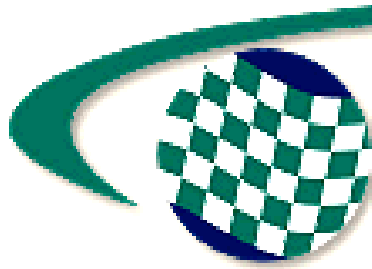


Community & Economic Development Strategy



MARTINSVILLE



HENRY COUNTY, VA

MARCH 15, 2004

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Overview



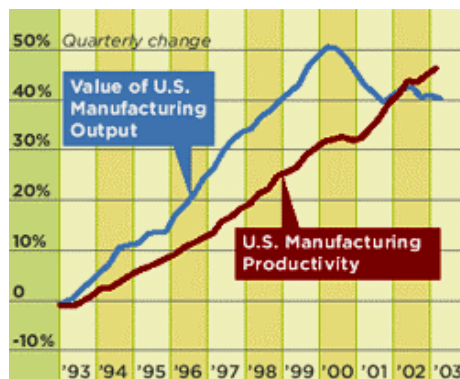
OVERVIEW

While the U.S. economy continues to grow, national jobless claims rise and fall week by week and unemployment hovers stubbornly around the 5.5 percent figure nationally. In February 2004, the U.S. manufacturing sector shed jobs for the 43rd month in a row. Economic experts and national pundits are increasingly calling the changes occurring in America a permanent structural shift from a manufacturing-based economy to one dominated by information and services. In other words, most factory jobs lost during the current downturn will not be coming back. Strikingly, in addition to the so-called “blue collar” positions that have been outsourced to overseas nations in the past few years, various “white collar” occupations like computer programmers, architectural draftsmen, and others, are being moved to countries like Ireland, India and the Philippines, which almost universally feature lower wage rates and more favorable government regulations. Meanwhile, worker productivity gains and increased business automation further reduce hiring pressures for U.S. firms. A report from the New York Federal Reserve Bank noted: “A look at layoff trends and industry job gains and losses in 2001-03 suggests that structural change – the permanent relocation of workers from some industries to others – may help explain the stalled growth in jobs.”¹

Recent numbers for the rural Southern U.S. are sobering:²

- From January 1 to November 24, 2003, the rural South has seen 75 major plant closings of 100 jobs or more.
- Of the 148 plants that closed from January 1, 2002 to November 24, 2003, 114 came from the textiles, apparel, furniture/wood products, or food products industries.

Notably, these plant closings and mass employee layoffs have not affected the overall output of U.S. manufacturing, which hit \$3.8 trillion in 2002. As the following graph attests, both the productivity and value of U.S. manufacturing skyrocketed in the previous ten years. Increases in value have since leveled off slightly.



Sources: Bureau of Labor Statistics; Federal Reserve Board
(Graph taken from *Business 2.0*, December 2003)

¹ Groshen, Erica L. and Simon Potter. “Has Structural Change Contributed to a Jobless Recovery?” *Current Issues In Economics and Finance*, August 2003, Volume 9, Number 8, p. 1.

² *Southern Business and Development*, Fall 2003, p. 10.

As technological innovation continues to reshape the U.S. manufacturing industry, more and more assembly-line workers will likely lose their jobs to process automation and streamlined manufacturing systems.

Losses in apparel and furniture manufacturing have hit the Martinsville-Henry County community especially hard in recent years, with unemployment rates remaining in double digits, and social services taxed to the breaking point by out-of-work residents seeking assistance. Enrollment at Patrick Henry Community College has spiked as displaced manufacturing workers take advantage of federal Trade Act Assistance retraining funds, while local residents increasingly commute out of the area for employment. However, there have also been a number of positive recent job announcements, with companies as diverse as MZM, Inc., Globaltex and MasterBrands selecting Martinsville-Henry County for expansions.

In order to proactively respond to the ongoing changes in the local and national economies, the Martinsville-Henry County Chamber of Commerce's Partnership for Economic Growth (C-PEG) contracted with *Market Street Services*, a national community, economic and workforce development consulting firm headquartered in Atlanta, Georgia, to facilitate a strategic development process in the community. The formation of a development strategy in Martinsville-Henry County is a six-step process involving the following components:

- **Economic and Demographic Profile** – A detailed economic, demographic and labor force analysis assessing the capacity of current economic and workforce elements to accommodate quality future development, and establishing the current realities influencing economic development in the City and County.
- **Community Input Phase** – Twelve Focus Groups and 25-plus Personal Interviews provided valuable qualitative data to complement the process' quantitative components.
- **Competitive Assessment** – An examination of the four key factors influencing Martinsville-Henry County's business climate, including Education and Workforce Development, Infrastructure, Business Costs and Quality of Life.
- **Target Business Analysis** – An analysis of existing business clusters found in Martinsville-Henry County, and opportunities for additional or companion clusters based on the area's overall assets.
- **Community and Economic Development Strategy** – Builds on all the prior work to address critical issues for the community, including holistic action steps to develop community and economic capacity for local job and wealth creation; also provides benchmarks and performance measures to monitor progress.
- **Implementation Plan** – An assessment of the existing economic development delivery system to put the proposed strategy into action, and recommendations on how to most effectively implement and sustain the strategy into the future.

This report comprises the fifth component of the process, the *Community and Economic Development Strategy*. It leverages all the quantitative and qualitative analysis completed to this point and coalesces this information into a forward-thinking, action-oriented, diverse set of goals, objectives and action steps to enhance and sustain Martinsville-Henry County's economy for decades to come.

The final stage of the process is the development of the strategy's *Implementation Plan*. This document will focus on the agencies, actors and efforts needed to successfully implement the action steps recommended in the *Community and Economic Development Strategy*.

Introduction



INTRODUCTION

Martinsville-Henry County is a resilient place. For more than a century, the ebbs and flows of the local economy have resulted in the rise of one industry, and the fall of another. But throughout this history, local residents have remained steadfast in their hope for the future, high regard for their community, and core belief that the area will once again experience prosperity. The final years of the 1990s, and first third of the new decade, have been difficult on the Martinsville-Henry County economy. Hemisphere-wide and global trade pacts have resulted in dynamic shifts in the underlying structure of the U.S., Virginia and local economies, leading to large-scale job losses, factory closings, lingering unemployment, and general uncertainty over future prospects.

The fallout from the downturn in Martinsville-Henry County's economy is felt in many areas of local economic and demographic concern. Among these are:

- The size of the available workforce is shrinking, with below average levels of educational attainment and development of the so-called “soft skills” needed to succeed in a global economy.
- The present workforce has educational and social issues to be addressed, including a perceived lack of emphasis on the value of education, improving but less than optimal local schools, and comparatively high crime rates and incidences of certain health problems.
- Based on a variety of statistics, the area's level of wealth can be improved, with local per capita incomes below the Commonwealth average and stagnant for the past decade. There is a growing divide between the “haves” and “have-nots” in Martinsville-Henry County, which is increasingly straining social service providers.
- The local economic structure is at risk and not sustainable, as the manufacturing sector – particularly textiles and furniture – comprises a large majority of the community's local employment base, yet is a declining industry group that is predicted to continue shedding jobs in the near future.
- Existing small businesspeople and entrepreneurs in Martinsville-Henry County perceive a lack of attention paid to them by local officials, and are generally unaware of supportive resources available to them in the community.
- Local residents are leery of a “brain drain” resulting from the migration of young people and college graduates out of the community. Many noted that the lack of entertainment options in Martinsville-Henry County is a deterrent to attracting – and retaining – young people and Information Age workers in the area.

