

Strategic Economic Development Action Plan

Mecklenburg County
Virginia



November 2024

#



**MECKLENBURG
COUNTY** *Virginia*

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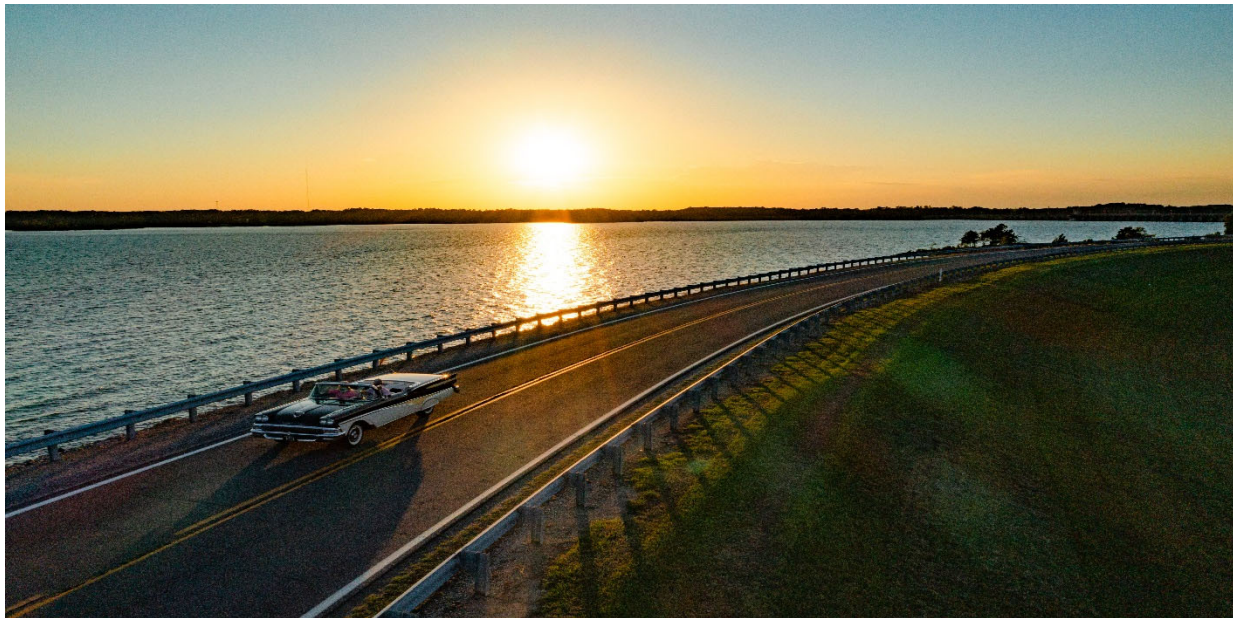


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Executive Summary

Mecklenburg County was organized in 1765, split from Lunenburg County by the Virginia General Assembly because of new settlement and population increases. Since its inception Mecklenburg's boundaries have remained unchanged. Today Mecklenburg is experiencing some enviable growth, particularly in the Information Technology sector, creating many opportunities and some growing pains.

The organization tasked with managing the county's economic development efforts is the Mecklenburg Department of Economic Development (MDED), an arm of county government. The MDED is professional, aggressive, manages, and implements all economic development efforts and activities, including Tourism. The department has served the county well and has experienced much success in the past. However, senior leadership realized that it was at a juncture where it needed to examine itself, review past efforts and chart a new strategy to guide it to the next level in economic development. The last guiding document was done in 2011 and there have been significant shifts in the business base since that time. These changes have put Mecklenburg in a category of its own when compared to other rural localities in Virginia. The presence of large data centers has enabled the county to improve its schools and other public services and maintain a healthy budget. Mecklenburg's local economy is significantly different than other rural areas in Virginia whose economies are driven by manufacturing or small business. Mecklenburg has financial, logistical, and potentially, real estate flexibility that is a foundation that can be leveraged to help differentiate itself with the right strategy. In the view of MDED leadership, it was time for a fresh look at the county, the conditions that drive economic development, and to identify the activities and direction that best serve the county and its citizens at present and into the future.

Sanford Holshouser Economic Development Consulting (SHEDC) in partnership with The Riverlink Group, was engaged to assist in the development of that strategy mapping the way to increased success for Mecklenburg County.

To construct the Strategic Economic Development Action Plan (SEDAP), the SHEDC team, as it does in the development of all its plans, follow the necessary steps to answer three fundamental questions: *Where are we?*, *Where do we want to go?*, and *How do we get there?* The plan is the result of data produced through research, analysis, and input from various sources, both internal and external. Recommendations were carefully considered and proffered, that are practical, actionable, with the intent purpose of elevating the efforts of the Department of Economic Development and, thereby, Mecklenburg County.



Data research and analysis included:

- An analysis of the organizational structure, including staffing
- An analysis of the Economic Development Product-buildings, sites, and workforce
- Stakeholder input

Existing buildings and sites were reviewed and analyzed for potential and competitiveness. The Timmons Report on potential sites was thoroughly reviewed to gain insights on potential industrial properties and their potential for future development. Further, as the workforce is also considered a part of any location's product in today's climate, Mecklenburg's workforce, including potential in-commute labor was thoroughly analyzed.

Input was gathered via a series of confidential, one-on-one interviews with selected stakeholders both internal and external. Additionally, an electronic survey of local elected officials in the county and towns was conducted with a response rate of 59%. Finally, the county's three chambers of commerce were also surveyed electronically with a 66% response rate.

Data gathered in these two activities served a dual role helping to answer questions,

“Where are we?” and “Where do we want to go?”

The data analyzed in the determination of where Mecklenburg is, combined with the input and information gathered in deciding where the county wants to go, provided the basis on which the elements of *“How do we get there?”* were formed. The SEDAP contains recommendations in the various areas that the consulting team believes are necessary to strengthen the program and its position in economic development. Implementation/Action items were created that will move Mecklenburg's economic development efforts from where they are to where the consensus of participants want to go, taking that step to the next level. The implementation items are both short-term and long-term and are too numerous and complicated to be accomplished in any one year. An annual plan of work should be created from the elements so that the appropriate resources may be focused on the items to ensure that the plan is effectively and efficiently implemented. A matrix of performance metrics was constructed so that progress can be monitored, and adjustments made as may be necessary.

Mecklenburg has had a great deal of success in the economic development arena in the past. County leadership and staff have been most forward thinking in their efforts to create this new strategic vision and plan. Their realization that 'if you are not moving forward, you are in a state of decline' serves the community well. This plan will enhance Mecklenburg's current efforts and lead it to the next level of economic development.



Review of Previous Plans and Studies

The SHEDC Team reviewed previous plans and studies, which potentially had pertinent information related to past economic development efforts of the County. The information gave the Team a historical view of previous and existing goals, as well as identifying which were effective and successful, and those that were not.

Documents that were reviewed included:

- Mecklenburg Strategic Economic Development Plan – 2011
- Local & Regional Competitiveness Initiative (LRCI) – Best Practices Report for Economic Development – 2021. Produced by the Virginia Economic Development Partnership (VEDP)
- Local Self-Assessment by Mecklenburg County (Part of the LRCI)
- Timmons Site Report – 2023
- Virginia’s Growth Alliance (VGA) Workforce Study

In addition, much anecdotal information regarding past and current economic development activities was gathered during stakeholder input sessions. The insights gained during the review helped inform and shape many of the recommendations and action steps that are at the heart of this SEDAP.



Photo Courtesy of Mecklenburg County



Economic Development Program Review

Any economic development office or program operates in a hyper-competitive climate. It is essential then for success to ensure that any organization is on par with the areas with which it regularly competes for projects. In addition, it is important to utilize precious resources in the most effective manner.

In order to assess the MDED's competitive position, the SHEDC Team benchmarked the organization with other economic development agencies identified by the MDED as competitors or aspirational organizations, that is, those that are of comparable size or represent like areas which have been successful in attracting economic development projects. The areas analyzed and used for benchmarking purposes were:

- Staffing
- Funding
- Programs
 - Business Retention/Expansion (BRE)
 - Business Attraction/Targeted markets
 - Incentives
 - Allies and Partners

The locations and their economic development organizations identified for benchmarking were:

- Halifax County, VA
- Wythe County, VA
- Louisa County, VA
- Person County, NC
- Rockingham County, NC

LOCATION	Mecklenburg	Halifax County	Wythe County	Louisa County	Person County, NC	Rockingham County, NC
Organizational Structure	County department	IDA	IDA (Joint w/Wytheville & Rural Retreat)	County department	County department supported by a 501(c)(3)	County department supported by a 501(c)(3)
Operational Budget	\$21,000 + \$41,000 to VGA	\$75,000-\$80,000	\$187,000	\$65,000	Not Stated	250,000
Staffing	3	3	3	1	3	5 with one shared w/CC
Programs	BRE, BA, Tourism	BRE, BA, RED	BRE, BA, SBD, WFD, T, DTD	Manages AP, & all water & capital projects	BRE, BA,	BRE, BA, SBA, EA
Product	2 buildings 6 sites	6 buildings 15 sites, 9 certified	5 buildings 17 sites, 2 certified	7 sites (3 viable for industrial uses)	4 buildings 3 sites	13 buildings 12 sites
Incentives (Local)	Enterprize Zone, Revolving Loan Fund, Project driven local grants	Halifax Opportunity Fund, Technology Zone	Wythe Opportunity Fund, Enterprize Zone, Other local ala carte incentive programs	Tech Overlay Zone, other custom local incentives	FTZ, Sales tax exemptions on utilities and fuel, Tax grants targeted to data centers	Grants based on capital investment
Allies and Partners	VEDP, VGA, CC, RE Brokers	VEDP, Utilities, Community Colleges	VEDP, RP, Wythe CC, VA Tech, Appalachian Power,	VEDP, RP, UVA, CC (2), SBC, Local RE Brokers	EDPNC, RP, Carolina Core, Uptown Assoc., Chamber	EDPNC, Municipalities, Utilities, Community College



Program Comparison Chart

Key:

- 501(C)(3) Non-Profit
- RE..... Real Estate
- AP..... Airport
- RED Real Estate Development
- BA..... Business Attraction
- RP..... Regional Partnership
- BRE Business Retention & Expansion
- SBA Small Business Assistance
- CC Community College
- SBC Small Business Center
- DTD Downtown Development
- SBD Small Business Development
- EA..... Entrepreneurial Assistance
- VEDP VA Economic Development Partnership
- EDP NC Economic Development Partnership of NC
- FTZ..... Foreign Trade Zone
- WFD Workforce Development
- IDA..... Industrial Development Authority



Halifax County

- Organizational structure is an IDA.
- The organization is budgeted for a staff of three, but currently there are open positions.
- Funding - the organization is supported by lease revenues from four buildings they own and lease. Although the total budget is \$2.6 million, only \$75,000 - \$80,000 is available for economic development operational activities, e.g., office expenses, travel, marketing, client activities, etc.
- Programs
 - the organization engages in the typical EDO activities of BRE and new industry attraction.
 - Incentives – offerings to clients include the full range of state incentives as well as local offerings tied to property taxes. Additionally, they have a grant that provides funding to early-stage companies for such things as lease, utilities, design and engineering.
 - Allies and Partners – include local businesses and organizations, Southern Virginia Regional Alliance, VEDP, universities and community colleges. Partners are leveraged on an as-needed basis and would include local business and industry. Elected officials, etc.
- Product – Halifax has six buildings, and fifteen sites listed on the VEDP website. Nine of those sites are listed as certified under the VEDP program.

As Halifax is Mecklenburg's next-door neighbor, it is essential that Mecklenburg County improve its product inventory.



Wythe County

- The Joint IDA of Wythe County includes Wythe County, the Town of Wytheville and the Town of Rural Retreat.
- Funding – although a large budget was stated to be \$492,000, only a fraction of that was available for operations, \$187,000. Funding is principally from the member localities.
- Staffing – three; executive director, deputy director, and an administrative assistant
- Incentives – offerings to clients include the full range of state incentives as well as local offerings centered on property taxes.
- Programs
 - BRE
 - Business attraction
 - Activities the organization plays a supportive role
 - Small business assistance
 - Workforce development
 - Tourism
 - Downtown Development
 - Incentives offered to projects include the full range of state programs and local offerings derived from increased property taxes
 - Allies and Partners – include VEDP, Mt. Rogers Regional Partnership, community college, utility providers, towns.
- Product – Wythe has a solid product inventory with seventeen sites (two certified) and five buildings.

Wythes' product inventory further underscores Mecklenburg's need for product development.



Louisa County

- The Economic Development Office is a department of Louisa County. The EDO works cooperatively with an IDA.
- Funding – the total budget was listed as \$245,000, with \$65,000 available for operational expenses.
- The office has only one staff person, the director. A shared staff person provides administrative assistance. However, according to the director, he handles the vast majority of his paperwork.
- Programs
 - BRE – Louisa County relies on the state for these activities
 - Business attraction
 - Airport management
 - Oversees all water/wastewater and capital projects
 - Incentives offered to projects include the full range of state programs and local offerings derived from increased property taxes
 - Allies and Partners – include VEDP, Central Virginia Partnership for Economic Development, colleges and universities, community college, utility providers, Small Business Center, local Real Estate Brokers.
- Product – Louisa’s product inventory includes seven sites listed on the VEDP website, although the director stated that only three were of sufficient quality to be realistic.

Louisa has an incentive program, which stands out from the typical offerings, targeted to Information Technology and other tech heavy companies. Louisa has just located a large data center that will occupy two separate campuses, and a total capital investment of \$11 billion. The data centers will be located in a Tech Overlay District. These dedicated zones, according to the director, will have strict standards in various areas including requirements for large buffers. Given some of the comments made during the Mecklenburg Stakeholder Input sessions, the Tech Overlay District merits further research to identify elements that may be beneficial to Mecklenburg County.



Person County, NC

- The EDO is a department of Person County and partners with 501(c)(3) which functions as its private funding arm.
- The organizational staff consists of the director, a specialist, who provides administrative and economic development research support, and an existing industry specialist.
- Funding - the office is supported through the county budget at a comparable level with other similar programs.
- Programs
 - The organization engages in the typical EDO activities of BRE and new industry attraction.
 - Incentives – offerings to clients include the full range of state incentives as well as local offerings tied to property taxes. In addition, Person offers access to a revolving loan fund, cash grants, and incentives targeted to Data Centers. **NOTE:** Mecklenburg also offers a revolving loan fund, cash grants, and incentives targeted to Data Centers,
 - Allies and Partners – The Economic Development Partnership of North Carolina (EDPNC) regional partnership, community college, universities, chambers of commerce, municipalities
- Product – Person has four buildings, and three sites listed on the EDPNC website. One of those sites, their Mega Park, has just been acquired by Microsoft which is planning a major project on the property.

Although Person only has a small number of buildings and sites in its product inventory, one is a mega park which provides opportunities for many large and medium-sized companies. Again, since Person County is in close proximity to Mecklenburg, it further underscores the need for Mecklenburg to improve its product inventory.



Rockingham County, NC

- The Economic Development Office is a department of Rockingham County. The EDO collaborates with a partner organization, Citizens Economic Development, a 501(c)(3) organization, whose mission is to provide private funding to support economic development projects deemed beneficial to the citizens of Rockingham County.
- Funding – the total budget was listed as \$650,000, with \$250,000 available for operational expenses. These funds support the programs listed below with the exception of Tourism which has its own budget.
- The EDO staff includes Director of Economic Development and Tourism, Deputy Director, Marketing Manager, Small Business and Economic Development Coordinator, and Tourism Manager.
- Programs
 - BRE
 - Business attraction
 - Small business and entrepreneur assistance
 - Tourism
 - Incentives offered to projects include the full range of state programs and local offerings derived from increased property taxes
 - Allies and Partners – include EDPNC, regional partnership, colleges and universities, community college, utility providers, consulting firms, and municipal partners.
- Product – Rockingham’s product inventory is robust with 13 buildings and 12 sites listed with the EDPNC.



