

Comprehensive Economic Development Strategy 2020 Update

October 2020



Prepared By:
The Berkley Group
+ VCU Center for Urban and Regional Analysis
+ Timmons Group
+ CRC Staff (2020 Update)

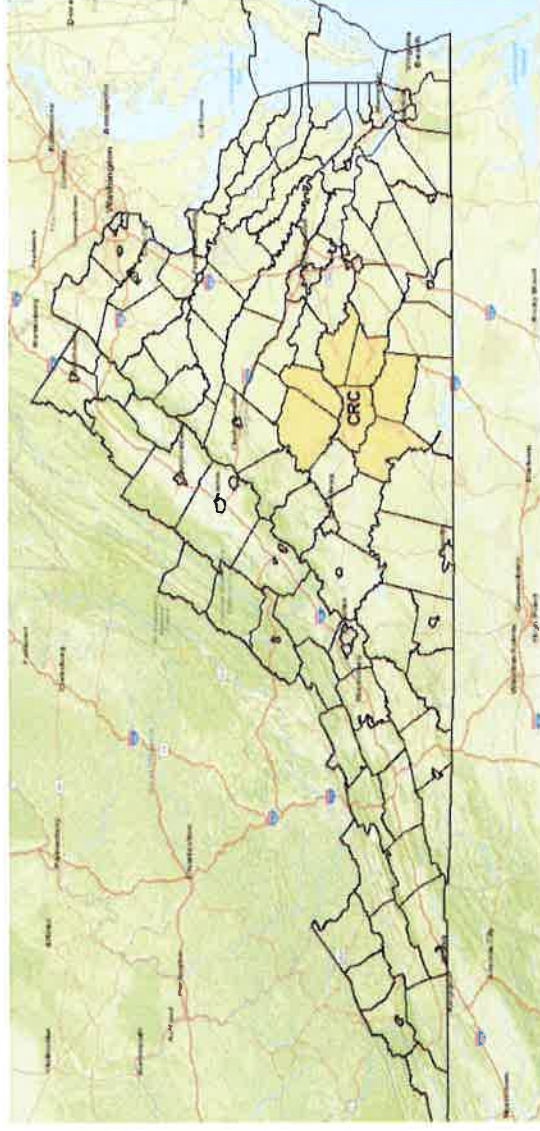


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1 - OUR STORY

The Commonwealth Regional Council (CRC) presides over Virginia's Heartland, the south-central region of Virginia that includes the educational institutions of Longwood University, Hampden-Sydney College, and Southside Virginia Community College, and the counties of Amelia, Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway and Prince Edward. The region is nestled between Lynchburg and Richmond and south of Charlottesville and harbors the best of rural Virginia's natural beauty, charm, and recreational opportunities. A long agricultural heritage is demonstrated by crops and pastures, vast forested areas, affordable land, and access to the James River, which have supported local industries for many generations. The educational institutions train local students as well as attract those from across the country, contributing to growing economic development and a vibrant downtown Farmville. The region lies at the crossroads of three major regional economies - Lynchburg, Richmond, and Charlottesville - providing its residents with access to large urban centers and work opportunities. These characteristics make the region unique and provide a foundation for success. Understanding how these characteristics can be nurtured and used most productively is the backbone of future development and improving quality of life in the area.



In order to grow beyond these foundational characteristics, other aspects of the economy require innovative solutions. The region needs to expand housing access for workers and families at all income levels. Trade education, skill building courses, and early work exposure are all areas for focused investment. Internet access through broadband is necessary to attract high paying, modern businesses. These and other issues must be addressed in a concerted effort to maximize sustainable growth.

In an increasingly globalized economy, localities must be diligent and proactive in planning for the future. As businesses have become more mobile, localities have made themselves more competitive for relocation. In order to benefit from this changing economic landscape, the CRC must work to make the Heartland region a more competitive business environment, able to



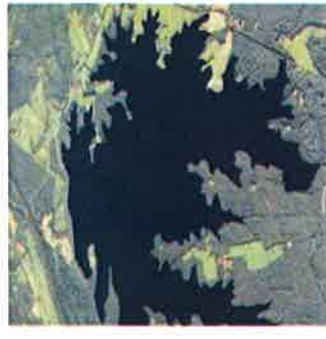
1 - OUR STORY

compete regionally, nationally, and globally. This includes building a skilled workforce, diversifying the economy, and investing for the future through pre-school, primary, secondary, and higher education. This report provides a strategic way forward to meet three primary goals that can make the Heartland the right decision for businesses and families alike.

Among many nuanced strategies, leveraging the existing higher education institutions in the region will be necessary to improve workforce training initiatives. Simultaneously marketing regional development sites to new businesses, such as an inland port and data centers, will diversify the economic structure and increase high skill employment. Using development grants from regional, state, and federal resources to advance infrastructure quality will provide attractive opportunities for businesses.

Completing this plan and creating the strategies outlined within it would not be possible without community involvement. Surveys of constituents, community stakeholder meetings, and cooperation between CRC and local leaders was crucial to creating a representative and holistic CEDS plan. Likewise, the success of the plan rests on community support for it. Engaging community members to the fullest extent possible is a central component of community and economic development for the people of the Heartland.

With this plan, the CRC has the background, analysis, goals and strategies to make the Heartland an area of choice for future generations of families, entrepreneurs, and businesses.



OUR VISION

VISION: To promote a powerful, connected, and resilient Heartland economy by working with localities to improve quality of life, leverage education, and strengthen infrastructure.

The vision for the Comprehensive Economic Development Strategy (CEDS) for Virginia's Heartland region was developed from stakeholder interviews that helped build understanding of where the region stands today and where it wants to go in the future. The results of these surveys also offer key insights into the needs of the regional economy.

Several important themes emerged from these results. The Heartland region has a wealth of resources to expand its economy, such as available, inexpensive land and natural resources like timber and waterways. Coordinated connections between various existing sectors of the economy can help grow their potential and unlock future success. Investment in education creates better job opportunities for local students, as well as improves the region's attractiveness to businesses. A well-educated workforce signals to businesses that the region can support its labor needs and increases regional competitiveness. The Heartland region has three higher education institutions that could serve as a resource for job training and advanced educational attainment for local students. More accessible healthcare facilities and training can complement and strengthen the existing healthcare and human service sector. Commitment to improving broadband infrastructure would open the door for a local information technology cluster. Lastly, tourism, recreation, and rural charm continue to promote the region and improve quality of life for residents with little public investment.

This vision statement outlines how Virginia's Heartland becomes the right choice for relocating individuals, families, and businesses in the Commonwealth and around the country. It highlights the foundation that it must build on to expand its economy and improve quality of life for its citizens. Three broad goals have been crafted to guide the development of the region, based on strengths and weaknesses assessed by reports, studies, and stakeholders.



OUR GOALS

Twenty-first century economic development requires connecting businesses, workers, and resources in productive and novel ways. Virginia's Heartland region has an abundance of low-cost land, recent capital investment, and access to a variety of opportunities to increase human capital within its labor force. The CRC has established three primary goals to bring long-term economic development to the region.

Strengthen the region's workforce

The region must have a strong workforce to attract and sustain businesses. Technically skilled workers, of course, earn higher wages than low-skilled workers. Education and skill level are integral factors in determining employee wage rates relative to experience. However, strengthening the workforce is also about human development and quality of life. Having access to skill-building programs increases the number of opportunities a person can choose from, increasing job satisfaction among employees and reducing worker turnover and training costs for businesses. An aging population poses a challenge for employers to meet their labor needs. Trade education and other early age work exposure gives valuable experience to ambitious young people who can fill the skills gap left by retirees. Building and retaining a competitive workforce will prepare workers for the demands of high-paying, modern jobs and increase overall well-being within the regional economy.

Broaden the region's businesses & industry

Economic diversity is critical to the healthy development of the Heartland for several reasons. First, a diverse group of businesses need supportive industries and local supply chains to successfully remain in operation. More businesses operating in the area creates demand for workers and input goods. Subsequently, schools, daycare centers, construction companies, and other businesses supporting the population's needs will open. These businesses can both compete with and complement one another, improving product prices and innovation. Regional industrial clusters, like those found in Silicon Valley, financial hubs like Charlotte, North Carolina, and large manufacturing centers scattered across the southeast can form around a small initial group of interconnected businesses. In addition, diversifying the industrial composition of a region prevents economic catastrophe when a dominant industry declines or experiences other external shocks. This increases the resiliency of the region's economic structure, which in turn supports additional growth.

Leverage education for growth and gain

Education provides the first steps toward strengthening a region's workforce and improving its attractiveness to businesses. Additionally, higher education institutions can provide support in community development. Not only do university students provide demand for restaurants, human services, and other businesses, they also support development with community service work, large-scale volunteer efforts, and other programs typically utilized by low-income areas. For example, Longwood University's Small Business Development Center is a valuable local partner in workforce development. The Heartland is home to multiple institutions of higher education, spanning a broad spectrum of studies, both professional and liberal arts. Building relationships with local higher education institutions can be exceptionally beneficial to the region, in pre-school and primary and secondary education lays the foundation for a reliable work force into the future.

2 - THE CEDS PROCESS

The Purpose of a CEDS

The 2019 Comprehensive Economic Development Strategy (CEDS) is a product of the Commonwealth Regional Council (CRC), developed in cooperation with the counties of Amelia, Buckingham, Charlotte, Lunenburg, and Prince Edward. The report follows the criteria set forth by the United States Economic Development Administration (EDA) and is guided by the CEDS Committee. The process of creating the vision, goals, and strategies of this plan, with emphasis on the community stakeholder engagement and coordination efforts, are vital to the implementation and success of the CEDS.

The Commonwealth Regional Council began its CEDS effort with the intent to create a viable economic development plan that would provide a roadmap for sustainable economic growth. Once the EDA approves the CRC CEDS, the heartland region will be eligible to receive funding from EDA programs for various projects, such as economic adjustment, planning, trade adjustment assistance, public works, and technical assistance. In addition, the CEDS process will lead to establishing an Economic Development District (EDD) designation for the CRC. EDDs are multi-jurisdictional entities that help lead locally based, regionally driven economic development planning, incorporating the involvement of the public, private, and non-profit sectors to establish a strategic roadmap for regional collaboration.

The EDA stipulates certain CEDS content. The CEDS must address economic resiliency as a goal, priority, or area to be investigated. Additionally, detailed documentation of stakeholder involvement, input, and support must be included.

These criteria ensure that the region's stakeholders play an active role in the development and execution of the CEDS plan based on the challenges and strengths within the region. The CEDS process is an opportunity for regional stakeholders to understand their relationships to one another and possibly form new ones benefiting themselves and the regional economy.

The CEDS process also ensures that planning does not follow a "one size fits all" model, and that implementation strategies are uniquely tailored to the region they are used in. Finally, the evaluation framework is necessary for future assessment of the strategies deployed so that localities can hold local leaders and programs accountable to their results.



The EDA requires every CEDS plan to contain several key sections:

- **Summary Background:** A summary of the economic conditions of the region
- **SWOT Analysis:** An in-depth analysis of regional strengths, weaknesses, opportunities, and threats
- **Strategic Direction/Action Plan:** The strategic direction and action plan should build on findings from the SWOT analysis and incorporate/integrate elements from the other regional plans (e.g., land use and transportation, workforce development, etc.) where appropriate as determined by the EDD or community/region engaged in the development of the CEDS. The action plan should also identify the stakeholder(s) responsible for implementation, timetables, and opportunities for the integrated use of other local, state, and federal funds
- **Evaluation Framework:** Performance measures used to evaluate the organization's implementation of the CEDS and impact on the regional economy

2 - THE CEDS PROCESS

Public Input Process

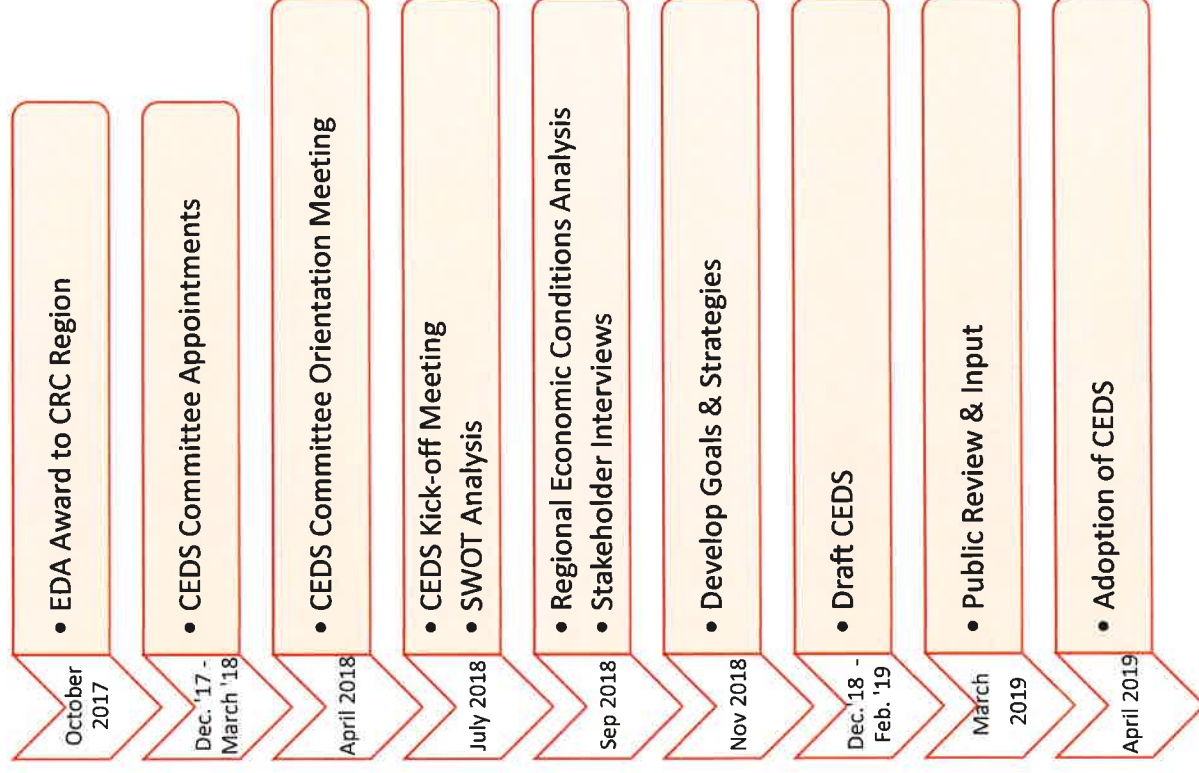
A successful economic strategy for the region is only possible with the earnest input of the public, business owners, local governments, and community groups, all working together toward shared goals. To set a foundation of community engagement, the Commonwealth Regional Commission began the CEDS project by establishing a CEDS Committee to guide the process and plan. The committee was established by the CRC early in 2018 and included representatives from each of the subject counties, the Town of Farmville, the region's colleges, and community and business leaders. Specifically, the committee had to include representatives from its top seven employment sectors, one representative from an institution of higher education, and one representative from the South Central Local Workforce Development Board. Additionally, one representative from a chapter of the NAACP and a labor organization was required. The Committee met regularly throughout the CEDS process to inform the SWOT analysis, create a vision, set goals, and propose projects and strategies. The activities of the CEDS Committee, as well as other public and stakeholder outreach activities occurred throughout the second half of 2018 and are summarized here:

April 3, 2018:

A CEDS Kick-Off Meeting was held at CRC offices in Farmville to give members of the CEDS committee background on the CEDS process and detail the benefits of the process to the region. Additionally, a Consultant Selection Committee was established to seek outside assistance in creating the CEDS.

July 9, 2018:

The CEDS Committee held its initial planning meeting at Longwood University in Farmville on July 9. The committee was presented with a CEDS orientation and background information by CRC staff, chose committee leadership, and began the identification of Strengths, Weaknesses, Opportunities, and Threats facing the CRC region to inform and guide the CEDS process and plan. This exercise provided a foundation of public perception and community input to drive the development of economic growth strategies.



2 - THE CEDS PROCESS



September 10, 2018:

At a third meeting of the CEDS Committee, held at Hampden-Sydney College in Prince Edward County on September 10, the committee reviewed consultant presentations on regional demographic levels and trends and existing and planned infrastructure, including electric, transportation, water, rail, broadband, and others. An assessment of economic

activity in the region is critical to successfully developing the region in the future. Committee members used this information to recognize and discuss existing business clusters in the region and to identify desirable future industries to attract to the area. Attendees of this meeting also began early work on setting goals and objectives for the plan and collaborated to identify additional stakeholders who should be engaged in the project.

September 27, 2018:

A public workshop was held on this date at Southside Virginia Community College in Keyesville. This open forum presented a CEDS overview to attendees and solicited input from a range of local leaders, business owners, community groups, and interested citizens. Members of the CEDS Committee were encouraged to attend to help facilitate the discussion. Information gathered at this open forum provided valuable input to the plan's goals and identified key projects that are included in the implementation strategies of the plan.

October 12-16, 2018:

While many community stakeholders attended the open public forum on September 27th, some key stakeholders were not able to attend. Using stakeholder lists compiled by the CEDS committee, staff scheduled individual telephone interviews with key stakeholders, focusing on regional business owners and employers. Stakeholders interviewed represented retail, accommodation, and manufacturing businesses. These interviews gave the CEDS committee further insight into the public perception of conditions in the CRC that may not have been revealed by the data gathered in the SWOT analysis and summary background.

November 19, 2018:

At a November meeting of the CEDS Committee staff and committee members reviewed a draft plan vision statement and draft CEDS goals. After revisions the committee adopted the vision statement, giving the plan strategic direction. The results of the SWOT analysis were also reviewed and used to refine three categorical CEDS goals, each focused on a major area of the region's economy – workforce, business, and education. Using this base of vision and goals the committee moved on to identifying and refining specific projects and actions to be included as plan strategies.

February – March 2019:

At a February 25, 2019 CEDS Committee meeting, the draft CEDS plan was presented for review and approval by the Committee. The Committee voted to approve the draft plan and present it for public review and input. Throughout the month of March, the plan was made available online and presented at local Chamber of Commerce meetings in the CRC region. Public input was compiled and edits to the plan were made as necessary.

April 2019:

The Commonwealth Regional Council is governed by a Board of Directors representing local leaders of its member jurisdictions. The CEDS is a key initiative of the Board and vitally important to the future of the region. The Board received updates on the process and progress of the CEDS project and is the adopting body for these compiled strategies and the steward of the many individual efforts to implement its guidance.

April/July 2020:

In April of 2020, Cumberland County rejoined the Commonwealth Regional Council as a member locality. Then in July of 2020, Nottoway County joined the Commonwealth Regional Council as well. Both counties wanted to be included in the CEDS.

July-September 2020:

The Commonwealth Regional Council staff updated the recently approved CEDS to include Cumberland and Nottoway Counties.



October 2020:

The Updated CEDS was presented to the Nottoway and Cumberland County Board of Supervisors for review and public input. The Updated CEDS was approved by the Commonwealth Regional Council to be presented to EDA for approval.

3 - ECONOMIC RESILIENCY

This Chapter analyses the Partners, Trends and Assets available to help the CRC Region build a resilient economic future.