- Nearly every focus group and interview participant told *Market Street* that a lack of local vision for the future and fractured government and economic development leadership in Martinsville-Henry County were area weaknesses.

However, despite these concerns, Martinsville-Henry County has a number of local strengths that make it a very compelling place to live and do business. Indeed, benchmarked against comparative communities in the area's *Competitive Assessment*, Martinsville-Henry County was found to be very competitive against these places. Infrastructure is in place at all levels to allow Martinsville-Henry County to attract the type of companies that will bring quality local jobs, and also stimulate the development of businesses already "on the ground" in the community. Local strengths include:

- Low cost of living and doing business, with sufficient amounts of available industrial sites and buildings, ample supplies of water and other utilities, and a very competitive local airport.
- Geographic centrality to major urban areas, two major airports, the mountains and the ocean.
- A quality small-town atmosphere with no traffic congestion and a leisurely pace of life, a competitive local health care system, quality housing stock, quality school systems, excellent community college, abundant natural amenities, and a robust cultural environment for a community of its size.
- A great place to raise a family, with good people in the community, and a willingness to help one's neighbor.

The *Target Business Analysis* undertaken for Martinsville-Henry County determined that the following five areas are promising economic sectors for the community to pursue:

- 1. Health Care**
- 2. Plastics Product Manufacturing**
- 3. Tourism**
- 4. Wholesale Trade/Transportation and Warehousing**
- 5. Food Processing**

Nurturing these sectors will involve the development of successful relationships between Martinsville-Henry County officials and companies in these clusters to determine their competitive needs.

Overall, this *Community and Economic Development Strategy* will be a holistic framework for quality development, encompassing economic target sectors and funding sources, and also community capacity, efforts to improve workforce quality, and various

areas of demographic concern. To facilitate quality economic development in Martinsville-Henry County, *Market Street* therefore recommends pursuit of the following four goals and associated objectives:

Goal 1. Economic Sustainability: Create a climate where existing and new businesses and local entrepreneurs can effectively create quality local jobs.

- ◆ *Objective 1:* Support the development and expansion of the identified *Target Business Clusters*.
- ◆ *Objective 2:* Increase the assistance and resources supporting existing businesses.
- ◆ *Objective 3:* Promote entrepreneurial development and small business expansion.
- ◆ *Objective 4:* Build a new public-private partnership structure to ensure ongoing economic growth and stability in Martinsville-Henry County.

Goal 2. Education & Workforce Development: Build the capacity to produce workers with the skills to benefit from the high-wage jobs of the future.

- ◆ *Objective 1:* Develop a comprehensive educational improvement program.
- ◆ *Objective 2:* Establish best-in-class workforce development resources and programs.
- ◆ *Objective 3:* Work to develop a four-year university in Martinsville-Henry County.

Goal 3. Leadership, Vision and Community Outlook: Align all public, private, and community leadership behind the vision of a brighter local future.

- ◆ *Objective 1:* Streamline and unify Martinsville and Henry County departments and organizations.
- ◆ *Objective 2:* Develop increased capacity for local leadership by involving all Martinsville-Henry County constituencies in the momentum for positive change.
- ◆ *Objective 3:* Enhance the community's overall outlook and vision for the future.

Goal 4. Quality of Life: Make Martinsville-Henry County a community where people of all ages, incomes and ethnicities will feel welcome and thrive.

- ◆ *Objective 1:* Initiate a comprehensive Martinsville-Henry County *Arts Development Strategy*.
- ◆ *Objective 2:* Upgrade public spaces in Martinsville and Henry County.
- ◆ *Objective 3:* Work to alleviate local social and health issues.

The development and selection of the final strategic goals and objectives were coordinated by the Martinsville-Henry County *Advisory Committee*, comprised of representatives from a wide variety of local public and private constituencies. This group also finalized the development of a **Vision Statement** for the area. The Statement reads:

Martinsville-Henry County is building a stronger future through progressive, visionary and involved leadership. Dynamic partnerships between local governments, businesses, educational institutions and citizens will develop the social, physical and cultural infrastructure necessary for the entire community to thrive.

This Vision Statement will serve as a bellwether for the ongoing implementation of the *Community and Economic Development Strategy*. It represents a synthesis of Martinsville-Henry County's overall strategic mission, and can be used to gauge the applicability of future improvement efforts.

Methodology



METHODOLOGY

This strategy document details the action steps required to accomplish the four program goals and associated objectives derived from analysis of Martinsville-Henry County's *Economic and Demographic Profile*, *Qualitative Research Component*, *Competitive Assessment*, and *Target Business Analysis*. While the focus of the community's strategy will be short-term gains in employment and local wealth, sustainable community performance in the long-term is also a key criterion for any successful strategy.

Benchmarks and Performance Measures

Each strategic goal will have accompanying benchmarks and suggested performance measures recommended to gauge the impact of individual action steps. These monitoring criteria enable economic developers to keep tabs on the progress of strategy elements and determine if additional measures are needed to reach Martinsville-Henry County's future goals. Because the region's community and economic strategy is a "living" document, it will change and adapt over time to shifting economic, political and social conditions. Monitoring the progress of each strategic component will enable local decision-makers to determine the effect of policies and programs on overall community goals, and also if elements of the plan have to be expanded, contracted or altered.

"Benchmarks" are loosely defined by the Urban Institute as *measures of what can be expected*.³ They can be broad, as in "improved graduation rates for Minority students," or very specific: "Minority graduation rates will improve 10 percent by 2005." A "performance measurement" is defined as a *measurement on a regular basis of the results (outcomes) and efficiency of services or programs*.⁴ In the case of Martinsville-Henry County's *Community and Economic Development Strategy*, these measurements will reflect progress made in implementing the action steps and targeted sector improvements selected by the Advisory Committee. But, as the Urban Institute notes, performance measurements do have limitations: They cannot reveal the full extent to which a program *caused* the measured results; they cannot measure certain non-quantifiable outcomes like an area's "culture of entrepreneurship"; and they do not replace the need for basic expenditure data, political judgment, good management, creativity, etc., in the decision-making process. However, performance measurements can nevertheless identify trends, and trends can indicate progress, or the lack of it.

Performance measurements are essentially the tools used to gauge the achievement of benchmarks. Taken together, the performance measures and benchmarks in this strategy document are intended to guide decision-makers along the path to sustainable economic development. Whenever possible, data for Martinsville and Henry County should be combined to emphasize the two communities' integrated economic fortunes and the need to monitor them jointly.

³ Hatry, Harry P. *Performance Measurement: Getting Results*. Washington, D.C.: The Urban Institute, 1999, p. 119.

⁴ *Ibid*, p. 3.

While every attempt was made to ensure that the benchmarks and performance measures included in this document were as exhaustive as possible, Martinsville-Henry County is encouraged to monitor the progress of this strategy to the level of detail they see fit. For example, while “dropout rate” is included as a performance measure, this index can be broken down by individual grade to determine the exact point where the majority of local students are leaving the school system. In addition, analyzing the size and type of educational achievement gaps across race and income category can provide more specific and detailed tracking data than may be suggested in certain generalized performance measures for this strategy.

Goal 1: Economic Sustainability



Goal 1: Economic Sustainability: Create a climate where existing and new businesses, and local entrepreneurs can effectively create quality local jobs.

Objective 1:
Support the development and expansion of the identified Target Business Clusters.

