

4 Economic Analysis

4.1 Introduction

By evaluating the local economy and employment trends, factors may be identified which influence population growth and provide some basis for policy changes by the governing body. Economic expansion or changes in the economic structure of a community trigger the conversion of land to new uses and in turn creates the need for new public facilities and services. Understanding these dynamic forces is therefore a prerequisite for land use planning.

4.2 Civilian Labor Force, Unemployment Rate, and Wages

The civilian labor force defined is all people aged sixteen or more who are able to work and are neither in the military nor institutionalized. As cited from the Virginia Employment Commission, the civilian labor force of Northampton County as of January 2006 consisted of 5,848 people. Of those, 5,560 were employed and 288 were unemployed. This equates to an unemployment rate of 4.9%. In April 2000, the civilian labor force was 5,329. The number of employed in April 2000 was 5,132 and 197 unemployed, which was an unemployment rate of 3.7%, which many economists consider virtual full employment. In the third quarter of 2005, VEC reports 6,708 working employees in the county, not counting those employed in education services, utilities or private sector management. This indicates the possibility of more than 1,500 more employees working in the county than the number of available workers in the county workforce. The construction, hospitality, resort maintenance and health care industries depend, to some extent, on imported workers.

The average weekly wage for Northampton County in the 3rd quarter of 2005 was \$477. This would be equivalent to \$11.93 per hour or \$24,804 annually, assuming a 40-hour week was worked the year round. The Virginia statewide average weekly wage for the same time period was \$815 or equivalent to \$20.38 hourly and \$42,380 annually.

4.3 Major Industries

The total number of employees working in Northampton County in 2005 was 6,708. The largest major industry sector was Agriculture, Forestry, Fishing & Hunting with 32%. That was followed by Health Care & Social Assistance with 15% and Retail Trade (44 & 45) with 9%. Table 4.3 shows the major industries in Northampton County with the number of establishments in each industry sector, the number of employees in each sector and each sector's percentage of the total number of people working in Northampton County. The data is from the Virginia Employment Commission for the 3rd quarter 2005 time period. Chart 4.3 shows each sector's portion of the total number of people working in Northampton County.

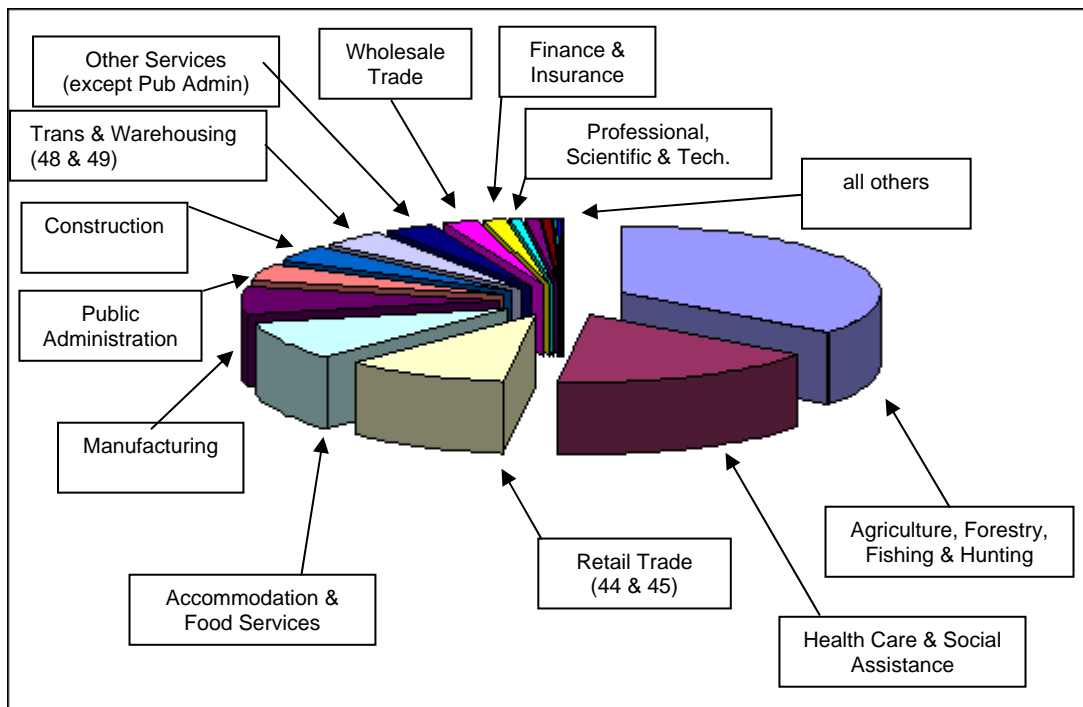
Table 4.3
 Major Industries, 2005, 3rd Quarter Time Period
 Northampton County, Virginia

