



County of Clarke Economic Development Advisory Committee

*Jim Barb, Bryan Conrad, Christy Dunkle, Christina Kraybill, John Milleson,
Eric Myer, Elizabeth Pritchard, David Weiss*

Agenda

1:00 pm, Wednesday, July 19, 2017

Meeting Room AB Berryville / Clarke County Government Center
101 Chalmers Court, 2nd Floor, Berryville, Virginia

<i>Item</i>	<i>Packet Page</i>
1. Call to Order	-
2. Adoption of Agenda	1
<i>Proposed motion: Move to adopt agenda as [presented] or [as amended - title of agenda item[s] not listed on the published agenda provided to the public.]</i>	
3. Approval of Minutes: June 21, 2017, Regular Meeting	2
<i>Proposed Motion: I move to approve the minutes of June 21, 2017, as [presented] or [as amended citing specific amendment].</i>	
4. CCPS Career and Technical Education – Annual Report by Robina Rich Bouffault, Chair	5
5. Real Estate Planning Seminar - Continued Discussion	11
6. Next Meeting: Wednesday, September 20, 2017	-
7. Adjourn	-
Supporting Material:	
• Berryville Main Street Regional Market Analysis	11
• Berryville Main Street Market Profile for Berryville’s Convenience-Drive Economy	38
• Countywide Market Analysis For-Sale and Rental Housing Botetourt County, Virginia November 2016	66
• The Winchester Star June 27, 2017, By Onofrio Castiglia <i>Influx of retirees forecast to spur area population growth</i>	136
• The Winchester Star June 28, 2017, Cathy Kuehner <i>Sanitary Authority taking proposals for wireless internet service providers</i>	139
• Building Department YTD New Single Family Dwellings	141
• People Inc. 2016 Annual Report	142
• Economic Development Director Monthly Report July 10, 2017	166

Clarke County Economic Development Advisory Committee
June 21, 2017 Minutes

A meeting of the Economic Development Advisory Committee (EDAC) held in the Berryville/Clarke County Government Center, Berryville, Virginia, on Wednesday, June 21, 2017, at 1:00 PM.

Board: Jim Barb, Christy Dunkle, Christina Kraybill, John Milleson

Absent: Bryan Conrad, Eric Meyer, Elizabeth "Betsy" Pritchard, David Weiss

Staff: Lora B. Walburn

1. Call to Order

At 1:02 pm, John Milleson called the meeting to order.

2. Adoption of Agenda

Christina Kraybill, seconded by Jim Barb, moved to adopt the agenda as presented. The motion carried by the following vote:

Jim Barb	-	Aye
Bryan Conrad	-	Absent
Christy Dunkle	-	Aye
Christina Kraybill	-	Aye
John Milleson	-	Aye
Eric Myer	-	Absent
Elizabeth "Betsy" Pritchard	-	Absent
David Weiss	-	Absent

3. Approval of Minutes

Jim Barb, seconded by Christina Kraybill, moved to approve the May 17, 2017, minutes as presented. The motion carried as follows:

Jim Barb	-	Aye
Bryan Conrad	-	Absent
Christy Dunkle	-	Aye
Christina Kraybill	-	Aye
John Milleson	-	Aye

Eric Myer	-	Absent
Elizabeth "Betsy" Pritchard	-	Absent
David Weiss	-	Absent

4. Real Estate Seminar Planning with Robert J. Adams, Housing Virginia - Executive Director

Bob Adams, Executive Director Housing Virginia, joined the Committee via telephone. Highlights of discussion include:

- Housing presentation focuses on needs of millennials, aging population, demographic changes in housing, etc.
- In response to the prospective increase in new jobs in Clarke and the surrounding region, as well as the implications of those jobs on housing needs, determine what level of housing needs there are, types, price points, rental, ownership, specific geography, identify areas where resources should be protected, and identify areas to develop.
- Regional Housing Market Analysis:
 - o Housing Virginia is a subcontractor working with Virginia Commonwealth University [VCU] Center for Regional Analysis in researching a development strategy for the region.
 - o Housing Virginia is currently conducting interviews with localities, builders, and persons involved in the housing market.
 - o Report will cover issues such as employment projections for the region. VCU is working with a national firm to identify by occupation and by income projected over the next decade.
 - o Projected population growth will help define housing demand.
 - o Report will include housing estimates by type, price, and location.
 - o Information will be reported on a county and regional level.
 - o The final report should be available in January 2018.
 - o Report may not provide the level of detail that Clarke might need, such as identifying specific areas of development, median income of new jobs, and town-level data.
- Mr. Adams offered to provide, as an example, a copy of the housing market study and an RFP for a planning firm to update Botetourt County's comprehensive plan.
- Next Steps:
 - o Identify development areas:
 - Berryville Area Plan, detailed plan for the Berryville Annexation area, adopted May 2016.
 - Town and County comprehensive plans identify the Towns of Berryville and Boyce as locations for development, each with existing land use policies and infrastructure.

- Explore availability of business data including new employers / prospective employers with jobs, and classifications. Mr. Adams indicated that the Economic Development Director might already have this data.
- Mr. Adams offered to assist the Committee in developing an informational meeting.

5. Next Meeting

The next meeting is scheduled for Wednesday, July 19, 2017.

July 19 Agenda Items

- Career and Technical Education Program Presentation
- Real Estate Seminar Planning Continued Discussion

August 16 Meeting

- Cancelled by consensus.

6. Adjournment

Being no further business, Chairman Milleson adjourned the meeting at 1:38 pm.

Minutes recorded and transcribed by Lora B. Walburn

CTE Advisory Committee

ANNUAL REPORT

to

Dr. Chuck Bishop, Superintendent of Schools

and

The Clarke County School Board

June 2017

Introduction:

The 2016-2017 CTE Advisory Committee was comprised of sixteen members with the purpose of meeting to assist Clarke County's Career and Technical Education programming in the following capacities:

- Advise on current and projected workforce needs relevant to the local economy;
- Review and provide suggestions on the division's Perkins plan and accompanying funding;
- Suggest course/program revisions and updates;
- Provide publicity and public relations for CTE programming;
- Assist in the placement of students in Work-Based Learning opportunities and employment, when applicable;
- Facilitate equipment and/or monetary donations;
- Identify business and community representatives who may serve as role models/mentors for students.

Membership and Meetings:

Members of the Clarke County Career and Technical Education Advisory Committee should be from the Clarke County service area and represent a cross-section of the community.

Membership reflects the following key background criteria: geographical area, business and industry related to courses, labor and management, Clarke County's economic development, CTE parents, various age groups and various educational backgrounds.

The following individuals served on the 2016-2017 Clarke County Public Schools Advisory Committee:

Dr. Cathy Seal	Director of Curriculum and Instruction
Chuyen Kochinsky	School Board Member
Chip Schutte	School Board Member (replacing Dennis Graham)
Dana Waring	CCHS Principal
Jim Draucker	CCHS CTE Instructor
Mary Elson	CCHS CTE Instructor
Phillip Facemire	CCHS CTE Instructor
Carrie Boswell	CCHS/LFCC Career Coach
Debbie Biggs	CCHS STEM Specialist
Jessica Zimmerman	CCHS WBL Coordinator
Corey Childs	Virginia Cooperative Extension
Robina Rich Bouffault	Building Management and Farming
Terri Catlett	Board of Supervisors liaison/Veterinarian
Linda Alexander	Farm Bureau Board/Parent
Gwendolyn Malone	Former JWMS teacher
Michael Wilson	Professional craftsman/welder

Committee meetings were held on the following dates throughout the year:

August 30, 2016
October 3, 2016
October 19, 2016 (sub-committee)
November 1, 2016 (sub-committee)
November 10, 2016 (sub-committee)
December 5, 2016
February 16, 2017
April 3, 2017
June 5, 2017

Accomplishments

- The CCPS CTE Brochure was designed, printed and distributed throughout the school division.
- 7th Grade JWMS Participation in the October 12th-13th WoW Career Expo.
- Presentation by Sharon Johnson of the Shenandoah Valley Workforce Development Board, who outlined the workforce needs in the Valley.
- Review of the CTE course offerings at both JWMS and CCHS, with the adoption of eight new courses for the FY18 school year.
- Approval of one new teacher for the Economic & Personal Finance (EPF) course for FY18.
- Review and adjustments made to the CTE Pathways, from the 7th grade through high school.
- Attendance of State Delegates Randy Minchew and Dave LaRock at the December CTE meeting, where they addressed budget educational issues facing the General Assembly in Richmond.
- Review of the Plans of Study and new school website on-line student registration application, with suggestions for improvements. An increase in student registration in CTE courses for FY18 was noted.
- Work-Based Learning (WBL): There were 20 student placements, with positive feedback. Additionally, there were 21 business speakers at Eagle Block, 6 presentations from LFCC, 31 field trips to expose students to a variety of work environments, and 17 class speakers.
- Establishment of a WBL Coordinator part-time paid position for the FY18 school year.
- Donation: The Clarke County Educational Foundation (CCEF) donated 11 iMac computers to the CTE - IT Department for the computer programming courses.
- Donation: Robina Rich Bouffault donated a Lincoln Electric Torchmate 4400 CNC Plasma Table to the CCHS for utilization by various CTE departments: IT/Engineering-Robotics/Ag/Art.

Recommendations

1. For the new On-Line Student Registrations: Review and improve the CCHS on-line registration format, breaking out the various CTE opportunities in separate categories, instead of simply lumping everything under the single “Electives”.

2. For future Programs of Studies (FY19 onwards): In the CTE section, list the Industry Certifications that students can earn at the completion of specific course sequences/pathways.

3. For the Work-Based Learning Program:
 - ✓ Continue to solicit businesses to participate in the WBL program, with both job shadowing and apprenticeships.
 - ✓ Develop specific procedures/timelines to be followed for the exit surveys of both students and participating employers; (current surveys are very limited).

4. For New Course additions: Explore the possibility of including a “Family and Consumer Sciences” course for the FY18 school year. The “Family and Consumer Sciences” series of courses addresses many aspects of family life and needs, and could be an excellent complement to the Economic and Personal Finance course.

5. For Job Interviews: Prepare two evening events that will prep students for future job interviews:
 - a) How to Write a Résumé – Students will be introduced to the manner in which résumés are to be written, and what information should (or should not) be included.
 - b) How to present yourself – This will be done via a “mock interview night”, where students will need to present themselves appropriately dressed, with résumé in hand, and answer questions in interviews with adults they do not know.



CTE – FY17 – THE RESULTS

CCHS –350+ CTE STUDENT CERTIFICATIONS and CREDENTIALING

1) Carpentry I and II (Teacher/Department Head Jim Draucker)

- All 38 Carpentry I students passed their OSHA 10 hour Safety Certification.
- All 20 Carpentry II students passed their Commonwealth Workplace Readiness exam, with 14 also passing their ICC (International Code Council) exam.
- All 20 Carpentry II students also worked with basic electrical, plumbing, drywall installation and welding, which helped to prepare them for the LFCC Industrial Maintenance Technician (IMT) program.

2) Small Engine Repair I (Teacher/Department Head Jim Draucker)

- All 33 students completed the overhaul of the Briggs & Stratton training engine.
- Additionally, using ‘real-world’ repairs, they repaired 10 weed-eaters and chainsaws, 13 push mowers, 7 riding mowers, automotive repairs on 11 vehicles (cars-trucks) and one Honda motorcycle engine total re-build.
- The automotive repairs included brake replacement, fuel injection diagnosis, electrical shorts, tire-changing/mounting, diesel diagnostics, exhaust system welding, check engine light diagnostics and engine no-start.

Thus far, all of Clarke’s IMT slots at LFCC have been filled with students who took the Carpentry and/or Small Engine CTE courses.

3) Agriculture (Teachers Mary Hardesty and Lauren Marzetta)

- Agricultural courses encompass several fields: Study of plant and animal systems, agricultural production, horticulture and forestry management, and agricultural fabrication and emerging technologies. Certifications were obtained in both Pork and Beef Quality Assurance exams. In cooperation with Clermont Farm, there was a very successful “Pig Project” with an expanded “farrow to finish” operation, as well as students working with cattle and lambs.
- Courses also included many FFA activities and their Career Development Event competitions, where Clarke placed well in several categories, in both area and national competitions, as well as at the Clarke County Fair. FFA Categories included horse evaluation, dairy evaluation, milk quality and products, veterinary science, agriculture mechanics, tractor operator and trouble-shooting, small engine repair, cattle-working, and extemporaneous speaking.

4) Marketing (Teacher Mary Elson)

Clarke County's DECA marketing program is one of the most successful in the state of Virginia, and for the 3d time, a CCHS student, Robert Moore, was named the Virginia DECA President for the coming school year FY18.

- All 61 Marketing students received their Workplace Readiness Credentialing Certificate.
- In the DECA District Leadership Conference competition, Clarke left the competition in the dust, with 7 students awarded 1st Place, 10 students awarded 2nd Place, and 9 students awarded 3rd Place overall.
- In the DECA State Leadership Conference, Clarke was again very successful, with 20 out of the 34 students participating receiving an award, and 9 students qualified to be in the DECA International Career Development Conference (ICDC) held in Anaheim, California. With over 2,000 students competing, Clarke also fared well, with one student obtaining a much-coveted \$750 scholarship – one of only twenty sponsored by the Marriott Foundation.

5) IT and Engineering – *CTE's Rising Stars*. (Teachers Phillip Facemire and John Lane)

- Computer Science Courses: These IT courses include Computer Systems Technology I & II, Computer Programming, and Design, Multimedia and Web Technology. CCHS has been helped by the CCEF this year, with their donation of 11 iMac computers to our students, which will allow them to do cutting-edge SWIFT programming (for iPhones).
- Robotics is a great hit. Our two Robotics clubs are:
 - Zero Robotics, a pure computer-coding competition done in coordination with M.I.T. In the Virtual Competition, where this year our students ranked 8th of 16. The new iMac computers will be a great help with this competition in the coming year.
 - First Robotics is a competition where students design, build and operate their own fully functioning robot to be used in a game competition. To be more competitive in this very tough competition, CCHS will need sponsors similar to those enjoyed by the established teams: such as Google, NASA, Lockheed Martin, etc., who donate well upwards of \$10,000 each... (p.s. - we're working on it!).
- PLTW Courses: Our Project Lead the Way courses, which include Principles of Engineering, Introduction to Engineering Design, Civil Engineering and Architecture, will also enjoy a new course for the coming year – Aerospace Engineering (John Lane).
- A Lincoln Electric CNC Torchmate 4400 plasma table was also donated and has been installed in the CCHS shop, where our IT, Engineering, Marketing and Art teachers have already received training (June 12, 13 and 14). This computerized plasma cutter has many uses, including parts for robots, steel and aluminum signs, table tops, sculptures, etc., and will provide valuable student training in the latest cutting and welding technology currently used in metal manufacturing.

Berryville Main Street Business Success Workshop

Regional Market Analysis

BMS Economic Vitality Committee

Support Provided By Virginia Main Street

July 2017



Agenda

- Introductions - Business Success Workshop Series
- The Main Street Approach
- Understanding the customers that support Berryville's convenience economy at varying altitudes:
 - **Locale - "Urbanization" Groups**
 - **Demographics - Age, Marital Status, HH Income, Education, Occupation**
 - **Behavioral and Consumer Characteristics**
- Questions for Defining the Market Place

The Main Street Approach

The Downtown Development Philosophy begins with “...a concrete and compelling vision of a fully functioning market place to attract the entrepreneurs and investors who will eventually realize that vision.”

It employs the Main Street Four-Point Approach®: an asset-based economic development strategy that focuses attention on *heritage* and *human* assets.

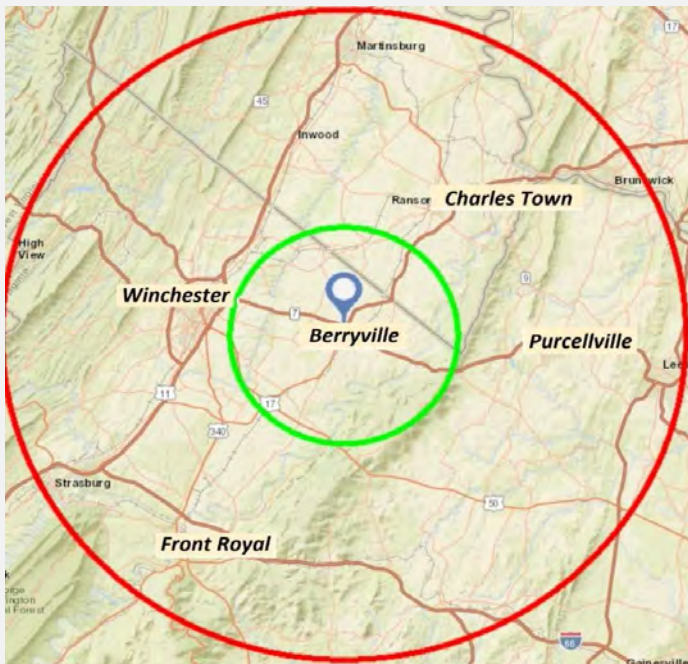
Built and Cultural Assets

Entrepreneurs, Commercial Property Owners

Community Leaders, Partnerships and Volunteers

Data and narrative are used to create a market position for downtown Berryville; this knowledge is used to create a design of the market place that is both vision and market driven.

Communities Served by Berryville's Market Place



Inner Band: Communities closest to Downtown Berryville – **up to 8 miles** away, includes most of Clarke County. Residents from **Berryville, Boyce, Millwood and White Post** are likely to want the market place to meet many of their needs.

Outer Band: People living **up to 24 miles** from Berryville have similar needs, but they are more likely to be interested in coming to town for **entertainment, events and dining**.

- Round Hill, Bluemont, **Purcellville**
- **Front Royal**, Middleburg, Upperville
- Stephenson, **Winchester**, Stephens City
- **Charles Town**, Harpers Ferry, Shepherdstown

Urban-Rural Designations

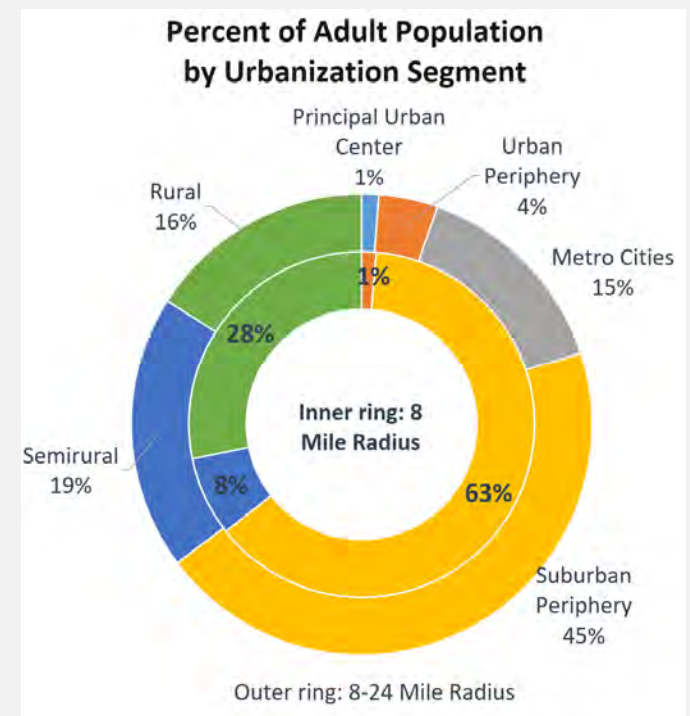
- **Rural areas feature single-family homes on large parcels that may include acreage, farms and rural resort areas.**
 - These low-density areas may be inhabited by less than 50 people per square mile.
 - They are commonly occupied by persons 55 years and older, and primarily married couples without children at home.
 - Rural areas are the least diverse group, with over 80% White.
- **Suburban areas are the most rapidly growing group, encompassing more than one-third of the population nationwide.**
 - These areas are commonly occupied by commuters who value low density living but demand proximity to jobs, entertainment and the amenities of an urban center.



Berryville Main Street - Market Analysis - Page 5

Urban-Rural Designations

- The urban-rural classification provides a broad way to understand customers in the market place. The ESRI Tapestry data shows:
 - **More than 60% of the population in Clarke County reside in areas designated *Suburban Periphery*, 28% *Rural* and 8% *Semirural*.**
 - *Semirural* areas are an intersection of suburban and rural characteristics. These areas feature affordable housing and a quiet, country lifestyle.
- Note that both Clarke County and areas between 8 to 24 miles from Berryville have very similar characteristics.
 - These communities are less rural than Clarke County, having a greater percentage of Semirural areas and the addition of Urban areas.



Characteristics of Rural Residents

- **Rural residents are home owners (>80%), but include affordable rentals. They are characterized as comfortable, established and not likely to move.**
 - They spend time in their car, driving to the store and to work – often alone in a truck or SUV and listening to country radio. Due to their remote location, satellite TV, landline and cell phones are a necessary means to connect.
- **Blue collar jobs dominate the landscape including manufacturing, agriculture, mining and construction.** However, many are self-employed, retired, or receive income from Social Security.
- **They are generally more conservative in their spending practices and beliefs.**



Berryville Main Street – Market Analysis - Page 7

Characteristics of Suburban Residents

- **Suburbanites are the most affluent group, working hard to lead bright, fulfilled lives.**
 - They are well-educated, typically two-income households.
 - They accept long commute times to raise their children in family-friendly neighborhoods.
 - **Many are heavily mortgaged in newly built, single-family homes.** Older householders have either retired in place, downsized or purchased a seasonal home.
 - Invest for their future, insure themselves against unforeseen circumstances, but also enjoy the fruits of their labor.



Berryville Main Street – Market Analysis - Page 8

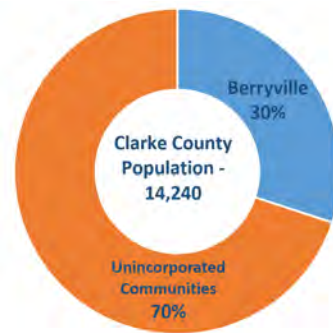
Characteristics of Semirural Residents

- **Semi-rural residents embrace a quiet, country lifestyle but enjoy living within reach of some amenities; local music, shopping and activities.**
 - Many make a living off the land through agriculture, fishing and forestry.
 - Live in single-family and mobile homes in the country, but. They use local companies when services are needed, relying on word-of-mouth referrals and the yellow pages.
 - **Buy USA; prefer domestic products, particularly trucks. They are cost-conscious consumers who shop at large discount stores like Walmart and eat fast food or buy ready-made dinner mixes.**
 - Time off is spent visiting nearby family rather than flying to vacation destinations.



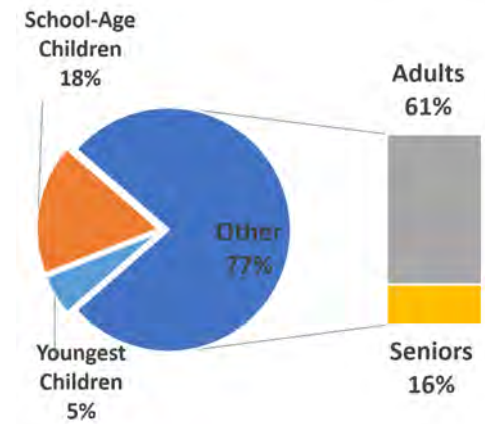
Clarke County by the Numbers: Demographics

- About 30% live within the Town of Berryville and the remainder live in small communities.
- **Adults** make up the largest segment of the population at **60.8%**
 - Children (Birth to Age 18) - 22.8%
 - Seniors (Age 65+) - 16.4%



Clarke County's Unincorporated Communities

Berrys	Lost Corner
Bethel	Millwood
Briggs	Pigeon Hill
Castlemans Ferry	Pyletown
Claytonville	Saratoga
Double Tollgate	Stone Bridge
Frogtown	Stringtown
Gaylord	Swimley
Greenway Court	Wadesville
Horse Shoe Curve	Waterloo
Lewisville	Webbtown
Lockes Landing	White Post
	Wickliffe



Clarke Cty Population	Percentage	Segments	Ages
764	5.4%	Youngest Children	Birth to Age 5
2,461	17.4%	School-Age Children	Age 5 through 18
8,599	60.8%	Adults	Age 18 through 65
2,319	16.4%	Seniors	Age 65+

9 in 10 people in Clarke County are White

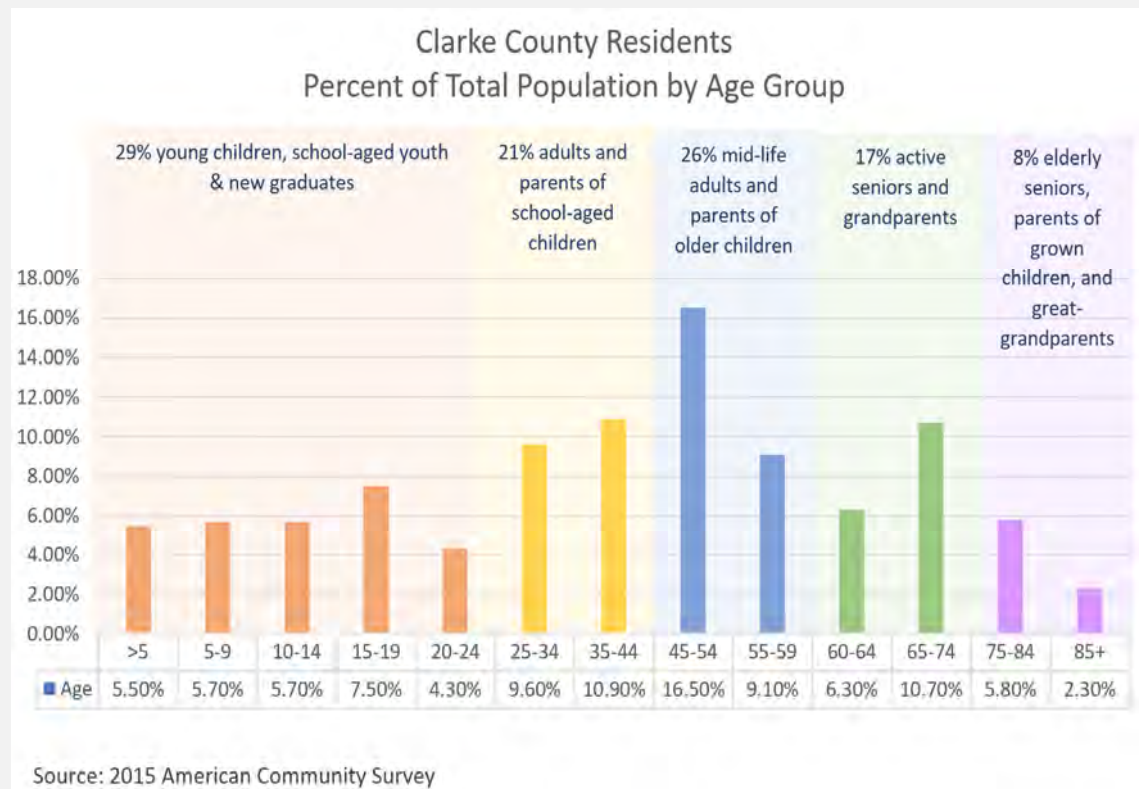
1 in 10 are Black, Hispanic, Asian, Two or More Races

or American Indian/Alaskan Native



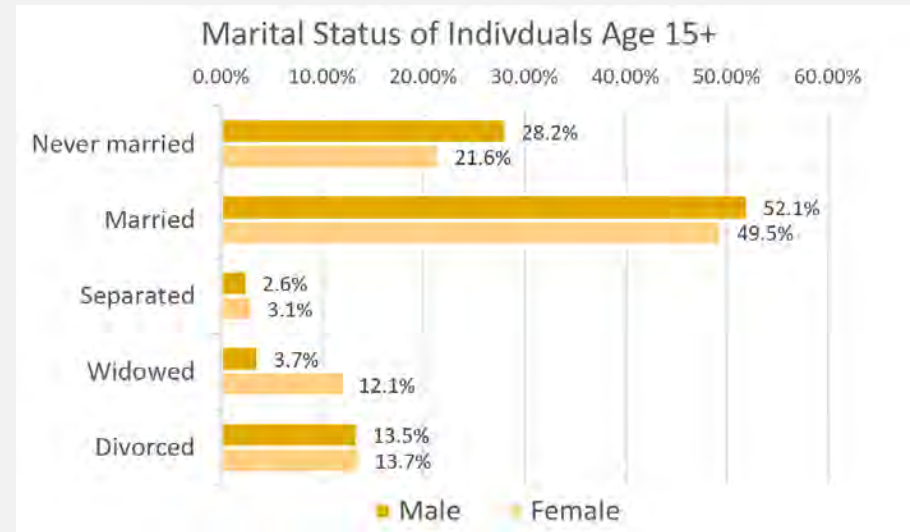
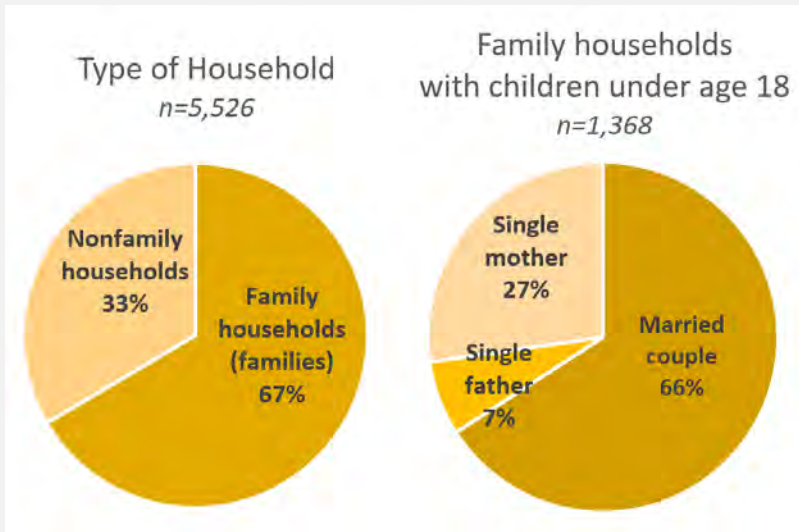
Clarke County: Age Groups

- A closer look at the population and some context by life stage:
 - **Youngest residents are 29%**, which includes young and school-aged children as well as new graduates.
 - **Young adults are 21% of the population.** These people may be launching new businesses, working their way up the ladder or learning a trade. Their families are younger, and they are enrolling their children in schools for the first time.
 - **Adults in mid-life are 26%** of the population. These individuals are in mid-career positions, have children in school at various levels and may be starting to care for their elderly parents.
 - **Active seniors are 17%** of the population. These people may be retired or working by choice. They may be “empty-nesters,” and provide support for adult children, grandchildren and elderly relatives.
 - **Elderly residents make up 8%** of the population. They are more likely to be living on a fixed income, and may require assistance for physical or cognitive tasks.



Clarke County: Household and Marital Status

Over two-thirds of the households in Clarke County are families with children. Of the households with children, nearly one-third are supported by single parents. The marital status of individuals in the County shows a large band of people that are approaching an appropriate age for marriage or are otherwise unmarried.

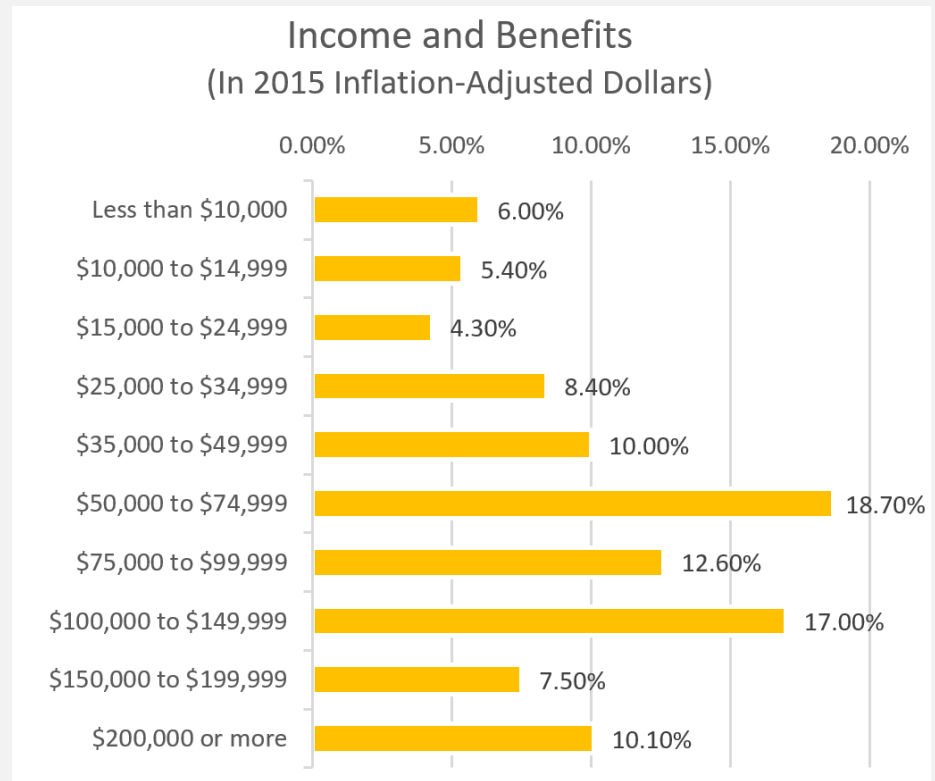


Clarke County: Household Income

The national average wage index in 2015 was \$48,100: nearly 66% of households in Clarke County earned more than the national average.

Wages and benefits in 2015 (inflation-adjusted) show that 47% of County household incomes exceed \$75,000 annually.

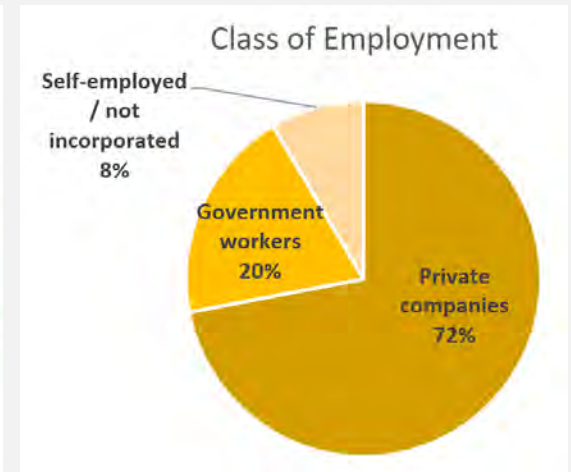
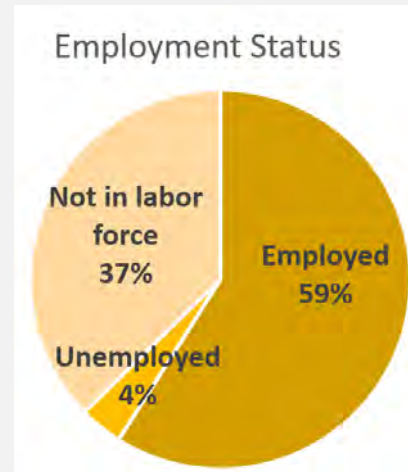
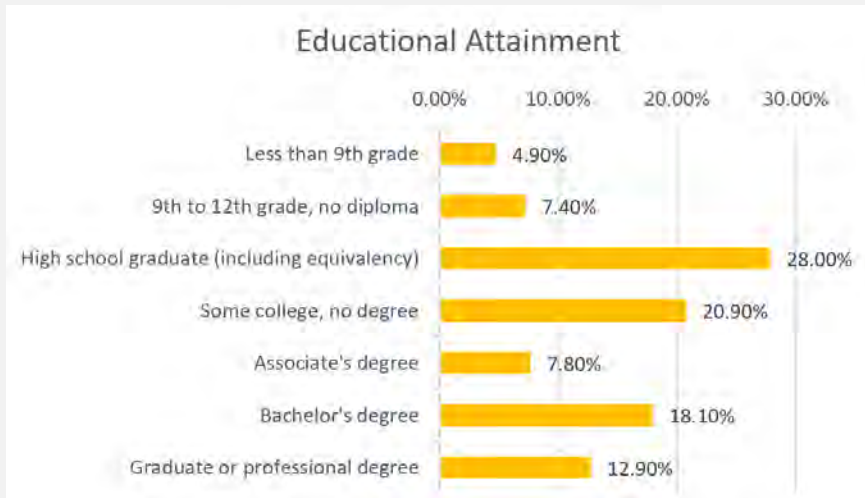
Nearly one quarter (24%) county households are below the national average.



Clarke County: Education and Employment Status

Nearly 39% of individuals age 25 and older have earned an Associate’s degree or higher. About 49% received a high school diploma, with less than half completing some college coursework. The remaining 12% did not achieve high school equivalency.

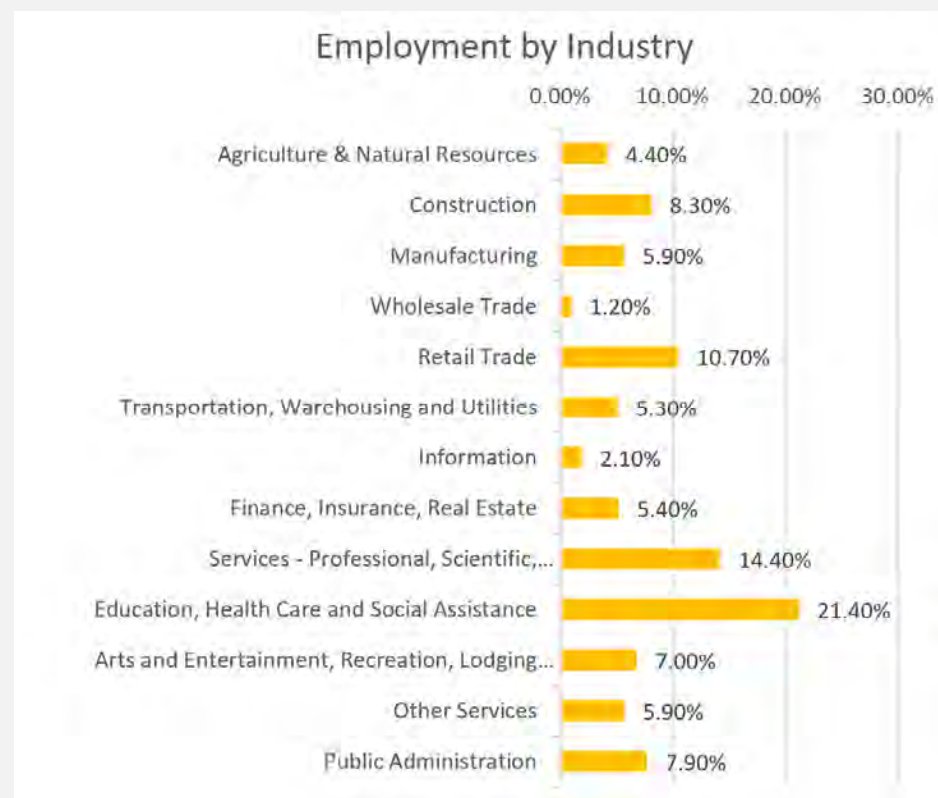
Of the nearly 60% of employed residents, 72% work for private companies, 20% are employed in government positions and 8% are self-employed. In 2015, Clarke County has a 4% unemployment rate, which was lower than the average national rate of 5.25%.



