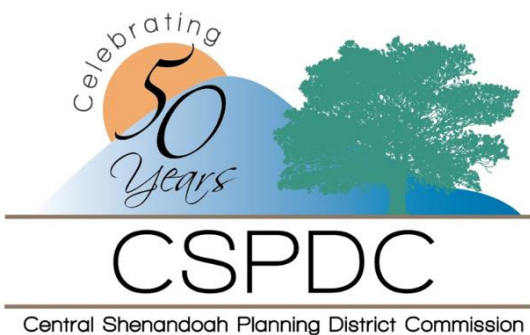




Central Shenandoah Planning District Commission Comprehensive Economic Development Strategy Update 2023

Prepared for



About the CSPDC

Vision

To be recognized and respected as leaders in regional and local planning issues by providing support to the local governments of the Central Shenandoah Valley Region.

Mission

To help communities and agencies within the Central Shenandoah Valley work together by providing high quality planning technical assistance and facilitation services that address local, regional and state needs in an innovative, timely and cooperative manner.

Overview

The Central Shenandoah Planning District Commission (CSPDC) covers a wide expanse of geography in the heart of Virginia's Shenandoah Valley, including the counties of Augusta, Bath, Highland, Rockbridge, and Rockingham, the cities of Buena Vista, Harrisonburg, Lexington, Staunton and Waynesboro, as well as 11 incorporated towns. Bounded on the west by the Allegheny Mountains and on the east by the crest of the Blue Ridge Mountains, the Region is known for its scenic beauty and rural way of life. Created in 1969, CSPDC works with its member jurisdictions to solve or mitigate issues that directly and indirectly affect the lives of the Region's citizens.

The Region encompasses a land area of 3,439 square miles and a population of more than 308,000 residents. While villages and farms dot the landscape, the cities are graced with historic landmarks and prominent academic institutions. With an abundance of educational, recreational, and natural assets, as well as a robust transportation network, the Central Shenandoah Region is gaining popularity with business sectors and workers wanting to locate to the area.

As growth continues in many of its member localities, the CSPDC works with local governments, community organizations and various state and federal agencies to provide high-quality planning, technical assistance, and facilitation of services in an innovative, timely and cooperative manner. Supporting a wide range of initiatives including **infrastructure development** (water and wastewater utilities, broadband, cellular, site readiness), **transportation and transit, natural resource management and disaster mitigation/ preparedness, economic development, community development and placemaking**, and **human services** topics like affordable housing, the CSPDC has a significant impact on the well-being of the Region.

Under a program administered by the U.S. Department of Commerce's Economic Development Administration (EDA), the CSPDC has been a designated Economic Development District (EDD) for over forty years; thus, as an EDD, the CSPDC is required to develop a Comprehensive Economic Development Strategy (CEDS) and update it every five years.



Executive Summary



The Central Shenandoah Region has many features that are uniquely blended together to create a quality place that offers many natural and cultural resources. It also provides employment options in sought-after career sectors, and nearly unlimited economic opportunities as new investments are made in the Region's sites and infrastructure.

The economic base is very diverse by business and industry sectors with plenty of room for growth. Thus, the Shenandoah Region is attractive to both visitors and people looking for a great place to live and work.

In order to leverage and capitalize on its natural resources and wide range of assets, the Central Shenandoah Planning District Commission has updated its Comprehensive Economic Development Strategy to create an action-oriented plan that will keep the Region on course for quality, sustained growth in both amenities and business sectors from which residents of the area will benefit. Included in this CEDS update is an extensive analysis of regional data. This component of the project focuses on foundational metrics used to assess a community's health and vitality. The findings of the analysis are also used to identify areas in which additional focus and programming may be needed.

This CEDS update defines an enhanced Vision for the Region, along with revised goals, objectives and strategies that were determined through the stakeholder and private sector engagement process and later, prioritized by the CEDS Working Group and CEDS Committee. The primary areas of focus over the next five years include: 1) Workforce, 2) Business Attraction and Retention, 3) Housing, 4) Placemaking and Community Building, and 5) Resilience.