1. Partners for Economic Development
2. External Trends & Forces
3. Regional & Local Assets
 - a. Central Business Districts
 - b. Enterprise Zones
 - c. Workforce Training Opportunities
 - d. Industrial Sites & Opportunities
 - e. Infrastructure Assets



Economic resiliency is critical for all healthy and sustainable regional economies. The Heartland region has historically relied on a few large industry clusters and supportive businesses to drive economic growth. This leaves the region vulnerable to recessions, industry restructuring, and competition from other areas. Industry diversity is the primary component of economic resilience. Like a diverse stock portfolio, having a diverse industrial mix spreads the risk of future losses due to uncontrollable factors.

Environmental disasters can cause economic turmoil as well. The Heartland region is reliant on agricultural and forestry production for industrial purposes as well as outdoor tourism. Protecting and developing these assets, as well as diversifying and expanding into new businesses, in a sustainable manner is essential to maintaining economic resilience.



ECONOMIC DEVELOPMENT PARTNERS

The Commonwealth Regional Council (CRC) can work with a variety of other agencies to develop the Heartland region. In addition to regional partnerships, many federal and state departments give development grants and awards to localities based on need and other specific conditions.

Collaboration is necessary to expand the Heartland's regional economy. Cooperation enables individual entities to leverage their unique strengths and benefit from each other's successes. Additionally, utilizing grants and other dispersed funds can lessen the costs borne directly by local taxpayers, expanding the range of achievable possibilities and reducing community resistance. Some important regional economic partners include the following.

Longwood University

Longwood University is a public, liberal arts university located in Farmville, Virginia. In addition to a host of undergraduate, graduate and nondegree programs, Longwood is a committed local partner and houses a Small Business Development Center. Longwood's Small Business Development Center offers financial analysis, market research, strategic planning, franchising, and intellectual property services to business owners or entrepreneurs.

Hampden-Sydney College

Hampden-Sydney college has a long-standing history in the region. As one of the oldest colleges in the United States, it is a stable presence and a key economic player in the region. The college offers its students a comprehensive liberal arts education with career track specializations.

Southside Virginia Community College

Southside Virginia Community College plays a major role in education and workforce training in the region. The college has a physical presence at the John H. Daniel Campus in Keyesville and offers online training as well. Courses of study are varied and include many technical and occupational trades.

STEPS

STEPS is a regional non-profit that creates opportunities for self-sufficiency and poverty reduction in the region. STEPS provides job training and employment opportunities for citizens with barriers to employment including disabilities, unemployment, and those receiving public assistance. Services include workforce readiness, skill building, job placement and job coaching. STEPS operates commercial businesses including recycling, document destruction, and industrial sewing.

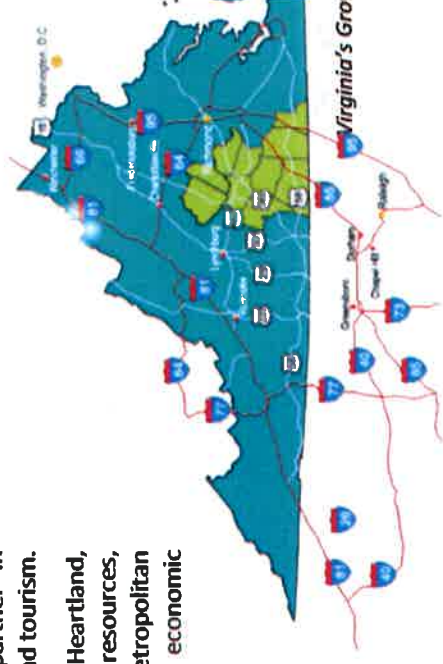
Virginia's Growth Alliance (VGA)

VGA is a regional economic development organization with eleven member localities, including all five of the Heartland counties. The alliance is a regional business recruitment organization and is a major partner in workforce development, entrepreneurship, and tourism.

This larger economic region is similar to the Heartland, with a distinct agricultural heritage, rich forest resources, and manufacturing activity. Proximity to metropolitan areas in all directions offers extensive economic development opportunities.



SOUTHSIDE VIRGINIA
COMMUNITY COLLEGE



Virginia's Growth Alliance

ECONOMIC DEVELOPMENT PARTNERS

Virginia Tobacco Region Revitalization Commission

The Tobacco Region Revitalization Commission was created by the 1999 General Assembly with the mission to promote economic growth and development in tobacco-dependent communities. Using proceeds of the national tobacco settlement, the commission awards grants to support economic development across the tobacco region.

Go Virginia Region 3

GO Virginia is a business-led economic development initiative with funding to invest in collaborative projects that bring more business and opportunities to the commonwealth and lead to high-paying jobs in the region.

National Association of Development Organizations (NADO)

The National Association of Development Organizations (NADO) provides advocacy, education, research, and training for the nation's regional development organizations. The association and its members promote regional strategies, partnerships, and solutions to strengthen the economic competitiveness and quality of life across America's communities.

Local agencies including but not limited to:

- Chambers of Commerce
- Main Street Programs
- Localities and Economic Development Offices

State agencies including but not limited to:

- Virginia Department of Business Assistance
- Virginia Department of Conservation & Recreation
- Virginia Department of Environmental Quality
- Virginia Department of Forestry
- Virginia Department of Health
- Virginia Department of Historic Resources
- Virginia Department of Housing & Community Development
- Virginia Department of Mines, Minerals & Energy
- Virginia Department of Transportation
- Virginia Employment Commission
- Virginia Resources Authority
- Virginia Tourism Corporation

Federal Agencies including but not limited to:

- U.S. Army Corps of Engineers
- U.S. Department of Commerce - Economic Development Administration
- U.S. Department of Agriculture - Rural Development
- U.S. Department of Commerce – National Telecommunications & Information
- U.S. Department of Housing and Urban Development



EXTERNAL TRENDS & FORCES

National and international economic issues can have ripple effects into regional and local economies. The Trump administration has rewritten the North American Free Trade Agreement (NAFTA) and the new version, called the United States-Mexico-Canada-Agreement (USMCA), is slated to take effect January 1, 2020. While this agreement maintains most of the old agreement, there will be some effects for the automobile industry, in which vehicle and component prices will likely rise due to stricter regulations. However, only a small portion of the Heartland's economy relies on automotive products and services, so these effects will likely be minimal.

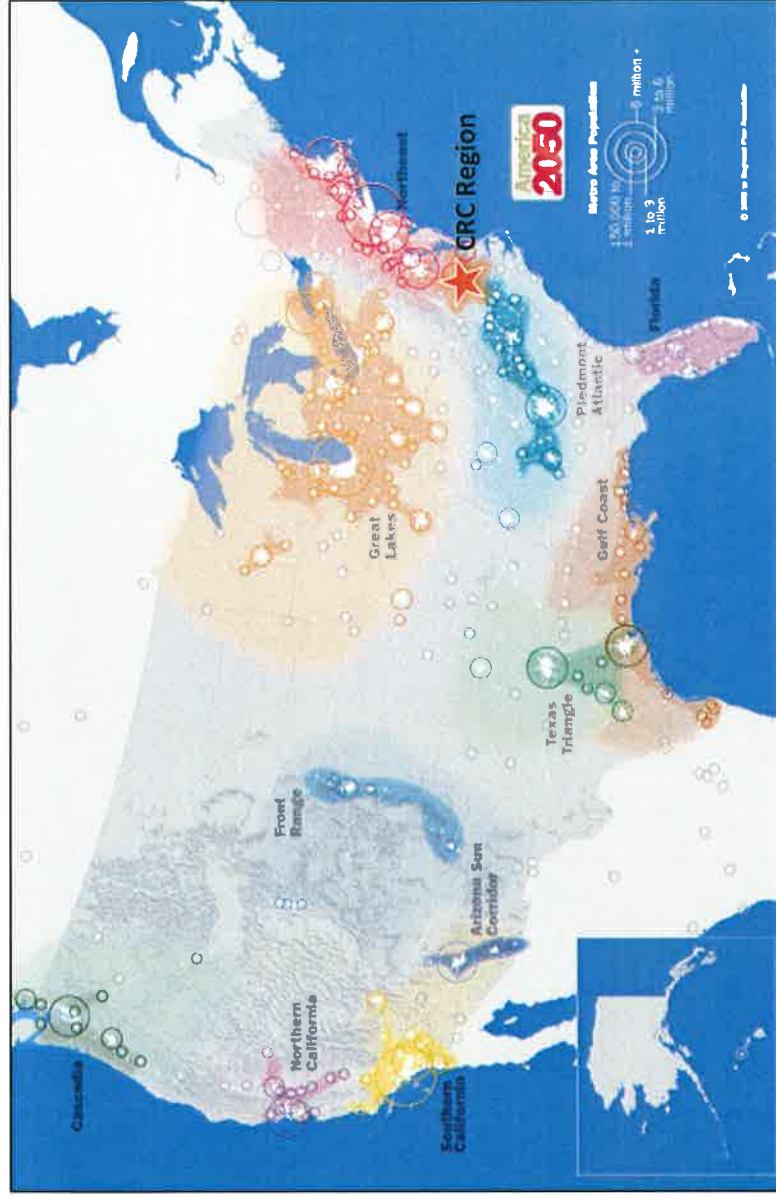
Additionally, the Tax Cuts and Jobs Act passed in 2017 has reduced taxes for certain businesses. In theory, this will allow for businesses to reduce costs and reinvest in production activities. Individuals will also receive tax cuts, with cuts sunsetting for lower- and middle-class recipients after ten years, but those economic stimulus effects are unclear.

Online shopping and the development of web-based business platforms continue to hurt brick and mortar retail stores. Companies like Amazon sell a variety of goods at low costs to consumers nationwide. This has posed concerns for department stores as well as boutique storefront shops that typically operate in downtown areas.

The Heartland benefits from being located between two fast-growing regional economies: The Piedmont Atlantic Region and the Northeast Region. In time, the Heartland could see growth from expansion of one or both regional economies. Marketing the region as a low-cost, easily accessible business area could bridge the gap between the two.

While recessions are inevitable due to external forces, the Heartland region will benefit from a strong Virginia, and a diverse, sustainable regional economy. University communities such as Farmville often weather recessions better than non-university, non-governmental localities. Richmond, Charlottesville, and Lynchburg are all university communities.

with Richmond having the added bonus of being the state capital. Along with being connected to above average resilient economies, pursuing the three primary goals outlined in this report will improve the Heartland's economic resiliency and further prepare the region to combat recessions. Increased workforce development and accessible trade education will enable the labor pool to adapt faster to structural unemployment in the region's economy through job retraining, and infrastructure and housing improvements will increase business and worker retention. Investment in the public education system – pre-kindergarten through high school – will also prepare the future workforce and send a strong signal to businesses that the region's education system is academically healthy which helps attract both employers and employees with their families.



REGIONAL & LOCAL ASSETS

CENTRAL BUSINESS DISTRICTS

The Heartland is home to eleven incorporated towns: Farmville, Charlotte Court House, Drakes Branch, Keysville, Phenix, Victoria, Kenbridge, Dillwyn, Crewe, Blackstone and Burkeville. Farmville is home to Longwood University, one of the Heartland region's largest employers. Downtown Farmville benefits from the large student bodies of both Longwood University and Hampden-Sydney College, which is also located in Prince Edward County. Victoria and Kenbridge are part of the Lunenburg County/Town of Kenbridge/Town of Victoria enterprise zone and have acquired a modest amount of investment through enterprise zone-related grant funding. Additionally, Keysville contains one of two Southside Virginia Community College campuses, a possible partner in advanced workforce training. Blackstone's neighbor, the Fort Pickett military installation recently became the home to the new Foreign Affairs Security Training Center (FASTC).

The Heartland is also located near three large Virginia metropolitan areas: Charlottesville, Richmond, and Lynchburg. Amelia County is part of the Richmond Metropolitan Statistical Area (MSA), and Buckingham County is part of the Charlottesville MSA. These cities serve as top commuter destinations for Heartland workers as well as market destinations for the region's businesses.

Downtown revitalization projects have become a common method of attracting businesses and people by improving physical conditions and access to a downtown area. Public parking facilities, streetscaping, pedestrian facilities, and storefront renovations all contribute to the attractiveness of a downtown. The Heartland's towns can improve their long-term economic outlook by incentivizing the renovation of existing buildings and capitalizing on their small-town, rural charm.

Having attractive towns for workers to shop, recreate, and live in is vital to business and worker retention. Creating an environment that families want to settle in promotes long term, sustainable economic growth and a steady tax revenue stream to support public projects and ongoing improvements.



REGIONAL & LOCAL ASSETS

ENTERPRISE ZONES

The Virginia Enterprise Zone (VEZ) program establishes 57 distinct enterprise zones within the Commonwealth, designed to increase investment and job creation within their limits. In Virginia, the VEZ designates areas throughout the state as enterprise zones and provides two grant-based incentives, the Job Creation Grant (JCG) and the Real Property Investment Grant (RPIG), to qualified investors and job creators within those zones. The localities that enterprise zones are comprised of are required to provide local incentives in addition to the state grants, such as tax concessions, waived regulatory fees, or priority land acquisition at reduced costs (www.dhcd.virginia.gov).

- Qualification for the Job Creation Grant (JCG) is based on permanent full-time job creation over a four-job threshold, wage rates of at least 175 percent of the Federal minimum wage (150 percent in High Unemployment Areas), and the availability of health benefits. Personal service, retail, food and beverage positions are not eligible to receive job creation grants. Currently, none of the Heartland's counties or cities qualify as High Unemployment Areas.
- Eligibility for the Real Property Investment Grant (RPIG) is based on qualified investments made to commercial, industrial, and mixed-use buildings or facilities located within the boundaries of an enterprise zone. To be eligible for the RPIG, an individual or entity must invest at least \$100,000 for rehabilitation or expansion projects and at least \$500,000 for new construction projects.

Enterprise zones offer opportunities for start-up and growing businesses but have often been criticized for poor business retention. Investment in infrastructure, education, and modest local incentives can improve business retention in and around enterprise zones. Generally, investment in public goods and services that will improve the Heartland's business climate are paramount to those that target individual businesses. The goals outlined in this report, including affordable housing, expanded education, and infrastructure improvements represent some types of enhancements that increase the likelihood of profitable enterprise zone investments.



Source: DHCD PRC, EDR 2013, WEP 2014

Currently, the Heartland region is home to two enterprise zones. The following enterprise zones are part of the CRC Planning District:

| Zone # | Enterprise Zone Name | Expiration |
|--------|-----------------------------------------------------|------------|
| 48 | Charlotte/Lunenburg/Prince Edward County | 2019 |
| 55 | Lunenburg County/Town of Kenbridge/Town of Victoria | 2020 |

Source: <http://www.dhcd.virginia.gov>

REGIONAL & LOCAL ASSETS

WORKFORCE TRAINING OPPORTUNITIES

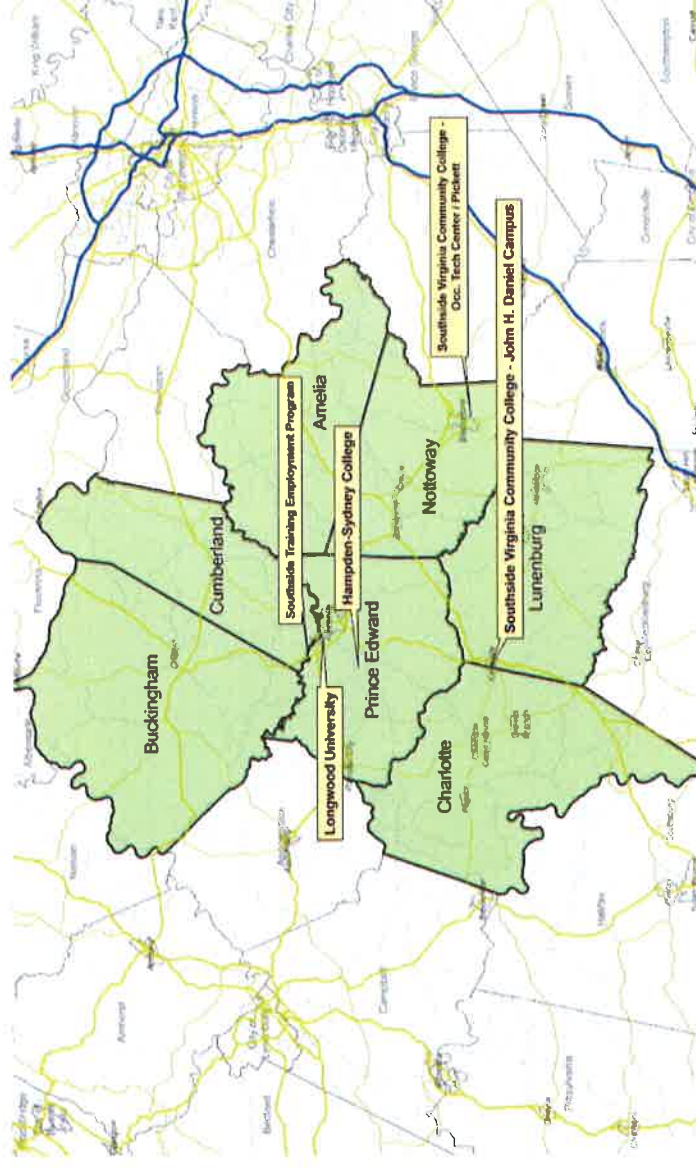
The CRC region is home to at least four training and post-secondary education centers. The CRC region's two major post-secondary education institutions—Longwood University and Hampden-Sydney College—provide a broad cross-section of undergraduate and graduate degree programs. Longwood is a public university with a history of training teachers, and Hampden-Sydney is a private college with admissions restricted to men only.

Hampden-Sydney offers its students a comprehensive liberal arts education with career track specializations. Longwood University offers several graduate programs focused on teaching, including Speech Language Pathology, Reading, Literacy & Learning, Librarianship, Elementary & Middle School Mathematics, Counseling, Special Education, and Health and Physical Education. The school also provides non-degree professional certificates in Educational Leadership, Special Education, Autism Spectrum Disorders, and Professional Development for Educators. Longwood's Small Business Development Center offers financial analysis, market research, strategic planning, franchising, and intellectual property services to business owners or entrepreneurs.

Southside Virginia Community College's Keysville campus gives residents and businesses access to credential programs including machining, massage therapy, medication assistant, power line worker, solar industry related skills, truck driving, welding.

STEPS is a regional not for profit that leads, coordinates, creates and delivers quality opportunities to impact self-sufficiency and reduce poverty throughout our region. STEPS has, for over 35 years, provided job training and employment opportunities for citizens with barriers to employment: individuals with disabilities, citizens receiving public assistance, unemployed/underemployed workers, etc. Services include workforce readiness, skill building, job placement and job coaching. The organization operates several commercial lines of business: recycling processing center, secure document destruction and industrial sewing.

Education & Workforce Development Institution Locations in the CRC



REGIONAL & LOCAL ASSETS

INDUSTRIAL PARKS, SITES & OPPORTUNITIES

When identifying potential opportunities for the region, one must examine the primary drivers behind site selection and a prospect decision to locate to a certain region. In reviewing the Site Selection Magazine's top location factors for 2016 (table below), CRC scores well on 6 of the top 10.