Clarke County: Employment by Industry

Nearly 7,000 people were actively employed in 2015.

- The majority of residents, 57%, worked in professional industries that include IT, FIRE (Finance, Insurance, Real Estate), education, social and health services and government positions.
- One quarter work in skilled trades
- 12% in wholesale/retail trade
- 7% in arts, entertainment, food and lodging



Clarke County: ESRI Tapestry LifeMode Groups

- The ESRI Tapestry data uses data from the census, marketing and geographic sources to identify clusters of individuals having similar characteristics called **LifeMode Groups**.
- The LifeMode groups shown at right compare communities within Clarke County (8 mile radius), and those between 8 to 24 miles away.
 - The top tier of the table at right shows groups having the highest concentrations.
 - The second tier group shows groups at lower percentages, but are present in areas up to 24 miles.
 - The third tier has either no representation, or is a very low percentage of the market.

ID	LifeMode Group	8 Mile Radius	8-24 Mile Radius
Tier 1: Segments Having Best Match Rates			
1	■ Affluent Estates	17.3%	20.4%
4	■ Family Landscapes	8.9%	27.3%
5	■ GenXurban	25.8%	9.7%
6	■ Cozy Country Living	25.2%	12.3%
Tier 2: Other Matching Segments			
2	■ Upscale Avenues	6.0%	3.9%
7	■ Ethnic Enclaves	9.0%	1.5%
8	■ Middle Ground	1.4%	11.5%
10	■ Rustic Outposts	3.4%	6.2%
12	■ Hometown	3.1%	1.8%
Tier 3: No or Low Representation			
3	<i>Uptown Individuals</i>	0%	0%
9	■ Senior Styles	0%	2.2%
11	<i>Midtown Singles</i>	0%	1.7%
13	<i>Next Wave</i>	0%	1.2%
14	<i>Scholars and Patriots</i>	0%	0.3%

Clarke County Top LifeMode Groups

- The top 7 Lifemode Groups represent a **median*** age band of adults between the ages of 31 to 47 years old with a household size of between 2.5 and 3 people.
- About 62% have a median household income that is more than twice the national median, with median incomes between \$68,000 and \$105,000.

Customer Segments	Median Age	HH Size	Median HH Income	Percent Above / Below US Median	Median Net Worth	Percent Above / Below US Median	8 Mile Radius	8-24 Mile Radius
5A-Comfortable Empty Nesters	46.8	2.5	68,000	33%	285,000	301%	20.40%	1.40%
6A-Green Acres	43	2.69	72,000	41%	226,000	218%	19.20%	6.60%
1C-Boomburbs	33.6	3.22	105,000	106%	304,000	328%	10.00%	5.10%
7A-Up and Coming Families	30.7	3.1	64,000	25%	96,000	35%	9.00%	0.50%
1D-Saavy Suburbanites	44.1	2.83	104,000	104%	502,000	607%	7.20%	5.90%
2B-Pleasantville	41.9	2.86	85,000	67%	285,000	301%	6.00%	1.10%
5C-Parks and Rec	40.3	2.49	55,000	8%	98,000	38%	5.40%	4.30%

**Median is the value at the middle of the data set: the count of values above and below the median value are equal. For example, if the data set is {10, 8, 6, 4, 3, 1}, the median value is 5.*

Clarke County Average Household Budget Index

- The Average Household Budget **Index** shows spending that is above or below the national average for each category listed below.
- A value that is greater than 100 is above the national average; a value less than 100 is below.

		Percent of Population (8 mile radius)											
		20.40%	19.20%	10.00%	9.00%	7.20%	6.00%	5.40%					
		5A-Comfortable Empty Nesters	6A-Green Acres	1C-Boomburbs	7A-Up and Coming Families	1D-Saavy Suburbanites	2B-Pleasantville	5C-Parks and Rec					
		Average Household Budget Index (100 is average)											
Housing	★	117	★ 119	★ 177	☆ 108	★ 178	★ 148	☆ 97					
Food	★	114	★ 118	★ 172	☆ 106	★ 167	★ 136	☆ 94					
Apparel and Services	☆	76	☆ 78	☆ 119	☆ 72	☆ 116	☆ 95	☆ 64					
Transportation	★	116	★ 122	★ 176	★ 109	★ 168	★ 135	☆ 94					
Health Care	★	126	★ 129	★ 169	☆ 101	★ 179	★ 141	☆ 96					
Entertainment and Recreation	★	123	★ 128	★ 186	★ 111	★ 184	★ 148	☆ 98					
Education	★	118	★ 119	★ 174	☆ 99	★ 195	★ 165	☆ 101					
Pensions & Social Security	★	121	★ 127	★ 198	★ 115	★ 190	★ 150	☆ 97					
Other	★	118	★ 122	★ 175	☆ 104	★ 176	★ 141	☆ 93					

**An index is used to simplify a large data set with a wide range of values. This index shows the relative strength of household spending by comparison comparison with a national average.*

LifeMode Group: Active Seniors (Growth Sector)

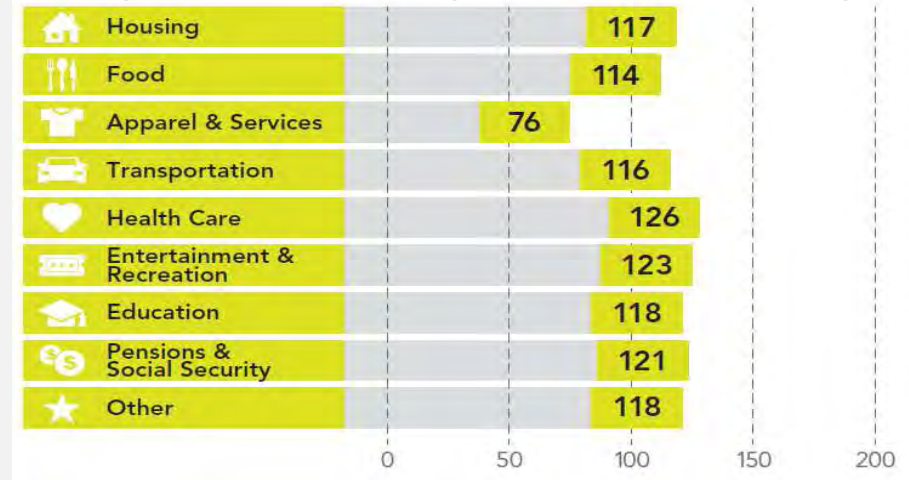
20% of CC Pop – Median Age 47 – Median HH Income \$68k and Median Net Worth \$285k

Segment 5A: Comfortable Empty Nesters

- More than half are age 55 and older professionals working in government, health care or manufacturing.
- Earn a comfortable living and enjoy benefits of saving and investing. Their net worth is three times the national index, and their financial portfolio includes stocks, CDs, mutual funds and real estate.
- They are transitioning from raising families to retirement, and are active people that value health and well-being.
 - Popular activities include golfing, skiing, bicycling and exercise
 - Enjoy spectator sports – games on the radio or tv
- Being online is not a priority, so most own older computers.



Average Household Budget Index (100 is average)



LifeMode Group: Country Living DIY-ers

19% of CC Pop – Median Age 43 – Median HH Income \$72k and Median Net Worth \$226k

Segment 6A: Green Acres

- Country living and self-reliance: avid do-it-yourselfers who maintain and remodel their homes and grow gardens; they buy/own all the necessary power tools to get the job done.
- Outdoor and fitness enthusiasts who enjoy hunting, fishing, motorcycling, hiking, camping and even golf.
- Own multiple vehicles, including cars, trucks, ATV's and motorcycles, preferably late model.
- Connected via satellite service, radio and TV.
- Active in a variety of community and social organizations.



Average Household Budget Index (100 is average)



LifeMode Group: Young Professionals (Growth Sector)

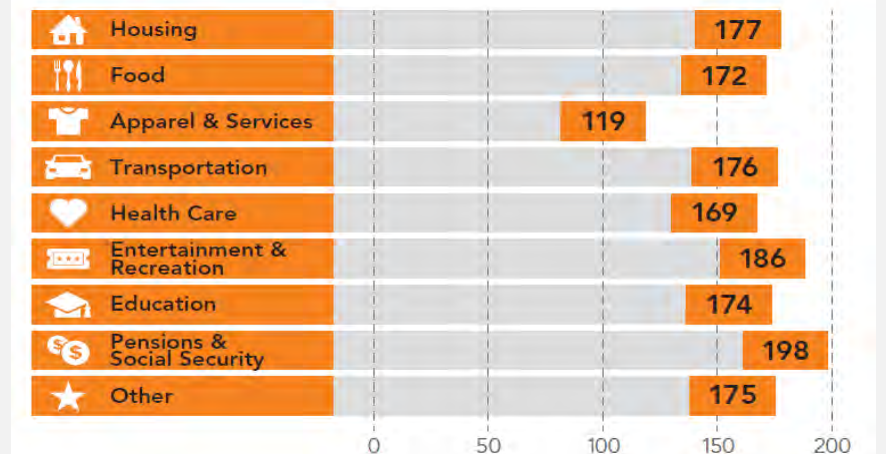
10% of CC Pop – Median Age 34 – Median HH Income \$105k and Median Net Worth \$304k

Segment 1C: Boomburbs

- Affluent, well-educated couples with a running start on prosperity. These are primarily families that traded up to new housing in the suburbs.
- Appearances matter! These homeowners are furnishing their newer homes and are already remodeling them.
- Physical fitness is a priority (club memberships and home equipment), and leisure time is spent enjoying hiking, bicycling, swimming, golf. Their children are also active and family outings include visits to theme parks and water parks.
- They prefer late-model imports, SUVs and minivans
- Love smart technology
- Generous supporters of charitable organizations.



Average Household Budget Index (100 is average)



LifeMode Group: Young Families (Transition Sector)

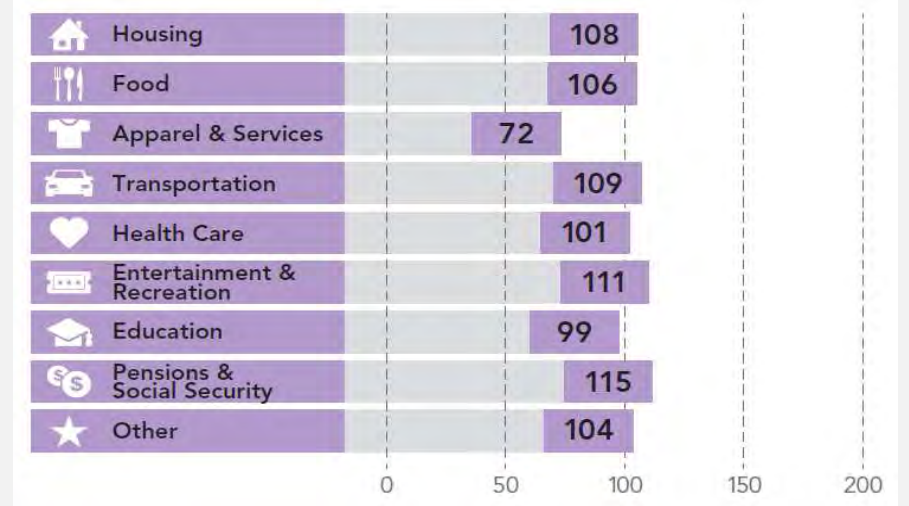
9% of CC Pop – Median Age 31 – Median HH Income \$64k and Median Net Worth \$96k

Segment 7A: Up and Coming Families

- Young families that are ethnically diverse and mobile. They are ambitious, working to get ahead and taking some risks to achieve their goals. This is one of the fastest growing markets in the country.
- Rely on the internet for entertainment, information, shopping and banking.
- Their homes are new, but they are busy with work and family; use home and landscaping services to save time.
- Prefer late-model compacts and SUVs
- Balancing credit card debt with student loans and mortgages while contributing to retirement plans and charitable organizations.
- Leisure time is spent on family activities; movies, trips to theme parks or the zoo. Enjoy backpacking, baseball, weight-lifting, and yoga.



Average Household Budget Index (100 is average)



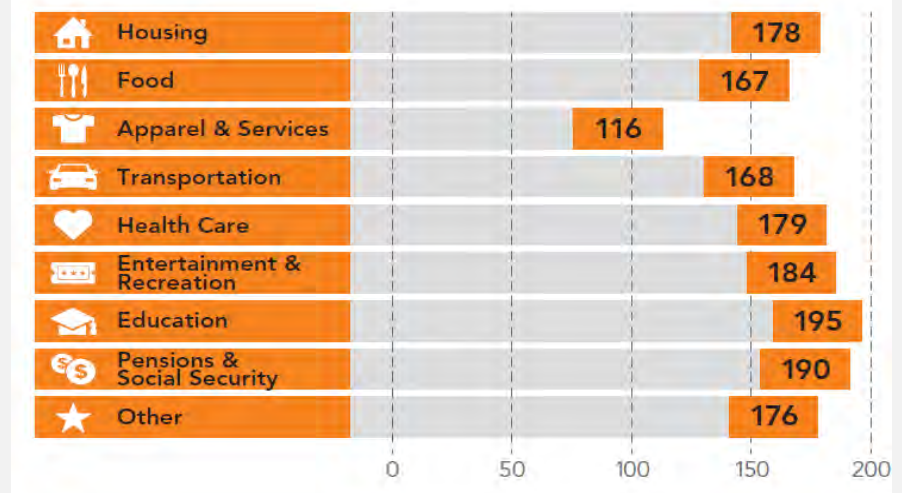
LifeMode Group 1D: Savvy Suburbanites

7% of CC Pop – Median Age 44 – Median HH Income \$104k and Median Net Worth \$502k

- Well educated, well read and well capitalized. These couples live in older neighborhoods outside the urban core, and enjoy remodeling and gardening, good food and wine, cultural events and amenities.
- Gardening and home improvement are priorities; usually DIY and own power tools and riding mowers. They hire contractors for high-quality services and heavy construction and use housekeeping services
- Foodies: They like to cook and prefer natural and organic products.
- Prefer late-model SUVs, minivans and wagons
- Financially active, using a number of online resources for investing decisions; Not afraid of debt, carrying first and second mortgages and HELOCs.
- Physically fit and personal care enthusiasts; enjoy a variety of sports from skiing to golf and invest heavily in sporting goods and exercise equipment.



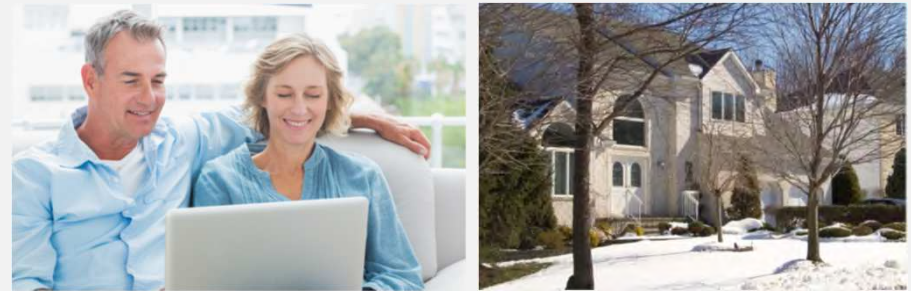
Average Household Budget Index (100 is average)



LifeMode Group 2B: Pleasantville

6% of CC Pop – Median Age 42 – Median HH Income \$85k and Median Net Worth \$285k

- Slightly older, dual-income couples with high net worth that include higher home values. They are empty-nesters or have adult children living at home.
- They prefer to use contractors for remodeling and maintenance of their older, single-family homes.
- Prefer imported SUVs, serviced by a gas station or dealership.
- Have bundled services (internet, TV, phone) and have newer computers to pay bills, make purchases and track investments.
- Subscribe to premium channels and video on demand for sports and movies
- Shop online and in a variety of stores (from upscale to discount).
- Enjoy gardening, beaches, theme parks, museums and rock concerts.



Average Household Budget Index (100 is average)



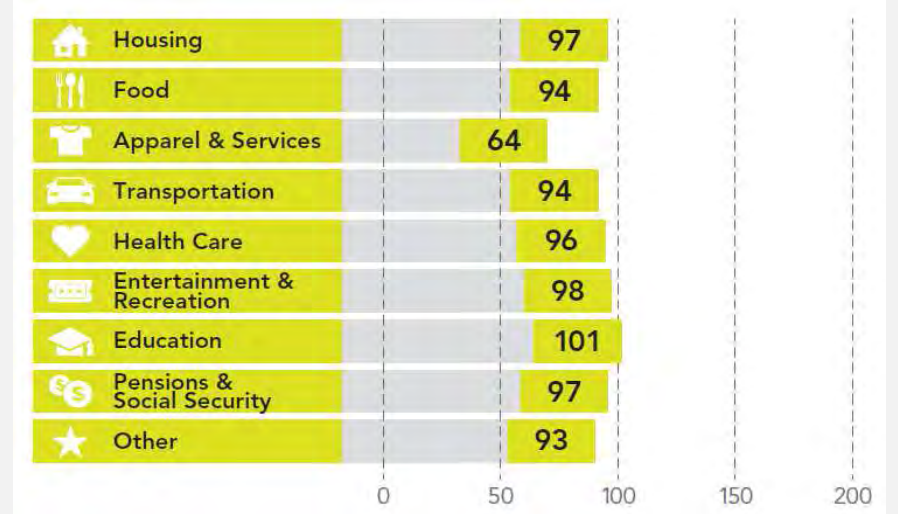
LifeMode Group 5C: Parks and Rec

5% of CC Pop – Median Age 40 – Median HH Income \$55k and Median Net Worth \$98k

- Many are dual-income couples approaching retirement. They are comfortable in their homes and jobs and do not plan on moving or retiring soon.
- Own older homes, townhomes and duplexes in well-established, kid-friendly neighborhoods that are attracting younger couples.
- Convenience and budget-conscious; cost and practicality come first. Stock up on staples at warehouse clubs, and regularly use frozen or packaged food.
- Prefer domestic SUVs and trucks.
- Pastimes include documentaries on Animal Planet, Discovery and History channels. They dine out, attend movies.
- Gamblers - they visit casinos, play online poker and blackjack and purchase lottery tickets.
- Use the local parks and rec – they exercise at home and outdoors as well as visit their local community gym.



Average Household Budget Index (100 is average)



Defining Questions for the Market Place

The **Berryville Main Street** Economic Vitality Committee is committed to looking at ways to improve business.

We will be designing a consumer survey to determine interest in specific categories and markets.

- Sporting Goods
- Pet Care
- Functional Apparel
- Home & Garden
- Entertainment
- Automotive
- Personal Services

For Businesses in Clarke County

You may use the data provided today, along with your own insight in your business, to help serve existing customers and attract new customers.

You might ask some basic questions:

Who tends to purchase?

What price range seems to be the 'sweet spot' for gaining new customers?

Does affordability or quality play a greater role for my customers?

What other questions can you think of?

Contact Us @

Berryville
Main Street

Economic
Revitalization
Committee

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Mary Jo Pellerito, Market Analyst

William Waite, Finance Consultant

Market **Profile for Berryville's**
Convenience-Driven Economy

Prepared by
Mary Jo Pellerito
Berryville Main Street
Economic Vitality Committee

June 2017

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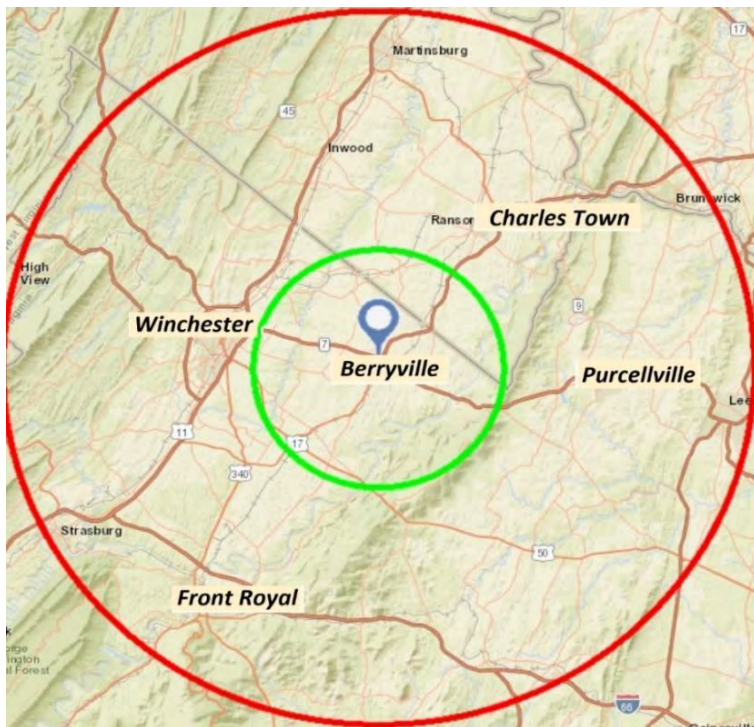
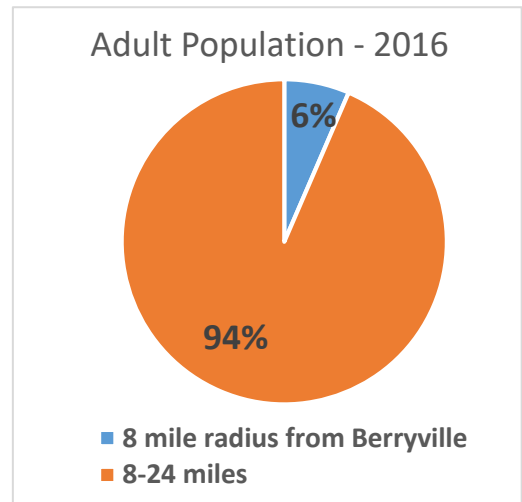
Berryville and Nearby Community Populations

Geographic areas surrounding Berryville up to an 8 mile radius, and between an 8 to 24 mile radius were selected for profiling customers representing the best markets for the convenience-driven economy. The consumer base 8 miles in any direction from the Town of Berryville represents 6% of the total population within this 24 mile area.

The map below shows the geography in two bands with a list of towns and cities located in these areas.

Inner Band: Communities closest to Downtown Berryville - up to 8 miles away comprise Clarke County. These residents are mostly likely to use governmental and professional services in downtown Berryville, including personal care, wellness, automotive and household services. These customers also regularly frequent local restaurants and some retail.

Outer Band: People living up to 24 miles from Berryville may visit Berryville for business, personal services or retail. They are also likely to visit the area for entertainment and events or to eat at local restaurants while in town.



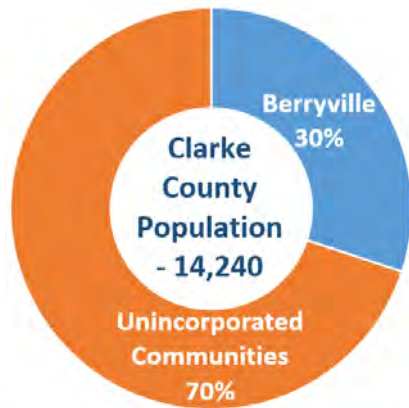
8 Mile Radius

- Berryville
- Boyce
- Millwood
- White Post

8-24 Mile Radius

- Round Hill
- Bluemont
- Purcellville
- Front Royal
- Middleburg
- Upperville
- Stephenson
- Winchester
- Stephens City
- Charles Town
- Harpers Ferry
- Shepherdstown

Clarke County Profile

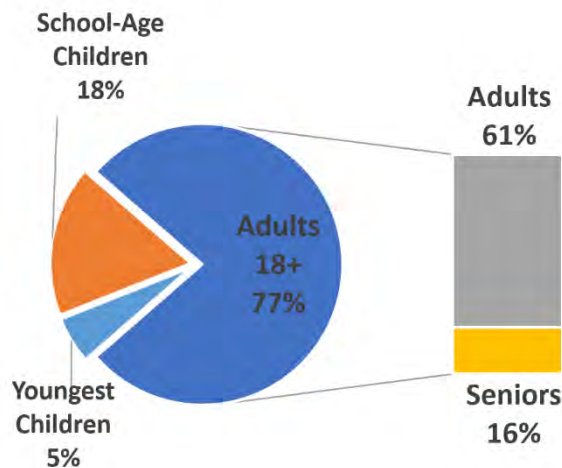


Over 2/3 of the people in Clarke County live in unincorporated areas, and the remaining 1/3 live within the Town of Berryville.

Clarke County Berryville – 4,281 Unincorporated Communities – 9,959			
Berrys	Frogtown	Lost Corner	Stringtown
Bethel	Gaylord	Millwood	Swimley
Briggs	Greenway Court	Pigeon Hill	Wadesville
Castlemans Ferry	Horse Shoe Curve	Pyletown	Waterloo
Claytonville	Lewisville	Saratoga	Webbtown
Double Tollgate	Lockes Landing	Stone Bridge	White Post Wickliffe

Even though these areas are within a relatively short distance of Berryville, most people living in the unincorporated areas are more likely to drive into Town for shopping, dining and other activities.

Well over than half of the population in Berryville are adults, with a median age of 46 years. Children under 18 years of age are 22% of the population, and seniors over the age of 65 are over 16%.



Percentage	Clarke Cty Population	Segments
100.0%	14,143	Total Population
5.4%	764	Young Children (Under Age 5)
17.4%	2,461	School-Age Children (Ages 5-18)
60.8%	8,599	Adults (Ages 18-65)
16.4%	2,319	Seniors (Ages 65 +)

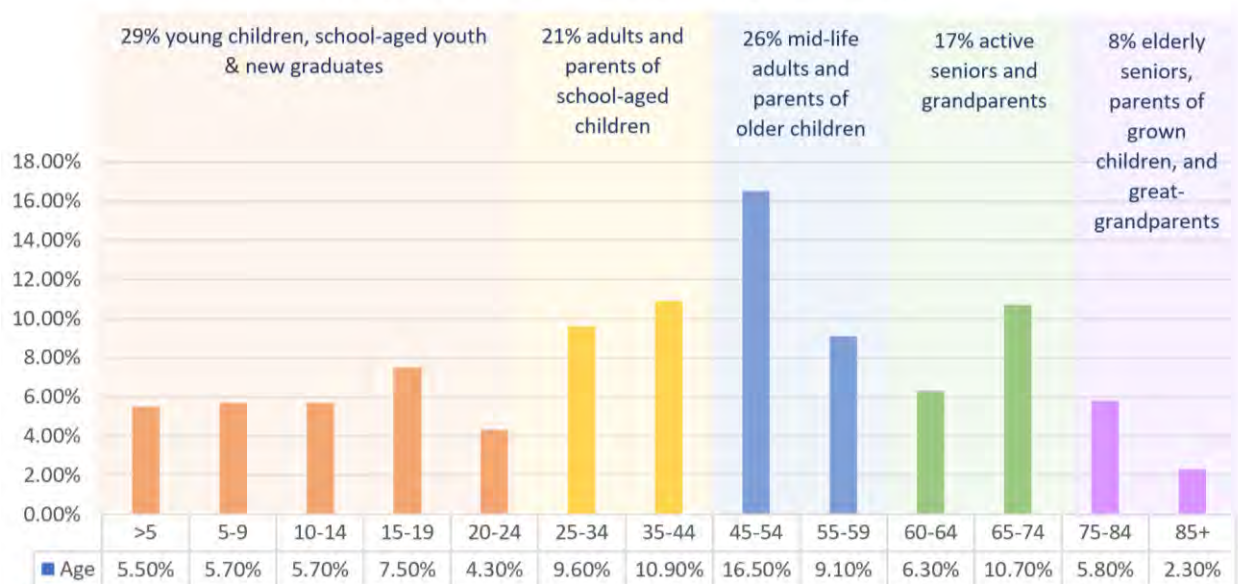
9 in 10 people in Clarke County are White

1 in 10 are Black, Hispanic, Asian, Two or More Races or American Indian/Alaskan Native

Clarke County residents are predominantly White, representing over 90% of the population. The remaining 10% includes 5.7% Black, 3.5% Hispanic, 1% Asian, 1.6% Two or more Races, and the remaining race/ethnicity categories at less than 1%.

A closer look at the population of Clarke County in smaller age groups is shown below, followed by an explanation having some supporting context to describe the differences in these age groups in relationship to phase of life.

Clarke County Residents Percent of Total Population by Age Group



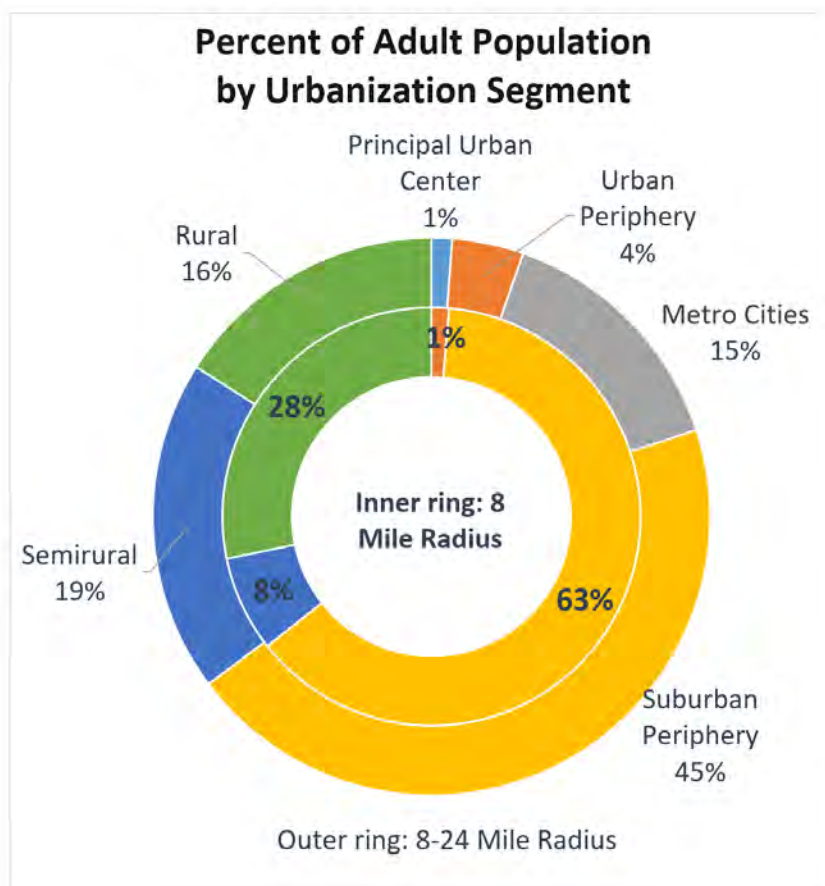
Source: 2015 American Community Survey

- Our youngest residents are 29% of the population. This includes young children, school-aged children, and new graduates that are enrolling in college, starting families and entering the work force.
- Young adults between the ages of 25 to 44 make up 21% of the population. These individuals are crafting their skills in a trade, launching businesses and careers, starting families and enrolling their children in schools.
- Adults between the ages of 45 and 59 have developed the skills and experience for mid- or senior levels in their chosen profession. While some may have school-age children, mid-life adults may be supporting children that are launching into adulthood. People in this group may also be providing support for their parents or other elderly relatives.
- Active seniors between the ages of 60 to 75 are 17% of the population. These individuals are retiring from careers, or are working reduced hours, or may switch to a new endeavor of their own choosing. They may have adult children who have families and careers of their own. This group may need to support their adult children and grandchildren in some ways; some may support older members of their immediate or extended family.
- Elderly seniors aged 75 years or older make up 8% of the population in Clarke County. These residents are typically retired, but may work or volunteer depending on their health and physical abilities. Seniors over age 85 may require **their family's** assistance or reside in an assisted living facility to support some or all of their daily activities.

Customer Urbanization Groups

Viewing the population by Urbanization groups, or shared geographic characteristics, provide insight into which markets share similar locales -- from the urban canyons of the largest cities to the rural lanes of villages or farms. These data are classified into 6 distinct Urbanization groups.

1. Principal Urban Centers
2. Urban Periphery
3. Metro Cities
4. Suburban Periphery
5. Semirural
6. Rural



8 Mile Radius

The visual at right shows 63% of the population within an 8 mile radius of Berryville resides in the Suburban Periphery and 28% in Rural areas, followed by 8% in Semirural areas.

8-24 Mile Radius

Nearly half of the population 8-24 miles from Berryville (45%) reside in the Suburban Periphery. About 50% are evenly distributed in Semirural, Rural or Metropolitan areas.

Metro Cities: Affordable city life including smaller metropolitan cities or satellite cities that feature a mix of single-family and multi-unit housing.

- Typically single householders; usually multi-unit buildings ranging from mid- to high-rise apartments; average monthly rents and home value below the U.S. average
- Consumers include college students, affluent Gen X couples, and retirement communities
- Student loans more common than mortgages; debit cards more popular than credit cards
- Interest in city life and its amenities, from dancing and clubbing to museums and concerts
- Convenience and mobility favor cell phones over landlines
- Many residents rely upon the Internet for entertainment (download music, play online games) and as a useful resource (job searches)

Suburban Periphery: Urban expansion is the most populous and fastest growing among Urbanization groups: includes one-third of the nation's population.

- Commuters value low density living, but demand proximity to jobs, entertainment and the amenities of an urban center
- Well-educated, two-income households, accept long commute times to raise their children in family-friendly neighborhoods.
- Many are heavily mortgaged in newly built, single-family homes
- Older householders have either retired in place, downsized or purchased a seasonal home
- Suburbanites are the most affluent group, working hard to lead bright, fulfilled lives
- Residents invest for their future, insure themselves against unforeseen circumstances, but also enjoy the fruits of their labor

Semirural: The most affordable housing—in smaller towns and communities located throughout the country.

- Single-family and mobile homes in the country, but still within reach of some amenities
- Embrace a quiet, country lifestyle including country music and hunting
- Prefer domestic products and vehicles, especially trucks
- Shop at large department and discount stores like Walmart
- Fast food and dinner mixes/kits are much more common than fine dining
- Many make a living off the land through agriculture, fishing and forestry
- Time off is spent visiting nearby family rather than flying to vacation destinations
- When services are needed, the yellow pages are within reach

Rural: Country living featuring single-family homes with acreage, farms and rural resort areas.

- Very low population density distinguishes this group—typically less than 50 people per square mile
- Over half of all households are occupied by persons 55 years and older; many are married couples without children at home
- The least diverse group, with over 80% non-Hispanic White
- Mostly home owners (> 80%), but rentals are affordable in single-family or mobile homes
- Long trips to the store and to work—often driven alone in a truck or SUV, listening to country radio
- Blue collar jobs dominate the landscape including manufacturing, agriculture, mining and construction
- Many are self-employed, retired, or receive income from Social Security
- Satellite TV and landline phones are necessary means to connect
- More conservative in their spending practices and beliefs
- Comfortable, established and not likely to move

ESRI Tapestry Segmentation Data

ESRI's Tapestry Segmentation data were provided by the Virginia Main Street consultant. The data are organized into 14 LifeMode groups that represent individuals sharing a common experience. For example, commonalities may be generational, country of origin, or a significant demographic trait, like affluence.

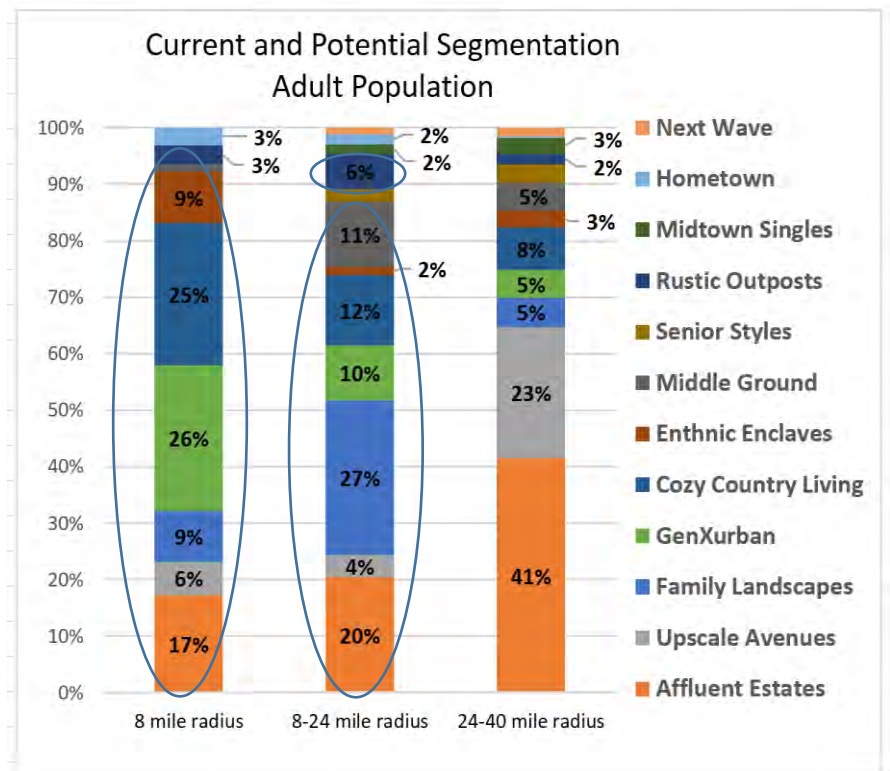
ESRI's 2016 data shows a significant overlap of LifeMode groups in communities nearest to Berryville (8 mile radius) and locations up to 24 miles from Town.

Those groups having a significant percentage in areas up to 24 miles from Berryville are shown in the top tier of the table at right.

The second tier group shows some groups that have a lower level of representation, but are present in areas up to 24 miles.

The third tier has either no representation, or is a very low percentage of the market. However a small percentage of seniors living up to 24 miles from Berryville may be considered for products or services that fit their particular needs.

The following pages provide more details about the characteristics of these LifeMode groups and Market Segmentation patterns **for Berryville's current and potential** customers.



