

**WAYNESBORO VIRGINIA**

**Economic Development**

**FIVE YEAR  
STRATEGIC PLAN**

**Building for the Future**



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## **Economic Development**

# **FIVE YEAR STRATEGIC PLAN**

## **Building for the Future**

**December 2011**

This report is published by the Office of Economic Development and represents the work of Moran Stahl, and Boyer (MSB), a site location consultant firm, the Waynesboro Strategic Plan Task Force, community stakeholders, and staff of the City of Waynesboro.

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## Executive Summary

**BACKGROUND:** In late 2010, it was determined that an Economic Development Strategic Plan was critical to the long term success of the city. A task force, comprised of members of City Council, the EDA, and City Staff, was created to draft a plan. A Strategic Plan process was developed with a goal of publishing the plan in summer 2011. Task force members were Jeff Freeman, Mike Harris, Greg Hitchin, Katie McElroy, Jim Perkins, Tom Reider, Jim Shaw, and Lorie Strother.

**METHODOLOGY:** Community and historical input was deemed critical to the success and acceptance of the plan. The task force also recognized that, while it was the desire to complete the process internally, some facets of the project might require outside expertise. In early 2011 an RFP was distributed to Site Location Consultants and the firm of Moran Stahl and Boyer (MSB) was selected to present an Economic Development 101 Seminar, hold interviews of community, business, and government leaders, and provide a draft report. A five phase project was initiated, including planning, assessment, analysis, priorities, and publishing. Over 60 community and business leaders participated in the process.

**ASSESSMENT:** During 1Q and 2Q of 2011 the task force conducted the assessment and analysis phases. The work included reviewing over a dozen reports, plans, and visioning reports; MSB held over 30 interviews, and the creation of seven specialized subject task forces were charged with developing detailed action plans. Subjects studied were Cultural, Downtown, Education / Workforce Development, Manufacturing, Real Estate, Small Business, and Travel / Tourism. Key findings include:

- City strengths include access to markets, work ethic, proximity to universities, and a variety of recreational activities; while weaknesses include labor skills for new jobs, small business development opportunities, and lack of interest / training for manufacturing jobs;
- Threats to our economy (long term situations that we need to mitigate) include traffic issues at Town Center, gateways to the City, expansion of retail in neighboring municipalities.

Statistical data included:

- Four year college attainment % is increasing but lower than state and national average.
- Percent population over 65 is higher than national average.
- Population is growing, but at a slower rate than nationally and previous decade.
- City revenue source: M&T tax declining; real property, hotel, and meals tax increasing.
- Percent employment has shifted from “manufacturing” base to “wholesale / retail” base.

**PRIORITIES:** Action plans from each task force were evaluated and consolidated into seven key goals and vision and mission statements were articulated.

**VISION:** The purpose of the Waynesboro Virginia Office of Economic Development is to stimulate the local economy through the creation of primary employment, capital investment, and increased travel (tourist) activity. We will be known by our integrity and the professional manner in which we handle issues. Our goal is to be responsive to our clients' needs and effectively enhance their successes.

The office's actions in concert with other regional and state partners will promote wealth-building, create a pro-business environment, and improve the quality of life of our citizens.

**MISSION:** To promote the City of Waynesboro Virginia as a preferred location for economic growth by providing leadership in the community and region, collaboration among public and private partners, and distinctive marketing programs designed to accelerate the growth of capital investment, job creation, and increased tax revenue.

**GOALS:** Seven key goals for success were established.

1. Establish and market Waynesboro as a preferred location for business growth.
2. Create a business climate in which existing businesses are globally competitive and new businesses can be attracted and supported.
3. Create and sustain economic prosperity through collaborative partnerships, with federal, state, and local public and private agencies; local and regional commercial real estate brokers and developers; and local property owners.
4. Plan and develop business parks and buildings for existing and new businesses to locate and expand.
5. Establish Waynesboro as a regional tourist destination taking full advantage of the natural and historic resources of the Shenandoah Valley.

6. Develop a highly skilled workforce fully capable of contributing to employer needs in a technology driven 21st Century business / industry environment.
7. Create a rich and inviting central business district characterized by unique shops, specialty restaurants, a full range of cultural resources and events, and a range of housing options appealing to young professionals and engaged older adults.

**PUBLISHING:** On July 27, 2011 the preliminary report was presented to a joint meeting of the Waynesboro City Council and the Waynesboro Economic Development Authority. Comments were collected and this final report was published.



## Background

### Introduction

The City of Waynesboro is located in west central Virginia adjacent to the Blue Ridge Mountains and within the Shenandoah Valley. Waynesboro along with the City of Stanton and Augusta County comprise a sub region within the seven-county Shenandoah Valley Economic Partnership that spans from Rockbridge County to the south up to Shenandoah County to the north.

The City has a strong industrial heritage that dates back to the mid-eighteenth century and has included major employers such as General Electric, DuPont and Mohawk Industries. Although there are still some very vital and important industrial employers, there is a desire to continue to broaden and diversify the area economy. To this end, the City is engaging in a process to craft an economic development strategy that will serve the community for the next five years.





## *What is Economic Development?*

The International Economic Development Council says Economic development can be defined as a program, group of policies, or activity that seeks to improve the economic well-being and quality of life for a community by creating and/or retaining jobs that facilitate growth and provide a stable tax base.

It further defines Economic Development as

- Job creation: not just quantity, but quality – bringing new jobs to the community – not just “attraction”, but helping to increase current job counts at current businesses
- Job retention: creating an environment for success for our existing businesses and for start ups
- Tax base creation: bringing outside wealth into the community and keeping it here – Travel industry, new real estate, new equipment, industrial parks
- Quality of life: helping to insure that living, working, and conducting business in the community is worthwhile and rewarding.

## *Overall Process for Preparing an Economic Development Plan*

Preparing an Economic Development Plan is a multi-step process that requires input from many different community stakeholders.

**Crafting a Vision:** The process typically begins by crafting a vision of the community for 10 to 20 years into the future. The vision may be refined as additional insights and perspectives are incorporated into the process. A good place to start with visioning is to review the economic history of the community – the roots that have made the community what it is today. Added to this is the current situation along with input on what stake-holders would like to see the community become in the future.

**Strengths/Challenges Analysis:** Another important input is to define the key strengths of the local community relative to economic growth along with the challenges of achieving success. The community stakeholders typically provide an initial input that is refined by the project team.

**Identifying Primary Opportunities and Potential Resource Gaps:** Primary opportunities are then identified with community input and assigned an initial priority. The opportunities are then refined, detailed and analyzed for “reasonable.” Then there is a determination of resource needs required to support each opportunity and compared to existing available resources. If there are significant gaps in available resources they are noted.

**Economic Development Strategy:** Once the opportunities and their resources are defined, an economic development strategy is defined that includes resource development (as needed), new business facilitation, growth of existing companies and opportunities (e.g., tourism), as well as attraction of additional businesses to the area through marketing efforts with the regional, state and other organizations.

**Action Plan:** Details of the strategy and the overall vision are integrated into an action plan that is structured to optimize implementation. The plan incorporates any recommendations for resource improvements, marketing efforts and other actions required to achieve the economic development strategy and vision.



## Waynesboro Methodology

### Background

In late 2010, it was determined that an Economic Development Strategic Plan was critical to the long term success of the city. A task force, comprised of members of City Council, the EDA, and City Staff, was created to draft a plan. Members of the task force were Jeff Freeman, Mike Harris, Greg Hitchin, Katie McElroy, Jim Perkins, Tom Reider, Jim Shaw, and Lorie Strother.

Initial meetings of the task force developed a planning process with a goal of publishing the plan in summer of 2011.

### Methodology

In November 2010, the task force began meeting and to establish the process for developing the Strategic Plan. Several key decisions shaped the process.

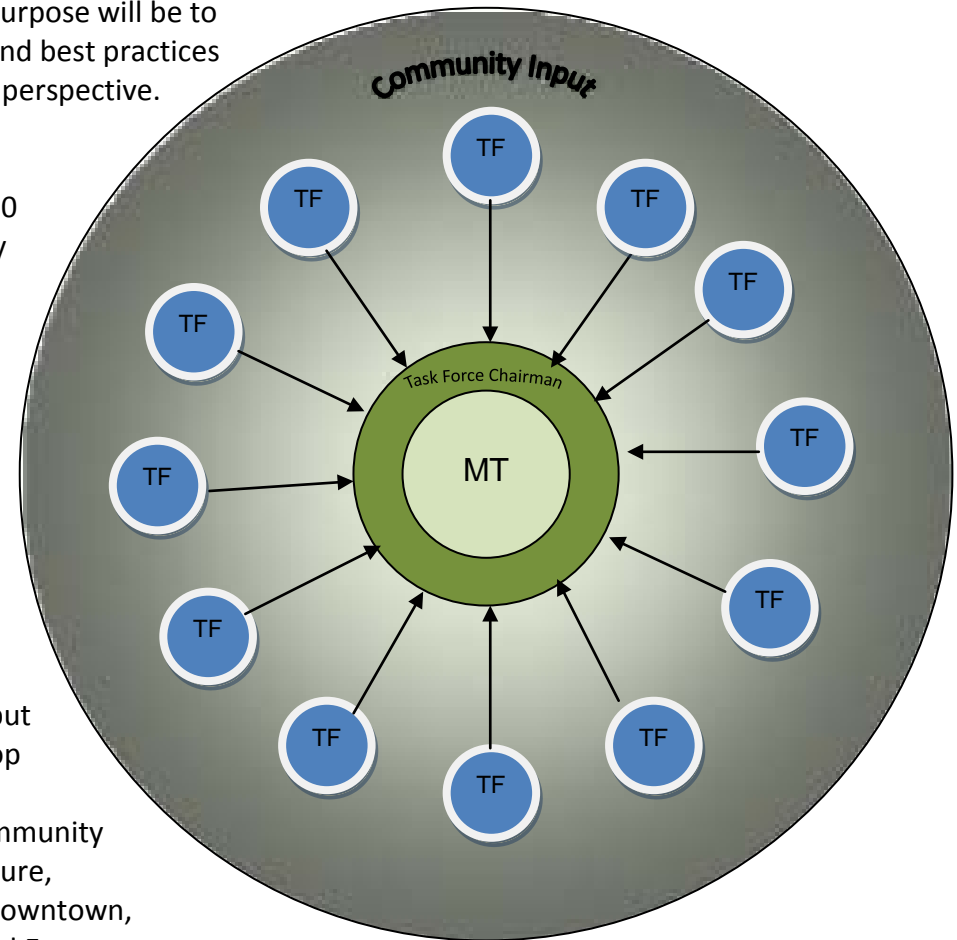
The goal of the Strategic Plan process is to systematically review the assets, plans, and programs of the City combined with the ideas and desires of the community to create obtainable short term action items and long range planning goals to improve the long term vitality of the City.

- The task force would serve as the management team of the process. The team would be chaired by the Economic Development Director and meet bi-weekly during the process.
- The management team would be responsible for the overall plan, budget, and schedule; committee assignments; and establishing the priorities.
- The plan would be created internally – an outside consultant would not be retained to complete the entire plan.
- Community and historical input would be critical to the success and acceptance of the plan.
- Gathering community input would be best handled by an outside consultant.
- Members of the community have different levels of understanding of economic development.
- The process would be broken into five phases: Planning, Assessment, Analysis, Priorities, and Publish.
- Certain activities would continue while the strategic plan was being developed since either their completion was integral to current programs, or the tactics were fundamental and would more than likely become part of the plan.

### Five Phases

1. Planning
  - a. review of standard practice, develop schedule, identify partners
2. Assessment

- a. To facilitate a portion of the assessment phase, a site location consultant firm was retained by the Economic Development Authority (EDA).
  - i. The firm of Moran Stahl, and Boyer (MSB) was selected after a competitive bid process.
- b. Economic Development 101
  - i. ½ day seminar conducted by MSB– the purpose will be to provide a broad overview, basic terms, and best practices of Economic Development from a global perspective.
- c. Community Input
  - i. Facilitated by MSB
    - 1. One on one meetings with over 30 selected business and community leaders (see contributors section below)
    - 2. Public “town hall” meeting
  - ii. Draft report prepared by MSB to include findings, observations, suggestions
- d. Specialized Task Force
  - i. Chaired by member of management team or community specialist
  - ii. Members include representatives that have an expertise in the subject
  - iii. Purpose will be to review community input in light current situation and then develop and prioritize action plans
    - 1. Subjects were determined by community input and included: Tourism, Culture, Manufacturing, Small Business, Downtown, Workforce Development, and Real Estate.
  - iv. Action plans included activity goal, justification, steps to completion, budgets, and more.



#### 4. Analysis

##### a. Review of historical documents

- i. In the previous two decades, a number of reports, plans, visions, and strategies had been published – all with the underlying goal of improving the economic vitality of the City. In addition, a number of outside groups published plans, profiles, and reports that describe and impact the City.

##### b. Review of MSB draft report

##### c. Review of demographic and other data

##### d. Development and review of SWOT analysis

##### e. Review of Action Plans from Specialized Task Forces

#### 5. Priorities

##### a. Develop vision, mission, and goals

#### 6. Publish

- a. Introduce summary of plan to a joint meeting of City Council and the EDA
- b. Accept comments
- c. Publish final plan

#### *Documents Reviewed*

EDA 2006 Strategic Plan

Planning District Comprehensive Economic  
Development Strategy

WDDI Economic Assessment

Downtown Vision

City Council Vision

Augusta County 2010 Strategic Plan

Area Profiles from VEDP and VEC

Riverfront, Southern Corridor, and CCR  
Project Plans

News Virginian White Paper

Comprehensive Land Use Plan

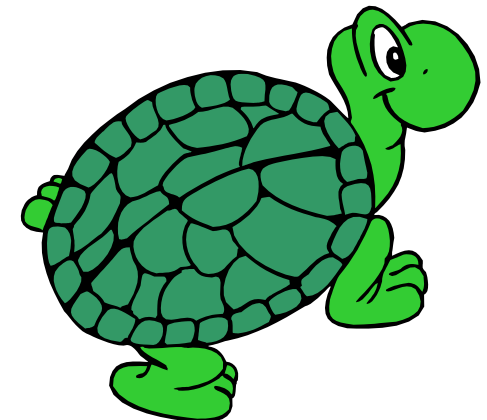
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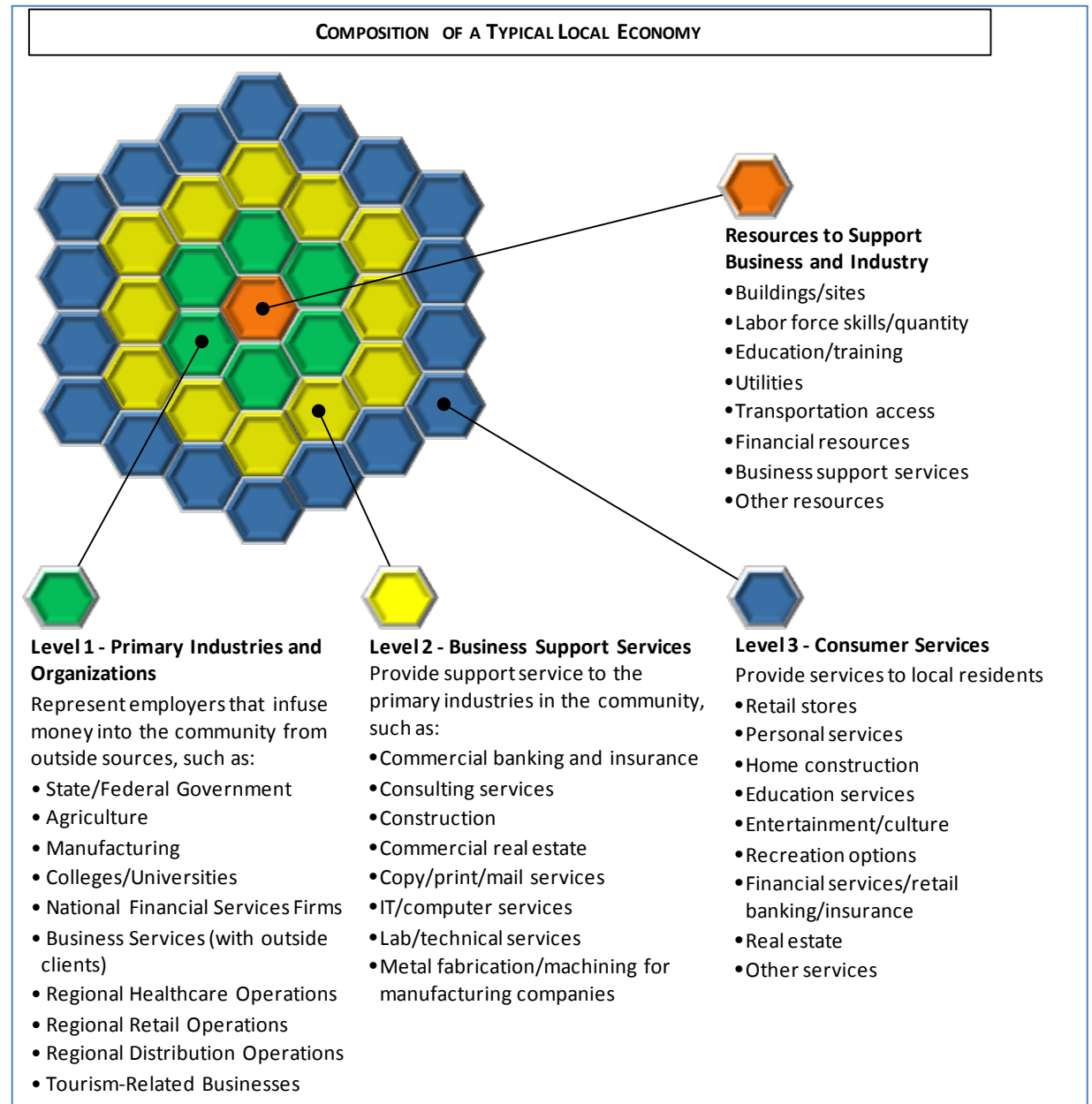
Behold the turtle. He makes progress only when he sticks his neck out.  
We can win the race with dogged determination, a steady pace, and a solid plan.



