

Outreach & International Affairs

**Community Economic Development for the
Eastern Shore: Summit Report**

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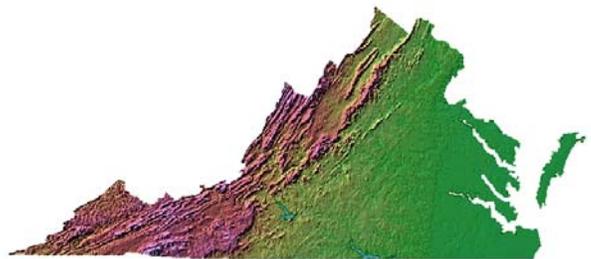


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Foreword

This report was prepared for the Accomack-Northampton Planning District Commission (PDC) in order to inform the PDC's Comprehensive Economic Development Strategy (CEDS) Planning Process. It summarizes input received in two public meetings on community economic development and contextualizes that discussion with analysis of secondary data on Virginia's Eastern Shore and observations from practices in other rural communities.

In January of 2007, Virginia Tech project staff began an inventory of the regional situation. This included: 1) a review of images of community assets available on-line and in regional marketing material, 2) discussions with community leaders identified by the PDC and, 3) a review of data drawing on existing studies and electronic databases on social and economic conditions. Later in February, project staff conducted a "windshield tour" of Accomack and Northampton counties where they collected additional images of community assets and held discussions with county and regional planners. Project staff also participated in a mass meeting with approximately 50 business and community leaders in Accomack County to discuss their views on community assets.

Public input sessions were held on February 27 in Northampton County, where approximately 300 persons attended, and February 28 in Accomack County where approximately 70 persons attended. The agenda for both meetings included presentations from the U.S. Economic Development Administration on the CEDS process and on data trends under which the region might qualify for forms of federal assistance. Project staff also discussed trends in declining overall state and federal support for community economic development, and market constraints on traditional industrial recruitment strategies. They cited examples of how this was leading communities to a new "asset-based" approach to community economic development, focused on building unique internal community assets.

To begin breakout sessions in both counties, project staff presented a collection of visual images collected from across the Eastern Shore and asked audience members whether they identified them as assets, and if so what they might do to support, sustain, improve, or replace them. They were then disbursed into small groups who were provided with a series of "clues" to success from best practices in other rural communities. They were asked to begin with these clues and use them to help focus on a specific community asset and consider what they might do to build on them.

This report that follows is organized into four sections: 1) a discussion of approaches and terminology used in this report, 2) an overview of conditions on the Eastern Shore, 3) a discussion of specific assets and actions identified by the meeting participants in each County, and 4) a series of recommended areas for follow up study and action.

Introduction

Community Economic Development in an Era of Constraints

Funding from the US Economic Development Administration and other federal and state agencies has at times given the Eastern Shore an important boost for critical projects. For example, \$1.6 million was received from EDA and the US Department of Agriculture's Rural Development program in 2004 for construction of the Eastern Shore Community College Business Development and Workforce Training Center.

However, as we head into the final years of this decade, most economists indicate that both federal and state revenues will continue to grow but at a slower pace. At the same time, budget commitments will continue to put pressure on mandated expenses, limiting funds for community economic development. Most observers of state and federal spending are also concerned about the impact the federal deficit will continue to have on rural development expenditures. It is expected that funding for these programs will slow significantly.

This year Virginia's General Assembly remained gridlocked over transportation funding. Recordation taxes have declined significantly in the past year with the slow down in the housing market. Changes in Congress could have significant impact on defense and homeland security expenditures that have pumped billions into Northern Virginia, and consequently, the state's economy.

The Growing Focus on Existing Business Expansion

While state incentives to attract new industry have generated considerable media attention in recent years, budget allocations for such incentives have remained flat. There is also a growing awareness by both community economic development professionals and senior state officials that most job growth takes place in the expansion of existing companies. In fact, our analysis of announcements by the Virginia Economic Development Partnership identified as much as 80% of new jobs and investments as coming from existing industries.¹

Supporting and nurturing existing businesses has proven successful for a number of Virginia localities. Southwest Virginia's Smyth County has seen expanding employment opportunities in manufacturing, at a time when other communities have been losing such jobs. An important part of this success involved supporting existing businesses through targeted local and regional initiatives to address workforce issues.² Lynchburg's Region 2000 Economic Development Partnership was originally formed as a traditional economic development

¹ Source: Author's analysis of data from http://virginiascan.yesvirginia.org/data_center/AnnouncementsWeb.aspx

² Source: <http://www.roanoke.com/news/nrv/wb/wb/xp-100162>

marketing organization. It now has expanded to integrate its regional economic development, planning, workforce development and a technology council under one umbrella organization. Highlighted recently by Governor Kaine as a model for the Commonwealth, they focus their efforts on expansion of existing businesses. This has led them to pursue innovative partnerships between their organization, existing industries, and Virginia Tech.³

Asset-based Community Economic Development

Traditionally economic developers have compared their communities against a general perception of what firms they want to see in a community. As such they analyze local infrastructure, labor, transportation, quality of life, and business climate. While these questions have merit and need to be considered in a broader context, a “cookie-cutter” approach misses the unique qualities that give character and appeal to any community.

If all economic developers follow the same playbook, they risk overlooking the unique strengths in their own communities that make them stand out in the marketplace. In response, a new approach is taking root, with communities increasingly thinking like businesses and getting to know their strengths and assets first. This allows them to figure out what they have to offer, and how to create a unique identity in the marketplace. This approach has been applied everywhere from distressed inner-city Chicago⁴ to hardscrabble coal counties in rural Appalachia.⁵

Pursuing Development in a Sustainable Framework

In our discussions about community economic development with residents on the Eastern Shore we found recognition of challenges and limitations created by the region’s unique natural features. There was also a strong desire “to do it right,” given that the region may be the last undeveloped coastal area on the eastern seaboard of the US. While there were certainly many ideas expressed about how best to approach these objectives, there was a common recognition of the region’s natural resources as the key asset available for supporting community economic development. Whatever differences were voiced between residents they were all concerned with sustaining the region’s environment and culture and its intimate connection to land and water that makes Accomack and Northampton special places for people to live, work and visit.

In regions like the Eastern Shore, where natural assets are a critical asset for community economic development, places increasingly connect their environmental concerns with an economic context and a concern for equity or

³ For more information see: : <http://theenergydaily.com/pr/pr.php?iid=5009>

⁴ For an example see: <http://www.northwestern.edu/ipr/abcd.html>

⁵ For examples see: <http://www.arc.gov/index.do?nodeId=17>

fairness to individuals. In order to connect the different priorities people may have about life, work, and recreation with clearly shared values in the Eastern Shore's environment and culture, in this paper we organize our review of data and discussion of public input on the region's assets into a sustainable framework that highlights interconnections across issues relevant to people, places, and business/industry.

People

Assets

For the purpose of this analysis the assets of the Eastern Shore relating to its people are classified as being predominantly individual, mobile, or “per capita.” The Eastern Shore’s residents are a considerable asset to the region’s community economic development efforts. From data we reviewed, residents of the Eastern Shore seem to have an excellent understanding of managing small businesses and a high risk tolerance for establishing ventures. This is evidenced by the large numbers of self-employed throughout the region.

The residents of an area often times are its most valuable asset. The folkways and traditions of a place add a richness and texture to lifestyle that extends beyond the quantitative analysis that follows. The people of the Eastern Shore take pride in being civically-engaged and involved in the economic planning process. Furthermore, there is a general concern for the well-being of the area’s economy as evidenced by the community’s willingness to engage in a dialogue regarding the region’s future. If this passion can be unified and directed towards a similar end, the people could act as a very powerful catalyst for positive change.

To use the metaphor of constructing a building, Accomack and Northampton County’s people would function as the building materials with which any successful community economic development effort is constructed. The quality of the building is proportionate to the quality of the building materials from which it is made. In short, the higher the level of expertise and skills among the people in the region, the more likely a community economic development plan will succeed. The quality of the people of the Eastern Shore is an essential aspect of the community economic development process.

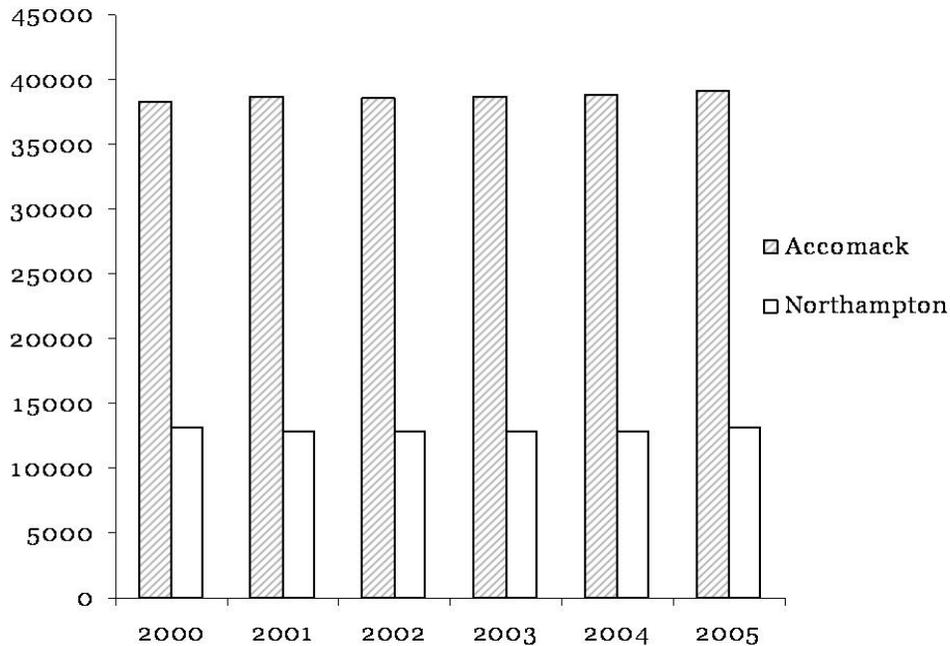
Analysis

Population

Projections of population growth of the Eastern Shore show minimal change since 2000. In fact in both Accomack and Northampton, there has been only a marginal increase over the past five years. This has occurred in spite of the growing number of retirees who have purchased homes in the region. In 2000, Accomack County had 38,305 residents, while in 2005 it had 39,100. This was an increase of 2.1%. Meanwhile, Northampton County had a population of 13,093 in 2000, which increased by 0.1% to 13,200 in 2005. The statewide population increase over the same period was 6.9%.⁶

⁶ Sources: Weldon Cooper Center for Public Service
Website: <http://www.coopercenter.org/>
U.S. Census Bureau

Figure 1: Population of the Eastern Shore



Source: Weldon Cooper Center for Public Service
Website: <http://www.coopercenter.org/>

Entrepreneurship and Small Business

In 2003, the Eastern Shore had 4,391 businesses, employing 12,714 employees. Of these businesses, 73% had no employees while another 22% had 1-9 employees, and just about 5% had 10-49 employees. Meanwhile, there are 18 firms employing 50-99 people, and 13 firms employing greater than 100 employees. While 99.74% of the businesses in the area are small businesses with fewer than 100 employees, the twelve largest employers account for approximately 2,200 jobs, or roughly 10 percent of the area's total jobs.⁷

The number of self-employed businesses (businesses with no employees) is 2,291 and 948 in Northampton County in 2004. These businesses had \$81 million in sales in Accomack County and \$44 million in sales in Northampton County in 2004. These owner-operated businesses are a large part of the Eastern Shore economy and allow rural entrepreneurs to become established and gain income outside of large scale agribusiness. Many of the self-employed in the region work in the forestry, fishing, and hunting industries. If managed properly, these businesses allow supplemental or primary income with little initial outlay of

Website: <http://factfinder.census.gov>

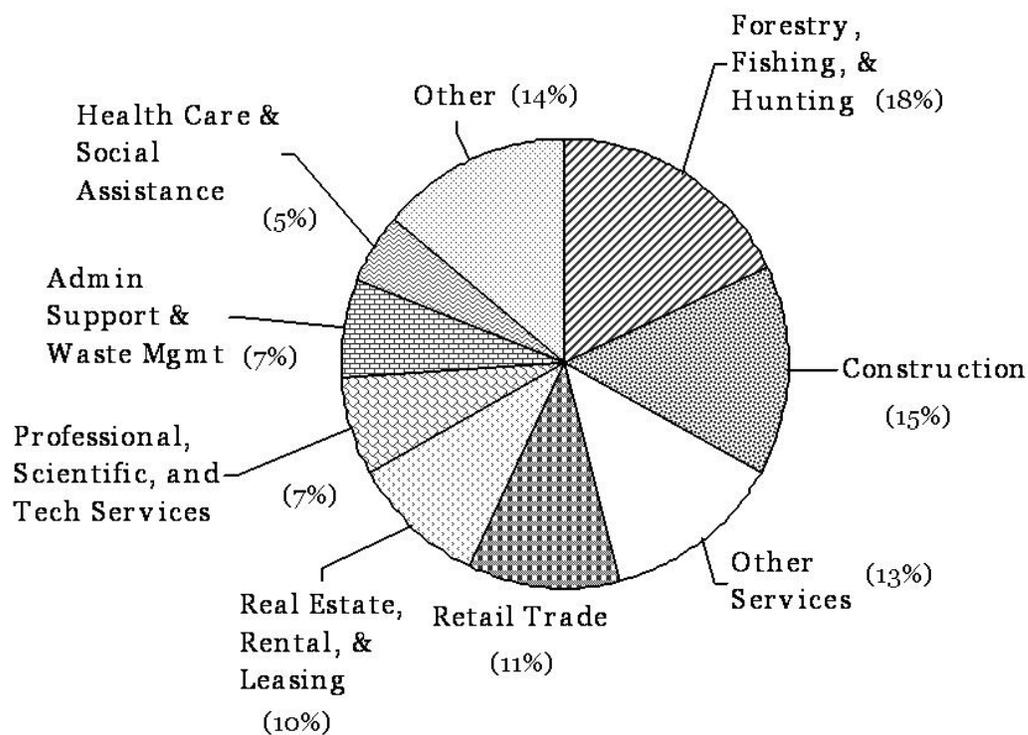
⁷ Source: U.S. Census Bureau County Business Patterns and Nonemployer Statistics (2003)

Website: <http://velma.virtuallmi.com/gsipub/index.asp?docid=342>

capital. On the Eastern Shore of Virginia, in the year 2004, 6.3% of the people were self-employed. Statewide, the number was 6%.⁸

The breakdown of the area's self-employed by sector gives insight into the entrepreneurial spirit of the Eastern Shore. Self-employed workers in the region tend to operate in the construction and forestry industries, accounting for slightly less than half of total self-employed jobs. On the other end of the scale, Accommodation and food service makes-up only 0.3% of the self-employed workforce.