The Team also analyzed the data from the VEDP document, Local and Regional Competitiveness Initiative: Best Practices Report for Economic Development (LCRI). The report's stated purpose was to assess the current state of economic competitiveness in Virginia by examining the organizational and programmatic capacity of economic development organizations (EDOs) across the Commonwealth against nationally established best practices. The LRCI had three objectives:

1. To strengthen local partners' decision-making and advocacy for economic development
2. To provide actionable steps to improve performance
3. To encourage collaboration across local partners by showcasing strong EDOs

Mecklenburg was compared to similar localities in the Rural 1 category. The county compared very well in most categories except employment growth, where it lagged behind its Peer Group and its GO Virginia Region. However, as the LCRI was done in 2020 and the surge in employment by Microsoft occurred after the study, we believe the County has narrowed, if not completely erased the deficit.

One area where Mecklenburg differs from both its Peer Group and GO Virginia Region 3 is in its organizational focus. Mecklenburg stated its number one priority was New Business and Industry Attraction, while its number 2 priority was Business Retention and Expansion. All other EDOs in the Peer Group and GO Virginia Region 3 overall listed BRE as the number one priority with New Business and Industry Attraction as second. Retaining and assisting existing companies to expand is the single most important activity an EDO can undertake. We recommend that the MDED reorder its priorities, making BRE its first. Further, we believe that it is essential to have a dedicated staff person focused solely on BRE.

Conclusion

Mecklenburg's competitive position is good with the effective use of its resources, especially in the area of New Business and Industry Attraction, partnering with the Virginia Growth Alliance for marketing. A competitive weakness is the lack of available, prepared business-ready sites and buildings. The current budget, staffing, and its competitive position as compared to peers put Mecklenburg somewhere in the middle of the pack. As stated before, economic development is hyper competitive, and the goal is to distinguish yourself from the pack. The middle of the pack is not where Mecklenburg wants to be.



Recommendations

Implement a proactive BRE Program using guide provided by the RiverLink Group, a copy of which is contained in the Appendix. As noted above, this is the most important job an EDO can undertake. Such a BRE program has multiple benefits for the MDED and its existing businesses of all sizes. For the larger companies such as Microsoft, a BRE program can identify needs early to adequately meet those needs in a timely fashion. Needs such as infrastructure extensions or upgrades, employee training, etc. take time, funding, and coordinated efforts. So, the earlier needs are identified makes meeting them manageable.

It is highly likely that Mecklenburg's existing industries are receiving marketing materials from other economic development organizations on a regular basis. The materials are intended to entice companies to relocate to their area. This is especially true for smaller companies, that is, those who could move their operations with little to moderate effort, cost, and minimal disruption. Regular contact and communication with those companies can ensure that their needs are being addressed and they understand that they are a valued member of the Mecklenburg industrial community.

Impact – *better service to existing industries, enhanced relations with existing industries, more efficient and timely deployment of resources and support, additional leads for recruitment of jobs and capital investment.*

Improve Product Inventory. Businesses make site decisions based primarily on workforce talent and real estate. Mecklenburg's product inventory is inadequate for it to compete for expansions and new locations. The County recognized this gap and engaged the Timmons Group to conduct a study for potential new business-ready sites. The Timmons Report was a good start. It is now time to advance the properties identified by County leadership to the point of being viable business-ready sites. Additionally, we recommend identifying large parcels with single owners for potential development partnership agreements, a tool that has not been regularly used in Virginia, but which can help the County control – at minimal cost - potential large-acre properties for future development.

Impact – *enhanced competitive position for new jobs and capital investment.*

Consistently update the EDO website to include new information as additional sites and buildings become available. Utilize other social media to further expand the reach of the marketing program. Further, develop collateral marketing materials that align with identified target sectors, matching sector needs with Mecklenburg assets.

Impact - *better marketing presence and position, increased prospect activity.*



Continue to leverage allies and partners and strengthen these relationships. Leveraging partners refers to engaging them in situations where their expertise, mission, or focus would add to the strengths of the MDED and contribute to a positive outcome. For example, the VEDP, educational allies, local governmental officials, and others may all be invited to a meeting with a prospect that is considering Mecklenburg for the location for their next manufacturing facility. Each individual could provide valuable information to the prospect that is needed for making the decision to locate in the county. Each act as an ambassador for Mecklenburg County. Further as an example, the VGA. The organization represents multiple entities, each of which contributes funding for the VGA budget. By combining funds and joining in a regional effort, Mecklenburg leverages its contribution with the other funds to extend its marketing reach. As a final example, joining with towns, chambers of commerce, or other such groups to sponsor appreciation events or mixers to allow newcomers, whether business, industries or individuals to get to know each other and the community, again, extends their reach. Joint events such as this creates a sense of community and collaboration, which is essential for a successful economic development recruitment program. GO Virginia Region 3 has launched an exceptional entrepreneurial strategy that could be more effectively deployed in Mecklenburg County. Ensuring a strong partnership with the VEDP Regional Talent Manager can create a more effective message about talent and workforce.

Impact – *maximizes resources to promote Mecklenburg County.*

Continue to leverage allies and partners and strengthen these relationships and benchmark them with neighbors, competitors and aspirational communities. Ideally, local incentive packages should align with the types of businesses on which the County is focused. Local incentive programs should be based on a return-on-investment model and should be structured to leverage incentive programs offered by other partners.

Impact – *ensures competitive position is maintained.*

Strengthen relationships for economic development outcomes with the three Towns in the County. In today's competitive environment, Towns create the sense of "place" that is necessary to retain and grow workforce and talent. Through intentional and consistent communication, work with each Town to identify a meaningful economic development outcome that has shared value to the County and the Town. Develop a plan of action with roles & responsibilities assigned, and benchmark progress regularly.

Impact - *Mecklenburg improves its competitive position, diversifies the business base, and attracts talent and workforce.*

Publish and distribute widely, an annual EDO report highlighting activities, accomplishments, and the economic impact to the county.



Impact – *develops and maintains local understanding and support for the MDED and its efforts.*

Increase office staff by at least two. Designate one to concentrate solely on Business Retention and Expansion. As noted above, this is the most important job an EDO can undertake. A large number of new jobs that come to any area are created by existing companies. Moreover, existing industries can also be a major source of leads for other companies seeking new locations. The second position should be focused on the relationships among the county and the towns. Recommendations later in this plan will be focused on establishing and nurturing a collaborative climate and efforts among the county and the municipalities located within its borders. The recommendations and action steps will demand full time attention if they are to be successful.

Impact – *More effective and efficient operations in handling current activity while at the same time providing much needed planning time for future growth. A better, stronger working relationship among all governmental entities withing Mecklenburg County.*





Economic Development Product Review

Product is defined as: any item or service you sell to serve a customer's need or want. In economic development a customer is a company seeking a location for a new or expanded facility. Traditionally, economic development product has been defined as available sites and buildings. These sites and buildings must be of sufficient size and quality to attract the attention of site selection decision makers which has given rise to certified site programs and similar building qualifying data. Gone are the days when an available site was raw land with the promise of utility and road extensions. In today's climate for a site to meet muster, it must have a wealth of due diligence data on hand when a prospect comes calling, in-person or via the internet. Additionally, as workforce has become a critical element in site selection, another category of the product inventory is the quality and availability of workforce any area must meet the needs of new and expanding businesses and industries. Therefore, the review of economic development product included the state of the current sites and buildings inventory, and an in-depth analysis of the workforce that new and expanding companies could access.

Sites and Buildings

The Economic Development tab on the Mecklenburg County website states that "We have nine business/industrial parks, all with available land and each with a graded pad ready to build on." However, a review of the Mecklenburg County Economic Development website does not support this statement. There are six parks and sites, and two buildings listed on the Economic Development Office (EDO) website, with only three pads listed in two sites. The Available Sites and Buildings tab on the EDO website is actually a link to the VEDP listing of available sites and buildings for the county. This is a great idea, leverages the resources of a partner agency, and highlights the partnership that exists between the EDO and the primary Economic Development office for the state.

Some of the Mecklenburg's properties listed could catch the interest of site selection searches, but many would not. Site selection starts in its early stages as a process of elimination, and persons involved in these activities are looking for any deficit in their critical criteria which would eliminate a site, building, or location from consideration. As there are a large number of options that will meet the critical criteria of any given project, it is essential that any locality have a quality economic development product inventory that meets, at a minimum, industrial capacity levels of water, wastewater, electrical service, and broadband. Natural gas is required for some, but not all projects, and rail service is required by an even smaller number.

The following is an assessment of each property listed and, where appropriate, recommendations on how to enhance their competitiveness. Each site was cross-referenced with the Timmons Report to identify any limiting factors, especially in the areas of water and wastewater.



Sites

1. **Boydton IDA Site** – the property is included in the Timmons Report as part of a larger site. The site consists of 209.89 acres. There is sufficient water capacity available through the Town of Boydton. However, according to the Timmons Report, wastewater service capable of handling an industrial client would require upgrades to the system. This would be a major undertaking both in terms of time and funding and therefore, could be a major limiting factor.
2. **Kinderton Technology Campus**– is a total of 121 acres with 80 developable, and is located in an Enterprise Zone, a Foreign Trade Zone, and is Tier 4 Business Site Ready Certified. There are two cleared building pads, one of 25 acres and a second of 30. All essential utilities are of sufficient capacities. This is Mecklenburg’s most attractive industrial property at present and should be marketed intensively.
3. **The Clarksville Commerce Center** - is 53 acres, the site of a former textile plant, and is privately owned. A rail spur is on site, but it has not been maintained and is in questionable condition. The buildings have been demolished and removed, but debris remains. The facility had a permit to withdraw water for its needs and its own water treatment plant with the accompanying lagoon. However, the permit was allowed to expire and the brochure states that “there is the potential to acquire a 4-6 MGD intake permit.” As with the upgrade to the sewer system that would serve the Boydton IDA Site, this would be a major undertaking and could be a limiting factor. The property does possess Foreign Trade Zone Status and dual electrical feed potential.

A Phase I Environmental Site Assessment was performed in 2014. No evidence of significant adverse conditions was found, but the report listed seven environmental topics of note to prospective buyers. They included:

- The property was designated a Brownfield Site, but the designation has expired
- Construction debris piles
- Historical research several past, relatively insignificant environmental issues
- Offsite dumping by previous owners
- Lagoon with potentially toxic sludge
- On-site buried materials, most were inert, but questions remain
- Fueling station, areas of obvious fuel and lubricant spills

While this is a large site with the potential to accommodate a major project, many questions need to be answered.



4. **East Atlantic Street Site** – 25 acres available with the largest parcel being 20 acres is adjacent to a commercial area and is zoned Commercial. It is priced reasonably for industrial property at \$25,000 per acre. South Hill serves the property with water and wastewater services, which again calls into question the available water volumes, and puts it in the same status as the preceding site.
5. **The Commonwealth Commercial Property** – 26 acres available with the largest parcel being 20 acres is similar to the East Atlantic Street site. The \$30,000 per acre asking price is well within the acceptable industrial range, but the property is zoned, as its name implies, Commercial. Further, the site is served by South Hill and the question of water availability attaches to this site as well.
6. **Lake Country Business Park** – is a 7.2-acre site that is pad ready. A number of private residences exist along the roadway that accesses the site. In addition, there is an elementary school located on the same road. Although the property is zoned appropriately accommodate industrial locations, there could be opposition to an industry location with heavy daily truck ingress and egress.





Buildings

- 1. VQC Building**—is a 64,724-square-foot facility, a size that would fit the needs of many projects. The limiting factor with VQC is its low ceiling height of 13 feet. That said, SHEDC recommends that the building continue to be included in the inventory and that a market study be conducted to identify sectors that can accept low ceiling heights. The property is zoned business, and this hurdle must be cleared before any earnest marketing of the facility for industrial purposes.
- 2. Jonbil Distribution Building** – of the total 84,000 square feet, only 8,000 are available, much too small to accommodate medium-sized industrial projects. However, the space could serve small projects, entrepreneurs or start-ups, and possibly temporary space for a company constructing or renovating a permanent, larger space. Ceiling heights, as in the VQC facility are low, ranging from 11.1 feet at the eaves to 14.3 feet at center, and are a limiting factor.





Mecklenburg's existing product inventory is minimal at best and has much room for improvement. If given a letter grade, it would be a C-. There are sites and buildings which would meet the requirements of some industrial prospects, but the county needs to expand and improve the existing listings to the extent possible, and add to them to enhance its competitive position, particularly as County leadership has stated it wants to diversify the economic base.

According to information gathered through interviews with the MDED office and other county leaders, the county has little to no product. This leads to the conclusion that, although there is a product listed with the VEDP, they are deemed less than adequate to position the county to vie for site selection projects in the minds of many respondents. The county has embarked on an effort to identify suitable properties for industrial development and the first step was to engage the Timmons Group to prepare a report on such properties, "Large Industrial Site Identification and Evaluation."

The SHEDC team thoroughly reviewed the Timmons report and found that it gives a wealth of information on numerous sites of varying sizes around the county. Most of the sites consist of multiple parcels with multiple owners. The report also assessed the status of the availability of critical infrastructure necessary for the location of any industrial facility. These include, as a minimum of water, sewer, electrical service, and transportation corridors. The report also provides cost estimates on aspects of development from due diligence to build-out. Additionally, it also provides data on the square footage the sites would support, estimated property tax revenues, and projected employment. From this data, Timmons projects a return-on-investment timeline for each property. This is helpful to elected officials as they consider if and on which properties to invest resources in. One step that would enhance this information is to perform an economic and fiscal impact analysis on the projected jobs. This data would show the tremendous impact on the economy and would lower the timeline on the return on investment.

The report also lays out the next steps as to due diligence, items such as wetland identification and environmental and geotechnical evaluations with estimated costs for each respective element. While the report, as noted above, provides a wealth of information, it is, in essence, the first step. The report provides next steps, and the county has identified three sites on which it wishes to focus. The sites are:

- Bypass Site
- La Crosse Site
- IDA Property

While these properties offer great potential for development as industrial parks, it remains to be seen if the multiple property owners are willing to sell or enter into some development agreement. The first step then must be to approach the landowners to determine their willingness to sell or partner and then determine next steps based on their decision.



We recommend using the Timmons Report to the fullest advantage, moving from site to site as owners' willingness to cooperate and funding allows. Additionally, we recommend that the county identify large tracts owned by individuals or a small, manageable number of owners. Approach those landowners to determine their willingness to sell or partner with the county under some development agreement. Other large landowners who may be interested in such a partnership are corporate landowners, in particular wood products companies. One such example of a public-private partnership is the concept of creating an *equity partnership development agreement (EPDA)* for all or a portion of their property. The EPDA is a concept pioneered by SHEDC Founding Partner Ernie Pearson in which the unit of local government receives deed to the property at little or no cost and the landowner benefits from the sale of their property at a higher price due to improvements made by the local government.

A key element in identifying the large-acreage properties would be their proximity to current or planned infrastructure with industry adequate excess capacities. The Timmons Report is a great starting place for this research.

The county's product inventory would benefit from the construction of a shell building. Shell buildings serve multiple purposes, the first and most important is that investment in a shell building demonstrates the locality's seriousness and commitment to business development. Shell buildings reduce risk for companies by shortening the time to start-up which in turn saves money. Additionally, shell buildings in Virginia serve as a "hook" to get a business prospect into the locality, which enables the locality to more effectively showcase its assets and court the client. Such buildings can be developed and financed in multiple ways that should be explored further.

The county could also explore the concept of partnering with one of its Towns to redevelop vacant or under-utilized buildings within the Town, thus diversifying its product base and making it attractive to other types of business uses. This approach would require an assessment of downtown buildings (much like the Timmons Report did for industrial sites). A variety of resources exist within state and federal government to support this type of redevelopment.