Adult Population by ESRI Life Mode Groups Comparison of Target Areas

ID	LifeMode Group	8 Mile Radius	8-24 Mile Radius
Tier 1: Segments Having Best Match Rates			
1	Affluent Estates	17.3%	20.4%
4	Family Landscapes	8.9%	27.3%
5	GenXurban	25.8%	9.7%
6	Cozy Country Living	25.2%	12.3%
Tier 2: Other Matching Segments			
2	Upscale Avenues	6.0%	3.9%
7	Ethnic Enclaves	9.0%	1.5%
8	Middle Ground	1.4%	11.5%
10	Rustic Outposts	3.4%	6.2%
12	Hometown	3.1%	1.8%
Tier 3: No or Low Representation			
3	<i>Uptown Individuals</i>	0%	0%
9	Senior Styles	0%	2.2%
11	Midtown Singles	0%	1.7%
13	Next Wave	0%	1.2%
14	<i>Scholars and Patriots</i>	0%	0.3%

Best Customers – LifeMode Groups

Middle-aged; live and work within the same county, so have short commutes; **well-informed readers** and news junkies; enjoy **games, hobbies & crafts, museums, rock concerts**; walk for wellness

Market Segments for Berryville (8 Mile Radius):

- **Comfortable Empty Nesters – 20.4%**
- **Parks and Rec – 5.4%**

Urbanization designation is **Suburban Periphery**

GenXUrban
8 Mile Radius– 26%
8-24 Miles – 10%

Empty nesters in bucolic settings; have **pets**; own **multiple vehicles** and likely to also have a **truck, motorcycle, ATV/UTV**; **buy American**; eat at home; own a wide variety **home and garden tools** and equipment

Primary Market Segments for Berryville (8 Mile Radius):

- **Green Acres – 19.2%**
- **Salt of the Earth – 3.1%**
- **The Great Outdoors – 3.0%**

Urbanization designation is **Rural**

Cozy Country Living
8 Mile Radius– 25%
8-24 Miles – 12%

Established wealth; are educated, well-traveled married couples owning homes with children in school; Expect **quality**, invest in **time-saving services**

Primary Market Segments for Berryville (8 Mile Radius):

- **Boomburbs – 10.0%**
- **Savvy Suburbanites – 7.2%**

Urbanization designation is **Suburban Periphery**

Affluent Estates
8 Mile Radius– 17%
8-24 Mile Radius– 20%
24-40 Miles – 41%

Dual-income families in **newer suburban** or semi-rural communities; **DIY-ers**; **dogs, new cars, tech-friendly; eat out**; enjoy sports, trips to the zoo and theme parks

Primary Market Segments for Berryville (8 Mile Radius):

- **Home Improvement – 4.0%**
- **Middleburg – 3.9%**
- **Soccer Moms – 1%**

Urbanization designation is **Semirural** for Middleburg and **Suburban Periphery** for the other

Family Landscapes
8 Mile Radius– 9%
8-24 Mile Radius– 27%

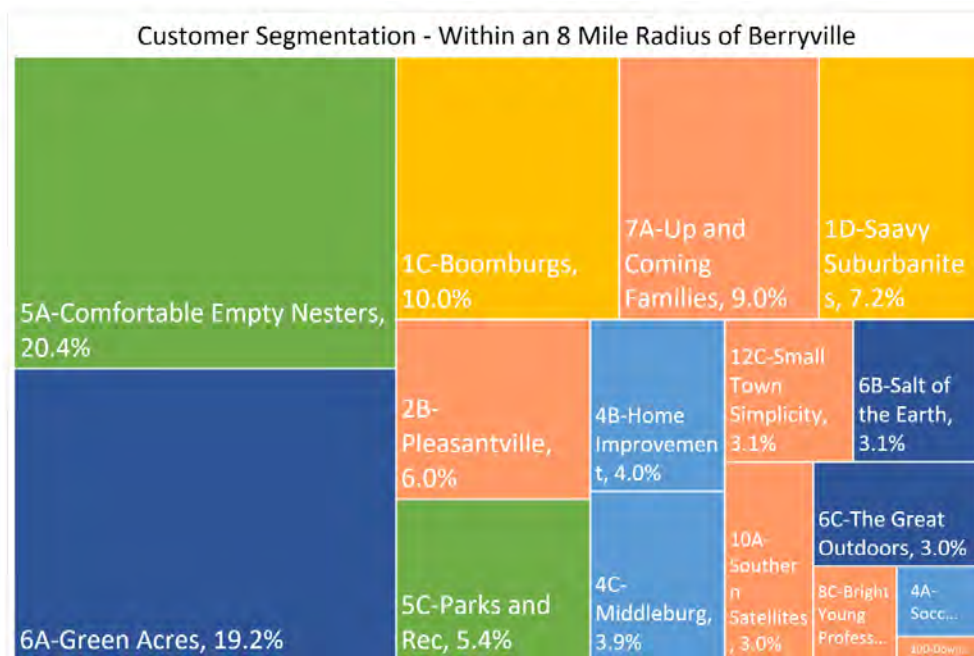
Best Customers - Market Segmentation

The visuals below compare the proportionality of the 16 market segments in both the area within 8 miles and the area between 8-24 miles of Berryville.

The first tier market segments are shaded so you can see how they correspond with the LifeMode groups (also see the table on page X). All other segments in the second tier groups are shaded in light red.

8 Mile Radius

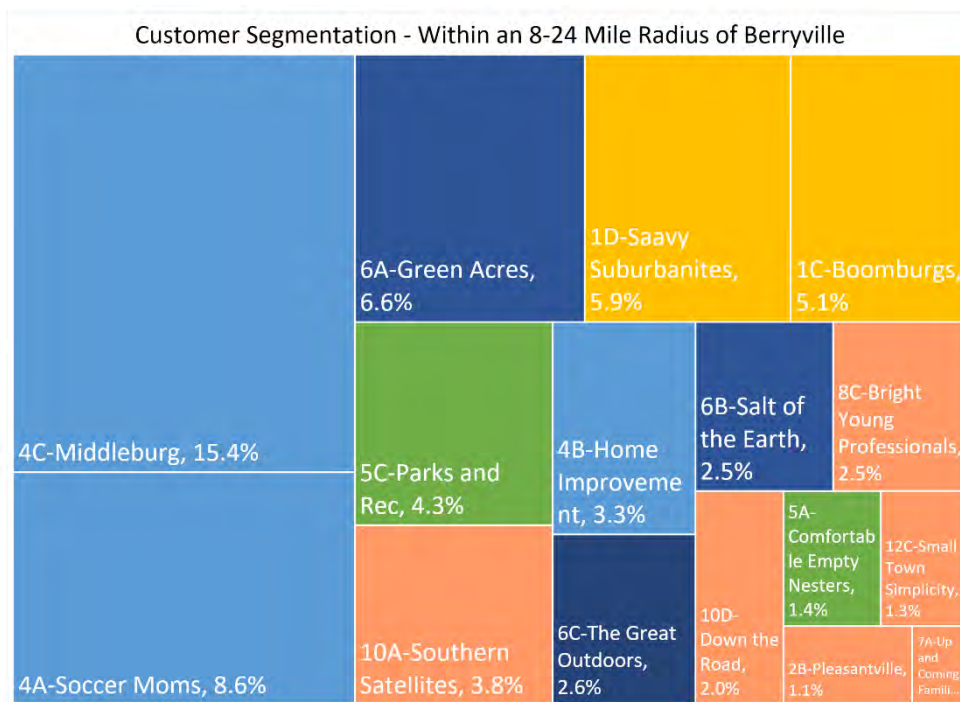
In addition to the key LifeMode groups, the groups shaded light red together represent 22% of the total adult population within an 8 mile radius of Berryville.



8-24 Mile Radius

There are differences in the market segments, compared with the segments in an 8 mile radius. This indicates similarities in LifeMode and meaningful differences in consumer preferences.

The population is significantly larger in this area; other segments not shown in the chart at right represent 1/3 of this market base.



ESRI Tapestry Segments in Areas Up to 24 Miles of Berryville

The 16 ESRI Tapestry Segments within areas up to 24 miles of Berryville are listed below. The overall percent of the LifeMode for each group is shown in the table below at right. Each segment has details for the corresponding Urbanization Group, and the percentage of the population for the two geographic bands.

Percent of LifeMode Group		Customer Segmentation Groups		Adult Population (Ages 18+)			
8 Mile Radius	8-24 Miles	Tapestry Segment	Urbanization Group	8 Mile Radius	Percent of Total	8-24 Miles	Percent of Total
17.3%	11.0%	1C-Boomburbs	Suburban Periphery	2,110	10.0%	15,422	5.1%
		1D-Saavy Suburbanites		1,518	7.2%	18,005	5.9%
6.0%	1.1%	2B-Pleasantville		1,258	6.0%	3,307	1.1%
8.9%	27.3%	4A-Soccer Moms		209	1.0%	25,998	8.6%
		4B-Home Improvement		837	4.0%	9,952	3.3%
25.8%	5.8%	4C-Middleburg	Semirural	820	3.9%	46,677	15.4%
		5A-Comfortable Empty Nesters	Suburban Periphery	4,290	20.4%	4,284	1.4%
25.2%	11.8%	5C-Parks and Rec		1,131	5.4%	13,142	4.3%
		6A-Green Acres	Rural	4,025	19.2%	20,068	6.6%
		6B-Salt of the Earth		647	3.1%	7,618	2.5%
6C-The Great Outdoors	627	3.0%		7,960	2.6%		
9.0%	0.5%	7A-Up and Coming Families	Suburban Periphery	1,891	9.0%	1,422	0.5%
1.4%	2.5%	8C-Bright Young Professionals	Urban Periphery	284	1.4%	7,436	2.5%
3.4%	5.9%	10A-Southern Satellites	Rural	633	3.0%	11,601	3.8%
		10D-Down the Road	Semirural	73	0.3%	6,134	2.0%
3.1%	1.3%	12C-Small Town Simplicity		661	3.1%	3,808	1.3%

Tapestry Profiles

The table below shows income and household characteristics for the ESRI Tapestry segments in Berryville’s consumer base. Each segment’s median age, average household size, and median income and net worth are listed.

The percent of the segment’s median household income and median net worth are measured against the U.S. median:

- If the Percent of is 0%, the Median for the segment is equal to the US Median
- If the Percent is 50%, the segment is 1.5 times the US Median value
- The US Median Household Income is \$51,000 and the US Median Net Worth is \$71,000

Customer Segments	Median Age	HH Size	Median HH Income	Percent Above/ Below US Median	Median Net Worth	Percent Above/ Below US Median	8 Mile Radius	8-24 Mile Radius
1C-Boomburbs	33.6	3.22	105,000	106%	304,000	328%	10.0%	5.1%
1D-Saavy Suburbanites	44.1	2.83	104,000	104%	502,000	607%	7.2%	5.9%
2B-Pleasantville	41.9	2.86	85,000	67%	285,000	301%	6.0%	1.1%
4A-Soccer Moms	36.6	2.96	84,000	65%	252,000	255%	1.0%	8.6%
4B-Home Improvement	37.0	2.86	67,000	31%	162,000	128%	4.0%	3.3%
4C-Middleburg	35.3	2.73	55,000	8%	89,000	25%	3.9%	15.4%
5A-Comfortable Empty Nesters	46.8	2.50	68,000	33%	285,000	301%	20.4%	1.4%
5C-Parks and Rec	40.3	2.49	55,000	8%	98,000	38%	5.4%	4.3%
6A-Green Acres	43.0	2.69	72,000	41%	226,000	218%	19.2%	6.6%
6B-Salt of the Earth	43.1	2.58	53,000	4%	134,000	89%	3.1%	2.5%
6C-The Great Outdoors	46.3	2.43	53,000	4%	124,000	75%	3.0%	2.6%
7A-Up and Coming Families	30.7	3.10	64,000	25%	96,000	35%	9.0%	0.5%
8C-Bright Young Professionals	32.2	2.40	50,000	-2%	28,000	-61%	1.4%	2.5%
10A-Southern Satellites	39.7	2.65	44,000	-14%	70,000	-1%	3.0%	3.8%
10D-Down the Road	34.3	2.74	36,000	-29%	30,000	-58%	0.3%	2.0%
12C-Small Town Simplicity	40.0	2.25	27,000	-47%	14,000	-80%	3.1%	1.3%

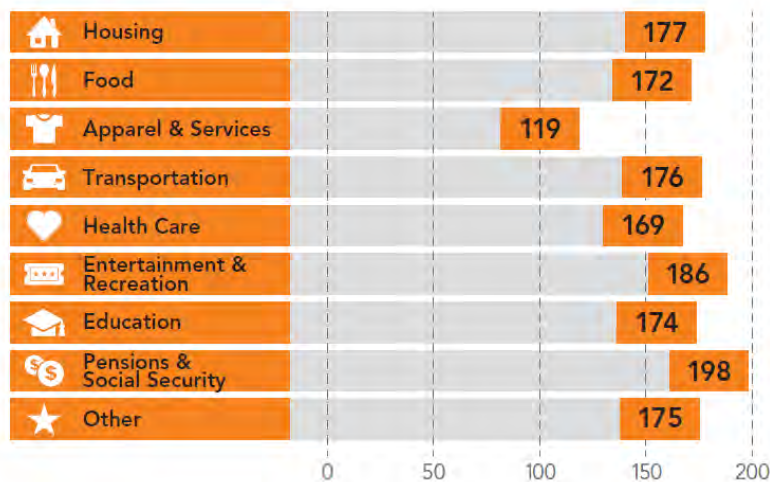
The Tapestry Profiles in the following section include a description of each segment, a summary of consumer preferences and a table showing the Average Household Budget Index. The index compares the average amount spent in this market’s household budgets for housing, food, apparel, etc., to the average amount spent by all US households.¹

- An Average Household Budget Index of 100 is average.
- An index of 120 shows that average spending by consumers in this market is 20 percent above the national average.

¹ Consumer preferences are estimated from data by GfK MRI and expenditures are estimated by Esri.

Profile – 1C – Boomburbs

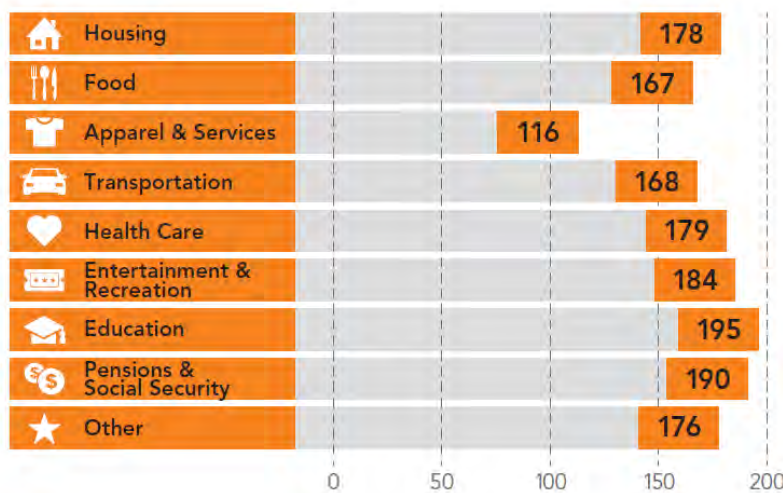
This is the new growth market: young professionals with families that have opted to trade up to the newest housing in the suburbs. The original Boomburbs neighborhoods began growing in the 1990s and continued through the peak of the housing boom. Most of those neighborhoods are fully developed now. This is an affluent market but with a higher proportion of mortgages. Rapid growth still distinguishes the Boomburbs neighborhoods, although the boom is more subdued now than it was 10 years ago. So is the housing market. Residents are well-educated professionals with a running start on prosperity.



- *Boomburbs* residents prefer late model imports, primarily SUVs, and also luxury cars and minivans.
- This is one of the top markets for the latest in technology, from smartphones to tablets to Internet connectable televisions.
- Style matters in the *Boomburbs*, from personal appearance to their homes. These consumers are still furnishing their new homes and already remodeling.
- They like to garden but more often contract for home services.
- Physical fitness is a priority, including club memberships and home equipment.
- Leisure includes a range of activities from sports (hiking, bicycling, swimming, golf) to visits to theme parks or water parks.
- Residents are generous supporters of charitable organizations.

Profile – 1D – Savvy Suburbanites

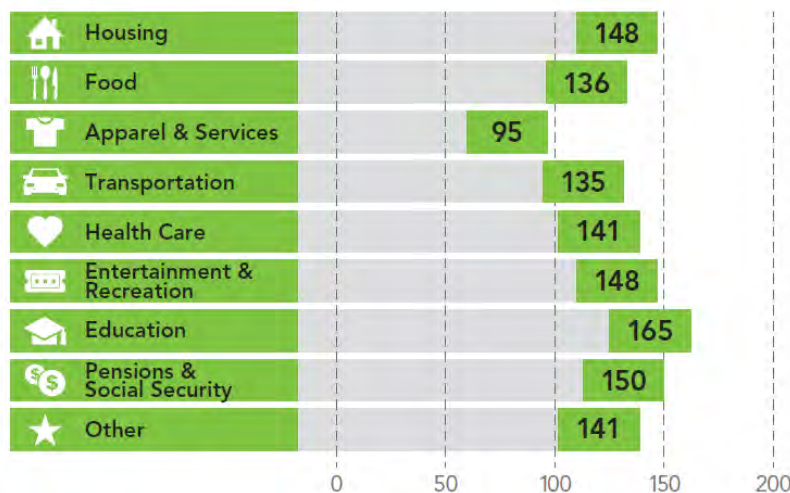
Savvy Suburbanites residents are well educated, well read, and well capitalized. Families include empty nesters and empty nester wannabes, who still have adult children at home. Located in older neighborhoods outside the urban core, their suburban lifestyle includes home remodeling and gardening plus the active pursuit of **sports and exercise**. They enjoy good food and wine, plus the amenities of the city’s cultural events.



- Residents prefer late model, family-oriented vehicles: SUVs, minivans, and station wagons.
- Gardening and home remodeling are priorities, usually DIY. Riding mowers and power tools are popular, although they also hire contractors for the heavy lifting.
- There is extensive use of housekeeping and personal care services.
- Foodies: They like to cook and prefer natural or organic products.
- These investors are financially active, using a number of resources for informed investing.
- They are not afraid of debt; many households carry first and second mortgages, plus home equity credit lines.
- Physically fit, residents actively pursue a number of sports, from skiing to golf, and invest heavily in sports gear and exercise equipment.

Profile – 2B – Pleasantville

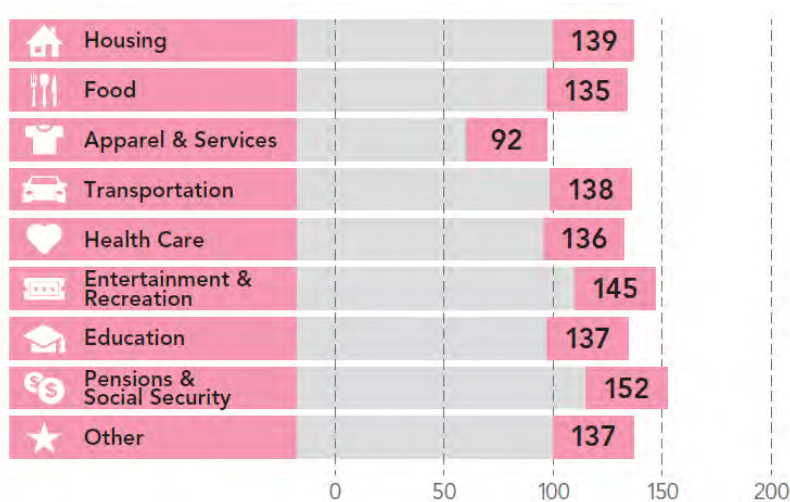
Prosperous domesticity best describes the settled denizens of *Pleasantville*. Situated principally in older housing in suburban areas in the Northeast (especially in NY and NJ) and secondarily in the West (especially in CA), these slightly older couples move less than any other market. Many couples have already transitioned to empty nesters; many are still home to adult children. Families own older, single-family homes and maintain their standard of living with dual incomes. These consumers have higher incomes and home values and much higher net worth (Index 400). Older homes require upkeep; home improvement and remodeling projects are a priority—preferably done by contractors. Residents spend their spare time participating in a variety of sports or watching movies. They shop online and in a variety of stores, from upscale to discount, and use the Internet largely for financial purposes.



- Prefer imported SUVs, serviced by a gas station or car dealer.
- Invest in conservative securities and contribute to charities.
- Work on home improvement and remodeling projects, but also hire contractors.
- Have bundled services (TV/Internet/phone) and access the Internet via fiber optics or cable modem, on a newer computer, to pay bills, make purchases, and track investments.
- Subscribe to premium channels (HBO, Showtime, or Starz) and use video-on-demand to watch TV shows and movies.
- Enjoy outdoor gardening, going to the beach, visiting theme parks, frequenting museums, and attending rock concerts.

Profile – 4A – Soccer Moms

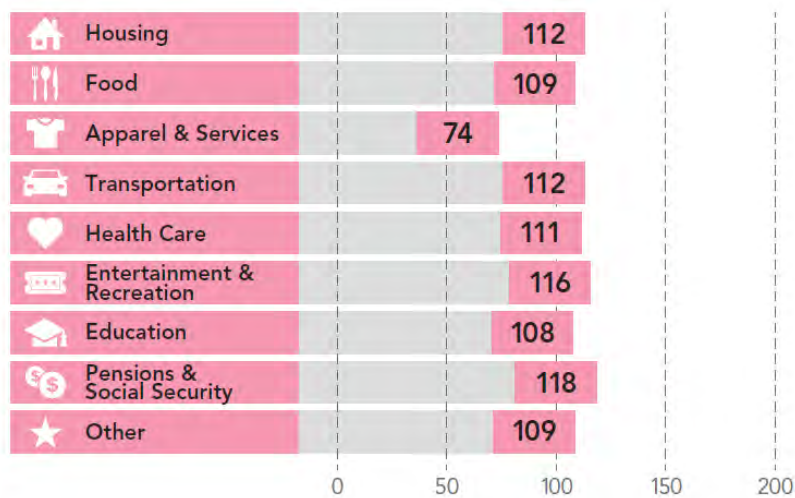
Soccer Moms is an affluent, family-oriented market with a country flavor. Residents are partial to new housing away from the bustle of the city but close enough to commute to professional job centers. Life in this suburban wilderness offsets the hectic pace of two working parents with growing children. They favor time-saving devices, like banking online or housekeeping services, and family-oriented pursuits.



- Most households own at least 2 vehicles; the most popular types are minivans and SUVs.
- Family-oriented purchases and activities dominate, like 4+ televisions (Index 165), movie **purchases or rentals, children’s apparel and toys, and visits to theme parks or zoos.**
- Outdoor activities and sports are characteristic of life in the suburban periphery, like bicycling, jogging, golfing, boating, and target shooting.
- Home maintenance services are frequently contracted, but these families also like their gardens and own the tools for minor upkeep, like riding mowers and tillers.

Profile – 4B – Home Improvement

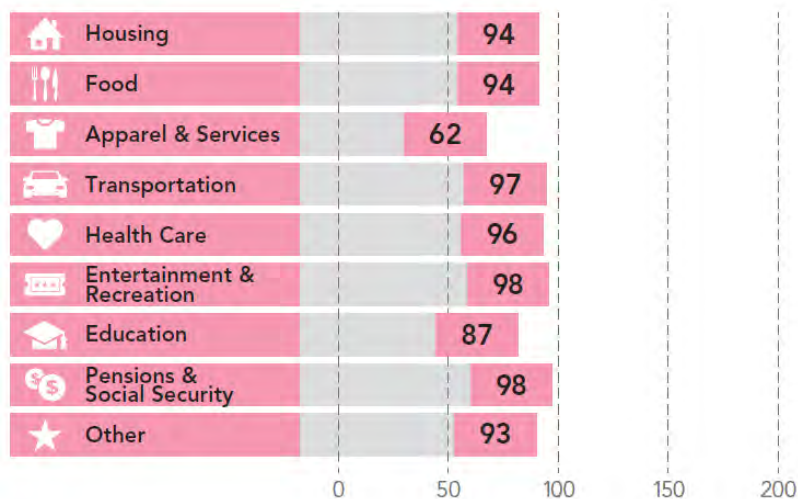
Married-couple families occupy well over half of these suburban households. Most *Home Improvement* residences are single-family homes that are owner occupied, with only one-fifth of the households occupied by renters. Education and diversity levels are similar to the US as a whole. These families spend a lot of time on the go and therefore tend to eat out regularly. When at home, weekends are consumed with home improvement and remodeling projects.



- Enjoy working on home improvement projects and watching DIY networks.
- Make frequent trips to warehouse/club and home improvement stores in their minivan or SUV.
- Own a giant screen TV with fiber-optic connection and premium cable; rent DVDs from Redbox or Netflix.
- Very comfortable with new technology; embrace the convenience of completing tasks on a mobile device.
- **Enjoy dining at Chili's, Chick-fi I-A, and Panera Bread.**
- **Frequently buy children's clothes and toys.**

Profile – 4C – Middleburg

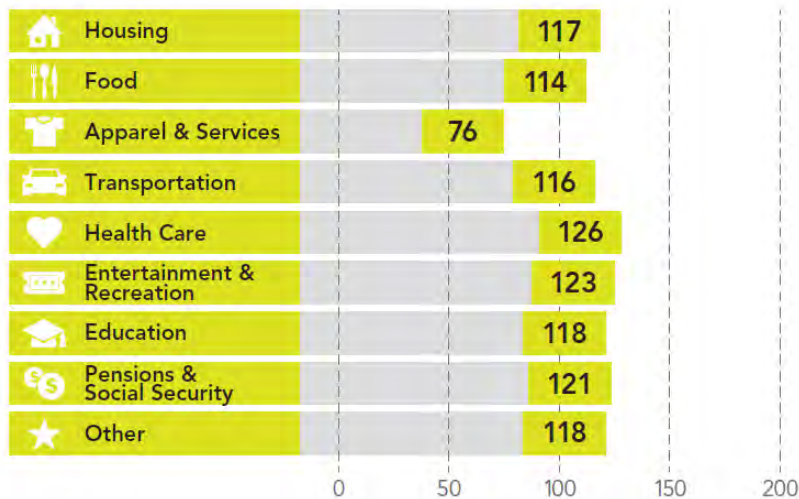
Middleburg neighborhoods transformed from the easy pace of country living to semirural subdivisions in the last decade, when the housing boom reached out. Residents are conservative, family-oriented consumers. Still more country than rock and roll, they are thrifty but willing to carry some debt and are already investing in their futures. They rely on their smartphones and mobile devices to stay in touch and pride themselves on their expertise. They prefer to buy American and travel in the US. This market is younger but growing in size and assets.



- Residents are partial to trucks, SUVs, and occasionally, convertibles, or motorcycles.
- Entertainment is primarily family-oriented, TV and movie rentals or theme parks and family restaurants.
- **Spending priorities also focus on family (children’s toys and apparel) or home DIY projects.**
- Sports include hunting, target shooting, bowling, and baseball.
- TV and magazines provide entertainment and information.
- Media preferences include country and Christian channels.

Profile – 5A – Comfortable Empty Nesters

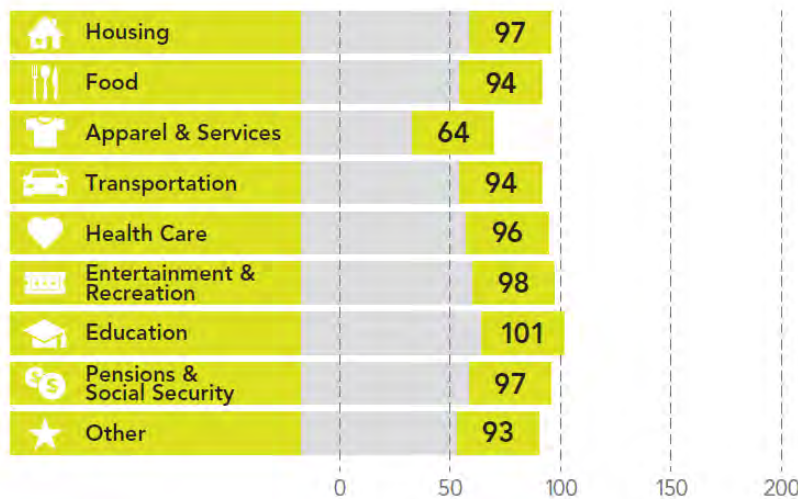
Residents in this large, growing segment are older, with more than half of all householders aged 55 or older; many still live in the suburbs where they grew up. Most are professionals working in government, health care, or manufacturing. These Baby Boomers are earning a comfortable living and benefitting from years of prudent investing and saving. Their net worth is well above average (Index 363). Many are enjoying the transition from child rearing to retirement. They value their health and financial well-being.



- Residents enjoy listening to sports radio or watching sports on television.
- Physically active, they play golf, ski, ride bicycles, and work out regularly.
- **Spending a lot of time online isn't a priority, so most own older home computers.**
- Financial portfolio includes stocks, certificates of deposit, mutual funds, and real estate.

Profile – 5C – Parks and Rec

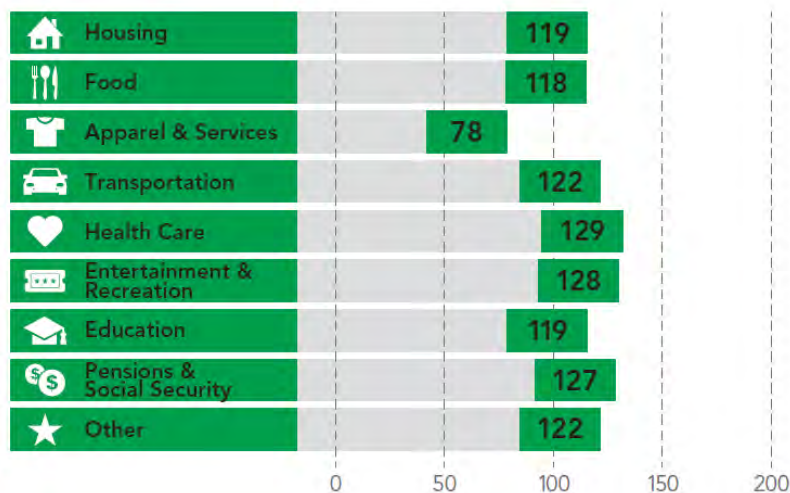
These practical suburbanites have achieved the dream of home ownership. They have purchased homes that are within their means. Their homes are older, and town homes and duplexes are not uncommon. Many of these families are two-income married couples approaching retirement age; they are comfortable in their jobs and their homes, budget wisely, but do not plan on retiring anytime soon or moving. Neighborhoods are well established, as are the amenities and programs that supported their now independent children through school and college. The appeal of these kid-friendly neighborhoods is now attracting a new generation of young couples.



- Cost and practicality come first when purchasing a vehicle; *Parks and Rec* residents are more likely to buy domestic SUVs or trucks over compact or subcompact vehicles.
- Budget-conscious consumers stock up on staples at warehouse clubs.
- Pass time at home watching documentaries on Animal Planet, Discovery, or History channels. For an outing, they choose to dine out at family-style restaurants and attend movies. Between trips to the casinos, they gamble on lottery tickets and practice their blackjack and poker skills online.
- Convenience is important in the kitchen; they regularly use frozen or packaged main course meals. Ground coffee is preferred over coffee beans.
- Residents here take advantage of local parks and recreational activities. Their exercise routine is a balance of home-based exercise; a session at their local community gym; or a quick jog, swim, or run.

Profile – 6A – Green Acres

The *Green Acres* lifestyle features country living and self-reliance. They are avid do-it-yourselfers, maintaining and remodeling their homes, with all the necessary power tools to accomplish the jobs. Gardening, especially growing vegetables, is also a priority, again with the right tools, tillers, tractors, and riding mowers. Outdoor living also features a variety of sports: hunting and fishing, motorcycling, hiking and camping, and even golf. Self-described conservatives, residents of *Green Acres* remain pessimistic about the near future yet are heavily invested in it.



- Purchasing choices reflect *Green Acres* residents country life, including a variety of vehicles from trucks and SUVs to ATVs and motorcycles, preferably late model.
- Homeowners favor DIY home improvement projects and gardening.
- Media of choice are provided by satellite service, radio, and television, also with an emphasis on country and home and garden.
- *Green Acres* residents pursue physical fitness vigorously, from working out on home exercise equipment to playing a variety of sports.
- Residents are active in their communities and a variety of social organizations, from **fraternal orders to veterans' clubs**.

Profile – 6B – Salt of the Earth

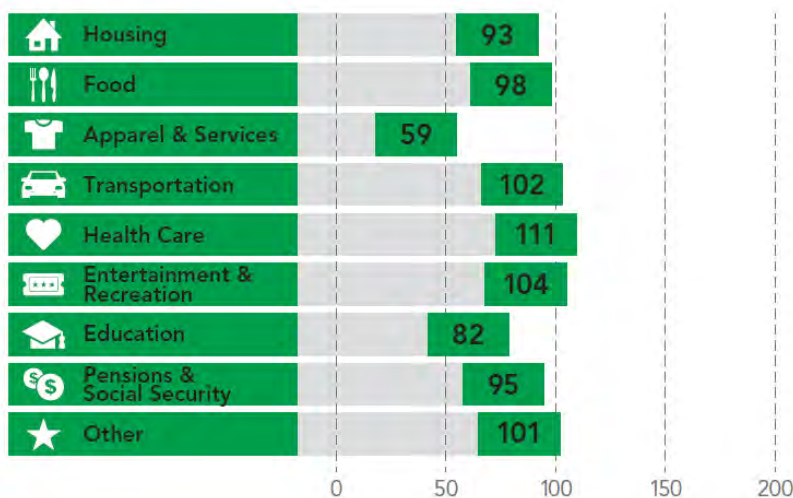
Salt of the Earth residents are entrenched in their traditional, rural lifestyles. Citizens here are older, and many have grown children that have moved away. They still cherish family time and also tending to their vegetable gardens and preparing homemade meals. Residents embrace the outdoors; they spend most of their free time preparing for their next fishing, boating, or camping trip. The majority has at least a high school diploma or some college education; many have expanded their skill set during their years of employment in the manufacturing and related industries. They may be experts with DIY projects, but the latest technology is not their forte. They use it when absolutely necessary, but seek face-to-face contact in their routine activities.



- Outdoor sports and activities, such as fishing, boating, hunting, and overnight camping trips are popular.
- To support their pastimes, truck ownership is high; many also own an ATV.
- They own the equipment to maintain their lawns and tend to their vegetable gardens.
- Residents often tackle home remodeling and improvement jobs themselves.
- Due to their locale, they own satellite dishes, and many still require dial-up modems to access the Internet.
- These conservative consumers prefer to conduct their business in person rather than online. They use an agent to purchase insurance.

Profile – 6C – The Great Outdoors

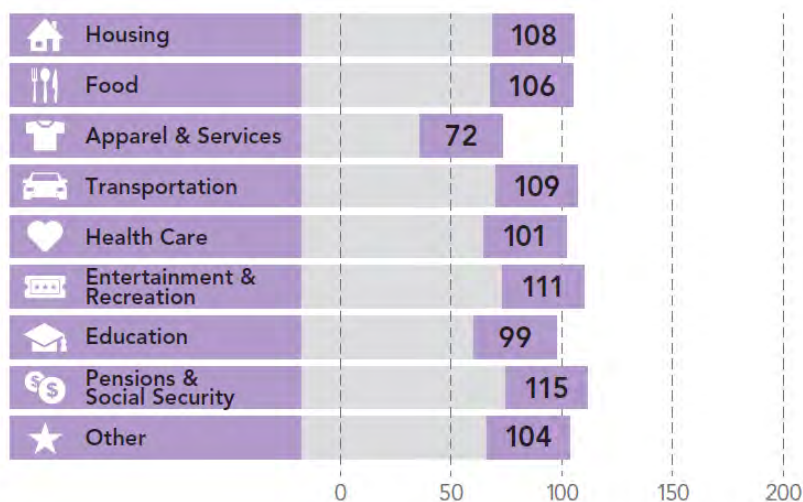
These neighborhoods are found in pastoral settings throughout the United States. Consumers are educated empty nesters living an active but modest lifestyle. Their focus is land. They are more likely to invest in real estate or a vacation home than stocks. They are active gardeners and partial to homegrown and home-cooked meals. Although retirement beckons, most of these residents still work, with incomes slightly above the US level.



- Satellite dishes and riding lawn mowers are familiar sights in these rural settings, along with multiple vehicles; four-wheel drive trucks are popular, too.
- **Residents are members of AARP and veterans’ clubs and support various civic causes.**
- Technology is not central in their lives: light use of Internet connectivity for shopping and entertainment.
- Most households have pets—dogs or cats.
- Television channels such as CMT, History, and Fox News are popular.
- They enjoy outdoor activities such as hiking, hunting, fishing, and boating.

Profile – 7A – Up and Coming Families

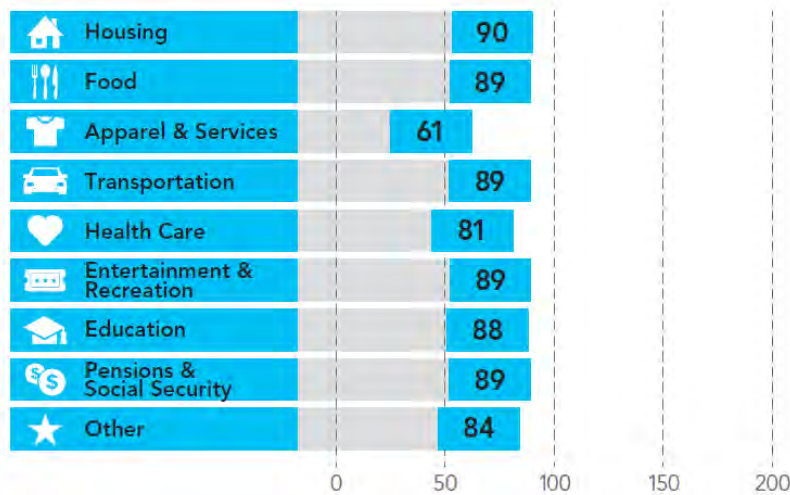
Up and Coming Families is a market in transition—residents are younger and more mobile and ethnically diverse than the previous generation. They are ambitious, working hard to get ahead, and willing to take some risks to achieve their goals. The recession has impacted their financial well-being, but they are optimistic. Their homes are new; their families are young. And this is one of the fastest-growing markets in the country.



- Rely on the Internet for entertainment, information, shopping, and banking.
- Prefer imported SUVs or compact cars, late models.
- Carry debt from credit card balances to student loans and mortgages, but also maintain retirement plans and make charitable contributions.
- Busy with work and family; use home and landscaping services to save time.
- Find leisure in family activities, movies at home, trips to theme parks or the zoo, and sports, from backpacking and baseball to weight lifting and yoga.

Profile – 8C – Bright Young Professionals

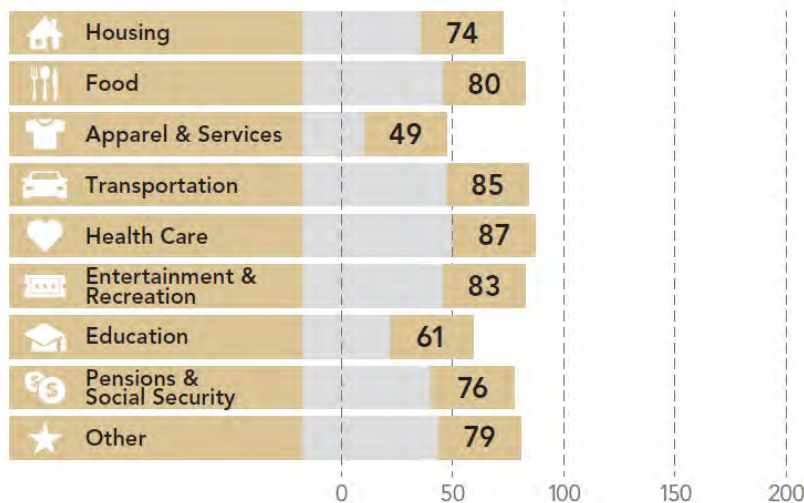
Bright Young Professionals is a large market, primarily located in urban outskirts of large metropolitan areas. These communities are home to young, educated, working professionals. One out of three householders is under the age of 35. Slightly more diverse couples dominate this market, with more renters than homeowners. More than two-fifths of the households live in single-family homes; over a third live in 5+ unit buildings. Labor force participation is high, generally white-collar work, with a mix of food service and part-time jobs (among the college students). Median household income, median home value, and average rent are close to the US values. Residents of this segment are physically active and up on the latest technology.



