



Rationale for Consult of 09.09.04

To identify target industries which may be compatible for a new business attraction strategy.

Implementation: A two phased approach

1. Study of County and its attraction assets -- **COMPLETED**
2. Implement a lead generation effort targeting selected industry -- **PENDING**



Conclusions

By Meeting Topic

Perceptions

“Perception is as important as reality”

- What are the perceptions of business executives operating companies outside of the County, the State?
- Does the area have a location or business identity?
- In general what is the main perception of the area from a local standpoint and how does this apply to business attraction?
- What image does the County’s main street centers elicit to outsiders?



Conclusions

By Meeting Topic

Competitors

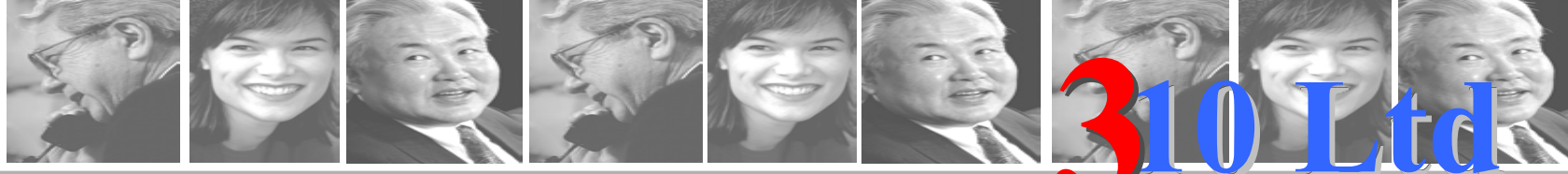
*“Competition for
New Business
Attraction*

*“Nelson is a strong competitor on
a national level for tourism”*

Competitors for retail and industrial attraction were identified as those counties which touch the borders of Nelson – as opposed to other regions, other states, or international competitors

Most formidable competitor – **Albemarle**

Close second and third **Amherst and Augusta.**



Competitor Analysis

Summary of Nelson's competitive weaknesses:

- Lack of total available workforce
 - Lack of available housing
 - Limited broadband
- Limited existing industry clusters



Conclusions

By Meeting Topic

**Industry
Snap Shot**
*Clusters: like
industries attract
each other*

Industry Clusters

Agribusiness cluster

Orchards

Nurseries

Vineyards and Wineries

Agri-tourism

Tourism cluster

Service industries

Lodging

Agri-tourism

Restaurants



Viability as a target?

'Virginia tourism generated \$15.2 billion in 2003; comprises over 8% of the state's work population'



Industry Snapshot

- Companies interviewed range in age from 11 to 100
 - Average hourly rate is \$9.00
- Companies interviewed do not require HS diploma
- There are **412 companies** in the county and **49 companies with a revenue of \$1M and 10 or more employees**
 - 2.2% of the workforce is Hispanic. This population will double
 - Top two commuting destinations for Nelson workers Albemarle/Cville, Augusta/Staunton
 - Four of six interviewed execs live out of county
- Only one manufacturer was identified to interview and this was the only business that exported goods to foreign markets
 - Inventory in the county is limited
 - Labor in the county is limited



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Local Industry Breakdown

Type of Industry	Number of Companies
Retail	125
Service	118
Construction	53
Agriculture, forestry, fisheries	31
Manufacturing	27
Finance, Insurance and Real Estate	23
Wholesale Trade	17
Transportation &	15
Mineral Industries	3
TOTAL:	412 <i>Source: Dun and Bradstreet</i>



Local Industry Feedback

- There is some level of dissatisfaction with the support or lack of from the County
- Do not feel in partnership with the community or its leadership
- Some believe the community has an aversion to industrial growth and this is evidenced by the absence of industry in the park (Colleen) and lack of park signage.
- Some concerns exist regarding County's zoning policies because he believes that the ordinances, current and proposed, prevent the construction of affordable housing for the region's workforce
- Some feel an inconsistent relationship with county leadership, and also feel "disconnected" from the County as a whole
- Role of the Office of Economic Development and Tourism is over extended to adequately manage the responsibilities of existing industry retention, tourism, new business development, and local work force needs