Conclusion

With enhanced internet data, the site inventory development in progress, and possibly a shell building or retrofitted downtown buildings, we believe Mecklenburg's site and building inventory will be in much better shape and positioned to attract new and even existing industry expansions.



Recommendations

Existing Sites

- Determine critical infrastructure available and capacities for each site listed. It is not enough to list the water and sewer providers; capacity availability is a critical piece of information that must be known by the local developer and marketed to the prospects.
- For those without adequate service, meetings should be held with owners and sponsors, e.g., municipalities, to discuss deficits and identify ways to remove those impediments.
- For those with adequate services, due diligence activities should be conducted that would include at minimum, geotechnical, environmental, and wetlands evaluations
- Update marketing information and provide to marketing partners, VGA, VEDP, etc.
- Discuss sites that would seem to be better suited as commercial with owners, realtors, municipalities, and any other stakeholder to determine best uses and the appropriate way to market the property.

Impact – *Actions would clarify current conditions, identify best sites for future action, and a plan for next steps*

Existing Buildings

- Research location information from the VEDP to identify those projects and their industry sectors which went into facilities with low ceiling heights. This data will provide target industry sectors, for whom a marketing strategy can be developed.
- For those buildings with limiting factors, perform an adaptive reuse study to explore other options for the building's use that would be beneficial to the county and its economic development efforts.

Impact – *improve the marketability of the existing building inventory and develop a more focused marketing initiative for the buildings.*



New Sites

- Continue activities and efforts associated with the Timmons Report
- Determine the path forward with the sites identified as a priority
- Identify large acre, single owner properties and determine interest in a *partnership development agreement*

Impact – *creating an action plan for those properties identified for further activity, identification of other sites with high potential for development.*

New Buildings

- Explore the possibility of constructing a shell building on one of the more attractive sites. A shell building would be a tremendous addition to the product inventory and would attract prospect attention and spur prospect visits to the County. Various structures and methods of ownership and financing of such facilities should be explored fully.

Impact – *80% of site location inquiries seek an existing building. A shell building can attract attention and visits from companies that could locate in Mecklenburg County, bringing with it jobs and tax base.*

Downtown Building Rehabilitation

- Consider downtown property rehabilitation that can support smaller business locations, co-working space, and entrepreneurial space.

Impact – *improve the marketability of the existing building inventory and develop a more focused marketing initiative for the buildings; create more impactful outcomes in partnership with the towns.*

- **Update the EDO website** and ensure consistent information between the main county website economic development tab and the EDO website.

Impact – *consistent messaging and enhanced marketing.*



Workforce Analysis Executive Summary

Much like the rest of the nation, Mecklenburg County, Virginia is facing workforce challenges that impact the economy, while industry, government and education leaders continue to search for solutions. Unemployment, labor force participation and gross domestic product (GDP) are some of the factors affecting economic prosperity. Heading into this election year, the nation has seen the US GDP increase by 1.9% in 2022 and another 2.5% in 2023¹. However, the Bureau of Labor Statistics declares that the employment rate was 3.4% at the beginning of 2023 and 3.7% by December 2023. In February 2024, it had increased another .2% to 3.9%. Despite this national economic outlook, Mecklenburg County has some similar challenges, yet many opportunities.

Let's take a quick look at an economic overview of Mecklenburg County. The population in 2023 of 30,480 people. This is a decrease of 227 residents over the last five years, and it is projected to decrease by an additional 389 people over the next five years.² Total regional employment is 12,699. There were 170 jobs lost over the past five years. However, jobs are projected to grow by 473 over the next five years. In 2021, the median household income was \$46,400. This is \$22,600 **below** the national median household income of \$69,000, or 67% of the national median. Meanwhile, the cost of living in Mecklenburg County is 95.7% of the national average. These projections leave Mecklenburg County with less residents to fill projected jobs, allowing leaders to grow and recruit the workforce from its current residents and those in within a minimal drive time. In addition, strategies to support an increase in wages will help narrow the large gap in household incomes and cost of living.

There are additional key takeaways from the enclosed workforce analysis of Mecklenburg County, Virginia. As of 2023, the Virginia Commonwealth has seen an increase in population, but the county's population declined by 0.7% since 2018, and is expected to decrease by 1.3% between 2023 and 2028. This is certainly no mass exodus, but it is definitely a statistic to watch and address if the decrease in population continues to rise.

¹ Bureau of Economic Analysis

² Lightcast.IO



From 2018 to 2023, jobs declined by 1.3% from 12,869 to 12,699. This decrease is in contrast with the national job growth of 3.6%. Job loss contributes to population declines if people need to relocate to find employment. As the number of jobs declined, the labor force participation rate in the county increased from 51.3% to 57% between 2018 and 2023.³ This increase in the labor force participation rate shows a continued recovery from the huge drop in March 2020 due to the global pandemic.

Mecklenburg county, Virginia residents who hold Associate degrees is 11.8%, which is 2.9% above the national average. Residents with Bachelor degrees is 15.6%, which is 5.5% below the national average. The educational attainment for the county is in alignment with the top three industries in 2023 – Restaurants, Local Government (which includes Education and Hospitals), and General Medical and Surgical Hospitals.⁴ In a county that has a population with 25% more residents near retirement age, healthcare will always be a critical industry to continue to grow.

An overall analysis shows overwhelming opportunities due to the expected job growth within the Wholesale Trade industry. Wholesale trade is a method of purchasing goods in large quantities and reselling them in smaller quantities to organizations like businesses or other wholesalers. The merchandise described in this sector includes the outputs of agriculture, mining, manufacturing, and certain information industries, such as publishing.⁵ While other industries are also growing in the county and surrounding area, Mecklenburg County is in a unique position to support Wholesale Trade and its high wages and top grossing regional product (GRP) because of the available labor force and education levels of residents.

Earnings are higher for occupations in the Computer and Mathematics and Technical occupations, such as software engineers, data analysts, business and finance personnel, operations and programmers. Currently, there are fewer job openings for those positions. However, if the county were to leverage the growth of Microsoft and incentive other

³ Lightcast.IO

⁴ Bureau of Labor Statistics

⁵ Bureau of Labor Statistics, 2024



ancillary technology companies with higher wage occupations, then Millennials (ages 25-39) may be more attracted to the region for jobs. Those efforts could result in a more creative, innovative and entrepreneurial community. In addition, the county should capitalize on its natural assets, such as the lakes, parks and forests, to build on its outdoor recreation industry. In some cases, these assets attract Millennials, as well as transitioning military and veterans, for its quality of life.

About this Workforce Analysis

This Workforce Analysis is initiated from the goal of capturing the workforce characteristics, assets, and resources to provide direction for economic developers over the next three to five years as they consider growth strategies. The Workforce Analysis includes an examination of regional assets and quantitative data to understand the population and economy within its Mecklenburg County, Virginia geography. This analysis will provide a picture of the county's labor force, identifying economic, demographic and occupation indicators, a demographic profile and an analysis of workforce, education and training trends. A gap analysis of skills, education and training, and occupations readily available and those most needed by employers and growing industries will be included. Last, this report will include recommendations to improve the talent pipeline by developing, recruiting, and growing talent within the region. A 2023 workforce analysis report for the Virginia Growth Alliance included similar data and recommendations specific to Mecklenburg County. This workforce analysis references that report.

Identifying the Region

This analysis highlights Mecklenburg County, Virginia, within the economic Virginia Growth Alliance region. Some analyses include additional Virginia counties Halifax, Charlotte, Lunenburg and Brunswick, as well as the bordering North Carolina counties of Granville, Person and Warren counties.



ILLUSTRATION 1. EXTENDED LABOR MARKET AREA



STRENGTHS

- Strong infrastructure
- Interstate accessibility
- Growth industries
- Increasing wage growth

WEAKNESSES

- Declining population
- Limited post-secondary education programs
- Rural geography

OPPORTUNITIES

- Capitalizing on natural resources
- Support for exiting military and 55+ populations
- Enhanced skills training

THREATS

- Aging population (55+ soon-to-be retired)
- Decreasing birth rate
- Growing healthcare burden

Key Findings

Strengths, Weaknesses, Opportunities and Threats were identified in the analysis and should be considered by Mecklenburg County economic developers while developing growth and investment strategies.



Labor Participation Rate

Population decreases and a higher-than-average increase in retiring workers contribute to the national labor shortage. However, Mecklenburg County has seen an increasing trend in residents working longer, contributing to a stabilized labor force participation rate. If the aging population, “baby boomers,” are willing to work longer but require more extensive healthcare benefits, then companies must be willing to accommodate these retention options. Similar to its surrounding counties and referenced in the Virginia Growth Alliance’s 2023 Workforce Analysis report, there is a lower-than-average number of Millennials (ages 25-39) living in the county, but a higher-than-average number of Veterans. The national average of the younger workforce is better educated, while transitioning military and veterans have high skill levels. Neither has been a necessity in Mecklenburg County’s current and past job market. However, making sure the upcoming youth are trained appropriately for future jobs and talent pipeline needs are key. Companies and county leaders must also be willing to consider support systems for the Millennials, such as affordable housing and childcare options.

Commuting patterns show only 16% of Mecklenburg County residents travel outside the county for work.⁶ Currently, the most common drive time is up to 30 minutes. This is consistent with average annual wages, which are not high enough to incentivize workers to drive in from outside the area, nor low enough to encourage residents to seek employment outside the area. Higher wages are prevalent in the larger populated cities that are more than a 60-minute drive away, while jobs in areas within 45 minutes have similar wages. This contributes to residents living and working within the county. This also decreases the possibility of an available commuter labor pool when looking at a 60-mile radius. However, the projected growth of new jobs (473 over the next five years) provides opportunities to *recruit* and grow the talent pool for higher wage and higher skills jobs. From Boydton, a 60-mile radius includes a larger current workforce in distribution, advanced manufacturing, and IT/technology - growing industries in the Mecklenburg County area.

The trend showing a declining population over the past five years aligns with the job loss over the same time period. However, there is a projection of almost 500 new jobs over the next five years. Those jobs bring higher paying wages in industries such as Wholesale

⁶ Lightcast.IO



trade, Computer and Mathematics and Technical, and Healthcare occupations. Those higher wages will raise the median county wages, enticing more Millennials to move to the region while also encouraging high school graduates to stay in the area to work. With this industry growth comes a need for supportive services, including affordable and short-term housing. This is especially important where technology and healthcare jobs are concerned. Many contract positions, such as traveling nurses, require housing while employed in the area. Without nearby housing, recruitment efforts will focus outside a 35-mile radius, increasing the commuting labor force who don't contribute to the county base. The current birth rate continues to decline nationally, making the newest generation the least populated generation. In recent decades, discussions of automation led to fear of putting people out of work. Today, discussions of automation are a necessity to fill gaps in addition to everyone who is working. The two must go together, causing education, technology, and policy to meet the demands of the economy.⁷

Industry focus

The largest industries in Mecklenburg County are currently Healthcare and Government, followed by Retail, Hospitality, Manufacturing and Administrative & Support. These industries employ more workers in Mecklenburg County than the national average for similar sized areas. The top growing industries show shifts in industry focus toward those with higher wage occupations and higher skills needs. Wholesale Trade, Administrative & Support, Construction, Retail, Real Estate and Transportation & Warehousing. Supportive resources for entrepreneurship, micro- and small business is evident, with 88% of all businesses within the county having less than 20 employees.⁸ The highest concentration of jobs, at more than double the national average, is in Agriculture, Forestry, Fishing & Hunting as well as in Utilities, showing the occupations that support the growing infrastructure, as well as the abundance of outdoor recreation and agricultural assets in Mecklenburg County. This is a significant strength for consideration and exploration. Already higher than average are jobs in Wholesale Trade,

⁷ Virginia Growth Alliance Workforce Analysis Report, 2023

⁸ Virginia Growth Alliance Workforce Analysis Report, 2023



which is second in highest wages only to Utilities jobs. Wholesale Trade also has the greatest market value to the county, followed by healthcare.

The Demand-Gap shows that Wholesale Trade, Construction, Real Estate and Transportation & Warehousing are the top growing industries, although not previously considered the largest industries over the last five years. Aligning with those industries is the projected growth in occupations, such as Transportation, Management, Construction and Business & Finance Operations. Currently, the highest number of job postings are for openings in healthcare, sales, management and computer occupations, all linked to the largest industries. This data shows a slight growth in higher wage industries with higher earnings occupations, which ultimately result in a more confident labor force. Supporting existing industries, such as Manufacturing, Information Technology, Agriculture and Wholesale Trade with opportunities in technology and transportation and logistics will contribute the fastest to growing new jobs and training current workers and residents into higher skill, higher wage jobs. Millennials, veterans and older workers are more enticed to work where they live when the jobs and quality of life are attractive. As stated in the VGS's Talent and Workforce Analysis report, these findings also present an opportunity to leverage the region's natural resources and build an innovative and entrepreneurial ecosystem to support the growth of technology and outdoor recreation industries.

Manufacturing

Almost all populations within a 30-mile radius participate in a manufacturing labor force, including local and commuting workers, youth 16-24, veterans and older workers. In Mecklenburg and surrounding counties, including adjacent North Carolina counties, manufacturing is a priority industry cluster. There are training and credentialing programs in both Virginia and North Carolina through the K-12 schools and their CTE programs. Automation, AI and clean energy factors are becoming more prevalent in the manufacturing industry, requiring higher level maintenance, technician, operations, and mechatronics credentials that result in measurable skills gains – enhancing manufacturing productivity and increasing wages.



Information Technology – The fastest growing occupations in Mecklenburg County include Business & Finance, Management, Construction, Technology, Transportation and Installation, Maintenance & Repair. All of these jobs can be found in the Wholesale Trade and Information Technology industries. Mecklenburg County is primed for the growth of these jobs and industries, having residents to strongly support them, including transitioning military and veterans, - most of who are tied to the heavy defense industry to the east of the county – who can leverage their strategic, operational and mechanical skill sets, and high school graduates with STEM and CTE backgrounds. These skill sets would enhance recruitment efforts for additional technology, manufacturing and distribution companies and ensure higher wage careers. This presents the opportunity for Microsoft, Hitachi, and other high skill, high wage companies to recruit from within and just outside the county and to the west of the county, pulling recent university graduates and Millennials who would also be attracted to the quality of life of Clarksville, *Virginia's Only Lakeside Town*. Expanding Go-TEC and enhancing STEM-related CTE programs in the high schools would ensure the right talent pipeline for these jobs.

Large **Wholesale Trade** companies take advantage of the proximity to the interstate highways, ports, and international airports surrounding Mecklenburg County. There are both high skill and low skill jobs available, from project managers and engineers to technology and information processing to transportation, packaging, cargo handling, and installation, maintenance and repair technicians, making this an attractive career option for a broad population. In many cases, these companies operate 24 hours a day, allowing more flexibility with work shifts. This is especially of interest to those who are caregivers and those who have additional work or home responsibilities.⁹

The **Agriculture** industry in Mecklenburg County alone employs more than double the national average of Agriculture, Forestry, Fishing and Hunting occupations, which support the lumber industry. Most populations support both the low- and high skill jobs, including high school, some college and college graduates, veterans, older workers and Millennials.

⁹ Virginia Growth Alliance Workforce Analysis Report, 2023



Logging, pulp and paper, or manufacturing are current occupations. Virginia already has four main Clean Energy focus areas and a robust recycling infrastructure, noting the positive environmental impacts. This aligns with both a Natural Virginia initiative that would tap into the outdoor recreation opportunities of the forests, lakes, farmable land, and parks, and building an entrepreneurial ecosystem that would support innovations in technology and products and services.¹⁰ One opportunity for a future study and analysis is the excellent example of how the rural region contained within Charlotte, Fayetteville, Raleigh and Greensboro, NC leveraged the Uwharrie National Forest to grow its Outdoor Recreation economy within an hour's drive of these metropolitan areas. Hiking, camping, boating, four-wheeling, and other outdoor activities have led the way for retail, craft breweries, wineries, restaurants, and hotels. Other studies include marketing campaigns showing boating, hiking, wine trails, etc., to attract millennials.