The following Target Business Clusters were determined based on extensive qualitative and quantitative research. *Market Street* balanced existing strengths and weaknesses in Martinsville-Henry County with future market trends in various business sectors to best gauge the optimal targets for the community's economic developers. The five chosen sectors all demonstrated the current capacity – and future promise – to generate quality jobs and wealth in Martinsville-Henry County.

That said, the selection of these target clusters does not mean local officials should cease providing support to other sectors and companies. Nor should viable opportunities to recruit quality companies with sustainable growth potential be ignored, regardless of the industry. Recruitment, business retention and small-business development are equally important components of local economic strategies.

Recently, a Virginia legislator was able to generate a quality business-expansion inquiry that eventually led to the successful recruitment of defense firm MZM, Inc. to expand in Martinsville. By all means, local officials should work with Commonwealth and federal elected officials to pursue quality expansion leads even if they are not in the community's target sectors. But to say that Martinsville-Henry County has a business climate conducive to attracting defense-related firms – either those providing military hardware and/or supplies, or high-technology security support like MZM – would be a fallacy. The fact remains that Martinsville-Henry County has yet to develop a New Economy workforce that would allow the community to recruit high-tech firms. While there are also non-tech firms that supply goods and services to the military, the process of selection for these firms is highly politicized and often comes down to the demographic composition of the company's leadership, regardless of geographic location. The quantity of supplies required for large-scale military contracts also precludes all but the largest supply firms with existing ties to military purchasers from winning these contracts.

TARGET SECTORS

Health Care

The health care industry is broad, containing many sub-sectors and disciplines that run the gamut from service-based occupations to manufacturing and diagnostic specializations. Data from the federal government predict that a number of health care professions will be among the fastest growing in the U.S. over the coming decade. Prime

movers behind the sector's growth will be senior citizens, who will account for 30 percent of U.S. population in 10 years, and currently purchase one-third of all prescription drugs sold in the United States.⁵

Numerous rural communities have begun to leverage their local health care facilities to help replace manufacturing jobs lost to offshore nations. One compelling example is **Windber, Pennsylvania**. A news agency reported:

Nearly a century after Windber Medical Center opened its doors, the coal company that started the industrial infirmary no longer commands this western Pennsylvania community. Now it's the hospital — which has evolved into a state-of-the-art health care facility — that's the town's epicenter. With an affiliated research institute and cutting-edge programs to treat heart disease and breast and prostate cancer, it is now Windber's biggest employer and is recruiting academics and physicians from as far away as Nigeria. The transformation is emblematic of the nation's shift from industrial state to service economy.⁶

While Martinsville-Henry County developed around textiles and furniture as opposed to coal, the community's transition from a manufacturing-based economy to a more diverse, service-based industrial structure will be similar to Windber's. Currently, the Health Care sector is one of the largest employers in the community, representing nearly 8 percent of all local jobs. Memorial Hospital in Martinsville is a 237-bed, full-service, acute-care community facility that serves the entire region, and offers a number of cutting-edge specialties and state-of-the-art treatments. The Hospital completed a broad renovation program in March 2000, and will soon upgrade the third, fourth, and fifth inpatient floors.

In addition to Memorial, Martinsville-Henry County has a number of retirement homes and care facilities that have leveraged the community's powerful site advantages – natural beauty, temperate four-season weather, cultural and recreational amenities, low cost of living, absence of traffic congestion, etc. – to attract a growing number of seniors to the area. Among these facilities are King's Grant Retirement Community, Blue Ridge Manor, Home Health Care Associates, Inc., Landmark Centers, Inc., Community Living Services, Harmony Hall Home For Adults, and others.

Recruitment of retirees has become a viable economic development strategy in recent years as communities see the benefits of attracting older residents and their discretionary incomes to town. In fact, the state of Mississippi has determined that every retiree household recruited to the state represents the economic equivalent of 3.7 factory jobs.⁷

⁵ DeVol, Ross C. and Rob Koeppe. "America's Health Care Economy." Milken Institute, August 2003, p. 3-4.

⁶ Associated Press. "*Medical center breathes life into town.*" January 14, 2004. 23 January 2004. <<http://www.redding.com/news/business/past/20040114bus022.shtml>>.

⁷ Goldblatt, Lawrence and Ruth Knack. "Recruiting Retirees." *Planning*, March 2004, p. 30.

Interest in retiree-recruitment programs is based on pure demography – about half of the nation’s 76.4 million baby boomers (born between 1946 and 1964) are or will soon be retiring and considering moving to warmer or friendlier communities. A report commissioned by Florida Governor Jeb Bush in 2002 found that baby boomers’ retirement patterns will differ from previous generations in that many retired boomers plan to continue working at least part-time, and will seek out localities that offer attractive employment opportunities.⁸ This fact raises the stakes in the competition to recruit retirees even higher, and dovetails this strategy with broader local job-creation targets.

The March 2004 issue of *Planning* magazine listed some of the most promising retiree-recruitment strategies being initiated nationwide. These strategies include:⁹

1. Identify naturally occurring retirement communities (NORCs) and the services needed to keep them intact.
2. Foster collaboration between public health, recreation, public safety and education departments to create environments that are attractive to active adults.
3. Support efforts to enhance neighborhood and commercial area walkability by paying attention to urban design issues in these areas.
4. Address security concerns in plan review and design stages.
5. Keep abreast of senior trends in housing types and site amenities, and plan accordingly.
6. Provide civic and social gathering places geared to older adults.
7. Identify developer incentives, including lower mortgage rates for older adults; utilize local foundations to jump-start affordable development.
8. Work with health providers to respond to the needs of older adults.

By including many of these best-practice tactics in their retiree-recruitment strategy, Martinsville-Henry County developers can augment their burgeoning retirement communities with an influx of new residents and the economic benefits they provide.

In addition to its service-oriented categories, the health care sector also contains manufacturing-based employment in medical equipment, instrument and supply production. In fact, nearby Lynchburg, Virginia was named 2001’s top metropolitan area in the U.S. for medical instrument and supply employment by the Milken Institute, while Virginia was found to have the nation’s fourth fastest growing sector in this category.¹⁰ Martinsville-Henry County could potentially leverage its local manufacturing base to take advantage of health-care-related product development in the same way as Lynchburg. To successfully capitalize on job and wealth creation possibilities in all health care categories, City and County officials must fully attend to existing businesses, and develop comprehensive, unified strategies for recruitment of healthcare related firms. Workforce development resources should be also closely attuned to the occupational and skills-

⁸ Ibid, p. 32.

⁹ Ibid, p. 32.

¹⁰ DeVol and Koeppe.

related needs of local health care employers, and should link up with area economic organizations to proactively target potential growth sectors for specialized training.

ACTION STEPS

- ✓ Establish a Health Care Industry Group in Martinsville-Henry County.
 - Formalize an organizational structure and meeting schedule for existing health care businesses in Martinsville-Henry County to communicate needs and competitiveness issues to area economic development officials.
 - Source opportunities for cross-firm linkages, joint workforce efforts and other cluster synergies.
 - Monitor ongoing process of cluster development efforts.

- ✓ Continue health-care-specific training efforts at Patrick Henry Community College (PHCC), and partner with local businesses to design curricula for occupations and specialized skills of greatest need.
 - Design potential on-the-job training scenarios with local companies under the PHCC umbrella.
 - Effectively market PHCC health care programs to all area constituencies.
 - Actively promote new and future health care job openings, and work with community leaders to educate at-risk youth about the benefits of securing a high school diploma or GED to gain entry into the health care field.