- Own US savings bonds.
- Own newer computers (desktop, laptop, or both), iPods, and 2+ TVs.
- Go online to do banking, access YouTube or Facebook, visit blogs, and play games.
- Use cell phones to text, redeem mobile coupons, listen to music, and check for news and financial information.
- Find leisure going to bars/clubs, attending concerts, going to the zoo, and renting DVDs from Redbox or Netflix.
- Read sports magazines and participate in a variety of sports, including backpacking, basketball, football, bowling, Pilates, weight lifting, and yoga.
- Eat out often at fast-food and family restaurants.

Profile – 10A – Southern Satellites

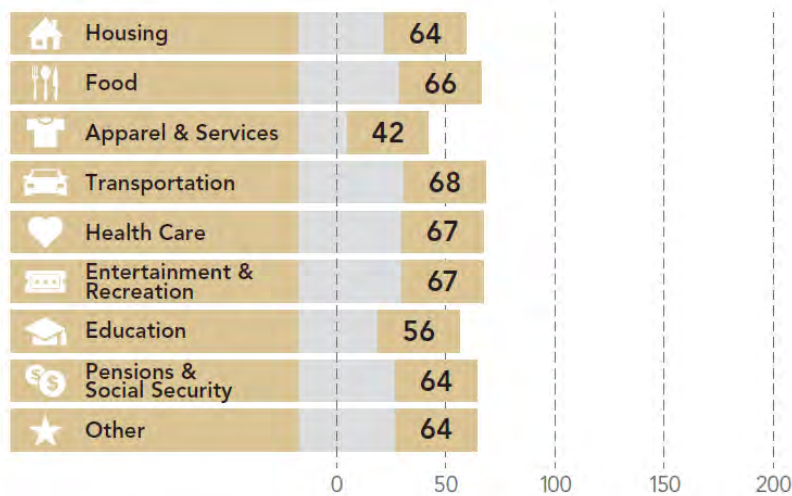
Southern Satellites is the second largest market found in rural settlements but within metropolitan areas located primarily in the South. This market is typically nondiverse, slightly older, settled married-couple families, who own their homes. Almost two-thirds of the homes are single-family structures; a third are mobile homes. Median household income and home value are below average. Workers are employed in a variety of industries, such as manufacturing, health care, retail trade, and construction, with higher proportions in mining and agriculture than the US. Residents enjoy country living, preferring outdoor activities and DIY home projects.



- Usually own a truck; likely to service it themselves.
- Frequent the convenience store, usually to fill up a vehicle with gas.
- Typical household has a satellite dish.
- Work on home improvement and remodeling projects.
- Own a pet, commonly a dog.
- Participate in fishing and hunting.
- Prefer to listen to country music and watch Country Music Television (CMT).
- Read fishing/hunting and home service magazines.
- Partial to eating at low-cost family restaurants and drive-ins.
- Use Walmart for all their shopping needs (groceries, clothing, pharmacy, etc.).

Profile – 10D – Down the Road

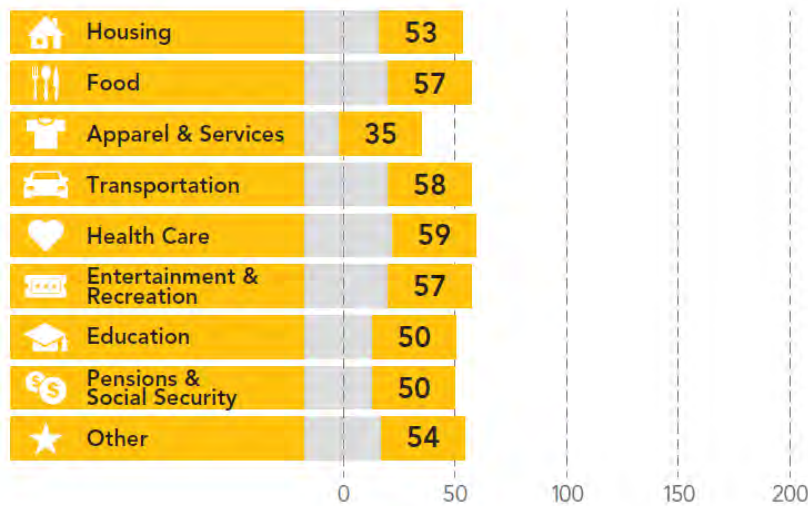
Down the Road is a mix of low-density, semirural neighborhoods in large metropolitan areas; half are located in the South, with the rest chiefly in the West and Midwest. Almost half of householders live in mobile homes; approximately two-fifths live in single-family homes. These are younger, diverse communities, with the highest proportion of American Indians of any segment. These family-oriented consumers value their traditions. Workers are in service, retail trade, manufacturing, and construction industries, with higher proportions in agriculture and mining, compared to the US. This market has higher unemployment, much lower median household income and home value, and a fifth of households with income below poverty level.



- Purchased a used vehicle in the past year, likely maintaining the vehicle themselves.
- Routinely stop by the convenience store to purchase a lottery ticket.
- Participate in fishing and hunting.
- Visit chat rooms and play games online.
- Listen to the radio, especially at work, with a preference for rap, R&B, and hip-hop music.
- Enjoy programs on Animal Planet, typically watching via satellite dish.
- Often prepare quick meals, using packaged or frozen dinner entrees.
- Favorite fast food: pizza.
- Frequent Walmart for all their shopping needs (groceries, clothing, pharmacy, etc.).

Profile – 12C – Small Town Simplicity

Small Town Simplicity includes young families and senior householders that are bound by community ties. The lifestyle is down-to-earth and semirural, with television for entertainment and news, and emphasis on convenience for both young parents and senior citizens. Residents embark on pursuits including online computer games, scrapbooking, and rural activities like hunting and fishing. Since almost 1 in 4 households is below poverty level, residents also keep their finances simple—paying bills in person and avoiding debt.



- *Small Town Simplicity* features a semirural lifestyle, complete with trucks (domestic, of course), ATVs, and vegetable gardens.
- Hunting, fishing, and target shooting are favorite pastimes.
- A large senior population visit doctors and health practitioners regularly.
- However, a largely single population favors convenience over cooking—frozen meals and fast food.
- Home improvement is not a priority, but vehicle maintenance is.

Countywide Market Analysis
For-Sale and Rental Housing
Botetourt County, Virginia

Prepared for:

Mr. Gary Larrowe
County Administrator

November, 2016

S. Patz and Associates, Inc.
46175 Westlake Drive, Suite 400
Potomac Falls, Virginia 20165



▪ S. PATZ & ASSOCIATES, INC ▪
▪ REAL ESTATE CONSULTANTS ▪

January 3, 2017

Mr. Gary Larrowe
County Administrator
Botetourt County
1 West Main Street; Box 1
Fincastle, Virginia 24090

Dear Mr. Larrowe:

This will set forth our completed housing study for Botetourt County. The study purpose was to identify new housing opportunities for new employees who are expected to work in the County over the next 5+ years. The total number of currently announced new employment is approximately 1,200. This total is likely to expand, as the industrial and business parks in Botetourt County provide the best opportunity in the region to attract new businesses.

A key study finding is that most of the salaries of new employment will be in the \$45,000 or less income range. Many of these workers will require rental housing and/or affordable housing. The new home market in the County is at a price range of \$250,000 and above. There is no quality rental housing in the County and limited housing of this type is not available elsewhere in the region.

The County has limited land zoned for apartment unit development and current zoning density allowance for multifamily housing is likely too low to attract area developers or for project financial success.

Rather than concentrate on housing demand, which has been fully documented, we focused our research on site development opportunities. Our findings are that few sites in the County are readily available for apartment unit development, but several properties, with rezoning, could serve the County's housing needs. Housing sites for new residential development is essential for the County to continue to attract new employment.

The attached report provides data on numerous sites for residential development, both new construction and adaptive reuse. These properties will generate a sufficient number of new housing units to satisfy demand. There is also sufficient diversity in these properties, in terms of location and expected housing types to serve housing needs for a wide range of households by size and income.

46175 Westlake Drive ▪ Suite 400 ▪ Potomac Falls, Virginia 20165 ▪ 703.421.8101 ▪ 703.421.8109 fax ▪ spatzec@comcast.net

Mr. Gary Larrowe
January 3, 2017

We planned to provide generic proformas for new apartment unit development, but were not able to do so. We were not able to get good estimates of site development costs for new construction or renovation costs for adaptive reuse properties. There were too many variables in both situations.

However, we know that Daleville Town Center Apartments are successful at their current rents and that the developer intends to add new units. Other apartment sites, with available public utilities and no major off-site costs should also be feasible.

The adaptive reuse properties appear to be priced "at market". These sites are reported to have no environmental issues and do have a historic designation. Our experience in other communities indicates that "the numbers should work" with historic tax credits.

The attached report provides a considerable amount of data and analysis that should guide County officials in their efforts to provide adequate housing for new employees. We remain available to continue to assist you with this effort as you proceed with the goal of expanding housing opportunities in the County.

Sincerely,

A handwritten signature in black ink, appearing to read "Stuart M. Patz". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Stuart M. Patz
President

SMP/mes

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Section I Introduction

Following is a detailed market analysis of housing unit demand in Botetourt County, Virginia, and a recommended development strategy on how officials and staff of the County can implement a plan for new housing development to serve an evolving need, based on expected sizable employment growth. Presently, the County has few viable readily available options for new residential development. The current options are not expected to meet the housing unit demand to be generated by projected near-term employment growth. The County needs available housing options to continue to attract new employment. Thus, a comprehensive analysis of housing development needs and site development opportunities is needed. This is the purpose of the following report.

County officials want to be proactive and have housing opportunities available for new employment growth. Being able to serve the housing needs generated by new employment is expected to be an added draw to attract new employers. A second issue, related to potential continued employment growth in Botetourt County, is the limited amount of available residential developable land in nearby locations of Roanoke County. Thus, there is a two-fold need to identify development options for new housing in Botetourt County. One is to serve new employment locally. The second is the lack of housing in nearby locations, and thus a potential shortage of housing to accommodate employment growth.

In addition to studying land availability, we also studied the market for adaptive-reuse of existing historic buildings in Botetourt County. There are several buildings in the County that could be upgraded for new, attractive housing. Many of these are available for sale for redevelopment. All have public water and sewer in place. Some are small lots with small buildings, but these sites provide opportunities to supplement the County's housing needs, as the market study will show a limited number of properties that are readily available for development, with public water and sewer readily available.

Following is the list of the larger active developments in Botetourt County that will generate net new job growth. First presented are details of the proposed manufacturing-related employers launching and expanding operations in Botetourt County. This is the strongest sector of employment growth at this time. Data are presented on six new or expanding companies that are generating sizable employment growth. The number of employees are noted, as are the wages expected for new employment. The location of these new companies are shown on Map A. Total net new job growth is summarized in Table 1.

- **Arkay Packaging** announced in January, 2016 that it would expand its Botetourt County facility by adding new equipment in its EastPark Commerce Center facility where the company produces glossy and colorful folding cartons for national companies, including Elizabeth Arden, Estee Lauder, Proctor & Gamble, Johnson & Johnson, etc. By 2019, the company will install a new printer, a gluer and other equipment in its 140,000± square foot facility and move supplies and other items to a nearby warehouse to clear room for the expansion. The expansion will grow the workforce from 200 to 250 people.
- **Eldor Corp.**, an Italian automobile parts manufacturer, will begin construction in early-2017 on its first U.S. production plant in Botetourt Center at Greenfield. The facility will total 250,000 square feet and could be completed by early-2018. The company manufactures ignition systems, engine control units, braking systems actuators and power management systems for hybrid and electric vehicles. The company has committed to creating 350 new jobs by 2021 and possibly adding an additional 300 by 2024. Hiring is projected to be 100 new jobs by the end of 2018, 169 new jobs by 2019, 266 by 2020 and 350 by 2021. An additional 300 could be added by 2024. The new jobs will pay an average wage of \$50,000.
- **Ballast Point Brewing & Spirits**, a San Diego-based craft beer brewer, announced in May, 2016 that it would open a brewery in Botetourt County. The company will convert a 259,000± square foot former auto parts manufacturing building at Botetourt Center at Greenfield into its East Coast manufacturing and retail operation, creating 178 new jobs. The brewery makes more than 50 types of beer and bottles more than 20 spirit products. The average annual wage for about 133 jobs at the brewery will be \$40,000+. The 45 jobs on the retail side will pay \$25,600. Operations will likely begin by the end of 2019.
- **Industrial Shell Building**. Ground was broken in August, 2016 for a 100,000± square foot “spec” shell building financed by the nonprofit Greater Roanoke Valley Development Foundation that could ultimately attract a manufacturer to the Botetourt Center at Greenfield. Construction will likely be completed by the summer of 2017. The building site has room to double the size of the initial building.

- **Dynax America Corp** completed construction in late-2016 on a 144,000± square foot expansion that nearly doubled the size of the company’s facility in EastPark Commerce Center. The expansion added 75 new jobs paying an average wage of \$40,700. Dynax America Corp., which located in Botetourt County in 1995, has expanded several times in the past. The company manufactures transmission parts.
- **Altec Industries**, which manufactures aerial devices that outfit bucket trucks, cranes and digger derricks at Botetourt Center at Greenfield, announced in late-2016 that it would add 30 new manufacturing jobs by early-2017.

Table 1 details the timing and wages of the proposed manufacturing jobs at the six new companies and expansions described above. It shows that 940± manufacturing jobs will be added, mostly over the next four to five years. The average annual salary of most of these new employees will be \$44,600. The 45 retail jobs to be added at Ballast Point Brewing will pay an average annual salary of \$25,000±.

Most of the new jobs will be “on the market” by 2018. That allows 1.5+ years for County officials to work with developers to implement development proposals.

Table 1: <u>Manufacturing Related Employment Growth, Botetourt County, VA</u>			
	<u>Delivery Year</u>	<u>New Jobs</u>	<u>Average Wage</u>
Dynax America Corp.	2016	75	\$40,680
Altec Industries	2017	30	--
Eldor Corp.	2018	100	\$50,000
Eldor Corp.	2019	69	\$50,000
Arkay Packaging	2019	50	--
Ballast Point Brewing (Brewery Jobs)	2019	133	\$41,075
Ballast Point Brewing (Retail Jobs)	2019	45	\$25,610
Eldor Corp.	2020	97	\$50,000
Eldor Corp.	2021	84	\$50,000
Eldor Corp.	2024	<u>300</u>	\$50,000
Total/ Average		983	\$44,580 1/
Notes: 1/ Excludes retail jobs. Only public information shown.			
Source: Botetourt County Office of Economic Development, S. Patz & Associates, Inc			

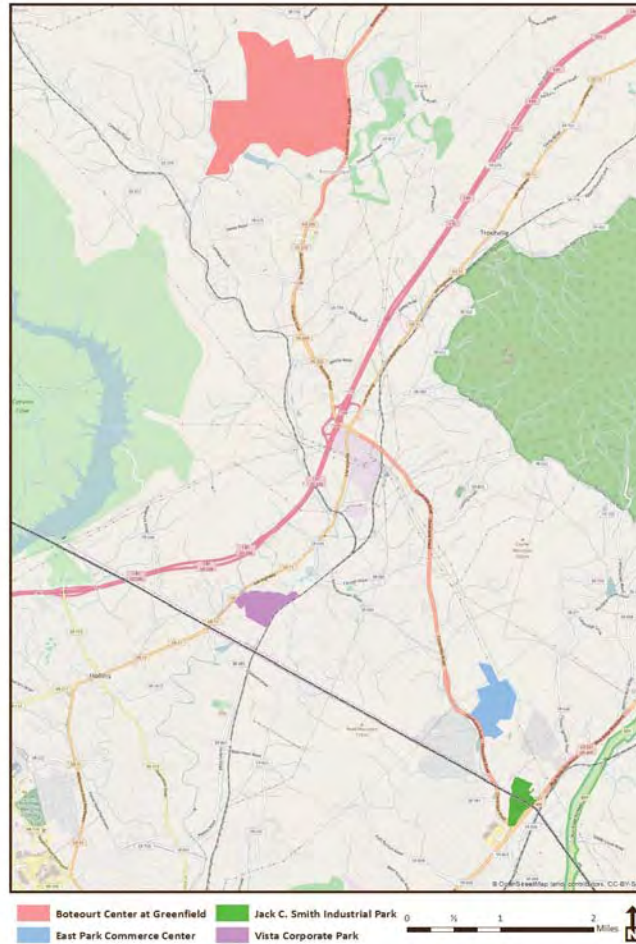
Apart from the above noted large employment growth are several other job generating announcements in Botetourt County. These are described in the paragraphs below. Most notable of these is Virginia Community College Shared Services Center, which will add 190 new jobs. These are largely service related jobs, as compared with

manufacturing jobs at the employment growth described above. This list of new employers will add approximately 300 new jobs.

- **Angelle's Diner** opened in January, 2016 on Lee Highway South at Exit 150. The restaurant occupies the space of a former Waffle House. The restaurant seats 50 people and employs approximately 35 people.
- **Shared Services Center**. The Virginia Community College System signed a lease in March, 2016 for a 37,000± square foot building at 147 Daleville Center Drive in Daleville that will centralize many of the administrative services currently being provided at each of the state's 23 community colleges. About 190 jobs could eventually be housed at the facility. 64 jobs will be added by June, 2017. 48 more will be added by June, 2018. The final 78 jobs will be added by June, 2019. The center will eventually house human resources, payroll, revenue, procurement and information, technology departments which will provide services for each of the individual campuses.
- **Botetourt Family YMCA**. This is a proposed two-story 43,000± square foot building to be built behind the Lewis Gale Clinic in Daleville Town Center. The facility will include a fitness center, eight-lane lap pool, a warm-water recreation and therapy pool, modern exercise equipment, three workout studios, a basketball gymnasium, a lobby and space for community meetings. Affordable child care, a community center, and programs for both the young and elderly are also planned. The facility will also house the swim teams of Lord Botetourt and James River high schools. The facility is projected to attract 500 daily visitors and employ 30 people within the first two years of its opening. The facility could open as soon as early-2019.
- **Carrington Place at Botetourt**, located at 290 Commons Parkway in Daleville, is currently building a new memory care unit that will likely open in early-2017. This is a two story, 36,440± square foot structure that will house up to 44 residents. The facility will employ at least 30 people.
- **Bank of Botetourt**. The newest development to open in Daleville Town Center is a single-story, 5,620± square foot Bank of Botetourt branch, which opened in March, 2016. Employment will be approximately 10 persons.

Map A shows the locations of these employers. Many are in industrial parks. All the industrial parks in Botetourt County are located along Route 220 in the southwestern end of Botetourt County. Four of the announced companies are, or will be, located in Botetourt Center at Greenfield, two are located in EastPark Commerce Center and two will be located in Daleville Town Center. A map key follows Map A.

Map A - Location of Area Industrial Parks in Botetourt County



Map A - Location of Area Industrial Parks in Botetourt County

<u>Locations of New and Expanding Employers, Botetourt County, VA</u>		
	<u>Map A</u>	
	<u>Key</u>	<u>Location</u>
Arkay Packaging	1	EastPark Commerce Center
Dynax America Corp.	1	EastPark Commerce Center
Altec Industries	2	Botetourt Center at Greenfield
Ballast Point Brewing	2	Botetourt Center at Greenfield
Eldor Corp.	2	Botetourt Center at Greenfield
Industrial Shell Building	2	Botetourt Center at Greenfield
Angelle's Diner	3	Gateway Crossing
Bank of Botetourt	4	Daleville Town Center
Botetourt Family YMCA	4	Daleville Town Center
Carrington Place at Botetourt	5	Gateway Crossing
Shared Services Center	6	Daleville

In addition to the above descriptions of new job growth in the County, there are several recent retail and office space openings. These include New Freedom Farm in

Buchanan, Chernichky Family Chiropractic and The Hodge Podge in Daleville, Rockingham Co-op in Troutville, and WorkForce Unlimited in Cloverdale. Specific job data are not available for these smaller additions.

Also of importance to continued economic growth in Botetourt County is the ongoing road construction off I-81's Exit 150 by the Virginia Department of Transportation (VDOT). The first phase of this highway improvement is expected to be completed by the end of 2016. It involves opening a new road, Gateway Crossing, that will connect U.S. 11 and Alternative U.S. 220. The new roadway will begin near the spot where the northbound traffic leaves I-81 and merges with U.S. 11 via Exist 150B off ramp. From that location, the roadway will extend through undeveloped land to Alternative U.S. 220, to the east of where the two highways currently converge.

Later phases involve the construction of a roundabout at the spot where Gateway Crossing will intersect with U.S. 11, thus sending Exit 150 traffic in four different directions. This project is expected to be completed by the summer of 2018. It is expected to both ease congestion and provide new access to a 21-acre parcel of land in the area. This land, however, has topographic constraints from Gateway Crossing and no access from Route 11. The developable land is noted by a "star". The map below shows the proposed road improvements.



Map B - Gateway Crossing Road Design

Summary

In the analysis to follow, two key issues related to job growth in the County will be presented. First is the change in growth trends with numerous new companies bringing jobs into the County compared with past slow growth years. Second is the limited number of residential sites that can be developed to provide new housing for the sizable number of new jobs being added to the County. The above analysis can be summarized as follows:

- Current plans for new employment in Botetourt County are significantly more than in the past, which has created a need for housing for new employment. Current trends could be the “tip of the iceberg” as much of the available industrial park land in the region is in Botetourt County.
- Currently, the only site that is readily available for housing development is the Daleville Town Center planned community. Daleville Town Center master plan is being studied for changes to accommodate the evolving changes in housing demand in Botetourt County. (The Summers property has just been rezoned but is not currently ready for development).

Daleville Town Center has land readily available for single-family and townhouse for-sale housing, as well as for new apartment unit development. This is the one location where a sizable number of new homes can be built.

A key issue in the study, and a key need within Botetourt County, is the need to provide new housing in the near future, based on the development timing of the new employers that are expanding or relocating into the County. As will be shown below, new jobs will be added to the County in 2016 and 2017.

Table 2 summarizes the new job growth in the County by date of company opening and currently projected job totals. The timing of the job additions is a key part of the housing study. These data show that over 800 new jobs could be created over the next three to five years. The current total of identified jobs is over 1,200. The majority of the new employment will be salaried jobs and the above analysis shows most salaries are at \$40,000 and above.

Table 2: <u>Timeline of Planned Job Growth by Industry and Type,</u> <u>Botetourt County, Virginia</u>			
	<u>Industry</u>	<u>Type</u>	<u>Jobs</u>
<u>2016</u>			
Angelle's Diner	Retail	Hourly	35
Bank of Botetourt	Finance	Salary	15
Dynax America Corp.	Manufacturing	Salary	<u>75</u>
(Subtotal)			(125)
<u>2017</u>			
Altec Industries	Manufacturing	Hourly	30
Carrington Place at Botetourt	Health Care	Salary	30
Shared Services Center (VCCS)	State Government	Salary	<u>64</u>
(Subtotal)			(124)
<u>2018</u>			
Eldor Corp.	Manufacturing	Salary	100
Shared Services Center (VCCS)	State Government	Salary	<u>48</u>
(Subtotal)			(148)
<u>2019</u>			
Arkay Packaging	Manufacturing	Salary	50
Ballast Point Brewing	Manufacturing	Salary	133
Ballast Point Brewing	Retail	Hourly	45
Botetourt Family YMCA	Non-Profit	Hourly/Salary	30
Eldor Corp.	Manufacturing	Salary	69
Shared Services Center (VCCS)	State Government	Salary	<u>78</u>
(Subtotal)			(405)
<u>2020</u>			
Eldor Corp.	Manufacturing	Salary	97
<u>2021</u>			
Eldor Corp.	Manufacturing	Salary	84
<u>2024</u>			
Eldor Corp.	Manufacturing	Salary	<u>300</u>
Total			1,283
Source: Botetourt County Office of Economic Development, S. Patz & Associates, Inc.			

Existing Development Sites

The point was made in the above discussion that there is considerable employment growth planned in Botetourt County, but at this time, residential development sites are not available to accommodate the demand for new housing. That demand is largely for rental housing, given the salaries of new employees and the still somewhat “stagnant” for-sale housing market.

The paragraphs below identify sites that are being studied for new development. These include both vacant properties and adaptive reuse properties.

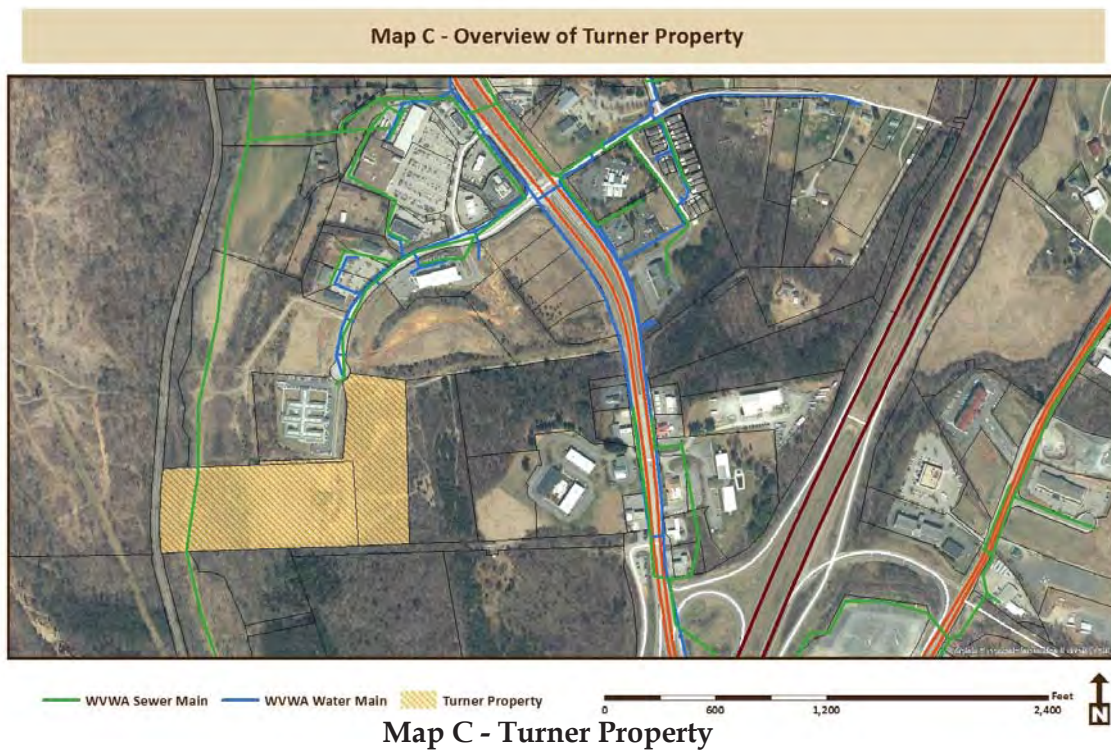
Following is a description of sites/locations in the County that can be developed at this time and/or in the near future. Included in this list are several historic buildings that are available for-sale and represent potential adaptive reuse properties for residential use.

Turner Property. The Turner property has been identified by Botetourt County officials as a suitable site for future housing development and possibly new apartment unit development and/or for-sale housing development. Thus, the site was studied more extensively than others. The property consists of two adjacent parcels totaling 18.86 acres. Map C shows the location of the Turner property, which is approximately 0.8 miles from the Route 220/I-81 interchange.

The map shows that the Turner property is currently accessible from Commons Parkway on the north, which intersects with Route 220 and is a cul-de-sac at the property boundary line. It shows that the property is adjacent to Carrington Place at Botetourt, a nursing home that was built in 2005 (see star). Adjacent to the nursing home is the construction site of a new 44-bed memory care facility that is nearing completion. Other developments along Commons Parkway, near the Turner site, include office and retail space, most notably a Kroger grocery store. To the east of the Turner property is a 98-room Howard Johnson hotel, which was constructed in 1966. The hotel underwent

minor renovations in 2011. The site is also accessed from an unpaved, private roadway from Route 220.

The site requires rezoning. Currently the site is served by a cul-de-sac that abuts the property. Rezoning approval requires that a new road be extended to serve the property from the cul-de-sac. The property is served by public water and sewer. Development constraints are minimal at this property. The site can be developed for approximately 250± apartment units.

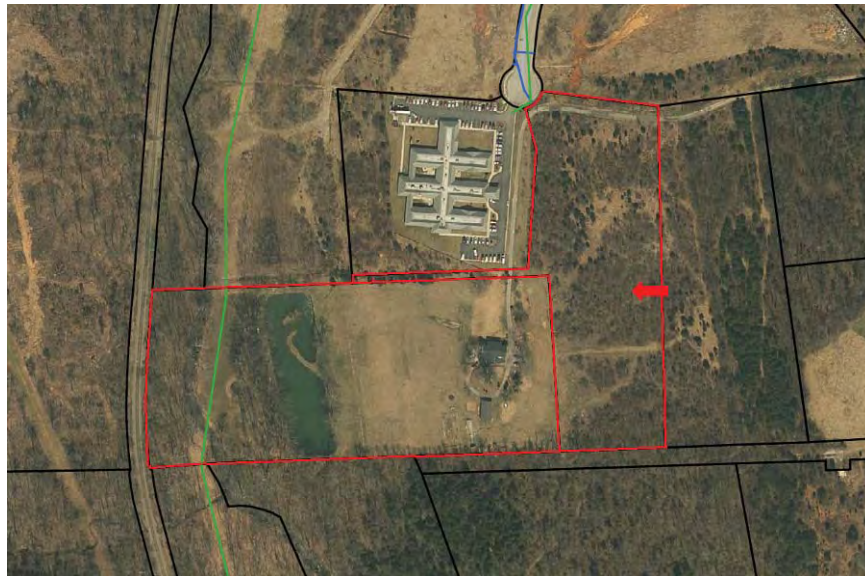


Map C also shows that the Appalachian Trail runs to the south and east of the Turner property. The County is currently conducting talks with the U.S. National Park Service, about gaining vehicular access across the Appalachian Trail at a specific point that has yet to be determined. This point would be near the cul-de-sac adjacent to the Turner property.

Below is a northern aerial view of the Turner property. It shows that the western-most parcel is bisected on its western side by Tinker Creek. This parcel also includes a

small pond. Its western boundary is an active rail line. This parcel contains a three-bedroom, 2,140± square foot single-family home that was constructed in 1965. It also contains a small stable that was built in 2000.

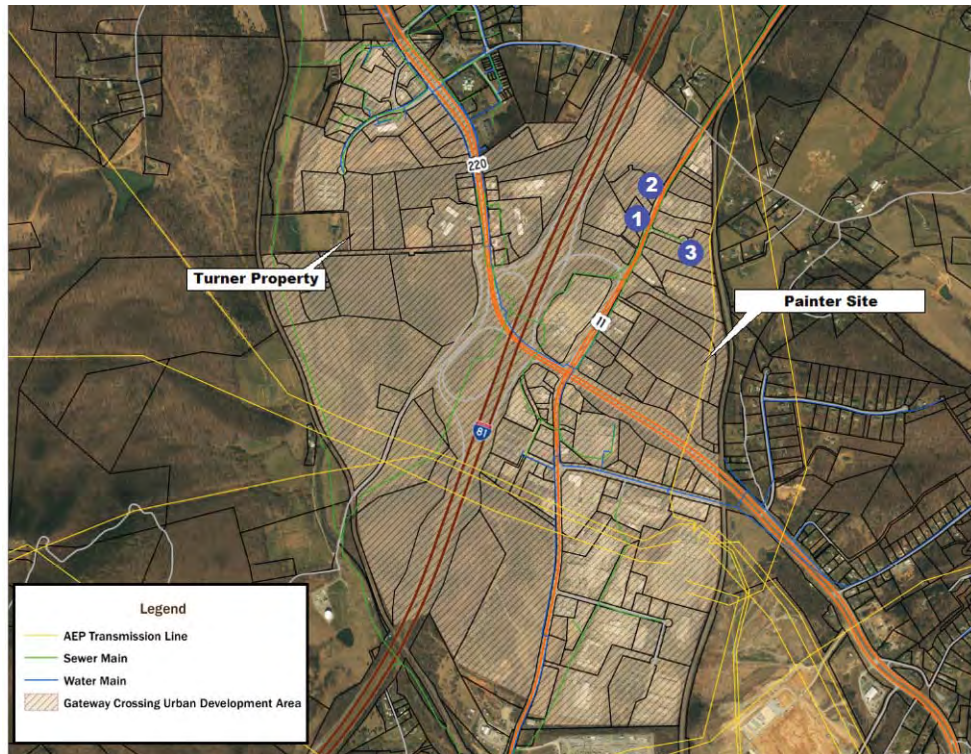
The eastern-most parcel is fully vacant and largely wooded. It has a generally level topography. An overhead power line runs along the northern quadrant of the parcel. The map also shows that utilities would be available to the Turner property through a relatively short service line extension, though these extensions have not been engineered.



Turner Property Northern Aerial

Map D shows the Route 220 corridor, which is a study area that County officials defined for the analysis of new development opportunities. The area includes Exit 150 at I-81. The area is called Gateway Crossing. The Turner site is the best and most readily available site for new housing development along the U.S. 220 corridor. Much of the corridor is developed with highway commercial uses. One other vacant site (Painter Site) is located east of Route 11 and north of Route 220. This site is being “created” by the roadway improvements. The Painter site, with approximately 20 acres, should also be a viable site for new residential development.

Map D also shows the areas along U.S. 220 that are served by public water and sewer. Included are several commercial pad sites adjacent to the Kroger-anchored Botetourt Commons. Apart from these sites, all the remaining lots north of I-81 and fronting U.S. 220 have been developed. The available parcels fronting U.S. 220, south of I-81, face development challenges. A few commercially zoned parcels are available along Route 11 near the Holiday Inn Express and Cracker Barrel.



Map D - Available Sites Within Gateway Crossing

The Turner property, which measures 18.86 acres, can currently be developed with 10 units per acre, by right. This would allow for a total of 189 units. A rezoning would allow for a higher density of up to at least 250 units.

Vacant Gateway Crossing Sites. Apart from the previously discussed Turner site and Painter Site are three additional properties in the Gateway Crossing area that are vacant and suitable for development. All three of these sites front along Route 11 and are situated north of U.S. 220. Two of the sites, which measure 4.9 acres (Note 1) and

3 acres (Note 2), are located in front of the existing Red Roof Inn. The access road to the hotel bisects these two sites. **Both sites are commercially zoned (B2 - Business).** The third site (Note 3) is located on the eastern side of Route 11, south of the Holiday Inn Express. It measures 4.9 acres and is also zoned B2 - Business. All three of these parcels have a generally flat topography and are cleared.

Sanderson Ridge is a recently approved single family subdivision with 59 home sites. The property is located along Sanderson Drive at the boundary line of Roanoke County and Botetourt County along Route 605.

Santillone is a 300+ home development on 90± acres that fronts U.S. 220 just south of the Town of Fincastle, in Botetourt County. The site has been under development since 2001 and contains a mix of single family homes and patio homes. Home prices here typically range from \$250,000 to \$350,000. Two hundred lots remain available for sale and development.

The site has public water and sewer, excellent visibility and highway frontage. Approximately 20 acres that front on U.S. Route 220 are available, and with rezoning, could be developed with apartment units. Lots for new patio homes would equal 100± with rezoning on the road frontage land.

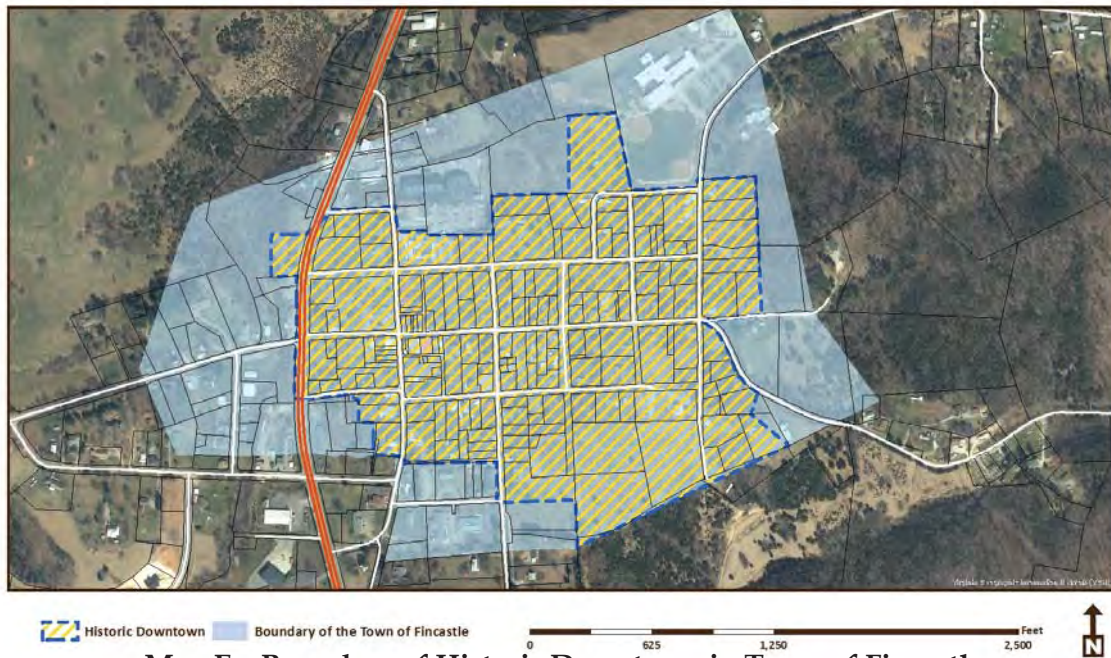
Fincastle Historic District. The Town of Fincastle is the County seat of Botetourt County. It acts as the hub of government activity in the County as well as a minor commercial center. It is located approximately 9 miles north of Exit 150 via U.S. Route 220. Much of the Town encompasses the Fincastle Historic District, which was listed on the National Register of Historic Places in 1969. The Historic District includes nine contributing buildings in the central business district of Fincastle. The buildings include examples of Late Victorian, Greek Revival, and Gothic Revival styles. Notable buildings include the Botetourt County Courthouse (1845, rebuilt 1970) and jail, Methodist Church, Presbyterian Church, St. Mark's Episcopal Church (1837), the Peck House, Selander House (1800), Ammen House (1826) and Kyle House (1832).

The historic designation identifies Fincastle as “an excellent example of a typical small nineteenth-century town, and today retains the aura of a small agricultural community of that era. The decrease in population over the last one hundred years has been responsible in large part for the lack of modernization, and for the preservation of its early architecture. The skyline has changed very little, and is still dominated by the spires of its three churches, and cupola of the court house.” Nearly all of Fincastle’s original buildings are well-maintained and have undergone few alterations.

Map E shows the boundaries of the Fincastle Historic District. The shaded areas are the Town of Fincastle and the blue lines represent the historic district boundaries. As shown, much of the Town is encompassed by the historic district. Map E shows that the western boundary of the historic district is generally Route 220 and its eastern boundary is generally the eastern property lines of the parcels fronting North and South Hancock Street. The northern boundary is generally the parcels fronting the north side of Back Street. The southern boundary is generally the southern boundary of the Town and Academy Street.

One of the historic buildings in the town, located across from the County Administration Building, at the southeast corner of West Main Street and South Roanoke Street, is not fully occupied and represents an ideal adaptive reuse development opportunity. This property, the Hillou Building and adjacent parcels, create an attractive site within an ideal setting. The site is not now on the market (see star on Map E) and may be too small to attract a developer.