Figure 2: Eastern Shore Self-Employed by Sector



Source: US Census Bureau Nonemployer Statistics (2004)

Website: <http://www.census.gov/epcd/nonemployer/index.html>

⁸ Source: Weldon Cooper Center (2004)

Website: <http://www.coopercenter.org/units/>

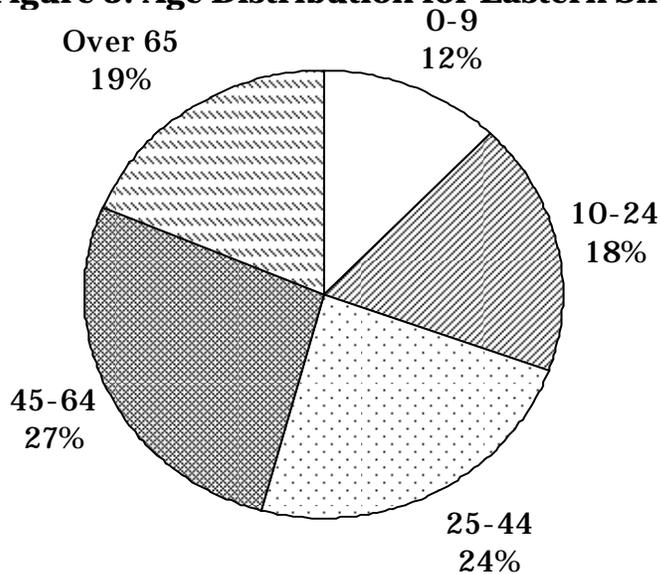
Age Distribution

In order to better understand the economics of the region, the age distribution should be taken into account. The median age for Accomack County is 39 years, while Northampton is slightly older at 42 years. Northampton and Accomack are both popular retirement communities; however new developments, such as Bay Creek in Northampton, can be expected to drive median ages upward.

The large numbers of retirees moving to the area also explains why the median age for the Eastern Shore is higher than the statewide number. Statewide, the typical resident is just over 35 years.⁹ However, it is important to note that the largest segment of the region's population is between 45 and 64. The young population also represents a large percentage of the region's population. In fact, 24% of the population is between 25-44, while 18% is between 10 and 24. This could bode well for the region's potential labor pool, because a youthful workforce is more easily trained, more cheaply hired, and may be willing to be innovative and take entrepreneurial risk assuming, they have or can gain access to capital.

One should also note that 19% of the population is 65 or older. This number is skewed by the retirees in the region, but it is still a factor in the area's overall economic picture. Older employees often have difficulty finding new jobs, or jobs at previous wage levels, when they are laid off.¹⁰

Figure 3: Age Distribution for Eastern Shore



Source: Weldon Cooper Center (2005)
Website: <http://www.coopercenter.org/units/>

⁹ Source: Weldon Cooper Center (2005)
Website: <http://www.coopercenter.org/units/>

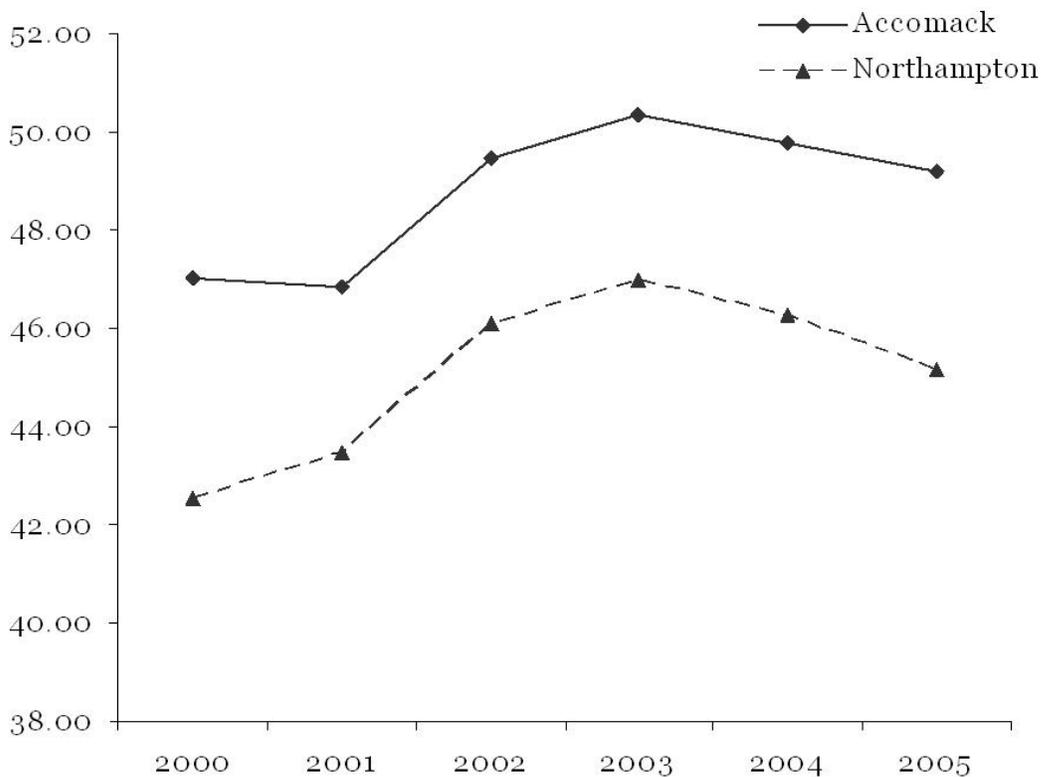
¹⁰ Penner, Rudolph, et al. "Letting Older Workers Work" Published by the Urban Institute, July 2003.

Workforce and Occupational Structure

In 2005 Virginia's Eastern Shore had an available workforce of 25,201. From 1994 to 2005, the region's population grew 11.13%.¹¹ Additionally, the Virginia Department of Education reports that 418 high school students graduated during the 2005/2006 school year.

The percentage of workforce in the population has been trending upward since 2000. In 2005, in Accomack County, 49.2% of the population participated in the workforce, up from 47.0% in 2000. In Northampton County, in 2005, 45.14% of the residents were part of the workforce, up from 42.53% in 2000.¹²

Figure 4: Workforce as a Percentage of Population



Sources: Weldon Cooper Center

Website: <http://www.coopercenter.org/>

Virginia Employment Commission Electronic Labor Market Access

Website: <http://velma.virtuallmi.com>.

¹¹ Source: US Census Bureau

¹² Source: Weldon Cooper Center for Public Service

Website: <http://www.coopercenter.org/>

Virginia Employment Commission Electronic Labor Market Access

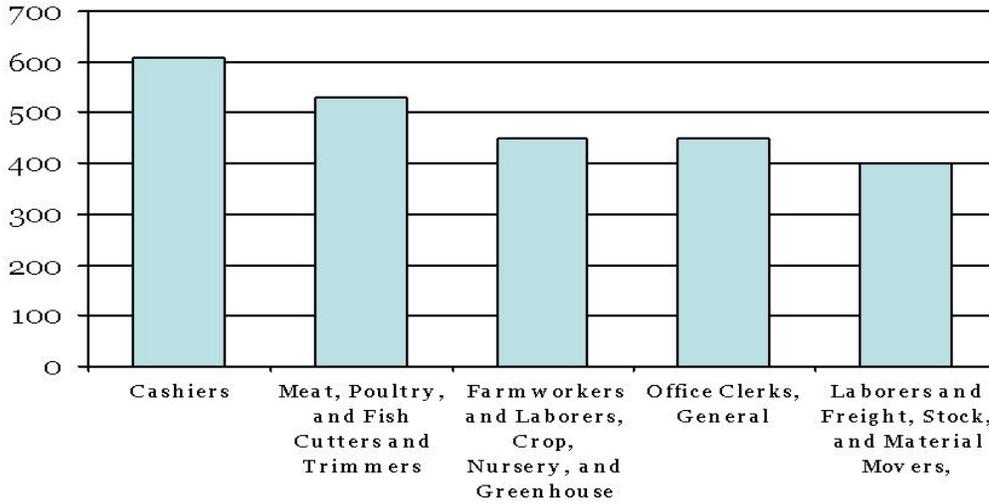
Website: <http://velma.virtuallmi.com>.

The occupations projected by the Virginia Employment Commission to grow the quickest in the region are in the “Health Care and Social Assistance” industry. By the year 2012, Chiropractors are expected to grow at a 113% clip. This is followed by Physical Therapist Aides, which will grow at 109%. Next are Physical Therapist Assistants (107%), Medical Assistants (91%), Occupational Therapist Assistants (89%), and finally Emergency Medical Technicians (89%). All of these occupations should grow dramatically by 2012.¹³

The Eastern Shore’s top five occupations give us insight into the major drivers of the region’s economy. It is important to note that overwhelmingly, the people of the region are employed in relatively unskilled occupations. The category of “Cashiers” is the most common occupation. This is a reflection of the region’s strong tourism and retail economy. The median salary for cashiers on the Eastern Shore is \$14,700 a year. This is below the national median salary of \$16,620. The second most common occupation is “Meat, Poultry, and Fish Cutters and Trimmers.” Their median salary is \$20,500 annually, slightly above the national median of \$19,830. The third most common occupation in the region is “Farm-workers and Laborers, Crop, Nursery, and Greenhouse.” This occupation pays a national median salary of \$16,450. Specific data regarding this occupation for the Eastern Shore is unavailable. The fourth most common occupation is “Office Clerks, General.” Their median salary is \$18,500 on the Eastern Shore and nationally it is substantially higher at \$23,070. Finally, the fifth most common is “Laborers and Freight, Stock, and Material Movers.” On the Eastern Shore, the median salary for this occupation is \$17,400, while nationally it is slightly higher at \$20,610.

¹³ The Virginia Employment Commission Industry and Occupational Projections, 2002-2012 Aggregated for the Bay Consortium (including the counties of [Accomack](#), [Caroline](#), [Essex](#), [King and Queen](#), [King George](#), [King William](#), [Lancaster](#), [Mathews](#), [Middlesex](#), [Northampton](#), [Northumberland](#), [Richmond](#), [Spotsylvania](#), [Stafford](#), and [Westmoreland](#) . No specific data is available specifically for Northampton and Accomack Counties.

Figure 5: Top Five Occupations on the Eastern Shore by Number of Employees



Sources: Virginia Employment Commission

Website: <http://velma.virtuallmi.com/admin/gsipub/htmlarea/uploads/pdf/communityprofiles/5104000001.pdf>

Education and Training

The primary and secondary education system in Accomack and Northampton Counties is also a concern. During the 2005-2006 academic year, neither the Accomack nor the Northampton School Districts met the state average in English, Math, Science, or for Graduation Rate. In fact, the only area where either of them met or exceeded the state average was Accomack County's performance on the Math portion of the test, which, their students passed at a rate of 78%, one point above the state average of 77%.

Table 1: Standardized Test Scores for 2005-2006 Academic Year

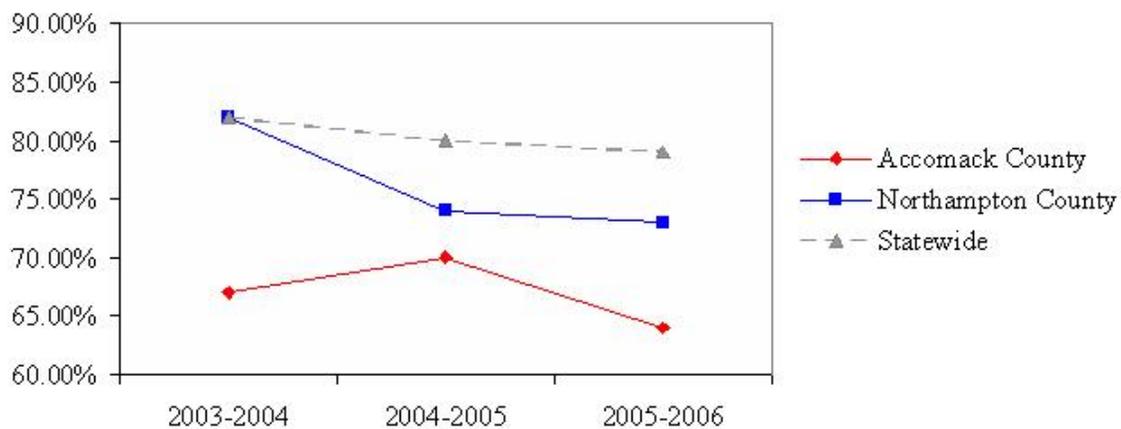
| Area | % Passed English Test | % Passed Math Test | % Passed Science Test | Graduation Rate |
|--------------------|------------------------------|---------------------------|------------------------------|------------------------|
| Accomack County | 83 | 78 | 83 | 67 |
| Northampton County | 80 | 76 | 84 | 64 |
| Statewide | 85 | 77 | 85 | 82 |

Source: Virginia Department of Education (2005)

Website: <https://p1pe.doe.virginia.gov/reportcard/>

Perhaps the most distressing education trends are the graduation rates for each county. While the state average rests at 82%, Northampton and Accomack fell conspicuously short at 64% and 67% respectively. In fact, a closer examination of the trends of the graduation rates in both counties is more troublesome. While statewide graduation rates have fallen three points since 2003-2004, Northampton's has fallen 16% to a woeful 64%. Meanwhile, Accomack improved slightly, increasing from 67% to 73%. These low graduation rates will inevitably hamper community economic development. Either fewer local residents will have the skills to stay competitive in a global economy, or fears of poor schools will keep technology-savvy businesses from relocating to the region.

Figure 6: High School Graduation Rates, 2003-2006



Source: Virginia Department of Education (2005)

Website: <https://p1pe.doe.virginia.gov/reportcard/>

Sustaining support for the school system may become a challenge in the face of changes in school population. School enrollment on the Eastern Shore has dropped from 10,027 in 1999 to 8,705 in 2005, and 7359 in 2006.¹⁴ Historically there is some fluctuation in these figures across the ages. For example, in the fall of 2006, 610 children were enrolled in Kindergarten on the Eastern Shore, while 652 enrolled in High School in the 9th grade. Comparable figures in 1999 were 492 students enrolled in Kindergarten and 663 enrolled in 9th grade.

The breakdown of the workforce by percentage, based on highest level of education attained indicates that the citizens of the Eastern Shore lag behind the rest of the state with nearly half as many residents holding bachelor's and post-graduate degrees. Growing numbers of highly educated retirees may impact future trends in that figure.

¹⁴ Source: Virginia Department of Education School Census (2006)

Website: http://www.pen.k12.va.us/VDOE/Publications/rep_page.htm

Table 2: Highest level of Educational Attainment for the Eastern Shore

| Degree | High School/GED | Some College | Associate's Degree | Bachelor's Degree | Post Graduate |
|-------------------------|------------------------|---------------------|---------------------------|--------------------------|----------------------|
| VA Eastern Shore | 48.41% | 24.40% | 6.36% | 12.94% | 7.87% |
| Statewide | 32.75% | 23.01% | 7.10% | 22.56% | 14.59% |

Source: Virginia Department of Education (2000)

Website: http://www.pen.k12.va.us/VDOE/Publications/rep_page.htm

Education and training are a major component of any asset-based community economic development plan. On the Eastern Shore of Virginia, the largest provider of training for employees in the region is Eastern Shore Community College (ESCC). It offers dual enrollment programs with local high schools, expanding skills of those entering the workforce. An important part of the curriculum for the community college is its Workforce Development and Continuing Education Division. This is geared toward providing occupational training for individuals or tailoring programs specifically to the needs of nearby businesses. Some observers note that some major employers in the area often develop their own training programs. However, the Workforce Development and Continuing Education Division at ESCC works closely with a number of local businesses as well as community, economic development and planning agencies and government, and civic and social service organizations. Training programs for such organizations focus mostly on computer and technology skills, while the majority of the college's degrees and certificates are in health and liberal arts.