Evidence has shown that higher wages don't top the list of benefits for the younger workforce. Rather, topping the list is quality of life. The US Economic Development Administration and the US Department of Agriculture have programs and grants that fund initiatives committed to creating an Outdoor Recreation Economy. Rural regions with pristine natural resources, such as Mecklenburg County, are prime for introducing this additional economic driver.

Educational Assets: More than half of the population have at least some college or a secondary degree (54.2%) while another 35.1% have high school diplomas.¹¹ Mecklenburg County has leveraged its Southside Virginia Community College relationship with both the Alberta and Keysville locations. Twelve percent of Mecklenburg residents hold an Associate degree, which is 3% above the national average. Key academic programs at SVCC include Business and Agribusiness, Information Technology, Industrial Technology and Nursing, all contributing to the skills needed to meet industry demand. Residents with some college are more likely to return to receive

¹⁰ Virginia Growth Alliance Workforce Analysis Report, 2023

¹¹ Bureau of Labor Statistics



a certification, credential or degree if aligned with an employer need or professional growth. There are five additional community colleges within a 50-mile radius of Mecklenburg County, including those in North Carolina that contribute to the training and industry growth in Virginia. Degrees in Agriculture, Advanced Manufacturing and Healthcare are greatest among the credentials being sought, also consistent with jobs available within the region.

Specifically, SVCC delivers training and education at the Lake Country Advanced Knowledge Center (LCAKC) in South Hill. LCAKC is located in the former Schewell's building in South Hill. The site was purchased by the local government and renovated into a 23,000-square-foot building and now provides education opportunities for employees of new and existing businesses and industry in the region. It offers college classes as well as the *High-Performance Technology Program*, the new *Center for Information Technology Excellence (CITE) Program*, a welding program, dual enrollment offerings, GED classes, computer classes and a cybercafé. Additionally, Southside Virginia Community College is an authorized BICSI Training Provider. BICSI training develops the requisite skills and knowledge necessary to function as part of a cabling installation team. Individuals with this training can find employment with Microsoft or other data center companies.

Mecklenburg County's public K-12 System is also uniquely organized and provides a 21st Century Learning Environment which fosters career literacy, academic enhancement, social-emotional growth and community engagement, with a vision to prepare students to contribute to the global society.

The K-12 *Academic and Career Pathways* approach informs education and learning from kindergarten through graduation. The system is organized based on *Career Academies* that provide early exposure to careers in elementary school, hands-on experiences in middle school, and learning essential and certificated skills in high school. Career Centers are organized as small learning communities, combine academic and technical curricula around a career theme, and establish partnerships with local employers to provide work-based learning opportunities. The goal is to keep students engaged in school and prepare them for a successful transition to postsecondary education and employment. *Career Academies* include International Business & Culture, STEM, Health & Human Services, Law & Leadership, Advanced Technology, and Environmental Science.



As with the entire *Virginia Growth Alliance* region, many opportunities are through middle- and high-school youth through STEM and CTE programs and newer strategic initiatives such as GO-TEC. GO-TEC is a talent pathway initiative operating across 58 local school districts along the North Carolina border from Hampton Roads to Lee County. It introduces middle school students to strategic sectors, like precision machining, welding, IT coding and networking, automation and robotics, and others. GO-TEC uses a hub-and-spoke model to progressively generate the desired robust talent pipeline across the regions that are along the Virginia/North Carolina border. Middle schoolers are introduced early to the occupations and base skill training in Career Connections Labs, an example of a spoke. They are then connected in high school to expanded career and technical courses, industry certification programs, and dual-enrollment training opportunities with higher education partners. Finally, they may progress to advanced-level training at a hub educational provider.

These examples demonstrate an intentional effort to connect education & training assets to the target industry sectors. These relationships mean that additional work with the community colleges to continue to create shorter-term, customized credentials to meet the growth of Wholesale Trade, healthcare, manufacturing, IT, trade and other occupations, is a positive asset for Mecklenburg County.

Another partner for manufacturing could be the Federation for Advanced Manufacturing Education, or FAME program, currently housed at Brightpoint Community College in Prince George County. FAME's Virginia Chapter is expanding its employer membership, currently including members along the I-95 corridor from Henrico County to Greenville County. Expanding westward into Mecklenburg County could impact manufacturers in the County.

The four-year institutions in southern Virginia that are nearest to Mecklenburg County are Longwood University in Farmville, and Averette University in Danville. Building a relationship with these institutions may be productive as it relates to creating youth apprenticeship programs in conjunction with companies in Mecklenburg County. For example, Longwood's undergraduate programs include Accounting, Biochemistry,

Computer Science, Health Education, Information Systems & Cybersecurity. Averette's undergraduate programs include Aeronautics, Business Administration, Computer Science, Health & Sport Medicine, Nursing, Hospitality & Tourism. These all align with the strategic sectors anchoring Mecklenburg County's economy.

In some parts of the country, youth apprenticeship programs have incorporated aspects of the college experience, such as group social and recreation events, to retain younger workers. This is consistent with data that shows younger workers are more interested in quality of life and contributing to a purpose than higher wages. Just under sixteen percent of residents hold a bachelor's degree (5% less than the national average). However, with the growth of higher wages and higher skill jobs, the opportunity to recruit from universities will be more likely in the near future.



Talent Supply Analysis

A 2023 Virginia Growth Alliance Target Industry Analysis acknowledged the targeted priority industries within their geographic boundaries, including those within Mecklenburg County. Aligning the region's workforce talent development partners and initiatives will determine whether the current and future talent pipelines will meet industry demand.

Partnerships exist between the Virginia Department of Education's Career and Technical Education (CTE) programs for k-12 students, Southside Community College, the Southern Virginia Higher Education Center - in neighboring Halifax County, Virginia's Employment Commission, the South Central Workforce Development Board, Virginia Career Works, Longwood University's Small Business Development Center in nearby Farmville, GO-TEC (Great Opportunities in Technology and Engineering Careers), and GO Virginia Region 3 economic development partnership.

Virginia Department of Education Career and Technical Education

Statewide graduation requirements include completion of 1. Advanced Studies courses (college prep), OR 2. a Career & Technical Education course, OR 3. a work-based learning experience, such as an internship. The Virginia Dept of Education CTE programs, beginning in 5th grade with career exploration programs, continues through 12th grade with over 471 credentials within four categories - Industry Credential, State Licensure, Workplace Readiness Skills Assessment, and the National Occupational Competency Testing Institute (NOCTI) assessment.¹²

In a 2021 study by the U.S. Department of Education, researchers referenced a national study of 24 states that found that only 19% of the credentials high school graduates earned were in demand and noted that general career-readiness assessment credentials had little to no value because the skills were not clearly identified as qualifications listed in employers' job postings (Harris, Jonas, & Schmidt, 2021).

Southside Virginia Community College

A total of 981 Associate Degrees and Certificates were awarded in the 2022-2023 academic school year, slightly above the prior year's 952 awards. Awards are at their highest since the pandemic interrupted the 2019-2022 academic school year. The college primarily prepares students for transfer to four-year institutions. However, Business Administration, Management and Operations, Computer and Information Science, Medical Technician, Industrial Technician, Mental and Social Health Services and Registered Nursing are among the top 25 degrees awarded in 2023.¹³

These majors align well with the target industry sectors for Mecklenburg County. Additionally, SVCC has demonstrated its flexibility to meet existing employer workforce needs as evidenced through the Lake County Advanced Knowledge Center referenced in the previous section. SVCC is also a partner in the region-wide GO TEC program.

¹² Virginia Growth Alliance Workforce Analysis Report, 2023

¹³ State Council of Higher Education for Virginia (SCHEV), 2024



Virginia Employment Commission

The Virginia Employment Commission hosts Virginia Career Works, which provides career and unemployment assistance. Virginia Workforce Connection is the online job portal where employers can post job openings and workforce development staff can assist jobseekers by making referrals to open jobs.

In December 2023, there was **one unemployed worker for every two job openings** in the Commonwealth, showing a gradually increasing labor supply yet continued need to fill open jobs. Trends of fewer resignations and layoffs stabilized staffing efforts, yet there are fewer job openings. Combined, Virginia’s labor market remained strong.¹⁴

VEC has projected the top posted occupations to include Healthcare Practitioners and Technical, Sales, Management, Computer and Mathematical, Installation, Maintenance and Repair, and Transportation and Material Moving.¹⁵

South Central Local Area Workforce Development Board

The South Central Local Area Workforce Development Board’s strategic plan outlines a comprehensive economic analysis of their geographic region, which includes Amelia, Brunswick, Buckingham, Charlotte, Cumberland, Halifax, Lunenburg, Mecklenburg, Nottoway, and Prince Edward counties. South Central prioritizes Healthcare, Advanced Manufacturing, Information Technology, Construction, and Transportation and Logistics (Crews, Jones, & Napier, 2021). These are aligned with economic priorities.

Training and credentialing is authorized by the Local Area Board with services provided by Southside Community College, the Southern Virginia Higher Education Center and Longwood University. Healthcare and IT are the industries identified with the highest amount of training needs. The largest private industry employer, Microsoft, provides input on IT curriculum at the IT Academy and Center for IT Excellence to ensure valuable training and credentialing (Crews, Jones, & Napier, 2021)

¹⁴ Virginia Employment Commission, 2024

¹⁵ Virginia Employment Commission, 2024



Stakeholder Input Summary and Possible Action Steps

Mecklenburg County, Virginia, is located along the North Carolina border in southern Virginia. It is the ninth largest county in the state, with a total area of 679 square miles, including 625 square miles of land and 54 square miles of water. The County borders the largest lake in Virginia (Buggs Island Lake/John H. Kerr Reservoir, 50,000 surface-area acres) as well as neighboring Lake Gaston (20,300 surface-area acres) and is known colloquially as “*Southern Virginia’s Lake Country*”. The county seat is Boydton, and the largest town is South Hill. As of the 2020 Census, the County had just over 30,000 residents.

The County has many **strengths** that make it an attractive place for living, working, and visiting. The county's healthy economy, bolstered by significant investments from major corporations like Microsoft, a strong base of small businesses, and rich natural and recreational resources, positions it well for continued growth and development. It also has **weaknesses** and **threats** to its future, which can be managed by focusing on **opportunities**.

This summary highlights input from selected stakeholders who live within and outside the County. *The RiverLink Group* conducted one-on-one confidential virtual interviews with stakeholders between January 2024 and March 2024. Stakeholders appreciated the opportunity to provide their viewpoints, were generally enthusiastic about the current economy and the potential for continued economic growth and offered frank and direct recommendations for ensuring that Mecklenburg County grows in a balanced and inclusive way.

The RiverLink Group also conducted an electronic survey of local elected officials in the County and its Towns, with a response rate of 59%. The three Chambers of Commerce were also surveyed electronically, with a response rate of 66%. Findings from these surveys are incorporated into the summary below.



Stakeholders, elected officials, and chambers of commerce were asked questions related to the strengths, weaknesses, opportunities, and threats in Mecklenburg County. They were also asked for their ideas related to actions that the County could take that would lead to their vision of Mecklenburg's future. The summary below provides a synopsis of the input and stakeholders' visions and action steps.

Stakeholders' Perceptions of the *Strengths* of Mecklenburg County

1. *Healthy Economy and Corporate Presence*

- **Microsoft:** Microsoft's presence in Mecklenburg County has significantly boosted the local economy, creating jobs and attracting other businesses.
- **Strong Small Businesses:** A robust network of small businesses and contractors contributes to economic diversity and resilience.
- **Financial Stability:** The county's well-resourced financial status ensures a stable and continued ability to invest in public assets and services necessary for managing growth.

2. *Agricultural Base*

While historically dependent on tobacco as the primary cash crop, Mecklenburg County continues to have a strong agricultural tradition, with land supporting diverse crops and livestock. This agricultural base is a vital part of the local economy and offers opportunities for agritourism and local food initiatives.

3. *Natural and Recreational Resources*

Lakes and Parks: Lake Gaston, Oconeechee State Park, and Buggs Island Lake are major attractions for outdoor recreation, drawing visitors for fishing, boating, camping, and hiking. Virtually all stakeholders noted that these assets are both high-quality and generally underleveraged.

Scenic Vistas and Trails: The Tobacco Heritage Trail and other scenic areas offer recreational activities and enhance the county's appeal as a tourist destination. These outdoor amenities can be part of a meaningful value proposition for talent retention and attraction.

4. *Geographic and Infrastructure Advantages*

- **Geographic Location:** The county's proximity to major cities like Raleigh-Durham and Richmond provides access to larger markets and amenities for both business and residents while also enabling the County to maintain its more rural charm.



- **Transportation and Utility Infrastructure:** Excellent transportation access and a well-developed utility infrastructure support residents and businesses, facilitating growth and connectivity.
- **Low Real Estate Taxes:** Competitive real estate taxes attract new residents and businesses, enhancing the county's economic landscape. Stakeholders noted that the real estate tax rates benefitted from the presence of Microsoft, which generates significant tax revenue for the County and enables it to maintain lower tax rates. While this was generally viewed as an advantage, a few stakeholders noted that increasing the tax rate over time should be considered in light of some of the weaknesses and threats the County is facing, particularly for emergency services staffing and for improvements to the County's quality of life assets such as parks, public spaces, libraries, and other community facilities.

5. Educational and Healthcare Facilities

- **Public School Facilities:** Over the last few years, Mecklenburg has focused on the physical and programmatic infrastructure of its K-12 public education system. A new consolidated high school built around career academies is considered a unique and forward-leaning asset for the County.
- **Career and Technical Education:** Southside Virginia Community College was frequently identified as a valued educational partner. The college notably delivers some of its programming through the Lake Country Advanced Knowledge Center in South Hill and its Estes Center in Chase City.
- **Healthcare Services:** Community Memorial Hospital, affiliated with Virginia Commonwealth University, was noted as a strength for the locality. With a relatively new campus near South Hill, the hospital was cited as an effective example of leadership and public/private partnership that not only has a direct economic and employment impact on the County but also is an asset that helps differentiate Mecklenburg from other rural localities as a business attraction tool. Health statistics and healthcare systems have risen an evaluation factor when companies are making decisions about expansions and locations for their businesses.



Recommendations for Action Steps Based on *Strengths*

1. *Enhance Tourism Marketing*

- Action: Develop a comprehensive marketing strategy, including assets in the County, Towns, and region to more effectively promote Mecklenburg County's natural and recreational attractions, such as Lake Gaston, Occoneechee State Park, and the Tobacco Heritage Trail.
- Action: Continue to designate a certain percentage of the Transient Occupancy Tax (TOT) revenues to fund tourism strategies implemented through the Department of Economic Development and Tourism. A dedicated revenue stream from the TOT provides a mechanism for a sustained program that can measure results based on increases in the County's revenue.

Impact: A stronger marketing campaign will support talent attraction, increase community pride, and increase participation from local residents and tourists, as well as generate additional revenue for the county.

2. *Support Small Businesses and Contractors*

- Action: Major employers in the County and region seek to contract with certified local suppliers. The certification process for these employers is perceived to be a barrier for local companies who may not understand the requirements for certification, nor the business benefits of being a business supplier. MDED should partner with the Longwood Small Business Development Center and companies like Microsoft, Nucor, and Caesars Virginia (Danville) to target training programs to potential contractors who can work with these major companies in the fields of electrical contracting, HVAC, equipment maintenance, and other specific technical services to ensure that local businesses and entrepreneurs understand the requirements for becoming a qualified vendor.

