marketing plan will be developed and implemented following the creation of a Business Development Center. A marketing plan could be developed that is general or specific focusing on certain attributes or companies. Examples of this could be:

- Beverage Industry – The Bedford Regional Water Authority provides the Town with redundant high-quality water sources making the town a "water rich" location. Direct marketing to beverage companies for new plant expansion should be considered.
- Green Town – The Town of Bedford and areas serviced by the Bedford Electric Department provide power, 25% of which is renewable. Companies can also receive certifications where they can claim 100% renewable power use. This places Bedford in a unique marketing position to companies wanting to claim credit for pro-environmental policies, LEED points for new building construction, etc.
- Data Center - The Town of Bedford is an ideal location for a Data Center having a 400 Gb/s wavelength fiber optic "backbone" that runs through town as well as its renewable power certification program.

A strategic marketing plan should parallel and follow significant investments like a new business development center or industrial park which will expand development opportunities.

Natural Gas line

The Town of Bedford is at a disadvantage since it does not have a natural gas supply into the Town limits. The nearest natural gas line is approximately 19 miles away. Estimated cost to bury a natural gas line is approximately $1 million per mile. This project would likely require a large user of natural gas to be identified in the Town (i.e., new factory) to improve the ROI numbers for the gas company before this project will likely gain traction. Discussions with gas providers from Roanoke and Lynchburg should continue as opportunities for extension grow across Bedford County.

Data Center

The Town of Bedford is an ideal location for a Data Center having a 400 Gb/s wavelength fiber optic "backbone" that runs through town as well as its renewable power certification program. One data center company has looked at the Bedford Center for Business (County owned) for the location of such a site, but progress is unclear since the TBEDA is not directly involved. Without the development of an industrial park, the Town is limited on locations for such a business. "Edge" data centers are growing as the 5G and other technology is deployed closer to the end users in the "last mile".

6
TOWN ECONOMIC DEVELOPMENT PROGRAMS

The Town of Bedford has a number of incentives that were enabled by Town Council action in 2016 with the enactment of a 0.5% meals tax increase. The funds from this percent of tax are intended to be "spent solely for economic development" (Town Code Section 54-225a) and are used for real property improvement and equipment purchases. To date, the Town EDA has been focused on incentives distributed to meet business growth objectives of Town Council. This plan seeks to extend that work proactively with goals and strategies for innovative projects leveraged by the economic development fund assets.

The real property incentives, equipment and infrastructure incentive, and those provided by the State through Enterprise Zone #12, are included on the following pages. Property improvement incentives in the Downtown Area and the Enterprise Zone are intended to encourage additional investment in the Town by companies and businesses. It is hoped that these improvements will be noticed by other property owners and spur others to improve their property. In general, a business may request financial assistance from the EDA for most any need and the EDA, at its discretion, may provide an incentive after consideration of the benefit of the request to the economic growth and health of the community. The EDA has partnered with the County EDA and the Bedford Regional Water Authority in the past to provide assistance to existing companies. New developments may request assistance for infrastructure and these are generally reviewed in the context of job creation spurred by the development.

TAX ABATEMENT INCENTIVE FOR NON-RESIDENTIAL DEVELOPMENT

SUMMARY

A partial exemption from Town real estate taxation is available for any real estate on which any structure or other improvement has undergone substantial rehabilitation or renovation for commercial, industrial, or mixed-use development.

- The minimum amount spent must be $5,000 that contributes to the structural integrity or architectural character, not strictly cosmetic work.
- The structure must be in an Enterprise Zone in the Town of Bedford and be at least 15 years old.
- The partial exemption will be up to 50 percent of the qualified building investment, as determined by the town finance director, or in an amount equal to the increase in assessed building value resulting from the rehabilitation or renovation, whichever is greater.
- The total value of qualified expenditures must exceed 10% of the assessed valuation of the property at the time of application.
- The exemption provided by this section applies to the assessed value of the building, not the land, as assessed after the completion of rehabilitation or renovation.

APPLICATION PROCESS

- Fill out application form before beginning work (available from Town Manager's office or Economic Development office). Application is effective for a period of 2 years from date of filing (no extensions permitted).
- Before renovation or rehabilitation, Town Finance Director orders inspection of property (with assessed value as of the date of the application to serve as a baseline for evaluation).
- When renovation/rehabilitation is complete, property owner notifies Town Finance Director in writing along with proof of the amount of qualified investments expended.
- Town Finance Director requests reassessment of property by Bedford County Commissioner of the Revenue.
- If the Town Finance Director determines that the property has been substantially renovated/ rehabilitated under the terms of Section 54-70 of the Town Code, he/she shall order exemption from the real property tax for five years.