- ✓ Consider the development of a retiree-specific marketing plan.
 - Work with the existing cluster of local retirement communities and home care providers to develop effective best-practice marketing tools for new business recruitment and attraction of retirees to the area.
 - Partner with area cultural, tourism, health care and recreational organizations and businesses to effectively package Martinsville-Henry County's existing retiree amenities.
 - Work with area planning officials to develop additional local resources and retiree-specific design and policy initiatives.

- ✓ Actively recruit specific health care services companies to Martinsville-Henry County.
 - Focus on firms in existing sub-sector strengths and complimentary industry categories.
 - Leverage current health care services companies in Martinsville-Henry County to assist in recruitment efforts.

- ✓ Recruit firms in health care manufacturing sectors like medical instrument and supply, drug manufacturing, and others, to take advantage of Martinsville-Henry County's manufacturing workforce and employee skill sets.

Plastics Product Manufacturing

Communities like **Akron, Ohio**, which has transformed from a rubber-manufacturing leader to a dynamo in the plastics industry, have staked a claim to one of the few manufacturing sectors to experience strong, steady growth in the age of “offshoring.” And projections are that the plastics product manufacturing industry will continue to expand domestically as demand rises and localities tailor development operations to capitalize on the high-paying sector.

Smaller communities such as Martinsville-Henry County are not precluded from successfully targeting plastics product manufacturing, as sector firms tend to be less dependent on regional linkages (unlike auto plants), and are relatively manageable in size. Locally, the plastics product manufacturing sector not only holds a large share of employment, but led all other Martinsville-Henry County manufacturing categories in raw number, percentage and employment concentration growth from 1998 to 2001. It also offers some of the highest comparable salaries among all area sectors. In part because of successes like these, Virginia was voted by a survey of consultants, real estate professionals and site-selection experts as one of the top locations in the world for plastics manufacturing.¹¹

Currently, plastics product manufacturing companies in Martinsville-Henry County do not receive optimal support from local development officials, nor are there specialized training curricula in place at Patrick Henry Community College for plastics-related occupations. The community will need to complement its plastics-recruitment focus with efforts to nurture established local businesses in order to maximize the potential of plastics product manufacturing in Martinsville-Henry County.

ACTION STEPS

- ✓ Work to convene an ongoing Plastics Manufacturing Roundtable in Martinsville-Henry County.
 - Leverage existing firms to collaborate on sector- and business-expansion strategies, determine companies’ current issues, needs and workforce demands, and brainstorm potential joint-development operations.
 - Partner with industry leaders to effectively market Martinsville-Henry County to the site-selection community as a top location for plastics manufacturing.

- ✓ Develop plastics-specific training programs at Patrick Henry Community College.
 - Work with existing firms to determine the skills, specializations and core competencies to target for these curricula.

¹¹ Source: *Business Facilities*, August 2003.

- Consider sourcing funds and partnerships for the development of a Plastics Technology Center and on-site laboratory at PHCC similar to the successful effort at Griffin Technical College in the Atlanta, Georgia area.¹²
- Coordinate training with ongoing programs at the Advanced and Applied Polymer Processing Institute at Danville's Institute for Advanced Learning and Research.

✓ Recruit specific plastics product manufacturing firms to Martinsville-Henry County.

Tourism

In the wake of the September 11, 2001, attacks, Americans are increasingly being drawn to tourist destinations closer to home. As a result, small town and "heritage" tourism are experiencing large upswings, with increased traffic reviving long-declining areas. A recent article in the magazine *Urban Land* noted, "Long-abandoned industrial sites, rural areas, and regions noted for their arts, crafts, music, customs, and other cultural idiosyncrasies are becoming the center of increasing interest on the part of tourists."¹³

Many respondents in focus groups and personal interviews conducted by *Market Street* praised the area's recreational and cultural amenities – plentiful, especially for a community of its size. In addition to natural resources such as Smith River, Philpott Lake, Fairy Stone State Park, Smith Mountain Lake, and five area golf courses, cultural attractions such as the Piedmont Arts Association, Virginia Museum of Natural History, Walker Fine Arts Theater and Proud Heritage of Black Educators tour combine to make Martinsville-Henry County a compelling location for residents, and tourists as well. Add to that the excitement of two major NASCAR races a year at Martinsville Speedway, and the cumulative attraction of the area for tourists is even further enhanced.

Despite these existing resources, representatives from the local hospitality industry told *Market Street* that they get little or no support from area economic development officials. Even representatives from Martinsville Speedway said they have received no visits from public or private officials except to accommodate tour groups or ask for donated track-related items. Other hospitality industry respondents expressed similar frustration at the lack of an effective conduit to express their needs and most pressing issues.

The following table is taken from Martinsville-Henry County's *Target Business Analysis*. It shows the great disparity between local revenue generated from tourism and the economic impacts from tourist spending in other Virginia communities.

¹² See description in Martinsville-Henry County's *Target Business Analysis*.

¹³ Miara, Jim. "The History Draw." *Urban Land*, August 2003, p. 69.

Economic Impact of Travel, Martinsville, Henry County, Comparison Localities: 2000

Locality	Traveler Spending	Travel Payroll ¹	Travel Employment	Tax Receipts ²	
				State	Local
Martinsville city	\$13,130,608	\$2,777,748	192	\$739,797	\$293,696
Henry Co.	\$33,708,944	\$8,371,714	583	\$1,771,325	\$742,778
Danville city	\$49,796,151	\$11,848,469	785	\$2,845,789	\$1,111,574
Pittsylvania Co.	\$30,030,487	\$4,399,442	275	\$1,656,752	\$2,272,109
Roanoke city	\$244,574,661	\$77,476,665	4,135	\$12,119,764	\$7,624,860
Williamsburg city	\$371,808,459	\$101,632,466	6,774	\$18,682,834	\$11,693,512

¹Represents the direct wages, salaries, and tips corresponding to those employed directly as a result of travel.

²Represent estimates of direct travel-related state and local taxes generated within the locality.

Source: Virginia Tourism Corporation

In order to reap the full benefits of their local resources, Martinsville-Henry County development officials will need to greatly enhance the service provided to existing hospitality businesses, coordinate efforts across the breadth of the sector, and combine these actions with programs to expand the capacity of tourist-serving enterprises. Effectively enhancing the local capacity to support tourism will have the ancillary benefit of building the resource base to improve the quality of life for year-round residents of Martinsville-Henry County as well.

The building blocks are there; local officials' task will be to construct an effective platform to create local jobs and wealth in the tourism industry.

ACTION STEPS

- ✓ Create a fully staffed Martinsville-Henry County Office of Tourism, either as a stand-alone entity, or under the purview of an existing or future organization.
 - Develop a dynamic new Martinsville-Henry County tourism website, and produce/distribute comprehensive marketing materials.
 - Consider ways to more effectively market the community's extensive array of natural resources.

- ✓ Partner with the Martinsville Speedway and area hospitality businesses to create a marketing plan to better leverage the Speedway for local development.
 - Coordinate promotional efforts, discount packages, fee-based "ride-along" activities, non-racing events utilizing the track, and other supportive services that would enable the Speedway to broaden its local economic development impact.
 - Source local funding to subsidize Speedway-related events and activities.
 - Develop Action Plans for NASCAR race weeks to effectively coordinate special local events, existing facilities and activities, and area restaurants/retail shops with the official race-week agenda.