Table 3: Eastern Shore Community College Associate's Degrees and Certificates Awarded 2005-2006

| Program | Number |
|--|---------------|
| Health professions certificate | 46 |
| Liberal arts associate's degree | 37 |
| Business degrees and certificates | 17 |
| Engineering technicians degrees and certificates | 9 |

Source: US. Department of Education

Website: (<http://nces.ed.gov/ipeds/cool/>)

Access by Eastern Shore residents to additional post-secondary education and training options may be hindered by distance, or by commuting costs of the Chesapeake Bay Bridge Tunnel. Distance learning options with public or private institutions may be an option for some. Additionally, students may access four- and two-year educational institutions in Maryland through participation in

Academic Common Market programs that allow Virginia residents receive in-state tuitions at Maryland schools for certain programs.¹⁵ This may be an underutilized resource, as program officials report statewide only 257 participants in the 2005-2006 school year, with 22 of those in enrolled Maryland schools.

Income and Poverty

Accomack and Northampton counties, based on the poverty rate, are, respectively, the twentieth and eighth poorest counties in Virginia. In 2004, 14.9% of the population in Accomack County and 17.6% in Northampton lived below the poverty line. Also, in 2004, Accomack's per capita income was approximately \$22,256 while Northampton's was \$27,556.¹⁶ The median household income in the State of Virginia, in 2004 was \$51,130, while in Accomack it was \$31,256 and in Northampton it was \$31,847.

Unemployment

Unemployment in the two counties is higher than it is statewide. The 20-year-trend is a promising one, showing a substantial decline in the unemployment rate over the long-term. After a long-term trend of a descending unemployment rate, the last few years have seen it escalate. The unemployment rate for the Eastern Shore of Virginia has fluctuated drastically over the last few years.

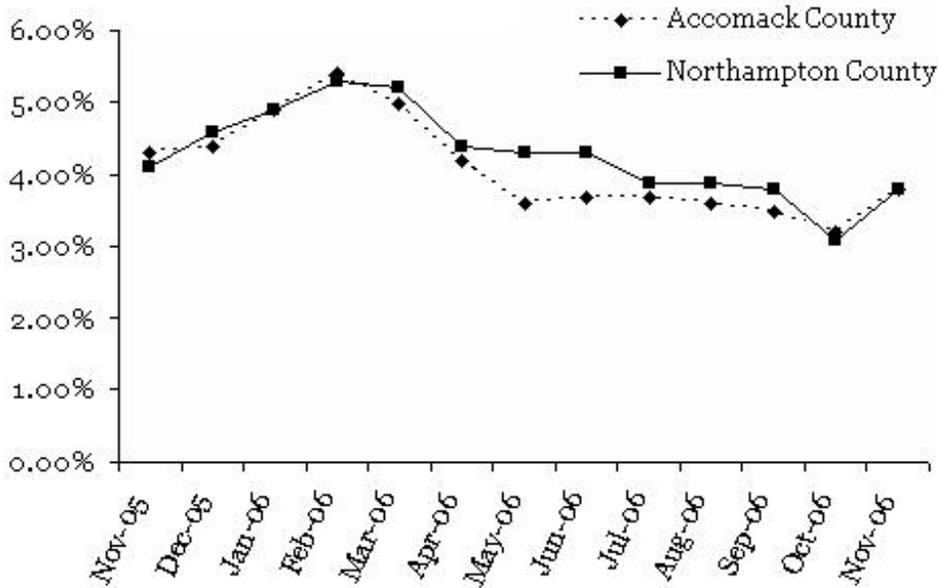
However, in the short-term unemployment has increased since 2000 to 4.9% in 2002 and 5.2% in 2003. Upon closer, examination, specifically, at the numbers from month to month from November 2005 to November 2006, there is considerable volatility in the region's unemployment rate.

Based on the trend, the disparity between winter months and the rest of the year is most likely explained as the result of seasonal labor patterns. Two of the region's major industries agriculture and tourism, require seasonal labor. In the spring, farms and tourism-related businesses both hire seasonal labor and release them in late fall. The seasonal nature of employment is a driving factor in the Eastern Shore of Virginia's economic cycle and should be considered when thinking strategically about the region's community economic development.

¹⁵ For more information see: <http://www.schev.edu/students/AcademicCommonMkt.asp>

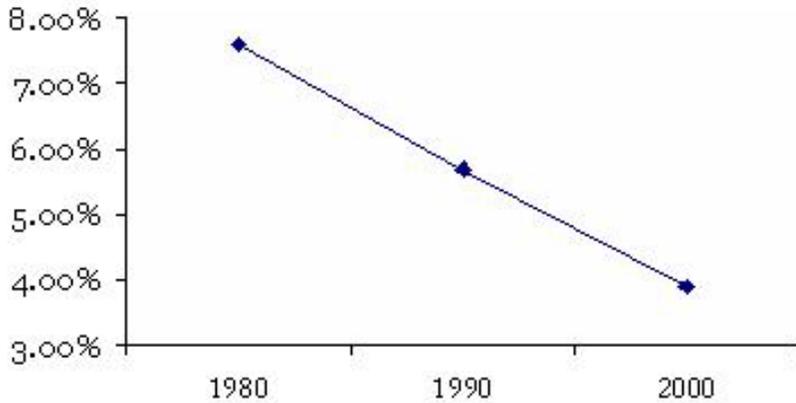
¹⁶ Source: US Census Bureau, Small Area Income and Poverty Estimates

Figure 7: Monthly Unemployment Rate for the Eastern Shore



Source: Virginia Employment Commission Community Profile (2006)
Website: <http://velma.virtuallmi.com/>

Figure 8: Unemployment Rate Trend for the Eastern Shore



Source: Virginia Employment Commission Community Profile (2006)
Website: <http://velma.virtuallmi.com/>

Place

Assets

The concept of place has a powerful effect on local community economic development. Most people are familiar with the adage about buying real estate and taking into account three things; location, location, and location. This is true to a lesser extent in community economic development. Simply put place does matter. For the purpose of this analysis, assets classified as primarily relating to place are fixed on the ground and immovable, the natural qualities of the region, and the infrastructure.

Place-based assets can be effectively leveraged through several different avenues. The geography of the region, physical infrastructure issues, and the area's major landholders all act to shape community economic development efforts. This may take the form of constraints with regard to physical infrastructure. However, place-based assets also represent some of the area's most promising opportunities. Throughout the public meetings and interviews conducted for this process, researchers found that residents of the Eastern Shore consistently viewed the area's natural features as its most valuable asset.

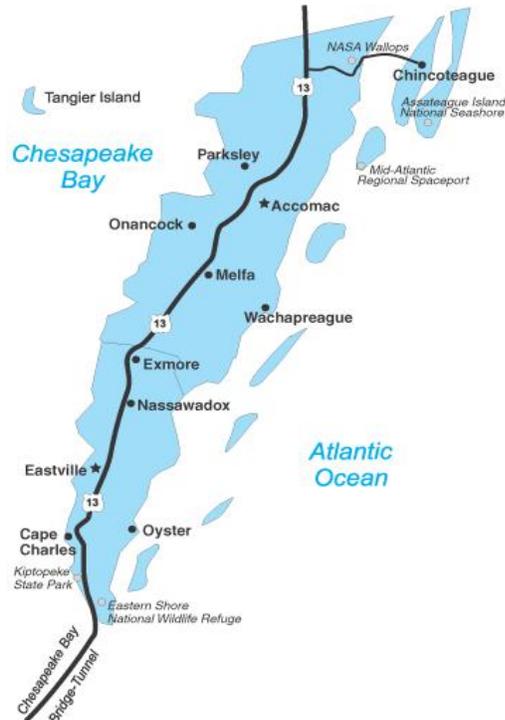
The residents' perceptions of where they live are an important factor in community economic development decisions. What the residents view as being appropriate development projects for a particular place significantly impacts decision-making. Projects can either be viewed as consistent with a progressive development ethos of the region, or they act as a reflection of an idealized historical norm. Either way, the idea of place is a powerful tool in how a region views itself and its future.

Metaphorically speaking, place in community economic development represents the foundation upon which projects are built. The strengths and weaknesses of the foundation allow for growth and expansion in certain areas and act as a limitation in others. In order for there to be a strong community economic development plan, it must be grounded in the strengths of a place.

Analysis

The Eastern Shore of Virginia is a 70 mile long portion of the southern tip of the Delmarva Peninsula. Situated between the Chesapeake Bay and Atlantic Ocean, it is a 15-mile wide body of land comprised of Accomack County to the north, bordering Maryland and Northampton County to the south, connected to Virginia via the 17.5-mile Chesapeake Bay Bridge-Tunnel. The total land area of the region is 696 square miles. The area is predominantly farmland, marshes, and small towns.

The region is picturesque and is a popular retirement and vacation destination. Some of the most popular destinations include Chincoteague Island, Tangier Island, and Cape Charles. Much of this area acts as an important natural conservation area. There are some recreational beaches on the peninsula, but overwhelmingly this part of the Eastern Shore is comprised of marsh lands and remote islands.



Source: www.easternshorevirginiaportal.com

The terrain is flat throughout the region, and the economy is dominated by vegetable farms, truck farming, tourism and large scale agribusiness. The eastern side of the peninsula is comprised of several barrier islands which are not easily accessible.

Most of Virginia’s Eastern Shore is within a day’s drive of several of the East’s major metropolitan areas. These cities are major hubs for a variety of industries which, if marketed to properly, and the proper infrastructure were available, could view the Eastern Shore as fertile ground for the placement of satellite offices. It also offers relatively easy access for the Eastern Shore’s agricultural products into major metropolitan markets.

Table 4: Approximate Distances to Major Metropolitan Areas¹⁷

| | |
|----------------|-----------|
| Norfolk, VA | 70 miles |
| Richmond, VA | 160 miles |
| Baltimore, MD | 180 miles |
| Washington, DC | 185 miles |
| Raleigh, NC | 255 miles |

Source: www.mapquest.com

Commuting and Migration

Highway access north and south is excellent with traffic congestion nearly non-existent. According to the most recent data available (2000), 2,322 people commuted from the Eastern Shore to another area. Meanwhile, 1,304 commuted into the area. This was a net loss of 1,018 employees to nearby areas.

¹⁷ “Midpoint” measurements from Melfa, VVirginia.

Table 5: Commuter Patterns

| Top 5 Place Residents Are Commuting To | # of Commuters | Top 5 Places Workers are Commuting From | # of Commuters |
|---|-----------------------|--|-----------------------|
| 1. Worcester County, MD | 1195 | 1. Worcester County, MD | 426 |
| 2. Wicomico County, MD | 295 | 2. Wicomico County, MD | 210 |
| 3. Somerset County, MD | 178 | 3. Virginia Beach, VA | 144 |
| 4. Norfolk City, VA | 122 | 4. Somerset County, MD | 138 |
| 5. Virginia Beach, VA | 55 | 5. Isle of Wight, VA | 35 |

Source: *Virginia Employment Commission Community Profiles (2000)*

Website: <http://velma.virtuallmi.com/>

The average commute for a resident of Northampton County is 21.7 minutes, while Accomack County residents travel slightly more, averaging 23.0 minutes. It is interesting to note that there is also considerable commuting between Northampton and Accomack Counties. Accomack and Northampton Counties have access to several large government installations in Norfolk, Virginia Beach, and Wallops Island. Although the Norfolk/Virginia Beach area offers greater employment opportunities, the challenges of a daily commute through the Chesapeake Bay Tunnel may create an incentive for residents of Virginia's Eastern Shore to drive north to Maryland for employment or other needs. In addition to commuting, residents often travel to Salisbury, Maryland or Hampton Roads for shopping or specialized medical, educational or other services. Travel patterns between Virginia's Eastern Shore and Worcester and Wicomico Counties in Maryland suggest shared economic and other interests between nearby Maryland and Virginia areas.

The in-migration and out-migration, the relocation of residences to and from the Eastern Shore, appears to cancel each other out. The out-migration from Accomack County in 2003 was 678 persons and the in-migration was 612 persons. For Northampton the out-migration rate was 57 persons and the in-migration rate was 66. Because of the relatively non-existent difference in the migration rates, it appears that there is no significant change in population due to migration.¹⁸

Transportation

The Chesapeake Bay Bridge-Tunnel and U.S. Highway 13 connect the Eastern Shore of Virginia to the major metro areas of the east coast. However, as noted earlier in this analysis, there is a net outbound commute of 1,018 employees to nearby areas. Most of the commuters head north to Maryland, with very few heading towards the Norfolk/Virginia Beach area. This is most likely due to the prohibitively high cost of traveling over the Chesapeake Bay Bridge Tunnel. This

¹⁸ Source: Internal Revenue Service, Statistics of Income Division (2003).

effects not only workers, but those seeking access to educational, medical, and other specialized services only available in a major metropolitan area.

The Eastern Shore's railroad infrastructure also presents some challenges for community economic development. The Eastern Shore Railroad is a bridge line that bypasses the Northeast Corridor and its restricted clearances. The railroad has more than 90 miles of track serving Accomack and Northampton Counties and a 26 mile car float operation to cross the Chesapeake Bay from Cape Charles to Little Creek. Two car floats of 18 and 25 car capacity are used over the water route. There are Norfolk Southern interchanges on both the north and south ends of the line, and also interchanges with the CSX and the Norfolk Portsmouth Beltline in and around Norfolk.

The region's largest general aviation facility is the Accomack County Airport is located at the Accomack Airport Industrial Park. The general aviation airport has a 5,000 foot concrete runway capable of accommodating most jet and prop aircrafts. Commercial air service is available across the Chesapeake Bay Bridge-Tunnel in Norfolk, Virginia. Norfolk International Airport offers service from several commercial airlines and air freight carriers. However, as stated previously, residents of the Eastern Shore face barriers to using resources in the Norfolk area due to the cost of the bridge.

Physical Constraints on Development

Accomack and Northampton Counties are subject to several constraints resulting primarily from the region's remoteness, soils and aquifer issues. The southern end of the Eastern Shore is accessible from the Norfolk-Hampton Roads-Virginia Beach area primarily by tunnel. The entire region faces water table and technological issues that also could hamper community economic development. Finally, much of the land in the region can only be used for limited purposes because it is either protected or owned by private groups.

Availability of water deserves some discussion as it is a very severe limitation to community economic development on the Shore. Throughout the region, potable water is only available from groundwater. Aquifers aggregate rainwater and when they are excessively drawn down are susceptible to salt-water intrusion. Because of this risk, users of more than 10,000 gallons per day must seek permission from the Virginia Department of Environmental Quality. Furthermore, only the towns of Cape Charles, Onancock, Exmore, and Tangier have public wastewater. Insufficient water and sewage services may be a limiting factor for many types of residential, commercial or industrial development.¹⁹

The region has several industrial sites that are either developed or partially developed. The Accomack County Airport Industrial Park in Melfa has 360 acres

¹⁹ Source: "Eastern Shore of Virginia's Comprehensive Economic Development Strategy." p7, 2004.

available, 120 of which are improved and served by broadband internet, water, sewer, and paved streets. The airport also has a new terminal building, new aircraft parking apron and new T-hangars. In Cape Charles, there is the Port of Cape Charles Sustainable Technologies Industrial Park with 150 total acres available and existing structure which is served by water, sewer, roads, rail and the harbor.²⁰ On balance however, the region has limited available office space and mostly small scale utility providers that would have a difficult time supporting a major commercial development project.