Map E - Historic District of the Town of Fincastle



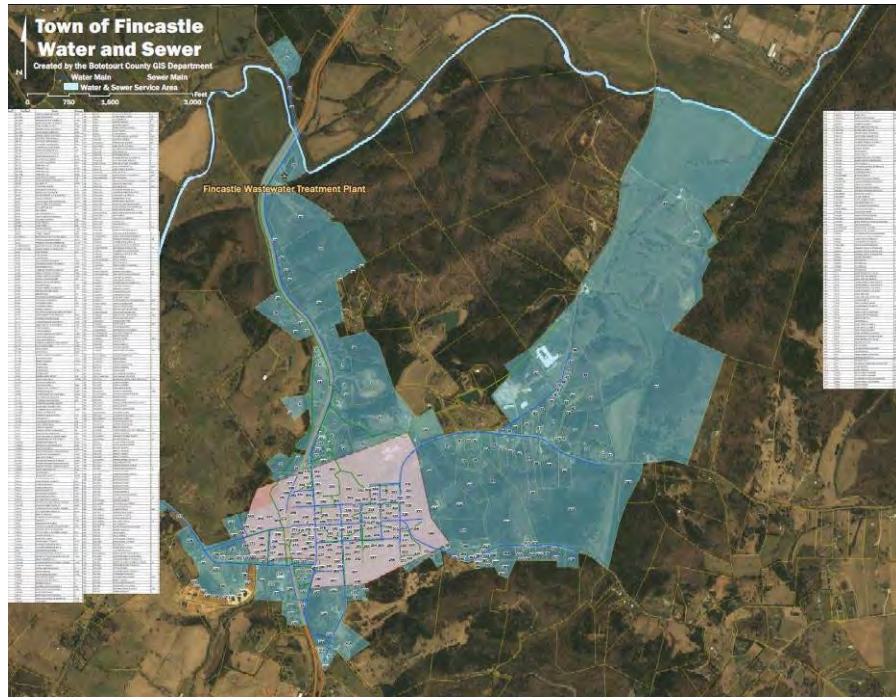
The aerial below shows the water and sewer service area in and around the Town of Fincastle. Following is an aerial that shows the water and sewer service areas.

The town has two available, vacant commercial buildings, the former Engineering Concepts Building with 20,000± square feet and a former drug store. Neither building is historic and both could be too small for adaptive reuse. Both could be new development sites. However, both are small properties.

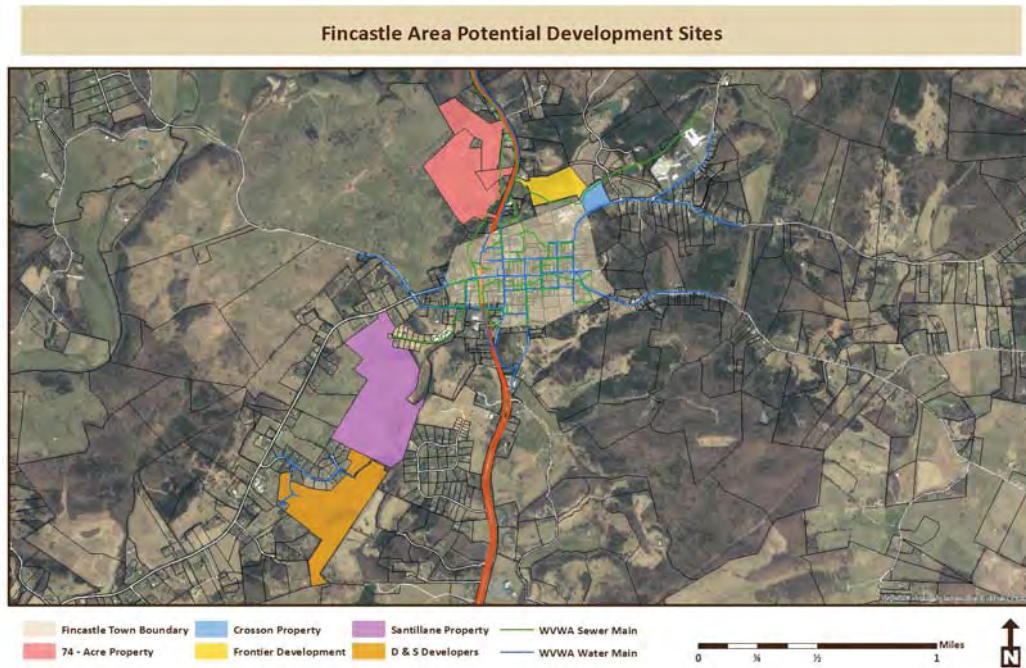
There are other potential development sites in or adjacent to Fincastle. One is the Santillone property (No. 3 on aerial). Other sites are closer by and include:

- Frontier Development's (No. 1) 17 acres which has County approval for single family and townhomes. High site development costs has prevented development on this property to date.
- Six-acre Crosson property (No. 2) that has available public water and sewer.
- No. 4 is a 74-acre site that has access to public water and sewer.

The mature Breckenridge School is adjacent to the Frontier Development site and could be a development site in the future.



Aerial of Fincastle Area Water and Sewer Service Area



Daleville Town Center. Daleville Town Center is an active 117-acre mixed-use community located along Route 220, approximately one mile north of Exit 150 on I-81 and within one of the primary suburban development nodes within the south side of Botetourt County.

The following original schematic site plan of Daleville Town Center shows the setting along U.S. Route 220 with 7,300± feet of frontage along the highway. The Town Center site is generally irregular in shape. Actual development of the Daleville Town Center will likely differ from the schematic plan, as described below, as market trends have changed since Daleville Town Center was started in 2009.

Currently, Daleville Town Center has a 120-unit apartment complex, a few higher priced single family homes and 20,000± square feet of retail/office space. Current plans are to add 140± new apartment units on site, of the same quality as the Daleville Town Center Apartments. The developer has plans to start the construction of 100 new for-sale homes with a mix of 40 percent single-family homes and 60 percent townhomes. These homes are to be priced at \$300,000+ and \$180,000+, respectively. Up to 300 new homes can be built on the site with a revised master plan.

The developer has active prospects for 60,000± square feet of additional retail space, including a grocery store and a Mexican restaurant. In time, 100,000± square feet of retail space will be built at the property. Only 50,000+ square feet of new commercial space can be built, after the current prospects open due to parking constraints.

For County officials, this community can provide new homes during 2017 and 2018. The developer requires County approval to increase the current apartment total of 120 to approximately 250± and to change the housing totals for single family homes and townhomes.



Original Daleville Town Center Master Plan

Following are the current land uses at Daleville Town Center. These are number-keyed to the aerial on page 22. Current on-site development is number-keyed to the aerial.

- **Daleville Town Center Apartments (1)** is a 120-unit apartment community that received HUD 221(d)(4) financing and opened in 2013. The community contains four apartment buildings with a parking garage. Community amenities include a clubhouse, outdoor swimming pool, poolside outdoor kitchen and cabana, fitness room and an amphitheater with scheduled events. All units in the apartments have modern kitchens with stainless steel appliances, designer backsplashes and washers/dryers.
- **Homes (Phase I)**. The first phase of for-sale home sales has been very slow to sell. Phase II totals only 13 lots. The first home sold in 2012 and only five have sold to date for an average of just under \$500,000. These homes are built within a “new urbanism” plan, meaning homes are situated on small lots within a pedestrian environment.
- **90 Town Center (3)**. This is the first structure to open in Daleville Town Center, having opened in the Fall of 2009. This is a two-story brick building with 23,000± square foot of commercial space. Its ground level is occupied by Town Center Tap House, Tizzzone and Land of a Thousand Hills Coffee. There is a vacancy for 1,500± square feet of retail space on the ground level. Other tenants include

Servant Pharmacy of Virginia, Fralin & Waldron, At Home Caregivers, Protos Security and Willow Pod.

- **Bank of Botetourt (4)**. The newest development to open in Daleville Town Center is a single-story, 5,620± square foot Bank of Botetourt branch, which opened in March, 2016. The branch offers two ATMs, one in the foyer and the second in the drive-through.
- **LewisGale Physicians (5)** occupies the ground level of the building at 65 Shenandoah Avenue, which was constructed in 2011. This facility provides OB/GYN, family medicine, and cardiology services. The entire second level, measuring 15,360± square feet, is vacant and available for rent.



Aerial of Daleville Town Center

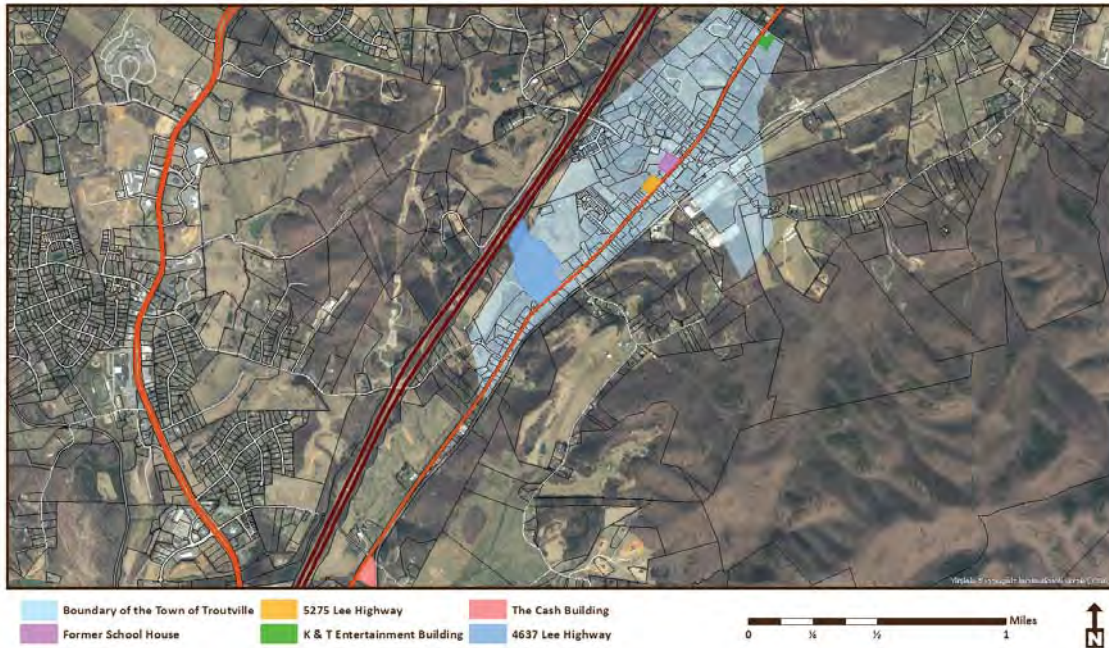
One active development at Daleville Town Center is the Botetourt Family YMCA. This is a proposed two-story 43,000± square foot YMCA to be built behind the Lewis Gale Clinic. The facility will include a fitness center, eight-lane lap pool, a warm-water recreation and therapy pool, modern exercise equipment, three workout studios, a basketball gymnasium, a lobby and space for community meetings. Affordable child care, and a community center are also planned. The facility will also house the swim teams of Lord Botetourt and James River high schools. The YMCA could open as soon as early-2019.

Troutville. The Town of Troutville is a small community located north of Exit 150 along Lee Highway (U.S. Route 11). Public water and sewer exists along Route 11 from the north part of Troutville south to Exit 150. Within the Town are several mature commercial buildings that are vacant, partially vacant, and/or available for sale. A few of these buildings can be classified as historic, although Troutville has no Historic District at this time. The Town was established in 1956, but some of the buildings date back to the 1920's and prior.

Within the Town, there are several buildings/properties available for sale and development, and one for adaptive reuse. Following, on Map F, are the locations of available buildings or sites:

1. Is a former school building that is described below as a possible adaptive-reuse property.
2. Is a small warehouse for sale, also described below. The land between buildings 1 and 2 is vacant or undeveloped and likely available for sale.
3. Is 5978 Lee Highway, the K & T Entertainment building. The building is modest but the site is one acre in size. It is located across from the former school building.
4. Is referred to as The Cash Building at 3396 Lee Highway. It is a modest building located on 2.34 acres of land. The site is located on the south end of Troutville, outside the town limits and next to the Holiday Inn and Cracker Barrel restaurant.
5. Is a residential property of approximately six acres located at 4637 Lee Highway. The site was rezoned for multifamily use in 2008, but has not yet been developed. Sixty apartment units were planned for development in the past. The site is not now available for sale, but is properly zoned and has public utilities. The owner's family now occupies the home on the site.

Map F - Potential Development Sites in the Town of Troutville



Map F - Troutville Development Sites

The above analysis showed few easily developable sites for new residential use in the County. Daleville Town Center has the most readily available land for new apartment unit development and for new single-family and townhome development. It requires a rezoning. The Turner site is another attractive property that can be available with some infrastructure improvements and rezoning, as noted above. A third site (Painter property) was described as part of the Gateway Crossing roadway construction. There are three vacant commercial sites within the Gateway Crossing area that could be rezoned for residential use.

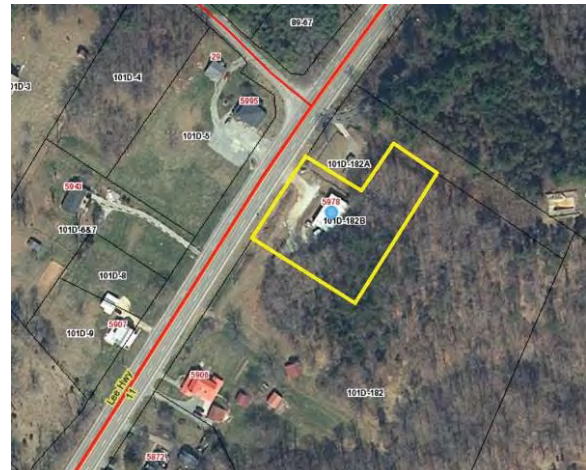
Following are photos of the available buildings and development sites in Troutville. Two are adaptive reuse properties. Two are redevelopment sites. Other sites in Troutville may also be available.



The School House



5275 Lee Highway



5978 Lee Highway



3396 Lee Highway

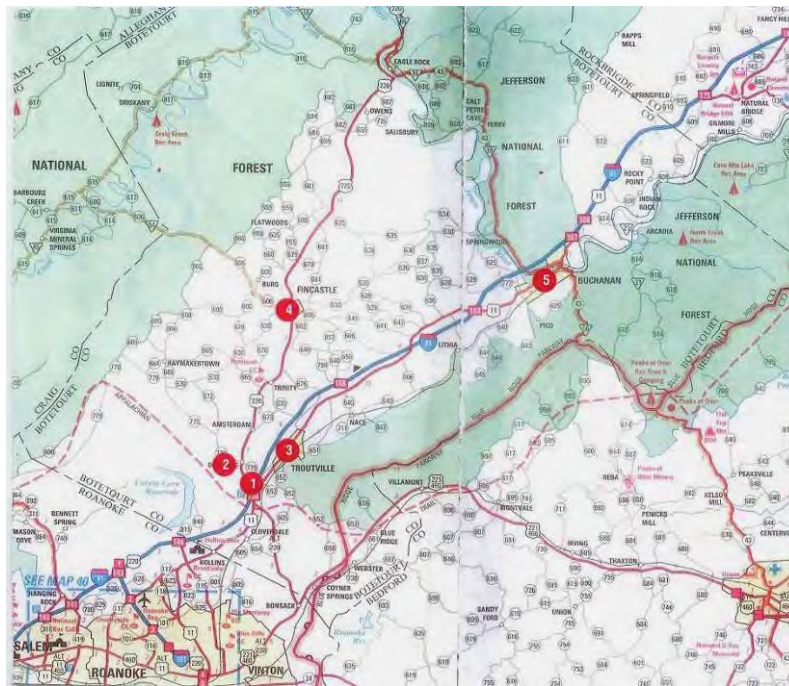
- **5978 Lee Highway** is the K & T Entertainment Building, which is a small metal warehouse. The site is just under one acre in size and is well located with good highway access.
- **3396 Lee Highway** is also a modest warehouse, but the site is close to Exit 150 and the property is 2.34 acres.

Buchanan is a town on the north end of U.S. 11 within Botetourt County. It is as close to Lexington on the north and Bedford on the east. Town officials report that the housing market in Buchanan is split, primarily between Lexington and greater Roanoke and the Town has become an affordable housing location within the County.

Buchanan has a Historic District and much of the Town is served by public water and sewer. The Town has a large vacant industrial building that is ideal for adaptive reuse (see below) and a proposal for that or other properties will be welcomed by Town officials. There are two vacant sites available for sale, one off of 17th Street and one on 20th Street. Buchanan is 14 miles north of Troutville and likely a 20 minute commute to Exit 150.

Following is a map that shows the County of Botetourt and the five development areas in the County of Gateway Crossing, Daleville, Troutville, Buchanan and Fincastle. The public utility service areas include: (1) the area along U.S. Route 220 from Exit 150 to

Appomattox Commons Parkway, as shown on Map E; (2) Fincastle and a large area that surrounds the town; and (3) the U.S. Route 11 corridor from Exit 150 north to the end of Troutville. Utilities exist in Daleville and the Town of Buchanan has public water and sewer for much of the area within the Town limits. These locations comprise the current and potential development locations within Botetourt County. Exit 150 is included in that definition as land for development is available, albeit some have commercial zoning.



Map G- Botetourt County Development Areas

Adaptive Reuse Properties

We identified five viable adaptive reuse properties, one in Fincastle, two in Troutville, and one attractive former industrial buildings in Buchanan. We included these two buildings in the list below for future opportunities.

- **The School House**, in Troutville, located at the corner of Route 11 and Sunset Street, is a viable site for new development with the adaptive reuse of the former school building into apartment units and the development of new units on part of the 2.1-acre property. School Drive, which is an on-site public street needs to be abandoned, but otherwise the

property is readily developable. The school building was built in 1926/27 and likely can be classified as historic (see photo above).

The school building is in excellent condition and has been renovated recently. A “renovation” architect spoke with us and reports the cost of building upgrades is modest. The school building can support 15± apartment units and another 40± units could be built on site in a new construction building. The site has sufficient land to support at least 50 to 60 apartment units.

- **The warehouse at 5275 Lee Highway** - (see photo above) is a 1960’s building and likely not a “candidate” for historic status. It is located a block or so from the school building. The site is small and on-site parking is limited. For this to be a viable development site, the purchase of an adjacent property may be required so that additional units and more parking could be accommodated. Renovation costs for the building were noted as “low”.
- The former **Hafleigh Bone Button factory** building (19318 Main Street) in Buchanan was built in the early-1900’s. It is a good building for renovation and adaptive reuse. The building is 27,500+ square feet and the site is 4.5 acres. The site is in the historic District of the Town of Buchanan. In terms of building value, the former button factory is excellent. The issue is whether the Buchanan location can be competitive for the employment growth on the south portion of the County. This site could support 30+ apartment units in the existing buildings and additional units on site.

There are reported to be other buildings available in Buchanan, but these are former retail buildings on smaller sites.



19318 Main Street - Buchanan



19318 Main Street - Buchanan

Summary

Daleville Town Center is a readily available development site for both rental and for-sale housing. There are developers already committed to develop housing on site. There are also several new retailers committed to the commercial area and others are likely to come, once additional housing is built.

The master plan needs to be changed and updated to allow for more apartment unit development. The first section of for-sale homes did not sell well at an average price of \$500,000. The next section of homes will be priced significantly lower and 60 percent of the 100 new homes will be townhomes.

The Turner property is also an attractive development site for new housing. The Turner site can be developed with 189 homes, by right under current zoning and up to 250+ with rezoning. The primary issue here is site rezoning and road access to the property.

There are two attractive adaptive-reuse properties, one in Troutville and a second in Buchanan. Both would be eligible for Historic Tax Credits. Both are sizable sites without direct competition. Each site could likely support 80+ units. Development of these properties will be well-received by Town officials, as reported to us. Both Troutville and Buchanan have several available development sites that are modest in size. These sites have public water and sewer.

We also identified three commercial sites along Route 11 near Exit 150. These are modest size sites with commercial zoning. They have frontage along Route 11 with public water and sewer.

Section II Market Area Economic Factors

Section I presented a detailed overview of available development sites for new residential uses in Botetourt County and some of the issues related to successful site development. The growth in new jobs over the 2016 to 2021 period was also noted and fully described. These data show that continued net new job growth is likely.

In Section II, an overview of the Botetourt County economy is presented, along with an economic overview of the other jurisdictions in the Roanoke Region. For Botetourt County, the data presented, current to year-end 2015, will show slow growth and a vastly different set of development trends compared with the current market. That evolving current market is also described.

The second subsection provides the same data for the remaining jurisdictions in the region. This analysis will provide data on the level of competition that exists for economic growth within the entire Roanoke Region.

Botetourt County Economic Overview

At-Place Jobs

At-place jobs refer to the number of jobs located within Botetourt County. As of year-end 2015, the total number of at-place jobs in the County totaled 10,470±, however an additional 1,200± new jobs have been announced in 2016. The most recent at-place job totals are 950± more than in 2006, indicating an average annual growth of 100± jobs over the past decade. Again, this is compared with the job trend data presented in Table 1 on page 47.

Data in Table 3 show a decrease in total jobs in the key recession year of 2009, after moderate growth for the first part of the 2000 decade. A total of 1,750± jobs were lost between 2008 and 2011. However, total at-place jobs has grown every year since. Approximately 1,300± new jobs were created since 2011, with 340± new jobs created in 2015. The 2015 at-place jobs total of 10,470± is 450± jobs below the pre-recession high of

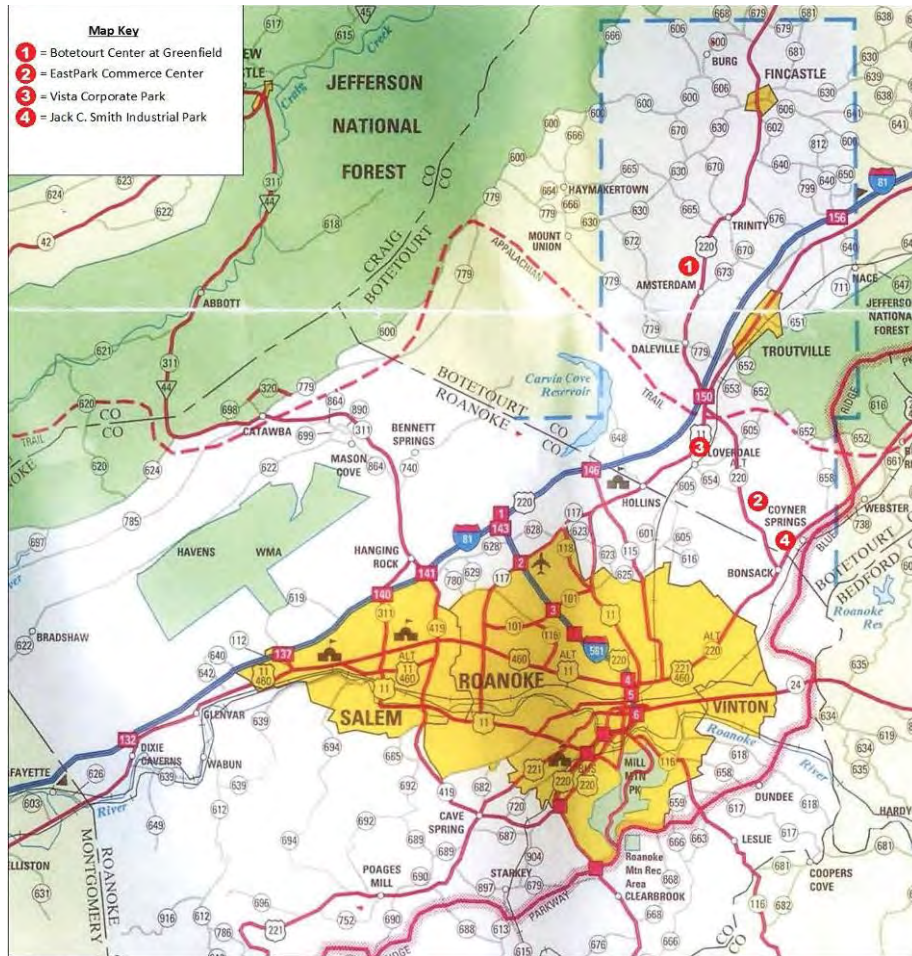
10,910± jobs in 2008. Based on recent trends and planned new business entries into Botetourt County, at-place jobs will almost certainly surpass the previous high by year-end 2016 or 2017.

The largest employment sector in Botetourt County is the Manufacturing sector. As of year-end 2015, this sector accounted for over 18 percent of County-wide employment. Based on recent job announcements, this percentage will increase in the coming years. This sector, however, has also faced the largest number of job losses over the past decade. There were 240± Manufacturing jobs lost since 2006, although most of these losses occurred early in the decade. There are now several new job announcements for Manufacturing jobs which will offset past losses, as will be detailed further below.

The Wholesale Trade sector also plays a major employment role in the County, accounting for over 10 percent of total employment. Employment in this sector grew by 180± jobs over the past decade, with growth reported every year since 2010.

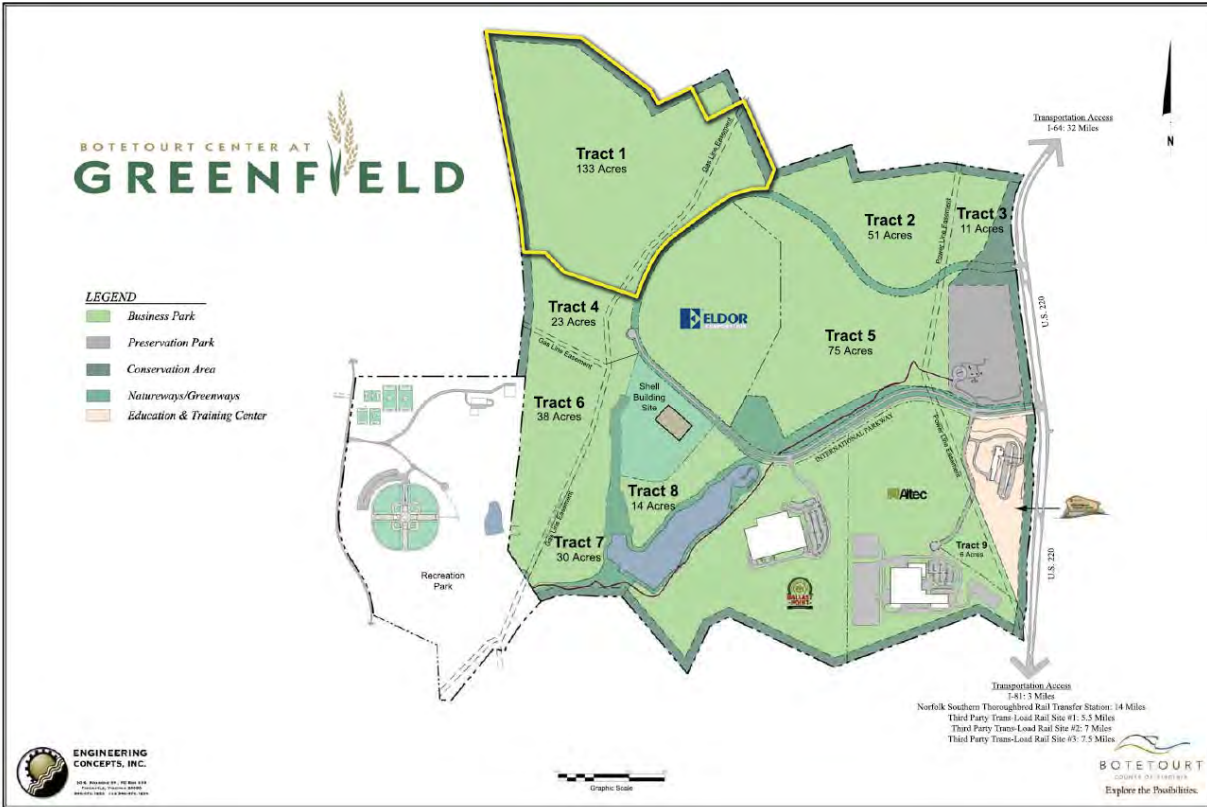
The paragraphs below describe the four existing industrial parks in Botetourt County where most of the Manufacturing and Wholesale Trade employers are situated. Botetourt Center at Greenfield has considerable land for new development. Development of some of the remaining lots at Botetourt County at Greenfield is dependent on additional access and infrastructure improvements and the potential need for environmental mitigations. The other industrial parks are at or near buildout.

Industrial Parks. Botetourt County contains four industrial parks. Three parks, which have no remaining land for new development, are located south of I-81 along Route 11 and 220. One park, the Botetourt Center at Greenfield, is located between I-81 and Fincastle, and has several parcels available for development. The locations of these four parks are shown in Map I below.



Map H - Botetourt County Industrial Parks

- **Botetourt Center at Greenfield** is the most active industrial park in Botetourt County. It is located off Route 220 between Daleville and Fincastle. This is the largest industrial park in the County, with 381 unsold acres. The following park site plan shows the most recent development that has occurred in the industrial park. It opened in 2000.



Botetourt Center at Greenfield

Tracts 1, 4, 6, 7, 8 and 9, which total 244 acres, are available development sites for the next 3+ years. While other tracts in the park are available, additional funding is needed to develop these tracts. Track 6 is a 13-acre pad that is already graded and ready for development.

At the west end of the park is the large Botetourt Sports Complex, which features four championship level softball and youth baseball fields. The fields are arranged around a central, three-story tower with space for tournament operations, scorekeeping, concessions and restrooms. The sports complex has hosted over 215 tournaments and 171,000 visitors to Botetourt County since opening in 2007.

The largest existing tenant in the park is Altec Industries, an equipment and service provider. Altec is Botetourt County’s second largest private employer. Greenfield Education & Training Center, a 40,000± square foot education and workforce training facility used for meetings, conferences and special events, is located at the eastern end of the park along Route 220.

Construction is currently ongoing on a 100,000± square foot speculative industrial building at this park. In addition, Ballast Point will open a 259,000± square foot brewery with 175 employees. Eldor Corp. will begin construction in

early-2017 on a 250,000± square foot facility that will manufacture automobile parts. There are over 250 acres still available at Botetourt Center at Greenfield.

- **EastPark Commerce Center** is located along US 220 Alternate, five miles from I-81 and a half mile from US 460. The largest tenant in East Park is Dynax America, which is the largest private employer in the County. The company, which manufactures transmission parts, recently completed a 144,000± square foot expansion and added 75 new jobs. Arkay Packaging, which already operates in the park, will add between 50 new jobs by 2019. Other tenants in park include TREAD Corporation, Sematco and Capco Machinery Systems. EastPark has no land available for new development. The County does have the potential to acquire an adjacent 100± property. Expansion at EastPark is unlikely until at Botetourt Center at Greenfield is closer to build out.

- **Vista Corporate Park** is located in Cloverdale, between Route 11 and a Norfolk Southern rail line, and is fully built out. The largest tenant in this industrial park is Metalsa, which is the third largest private employer in the County. Other tenants include Canatal Steel USA, P A Short Distributing, Pepsi Bottling Group, B & S Transportation Services, Lanford Brothers, Kirby-Cundiff Insulation and Precision Hydraulics.

- **Jack C. Smith Industrial Park** was created by the Greater Roanoke Valley Development Foundation and Roanoke Valley Development Corporation in 1988. It is located along Route 220 Alternative and Route 460 near Bonsack. This is the smallest industrial park in the County. A portion of the park extends into Roanoke County. The largest building in the Roanoke County portion formerly housed a Home Shopping Network fulfillment center, which closed in April, 2016 and resulted in the loss of 260± jobs. The facility employed 900± people in 2008. Existing tenants in the park are small and include Security Transport & Delivery, Daugherty Equipment and Dairy Farmers of America. One industrial building measuring 13,600± is currently vacant in this industrial park. No additional vacant parcels are available.

The second largest employment sector in Botetourt County is Local Government, which accounts for over 12 percent of total employment, or 1,300± total jobs. Nearly 79 percent of these jobs are associated with Botetourt County Public Schools. Employment in all other areas of local government totals approximately 280±, an increase of 60± over the past decade. Most of this growth has been in the Sherriff's Office and Botetourt County Fire and EMS.

Though data are not provided for the Retail Trade sector due to disclosure issues, employment in this sector has grown over the past decade. The chart below shows, that in addition to a commercial component at the mixed-use Daleville Town Center, two shopping centers, Botetourt Commons and Orchard Marketplace, opened over the past decade in the County. Combined, these shopping centers have over 192,700 square feet of commercial space.

<u>Characteristics of Newer Shopping Centers, Botetourt County, Virginia</u>			
	<u>Year Built</u>	<u>Size (Sq. Ft.)</u>	<u>Anchors</u>
Botetourt Commons	2007-2010	102,190	Kroger
Daleville Town Center	2009-2016	43,980	Town Center Tap House, Tizzone, Lewis Gale
Orchard Marketplace	2009-2014	<u>46,550</u>	Food Lion, CVS, Carillion Clinic
Total		192,720	

Another important employment area in the County is associated with the Health Care sector. The Glebe, a continuing care retirement community (CCRC), offers independent living, assisted living, and a nursing care to senior residents. This 338,000± square foot facility is owned by Virginia Baptist Homes and is located on 65 acres just north of Daleville, off Route 220, near Ashley Plantation. The facility opened in 2005 with 217 units (133 independent living apartments, 20 cottages, 32 assisted living units and 32 nursing care units). This facility employs approximately 180± people, making it the fourth largest non-government employer in Botetourt County.

Excluding the employment sectors detailed above, job growth over the past decade has been recorded in the following sectors: Admin./Waste Services (570± new jobs), Transportation & Warehousing (210± new jobs), Health Care (140± new jobs), Accommodations/Food (80± new jobs), Management of Companies (50± new jobs), Information (40± new jobs) and Other Services (40± new jobs).

The Construction sector has faced the heaviest job losses over the past decade, losing 240± jobs since 2006. Despite these losses, employment in this sector has risen, albeit moderately, in 2014 and 2015. Other employment sectors with job losses during this period include State Government (80± jobs lost), Arts/Enter./Recreation (60± jobs lost) and Professional/Tech. Services (50± jobs lost). Educational Services,

Finance/Insurance, Real Estate and Federal Government lost fewer than 15 jobs since 2006.

Table 3: Trends in Average At-Place Employment, Botetourt County, Virginia 2006-2015

Industry	2006	2008	2009	2010	2011	2012	2013	2014	2015	Net Change
Agriculture, Forestry, Fishing	ND	ND	ND	102	94	ND	ND	ND	ND	--
Mining	ND	ND	ND	92	95	ND	ND	ND	ND	--
Utilities	9	ND	ND	ND	ND	ND	ND	ND	ND	--
Construction	941	941	844	763	783	744	687	695	703	-238
Manufacturing	2,128	2,278	1,885	1,688	1,780	1,907	1,877	1,880	1,905	-223
Wholesale Trade	884	923	772	702	764	871	959	1,034	1,060	176
Retail Trade	656	1,458	1,439	ND	ND	ND	ND	ND	ND	--
Transport. & Warehousing	645	ND	ND	877	944	912	901	850	852	207
Information	78	71	69	66	63	187	188	180	122	44
Finance/Insurance	65	69	62	49	42	44	52	59	56	-9
Real Estate	65	69	62	49	42	44	52	59	56	-9
Professional/Tech. Services	236	244	228	233	230	219	205	214	186	-50
Management of Companies	113	120	129	130	127	134	142	142	164	51
Admin./Waste Services	354	317	318	312	304	317	689	697	928	574
Educational Services	44	59	54	44	51	54	53	66	30	-14
Health Care	727	898	900	664	670	716	736	771	870	143
Arts/Enter./Recreation	113	92	84	78	82	74	72	64	52	-61
Accommodations/Food	742	783	786	794	763	767	788	792	821	79
Other Services	173	199	189	182	175	179	189	188	208	35
Local Government	1,046	1,160	1,237	1,248	1,258	1,263	1,258	1,266	1,300	254
State Government	188	200	169	78	74	87	94	102	106	-82
Federal Government	<u>57</u>	<u>56</u>	<u>58</u>	<u>64</u>	<u>51</u>	<u>56</u>	<u>53</u>	<u>53</u>	<u>55</u>	<u>-2</u>
Total	9,513	10,910	10,141	8,961	9,162	9,621	10,052	10,124	10,465	952

Notes: ND = Data do not meet BLS or State agency disclosure standards.

Source: United States Department of Labor, Bureau of Labor Statistics

Employment and Labor Force. Employment differs from at-place jobs, as it refers to the number of residents who are employed no matter where the job is located. Year-end 2015 employment in Botetourt County is 16,810±, or 6,350± above at-place jobs. The fact that the total of at-place jobs is lower than employment by 40 percent denotes that out-migration of workers occurs from Botetourt County commuting into neighboring jurisdictions, primarily to Roanoke City and Roanoke County.

Data in Table 4 show that employment shrank by 160± over the ten year period between 2006 and 2015, which differs from the growth in at-place jobs. Employment grew early in the decade, between 2006 and 2008, by 200± jobs. This growth was entirely offset in 2009, with the loss of 790± jobs. The unemployment rate rose from 3.3 percent to 6.3 percent during that year, though employment trends began improving in 2010.

Total employment grew by 330± between 2010 and 2014. 80± jobs were lost in 2015. The labor force also shrank by 210± during that year. Thus, with employment standing at 16,810± at year-end 2015, the labor market in Botetourt County has not yet recovered from the losses associated with the recession. Employment is a better indicator of housing unit demand, as it refers to where people live.

Table 4 <u>Trends in Employment and Unemployment</u>				
<u>Botetourt County, Virginia 2006-2015</u>				
	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Percent Unemployed</u>
2006	17,430	16,976	454	2.6%
2007	17,421	16,962	459	2.6%
2008	17,759	17,180	579	3.3%
2009	17,491	16,391	1,100	6.3%
2010	17,700	16,559	1,141	6.4%
2011	17,729	16,689	1,040	5.9%
2012	17,733	16,764	969	5.5%
2013	17,637	16,715	922	5.2%
2014	17,754	16,890	864	4.9%
2015	17,546	16,813	733	4.2%
Net Change	116	-163	279	1.6%
Source: United States Department of Labor, Bureau of Labor Statistics				

Summary

Since 2015, the economy of Botetourt County started to expand. That was due, in part, to an improving economy after the recession of the late-2000's and early-2010's. The ability to offer sites in Botetourt Center at Greenfield was a key to capturing new employees. That trend should continue, meaning that the 1,200± new jobs that have been announced for Botetourt County should continue to expand over the coming years, as nearby jurisdictions have limited industrial park land available. If so, additional pressure to provide for new housing will be realized.

The analysis of the economy of the remainder of the region, presented next, will show that Botetourt County has the infrastructure in place to be the most competitive jurisdiction in the region to benefit from new employment growth. Current job announcements should continue.

Economic Overview of the Remainder of the Region

At-Place Jobs

As of year-end 2015, the three-jurisdictional area that comprises the remainder of the Roanoke Region had 124,730± at-place jobs. That total is 4,780± jobs below the 2006 total, representing a decline in total employment of 3.7 percent. Though total at-place jobs fell by over 1,000 between 2006 and 2008, the heaviest job losses took place following the recession. Between 2008 and 2010, at-place jobs fell by 6,100±. Despite total at-place jobs having increased by 2,330± since 2010, current at-place jobs total 3,770± below the pre-recession count combined for the jurisdiction of Roanoke County, Roanoke City and Salem. Nevertheless, at-place job totals are on a positive trajectory, having added 550± jobs in 2014 and 570± jobs in 2015.

