



Entrepreneurial and Workforce Development Strategies (Building Collaborative Communities)

Final Report
July 2017

Prepared by:

Accomack-Northampton Planning District Commission

23301 Front Street, Accomac, VA 23301

757-787-2936 • www.a-npdc.org

CONTENTS

PROJECT SUMMARY	2
PROJECT ACTIVITIES & FINDINGS	3
Goal 1: Develop a Regional Small Business Incubator and Community Commercial Kitchen Feasibility Plan	3
Goal 2: Develop a Strategic Vision Plan and Leadership Team for a Regional Aquatic Workforce Development Center	5
Goal 3: Development a Regional Small Business Resource Index	6
APPENDICES	7
● Appendix A: Notice of Availability of Invitation to Bid	
● Appendix B: Invitation to Bid and Addendums	
● Appendix C: ATC Proposal	
● Appendix D: ATC Final Report	
● Appendix E: GMB Report	
● Appendix F: Community Kitchen Study	
● Appendix G: Marine Industry Interviews	

PROJECT SUMMARY

In November 2016, the A-NPDC received a Building Collaborative Communities grant from the Virginia Department of Housing and Community Development. The overall goal of the project was to advance high-priority and feasibility strategies identified within the 2016 regional Stronger Economies Together (SET) plan which addresses specific regional barriers for providing adequate small business facilities, workforce development opportunities, and regional small business information resources.

Three measurable and specific objectives were identified in the proposal: 1) Develop a phased implementation plan for a Regional Small Business Incubator and Community Commercial Kitchen at the Northampton County Community Facilities Building (former Northampton County Middle School); 2) Develop a strategic vision plan and leadership team for a regional aquatic workforce development center; and 3) Create a Regional Small Business Resource Index.

PROJECT ACTIVITIES & FINDINGS

Goal 1: Develop a Regional Small Business Incubator and Community Commercial Kitchen Feasibility Plan.

Northampton County Community Facilities Building Feasibility Study

The grant proposal identified the 65,000 sq. ft. Northampton County Community Facilities Building, located at 7247 Young Street in Machipongo, VA, as the potential site for the development of a business incubator and commercial kitchen. Originally constructed as Northampton County's African American high school, the building has served multiple purposes and has had several additions and renovations since its original construction in 1953. Currently, the facility houses the Virginia Cooperative Extension Office, County Parks & Recreation programs, archival storage space, and it is used as a polling station.

With the reduced usage of the facility and the inefficient heating and cooling systems, a mold problem has developed. In order to determine the feasibility of the site's further reuse, an indoor environmental risk assessment was a necessary first step. A-NPDC issued an Invitation to Bid for the environmental testing services in February, 2017 (Appendices A-B). ATC Group Services LLC of Virginia Beach, was chosen through a competitive bid process to perform the assessment based on the following scope of services (Appendix C):

- Performance of an indoor air quality study of all areas of the facility
- Development of potential health risks of using the facility in its current condition
- Development of a mold management plan for prevention and remediation of mold and moisture problems, including any modifications to the existing building necessary to accomplish humidity control, on an area-by area/room-by-room basis
- Performance of a lead and asbestos survey in all areas where renovation activities would be required to mitigate mold and moisture problems
- Testing for lead in areas showing chipping/flaking paint
- Development of probable mold remediation costs on an area-by-area/case-by-case basis
- Development of probable lead and asbestos abatement costs on an area-by-area/case-by-case basis

Lab results identified multiple areas of environmental concern leading to the recommendation for limited access to the affected areas of the facility until a microbial remediation and HAZMAT abatement plan is developed and implemented (Appendix D).

In addition to the environmental risk assessment, multiple stakeholders including County Supervisors and Public Works personnel, as well as community members, expressed concern regarding the wastewater treatment system's capacity to treat the potential increased

flow as the result of the facility's expanded reuse. A-NPDC contracted with GMB in Salisbury, MD, to provide the following wastewater treatment analysis:

- Review design and operations documents provided by Northampton County Public Works Department of the existing pond system.
- Review the existing VDPED Permit and existing design data of the pond system as compared to the current Virginia Sewage and Collection Treatment Regulations (SCAT).
- Provide a letter report of findings and generate an Engineer's opinion on the capability of the existing wastewater pond system and utilizing the facility to the permitted flow condition and treatment limits.

GMB conducted their analysis in early April (Appendix E). Their findings indicated that the system has the potential to treat additional flow (up to 3,500 gal/day as determined by historic usage, the current flow rate is 400 gal/day). The assessment notes potential leakage of the lagoons, however, monthly monitoring of the surrounding groundwater wells has shown no above normal limits. Continued well monitoring was recommended to ensure no major changes develop.