Table 6: Current Utility Providers on the Eastern Shore

| Utility | Supplier(s) |
|--------------------------------|---|
| Electricity | Delmarva Power, Accomack-Northampton Electric Cooperative |
| Water | Towns of Chincoteague, Parksley, Onancock, Exmore, Eastville, Cape Charles, Tangier |
| Sewer | Towns of Onancock, Exmore, Cape Charles and Tangier and the National Aeronautics and Space Administration |
| Sanitary Landfills & Recycling | One sanitary landfills is operated by each county |
| Telephone | Verizon Telecommunications Network served by digital switching |

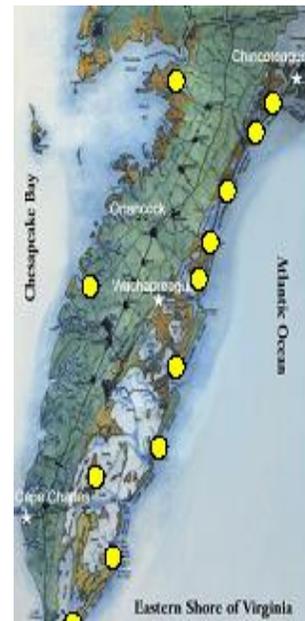
Source: Eastern Shore of Virginia Chamber of Commerce

Website: <http://www.esvachamber.org/ecoprofile.html#Utilities%20and%20Service>

Major Landholders

The Nature Conservancy is the largest private landowner on the Eastern Shore. The mission of The Nature Conservancy “is to preserve the plants, animals and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive.”²¹ Its mission is not to develop areas for tourism, rather to preserve them. However, it has worked with local development organizations in order to grant access to its holdings for low-impact tourism.

The Nature Conservancy’s approach on the Eastern Shore has been to develop a strategic planning process, in order to identify the highest-priority places. The Conservancy’s Virginia Coast Reserve is comprised of 14 Barrier Islands, thousands of acres of salt marshes, tidal mudflats, shallow bays, and forested uplands. Frequently, their efforts entail purchasing or accepting donations of land. The



Source: www.nature.org

²⁰ Eastern Shore of Virginia Chamber of Commerce (2006)

Website: <http://www.esvachamber.org/ecoprofile.html#Utilities%20and%20Service>

²¹ Source: The Nature Conservancy

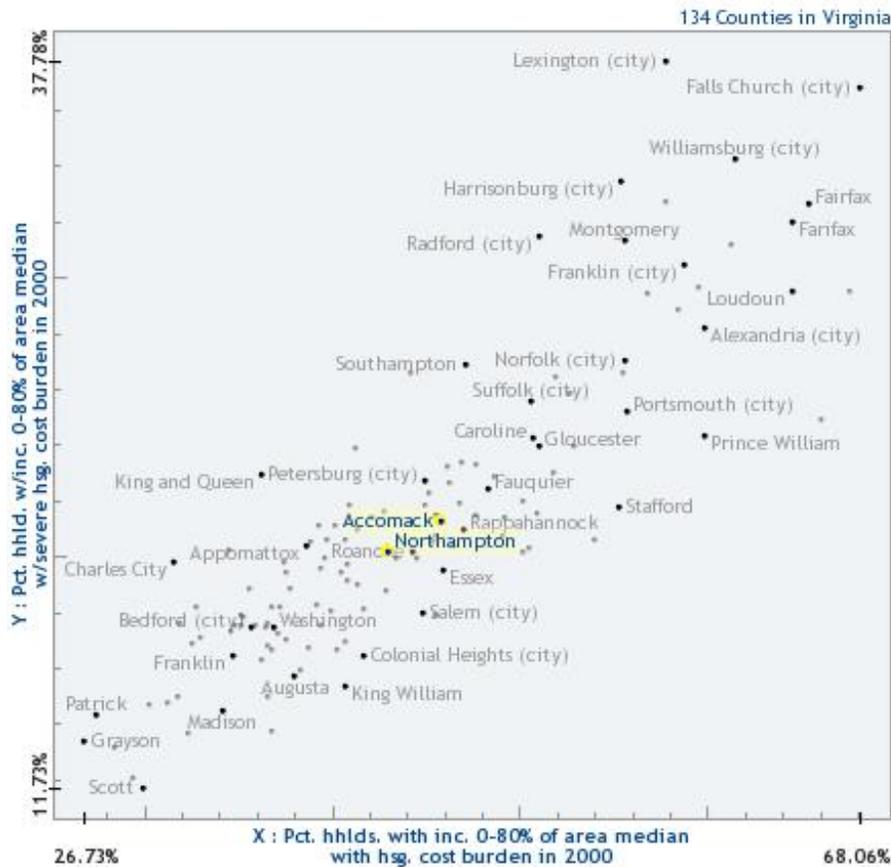
Website: www.nature.org

Conservancy also has a partnership with NASA that allows use of the latter's radar to track migratory birds. Because of their large land-holdings, public policy experience, and expertise in environmental issues, any effort to develop ecotourism should include the Nature Conservancy as a stakeholder.

Housing

The median house value for Accomack was \$79,300 and for Northampton, it was \$78,700 in 2000. Younger and seasonal employees may have a difficult time finding suitable housing. According to US Census, in Northampton County, 43% of households suffer from "housing cost burden," which is defined as spending greater than 30% of income on housing costs. Meanwhile 20.2% have a "severe housing cost burden," spending more than 50% of income on housing. Furthermore, 13.6% live in mobile homes, trailers, boats, etc. In Accomack County, 45.8% of households suffer from housing cost burden. There 21.3% have a severe housing cost burden. A further 23.6% live in mobile homes, trailers, and boats.

Figure 9: Scatter Plot Comparing Eastern Shore to Other Counties Based on Housing Cost Burden

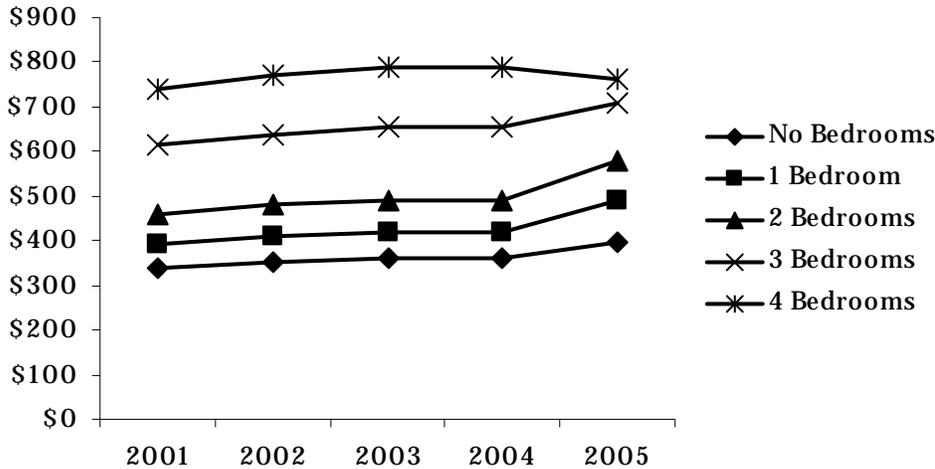


Source: Home Mortgage Disclosure Act Data (2000)

Website: <http://www.dataplace.org>

Additionally, the single family homes in the area are old when compared to the statewide number. The median (typical) home in Northampton County was built in 1960 while in Accomack it was built in 1971. Statewide, the median (typical) home was built in 1975. The median rents for Northampton and Accomack Counties appear to have remained stagnant from 2001 to 2005.

Figure 10: Median Rents on the Eastern Shore

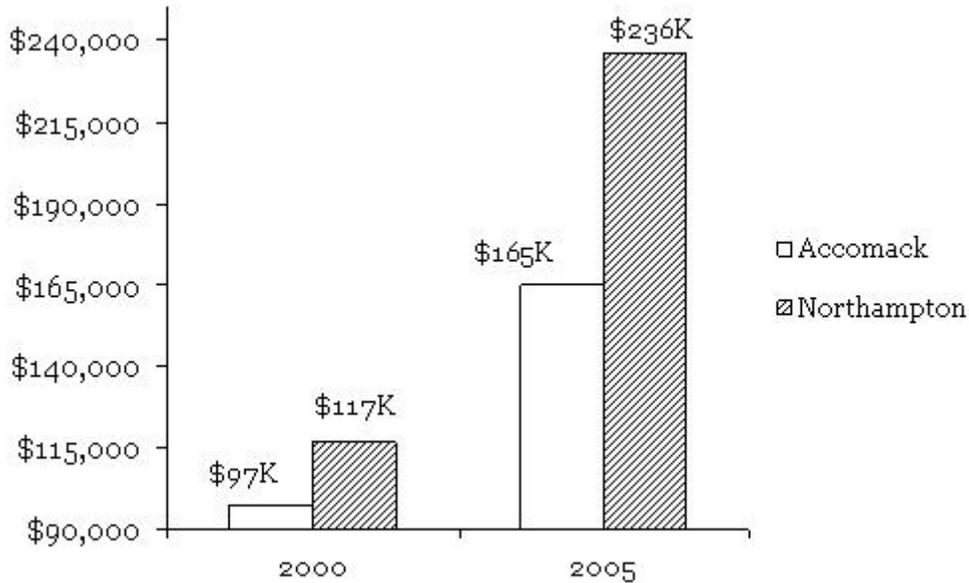


Source: U.S. Department of Housing and Urban Development 50th percentile rents

Housing costs have been increasing significantly over the last few years. The average amount of a loan for home purchase shows a notable upward tick. In constant dollars, the average loan for a home in Accomack in 2000 was \$96,957, while in Northampton it was \$117,199. In 2005 the average loan had jumped to \$165,066 in Accomack and \$236,019 in Northampton. This is a 101% increase with a compound annual growth rate of 15% for Northampton. Accomack saw a 70% increase overall with a compound annual rate of 11% over the same period. This was most likely driven by a national increase in housing costs and an influx of retirees to the Eastern Shore.

The trend in housing costs does put pressure on younger and working class residents who may not have the income to purchase homes at the higher prices. For example, some observers report that schools have difficulty recruiting teachers due in part to the scarcity of quality affordable housing. The Eastern Shore has a high teacher turnover rate and teachers cite the cost of housing as a factor in their decision to leave on exit interviews, along with low salaries.

Figure 11: Median Mortgage Amount in Constant (2000) Dollars

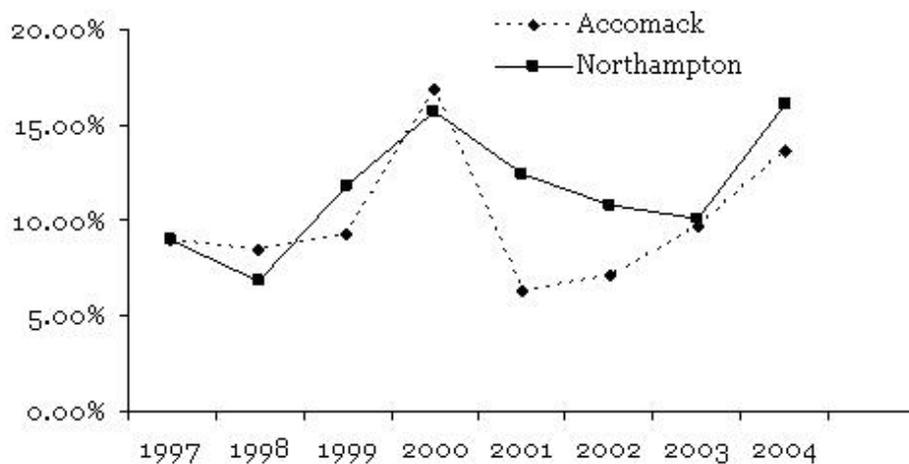


Source: Home Mortgage Disclosure Act Data (2005)

Website: <http://www.dataplace.org>

A glance at the percentage of conventional mortgages originated by sub-prime lenders from 1997 to today is informative. Bear in mind that the recent rash of high default rates overwhelmingly have occurred in the sub-prime lending market. Statewide, the percentage of mortgages from sub prime lenders was 9.7%.

Figure 12: Percentage of Total Mortgage with Sub-Prime Rates



Source: Home Mortgage Disclosure Act Data (2004)

Website: <http://www.dataplace.org>

Capital Opportunities

The Virginia Eastern Shore Economic Empowerment and Housing Corporation (VESEEHC) represents a unique source of capital for small business. Its “Small Business Loan Program” provides individuals with the opportunity to get a business loan of up to \$30,000. A volunteer loan committee consisting of community leaders and bankers reviews the small business loan applications. The VESEEHC has also conducted workshops on topics related to starting and operating a business. However, the main concern is the ability to fund the growth of a business from a zero employee operation into a flourishing small business that employs other Eastern Shore residents. There is a significant lack of “second round” venture capital available to entrepreneurs in this area to allow business plans to grow and evolve.

There is a need for a better small business financing system to acquire venture capital for entrepreneurs on the Eastern Shore, perhaps involving cooperation between the Eastern Shore Community College, the Small Business Development Center, and the VESEEHC. Without private venture capital, the economy will have difficulty diversifying and developing in a manner that benefits the region. The establishment of the NASA Wallops Island facility is proof that “world class” organizations are willing to locate in the area. The Eastern Shore’s location near the Norfolk area needs to be better leveraged in order to attract businesses that are looking for cheaper office space and a better quality of life.

Industry

Assets

Businesses and industries are the framework from which a successful community economic development strategy is constructed. Asset-based community economic development techniques pay considerable attention to building on the strengths of the business and industry assets of the region in question.

Oftentimes this can be done by focusing on clusters of development. Business and industry clusters act to help define opportunities by increasing the comfort level of residents with a business or industry. On the other hand businesses and industry also are more likely to have an increased comfort level about locating or expanding in areas where similar businesses have had success. Most successful community economic development projects rely heavily on overlaying new ideas and projects onto the area's existing business and industry framework. On the Eastern Shore, businesses and industries like aquaculture, forestry, and tourism, and clusters, like the Wallops Facility, form the basis for such prospective economic growth.

To return to the metaphor of constructing a building, the businesses and industries in an area represent the framing. Framework supports the existing structure and serves as the basis for new growth by acting as a template for expansion. By building off of existing industry, community economic development keys into the essential best practices that allow for successful business growth. Leveraging the business and industry assets of a region are a key to a workable strategy for development.