Impact: Strengthening the small business sector will enhance economic resilience and provide more employment opportunities.

3. *Continue to Leverage the Data and Technology Centers' Presence*

- Action: Microsoft and its affiliate Microsoft TechSpark have deep resources to support community and workforce development. The company already partners with Southside Virginia Community College to create tech-focused educational programs including its support of the new *Building Industry Consulting Services International* (BICSI) lab at the Lake Country Knowledge Center. BICSI offers certifications for individuals in cable installation and information/communication technologies design. Expand on that relationship to identify other community needs (co-workspace, community meeting space, leadership development, childcare, innovation centers,



etc.) that, over time, can address issues of concern to both the company and the County.

Impact: More visible and strategic engagement between Microsoft/TechSpark and the MDED can solve some perceived weaknesses and demonstrate the company's value beyond its capital investment. Citizens upset about the company's physical growth and its impact on issues like housing can also see benefits that impact their daily lives.

4. Promote Agri-Tourism and Local Food Initiatives

- Action: Continue to support Agri-tourism initiatives and local food markets, encouraging residents and visitors to engage with and purchase from local farms. Additionally, continue to participate actively in the GO Virginia Region 3 Controlled Environment Agriculture strategy development, which can provide new market potential for existing ag producers and can be a complementary use of land adjacent to data centers.

Impact: This will boost the agricultural sector and more effectively link agriculture to the tourism sector. Land use for CEA is compatible with land use for data centers and thus could be part of a business retention strategy.

5. Monitor and plan for infrastructure improvements

- Action: Stay attuned to the infrastructure issues that impact the data center industry, particularly energy generation and water requirements. Lean forward with data center companies and their utility partners to anticipate needs. Be proactive in preparing for these changes that may require local action (planning, zoning, land use, etc.).

Impact: Staying abreast of the key location factors that support the data center industry will anchor this sector in Mecklenburg County. MDED can become a trusted knowledge resource for other departments within the County that interact with the data center companies. This step is a practical example of a best practice in business retention that can influence new companies' location decisions.



Stakeholders' Perceptions of the Weaknesses

1. *Inadequate Acreage and Preparation of Industrial and Commercial Development Sites and Buildings*

- The county lacks prepared industrial and commercial sites, which limits opportunities for new business development and expansion. The County also lacks an inventory of industrial spec buildings and smaller (and perhaps revitalized) spaces, particularly in the Towns. To be competitive, rural localities must invest in these types of product development, reducing the risk for new businesses to be located.

2. *Housing Challenges*

- The quantity and quality of housing stock are deficient, and prices for ownership and rental properties have increased significantly over the past three years. In some cases, this impacts existing residents more profoundly than new residents, creating a “from here/come here” chasm.
- The absence of options for various housing styles further exacerbates the issue.
- The challenges are complicated by a variety of zoning and permitting regulations that vary among the each of the Towns and the County. The County and the Towns appear to lack appropriate zoning for enabling “off-the-grid” housing; adaptive reuse of existing commercial buildings in the Towns to transition them to housing is perceived as hard to accomplish; and for new types of developments (age-restricted, workforce, pocket neighborhoods, condominiums, etc.) the alignment with current zoning is unknown.

3. *Workforce and Economic Issues*

- The county experiences a shortage of skilled trades in the workforce and has seen a loss of middle-income households.
- The county heavily depends on Microsoft for tax revenues, indicating a lack of a diversified economic base. For some stakeholders, this dependency recalls the County’s past dependency on the tobacco industry, and their concern is that the County is not actively trying to position itself to other industry sectors that can serve as a buffer if there is a downturn in the data center sector.

4. *Educational and Healthcare Deficiencies*

- Mecklenburg County lacks a four-year educational institution, limiting higher education opportunities for residents.
- Stakeholders also perceive inadequate healthcare services, including primary care, dental care, eldercare, telemedicine, and specialty medical care, which affect the overall well-being of the community.



5. Entrepreneurial and Business Support

- Stakeholders perceive a lack of co-working and office space and insufficient support systems for entrepreneurs and small businesses. While programmatic resources to support entrepreneurs are a focus for GO Virginia Region 3, stakeholders were unaware of these, indicating a lack of effectiveness in promoting these resources. Stakeholders also indicated that vacant buildings in the Towns could be redeveloped to create connecting spaces for entrepreneurs.

6. Infrastructure Challenges

- While the lakes are viewed as one of the county's strongest assets, the lack of utility infrastructure for properties surrounding the lakes impedes commercial and residential development.
- There is a concern that the towns' physical systems, particularly water and sewer systems, are aging and inadequate.
- There are existing buildings within the Towns that are ripe for revitalization. Still, without an intentional approach to assessing their structural status, they continue to deteriorate and become a blight on the Town (and County). Partnerships such as a Regional Industrial Facilities Authority (RIFA) are not currently used for existing buildings.

7. Cultural and Recreational Deficits

- The county lacks commercial amenities such as independent, locally owned restaurants, grocery stores, entertainment venues, and community-building events.
- Stakeholders indicate that there are no cultural hubs or venues, meeting spaces, or indoor entertainment venues, and parks and recreational assets for the public are scarce.

8. Town and County Communication Silos

- Stakeholders believe that the county suffers from siloed strategies between towns and the county, a lack of strategic and shared long-term vision, and no cohesive Mecklenburg brand and image.
- Stakeholders perceive that communication between the county and towns is poor and consistent professional management leadership development is lacking.
- There is a lack of strong public/private partnerships for real estate development and no real estate database to facilitate informed decision-making.



9. **Childcare and Emergency Services**

- Stakeholders perceive a shortage of childcare facilities and programs, which impacts the available labor pool and is also a barrier to attracting talent (young families who may consider locating in the county and also seeking certified quality childcare)
- The majority of emergency services are currently staffed as volunteer-based entities. With the overall shrinkage of the total labor force and an aging population, staffing emergency services in the volunteer model is not a sustainable approach.



Photo Courtesy of Mecklenburg County



Photo Courtesy of Mecklenburg County



Recommendations for Action Steps Based on Weaknesses

1. Develop a Comprehensive Economic and Industrial Strategy

- Action: Establish a task force to identify, assess, and prepare commercial sites for development or redevelopment. Focus on assessing existing buildings in the Towns that could be positioned for co-working or back-office uses. Include representatives of each Town, the County, and the Southside Planning District.

Impact: This will facilitate business growth, attract new companies, and reduce dependency on a single entity like Microsoft.

2. Improve Housing and Real Estate Infrastructure

- Action: Stay attuned to the results of the housing study that is being completed by the Southside Planning District Commission. Partner with developers to increase the quantity and quality of housing stock, including affordable housing, workforce, and 55+ housing. Determine the role of the County’s IDA and/or the Towns’ CDAs to induce the partnership. Create a real estate database to streamline housing market information. In Virginia, IDAs and EDAs are enabled to acquire land and build public utility infrastructure for housing development. These steps can serve as an inducement to attract private housing developers. Two best practice examples of this approach include the Town of South Boston, and Smyth County.

- South Boston IDA Example: Westside Mobile Home Park Redevelopment. See: <https://www.sovanow.com/articles/south-boston-and-partners-set-to-redevelop-westside/>
- Smyth County Example: Smyth Grow Housing Initiative (winner of the 2024 Virginia Association of Counties’ Achievement Award). See: chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.vaco.org/wp-content/uploads/2024/07/SmythSmythGrow.pdf

Impact: Enhanced housing options will attract and retain residents, including middle- income households, and improve overall living standards. A variety of housing options is necessary to attract new residents, which will support economic development by companies.

-Action: Move forward with the acquisition and development of industrial sites prioritized by the Timmons site study. Prioritize the sites based on the target sectors identified as most compatible for the County based on the workforce analysis, and that will diversify the economy: Logistics (warehousing & distribution), advanced manufacturing, controlled environmental agriculture, and information technology.

Impact: Consider this strategy an investment in the county's savings account, which, over time, will produce revenue and jobs to continue building a healthy economic base.



3. Enhance Workforce Development and Education

- Action: Collaborate with educational institutions to establish and expand the Lake Country Advanced Learning Center into a more robust delivery mechanism for degree programs from four-year institutions. Engage major corporations in the effort.

Impact: Increased educational opportunities will equip residents with the skills needed for local jobs, reducing workforce shortages and enhancing economic stability.

4. Strengthen Community and Cultural Assets

- Action: Conduct an inventory of existing properties, particularly in the Towns, which could be rehabilitated for use as co-working spaces, cultural hubs, and recreational facilities. Engage the Southside Planning District in this analysis. Move forward to find resources to fund the acquisition of the properties with a development and use plan that includes all the towns.

Impact: These initiatives will improve the quality of life, attract tourists, support local businesses, diversify the business base, and create a vibrant community atmosphere.

5. Foster Strategic Partnerships and Visionary Leadership by Creating Intentional Communication Among the Leadership of the County and Towns

- Action: Using the model of “Smyth Twelve” (Smyth County, Virginia) create an intentional and sustained communication strategy involving the Chief Administrative Officer of the County and each Town; the Economic or Community or Main Street Development Director of each jurisdiction, and the Chief Elected Official from each jurisdiction. In confidential discussions, identify areas of common, shared interest and develop a plan to work toward progress on these areas over the next year. Meet monthly to assess progress and make adjustments. Begin with a dialogue with the Smyth Twelve to understand the value of this collaborative approach to community development.

Impact: Establishing regular, convened and respectful conversations that focus on areas of shared interest will result in more efficient use of resources and will lead to the elimination of silos that negatively impact the economic future of Mecklenburg County.



Stakeholders' Perceptions of the *Opportunities*

1. *Placemaking and Quality of Life*

- Focus on developing and revitalizing Main Streets in the towns to create healthy and authentic downtowns. Downtowns are the heart of a community, and in Virginia, Towns are economically part of the County in which they are located. The image, the economy, and the success of a downtown are visible evidence of a community's health.

2. *Strategic Partnerships*

- Foster effective strategy partnerships between the towns and the county, as well as with Warren County, NC, to bring sewer services to key lakefront areas. Stakeholders across the board said that County and Town leadership need to work together to create more economic opportunities in the Towns, which in turn will help diversify the County's economic base and attract talent.

3. *Business and Industrial Growth*

- Support the small business supply chain for Microsoft and diversify the commercial and industrial base through site development and adaptive reuse of existing buildings. Microsoft and other major entities such as Nucor, or Ceasar's Casino in Danville, have many opportunities for small business services and suppliers. However, these small businesses need to be pre-qualified in order to bid on jobs. The County can create an educational forum for its small businesses to learn how to qualify, thus supporting both the major employer and the small businesses that make a community thrive.

4. *Infrastructure and Connectivity*

- There is a perception of a lack of fiber in some parts of the County. Given that Microsoft is a major employer in the County, creating a technology image that
- differentiates Mecklenburg from its peers, it is important to ensure that broadband coverage of the County is ubiquitous.
- An opportunity exists to secure a rail stop for the *S-Line Corridor* when its path is finalized. The stop would be in La Crosse. As a stop on the high-speed rail corridor connecting northern Virginia with points into Georgia, this stop could have a significant economic impact on the County. The County should actively advocate for the selection of La Crosse and should maintain consistent communication with the Virginia Passenger Rail Authority (VPRA) as it finalizes its plans for this route.



5. Tourism and Recreation

- Enhance public access to the lakes and work proactively with Occoneechee State Park as part of the county's quality of life offering.

6. Entrepreneurship and Innovation

- Promote small-scale initiatives for entrepreneurship and innovation, including makers' markets and adaptive reuse of buildings for telework or back-office work. Work more proactively with the *RISE Collaborative* to ensure that its programming and entrepreneurial support services are visible in Mecklenburg County and its Towns.

7. Image and Branding

- Develop an image-building campaign to create a cohesive county/town vision and attract new residents and businesses.



Photo Courtesy of Mecklenburg County



Photo Courtesy of Mecklenburg County



Recommendations for Action Steps Based on Opportunities

1. **Develop a Comprehensive Main Street and Downtown Revitalization Program inclusive of all the Towns, with support from the County.**

- Action: Create a comprehensive plan for Main Street development in the towns, focusing on creating vibrant, healthy, and authentic downtown areas. This should include incentives for businesses, beautification projects, and community events. Consider providing staff support and funding to the Towns to support this effort. The Virginia Main Street Program uses three tiers of engagement to support main street development. Begin by convening a meeting with representatives of Virginia Main Street, the three Towns, and the County's Economic Development Department to understand the Main Street Program tiers and requirements.

Impact: Revitalized downtown areas will attract visitors, attract talent, boost local businesses, and create a sense of community pride.

2. **Establish Strategic Partnerships for Infrastructure and Services**

- Action: Form strategic partnerships between the towns, county, and neighboring Warren County, NC, to improve infrastructure, such as bringing sewer services to key areas and ensuring fiber connectivity to all households.

Impact: Improved infrastructure will facilitate business growth, enhance residential quality of life, and attract new investments.

3. **Leverage Major Employers to Promote Business Diversification**

- Action: Develop programs to support small business supply chains for Microsoft and seek private sector partners for mixed-use development projects. Additionally, promote the diversification of the commercial and industrial base through site development and adaptive reuse of vacant public properties.

Impact: These initiatives will reduce dependency on a single corporation, create a more resilient economy, and provide more job opportunities.

4. **Enhance Tourism and Recreational Opportunities**

- Action: Evaluate the current status and impact of the Tobacco Heritage Trail by meeting with state partners and the THT Board. Increase public access to lakes, and leverage Occoneechee State Park for tourism. Develop a plan to increase Mecklenburg's attractiveness for a hotel developer by taking a few key steps, such as a conducting a formal feasibility study, identifying sites with appropriate infrastructure, identifying qualified developers with experience in rural communities, and defining an appropriate incentive package.



Impact: Enhanced tourism infrastructure will attract more visitors, boost local economies, and improve residents' quality of life through increased recreational opportunities.

5. Foster Entrepreneurship and Innovation

- Action: Create small-scale initiatives to support entrepreneurship and innovation, such as makers' markets, co-working spaces, and adaptive reuse of existing downtown buildings for telework or back-office work. Utilize Microsoft TechSpark to support these initiatives as well as the *RISE Collaborative*.

Impact: These actions will foster a culture of innovation, support small businesses, and create new job opportunities, particularly for younger residents.



Stakeholders' Perceptions of the *Threats*

1. **Economic Dependency on Microsoft**

- The county's heavy reliance on Microsoft for tax revenues makes its economy vulnerable to fluctuations in the tech industry.

2. **Lack of Housing Product and Rising Costs for Housing Development**

- Microsoft's presence has significantly impacted the housing market, leading to increased prices and potential affordability issues for residents. The inventory of housing of all types is limited.

3. **Cultural Shifts**

- The influx of new residents and changes in the culture of the community could lead to tensions and a shift away from traditional community values. Quoting from one of the stakeholder interviews: *"We always used to wave to each other when driving by on the streets.....now that's not happening anymore."*

4. **Siloed Local Government Visions**

- Stakeholders perceive that continued siloing of local governments' visions and goals prevents unified and effective strategic planning and development.

5. **Aging Infrastructure**

- Towns within the county face challenges with aging infrastructure, which can impede growth and development.

6. **Volunteer Emergency Services**

- The county faces a loss of volunteer emergency services staff, threatening the reliability and responsiveness of these critical services and ultimately leading to higher insurance costs for businesses in the County.

7. **Lack of a Formal and Intentional System or Program to Develop Leadership and Stay Attuned to Best Practices**

- Engaging and building young people in the county's leadership decisions is needed to ensure that there is a sustained, educated, and informed pipeline of decision-makers who will step into leadership roles as others retire.



8. Negative Social Media Influence

9. Negative sentiments on social media can affect community morale and external perceptions of the County, as well as influence businesses' perspectives about the County as a place to grow.



