

**Campbell County  
Economic Development Commission/CEDS Committee**

**February 23, 2017**

The regular meeting of the Campbell County Economic Development Commission was held on Thursday, February 23, 2017, in the Campbell County Citizen Services Building Conference Room, Rustburg, Virginia.

**Members Present:**

Richard Carroll  
Richard Metz  
George Rosser

**Also Present:**

Mike Davidson, Director of Economic Development  
Sarah Johnson, Program Manager, Economic Development  
Kim Stewart, Administrative Assistant, Economic Development

**Members Absent:**

Lester Wooldridge  
Hugh Bragg  
Willie Jones  
William Anderson  
Scott Tweedy  
Kathy Carson  
Frank Davis  
Robert Maslow  
Kevin Davis

// Mr. Mike Davidson called the meeting to order at 12:19 p.m.

// Mr. Davidson asked the members if they had any comments or corrections to the minutes from the previous meeting, held on September 27, 2016. No corrections were made and a motion was made by Mr. Richard Metz and seconded by Mr. Richard Carroll to approve the minutes.

// Mrs. Sarah Johnson provided the following Project Updates.

**Project Updates**

- **Abbott** - We continue to work on obtaining the Performance Agreement signatures.
- **BGF** - We are working with a team from the Virginia Economic Development Partnership to evaluate and assist BGF with storm water management permits issues with DEQ & EPA.
- **Bojangles** - This is still an open project but we have not heard anything from developer in the last three months.
- **Project Building** - I have been contacted by three local companies needing a building in the area. Two are medical in nature utilizing modern technologies and one is a typical advanced manufacturing process.
- **Project Health** - We continue to work with and provide information to a health company prospect on locating a project in Campbell County off of Airport Road.
- **Project Hotels** - We continue working with two developers for hotels in Campbell County. One on Wards Road the other on Simons Run. One appears to be moving ahead strongly, the other may be getting cold feet due to the number of new hotel properties being built. Mr. Metz commented that he believes the developer who is having reservations will continue with the project considering Liberty University football bringing in as many as 50-60,000 people.

- **Project LEKTRO** - We continue to pursue the company.
- **Project Packaging** - We are working on potential expansions plans.
- **Project Sawmill** - Working with an existing Campbell County Company on expansion plans.
- **Wards Crossing West** - There is nothing new to report.
- **Shentel** - We continue to work on lighting the sign at Seneca Commerce Park. We have been working to obtain an estimate to use solar power to light the sign but now have an understanding on an easement for electrical power.
- **Southside Electric** - Appears to be moving forward smoothly.
- **Seneca Cell Tower** - I have been in conversations with a company that will build the tower for Verizon. We hope to have the tower up by the end of the year.
- **Rage Plastics** - Discussing options of assisting Rage to expand if they obtain a new contract.
- **Timken** - Everything remains on track for their closure. First round of layoffs occurred in December. Next round of layoffs are scheduled for March with physical plant closure in August. I am working with the workforce agencies with job fairs, training & other activities to assist displaced Timken workers find new jobs. Corporate Timken is in conversations with some local contacts regarding the potential sale of the property.
- **Compliance Monitoring** - Companies I'm still working with: American Plastic Fabrication, Comfort Inn & Suites, Hampton Inn, Banker Steel, BGF, Chili's, Schrader, Abbott, Standard Insurance, and Wendy's.

### **Projects- Activities**

**Agriculture** - We continue to work with the Producer Support grant. Our recently submitted new grant request was approved by the Commission in January. We have paper work to do to finalize the grant but we'll kick off the new grant project in March & accept applications the first of May.

**Brookneal Campbell County Airport** - The Airport Authority has selected a new on-call engineering firm Paris Campbell & Associates. The month of November was a record setting month for fuel sales.

**CEDS** - As stated in Oct. we are following a little different process for our CEDS this update. We will use community forums more and have a smaller committee than in the past. We presented and discussed the first round of data collection at the last Economic Development Commission meeting. We're refining/confirming the timeline for our process & the community forums. We anticipate concluding the CEDS update by August of 2017.