- ✓ Organize a local Hospitality Industry Board that will meet regularly to discuss collective issues, specific needs, and strategies to expand the capacity and impact of Martinsville-Henry County's tourism sector.
 - Communicate priority needs and action requests to local tourism and economic development officials.
- ✓ Partner with PHCC and the National College of Business and Technology to develop tourism-related curricula, including hospitality management courses and Tourism and Hospitality degree programs.
 - Effectively market these programs to Martinsville-Henry County constituencies transitioning from low-skill manufacturing occupations.
- ✓ Consider sustainable, controlled development scenarios for Philpott Lake.
 - Work with the Army Corps of Engineers, environmental representatives and local, state, and national legislators to develop a consensus plan.
- ✓ Initiate an effort to rework the law preventing the sale of liquor-by-the-drink in Henry County.
 - Consider potential compromise plans, including designating certain "entertainment zones" in Henry County where liquor-by-the-drink could be sold without impacting nearby neighborhoods.
- ✓ Partner with the City and County to pursue a joint-development agreement to fund and construct a Convention Center, conference hotel, or multi-purpose center in Martinsville-Henry County.
 - Work to provide local businesses with a viable venue for local trade meetings, industrial information/training sessions and other large-scale events.
- ✓ Work with local entrepreneurial support services to develop a best-practice manual for starting bed-and-breakfast inns.
 - Create a revolving-loan fund for this purpose, or leverage existing funding sources.
- ✓ Commission a *retail gap analysis* that studies the local need for coffee houses, restaurants, bars, nightclubs, and other tourist-serving retail businesses.
 - Consider development of a plan to recruit/develop businesses in underserved areas of the local tourist economy.
- ✓ Continue to lobby state and federal sources for tourism-related grants and funding.
 - Consider the possibility of increasing the lodging tax rates in Martinsville and Henry County.
 - Partner with hospitality industry leadership to build consensus for tax rate increases to preempt the contentious opposition of previous efforts.

Wholesale Trade/Transportation and Warehousing

A community's physical location is often one of its most compelling local advantages. With trans-national and regional shipping now dominated by heavy-load truck hauling, areas with close proximity to a number of metropolitan and rural destinations become very attractive sites for wholesalers, distributors and logistics-management companies. Situated almost equidistant to Roanoke and the Piedmont Triad, and within a morning's drive to the Raleigh-Durham metro, Martinsville-Henry County is accessible to major shipping hubs by a network of multi-lane, relatively congestion free highways and roads.

The community's prime location for warehousing and distribution is reinforced by the companies that have already chosen to establish operations there. Wholesale Trade and Transportation and Warehousing jobs comprised 5.6 percent of all Martinsville-Henry County employment in the first quarter of 2003. These positions also pay significantly more than the local average wage. In fact, for the first quarter of 2003, Wholesale Trade (\$721 per week) was the second highest paying sector in Martinsville. In Henry County, Wholesale Trade (\$654 per week) and Transportation and Warehousing (\$537 per week) were the first and third highest paying sectors, respectively.

As was noted in Martinsville-Henry County's *Target Business Analysis*, current technology allows businesses to track where individual vehicles are located via satellite, and use refrigerated units to provide computerized feedback on specific operational times and temperatures. Advanced in-house technology and hand-held wireless devices in the field also streamline inventory-maintenance operations.

According to the U.S. Bureau of Transportation Statistics' 2001 annual report, demand for transportation-related goods and services represented over 10 percent of the U.S. economy in the year 2000, supporting nearly one in eight U.S. jobs. Purchases of transportation-related goods and services comprised nearly 11 percent of the Gross Domestic Product (GDP) in 2000, or \$1,054 billion. Only housing, health care, and food accounted for greater shares of GDP in 2000.¹⁴

The combination of Martinsville-Henry County's competitive position in wholesaling and distribution, the high wages paid to these sectors' employees, and these categories' strong national growth prospects makes Wholesale Trade and Transportation and Warehousing compelling target industries for local economic development officials. Importantly, for a region that has seen thousands of its jobs lost to overseas nations, wholesale, warehouse and distribution employment is by its very definition rooted to its operational geography. These jobs will be staying in the U.S. for the foreseeable future.

¹⁴ Source: U.S. Bureau of Transportation Statistics, *2001 Annual Report on Transportation Statistics*, accessed from http://www.bts.gov/publications/transportation_statistics_annual_report/2001/html/chapter_07.html, on 1/6/04.

ACTION STEPS

- ✓ Continue intensive lobbying efforts to construct Interstate-73 as soon as possible.
 - Work with Commonwealth and federal elected officials to prioritize I-73 approval and funding in Virginia and U.S. transportation legislation.
 - Continue current regional support efforts, and work to partner with super-regional groups such as the North Carolina I-73/74 Corridor Association, the South Carolina I-73 Association, and other public-private partnerships dedicated to prioritizing the Interstate in state and federal policy.

- ✓ Develop logistics-based training curricula at Patrick Henry Community College.
 - Capitalize on high-tech, high-wage distribution employment by offering local residents training in current-practice logistics and systems engineering disciplines.

- ✓ Maximize high-speed communications capacity/infrastructure in Martinsville-Henry County.
 - Work to provide the wireless and wire-line communications capacity necessary to enhance current operations, and recruit leading companies to the area.

- ✓ Develop a local Wholesale and Distribution Industry Roundtable.
 - Partner with existing industry leaders and company representatives to formalize a setting for prioritizing workforce, infrastructure, and expansion needs.
 - Update Roundtable representatives on the progress of development actions and assistance requests.

- ✓ Actively recruit specific firms to the area.
 - Leverage existing industry leaders to serve as Ambassadors for visiting prospects and site-selectors.
 - Effectively market Martinsville-Henry County's geographic advantages to the corporate relocation community.

Food Processing

Martinsville-Henry County economic officials are targeting food processing employment for development due to the community's site advantages for this sector. Food processing facilities typically use a large volume of water to process their products and clean plant equipment. As a result, food processing plants generally require on-site storage ponds or tanks to operate effectively.

Martinsville-Henry County's ample supply of locally available water makes it a viable location for firms in this industry.

Other local advantages include:¹⁵

- Inexpensive power/utilities.
- Low-cost labor.
- An available supply of graded lots ready for construction of food processing facilities.
 - Because of USDA restrictions on food processing, a relocating company would likely need to build a new facility in order to be in compliance.

Importantly, with the community's recent history of jobs being lost to overseas destinations, food processing is largely projected to remain in the U.S. Despite Martinsville-Henry County's locational benefits for food processing companies, area development officials should aspire to the higher-end niches of food processing employment. These positions offer more competitive wages and fewer on-the-job safety hazards than many traditional processing occupations.

Animal Food Manufacturing is an example of a higher-end food-processing sub-sector. Workers for animal food manufacturer Iams Company in Vance County, North Carolina, for instance, earn more than the county average wage, and the company has become a model local citizen, contributing to area causes and becoming active in the county's economic development. Other higher end food processing sub-sectors include: Fruit and Vegetable Preserving and Specialty Food Manufacturing; Dried and Dehydrated Food Manufacturing; and Snack Food Manufacturing, to name a few.

A company in the snack-foods manufacturing sub-sector was successfully recruited to Henry County in 2002. Knauss Foods has invested \$5.7 million in a new 100,000 square foot processing facility in the Patriot Centre at Beaver Creek industrial park. One month after production began in mid-December 2003, Knauss had 41 hourly and 22 salaried full-time employees, with hourly workers earning between \$7 and \$13 an hour. Company officials expect to have over 130 employees on the payroll by January 2005.¹⁶

Because new hires often do not require higher degrees and can be effectively trained in-house with few pre-existing skills, food-processing employment is a useful component of a holistic local economic development program. Providing job opportunities for the full breadth of workforce skills categories in Martinsville-Henry County allows local officials to aim for a truly diversified economy with enough variation to successfully weather Commonwealth, local and national economic downturns.