The largest employment sector in the Roanoke area, excluding Botetourt County is the Health Care sector, representing nearly 13 percent of total employment. These data are not shown in Table 5 due to disclosure issues in Salem. Much of the employment growth is related to Carillion, which employs nearly 9,000 people in the Roanoke Region. This sector will continue to expand given planned developments to be detailed further below. The two largest employers in Salem, Lewis-Gale Hospital and the Veterans Administration Medical Center, are counted in the Health Care sector. The VA added nearly 530 jobs between 2006 and 2015. The retail sector, with 15,220± jobs at year-end 2015, is the second largest employment sector, despite having shed 1,810± jobs over the past decade.

Apart from the Health Care sector, the sector with the most growth over the past decade has been the Accommodations/Food Sector. This sector has grown by 620± jobs since 2006. Much of this growth has been associated with seven hotel openings over the past decade. These include:

- Fairfield Inn & Suites (76 rooms in 2006)
- Residence Inn (79 rooms in 2007)

- Comfort Suites (72 rooms in 2008)
- Holiday Inn Express & Suites (75 rooms in 2009)
- Cambria Hotel & Suites (127 rooms in 2010)
- Hampton Inn & Suites (130 rooms in 2014)
- Hilton Garden Inn (117 rooms in 2014)

Other sectors with job growth include Professional/Tech. Services (440± new jobs), Other Services (440± new jobs), Management of Companies (410± new jobs), Federal Government (310± new jobs) and State Government (140± new jobs).

In terms of job losses, the sector that has shed the largest number of jobs over the past decade has been the Admin./Waste Services sector. This sector shrank by 2,210± jobs since 2006, though most of these jobs were lost immediately following the recession. Employment in this sector has grown every year since 2013. Major layoffs in this sector have been the result of call center closures by Wells Fargo, Allstate Insurance Company and Liberty Medical Supply.

Other sectors with job losses include: Retail Trade (1,810± jobs lost), Information (1,120± jobs lost), Finance/Insurance (870± jobs lost), Local Government (560± jobs lost) and Real Estate (120± jobs lost).

The past job losses did not have a negative impact on the new apartment unit market, in fact, the apartment market expanded during the late-2000's and during the post-2010 period, as will be described below. While total at-place jobs are below the recession levels, there was net growth in 2012, 2013, 2014 and 2015.

Table 5: Trends in Average At-Place Employment, Roanoke City/Roanoke County/Salem City, 2006-2015

Industry	2006	2008	2009	2010	2011	2012	2013	2014	2015	Net Change
Agriculture, Forestry, Fishing	ND	ND	ND	ND	ND	ND	ND	ND	ND	--
Mining	ND	ND	ND	ND	ND	ND	ND	ND	ND	--
Utilities	ND	ND	ND	ND	ND	ND	ND	ND	ND	--
Construction	ND	ND	ND	ND	ND	ND	ND	ND	ND	--
Manufacturing	12,902	ND	10,575	10,047	10,225	10,466	10,512	10,554	ND	--
Wholesale Trade	5,475	ND	ND	ND	ND	ND	ND	ND	ND	--
Retail Trade	17,030	16,033	14,906	15,250	15,271	15,349	15,026	15,064	15,216	-1,814
Transport. & Warehousing	ND	5,205	5,137	5,580	5,600	ND	ND	ND	5,500	--
Information	2,364	2,216	1,926	1,674	1,581	1,527	1,478	1,383	1,245	-1,119
Finance/Insurance	6,320	5,736	5,521	5,202	5,484	5,589	5,625	5,550	5,448	-872
Real Estate	1,705	1,717	1,611	1,489	1,444	1,469	1,564	1,580	1,582	-123
Professional/Tech. Services	6,280	6,374	6,351	6,357	6,582	6,483	6,598	6,610	6,724	444
Management of Companies	3,964	4,337	4,303	4,284	4,274	1,938	4,588	4,566	4,372	408
Admin./Waste Services	8,833	8,132	7,223	7,542	6,837	7,001	6,480	6,501	6,619	-2,214
Educational Services	ND	ND	ND	ND	ND	ND	ND	ND	ND	--
Health Care	ND	ND	ND	ND	ND	ND	ND	ND	ND	--
Arts/Enter./Recreation	1,202	1,250	1,259	1,168	1,143	1,136	1,184	1,154	1,182	-20
Accommodations/Food	10,091	10,354	10,121	10,052	10,129	10,311	10,598	10,646	10,706	615
Other Services	4,156	4,222	4,039	4,047	4,099	4,197	4,391	4,455	4,593	437
Local Government	10,722	10,872	10,649	10,394	10,420	10,310	10,397	10,419	10,162	-560
State Government	2,885	2,957	2,904	2,920	2,996	3,011	3,041	3,096	3,022	137
Federal Government	3,361	3,689	3,860	3,873	3,698	3,704	3,823	3,781	3,675	314
Total	129,509	128,497	123,618	122,394	122,295	123,459	123,616	124,161	124,726	-4,783

Notes: ND = Data do not meet BLS or State agency disclosure standards.

Source: United States Department of Labor, Bureau of Labor Statistics

Employment and Labor Force

At-place jobs refer to where the job is located, and in this instance, that relates to jobs located in the three jurisdictions that comprise the area outside of Botetourt County. At-place job totals are slightly higher compared with employment, which means that some net in-commuting occurs from more rural counties outside the County.

The area realized a net decrease in employment of 110± over the ten year period between 2006 and 2015. Employment grew early in the decade and up until 2008, when employment reached 106,300±. Employment fell sharply in 2009, pushing the unemployment rate up from 3.8 percent to 7.1 percent in a single year. A recovery began in 2010 with employment growth of 1,780±. By 2013, total employment exceeded the pre-recession high by 700±. Employment grew by an additional 450± in 2014.

2015 saw the reversal of trends, with employment falling by 3,630±. These losses were recorded in all three jurisdictions. Moreover, the labor force shrank by 4,780± during that year. Given that at-place jobs grew during this period, these losses could be attributable to job losses in neighboring jurisdictions. The 2015 data are preliminary and may be adjusted in time.

Table 6 <u>Trends in Employment and Unemployment</u>				
<u>Roanoke Market Area, 2006-2015</u>				
	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Percent Unemployed</u>
2006	107,305	103,922	3,383	3.2%
2007	108,636	105,265	3,371	3.1%
2008	110,516	106,295	4,221	3.8%
2009	109,059	101,290	7,769	7.1%
2010	111,364	103,069	8,295	7.4%
2011	112,046	104,405	7,641	6.8%
2012	112,309	105,646	6,663	5.9%
2013	113,186	106,995	6,191	5.5%
2014	112,814	107,443	5,371	4.8%
2015	108,033	103,812	4,221	3.9%
Net Change	728	-110	838	0.7%
Source: United States Department of Labor, Bureau of Labor Statistics				

Economic Development Activity

The paragraphs to follow show the current and larger active developments in remaining Roanoke Region and the likelihood that employment and job growth will continue.

- **Pheasant Ridge Memory Center.** Construction is ongoing on this memory care facility located at 4414 Pheasant Ridge Road, SW. It will include 56 units with 64 beds. The community is expected to open in the spring of 2017. A future phase including a 90-unit assisted living building is also in planning. Smith/Packet is the developer of this project. Twenty jobs are likely in the first phase of development.
- **Forensic Science Building.** Construction was completed in February, 2016 on this building located at 6600 Northside High School Road. The three-story, 63,000 square foot building is attached to the renovated 53,000± square foot existing building that was built in 1995. The lab employs 76 people.

- **Magnets USA** moved into 45,000± square feet of space in March, 2015 at the Vinton Industrial Park at 720 Third Street in Vinton. 25 new jobs were created with the move.
- **Texas Roadhouse**. Construction was completed in June, 2016 on this restaurant at 4435 South Peak Boulevard in southwestern Roanoke County. 160 people are employed at the restaurant.
- **Friendship Health Rehab South**. Construction was completed in March, 2016 on this 73,000± square foot, 120-room facility that provides post-hospitalization and short-term inpatient rehabilitation services in physical therapy, speech/language pathology, and occupational therapy services.
- **Carillion Clinic's Institute for Orthopaedics and Neurosciences**. Construction was completed in February, 2016 on the former Ukrop's grocery store, on Franklin Road in Roanoke. The facility now has 116,000± square feet with 125 patient exam rooms, nine procedure rooms and capacity for eight diagnostic imaging rooms, seven of which are operational now. Carillion created the Institute for Orthopaedics and Neurosciences to unite two complementary disciplines to benefit education, research and patient care.
- **Carilion Clinic** announced in February, 2015 that it would expand the Roanoke Memorial Hospital by constructing a 15-story building on the City's nearby tennis courts called Crystal Spring Park. Plans call for a five-story garage capable of parking 800± vehicles that will be topped with 500,000± square feet of hospital space over ten floors. The building will be comparable in size and style to the South Tower, which was added to the hospital in 2007. Construction will likely begin in late-2017 at the earliest. 2020 is the targeted opening date. Employment growth has not yet been announced.
- **WFXR Fox 21/27** opened a new facility in Roanoke in December, 2015 at 5305 Valleypark Drive where 30 new jobs were created.
- **Hampton Inn & Suites**. Construction was completed in the summer of 2016 on this 127-room hotel in Downtown Roanoke. 45 people are employed at the hotel.
- **Blue Ridge Autism and Achievement Center**. Ground was broken in May 2016 on the Blue Ridge Autism and Achievement Center in Roanoke that will allow the center to serve 40 to 50 additional students. The 12,650± square foot expansion will allow for a new life skills center and a vocational training center. It will also include a new gym, one-on-one space and classrooms.
- **Integrity Windows**, a manufacturer of fiberglass windows and doors for the construction market, announced in June, 2016 that it would expand its facility on Integrity Drive in Roanoke County and hire 60 new employees.
- **Deschutes Brewery** announced in March, 2016 that it would build an East Coast production facility in Roanoke. Deschutes. It ships beer to 28 states, the District

of Columbia, and around the world from its main brewing facility on the banks of the Deschutes River. The facility will employ 108 people. Construction is set to begin in 2019, with shipments expected to begin by 2021.

- **Lidl**, a German-based discount grocery chain, filed plans in August, 2016 to open a store in Roanoke County. The site plan calls for a 36,000± square foot grocery store with 130 parking spaces. The store is planned to open by 2018.
- **Virginia Tech** announced in May, 2016 that it would build a 105,000± square foot biosciences addition at the Virginia Tech Carillion Research Institute for the area along South Jefferson Street, near the Virginia Tech Carillion School of Medicine and Research Institute. The new building will house biomedical research facilities, including high-resolution research imaging equipment.
- **Paradise of Virginia**. Salem City Council approved plans in June, 2016 for a 71,000± square foot, 120-bed assisted living facility predominantly for disabled veterans on the 1500 block of Roanoke Boulevard. Construction is not expected to begin until 2019 and will likely take a year and a half to complete. Approximately 60 people will be employed at the facility when it opens
- **Mount Regis Center**. Construction is ongoing on a 32,000± square foot, 48-bed inpatient rehabilitation center at 125 Knotbreak Road. The facility will provide treatment of drug and alcohol addiction in a residential setting. This facility, which will open in 2018, will be a destination center, much like a Betty Ford Center with programs offered to participants in a multistate region. The facility will provide approximately 65 jobs at completion.
- **Lewis-Gale Regional Cancer Center** completed a multi-phase capital project in July, 2016, including a new radiation-therapy technology and renovations throughout the cancer center, and an expansive canopy entrance that leads patients and visitors into a spacious, welcoming reception area. Also included is a new two-story medical office building that houses new radiation-delivering equipment.
- **James E. Taliaferro Sports and Entertainment Complex**. This entertainment center contains the 6,820-seat Salem Civic Center, the 7,160-seat Salem Football Stadium and the 6,300-seat Salem Memorial Baseball Stadium. The complex is planned for a 95-room Staybridge Suites hotel on the corner of Roanoke Boulevard and Texas Street. The site is also planned to include a restaurant. The two developments will employ more than 60 people and could open as soon as 2018.

In total, these new investments will generate approximately 1,000 new jobs, plus construction jobs. Almost none are manufacturing jobs.

In addition to the above are several recent retail openings during 2016. These include:

- FPS Café and Spirits
- Rodeo Grande
- City Corner
- All Day Pizza and Café
- Savvy Cuts
- Creative Wellness
- Appalachian Tire
- The Orvis Outlet
- Dunkin' Donuts
- Hibachi Express
- The Spot on Kirk
- AGL Advisors
- Bella Luna
- Parkside Storage
- Therapeutic Massage
- Moe's Southwest Grill
- The Steel Curtain
- Dr. Fame
- Cox
- Scratch Biscuit Company
- Viva La Cupcake
- Freedom First
- Uniform Country
- Parker Design Group
- La Petite Fondue
- Tastebuds
- Da Bella's Bakeshop

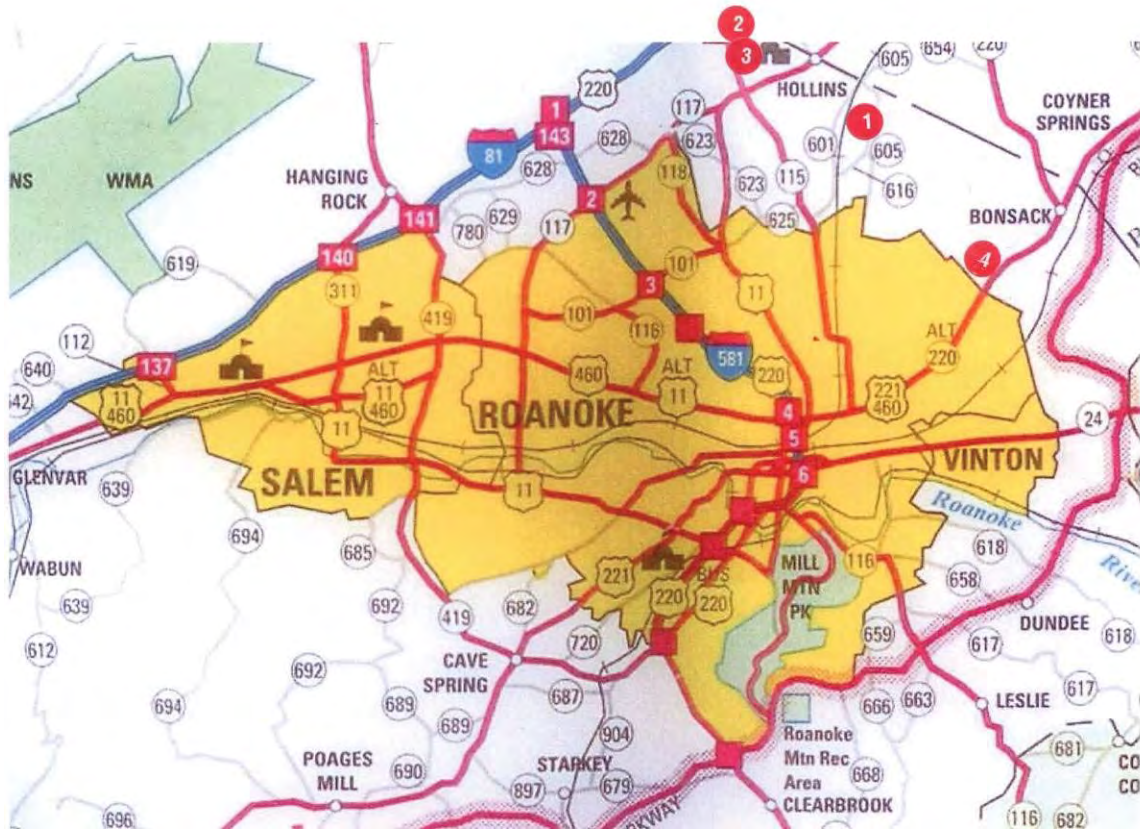
Including these new retail openings, the market area will realize approximately 1,200 new permanent jobs based on the recent job announcements. A large percentage of these are in the medical field.

Summary

The comparison of economic growth between Botetourt County and the rest of the Roanoke Region is stark. Botetourt County is attracting a large manufacturing base with sizable employees. For the other Roanoke area jurisdictions, job growth is primarily in the Health Care and Service industries. A lot of hourly wage jobs are being generated in Roanoke City and Roanoke County for hotel and retail space employment.

Roanoke County Industrial Parks

Several industrial parks are also located in northern Roanoke County, which directly compete with Botetourt Center at Greenfield. The locations of the nearby industrial parks are shown in Map I below. The paragraphs to follow briefly describe each of the industrial parks with particular emphasis on available land.



Map I - Locations of Northern Roanoke County Industrial Parks

- **Shadwell Industrial Park (1)** is a largely vacant industrial park located at the southeastern intersection of Shadwell Drive and Hollins Road that contains only three parcels. The only developed parcel has a 286,210± square foot light manufacturing building built in 1969, and occupied by Packaging Corporation of America, a manufacturer of containerboard and corrugated packaging. One of the available parcels totals 61.9 acres and the second measures 50.5 acres. This is a unique property, one that is not directly competitive with other area parks.
- **New Century Industrial Park (2)** is located along Meyers Drive near I-81 and off Friendship Lane. The industrial park contains only two tenants: Hannabass & Rowe Collision Center and Leather World Tech. Six additional parcels, totaling only 5.6 acres, are available.
- **Interstate Commerce Park (3)** is located adjacent to New Century Industrial Park off Friendship Lane along Garland Circle. This park is fully built-out with tenants including Blue Ridge Color, Virginia Business Systems, Emtech Laboratories and Mid Atlantic Fasteners.

- **Valley Gateway Business Park (4)** is a 108-acre industrial park that is nearly built out and located off Integrity Drive. The two existing tenants are Red Classic Transit and Integrity Windows. Two parcels are available for development. One measures 15.7 acres and the second measures 4.5 acres.

Table 7 below lists the available parcels in the four industrial parks in northern Roanoke County. Shadwell Industrial Park has two large vacant parcels available for approximately \$24,000 per acre. Both parcels are zoned Light Industrial. New Century Industrial Park has six small vacant parcels for sale totaling 5.6 acres with a listing price of \$950,000. These parcels are zoned I-1C (Low Intensity Industrial/Conditional). The third industrial park with vacant parcels is Valley Gateway Business Park. One vacant parcel measures 15.7 acre and the second measures 4.5 acres. These parcels are zoned C-2C (High Intensity Commercial/Conditional).

Table 7: <u>Characteristics of Vacant Industrial Parcels,</u> <u>Northern Roanoke Industrial Parks, November, 2016</u>			
<u>Shadwell Industrial Park</u>	<u>Size (Acres)</u>	<u>Price</u>	<u>Price/Acre</u>
0 Shadwell Drive	61.9	\$1,500,000	\$24,233
6390 Old Mountain Rd	50.5	\$1,218,000	\$24,120
<u>New Century Industrial Park</u>			
Meyers Drive 1/	5.6	\$950,000	\$169,643
<u>Valley Gateway Business Park</u>			
0 Valley Gateway Blvd	15.7	Not Disclosed	--
3900 Challenger Ave	<u>4.5</u>	Not Disclosed	--
Total/Average	138.2		
Notes: 1/ Six parcels.			
Source: S. Patz & Associates, Inc.			

Botetourt County at Greenfield has finished lots available for sale at \$50,000, but this price is negotiable depending upon the magnitude of employment growth. In comparison, finished industrial land in northern Roanoke County industrial parks are priced well above the land in Botetourt County. In terms of land availability and land value, officials in Botetourt County are in a strong competitive position to continue to attract new employees.

Section III Apartment Housing Market

Our research on the area housing market shows that the region's rental apartment market is strong and expanding. In fact, even with considerable new apartment unit additions to the market in recent years, area vacancy rents decreased. Much of the recent apartment unit development has occurred in and near downtown Roanoke, as net employment growth has occurred there, due to expansion of the area's hospital and medical school. Some new apartment unit development occurred in Roanoke County near the City and a large property is in marketing on the west side of Roanoke, north of the City of Salem and near I-81.

Botetourt County has only one upscale apartment community. The 120-unit Daleville Town Center Apartments. Daleville Town Center Apartments has been successful since opening in 2013. The sponsor has plans to expand on site and add between 100 to 140 new units, if the site master plan can be changed. The sponsor has plans in place and will start construction by early-2017 for a 2018 delivery.

The for-sale housing market is still "slow." The salaries for the new manufacturing jobs in Botetourt County fit into the income range required for new apartment unit development, rather than for the for-sale home market, and thus are likely to be too low to support the new for-sale home market.

This section of the report studies the apartment unit demand within the region and in Botetourt County. Data are presented on demographic trends and the competitive apartment market. The following subsection of Section III studies the for-sale housing market.

Demographic Analysis

Data presented in Table 8 show the basic demographic trends for Botetourt County. We did not include demographic data from the other regional jurisdictions, as

the County will generate housing unit demand from net population and net employment growth.

Demographic trends show a 5,000 person population increase during the 1990's and a declining rate of population growth for the 2000 decade and up to 2015. The 2020 population projection is an "opportunity" projection, based on the ability of the County to provide new housing for the projected employment growth. At a minimum, and with likely continued growth in employment, the Botetourt County population should reach (and exceed) 35,500 by 2020.

Most of the County's population growth should be Household Population, or the population who reside in households, not Group Quarters. A new memory care facility is under construction and will open in 2017. Additional senior housing could be built in the future. The population in these types of housing units will be modest in size.

Projection data in Table 8 are conservative and are largely based on past trends. The projections include the expected population growth from new employment. The ability to attract new population growth with new housing opportunities is not fully analyzed, as it is a speculative issue. Thus, the 35,500 population projection can be defined as the minimum population for the County in 2020.

Table 8: <u>Trends and Projections of Population and Households</u> <u>by Tenure, Botetourt County, Virginia, 1990-2020</u>					
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2020</u>
Total Population	24,990	30,500	33,150	33,490	35,500
Group Quarters Population	610	530	280	300	300
Household Population	24,380	29,970	32,870	33,190	35,200
Person Per Household	2.67	2.56	2.50	2.48	2.46
Households	9,150	11,700	13,130	13,380	14,360
Owner Households	7,840	10,270	11,230	11,280	11,066
Percent of Total	85.7%	87.8%	85.6%	84.3%	82.5%
Renter Households	1,310	1,430	1,890	2,100	2,500
Percent of Total	14.3%	12.2%	14.4%	15.7%	17.5%
Source: 1990, 2000 and 2010 Census, U.S. Census Bureau, U.S. Department of Commerce; State Council of Higher Education for Virginia; S. Patz & Associates, Inc.					

Households

Household population is the subtraction of the Group Quarters population from total population. The Group Quarters population is not part of the traditional housing market. It includes persons in hospitals, nursing homes, jails, group homes, dormitories, etc. Household growth in the County is projected at 900± for the 2015 to 2020 period, or 190+ per year on average, based on conservative population estimates. This projection is also based on the ability to add new housing units in the County. It also is based on current trends in average household size, which has been declining in line with national trends.

Renter Households

Data in Table 8 show that renter household growth will increase to 17.5 percent of total households, and that by 2020, the County will realize a net growth of 400 renters. The state and national average for renter households is 35± percent. Botetourt County demographics are far different from most communities. Again, a projected growth of 400 renters does not/cannot account for changes in demographic growth within the region without knowing how much housing inventory will be available.

Caveat. The demographic data presented in Table 8 is based in part on past trends, and in part, on the limited land available for new development. The analysis in Section I shows that 250± units are planned at Daleville Town Center, 200± units can be built on the Turner site, and 100 to 200 units can be built at the available sites in Troutville and Buchanan. There are also scattered sites for small developments.

Thus, the projected demographic growth shown in Table 8 should be used as a guide. It shows that net demographic growth is projected. However, given the issues surrounding demographic trends, the actual growth numbers should be higher, given the local housing needs and limited competition from other jurisdictions.

Renter Households by Income

The one-bedroom net rents at Daleville Town Center are approximately \$1,000. To qualify for that rent, based on 30 percent of income allocated to net rent, a renter would require an income of approximately \$40,000. The Roanoke area has several “competitive” apartment properties with one-bedroom rents below \$1,000 and closer to \$800. An \$800 net rent requires an income of \$32,000.

The adaptive reuse properties could be at lower rents, particularly with historic tax credits. Thus, the likelihood is that the target market for new apartment units in Botetourt County, at the properties identified, is renters with incomes of \$35,000 and above.

Presently, the County has approximately 1,000 renters in this income category. A large percentage of the new employees will be in the \$35,000+ income range. If 50 percent of the new employees are renters within the target income range, the demand for new apartment unit development will be 500 to 600 for the 2017 to 2021 period. That total may exceed the ability to add new apartment units within the projection date to 2021.

Note: It is not possible to undertake a standard projection of households by income, as past trends do not support much growth. What is evident is that Daleville Town Center Apartments was successful within the past slow growth period. That is likely to occur presently with new employment growth in Botetourt County.

Trends in Median Household Income Roanoke Region

The average household income for the entire region is shown in Table 9, in current dollars, which are not adjusted for inflation. The median household income for the region has remained between \$62,000 and \$63,000. Of note is that 45 percent of the renter households in Botetourt County have incomes of \$40,000+. This is compared with

48 percent for the remainder of the region, indicating that household incomes in Botetourt County are very comparable with those of the region as a whole.

Table 9: <u>Median Household Income Trends, Roanoke MSA, 2006-2015</u> (Current Dollars)	
<u>Year</u>	<u>Median Household Incomes</u>
2006	\$57,800
2007	\$56,300
2008	\$60,200
2009	\$61,900
2010	\$62,800
2011	\$62,400
2012	\$62,200
2013	\$63,600
2014	\$62,900
2015	\$62,000
Source: Internal Revenue Service	

Affordable Apartment Market

We noted above that renters in the County will likely need annual incomes of approximately \$40,000+ to afford the net rents at new apartment properties built without any rent restrictions.

A second sector of the rental apartment market is the affordable market. Apartment complexes built for affordable housing are typically financed under the Federal Low Income Housing Tax Credit (LIHTC) program. Under this program, households with incomes of \$25,000 to \$40,000 qualify. This sector of the market should grow with the large number of retail and service-related jobs that are expected to be added to the County. This sector of the apartment market and the LIHTC market should grow as fast as the market rent market.

Competitive Apartment Market

Table 10 lists all of the higher rent apartment properties in the Roanoke Region. Older, lower rent properties, age-restricted properties and rent restricted properties are excluded from this list. Of note, the data in Table 10 show:

1. Most of the new apartment properties are located in Downtown Roanoke and all of properties in Downtown are adaptive-reuse properties. These are a mix of historic retail and industrial buildings. Since 2008, over 1,000 new units were placed on the market in Downtown and all but 20± have been leased.
2. More adaptive reuse properties were added to the market compared to new construction. However, since 2013, 667 units in five new properties opened. All are full except The Retreat which is still in lease-up. Management at The Retreat has realized nearly 150 leases in four months. There is a second phase planned at The Retreat.
3. Daleville Town Center is at full occupancy. In addition to Daleville Town Center, which has the County's only upscale apartment complex, the closest new apartment complex to Botetourt County is North Point which is near the airport off of I-581.
4. South 16 at the Bridges is the first of (possibly) three new apartment buildings built or planned in the River District south of Downtown Roanoke.
5. We included seven mature properties in the list in Table 10. Glade Creek and The Orchard Apartments are located on the north side of Roanoke County.

Overall, since 2010, 1,540± new units were added to the Roanoke area market. Almost all of the new units were leased, with the exception of 50+ units at The Retreat, as this apartment complex recently opened. For the past seven years, the Roanoke area apartment market "absorbed" over 200 new apartment units per year on average. New apartment proposals that are under construction or planned include:

- 108 units in Phase II of The Retreat
- 200 to 230 units in Phase II and III of South 16
- 90 units at North Point and an adjacent property
- 86 units at Gramercy Row in Downtown

➤ 72 lofts at West Station II in Downtown

Table 10: Trends in Occupancy, Greater Roanoke Region, 2014-10/2016

	<u>Year Built</u>	<u>Total Units</u>	<u>Vacant Units</u>			
			<u>11/2014</u>	<u>07/2015</u>	<u>04/2016</u>	<u>09/2016</u>
<u>Larger Downtown Adaptive Reuse</u> 1/						
Parkway 301	2013	89	--	--	--	--
Ponce de Leon	2014	90	--	--	--	--
The Cotton Mill	2009	108	--	--	--	--
The Crossings	2002	87	--	--	--	--
The Hancock Building	2008	59	--	--	--	--
The Lawson Building	2009	25	--	--	--	--
The Locker Room Lofts	09/2015	56	--	--	--	--
The Lofts at West Station	2012	71	--	--	--	--
The Patrick Henry Hotel	2011	132	--	--	--	--
The River House	2012	128	--	--	--	--
Better Smaller Properties	NA	<u>249</u>	--	--	--	--
(Subtotal)		(1,094)	(25)	(27)	(29)	(20)
<u>New Construction</u>						
Daleville Town Center	2013	120	--	--	--	--
North Point	2015-2016	90	--	--	--	--
South 16	2014	157	--	--	--	--
Westmont	2014-16	48	--	--	--	--
The Retreat	06/2016	<u>252</u>	--	--	--	--
(Subtotal)		(667)	(10)	(24)	(10)	(130)
<u>Mature Properties</u>						
Bent Tree	1973	148	--	--	--	--
Cedar Point	1973 3/	150	--	--	--	--
Glade Creek I & II	1998/01 6/	248	--	--	--	--
Pebble Creek	1978 2/	468	--	--	--	--
Summit at Roanoke	1987	250	--	--	--	--
Sunscape	1997/99	264	--	--	--	--
The Orchard Apartments	2001	<u>240</u>	--	--	--	--
(Subtotal)		(1,550)	(81)	(76)	(75)	(45)
Total		3,311	116	127	114	195
Vacancy Rate 1/			4.3%	4.3%	4.1%	1.9%

Notes: 1/ Excludes smaller downtown properties and The Retreat.

Source: S. Patz & Associates field and telephone survey.

The apartment analysis shows a very vibrant and growth market. Vacancy has decreased even with 600 new units added to the market since 2014. There are five new pipeline properties. None are located close to Botetourt County.

Net Rent Analysis. The rents shown in Table 11 are net and exclude all utilities. There is a wide range in rents at these apartment properties. The rents at Daleville Town Center are at or near the top of the market. The very low market area vacancy rate show these rents to be achievable.

Table 11: Rental Rates at Competitive Apartment Communities, Roanoke Region, October, 2016

	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>
<u>Larger Downtown Adaptive Reuse</u>			
Parkway 301	\$650-\$725	\$850	--
Ponce de Leon	\$558-\$963	\$917-\$1,237	--
The Cotton Mill	\$730-\$980	\$1,250	--
The Crossings	\$650-\$750	\$875-\$975	\$1,100
The Hancock Building	\$800	\$1,300	--
The Lawson Building	\$750	\$850	\$1,100
The Locker Room Lofts	\$758	\$1,037	--
The Lofts at West Station	\$750	\$950	--
The Patrick Henry Hotel	\$600-\$800	\$1,100-\$1,300	--
The River House	\$625-\$1,300	\$1,050-\$1,300	--
<i>(Average)</i>	<i>(\$772)</i>	<i>(\$1,061)</i>	<i>(\$1,100)</i>
<u>New Construction</u>			
Daleville Town Center	\$985	\$1,049-\$1,104	\$1,343
North Point/ Westmont	\$956-\$1,276	\$1,326-\$1,477	\$1,805-\$1,834
South 16	\$885	\$995	--
The Retreat	\$984-\$1,064	\$1,064-\$1,274	\$1,374-\$1,464
<i>(Average)</i>	<i>(\$1,003)</i>	<i>(\$1,161)</i>	<i>(\$1,527)</i>
<u>Mature Properties</u>			
Bent Tree	--	\$893	\$1,013
Cedar Point	--	\$805-\$953	\$1,197
Glade Creek I & II	\$820	\$1,020	\$1,140
Pebble Creek	\$778	\$864	\$895
Summit at Roanoke	\$690	\$799	\$949
Sunscape	\$869-\$979	\$1,054-\$1,174	--
The Orchard Apartments	\$802	\$1,205	\$1,300
<i>(Average)</i>	<i>(\$803)</i>	<i>(\$968)</i>	<i>(\$1,082)</i>
Average	\$829	\$1,049	\$1,207

Source: S. Patz & Associates, Inc. Field and Telephone Survey

Following are photos of some of the better apartment communities in the Roanoke Region.



Daleville Town Center Apartments



South 16



The Retreat



Cotton Mill

For-Sale Market Analysis

Active Subdivision Analysis

This part of the housing analysis presents an overview of the current single-family and townhome for-sale market in the County. While there are several subdivisions in Botetourt County that have unbuilt lots, this portion of the study focuses only on active subdivisions with recent new home sales. Thus, this analysis excludes subdivisions being sold exclusively through lot sales, most prominently the 366-lot Ashley Plantation.

The active subdivisions in Botetourt County are listed in Table 12. There are currently four active single-family subdivisions with a total of 126 lots, of which 70 homes have been built and sold to date. Table 12 also shows that there are three active townhome subdivisions totaling 69 lots with 51 of these homes sold to date. These subdivisions are small, and to date, the sales pace has been modest.

There are 56 single-family and 18 townhome lots that remain available for construction and sales. The market realized annual new home sales at these communities of nine single-family homes and four attached homes over the 2012 to 2016 period. A total of fifteen homes sold in 2015 and thirteen homes sold in 2016. At an

annual sales rate of nine for single-family homes and four for attached homes, the current inventory would equal a six-year supply for the single-family homes and four and half year supply for the attached homes.

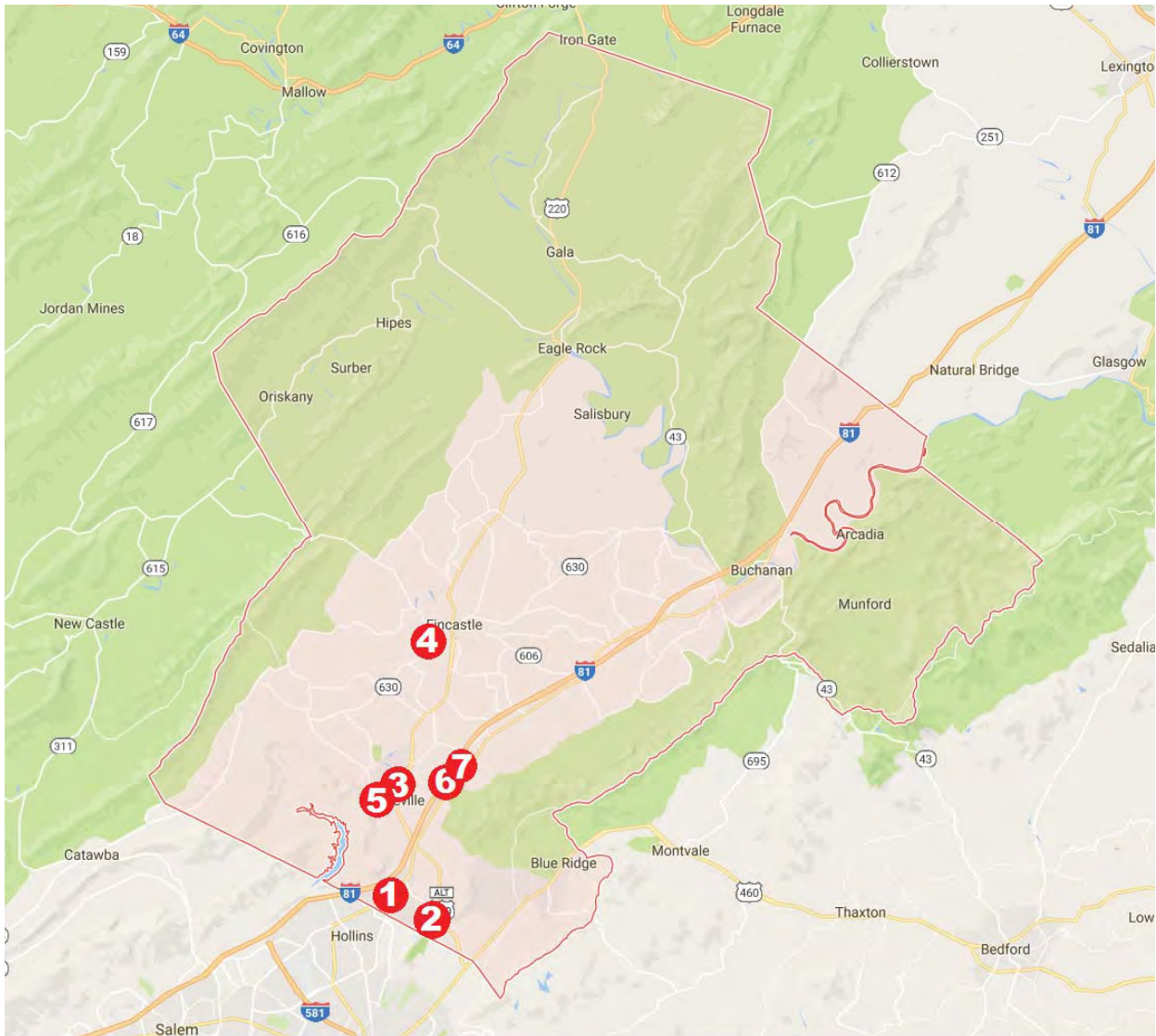
Table 12: Characteristics of Active Subdivisions, Botetourt County, VA, November, 2016				
	<u>Map Key</u>	<u>Year Started</u>	<u>Approved Lots</u>	<u>Homes Sold</u>
<u>Single-Family Homes</u>				
Altamira	1	2009	68	54
Cottages at Steeplechase	2	2016	27 2/	1
Daleville Town Center	3	2012 1/	13	5
Meadows of Santillane	4	2014	<u>18</u>	<u>10</u>
(Subtotal)			(126)	(70)
<u>Attached Homes</u>				
Village at Tinker Mountain	5	2013	17	7
Villas at Botetourt	6	2008	19	14
Berkley Commons	7	2004	<u>33</u>	<u>30</u>
(Subtotal)			(69)	(51)
Total			195	118
Notes: 1/ First home built in 2009. First sale in 2012.				
2/ A Phase II plan with 43 units was just approved.				
Source: Botetourt County Commissioner of the Revenue				

Table 13 shows the average home prices and sizes at the active subdivisions. The most expensive subdivision is Daleville Town Center, with home sales averaging at \$488,750. These home prices are in line with the custom home sales in other subdivisions. The only sale at Cottages at Steeplechase to date was a lot sale, and thus this data is excluded from the table. The remaining homes are being sold starting at \$269,950. The two other single-family subdivisions, Altamira and Meadows of Santillane, have homes that sold in the upper \$200,000's.

The attached subdivisions are commanding lower prices. Villas at Tinker Mountain and Berkley Commons have sold homes in the low-\$200,000's. Villas at Botetourt has sold in the upper \$100,000's. The new homes being built at Berkley Commons are slightly more expensive, between \$214,950 and \$234,950.