## Composition of a Local Economy

This diagram, developed by MSB, reflects how a local economy is structured with different types of economic activity. At the core of any economy are the resources – land/buildings, labor financial resources, education activities, etc. – that support business, industry and other activities. It is critical that each resource is available at the level of capacity and readiness required to meet the needs of each aspect of the local economy.

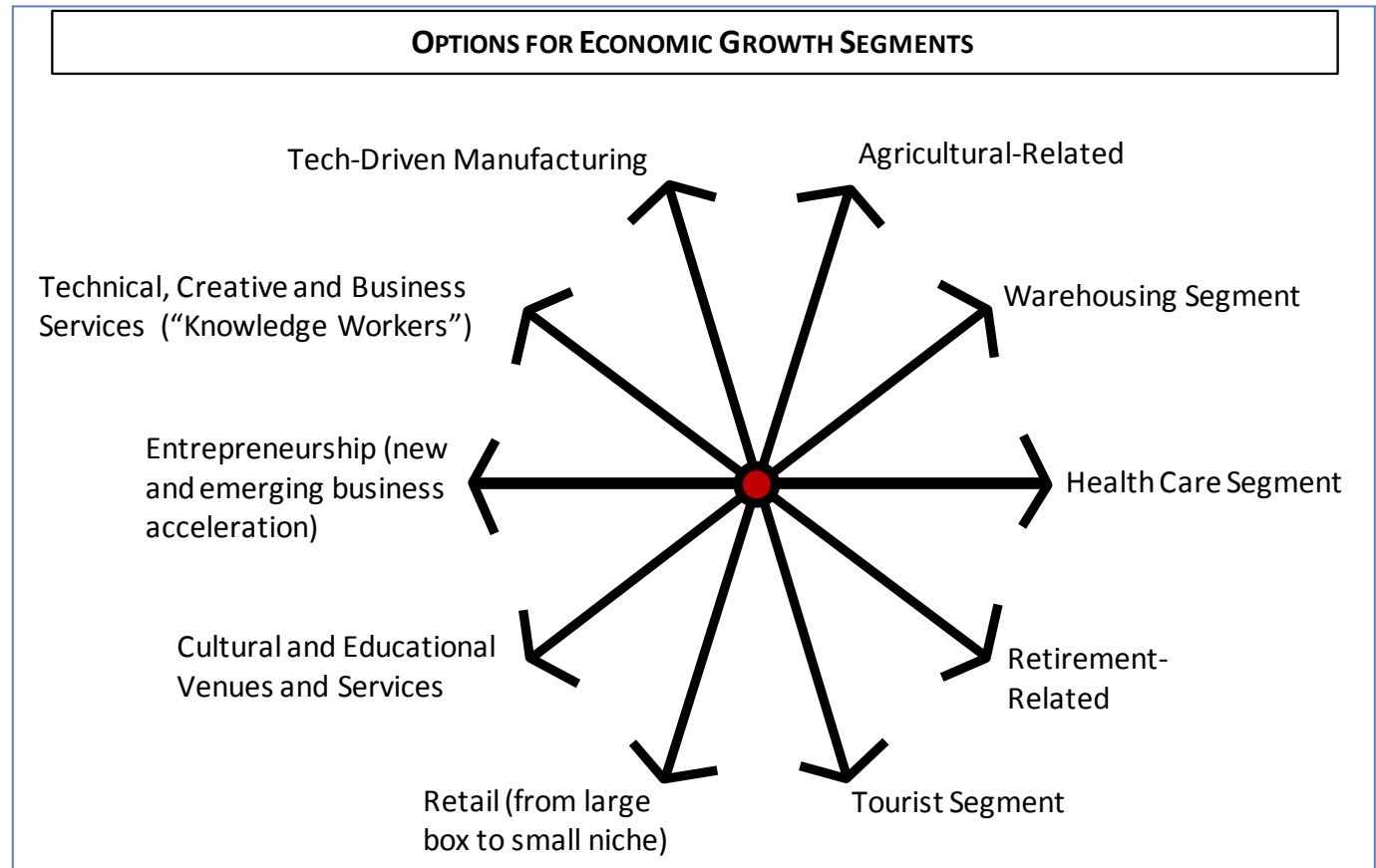
Leveraging the resources are the three levels of economic activity. Level 1 consists of **primary industries and organizations** that bring cash into the community from outside sources. Level 2 are those **business services** that support the Level 1 businesses. Level 3 are the **consumer services/retailers** that support local residents. It is important to sustain and expand the Level 1 businesses because they typically provide good jobs and pay significant taxes while supporting the local community in contributions and volunteerism. Each industry and business will typically require an evolving set of resources that changes through each life cycle stage.



## Evaluation of Economic Opportunities

No two economies are exactly alike nor are the opportunities for every community the same. Each community represents a unique mix of industries and skills that are influenced by variables such as geographic position, innovators and business leaders from the past that stimulated the growth of a particular industry, and by the resources that are available to a community.

A key aspect of the discussion with community stakeholders is to objectively review the different aspects of the local economy and decide what can and will grow based on certain factors. In the diagram to the right is a description of many aspects of an economy along with special segments such as “entrepreneurship” and “retirement.” Details on each segment and how it applies to the City of Waynesboro is presented on page 26.





## Site Readiness

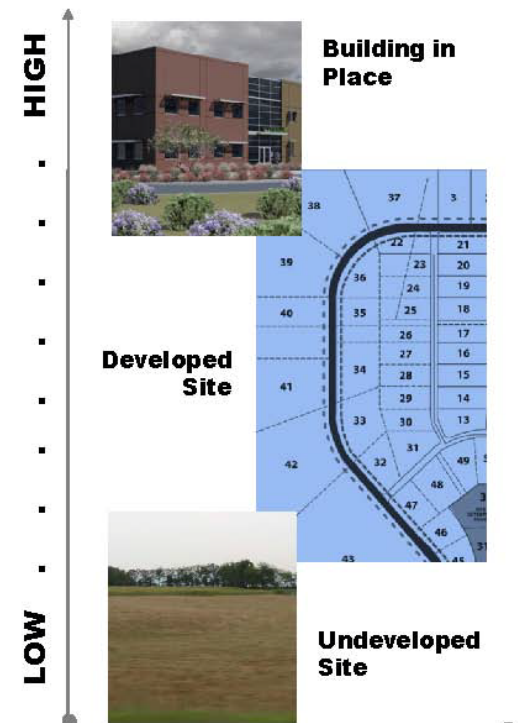
When making real estate decisions, companies seek out options that minimize startup time and limit potential risks. If the type of facility required is relatively generic, the company will first screen the real estate listings for buildings then for building sites. If the building requirements are fairly unique (extra large site or building size, very specialized space layouts in need of high architectural features), the company will seek a building site. Different companies and types of operations will be attracted to different levels of readiness – from a developed site to a shell building in place to a move-in quality building.

MSB developed a multilevel scale for determining the level of site readiness. The scale ranges from raw land currently zoned agriculture up to a fully developed site with a building in place. Each level indicates an incremental amount of effort that reduces the time to startup for the prospective company. When a community is considering the development and marketing of a particular site, make an effort to determine what level of readiness will be needed to assure that certain types of businesses will be attracted to the site.

MS&B

### SITE READINESS LEVELS

- **Level 1** - Developed site, new building needing finish and minor modifications.
- **Level 2** - Developed site, building shell in place or existing building needing modest renovation.
- **Level 3** - Developed site with virtual permitted building.
- **Level 4** - Developed site ready for building construction.
- **Level 5** - Undeveloped Shovel Ready site.
- **Level 6** - Properly zoned but in hands of original owner.
- **Level 7** - Land zoned agriculture but is to be zoned industrial or O/I.



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## Community Overview

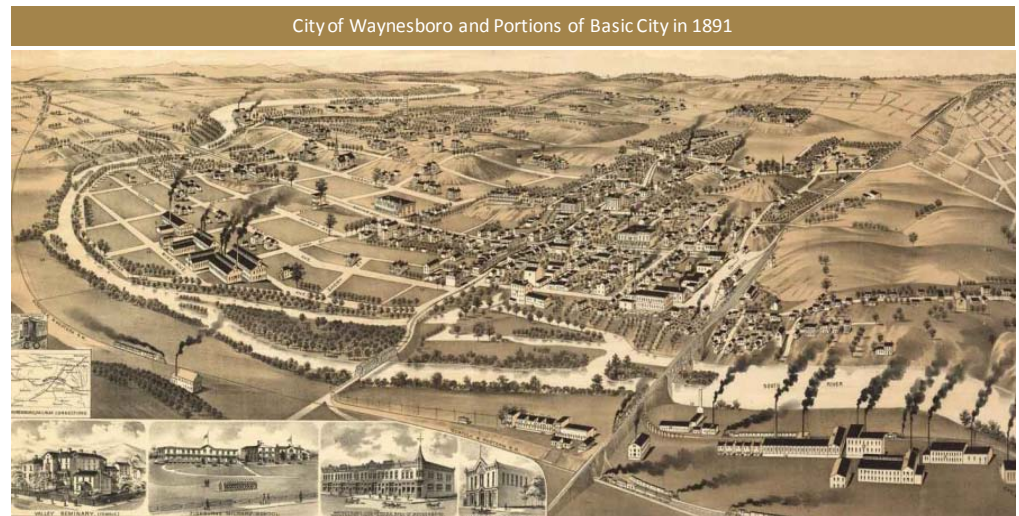
### *Economic History of Waynesboro, VA*

Local history provides a perspective on how the community has sustained itself over its period of existence.

1800	<ul style="list-style-type: none"> <li>Waynesboro established in 1801.</li> <li>Mt. Torrey Forge for iron was initially built in 1804.</li> </ul> <p><b>Early Resources: water, wood, minerals and labor.</b></p> <ul style="list-style-type: none"> <li>Grain mills established in the valley and are present for the next 100+ years.</li> <li>Moses Alexander starts furniture/casket business (1828).</li> <li>Area becomes a junction point for the Norfolk &amp; Western and Chesapeake &amp; Ohio railroads (known as the iron cross).</li> </ul> <p><b>Area is heavily marketed to attract industry and a number of inventions/patents become local manufacturing businesses.</b></p> <ul style="list-style-type: none"> <li>JA Fishburne opens high school in 1879 that becomes Fishburne Military School.</li> <li>Substantial industry presence by 1890's including WJ Loth Stove Company and Rife Ram Pump.</li> <li>CFW Communications begins in 1897.</li> </ul>
1900	<ul style="list-style-type: none"> <li>Stehli Silk established in 1925.</li> <li>Crompton-Shenandoah comes and offered incentives (1928).</li> <li>DuPont purchases 153 acres to build plant in 1928.</li> <li>GE acquires WJ Loth's electric stove in 1932.</li> <li>Virginia Metalcrafters established in Stehli Silk building.</li> <li>Dawbarn Brothers begins in 1950 (later Wayn-Tex Company).</li> <li>GE relocates Specialty Controls Department in 1954.</li> <li>DuPont transitions from Orlon to Lycra fiber in 1958.</li> <li>GE sells relay and printer business to GENICOM in 1982.</li> <li>Crompton-Shenandoah Plant shut down in 1982.</li> </ul> <p><b>Manufacturing begins shifting to Augusta County in 1990's</b></p> <ul style="list-style-type: none"> <li>GENICOM moves operation to Louisville (1997).</li> </ul> <p><b>Region retail expands rapidly near I-64 in 2004</b></p> <ul style="list-style-type: none"> <li>CFW Communications becomes nTelos (2004), HQ local.</li> <li>DuPont Sells operation to Invista (Koch Industries) in 2005.</li> <li>Virginia Metalcrafters shuts down in 2007.</li> <li>Wayn-Tex becomes part of Mohawk Industries in 2007 and shuts down in 2009.</li> </ul>

In 1889, the Basic City Mining, Manufacturing and Land Company was formed to develop and market a large tract of land across the river from Waynesboro, known as Basic City. Their strategy was to leverage the railroad access along with an available work force, temperate climate, abundant water resources and some mineral deposits (amount unknown). The City of Waynesboro was also involved in heavy marketing efforts, including the map of the area at right. The Chamber of Commerce marketed the city featuring the 4 W's: Weather, Workers, Water, and Wheels.

Although Basic City was to be a big steel town that never materialized, as shown in the previous chart, many businesses were attracted to the area throughout the 19<sup>th</sup> century.



Stock issued by the Basic City Mining, Manufacturing and Land Company in 1890.