Furthermore, when looking at the major markets that will be taking shape based upon future population trends (see America's 2050 Map), the CRC appears to be at the intersection of two major consumer markets (Northeast and Piedmont Atlantic) with access to a third market (Great Lakes).

Given the convergence of several major infrastructure components throughout the CRC region and in the Commonwealth of Virginia, it appears the CRC is in a strategic location to capitalize on serving these major markets well into the future.

Existing Sites and Buildings in the CRC Region

The Virginia Business Ready Sites Program currently utilizes a threshold of 100+ acres for sites to be considered for funding by the Virginia Economic Development Partnership (VEDP). There have been discussions for lowering this threshold for sites with a minimum of 25 acres (see chart to the right)



| Park / Property Name | Locality | Total Acreage |
|-----------------------------------------------------------------|----------------------|---------------|
| Heartland Regional Industrial Park | Charlotte | 773 |
| WAY Property | Buckingham | 762 |
| Pickett Park | Nottoway | 533 |
| Prince Edward County Business Park | Prince Edward | 295 |
| Heartland Innovative Technology Park (purchased in 2020) | Prince Edward | 280 |
| Amelia County Site 2 | Amelia | 232 |
| Buckingham County Commerce/Business Park | Buckingham | 197 |
| Lunenburg Commerce | Lunenburg | 138 |
| Charlotte County Business and Industrial Park | Charlotte | 123 |
| Old Luck Quarry site | Prince Edward | 95 |
| Amelia County Industrial Park | Amelia | 81 |
| Blackstone Industrial Park #2 | Nottoway | 71 |
| Cumberland Business/Ind Park | Cumberland | 65 |
| SEAY Property | Buckingham | 32 |
| Lunenburg-Victoria Industrial Park | Lunenburg | 29 |
| Buckingham Branch Yard Site | Buckingham | 27 |

Source: Virginia Business Ready Sites Program

Approximately 60-70% of all prospect inquiries are looking for buildings over sites. It's important for a locality to balance site development with an appropriate building inventory. Currently the CRC has eight (8) Industrial / Flex buildings listed in the VEDP Database (see table to the right). To be competitive within Virginia and the nation, existing sites and building inventory are a must. Diversity among the sites is also important to attract a wide variety of candidates and expand economic resiliency. VEDP ranks site readiness as tiers, one through five. Improving existing sites to be considered "shovel ready" at Tier 5, should be a priority for economic growth in the region.

| Facility Name | Bldg Type | Locality | Bldg Size (SF) |
|------------------------------------|------------|---------------|----------------|
| Old River Cabinet Building | Industrial | Amelia | 157,611 |
| Lapp Metals Associates | Industrial | Prince Edward | 147,838 |
| Commonwealth Building | Industrial | Lunenburg | 110,000 |
| Former Charlotte County Shell Bldg | Flex | Charlotte | 95,757 |
| Shaw Building | Industrial | Charlotte | 72,000 |
| Shoe Factory Building | Industrial | Lunenburg | 38,148 |
| Gold Hill Elementary School | Office | Buckingham | 27,202 |
| Old Citizens Bank Bldg. | Office | Prince Edward | 26,000 |

When identifying potential opportunities for the region, one must take a look at the primary drivers behind site selection and a prospect decision to locate to a certain region. In reviewing the Site Selection Magazine's top location criteria for 2016 (table to the right), CRC scores well on 6 of the top 10.

Furthermore, when you look at the major markets that will be taking shape based upon future population trends (see America's 2050 Map on page), CRC appears to be at the intersection of two major consumer markets (Northeast and Piedmont Atlantic) with access to a third market (Great Lakes).

| Rank | Location Factor | CRC |
|------|-------------------------------------------------------|----------------------|
| 1 | Existing Workforce Skills | |
| 2 | State and local tax scheme | |
| 3 | Transportation Infrastructure | Strong |
| 4 | Utility Infrastructure | Med to Strong |
| 5 | Land / Building prices & supply | Strong |
| 6 | Ease of permitting & regulatory procedures | Strong |
| 7 | Flexibility of Incentive Programs | |
| 8 | Right-to-work State | Strong |
| 9 | Availability of incentives | |
| 10 | Access to higher education resources | Strong |

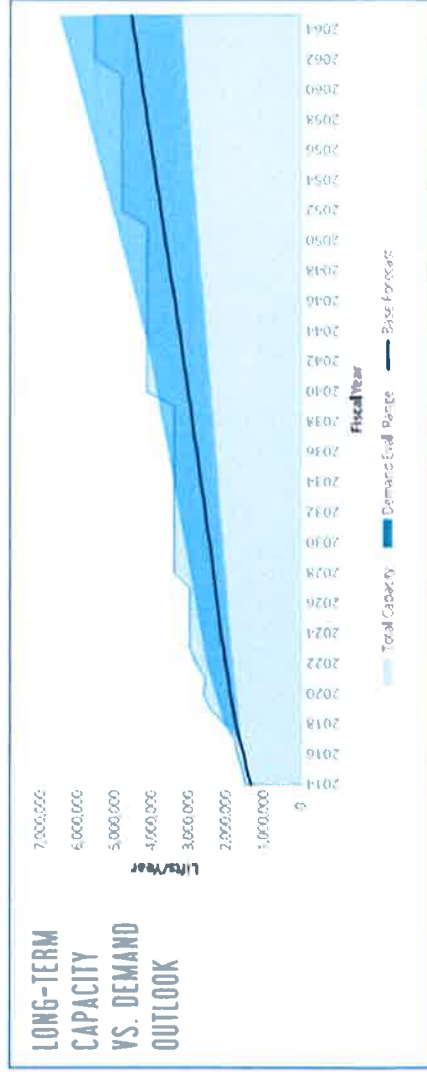
REGIONAL & LOCAL ASSETS

INFRASTRUCTURE ASSETS

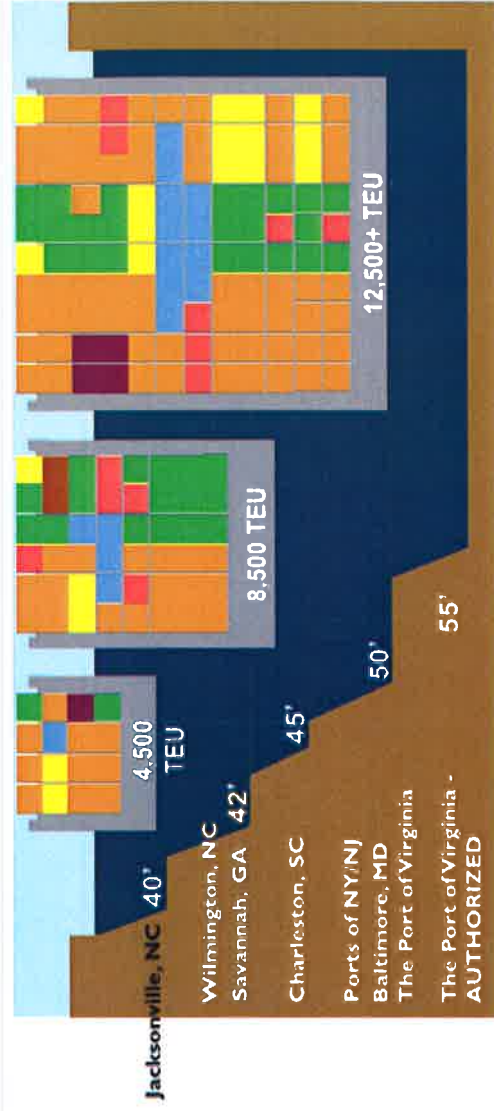
Currently the CRC and Virginia have significant infrastructure that allows for access to global markets for businesses located within the region. The CRC's strong infrastructure shows it has the utility capacity to sustain a larger population and growing economic base. Businesses seek out locations that have reliable access to large quantities of cost-effective resources, which makes the Heartland a highly competitive location for business site selection.

The Port of Virginia (Port): The Port of Virginia (Port) provides unique access to worldwide markets for the Commonwealth of Virginia and subsequently the CRC. Given the natural depth advantages of Hampton Roads, the Port will ultimately become one of the highest volume ports on the East Coast.

FY 2020, the Port moved approximately 2.75 million TEU's (twenty-foot equivalent unit). According to the 2065 Master Plan, the Port will be able to handle approximately 6.5 million TEU's (or 2.3 times the FY 2020 volume). Buckingham Branch Railroad recently proposed an inland port for the Virginia Heartland's Park that could be a beneficiary of the Port. An inland port could prove to be a critical asset for accessing new markets, particularly for the forestry and wood products industry cluster, whose production is typically traded outside of the region. Furthermore, it will be an important link in the supply chain of production inputs for new businesses within the region.



EAST COAST PORT DEPTHS



REGIONAL & LOCAL ASSETS

Broadband Services: Access to quality broadband service is an essential component to economic growth in modern regional economies. The Heartland currently has access to basic broadband service, but lacks last-mile broadband, which brings higher speed internet capabilities. Accessing last-mile broadband opens the door for more innovative businesses and more advanced jobs in the area.

- **Mid-Atlantic Broadband Communities Corporation (MBC) Fiber Network:** Mid-Atlantic Broad Communities Corporation (MBC) has installed a significant and robust fiber network throughout Southern Virginia that provides direct fiber connectivity to key markets such as Atlanta, Northern Virginia / Washington DC and the Hampton Roads market. In addition, MBC worked with Microsoft and Facebook to locate the Virginia Beach Cable Landing Station that will serve as a terminus for two transatlantic cables (constructed by Telefonica) that will connect Virginia to Spain and Brazil.

- **Last Mile Broadband:** While MBC provides a robust fiber “backbone,” last mile broadband is an issue that still needs to be addressed across the CRC region. In March 2018, the Virginia Tobacco Commission agreed to fund at least one such broadband initiative that will positively impact the CRC.

Within the CRC Region, the electric cooperatives have varying plans for broadband deployment (as of November 2018):

- Southside Electric Cooperative (52% coverage of CRC) – Has no immediate plans to deploy rural broadband due to high costs (~\$200 million). Working with legislators for funding for potential pilot program.
- Central Virginia Electric Cooperative (19% coverage of CRC) - \$10 million project with assistance from Tobacco Commission via Appomattox
- Mecklenburg Electric Cooperative (5.5% coverage of CRC) - \$2.6 million Tobacco Commission Award to help deploy broadband
- Amelia County – \$1.7 million Tobacco Commission Assistance with Dinwiddie

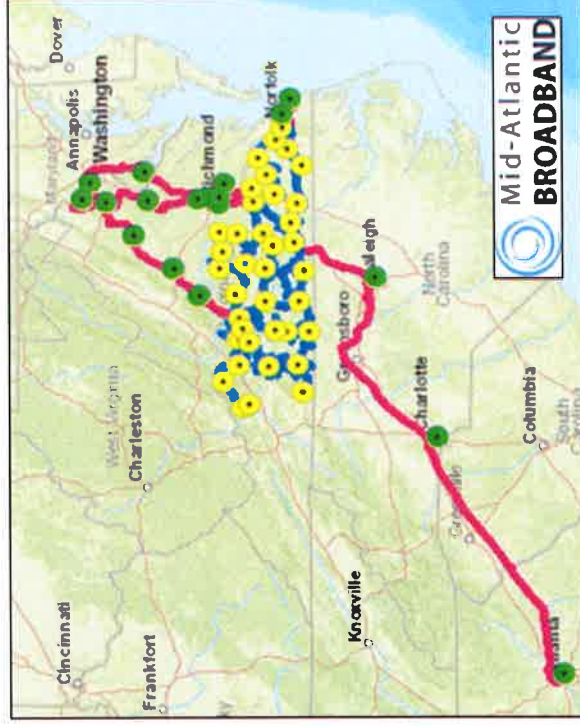
FY18 Research and Development - Last Mile

Awards

March 8, 2018

| Req # | Organization | Project Title | Award Amount |
|-------|------------------------------------------------------|---------------------------------------------------------------------------------|--------------|
| 3387 | Appomattox County | Shenell Broadband Expansion to Vera | 45,000 |
| 3389 | Appomattox County | Central Virginia Electric Cooperative Members' Fiber Broadband Project | 979,850 |
| 3392 | County of Bedford | Comcast Broadband Project in Southern Bedford County ("Bedford County Project") | 3,500,000 |
| 3377 | Carnoll, Grayson, Galax Regional Industrial Facility | The Wired Road Connector Project | 300,000 |
| 3384 | Dinwiddie County | Regional Broadband Initiative: Dinwiddie and Amelia Counties | 1,708,000 |
| 3385 | Halifax County | Halifax County Broadband Initiative | 206,202 |
| 3378 | Mecklenburg County | EMPower Project | 2,611,391 |
| 3391 | Pittsylvania County | Pittsylvania County Broadband Initiative | 491,000 |
| 3379 | Sussex County | Sussex County High Speed Broadband Initiative | 1,250,000 |

Source: Virginia Tobacco Commission
Total (9 Awards) 11,091,533



REGIONAL & LOCAL ASSETS

Major Roads: Currently the CRC has four (4) US Routes crossing through the region and several State Roads. The US Routes are US 360 (4-lane), US 460 (4-lane), US 60 and US 15. From an economic development perspective, 4-lane roads are the greatest asset for any region. The CRC has varying traffic volumes across the region, most with an A-service level.

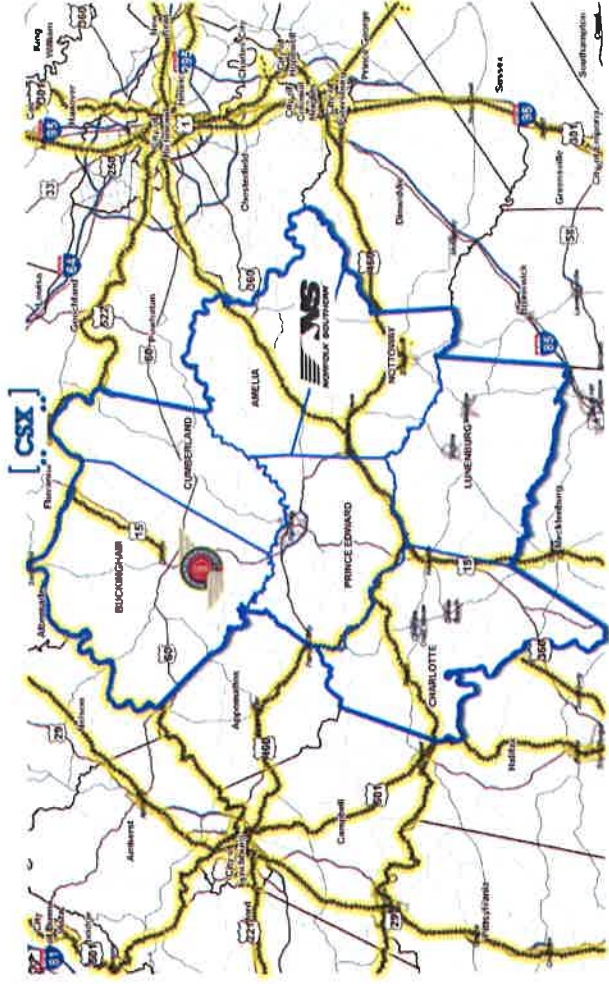
The highest traffic volume locations across the CRC are:

- US 360 - Amelia @ Chesterfield Border (17,000 VDP)
- US 15 Bus - Farmville from Downtown to US 460 (22,000 VPD)
- US 460 between 307 and the first Farmville Exit (14,000 VPD)

For comparative purposes, we developed a table of major Interstate and 4-lane highways surrounding the CRC region.

Railroads: The CRC has significant rail infrastructure in place to serve economic development related activities. Buckingham Branch Railroad (BBR) is based in the CRC and is a short-line rail that works with both CSX and Norfolk Southern to supplement rail service. Norfolk-Southern currently owns track that traverses the central CRC (Amelia, Prince Edward, Lunenburg, Nottoway and Charlotte Counties) and CSX owns a track that traverses along the northern edge of the CRC along the Buckingham and Cumberland northern boundary along the James River.

| Major Road | General Location | VDOT 2019 Traffic Counts |
|-----------------------|----------------------------------|--------------------------|
| US 15 | CRC (Buckingham, PE & Charlotte) | 5,000 to 11,000 VPD |
| US 15 Bus | CRC (Farmville) | 10,000 to 22,000 VPD |
| US 60 | CRC (Buckingham & Cumberland) | 2,300 to 7,300 VPD |
| VA 307 | CRC (Amelia, Nottoway and PE) | 5,600 to 6,900 VPD |
| US 360 | CRC (Amelia, PE, Charlotte) | 4,900 to 17,000 VPD |
| US 460 | CRC (PE) | 7,100 to 14,000 VPD |
| US 360/460 | CRC (Nottoway) | 11,000 to 13,000 VPD |
| Outside of CRC | | |
| I-64 | Richmond to Charlottesville | 34,000 to 40,000 VPD |
| US 460 | Lynchburg Area | 27,000 to 50,000 VPD |
| US 29 | Charlottesville to Lynchburg | 13,000 to 23,000 VPD |
| US 58 | Danville Area | 22,000 to 27,000 VPD |
| US 58 | South Boston Area | 8,900 to 11,000 VPD |
| I-85 | Petersburg to South Hill | 22,000 to 26,000 VPD |



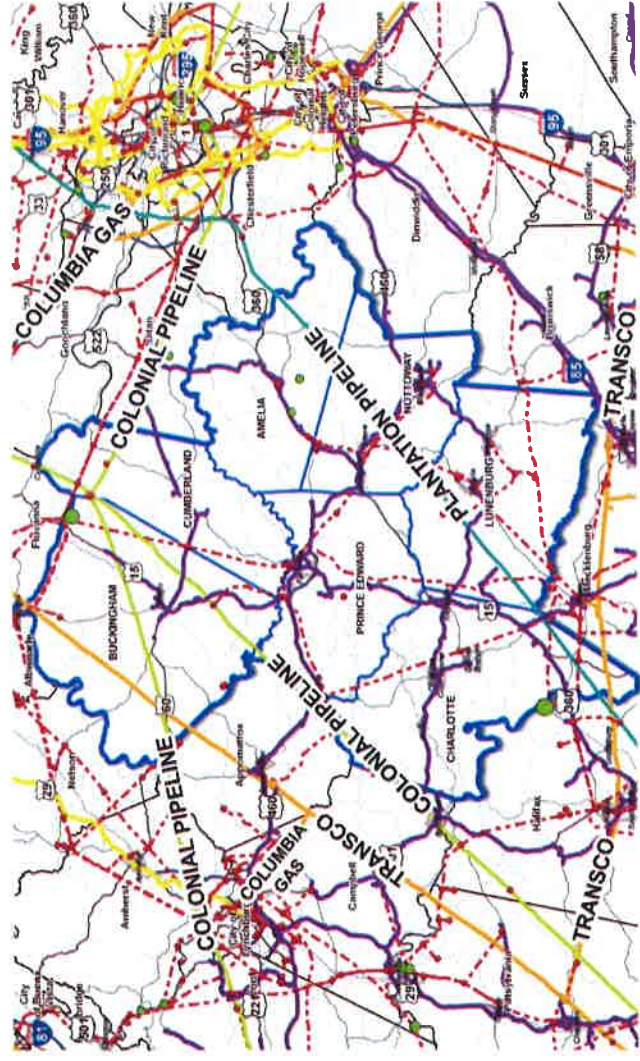
| CRC Major Road | 4 Lane or 2 Lane | VDOT 2019 Traffic Counts |
|-----------------------|------------------|--------------------------|
| US 15 | 2 Lane | 5,000 to 11,000 VPD |
| US 15 Bus (Farmville) | 4 Lane | 10,000 to 22,000 VPD |
| US 60 | 2 Lane | 2,300 to 7,300 VPD |
| VA 307 | 2 Lane | 5,600 to 6,500 VDP |
| US 360 | 4 Lane | 4,900 to 17,000 VPD |
| US 460 | 4 Lane | 7,100 to 14,000 VPD |

REGIONAL & LOCAL ASSETS

Electric Service Providers: The CRC currently is served by five (5) different electric service providers – Dominion Energy (Dominion), Appalachian Power (AEP), Central Virginia Electric Cooperative (CVEC), Mecklenburg Electric Cooperative (MEC) and Southside Electric Cooperative (SEC).