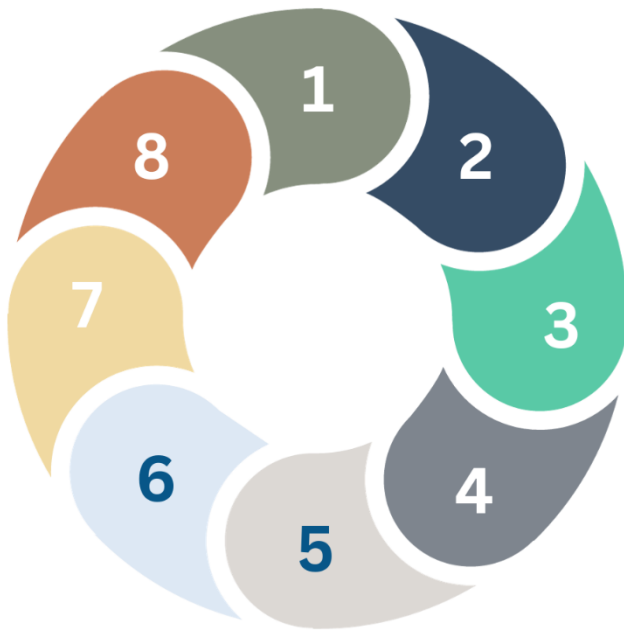
The CEDS provides a road map for enhancing growth and revenue-generating opportunities across member localities in the CSPDC. Thus, extensive research and evaluation of community and regional assets, as well as perceptions, were essential for this update. Equally important were gathering and analysis of both statistical, objective data and anecdotal, subjective information, as these foundational elements are always paramount to formulating a realistic plan the Region and its partners can support. Additionally, many of the data points reviewed are often the basis of location decisions for both economic development and tourism-related prospects. Therefore, a carefully organized, methodical approach was executed to ensure all components were thoroughly researched, addressed, and incorporated into the final Plan.



The CEDS Process

The project got underway in April 2023, beginning with review of background information and a kick-off meeting that included the CEDS Working Group and consulting team. Commission staff members and the consultants met virtually on a bi-weekly basis to review progress, engage CSPDC staff assistance, and guide in-person meetings with the Working Group.

Specific tasks and elements of the 2023 update process included:



1. Project launch & kickoff
2. Review of background reports & CSPDC studies
3. Regional assessment: Data compilation & analysis; Sites & infrastructure evaluation
4. Comparative analysis: Roanoke Valley-Alleghany Regional Commission
5. Solicit Stakeholder feedback
6. SWOT analysis
7. Appreciative inquiry (identify priorities)
8. Develop goals, objectives & strategies



Key Findings

Key findings and primary take-aways from stakeholder engagement activities, the regional assessment, and the sites and infrastructure evaluation are outlined below.

The objective and subjective inputs of the CEDS process were compiled and, in turn, reviewed by the Working Group to identify five primary areas of focus in the Strategy. These priorities serve as the foundation for the Vision, Goals and Objectives defined for the Central Shenandoah Region over the next five years.

CSPDC Profile

Population	308,788
Median Age	39.3
Age Breakdown	
Under 18	19%
Prime Working Age (18 to 64)	61%
Over 65	19%
Median Household Income	\$60,748
Educational Attainment	
High school graduate or higher	87.6%
Bachelor's degree or higher	27.7%
Total Employment	132,096
Labor Force	155,142
Labor Force Participation Rate	59.9%
Private Sector Employment	107,598
Private Sector Avg Weekly Wages	\$950

Regional Priorities:

1. Workforce Development
2. Business Attraction & Retention
3. Housing Availability & Affordability
4. Placemaking & Community Building
5. Economic & Environmental Resilience

Key Findings

1. Central Shenandoah is a great place to work and live
2. Current labor pool includes strong work ethic, values and problem-solving skills, but specialized skills are in short supply
3. Transportation network (I-81 & I-64) is both a “blessing and a curse”
4. Concerns about housing opportunities, options & costs, especially for entry-level wage earners & retirees
5. The total regional labor force has surpassed pre-pandemic levels
6. Wage growth in the CSPDC has surpassed state- and nationwide averages, but wage levels and median household income are still below state and national averages
7. Regional economy heavily dependent on Manufacturing – both revenue production and employment
8. Natural Resources sector is large economic contributor but wages are lower
9. Columbia Gas Transmission Lines runs north and south from Rockbridge through Lexington along I-81 and east of Staunton
10. 115 kV and 230 kV power lines run through critical areas throughout the region
11. Less than 50% of the sites characterized by VEDP exceed 250,000 GPD water and sewer capacity
12. There are multiple fiber providers in the Region, but several areas are still underserved
13. CSPDC has 21 sites that are greater than 50 acres, but many are not development-ready

Vision, Goals & Objectives

The Central Shenandoah Region is committed to ensuring desirable and sustainable economic opportunities while meeting the needs of its multigenerational communities and maintaining its treasured assets and quality of life.

Goal 1: Attract, train, develop, and retain a skilled workforce for today's and tomorrow's jobs.