Industry Group	Establishments	Employees	Approx. %
Agriculture, Forestry, Fishing & Hunting	33	2,156	32.1
Health Care and Social Assistance	33	1,001	14.9
Retail Trade (44 & 45)	71	630	9.4
Accommodation and Food Services	32	583	8.7
Manufacturing (31-33)	11	400	6.0
Public Administration	21	279	4.2
Construction	60	237	3.5
Transportation and Warehousing (48 & 49)	12	235	3.5
Other Services (except Public Admin.)	43	189	2.8
Wholesale Trade	14	124	1.8
Finance and Insurance	16	86	1.3
Professional, Scientific & Technical Svc.	22	54	0.8
Real Estate and Rental and Leasing	14	52	0.8
Arts, Entertainment, and Recreation	4	32	0.5
Admin., Support, Waste Mgmt, Remediation	3	19	0.3
Information	3	14	0.2
Education Services	*	*	*
Utilities	*	*	*
Management of Companies and Enterprises	*	*	*
Total Employed		6,708	

Source: Virginia Employment Commission, 2005, 3rd quarter data

* Confidential, numbers not large enough to avoid confidentiality breach

Chart 4.3
 Major Industries
 Northampton County, Virginia



Source: Virginia Employment Commission, 2005, 3rd quarter data
 * Excludes the three industries listed as confidential in Table 4.3

4.4 Agriculture

According to the 2002 Census of Agriculture, there were 187 farms in Northampton County in 2002. That figure was up 14% from 164 farms in 1997. The amount of acreage in farmland in 2002 was 52,459 acres. That figure was down 9% from 1997. The average farm size was 281 acres in 2002, which was down 20% from 350 acres in 1997.

The market value of production in 2002 was \$44,192,000, which was up 14% from the 1997 amount of \$38,751,000. Crop sales accounted for \$32,949,000 of the total and livestock sales accounted for \$11,242,000. The market value of production average per farm was up slightly at \$236,320 in 2002 from \$236,289 in 1997. This information comes from the U.S. Department of Agriculture, 2002 Census of Agriculture.

Government payments totaled \$478,000 in 2002 and \$368,000 in 1997, which is an increase of 30%. The average per farm receiving these payments was \$9,949 in 2002 and \$5,339 in 1997, which was an increase of 86%. This information comes from the U.S. Department of Agriculture, 2002 Census of Agriculture.

4.5 Aquaculture

The seafood industry has seen a shift from harvesting from the sea towards the farming of fish and shellfish. This is known as aquaculture. It has become a major industry for the Eastern Shore.

Clam culture, in particular, has become a major source of revenue in Northampton County. Virginia Institute of Marine Science (VIMS) reported in their 2004 Marine Report that there were 150 million market clams sold for a total of 24 million dollars gross. The 2005 sales amounts are estimated to be \$30 million. The clam industry is a year-round employer and now employs about 400 people in Northampton County. Clams are filter feeders like oysters and thus create an important ecological benefit. Decreased water quality due to land based activities can potentially cause negative impacts on the clam culture. The shoreline-based hatcheries would incur major production problems if exposed to poor water quality.

4.6 Tourism

Tourism is increasingly becoming an important economic factor in Northampton County. Bird enthusiasts have been enjoying the eastern shore for years but the attraction is now expanding to other groups in search of other treasures that have been discovered here.

The region is home to one of the last remaining undeveloped stretches of coastline along the East coast of the United States. Its traditional, aquatic and rural lifestyle offers visitors a rare opportunity to relax, experience local, southern hospitality, fish, cruise the pristine barrier islands, bird watch, and savour some of the country's best, local seafood.

Eco-tourism is a form of nature tourism. It is defined by the International Eco-tourism Society as "responsible travel to natural areas which conserves the environment and sustains the well-being of local people". Eco-tourism has become popular in Northampton County as in other places around the world. The County provides access to the following top ranking eco-tourism activities:

- Visiting state parks
- Hiking
- Exploring preserved areas
- Wildlife viewing (non birding)
- Nature trails in ecosystems
- Unique natural places (dunes, sinkholes)
- Environmental education
- Birding
- Biking

- Fishing, both freshwater and saltwater
- Marsh exploring
- Climbing
- Kayaking
- Swimming

The Eastern Shore of Virginia is home to four major ecosystems

- Chesapeake Bay Ecosystem
- Coastal Uplands Ecosystem
- Barrier Islands Ecosystem (including in-shore marshes)
- Atlantic Ocean Ecosystem

Three other categories of tourism, in addition to eco-tourism, are worth mentioning here as Northampton County is experiencing an increase in interest to these as well. Agricultural tourism is the attraction of visitors to an area used primarily for agricultural purposes. Heritage tourism engages travellers in the visual and performing arts related to heritage sites, as well as the areas values, lifestyles, traditions and events. Aqua-tourism offers water-based activities ranging from visiting aquaculture facilities, fishing, clamming, and kayaking to boating.

3 Economic Plan

3.1 Introduction

The term “economy” refers to “a system for the management of resources and production of goods and services.”¹ As noted in Section 5, Environment & Natural Resources Plan, Northampton’s economy historically has relied on natural features and resources that sustain agriculture and maritime activities, which remain key components of the local economy. However, the largest individual employment sector is government, including education. The private employment sector includes health care services, retail and wholesale trade, construction, finance and insurance, transportation and warehousing, real estate services, and accommodation and food service industries. While it should also be noted that a significant level of entrepreneurial activity contributes to the local economy, it must also be recognized that not everyone wishes to be an entrepreneur, and so a sustainable mix of growth and basic industries and services is important.