Energy Infrastructure – Transmission: The CRC has several major pipelines crossing through the region. These include the Transco Pipeline, Colonial Pipeline and Plantation Pipeline. In addition, there are several electrical transmission lines that cross the CRC to provide power to various population centers across Virginia. These high-voltage transmission lines are also attractive to the solar energy sector and may be targeted areas for utility-scale solar facilities.

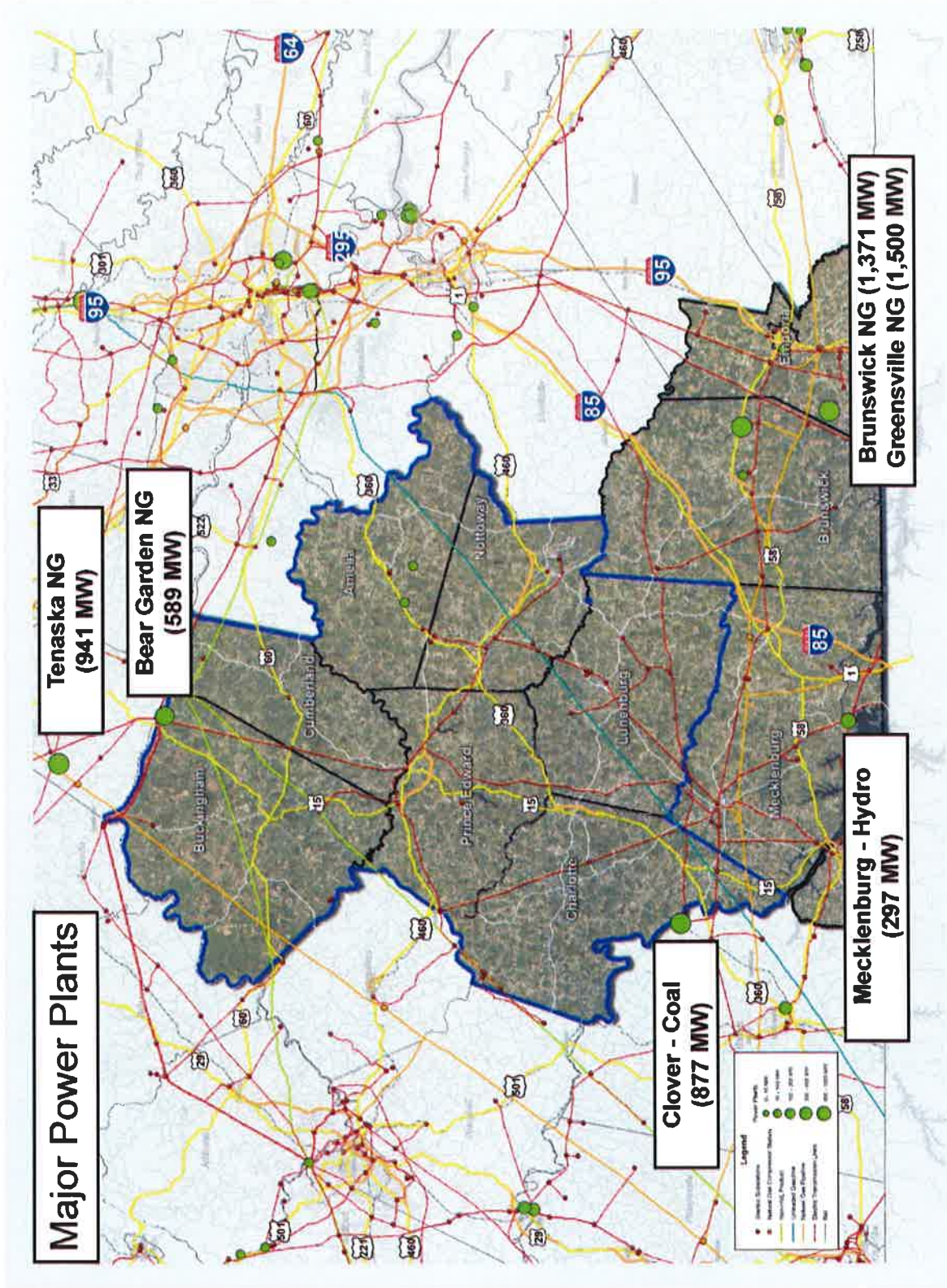
| CRC Electrical Service Territories (in Square Miles) | | | | | | | |
|------------------------------------------------------|--------------|--------------|-------------|--------------|--------------|---------------|--|
| | AEP | CVEC | MEC | SEC | Dom | Total (Sq Mi) | |
| Amelia | 0 | 0 | 0 | 300 | 59 | 358 | |
| Buckingham | 0.37 | 408 | 0 | 4.94 | 170 | 583 | |
| Charlotte | 0 | 0 | 77 | 283 | 117 | 477 | |
| Lunenburg | 0 | 0 | 45 | 337 | 50 | 433 | |
| Prince Edward | 0 | 9.49 | 0 | 221 | 123 | 354 | |
| Cumberland | 0 | 91 | 0 | 93 | 116 | 300 | |
| Nottoway | 0 | 0 | 0 | 273 | 38 | 316 | |
| Total | 0 | 417 | 122 | 1,146 | 519 | 2,205 | |
| % Total | 0.02% | 18.9% | 5.5% | 52.0% | 23.6% | 100.0% | |



Energy Infrastructure - Power Generation: The CRC only has three (3) power plants located within the region, however, several more that are located within close proximity or in adjacent counties. The power plants located in the CRC include the Bear Garden Natural

Gas Fired Plant (589 MW Capacity) owned by Dominion located in Buckingham, the Amelia Landfill Gas Plant (14.4 MW Capacity) owned by the Industrial Power Generating Company, LLC located in Amelia and the Ponton Diesel Generation Facility (4.0 MW Capacity) owned by Old Dominion Electric Cooperation located in Amelia County.

Please note three major power plants located in nearby localities are either closed or will be closed by 2025 (see chart on the following page)



REGIONAL & LOCAL ASSETS

| Major Power Generation Facilities in and around CRC Region | | | | | |
|------------------------------------------------------------|-------------------------------------------|-----------------------------------------|------------------------------------|----------------|------------------------|
| Plant | Plant Name | Utility Name | Plant Type | Total (MW) | County |
| A | Amelia | Industrial Power Generating Company LLC | Landfill Gas | 14.4 | Amelia |
| B | Ponton Diesel Generating Facility | Old Dominion Electric Coop | Petroleum Liquids | 4 | Amelia |
| C | Brunswick Landfill Gas | Industrial Power Generating Company LLC | Landfill Gas | 10.5 | Brunswick |
| D | Brunswick County Power Station | Dominion Energy | NG Fired Combined Cycle | 1,371 | Brunswick |
| E | Bear Garden | Dominion Energy | NG Fired Combined Cycle | 589 | Buckingham |
| F | Boydton Plank Road Cogen Plant | Dinwiddie Power Inc | Petroleum Liquids | 10.2 | Dinwiddie |
| G | Bremo Bluff (Plant closed) | Dominion Energy | NG-steam Turbine | 227 | Fluvanna |
| H | Tenaska Va Generating Sta | Tenaska Virginia Partners LP | NG Fired Combined Cycle | 941 | Fluvanna |
| I | Emporia | Emporia Hydro Power LP | Conventional Hydroelectric | 2.5 | Greensville |
| J | Greensville Power Station | Dominion Energy | NG Fired Combined Cycle | 1,500 | Greensville |
| K | Halifax | Banister Hydro LP | Conventional Hydroelectric | 1.6 | Halifax |
| L | Halifax County Biomass | South Boston Energy LLC | Wood/Wood Waste Biomass | 44.3 | Halifax |
| M | Clover (Anticipated to be closed by 2025) | Dominion Energy | Conventional Steam Coal | 877 | Halifax |
| N | Mecklenburg Power Station (Plant closed) | Dominion Energy | Conventional Steam Coal | 138 | Mecklenburg |
| O | John H Kerr | USCE-Wilmington District | Conventional Hydroelectric | 297 | Mecklenburg |
| P | Scott Solar Farm | Dominion Energy | Solar Photovoltaic | 6.8 | Powhatan |
| Q | Brasfield | Appomattox River Associates LP | Conventional Hydroelectric | 2.9 | Chesterfield |

Wastewater Infrastructure: The CRC currently has eight (8) municipal wastewater systems within the region that exceed 100,000 GPD wastewater permitted design flow (see chart)

Water Infrastructure: The CRC currently has several significant municipal water systems within the region. In addition, Prince Edward County owns the Sandy River Reservoir (see chart)

| Municipal Water Systems | | | |
|---------------------------|------------------------|-----------------------------------------|-------------------------------------------------|
| System | Surface or Groundwater | Water Source | Capacity |
| Buckingham County | Surface | Troublesome Creek Reservoir | 852,000 GPD ADF & 1.275 MGD Max |
| Farmville (Prince Edward) | Surface | Appomattox River | Grandfathered DEQ Permit (3.0 MGD WTP Capacity) |
| Keyville (Charlotte) | Surface | Keyville Reservoir | 1.0 MGD ADF |
| Drakes Branch (Charlotte) | Groundwater | N/A | Not Available |
| Charlotte CH (Charlotte) | Groundwater | N/A | Not Available |
| Phenix (Charlotte) | Groundwater | N/A | Not Available |
| Victoria (Lunenburg) | Surface | Modest Creek Lake & Nottoway Falls Lake | Not Available |
| Kenbridge (Lunenburg) | Surface | N/A | Not Available |
| Amelia County | Groundwater | N/A | 547,000 GPD |
| Blackstone (Nottoway) | Surface | Nottoway Reservoir | 3.2 MGD |
| Crewe (Nottoway) | Surface | Crystal Lake | 1.0 MGD |

Source: Virginia Department of Health (VDH) Waterworks Database

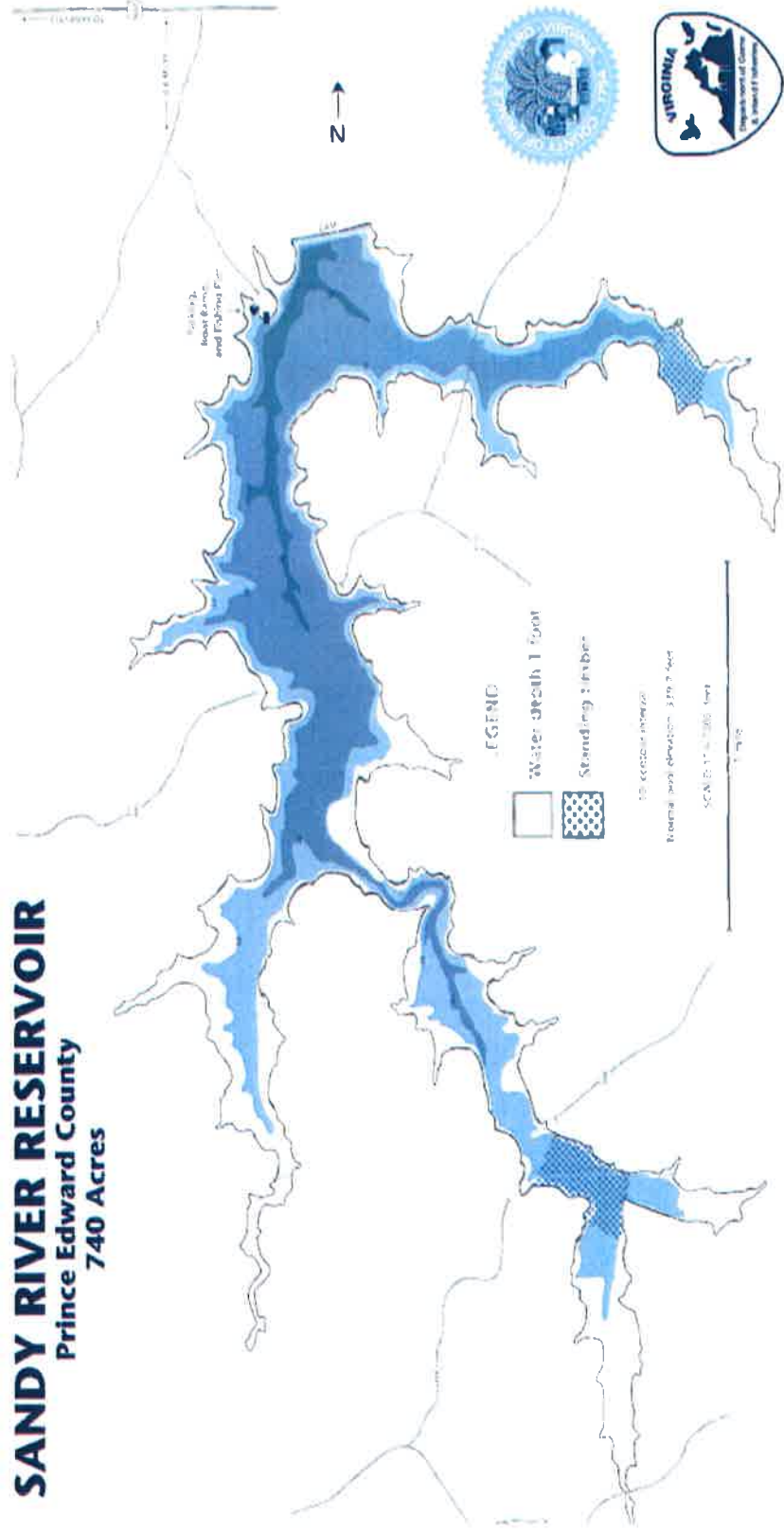
| Municipal Wastewater Systems | |
|------------------------------|----------------------------|
| System | Permitted WWTP Design Flow |
| Buckingham County | 200,000 GPD |
| Farmville (Prince Edward) | 2.4 MGD |
| Keyville (Charlotte) | 500,000 GPD |
| Victoria (Lunenburg) | 200,000 GPD & 400,000 GPD |
| Kenbridge (Lunenburg) | 600,000 GPD |
| Amelia County | 999,000 GPD |
| Blackstone (Nottoway) | 2.0 MGD |
| Crewe (Nottoway) | 500,000 GPD |

Source: VDH Waterworks Database

Sandy River Reservoir: Prince Edward County currently owns the 740-acre Sandy River Reservoir located just east of Farmville, VA in Prince Edward County. The reservoir discharges into the Sandy River that ultimately runs into the Appomattox River approximately four miles downstream from the dam. The County currently holds a DEQ withdrawal permit for the reservoir which represents the largest water withdrawal in the CRC Region. Permit basics are below:

- Permit Issuance - September 6, 2006
- Permit Expiration - September 7, 2021 (less than 3 years from the date of this report)
- Withdrawal Limits
 - 1.36 billion gallons annually
 - 3.73 MGD Avg Daily Flow
 - 6.3 MGD Max Daily Flow

While this permit expires in 2021, if used, the reservoir has the potential to be a significant water source for a major industry.



4 - REGIONAL CONDITIONS

The task of developing a regional economic development policy for the Commonwealth Regional Council begins with looking at where the Heartland region stands today.

The Commonwealth Regional Council (CRC), also known as the “Heartland of Virginia”, encompasses seven counties: Amelia, Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway and Prince Edward. Historically, much of this region consisted of farmland with agriculture serving as a major economic contributor. While still promoting their agricultural roots, counties in the region also possess educational institutions, health care systems, a military installation, tourism, heritage sites, and parks. A demographic analysis of counties within the CRC region asks the following questions:

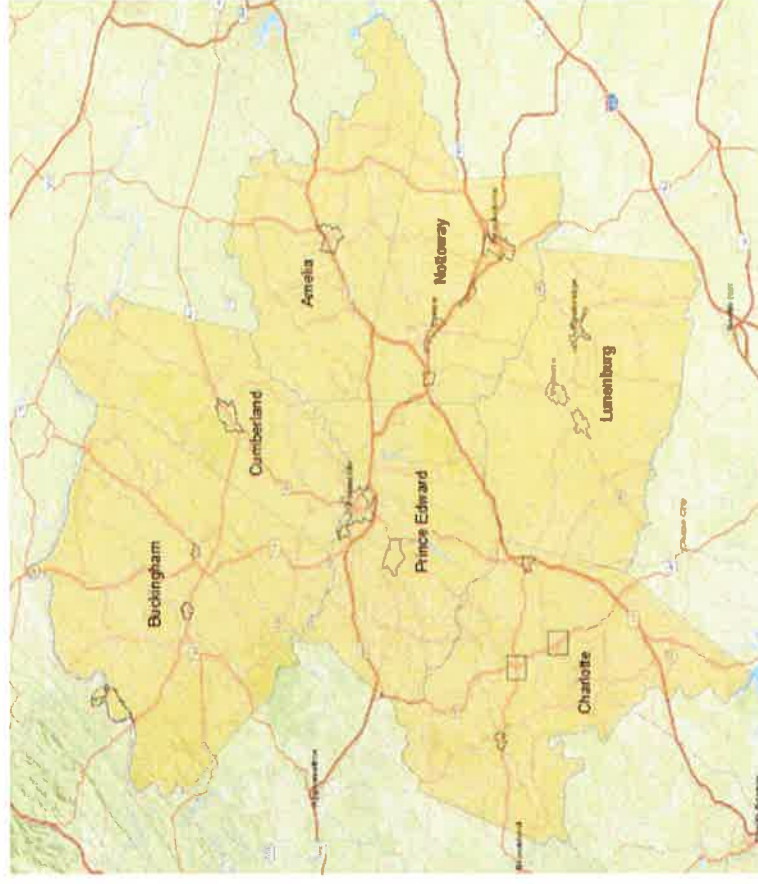
People

1. Who lives here?
2. How educated are they?
3. What is their spending power?

Jobs

1. How many jobs are available in the region?
2. Who makes up the workforce?
3. Where are they working?
4. What are they doing?
5. What are the regional Economic Clusters?

The answers to these questions, substantiated by stakeholder input, resulted in a qualitative and quantitative analysis of existing **Strengths, Weaknesses, Opportunities, and Threats (SWOT)** facing the CRC Region. The analysis allows the CRC to determine goals and strategies to mitigate or enhance Regional Conditions creating a positive economic future for Virginia’s Heartland.



PEOPLE

WHO LIVES HERE?