Analysis

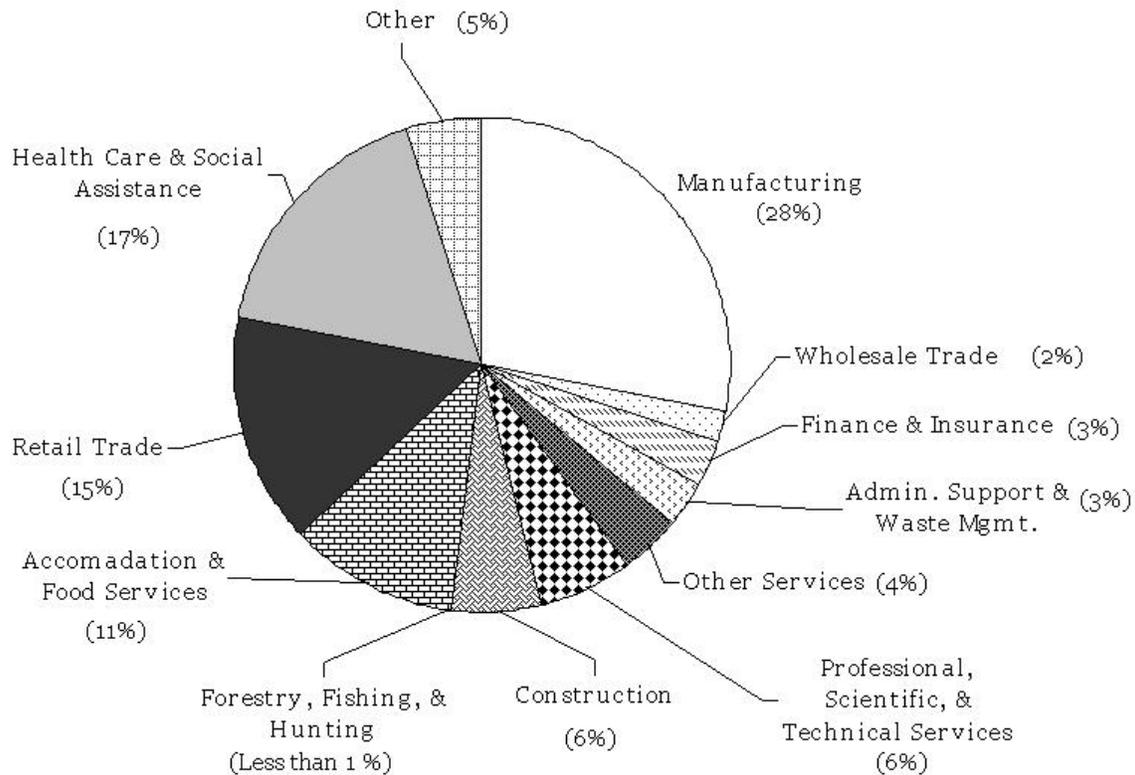
Economic Base and Industrial Structure

The Eastern Shore, for a rural area with uniform geography, has some diversity in its economy. Sectors with the largest number of employees in the Eastern Shore are manufacturing at 29%, health care with 16%, retail trade with 14%, and accommodation and food services at 11%. Together, these sectors account for more than half of the region's employment. These figures are not surprising when one accounts for the retiree population and chicken-processing plants in the Eastern Shore economy.

Even though the health care industry accounts for a very large percentage of jobs in the region, the largest private employers on the Shore are concentrated in poultry processing. While this has been a profitable industry of late, the nature of commodity agriculture makes this form of agri-business susceptible to economic swings. For example, rising feed costs associated with increased acreage devoted

to ethanol and bio-fuels production may put pressure on meat and other poultry producers. This suggests the importance of recent employment gains in the health care sector, which should see steady growth given the large number of retirees moving to the area.

Figure 13: Eastern Shore Employment by Sector

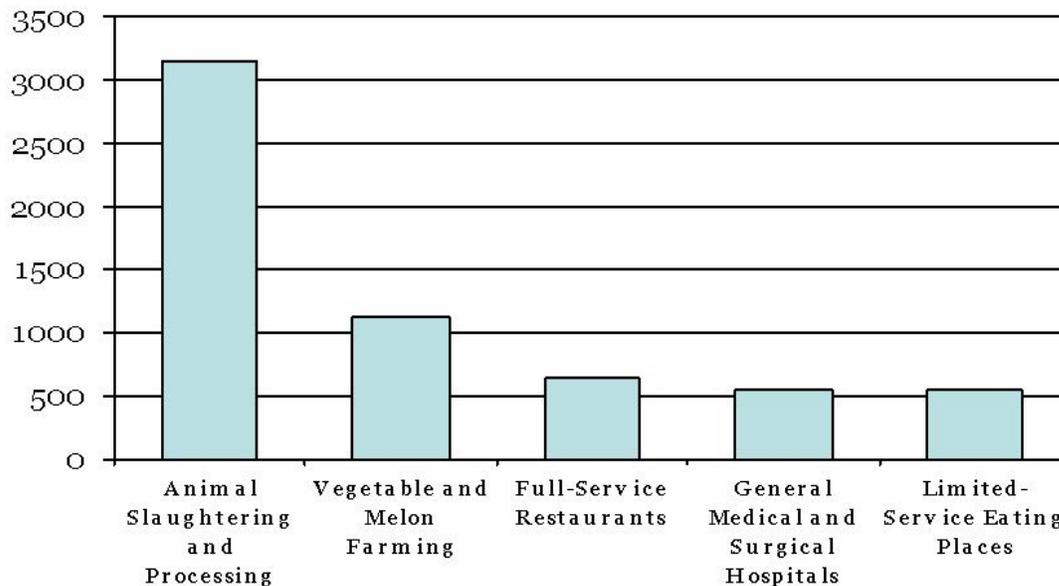


Source: U.S. Census Bureau County Business Patterns (2004)
 Website: <http://www.census.gov/epcd/cbp/view/cbpview.html>

At a more detailed level, the top five industries in the region also allow us to understand where economic growth historically has been prevalent. “Animal Slaughtering and Processing” is the largest industry in the region, employing over 3,000 people. The two major poultry processing plants account for this industry’s size. Its specific data has been suppressed due to the limited number of employers. Second is “Vegetable and Melon Farming”, which includes tomatoes, one of the most profitable crops on the Shore. This industry employs 1,191 people, has 16 established firms, and pays an annual wage of \$17,326. The third largest industry is “Full-service Restaurants.” This is a reflection on the prominence of the tourism industry in the region. This industry employs 644 people, has 45 established firms, and pays an annual wage of \$10,547. The fourth largest industry is “General Medical and Surgical Hospitals.” This can largely be attributed to Shore Health Services, Inc. in Nassawadox. This industry’s specific data has also been suppressed due to the limited number of employers. The fifth largest industry in the region is “Limited Service Eating Places.” This industry

employs 542 people, has 32 established firms, and pays an annual wage of \$10,330.

Figure 14: Top Five Industries by Number of Employees



Sources: Virginia Employment Commission, Quarterly Census of Employment and Wages, Data for 2005 (4th quarter) combined with Virginia Staffing Matrix

Website: <http://velma.virtuallmi.com/admin/gsipub/htmlarea/uploads/pdf/communityprofiles/5104000001.pdf>

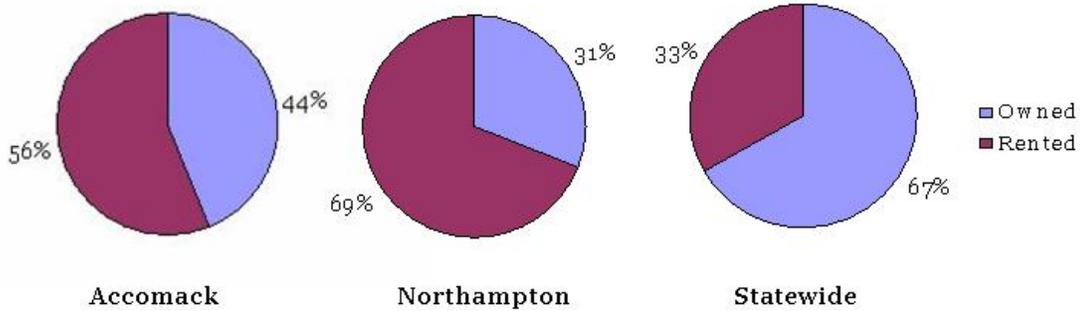
Agriculture

Small, family-owned farms are also an important part of the area's economy. The average size of a farm in Northampton County is 281 acres, while in Accomack it is a slightly larger 286 acres. The percentage of farms owned by a family or individual in Northampton County is 77%, while in Accomack it is slightly higher at 80%. The average age of a farm operator on the Eastern Shore is 55 years old. This is a troubling statistic for the long-term viability of the region's agricultural industry. Attention must be paid to the succession plans of many of the family farms. Workforce factors may play a part in this, but the diverse and entrepreneurial nature of small family farming on the Eastern Shore is in danger because there seems to be difficulty developing the next generation of farm operators.

An analysis of the total farm acreage in Accomack and Northampton Counties reveals that overwhelmingly farmers rely on rented land. This has important implications on community economic development because it limits the types of crops that can be grown. For instance, it may be difficult for some farms to transition to organic farming. This is because organic farms must lie fallow for

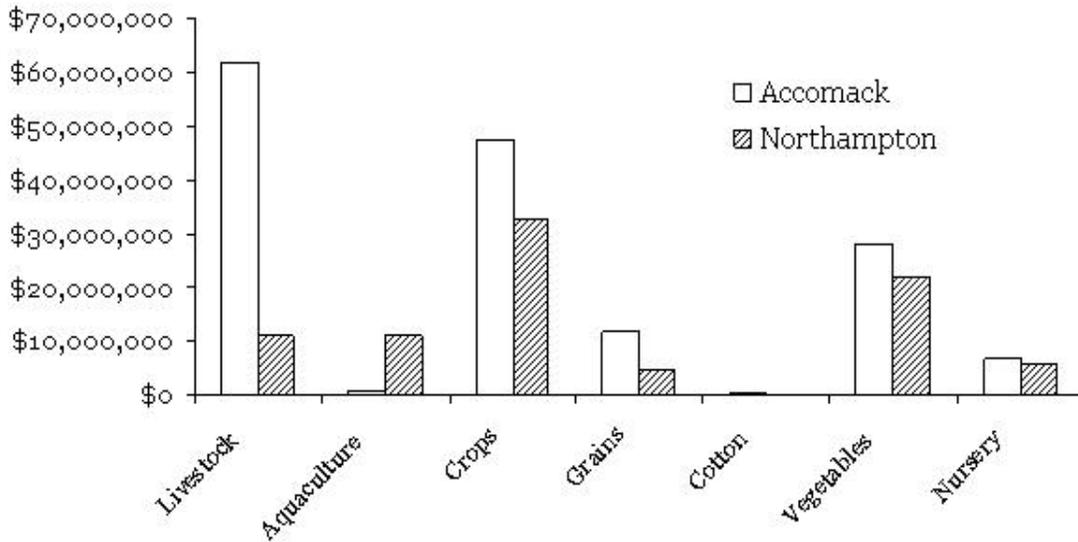
three years in order to be certified as pesticide free. If the arable land is predominantly rented, this is very difficult.

Figure 15: Farm Acreage by Ownership Type



Source: USDA Census of Agriculture (2002)
 Website: http://www.nass.usda.gov/Census_of_Agriculture/index.asp

Figure 16: Market Value of Agricultural/Aquaculture Products by Type



Source: USDA Census of Agriculture (2002)
 Website: http://www.nass.usda.gov/Census_of_Agriculture/index.asp

Crops (e.g. wheat) and Vegetables (e.g. tomatoes) are the most valuable types of agriculture in both counties. Anecdotally, the region’s farmers view vegetable farming as one of the region’s great strengths. Tomatoes are the most profitable crops for many in the region.

Tourism

Tourism is a major part of the region's economy. In the year 2004, the tourism industry employed 2,600 people and brought \$178.19 million into the economy.²² Although the tourist industry has some drawbacks, such as the seasonal nature of employment, it can be an important supplemental source of income to many residents and a primary source for some. The region's tourism industry may have great room for growth, for minimal cost. The region has ample tourism assets, and is a "weekend destination" distance away from many urban areas on the eastern seaboard. Greater coordination in packaging local assets into a more organized regional system of sites, like the joint marketing program undertaken by a number of Southwest Virginia localities,²³ could increase their usage.

Major Employers

The Eastern Shore of Virginia has several well-established industries that form the basis of its economic strength. Overwhelmingly, the most important industries to the Eastern Shore are agriculture, seafood, and tourism.

The two largest private employers in the region are both concentrated in the same agriculture industry. Perdue Farms' processing plant in Accomac, which opened in 1971, is the region's largest private employer with estimated 1,500 to 2,499 employees. Tyson Foods processing plant in Temperanceville, is the region's second largest private employer, with between 1,000 and 1,499 on staff. In addition to Perdue Farms and Tyson's Foods, other major employers in the region include²⁴:

- NASA-Wallops Facility with between 100 and 299 employees
- Shore Health Services Inc. with between 600 and 999 employees
- Bayshore Concrete Products Corp. with between 100 and 299 employees
- US Navy – AEGIS with between 100 and 299 employees
- Eastern Shore Seafood (clam processor) with between 100 and 299 employees
- Chesapeake Bay Bridge Tunnel with between 100 and 299 employees
- New Ravenna (Tile Mosaics) with between 100 and 299 employees

Tax Structure and Business Incentives

Of the many assets Virginia's Eastern Shore uses to attract and retain businesses to the region, few are more significant than the region's tax structure. Virginia has no state property tax and manufacturers' inventory is exempt from local property taxes. Additionally, Accomack and Northampton Counties, when

²² Source: Virginia Tourism Corporation

²³ See more information at: <http://www.thecrookedroad.org/>

²⁴ Source: Virginia Economic Development Partnership.

compared with other nearby counties, have low tax rates. A look at the effective tax rates²⁵ for both counties shows the rates to be a substantial “balance sheet” incentive that could attract and retain businesses to the area.

Table 7: Effective Tax Rates (per \$100 valuation)

| Type | Real Property | Personal Property | Business Tangible Property | Machinery/Tools |
|--------------------|---------------|-------------------|----------------------------|-----------------|
| Accomack County | 0.57 | 3.13 | - | 3.13 |
| Northampton County | 0.70 | 4.10 | 6.25 | 2.25 |

Source: Virginia Department of Taxation (2006)

Website: http://www.tax.virginia.gov/Web_PDFs/LocalRatesSurvey2005.pdf

The Virginia basic corporate income tax rate is 6% of federal taxable income, prior to deductions. If a multi-state corporation's income is taxed by both Virginia and another state, state law allows the corporation to allocate its income by state so that it is not taxed in Virginia on the entire amount. In addition, the Commonwealth does not engage in unitary taxation and therefore excludes foreign sources income from taxation.

The state code also includes sales tax exemptions for spaceports in order to conduct commercial launches. This “carve-out” directly benefits contractors at the Mid-Atlantic Regional Spaceport commercial space launch facility at Wallops Island facility. Wallops Island is a promising facility that has ample space and is located close to the Washington, DC area, where the defense industry is based.

In addition to the incentive of the tax structure, Virginia’s Eastern Shore has been identified by both the state and federal government as worthy of additional subsidies to encourage community economic development. Portions of Northampton and Accomack Counties are in a “Virginia Enterprise Zone.” These zones provide grants for qualifying companies that create new full-time jobs or improve commercial real estate. The two primary financial incentives encouraging business are “Real Property Improvement Grants” and “Job Grants.”

Projects eligible for Real Property Improvement Grants are commercial real estate construction or improvement projects that meet several minimum requirements. The grant is up to 30% of the total cost of qualified improvements (maximum amount not to exceed \$125,000 in a 5-year period) and reimbursed the business after the project is complete. Also qualifying are new construction projects that cost at least \$250,000 or rehabilitated or expanded real property investment of at least \$50,000. Mixed-use projects that are at least 30% business use can also qualify for a grant.

Projects eligible for Virginia Enterprise Zone “Job Grants” are businesses that create at least 4 new full-time jobs up to a maximum of 350 eligible jobs per year. Jobs paying 200% of the federal minimum wage and providing health benefits

²⁵ These are the nominal rate multiplied by assessment ratio.

will be eligible for a grant of \$800 per year for five years. Jobs paying less than 200% of minimum wage, but at least 175% (and providing health benefits) will be eligible for a grant of \$500 per year for five years. This program is also notable because it only offers incentives for the creation of jobs that pay a “living wage,” not minimum wage or seasonal employment. A “living wage” is defined as the minimum hourly wage necessary for a person to achieve a specific standard of living. It encourages employers who need skilled labor to relocate to Virginia’s Eastern Shore.