In recent years, tourism-related activities have played an increasingly significant role in generating revenue in the county, as our natural features and assets have become a resource more highly valued as such features are disappearing in other areas. It is well established that migratory bird habitat on the Eastern Shore peninsula, particularly in the Southern Tip of Northampton, is hemispherically important. This, coupled with the fact that Northampton County is one of the last remaining rural areas on the East Coast, places a higher resource value factor on the county’s natural features and assets in developing the economic plan.

A citizen survey commissioned by Northampton County in late 2004 found that respondents were almost equally concerned about the perceived increase in population growth in the county as they were with a lack of job growth. The tension inherent in these two divergent conclusions, combined with the necessity and the desire to preserve and protect the resources that support the local economy, underscore the challenge of developing business pursuits that are economically viable for residents and environmentally sustainable.

3.2 Agriculture

Agriculture remains a mainstay of the county’s economy. In Virginia aquaculture and aquaculture products are considered “agriculture,” although this sector will be discussed in a separate section of this chapter. According to the 2002 Census of Agriculture, the average-per-farm market value of agricultural products sold for Northampton is the second highest in Virginia,

¹ Webster’s II New Riverside Dictionary, Houghton Mifflin Company, 1996.

exceeded only by Accomack County, which has a higher percentage of value associated with livestock and poultry than with crops. At \$236,320, Northampton's average-per-farm market value was more than four times greater than the state average of \$49,593. Approximately 45% of Virginia's potato crop is grown in Northampton County, and Virginia ranks sixth in the nation in potato production. Virginia now ranks third in the nation in the production of fresh tomatoes, and last year that crop was worth about \$140 million dollars to Virginia's economy. It is estimated that more than 80 percent of the tomatoes grown in the Commonwealth are grown on the Eastern Shore and that tomato sales comprise approximately 50 percent of gross farm income in the county. In addition, Northampton County is home to the largest green bean operation in the United States.

The value of the agriculture industry to Virginia's economy was documented in the recently-released report **The Economic Impact of Agriculture and Forestry on the Commonwealth of Virginia** (Weldon Cooper Center for Public Service, September 2008). While the report has a statewide focus, the references to the economic impacts of wineries and agritourism are noteworthy given the presence of two wineries, plus an additional grape grower in the county. The report also cites steady growth in greenhouse sales related to increasing urbanization in the mid-Atlantic region, and well as the increasing economic impact of horse events across Virginia.

It should be mentioned that while not statistically well-documented for Northampton, the role of organic production has also become more noteworthy in recent years. Demand has increased due to consumer concern about pesticide use in terms of both health and environmental impacts.

It is significant to note that between 1997 and 2002, the number of farms in Northampton County increased by 23, or 14 percent. However, the total acreage in the county devoted to farms dropped by almost 5,000 acres during that period. At the same time, the number of farms and the acreage operated by tenants increased, with the rise in rented acreage amounting to an increase of nearly 40 percent, based on the 2002 Census of Agriculture data. Also during the period 1997 – 2002 the average age of farmers in Northampton County rose slightly from 53.7 years to 55.4 years, with the number of persons in the 45 – 59 year age range increasing more significantly than other age groups.

These data suggest that farm land is being converted to other uses, that a greater percentage of land is being controlled by an owner other than the operator and that more farmers are having to pay rent to farm, and that younger persons are choosing occupations other than farming. Improved production methods have enabled farmers to reduce labor costs while crop yields remain reasonably high overall; nevertheless, the loss of farmland is a disturbing trend voiced by members of the local farming community. While

some of the land converted to other uses has been acquired by conservation organizations and state and federal agencies, much of it has been acquired for residential development purposes. As this development has occurred, there are increasing conflicts between agricultural activities which generate dust, noise, and chemical applications and the desires of residents for quiet open space. In addition to complaints from residents, concerns persist about environmental impacts of some farming practices, particularly stormwater runoff associated with tomato plasticulture, although recent studies have been inconclusive about the relationship between tomato cultivation and impaired waters.

3.2.1 Agriculture Sector Goals and Strategies

The following goals and strategies are intended to address the issues identified above.

Goal: Ensure that farming remains a viable livelihood and that farmland continues to be an available resource.

Implementation Strategies:

- 1) Ensure that rezoning does not include productive farms in areas designated for hamlets, villages, and dense residential development.
- 2) Promote niche farming by ensuring through zoning that small lots (as little as 1 acre) remain available for agricultural activities.
- 3) Continue to allow creation and expansion of Agricultural and Forestal Districts.
- 4) Continue to support and promote the county's Purchase of Development Rights program.
- 5) Evaluate potential establishment of a Transfer of Development Rights program.
- 6) Encourage and fund the development of an agriculture curriculum in the high school.
- 7) Support the regional Farmers' Market.
- 8) Encourage farmers to utilize Natural Resource and Conservation Service standards in their operations.

Goal: Reduce conflicts between agricultural uses and environmental concerns and other land uses.