While the Heartland region, as a whole, grew over the last 26 years, the last 6 years have seen flat to negative growth. Over the last 16 years, the region has seen a shift in population; losing early and mid-career families and gaining older workers, retirees and college age students.

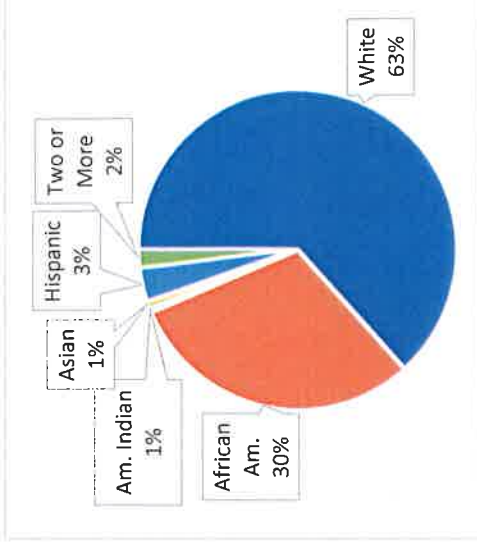
Charlotte, Lunenburg, and Cumberland Counties experienced significant population decline from 2010 to 2016, while counties closer to larger metropolitan areas or employment centers experienced population increases.

Within counties of the Commonwealth Regional Council, the largest age groups represented are 20 to 24 years and 15 to 19 years. In 2016, residents 20 to 24 years account for 9.7 percent males and 9.5 percent females in the CRC region. Comparably, the 15 to 19 age group represents 8.9 percent males and 7 percent females. The presence of these age groups can be attributed to the region's education institutions, including Longwood University and Hampden-Sydney College.

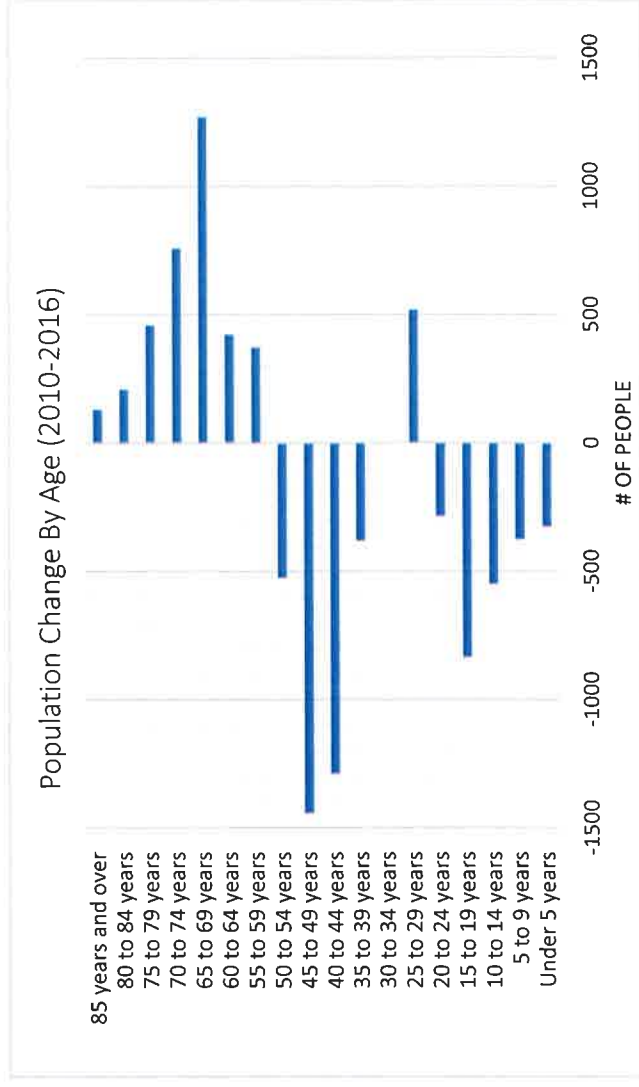
From 2000 to 2016, the region witnessed shifts in population of certain age ranges. The greatest positive shifts occurred within the college and late-career age groups. By 2016, the college-age population remained the largest cohort, but the mid-career population peak has shifted forward to late career populations. Longwood's enrollment in the same time increased from 3,961 to 4,885, but Hampden-Sydney's remained relatively stable around 1,000, according to data from the State Council of Higher Education for Virginia. The largest declines in population are visible primarily in children and early to mid-career age groups.

Much of the region's 18 to 24-year-old population—11,091 people in 2016—is associated with Longwood University or the smaller Hampden-Sydney College. Approximately 5,778 individuals 18 to 24 are enrolled in college or graduate school, suggesting that more than 52 percent of that age group live in the region on a potentially temporary basis.

| County | Population Percent Change | | | |
|----------------|---------------------------|-----------|--------------|--------------|
| | '90-'00 | '00-'10 | '10-'16 | '90-'16 |
| Amelia | 22.9% | 8.9% | 2.2% | 31.3% |
| Buckingham | 17.6% | 7.4% | 0.9% | 24.4% |
| Charlotte | 6.3% | 1.4% | -3.4% | 4.4% |
| Cumberland | 15.2% | 11.5% | -2% | 24.7% |
| Lunenburg | 13.1% | -1.4% | -4.2% | 8.3% |
| Nottoway | 4.9% | 1% | 1.6% | 7.5% |
| Prince Edward | 12.2% | 13.2% | 1.5% | 24.9% |
| Average | 13.2% | 6% | -3.4% | 17.9% |



Source: U.S. Census data, Table B01003 2016 and 2010, Table P001 2000 Forstall, R. L. (1996). "Population of States and Counties of the United States: 1790 to 1990". U.S. Dept of Commerce, Bureau of the Census



Source: Virginia Employment Commission (2010).

PEOPLE

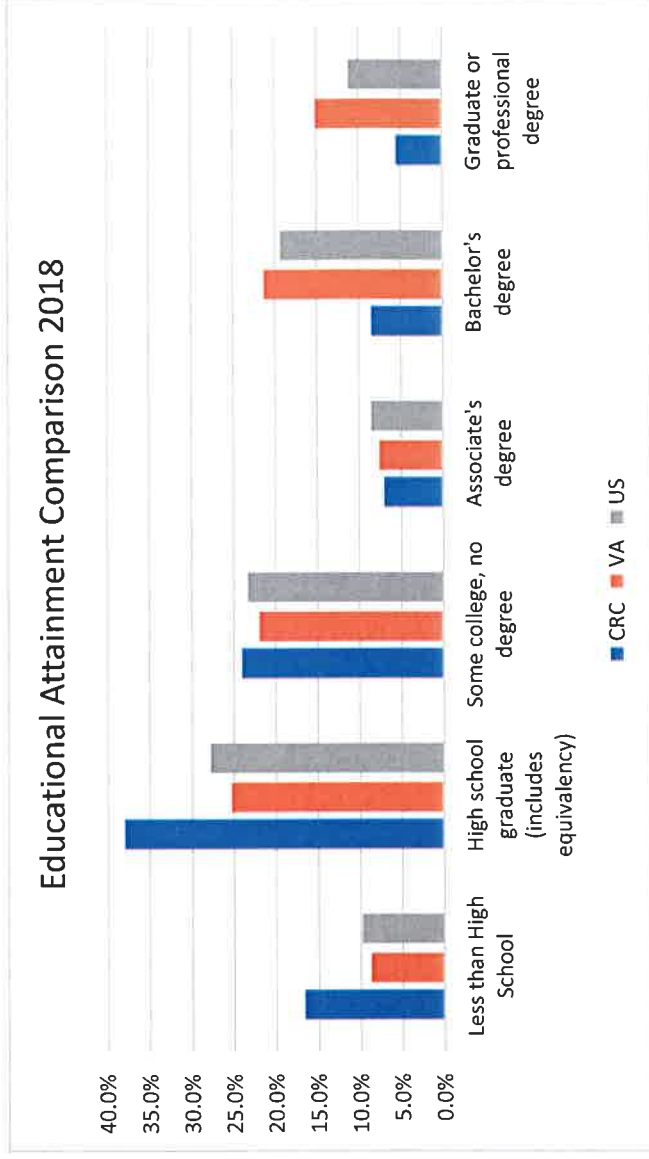
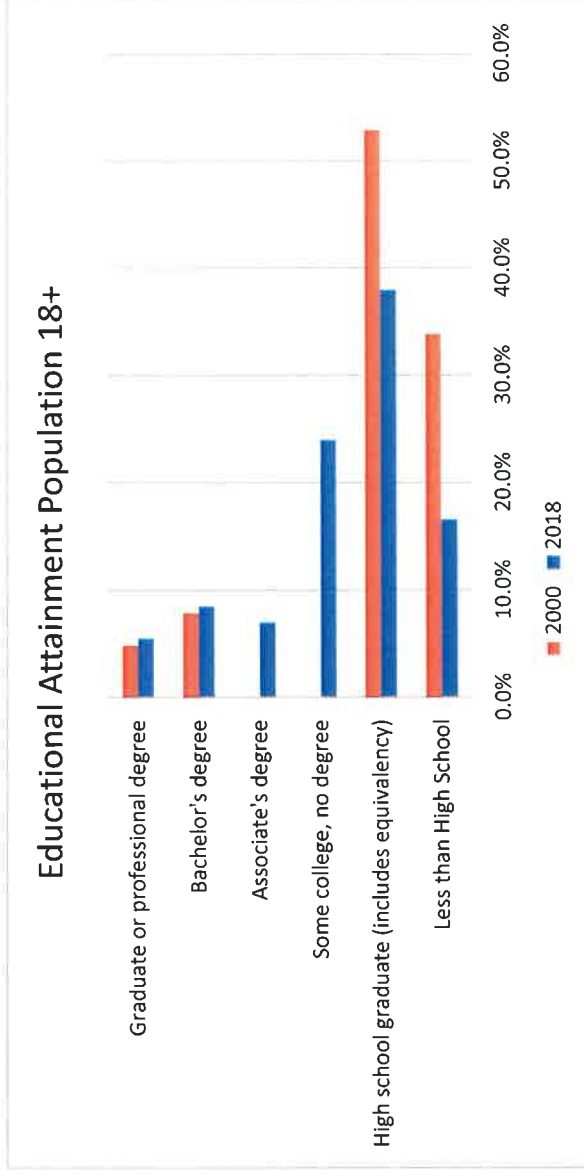
HOW EDUCATED ARE THEY?

In general, educational attainment is a vulnerability within the region. While this can be partly attributed to “brain drain” – college graduates leaving the region for metropolitan areas – internal weaknesses also play a factor.

When assessing educational attainment levels for the CRC area, residents within the CRC achieved lower levels of education compared to Virginia and the United States averages in 2016. Thirty-eight percent (38%) of adult residents completed their educational attainment with a high school diploma, GED or equivalent. The next largest group of residents did not earn a high school diploma. The 20.4 percent of residents without a high school diploma is larger than the statewide average of 11.4 percent.

Statewide, 21.2 percent of residents earned a Bachelor’s degree; in the CRC region, that group is smaller with 9.3 percent of adult residents. There is also a lower percentage of residents who earned Master’s degrees in the CRC area (4.2 percent) compared to Virginia (11.5 percent). Lower educational attainment poses an obstacle for business attraction, as workforce readiness is among the most important location factors.

However, educational attainment in the region has improved since 2000. The percentage of the population that had not obtained a high school degree fell from 35 percent in 2000 to 20 percent in 2016 – a significant improvement. Indeed, all categories of educational attainment at or above the high school diploma level have increased since 2000.



Source: U.S. Census data, B29002 County, State, and United States (2018)

PEOPLE

WHAT IS THEIR SPENDING POWER?

While the region has seen modest increases in household income over the last 16 years, levels are still below state and national averages and poverty rates are consistently higher than the rest of the state. Lower income levels correlate to lower educational attainment and the region's challenge to attract and retain early and mid-career workers.

Overall, the Heartland region saw an increase in unadjusted household income levels from 2000 to 2016 with the percentage of residents earning less than \$10,000 annually decreasing significantly in 2010 to 9.9 percent and 9.4 percent in 2016.

During the same time period, the region also experienced an increase in the share of households earning higher unadjusted incomes; households earning \$75,000 to \$99,999 annually increased from 5.8 percent in 2000 to 11 percent in 2016.

Median household incomes adjusted for inflation, however, have demonstrated mixed growth. Buckingham County experienced a 14 percent increase in median income from 2010 to 2016, with Nottoway seeing only a 1 percent increase. Charlotte County saw its median income fall by 12 percent and Cumberland by 4 percent. Amelia and Prince Edward counties saw moderate growth in median income of six (6) percent. Lunenburg's median income fell by three (3) percent.

Poverty and unemployment trends for the region demonstrate key differences among various counties. From 2000 to 2016, many counties, such as Charlotte, and Cumberland experienced high percentages of residents living below the poverty level compared to Virginia and the United States. Lunenburg and Nottoway counties also show a high percent of residents living below poverty level; however, growth in poverty between 2010 and 2016 was minimal.

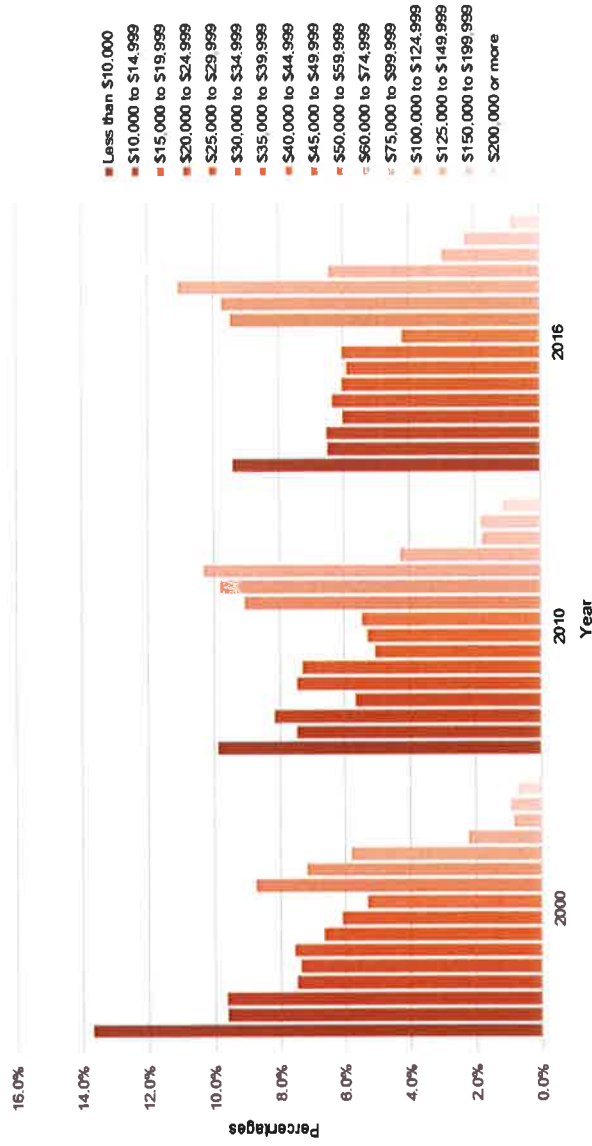
| Median Household Income (Adjusted for Inflation) | | | |
|--------------------------------------------------|-------------------------|----------|----------------|
| Place | 2010 MHI (2016 dollars) | 2016 MHI | Percent change |
| Amelia | 55,149 | 58,269 | 6% |
| Buckingham | 38,192 | 43,514 | 14% |
| Charlotte | 38,369 | 33,837 | -12% |
| Cumberland | 39,141 | 37,489 | -4% |
| Lunenburg | 41,166 | 39,911 | -3% |
| Nottoway | 36,381 | 36,849 | 1% |
| Prince Edward | 39,810 | 42,283 | 6% |
| Virginia | 67,547 | 66,149 | -2% |
| United States | 57,105 | 55,322 | -3% |

Source: U.S. Census Bureau

| Poverty Rate Trends by County | | | | |
|-------------------------------|-------|-------|-------|--|
| Place | 2000 | 2010 | 2016 | |
| Amelia County | 8.4% | 10% | 11.6% | |
| Buckingham County | 20% | 19% | 17.6% | |
| Charlotte County | 18.1% | 15.8% | 24.7% | |
| Cumberland | 15.1% | 15.5% | 21.8% | |
| Lunenburg County | 20.0% | 16.3% | 20.6% | |
| Nottoway | 20.1% | 20.3% | 21.5% | |
| Prince Edward County | 18.9% | 19.7% | 18% | |
| Virginia | 9.6% | 10.7% | 11.4% | |
| United States | 12.4% | 14.4% | 15.1% | |

Source: U.S. Census data, B17001 County, State, and United States (2000, 2010, 2016)

Commonwealth Regional Council Household Income Trends



JOBS

WHO MAKES UP THE REGION'S WORKFORCE?

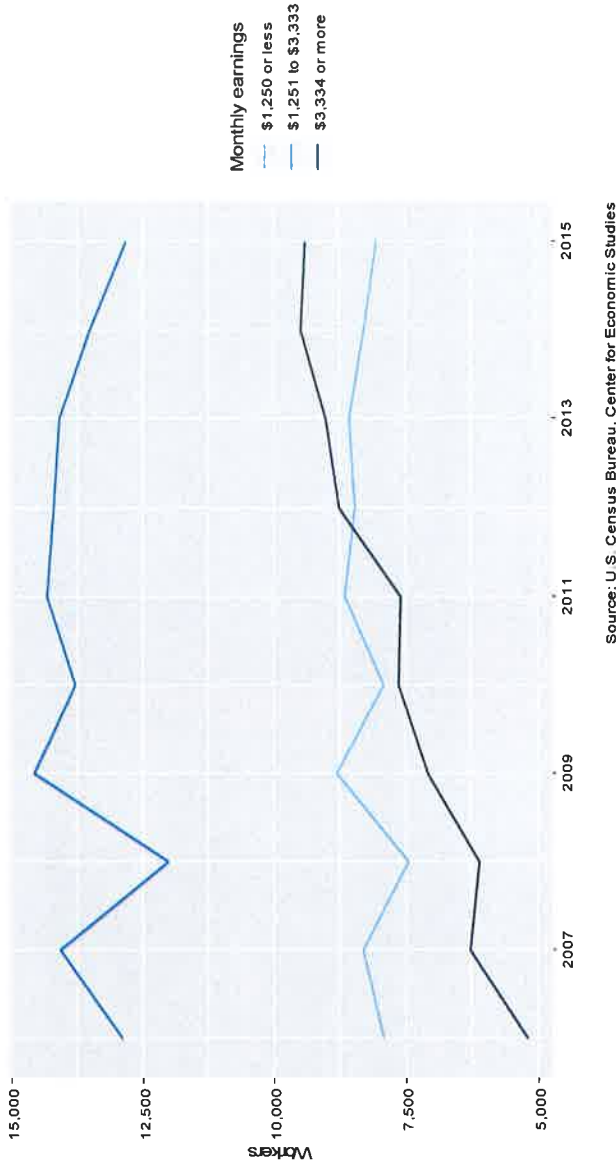
Workforce composition correlates to the CRC's demographic profile. Lower participation rates point to a higher number of retired and student populations living within the region. While the largest labor force in terms of numbers are workers 30-54, the most active, growing labor force in the CRC region is late-career workers over the age 55.