In addition to state grants, investors in the region also qualify for Federal assistance. Northampton and Accomack Counties are designated by the Small Business Administration as “HUBzones” (Historically Underutilized Business Zones). The HUBZone Empowerment Contracting Program is a federal contracting program for small businesses in selected areas. It provides qualified businesses with many federal contract and subcontracting opportunities. This program is intended to stimulate economic development in communities by providing federal government contracting preferences to small businesses in “underutilized” areas such as the Eastern Shore. Small businesses in these zones have the opportunity to negotiate sole-source contracts and participate in restricted competition limited to only HUBzone firms. Also, small businesses located in HUBzone areas are allowed a 10% price evaluation preference in full and open competition. One small business owner we talked to said that the HUBzone designation is a significant advantage when competing for grants. However, they also noted that grants that would require their firm to hire new employees would be difficult because of issues with recruiting qualified employees.

Further incentives for businesses to expand or relocate to the Eastern Shore are the “Foreign Trade Zones” located in the area. The Mid-Atlantic Regional Spaceport, Accomack Airport Industrial Park, and the business park in Cape Charles all have Foreign Trade Zone status and are also part of the Virginia Port Authority Foreign Trade Zone. A “foreign trade zone” is considered to be outside U.S. customs territory, so foreign and domestic materials or merchandise may be moved into it without being subject to U.S. customs duties, until the goods enter the U.S. market. When merchandise is removed from a zone, customs duties may be eliminated if the goods are exported outside the United States. If the merchandise formally enters the U.S., customs duties are due at that time. For companies doing significant business outside of the U.S., there are many benefits to using the Foreign Trade Zone.

Local Institutions and Groups Involved in Community Economic Development

Community economic development on the Eastern Shore is a focus for a number of organizations. Among these are several civic associations, government bodies, educational institutions, and major employers. As noted previously, the ability

of such entities to act in concert for the region when needed is often correlated with successful economic development initiatives.

The Eastern Shore of Virginia Chamber of Commerce represents the business, professional, agricultural, seafood, and tourism interests of the region. They are involved in several events designed to attract tourists to the region. The four most prominent events are the Seafood Festival in Chincoteague (May), Pony Swim in Chincoteague (July), the Harvest Festival and the Birding and Wildlife Festival (both in October). The ESVCC is the regional Chamber of Commerce office and as such takes a broader view of community economic development issues.

The Cape Charles and Northampton County Chamber of Commerce deals often with community economic development projects geared toward attracting new businesses to that area. It works for the development of land surrounding Cape Charles. It has aided in many development projects including Bay Creek, by Baymark Construction. The Bay Creek project encompasses approximately 1,800 acres of land surrounding the Town of Cape Charles. Currently, plans include residential communities as well as two PGA championship golf courses.

The Chincoteague Chamber of Commerce works in the town to unite businesses and improve community economic development on the island. Its primary mission is to bring tourism to the island, and activities include supporting festivals such as the world-famous pony swim, driven by the sale of the ponies from Assateague every summer.

County governments have played an important role in facilitating major community economic development initiatives. Accomack County has developed a strong relationship with NASA, the Navy, the Mid-Atlantic Spaceport, the Marine Science Consortium and others at Wallops Island. These relationships are of paramount importance as the County moves forward with plans to develop a research park on land in proximity to NASA's facility.

Through the Small Business Development Center and the Workforce Services Program, at Eastern Shore Community College, assistance is provided to large and small businesses across the region. Similarly, the Accomack-Northampton Planning District Commission provides services and support in community economic development to communities across the region.

Meeting Assessments

Overview

In both meetings we discussed values typically identified with successful rural communities and how those communities care for and utilize all the assets they have available for community economic development. Participants were asked discuss “Twenty Clues” to rural community survival²⁶ and consider how those values are reflected in their community and how it cares for its assets.

Some of these clues reflect on the mobile assets of a community, its people and how they interact such as:

- a participatory approach to community decision-making;
- cooperative community spirit;
- deliberate transition of power to a younger generation of leaders;
- acceptance of women and minorities in leadership roles;
- strong belief in and support of education;
- a problem-solving approach to providing health care; and
- a strong multi-generational family orientation.

Other clues reflect on assets anchored in place and on how the community interacts with them including:

- evidence of community pride;
- emphasis on quality in business and community life;
- willingness to invest in the future;
- knowledge of the physical environment; and
- the strong presence of traditional institutions.

Other clues cut across the idea of mobile or fixed assets, but have particular relevance for business and industry in the context of community economic development.

- a realistic appraisal of future opportunities;
- awareness of competitive positioning;
- an active community economic development program;
- sound and well-maintained infrastructure;
- careful use of fiscal resources;
- sophisticated use of information resources;
- willingness to seek ideas from the outside; but
- in the long run, communities have to do it themselves.

²⁶ Source: <http://www.heartlandcenter.info/publications.htm>

Several values emerged as common to both the Accomack and Northampton meetings. People on the Eastern Shore are intimately connected to the land and water and demonstrated a deep knowledge of the physical environment. That knowledge and the respect that goes along with it allow them to see their natural assets as of primary importance. A strong multi-generational family orientation was also common, both in terms of families with deep roots on the Eastern Shore and in a concern expressed by long term residents and more recent arrivals alike, with developing future opportunities in their communities for their children. Lastly, there has always been a willingness to seek help from the outside, as think-tanks and experts on land use and environmental and other areas of policy have frequently been welcomed to present their views. At the same time, there was a strong degree of acceptance of the idea that in the long run communities have to do it themselves; opportunities for outsiders, either government or large companies to intervene in the region's economic future are severely constrained by market and budget realities.

In the sections that follow we expand this analysis from the public feedback we received in each county. We report on other clues we heard, the assets they were identified with, and importantly we discuss the clues didn't hear about at either meeting.

Clues We Heard in Accomack

Many participants saw evidence of community pride, for example noting the array of community festivals and their connection to tourism. At the same time, they were frustrated by the presence of litter on the highways and the impression that may leave. The challenge of litter also led to an expression of concern about vacant and abandoned buildings, as well as occupied substandard housing.

Meeting attendees also placed a great emphasis on quality in business and community life. Passionate cases were made for a focus on the quality of business development and how it related to quality of life. Many expressed a desire to sustain the county's traditional base in agriculture and aquaculture, or to promote eco-tourism and emerging forms of agriculture. Others spoke of opportunities for transformative community economic development opportunities in proximity to Wallops Island.

A good example of the acceptance of women and minorities in leadership was identified in the number of women on Chincoteague's Town Council. There are also influential examples of women in business leadership such as Pamela Barefoot who heads the Blue Crab Bay Company. At the same time participants argued that more could be done through educational and civic organizations to help the community to help these potential leadership assets develop. Similarly, concerns were expressed about whether the county was tapping into the skills and experiences of the retirees.

Participants expressed a clear belief in and support for education. They highlighted the connection between educational challenges, faced by the public schools and community colleges, and workforce challenges faced by business. Specific concerns were expressed about the importance of stronger math and science curriculums, and opportunities were identified to connect with activity at Wallops Island, for example through a “Space Camp” Virginia Spaceflight Authority officials are exploring, or through engineers at NASA and elsewhere as adjunct faculty for the Community College. Expanded offerings in higher education, and future connections between education and research at Wallops Island, VIMS and elsewhere, were also seen as important steps in stopping the flow of what one participant described as the county’s leading export---young people.

The strong presence of traditional institutions was cited as an asset to be tapped in several instances. Participants thought churches and civic groups would be a source of support for outreach to youth, as well as in building civic clean-up and beautification campaigns.

Opportunities to develop sound and well-maintained infrastructure were paramount on the minds of a number of participants. There was a great deal of awareness of efforts to stimulate affordable commercial-speed broadband access for the region. There were also concerns expressed about water and sewer infrastructure, and recreation, with advocates speaking for very different approaches.

An active community economic development program would be one answer to concerns expressed about relations between business and government. Specifically participants cited the needs of small business and challenges they face, ranging from zoning to capital access.

Clues We Heard in Northampton

The passions for civic participation that generated a very high meeting turnout were tremendous evidence of community pride. Like their neighbors in Accomack County, Northampton residents also talked about roadside trash and the physical conditions of buildings in many of their communities.

The willingness to invest in the future and different ways to pursue that was on the mind of a number of participants. Some asked if the county could better leverages both recent arrivals and retirees who have chosen to invest their skills and capital in the county. This was seen as translating to support for entrepreneurship and small business development.

Ideas for a participatory approach to community decision-making and cooperative community spirit were seen as important by many. Several

participants asked for better or more regular engagement among citizens on community economic development issues.

Deliberate transition of power to a younger generation of leaders has to begin with outreach to youth. One participant identified themselves as the only young person at the meeting and was supported by many when she described engaging and retaining youth as of vital importance for the county's future.

Meeting participants expressed a strong belief in and support of education. Participation in this meeting by the new community college workforce dean was lauded. The need for new and expanded course offerings was expressed and connected to the ability of the region to retain its youth and meet the needs of business.

An active community economic development program would address the concerns of a number of meeting participants. As was the case in Accomack, several attendees in Northampton County gave voice to concerns about the quality of interaction between business and government, suggesting prioritizing improved communications.

Sound and well-maintained infrastructure was a concern for participants generally opposed to or in favor of various forms of development. Some factors cited were amenable to infrastructure solutions such as promoting affordable commercial speed broadband access or improving conditions on Route 13. Solutions to other more general constraints on physical development were less clearly clear, including the presence of environmentally sensitive lands, and more generally hard to develop lands with soil and drainage issues. Other participants noted concerns with water-wastewater infrastructure and access to recreational infrastructure.

Awareness of competitive positioning is an important consideration, as there were many meeting participants with strongly held ideas about trading on natural assets and the potential significance of aquaculture, agriculture and ecotourism. The need to put these ideas into a clear context was highlighted by the identification in the meeting of several important competitive challenges the county faces, for example the retention of skilled trades workers in the face of competition with urban areas.

Important Clues for both Counties

A realistic appraisal of future opportunities through a sophisticated use of information resources is particularly important. The region should work to ascertain not only the most appealing, but market-justified, industry targets. This will allow great care to be used with fiscal resources that will be required to support these aspirations as strategies for development. For example, conflicting visions of market opportunities in agriculture we heard expressed in both

counties could be explored through specific analysis of product markets, understanding of the capacities farmers need to exploit them, and the specific strategies that might help them develop those opportunities.

Key Findings and Implications

The previous sections drew on both local knowledge and externally produced data to provide a detailed picture of the assets on the Eastern Shore with respect to people, place, and industry. Any asset-based community economic development strategy will focus its efforts on such a list of strengths. Whether this yields desirable and successful outcomes, however, depends on the careful consideration of constraints and opportunities surrounding the utilization of a particular community asset. In this section we outline some key findings and discuss their implications for the region.

The Eastern Shore would benefit greatly from more diverse employment options. Such diversity gives the economy the ability to weather regional market setbacks and the lays the groundwork for greater entrepreneurial success. Less diverse economies are much more susceptible to recessions and slower to recover. Agriculture, aquaculture, and tourism are sectors that trade with the world, which bring “new money” into the regional economy. While they remain a source of strength, greater diversity in the region’s economic base would be an asset, serving to insulate the region from problems in any one industry. Fortunately for the area, 32% of the economy is vested in “Healthcare Assistance” and “Government,” these are both very stable sectors that can aid in weathering economic downturns. However, both of these sectors grow slowly and have low turnover, which means there are few entry-level positions and new positions available to job-seekers.

Unlike some rural regions, the Eastern Shore has relatively close proximity to other more developed areas, albeit shaped by transportation choices. Relative proximity to Metropolitan Tidewater across the Chesapeake Bay Bridge Tunnel and even easier access to Southern Maryland can act as both a positive and a negative. The resources of these areas may present opportunities for Eastern Shore residents and businesses. For example, notwithstanding the high tolls, many Shore residents access educational and medical services in Hampton Roads. Some Shore businesses do, and others could, access skilled labor and markets for their goods and services in both regions. On the other hand, Southern Maryland retailers certainly provide competition for businesses on the Shore. Further, the economic opportunity in these adjacent regions likely contributes to decisions by talented and educated residents to relocate for better employment.

Accomack and Northampton counties and their residents expressed some different points of emphasis when it comes to development priorities. However, in subjects where the region is viewed by outsiders as being one entity, it would be useful and efficient to coordinate efforts as much as possible. The most prominent example of this is tourism marketing. It is much more effective and efficient to market the “Eastern Shore” as a brand than either Accomack or Northampton Counties individually.

Building a Community Economic Development Agenda

We asked participants in the public meetings to consider their assets and what they might do to sustain, improve or if needed replace them. Analysis of their responses highlights the interconnectedness of these assets and the challenge the region and its communities face in prioritizing and acting on these issues. Drawing on the responses received to our questions in the public meetings, as well as the opportunities and constraints suggested by our data analysis, below we identify several significant areas that could be the basis for building a community economic development agenda for the region.

People

The region must actively plan for and pursue opportunities to fully leverage the region's existing and potential sources of human capital.

Improved educational outcomes in the public school systems, such as test scores and graduation rates currently below state averages, must accompany efforts to strengthen the economy. Not only are the schools the starting point for building a region's future workforce, schools also have consequences for the ability of regions to expand and retain existing business, or recruit new ones.

For example, observers report that many employees at Wallops Island facilities in eastern Accomack County choose Maryland residences because of concerns about school quality. The various organizations at Wallops Island make up a cluster of industrial activity driven by highly-educated and skilled employees with a significant economic impact to the region.²⁷ That growth potential relies in part on training or recruiting new workers, which can be undermined if schools are perceived as a problem.

Further, rural communities have always worried about how to keep their young people "down on the farm." As the structure of agriculture and rural industries changed in recent years this concern has only become more acute. The mixed employment picture for young people in rural areas poses something of a "chicken and the egg" problem. Educational and job opportunities often lead them away from home while employers find limited education and skills levels in rural communities a disincentive to creating job opportunities in these communities.

Some rural communities are looking at ways to expand and promote technical education as a way to meet demands from existing employers in their

²⁷ The facility covers 6,000 acres and its direct economic impact for 2006 was \$116 million. NASA's Wallops Island facility employs roughly 1174 people, 25% (260) are civil service employees and 75% (914) are contractors.

communities. Halifax County Public Schools have developed a very aggressive dual-enrollment program with Southside Community College which includes opportunities in areas like skilled trades and healthcare where current demand for skilled workers exists in their communities. Southwest Virginia communities are serving as brokers marketing specific job opportunities in their communities to college-educated young people who moved away for school through a program called Return to Roots.²⁸

Many areas are also looking at the potential for actively engaging retirees and attracting their financial capital, skills and talents to their communities. There is a broad consensus that the baby boomers will seek ways to remain active in retirement that will distinguish them from previous generations. This may take place through participation in civic and non-profit activities, by remaining in the workforce, or through creating new business enterprises. Smart communities are now considering pros and cons of this approach and making it a part of their community planning.²⁹

One idea blending these approaches that the region could pursue now would be the creation of a chapter of the Service Core of Retired Executives (SCORE). A nationwide program, organized by the US Small Business Administration, SCORE engages retired executives in the support and mentoring of small business and could be a valuable aid to the region's existing Small Business Development Center. Although this idea has been explored in the past, the continued growth of the retirement community and new activity at ESCC may make this an excellent time to pursue this option.

Action items:

1. Recognize school quality as a prerequisite for successful community economic development and make school quality a priority in any agenda.
2. Consider models for marketing programs matching workers who've left the Eastern Shore with current and potential employers.
3. Provide opportunities for high school students to focus on in-demand technical skills.
4. Look for innovative outlets to engage the energy of the Eastern Shore's growing community of retirees.