#### Examples of Local Manufacturing in 1891

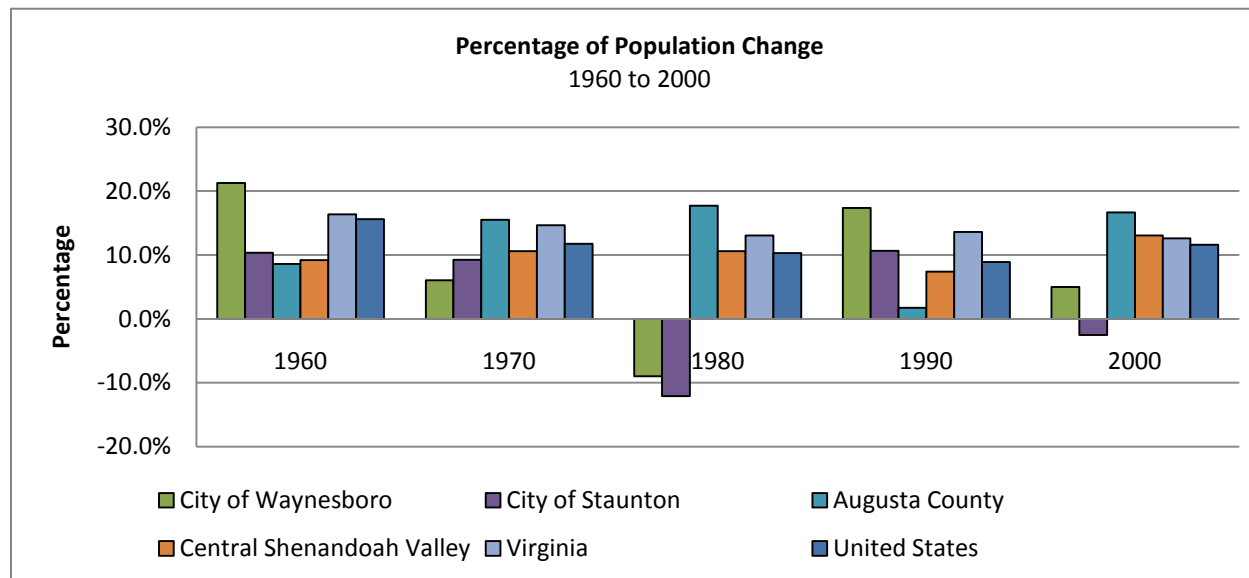
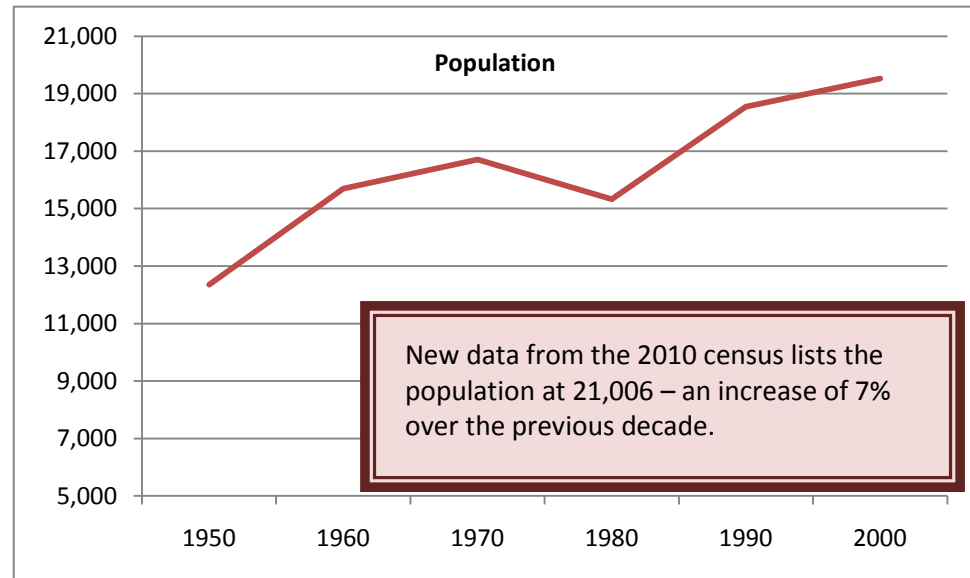
Stove Works	Brick Yards
Ornamental Wood Works	Barrel Factory
Blind and Door Factory	Creamery
Furniture Factory	School Desk Factory
Hydraulic Ram Factory	Paper Factory
Flouring Mill/Elevator	Match Factory

## Economic and Demographic Profile

### Population

Population has continued to grow that includes both retirees and non-retirees, of which, more are commuting to Charlottesville and Augusta County for employment. The current population for the city, based on the 2000 census, is just under 20,000 reflecting a 2.5% growth rate over the past decade, down from a 5.2% growth rate during the previous decade. Waynesboro continues to grow in population, but at a slower rate than Augusta County, the Valley, State, and Country.

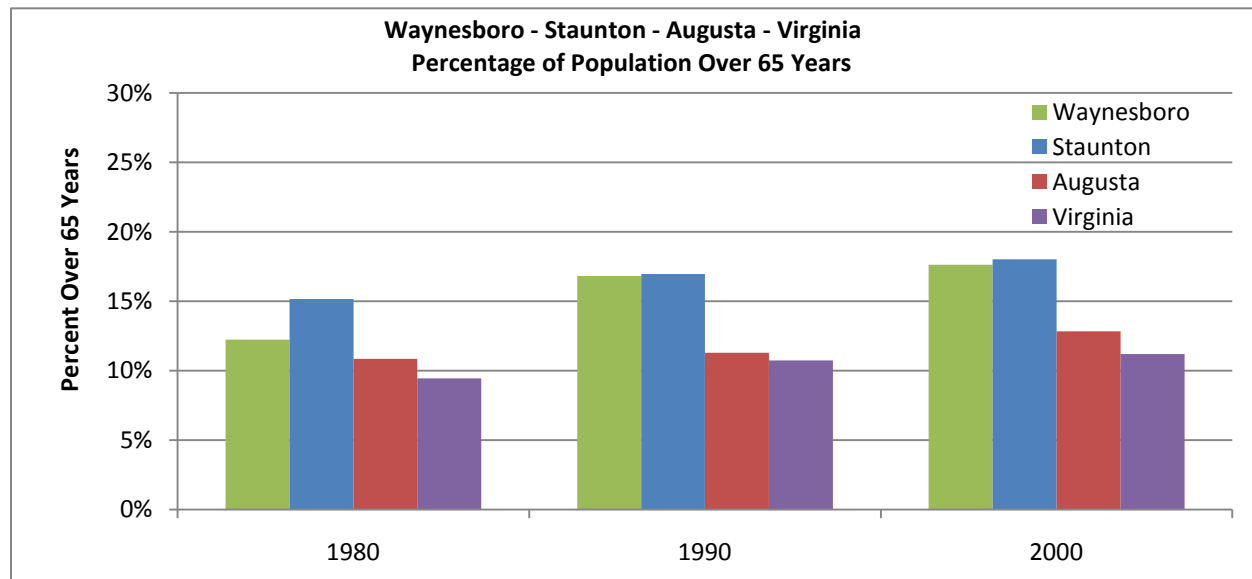
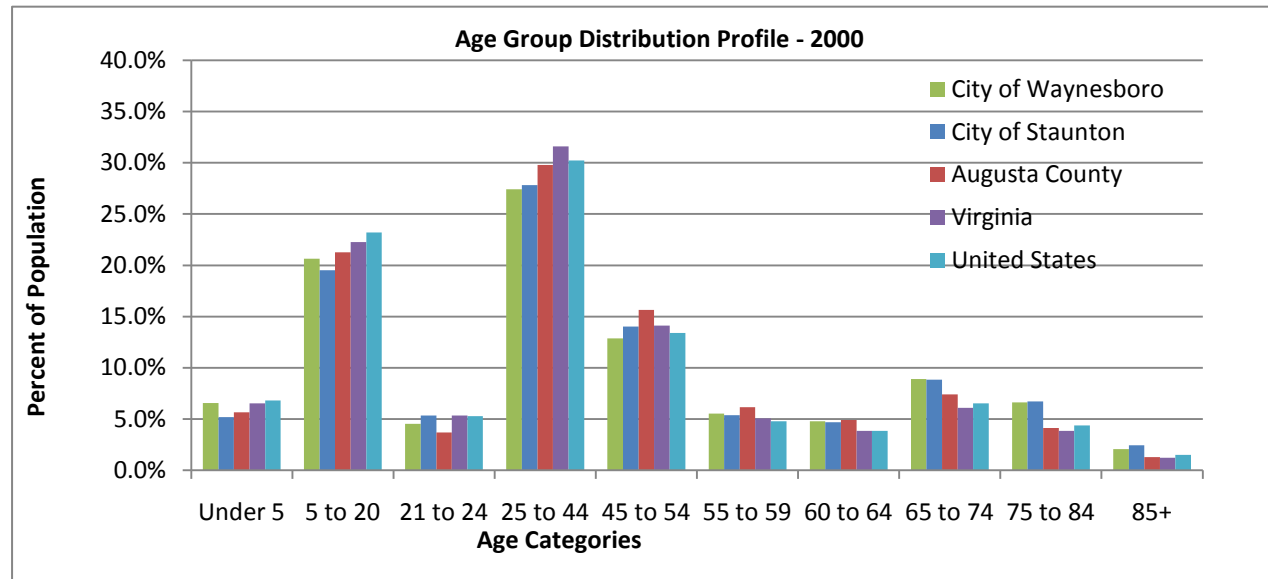
Data Source: Virginia Employment Commission, Decennial Census



## Age Group Distribution

Although the population continues to increase, a significant percent is over 65.

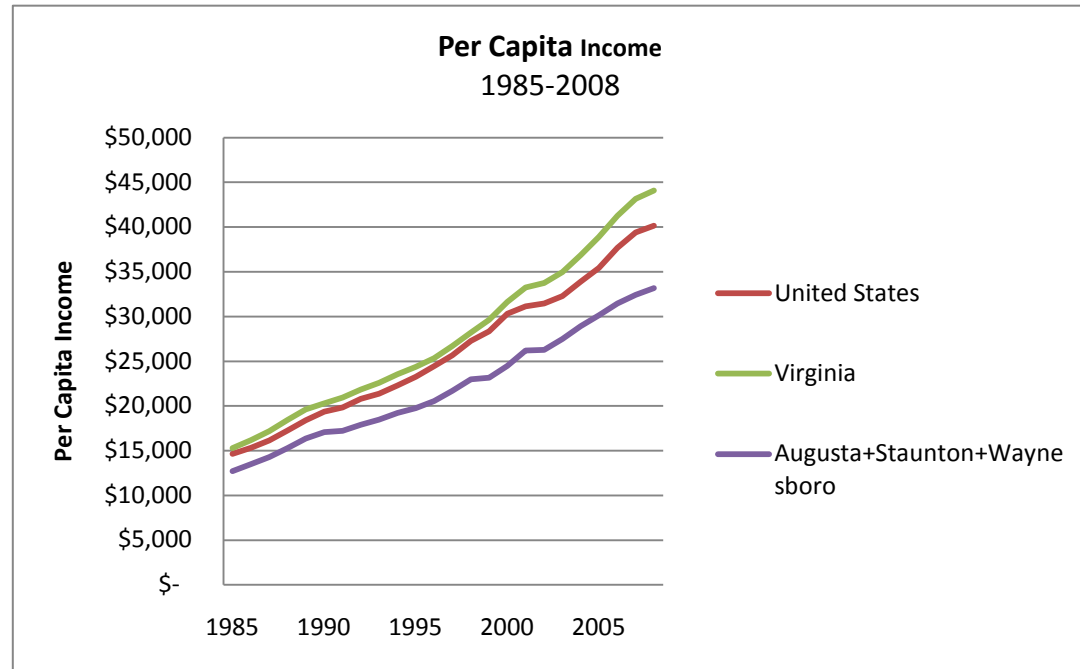
Data Source: Virginia Employment Commission, Decennial Census



## Income and Cost of Living

Per capita income for the region continues to lag behind the state and country, while the cost of living index is well below the index of 100.

Data Source: Virginia Employment Commission, Decennial Census



Metro/Micro Urban Area and State	100% Composite Index	13% Grocery Items	29% Housing	10% Utilities	9% Transportation	4% Health Care	35% Misc. Goods & Services
Harrisonburg VA Metro	95.2	95.5	94.9	100.4	91.2	99.2	94.4
Staunton-Waynesboro Micro	94.1	95.8	91.5	99.5	94.4	98.4	93.6
Lexington-Buena Vista Rockbridge	92.5	93.7	91.8	93.2	99.5	90.6	90.5
Roanoke VA Metro - Roanoke	92.6	93.3	88.7	96.4	94.8	94.9	93.7
Richmond VA Metro Richmond	98.1	102.4	94.1	106.4	102.1	113.0	94.3
Washington-Arlington-Alexandria	144.4	112.4	239.7	105.5	106.4	101.8	102.0
Raleigh-Cary NC Metro Raleigh	92.4	102.7	81.4	104.3	94.2	97.1	93.1
Atlanta-Sandy Springs-Marietta GA	97.5	102.3	86.4	94.2	105.1	104.6	103.1

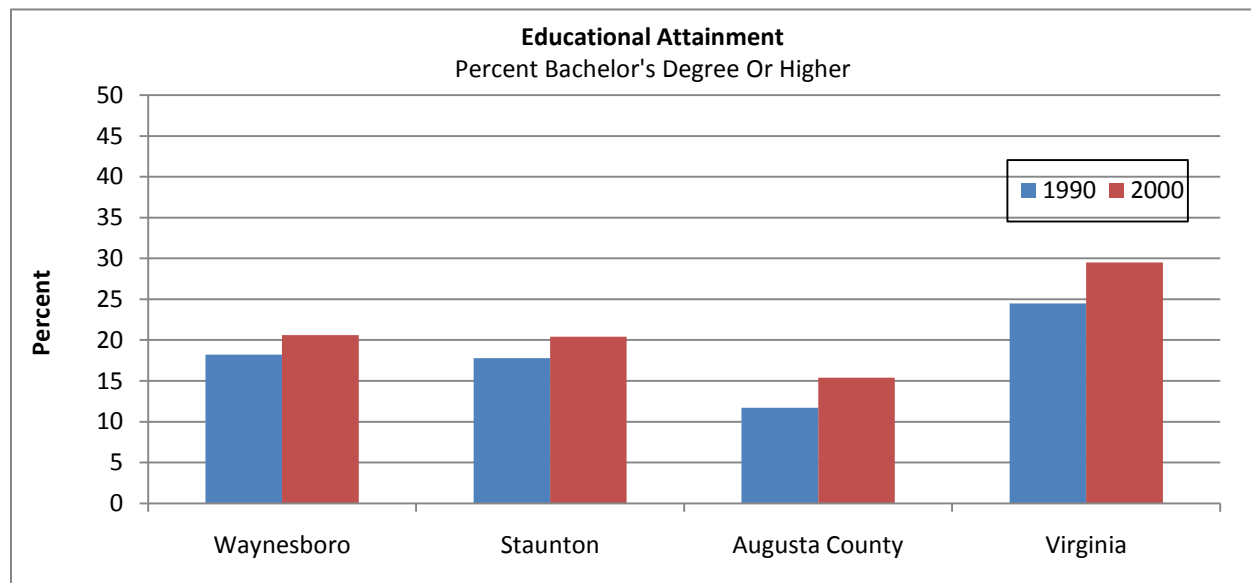
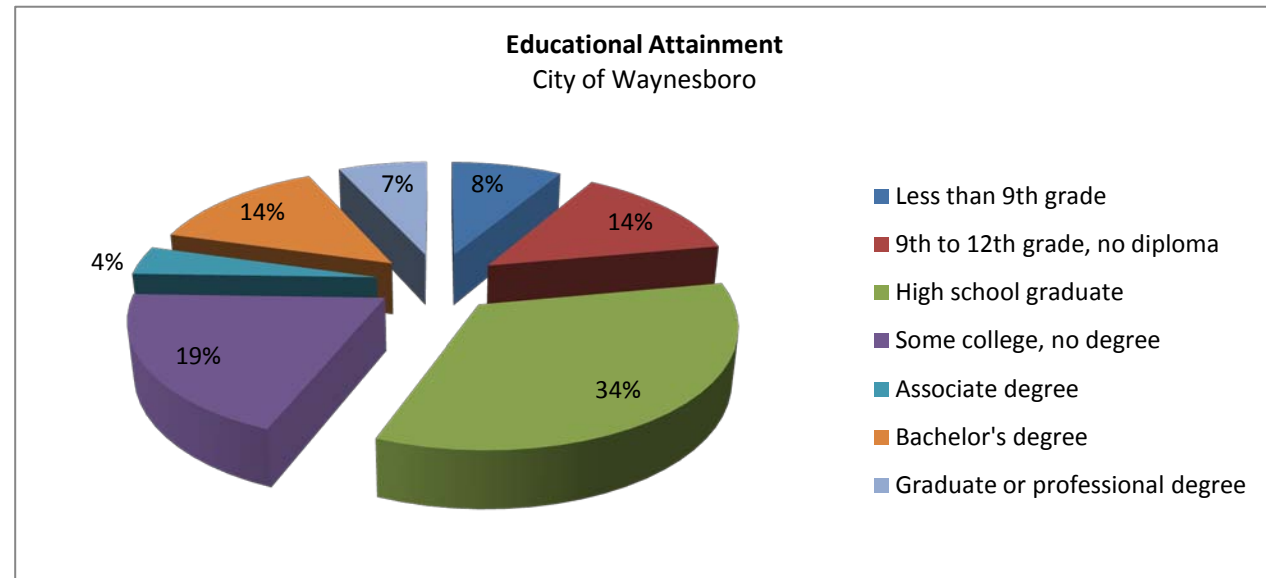
The ACCRA Cost of Living Index measures relative price levels for consumer goods and services in participating areas. The average for all participating places, both metropolitan and nonmetropolitan equals 100, and each participant's index is read as a percentage of the average for all places. The index does not measure inflation and data from different quarters cannot be compared because participants change quarterly. The ACCRA Cost of Living Index is based on nearly 100,000 data points gathered primarily by ACCRA members located in 400 cities.

## Education Attainment

21% of the population in Waynesboro has a Bachelor's Degree or higher. This is an increase over the 1990 data; it is lower than the state.

While a college degree is not an indicator of success, it does impact the type of businesses that will look at Waynesboro to relocate.

