

BOARD OF SUPERVISORS
Agenda Item




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| Meeting Date: | October 6, 2015 |
| Title: | Support Funding of the Stafford Technology And Research Park's Board of Directors' Planned Coworking Space In Boswell's Corner |
| Department: | Department of Economic Development |
| Staff Contact: | Timothy J. Baroody, Deputy County Administrator |
| Board Committee/ Other BACC: | Community and Economic Development; Economic Development Authority; and Stafford Technology and Research Board of Directors |
| Staff Recommendation: | Approval |
| Budget Impact: | See background report |
| Time Sensitivity: | See background report |

ATTACHMENTS:

| | | | |
|----|----------------------------|----|-----------------------------|
| 1. | Background Report | 3. | Proposed Resolution R15-264 |
| 2. | Co-working Space Pro-forma | | |

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|---|-----------------------|--|-----------------------|--|----------------------------|
| | Consent Agenda | | Other Business | | Unfinished Business |
| | Discussion | | Presentation | | Work Session |
| X | New Business | | Public Hearing | | Add-On |

REVIEW:

| | | |
|---|----------------------|--|
| X | County Administrator |  |
| X | County Attorney |  |
| X | Finance and Budget |  |

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| DISTRICT: | Griffis-Widewater |
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BACKGROUND REPORT

In 2010, the Board expressed its desire to create a technology and research park (Tech Park), with the goal of facilitating the creation of 5,000 new hi-tech jobs in the County. In order to facilitate private sector investment in the area of the Tech Park, the Board facilitated a land swap, adopted a Redevelopment Plan for Boswell's Corner as a component of the Comprehensive Plan, adopted a form-based code for the Boswell's Corner area, increased the floor area ratio to permit more urban utilization of land, and supported the advancement of infrastructure improvements.

Additionally, the County worked with the Association of University Research Parks (AURP), which provided significant support, ensuring that the County's pursuits were effective and efficient, knowing that university research parks have a positive effect on creating local jobs. In October 2010, the Board formally executed a Memorandum of Understanding (MOU) with the University of Mary Washington, George Mason University, Germanna Community College, and MTCSC (now ManTech). The MOU stated, in part "[The] parties wish to collaborate to explore the possibility of providing academic services, research, and economic development opportunities at locations in and near Marine Corps Base Quantico." Three subsequent MOUs endorsed the creation of a 501(c)(3) organization, and a partnership with a research university, and encouraged cooperation with a developer on leased space that led to the creation of today's Stafford Technology and Research Center (Center).

The Board also adopted the Economic Development 10-Point Plan, and just adopted its replacement (now known as the 2015 Economic Development Strategic Plan), both of which support the creation of a research and technology park in the County, and encourages investment, revenue growth, and the creation of jobs in the County.

In addition, the Board purchased land in the Boswell's Corner area of the County, received a Commonwealth of Virginia Federal Action Contingency Trust (FACT) grant, and authorized the required matching grant funds. The grant was utilized to fund hiring a consultant to undertake a risk assessment, an incubator feasibility study, and a Tech Park Strategic Plan, which was completed in December, 2014, and presented to the Board in January, 2015.

Based on findings included in the Tech Park Strategic Plan, staff determined that the next logical step includes the creation of a coworking space to accommodate the space needs of new small business entrepreneurs, to hire a part-time executive director to advance the Tech Park's initiatives, and to locate today's Center with the coworking space under one roof.

Proposed Resolution R15-264 authorizes and directs funding in the amount of \$385,000, to be allocated in two equal parts, over two fiscal years, sourced from the Stafford Opportunity Fund. Although projected to be a break-even proposition by the fourth year, this amount equals the total deficit projected in the five-year pro-forma (see attached).

If approved, this allocation will enable the Tech Park Board of Directors to lease approximately 5,500 square feet at Building 1000, Quantico Corporate Center (or similar space), hire staff including a part-time executive director following a competitive recruitment, and support operations of a coworking space. Staff recommends approval.



Coworking Space

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|
| Revenue | | | | | |
| Space | \$116,040 | \$163,560 | \$255,480 | \$310,560 | \$310,560 |
| Sponsorship | \$38,400 | \$38,400 | \$38,400 | \$38,400 | \$38,400 |
| | \$154,440 | \$201,960 | \$293,880 | \$348,960 | \$348,960 |
| Expenses | | | | | |
| STRC Exec Director (Part time) | \$90,000 | \$90,000 | \$90,000 | \$90,000 | \$90,000 |
| Co-working Space Staff | \$78,000 | \$78,000 | \$78,000 | \$78,000 | \$78,000 |
| Operations | \$178,676 | \$178,676 | \$178,676 | \$178,676 | \$178,676 |
| | \$346,676 | \$346,676 | \$346,676 | \$346,676 | \$346,676 |
| Surplus (Deficit) | (\$192,236) | (\$144,716) | (\$52,796) | \$2,284 | \$2,284 |
| Cumulative | (\$192,236) | (\$336,952) | (\$389,748) | (\$387,464) | (\$385,180) |