Recommendations for Action Steps Based on *Threats*

1. *Diversify the Economic Base*

- Action: Continue to develop and implement a comprehensive economic diversification plan to reduce dependency on Microsoft and the data center/IT sector. This could include incentives for new businesses in various sectors, development of prepared industrial sites to induce locations, and support for small businesses and entrepreneurship. Initially, continue to work with the Towns to evaluate outcomes from the existing Enterprise Zones, reviewing EZ boundaries, and modifying the local EZ incentive offerings to support target industry sector development.

Impact: Diversifying the economy will enhance resilience against industry-specific downturns and create more job opportunities, leading to a more stable economic environment.

2. *Affordable Housing Initiatives*

- Action: Actively engage with the Southside Planning District Commission to understand the housing study results they are undertaking. Learn from peers in the Wytheville and Smyth County areas about the housing strategies they are implementing. Partner with developers and housing authorities to create affordable housing projects, ensuring that new developments include a mix of housing options.

Impact: Ensuring a balanced housing market will make it more affordable for residents to live in the county, preventing displacement and maintaining community diversity.

3. *Foster Community Cohesion and Cultural Integration*

- Action: Promote community-building activities and cultural integration programs that celebrate diversity while preserving the county's traditional values. Engage both long-term residents and newcomers in dialogue and joint projects.

Impact: Strengthening community cohesion will reduce cultural tensions and foster a welcoming environment that respects and integrates new cultural influences.

4. *Unify Local Government Visions*

- Action: Establish a county-wide strategic planning committee with representatives from all towns. This committee will align visions and goals, ensuring coordinated and strategic development efforts. Use Smyth Twelve as a model for this



collaboration.

Impact: A unified vision and coordinated efforts will lead to more efficient resource use, better planning, and more effective implementation of development projects.

5. Upgrade and Maintain Infrastructure

- Action: Secure funding and partnerships to repair and modernize aging infrastructure. Prioritize projects that enhance connectivity, safety, and service delivery.

Impact: Improved infrastructure will support growth, attract investment, and enhance the quality of life for residents.



Recommendations and Action Steps Tracking Matrix

Recommendations	Action Steps	Timeframe			
		<1 year	1-3 years	3-5 years	On-going
Economic and Community Development					
Add two staff positions					
	One staff member should be focused totally on BRE	✓			✓
	One staff member should be dedicated to working with the towns in their joint and individual efforts	✓			✓
Implement a proactive Business Retention and Expansion Program					
	Customize and implement a program as outlined in the Business Retention and Expansion Framework Template in the Appendix	✓			✓
Continue to leverage Economic Development Allies and Partners					
	Build sustained relationships with allies and partners to ensure an understanding of the relationships and each's roles and priorities.	✓			✓
	Support allies and partners in their core mission				✓
	Engage allies and partners as needed and beneficial to MDED efforts.				✓
Continue to Support the Data and Technology Centers' Presence					
	Expand on existing relationships to identify other community needs that, over time, can address issues of concern to both the company and the county.				✓
Support Small Businesses and Contractors to service larger companies					

Recommendations	Action Steps	Timeframe			
		<1 year	1-3 years	3-5 years	On-going
	Partner with the Longwood Small Business Development Center and companies like Microsoft, Nucor, and Caesars Virginia (Danville) to target training programs to potential contractors who can work with these major companies in the fields of electrical contracting, HVAC, equipment maintenance, and other specific technical services		✓		
Diversify the Economic Base					
	Continue to develop and implement a comprehensive economic diversification plan to reduce dependency on Microsoft and the data center/IT sector		✓		
	Consider and develop focused incentives for new businesses in diverse sectors	✓			
	Develop strategies and incentives to foster small business creation and growth, and entrepreneurial development	✓			
	Capitalize on the expected growth in Wholesale Trades by developing or enhancing and promoting a supply chain network and database		✓		
	Continue to work with the Towns to evaluate outcomes from the existing Enterprise Zones, reviewing EZ boundaries, and modifying the local EZ incentive offerings to support target industry sector development.				✓
	Seek private sector partners for mixed-use development projects.		✓		
	Promote the diversification of the commercial and industrial base through site development and adaptive reuse of vacant public properties		✓		

Recommendations	Action Steps	Timeframe			
		<1 year	1-3 years	3-5 years	On-going
	Create small-scale initiatives to support entrepreneurship and innovation, such as makers' markets, co-working spaces, and adaptive reuse of existing downtown buildings for telework or back-office work. Utilize Microsoft TechSpark to support these initiatives as well as the RISE Collaborative		✓		
Enhance Tourism and Recreational Opportunities, and Marketing Efforts					
	Develop a comprehensive marketing strategy, including assets in the County, Towns, and region to more effectively promote Mecklenburg County's natural and recreational attractions,	✓			
	Continue to designate a certain percentage of the Transient Occupancy Tax (TOT) revenues to fund tourism strategies implemented through the Department of Economic Development and Tourism.				✓
	Meet with the Tobacco Heritage Trail Board to evaluate the current status and impact of the THT	✓			
	Increase public access to lakes, and leverage Occoneechee State Park for tourism.		✓		
	Increase Mecklenburg's attractiveness to hotel developers by conducting a formal feasibility study, identifying sites with appropriate infrastructure, and developing an appropriate incentive package		✓		
	Develop marketing materials promoting the results of the feasibility study, available property, and incentive package		✓		
	Identifying qualified developers with experience in rural communities and host a meeting to introduce them to the opportunities that Mecklenburg offers		✓		

Recommendations	Action Steps	Timeframe			
		<1 year	1-3 years	3-5 years	On-going
	Continue to support Agri-tourism initiatives and local food markets				✓
	Participate actively in the GO Virginia Region 3 Controlled Environment Agriculture strategy development				✓
Strengthen relationships for economic development outcomes with the three Towns in the County.					
	Foster Strategic Partnerships and Visionary Leadership by Creating Intentional Communication Among the Leadership of the County and Towns		✓		
	Contact members of the Smyth Twelve in Smyth County to discuss the organization, its mission, and its activities.	✓			
	Using the model of the Smyth Twelve, create an intentional and sustained communication strategy involving the Chief Administrative Officer of the County and each Town; the Economic or Community or Main Street Development Director of each jurisdiction, and the Chief Elected Official from each jurisdiction.	✓			✓
	Identify areas of common, shared interest and develop a plan to work toward progress on these areas over the next year.				✓
	Meet monthly to assess progress and make adjustments.				✓
Establish Strategic Partnerships for Infrastructure and Services					
	Form strategic partnerships between the towns, county, and neighboring Warren County, NC, to improve infrastructure, such as bringing sewer services to key areas and ensuring fiber connectivity to all households.			✓	

Recommendations	Action Steps	Timeframe			
		<1 year	1-3 years	3-5 years	On-going
Develop a Comprehensive Main Street and Downtown Revitalization Strategy inclusive of all the Towns, with support from the County.					
	Convene a meeting with representatives of Virginia Main Street, the three Towns, and the MDED to develop an understanding of the Main Street Program tiers and requirements.	✓			
	Establish a task force to identify, assess, and prepare commercial sites for development or redevelopment.			✓	
	Assess existing buildings in the Towns that could be positioned for co-working or back-office uses. Include representatives of each Town, the County, and the Southside Planning District.		✓		
	Create a comprehensive plan for Main Street development in the towns, focusing on creating vibrant, healthy, and authentic downtown areas.		✓		
	Consider and develop incentives for businesses, beautification projects, and community events.	✓			
	Consider providing staff support and funding to the Towns to support this effort.				✓
Foster Community Cohesion and Cultural Integration					
	Promote community-building activities and cultural integration programs that celebrate diversity while preserving the county's traditional values.			✓	
	Engage long-term residents and newcomers in dialogue and joint projects.				✓

Recommendations	Action Steps	Timeframe			
		<1 year	1-3 years	3-5 years	On-going
	Conduct an inventory of existing properties, which could be rehabilitated for use as cultural hubs, and recreational facilities. Engage the Southside Planning District in this analysis.		✓		
	Identify funding sources to acquisition of the properties with a development and use plan that includes all the towns.		✓		
Improve Housing Stock including Affordable Housing					
	Engage with the Southside Planning District Commission to discuss the results of its housing study when completed.	✓			
	Partner with developers to increase the quantity and quality of housing stock, including affordable housing, workforce, and 55+ housing. Determine the role of the County's IDA and/or the Towns' CDAs to induce the partnership.		✓		
	Create a real estate database to streamline housing market information.	✓			
	Explore options of acquiring land and building public infrastructure through an IDA or EDA as an inducement to attract private housing developers. (Review Best Practices Examples)		✓		
	Assess the housing strategies employed in the Wytheville and Smyth County areas for applicability in Mecklenburg	✓			
Ensure Website and marketing information and are correct and up to date.					

Recommendations	Action Steps	Timeframe			
		<1 year	1-3 years	3-5 years	On-going
	Assign a staff person to regularly review website to ensure that it is current and information is consistent across other sites linked to the MDED site, i.e. VEDP, VGA, etc.	✓			✓
	Update marketing materials and provide to marketing partners, VGA, VEDP, etc.				✓
Enhance public awareness of MDED program					
	Develop an annual report outlining activities of the past year and the work plan for the coming year. Distribute widely and host a annual presentation open to the public.	✓			✓

Recommendations	Action Steps	Timeframe		
		<1 year	1-3 years	3-5 years On-going
Economic Development Product				
Review sites in the current inventory and in the Timmons Report				
	Continue activities as recommended in the Timmons report		✓	
	Develop a report with critical infrastructure availability and capacities for each site	✓		
Secure properties identified as priorities				
	Meet with owners to discuss various methods of securing property		✓	
	Conduct due diligence evaluations of the sites which should include as a minimum geotechnical, environmental, and wetlands evaluations to identify barriers to development		✓	
Create a development plan for priority sites				
	Compile a list of necessary steps and a timeline for each site, and identify funding sources to support the plan		✓	
Identify other sites with adequate services and conduct due diligence evaluations				
	Due diligence activities which would include at minimum, geotechnical, environmental, and wetlands evaluations to identify barriers to development		✓	
Prioritize sites with adequate service and develop next steps strategies				

Recommendations	Action Steps	Timeframe			
		<1 year	1-3 years	3-5 years	On-going
	Secure property and identify funding sources for next steps in development		✓		
Identify other sites without adequate service and develop a next steps plan					
	Meet with owners and suppliers, e.g. municipalities, to discuss deficits and identify ways to remove those impediments.			✓	
Review existing product inventory to ensure that properties are categorized appropriately					
	Discuss properties that would seem to be better suited as commercial with owners, realtors, municipalities, and any other stakeholder to determine best uses and the appropriate way to market the property.	✓			
Identify large acreage sites, 100+ acres, with a small number or single owner.					
	Utilize the Timmons report to begin the search.		✓		
	Research county GIS property listings. Search for large corporate land owners such as Wood Products companies		✓		
	Contact owner(s) to determine willingness to sell their property or partner in development		✓		
Review existing building inventory to develop a marketing strategy					
	Identify limiting factors, such as low ceiling heights, small lot size, etc.	✓			

Recommendations	Action Steps	Timeframe			
		<1 year	1-3 years	3-5 years	On-going
	Research VEDP data to determine appropriate targets for those buildings with limiting factors	✓			
Consider constructing a Shell Building					
	Discuss the possibility of constructing a shell building on publicly owned property, or on a site owned by a willing partner		✓		
	Research the various methods and financing strategies available to construct a shell building and determine which would be the best option		✓		
Serve as a Resource to monitor trends that impact the Data Center/IT Sector					
	Stay attuned to the infrastructure issues that impact the data center industry, particularly energy generation and water requirements. Lean forward with data center companies and their utility partners to anticipate needs.				✓
	Be proactive in preparing for these changes that may require local action (planning, zoning, land use, etc.).			✓	

Recommendations	Action Steps	Timeframe			
		<1 year	1-3 years	3-5 years	On-going
Workforce Development					
Enhance Workforce Development and Education	Collaborate with educational institutions to establish and expand the Lake Country Advanced Learning Center into a more robust delivery mechanism for degree programs from four-year institutions. Engage major corporations in the effort.				✓
Promote the county's involvement in the GO-TEC Program	As this is the premier talent pathway initiative for Virginia, all staff members should be knowledgeable enough about the program to articulate its benefits to prospects who are considering Mecklenburg as a location.				✓
Develop relationships with economic development and education partners in North Carolina to support the workforce needs of existing and new companies locating in the region.	Review the labor force commuting data and identify the North Carolina counties that are in the 30 and 60 minute commute circles. Identify the economic developer and community college(s)		✓		
	Contact the economic developer(s) that represent those NC county (ies) to begin discussions about alignment of training programs that would of mutual benefit.		✓		

Recommendations	Action Steps	Timeframe			
		<1 year	1-3 years	3-5 years	On-going
Develop strategies to attract younger workers	Engage with towns in downtown development to create a sense of place attractive to millennials		✓		
	Support development of affordable and short-term housing			✓	
	Encourage the development of childcare options to support the younger workforce				✓
Identify and support strategies to create, enhance, and grow training opportunities in high-growth occupations	Prioritize federal workforce grant dollars toward training and wage reimbursements in high growth industries.				✓
	Focus credentialing opportunities on such areas as: advanced manufacturing, healthcare, and wholesale trade to include skills and work-based learning experiences in new and advancing technologies, automation and robotics				✓
	Support the expansion of GO-TEC and STEM related programs in middle and high schools				✓
Increase the Skills Trades Workforce	Support and promote training programs in the skills trades areas such as plumbing, electricians, HVAC, etc.				✓

Recommendations	Action Steps	Timeframe			
		<1 year	1-3 years	3-5 years	On-going
	Consider creating and offering grants to incentivize students who started skills training, but did not finish, to return and complete their coursework. One such example is the Finish Line Grant in NC		✓		
Encourage the expansion of job opportunities in the county to out-commuting Mecklenburg residents					
	Increase training opportunities for high demand job sectors		✓		
	Identify and survey out-commuters to determine existing skill sets and aspirational occupations	✓			
	Survey existing industries for workforce skill and training needs	✓			
	Compare data gathered from out-commuters with skills needs survey of existing industry and match existing skills with needs	✓			
	Encourage and assist the development of training offerings to address identified gaps or deficits	✓			
Tap the older worker pool					
	Survey existing industries to assess their appetite for hiring older workers, and with what skills/credentials	✓			
	Identify and conduct a skills/credential survey of the older worker pool. Include in the survey what benefits would be necessary to entice them to work longer or accept a new job	✓			



APPENDIX

Business Retention and Expansion Framework Template

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Creating Jobs and Capital Investment—A Three-Legged Stool

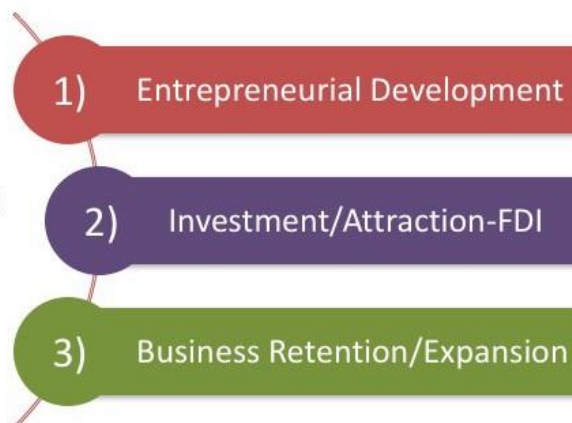
Local government and economic development professionals have three primary tools to facilitate job creation and capital investment in any community. You can think about these three tools as individual legs on a three-legged stool. Just as a stool requires three legs to remain balanced and adequately support weight, a community needs three legs to support short and long-term job creation and capital investment.