Places

The region should carefully study market opportunities and constraints facing ideas to develop the region's natural assets.

²⁸ For more information see: <http://returntoroots.org/>

²⁹ For a summary go to: <http://www.ips.tennessee.edu/>

As noted earlier, people on the Eastern Shore maintain an intimate connection with the land and water in their communities. The importance of these place-based natural assets was one area of clear consensus across all the public meetings. A challenge remains in interpreting how best to utilize these assets and develop a consensus for action.

We heard passionate but generally anecdotally supported arguments for efforts in eco-tourism, support for the region's traditional strengths in agriculture and aquaculture, or emerging areas such as organic products, ethanol and bio-diesel. We also heard of constraints facing many of these ideas, such as ownership patterns that may impact the ability of farmers to transition to organic products. That said, models do exist where communities have planned and organized ventures to assist in overcoming those hurdles.³⁰

The Eastern Shore of Virginia has done much to publicize its tourism resources through the work of the Tourism Commission. However, there are additional initiatives that could strengthen the industry. It would be useful to explore to a greater extent, the intersection of tourism and information systems. Possibly a cooperative organization could be formed to allow the formation of an internet market for craftsmen and aggregate tourism resources. Such operations have been very successful in other rural areas including Southwest Virginia.³¹ This would be of minimal cost and allow tourism to be marketed efficiently.

It may be useful to seek-out best practices of other similarly-positioned regions in marketing to underserved or non-traditional "niche" tourist groups. Targeted marketing in particular segments of the population is a useful technique for relatively smaller destinations, such as the Shore, with unique assets. For example, the Eastern Shore is located along the Atlantic flyway for shorebirds, waterfowl, and others that nest in the north and migrate south for the winter. The unusual terrain also is a nesting place for a variety of birds. This is a niche tourism market that can be marketed to effectively through the internet. Many rural regions have found this type of niche marketing to be fertile ground that gives them a competitive advantage against more mainstream tourism competitors.

Action items:

1. Undertake careful analysis of markets and organizing strategies for entering new and exciting markets for agriculture and aquaculture.
2. Explore and implement appropriate best practices in e-commerce and new "niche" tourism marketing strategies.

³⁰ For example: <http://www.appsusdev.org/>

³¹ For example: <http://www.cpebv.org/>

Recognize the quality of infrastructure as important to both community and business/industry and act on it.

Many forms of infrastructure make up the physical environment that should be a concern for community economic development. Big-ticket highway and rail projects can address certain capacity and other quantifiable concerns. Water and sewer issues are pressing agenda items for a number of communities in both counties. However, other less traditional forms of infrastructure, everything from the presence of trash on the roadsides to vacant or substandard housing in some communities, should also be considered for its impact on the perceived quality of the region as a place to live, work, or visit. Action in such areas may not require large external infusions of cash. Many Shore communities have made strides in facing the issue of housing conditions, but much work remains to be done. Civic organizations, businesses, and government need to work in concert to address such issues.

Further, the cost and quality of broadband internet infrastructure appears to be a major challenge. This infrastructure has been vital to recent public and private investments in other parts of rural Virginia, including new software jobs in Southwest Virginia³² and a new research and development facility in Southside.³³ Important civic efforts are underway, working to expand competitive options in broadband “backbone” and “last-mile” solutions on the Eastern Shore, with an eye towards encouraging the provision of affordable, commercial-speed broadband access. This is important to a range of business types. Small businesses, especially tourism-related ones, rely on the internet to successfully market their products and services. Redundant, commercial-speed broadband is also critical for the establishment of large “in-shoring” (a domestic alternative to outsourcing) call and technical centers which many rural regions find success in attracting.

Action items:

1. Support community clean-up programs and other efforts to improve the quality of the physical environment.
2. Carefully examine capital investments in infrastructure, such as water and sewer, and recreational facilities, with recognition of their significance for community economic development.
3. Recognize addressing the problems substandard housing will be beneficial for community economic development efforts.
4. Promote the expansion of commercial-speed broadband infrastructure options.

³² Source: <http://www.csmonitor.com/2006/0223/p02s01-usec.html>

³³ Source: <http://www.ialr.org/about/>

Business and Industry

Carefully study the commitments required to realize the potential for research and development activity in the region.

Research and development (R&D) and “high-tech” activity represents a “clean” industry appealing to many places. For example, the immediate impact of NASA’s presence on the Eastern Shore is itself substantial. The facility covers 6,000 acres and its direct economic impact for 2006 was \$116 million. NASA’s Wallops Island facility employs roughly 1174 people, one quarter of who are civil service employees and the balance of which are contractors.

A number of states, including Florida and New Mexico, are pursuing development of commercial spaceflight, both satellite launches and space tourism.³⁴ Accomack County is already working to develop a research park with proximity to the Wallops Island complex, home to high tech activity at NASA, the Navy and the commercial Mid-Atlantic Spaceport (MARS) facility. While state economic developers include aerospace and space-related activities as a target industry, it should be noted that Virginia’s current operating support for MARS is only half that of Maryland.

Substantial university research into the Shore’s unique marine resources is ongoing. This includes work by the Virginia Institute for Marine Sciences and the multi-institution Marine Sciences Consortium, among others. These activities may offer opportunities to develop unique development opportunities in different fields. Other states, Maine for example, have supported innovation in a growing cluster of industry activity in marine technology and aquaculture.³⁵

Whatever the areas pursued, in undertaking these activities communities need to realize both the transformative potential of R&D, and also the long term commitment required. While it may sometimes involve the proverbial rocket science, the “R” of R&D is relatively easy, but the “D”, which involves bringing research innovations to market, is very challenging. While the immediate economic impact of research is beneficial and should be actively pursued, commercializing the new technologies and capturing additional benefits for the region will require careful study.

Action items:

1. Encourage state support for activity for Wallops Island, including MARS.
2. Pursue development strategies in aerospace/spaceflight and marine sciences, and conduct thorough research into the competitive picture in these areas.

³⁴ Source:

<http://www.floridatoday.com/apps/pbcs.dll/article?AID=/20070215/NEWS01/702150350/1006>

³⁵ Source: http://www.state.me.us/mstf/htdocs/news/2002/11c_cluster_broadcast.html

3. Recognize the distinction between the immediate economic impact of research and the long term commitment required to see the benefits of commercial development.

Develop active communication strategies to keep the region's leaders and citizens informed and engaged in community economic development.

Communications strategies among business, government and citizens can greatly strengthen support for community economic development. Concerns about communications, between business and government, and government and citizens, were a feature of the public meetings. Several local and regional civic and business associations, as well as regional institutions of government like the PDC and the ESCC, bridge some of this gap. However, some may serve mainly as information sources and could lack the capacity to leverage the business community to effect real changes in the region.

At the regional level, an answer to this concern does not have to include a formal institutional structure such as the former economic development commission. However, it should include maintaining a regular channel of communication, perhaps through the PDC among county leaders, chamber of commerce officials and other relevant agencies such as the community college. Further, the PDC's CEDS plan could be utilized as a vehicle for engaging citizen's in regular discussions over community economic development issues.

An answer to the local concerns could in part be addressed through greater emphasis on outreach to existing businesses. For example, the state is currently developing a new effort to support business retention and expansion with a pilot program launched in the Richmond region earlier this year.³⁶ A similar effort in Accomack County or Northampton County, perhaps implemented through a position housed in local governments or the local chambers of commerce, could be the vehicle for sustaining such contacts.

Action items:

1. Support information exchanges on community economic development topics among local and regional leaders.
2. Utilize the CEDS process as a vehicle for ongoing discussions with citizens.
3. Develop local business retention and expansion programs, considering the state model as one approach.

³⁶ Source:

http://www.richmond.com/econdev/output.aspx?Article_ID=4566078&Vertical_ID=10&tier=3&position=4

Appendix

A. Northampton County June Follow-up Meeting Summary

Citizens reconvened in Northampton County on June 28, 2007 for a follow-up discussion to address issues raised at the February summit meeting. Approximately 40 county residents attended, most of whom reported having attended the previous meeting. This event started with a brief overview of the analysis presented in the report. It was followed by a discussion of assets, opportunities, and constraints identified in the analysis. The next part of the event was a self-selected break-out of participants into discussion groups organized around individual interest in agriculture, aquaculture, hospitality/tourism/retail, and new/other existing business. The groups were tasked to address the following questions:

- 1) What do we know from the report that can help the county launch an effort to work with this sector?
- 2) Specifically, what are the most important things we heard tonight for this sector?
- 3) What didn't we hear, or what else don't we know that would be relevant to this sector?

Then to close out their discussions the groups were asked to consider several additional questions.

- 1) What do we want to see done?
- 2) How do such actions relate to these sectors?
- 3) Who will do these things?
- 4) What resources, tools and partners might they need to accomplish them?

Agriculture Discussion

The group discussing the topic of agriculture on the Eastern Shore considered several ideas regarding restructuring the county's tax policies to encourage and sustain agriculture. Among these suggestions were to:

- lower farm equipment taxes,
- maintain tax incentives for open spaces, and
- investigate sources of funding for more irrigation ponds utilizing the Columbia aquifer.

Some felt that the goal of having ponds that use the shallow aquifer rather than the Yorktown-Eastover aquifer could also be advanced by urging the Department of Environmental Quality to consider updating their regulations as they relate to the placement of ponds.

Other ideas discussed were to:

- review state regulations and areas where changes could be affected through lobbying,
- look for more funding for school programs in horticulture and organic agriculture,
- study the economic impact of agriculture,
- educate county residents on the benefits of agriculture,
- examine linkages between agriculture and residential development patterns,
- develop a partnership with the community college to develop new initiatives to support agriculture.

One participant summed up their view by stating “(the) county has the responsibility to better communicate the assets of agriculture to the whole community.”

Aquaculture Discussion

The discussion of aquaculture touched on several topics. Among them were:

- work to be done regarding the county’s best management practices,
- problems regarding lack of data about the aquaculture industry,
- the industrial and workforce structure of aquaculture, which some attendees believed allows more money to stay within the community, when compared to other similar industries
- calls for more education in order for the public to understand the economic impact of aquaculture, and
- facilitated conversations between agriculture and aquaculture to address points of contention between them.

Overwhelmingly participants placed the greatest emphasis on water quality within the county. Concerns were expressed about toxic liquids spilled into creeks killing aquaculture products, which could be mitigated by vegetation buffers and retention ponds.

Emphasis was also placed in the discussion on working with local governments to minimize conflicts over rights to use property. One suggestion was to explore a “Right to Farm Act” for aquaculture.

Participants were encouraged by the recent attention given to aquaculture. One noted that there is a new report available on the industry’s impacts from the Virginia Institute of Marine Sciences. It showed that over 500 million clams were grown in the county last year.

There was much discussion about who should be responsible for maintaining water quality. The aquaculture industry was viewed as the actor that should take a lead role in this process. Similar to the agriculture recommendations, the aquaculture group viewed management of water and residential development as

imperative. The group proposed a cooperative effort among the aquaculture industry, local government, and state government in order to make the industry more successful.

Tourism/Hospitality/Retail Industry Discussion

The group that formed to address the tourism/hospitality/ retail industry touched on several concepts. Among them were:

- the quaintness of the county's towns,
- the entrepreneurial nature of many in the tourism industry,
- the low capital requirements of the tourist businesses were mentioned, as was the fact that retirees are an important component of the tourism industry,
- Bay Creek's apparent strategy of marketing as a resort, and
- the need for a cooperative marketing network for small tourist businesses.

One participant stated "The more successful the tourism effort, the more people move here." They believed this would be positive because it could bring more skilled people to the area.

The topic of interweaving tourism and education prompted much discussion. Among the ideas were:

- exploring educational opportunities for those visiting Northampton,
- considering education as a partner in developing tourism assets,
- developing job-shadowing programs that could help create good tourism employees, and
- increasing interaction between business and the community college (one attendee noted that the high school already has a tourism program).

The notion of market niches that were as yet undiscovered within the region led to some discussion. One of the participants described the nature of the tourists to the area by saying "Our tourists do stuff. They come to experience and explore the shore." This led some to consider marketing water sports and specialty packages. Many felt that the businesses of the Eastern Shore needed to unify under one brand. Another suggested that a heritage trail be established with a website and audio tours. Another felt that a radio talking tour would be a positive addition to the tourism industry. In order to promote tourism for the descendants of former Eastern Shore residents some suggested that the courthouse records needed to be more accessible. This could help attract genealogy tourists and family reunions. Cooperative media tours (car audio tours for visitors) were suggested. The aim was stated as being targeting high-end, low-impact tourists. One attendee said "good lodging, good food, good shopping is what they want."

Other assets and opportunities that were discussed included:

- the large concentration of historic homes,
- the burgeoning antique forum,

- the area’s potential as a destination for small conferences and retreats, and
- workshops for artists and bed and breakfast owners.

Other Existing/New Businesses Discussion

In the discussion group tackling the subject of helping other existing businesses and new businesses expressed an interest in:

- a new “business support/expansion” position,
- improving the education system and workforce skills,
- creating school and after-school programs to help youth learn about business and career opportunities,
- engaging senior business leaders to help attract companies to the county and as a business resource to the community,
- developing a private-sector led business council, which could be a resource to existing industry and a vehicle to attract new industry.

Some felt the area needed to do a better job of tying education to business needs. For example, some participants wanted to attempt to recruit Northern Virginia companies. Education quality and its impact on the recruitment of talent from Northern Virginia were mentioned. One participant stated that executives “buy a school, not a house.” The county’s education system was viewed as hampering the attraction of these highly educated, upper income people.

Another suggestion was that the marine resources industry should be developed. It was suggested that building on the region’s “natural laboratory” would bring in multiple high and medium-paying jobs.

The county has another asset in that it is quiet and secluded from major population areas, yet still within easy driving range of several metropolitan areas and major markets. The county is approximately two hours from the state capital of Richmond and approximately four hours from Washington, DC. Businesses that could leverage this feature were mentioned as prospective re-locators. Health tourism-based centers like cosmetic surgery and weight loss centers as well as government agencies were mentioned as being possibly interested in relocating to the area. Energy uses such as “wind farming” were also mentioned as a possible industry, as were water turbines. Some addressed seeking a balance between small and large industry.

While there was strong support for tourism, this group saw tourism as being a supplemental source of income for many rather than a primary one. The group felt that targeting industries that would expand the tax base was critical to meeting other long-term goals like revamping the school system.

The discussion turned to a more focused analysis of existing businesses. Participants stated that business-zoned land should not be rezoned to agriculture and said that the community should do a better job of embracing new or existing businesses. A participant said the county does not embrace new businesses. It

was discussed that a welcome program should be established at the county level for new businesses.

Workforce development issues also came up during the discussion. Youth activities such as mentoring programs like Boys and Girls clubs should be put in place to “keep people on the right track.” This would allow better education and more economic activity. Some note the potential for high-end arts and crafts manufacturing. Grant-writing was also discussed with attendees wanting to pursue US EDA funding for some projects.

Other suggestions were:

- greater broadband access throughout the shore as tactic to help existing businesses and attract new business,
- small/homegrown artisans should be aided,
- diversifying economic base should be a priority, and
- attracting and retaining more “value-added” businesses are important.

Action Item Summary and Implementation Recommendations

The action items that emerged from the discussions described above expand on a number of the areas for action discussed in the February summit meeting.³⁷ General themes that were reiterated in the June meeting include pursuing opportunities to fully leverage human capital, studying constraints and opportunities for marketing/ developing the region’s natural assets, acting on the importance of quality infrastructure, and developing active communication strategies to keep leaders and citizens engaged in economic development.