Note: There will be a need for some initial start-up costs in year 1 for basic office equipment

PROPOSED

BOARD OF SUPERVISORS
COUNTY OF STAFFORD
STAFFORD, VIRGINIA

RESOLUTION

At a regular meeting of the Stafford County Board of Supervisors (the Board) held in the Board Chambers, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 6th day of October, 2015:

MEMBERS:

Gary F. Snellings, Chairman
Laura A. Sellers, Vice Chairman
Meg Bohmke
Jack R. Cavalier
Paul V. Milde III
Cord A. Sterling
Robert "Bob" Thomas, Jr.

VOTE:

On motion of , seconded by , which carried by a vote of , the following was adopted:

A RESOLUTION TO AUTHORIZE, BUDGET, AND APPROPRIATE
FUNDING OF THE STAFFORD TECHNOLOGY AND RESEARCH
PARK'S BOARD OF DIRECTORS' PLANNED COWORKING SPACE
IN BOSWELL'S CORNER

WHEREAS, since 2010, the Board has desired the creation of a technology and research park in Stafford County (Tech Park), with the goal of facilitating the creation and attraction of 5,000 new high tech jobs to the County; and

WHEREAS, in order to facilitate private sector investment in this area, the Board facilitated a land swap, adopted a Redevelopment Plan for Boswell's Corner as a component of the Comprehensive Plan, adopted a form-based code for the Boswell's Corner area, increased the floor area ratio to permit more urban utilization of land, and supported the advancement of infrastructure improvements; and

WHEREAS, the Association of University Research Parks (AURP) provided significant support in ensuring the County's Tech Park pursuits were on sound footing, knowing that university research parks have a positive multiplier effect in creating good local jobs; and

WHEREAS, beginning in October, 2010, the Board executed a Memorandum of Understanding with the University of Mary Washington, George Mason University, Germanna Community College, and MTCSC (now ManTech); and

WHEREAS, the first Memorandum of Understanding stated, in part, “[The] parties wish to collaborate to explore the possibility of providing academic services, research, and economic development opportunities at locations in and near Marine Corps Base Quantico;” and

WHEREAS, the three subsequent Memorandums of Understanding endorsed the creation of a 501(c)(3), and a partnership with a research University, and encouraged cooperation with a developer on space that led to the creation of today’s Stafford Technology and Research Center (Center); and

WHEREAS, the Board also adopted the Economic Development 10-Point Plan, and has just adopted its update (known as the 2015 Economic Development Strategic Plan), both of which support the creation of a research and technology park in Stafford County to encourage investment, revenue growth, and the creation of jobs; and

WHEREAS, the Board pursued and eventually purchased land in Boswell’s Corner to advance the Tech Park initiative, received a Commonwealth of Virginia Federal Action Contingency Trust (FACT) grant, and upon award, authorized the required matching grant funds; and

WHEREAS, the FACT grant was utilized to fund expert assistance on the completion of a Risk Assessment, an Incubator Feasibility, and Tech Park Strategic Plan, which were all completed in December, 2014, and presented to the Board in January, 2015; and

WHEREAS, based on the Strategic Plan, the next logical steps include creating a coworking space to encourage the accommodation of space needs of new small business entrepreneurs, hiring a part-time Executive Director to advance the Tech Park initiative, and relocating the Center with the coworking space under one roof; and

WHEREAS, the Board continues to support the Tech Park Board of Directors, and specifically endorses an investment in the creation of a consolidated Center and coworking space of approximately 5,500 square feet at Quantico Corporate Center, in Building 1000, Suite 119, or similar space; and

WHEREAS, a pro-forma has been crafted that projects space, utility, staffing, and other operational expenses over a five-year period; and

WHEREAS, although it is a projected breakeven proposition by the fourth year (after subtracting out projected revenue), the new space and its offerings produce a total net deficit of approximately \$385,000 in the first five years of operations; and

WHEREAS, the Board finds that adoption of this resolution promotes the health, safety, and welfare of the County and its citizens;

NOW, THEREFORE, BE IT RESOLVED by the Stafford County Board of Supervisors on this the 6th day of October, 2015, that it be and hereby does authorize the County Administrator to budget and appropriate One Hundred Ninety-two Thousand Five Hundred Dollars (\$192,500) from the Stafford Opportunity Fund for the purpose of supporting the coworking space in Boswell's Corner, and hire a part-time executive director following a competitive recruitment; and

BE IT FURTHER RESOLVED that the Board directs the County Administrator to include an equal amount, One Hundred Ninety-two Thousand Five Hundred Dollars (\$192,500), in the Fiscal Year 2017 budget proposal when submitted to the Board for consideration, in order to effectuate this funding commitment.

AJR:TJB