Fully administered by Town personnel and enabled by Town Code Section 54-70.

ENTERPRISE ZONE REAL PROPERTY INVESTMENT GRANT - LOCAL

SUMMARY

- Within the Enterprise Zone footprint beyond the Downtown area footprint, the Town Economic Development Authority will rebate 5% of qualified, substantial investments made between $15,000 and $100,000 for properties that comply with all other requirements of the program.
- Qualified applicants will receive up to $5,000 per building or facility for qualifying real property investments of less than $5 million over a 5-year period.
- For those building improvements that exceed the $200,000 cap of the State real property improvement grant, the Town Economic Development Authority will consider rebates of qualified investments above $200,000 within a 5-year consecutive term on a case by case basis.
- The grant will be disbursed as reimbursement for documented, qualifying expenditures.

APPLICATION PROCESS

- Fill out application form (available from Town Manager's office or Economic Development office).
- Submit documentation related to expenses incurred and payments made to Town Economic Development office.
- Town Economic Development Coordinator and Town Finance Director review documentation related to expenses.
- Economic Development Coordinator certifies qualification of expenses by memorandum.
- Town Economic Development Authority reviews and approves grant reimbursement.

TOWN INVOLVEMENT

The Town administers the local zone (#12) within the statewide Enterprise Zone program.

ENTERPRISE ZONE REAL PROPERTY INVESTMENT GRANT - STATE

SUMMARY

- Qualified applicants will receive up to $100,000 per building or facility for qualifying real property investments of less than $5 million over a 5 year period. The grant increases to up to $200,000 per building or facility for qualifying real property investments of $5 million or more.
- For rehabilitation and expansion, at least $100,000 of expenditures must be incurred in qualified real property investments. For new construction, at least $500,000 of expenditures must be incurred in qualified real property investments.
- The grant is capped per building or facility at a maximum of $200,000 within a 5-year consecutive term.
- Grants awarded may be subject to pro-ration should total requests within the statewide program exceed grant funds allocated because funds are given out first to the Job Creation Grant pool of applicants.

APPLICATION PROCESS

- Complete online application form provided by Virginia Department of Housing and Community Development at https://dmz1.dhcd.virginia.gov/EZApplication/
- The Town Economic Development office is available to provide assistance with the application process.
- The grant request must be made through the State by April 1 in the year after the final inspection of the property occurs.
-

TOWN INVOLVEMENT

The Town administers the local zone (#12) within the statewide Enterprise Zone program.

DOWNTOWN AREA INCENTIVE

SUMMARY

- Within the footprint of the area of the Bedford Downtown program, a 10% grant is offered on any qualified investment in property between a minimum of $15,000 and $100,000 for renovation or rehabilitation of a structure.
- The grant will be disbursed as reimbursement for documented, qualifying expenditures.

This incentive is designed to encourage use of Real Property Investment Grant administered as part of Enterprise Zone program for those properties that do not meet the minimum State investment amount.

APPLICATION PROCESS

- Fill out application form (available from Town Manager's office or Economic Development office).
- Submit documentation related to expenses to Town Economic Development office.
- Town Economic Development Coordinator and Town Finance Director review documentation related to expenses.
- Economic Development Coordinator certifies qualification of expenses by memorandum.
- Town Economic Development Authority reviews and approves grant reimbursement.

TOWN INVOLVEMENT

Fully administered and funded by Town Economic Development Authority and Town staff

DOWNTOWN FAÇADE AND SIGN IMPROVEMENT PROGRAM

SUMMARY

- The Town offers a matching grant up to $3,000 for improvements to building facades and signs within the Downtown area footprint.
- Proposals cannot be in conflict with the development standards established by the National Trust for Historic Preservation. Applicants are encouraged to seek professional design services to ensure compatibility.
- The grant will be disbursed as reimbursement for documented, qualifying expenditures.

APPLICATION PROCESS

- Submit application directly to Town Economic Development office.
- The application must include receipts and proof of payments made to show the match met by the applicant.
- Town Economic Development Coordinator presents expenditures to Town Economic Development Authority for approval of grant disbursement.

TOWN INVOLVEMENT

The Town's Economic Development Authority will fund one-half of the total grant amount up to $3,000 in a reimbursement.