**Existing Business Visitation** - Existing business visitations were conducted with BGF & Abbott.

**Industrial Development Authority** - The Banker Steel lease continues to work nicely.

**Joint Airport Industrial property** - There is no new update.

**Marketing** - The marketing/consulting firm we are under contract with continues to bring us good leads. One of the things we continue to see with prospects is they are looking for existing buildings as the first priority and will consider a build to suite on shovel ready sites if they can't find a building that meets their needs. We do not have a very good inventory of buildings.

Mr. Rosser asked if they are looking for warehouses or manufacturing facilities, and Mr. Davidson answered that the majority of prospects over the last 12 months have been looking for buildings of 10-20,000 square feet. Mr. Rosser also asked about the possibility of Timken and Mr. Davidson explained that the plant manager discouraged interruptions over the layoff period, so Mr. Davidson has not been marketing that building, although people in the town of Altavista have been. Mr. Rosser noted also that he heard that BGF has considered purchasing the Timken building and Mr. Davidson did agree but also noted that BGF has some storm water issues they need to address before adding more capital. In addition, the English investment company that recently bought them will need to improve their three U.S. facilities—Emporia/South Hill; Cheraw, SC; and Altavista—before re-selling. Mr. Metz offered that a Mr. Elder who owned property on Doss Rd. has listed his buildings for sale. The agent is Ted Jordan. It has been determined that the current owner is Mr. Casto. The property consists of several acres: a house asking about \$450,000 and several large metal buildings suitable for machine shop/garage and warehouse. They will separate the house and buildings, Mr. Metz believes the total price for all is about \$1.2 million.

**Regional CEDS** - The Regional CEDS is now complete. We'll incorporate anything that is appropriate into the update of the county CEDS.

**Seneca Commerce Park** - The work on revising the storm water plans for the Virtual Building Site is now complete. It is going to be very expensive to do the preliminary grading of the virtual building lot. It will cost almost \$200,000 to do the preliminary grading. At this time we are looking at other options such as building a smaller building.

The aerial topo work is underway, which is the first step in preparing to subdivide the lots.

**Tourism** - We continue to market Tourism. We need to update our Tourism brochure, as it is inaccurate and doesn't list all of our hotels & restaurants.

## Unemployment

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
<b>County</b>	4.9%	4.7%	4.6%	3.7%	4.0%	4.4%	4.4%	4.5%	4.0%	4.4%	4.4%	4.3%
<b>State</b>	4.4%	4.2%	4.2%	3.7%	3.6%	4.0%	4.0%	4.1%	4.3%	4.1%	4.0%	3.8%
<b>US</b>	5.3%	5.2%	5.1%	4.7%	4.5%	5.1%	5.1%	5.0%	4.8%	4.7%	4.4%	4.5%
<b>Region</b>	4.9%	4.7%	4.6%	3.7%	4.0%	4.7%	4.7%	4.7%	4.5%	4.6%	4.4%	4.3%

// Mr. Davidson commented that 4.0% is considered full employment. The chart above measures only those actively seeking employment through the Virginia Employment Commission. Also, those who are partially employed, though not full-time, are no longer captured in unemployment numbers regardless of whether they only work 8 hours per week, for example. However, this is the only legitimate source that a lot of people recognize for unemployment.

// Mr. Richard Carroll asked if Mr. Davidson had an estimate of the number of people unemployed but not looking for work. Mr. Davidson explained that no good way exists, although there are databases at the regional level that can better track "underemployment," which are those who, for example, have a Master's degree, but are not working at that level or are working only a few hours per week. Another way is through a database that shows transferable skills called a "What If Scenario" that matches the standard industrial codes for the occupation you're looking for to the number of individual people per year with skills similar enough to those codes to be cross-trained to convert to that occupation. So if a client tells us how many workers they need who can perform X, we can tell them what the existing labor force is both at the regional level and the county level. Mr. Metz commented that perhaps the only way to know for sure would be from tax returns, but, as Mr. Davidson replied, that information is confidential.