Conclusions

By Meeting Topic

Assets & Liabilities

Assets of Nelson

- ✓ *Proximity to two nationally known colleges in the central part of the state*
- ✓ *Close to urban amenities of Charlottesville*
- ✓ *Scenic area*
- ✓ *Low crime*
- ✓ *Clean*
- ✓ *Attainment area*
- ✓ *Abundant Hispanic labor force*
- ✓ *Highway 29 access*
- ✓ *Located in a right to work State*
- ✓ *Centrally located in the State*
- ✓ *Vacation and retirement destination*
- ✓ *Home to artisans*



Conclusions

By Meeting Topic

Assets & Liabilities

Liabilities of Nelson

- ✓ *Lack of broadband*
- ✓ *Lack of affordable housing*
- ✓ *Limited workforce*
- ✓ *Limited retail*
- ✓ *Expensive land and housing*
- ✓ *Limited new housing and single unit rental property*
- ✓ *Zoning impacts*
- ✓ *Significant leakage of labor to nearby counties*
- ✓ *Highway 29 access*
- ✓ *Limited water sewer capacity in parts of the County*
- ✓ *Limited, developable land due to terrain*
- ✓ *Limited awareness of the region*
- ✓ *Lack of related industry clusters*
- ✓ *Communication barriers between existing industry and County leadership*



Conclusions

By Meeting Topic

New Industry Recruitment Desired Industry Sectors

Tourism and supporting industry to include lodging restaurants, cleaning and laundry services, spas and suppliers.

Service and retail to better serve the residents of the community and improve quality of life for future business attraction.

Back office operations.

Wood products such as cabinetry.

Possible small manufacturing with low environmental impacts.

Attract or grow local Entrepreneurs.



Conclusions

By Meeting Topic

Sources of New Industry Leads

Over two years 65 inquiries have been documented

Greatest percentage come from local residents and local growth

Past economic development effort for new business recruitment has been passive

Past reliance on the State (VEDP) or TJ Partnership for leads have yielded little to no inquiries for the County



Concerns Affecting Next Steps

- Lack of awareness of the area as a location for business
- Lack of plan for and implementation of *internal* awareness building
- Very limited new business inquiries to the County and/or referrals from state and partnership
- Lack of out of county inquiries and prospect activity to pursue
- No resources to realistically implement and manage a new business development strategy
- Limited inventory for new business attraction
- Limited or expensive housing
- Limited local workforce training options for new or existing business
- Limited broadband
- Little to no “buy-in” or support from the existing business community



First Step Recommendations

Leaders to develop their vision for incremental growth

Design and assign leadership roles to focus on current activities as well as those need to achieve the “vision” for growth

Identify county leaders who are positioned to develop local partnerships to facilitate infrastructure and support for business success and growth

Develop local inventory

Develop an existing industry retention and growth strategy

- Develop a baseline of existing industry needs and wants

- Implement a quarterly visitation program

- Develop a sustained communication forum for internal market (i.e. Local business leaders, county leadership) that shares information, plans and positively raises awareness

- Create a vehicle to publicly acknowledge local industry accomplishments and growth



First Step Recommendations

Develop a means for identifying and nurturing local entrepreneurs for business growth – *“economic gardening.”*

Develop an internal marketing plan that communicates leadership roles, plans and promotes community pride.

Create an internal BRAND. The “brand” that emerges should be one that is based on Nelson’s vision for itself and not on a contrived advertising strategy.

Develop a physical Main Street location that can support entrepreneur growth, tourism attraction and small service industry use.

Create a virtual presence for the county to come together using the web

Initiate a bi-annual visitation program to state VEDP offices to stay top of mind and promote the area’s accomplishments.

Meet and align the needs and wants of the County with the Thomas Jefferson Partnership and assess the value of this relationship.



New Business DEVELOPMENT

With measurable progress in the previously mentioned internal marketing steps including, plans or actions toward for improvements and improved public buy-in -- the County can then proceed to implement its NATIONAL marketing plan to attract industry targets.

Beyond the implementation of the domestic plan an INTERNATIONAL initiative is also recommended for the future.