Implementation Strategies:

- 1) Regulate migrant housing through zoning but ensure that it continues to be allowed in the Agricultural District.
- 2) Allow for maintenance of existing ditches and the installation of retention ponds for stormwater management that prevent stormwater runoff from entering our coastal waters, and can allow that water to be used for irrigation.
- 3) Evaluate use of other water quality Best Management Practices on farmland.
- 4) Implement a public information program to inform county residents and potential residents about farming practices.
- 5) Work with real estate community to ensure that appropriate and accurate information about farming activities and practices is available to potential purchasers of land in or adjacent to the Agricultural District.
- 6) Continue to note subdivision plats for land being divided in or adjacent to the Agricultural District concerning the proximity of agricultural activities which might be considered nuisances.
- 7) Evaluate current wildlife control methods.
- 8) Encourage agri-tourism activities to preserve open space.

Goal: Ensure that farmers have opportunities to expand their businesses.

Implementation Strategies:

- 1) Support reasonable land rental rates through continued implementation of use-value taxation.
- 2) Evaluate sign regulations with respect to agricultural businesses and sale of agricultural products.

Goal: To encourage the local workforce to consider farming as a viable occupational alternative.

Implementation Strategies:

- 1) Encourage farmers to pay wages that support a sustainable lifestyle and to provide all employees a pay check with federal and state deductions.
- 2) Encourage farmers to hire from the local labor pool.
- 3) Encourage farmers to educate their work force in such areas as agricultural practices, farm machinery mechanics and welding, conservation, application of pesticides, commercial driving, and language skills.
- 4) Encourage farmers to look for innovative ways to create year-round jobs for their work force.
- 5) Encourage farmers to insure their work force with health insurance and workers' compensation insurance.

3.3 Seafood and Aquaculture

The seafood industry is one of Virginia's and Northampton County's oldest and most successful industries. Aquaculture, along with the fresh tomatoes industry, has been cited by a September 2008 Weldon Cooper Center for Public Service report, as one of Virginia's most rapidly growing agricultural commodities in recent years in percentage terms, and hard-clam aquaculture is the fastest growing industry in Northampton County. Local sources indicate that Northampton County is now the largest hard-clam producer in the world.

As of 2007 Virginia continued to be ranked third nationally in total fisheries landings, which includes aquacultured oysters and clams. According to the Virginia Employment Commission, there are three seafood companies among the county's fifty largest employers. In the past, the impressive statistics from our commercial fisheries were the best available way of realizing the economic importance of Virginia's marine resources, but new information on the highly significant impact of recreational fishing and shellfishing has added greatly to our understanding of the economic value of Virginia's recreational fisheries. Northampton County's economy has historically been heavily dependent on its fisheries resources, and aquaculture has played an increasingly significant role.

While an attempt has been made to locate county-specific data, most information is available only for the state as a whole or for Northampton and Accomack counties combined. In many ways it is more desirable to study the statistics for the entire state due to the interdependency of various aspects of Virginia's fisheries. It is imperative that we maintain a broad view while examining our local situation, since neither many of the resources nor factors that may impact the resources tend to be geographically confined. It is also important to keep in mind that historically it has been very difficult to obtain

complete counts or dollar values despite required reporting, and most states recognize that statistics for catch, economic value, and employment are more often than not understated.

3.3.1 Commercial Fisheries

In 2000 Virginia's commercial finfish and shellfish landings totaled 81,905,267 pounds with an estimated value of \$89,073,924. In 2007 total shellfish and finfish landings declined somewhat to 79,722,187 pounds with a value of \$108,322,166. In 2000, the Virginia Marine Resources Commission reported that blue crabs accounted for 28,846,177 pounds and \$24,114,523 in value. In 2007 the catch of blue crabs was 21,677,959 pounds, down from 27,155,057 pounds in 2006, and representing a value of \$17,145,515. Virginia has recently enacted new limitations on crab harvesting in an effort to reduce overfishing of the resource, but on September 24, 2008, it was reported that the U. S. Commerce Secretary had declared the decline in blue crab harvests in the Chesapeake a "commercial fishery failure." This may mean more restrictions on this important resource as steps are taken to restore the crab population. Virginia has also emergency gill net regulations to limit unintended and out-of-season by-catches of certain fish and turtle species.

3.3.2 Aquaculture

In 2005 the Virginia Institute of Marine Science (VIMS) reported that aquaculture production in Northampton county was valued at \$33,000,000. In the May 2008 *Virginia Shellfish Aquaculture Situation and Outlook Report* released by VIMS, it was reported that the number of hard clams sold in Virginia in 2007 was 211,876,000, representing an increase of almost 9% over the 2006 total. The report indicated that clam farming showed an expansion of 22.6% with respect to full-time employment and 14% in part-time employment during 2007. By contrast, the oyster aquaculture sector showed a decline in employment opportunities during 2007, despite a nearly 53% increase in the number of aquacultured market oysters sold by Virginia growers. The VIMS report suggests that estimating labor needs for oyster aquaculture is difficult at this time due to the stage of development of this industry.

3.3.3 Concerns

The seafood industry is dependent upon good water quality. Local clam growers have expressed concern about negative impacts from poorly-controlled stormwater runoff from both development and agricultural operations, including point-source overboard discharge of treated wastewater which adversely affects salinity of tidal waters. Excess nutrients from lawn fertilizer and septic failures harm clam larvae and also lead to algal blooms.