¹⁵ Source: Henry County Office of Commerce.

¹⁶ Source: *Martinsville Bulletin*, 1/18/04, accessed from <http://www.martinsvillebulletin.com/Archive/2004/Jan'04/j011804.htm> on February 2, 2004.

ACTION STEPS

- ✓ Partner with Commonwealth and local agricultural businesses/organizations to source the most effective crops to grow for food processing-related products.
 - Work to develop relationships between regional growers and Martinsville-Henry County food processors to facilitate ongoing supply linkages.
 - Coordinate a joint-development strategy with farmers and local economic development agencies to approach food-processing prospects in tandem for new partnerships.

- ✓ Continue efforts to recruit specific, high-end food processing firms to the area.
 - Market local site advantages to relocation professionals.
 - Partner with existing companies to assist with the successful recruitment of relocation prospects.

- ✓ Consider development of food-science curricula at Patrick Henry Community College.
 - Work with existing firms to determine priority training needs.
 - Develop training programs in high-wage food safety specializations like plant inspectors and quality-control professionals.

Goal 1: Economic Sustainability: Create a climate where existing and new businesses, and local entrepreneurs can effectively create quality local jobs.

Objective 2:
Increase the assistance and resources supporting existing businesses.

In the desire to increase local economic activity and successfully recruit new firms and employment to an area, the needs of existing businesses can often be overlooked. By taking existing businesses for granted, however, local officials run the risk of alienating these firms and losing them to another location. Indeed, a common theme among businesses large and small to emerge from the qualitative component of Martinsville-Henry County's strategy process was the lack of attention paid to companies already operating in the area.

It is crucial that communities help local businesses upgrade the efficiency of their current operations, expand their customer bases, and improve relationships with other area firms, purchasers and suppliers. These business retention strategies are largely built on personal relationships between company officials and local developers. If local firms feel they are being ignored, it will be difficult to develop a positive, nurturing business climate to market to outside prospects. In addition, proactive measures like the provision of high-speed telecommunications access, maintenance of good transportation and utility infrastructure, and exceptional service every time a company deals with local government officials are supportive actions that can help sustain and grow local companies. There must be professional staff dedicated only to these issues and the retention and growth of existing firms.

One proven method to address the needs of current local companies is an effective business-calling program. The program ensures that the issues of existing businesses are communicated and heard, and that local economic development representatives take proactive steps to keep these companies in the community. The structure, design and operational elements of a business-calling program are, to a certain extent, dependent on the staffing capacity of local economic development organizations, the needs of local businesses, and the size and number of economic clusters present in a location. At the very least, Martinsville-Henry County's business calling program should be formalized so that both economic development staff and local businesses have a level of programmatic consistency that ensures operations are transferable from business to business and do not suffer if staff turns over in the coordinating agency. Components of many successful business-calling programs include:

- A survey "instrument" to collect both basic and specific company information.
- A call-sequencing schedule designed to service local businesses based on need and importance.

- A local business and industry information database maintained with the most current contact and operational information.
- A formalized process for setting up interviews with new or relocated businesses.

Another effective tool to support existing businesses is the development of a Martinsville-Henry County “one-stop shop” for business assistance, acquisition of permits, and navigating the many regulatory requirements for expansion. Across the country, numerous localities are developing best-practice tools to streamline their regulatory processes. Examples of these include:

- The city of **Bellingham, Washington**, partnering with its Chamber of Commerce, formed the Bellingham Business Service Center, a one-stop business center co-located with the Chamber in the downtown business core. The Center is staffed with a director and a business development specialist, and offers business assistance and resources including financial information, site location support, business permits/regulations/licenses information, a business resource library, business consultation, meeting room access, short-term office space, computer access, local phone access, business plan assistance, workforce database, and loan packaging.
- **Boise, Idaho** opened a one-stop-shop permit center that includes staff members from various departments and agencies in one physical location, making it possible for applicants to obtain information, application materials and pay fees for necessary permit and development approvals in one consolidated location. The city also instituted an expedited “Fast Track” permit review process that utilizes a predevelopment review procedure to identify incoming permits and direct them along a path of least resistance towards an efficient and timely issuance. Lastly, the city’s computerized permit plan tracking system has also helped to expedite the permitting process by making current project and permit information available electronically.

By helping to facilitate growth and expansion of existing businesses, local economic developers are able to add another weapon to their job-creation arsenal.

Furniture Manufacturing

When the national and regional tobacco economies collapsed, it was primarily the furniture industry that filled the void as the driving force behind Martinsville-Henry County’s continued economic expansion. Many of the area’s largest private-sector employers continue to be furniture manufacturing firms, and a number of affiliated manufacturers have located in Martinsville-Henry County to supply packaging and component materials to the furniture industry. There can be no denying the tremendous importance of furniture employment to the local economy.

Unfortunately, the long-term prospects for certain furniture manufacturing categories are not bright. Global competition and process automation have created tremendous cost

pressures on domestic manufacturers, many of whom have slashed payrolls, outsourced labor and retooled production operations just to survive. Commodity furniture production has increasingly been forced overseas, as factories in China, Vietnam, Malaysia, and elsewhere have expanded capacity and streamlined delivery schedules for many mass-produced pieces. Niche and high-end furniture manufacturing is still a sustainable category in the U.S., but companies producing lower-cost goods are scrambling just to remain profitable.

Companies and economic development officials in Martinsville-Henry County must partner to devise plans to protect the community's existing furniture jobs, and effectively communicate industry needs and the supportive actions required to expand local manufacturing firms with real growth prospects. The critical importance of this sector to Martinsville and Henry County demands that action be taken to sustain the area's existing companies and jobs.

ACTION STEPS

- ✓ Develop a comprehensive, fully staffed and consistent Business Calling Program.
 - Ensure that positions are staffed by knowledgeable professionals, or fully trained volunteers.
 - Support companies of every size in Martinsville-Henry County, including small businesses.
 - Structure visits/interviews to collect as much varied and industry-specific information as possible, and input results into a constantly updated database.
 - Communicate to the site-selection community that Martinsville-Henry County has quality, current data available well beyond the scope of the federal and Commonwealth data collection agencies.