## CEDS

// **Campbell County Growth from 2005-2015:** Campbell County has had steady, but not explosive growth. From 2010-2014 the County experienced growth of 0.4%. Bedford County experienced 13.2%, but steady growth over time is better than explosive growth. Mr. Metz countered that Campbell County is not growing, evidenced by the fact that school enrollment is declining. However, many private schools in or accessible to Campbell County have increased enrollment in recent years. Mr. Davidson replied that he believes growth has come from immigration or migrant in-growth and wonders if that has all been generated by Liberty University, to which Mr. Metz agreed.

// **Housing Developments:** The Housing Developments chart was shown to give corrected data from that which was shown in August 2016.

// **Enrollment Per School** There is still a decent high school graduation rate and reasonable Bachelor's or higher degree rate, but looking at what's occurring within the MSA, it is evident that school populations are declining across the board. In the Lynchburg region, the percentage of those with a Bachelor's Degree or higher is 32.3% versus 18.9% in Campbell County. Mr. Metz commented

that the low enrollment at Rustburg Middle will point to a future decline at the high school level and Mr. Rosser asked if there is evidence of children attending private elementary or middle schools switching to public high school for sports? Mr. Davidson indicated that the private schools don't research to see if the address zip codes are in the county or the city, and four of the five Lynchburg zip codes have addresses in Campbell County. This makes data tracking difficult.

// **Median Household Income for 2007-2014:** 2012 took a decrease, which stabilized in the last two years, but Campbell County is still considerably lower than the state median household income level. Bedford has the highest median income for the region and Campbell County is number two.

// **Average Weekly and Per Hour Wages (2014):** Campbell County shows good weekly wages compared to the places in the MSA and is the highest in the region. Mr. Carroll asked Mr. Davidson why Campbell County is only second to the state when looking at average weekly wages, yet the overall income is down? Mr. Davidson answered that Campbell County is still at 28% industrial jobs, which pay the highest wages. There are also charts of hourly wages paid to different classifications of workers and the industrial wages are driving the overall number up. Mr. Carroll commented that BWXT is probably a driving factor for Campbell County.

// **Average Weekly Wage by Industry:** Looking at this chart, you can see that the manufacturing jobs are number two only to utility jobs, at \$1,474 weekly wage. So that shows that the industrial jobs are what are driving the County wages.

// **Annual Unemployment Rates 2011-2016:** Campbell County continues to be just higher than the state unemployment numbers but still much lower than the U.S. and also lower in most cases than what the MSA is. So when the numbers from the four counties and the City of Lynchburg are put together to see those numbers, it turns out to be higher than what just Campbell County's numbers are.

// **Locality Unemployment Rates 2011-2016:** This shows some of the competing counties' unemployment rates and that Halifax, Pittsylvania County, and some other counties around Campbell County have significantly higher unemployment rates.

// **Labor Inventory, Covered Employment, for Campbell County, Virginia:** This chart shows the labor force and the 28% manufacturing jobs in Campbell County, which are one of the things that helps keep the economy up, seconded by health and education, construction, and then retail. Those are the top four employment types for Campbell County.

// **Labor Inventory, Covered Employment, for Lynchburg, VA MSA:** This chart looks at the blending of the four counties and the City. From this perspective, education and health—Centra and Liberty—are the largest sector with manufacturing dropping to 14.6%. Retail is stronger at the regional level than in Campbell County, which the EDC helped us to realize in 2005 when CEDS update was done. Campbell County put in place some policies and offered some incentives to retailers, which is how we got Wards Crossing West, Kohl's, Old Navy, Carmax, the three hotels we've got on Wards Rd., Chili's, as well as the two hotels that are in process. We recognized and realized that we weren't providing the goods and services to the citizens. They had to go elsewhere and so now we're working to provide more of those services in Campbell County.