ENTERPRISE ZONE JOB CREATION GRANT – STATE

SUMMARY

- Businesses within the Enterprise Zone boundary will receive up to $500 per year for a period of 5 years for each net new permanent, full-time position earning at least 175% of the Federal minimum wage with health benefits. (The grant increases to $800 per year for full-time positions earning at least 200% of the Federal minimum wage with health benefits.)
- Businesses must create at least four net new permanent full-time positions to qualify.
- Retail, personal service, or food and beverage positions are excluded.

APPLICATION PROCESS

- Complete online application form provided by Virginia Department of Housing and Community Development at https://dmz1.dhcd.virginia.gov/EZApplication/
- The Town Economic Development office is available to provide assistance with the application process.
- The grant request must be made by April 1 in the year after the jobs are added as listed in the application.

TOWN INVOLVEMENT

The Town administers the local zone (#12) within the statewide Enterprise Zone program.

SMALL BUSINESS "5 FOR 5" REVOLVING LOAN PROGRAM

Funded by the USDA Rural Development Rural Business Development Grant program, this grant to the Town is provided to eligible businesses, whether startups or existing, as a low-interest loan related to job retention and creation. The program for these funds is available until July 31, 2022.

SUMMARY

- Small businesses including startups, having 250 employees or less located within the Town boundary can qualify for a Revolving Loan Fund grant from the U.S. Department of Agriculture (USDA).
- Loan amounts range from $5000 to $20,000 for a term of 5 years at 2% interest.
- Loan amount contingent on number of jobs added ($5000 for every job up to $20,000).
- Loan directed at equipment purchases where applicant is responsible for 10% of purchase cost.

APPLICATION PROCESS

- The Town Economic Development office is available to provide assistance with the application process.
- Closing costs fees and background checks required.

TOWN INVOLVEMENT

Fully administered by Town Economic Development Authority and Town staff

EQUIPMENT / INFRASTRUCTURE AND JOB CREATION GRANT POLICY

Adopted May 15, 2019

SUMMARY
These incentives are available town-wide and apply to equipment purchases or infrastructure improvement tied to the addition of jobs and increased tax revenue. Incentives may apply to new or established businesses already operating in the town. The amount of incentive will be calculated on a case-by-case basis with consideration for the following criteria:

- $50,000 minimum equipment investment
- Minimum 3 new jobs – wages at least 175% over the minimum Federal Minimum Wage with benefits
- There will be no minimum amount of investment for extension of infrastructure or site preparation (water, sewer, electric, fiber, road improvements).
- The incentive generally must generate a positive return on investment in the form of new tax revenue over a period of three years.

These incentives shall apply to businesses in the advanced industrial or manufacturing sectors. "Advanced manufacturing" for these incentives is defined as: non-traditional production involving relatively clean processes or emerging technology. Innovation and use of new technology is a key factor in assessing whether the production process is "advanced". Other trade-related sectors may be considered to receive incentives if they provide a niche service or product, or a service or product not generally found in the surrounding geographic area. All requests are considered on an individual, case-by-case basis.

Accountability and Performance Agreement
All incentives shall have a performance agreement between the business and EDA. This is to formalize expected outcomes and obligations for the business and for the EDA as the public investor. The length and content of the agreement will be negotiated between the business and EDA and signed by authorized representatives.

Annual performance measures are required to show that the business has met the obligations set for that year. This written report provided by the business allows review for potential issues that may arise in remaining years of the agreement. The agreement may include provisions for payback of the incentive in the event the business closes or leaves Town limits or sells equipment purchased with an incentive during the term of the agreement or for a period thereafter defined in the agreement.

Disbursement to Business
Incentives shall generally be on a reimbursement basis over the terms of the agreement for the purchase of equipment. Infrastructure improvement incentives may be provided up front in an amount and time as defined in the agreement.

Non-equipment Incentives
Investment by the Town in infrastructure shall be subject to the same payback clauses if the business closes during the term of the performance agreement. Site infrastructure may involve agreements with the Bedford Regional Water Authority, Bedford Town Electric Department, Virginia Department of Transportation, among others.

Funding
The Incentive Policy is subject to change by the Authority at any time, is subject to EDA approval, modification and is subject to the availability of funds. These funds are provided from EDA reserve funds, funds designated from the capital improvement program fund (CIP), from appropriations of the Town Council, or through grants.

APPLICATION PROCESS
The Town Economic Development office is available to provide assistance with the application process.

TOWN INVOLVEMENT
Fully administered by Town Economic Development Authority and Town staff.