A-NPDC staff estimate that the facility would need to generate an annual gross rental income of at least \$255K, which equates to approximately 75% occupancy rate, to cover operating expenses and the anticipated \$635K in debt service needed. This calculation is based on current operating cost, previous rehabilitation estimates (bathrooms, roof, asbestos abatement, and mold mitigation) and assumptions regarding rent and mortgage loan rates. Full occupancy of the facility is estimated to generate \$340K in gross income. The rehabilitation costs may qualify for historic tax credits, but first the building would need to be certified as a "historic structure" through the National Register of Historic Places and/or the Virginia Landmarks Register or be certified as a structure "contributing to" a historic district.

Recommendations

Based on the indoor environmental risk assessment, wastewater treatment system analysis, and the mitigation, remediation, and renovation estimates, A-NPDC staff provided County officials with three potential options moving forward:

Option 1 - Continue current use of the facility and take immediate action to:

- Limit access to the 1980s and 1990s additions, as well Room #23 and Room #25 until the area can be addressed by a licensed restoration company. The County's archives are currently housed in an area of environmental/health risk concern and should be cleaned and moved posthaste.
- Maintain the mechanical systems based on the recommended temperature and humidity thresholds in these areas until restoration activities commence.
- Develop an Operations and Maintenance Plan for the asbestos containing material that remain in place. Removal of any ACM should be addressed by a licensed abatement contractor.
- Retain a licensed lead abatement contractor to evaluate the lead-containing paint

identified on the window support poles associated with the original section of the structure.

Option 2 - Option 1 plus:

- Install climate control mini-split systems in rooms #23 - #27 (cost estimate \$19,000). The space could then be used for the County's archival storage, offices, or as income producing rental space.
- Further renovations to the gymnasium (currently ongoing), restrooms, auditorium, and cafeteria could provide additional income from rental fees and provide much needed community event facilities for the community.

Option 3 - Options 1 and 2 plus:

- Raze the 1980s and 1990s editions of the building, returning the school to its historic footprint. Most of the adaptive reuse plans supported by the community stakeholders involve the gymnasium, cafeteria, and auditorium, and there is limited interest in classroom space. The County Director of Public Works estimates that the demolition and renovation costs, not including hazardous abatement, would be over \$800,000.

Further adaptive reuse planning of the facility is dependent on the Board of Supervisors taking action to mitigate the identified environmental concerns as well as approving any future business plans for reuse of the facility.

Stakeholder Engagement



A-NPDC staff attended multiple community stakeholders meetings to determine potential reuses of the facility. Initially, the grant focused on the development of a small business incubator and a community and/or commercial kitchen. Input from the community expanded potential reuses to include the development of a multi-use community center. A core group of stakeholders formed under

the umbrella of the "Historic Northampton County High School Community Center." This group continues to meet regularly and is developing bylaws, a mission statement, a governance board, and a business plan which they hope to present to the Board of Supervisors by the end of the year, as well as to potential funding sources. The group is working in collaboration with the Friends of Northampton Parks & Recreation and the Northampton County Parks and Recreation Advisory Board.

Commercial vs Community Kitchen Planning Efforts

After the initial community stakeholder meeting, a second meeting of individuals

interested specifically in the development of a commercial kitchen business plan for the Northampton County Community Facilities Building took place in April. After that meeting, a stakeholder, with expertise in both commercial real estate and culinary arts, assisted in the research and development of a white paper on the feasibility of a commercial and/or community kitchen (Appendix F). Concurrently, a private investor approached the County with plans to develop a commercial kitchen at a nearby site. It was decided to suspend further development of a commercial kitchen feasibility/business study until plans for the privately funded project are shared publically. If the decision is made that a commercial kitchen is ultimately not viable at the site, the County may want to consider the benefits of improvements to the space as a “community” kitchen to accommodate the use of current occupants as well potential future users of the proposed community center.

Business Incubator Planning Efforts

Since the grant award, additional interest has developed regionally in a business incubator. Sites in Exmore, Onley, Melfa, Parksley, and Wallops Island have been discussed as potential incubator sites. A-NPDC staff are currently working with stakeholders, including the Eastern Shore Community College, Eastern Shore Chamber of Commerce, Small Business Development Center, and private investors to discuss next steps including a market analysis/feasibility study to identify at a minimum:

- Who would use an incubator on the Shore?
- What are their needs?
- What type of incubator is most needed: co-working space; makerspace; manufacturing; etc.
- Where is the best location?
- What layout/equipment is needed?
- What is the need/expectation for mentorship?
- Who are the stakeholders/collaborators?
- What funding is available for the development of the incubator as well as support of the businesses who may use the incubator(angel investors and or accelerator).

Potential funding sources to assist in the development of an incubator on the Shore include the USDA Rural Business Development Grant and the Building Entrepreneurial Economies Grant from the Virginia Department of Housing and Community Development.