The Heartland region's workforce – workers 16 years and over who live in the seven-county area – numbered 30,238 in 2015, an increase of 16 percent over 2006. Although the majority of the region's workforce is aged between 30 and 54 years, workers 55 and older have shown the strongest growth of any age group, increasing by 47 percent.

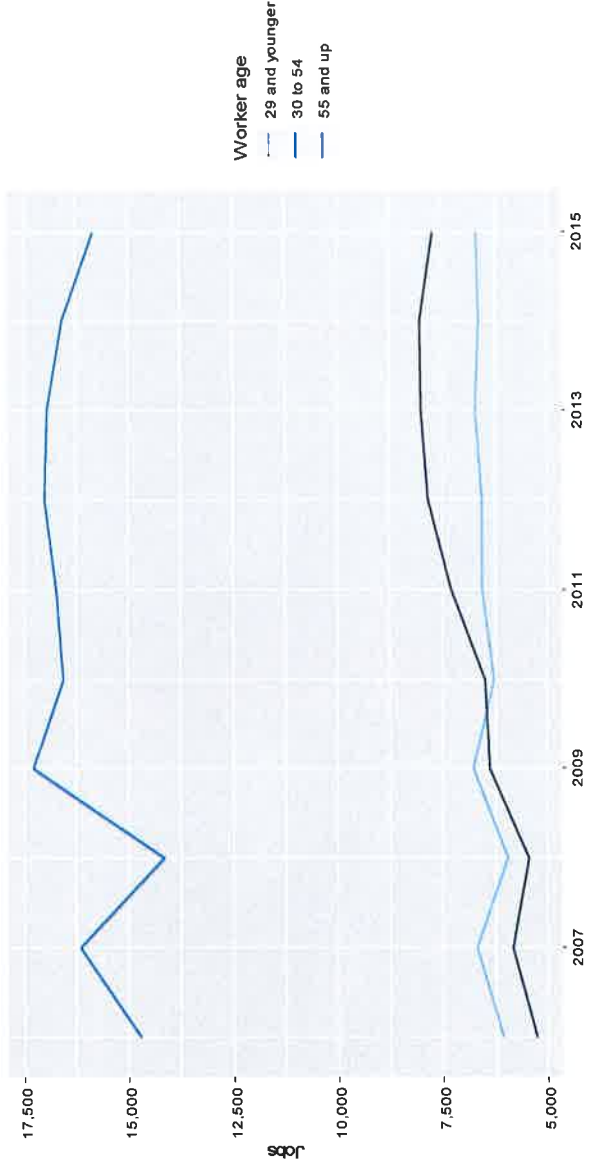
Workers by monthly earnings exhibit a similar trend, with slow or flat growth among low to moderate income workers and strong growth among workers earning more than \$3,333 per month. Growth in higher income workers may reflect the growing population of late-career workers 55 and older.

Labor force participation rates in the region lags behind nearby metropolitan areas. Labor force participation rates describe how many people in an area are working or actively seeking to work as a percentage of the population. A lower participation rate indicates a larger number of non-institutionalized people 16 and older not actively looking for work. These individuals may include retirees, the long-term unemployed, students, people with mental and physical health conditions, and, according to some studies, an increasing number of opioid pain medication users.

Amelia County (which is part of the Richmond MSA) had the highest 2016 participation rate in the CRC area with 60.2 percent. Charlotte and Buckingham counties followed with 54.4 and 52.1 percent. Prince Edward's colleges (Longwood and Hampden-Sydney) and their associated student populations explain the county's 49.5 percent labor force participation rate. However, Lunenburg County's rate of 46.9 percent must be attributable to factors other than student populations.



Source: U.S. Census Bureau, Center for Economic Studies



Source: U.S. Census Bureau, Center for Economic Studies

JOBS

WHERE DO THEY WORK?

Heartland residents primarily travel outside the region to work, often to one of the three neighboring metropolitan areas. Those who work within the region are likely to work in Farmville.

Heartland region workers are traveling farther to get to work. Growth in workers between 2006 and 2015 has primarily been in those traveling 25 to 50 miles or more. Workers traveling more than 50 miles have increased more than any other group, growing from the smallest segment of workers to the largest. Declines in short-distance workers occurred through the late 2000s recession, but growth in long-distance workers appears to have been trending upward prior to the economic crisis.

The growth in older workers, those earning above \$3,333, and those traveling longer distances to work suggests a net influx of older, late career workers who do not work within the area.

The region had a net outflow of workers, with more than 40,000 workers and about 26,000 jobs in 2015. Of the 40,000 workers who lived in the CRC region, just over one-third also worked in the region. Those workers covered around 54 percent of the region's jobs. Another 9,700 workers from outside the area filled the remaining 46 percent. Two-thirds of the region's workers—close to 25,000—commuted outside the area.

The primary destination for workers within the region in 2015 was Prince Edward County, with over 4,000 workers or almost 15 percent of all workers. Most of those workers—64 percent—work in Farmville. Nottoway County is the second largest work destination for residents of the region with just over eight (8) percent of workers traveling outside the CRC region to that county. Several of the top work destinations are within the Richmond MSA, including Richmond and Chesterfield, Henrico, and Amelia counties.

Top job destinations for workers in region

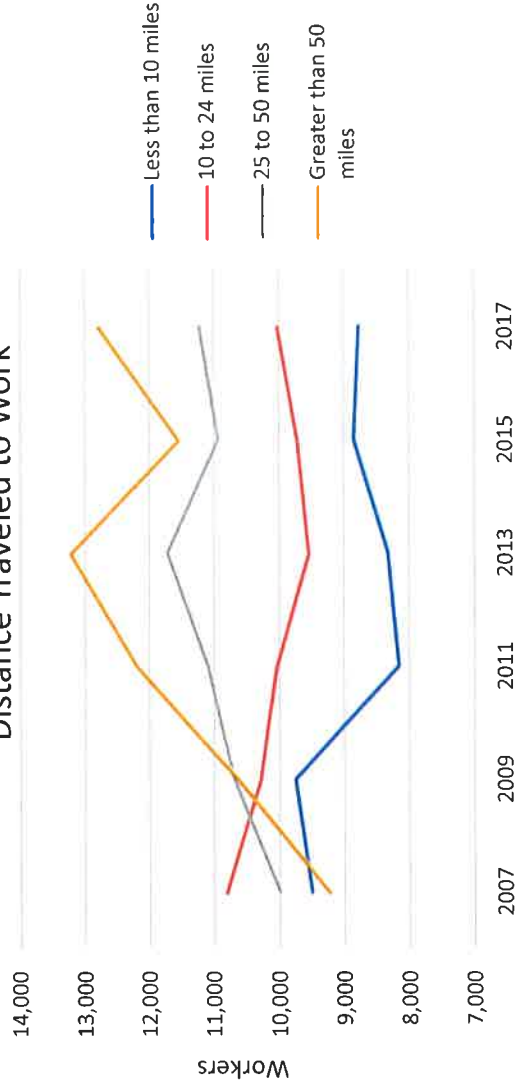
| Counties | Num ber | % | Places | Num ber | % |
|----------------------|---------|--------|-----------------------|---------|-------|
| Prince Edward County | 5,353 | 13.2 % | Farmville | 3,863 | 9.5 % |
| Nottoway County | 3,546 | 8.7 % | Richmond city | 2,159 | 5.3 % |
| Chesterfield County | 3,192 | 7.9 % | Lynchburg city | 1,062 | 2.6 % |
| Henrico County | 2,177 | 5.4 % | Blackstone | 769 | 1.9 % |
| Richmond City | 2,159 | 5.3 % | Kenbridge | 723 | 1.8 % |
| Buckingham County | 1,948 | 4.8 % | Amelia Court House | 722 | 1.8 % |
| Charlotte County | 1,705 | 4.2 % | Charlottesville city | 683 | 1.7 % |
| Lunenburg County | 1,457 | 3.6 % | South Hill | 490 | 1.2 % |
| Amelia County | 1,403 | 3.5 % | Nottoway Court House | 474 | 1.2 % |
| Albemarle County | 1,112 | 2.7 % | Charlotte Court House | 422 | 1.0 % |

Source: U.S. Census Bureau, Center for Economic Studies

| Status | Workers |
|-------------------------------------------|---------|
| Employed in region | 26,212 |
| Living in region | 40,564 |
| Living and employed in region | 16,421 |
| Living in region, employed outside region | 24,143 |
| Living outside region, employed in region | 9,791 |

Source: U.S. Census Bureau, Center for Economic Studies

Distance Traveled to Work



JOBS

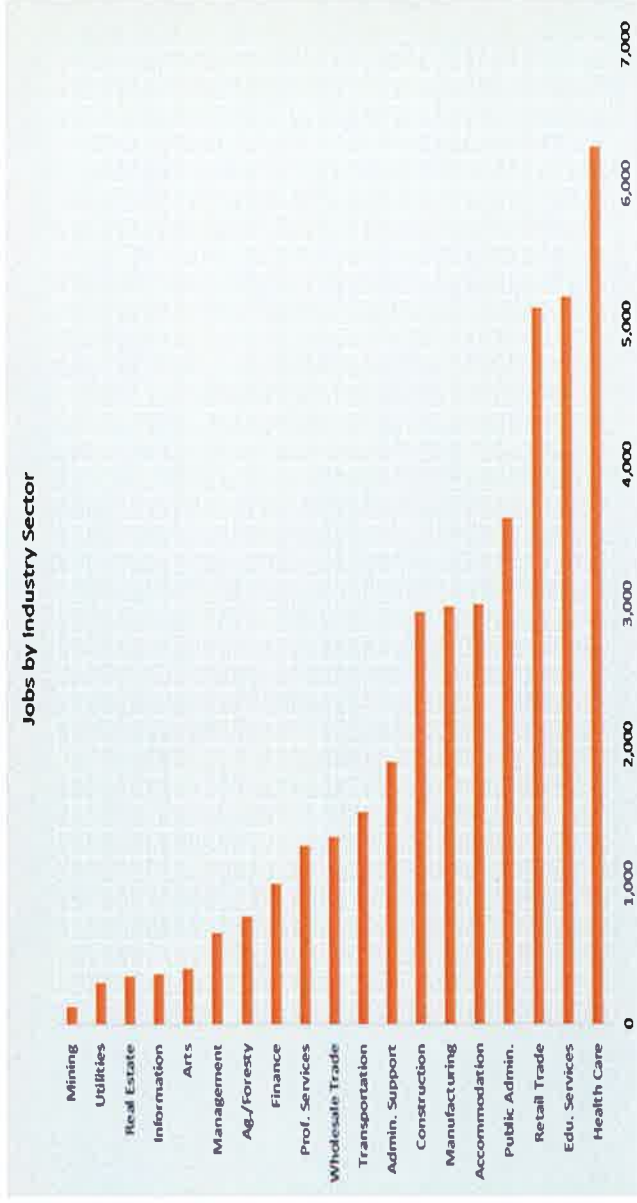
WHAT ARE THEY DOING?

The Heartland region has several strong local industries – agriculture, silviculture, healthcare and higher education. These resources provide the area some insulation from global economic changes, but they also reflect a region that has endured contraction in major private employers in manufacturing, textiles, and tobacco.

Health care was the region's largest sector in 2015, totaling more than 6,000 jobs. Second, were educational services. The region's two major educational institutions – Longwood University and Hampden Sydney College – in Prince Edward County play a significant role as area employers. Retail trade and public administration followed with more than 2,000 jobs each. Manufacturing, accommodation services, and construction also have a strong presence in the region with more than 1,000 jobs each. Smaller sectors with fewer than 200 jobs include management, information, real estate, mining, and utilities.

Agriculture and farm employment—an important sector within the Commonwealth and the CRC region — is often not well-counted (or counted at all) in economic data. When it is well counted, it is often at the metropolitan or regional level. The CRC is composed of a mix of metro and non-metropolitan counties, making data collection and analysis for the region difficult.

The USDA's 2012 Census of Agriculture offers insight into the profile of each county. Amelia County boasted the highest market value of its agricultural commodities, with almost \$100 million. Approximately 87 percent of those sales were livestock. Amelia's top commodity by value of sales was poultry and eggs — the same top commodity as Buckingham, Cumberland, Nottoway, and Prince Edward counties. Charlotte and Lunenburg counties had greater sales in crops than in livestock, contrary to the other counties. In Charlotte, the top commodity was grains, oilseeds, dry beans, and dry peas. Lunenburg's top commodity — tobacco — is a reminder that Virginia's long agricultural history continues to serve as an important resource that can be built upon as new, related markets emerge.



| Place | Number of farms | Average size (acres) | Market value of products sold | % Crop sales | % Livestock sales | Top commodity by value of sales |
|-------------------|-----------------|----------------------|-------------------------------|--------------|-------------------|-------------------------------------------|
| Amelia County | 407 | 217 | \$99,832,000 | 13 | 87 | Poultry and eggs |
| Buckingham County | 391 | 215 | \$39,881,000 | 16 | 84 | Poultry and eggs |
| Charlotte County | 518 | 288 | \$21,678,000 | 51 | 49 | Grains, oilseeds, dry beans, and dry peas |
| Cumberland County | 262 | 218 | \$44,870,000 | 9 | 91 | Poultry and eggs |
| Lunenburg County | 371 | 223 | \$18,493,000 | 73 | 27 | Tobacco |
| Nottoway County | 356 | 173 | \$48,693,000 | 13 | 87 | Poultry and eggs |
| Prince Edward | 413 | 191 | \$16,517,000 | 12 | 88 | Poultry and eggs |

Source: USDA 2012 Census of Agriculture

JOBS

REGIONAL ECONOMIC CLUSTERS

Although sectors describe common industries in terms of work activities and products, they can obscure related industries that exist in separate sectors. For example, the Agriculture and Forestry sector includes soil preparation, farm labor, and farm management, but fertilizer manufacturing—which exhibits a close relationship—is categorized in the Manufacturing sector. To better understand the region’s economic structure, looking at its industries organized as clusters offers insights.

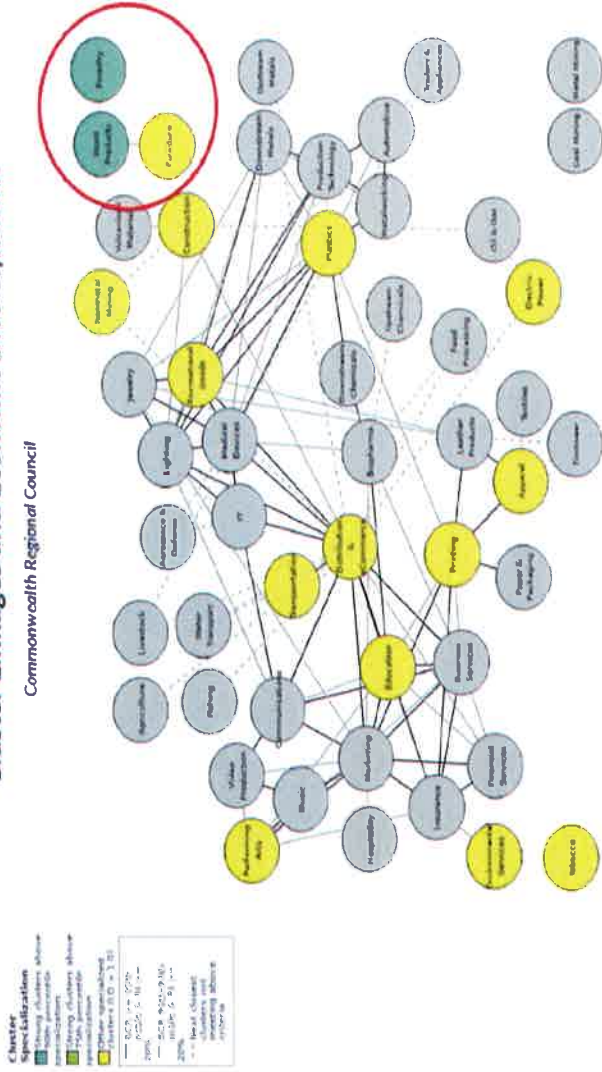
Clusters refer to regional concentrations of related industries, including companies, suppliers, training and educational institutions, government agencies, and service providers. A cluster includes not only shared work activities, but also inputs, outputs, labor needs, and training resources.

In the Heartland region, approximately 24 percent of employment stems from what are typically Traded Clusters. The remaining 76 percent of employment is located in Local Clusters. Within the region, two traded clusters are relatively specialized: Wood Products and Forestry. The two clusters are moderately related to each other, and Wood Products has a strong relationship to the Furniture cluster. These clusters are unique economic drivers in the region—groups of firms that provide a share of the region’s employment well above the national average. The region offers benefits to these firms in terms of their specialized needs in workforce, supply chain, and training.

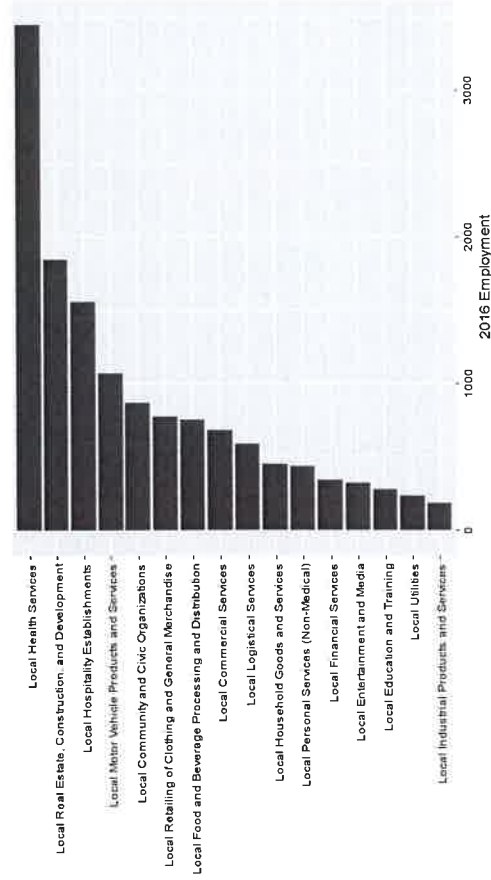
Local clusters represent roughly three-quarters of employment in the region. Local health services is the largest cluster — local or traded — in the region, with almost 3,500 jobs. Real estate and construction and hospitality follow with more than 1,500 jobs each. Together, the three clusters represent almost half of all local cluster employment.

Cluster Linkages and Economic Diversification

Commonwealth Regional Council



Source: U.S. Cluster Mapping Project



Source: U.S. Cluster Mapping Project

JOBS

Traded cluster performance — growth between 2006 and 2016 — indicates strong growth in several areas. Electric Power Generation and Transmission increased employment 600 percent from 10 to 70, due in part to a Buckingham County natural gas power station built in 2011. The region also saw strong percentage growth in Recreational Goods, Performing Arts, Livestock Processing, Food Processing, and Business Services.