Data Source: Virginia Employment Commission, Decennial Census

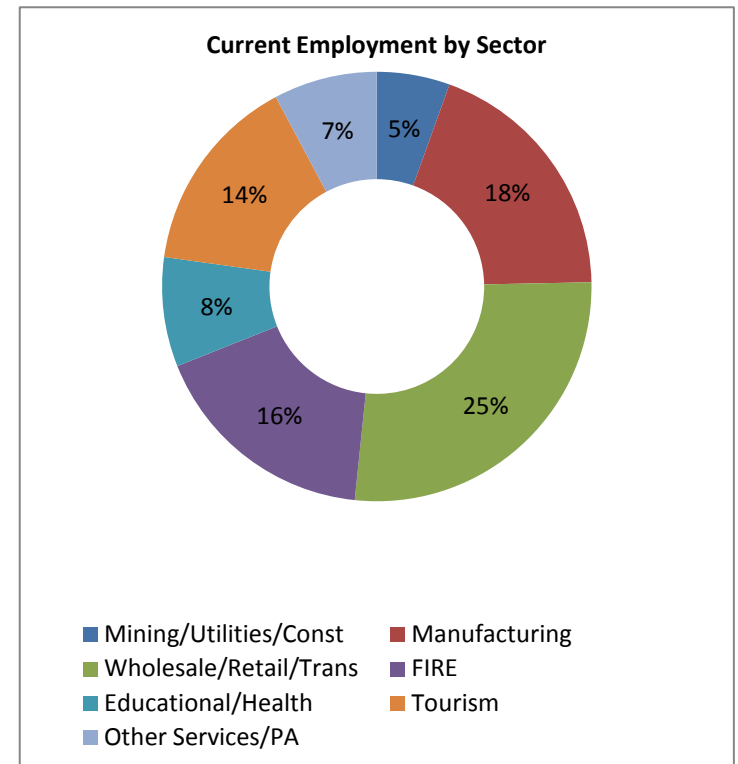
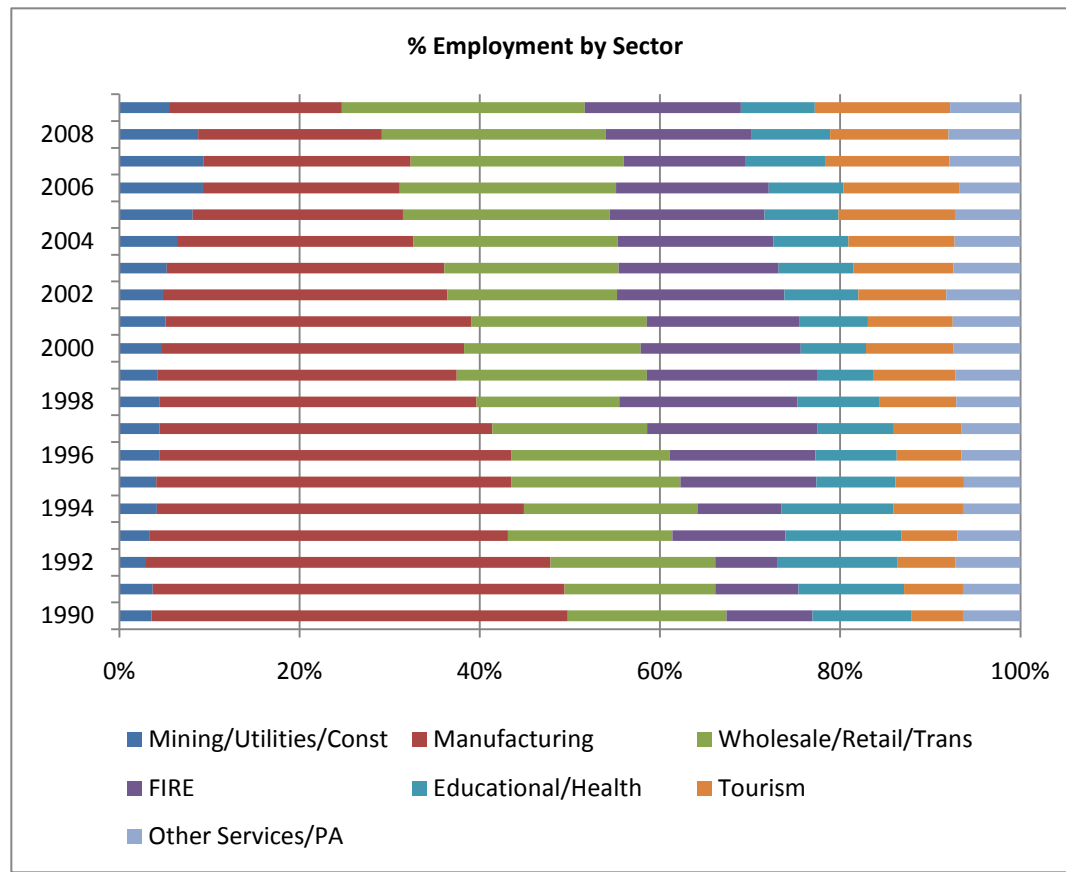




### Percent Employment by Sector

In the last two decades, there has been a significant drop in manufacturing employment, from 45% to 14%. At the same time, there has been an increase in the wholesale, retail, and tourism categories. Population has increased and total employment has decreased. Typically, manufacturing wages are higher than retail and hospitality sectors.

Data Source: Virginia Employment Commission, "Quarterly Census of Employment and Wages (QCEW)" - Annual Data



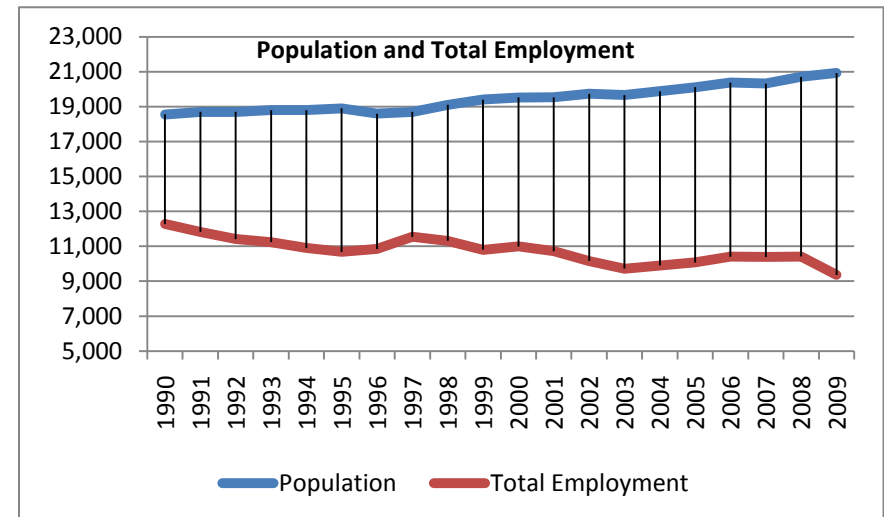
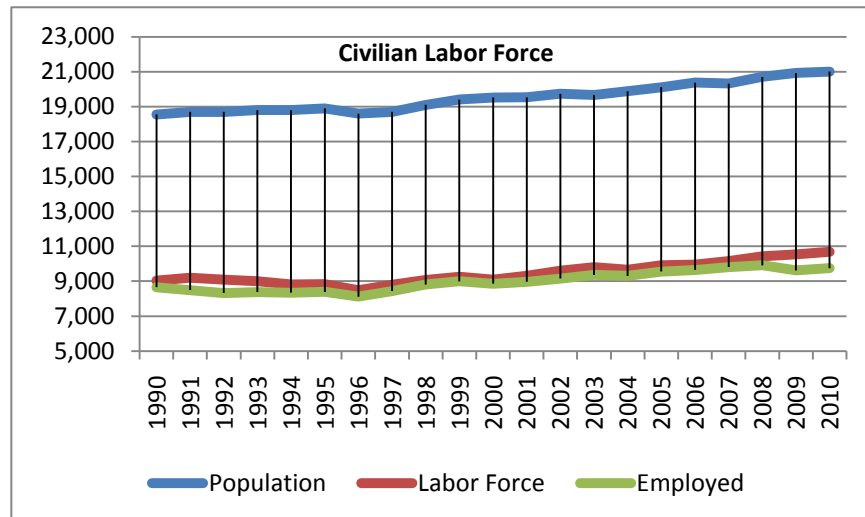
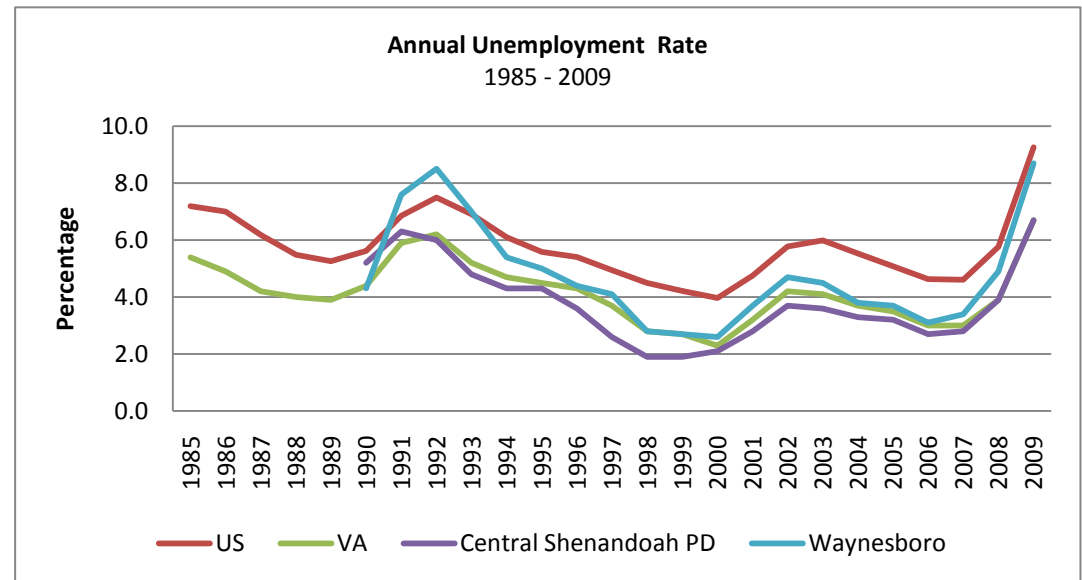


## Employment

Waynesboro unemployment rate typically is lower than the United States rate, but higher than the state and valley. The gap between the City and Country is getting smaller.

Population is increasing as is the labor force, but total employment is decreasing – creating the unemployment gap.

Data Source: Virginia Employment Commission, Decennial Census



### City Revenue by Type

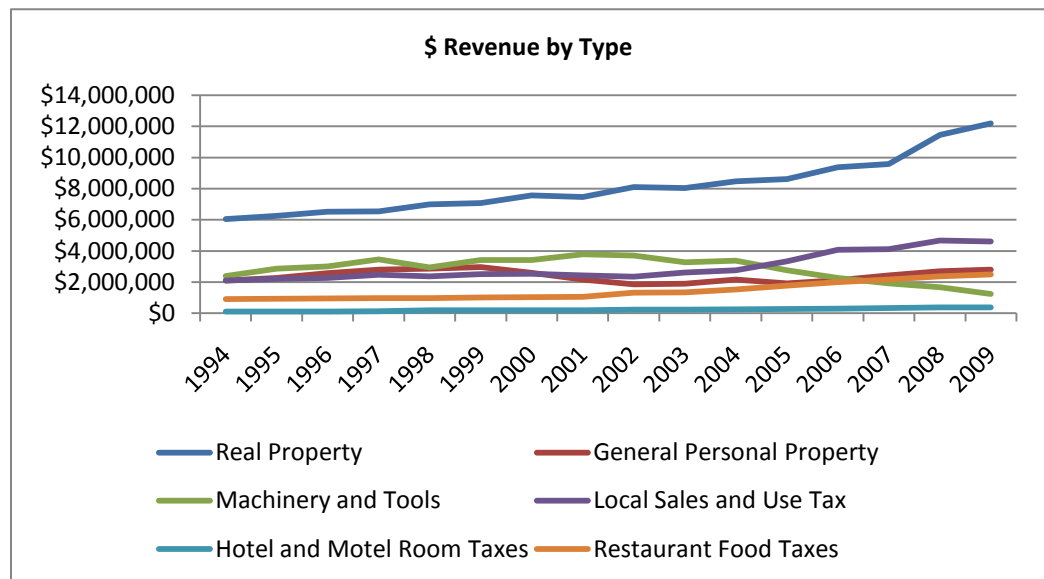
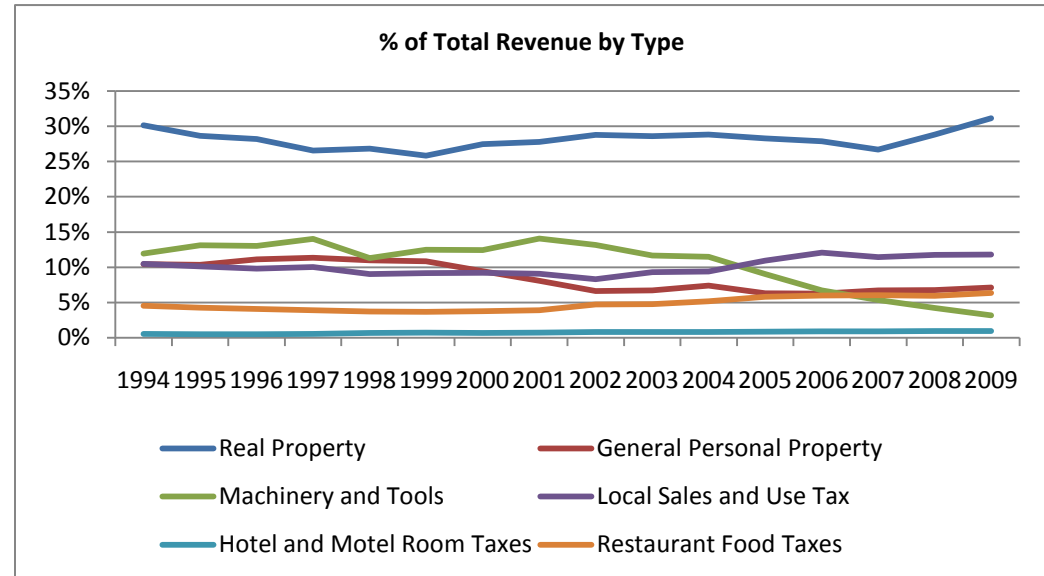
Taxes collected by the City generally fall into one of six categories.

- Real Property or real estate
- Machinery and Tools – typically manufacturing equipment
- General Personal Property includes both personal (autos) and business (non manufacturing equipment)
- Room Tax – a percent of all hotel and B&B charges
- Meal Tax
- Sales Tax

Over the last almost two decades, M&T tax has dropped from 12% of the total to 3% .

Sales tax dollars have more than doubled in the same time period.

Data Source: City of Waynesboro



## Region Demographics

County	Population (2010)	Growth 2000 to 2010	Workforce as % of Population	Median Age	Median HH Income*	% Population 20-34 Yrs. Old	% Adults w/4-Yr.+ Education Attainment
Augusta County	65,600	12.4%	60.9%	41.3	\$49,364	16.9%	18.4%
City of Waynesboro	21,000	7.6%	60.3%	39.5	\$40,809	19.4%	21.7%
City of Stanton	23,750	-0.45%	57.7%	42.3	\$42,713	19.2%	25.9%
Rockbridge County	22,300	7.2%	63.5%	44.1	\$43,311	16.1%	23.0%
City of Lexington	7,040	2.6%	33.0%	21.8	\$32,847	32.9%	47.6%
City of Buena Vista	6,650	4.7%	61.6%	39.3	\$40,913	20.7%	14.8%
Rockingham County	67,725	12.7%	67.2%	39.0	\$51,232	18.4%	21.5%
City of Harrisonburg	48,900	20.9%	52.4%	22.4	\$35,587	35.1%	31.8%
Nelson County	15,020	4.0%	59.3%	45.6	\$44,326	15.3%	20.3%
Albemarle County	99,000	24.9%	64.1%	36.6	\$64,306	20.5%	52.5%
City of Charlottesville	43,475	-3.5%	58.3%	27.9	\$38,369	36.8%	43.3%
U.S. Average	-	9.7%	65.0%	36.5	\$51,425	20.4%	27.5%
Source: MSB / Censes							

\*Median Household Income

### Comments on the Demographic Data

The population of Augusta and the Cities of Stanton and Waynesboro area is over 110,000 which is a good base for recruiting manufacturing companies. This does not include a portion of Nelson and Albemarle Counties that may commute to businesses in Waynesboro.

- The population trend data demonstrates a migration from the Cities of Staunton and Charlottesville into the unincorporated adjacent counties.
- College towns of Lexington, Harrisonburg and Charlottesville have skewed data due to student and faculty presence.