Individual discussion groups reported their consensus on key action items back to the full meeting. All participants were provided with three votes to distribute among these priorities with the following results.

Action Item Priorities (Votes Received in Parentheses)

- ✓ Improve water quality through land-use policies (22)
- ✓ Establish a business support/expansion position (12)
- ✓ Improve workforce skills through better education and the establishment of mentoring programs (16)
- ✓ Support projects to improve broadband access through the region (7)
- ✓ Develop a cooperative tourism marketing network (7)
- ✓ Conduct public education regarding the economic impact of agriculture and aquaculture (7)
- ✓ Review county tax and other policies related to agriculture (4)
- ✓ Establishment of business council (3)
- ✓ Provide funding for education about horticulture and organic farming (3)

³⁷ See p39 of the report

These actions items provide a starting point for further discussion by committees formed by the county to guide input for the Comprehensive Plan Economic Development Element. However in weighing eventual recommendations for implementation, these committees and the county may opt to consider several criteria. These are 1) the priority rank order established by the vote of the meeting, 2) whether these actions require either public policy reviews or public funding commitments, and 3) the roles for the private and public sectors in implementation.

Some of the issues that were raised fall into the realm of county policy action, such as substantive changes in tax policy or funding decisions while other issues centered on prioritization. Other action items focused on industry efforts ranging from relatively straightforward public education campaigns to more complex cooperative efforts in marketing.

For example, in agriculture recommended actions included taking a closer look at several county tax policies, providing more money for horticulture/organics education, and greater publicity about the economic impact of agriculture.

The aquaculture discussion raised several potential action items, including efforts to preserve or improve water quality through land-use practices and greater education regarding the economic impact of aquaculture.

The tourism/hospitality/retail discussion focused on one clear action. Their singular priority was to develop an industry-led cooperative marketing network.

From the discussion of other existing and new businesses several actionable items were identified. The county should hire a new business support specialist, others suggested the establishment by private sector groups or a business council to facilitate a better relationship between the public and private sector. Others wanted to improve the workforce by establishing career and technical education programs, mentoring programs, and after school activities. Projects supporting better broadband internet access, along with other infrastructure needs were also endorsed.

With this input in mind we recommend, as summarized in the table that follows, that the county in the near to medium term consider actions not related to direct public expenditures. These could take the form of; 1) examining policies concerning water quality and agriculture, 2) looking for ways to support and facilitate business-led initiatives such as public education campaigns, tourism cooperative marketing, youth mentoring, and 3) creation of a business council. These are all projects that could begin to coalesce through the committee process currently envisioned by the county. In the medium to long term, we recommend projects that may require public expenditures, such as a business support position, broadband, funding for education in horticulture and agriculture, be pursued with the current broadband project considered as a model. In that case local officials are working with regional institutions such as the Planning District

Commission, and external groups like the Mid-Atlantic broadband cooperative, to develop projects at a scale capable of attracting levels of funding that could have a significant impact. Those efforts can certainly be a part of the committee discussions but will likely need detailed budgetary discussions with multiple partners to fully achieve their aims.

Implementation Summary

| Action | Objective | Implementation | Timeframe |
|---|--|---|------------------|
| Public policy reviews | <ul style="list-style-type: none"> • Land use • Tax policies | County with industry and public input | Near-medium term |
| Industry-led efforts with public support/facilitation | <ul style="list-style-type: none"> • Mentoring programs • Cooperative tourism marketing • Public education on agriculture and aquaculture • Business council | Industry led efforts supported or facilitated by the county | Near-Medium term |
| Public expenditure commitments | <ul style="list-style-type: none"> • Business support position • Broadband • Specialty agriculture education | County with regional or external partners | Medium-Long term |

B. Glossary

Asset-based community economic development advocates the use of skills and strengths that are already present within the community. The phrase "asset-based" refers to a positive, "capacity-driven" approach encouraging community members to make progress for themselves, as opposed to a traditional "needs-driven" approach which makes the community dependent on institutional help.³⁸

Civic engagement can lead citizens to take ownership for the community's challenges. It can take many forms— from individual volunteerism to organizational involvement to electoral participation. It can include efforts to directly address an issue, work with others in a community to solve a problem or interact with the institutions of representative democracy.

Entrepreneurship is the practice of starting new organizations, particularly new businesses generally in response to identified opportunities. Entrepreneurship is often a difficult undertaking, as a majority of new businesses fail, calling for a high tolerance for risk.

Human capital refers to the stock of productive talents, skills, and technical knowledge embodied in individuals.

Natural assets include both land and water used for agricultural and forest production, as well as similar features of the natural environment dedicated to amenity purposes such as recreation, scenic enjoyment, or preservation.

Sustainable development is a collection of methods which seeks to equitably satisfy the economic needs of all peoples while taking the steps necessary to avoid irreversible damages to [natural capital](#). Long term and short term costs and benefits are considered with an eye towards reconciling development projects with the regenerative capacity of the natural environment.

US Economic Development Administration is a unit of the federal Department of Commerce that leads the federal economic development agenda. They provide grants and technical assistance focused on economically distressed regions.

Virginia Economic Development Partnership is a state authority created to promote business development and expansion in communities around the Commonwealth. They provide companies and communities with technical and marketing assistance.

³⁸ Kretzmann, John P. and John L. McKnight, *Building Communities from the Inside Out: A Path Toward Finding and Mobilizing a Community's Assets*. Evanston, IL: Institute for Policy Research, 1993.

C. Regional Assets Catalog

The list that follows represents our effort to capture some of the diverse array of assets highlighted over the course of our research. It is meant to serve as a supplemental reference for readers of this report. Any omission from this list should not be taken as a judgment on the value any particular community asset.

Academic Common Market is an arrangement among Southern states allowing students to pay in-state tuition rates at out-of-state schools while studying in select programs not available at Virginia public institutions.

Website: <http://www.schev.edu/students/AcademicCommonMkt.asp>

Accomack Airport has a 5,000 feet long and 100 feet wide runway. The terminal building was dedicated in December of 1997, and it contains a lobby, conference room, and pilots' lounge. Business people can walk from the terminal to the companies in Accomack Airport Industrial Park. Eastern Shore Community College is located right next door.

Website: <http://www.accomackairport.com/airport.html>

The Accomack Airport Industrial Park is an industrial park that services the region. This site boasts improvements including broadband internet, water, sewer, paved streets, and a on-site landing strip and other aircraft facilities.

Website: <http://www.accomackairport.com/>

Art in the Park is a juried arts and crafts show located at the Barrier Islands Center in Machipongo. The show takes place in July and is sponsored by the Eastern Shore of Virginia Chamber of Commerce.

Website: <http://www.esvachamber.org/festivals/artinthepark/>

The Assateague Island Lighthouse is a popular tourist destination located on the Virginia portion of Assateague Island. The lighthouse was constructed in 1833 at a cost of approximately \$55,000. It has twin rotating lights that flash one after the other from a height of 154 feet above sea level. The lights can be seen 19 miles out to sea. The Assateague Lighthouse stands 142 feet high with a base that measures over 27 feet in diameter.

Website: http://www.assateagueisland.com/lighthouse/lighthouse_info.htm

The Barrier Islands Center is a facility in Northampton County that houses the Barrier Island Museum and Almshouse Farm. It also has event space for hosting festival and shows.

Website: <http://www.barrierislandscenter.com/navigation.html>

The Bay Coast Railroad is a combination bridge and car float line that connects the region to the Norfolk Southern and CSX rail lines. This rail line bypasses the problems associated with restricted clearances in the Northeast Corridor.

Bay Creek Resort and Club is a resort community located near Cape Charles at the southern tip of the peninsula. It has a marina located in the protected harbor of King's Creek providing deepwater access. Bay Creek has 1800 acres of home sites, golf courses, and lakes. It is a popular vacation and retirement area.
Website: <http://www.baycreek.net/about.asp>

Cape Charles, located close to the mouth of the Chesapeake Bay, on Virginia's Eastern Shore, was founded in 1884 as a planned community by railroad and ferry interests. Cape Charles was, for many years, the terminal for passenger and car ferry service across the Bay to Norfolk and Hampton. Charles still serves as a terminal for railway barges that carry rail cars from the former Eastern Shore Railroad which is now Bay Coast Railroad across the mouth of the Bay to Norfolk.
Website: www.capecharles.org

The Cape Charles Sustainable Technologies Industrial Park hosts such improvement as water, sewer, roads, rail access, and harbor access. These improvements make the park an industrial/business location.

Chatham Vineyards & Winery is located at Chatham Farm on land first patented in 1640. It bottled its first wine in 2006.
Website: <http://www.virginiawines.org/wineries/chatham.html>

The Chesapeake Bay Bridge-Tunnel is a 20--mile span connecting Virginia's Eastern Shore with the mainland at Virginia Beach. It employs over 200 people and crosses over Fisherman Island, a barrier island which includes the Fisherman Island National Wildlife Refuge administered by the U. S. Fish and Wildlife Service.
Website: <http://www.cbbt.com/>

The Chincoteague Center is a fully equipped, flexible facility adaptable not only for conventions, but also for theatrical productions, concerts, trade shows.
Website: <http://www.chincoteaguecenter.org/>

Chincoteague National Wildlife Refuge includes more than 14,000 acres of beach, dunes, marsh, and maritime forest. Most of the refuge is located on the Virginia end of Assateague Island; however, 418 acres are on the Maryland side of the island, 427 acres are found on Morris Island, and 546 acres comprise Wildcat Marsh on the northern tip of Chincoteague Island.
Website: <http://www.fws.gov/northeast/chinco/introduction.htm>

The Eastern Shore's Birding and Wildlife Festival is annual event taking place in the fall during a major period of migration for birds along the shore. It is a major tourist event that brings many weekend sightseers into the area.

Website: <http://www.esvachamber.org/festivals/birding/about.html>

Eastern Shore Community College is a post secondary education institution that specializes in meeting the needs of region. The College hosts the Small Business Development Center and Workforce Services Program which are aimed at providing training services to improve the marketability of individuals and feed the regions entrepreneurial spirit.

Website: <http://es.vccs.edu/>

Eastern Shore Chamber of Commerce Seafood Festival is an event that takes place every May and is sponsored by the Eastern Shore Chamber of Commerce.

Website: <http://www.esvachamber.org/festivals/seafoodfest/>

The Eastern Shore Farmers' Market is located in Accomac and was established by the Virginia Department of Agriculture and Consumer Services and the Virginia Farm Market Board. The market is a regional wholesale and distributing facility for agricultural products, especially those produced by small to medium sized farms.

Website: <http://www.esva.net/~esfm/>

Eastern Shore Heritage Trail is a driving tour of the historic, scenic, birding and natural sites in Accomack and Northampton Counties. The trail is divided into four loops and is presented by presented by the Eastern Shore of Virginia Tourism Commission, Chincoteague Chamber of Commerce, and the Northampton County Chamber of Commerce.

Website: <http://www.easternshore.org/trail/>

The Eastern Shore Railway Museum located in Parksley has exhibits dealing with the railroad history of the Eastern Shore. The museum is housed in an old passenger station and has antique rolling stock.

Website: http://www.parksley.org/eastern_shore_railway_museum.htm

Eastern Shore of Virginia and Fishermen's Island National Wildlife Refuges are located at the southern tip of the Delmarva Peninsula, and were established in 1984 for migratory and endangered species management and wildlife oriented recreation. The refuge includes 1363 acres of forest and ponds that provide habitat for wildlife.

Website: <http://www.fws.gov/northeast/easternshore/>

The Eastville Inn is an historical inn located in Eastville in Northampton County. It is a restaurant and available for private parties and a popular spot for tourists.

Website: <http://www.eastvilleinn.com/>

Eyre Hall Garden is a partially preserved colonial home with gardens in the lower portion of Northampton County. The original home was built in 1760 and Eyre descendents have owned land continuously for 12 generations. The gardens are among the oldest in the country, circa 1800. Boxwood and crape myrtles are enclosed by a wall of brick brought as ballast from England.

Website: <http://www.virginia.org/site/description.asp?AttrID=39553>

Indiantown Park is a park located in Northampton County.

Website: <http://www.co.northampton.va.us/departments/indiantown.html>

Ker Place is a 19th century home located in Onancock in Accomack County. It is the headquarters of the Eastern Shore of Virginia Historical Society and was the home of John Shepherd Ker. It is open for tours and has well-known gardens.

Website: <http://kerrplace.org/>

Kiptopeke State Park is a state park located three miles from the northern terminus of the Chesapeake Bay Bridge Tunnel. It offers ample bird-watching and camping opportunities. In the park's raptor research area, hawks, kestrels, osprey and other birds of prey are observed and banded from September through November. Kiptopeke's hawk observatory is among the top 15 nationwide.

Website: http://www.dcr.virginia.gov/state_parks/kip.shtml

Marine Science Consortium is a nonprofit educational corporation comprised of regional universities and colleges. The Consortium's mission is to advance education and research in the marine and environmental sciences. It has programs for undergraduate, graduate, pre-college, and continuing education students. The Marine Science Consortium maintains marine stations where both field and laboratory investigations of coastal ecosystems are conducted under the supervision of university faculty and qualified marine education instructors

Website: <http://www.msconsortium.org/>

Mid-Atlantic Regional Spaceport is located at Wallops Island. In partnership with NASA, it offers space launch facilities and services for commercial, government and scientific/academic users, both foreign and domestic.

Website: <http://www.midatlanticspaceport.com/>

NASA's Wallops Island Facility is primarily as a rocket launch site to support science and exploration missions for NASA and other federal agencies. WFF includes an extensively instrumented range to support launches of more than a dozen types^[1] of sounding rockets, small expendable suborbital and orbital rockets^[2], high altitude balloon flights carrying scientific instruments for

atmospheric and astronomical research and — using its Research Airport — flight tests of aeronautical research aircraft including unmanned aerial vehicles.

Website: <http://sites.wff.nasa.gov/vc/>

The Nature Conservancy's Virginia Coast Reserve is a low impact eco-tourism destination with the goal of protecting natural systems while enhancing the quality of life for the local community. This reserve has received international recognition as a United Nations Man and the Biosphere Reserve.

Website:

<http://www.nature.org/wherework/northamerica/states/virginia/preserves/art15019.html>

Onancock is an historic village located in Accomack County. It is one of the most picturesque towns and tourist destinations on the Eastern Shore. Onancock is home to many significant historic sites and has a variety of lodging and restaurants.

Website: <http://www.onancock.com/>

Shore Memorial Hospital is a progressive and world class healthcare facility located in Nassawadox.

Website: <http://www.shorehealthservices.org/>

Surface Combat Systems Center at Wallops Island is located adjacent to the NASA facility. It is a U.S. Navy installation that works to provide integrated warfare systems in a maritime environment for fleet operations, testing, training, engineering, and development.

Website: <http://www.scsc.navy.mil/about/hq.htm>

Tangier is a group of small islands in the Chesapeake Bay connected by wooden bridges west of the Lower Eastern Shore. Its remoteness and unique waterman's culture have made it a popular tourist destination.

Website: <http://www.tangierisland-va.com/>

The Virginia Coast Reserve is an area owned by the Nature Conservancy that includes part of 14 barrier islands and 38,000 acres. There are no trails, but is accessible by boat and is excellent for bird-watching.

Website:

<http://www.nature.org/wherework/northamerica/states/virginia/preserves/art1244.html>