- The first leg of the stool is **Entrepreneurial Development**—starting and nurturing new businesses within the local trading area.
- The second leg of the stool is **Investment/Attraction**—luring businesses or business expansions from competing communities to the local trading area.
- The third leg of the stool is **Business Retention & Expansion**—retaining and growing existing businesses already residing in the local trading area.

Healthy, growing communities with vibrant economies have a situationally appropriate mix of these three strategies. In other words, the mix of these variables depends on the economic realities, resources and trajectory of a given trading area.

THREE LEGGED STOOL

**Employment,
Investment &
Tax Base
Drivers**



Business Retention/Expansion - Context

In the early 1980's, the seminal work of Dr. David Birch from MIT and Cognetics found that up to 80% of jobs and investment in any market area emanate from local, existing firms. In urban metro areas, these numbers are typically lower—in rural areas, these numbers are usually significantly higher. While there have been wholesale changes in our global economy since 1980, the 80% rule for business retention/expansion still holds true today.

Existing firms are the only true business customers of local governments and economic development officials. Entrepreneurial firms and prospects are, essentially, the customers of tomorrow. Neither has any significant experience with—or exposure to—the trading area. While their assessment of the market area and feedback is important, it does not carry the weight of businesspeople who have actually operated their companies in the local trading area.

The “mirror effect” of existing, local firms tells a community everything it should know about itself and, more importantly, how it can improve itself relative to commerce and community viability. Local, existing businesses, in essence, act as a *canary in the coalmine* for government and economic development professionals.

In any market area, systematic and sustainable business retention/expansion efforts will act as a community fulcrum and leverage point for strategic and successful entrepreneurial development, business recruitment and workforce development. Through a systematic and sustainable customer outreach program, you are essentially asking your existing customers what complementary businesses and assets they need to be successful. Filling in the pieces of this puzzle complement—rather than compete with—these existing, mainstay customers.

Since the initial work of Dr. David Birch in the 1980's, the global economy has undergone multiple transformations. In four decades, we have witnessed the *PC-to-Internet-to-Artificial Intelligence* trajectory. As information technology has become entrenched and ubiquitous, our global economy has forever changed. The private sector firms operating this economy have been forced to reinvent themselves many times over. The survivor companies who went through the most recent global pandemic are operating very differently than they did before this event. These companies are agile, adaptive and globally competitive. They are trading *gross sales for net profit—employees for automation—warm bodies for talent—safety for speed and agility*.

Historically, business retention/expansion efforts have been defined by annual or bi-annual

survey-centric excursions to select local companies. This methodology was never perfect — but was acceptable when target companies and global commerce was moving slowly. Intersecting with a business every year-to-two was sufficient to understand and keep tabs on the business—past, present and future.

Globally competitive companies today are moving at warp speed. It is impossible to keep pace with them with annual or bi-annual visits alone. The goal now is *recent and frequent contact* with the most important business constituents. This is achieved using tools that go beyond business visits and surveys. These tools and their interdependency are explained in this template.

Putting Together a Business Retention/Expansion Program

There are four distinct elements that, together, form the foundation for a systematic and sustainable business retention/expansion program.

These four elements generally mirror any good private sector customer intake and service delivery process. The goal is to understand customer needs and subsequently provide seamless service—at or above the customer’s expected service level.

As an example, look at a hypothetical automotive service center. The service center intake is done by a customer service representative (**Outreach**). This person is listening to, and learning from, the customer about problems with and expectations for their car. In the vast majority of cases, the customer service representative is not the person performing service on the car. They pass the customer along to a customer service department (**Team**). The customer service department consists of many different people—working together seamlessly—each with their own area of specialization. The entire process is ultimately governed by a customer service manager (**Management**). One of the primary tools the customer service manager uses is a database (**Data Warehouse**). This database provides important analytics to the customer service manager about customers and their vehicles. The database allows the customer service manager to better understand customers of the automotive service center.

A successful Business Retention and Expansion program will utilize a similar systematic approach. The following pages describe this system in more detail.

ELEMENT ONE: OUTREACH

Historically, business retention/expansion has been framed and defined as an *annual face-to-face visitation and survey process* with select businesses in a given community. This static approach to customer outreach and service worked adequately well when businesses could easily understand and rationalize customers, competitors and suppliers. With the advent of globalization and technology, this rationalization is no longer simple.

Businesses that have survived the global pandemic are operating at warp speed—these survivors are agile, adaptive and highly competitive—reinventing themselves many times over each year. Intersecting with these businesses only every 12-18 months through a formal business outreach program is not sufficient to keep up with these dynamic firms.

Think about your highest functioning personal or business relationships. These are fortified by regular communication. When things are in flux—personally or professionally—we tend to increase communication with others as necessary.

The goal is to intersect and communicate with dynamic businesses as many times as possible each year. To achieve this goal, a locality must implement a new multi-layered framework for business retention outreach that takes it well beyond the annual survey.

MULTI-LAYERED FRAMEWORK



Formal Business Visits

The foundation of the multi-layered framework will still be the annual visitation process. Think about this engagement as an annual “full physical” with a given company. This is an intensive, deep dive examination of where a business is and, more importantly, where they are going.

Important: This annual visit should not be a thinly veiled exercise in surveying and data gathering. It should be an organic, strategically oriented conversation that ultimately focuses on enrichment of the relationship with the business and decision maker. Just as each business in the locality is different, the tone and tenor of the visit will be different—beginning and ending at a unique place. The only way to facilitate true communication with the business community is this organic approach to relationship building.

Because of resource constraints, this *formal business visit will typically only provide 1 or 2 exposures per business per year*. Other tools are needed to increase frequency and recency of exposures—especially with the most dynamic existing businesses in the county.

Special Events and Meetings

Chambers, non-profits and other local and regional entities sponsor many business and community events each year. These events can and should be harnessed for business retention/expansion purposes. These magnet events attract local business leaders as well as others from outside the community.

A locality should use these events to:

- Build and fortify relationships with business leaders (one-to-one or one to-many)
- Test the waters on new, proposed policies, programs and strategic initiatives
- Market and reinforce the locality as a place to do business
- Link businesses together—creating buyer/supplier relationships

Special events and meetings can provide another 6 to 12 exposures per year.

Focus Groups

What’s better than candid input and feedback from a single local business leader? Input, feedback and synergies from multiple business leaders in the county. That is the endgame of focus groups.

Focus groups provide a mechanism for a structured and guided conversation about a given topic. For business retention/expansion purposes, focus groups can include participants who share:

- A geographic area
- An industry or cluster
- Work title/function (CEO, CFO, CTO, Human Resources)
- Type of business owner (woman, veteran, minority)
- Challenges or opportunities

Focus groups should be conducted by a professional facilitator or business consultant with strong communication qualities and skills. One of the main considerations of the focus group is size. This is a balancing act...the group needs to be large enough to generate synergies—but the group must, at all times, be manageable and agile.

The focus group timeframe should be 90-120 minutes, maximum. The more planning and structure up front, the less time will be required during the group interaction. There is merit in “wrapping” a focus group into breakfast, lunch or dinner. This makes the encounter seem less onerous to participants.

The focus group is today, undoubtedly, the most pliable tool for business retention/expansion. It can easily be adapted to a variety of needs and circumstances.

Focus groups provide another 6 to 10 exposures per year.

Business Walks

Business Walks are quick blitzes to multiple businesses over a relatively short period of time. They are almost always geographically based (within industrial parks, downtown areas, commercial districts, etc.). Business walks employ multiple teams of two or more economic development stakeholders (public and private) who fan out within a geographic target area to “touch” as many businesses as possible within a half or full day. This outreach is typically conducted in the context of a 5 to 10-minute meeting.

The endgame is to start or fortify relationships with these target businesses. However, many economic development organizations take this opportunity to ask a few big picture questions about business climate and needs. Many who ask big picture questions provide a debriefing report to businesses that participate in the focus group. Business walks give affiliate partner organizations and local elected officials a role in the outreach process.

Business Walks provide another 6 to 12 exposures per year.

*Notes about Special Events & Meetings, Focus Groups and Business Walks: the “hidden agenda” is to identify those businesses that are facing imminent challenges or opportunities and target them for more intensive interactions by local government and/or economic development entities in the locality. These tools will maximize outreach exposure while, simultaneously, allowing local officials to strategically “thin the herd” and focus on local businesses who are positioned for immediate success or failure.

Important: In resource strapped communities, focusing on at risk businesses is not as cost effective as focusing on those who are “posed for greatness.” As a general rule, allocation of time and resources in the economic development office should focus on those local firms that are (or with a little attention, can be) successful.

Social Media

Facebook, LinkedIn, Twitter and other social media tools provide local government and economic development officials with an unrivaled means of intersecting with the business community—recently and frequently. Today, social media is the X-Factor in business retention/expansion tools.

Social media interactions can be focused one-to-one, one-to-many or many-to-many. This tool is inherently cost effective and pliable. It can reinforce and expand upon other Outreach options.

Social media rules generally follow mass media rules. Namely, there is a critical mass of exposures required to impact the target audience. This necessitates consistent, daily messaging with high frequency.

For social media to be highly impactful for the locality’s business retention/expansion efforts, the locality needs to develop a specific brand and social media campaign for existing industries work. This brand needs to be distinct and reinforce the purpose, intent and desired community outcomes of systematically focusing on local businesses.

Examples of business retention/expansion branding:

- Halifax, Nova Scotia *SmartBusiness*
- Dayton, Ohio *BusinessFirst!*

Once embedded, branding will provide instant name recognition of the business retention/expansion program and, more importantly, what the program represents in terms of customer outreach and customer service.

Social media can provide another 100 exposures (or more) a year.

Outcomes: Case Study of Traditional Versus New Approaches to Outreach

As a hypothetical example use XYZ Company to compare and contrast traditional versus new approaches to business retention/expansion outreach. XYZ Company is a food processing manufacturer with 25 employees and roughly \$4,000,000 in annual sales. They are locally owned and operated by a young entrepreneur, Ms. Sally Jones. Sally lives and works in the locality.

Traditional Approach

The traditional approach to business retention/expansion has been a myopic focus on data gathering through an annual site visit with select businesses in a given market area. In most instances, a specific business would only be “touched” by economic development and/or local government once per 12 to 18 months. Today, this static recency and frequency is at odds with the dynamic nature of global, technologically-based companies.

The old approach to outreach would result in XYZ Company being visited every October for a one-hour survey-centric interaction. Local government officials would contact Sally Jones each September to schedule a face-to-face visit in October. Unless Sally is proactive in contacting local government or economic development contacts, the only time she will interact with them is each October—during the planned visitation process.

New Approach

The new multi-layered framework for business retention/expansion allows the locality to intersect and keep pace with dynamic businesses. There is a high recency and frequency of different types of interactions with select businesses in a given market. The new, multi-layered approach to outreach would result in multiple touches with XYZ Company in a year.

- The first touch is a face-to-face personal visit with Sally and her management staff in October. However, the purpose and intent of this personal visit is not data gathering. It's a customer-focused relationship-building encounter that places a high premium on value to the business.
- The second touch is a business walk encounter with Sally and XYZ Company when local elected and economic development officials visit their industrial park in early November.
- The third touch is a special event in December—a county-sponsored business appreciation/holiday dinner. Local government officials sit at the table with Sally and other members of the XYZ team. They discover that XYZ Company is seeking additional space for a planned expansion.
- The fourth touch is a January focus group of woman business owners in the county.

Sally is one of 10 female entrepreneurs who participated in the 90-minute focus group.

- The fifth touch is a March Chamber event focusing on exports to China. Sally participates in this event because XYZ Company is exploring China as a target for its food product sales.

In addition to these five in person intersections with XYZ Company, the locality's business retention/expansion staff has included them in over 100 social media posts on Facebook, LinkedIn and Twitter during the year—bringing the exposure level to 105 interactions for the year.

ELEMENT TWO: RESOURCE TEAM

Inherent to the business retention/expansion process is service delivery. From the earlier auto service center example, this is the customer service department.

In an economic development context, the needs and expectations of a business usually exceed the competencies of a single municipal entity or organization. In other words, if a locality is intent on meeting or exceeding the expectations of resident its businesses, this will require resources beyond the IDA or Community Development Department. It requires the formation of a dedicated wide and deep service delivery team.

The resource team should consist of local, regional, state and even federal public and private sector partners. The team must be able to provide support for the essential elements of capitalism—land, labor, capital and technology—to private sector businesses in the locality.

Start by identifying the available resources by conducting a number of conference calls with key economic development partners in the locality and region. These calls “map” economic development assets and resources that are needed to spearhead and sustain a successful business retention/expansion program. This can also be a consensus building process—focused on the outreach, team and management elements of the business retention and expansion program. Following are the general team categories:

- Banks and Financial
- Community and Economic Development
- Local Government
- State Government

- Federal Government
- Public Safety
- Real Estate
- Transportation
- Utilities
- Workforce Development
- Miscellaneous

Participants are asked to identify key players and points of control for each of these general team categories. The organizations and individuals identified through this process form the basis for the locality’s business retention team. This team will need a manager; information on characteristics for selecting a manager are included in Element 3.

The team goal for business retention/expansion is seamless service delivery to business constituents. To be successful, the team needs a playbook (policies, protocols and desired outcomes). Every team member must internalize and adhere to this playbook. The playbook for a locality’s business retention/expansion program should include provisions for things like:

- The time it takes to respond to a request for assistance (24, 48 or 72 hours)
- How team members will respond to a request for assistance (phone, e-mail, in person)
- What constitutes an open vs. closed vs. unable to close request for assistance
- Privacy and information sharing protocols (use of a common technology platform)
- General code of conduct as part of the team

Team members must fully understand their role in the team and generally understand what other team members do. All of this is accomplished through regular team meetings.

Meetings for a locality’s business retention/expansion team should be conducted monthly on set days and times. The duration of the meetings should not exceed 60-75 minutes. The location of the meeting should be “round robin”—providing for various host organizations that have the opportunity to highlight their office, staff, service offering, etc. Outreach personnel, key team members and the manager must attend each meeting.

The meetings should provide a transparent 360-degree review of prevalent business feedback and needs. The meetings should focus on how the locality is addressing these issues and opportunities—for individual businesses and groups of related businesses.

The business retention/expansion team is not static. As the team matures, it will evolve and change by discarding some members and adding others. The prevailing issues and opportunities of the locality's businesses will dictate and drive the team composition. The team should reflect the current and anticipated needs of local business as identified through the various outreach tools.

Once the team is established, meetings can transition from monthly to bi-monthly—or quarterly. The “Zen” of a team occurs when business leaders participate to debrief members on what was good or bad about local economic development service delivery. Aside from the direct benefits of getting this feedback, it sends a strong signal to the business community that the team is intent on meeting or exceeding customer expectations.

Initially, the team roster should be small and manageable--not exceeding ten member organizations and one accountable representative from each entity. While the goal is widespread management stakeholder support for the business retention/expansion program, team members should be “worker bees” that are currently doing grass roots level work in community, economic and workforce development. At a minimum, initial members of the team should include the following members:

- County Government/Community Development Department
- Chamber of Commerce
- Community College(s)
- Small Business Development Center
- State economic development agency
- Regional economic development agency

As various outreach tools are implemented, the private-sector needs that are identified will provide a blueprint for team building. New team members will be enlisted to meet prevailing customer needs and solve long-term problems.

The size and composition of the resource team is a telltale for the health and trajectory of the business retention/expansion program as a whole. If, in a year, the team is larger—broader and deeper—the program is moving in the right direction. This team expansion represents listening and responding to resident businesses. If the team is moving in the other direction, there is a problem.

Important: Before ever talking to a local business, the business retention team member should perform their own asset mapping by systematically “interviewing” its resource partners. These interviews will provide the BRE team member with a thorough understanding of the depth and breadth of resources they are representing through the face-to-face outreach process.

ELEMENT THREE: MANAGEMENT

Continuing with our hypothetical automotive service center. If Outreach is the customer service representative and the Team is the customer service department, we need a customer service manager (Management) to weave everything together--overseeing the entire customer intake and service delivery process.