In addition, preservation of water access, protection of working waterfronts, and reduction of trash making its way into the waters have also been mentioned as matters which require attention in order to ensure that the local seafood and aquaculture industries remain productive.

3.3.4 Seafood & Aquaculture Goals and Strategies

The following goals and strategies are intended to address the issues mentioned above.

Goal: Preserve water quality which will sustain commercial and recreational fishing and aquaculture.

Implementation Strategies:

- 1) Develop stormwater management initiatives that will control and reduce residential and agricultural runoff into the creeks, Chesapeake Bay, and Atlantic Ocean.
- 2) Regulate the installation of waste water treatment systems so that they are not located at the headwaters of creeks.
- 3) Work with agricultural community to limit siltation of waterways.
- 4) Discourage installation of bulkheading, jetties and groins that interfere(s) with the natural movement of sand on bayfront properties.
- 5) Work with agricultural community to limit chemical contamination of waterways from spraying activities.
- 6) Develop public information concerning the economic importance of preserving water quality to support commercial and recreational uses, including careful management of chemical applications, reduction of soil erosion, and reduction of trash in waterways.
- 7) Continue to enforce the county's Chesapeake/Atlantic Preservation District through the zoning ordinance.
- 8) Support Virginia's Shellfish Enhancement Zone initiative.
- 9) Work to eliminate additional overboard point-source discharges into creeks, Chesapeake Bay, and Atlantic Ocean.

Goal: Preserve water access for recreational fishing and working watermen.

Implementation Strategies:

- 1) Protect working waterfront areas from encroachment of other uses through zoning.
- 2) Continue to provide public boat ramps with adequate parking, sanitary facilities, and trash collection facilities.
- 3) To the extent possible, monitor siltation levels in waterways and support and assist in implementation of dredging to preserve ingress/egress for working watermen and recreational fishing.

Goal: Preserve aquatic resources and species and assist with efforts to promote seafood products so that the seafood industry remains viable.

Implementation Strategies:

- 1) Support native oyster restoration efforts.
- 2) Support submerged aquatic vegetation restoration initiatives.
- 3) Support Department of Environmental Quality and Virginia Marine Resources Commission efforts to reduce recreational boating conflicts with commercial fishing activities.
- 4) Support Virginia Marine Resources Commission efforts to reduce overfishing of various species.
- 5) Support efforts to establish a regional Seafood Market on the Eastern Shore of Virginia.
- 6) Through zoning allow for the appropriate development of aquaculture facilities including hatchery and aquatic nursery operations.

Goal: To encourage the local workforce to consider aquaculture as a viable employment opportunity.

Implementation Strategies:

- 1) Encourage watermen/aquafarmers to pay wages that support a sustainable lifestyle and to give all employees a pay check with federal and state deductions.
- 2) Encourage watermen/aquafarmers to hire from the local labor pool.

- 3) Encourage watermen/aquafarmers to educate their work force in such areas as aquaculture practices, safe boating, boat mechanics and welding, conservation, commercial driving, and language skills.
- 4) Encourage watermen/aquafarmers to look for innovative ways to create year-round jobs for their work force.
- 5) Encourage watermen/aquafarmers to insure their work force with health insurance and workers' compensation insurance.

3.4 Tourism

In March 2007, the Eastern Shore Tourism Commission, on which Northampton County has representation, adopted a document entitled ***Tourism Strategy for the Eastern Shore of Virginia*** (the Strategy). The following is excerpted from the Strategy:

The Eastern Shore is unique and therein lies our key advantage. In our increasingly homogenized world, being unique is a priceless commodity—something to be protected and treasured. It is the goose that will lay the golden egg...Nature tourism, agritourism, resort and heritage tourism offer economic opportunities that mesh perfectly with the Eastern Shore's assets.

And as nature becomes an increasingly rare commodity, the economic advantage of preserving our natural heritage becomes more and more compelling. Historically, the Eastern Shore has lived and thrived on the bounty of nature: fishing, hunting, and agriculture have been the mainstays of the Eastern Shore for nearly 400 years. A continued reliance on nature can fuel the Eastern Shore's prosperity for the next 400 years. We need to take a different approach, of course, but the resource is the same. But if we turn our backs on our assets—on what makes this place unique—then we have nothing. Our success depends on our ability to differentiate ourselves.

As we develop our tourism industry, though, it's vital that we don't make the mistake of thinking that every tourist activity is helpful. As an industry, tourism has many styles and faces. This document stems from the belief that you build on your strengths rather than pursue a pale imitation of another area's success. This is not the Caribbean; it's not Florida. The beauty and appeal of the Eastern Shore is far more delicate and subtle, ill suited to mass-market tourism or mega-development. Yet this delicate beauty is an asset, too. If we play to our strengths, the Eastern Shore has everything

necessary to become a tourist destination of national renown.” (pp. 7-8)

The Strategy was designed to promote development of “high-dollar, low-impact tourism” and, in addition to setting forth a marketing plan and strategy, focuses on six (6) sectors of the tourism industry: agritourism, the arts, beach and recreational resorts, heritage tourism, hospitality industry, and nature tourism. The first task recommended by the Strategy, development of an Eastern Shore brand, has been accomplished. While many of the strategies detailed in the document are activities more appropriately handled by private interests and the Tourism Commission itself than by local government, the goals established are ones which should be supported by Northampton County. Accordingly, the Strategy is incorporated into this chapter by reference and included as an appendix to the comprehensive plan. In addition, the following goals and strategies are also intended to support implementation of the Strategy.