### *Observations and Consultant Inputs*

MSB gathered background information of the local economy and feedback from local stake-holders through conducting an Economic Development 101 Seminar as well as through a series of interviews and discussion groups. Provided below are the results of this effort along with additional inputs from MS&B.

#### **Observations Based on Discussions and Interviews**

- **Passion . . .** The community is passionate in many different directions (arts, fishing, retail, education, manufacturing, youth, tourism, etc.) and there is a will and persistence to overcome the challenge of limited resources to achieve a particular objective. However, since there are so many ideas and small committees and organizations floating about, it might be a good idea to get all the players in one room and develop a master strategy, plan and implementation schedule and seek ways to leverage efforts.
- **Outsiders Can Be Players . . .** Many of the “movers and shakers” are actually “outsiders” that have made a choice to be in Waynesboro for quality of life reasons – a healthy mixture of folks from different locations. Waynesboro seems to embrace new people faster than most communities which may be a residual trait from the relocation of so many corporate employees to the area over the years.
- **Still Have a Strong Presence of Technology-Based Manufacturing . . .** Invista is still going strong with a focus on spandex (Lycra) that was developed at Benger Labs (still located and active in Waynesboro) in 1959. The company has strong/defendable markets for the foreseeable future and is stable. PGI is currently expanding their non-woven fabric product line in Waynesboro which is utilized in a diversity of applications that include medical bandages and gauze, wipes, diapers, feminine products, flooring and flame-retardant materials.



- **Other Key Assets . . .** New development (Zeus Theater a state of the art digital theater) and a well-placed and laid-out office park off Lew Dewitt Blvd that has some potential. In addition, the presence of nTelos headquarters and back office operations within Waynesboro represents a “beachhead” opportunity for small headquarters and other back offices.

## Shared Vision for the Future

The historic economic driver for the community has been primarily manufacturing. Going forward, the community is seeking a more diverse economy with the following attributes:

- Seek to achieve a broad base of mid-size (50 to 500 employees) manufacturers rather than a few larger employers;
- Strong interest in tourism through the packaging of tourism-related activities (arts/culture, outdoor activities, unique retail and restaurants, museums as well as special events);
- Expand knowledge worker-related jobs (technical and creative services) – particularly in the downtown area;
- Seek to attract more back office/customer service operations and possibly some small headquarters;
- Support the further expansion of regional retail and sustain the area as a regional retail center;
- Provide some level of support for retirement-related services. Don't focus on retirement as a major economic driver but realize as Boomers move here they will require certain services.



John Rhodes presenting one of the Economic Development 101 seminars to key community stakeholders of Waynesboro.

There is a desire to keep the community balanced in age groups and not let it slip toward a retirement-only community. There was also a desire to have jobs here rather than having residents commute to Augusta County and Charlottesville for work.

In the future, the downtown area will be more vital as a destination, complementing the big box offerings located on Rosser Avenue with unique/niche shopping. The downtown area has not reached a “tipping point” as a destination but Waynesboro Downtown Development, Inc. is striving to achieve their vision for the downtown through various programs:

- Enterprise Zone Program with incentives for property investment, job creation and real estate tax abatement.
- Façade Improvement Grant Program
- Historic Rehabilitation Tax Credit
- Other financing and technical assistance available

### Potential Opportunities

Part of the Economic Development 101 exercise was to review and rank the Economic Growth Segments (page 12). Each segment was discussed and the group ranked them. Summarized below is an overview of each of the segments and categories of non-government opportunities in the local economy. Details for selected higher potential segments are presented below.

<b>Economic Activity</b>	<b>Potential Strength</b>	<b>Comments on Enhancing Growth Potential</b>
<b>Manufacturing</b>	Moderate to High	Have sites/buildings at high level of readiness; encourage next generation to consider a career in tech-related businesses.
<b>Tourism Segment</b>	Moderate to High	Promote/package and enhance destinations (museums, B&B's/hotels, restaurants, events, outdoor activities, culture/arts, etc.). Improve the Visitors Center at I-64, Exit 99 as the "front door" to Waynesboro and the Shenandoah Valley.
<b>Knowledge Worker Segment</b>	Moderate to High (may accelerate over time if supported)	Need to "build the stage" in the downtown area with offices and apartments along with additional amenities and meeting places that attract younger workers and empty-nesters wanting a work/ live downtown life style.
<b>Retail Segment</b>	Moderate to High	Provide available sites and manage traffic density along Rosser Avenue. Continue to build critical mass that will sustain the area as a regional retail center. However, over time Nelson, Western Albemarle and Augusta County will expand their retail presence that will erode some of the regional shoppers.
<b>Entrepreneur Segment</b>	Moderate to High	Infrastructure (provide support services including access to financial sources, build a pool of start-up and on-going business mentors, offer low cost facilities) required to stimulate growth.
<b>Retirement Segment</b>	Moderate	Services and facilities related to different levels of housing (from independent to nursing care) will be key opportunities.
<b>Culture/Education Segment</b>	Moderate	Develop additional venues (complete Wayne Theater; expand Fishburne Military School with Junior College, etc.)
<b>Healthcare Segment</b>	Low to Moderate	Primary/regional health care is provided by Augusta Health in Fishersville. Local clinics and multi-stage eldercare may expand within the City of Waynesboro.
<b>Warehousing Segment</b>	Low	Limited sites/land area available for growth within City limits; more likely to grow in Augusta County.
<b>Agricultural Segment</b>	Low	Beef processing and other food processing.

## Manufacturing

Total Estimated Manufacturing Employment in the Area: 7,745

The area has a broad range of manufacturing employers with significant automation and FDA-level quality of operations. Specific types of potential target industries are noted below.

Manufacturing Employment by Industry Sector for the Area				
Sector	Waynesboro (1,650)	Augusta Co. (5,595)	Staunton (~500)	Major Employers
Food	-	1,000-2,499	-	Hershey, McKee Foods
Beverage	-	-	20-99	
Textiles	250-499	-	100-249	PGI (non-woven fabric)
Wood	100-249	100-249	-	
Paper	-	100-249	20-99	
Printing	20-99	20-99	-	
Chemicals/Polymers	500-999	20-99	-	Koch/Invista
Plastic/Rubber Prods.	20-99	250-499	-	Alcoa Building Products
Non-Metallic Prods.	100-249	20-99	20-99	
Primary Metals	20-99	20-99	-	
Fabricated Metals	100-249	1,000-2499	20-99	NIBCO of VA, Cerro Fabricated Metals
Machinery	20-99	500-999	-	McQuay International, Rexnord
Computer/Electronics	100-249	100-249	-	
Transportation Equip.	20-99	-	-	
Furniture/Fixtures	-	-	20-99	
Medical Supplies/Eq.	-	500-999	-	American Safety Razor, Hollister
<b>Potential Growth Opportunities</b> Based on industry presence, the area has strong skills in FDA-related high quality production (food and medical devices), polymer fiber/non-woven fabrics, plastic/rubber parts, fabricated metal products and machinery.				

Resource Requirements for Manufacturing Opportunities	
<b>Real Estate</b>	Smaller businesses (25,000 to 100,000 sq ft) prefer to lease a building with an option to buy. Larger buildings or specialized operations tend to build and own a building and seek out sites that are shovel or pad ready.
<b>Labor</b>	Industry needs High School graduates with good math and reading skills, the ability to work in teams and engage in problem solving activities, willing to learn new skills, and be drug free. Higher skilled jobs include computerized machine operators, assemblers, fabricators, inspectors/quality specialists, and multi-skilled (Mechatronics) maintenance staff. A discussion on Mechatronics is provided in the education section.
<b>Utilities</b>	<ul style="list-style-type: none"> <li>• <b>Power:</b> higher electric power users seek power costs &lt;8.5 cents per kWh.</li> <li>• <b>Water/Sewer:</b> food processing and pharmaceuticals/nutraceuticals require higher amounts of water and sewer.</li> <li>• <b>Gas:</b> some operations require natural gas for process/room heating and product drying purposes.</li> <li>• <b>Telecom:</b> many operations require high speed internet for data and information transfer.</li> </ul>
<b>Transportation</b>	Location of facility within a few miles of an interstate is desirable. Some operations (such as larger plastics molding and food processing) require rail access for bulk raw material transport into the facility.
<b>Strategy to Expand Segment</b> <ul style="list-style-type: none"> <li>• Support the expansion of existing businesses by identifying and meeting resource needs.</li> <li>• Have sites available from 5 to 50+ acres in size that are near I-64 and are at a high level of readiness. Make sure that the utility services to those sites match the needs of potential target industries.</li> <li>• Have some larger sites available with rail access.</li> <li>• Develop a virtually designed building (50,000 sq ft) that has been pre-approved for specific sites. Also, make an inventory of all available industrial buildings that are in good condition and have ceiling clearance &gt;20', column spacing &gt;40' and full utility services.</li> <li>• Develop a resource profile and web site to market area to potential companies relocating to the region.</li> <li>• Facilitate the start-up of new manufacturing-related businesses by local entrepreneurs.</li> </ul>	

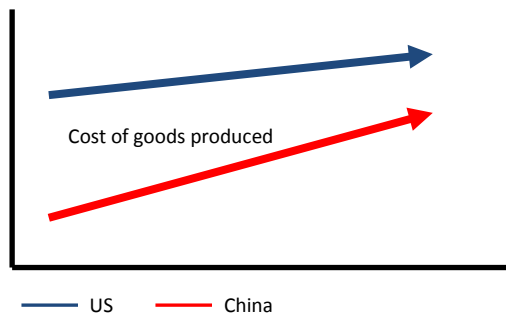


Despite an overall downturn in manufacturing jobs nationwide, the United States still dominates global manufacturing. According to the US Department of Commerce, the US manufactured \$1.7 trillion worth of material – 40% more than the number two producer – China. Productivity was up 7.7%.

In China there are 110 million workers in manufacturing compared to 11.5 million in the US. We make more things with less people.

As an example, in prior years, one task at a local manufacturer required 6 - 7 people to complete. Today that same task is completed with one robot working 24/7 with minimum down time for maintenance and no need for additional monies to cover benefits. In addition to labor savings doing the task, its computer is linked to other computers saving additional time and improving accuracy. In the age of global competitiveness, increasing productivity, while reducing costs, is critical to continued success.

**MADE IN  
WAYNESBORO**



Manufacturing in the US has faced a double edge sword – off shore (principally China) competition and increased technology and productivity. However, as costs in China rise at a faster rate than the US, plus increased dissatisfaction from US consumers, the opportunity for US manufacturing to rebound is apparent. Some economists expect this to occur as early as 2015. Termed “re-shoring”, “Back-shoring”, or “On-shoring”, US companies are returning some manufacturing to the US – especially products for the North American market and products that are complicated, expensive, require quick turn-around, and /or require specialized labor.

In addition, manufacturers are looking to rural areas for new manufacturing to take advantage of lower costs of both real estate and labor.

Although Waynesboro has a strong heritage in manufacturing, the skills that will be needed in the future workplace are different than those in previous generations (see education and training section).

## *Tourism*

Proximity to the Skyline Drive, Blue Ridge Parkway, the Appalachian Trail and the Shenandoah Valley are key drivers for tourism in the Waynesboro area. There are also several local attractions related to arts, outdoor activities, wildlife, and history that stimulate business off the interstate and into the community.

### **Opportunities for Tourism**

There are a number of opportunities to enhance local tourism that will support both hospitality and retail segments, including:

- Develop packages that include lodging, restaurants and activities such as:
  - B&B, restaurant, discount at P. Buckley Moss Museum, tickets to arts/culture event, biking for Boomers, a movie, etc.
  - Hotel, restaurant, discount at certain stores and fishing.
  - Package for hikers off the AT.
- Develop brochure outlining country road trails for bicycling tours incorporating lodging and restaurant options and discount for shopping at Rockfish Gap Outfitters.
- Develop off-road biking trails with different levels of difficulty.
- Host additional events in downtown Waynesboro with themes related to music, history, food, sports activities and others.
- Construct a highly attractive Visitors Center for Exit 99 that would be in partnership with other locations within the Shenandoah Valley and Blue Ridge.



## Knowledge Worker Segments

Knowledge worker businesses represent a broad spectrum of services that include:

- Legal services
- Accounting
- Architectural and engineering
- Design services (interior, industrial and graphic design)
- Computer and software services
- Website development
- Management/business consulting
- Environmental consulting
- R&D-related services
- Advertising, media and public relations consulting
- Photography and digital media services



These types of businesses represent some of the fastest growing segments of the U.S. economy and companies of a broad size range. Firms can range from individuals working out of their house to small firms (5 to 10 employees) on up to larger firms. The smaller firms will typically seek downtown offices in multi-tenant buildings or converted houses of unique loft/converted building space.

There is a strong desire to have amenities nearby that include restaurants, retail (as well as office supply store), business services that support the business, parks/trails and gyms for exercise as well as coffee shops for meetings and collaboration sessions. Smaller firms may want to have access to shared conference space and other typical office services.

Resource Requirements for Knowledge Worker Businesses	
<b>Real Estate</b>	Small downtown offices or multi-tenant downtown or near I-64. Larger firms will want stand-alone buildings that they may lease or own.
<b>Labor</b>	Having the ability to recruit talent based on favorable quality of life for respective life style/stage.
<b>Utilities</b>	High speed internet access is critical for these businesses.
<b>Transportation</b>	Smaller firms now have issues with distance to interstate, larger firms may select office location closer to the interstate. Having airport with 45 minutes is adequate.
<b>Strategy to Expand Segment</b>	
<ul style="list-style-type: none"><li>• Expand the downtown “platform” with apartments, offices, additional restaurants, meeting places, trails, etc.</li><li>• Promote the area for quality of life and a place for this type of business in regional, DC, Richmond and Charlotte papers and news websites.</li><li>• Build a quality of life and small business section on an area website.</li></ul>	

### *Retail Options*

Retail includes both big box and small niche stores. A summary of the big box stores in the Waynesboro area are noted below and a sample list of the types of niche retail for a small downtown area are also listed below. The primary competition for big box retail is in Charlottesville (30 miles to the east) and Harrisonburg (35 miles to the north) with some retailers in Staunton (10 miles to the west).

<b>Major Big Box Retailers</b>		
<b>Type of Store</b>	<b>Existing Retailers</b>	<b>Additional Retailers ("Missing")</b>
Grocery/Food	Martins, Kroger	Costco, Sam's Club, BJ's Warehouse, Whole Foods, Fresh Market
Home Center/Hardware	Lowes, Home Depot	Home Goods
Family Clothing	Kohl's, JC Penny, TJ Maxx, Belks	Old Navy, Dillards
General Merchandise	Wal-Mart, Kmart, Target, Dollar General, Dollar Tree, Big Lots	
Electronics	Radio Shack	Best Buy
Auto Parts	Advance Auto Parts, Auto Zone	
Office Supplies	Staples	Office Depot, Office Max
Outdoor/Sports	Rockfish Gap Outfitters (local but with significant inventory)	Gander Mountain, Cabala's, Dick's Sporting Goods, Bass Pro Shop
Book Stores	Books-A-Million	Walden, Barnes & Noble
Pharmacy	CVS, Rite Aid	
Craft Store	Michaels	

## Expanding Scope of Downtown Shopping . . . Reaching a Critical Mass with a Variety of Offerings

Listed below are sampling of the variety of niche retail stores that are in demand by tourists and local residents who frequent a downtown area.