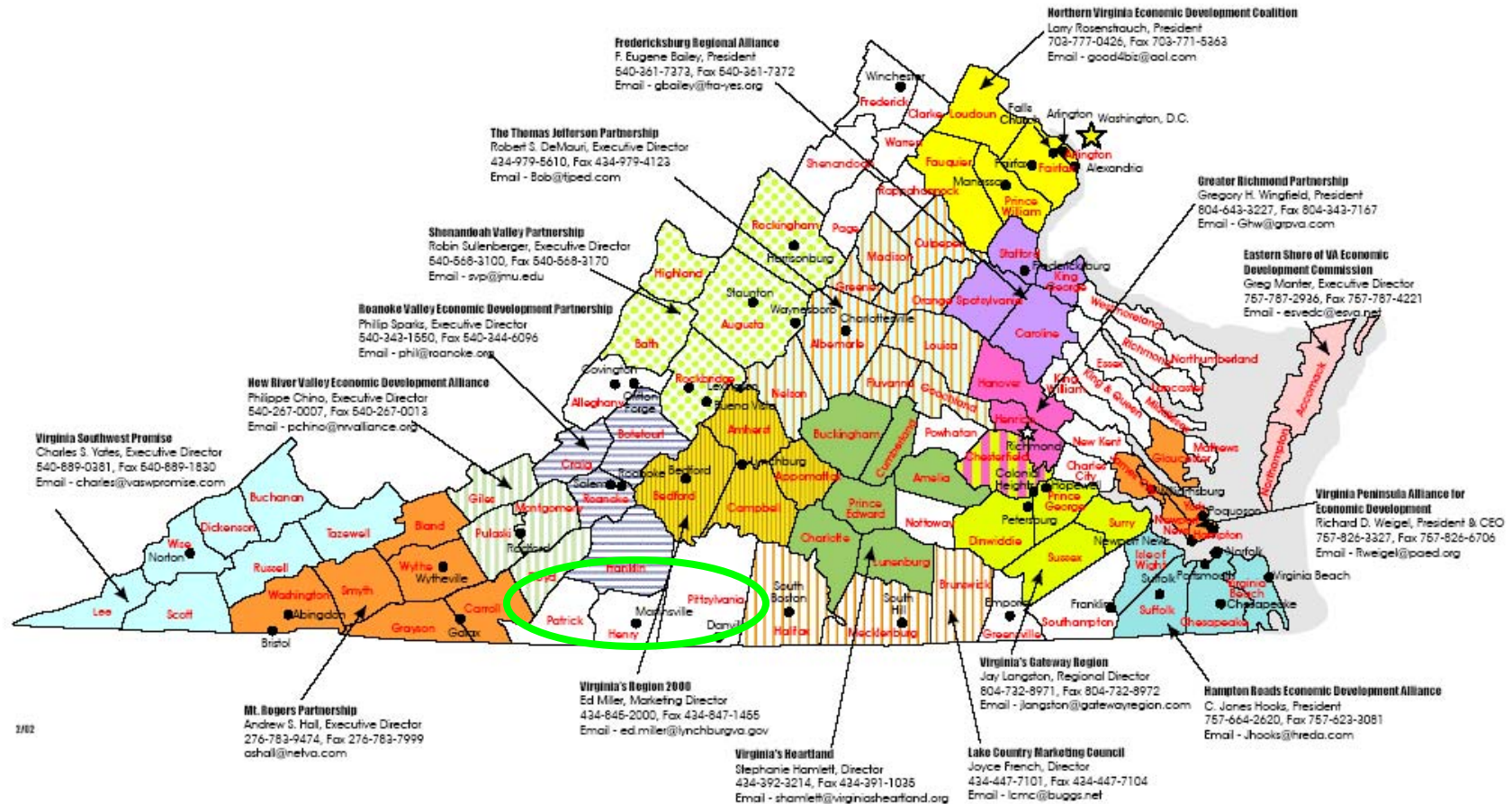
- ✓ Partner with Commonwealth and area officials to ensure that the stated needs of local businesses are met whenever possible.
 - Work to implement company requests for regulatory assistance to facilitate expansions, workforce-development needs, marketing assistance and other issues pertinent to existing businesses' operational effectiveness.

- ✓ Develop a retention and expansion plan for Martinsville-Henry County furniture manufacturing companies.
 - Survey local manufacturers to determine priority actions for maintenance of existing sector employment.
 - Pursue growth strategies in "niche" manufacturing sectors like high-end, custom and semi-custom pieces.
 - Effectively support the growing Martinsville-Henry County sub-sector of window manufacturers.
 - Explore the creation of a specific sub-sector cluster development strategy.

- ✓ Consider the development of a “one-stop shop” for Martinsville-Henry County permitting, regulatory and business assistance.
 - Work to integrate as many services and on-site public and private representatives as possible.
 - Investigate best-practice models in other localities.

- ✓ Partner with Patrick and Pittsylvania Counties to explore the development of a tri-county regional marketing organization (*Note the map shown on the following page; Martinsville-Henry County’s region is one of the few without an existing marketing structure.*).
 - Engage City of Danville leadership at the earliest stages in order to work towards regional consensus on the structure, mission and functions of the marketing partnership.
 - Work with the existing West Piedmont Planning District to leverage the full breadth of their knowledge, regional experience and current capacity.

Existing Virginia Regional Marketing Organizations



Goal 1: Economic Sustainability: Create a climate where existing and new businesses, and local entrepreneurs can effectively create quality local jobs.

Objective 3:
Promote entrepreneurial development and small business expansion.

The Federal Reserve Bank of Kansas City's Center for the Study of Rural America has said that the continuing slump in rural manufacturing raises fundamental questions about the viability of industrial recruitment, for years the lynchpin of most rural economic development strategies. The Center's vice president and director, Mark Drabenstott, argues that, "New directions are needed. Initiatives to help Main Streets grow more entrepreneurs will be a cornerstone of new rural policy."¹⁷ For Martinsville-Henry County, these "initiatives" may take many forms, but what is crucial is that local officials get ahead of the employment-trend curve by formalizing entrepreneurial and small business development programs now, so that they are ready to bear fruit if the manufacturing sector further diminishes its levels of local employment.

Besides serving as a buffer to the "offshoring" of manufacturing jobs, small business development programs are also traditionally better job generators than large companies. Including the self-employed, small businesses account for 58 percent of the private, nonfarm U.S. work force, constitute 43 percent of all domestic sales, and generate 51 percent of the nation's private Gross Domestic Product (GDP). Small businesses also contributed the largest share of the millions of new jobs created during the late 1990s.¹⁸

Martinsville-Henry County's entrepreneurship and small business development infrastructure is still in its infancy, and does not yet have the capacity to generate meaningful job growth in the community. These conclusions were primarily determined during the qualitative component of the community's strategy development process, when *Market Street* spoke with numerous Martinsville-Henry County entrepreneurs and reviewed existing small-business development resources in the area. The results of this analysis are as follows:

Problem Areas

- **Absence of Services:** With the exception of Longwood University Small Business Development Center and the West Piedmont Business Development Center, no other major support services exist in the community. There is a lack of programs focusing on micro-entrepreneurs or services targeted to the minority business community, and the resources to train and/or encourage youth who might consider entrepreneurship as a career option.

¹⁷ Hoover, Kent. "Rural America's future depends on entrepreneurs." *New Mexico Business Weekly*, 9/15/03, accessed from www.msnbc.com on 9/13/03.

¹⁸ Source: U.S. Small Business Administration.

- **Poor Accessibility of Services:** Existing services are difficult to access, according to small businesspeople surveyed. In addition to poor marketing, existing services suffer from unduly burdensome restrictions on participation.
- **Absence of Encouragement:** In general, small business owners appear to have a perception (fair or not) that existing service providers often discourage new business owners. Moreover, they also believe that the community's leaders regularly ignore the needs and concerns of local small companies.

The shortcomings of the local system are most acute in the minority community, where businesspeople expressed great frustration at what they say is a pervasive neglect of their business-development needs by the Martinsville-Henry County economic power structure. Even if an existing development organization asks the local African-American business community to form a sub-association, minority leadership told *Market Street* that they would still pursue independent, self-directed organizational options.

Martinsville-Henry County's Hispanic residents are also underserved by existing small business support programs. These individuals – and other overlooked local constituencies – must be integrated into comprehensive local development programs. Unfortunately, the current Martinsville-Henry County entrepreneurial and small business-support infrastructure is too thin to provide effective outreach to the full array of local residents in need of hands-on support and guidance.

While not insurmountable, these issues nevertheless hinder effective entrepreneurial and small business development in Martinsville-Henry County. Existing assets like the aforementioned business development centers, the Harvest Foundation, scenic amenities and demographic diversity in the area, have the potential to be effectively utilized as part of a wider small business development strategy. But Martinsville-Henry County will need to enhance its support of local innovators and small businesspersons, and always strive to capitalize on existing entrepreneurial development programs and state and federal assistance in order to fully capitalize on the business acumen of current residents.