3.4.1 Tourism Goals and Strategies

Goal: Support tourism activities in appropriate locations through land use planning.

Implementation Strategies:

- 1) Provide for activities that are tourist-draws, such as festivals, wineries, tours, non-motorized recreational trails, arts and agritourism events and activities, bed and breakfast inns, etc., through zoning.
- 2) Protect resources that support the tourism industry by managing land uses in environmentally sensitive areas.
- 3) Allow for adequate signage to promote tourism-related activities.

Goal: Ensure that Northampton County remains a safe, attractive place to visit.

Implementation Strategies:

- 1) Maintain the functionality of U. S. Route 13 by continued implementation of access management regulations and vigilant law enforcement efforts.
- 2) Support litter control efforts.

3.5 Existing Business and Business Development

It is important that the present businesses be supported and new businesses encouraged to locate and develop in the areas designated, since so many county residents depend on these employment opportunities. Although the largest individual employment sectors in the county are government (including education) and health care services, the construction, manufacturing, retail and wholesale trade, finance and insurance, transportation/warehousing, real estate, and accommodation and food services industries combined provide the greatest number of employment opportunities in Northampton County (Virginia Employment Commission, *Northampton Community Profile*, September 21, 2008). This section will discuss issues associated with retention of and support for existing businesses as well as factors affecting new business development in the county.

3.5.1 Supporting Existing Businesses

The county has a long-standing policy of encouraging business development and commercial activity in and around the incorporated towns. However, it is important to consider the needs of existing businesses regardless of their current location. In 2007 county citizens participated in public meetings designed to garner input to inform the regional Comprehensive Economic Development Strategy. The meetings were facilitated by project staff from Virginia Tech's Office of Economic Development, who in August 2007 produced a summary of the effort entitled *Community Economic Development for the Eastern Shore: Summit Report*. The *Report* focused on sustainable, asset-based expansion of existing businesses as an important strategy for economic development on the Eastern Shore.

Among the action priorities identified in that report related to business support was the establishment of an economic development position or a "point person" to assist both existing and new businesses to navigate the regulatory and permitting processes, among other things.

An issue of major concern for many businesses, those located on U.S. 13 as well as those located off the major throughway, is visibility of signage. As development is encouraged in our towns, it is imperative that the county develops an effective signage program that balances the needs of business owners with the need to limit the visual "clutter" on US 13 and other local roads.

The issue of workforce housing has been addressed in the Housing component of the plan, but it must be emphasized that availability of adequate and affordable housing as defined in the Housing Plan (see Part 1, Section 4) is essential for continuity of business activity. The relative scarcity of workforce housing is not unique to Northampton County. The tools available to the county to assist in and to promote workforce housing development are somewhat constrained by Virginia law, but the county's

Community Housing Committee continues to work to identify solutions to this challenge.

The *Summit Report* also discussed the desirability of a clear, concise tax code. Businesses generate a vital component of the tax revenue for Northampton County. The means used to collect these taxes need to be designed in such a way that they do not create an undue workload for small local businesses.

The Tourism Commission recently developed the Eastern Shore Brand to elevate the profile of the region and Northampton County. Consistency of use is a key component to the branding effort, and the county should consider taking a leadership role in the widespread use of the brand.

3.5.2. Attracting New Businesses

Clearly some of the actions which would support existing businesses would also assist in attracting new businesses. A designated individual or organization to be responsible as a resource for businesses would be a benefit for business attraction. The county possesses unique core assets such as natural, cultural, and recreational resources on which business attraction should be based. At the same time, factors which are currently liabilities with respect to business development must also be considered and addressed. A critical component for any business start-up or expansion is private sector capital investment. Communities can create incentives for that investment by using public or non-profit programs such as the Main Street program, Enterprise Zone benefits, and state and Federal tax credits.

Part of the historic tension relative to economic development has been the need to balance the need and the expressed desire to protect and preserve the county's unique and, in some cases fragile, natural resources and rural character with the need and desire to provide job opportunities for citizens and also to generate sufficient revenues to provide desired services. By recognizing the realities and potential of the modern economy, it becomes evident that with minimal effort, environmental protection and economic prosperity can be reached as cohesive rather than competing goals. In that vein, there are business sectors that might be targeted, as follows:

- 1) Marine industry – The proximity of the county to the major shipping lanes of the mid-Atlantic, as well as the deep-water harbor in Cape Charles and maritime heritage, lend themselves to this type of industry. It is essential that this industry is developed with the most stringent environmental protections in order to protect our coastal water quality. As this industry develops, the county can become an example for sustainable industrial development in other regions. There are

ongoing and proposed projects to develop the marine services industry on the Eastern Shore from marina services to yacht repair.