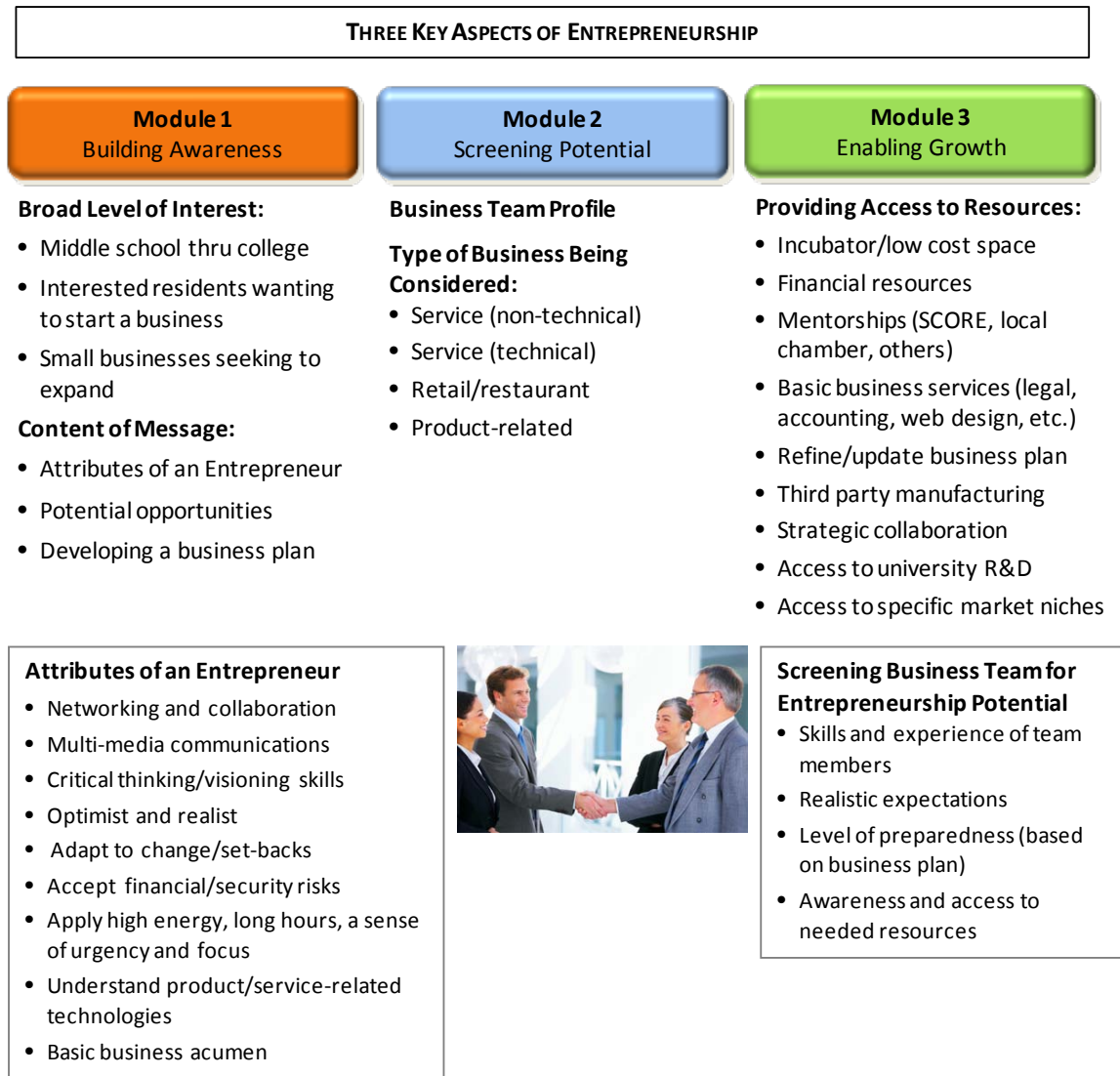


Selected Types of Retail Shops for “Main Street”					
Restaurants	Art/Craft Shop	Food Shops	Book Store	Sports/Outdoor	Other Shops
<ul style="list-style-type: none"> <li>• Mexican</li> <li>• Thai/Asian</li> <li>• American</li> <li>• Italian/Pizza</li> <li>• Classic diner</li> <li>• Steak/seafood</li> <li>• Upscale</li> <li>• Dinner theater</li> </ul>	<ul style="list-style-type: none"> <li>• Art supplies</li> <li>• Craft materials</li> <li>• Unique cards</li> <li>• Kits/models</li> <li>• Hobby items</li> <li>• School project materials</li> <li>• Office supplies</li> </ul>	<ul style="list-style-type: none"> <li>• Specialty coffees</li> <li>• Baked goods</li> <li>• Box lunch/catering</li> <li>• Soup/Sandwiches</li> <li>• Health/energy foods/drinks</li> <li>• Specialty candy</li> <li>• Ice cream/yogurt</li> <li>• WI-FI access</li> <li>• Gift baskets</li> <li>• Farmers’ market</li> <li>• Organic/natural foods</li> </ul>	<ul style="list-style-type: none"> <li>• Nature/birding</li> <li>• Trail guides</li> <li>• Regional history</li> <li>• Gift books</li> </ul>	<ul style="list-style-type: none"> <li>• Bikes/accessories</li> <li>• Kayaks/canoes</li> <li>• Baseball/softball</li> <li>• Soccer</li> <li>• Walking/hiking gear</li> <li>• Bike and kayak rentals</li> </ul>	<ul style="list-style-type: none"> <li>• Unique clothing, jewelry and accessories</li> <li>• Special antiques</li> <li>• Art works</li> <li>• Framed photos</li> <li>• Picture framing</li> <li>• Special gifts</li> <li>• Florist</li> <li>• Hardware store</li> <li>• Pet items</li> </ul>

Resource Requirements for Expanding Retail Businesses	
<b>Real Estate</b>	Downtown store fronts and sites near I-64.
<b>Labor</b>	High School trained customer service labor and part-time retired labor.
<b>Utilities</b>	High speed internet access is critical.
<b>Transportation</b>	Parking for downtown shopping (in place) and traffic flow management on Rosser Ave. near I-64.
<b>Strategy to Expand Segment</b> <ul style="list-style-type: none"> <li>• Expand the downtown store front space and consider converting the former Leggett Department store into a craft and farmers’ market.</li> <li>• Make available sites and manage the traffic flow on Rosser Ave. near I-64, Exit 94.</li> <li>• Establish a shared website for niche retailers/crafters in Waynesboro.</li> </ul>	

## Entrepreneurial Activity

It takes a concerted effort and the right culture, environment and resources to be successful in expanding an economy through entrepreneurial activity. There are three key modules that need to be considered to make the overall program successful.



<b>Resource Requirements for Supporting Entrepreneurial Activities</b>	
<b>Real Estate</b>	Low cost space (incubator) for business start-ups.
<b>Utilities</b>	High speed internet access is critical, particularly for internet sales.
<b>Collaborative Support</b>	Co-locating and having access to other entrepreneurs and individuals with ideas and methods for moving a business forward (the “water cooler experiences”. Having a coffee shop or a other place to meet and discuss issues as well as Internet access to peers is critical to business success.
<b>Business Screening Team</b>	A team with diverse business background that meets to review the qualifications and readiness of the entrepreneur, the product/service being offered and the business plan. They may have a fund to match some investments in the business or prepare them for an SBA loan or other sources.
<b>Business Support Services</b>	As noted in Module 3 on page 34.
<b>Strategy to Expand Entrepreneurship</b> <ul style="list-style-type: none"> <li>• Incorporate an awareness of entrepreneurship into the Middle and High School curriculum and teach methods of preparing a business plan as part of a classroom assignment.</li> <li>• Build awareness of the Shenandoah Valley Small Business Development Center at Blue Ridge Community College.</li> <li>• Establish a small business incubator at the South River Complex.</li> <li>• Establish a business review/screening team that includes local commercial bankers, SCORE participants, counselors from the Shenandoah Valley Business Development Center and others.</li> <li>• Develop a website focused on small business start-ups and acceleration.</li> </ul>	

### *Retirement-Related Services*

There are a variety of services that support retirees that include the following:

- New home construction and home renovation (upgrade and adapt to special needs)
- Different levels of care/housing: independent living; assisted living; nursing care; and special care for Alzheimer's patients.
- Transportation services
- In-home care services
- Home maintenance services
- Oxygen services
- Other care services

These services are in addition to the health care services provided by Augusta Health and local primary care physicians. The only support needed by this industry segment from an economic development perspective is to help expedite permitting processes to assure specific services and types of residential living facilities are available.



## Summary of Location Preferences by Life Stage

### Enhancing the Live/Work Presence in the Downtown Area

Living in a downtown area is highly attractive to those in life styles/stages that are not interested in home ownership, and include, young college graduates, young couples with an urban focus, Boomers that are empty-nesters. The platform of venues that this group is seeking includes the six areas noted below. If an urban area can meet these needs it can be a magnet for GEN X/Y and Boomers.

#### Young Singles



**Housing:** Apartment “downtown” where there is action, later a condo/starter house.  
**Job/Career/Volunteer:** Stimulating job, short commute, other local job options.  
**Education:** opportunity to take college courses and get advanced degrees  
**Access to Family/Friends:** either close by or air access within an hour and/or drive to family within a few hours.  
**Medical/Family Services:** access to local clinic (medical not given much thought).  
**Entertainment/Activities:** trails, parks, river – places to be physically active; concerts and festivals that attract young adults; sporting events; close access to gym, social activities/organizations/events to meet with other young adults, etc.  
**Retail:** food (organic), clothing store, sports equipment, coffee shop with wi/fi as a meeting place, electronics/cell phone store, office supplies (if own business), etc.  
**Restaurants/Bars:** meeting places with other young singles.

#### Families With Children



**Housing:** safe neighborhoods with other children and similar families.  
**Job/Career/Volunteer:** multiple career options and spousal employment.  
**Education:** high quality K-12, special classes, advanced classes, good library.  
**Access to Family/Friends:** air access within an hour and/or drive to family  
**Entertainment/Activities:** sports teams, art/dance lessons, parks, active churches, etc.  
**Medical/Family Services:** local clinic and general hospital.  
**Retail:** grocery, big box (WalMart, Kohls, Target, hardware/home center, electronics, etc.) some specialty stores, craft and school project supplies, book stores, etc.  
**Restaurants:** family, fast food with variety and unique restaurants for “date night”.

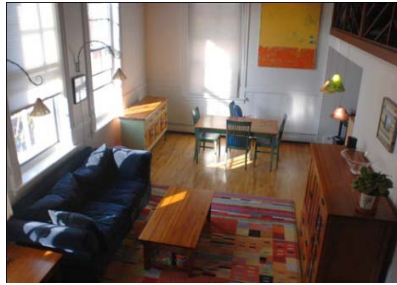
#### Empty Nesters (Near/In Retirement)



**Housing:** house or condo that is low maintenance, has room for visiting friends and family and is in a quiet area away from teenagers/loud neighbors.  
**Job/Career/Volunteer:** work from home full/part time and/or volunteer in community – something to stay active and has meaning.  
**Education:** opportunity to take or teach selected courses (history, art, math, etc.)  
**Access to Family/Friends:** either close by or air access within an hour and/or drive to family within a few hours.  
**Entertainment/Activities:** golf course, trails/neighborhoods for walking/biking, attractions for grandchildren and visiting friends, concerts, community events, community center to meet other empty nesters, etc.  
**Medical/Family Services:** general hospital plus specialists within reasonable access.  
**Retail:** big box (WalMart, Kohls/other clothing stores, Target, Lowes, etc.) along with unique local stores for gifts, books, coffee shop, art/craft supplies, etc.  
**Restaurants:** some chains but also local unique restaurants that are quiet and serve special diet foods (gluten/lactic acid free, no MSG, organic, etc.)

## LIFE STYLE NEEDS FOR INDIVIDUALS SEEKING AN URBAN LIVE/WORK/PLAY/SHOP DESTINATION

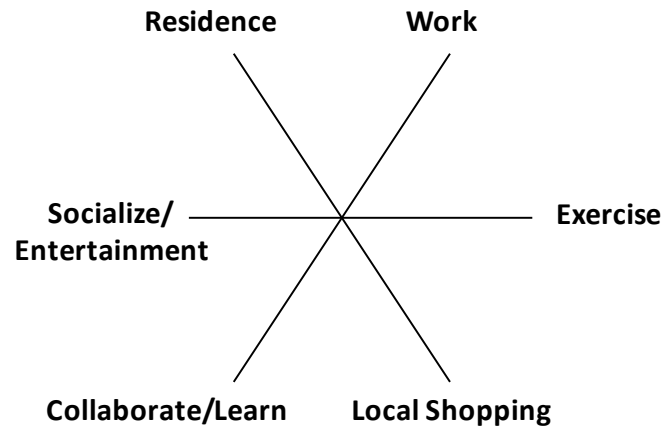
Interesting apartment like a loft . . . “cool space.”



From home, in a nearby office or at the coffee shop.



Good restaurants or small groups at an apartment, theater, movie, concert or musician at coffee house.



Trails and safe areas for walking, biking, skating and jogging.



Places to meet and discuss business or ideas (e.g., coffee shop and book-store with WIFI access is a popular destination. Also, places to take classes and gain new skills.



- Food/beverage (natural food store)
  - Books, office supplies
  - Specialty clothing/shoes
  - Hardware store
  - Bike/recreation equipment
- (see next page for complete list)

## SWOT Analysis

### **Overall Strengths and Challenges of the Area for Sustaining/Attracting/Stimulating Business**

#### **Strengths of Area for Stimulating Economic Activity**

- Geographic location for logistics with north/south and east/west rail and interstate access.
- Proximity to a number of colleges and universities.
- Less than US average cost of living.
- Availability, capacity/performance/cost of utilities (water, electric power, telecom, sewer and gas).
- Industrial presence in City and in nearby Augusta County (diverse base with chemicals/polymers, non-woven fabrics, food processing, fabrication of parts/equipment, etc.).
- Outdoor venues (mountains, river, trails, tunnel, etc.).
- Available labor (currently a significant supply but has been tight when economy is strong).
- Strength and growth of retail segment for local/regional residents.
- Potential tourism traffic from I-64/Skyline Drive and Blue Ridge Parkway already in the area for other reasons can be leveraged.

#### **Challenges in the Area Related to Growth of Economic Activity**

- Work ethic and interest in manufacturing of the next generation seems to be slipping (a national issue).
- Lack of adequate sites and buildings and low level of readiness that meets business needs precludes businesses from considering the area.
- Lack of an attractive “front door” presence at Skyline Drive/Blue Ridge Parkway and I-64 for Waynesboro and the Valley (I-64, Exit 99) reduces the level of tourist interest in the area.
- The karst /limestone bedrock geology may be an issue in certain locations.
- Traffic flow intensity at I-64, Exit 94 may become an issue in the near future and may impact growth in the business park at the southeast corner of the interchange.
- Expansion of retail in Nelson, Western Albemarle and Augusta Counties may reduce the positioning of the City of Waynesboro as a regional retail destination long term.
- Portion of Central Business District in Flood Zone.
- College attainment levels lower than US average.

### Resources That Support Economic Growth

#### *Labor Force*

- Currently a high level of skilled labor available for manufacturing-related jobs.
- Work ethic of existing generation of labor is high (punctuality, hard workers, committed and loyal to company, etc). A reflection of work ethic is that employees know how to pitch-in and get the problem solved and get production back in operation.
- Work ethic of the next generation is questionable (mixed) with the desire to work in “manufacturing” very limited based on feedback from presentations in five Augusta County high schools involving 125 students.
- During “normal” economic conditions the available labor force can be tight (<4% unemployment).
- Population is expanding but significant retirement sector reduces workforce participation rate.

#### **Comment:**

There needs to be career awareness provided to local students that identifies the opportunities in manufacturing (technology). There is currently technology training offered at Stuarts Draft High School in Augusta County.

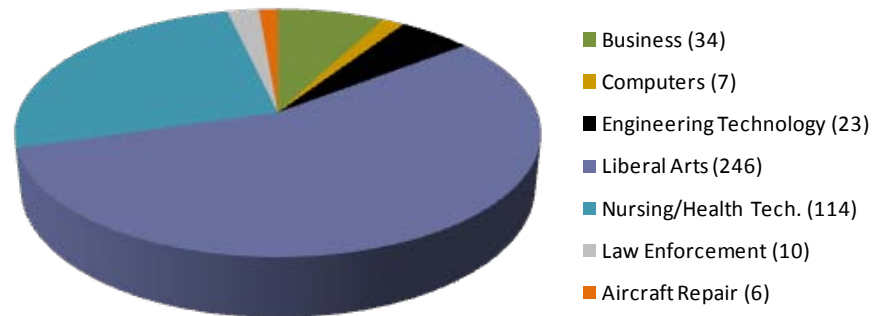
## Education and Training

**Blue Ridge Community College** (BRCC) is located in Weyers Cave with an additional presence in Fishersville (next to Waynesboro). The college has a strong, business-oriented focus and is establishing an Advanced Technology Center to serve local industry. The center will have labs for hands-on training in electronics, engineering, physics, and automated manufacturing. The new facility's seven labs will include more than a million dollars worth of high tech equipment that is designed to train a workforce in manufacturing operations.

The college has a large number of local students (over 50% of graduating class) that take liberal arts courses and then transfer to a four-year college.