Goal 2: Develop a Strategic Vision Plan and Leadership Team for a Regional Aquatic Workforce Development Center

The initial Leadership Team consisted of staff from the A-NPDC and Eastern Shore Community College Workforce Development. The team met to discuss current resources and a

stakeholder outreach strategy. It was decided that a survey of stakeholders would allow for the greatest level of input from individuals/businesses in the marine-based industry sector.

Twenty-two individuals from 7 sectors were interviewed by phone or in-person (Appendix G). These representatives were asked what their needs were for existing or incoming staff training and certifications. The interview discussion was made adaptable depending upon the interviewee. Half of those interviewed did not express a need for a unique facility. Those that were interested in a facility expressed the need for a pool for various trainings such as swimming, lifeguard, STCW (Standards for Training, Certification, and Watchkeeping, etc. Additional facility suggestions included an area with aquariums and touch tanks for marine life teaching and an area for hands on training for pumps and other gear.

Based on the interview results, there are mixed emotions in the aquaculture field in particular about training programs. Representatives from this industry were insistent that the different companies all operate with unique procedures, and were somewhat weary of extensive training. Instead, they were interested more in small engine repair, pump operation/maintenance, and basic food handling safety (in English and Spanish).

Through the interview process, existing opportunities on the Shore were discovered, and the beginning of a resource database created. Dissemination of information about programs, courses, and training opportunities needs to be more effective and collaboration between instructors and facilities enhanced. One immediate conclusion is that there are a number of fragmented resources already on the Shore. As part of the Regional Small Business Resource Index, staff developed a clearinghouse page on the A-NPDC website to consolidate the available resources and information for community-wide benefit (<http://www.a-npdc.org/marine-based-industry-resources/>). The Leadership team plans to continue meeting to determine future collaborative efforts to support the aquatic workforce development needs of individuals and businesses on the Shore.

Goal 3: Development a Regional Small Business Resource Index

The purpose of the the Regional Small Business Resource Index is to support and expand the development of the entrepreneurial ecosystem on the Shore by providing a comprehensive list of resources for prospective and existing businesses and creating a virtual network for entrepreneurs. The grant allowed for the re-development of the A-NPDC Economic Development website and resulted in the creation of the following three web pages:

<http://www.a-npdc.org/economic-development-resources/>

<http://www.a-npdc.org/marine-based-industry-resources/>

<http://www.a-npdc.org/data-dashboard/>

As with most online content, the pages created will continue to be developed and updated on a regular basis and the availability of the Index will continue to be shared across our stakeholder networks. It is anticipated that the buildout will include informational graphs that will make regional demographic and economic data more readily accessible and user-friendly by citizens, business owners, entrepreneurs, grant writers, non-profit organizations, and local

governments.

Monthly economic development newsletters began in October 2016. The content is focused on current economic data and trends within the region, conference and workshop information, updates on industry advancements and progress made through the implementation of the SET and CEDS regional economic development plans, and other pertinent information to support local entrepreneurs. The e-blast is distributed to over 300 individuals and has on average a 50% open rate. Past newsletters are archived on the A-NPDC website: <http://www.a-npdc.org/economic-development-newsletter/>. In addition, time sensitive and information which is deemed of broad interest is shared via the A-NPDC Facebook page.

The final Small Business Resource Index grant activity was the second in a series of envisioned entrepreneurship workshops. “The Entrepreneurship Option,” held on October 24, 2016, was presented by Jim Flowers, Executive Director of VT KnowledgeWorks. Over thirty people registered for the event which was held at the Eastern Shore Community College. Plans are currently underway to sponsor a third entrepreneurship training before the end of the year.

Additional Activities in Support of Grant Goals

The grant provided A-NPDC staff the opportunity to register/attend the following conferences and workshops:

- Virginia Main Street Downtown Intersections Conference (July 2017)
- Virginia Association of Planning District Commissions Conference (July 2017)
- Virginia Governor’s Housing Conference (November 2017)
- DHCD Best Practices in Grant Management Workshop (November 2017)

These professional development opportunities assist staff in building the capacity of the A-NPDC Economic Development Office to support and educate entrepreneurs and business owners by bringing to the Shore knowledge of best practices in economic development, professional networking connections, and relevant resources. Finally, the grant provided necessary funds to replace an aging, and unserviceable, large-format plotter. The ability to visualize and share information via poster size maps and graphics will assist the staff in community engagement efforts for many years to come.

APPENDICES

- Appendix A: Notice of Availability of Invitation to Bid
- Appendix B: Invitation to Bid and Addendums
- Appendix C: ATC Proposal
- Appendix D: ATC Final Report
- Appendix E: GMB Report
- Appendix F: Community Kitchen Study
- Appendix G: Marine Industry Interviews