- 2) Research and scientific community - The Eastern Shore has unique natural assets that have attracted an active scientific and research community including three university-level research stations. This growing industry provides great synergy with other vital aspects of the economy, and maximizes our core assets in a sustainable fashion.
- 3) High-end specialty manufacturing - Two of the largest employers in the county, Bay Shore Concrete and New Ravenna Mosaics, are in this sector of our economy. These businesses import raw materials, train and use local labor to transform these raw materials into products with much greater market value, and export their products worldwide.
- 4) Alternative energy - There are many residents in Northampton County who consider themselves environmentally aware. The unique nature of the county combined with the high level of environmental awareness in our business sector should allow Northampton to position itself to take advantage of this growing industry. There are a variety of alternative energy opportunities including:
 - Wind power generation;
 - Hydro (wave, current) power generation;
 - Solar power generation;
 - Geothermal heating;
 - Algae-based bio-fuel production;
 - Home-based alternative energy.
- 5) Entrepreneurial activity – The proximity of the county to Hampton Roads and other major metropolitan centers is a significant advantage in attracting entrepreneurs. With the increased capacity of modern technology, it is quite possible to locate a consulting, legal, engineering, or other firm in the county and participate in the global economy. Essential community goods and services provided by the private sector offer entrepreneurial opportunities for residents and newcomers alike. Trades such as carpentry, plumbing, HVAC installation, landscape maintenance, and vehicle repair; services such as private transport, elder-care, on-site computer repair, pet grooming, and catering; and independent contracting, such as clam-growing and harvesting, offer moderate-cost business start-ups for entrepreneurs who acquire the appropriate skills. U. S. Census Bureau 2006 data indicates 1,004 “Nonemployer Business Firms” in the county; owner-operators are not counted as part of the county workforce in the Virginia Employment Commission data. Retail and service establishments, such as those which make use of or sell the local

agriculture/aquaculture commodities and locally-made products, and which may also offer accessory goods and services which enhance the basic products, provide additional entrepreneurial and small business opportunities for local residents and newcomers who might be looking for business start-up prospects in the county. Self-employment in professional services such as bookkeeping provides yet other entrepreneurial alternatives.

- 6) Information Technology and Internet-based businesses – Internet-dependent businesses, including information processing, information and data management, graphic design, website creation and management, software development, database management, data warehousing, Internet content development, Internet transactions, desktop publishing, and telecommuting, will provide expanded opportunities for home- and office-based businesses in rural areas.
- 7) Healthcare – With Shore Memorial Hospital as the centerpiece of an expansive and vital healthcare industry in the county, it is important to recognize both the significance of this section to our economy, and the potential for growth that exists. Primary and secondary care facilities, home care businesses, and nursing homes are all key resources for our community.
- 8) Engineering and Technical Consulting – With the development of the Orbital Science Space Port at Wallops Island, and the continued development of the Hampton Roads Naval and shipping centers to the South, Northampton County is uniquely situated as the hub that connects two internationally significant centers of cutting edge engineering and technology. By offering a centralized location for businesses with the desire to work in both of these highly competitive areas, Northampton County has the opportunity to become a resource center and regional headquarters for leading military, aerospace, and industrial engineering firms.

3.5.3 Workforce Development

Workforce development is an area highlighted in the *Summit Report* as a priority action item. Increasing our base of well-trained and motivated workers will be necessary to retain existing and attract new businesses. As economic development occurs within the county, our school system needs to evolve to support the business opportunities that exist. Currently the vast majority of our employers are small and local. This strong community of local entrepreneurs needs multi-talented staff with strong computer and customer service skills. The potential target industries identified above have specific needs for their workforce. Our school system needs to ensure that the young men and women who graduate from our schools have the foundation they

need to work within these industries. Cooperation and coordination with the Community College is essential in creating a strong workforce. Workforce education needs to be targeted towards the jobs we hope to develop here as well as those that we already have. Further, throughout their time in our school system, our children should be developing the skills they need to compete in the job market. Entrepreneurial training programs must be offered, and apprenticeship programs should be encouraged with the schools and all businesses so that young people and other job seekers can learn trades, skills, and services necessary for the Eastern Shore community.

Workforce education might include on-site seminars that could include workers from more than one site or farm to train or be taught in such areas as job safety, application of pesticides, erosion and sediment control, Best Management Practice maintenance, trades associated with farming, language skills, commercial driver's license, and sexual harassment.

By maximizing the opportunities available to our children, our community can create a workforce that will attract new business to the county. By targeting specific industries the county can create opportunities for the school system and community college to develop training programs that address the specific needs of such industries.

3.5.4 Assets

State and federal rural development experts have encouraged the county to adopt the concept of community-asset-based economic development. Quality of life is often at the top of the list of reasons that businesses have located or remained on the Eastern Shore. However, it is imperative to recognize the discrepancy between different segments of our population when it comes to quality of life. There is clearly a need to create opportunities for the lower-income population of the county. At the same time, there is an obvious attraction that our rural coastal community has for the more affluent individuals who either live and work here already or would consider moving their business to the county. The high-value quality of life available here is one of our core assets and should be protected as such. Continued preservation of open spaces is a key component of the quality of life that the county has to offer. Developmental sprawl can quickly eliminate this key resource. Well thought-out, effective land-use planning is essential for the economic success of the county.