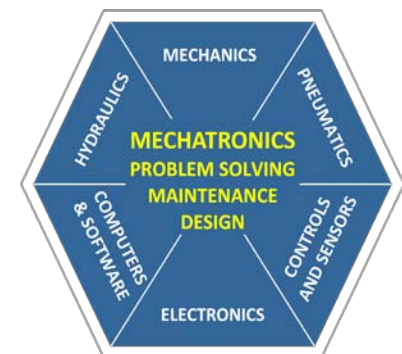
BLUE RIDGE COMMUNITY COLLEGE ENROLLMENT (~4,900) AND 440 GRADUATES IN 2010



## Mechatronics = Mechanics + Electronics

Mechatronics is a term that was coined by a Japanese engineer in the late 1960's to reflect the emerging need to understand the integration of mechanical and electronic systems. The concept has evolved to include the multi-disciplined approach to both the design and maintenance of complex industrial systems and equipment that incorporates mechanics, electrical and electronic systems, computers, controls and sensors, pneumatics and hydraulics.

There is a trend that is gaining momentum at both the two and four year college level to offer degrees and courses for technicians and engineers that cover the individual disciplines along with overall problem solving techniques and integrated system design. It produces individuals with



superior diagnostics skills for maintenance and a much more comprehensive approach to product and systems design. Graduates are qualified for jobs in many technology-based industries such as aerospace, automotive, energy, medical devices, pharmaceuticals, food processing, etc. It can also be applied toward the maintenance of equipment within a large agricultural operation.

The courses are taught in modules that focus on one or more disciplines at a time, such as electronic and pneumatic control technology, followed by capstone courses that require an understanding of multiple disciplines to design/build a project or troubleshoot a problem within a system. There are module lab stations that are built for use in each course that not only teach a concept but attempt to apply it directly to an actual factory situation.

Blue Ridge Community College has incorporated a Mechatronics approach to technical training in their new Advanced Technology Center for supporting area manufacturing operations.



**Fishburne Military School** is considering expanding their program to a Junior College with the support of BRCC and the acquisition of buildings adjacent to the existing campus. The facility is planned to be available to the local public for classes during evening hours.

**Waynesboro High School** has several initiatives to build awareness of career options as well as equip students with business and technology information that include:

- › Offer technology, manufacturing and finance-related courses.
- › Host a career fair with local businesses every other year.
- › Facilitate a mentorship program between students and selected local employers that represent a diverse career base.



**Valley Vocation Tech** is part of the public education system and provides a variety of training options to high school students and adult learning in courses focused on health and medical-related professions, construction and other technical trades, agriculture, automotive/diesel, culinary and foods, and other areas.

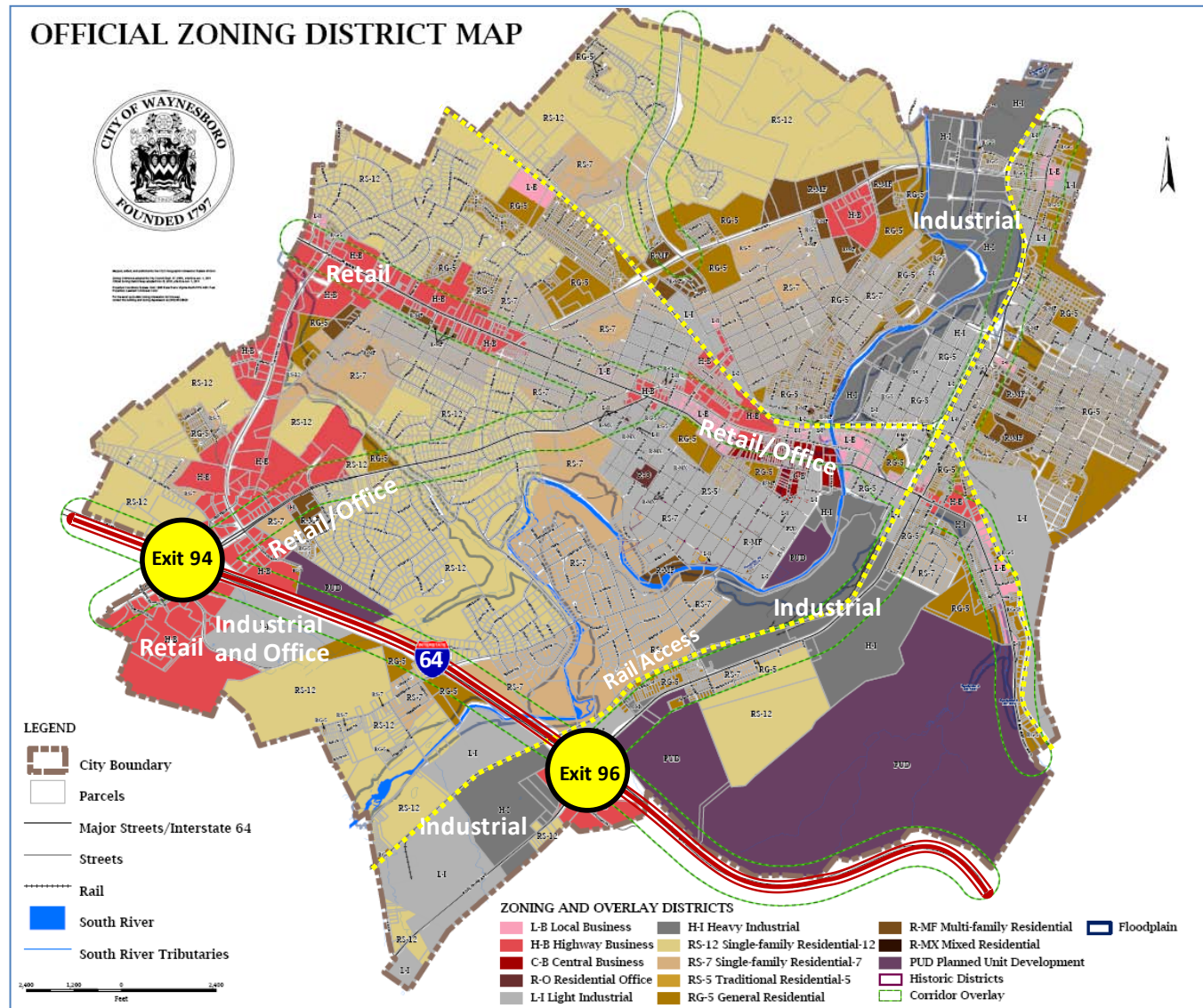


## Available Land and Buildings

Industrial buildings and sites within the City of Waynesboro and located on the east side along the South Fork River, the rail road and South Delphine Ave. (SR 624). The only greenfield industrial land available is a small portion of the remaining 18 acres east of Exit 94 and the ~170 acres southwest of Exit 96. Office and retail is focused primarily on the west end of the City and downtown.

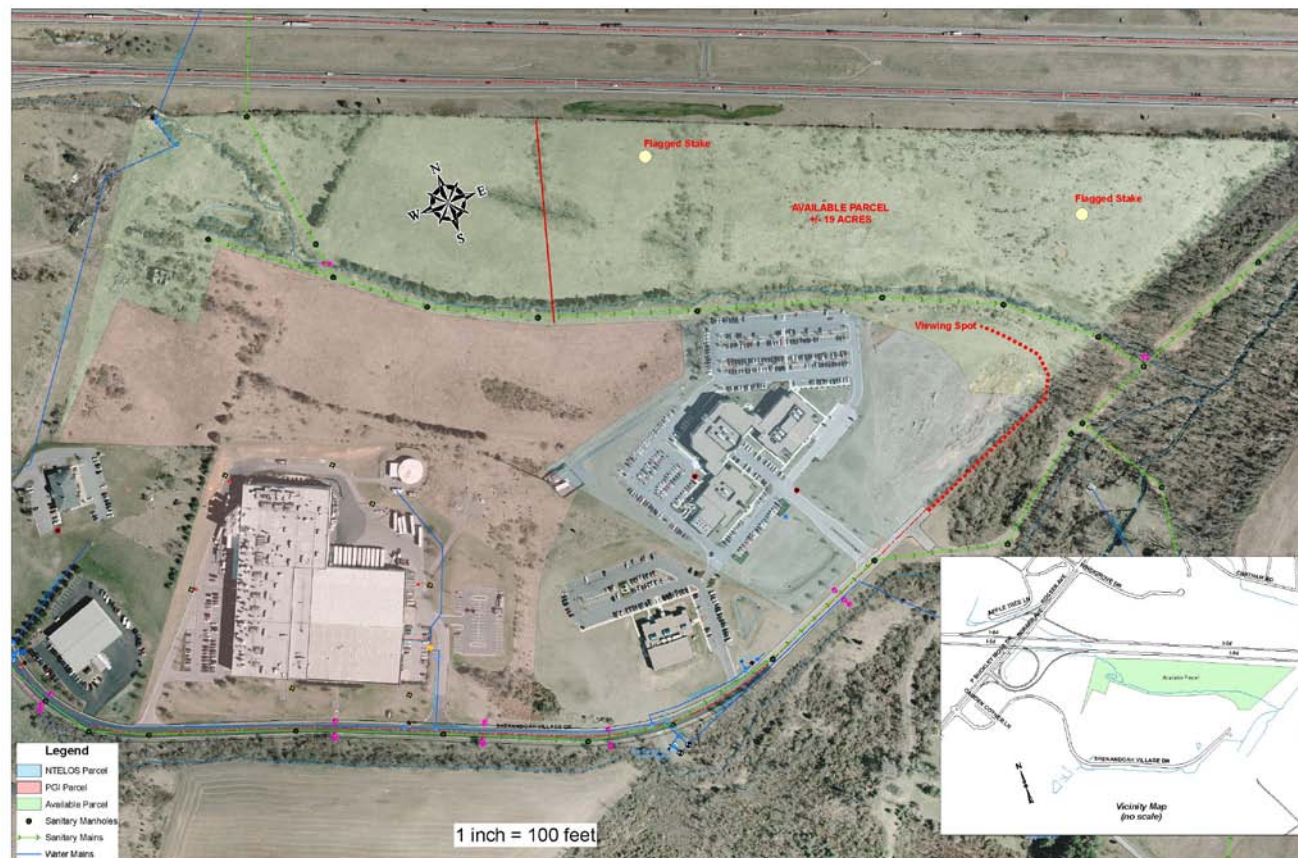
There is a very limited inventory of office and industrial buildings within the City as well as no sites that are at a high level of readiness for development.

See levels of readiness on page 13.



## City Industrial Parks

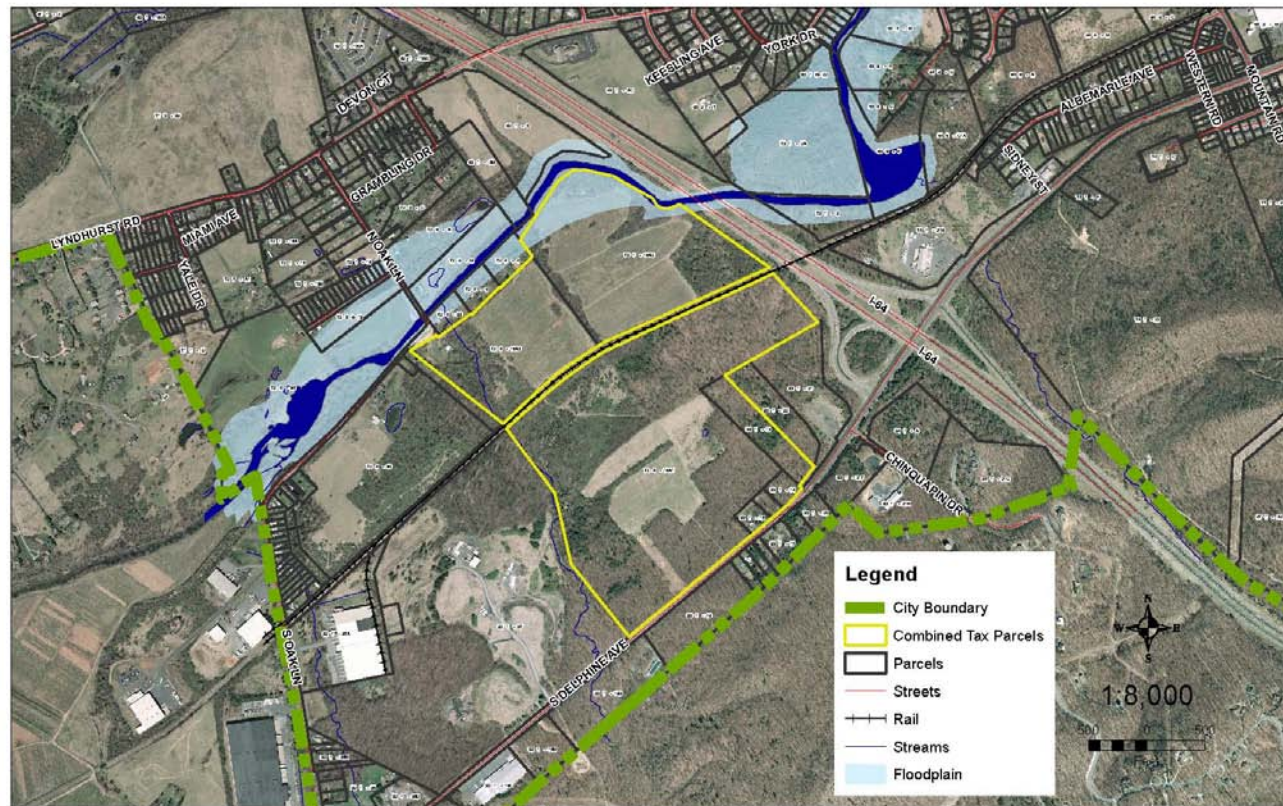
**Current:** 50 acre park, SE of I-64 / Exit 94 and adjacent to Town Center Shopping. Approximately 18 acres are currently available. The land was purchased by the City in the 1980's and is currently home to Cintas, PGI, DuPont Credit Union, and nTelos wireless and approximately 500 employees. In 2010-2011 PGI expanded their facility with a \$65,000,000 investment which added 40 new jobs and in 2011 nTelos invested \$1,500,000 in their campus.





**Future:** 170 acres, SE of I-64 / Exit 96. Norfolk Southern main line bisects property with approximately 60 acres on west side and 110 on east. Utilities are not on site but available. Electric from Delphine Avenue and Oak Lane area; copper and fiber from Delphine Avenue; water and waste water from Oak Lane; and natural gas from the current industrial park via Oak Lane.

Plans are under discussion to construct a connector road from the current industrial park. Extend Shenandoah Village Drive, through Coyner Springs Park to Lyndhurst, connecting to Oak Lane, through the new industrial park to Delphine.



## Representative List of Available Industrial/Office Buildings and Land

Location	Address	Description	Asking Price
City of Waynesboro	1010 Main St	<i>Former VA Metalcrafters Building 100,000 SF industrial space in 160,000 SF building with 7,500 SF office on 9.75 acres, 20 FT ceiling.</i>	<i>\$3/SF (lease) \$1,400,000 (purchase)</i>
City of Waynesboro	1 Solutions Way	<i>Solutions Building (Former GE/Genicom Building) 100,000 SF office/flex space in 320,000 SF building on 55 acres.</i>	<i>\$8/SF (lease)</i>
City of Waynesboro	720 Lew Dewitt Blvd.	<i>8.61 acres of land for office, retail and other commercial uses.</i>	<i>\$2,100,000 (purchase)</i>
City of Staunton	103 Industry Way	<i>26,320 SF in 71,000 SF building 2with 5,180 SF office on 15 acres within industrial park.</i>	<i>\$5/SF (lease)</i>
City of Staunton	123 South Augusta St.	<i>8,000 SF office space in historic area.</i>	<i>\$12/SF (lease)</i>
Augusta County	347 Folly Mills Station Rd	<i>9,000 SF industrial building with 30' ceiling.</i>	<i>\$470,000 (purchase)</i>
Augusta County (Mt. Sidney)	Keezletown Rd at Lee Hwy	<i>Industrial land 101 acres (multiple lots).</i>	<i>\$36,000/acre</i>
Augusta County (Fishersville)	81 Shoffner Lane	<i>44,567 SF industrial warehouse building.</i>	<i>\$2,200,000 (purchase)</i>

## *Infrastructure*

### **Utilities**

- **Electric Power:** Dominion Resources is the local electric power provider and offer industrial rates of ~5-6 cents per kilowatt-hour. They also provide a transformer to a single location without charge and offer a multiple-point transformer service that is incorporated into the rate structure. They also have a rate discount that is diminished over a five-year period for companies that provide a specific number of jobs and level of power demand.
- **Water:** Due to local resources and past industrial demand, there is a significant quantity of water available for industrial use. Need to define capacity to specific sites.
- **Sewer:** Adequate waste water treatment capacity (but undefined sewer capacity to specific sites).
- **Telecommunications:** nTelos provides a high quality telecom network with redundancy and good band width. Need to quantify and provide more details of service to specific sites.
- **Gas:** local service is provided by Columbia Gas Transmission. Details of capacity to specific sites will need to be defined.