Table 13: <u>Home Prices and Sizes at Active Subdivisions, Botetourt County, VA, November, 2016</u>		
	<u>Average Home Size</u>	<u>Average Sales Price</u> 1/
<u>Single-Family Homes</u>		
Altamira	1,858	\$276,481
Cottages at Steeplechase	1,804	-- 2/
Daleville Town Center	2,654	\$488,750
Meadows of Santillane	1,815	\$265,400
<i>(Average)</i>	<i>(2,033)</i>	<i>(\$343,544)</i>
<u>Attached Homes</u>		
Village at Tinker Mountain	1,245	\$215,558
Villas at Botetourt	1,330	\$170,228
Berkley Commons	1,335	\$203,036
<i>(Average)</i>	<i>(1,303)</i>	<i>(\$196,274)</i>
Average	1,720	\$269,909
Notes: 1/ Excludes lot sales. 2/ One lot sale to date.		
Source: Botetourt County Commissioner of the Revenue		

Map J identifies the locations of each of the above subdivisions. It shows that all the subdivisions are located at the southern portion of Botetourt County. Two of the subdivisions, Altamira and Cottages at Steeplechase, are located south of I-81 in the Cloverdale portion of the County. Villas at Botetourt and Berkley Commons are both located near each other in Troutville. The remaining subdivisions are located along the Route 220 corridor. Meadows at Santillane is located near Fincastle. Daleville Town Center and Village at Tinker Mountain are located in Daleville.



Map J - Locations of Active Subdivisions

Photos of typical homes at some of the active subdivisions are shown next.



Altamira



Cottages at Steeplechase



Daleville Town Center



Meadows of Santillane



Village at Tinker Mountain



Villas at Botetourt



Berkley Commons

Data on the new home sales market show that the market for new construction homes in Botetourt County has been slow. Realtors report that new home buyers require incomes of \$70,000+ for the townhomes and \$100,000+ for the single-family homes.

Rural Residential Developments

Botetourt County contains a large number of rural residential lots without access to water and sewage. These are scattered lots, not located in any designated subdivision. The developed lots are almost all single-family homes. This type of development is situated in the rural segments of the County, largely on land previously used for agricultural or forestry. These include both estate homes and more modest dwellings. No significant growth in this segment of the market is anticipated.

Other Residential Developments

The remaining residential lots in Botetourt County are in mature subdivisions located in several existing subdivisions in the southern portion of the County, generally south of Fincastle. These subdivisions have access to water and sewage. These are either built out, have had vacant lots with no construction activity for several years, or are subdivisions where only lots are being sold with very few, if any, speculative home

sales. Table 14 details these subdivisions. It shows that the County has 33 single-family home subdivisions and five subdivisions with attached homes that meet this criteria.

Table 14: Built Out and Subdivisions with Lot Sales, Botetourt County, November, 2016

	<u>Total Lots</u>	<u>Homes Built</u>	<u>Years Built</u>	<u>Average Home Size</u>	<u>Average Sales Price</u>
<u>Single-Family Homes</u>					
Apple Tree	49	49	1975-2008	1,583	\$180,590
Apple Tree West	163	160	1978-2008	2,157	\$247,702
Ashley Plantation	366	294	1998-2015	2,987	\$426,920
Botetourt Forest	49	48	1973-2006	1,313	\$164,839
British Woods	73	64	1972-2009	1,594	\$180,300
Brookfield	117	117	1997-2013	1,952	\$226,495
Cedar Ridge	98	86	1980-2014	2,081	\$246,061
Clearview Estates	53	51	1985-2008	2,097	\$227,547
Cobblestone	53	51	2001-2016	2,653	\$366,469
Colonial Court	27	27	1987-1994	2,153	\$218,393
Deer Haven	21	16	2001-2013	2,636	\$395,057
Heatherstone	88	82	1972-2007	2,433	\$265,548
Highland Manor	129	120	1989-2015	3,033	\$398,791
Hunters Green	111	110	1993-2006	1,791	\$204,592
Knollwood	114	113	1965-1992	1,437	\$167,290
Medallion Hills	3	1	2013	2,294	\$299,950
Mountain Crest	41	32	2002-2015	2,132	\$266,429
Mountain Estates	16	11	1984-2001	1,464	\$172,933
Mt. View Village	7	7	1973-1976	1,025	\$134,375
Orchard Hill	47	47	1990-1999	1,682	\$208,050
Rainbow Forest	436	340	1949-2011	1,393	\$161,696
Santillane	57	30	2003-2013	3,079	\$444,958
Sommersby	80	80	1994-2007	2,608	\$309,110
Sowder Farm	21	18	2005-2016	2,862	\$439,490
Stepping Stone	16	14	1974-1996	2,021	\$159,907
Stone Gate	37	37	2001-2011	2,913	\$471,765
Stonebridge	29	27	1981-1990	2,215	\$218,707
Stratford Place	148	135	1965-2008	1,501	\$173,630
Thornblade	48	25	2008-2016	2,933	\$361,346
Walnut Manor	22	16	2002-2007	3,509	\$415,437
Wetherwood	80	77	1994-2002	2,206	\$271,223
White Oak Estates	131	97	1959-2007	1,513	\$178,816
Wyndermere	<u>27</u>	<u>27</u>	1991-2007	2,467	\$320,677
(Subtotal/Average)	(2,757)	(2,409)		(2,173)	(\$270,457)
<u>Attached Homes</u>					
Brookfield Court	15	12	2014	1,238	\$223,317
Cypress Court	39	39	2004-2006	1,730	\$195,208
Medallion Hills	31	24	2003-2015	2,251	\$302,520
Stone Ridge	21	21	1999-2001	1,210	\$161,954
Tinkerview Townhomes	<u>116</u>	<u>116</u>	1984-1998	947	\$91,586
(Subtotal/Average)	(222)	(212)		(1,475)	(\$194,917)
Total/Average	2,979	2,621		2,081	\$260,518

Site: Botetourt County Commission of the Revenue

Data in Table 14 show a total of 2,757 approved single-family lots in these communities. Over 87 percent of these lots, or 2,409 in total, have been developed to date. Thus, there are 348 lots with access to water and sewage that are readily available for future development. Many of these lots, however, are located in subdivisions that have not had sales activity for several years.

Planned Residential Developments

There are currently two subdivisions in planning in Botetourt County. The first is a 46-acre parcel located at the eastern terminus of Wesley Road, just west of I-81 and south of the Cedar Ridge subdivision. Grading has begun on this still unnamed subdivision that will have 24 attached patio homes. A walking trail will be added to the subdivision once 18 homes are built. These homes will range in price between \$259,000 and \$300,000 and will target retirees. They will range in size between 1,550 and 1,800 square feet with three design options. The exteriors will be vinyl or rock with pitched roofs. Photo of the existing conditions of this site is presented below.



Wesley Road Subdivision

The second planned subdivision is Sanderson Ridge that was approved for rezoning to 59 lots in mid-December, 2016. This subdivision is planned for two parcels located at 7915 Sanderson Drive, adjacent to the successful Altamira subdivision. It will total 59 lots of singles and duplexes.

Demographic Trends

Area realtors report that most new home buyers in the County have incomes of \$100,000 and above. At present, the County has approximately 4,300 households in this income category. The current total is approximately 300 more than in 2010. Continued growth in households with incomes of \$100,000 is expected. This growth will likely be the same as in the past, as shown in Table 16.

Table 15: <u>Trends and Projections of Population and Households, For-Sale Market, Botetourt County, Virginia, 1990-2020</u> (Constant 2016 Dollars)					
	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>2020</u>
Total Population	24,990	30,500	33,150	33,490	34,500
Group Quarters Population	610	530	280	300	320
Household Population	24,380	29,970	32,870	33,190	34,180
Person Per Household	2.67	2.56	2.50	2.48	2.47
Households	9,150	11,700	13,130	13,380	13,840
Owner Households	7,840	10,270	11,230	11,280	11,490
Percent of Total	85.7%	87.8%	85.6%	84.3%	83.0%
<u>Target For-Sale Market</u>					
Total Households	1,820	3,140	3,980	4,290	4,690
Percent of Households	19.9%	26.8%	30.3%	32.1%	33.9%
Notes: 1/ Includes households earning annual incomes exceeding \$100,000.					
Source: 1990, 2000 and 2010 Census, U.S. Census Bureau, U.S. Department of Commerce; S. Patz & Associates, Inc.					

Neighboring Roanoke County Subdivisions

Northern Roanoke County is generally competitive with the subdivisions in southern Botetourt County, though real estate taxes are considerably lower in Botetourt County than Roanoke County (\$0.79 compared to \$1.09 per \$100 of assessed valuation). At this time, there are five active subdivisions near Botetourt County in northern Roanoke County, which are shown in Table 16 below. Currently, 74 single-family homes and 39 townhomes remain to be sold in these five subdivision.

Table 16: <u>Active Subdivisions, Northern Roanoke County, November, 2016</u>						
	<u>Map Key</u>	<u>Year Started</u>	<u>Total Lots</u>	<u>Homes Sold</u>	<u>Size</u>	<u>Price</u>
<u>Single-Family Homes</u>						
Belmont	1	2016	25	6	1,986	\$257,333
Stokes Manor	2	2008	24	11	2,232	\$265,591
Wedgewood	3	2004	68	53	2,413	\$293,104
Village at Tinker Creek	4	2002	<u>97</u>	<u>70</u>	1,958	\$244,907
<i>(Subtotal/Average)</i>			<i>(214)</i>	<i>(140)</i>	<i>(2,147)</i>	<i>(\$265,234)</i>
<u>Townhomes</u>						
Village Green	5	2011	77	42	1,388	\$150,816
Village at Tinker Creek	4	2010	<u>20</u>	<u>16</u>	1,588	\$184,188
<i>(Subtotal/Average)</i>			<i>(97)</i>	<i>(58)</i>	<i>(1,488)</i>	<i>(\$167,502)</i>
Total/Average			311	198	1,928	\$232,657
Source: Roanoke County GIS						

The four subdivisions with single-family homes are selling in the mid- to upper-\$200,000's, which is similar to the sales prices of the new homes sold in Botetourt County. Though these subdivisions are located closer to the employment centers in Roanoke, they are in less attractive settings.

Summary

The following paragraphs summarize the current for-sale housing market in Botetourt County.

- Most of the new homes and resales in Botetourt County have ranged between \$150,000 and \$400,000. These are three-bedroom/two-bedroom ranches with a garage to four- and five-bedroom colonial homes with multi-car attached garages.
- New home construction has been very slow in recent years. This is largely attributed to homebuilders being unable to secure financing. This is the case in both Botetourt County and northern Roanoke County. The new subdivisions that have been financed have essentially all sold homes in the \$200,000 to \$300,000 price range. Most builders have been unable to secure financing for spec homes at higher price ranges.
- With the exception of Daleville Town Center and a few homes at Meadows of Santillane, all of the active subdivisions in Botetourt County

are single-level patio or attached homes with an attached garage. This segment of the market has been the strongest, and thus homebuilders can finance such developments. Approximately 80 percent of buyers of these homes have been retirees from the Roanoke Region, many from Botetourt County. Most of these seniors paid cash after selling their previous larger homes. These are individuals who have decided to downsize given their need for less livable space and desire to avoid maintenance work such as landscaping and snow removal.

- Apart from retirees, most homebuyers have been those who previously lived in and around the Roanoke Region in suburban neighborhoods but are looking to move to a suburban, rural setting that is typical of Botetourt County.
- On average, the annual household incomes of the patio home purchasers generally range between \$70,000 and \$100,000. The incomes of the higher priced, non-patio homes at the more attractive subdivisions such as Ashley Plantation, are over \$100,000, with an average in the \$125,000 range.

These comments indicate that the current new home sales market is not, at this time, providing homes for new employees in the County. The Botetourt County new home market is primarily single family homes. These homes are priced at \$200,000 and above. Daleville Town Center could add new townhouse units. The findings of this analysis are that the current new home market in Botetourt County is not providing affordable housing. That will need to come from the rental housing market.

Conclusions

The eight primary conclusions of the study are:

1. That the demand for new housing in Botetourt County is likely to be greater than the supply due to the current lack of available land for development.
2. That there are a few sites that are readily available for development for new housing; most sites identified for development require rezoning and/or other issues that need public approvals.

3. The current housing market is stronger for rental housing rather than for for-sale housing due to the type and wage levels of new employment.
4. The County has no affordable housing and a sizable percentage of new jobs will be at moderate incomes.
5. Adaptive reuse properties provide a good opportunity for new housing, as these sites have public water and sewer, require no or minimal off-site development costs, and have land prices that should allow for successful adaptive reuse.
6. There is a need for County officials and staff to restudy development density to attract more home builders and to reduce development costs. Restudy of the “comp” plan is also recommended as some sites recommended for apartment unit development have commercial zoning or need higher density zoning.
7. For the for-sale housing market, zoning that allows for townhomes needs to be increased, as this housing type will provide more affordable housing.
8. While not included in the housing study, our market research shows a likely continue demand for more industrial land, as employer interest and new job growth are likely in 2017 and after and new proposals should greatly increase the current 1,200± job totals currently announced.

County staff and leadership have to become proactive related to rezoning and density of development. That could mean prioritizing sites for rezoning. The list of primary developable sites in the County is summarized below, with no specific order of priority:

1. **Daleville Town Center**. New apartment units, single family units and townhome units are planned. Development requires a master plan change. New development can be started shortly, as all infrastructure is in place.
2. **Troutville School House** property at the intersection of Route 11 and Sunset Street, needs rezoning and the abandonment of the on-site public street. The school building can be designated as historic.

3. **Former Hafleigh Bone Button Factory** property at 19318 Main Street in Buchanan is a large parcel that needs rezoning. It is in a historic district and is a sizable site. All utilities are at the property.
4. **Turner site** needs rezoning. It can likely support 250± apartment units with increased zoning density. Public water and sewer are available, as is roadway access.
5. **Painter Property** also needs rezoning. It is a well located property and also has public water and sewer.
6. **Santillone** subdivision has 20 acres that fronts on Route 220 that could be rezoned (from commercial) for higher density residential. The site has public utilities in place and 100± units could be built at this location.
7. Several vacant commercial properties are located along U.S. Route 11. These are small parcels that could be assembled or developed with affordable housing.

Combined, these sites could, with rezoning, provide up to 1,000 new apartment units. Additionally, the Daleville Town Center property could add 100 for-sale units, as described above. Other sites are also being studied for new single family development.

There are several properties that are being studied for for-sale housing. These include: (1) Sanderson Ridge, approved for 72 homes with a mix of single and duplex; (2) Bolen property for possible apartment unit development; and (3) expansion of Santillone subdivision, among other sites, which are in the early planning stages.

In summation, new residential development in the County is likely and should meet many of the expected housing needs. We concentrated on apartment unit development, because a sizable share of the demand for new housing to support new employment growth will require moderate priced housing. The Botetourt County new home market is currently not very active in terms of new home sales.

Affordable Housing. Affordable housing refers to rental housing built under the federal Low Income Housing Tax Credit (LIHTC) program. There is no housing of

this type currently in Botetourt County. The Roanoke area has 11 apartment properties built or renovated under the LIHTC program. These properties contain a total of 1,000+ units and have an occupancy rate of approximately 97 percent.

The region's LIHTC properties are located throughout Roanoke County and within the City of Roanoke. Most of the region's LIHTC apartment properties are mature and modest. The region's better and newer LIHTC properties serve a market of renters in the \$30,000 to \$40,000 income range. Roanoke City and County has older properties that serve a lower-income market.

There are two ways to add affordable housing to the County's housing stock. One is to require new apartment properties to set aside 10± percent of their apartment units for affordable housing. This is being done throughout the County. A second option is to develop smaller vacant properties with say 50 to 60 units. One or more of the vacant Route 11 commercial properties could provide attractive sites for this part of the County's housing market.

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http://www.winchesterstar.com/news/clarke/influx-of-retirees-forecast-to-spur-area-population-growth/article_6d283c75-8f03-5cca-b9b1-07945299abf0.html

HOT

Influx of retirees forecast to spur area population growth

By ONOFRIO CASTIGLIA | The Winchester Star Jun 27, 2017 Updated Jun 27, 2017

Population Projections

	2020	2030	2040
Frederick	86,574	101,471	114,663
Winchester	28,705	31,107	33,031
Clarke	14,337	15,266	15,965

Source: U.Va. Weldon Cooper Center for Public Service

Melanie Livingston/The Winchester

WINCHESTER — By 2040 Virginia will become the 10th most populous state in the nation, overtaking New Jersey and Michigan, according to official state population projections; the Northern Shenandoah Valley will play a role in that growth mainly by attracting retirees.

University of Virginia’s Weldon Cooper Center for Public Service, which produces demographics research of record in the state, estimates that Frederick County, Winchester and Clarke County will be among the localities to continue growing in population, even as the pace of growth statewide slows.

According to the center’s 2016 estimates, Winchester has 27,531 people, Frederick County has 83,998 and Clarke County has 14,240. By 2040, those numbers could balloon to 33,031, 114,663 and 15,965, respectively. As of 2016, 8.4 million people live in the state. That is expected to climb to 10.2 million.

A report the center released Friday — which includes statistics beginning in 2000 — states that Frederick County will grow above 10 percent each decade through 2040. Winchester grew above 10

percent from 2000 to 2010, but will grow more modestly through 2040; the same is true for Clarke.

Virginia was the 19th fastest-growing state from 2010 to today. Most of the state's growth (93 percent since 2010) is concentrated in Northern Virginia (60 percent by itself), Richmond and Hampton Roads. This is not expected to change, the report states; Virginia's largest metro areas will continue to steadily add population.

Of the 133 localities, Frederick County ranked 19th, Winchester 28th and Clarke County 58th for growth between 2010 and 2016. It's anticipated that level of growth will continue.

A disparity exists, though, as the center's data shows a continuing slowing of growth or population decline in many of the state's rural areas, especially in the south and southwest.

"Two factors are expected to drive population growth in Virginia: more people moving into the commonwealth than moving out, and rapid growth in Virginia's older population," the report states. "Advances in medicine and health care have raised life expectancy in past decades, and promise to allow the baby-boom generation to contribute to a growing population of those over 65. By 2030, Virginia's elderly population is anticipated to nearly double in size, accounting for about one in five Virginians."

According to Hamilton Lombard, a Weldon Cooper researcher, this region's growth is and will be attributable primarily to an influx of retirees from Northern Virginia. As large metro areas grow with new people moving in from out of state and being born, retirees leaving those metro areas will bolster the population figures in places like Frederick County.

"It's going to be from migration," said Lombard, referring to older people coming into the area and population growth. "Unless there is a significant baby boom in Frederick County."

According to the center's projection figures, the number of people above the age of 65 in Frederick County will rise from 16,105 in 2020 to 24,649 in 2040. In Winchester, it will go from 4,652 to 5,804 in that same amount of time.

It's expected that between 2010 and 2040, Loudoun County will be by far the highest-growth area in the state, at 122.5 percent population increase, the report states. That's ahead of second-place Prince William County, at 69.7 percent. That kind of growth is bound to seep into surrounding areas, Lombard said.

Shonel Sen, lead researcher for population projections at the Demographics Research Group, said

the state and localities like Winchester and Frederick County should prepare for “the aging effect,” with health care and support services. “Knowing this ahead of time helps us be better prepared.”

— Contact Onofrio Castiglia at ocastiglia@winchesterstar.com





http://www.winchesterstar.com/news/sanitary-authority-taking-proposals-for-wireless-internet-service-providers/article_040e30ac-874a-5ec2-9665-8c5ab19b9257.html

Sanitary Authority taking proposals for wireless internet service providers

By CATHY KUEHNER | The Winchester Star Jun 28, 2017 Updated 5 hrs ago

BERRYVILLE — There are three water tanks in Clarke County with room for equipment from wireless internet service providers (WISPs), and the Clarke County Sanitary Authority is accepting proposals from companies that want to collocate proprietary equipment on the tanks in Boyce, White Post and Millwood.

One company that has expressed interest in providing service to Clarke residents has not yet submitted a proposal. David Williamson, the owner of Winchester Wireless, said he has not submitted a proposal because the county's request for proposals (RFP) lacks sufficient details.

Williamson approached the Sanitary Authority in January to ask about leasing space on the White Post, Millwood and Boyce water tanks in order to provide broadband internet service in that area of the county.

At the Clarke County Sanitary Authority meeting Tuesday, Williamson said Clarke should require WISP companies to provide evidence that another company is causing interference rather than putting the expense on the other company to prove it is not causing interference.

He also said, "We want to expand into Clarke, but I felt the county's RFP will create a bidding war."

Sanitary Authority Chairman Rod DeArment said Clarke would welcome Winchester Wireless, but the authority's RFP — its first for WISPs — was meant to encourage competition.

Sanitary Authority administrator Mike Legge said the new water tank in Millwood has no cellular telephone or internet equipment on it, and the White Post and Boyce tanks have only a few cellphone

carriers on them.

Collocating equipment on water tanks has existed for years, Legge said, and is not directly related to the newly adopted zoning ordinance amendment for telecommunications requirements in the county.

Legge said the county is currently negotiating with the one company that did submit a proposal to place WISPs on the water tanks. Legge chose not to disclose the company's name.

"Once we complete that negotiation, to whatever end, we will reach out to Winchester Wireless and say, 'Let's negotiate,'" said Legge.

v

Sanitary Authority members A.R. "Pete" Dunning Jr., Dan Mackay-Smith, Bev McKay and Chairman Rod DeArment attended the meeting Tuesday in the Berryville-Clarke County Government Center. Members Joseph Myer and Ralph Welliver were absent.

— Contact Cathy Kuehner at ckuehner@winchesterstar.com



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**SHENVALLEY
DIGITAL SERVICES**

Building Department - Clarke County
New Single Family Dwellings 2017

	Battletown	Berryville	Boyce	Chapel	Greenway	Longmarsh	TOTAL	COMMENTS				
January		3					3					
February		2		1	2	2	7					
March	1			2	1	1	5					
April	1	2		2			5					
May	1	1			3	1	6					
June		3			1	1	5	Greenway house is an In-law Cottage (576sf)				
July												
August												
September												
October												
November												
December												
TOTAL	3	11		5	7	5	31					



Building Futures



People inc.

Annual Report 2016



Realizing Dreams



ANNUAL REPORT 2016

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BUILDING FUTURES, REALIZING DREAMS

In 1964, a small group of concerned citizens in the rural community of Hayter's Gap, Virginia decided to make a difference. By dedicating their time and skills to help their neighbors to build a stronger, more livable community and create more opportunities for local youth, these visionaries laid the cornerstone for the work that People Incorporated continues today.

Little did they know that their efforts would result in the creation of an organization that continues to make lasting change for people and communities. Through the years, the number of communities that we serve has grown substantially, and our mission and passion for the work remains undiminished. Our goal as an organization is clear: to move people out of poverty and build strong communities with multiple opportunities for growth and development. Providing opportunities to create lasting change for people and communities is not easy work. After 52 years of pursuing this goal, we have found that there is no single strategy, program, tool, or resource dynamic enough to fully address the multitude of needs experienced by low-income people and communities.

As a result, our strategy is based on the belief that the best way to move people and places out of poverty is by bundling multiple resources to help people and communities acquire assets. Individual assets, such as improved education, an affordable home, a small business, better health, financial literacy, or job skills directly impact financial stability and growth. Similarly, community assets such as well-paying sustainable jobs, community facilities, local amenities, accessible goods and services, and a supportive business environment all contribute to healthy economies that build community wealth and better places to live.

In the following pages, you will find stories, data, and outcomes related to our work over the past year. These are only a few of the successes realized from our direct services to 6,013 individuals and \$110 million in economic impact in the communities that we serve. We are fortunate to have had the opportunity to work in partnership with countless individuals, families, community leaders and other organizations to create vibrant communities where families flourish and all people can realize their full potential. We know full well that this work is not complete and that much remains to be done, but it is this charge that pushes us to keep reaching for excellence and striving for change.



1173 West Main Street
Abingdon, VA 24210

276.623.9000 | info@peopleinc.net
www.peopleinc.net

Sincerely,


Robert G. Goldsmith
President and C.E.O.





“We had the vision of what the theatre restoration could do for our region and community. People Incorporated had the expertise and experience to help us make that vision a reality. The success is measurable. Our community has welcomed more than 22,000 visitors to the Theatre and Amphitheater since the July 2016 opening.” —Meade Snyder, President, Masonic Theatre Preservation Foundation

GOAL: COMMUNITIES EXPERIENCE POSITIVE DEVELOPMENT
Building Community Assets

PHOTO: CHUCK ALMAREZ



PHOTO COURTESY OF HISTORIC MASONIC THEATRE

COMMUNITY: Clifton Forge, Virginia

PROJECT: Renovations of the Historic Masonic Theatre, a 1905 Beaux-Arts style theatre in downtown Clifton Forge

PARTNERS: Alleghany County

- The Alleghany Foundation
- The Cabell Foundation
- Virginia Department of Housing and Community Development
- Town of Clifton Forge
- Virginia Tourism Corporation
- WestRock

SUPPORT: Includes \$6.3 million in New Markets Tax Credits through People Incorporated and state and federal historic tax credits

People Incorporated works in partnership with business, government, industry, and education to positively impact communities throughout our 32-county Virginia service area. Through these efforts, specific goals for community development are achieved and sustained.

Building Community Assets Through NMTC Funds

People Incorporated is a five-time New Markets Tax Credits (NMTC) Allocatee, which allows People Incorporated to innovate and find new and impactful ways of addressing the effects of poverty in the communities the agency has come to know so well from decades of service. By using NMTCs to raise private investment capital, People Incorporated has been able to bring its community development lending to a new and dramatic scale, and significantly increase the volume, scope, velocity and impact of the investments that we make in predominantly rural low-income communities.

These NMTC investments reflect not only the diverse needs found in communities throughout Appalachia and the southeastern United States, but also a deep understanding of how NMTCs can be used to help communities build on community assets and opportunities to move people and places out of poverty.

Projects such as the Historic Masonic Theatre in Clifton Forge, Virginia (featured at left and above), show how NMTCs can be used to revitalize and breathe new life into struggling economies. Following renovations of over \$12 million, the facility re-opened in July 2016, providing the community with two 21st-century stage venues, meeting space, and a popular coffee shop and lounge.

People Incorporated NMTC projects have generated over \$331 million in investments to support community development efforts in low-income communities, and with the 2016 award of \$65 million in additional NMTC Allocation, this impact will only continue to increase.



Spurring Business Growth



PHOTO COURTESY OF FOX TAIL ORCHARDS

PEOPLE: Matthew and Amy Ratliff

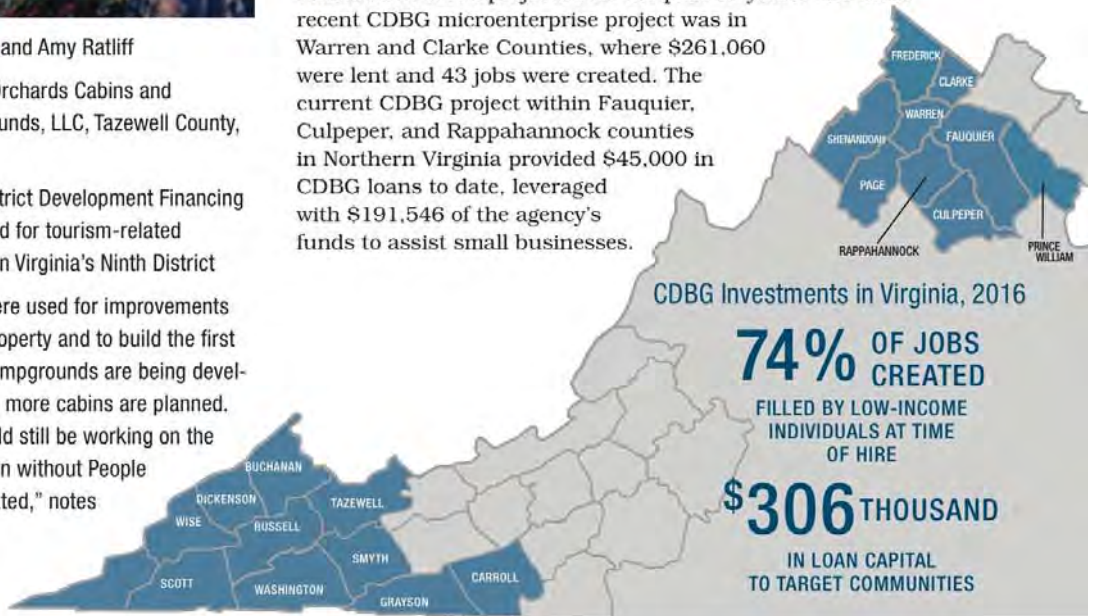
PROJECT: Fox Tail Orchards Cabins and Campgrounds, LLC, Tazewell County, Virginia

PROGRAM: Ninth District Development Financing Loan Fund for tourism-related projects in Virginia's Ninth District

PROCESS: Funds were used for improvements on the property and to build the first cabin. Campgrounds are being developed and more cabins are planned. "We would still be working on the foundation without People Incorporated," notes Matthew.

People Incorporated's revolving loan funds, including Community Development Block Grants and Ninth District Development Financing Loan Funds, provide a foundation for sustainable business growth in underserved or at-risk communities.

People Incorporated is also a steward and manager of Community Development Block Grants (CDBG), provided by the U.S. Department of Housing and Urban Development and the Virginia Department of Housing and Community Development. CDBG funding loaned out by People Incorporated (about \$1.28 million for microenterprise) has consisted of seven projects over the past 18 years. The most recent CDBG microenterprise project was in Warren and Clarke Counties, where \$261,060 were lent and 43 jobs were created. The current CDBG project within Fauquier, Culpeper, and Rappahannock counties in Northern Virginia provided \$45,000 in CDBG loans to date, leveraged with \$191,546 of the agency's funds to assist small businesses.





PEOPLE: Small business owners Christian and Rachel Failmezger

PROJECT: Pave Mint Taphouse and Grill
Pave Mint Food Truck

PROFILE: 25 full time employees
Locally-sourced foods
Microbrews on tap



Building Futures, Realizing Dreams

During 2015–2016, People Incorporated facilitated small business growth by delivering 439 hours of business and financial instruction and financing 11 startups and 13 expansions — collectively maintaining more than 105 jobs. Two of these businesses are profiled here.

NorrisBuilt: Hard Work Brings Fast Growth

“If you dream it we can build it!” is the tag line for NorrisBuilt Fabrication, a welding and fabrication business launched by Ron and Tiffany Norris in Norton, Virginia, in 2014. Now pulling in \$1.2 million in sales annually, it’s hard to believe the company began with just a business plan and a single micro-loan from People Incorporated. In the first nine months of operation, six more rounds of new capital investment were acquired and 12 more employees hired — all due to additional funding support, including two more loans from People Incorporated. In 2015, NorrisBuilt relocated to a 33,000-square-foot building and secured a Virginia Department of Transportation contract to perform repairs and maintenance on equipment throughout Southwest Virginia. The start-up business that began with just two employees in 2014 now boasts 29. “People Incorporated got us started,” Ron claims. “Without that first loan, we wouldn’t be here.”

“Farm to street” food and microbrew: Pave Mint Taphouse and Grill

Two years ago, Rachel and Christian Failmezger approached People Incorporated seeking financial help for opening a bar and grill in an old 1960s gas station located in Front Royal, Virginia. The family business has evolved into a popular “farm to street” restaurant that sources as much of its menu food as possible from local farmers living in the northern Shenandoah Valley, and offers 35 rotating beer taps from breweries across the country. During 2016, People Incorporated again offered support by providing a \$70,000 loan for purchase of a food truck, which allows the couple to serve at local festivals and wineries. Today, Pave Mint has 25 full-time employees.

voices OF OPPORTUNITY



Fredia Davis *Rapid Rehousing Program*

People Incorporated's Homeless Prevention and Rapid Re-Housing program has been a life-saver for many who were teetering on the brink of homelessness in 2016. Fredia Davis and her family were assisted through this program after a fire rendered their home unlivable. The family received help to quickly locate adequate housing, as well as assistance with security deposits and initial rental payments.



Donald and Vickie Tignor *Consumer Loan*

Due to poor credit, Donald and Vickie Tignor were unable to qualify for a loan that would allow them to move their trailer out of a crowded trailer park and onto their own land. Because their granddaughter attended Benham's Head Start (operated by People Incorporated), the Tignors were referred to the Consumer Loan Program. The couple received financial counseling through the program and was eventually awarded a Consumer Loan for purchasing two acres of land in Washington County, Virginia. They recently moved their trailer to the new location and are enjoying life.



Lauren Allison and William Sexton

Homeless Prevention Program

Lauren Allison and William Sexton in Meadowview, Virginia, were in need of housing assistance due to an eviction notice. Through People Incorporated's Homeless Prevention Program, they qualified for assistance with their security deposit and first month's rent. "Without this program, my family and I would not be able to have a home," Lauren declared.

Hear more voices of community at www.peopleinc.net/about-videos.html



"(Project Discovery) really showed me what kind of colleges are out there and what I needed to do while in high school to prepare for college. [Without it] I wouldn't have known what to do. Even now, they still help me ... figuring out what I need to do while in college."

—Krystal Miller, Project Discovery participant

PHOTO: MEGAN POLL

GOAL: PEOPLE MOVE OUT OF POVERTY *Education Brings Opportunity*



PERSON: Kathy Akers

PROGRAM: Dislocated Worker Program, Workforce Development

PARTNERS: Vanguard Furniture

RESULT: Received job-specific training and employment services
Secured stable employment

People Incorporated works with individuals to develop opportunities for education, life skill enhancement, improving health and sustainability, increasing household income and adding educational, business, and property assets. Through these efforts, specific goals for personal growth and individual opportunity are achieved and sustained.

Krystal Miller (pictured above) of Meadowview, Virginia, maintains that engaging in People Incorporated's Project Discovery throughout her four years at Patrick Henry High School was life-changing.

The program, funded by the U.S. Department of Education, allowed Miller to be exposed to empowering workshops, college visits and culturally enriching field trips—all of which inspired her to finish high school and pursue post-secondary opportunities. In May 2016, she completed an associate degree at Virginia Highlands Community College (Abingdon) and is currently pursuing a bachelor's degree at UVA-Wise (Wise, Virginia).

Kathy Akers, featured at left, was recently a beneficiary of the Dislocated Worker Program, through which she was taught new skills after being unexpectedly laid off during 2016. The program, funded through the U.S. Department of Labor, helps individuals who have lost jobs due to no fault of their own to receive specific training that matches existing local labor needs.

Clients increase their educational level

- 33 clients achieved their Adult Basic Education (ABE) or General Education Development GED certificates
- 139 clients achieved post-secondary certificates or diplomas
- 70 Project Discovery youth and 12 Improved Scholars have continued their education



Building Futures, Realizing Dreams



"I thoroughly enjoyed my Read Across America excursion to the Head Start classroom. The children there are gaining important skills for life and learning—and are enjoying a lot of laughter, as well. I predict sunshine and happiness in every Head Start classroom."

—Chris Michaels, WCYB meteorologist

Building Skills for Self-sufficiency



PROGRAM: CHIP (Comprehensive Health Investment Project) Parent Connections

PARTNERS: Parents and children
CHIP of Virginia

RESULT: Each child ages 0–6 and their older siblings are able to secure and benefit from a medical home

CHIP supports parents in their role as their child's first and best teacher

Each child's potential is enhanced

Families receive referrals to other needed services

Through specific programs and opportunities, People Incorporated gives individuals and families the tools and life skills to move out of poverty into independence.

People Incorporated provides learning opportunities for all ages and levels. Several of these—such as Head Start, CHIP (Comprehensive Health Investment Project) for Medicaid-eligible families, Virginia CARES (for ex-offenders), and Project Discovery—are geared specifically to address challenges that often weigh families down for generations.

In Head Start and Early Head Start programs, children prepare for a lifetime of learning through the provision of early childhood education, developmental screenings, health, nutrition, and human services. Their parents learn to support their family's development while reaching their own personal goals such as a GED or higher education. CHIP provides family-centered, in-home counselors to connect families to services, teach parenting skills, and enhance each child's potential.

In Virginia CARES, ex-offenders avoid recidivism through information, referral, counseling and employment assistance. Life skills are also learned through workforce training and development and housing development programs where clients learn budgeting and personal finance, improve their work skills, and connect to employment services.

Clients increase their life skills

- 216 clients increased work skills and competencies
- 622 clients completed budget classes
- 1,563 clients completed business trainings
- 63 clients completed homebuyer classes
- 17 clients completed prepurchase and foreclosure prevention classes





"Without them (People Incorporated), we would still be homeless. They are truly a blessing. . . Thanks to them we have our life back."

—Bernice and Raymond Large,
Rapid Re-housing Program

Bringing stability, health and hope



PHOTO: MEGAN POLLARD

People Incorporated also helps individuals and families avoid homelessness, improve their health and living situations, and learn coping and money management skills.

The Homelessness Prevention and Rapid Re-Housing program is just one of the tools People Incorporated uses to assist those who are teetering on the brink of homelessness. Families like Bernice and Raymond Large (above) receive help to quickly locate housing, as well as assistance with security deposits and initial rental payments.

Sometimes, desperation leads to rescue, notes Patricia Presley (left) of Lebanon, Virginia. "I can't count the ways that People Incorporated has helped me," she said. In April 2016, Presley sought a safe haven through the Domestic Violence Shelter and Outreach Program. There, she was assigned an advocate who helped her obtain immediate legal assistance (to guarantee safety); various kinds of advocacy support (social services, court and housing); and emergency shelter, food, clothing and transportation. While at the shelter, she also received counseling and attended support groups, both of which gave her self-assurance and hope. Now, Presley helps others by volunteering with the program.

CLIENT: Patricia Presley

PROGRAM: Domestic Violence Shelter and Outreach
Rapid Re-Housing

PARTNERS: Virginia DHCD

RESULT: Escaped domestic abuse
Received counseling
Raised self-esteem
Secured stable housing

Clients improve their health and sustainability

- 49 adults obtained healthcare
- 638 children obtained healthcare
- 610 children developed school readiness skills
- 53 children achieved permanent homes
- 623 families maintained safe and affordable housing
- 83 people obtained emergency shelter
- 42 homes were weatherized



Building Futures, Realizing Dreams



"I needed employment assistance. I was able to enroll in Workforce Development training at the People Incorporated Wytheville One-Stop Campus. Thanks to their assistance, I will be able to recertify as a Certified Nurse's Assistant (CNA), and will have a good job I can grow with."

—Melissa Smith, Workforce Development participant

Developing sustainable income and assets

PHOTO: MEGAN POLLARD



PHOTO: KEEN KISAKOW

PERSON: Selina Steele

PROGRAM: Homeownership Program

PARTNERS: USDA Rural Development

Fahe

Virginia Housing Development Authority (VHDA)

RESULT: Permanent housing for Selina and her six grandchildren

Even the best can-do attitude can waver when finances are shaken or jobs disappear. People Incorporated helps clients prepare for work that will provide the income needed for independence—and teaches the skills required to manage that income, acquire personal assets, and plan for the future.

People Incorporated not only helps individuals and families avoid homelessness, but also has a Homeownership Program through which eligible recipients can receive one-on-one homeowner education and housing counseling and access low-interest home loans.