The small town atmosphere is another aspect of Eastern Shore life that holds great appeal for many persons. If our small towns continue to grow, they should focus their growth in such a way that they are able to maintain their "small town atmosphere." Tools to consider in this effort include maintaining town centers, compact footprints, and plans that include integrated retail and commercial opportunities.

The quality of our coastal waters is essential to our economic well-being. This is arguably our most valuable natural asset, and it needs to be managed in a sustainable manner. In addition, Northampton County is sustained by a sole source aquifer. As development occurs it is vital that we protect the recharge zone for this aquifer and that we develop within the sustainable capacity of our sole water source.

Broadband is where the next wave of opportunity starts for our community, and Northampton County is taking a lead role on the broadband initiative. The Eastern Shore of Virginia Broadband Authority (ESVBA) has been established for the purpose of promoting economic development opportunities for communities located on the Eastern Shore of Virginia. Historically, there has been a lack of redundant, alternative fiber optic access to rural communities on the Eastern Shore of Virginia. In order to attract new-economy technology companies to the region, alternative carriers need to have affordable access to provide competitive broadband services to the area. The goal of the ESVBA is to be responsible for providing the most affordable, cost-effective and technologically up-to-date (presently and in the future) Broadband Internet service possible for all residents, businesses, and institutions on Virginia's Eastern Shore.

The Bay Coast Railroad (BCRR), a north-south route on the Delmarva Peninsula, consists of seventy (70) miles of mainline tracks and a 26-mile car float operation that crosses the Chesapeake Bay from Cape Charles to Little Creek, Virginia. The BCRR route is strategically located to take advantage of other rail connections to provide the most direct route between Norfolk, Virginia, and the Northeast. This facility is an important asset which may serve potential new industry as well as future development in Cape Charles, Northampton County's largest town.

3.5.5 Business Goals and Strategies

The following goals and strategies are intended to support the county's assets and promote business development.

Goal: Create a "business friendly" environment in Northampton County while preserving the county's unique assets.

Implementation Strategies:

- 1) Create an Economic Development Plan for Northampton County.
- 2) Evaluate where an economic development ombudsman for Northampton County should be based and pursue a regional approach to economic development.

- 3) Maintain a simplified system of business taxation.
- 4) Enhance customer service at various county offices.
- 5) Evaluate county signage regulations with consideration for potentially different requirements based on location, size, and seasonal needs of varying businesses.
- 6) Support installation of gateway signs as well as the efforts of the Tourism Commission to have travel-oriented signage installed as part of a comprehensive regional signage program.
- 7) Encourage development of state-of-the art communications systems, including internet access and use; support completion of the Broadband project.
- 8) Work with the towns to facilitate infrastructure development.
- 9) Encourage the reuse of existing buildings and use of undeveloped sites zoned, or which may be rezoned, for business development.
- 10) Encourage property marketing professionals to inventory available commercial real estate, including properties available in the incorporated towns and to create a marketing plan which includes a presence on the state business development website.
- 11) Promote development of workforce housing opportunities to the extent possible.
- 12) Encourage maximum use of tax incentive programs, such as the Enterprise Zone, Work Opportunity Tax Credits, Welfare-to-Work Tax Credit, and Historic Tax Credit programs, including credits or other tax relief to encourage adaptive reuse and/or rehabilitation of existing buildings for new businesses and workforce housing.
- 13) Provide for small businesses and home occupations, such as those related to the arts, regional crafts, artisanal foods, personal services, etc., through appropriate zoning.
- 14) Encourage participation in the Small Business Loan Program offered by the Virginia Eastern Shore Economic Empowerment Corporation.
- 15) Support and promote the Small Business Development Center at the Eastern Shore Chamber of Commerce.

Goal: Improve workforce skills.

Implementation Strategies:

- 1) Support development of the Eastern Shore Community College learning center in Machipongo.
- 2) Support the Eastern Shore Community College Workforce Development Center.
- 3) Facilitate communication between business owners and the educational system concerning skill requirements, including promotion of the Career Readiness Certification (CRC), a unique business and industry certification available at Eastern Shore Community College.
- 4) Ensure that the county remains engaged in state and regional Workforce Investment Act system.
- 5) Encourage more entrepreneurship skill training opportunities, such as those provided by the Center for Entrepreneurship at Norfolk State University.
- 6) Support incentives for businesses that utilize local labor, implement training and safety programs, and provide educational assistance for employees.
- 7) Support the county school system's Career and Technical Education Program.
- 8) Encourage participation by local employers in the Virginia Department of Labor Registered Apprenticeship program, which provided custom-designed on-the-job training and classroom programs to train their workforce.

Goal: Ensure that an adequate water supply is maintained and that water quality protection is considered an economic development tool.

Implementation Strategies:

- 1) Develop a stormwater management program.
- 2) Protect through zoning the sole-source aquifer recharge area along U.S. Route 13.
- 3) Reduce runoff into saltwater systems.

- 4) Ensure that waste water treatment systems are properly located and maintained.
- 5) Encourage businesses to re-circulate, reuse, and conserve water.

It is important to recognize that our core assets comprise an economic development tool to retain and attract business. Accordingly, it is in the county's best interest to preserve and protect our natural, cultural, and recreational resources.