**Comment:** Overall, the area has very good utility services that are competitive with other locations.

### **Transportation**

- The City has access to two interstate interchanges: Exit 94 (Rosser Ave.) and Exit 96 (Delphine Ave.).
- The Norfolk Southern and CSX railroads intersect in the NE quadrant of the city and short line service by the Buckingham Branch Railroad is available.
- Regional commercial air service is available at the Charlottesville-Albemarle Airport (CHO) in Charlottesville and at the Shenandoah Valley Airport (SHV) in Weyers Cave. Direct international service is available from Dulles and Richmond.

## Conclusions

Key findings include:

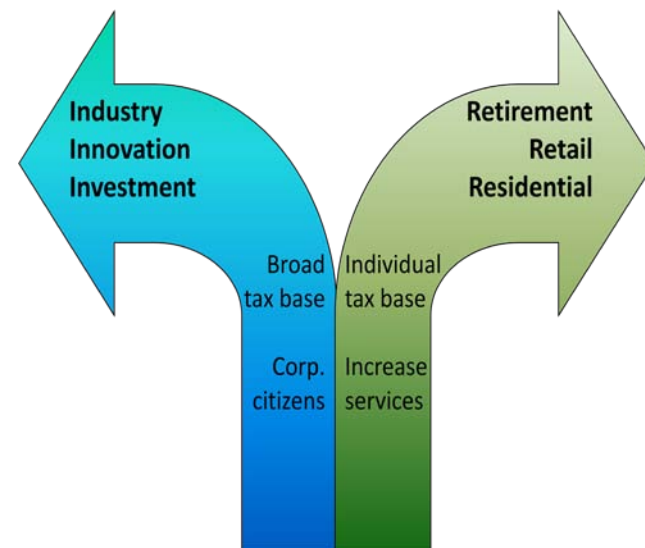
- City strengths include access to markets, work ethic, proximity to universities, and a variety of recreational activities; while weaknesses include labor skills for new jobs, small business development opportunities, and lack of interest / training for manufacturing jobs;
- Threats to our economy (long term situations that we need to mitigate) include traffic issues at Town Center, gateways to the City, expansion of retail in neighboring municipalities.

Statistical data included:

- Four year college attainment % is increasing but lower than state and national average.
- Percent population over 65 and median age is higher than national average.
- Population is growing, but at a slower rate than nationally and previous decade.
- City revenue source: M&T tax declining; real property, hotel, and meals tax increasing.
- Employment has shifted from “manufacturing” to “wholesale / retail”
  - Resulting in lower wages and less machinery and tools tax

Demographics with Comparisons to US Average		
Parameter	Waynesboro	US Average
Population Change 1990-Present	11.2%	23.7%
Median Age	39.5	36.5
% Over 65	18.9%	12.6%
4 Yr + College Education Attainment	21.7%	27.5%
In Labor Force	60.3%	65.0%

Trends show a major shift toward a retirement, retail, and residential economy – replacing an industrial economy.

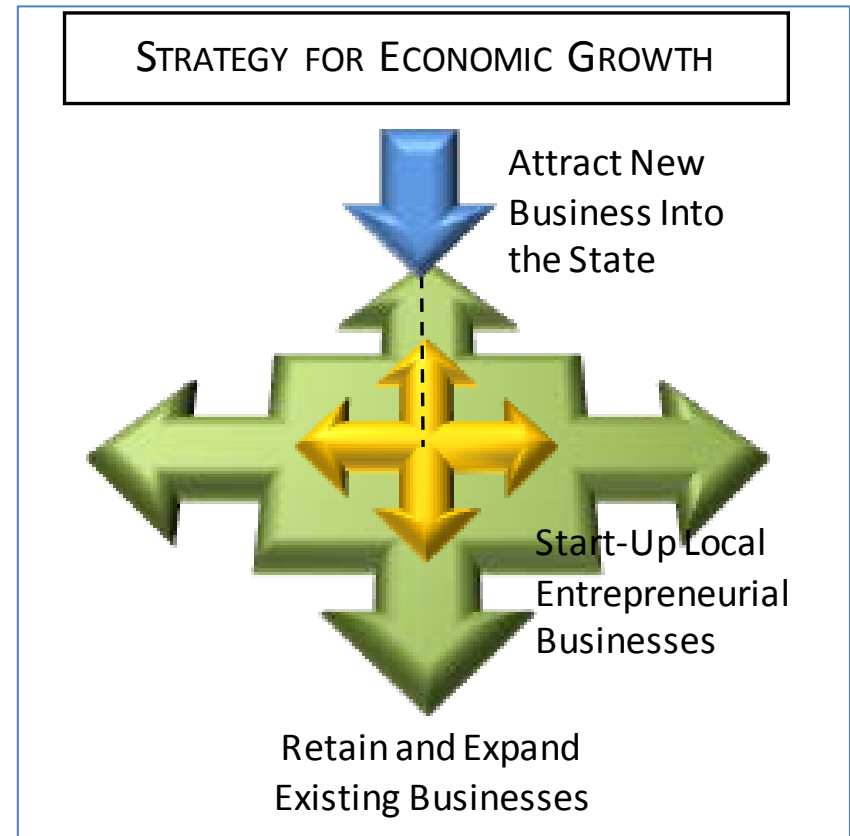


## The Plan

The overall strategy for economic growth outlines the key elements that need to be focused on in order to sustain and expand the local economy.

- Facilitate growth (with the right resources) that is sustainable and balanced and includes local start-ups, expansion of existing business and attraction of new business;
- Provide quality jobs for current job seekers while anticipating the needs/opportunities of the emerging workforce (particularly those focused on technical, creative and business services);
- Leverage the proximity to the Blue Ridge Mountains, access to pristine trout streams, roads/trails for biking, as well as the historic small town atmosphere;
- Provide the tax base that supports the level and quality of government services required for local residents and businesses;
- Sustain position as regional retail center knowing that over time other communities will seek to expand their retail base.

With these basic parameters in focus, the task force diligently reviewed all findings and input. The result was the development of a VISION, MISSION, and seven key GOALS. Each goal has a number of strategies listed to achieve the goal.



## *Vision*

The purpose of the Waynesboro Virginia Office of Economic Development is to stimulate the local economy through the creation of primary employment, capital investment, and increased travel (tourist) activity. We will be known by our integrity and the professional manner in which we handle issues. Our goal is to be responsive to our clients' needs and effectively enhance their successes.

The office's actions in concert with other regional and state partners will promote wealth-building, create a pro-business environment, and improve the quality of life of our citizens.

## *Mission*

To promote the City of Waynesboro Virginia as a preferred location for economic growth by providing leadership in the community and region, collaboration among public and private partners, and distinctive marketing programs designed to accelerate the growth of capital investment, job creation, and increased tax revenue.

## Goals

### **1. Establish and market Waynesboro as a preferred location for business growth.**

- a. Initiate a review of the current “brand” (hospitality in the valley); modify or create “brand” – including logo, tag line, and or slogan – to best describe the unique selling features of business to business; business to consumer; and distinctive opportunities and locations within the City (downtown, parks, etc).
- b. Develop a comprehensive economic development website with pertinent information and data for business attraction, business retention, and business start up.
- c. Develop and produce quality economic development marketing materials including brochures, fact sheets, and advertisements.
- d. Create and implement an annual Tourism (business to consumer) marketing plan in concert with regional partners and activities. Draft to be completed in December, final in June for a July FY.
- e. Create and implement an annual Economic Development (Business to Business) marketing plan. Draft to be completed in December, final in June for a July FY.

### **2. Create a business climate in which existing businesses are globally competitive and new businesses can be attracted and supported.**

- a. Review current incentive programs, including enterprise zone (boundaries and local incentives), business attraction, and business retention.
- b. Review with the City zoning, planning, and building departments to understand requirements and restrictions and to create an understandable timeline and possible streamlining.
- c. Create a pathway for entrepreneurship. Investigate start-up assistance currently available; review financing; angel networks; networks of assistance; etc.
- d. Continue / expand business visitation program.
- e. Develop new tools and resources.



- 3. Create and sustain economic prosperity through collaborative partnerships, with federal, state, and local public and private agencies; local and regional commercial real estate brokers and developers; and local property owners.**
  - a. Create an online database of City wide existing / available real estate.
  - b. Create a system of interaction with area real estate professionals and local property owners.
  - c. Coordinate marketing opportunities and when appropriate, cooperatively market the area and share resources.
  - d. Take advantage of grant opportunities.
- 4. Plan and develop business parks and buildings for existing and new businesses to locate and expand.**
  - a. Develop and aggressively market City owned industrial space.
  - b. Work with private property owners to improve, maximize potential, and market their site, building, or complex.
- 5. Establish Waynesboro as a regional tourist destination taking full advantage of the natural and historic resources of the Shenandoah Valley.**
  - a. Improve the overall “visitor experience” by expanding our volunteer network, availability, and resources.
  - b. Create a welcoming Visitor Information Center(s) – evaluate long term location(s).
  - c. Examine possible future ‘destination’ activities or locations, such as outdoor recreation, cultural activities and venues, and group tours and packages.
- 6. Develop a highly skilled workforce fully capable of contributing to employer needs in a technology driven 21st Century business / industry environment.**
  - a. Work and coordinate with Virginia Department of Business Assistance, BRCC, JMU, and others to catalog and market workforce development needs and resources.
  - b. Evaluate skills of current workforce and identify ‘skill gaps’ with future workforce needs – address with training and secondary education.
  - c. Work with the Waynesboro Public Schools and other organizations to develop courses, career coaching, and skills to prepare for future workforces including manufacturing and other trades.



**7. Create a rich and inviting central business district characterized by unique shops, specialty restaurants, a full range of cultural resources and events, and a range of housing options appealing to young professionals and engaged older adults.**

- a. Support the Redevelopment Housing Authority, other City Departments, and the WDDI in the execution of the recently (June 2011) awarded Community Development Block Grant, and the Streetscape, and Greenway projects.
- b. Work with property owners to improve, maximize potential, and market their site, building, or complex (same as 4-b above).
- c. Engage appropriate industry and support services to locate and operate in the Central Business District.

## Implementation and Measurement

Having a great plan is critical, but steps to implementation and knowing if we have succeeded are equally important. Additionally, if we identify and address barriers to our success as we begin to implement, we will have a better chance of success.

### *Barriers to Success*

While the global economy is responsible for some of today's difficulty; so is supply and demand of products; so is technology; so is a normal business cycle – any number of external reasons can be blamed. But the fact is, these are out of our control and cyclical. They will change – they will improve. We just need to be prepared to reap when it is time to harvest.

There are a number of community barriers to our success. These are in our control and we can overcome them.

- Resistance to change, to forward thinking, to try something new to get away from “we have always done it that way”
- Adequate funding – the programs must be funded. What is it going to cost? For the full five years – we don't know, but we must be ready to address the issues and meet them head on. One of our team members noted after reading all the previous studies, ‘this book is filled with great ideas – but they failed because they were never funded’
- Backyard – “that's a great idea, but I don't want it in my backyard”
- Botox – we can't be paralyzed for growth. We can't stop because we don't know what the future will bring – do we need to make good, quality, decisions? Yes – but we can't be afraid of the future.
- Island – we have to think as a whole. Waynesboro has many great ideas and projects, but individually, they will not bring success – all the projects together will bring us success.
- The world – we are competing in a global marketplace – we can't forget it and think just as our city – we need to think bigger – region, state, country.



## Schedule

Several of the strategies listed were started before the plan was finalized. The task force recognized that the City needed to take some fundamental steps to advance economic development while the plan was being completed. These included, but are not limited to: development and publication of the RFP For branding and attraction, 2011 tourism marketing plan, review of incentive programs, application for a small business grant to establish a revolving loan fund, existing business visits, development and marketing of City industrial parks, improving the visitor experience, and supporting CBD efforts.

Additionally, some of the strategies are dependent on the completion of another strategy – i.e. completion of a website is dependent on the brand being completed. For that reason and the uncertainty of staff time and resources, each goal / strategy has been categorized as “immediate”, “short term”, “long term”, or “ongoing”.

GOAL		IM	ST	LT	ON
1a	Brand Development	●			
1b	ED Website Creation / Launch		●		
1c	ED Marketing Materials Creation		●		
1d	Tourism Marketing Plan		●		●
1e	ED Marketing Plan		●		●
2a	Incentive Programs – Review, update		●		
2b	Understand / Streamline Policy		●		
2c	Pathway for Entrepreneurship			●	
2d	Business Visitation Program	●			●
2e	Develop New Tools and Resources			●	
3a	Create Database Real Estate		●		
3b	Interaction with Real Estate Experts		●		
3c	Co-op Marketing Opportunities				●
3d	Apply for Additional Grants				●
3e	Interact with Partners				●
4a	Develop and Market City Industrial Space		●		●
4b	Work with Private Developers			●	
5a	Improve Visitor Experience	●			●
5b	Plan for Long Term Visitor Center			●	
5c	Become a Destination Location		●		●
6a	Catalog Workforce Development Needs			●	
6b	Identify Skill Gaps			●	
6c	Work with WPS on future skills			●	
7a	Support CBD Revitalization Programs	●			●
7b	Work with Private Developers			●	
7c	Locate Industry in CBD		●		

## Evaluation

GOAL		OUTCOME MEASUREMENT
1a	Brand Development	Engage outside provider, enlist community input to evaluate and or develop a new city brand. Implement in ED by end of FY 2012 and develop a plan for city wide implementation by end of calendar year 2012.
1b	ED Website Creation / Launch	Engage outside provider to develop a state of the art, interactive business to business website for economic development and launch by the end of FY 2012.
1c	ED Marketing Materials Creation	Engage outside provider to develop business attraction / retention collateral materials and publish and or implement by the end of FY 2012.
1d	Tourism Marketing Plan	Develop draft annual marketing plan by December of each year, with a final plan completed by June of each year.
1e	ED Marketing Plan	Develop draft annual marketing plan by December of each year, with a final plan completed by June of each year.
2a	Incentive Programs – Review, update	Review existing incentive plans, including current enterprise zone, and other state options including Tourism, Technology, and others. Evaluate needs of new and existing businesses, and competitive plans. Develop draft plan / revisions by end of calendar 2012.
2b	Understand / Streamline Policy	Meet with City departments to understand and document policies and procedures for starting / expanding business. Create an easy to follow check list by end of calendar year 2012.
2c	Pathway for Entrepreneurship	Develop resources to assist entrepreneurs to start businesses in the City. Ongoing.
2d	Business Visitation Program	Visit at least 30 businesses every 12 months. Ongoing.
2e	Develop New Tools and Resources	Develop resources to create / enhance a positive business climate in the City. Ongoing.
3a	Create Database Real Estate	To coincide with the launch of the ED website.
3b	Interaction with Real Estate Experts	Initiate meetings by the end of the 1Q 2012.
3c	Co-op Marketing Opportunities	Continue to market the region with regional partners. Initiate marketing opportunities with local partners. Ongoing.
3d	Apply for Additional Grants	Ongoing.
3e	Interact with Partners	Direct involvement with national, state, regional, and local organizations for marketing and education. Ongoing.
4a	Develop and Market City Industrial Space	Aggressively market City owned space. Develop master plan for Exit 96 park by end of calendar year 2012. Ongoing.
4b	Work with Private Developers	Part of interaction with Real Estate Experts – assist in marketing properties. Ongoing.
5a	Improve Visitor Experience	Continue to improve visitor centers and volunteer network. Ongoing.
5b	Plan for Long Term Visitor Center	Review options, state policy, and develop plan.
5c	Become a Destination Location	Build on strengths of the region, investigate possible options for new business ventures.
6a	Catalog Workforce Development Needs	Continue to work with experts in workforce development. Look at ‘jobs of the future’ and determine skill gaps of current and future workforce. Work with local education officials to prepare the workforce of tomorrow.
6b	Identify Skill Gaps	
6c	Work with WPS on future skills	
7a	Support CBD Revitalization Programs	Ongoing.
7b	Work with Private Developers	Part of interaction with Real Estate Experts – assist in marketing properties. Ongoing.
7c	Locate Industry in CBD	Part of overall marketing.