Selina Steele (left) was living in a two-bedroom apartment when life circumstances resulted in her gaining custody of her six grandchildren. She immediately realized that larger living accommodations would be needed and sought help from People Incorporated. After Steele received Homeownership Program counseling, she was able to qualify for a home loan of \$92,897. She located a house near her own workplace and close to her grandchildren's school. "I don't believe it would have been possible had it not been for People Incorporated," Steele maintains.

Clients increase their household income and assets:

- 484 formerly unemployed clients obtained a job
- 832 people participated in 2016 VITA with over \$1.2M in refunds. The funds help clients obtain financial flexibility and return resources into the community.
- 42 consumer loans
- 20 microloans of less than \$50,000 each
- 17 homebuyers
- 13 business expansions



SERVICE AREA AND OFFICE LOCATIONS

ABINGDON OFFICE:
 People Incorporated
 1173 West Main Street
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 WORKFORCE DEVELOPMENT:**
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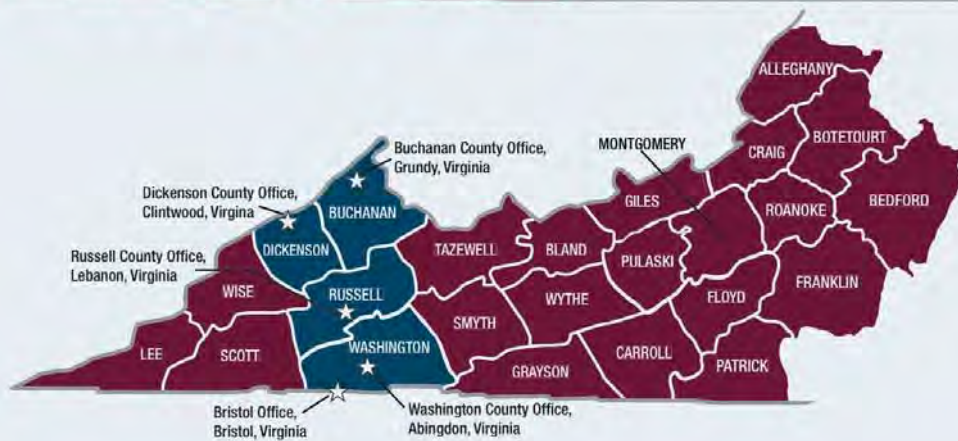
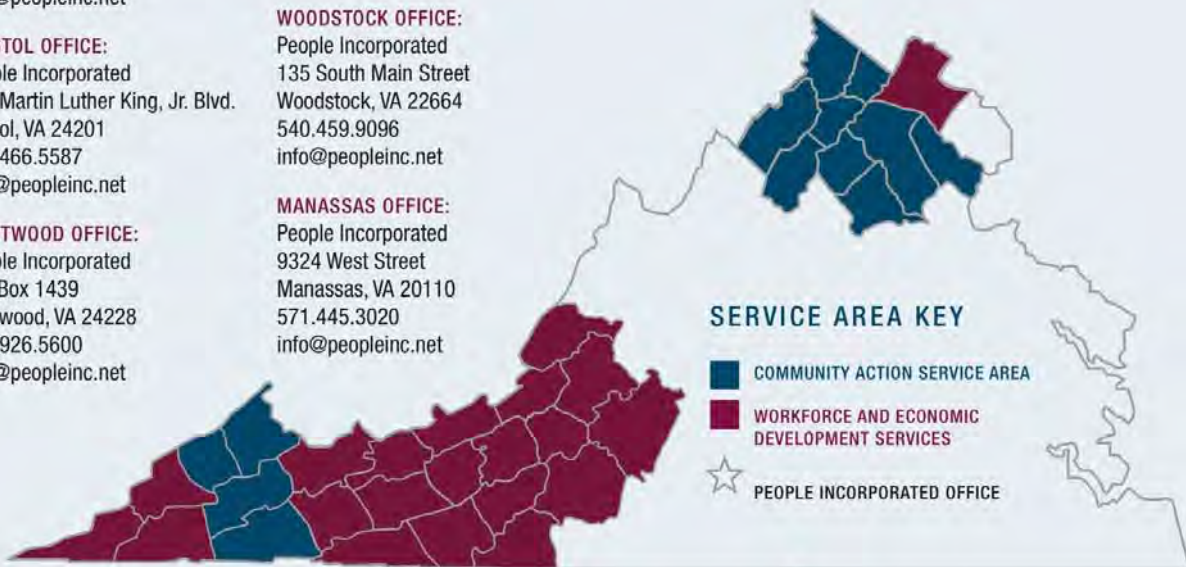
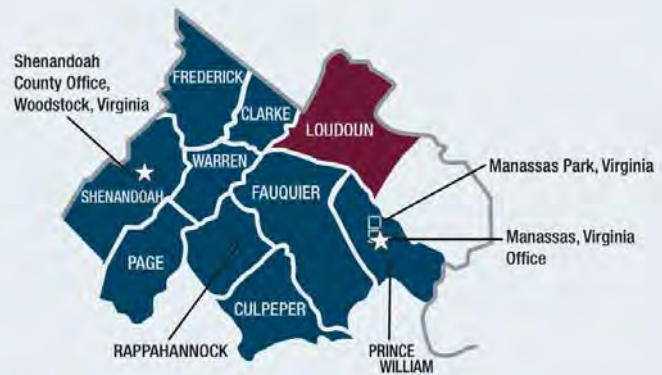
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PROGRAM AREAS AND DESCRIPTIONS

Child and Family Development programs

DICKENSON COUNTY CHILD DEVELOPMENT CENTER Children receive quality care so their parents are free to work or attend school, secure in knowing that their children are properly supervised and provided with child-appropriate activities that enhance their school experiences.

EARLY HEAD START Early Head Start provides center- and home-based education, health, and human services to pregnant women and families with children up to age three. Prenatal care and birth outcomes of pregnant women are improved and parents are more emotionally supportive of their children. Developmental and behavioral issues are identified early so that parents can understand how to address them and care for their children appropriately.

HEAD START Children ages three to five are better prepared to enter kindergarten through the provision of early childhood education, developmental screenings, health, nutrition, and human services. Their parents learn to support their family's development while reaching their own personal goals such as a GED or higher education.



HEAD START AND EARLY HEAD START FINANCIAL INFORMATION

FUNDING SOURCES

FEDERAL FUNDING	\$ 4,414,733
LOCAL FUNDING	\$ 22,645
TOTAL	\$ 4,437,378

EXPENDITURES AND BUDGET

Budget Category	2015-2016 Actual (%)*	2016-2017 Proposed (%)
Personnel	50.0%	50.0%
Fringe Benefits	25.0%	25.0%
Travel	<1.0%	<1.0%
Equipment	0.0%	0.0%
Supplies	2.0%	2.0%
Contractual	0.0%	0.0%
Other	23.0%	23.0%
Total	100.0%	100.0%

* 2015-2016 actual is based on Head Start and Early Head Start funds for the budget period 12/01/16 through 6/30/16.

CHILD AND FAMILY DEVELOPMENT OUTCOMES

351 children were served in Head Start and **181 children** were served in Early Head Start.

The program served **492 families**.

Average monthly enrollment for Head Start was 105% and Early Head Start was 104% of funded enrollment.

91% of Head Start children met income eligibility requirements and **92% of the Early Head Start children** met income eligibility requirements, which includes 100-130% of poverty level.

100% of the children in Head Start and Early Head Start received medical and dental exams.



15% of the children in Head Start and **13%** in Early Head Start have been diagnosed with developmental disabilities.

20 parents held a seat or served as an alternate on the policy council. Three of these were fathers.

2 parents served on the People Incorporated **Board of Directors**.

113 families set goals for themselves and achieved them.

494 parents and former parents of enrolled children provided **34,239 hours** of volunteer service and contributed \$456,904.54 toward non-federal share.

318 community volunteers and businesses donated **4,720 hours** of their time and provided services and discounts to benefit children and families.



FAMILY ENGAGEMENT ACTIVITIES

The Child and Family Development Program provides opportunities for families to become engaged in their child’s education by encouraging them to volunteer in their child’s classroom, and to set educational goals for their child with their child’s teacher. Through parent committee activities at each site, parents have the opportunity to assist staff in planning Family Engagement Events and educational field trips. Each parent committee elects two representatives to serve on the program’s policy council. Families are offered a variety of opportunities to attend training sessions that will enhance skills they possess, gain new skills and to increase social capital. Participation in these groups and in the classroom provides a venue for parents to build upon leadership and advocacy skills. In 2016 these included, but were not limited to:



- 381 parents and former parents of enrolled children volunteered 26,519 hours in their child’s classroom/Home Based Visits, at Group Socialization and in completion of Take-Home activities
- 146 fathers participated in a family assessment process
- 113 fathers participated in the family goal setting process
- 170 fathers participated in child development experiences for their child including home visits and parent-teacher conferences
- 84 fathers participated in parenting education workshops



The Abingdon Parent Committee helps the program staff plan activities.



KINDERGARTEN READINESS

Head Start children are assessed three times during the school year using Teaching Strategies GOLD, a research based online assessment tool, to monitor individual progress in the developmental areas of Social, Emotional, Physical, Language, Literacy, Cognitive and Mathematics. Working together, teachers and families use the results to develop individualized education strategies to prepare each child for kindergarten. Early Head Start children are assessed four times per year and also receive individualized instruction to support their transition to Head Start. Also, children who are going to kindergarten are screened using the Pre-K PALS Assessment tool three times within a school year. It measures the child’s knowledge of important emergent literacy fundamentals including: name writing, alphabet knowledge, beginning sound awareness, print and word awareness, rhyme awareness, and nursery rhyme awareness.

The program was not reviewed by the office of Head Start during the 2015–2016 fiscal year.

PROGRAM AREAS AND DESCRIPTIONS, *continued*

Community Economic Development programs

BUSINESS LOAN SERVICES Access to capital for microenterprise and small business loans ensures that qualified business owners have the financing they need to grow their business to its full potential and create jobs.

TECHNICAL ASSISTANCE AND TRAINING Small business owners who receive technical assistance or attend business training workshops are better prepared to succeed in business and to strengthen their balance sheet.

CONSUMER LENDING The program offers an affordable alternative to payday and title lenders and provides access to credit counseling and financial literacy training to help borrowers get their finances back on track.

INDIVIDUAL DEVELOPMENT ACCOUNTS (IDA)
IDAs facilitate a pattern of regular savings for modest income working families using matching funds. Clients build assets and long-term economic security.

NINTH DISTRICT DEVELOPMENT FINANCING (NDDF)
Local economies are enhanced through this specialty loan program that enables tourism-based business owners to start or expand their businesses with below market rate financing in the Ninth Congressional District of Virginia.

NEW MARKETS TAX CREDITS The New Markets Tax Credits program attracts private investment to community development projects in low-income communities by offering tax credits to investors in return for qualified equity investments. The funds finance high impact businesses that create jobs and build opportunities and economic growth in low-income communities.

PHOTO COURTESY OF KNAUF INSULATION



New Markets Tax Credits projects in fiscal year 2016 included expansion of Knauf Insulation in Lantnet, Alabama, creating 108 new well-paying jobs.



PHOTO: MEGAN POLLARD

COMMUNITY ECONOMIC DEVELOPMENT OUTCOMES

9 Individual Development Account clients are saving to reach their savings goal. One client purchased a home, one pursued secondary education, and three expanded their business.

33 loans totaling **\$6,495,270** have been lent out by Ninth District Development Financing since inception.

3 Ninth District Development Financing loans were **paid in full** in the fiscal year.

24 new multi-funded loans, with an average loan amount of **\$34,403** were made for a total of **\$825,678** dollars loaned.

13 businesses **expanded** due to assistance provided by People Incorporated Financial Services.

11 business start-ups were assisted by People Incorporated Financial Services.

26 business loans were **repaid in full** to People Incorporated Financial Services.

105 jobs were created or retained as a result of community economic development program activities.

1,936 participants trained in financial literacy, microenterprise, or received one-on-one technical assistance through People Incorporated Financial Services.

39 Financial (Budget/Credit Counseling) trainings and **70** one-on-one credit counseling sessions were held with **373 attendees**.

42 consumer loans were issued, totaling **\$263,428**.



Workforce Development programs



Vanguard Furniture's workforce includes Youth and Adult Workforce Development trainees and graduates.

WYTHEVILLE ONE-STOP CAMPUS As a Virginia Workforce Center, the One-Stop Campus provides a variety of employment, training, and career education services to job seekers, workers, employers, and youth.

DISLOCATED WORKER PROGRAM Dislocated workers, unemployed through no fault of their own or who have received an official layoff notice, find employment through job training and employment services. Participants upgrade skills, obtain employment, improve job retention, and increase earnings.

ADULT PROGRAM Adult programs are designed to meet employer needs by helping job seekers upgrade skills, obtain employment, improve job retention, and increase earnings.

YOUTH PROGRAM Youth programs provide eligible youth assistance in achieving academic and employment success. Effective and comprehensive activities, which include a variety of options for improving educational and skill competencies, provide effective connections to employers.

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WORKFORCE DEVELOPMENT OUTCOMES

61 adults attained gainful employment as a result of assistance garnered through adult workforce development programs, and **83%** reported retaining his or her job.

79% of individuals who exited the program completed training to **advance job skills**.

69 youth who exited a program attained **gainful employment** as a result of help received through youth workforce development activities.

62 youth who exited the program received vocational training leading to a **certification or diploma**.

208 youth exhibited new or improved **job skills** and/or advanced his or her education as a result of participation in **employment-focused training** and activities.

306 individuals who had become unemployed through no fault of their own received training and employment counseling services through the **Dislocated Worker Program**.

The Dislocated Worker Program **enabled 111 individuals** to obtain employment after furthering their education or receiving skills training.

81% of adults who exited the Dislocated Worker Program received training to **advance job skills**.

PROGRAM AREAS AND DESCRIPTIONS, *continued*

Housing Development programs

HOMELESS PREVENTION AND RAPID RE-HOUSING This program provides a variety of assistance that includes short-term or medium-term rental assistance, housing relocation, and stabilization services.

KINGS MOUNTAIN SUPPORTIVE HOUSING Chronically homeless men with disabilities receive housing and supportive services so they can move toward self-sufficiency. Services include job training, transportation, and assistance with mental health care and substance abuse counseling.

HOME OWNERSHIP Low- and moderate-income families receive one-on-one or group homeowner education and housing counseling services, including foreclosure prevention counseling. Down payment assistance is also provided to eligible individuals and families for homeownership.



PHOTO: MEGAN POLLARD

AFFORDABLE RENTAL HOUSING

A total of 578 units, consisting of one, two, and three bedroom apartments with affordable rents, are available to seniors, individuals, and families located throughout Virginia.

SECTION 8 RENTAL ASSISTANCE

Rental assistance payments are available in Washington County for privately owned, scattered site existing housing.

WEATHERIZATION

Eligible households receive energy audits and housing improvements including insulation, window and door upgrades, and heating system repairs that increase energy efficiency and safety.



PHOTO: MEGAN POLLARD

HOUSING DEVELOPMENT OUTCOMES

The Homeownership program assisted **17 families** in becoming homeowners.

140 clients were provided **housing counseling services** for assistance with buying a home, repairing credit issues, mortgage default counseling, and reverse mortgage details. 46 clients were assisted with foreclosure prevention counseling.

802 low- to moderate-income individuals resided in People Incorporated's **affordable rental housing** complexes.

15 chronically homeless men obtained **Permanent Supportive Housing** at King's Mountain in Bristol.

187 low-income individuals obtained safe, affordable housing through **rental assistance** that fills the gap between the housing cost and the amount that the household can afford.

Weatherization repairs on **42** homes **improved living conditions** and **reduced energy bills** for 85 individuals.

Housing rehabilitation programs completed funding and construction management services to **34** individuals in **8 households** to complete general housing renovations.



Community Services programs

COMPREHENSIVE HEALTH INVESTMENT PROJECT

(CHIP) Families with children improve their self-sufficiency by reaching self-identified goals that strengthen the family unit. CHIP strives to help parents provide an environment where children grow up healthy, safe and ready to learn.



PHOTO: MEGAN POLLARD

COURT APPOINTED SPECIAL ADVOCATE (CASA)

Abused and neglected children obtain safe, permanent homes with the assistance of a court assigned volunteer to represent the child's best interest. Children represented by CASA are less likely to spend time in long-term foster care and less likely to re-enter foster care.

DOMESTIC VIOLENCE PROGRAM Survivors of domestic abuse or sexual assault achieve safety and independence as they receive housing and supportive assistance. The program provides 24-hour hotline service, temporary emergency shelter, referrals, support groups, transportation, and court advocacy for survivors of violence and sexual assault.

EARNED INCOME TAX CREDIT OUTREACH PROGRAM Individuals and families are assisted to claim all eligible tax credits through free federal income tax preparation and electronic filing to maximize refunds.

IMPROVING SCHOLARS At-risk middle and high school students are kept on the path toward academic and career goals with weekly guidance that improves their scholastic performance and helps them avoid delinquent behaviors.

PROJECT DISCOVERY Low-income high school students and potential first generation college students increase their chances of attending and succeeding in college by participating in this college access program. It provides workshops, leadership activities, and college campus visits.

RETIRED SENIOR VOLUNTEER PROGRAM (RSVP) The RSVP Home Visitor service is a unique volunteer opportunity for individuals age 55 and over to use their skills and experience to enhance the lives of homebound seniors and adults with disabilities.

VIRGINIA COMMUNITY ACTION RE-ENTRY SYSTEM (CARES)

Ex-offenders are assisted with the transition from state prison to life in the community by receiving supportive services including: information, referral, counseling and employment assistance.

WASHINGTON COUNTY FREE DENTAL CLINIC Community dentists volunteer and provide tooth extractions for low-income individuals. This program is only available in Washington County.

COMMUNITY SERVICES OUTCOMES

240 victims of domestic violence and/or sexual assault were assisted and **154** were provided with **court advocacy** services through the Domestic Violence program.

A total of **4,159 nights** of emergency shelter were provided to **83 adults and children**, all facing homelessness because of domestic violence.

98 children were provided with an advocate through the CASA program.

98 eligible adults received **dental care** at the free Dental Clinic.

832 residents had income tax returns completed by 16 volunteers. Filers saved approximately **\$166,400** in professional tax preparation fees, and 200 residents claimed a total of **\$266,312** in Earned Income Tax Credit. The volunteers' services had a total economic impact of **\$1,407,723**.

335 returning citizens benefited from services provided through Virginia CARES.

100% of students in the Improving Scholars program improved their performance in school.

70 high school students learned about the benefits of higher education through Project Discovery; **5** students graduated, **5** enrolled in college and **ONE** entered the military.

10 retired and senior volunteers were trained and **5 homebound seniors** were provided with companionship through the Retired and Senior Volunteer Program (RSVP).

CHIP helped 112 families including **170 children**, birth to age six, improve their health and quality of life.

FUNDING PARTNERS

Advantage Capital Partners
 APCO Weatherization Services
 Abingdon Green Apartments, LLC
 Abingdon Terrace Apartments, LLC
 Abingdon Village Apartments, LLC
 Appalachian Markets Capital Investment Fund, LLC
 Appalachian Regional Coalition to End Homelessness
 Bristol, VA
 CHIP of Virginia
 Clinch View Manor, LLC
 Continental Tire Sumter, LLC
 Corporation for National and Community Service
 Dante Housing, LLC
 Deskins Apartments, LLC
 Deutsche Bank
 Dickenson County, VA
 Fauquier County, VA
 Fahe
 Federal Emergency Management Agency
 Federal Home Loan Bank of Atlanta
 Health Resources and Services Administration

Historic Masonic Theatre, LLC
 Individual Donors
 Jonesville Manor Apartments, LLC
 Knauf Insulation, Inc.
 LowCountry BioMass, LLC
 Morgan County Real Properties I, Inc
 Morgan County Real Properties II, Inc.
 Neighborworks America
 New River/Mount Rogers Workforce Investment Board
 Ninth District Development Financing, Inc.
 Norton Green Apartments, LLC
 Opportunity Finance Network
 PFWV, LLC
 Project Discovery of Virginia
 Pulaski Village Apartments, LLC
 Riverside Place Apartments, LLC
 Round the Mountain
 Rural New Markets Fund, LLC
 SkyPAC Tenant, Inc.
 Sweetbriar, LP
 Tazewell County, VA
 Town of Haysi, VA
 Southwest Virginia Legal Aid

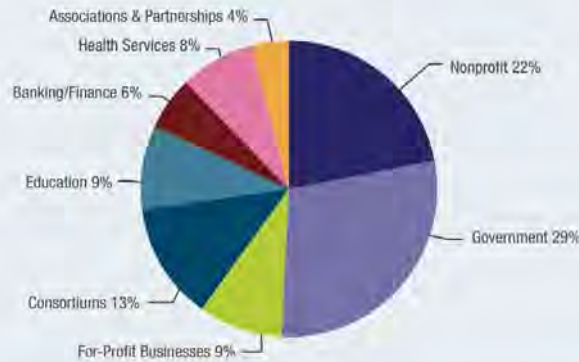
Southwest Virginia Workforce Development Board
 Spruce Hill Apartments, LLC
 Tobacco Region Revitalization Commission
 Toms Brook Apartments, LLC
 UC Real Properties, Inc.
 U.S. Department of Agriculture
 U.S. Department of Criminal Justice Services

Total Volunteer hours 2016
84,634

U.S. Department of Energy
 U.S. Department of Health and Human Services
 U.S. Department of Housing and Community Development
 U.S. Department of Housing and Urban Development
 U.S. Department of Treasury
 U.S. Small Business Administration
 Valley Vista Apartments, LLC
 Virginia Community Action Re-entry Solutions, Inc.
 Virginia Community Action Partnership
 Virginia Department of Health
 Virginia Department of Housing and Community Development
 Virginia Department of Social Services
 Virginia Housing Development Authority
 Internal Revenue Service
 Warren County, VA
 Washington County, VA
 West Lance Apartments, LLC
 Whites Mill Point Apartments, LLC

Partnerships

People Incorporated works in partnership with business, government, industry, and educational institutions to positively impact communities throughout the service area.



**People Incorporated of Virginia
2016 Board of Directors**

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Buchanan County, Chair

David McCracken,
Washington County, Vice Chair

Alice Meade,
Russell County, Secretary

Vicki Porter,
*Russell County,
Assistant Secretary*

John Ayers,
Shenandoah County, Treasurer

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City of Bristol

Tommy Burris, *City of Bristol*

Tony Carter, *Warren County*

Ronald King, *City of Manassas*

Dennis Morris,
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Jan Selbo, *Fauquier County*

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Elijah Johnson, Randi Knights,

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Phillip McCall, G. David Moore, Jr.,

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Lisa Peacock, Rebecca Pippin,
James E. Runion III,

Doris C. Shuman, Kati Statzer,
Danny Swartz, Billy P. Taylor,

Larry H. Tiller, Alexandria Tristan,
Larry D. Yates, Cathy M. Zielinski

A MESSAGE FROM THE BOARD OF DIRECTORS

Accountability and Results:

People Incorporated is a dynamic organization with an important mission and responsibility to give disadvantaged people and communities hope for better futures. As a board of directors, we represent the views and interests of the 16 counties and cities that the agency serves throughout the Commonwealth, and carry the responsibility of assuring that People Incorporated has the resources, focus, and leadership to continue achieving the standard of excellence that has become such an important part of the agency's legacy.

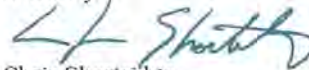
In 2016 we achieved an important milestone by becoming the first organization in Virginia to fully meet the 56 organizational performance standards recently established for Community Action Agencies by the U.S. Department of Health and Human Services. While this is an important first step, we as a board understand that meeting minimum standards does not equate to excellence, and this is why we will continue our work preparing the agency to cope with uncertain times, and expanding programs and services with an unswerving focus on outcomes and increased accountability to the clients and communities that we serve.

In an ever-changing political and funding environment, People Incorporated's ability to continue building on its success and impact is largely dependent upon its innovation and effectiveness in making sustainable changes for low-income people and communities. The question that lies before us is not whether People Incorporated is capable of doing good works—this is made clear in the client stories and program outcomes that appear throughout this report. We are pursuing a broader question; one that seeks to determine how we can become more effective as an organization in moving people and places out of poverty. Are the successes that we are able to bring about truly effective in making change that is sustainable over the long term? Do we make the greatest possible difference for the communities that we serve?

These are difficult questions and will require that we enhance our ability to demonstrate how we effectively meet the comprehensive needs of our clients, capture and analyze client outcomes data, and to follow-up with our clients to see how they are doing after they exit from our programs. People Incorporated has never been satisfied with just maintaining the status quo. We strive not for mere compliance and doing a "good enough" job, we strive for excellence....This is the only standard that is worthy of the people and places that put their trust in us to make a difference.

Looking back at 2016, we celebrate our successes, especially for the clients and communities that worked tirelessly to make positive, transformative changes. And it is in this spirit that we will continue to work on making the internal changes necessary to better demonstrate our impact and improve our effectiveness.

Sincerely,



Chris Shortridge
*Chairman, Board of Directors
People Incorporated of Virginia*



INDEPENDENT AUDITOR'S REPORT *October 21, 2016*

TO THE BOARD OF DIRECTORS, PEOPLE INCORPORATED OF VIRGINIA, ABINGDON, VIRGINIA

**Hicok, Fern &
Company**Certified Public
Accountants*Thomas M. Hicok,*
CPA, CVA, MAFF¹,^{2*}*James H. Fern, CPA, CVA^{2*}**David B. Brown, CPA**Juan J. Garcia, CPA**Karen L. Jackson, CPA**Rodney P. Jackson, CPA^{2*}*155 E. Valley Street
P.O. Box 821
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*Members of American
Institute of Certified
Public Accountants**Members of
Virginia Society of Certified
Public Accountants**All Accountants Licensed In Virginia
With Additional Licensures Noted:
KY; NC; TN; WV***Members of National Association of
Certified Valuation Analysts*A complete copy of our
audited financial statements is
available at www.peopleinc.net
or upon request**Report on Compliance for Each Major Federal Program**

We have audited People Incorporated of Virginia and Affiliates' compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of People Incorporated of Virginia and Affiliates' major federal programs for the year ended June 30, 2016. People Incorporated of Virginia and Affiliates' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of People Incorporated of Virginia and Affiliates' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about People Incorporated of Virginia and Affiliates' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of People Incorporated of Virginia and Affiliates' compliance.

Opinion on Each Major Federal Program

In our opinion, People Incorporated of Virginia and Affiliates, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

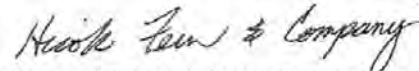
Report on Internal Control Over Compliance

Management of People Incorporated of Virginia and Affiliates is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered People Incorporated of Virginia and Affiliates' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the uniform guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of People Incorporated of Virginia and Affiliates' internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



HICOK, FERN & COMPANY, CERTIFIED PUBLIC ACCOUNTANTS, October 21, 2016

People Incorporated Annual Report 2016

STATEMENT OF CONSOLIDATED FINANCIAL POSITION For June 30, 2016

		Total
ASSETS		
Current Assets		
Cash and cash equivalents	\$	1,520,002
Vacation trust account		179,880
Receivables:		
Grants		1,522,666
Clients		138,820
Contracts		954,626
Rents, Interest, and Other (net of allowance of \$11,399)		43,090
Related Party		2,079,750
Inventory		60,929
Prepaid expenses		236,745
Other current assets		9,414
Total Current Assets	\$	5,791,296
Long-term Assets:		
Notes receivable (Net of allowance for bad debts of \$54,141)		3,259,753
Notes receivable - related party		5,093,877
Property, plant, & equipment		25,673,683
Accumulated depreciation		(7,449,237)
Total Long-term Assets		26,578,076
Other Assets:		
Deferred Developer Fees		3,057,530
Investments		577,061
Total Other Assets		3,634,591
Total Assets	\$	36,003,963
LIABILITIES & NET ASSETS		
Current Liabilities:		
Accounts payable	\$	222,474
Accrued expenses		615,319
Deferred revenue		343,657
Retainage Payable		82,635
Refundable deposits		1,291,079
Lines of Credit		209,705
Lease obligations payable - current		43,945
Notes payable - current		496,949
Total Current Liabilities	\$	3,305,763
Long-term Liabilities:		
Compensated absences		1,545,441
Lease obligations payable - net of current		19,122
Notes payable - net of current		3,234,121
Total Long-term Liabilities		4,798,684
Other Liabilities:		
Deferred Developer Fees		3,057,530
Total Other Liabilities		3,057,530
Total Liabilities	\$	11,161,977
NET ASSETS		
Unrestricted		7,670,995
Temporarily restricted		17,170,991
Total Net Assets		24,841,986
Total Liabilities & Net Assets	\$	36,003,963

A complete copy of our audited financial statements is available at www.peopleinc.net or upon request.

STATEMENT OF CONSOLIDATED ACTIVITIES

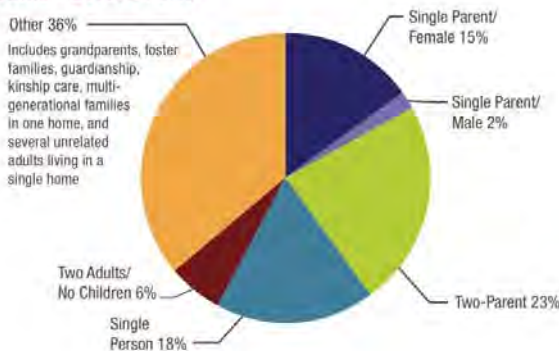
For the year ended June 30, 2016

REVENUES	Unrestricted	Temporarily Restricted	Total
Grants	\$ 1,134,019	\$ 9,557,716	\$ 10,691,735
Other	2,146,496	-	2,146,496
Interest	65,796	137,308	203,104
Contributions	12,737	-	12,737
In-Kind	225,785	-	225,785
Net assets released from restrictions:			
Satisfaction of program restrictions	9,989,736	(9,989,736)	-
Total Revenues	13,574,569	(294,712)	13,279,857
EXPENSES			
Program Services			
Community Services	1,373,228	-	1,373,228
Community Development	523,029	-	523,029
Community Economic Development	752,427	-	752,427
Children & Family Services	4,729,899	-	4,729,899
Housing	2,142,386	-	2,142,386
Workforce Development	1,842,780	-	1,842,780
Support Services			
General and Administrative	1,546,394	-	1,546,394
Fundraising	385,086	-	385,086
Total Expenses	13,295,229	-	13,295,229
Change in Net Assets	279,340	(294,712)	(15,372)
Net Assets At Beginning of Year	7,391,655	17,465,703	24,857,358
Net Assets At End of Year	\$ 7,670,995	\$ 17,170,991	\$ 24,841,986

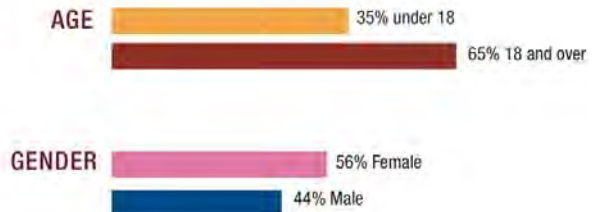
A complete copy of our audited financial statements is available at www.peopleinc.net or upon request.

CLIENT PROFILE FY2016 For the year ended June 30, 2016

FAMILY STRUCTURE

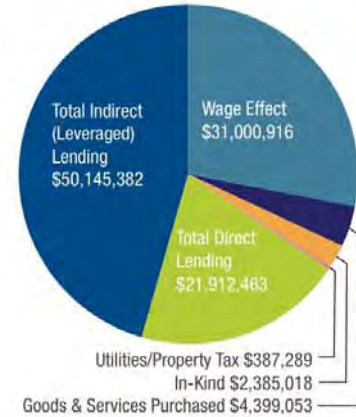


CLIENT PROFILE



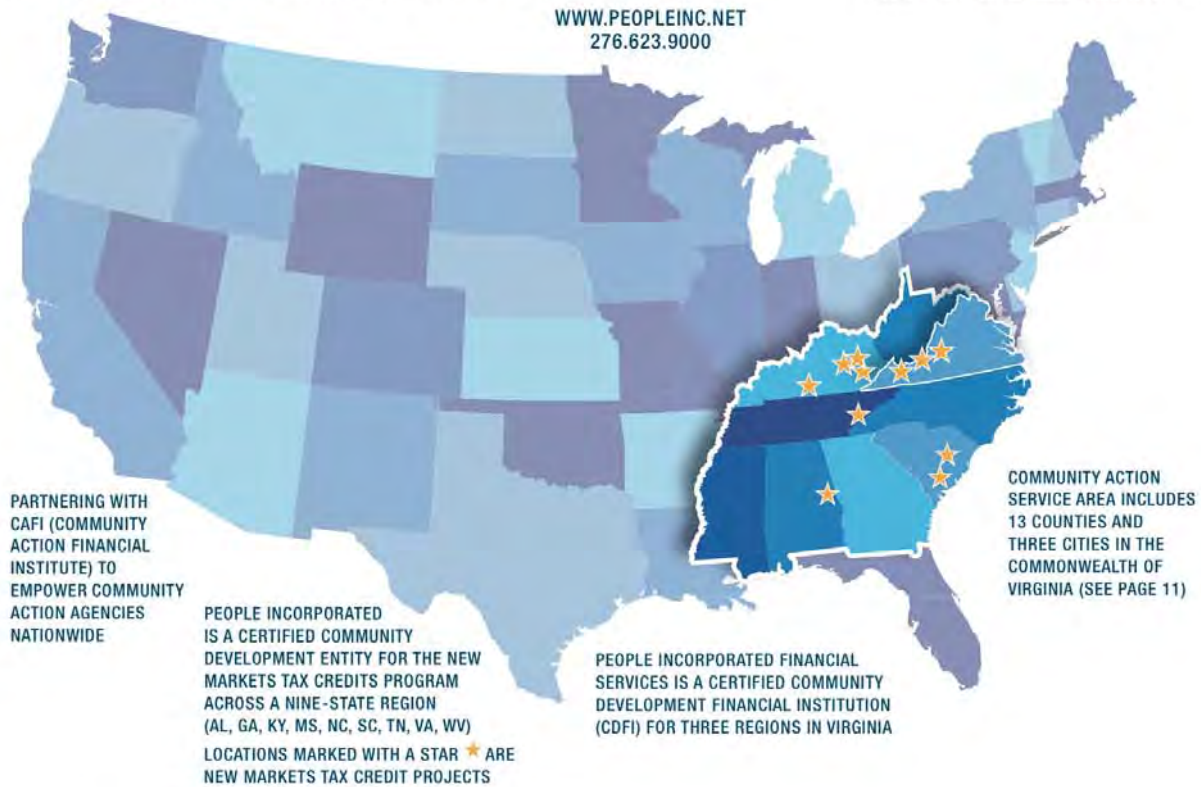
ANNUAL ECONOMIC IMPACT *Total, Fiscal Year 2016*

Wage Effect \$ 31,000,916	Utilities/Property Tax \$ 387,289	Total Economic Impact \$ 110,230,121
Goods and Services Purchased \$ 4,399,053	Total Direct Lending \$ 21,912,463	
In-Kind \$ 2,385,018	Total Indirect (Leveraged) Lending \$ 50,145,382	



NATIONAL AND REGIONAL IMPACT

People Incorporated excitedly anticipates expanding our ability to meet our mission regionally and nationally as we continue to provide opportunities for economically disadvantaged people to reach their goals in order to enhance their lives, their families and their communities.



Building Futures, Realizing Dreams

OUR PHILOSOPHY

Every person needs support from others. People Incorporated promotes the dignity of individuals and families, moves people into the economic mainstream, and works to develop existing strengths and resources within communities. All of our efforts are directed by the concerns, hopes, needs and dreams of the people we serve.

OUR MISSION

To provide opportunities for economically disadvantaged people to reach their goals in order to enhance their lives, their families, and their communities.

THE COMMUNITY ACTION PROMISE

Community Action changes people's lives, embodies the spirit of hope, improves communities, and makes America a better place to live. We care about the entire community, and we are dedicated to helping people help themselves and each other.

Scan this QR code to donate with credit card through PayPal, or visit www.peopleinc.net/volunteer-donate.htm



COVER PHOTO OF HISTORIC MASONIC THEATRE, CHUCK ALMAREZ; HEAD START COVER PHOTO, MEGAN POLLARD



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Clarke County Economic Development and Tourism
Monthly Report, July 10, 2017

There were several discussions this week with local businesses that are being forced to move, but want to stay in Clarke County and several businesses that are looking to establish a location in Clarke County. As these progress, we will be keeping everyone on the Board apprised of the situation.

Recently, I participated in a 1.5 hour web seminar hosted by VEDP. The new CEO Stephen Moret presented the state of VEDP and the goals for the future. I have a slide show presentation that goes into detail that I would be happy to share with anyone interested.

VEDP is under new direction and leadership both from within and from the legislature with new controls and monitoring. VEDP is positioning itself to get Virginia back to 2009 when it was either the Number One or a close Number Two Best State to do business in. They have also developed programs in conjunction with GoVirginia to promote the more rural locations and try to bring job parity. There are some budget constraints to moving ahead quickly, but they seem to have a well thought out plan and are reaching out to regional and local economic development people more than ever before.

I will be attending a GoVirginia Focus Group on July 24th in Weyers Cave.

We will be having a County sponsored Booth at the Clarke County Fair. The purpose of the booth is to help educate people about the Economic Development and Tourism efforts in the County and how this will help businesses and local residents as well.

We are a new member of the Shenandoah Valley Spirit Trail. The Trail was awarded a \$22,000 Grant from the Virginia Wine Board. A second marketing leverage grant for \$25,000 is pending with the Virginia Tourism Corporation. This will help promote all of the breweries, wineries and farm based distilleries in the Valley and will have a positive impact on the three wineries in Clarke County. Additionally, being a member will get the Clarke County name in a number of new places and let interested parties know that we are open for business for Farm Based Breweries and Farm Based Distilleries. We are working with one local farm now that has a strong interest in developing a farm based distillery here in Clarke County. I am meeting tomorrow with the farm owner and Bobby Boyce from VDOT to start to look at any change in frontage requirements.

We had a meeting last week with interested agricultural investors and have been doing research on the company and on the process that they intend to implement. This is planned to be a large hydroponics lettuce operation. They are presently getting ready to have engineering due diligence on the farm to study suitability for construction of the green house required and the availability of water. I have had ongoing discussions with VEDP and VDACS regarding this opportunity. We are now waiting for the potential business to take the next step. They are an agricultural operation so they should have the right to grow lettuce using hydroponics methods. They understand that if they are not primarily growing produce then there can be no warehouse or shipping operations on the land.

I have spoken to several businesses that want to stay in the area, but are concerned with maintaining their space. We discussed several possibilities and I will continue to be involved. I have nominated one company, C2m for the new Economic Development Gardening Initiative. I recently met with Richard Ferguson of the Top of Virginia Chamber and discussed a variety of topics important to Clarke County. The Chamber is looking to reach out to businesses in Clarke County to provide new services and support. A primary focus of our discussion was job retention. It is a problem now, and

with Amazon and Proctor and Gamble opening in Frederick the problem will increase. We also talked about job training and certifications including the high school and community colleges.

I recently received a communication from the state regarding their seeing an increase in interest in food processing facilities with a chiller and open area. I have referred the Berryville and Clarke County properties that meet these needs.

We continue to promote tourism through a variety of social media postings as well as membership in several tourism focused regional groups.