The endgame is meeting or exceeding the needs and expectations of the private sector business constituent in the locality. Doing so will result in these businesses staying and, in some cases, growing in the immediate area. To quote Management Guru Peter Drucker, *"If you can't measure it you can't improve it."*

The Business Retention Manager charts the success of the business retention/expansion program against established, mutually agreed upon direct (outcome) and indirect (process) measurements. Examples of Direct (Outcome) measurements include:

- Retention of existing firms within a market area
- Job creation and retention
- Increased tax base
- Increased wage rates
- Increased skill or educational attainment
- Capital or technology investment
- Increased profitability
- Increased market share
- Increased sales

**These outcomes are, in most instances, governed by global economic forces that are beyond the control of local elected and economic development officials. These outcomes should be viewed in a larger context and not directly attributed to local efforts or entities.*

Examples of Indirect (Process) measurements include:

- Number of customer touches/interactions per month, quarter or year
- Number of action items resulting from customer touches
- Number of action items open vs. closed vs. unable to close
- Percent of repeat business from customers
- Average time for resolution of a customer need
- Total time spent on customer touches
- Total time spent on customer needs
- Customer satisfaction ratings

The Business Retention Manager needs to measure success against both direct and indirect benchmarks. While these benchmarks will change over time, they should not be considered moving targets that mask program deficiencies and problems.

Initially, during the formative stages of development and deployment of a business retention/expansion program, the Business Retention Manager position should be considered a full-time job. As the program takes root, the time required to manage the program and related processes will diminish greatly.

Management of the business retention/expansion program can also be augmented by the use of committees. Committees can be formed around outreach, team, data and public relations to alleviate the workload of the Business Retention Manager. Committees should be comprised of small groups of 3-to-5 individuals with relevant public and/or private-sector experience. Like business retention/expansion teams discussed earlier, committees should have structure and meet regularly to ensure that goals and objectives are met. Committees are the perfect vehicle to enlist and engage various stakeholder groups in the locality. This two-pronged benefit should not be overlooked.

The Business Retention Manager is a sales manager...a customer service manager...a data analyst...a marketing and communications specialist...a community advocate...a private-sector voyeur...a trading area instigator...a public-private sector liaison.

Success in this position requires strong communication and interpersonal skills. This position requires a constant balancing act between big picture thinking and attention to detail. Prior experience in private sector sales or economic development is vitally important.

Role of a BRE manager:

- General day-to-day management of the program
- Active, ongoing outreach to, and communication with, local businesses
- Coordination of services and service delivery to these businesses
- Marketing of the retention program to internal and external stakeholder groups
- Stakeholder team building (active communication and work collaboration)
- Leveraging the program for other community and economic development

A checklist of attributes for the Business Retention/Expansion Specialist is as follows:

- Excellent communication and interpersonal skills
- Naturally inquisitive with an interest in business and commerce
- High affinity for Powhatan market area

- Empathetic
- Leadership traits
- Strong organizational and management skills
- Prior sales/marketing experience (private sector experience is advantage)
- Consensus builder
- Tech-savvy
- High energy

ELEMENT FOUR: DATA WAREHOUSE

The first three elements of the business retention/expansion program framework are all “people-centric.” The Data Warehouse element is the technology-based outlier. While initially it is the least important of the four elements to the long-term success of the business retention/expansion initiative, once the other three elements are in place and functioning properly, the Data Warehouse becomes significant.

The Data Warehouse provides local government and economic development officials with a dynamic repository for private-sector customer information, interactions and analytics. This institutional information is, by design, immune to changes in politics, policies and/or staff. In the context of business retention/expansion, the Data Warehouse is fed by the economic development and BRE partners that consistently enter information regarding their understanding of, and work with, local businesses. This database is a business and commerce diary. Contributing to this diary demonstrates that local government and economic development stakeholders are:

- Disciplined and systematic in work habits
- Collaborative in economic development efforts
- Transparent in customer contact and service
- Accountable to themselves, the team and the community as a whole
- Engaged in creating an institutional knowledge base

Structured correctly, the Data Warehouse is also powerful intelligence about individual businesses, but also allows business retention/expansion program stakeholders to understand latent correlations between and among groups of businesses.

A variety of technology platforms exist to create the Data Warehouse system. Because this system will ultimately produce the information that demonstrates the effectiveness of the programming that is carried out by multiple partners, it is important to have the Business Retention team’s input on the characteristics of the system, so that it is more likely to be fully utilized by all partners.

Sample Annual BRE Program of Work

Before the actual launch of a business retention/expansion program, the locality should, conservatively and realistically, spend three months on due diligence.

Month One: Action Items

Action	Responsibility	Timeline
Develop program brand/logo	Locality Staff and Branding Expert	30 days
Identify initial business targets	Locality Staff and EDA Board	60 days
Develop job duties-BR&E Specialist	Locality Staff	30 days
Identify initial resource team	Locality Staff	30 days
Identify program manager	Locality Staff	10 days
Social Media/Marketing “teasers”	Locality Staff	60 days

Month Two: Action Items

Action	Responsibility	Timeline
Develop program metrics	Locality Staff and EDA Board	30 days
Formulate program policies	Locality Staff and EDA Board	45 days
Develop job duties for BRE Manager	Locality Staff	30 days
Hire BRE Manager	Locality Staff and EDA Board	45 days
Finalize initial resource team	Locality Staff	45 days
Develop outreach form	Locality Staff	45 days

Month Three: Action Items

Action	Responsibility	Timeline
Develop outreach schedule	Locality Staff and Business Retention Team	30 days
Develop special events schedule	Locality Staff and Business Retention Team	30 days
Develop focus group schedule	Locality Staff and Business Retention Team	30 days
Develop business walk schedule	Locality Staff and Business Retention Team	30 days
Develop social media schedule	Locality Staff and Business Retention Team	30 days
Test outreach form	Locality Staff and Private Sector Businesses	30 days
Initial team meeting	Locality Staff and Business Retention Team	1 day

The first two months of program implementation should be viewed as a “dry runs” for various outreach tools, formation of the team and the overall business retention/expansion process.. “Friendlies” (business leaders with appreciation for the effort) should be employed as test cases for initial face-to-face outreach, focus groups and business walks. Their candid suggestions and feedback will provide impetus for quick course correction during the formative stages of the program. For the first 12 months of the program, consider the following program and process benchmarks:

40 to 50 Face-To-Face Business Retention Visits

On average, the Business Retention Manager should conduct four visits each and every month. These visits should be conducted with key decision makers at strategically important businesses throughout the county. Avoid the low hanging fruit syndrome. Time and resources must be spent to maximize return on investment—both for the business community and county as a whole.

Recognize that the business retention/expansion visit is only the “front side” of this customer outreach and service equation. Most visits will translate into one or more defined referrals for service—usually to external resource partners such as a community college or other resource partners. This is especially true if the BRE outreach initiative is new. There will invariably be pent up demand for a myriad of services. So, each business retention/expansion visit will have ramifications for longer-term service delivery. Marshaling service delivery will tactically fall under the day-to-day duties and responsibility of the Business Retention Manager. If this program forces a decision about quantity of visits versus quality in service, then this goal of 40-to-50 visits should be scaled back accordingly. This decision should be made early in the fourth month after implementation. Give the program three full months of traction before any corrective action is taken.

Six Special Events

Of all the business retention/expansion tools listed here, Special Events should be easiest to do. The most direct path forward is to identify 6 existing community events and “co-op” these for business retention/expansion purposes. Local festivals, Chamber-sponsored events, and education events lend themselves to business retention/expansion. Key economic development BRE team members should “work” these events as a formal mechanism to fortify relationships with existing business leaders as well as gain exposure to external entrepreneurial and established business prospects. These events should be sponsored and/or co-branded using the business retention/expansion program name.

Six Focus Groups

Focus groups should be conducted every two months—beginning the first month of implementation of the retention/expansion program. These synergy sessions can be structured using some of the following groupings:

- Major Employers

- Internationally-headquartered Businesses
- Woman-Owned Businesses
- Young Business Leaders
- Manufacturers
- Retailers
- Service Businesses
- Entrepreneurs & Home-based Businesses

Topics could include:

- Workforce issues and opportunities
- Housing issues and opportunities
- County and regional assets
- State and federal programs to support business development
- Leveraging social media

As indicated earlier in the report, it may be prudent to vary the location of the focus groups and link them to breakfast, lunch and/or dinner events to maximize participation and exposure. Members of the BRE Service Team should be included. If demand is weak, consider offering inducements such as gift certificates or giveaways. This is a great way to engage local retailers and service businesses.

Six Business Walks

Business Walks should be conducted every two months—beginning the second month after implementation—so that each month will feature either a Focus Group or Business Walk. Business Walks are geographically based so these events should be anchored around defined retail, service/commercial and industrial corridors of the locality. Business Walks provide the perfect opportunity to engage key political leaders and affiliate economic development organizations in the business outreach process. Business Walk teams should not be monolithic. Each team should consist of a mixture of elected officials, county government staff, partner organizations and even private-sector “volunteers.”

250 Social Media Exposures

Social Media tools should, initially, be focused on LinkedIn, Twitter and Facebook. Like other preceding business retention/expansion tools, consistency is paramount here. In Social Media, content should be developed by local economic development staff and then fed to the EDA Board and affiliate organizations that are part of the business retention/expansion program.

Social Media should be used for these and other purposes:

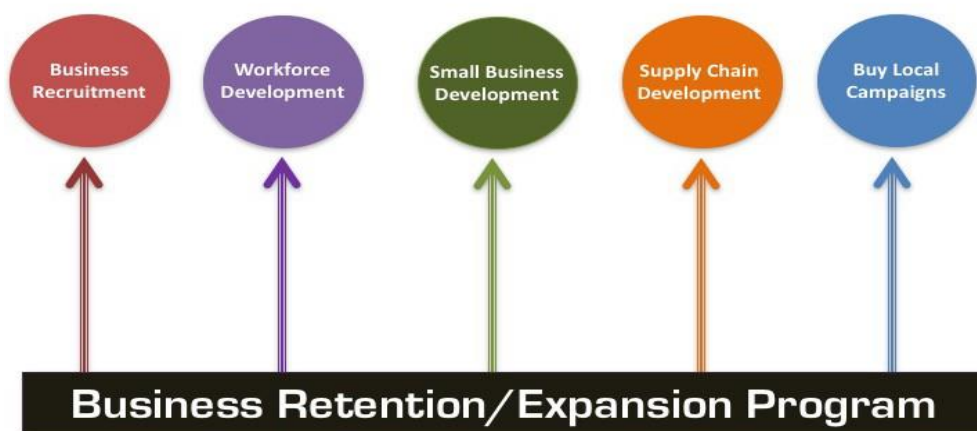
- Highlight the locality as place to do business
- Reinforce the business retention/expansion brand
- Explain the business retention/expansion program and desired outcomes
- Feature local business leaders, businesses and what they do
- Celebrate success of local businesses
- Send trial balloons on new economic development programs, policies and strategies

Social media should be leveraged with collateral marketing materials and traditional mass media for maximum impact. For example, the Business Retention Manager should be armed with a fact sheet explaining the program, desired outcomes, resource partners and contact information. This collateral piece will serve as a reference point for businesses long after the engagement with the county.

Summary

Localities need to take a longer, strategic view on business retention/expansion—using the program as a fulcrum and springboard for entrepreneurial development, business recruitment and workforce development. Locality economic development staff should continually examine how local business feedback can be leveraged beyond the existing industries program. The program will ultimately be considered marginal if it fails to create these synergies. A successful BRE program ensures that private sector businesses get the assistance they need – when they need it – and that the locality and its citizens benefit from a sustained, healthy economic base.

LEVERAGING BUSINESS RETENTION



Bringing you the “Leading EDge”

Expertise Built on Experience

Sanford Holshouser Economic Development Consulting (SHEDC) has been providing economic development consulting services for more than 20 years. During that time, our partners have assisted clients across the country, with many returning for multiple engagements.

When you work with SHEDC, you work directly with senior partners who have successfully managed public and private economic development programs at the local, regional and state levels. We don't rely on junior staff or research assistants to do important legwork. This allows us to become intimately familiar with projects and ultimately deliver better guidance and support.

Areas of Service

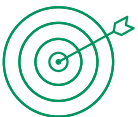


COMPREHENSIVE ECONOMIC DEVELOPMENT CONSULTING

Years of first-hand experience managing local, regional and statewide economic development organizations makes SHEDC partners highly qualified to provide the following services:

- Strategic Economic Action Planning
- Organization Review and Enhancements
- Product Development Strategies
- Executive Search and Bridge Management
- ROI/Economic and Fiscal Impact Analysis
- Information Technology Job Creation Strategy
- Marketing Program Analysis

To learn more about these services and more, visit [SHEDC.com/economic-development](https://www.shedc.com/economic-development).



SITE SELECTION AND INCENTIVE NEGOTIATION

SHEDC partners have assisted corporate clients with their location and expansion efforts in the United States and globally. Our projects have ranged in size from \$3 million to \$1.8 billion in capital expenditures, and from just a few jobs to over 1000 across a broad spectrum of industry sectors.

We assure a high return on investment by working on a success fee basis or guaranteeing a specified ROI. Your success is our success.

To learn more about our Site Selection services, visit [SHEDC.com/site-selection](https://www.shedc.com/site-selection).



PUBLIC POLICY ANALYSIS

SHEDC combines the collective experience of its partners with various third party tools and data sets to inform and ultimately create recommendations for new public policy. We have completed these analyses for both industry recruitment and transportation infrastructure improvements projects.

To learn more about our Public Policy Analysis services, visit [SHEDC.com/policy-analysis](https://www.shedc.com/policy-analysis).

Partners

Our team of accomplished professionals collectively possess more than 250 years of experience providing economic development and consulting services to communities, regions, states, nations, and global corporations.



Ernie Pearson
Managing Partner

30+ years in law and economic development. Former NC Assistant Secretary of Commerce. Creative and effective incentive negotiator and site selector. An expert in legal structuring of product development. Extensive experience in local government law. Recognized annually by Best Lawyers in America in category of Economic Development law.



Thomas Johnson, HLM
Partner

City planner and economic developer in three states. Chief executive of three economic development organizations. NCEDA Economic Developer of the Year. Awarded CECd in 1998. Honorary Life Member of SEDC. Major projects include: Continental, Facebook, and Seiren Corp.



Rocky Lane
Managing Partner

30+ years of experience including managing successful local, regional and university economic development programs. Developed strategic plans for municipalities, counties, and regions, certified over 4,500 acres of industrial property (NC) and performed numerous economic impact analyses.



John J. Smolak, HLM
Partner

40+ years in economic development State, local and utility level experience. Skilled in strategic planning, business development, international recruitment, product development strategy. Held leadership positions in many business/public organizations.



David Denny
Managing Partner

25+ years in economic development. 40+ years in business. Expertise in organization evaluation, funding/finance of EDOs, project feasibility, strategic economic development planning, contract executive director. Supported and/or directed international trade deals in 19 countries.



Sheila Knight, CCIM
Partner

30+ years as an economic development professional and commercial real estate broker. Member of the Board of the Economic Development Partnership of North Carolina (EDPNC), and is currently serving as Chair of the Advocacy Committee. Served in key roles for the National Association of REALTORS.



Mac Williams
Partner

40+ years as a local developer across North Carolina, including 16 years as a chamber president. Well-versed in all facets of local economic development organization and program management. NCEDA past president and economic developer of the year.



Dale Carroll, MHRM
Partner

40+ years of professional experience ranging from work as a power engineer serving major industries to managing economic development programs at the regional and state levels in North Carolina and neighboring states. Specifically, as a former Deputy Secretary/COO at the NC Dept. of Commerce, Dale had oversight of business and industry recruitment, finance, infrastructure development and workforce solutions.