// **Estimated Employment by Employer:** BWXT is at about 3,300 now instead of 2,400 as the chart shows, because they've grown a lot over the last couple of years. At the moment, BGF has greater employment than Abbott due to Abbott's layoffs. Although, Abbott did an expansion 1.5 years ago and added 60-70 employees and are now close to meeting their employment criteria. Mr. Metz asked how it's determined which companies are listed in this chart and stated that Thomson Trucking probably has 400 employees, though Thomson Trucking is not represented on the chart. Mr. Davidson explained that the data is capturing "basic industries," which means that 60% or more of their income is produced out of the area. So Thomson is not represented because they do a lot of work locally, whereas the companies in the chart bring money in from out of state. Mr. Davidson suggested that we

could have a listing of all the employment data for Thomson Trucking. Mr. Metz went on to say that some are out of state in North Carolina but probably 80% are in Virginia in the Chesapeake or Richmond areas. The corporate office, however, is in Campbell County.

// **Agricultural Sales:** The data reflected in this chart is from the Ag Census, and is dated. The Ag Census does not start reporting data until 2-3 years after they begin collecting it. But it's the only data available to Economic Development. From 2007-2012, a lot of prices were impacted by the Great Recession. Mr. Davidson did not think production went down, but he thinks cattle prices fell somewhat and that's why you see the dip in cattle. It's not that there were fewer cows; it's more of the price. Mr. Metz commented that during the timeframe of 2012-2015 or 2016, the prices went up, but starting last year until now they have fallen. Mr. Davidson indicated that in 2017 when the Ag Census begins collecting data again, this dip will be reflected when the data is reported in or around 2020.

// **Number and Average Size of Farms:** The main point of this chart is to show how many farms of a certain size (1-9, 10-49, 50-179 acres, etc.) there were during the years of 1997, 2002, 2007, and 2012. The chart also shows that the majority of the farms are in the 50-179 acres and 10-49 acres size. Mr. Carroll asked Mr. Davidson how many acres is necessary to be considered a farm. Mr. Davidson answered that it needs to be 1-9 acres, but the product determines the status, and goes on to explain that, for example, a produce farm running on 10 acres would be a decent size farm, but a small tract of land would be insufficient for a cattle farm or grain production.

// **Tourism Expenditures, Payroll, Employment, State Tax Receipts, and Local Tax Receipts:** The final chart data comes from the Virginia Tourism Corporation. Mr. Davidson notes it may not be entirely accurate due to the way the classifications are made. The VTC looks at the number of employees in a restaurant and determines that a certain percentage are employed due to tourism. Also, any business traveler to Campbell County who spends the night is classified as a tourist, not a business traveler. The idea is that after work hours, a he or she will spend money on tourism activities.

Mr. Davidson notes that Economic Development will take another look at the CEDS charts and data in August of 2017 to determine if anything needs to be updated or changed, and that it will be updated at least to ensure the most current data is included.

### **SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis**

// In August 2011, the committee reviewed the previous SWOT analysis, removed some items, and added a number of new priorities for each category. The information was presented at this meeting for review. Each category—Strengths, Weaknesses, Opportunities, and Threats—has a number of priorities listed under it with a number of votes to the left of each priority. The decision was made to review these more in depth at the April 2017 meeting. Mr. Davidson reminded everyone of where the full CEDS document is listed on the Economic Development website, for more information.

### **Public Forum Format**

// Between March and April 2017, Economic Development will be hosting four meetings in various locations: one in Rustburg, the Altavista Train Station, near the Brookville/Leesville district, and possibly Brookneal or back in Rustburg. The meetings are being broken down to allow for public feedback on the SWOT analysis from the specified districts. Mr. Carroll asked Mr. Davidson what category of people generally attend those meetings, to which the answer came that it is usually those who are upset about something or who want to promote a certain cause. But a concentrated effort will be made, with phone calls and personal invitations, to accomplish a high turnout for these meetings.

// With no other items presented for consideration and a motion from Mr. George Rosser, seconded by Mr. Richard Metz, Mr. Davidson adjourned the meeting at 1:04 P.M. The next EDC meeting will be held on Thursday, April 27, 2017, at 12:00 noon in the Campbell County Citizen Services Conference Room.