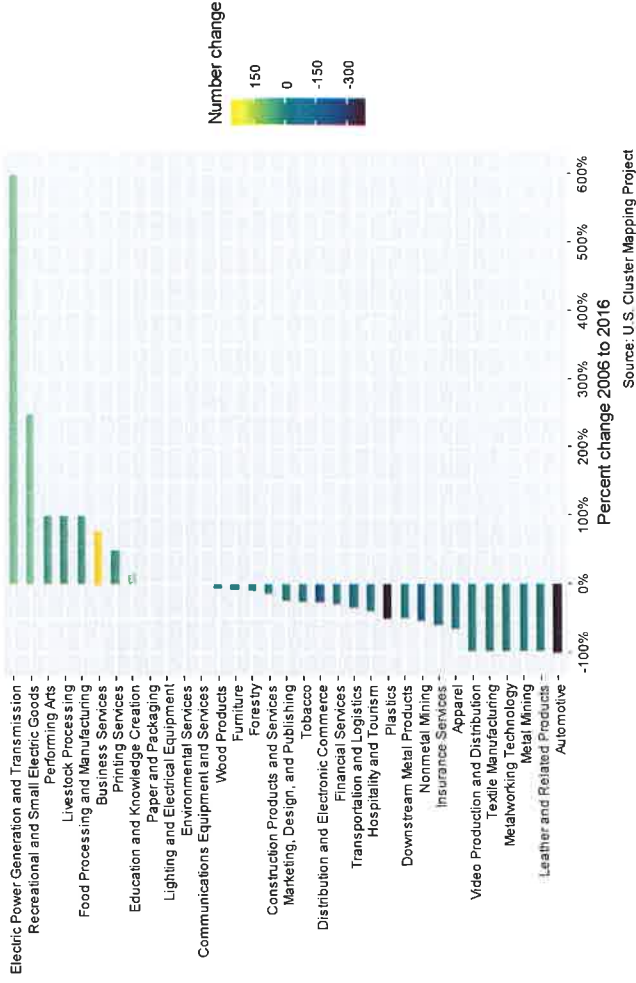
Business Services also represents the largest regional growth among traded clusters in total employment, with more than 200 new jobs. Education and Knowledge Creation and Electric Power Generation showed the next highest growth in jobs with close to 60 each.

The greatest percent contraction in employment between 2006 and 2016 occurred primarily in smaller clusters—Leather Products, Metal Mining, Metalworking Technology, Textile Manufacturing, and Video Production—with the exception of the Automotive cluster. The Automotive cluster saw a decline of close to 100 percent and a loss of 375 jobs. Traded clusters that experienced significant numeric contraction (over 100 jobs) include Automotive, Plastics, Distribution and eCommerce, and Nonmetal Mining.

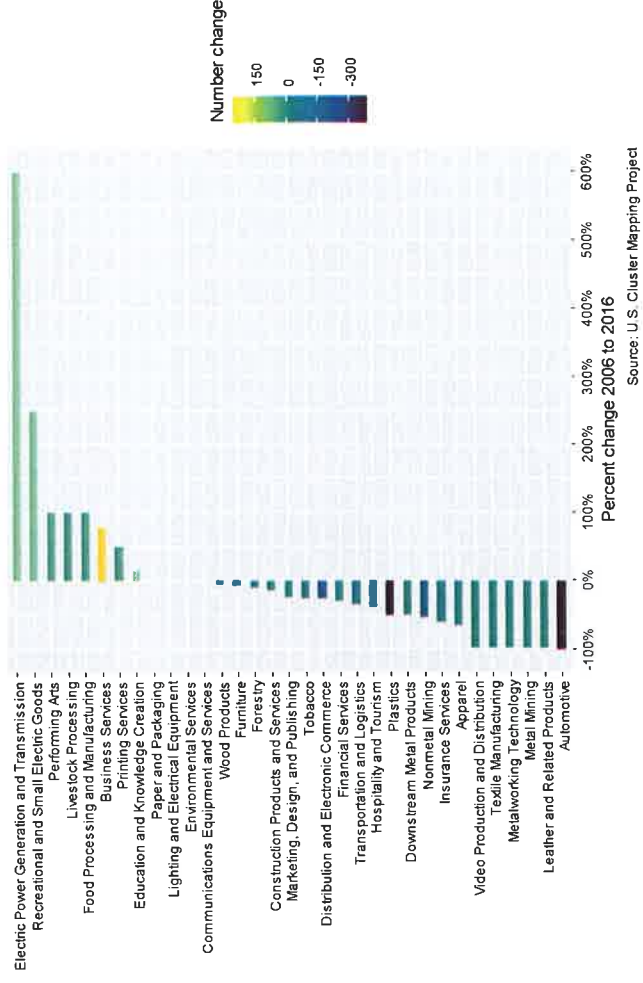
Among local clusters, Local Industrial Products demonstrated the strongest relative growth of 167 percent, or 119 jobs. The Community and Civic Organizations cluster grew by 36 percent, and the Health Services, Food and Beverage Processing, and Entertainment and Media clusters grew by close to 25 percent. The Health Services cluster's 27 percent growth translates into 731 jobs—the largest gain among local clusters by 500 jobs.

Local clusters that experienced significant contraction include Education and Training (46 percent), Household Goods (37 percent), Utilities (29 percent), Financial Services (28 percent), and Real Estate and Construction (27 percent).

Contraction in the Real Estate cluster resulted in a loss of more than 650 jobs. Commercial Services, Education, Household Goods, and Motor Vehicle Products all shrank by more than 200 jobs.



Source: U.S. Cluster Mapping Project



Source: U.S. Cluster Mapping Project

STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS

The CRC region possess a wide variety of attractive economic strengths that can be used to advance the region as well as weaknesses that could hold the region back. Knowing the area's strengths and weaknesses is critical to unlocking economic growth and sustainability.

The following section outlines the Strengths, Weaknesses, Opportunities, and Threats facing the Heartland region. Strengths are positive indicators present within the region. Weaknesses are deficiencies or problems that are also present within the region. Opportunities and Threats represent positive and negative outlooks that are outside of the region, either in time (future) or physically.

One of the Heartland's greatest strengths is its access to higher education. The region is home to several post-secondary institutions that offer a variety of professional and liberal arts options. Education is a fundamental aspect of the three goals outlined in this report, and a key to advancing individual workers and students as well as the region as a whole. Access to higher education and education attainment signal to businesses that the population of an area can support their operations, making it much more attractive as a destination.

The CRC is nestled between Charlottesville, Richmond, and Lynchburg, making it a favorable location for businesses searching for a low-cost alternative to locating inside a city. Parts of the CRC are included in the Metropolitan Statistical Areas (MSA) of these cities and could see the development of supportive businesses because of their proximity. Furthermore, the region sits between two growing regional economies, stemming from the Northeast and the Southeastern Piedmont regions, giving it long term potential as a bridge between the two.

Quality infrastructure is crucial to sustaining businesses. Supply lines and shipping rely on quality roads, railways, and waterways. Access to plentiful power, water, and internet is also important. The CRC has several of these attributes, and expansion will maximize its strategic location as a hub between major economic centers.

| INTERNAL | | EXTERNAL | |
|--------------------------------------------------|----------------------------------|------------------------------------------|-----------------------------------|
| HELPFUL | | HARMFUL | |
| STRENGTHS | | WEAKNESSES | |
| Fiber Network: Existing and Planned | Water Infrastructure/Sandy River | Last mile broadband access | Lack of skilled workforce |
| Transportation Infrastructure Connections | Higher Education Presence | Low educational attainment | Export-oriented economic activity |
| Location: Proximity to Larger MSA | Sense of Place | Poverty | Localized economic clusters |
| Rural Nature | Land Prices & Available Sites | Regional fragmentation | Inter-regional Transportation |
| | | Public Services | |
| OPPORTUNITIES | | THREATS | |
| The Port of Virginia Expansions and Improvements | Retiree Attractions | Public Spending: Federal and State Funds | Brain Drain |
| Agricultural Potential | Nearby Economic Clusters | | |

STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS

Lastly, established healthcare infrastructure is consistently cited as a key strength, providing local access to a critical service.

Common throughout Virginia is an agricultural heritage, of which the CRC region is no exception. Due to its rural nature, there is a large amount of low-cost land and vast natural resources. While this often appears to be a challenge, the benefit is two-fold: many industrial development sites are available for commercial sale at low prices, and recreation opportunities, such as hiking, hunting, fishing, and watersports are abundant for workers and families. The rural setting also features clean water, air, little congestion from traffic, and a state park that affords other recreational opportunities.

The CRC has a strong start in advancing economic and community development. While many of these economic strengths are necessary for growth, they are not sufficient without improvements and maintenance. The region needs to utilize these assets in a consistent message to re-brand itself in a unique way. These strengths will provide the foundation.

Despite numerous advantages, the CRC region does face some challenges to jumpstarting economic growth. Many communities around the country face similar problems, but the institutions, strategic location, and other existing aspects of the region will prove instrumental in resolving them.

Central to the lack of economic growth is poor access to technology throughout the CRC. Despite a strong fiber backbone, “last mile” broadband access that provides high-speed internet capabilities preclude high tech industries from entering the area. Quality broadband is critical to regional economic development. Accessing this innovation will open the door for technology firms and higher-paying STEM work in the future.

However, the workforce in the region doesn’t have the necessary skills to support these businesses, and the rates of adult educational attainment lag behind Virginia and the rest of the country as a whole. Luckily, the CRC is home to several higher

education institutions, including a specialized workforce development center. Leveraging these higher education institutions can realign the workforce to better suit the needs of the spreading tech industry.

The existing economic activity in the region is also not particularly strong or specialized in a lucrative industry. The region is primarily employed in local service-oriented sectors, which limits its growth potential. Additionally, the region has low levels of employment in export-oriented industries, and there is little economic consistency across the localities of the region. While many regions have unifying clusters or labor pool, the CRC lacks a regional employment identity. Two-thirds of the region’s residents commute outside of the region to work. However, this does highlight the strength of the area’s rural charm and attractiveness to residents, as well as low cost of living.

Lastly, the region faces higher poverty rates by county than average for Virginia. Public assistance has been stretched thin, making development priorities difficult to carry out. This also stresses the school system, a key player in workforce development. Similarly, there is a lack of day care and other supportive human services, damaging retention rates for young families.

Fortunately, many of these weaknesses can be mitigated by pursuing solutions outlined in this report’s three primary goals. By maximizing its strengths and resolving its weaknesses, the CRC will prove to be the right decision for future families, workers, and businesses from Virginia and around the country.

STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS

Strengths

Fiber network: Existing and planned fiber infrastructure—a backbone—place the region near a technological crossroads.

Water infrastructure/Sandy River Reservoir: The region’s water resources—including Prince Edward County’s withdrawal permit from Sandy River Reservoir—can be marketed to industries with significant water requirements.

Transportation infrastructure: The region’s roads and rail infrastructure offer businesses access to several Virginia markets.

Higher education: The region is home to several post-secondary institutions that cater to a variety of professionals and students.

Location: The CRC is proximate to three economic areas (Lynchburg, Charlottesville, and Richmond) with a variety of economic strengths. This proximity provides tremendous linkages opportunities for businesses that decide to relocate in the region.

Sense of place: The region features outdoor amenities such as the High Bridge Trail State Park that offer recreation opportunities. It’s also home to many small businesses that residents support.

Rural nature: The region features a lack of road congestion, a rural landscape, clean water, and clean air.

Land/available sites: Many sites are available for potential businesses or industries, and land prices remain low.

Weaknesses

Last mile broadband access: Despite the strong fiber backbone, work remains to connect the area’s homes and businesses to the fiber network.

Workforce: The skills of the region’s workforce are not aligned with the better-paying fast-growth jobs in tech or STEM.

Educational attainment: The adult population of the region has lower educational attainment than Virginia or the country overall. However, it is improving.

Export-oriented economic activity: The region’s percentage of employment in export-oriented sectors or clusters is relatively low. Much of the employment is in service-oriented sectors.

Poverty: The region’s poverty rates by county are higher than the Commonwealth, on average. Households experiencing poverty need greater public assistance. Much of that assistance may come from state or federal resources, but local governments and schools may also be stretched in both resources and opportunity costs.

Employment concentration: The region’s employment is more concentrated in local clusters than in nearby regions. This economic structure is limiting for the region’s growth potential.

Regional fragmentation: Despite the efforts to create a regional framework for cooperation, especially in the Go Virginia arena, there is little to tie the region’s counties together beyond spatial proximity. They do not share a common export or labor pool. The once-thriving industries such as tobacco or textiles that may have provided a regional identity have declined. Two-thirds of residents commute outside the region to work.

Inter-regional transportation: There are no major interstates or airports in the region, which makes attracting major exporters difficult.

Public services: Community members have pointed to a lack of after school care programs as an issue in retaining talented young families.

STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS

Opportunities

The Port of Virginia: The Virginia Port Authority is making significant investments in nearby regions (Richmond and Hampton Roads), and a proposed extension by Buckingham Branch Railroad could connect Virginia's ports to the Heartland Industrial Park in Charlotte County.

Retiree attractions: The growing older population aligns with healthcare services, and the area may have potential to attract additional retirees through its natural beauty and recreation.

Agricultural potential: The agricultural sector could be expanded if markets open to new crops. Land is inexpensive, the transportation infrastructure is good, and it's an existing sector with an existing workforce.

Nearby clusters: There are strong compatible clusters in neighboring regions, such as Furniture, Distribution & eCommerce, and Forestry. Those clusters offer potential linkages and supply chains to tap into.

Threats

Public spending: The economy is fueled in part by state and federal dollars through public agencies and pass-through funds. These funds are largely outside of the control of the region, and any changes or shifts in public spending could have major impacts on employment in the region.

Brain drain: More economically prosperous metropolitan areas with greater job opportunities are likely to attract the region's youth—particularly the most educated—away from the CRC region.

MOVING FORWARD

The stated goals found in this plan were developed to address the region's opportunities and strengths while overcoming its weaknesses and threats. A focus on workforce development through cooperation with industries, employers, higher education institutions, and others is one goal. Another is building regional cooperation to expand upon tourism and recreation, updating infrastructure, and expanding career opportunities. This could be supported by simplifying regulations to attract industries and businesses, making economic development more streamlined. Enhancing quality of life for existing and potential residents by bringing entertainment and activities for all age groups, was also identified as an important goal. Similarly, marketing the region is important to attracting new residents, especially younger generations. Using the resources already available like recreation and tourism to promote small town charm and quality of life. Finally, all of these goals should be a coordinated effort with clear benchmarks and performance measures.

5 - PERFORMANCE MEASURES

This 2019 Comprehensive Economic Development Study (CEDs) measures key community demographics and proposes a vision, goals, and strategies to improve economic conditions in Virginia's Heartland region. Many of the efforts associated with this plan are long-term initiatives that will require the efforts of interconnected governing bodies and community groups over 10 or more years. Proof of these efforts' success will be in concrete improvements in regional standards including jobs, wages, poverty, education, and other indicators that lead to local success and prosperity, each driving improvement in other areas of the region's quality of life.

Performance measures are identified herein to gauge CEDs implementation progress by monitoring changes in income, poverty, employment, and other factors. Performance measures should be aimed at achieving clearly identified outcomes. Outcomes are not what the program does but the consequences of the program. Performance measurement is about the results of CEDs strategies.

All performance measures should be **SMART**:

Specific

Establishing some lofty measurement that sounds good but is not specific is not going to help your program accomplish its goals. Performance measurements need to be as specific as possible so that people investing in economic development efforts know how those efforts are going to be measured.

Measurable

There's an old saying, "If you don't know where you're going, any road will get you there." A performance measurement is only useful if you can actually measure it, either by quantifying it with specific numbers or verifying through qualitative means that the goal has been accomplished.

Achievable

Make sure that your performance measures can actually be accomplished. Setting a goal that is impossible to achieve will only cause frustration. However, it's all right to set ambitious goals. Everyone needs to reach a little beyond their grasp.

Relevant

Performance measurements need to be relevant to the plan's vision and your program's goals.

Time-based

Make sure that performance measures are achieved within a specific period.

Source: Site Selection and Economic Analysis, Angelou Economics Inc., 2008.

MetroView INFORMATION SYSTEM

CEDS performance measures will be tracked using the MetroView Information System. MetroView is a unique urban information system developed in 2013 by VCU's Center for Urban and Regional Analysis (CURA) to enable region-wide analysis using multi-variate geospatial data. The information system compiles annual data including broad categories of indicators for land use, spatial features, demography, socio-economy, business and workforce, education, housing, health, and crime. Annual databases for 23 localities within the Richmond metro region have been developed.

MetroView helps fill information voids and enhance awareness of the region's potential for resource utilization, efficient spatial organization, business and workforce recruitment, and advancement toward its economic and community goals with an aim toward:

- Improving the regional business climate
- Providing high quality public services and amenities
- Enabling ease of access and mobility
- Supporting high-quality schools
- Ensuring diverse housing options
- Improving accessibility and transportation infrastructure
- Increasing the sense of public safety
- Growing fiscally healthy local governments
- Creating a higher quality of life throughout the region

The data components that make up the MetroView information system and the potential for each of these components in tracking social and economic changes are described in the following section.

Regional Dashboard

MetroView will track the variables listed here to measure progress toward the region's economic and community goals. Data collection and organization will be done in partnership with Longwood University, housing the information system within the region itself. Additional variables may be considered or added over time through the ongoing partnership between Longwood, CURA, and the Commonwealth Regional Council.

| <i>Indicator</i> | <i>Source</i> | <i>Performance Level</i> | <i>Goal</i> |
|------------------------------|--------------------------------|------------------------------------------------------|-------------|
| Population count | U.S. Census Bureau | Regional population: 102,992 | > 105,000 |
| Age by sex | U.S. Census Bureau | Regional population aged 25-44: 19,573 (19%) | > 22% |
| School Dropout Rate | VA Dept. of Education, 2017-18 | Grade 7-12 dropout rate: 1.87% | < 1% |
| Educational Attainment | U.S. Census Bureau | Associates degree or higher (age 25+): 32% | > 35% |
| Health insurance coverage | U.S. Census Bureau | Percent uninsured: 14% | < 10% |
| Housing Tenure | U.S. Census Bureau | Homes owner occupied: 71% | > 75% |
| Owner-occupied Housing Value | U.S. Census Bureau, 2017 ACS | Regional median owner-occupied home value: \$151,429 | > \$160,00 |
| Median Household Income | U.S. Census Bureau, 2017 ACS | Regional median household income: \$41,736 | > \$50,000 |
| Poverty | U.S. Census Bureau | Population below poverty level: 19.5% | < 16% |
| Travel time to work | U.S. Census Bureau | Workers commuting 40+ minutes: 12,207 (31.1%) | < 25% |
| Workers by age | LEHD | Age 29 or younger: 8,942 (22%) | > 25% |
| Workers by monthly earnings | LEHD | \$1,250 per month or less: 10,904 (27%) | < 20% |
| Labor Force Participation | U.S. Census Bureau | Population 16+ in labor force: 44,949 (52%) | > 60% |
| Employment flow | LEHD | Outflow: -14,352 (35%) | < 30% |
| Employment | Virginia Employment Commission | Total jobs in region (2019): 27,418 | > 31,000 |
| Regional employers | Virginia Employment Commission | Total Employers (2019): 2,931 | > 3,300 |

MetroView INFORMATION SYSTEM

MetroView Data Components:

PARCEL CHARACTERISTICS

Parcel data represents the core component of MetroView. Parcel data is made available to CURA on an annual basis by the Richmond region's 23 different localities through data sharing agreements put in place in 2013. The database includes key variables needed to track development trends in the region, such as parcel land uses, land value, improvement value, parcel area, and construction year (if the parcel has a structure on it). Since the data is collected annually, land use changes in the region (as well as in each locality) can be identified and monitored over time including new construction, changes in property value, and development hotspots by use categories. Similarly, spatial correlation analysis can help build scenarios to assess the impact of changing any one parameter. For example, the system can model the impact of a new single-family subdivision or multifamily development on public schools, businesses, and transportation.