Objective 1-1: Create and expand workforce training programs that provide opportunities for workers and students to gain skills necessary for livable wage jobs.

Objective 1-2: Engage and inform students, their parents, and recent graduates, of sustainable career options for in-demand occupations, including non-degree programs and certifications.

Objective 1-3: Expand the workforce talent pool in the Central Shenandoah Region by attracting new residents and retaining workers.

Objective 1-4: Improve and expand wrap-around services to allow for increased worker participation.

Goal 2: Support existing businesses while also attracting and developing new businesses that will diversify our economy and generate job growth.

Objective 2-1: Ensure key transportation corridors throughout the Central Shenandoah Region, especially I-81, allow for safe and timely transit of raw materials, finished goods, and area workers and residents.

Objective 2-2: Ensure suitable commercial and industrial sites are available to and ready for business and industry.

Objective 2-3: Pursue expansion of broadband, cellular services, and other critical infrastructure to underserved areas of the Region.

Objective 2-4: Ensure a comprehensive entrepreneurial ecosystem is available equitably, consistently, and effectively throughout the Central Shenandoah Region.

Objective 2-5: Support and promote the Region's agribusiness sector by expanding markets for farmers, producers, food manufacturers, and related sectors.

Goal 3: Address immediate and long-term housing needs to ensure that all residents and workers have an affordable place to live.

Objective 3-1: Improve the availability, quality, and diversity of the Region's housing stock.

Objective 3-2: Ensure housing is affordable relative to wages in the Central Shenandoah Region and workers are not priced out of the region.

Objective 3-3: Convene local government leaders, non-profit organizations, State agencies, residential developers, and area employers to identify obstacles and solutions for expanding affordable housing options across the Region.

Goal 4: Implement placemaking strategies and community building efforts that enliven downtown areas, provide cultural enrichment, and promote social interaction and economic growth.

Objective 4-1: Create vibrant downtowns and activity centers that attract a diverse range of businesses, residents, and visitors.

Objective 4-2: Leverage the Region's unique natural, cultural, and historic assets to promote outdoor recreation, improve quality of life, and enhance the local, state, national, and global draw for visitors.

Objective 4-3: Create a unique sense of place that attracts businesses, residents, and tourists.

Goal 5: Expand the Region's capacity to prevent, withstand, and quickly recover from major economic disruptions.

Objective 5-1: Promote the importance of defining land use plans that enable each locality to attract a diverse mix of sustainable business, industry, residential, and recreational uses.

Objective 5-2: Develop and update planning, education, and mitigation activities on a recurrent basis, incorporating relevant studies and resources as appropriate.

USING THE CEDS

Without deliberate actions and genuine commitment to implementation, even best laid plans have no value. This includes defining realistic timeframes and outcomes for executing new initiatives and, of course, ensuring both staff and financial resources are available to advance related projects. By including its local partners and other essential economic development allies in the development of this CEDS, the framework for cooperation has largely been established; however, localities and other partner organizations may still need to plan their participation, particularly in budgeting for matching funds required for State and Federal grant pursuits. Additionally, since private sector involvement and support will be critical to accomplishing many of the goals and strategies outlined in this plan, it will be important for CSPDC to widely and regularly promote the CEDS and related accomplishments across the Region over the next several years. This will be especially important to enlisting support from the business community who may need to be sold on the value of the CEDS. Thus, engaging local and regional economic development partners to facilitate collaborative opportunities and participation from a diverse group of employers will help to ensure roll-out of the CEDS is done in an equitable way that produces sustainable results for the Central Shenandoah Region in the years ahead. The Implementation Plan Matrix provided in the full CEDS document outlines all of the proposed strategies, suggested partners, potential resources, and expected implementation timelines.

Acknowledgments

As with every economic development project, completion of the CEDS update was a team effort involving many of the Region's local government, education, and community partners. The time and insights they offered were integral to the CEDS process, particularly in defining and prioritizing areas of focus for the CSPDC over the next five years. The CSPDC staff and consulting team are also grateful to the many stakeholders who provided candid and valuable feedback in sharing their perspectives and experiences of doing business in the Central Shenandoah Region.

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Mangum Economics and its partners, Spectrum Growth Solutions and Timmons Group, are pleased to have worked with the CSPDC in facilitating and developing this update to the CEDS.

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About Magnum Economics

Mangum Economics is a leader in industry analysis, economic impact assessment, policy and program evaluation, and economic and workforce strategy development. Magnum Economics specializes in producing objective and actionable quantitative economic research used for strategic decision making in a variety of industries and environments.