DEMOGRAPHIC AND SOCIO-ECONOMIC CHARACTERISTICS

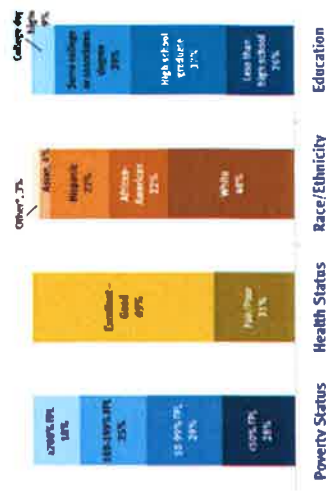
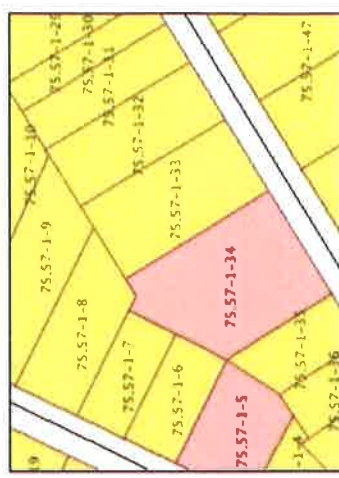
MetroView uses demographic and socio-economic estimates from the Census Bureau's American Community Survey to overlay on the parcel database. Variables such as population, age groups, race, family structure, household income, employment, residence and work locations, migration, educational attainment (by levels of education and by fields), occupation (by fields), poverty, income to poverty ratio, homeownership, housing cost burden, public assistance, and access to health insurance are georeferenced at block group, census tract, and locality levels. These parameters can be used individually to study spatial distribution or in selected combination to develop spatial clusters based on similarities, prepare neighborhood profiles, or build composite indices to compare across neighborhoods.

HOUSING CHARACTERISTICS

Housing data in MetroView comes from three sources — housing characteristics published by the Census Bureau through its American Community Survey, a count of dwelling units (by dwelling type) and property values obtained from the locality planning departments, and public or subsidized housing information and fair market rent data obtained from the Department of Housing and Urban Development (HUD). Information on vacant habitable units aggregated by census tract are obtained from USPS vacant address data, and parcel vacancy is obtained from locality parcel data. Taken together, this information allows MetroView to calculate — at the census tract level — the number and type of dwelling units, number of vacant units, vacant developable parcels, and average housing costs for owner or renter occupied units.

EDUCATION (PUBLIC SCHOOLS)

The MetroView database includes public school data published by the Virginia Department of Education. The data is available by district as well as by individual school. Indicators such as enrollment (by race and grade levels), test scores, dropout rates, and PALS-K score are tracked every year since 2014. Since school quality is one of the primary variables influencing housing markets, this information can be paired with variables such as existing land use, property value, locations of business centers, and commute times to build models that can predict future land uses and identify areas where future residential demand might occur. The model can also evaluate the impact on the local economy if one or more of the parameters are changed.



BUSINESS / WORKFORCE CHARACTERISTICS

Business data for MetroView comes from Virginia Employment Commission (VEC). The Quarterly Census of Employment and Wages (QCEW) data is obtained at business establishment level and provides details about the location of the business, its primary NAICS category, and number of employees. While the data sharing agreement between CURA and VEC prevents reporting the numbers at the establishment level, MetroView uses aggregated numbers at different geographic levels, including block group, census tract, neighborhood, locality, and metropolitan region. When overlaid on land use data, business establishment information allows identification of business and employment clusters in general and clusters of specific NAICS categories in detail. Using longitudinal information enables MetroView to track changes in business and employment counts within those clusters over time. Workforce characteristics such as educational attainment (also by degree and field of study) are obtained from Bureau of Labor Statistics and Census Bureau's American Community Survey. Together with the business establishment and employment information, workforce data enables MetroView to assess job-readiness and workforce supply and demand ratios across the region.

HEALTH

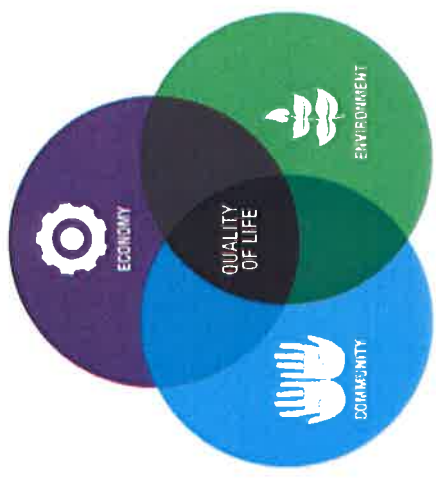
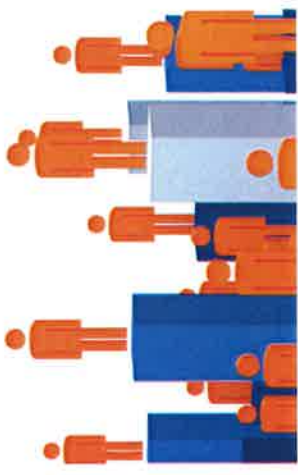
Health data for MetroView is obtained from the Virginia Department of Health (VDH). Variables such as access to health care, obesity, asthma, chronic diseases, lead poisoning, low birth weight babies, teen births, and tobacco use are tracked at the ZIP code level. Access to food or location of food deserts are compiled using USDA food access data and location of grocery stores from the land use and business establishment databases. Taken together with other MetroView variables, this data allows identification of socio-economic determinants of health and neighborhood clusters based on quality of life indicators.

QUALITY OF PLACE

Quality of place is a composite index developed based on correlations among various MetroView variables. Factors such as household income, employment, property values, business clusters, transit accessibility, school quality, crime rates, and access to amenities such as child care, grocery stores, restaurants, health care facilities, parks, sidewalks, and bike trails are used in developing this index.

Each data type is constructed at the lowest possible level of geography and aggregated upwards to neighborhoods, jurisdictions, boundary areas, and the metro area, thus allowing the user to scale up or down as needed. The MetroView Development Tracker, a summary of the state of the region published annually, is designed to track economic and land use changes in the metro area over multiple years. With an array of economic, social, demographic, and geographic information, MetroView can become a vital tool for making informed policy decisions at the local and regional levels. MetroView can also be used as a business recruitment tool, providing information on the quality of the regional labor force, economic growth trends, infrastructure, and amenities. It can also help prospective or expanding businesses to identify locations for new ventures by learning about the geographic distribution of their prospective customers.

MetroView will add more functionality through annual updates, incorporating more place-based information related to urban amenities, infrastructure, and quality of life. Once a sufficient historical time period is created (about four to five years initially), this database can be used to identify patterns of economic and social change in the region. Such pattern recognition will help predict land use changes and future trends in the economy. MetroView has immense potential as a decision support tool to shape local and regional policies and to help entrepreneurs and corporations in their growth.



6 - IMPLEMENTATION PLAN

Coordinated and relevant strategies must be deployed to achieve the goals set for the CRC. Due to the complex nature of economic development, there are multiple courses of action that must be taken together in order to see results. Each set of strategies stems from the three primary goals outlined earlier in this plan – strengthen workforce, broaden industries, leverage education.

Goal 1 - Strengthen the region's workforce

The labor pool consists of primarily middle-skilled workers, but the region has several potential resources for expanding workforce development programs. Partnership with Southside Virginia Community College to develop a workforce center will provide a resource for training and recruitment among local businesses for medium and high skill labor. Additionally, Longwood University's Small Business Development Center is a valuable partner in developing existing businesses.

To retain new workers and improve quality of life in the region, localities need to improve and diversify the housing stock. Removing barriers to small-lot, attached, and multi-family residential housing will increase the amount of homes that can be built in a given area. A common driver of lower levels of housing is supply restriction through regulation. Modifying regulations will open housing options to more residents in the area. Similarly, identifying the vacant housing stock and converting them into low-moderate income rental housing will increase the total supply of homes. This can be accomplished by working with regional and local housing partners to improve the provision and access to mortgage credit and leveraging funds for conversion of vacant and underutilized homes.

Goal 2 - Broaden the region's businesses and industries

The Heartland region is home to large tracts of low-cost, primarily forested land, used for a variety of different activities. Wood products and forestry are cited as the region's strongest economic clusters. Consultation with industry experts will help identify markets for local forestry products and diversify production by processing construction materials locally, rather than exporting raw goods. This will add value to existing production and capitalize on the large supply of affordable land. Identifying and marketing strategic locations for distribution and fulfillment enterprises will cut transportation costs for these businesses and build on the region's pre-existing specialized industry cluster. Additionally, working with Buckingham Brand Railroad to establish an inland port at Heartland's Business Park will benefit this industry and open the door for more distribution business in the future.

Affordable land can also open the door for new industries to enter the region. Targeting call centers and data centers that provide back office support for large

companies would diversify the regional industry mix and provide new, higher wage employment opportunities for Heartland workers. Furthermore, partnering with local healthcare providers and education institutions to develop regional clinics, medical supply chains, and other healthcare product suppliers will grow the skills of the labor force and deliver economic stimulus to communities.

Large areas of land are available to be used for recreational activities. Improving, connecting, and mapping existing trails and parks promotes tourism alongside expansions in hunting, fishing, and watersports. Marketing outdoor opportunities strengthens the region's brand and contributes to the economy. Furthermore, targeting industries that can use the James River, Sandy River Reservoir, and other water resources strategically leverages the region's green and blue infrastructure.

To support business growth in the region, steps must be taken to improve regional infrastructure. Leveraging state grants, incentives, and other funding can be used to expand local access to high speed internet services. Local cooperatives and other electrical service providers can be incentivized to deploy high quality broadband solutions. Similarly, cellular coverage can be improved by placing towers on public land to fill coverage gaps.

While the Atlantic Coast Pipeline (ACP) project has been canceled, the assets have been acquired by Berkshire Hathaway. It is still important to note where the ACP would have been located should this corridor ever be utilized in the future for another similar project. Noting industrial sites near possible connection points will open the door for permanent work related to future energy resources. Policy and regulatory improvements can be made that will enable localities to regulate utility-scale solar facilities and more fully realize the revenue potential from these facilities (i.e., machinery/tools, personal property taxes), particularly if they are directly associated with other businesses in the region such as datacenters (e.g., Microsoft) and distribution centers (e.g., Amazon).

IMPLEMENTATION PLAN

Goal 3 - Leverage educational institutions for growth and gain

Education is key to developing a strong workforce and attracting modern, innovative businesses. Investing in local schools prepares students for future careers and employment in the area.

Schools need to impart employer-demanded skills such as attendance (don't skip school), timeliness (don't be tardy), and participation in class (teamwork and engagement) beginning in pre-school and reinforced throughout K-12. Additionally, workforce programs beginning at early grade levels introduce students to trades that can be pursued after high school. Secondary education should introduce students to healthcare and other trade careers as early as middle school with formal programs in high school.

Similarly, relationships with post-secondary institutions should be leveraged to create economic development opportunities. This goal is necessary to build a workforce that can serve the needs of high-tech, high-paying modern companies. Given that the Heartland region has three institutions of higher education, there are ample opportunities for partnership. Expanding relationships with these institutions builds trade skills and improves economic opportunities for local students. The economic impact of higher educational facilities should be maximized with support businesses and building relationships that help both the educational institution and the community.

Having an accredited, modern public school system not only better prepares the region's future workforce, it sends a message that the area is attractive for raising families which is a strong incentive to employers and employees. One of the most powerful economic development investments a community can make is in its public school system. Many rural localities struggle with attaining or maintaining accreditation and maintaining the physical infrastructure. Those localities that make these investments in public school capital and operations set themselves apart and lay a solid foundation for future revenue from new industries.

Pursuing these economic development goals in coordination with the existing resources and institutions of the Heartland region will achieve our vision of a diverse and resilient economy. The following implementation strategies will make Virginia's Heartland the right choice for businesses and families.

Implementation Strategy Matrix

| Recommendation | Responsible Party | Cost | Time Frame | Action Item |
|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Goal 1 - Strengthen the Region's Workforce | | | | |
| Workforce Training | | | | |
| Work with SVCC and South Central Workforce Development Board to develop a workforce center as a resource for training and recruitment | Commonwealth Regional Council (CRC) | \$\$\$\$ | Intermediate term | Identify an appropriate building space and develop/expand curriculums for high-skill training programs; survey residents to assess the number of prospective trainees |
| Teach employer-documented skills including health care and building trade careers | School Superintendents | \$\$ | Intermediate term | Amend public school curriculums; hire vocational instructors |
| Promote partnerships between local employers and local schools | Economic Development Directors | \$ | Ongoing | Connect business leaders to vocational, trade, and other relevant subject teachers |
| Become a certified "Work Ready" community | Economic Development Directors | \$ | Intermediate term | Fulfill Work Ready prerequisites and applications |
| Housing | | | | |
| Diversify housing stock by removing barriers to small-lot, attached, and multi-family residential | Planning Directors/Planning Commissions | \$ | Short term | Amend zoning ordinances |
| Identify vacant housing stock and work with owners to convert to low-moderate income (LMI) owner-occupied housing | CRC | \$\$ | Short term | Work with local homeowners, banks, and developers to begin transitioning the housing stock |
| Work with regional and local housing partners to leverage funds for conversion of vacant or underutilized dwellings to LMI housing | STEPS/CRC | \$\$ | Intermediate term | Utilize partners' resources to convert housing |
| Work with housing partners to improve the provision of and access to mortgage credit repair and counselling classes | STEPS | \$\$ | Short term | Assess the magnitude of community needs for classes. Establish curriculum and work with partners to find instructors. |

| Recommendation | Responsible Party | Cost | Time Frame | Action Item |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|----------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| Goal 2 - Broaden the region's businesses and industries | | | | |
| Strengthen existing industry clusters | | | | |
| Work with industry experts to identify markets for local forestry products and diversify by processing and producing construction materials locally rather than exporting raw materials | CRC/Economic Development Directors | \$ | Short term | Consult business leaders in the timber and wood products cluster. Research similar expansions and explore costs and benefits of a shift. |
| Identify and market strategic locations for distribution and fulfillment enterprises | Economic Development Directors | \$ | Short term | Map existing development sites and assess their viability for such businesses |
| Work with Buckingham Branch to create an inland port at Heartland's Business Park in Keysville | Economic Development Directors / Secretary of Agriculture | \$\$\$\$ | Intermediate term | Explore local incentives and possible development sites for a new intermodal yard to serve as an inland port |
| Develop and implement a strategy to pursue data centers and call centers that provide back office support for large companies | Economic Development Directors | \$\$ | Intermediate term | Research relevant incentives, market broadband and infrastructure capabilities and land availability |
| Work with local healthcare providers and educational institutions to develop regional clinics, medical supply, Federally Qualified Health Centers, and other businesses within the healthcare supply chain | Economic Development Directors/ Longwood/Southside Community Hospital/Buckingham/Lunenburg | \$\$\$ | Long term | Identify specific healthcare gaps in the region, then tailor educational and clinical health programs to provide maximum benefit to communities |

| Recommendation | Responsible Party | Cost | Time Frame | Action Item |
|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------|------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| Recreation and tourism | | | | |
| Map and promote existing recreation and tourism assets | Economic Development Directors/CRC | \$\$ | Short term | Develop new maps, signage, and marketing strategies for each location |
| Plan connections between existing trails and sites | Planning Directors/CRC | \$\$ | Intermediate-Long term | Amend comprehensive plans; construct new trails |
| Market hunting, fishing, and watersports opportunities | Economic Development Directors/CRC | \$\$ | Short term | Develop a regional branding strategy that includes outdoor sporting |
| Explore local incentives for agritourism | Planning Directors/CRC | \$ | Short term | Identify partners and apply for relevant incentives |
| Infrastructure improvements | | | | |
| Leverage state grants and other funding to expand local access to high speed internet | Administrators/CRC | \$\$\$ | Intermediate term | Connect with growth partners and apply for relevant broadband funding |
| Continue working with electric service providers and co-ops to deploy broadband solutions | Administrators/CRC | \$\$\$ | Short term | Develop a plan, timetable, and budget to strategize broadband deployment |
| Identify Atlantic Coast Pipeline connection points and potential industrial sites | Economic Development Directors | \$ | Short term | Identify possible locations and connect with ACP engineers |
| Identify and target industries that can make use of water resources at Sandy River Reservoir and the James River | Prince Edward Economic Development Directors/CRC | \$ | Short term | Research relevant industries, then develop and implement a marketing plan for the area |
| Pursue a natural gas power plant for the region | CRC/Economic Development Directors | \$\$ | Intermediate term | Develop a marketing plan, including ACP access, to pursue natural gas |
| Make policy and regulatory improvements that enable and effectively regulate utility-scale solar facilities | Planning Directors | \$ | Short term | Amend zoning ordinances and comprehensive plans |
| Study and improve cellular coverage, placing towers on public land, where possible | Planning Directors/CRC | \$ | Intermediate term | Map tower locations, identify gaps, target public land to fill gaps where possible (as well as private properties where needed) |

| Recommendation | Responsible Party | Cost | Time Frame | Action Item |
|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|----------|-------------------|--------------------------------------------------------------------------------------------------------------------------|
| Goal 3 - Leverage educational institutions for growth and gain | | | | |
| Modify school policies to build employer-demanded attributes such as the importance of attendance, timeliness, and participation | School Superintendents/Boards | \$ | Short term | Create incentives emphasizing attendance, timeliness to class and for work assignments, and class participation |
| Invest in local schools to prepare students for future careers and attract quality employment to the area | Administrators/Superintendents | \$\$\$\$ | Intermediate | Identify and fund capital improvements, obtain or maintain accreditation, and hire new teachers/instructors as necessary |
| Begin workforce programs at early grade levels | SVCC/School Superintendents | \$\$\$ | Intermediate term | Amend public school curriculum and hire new teachers/instructors as necessary |
| Strengthen relationships between local colleges and healthcare providers | Economic Development Directors | \$ | Short term | Connect with healthcare and education leaders. Discuss possibilities and research similar programs. |
| Leverage local colleges to create economic development opportunities | Economic Development Directors/CRC/Longwood/Hampden-Sydney/SVCC | \$ | Intermediate term | Create partnerships and develop program goals based on workforce development research |
| Place trade education students with local college facilities maintenance departments | School systems | \$\$ | Short term | Establish trade education partnership with higher education and survey prospective student interest |

Cost Scale

\$ = minimal to no cost (existing resources)

\$\$ = est. less than \$100,000

\$\$\$ = est. \$100,000 to \$1 million

\$\$\$\$ = est. more than \$1 million

Time Frame

Short = less than 5 years

Intermediate = 5 to 10 years

Long = more than 10 years