ACTION STEPS

- ✓ Fully market existing entrepreneurial and small business development resources to all Martinsville-Henry County constituencies.
 - Partner with community leaders, faith-based and social service organizations, and educational and civic institutions to ensure every potential user is aware of available assistance monies and programs.
 - Work to improve the accessibility of development services by liberalizing participation requirements, and potentially subsidizing certain program entry costs.

- ✓ Initiate efforts to expand the availability of entrepreneurship and small business training opportunities in Martinsville-Henry County.
 - Market these courses through non-traditional channels and offer them at Patrick Henry Community College, local public schools, or another accessible location.
 - Base the development of additional courses on existing best-practice entrepreneurship and small business development curricula.
 - Develop comprehensive best-practice guides on local small business development to be distributed at “one-stop” business assistance shops, and through other far-reaching area organizations and distribution centers.

- ✓ Explore the development of a staffed Minority Enterprise Office – contracted for minority business development by the City and County – to pursue all available funding opportunities, coordinate minority business initiatives, and provide start-up and expansion assistance to minority-owned companies in Martinsville-Henry County.
 - Pursue assistance through the Minority Enterprise Development program at the Small Business Administration’s Richmond District Office.¹⁹
 - Work with neighborhood leadership, elected officials, faith-based organizations, and others, to fully market programs to all eligible residents.
 - Partner with Martinsville-Henry County economic development organizations to source new business opportunities, form client relationships, and pursue government contracts for eligible minority-owned enterprises.
 - Seek knowledgeable volunteers to provide hands-on community outreach and individualized business development assistance to underserved local constituencies.
 - Ensure that bilingual services and materials are available.

- ✓ Develop sustainable local funding sources for entrepreneurs and small businesses, and fully utilize available monies (i.e., the West Piedmont Business Development Center’s micro-enterprise revolving loan fund).
 - Ensure that local banks are utilizing all available SBA loan programs.
 - Provide local banks with training, if necessary, in sourcing and securing SBA monies.
 - Actively initiate efforts to engage the local banking community in economic development, including service on boards of directors, advisory committees, and as mentors.
 - Work with local high-net-worth individuals to gauge interest in creating an “angel” investors network in Martinsville-Henry County.

¹⁹ The Minority Enterprise Development program uses SBA's Section 8(a) contracting authority to offer business development assistance and federal procurement opportunities. Currently, there are 234 certified 8(a) companies in the Richmond Office's Minority Enterprise Development Program. Combined, these firms received over \$264.6 million in federal contracts and modifications in FY 2001. (Source: SBA)

- ✓ Set up an Entrepreneurial Networking Group for local small businesspeople and fledgling entrepreneurs.
 - Market the Group through the most effective local media and community channels.

- ✓ Initiate regional efforts to recruit small businesspeople to Martinsville-Henry County.
 - Blanket the Roanoke and Triad regions with targeted advertising of local small business opportunities, low costs, small-town quality of life, and available stock of high-grade housing.

Goal 1: Economic Sustainability: Create a climate where existing and new businesses, and local entrepreneurs can effectively create quality local jobs.

Objective 4:
Build a new public-private partnership structure for economic development to ensure ongoing economic growth and sustainability in Martinsville-Henry County.

The trend in American cities and counties of all sizes is to unify economic development efforts and initiatives as much as possible. Greater coordination and elimination of project overlap between economic development officials allows them to devote more time to effectively fostering job and income development in the area. In addition, providing a single location for local constituents and clients to pursue their economic development inquiries simplifies the process and increases the likelihood that their needs will be attended to in a prompt, efficient way. The practice also lowers overhead and operating costs and provides more capacity to initiate and implement effective local programs.

For smaller communities such as Martinsville and Henry County, there is an even greater risk that compartmentalizing economic development functions in individually staffed offices will result in wasted time and effort, programmatic redundancies, added confusion for residents and businesses, and a development infrastructure spread too thin to be effective. An example of an apparent lack of communication between local economic development offices occurred when conflicting Martinsville and Henry County advertisements appeared 80 pages apart in the October issue of *Area Development* magazine's 2004 location guide. Local government officials were upset over the dual ads, with Martinsville City Councilman Joe Cobbe commenting, "I don't know why we don't have one ad... We're not advertising California and Red China – we're advertising the same thing."²⁰

Economic development consolidation between Martinsville and Henry County would not be a new endeavor for the community. A previous organization – the Patrick Henry Development Council (PHDC) – was a joint-marketing effort between the City and County designed primarily to recruit companies to the area. PHDC was disbanded in 2001 and a portion of its assets reserved in a bank account under the Council's name.

In response to the ongoing economic downturn in Martinsville-Henry County, the spirit of the PHDC was recently revived with the September 2003 formation of the Coalition for Economic Progress, a public-private body with the charge of developing a joint marketing plan for the area. Though there have been minor disagreements over the

²⁰ Monks, Matthew. "Dueling ads don't work." *Martinsville Bulletin*, 12/4/03, accessed from www.martinsvillebulletin.com on 12/5/03.

Coalition's appointees – and despite the fact it does not yet have a dedicated budget or funding stream – the group's six members have been moving forward with plans to build greater economic development capacity in Martinsville-Henry County.

The positive momentum generated by the formation of the Coalition has led to public efforts for greater City-County cooperation and renewed partnerships for economic development. In January 2004, efforts spearheaded by Coalition Chairman Ben Gardner, Martinsville Mayor Gene Teague, and Henry County Board of Supervisors Chairman David Davis led the City and County's elected leadership, as well as the boards of the Martinsville-Henry County Chamber of Commerce and the Chamber's Partnership for Economic Growth, to endorse the idea of a new public-private economic development partnership in the community. City and County officials should put everything on the table for review, and consider all options to improve efficiency and maximize the capacity of local officials and departments. These options may include the disbanding of all current Martinsville and Henry County economic development offices in favor of one consolidated City/County department focusing on recruitment, existing businesses and small-business development.

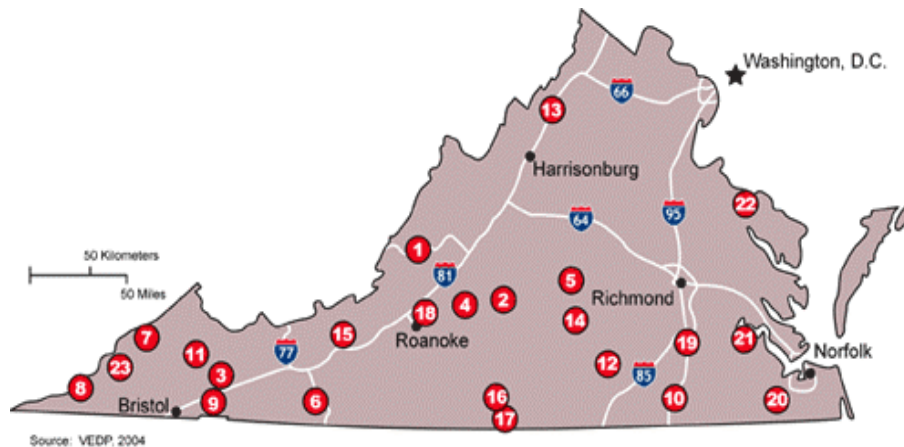
ACTION STEPS

- ✓ Consider the consolidation and reorganization of economic development programming for the City and County.
 - Conduct a review of current economic development programs to determine capacity, effectiveness, needs and shortcomings.
 - Conduct a nationwide search for an experienced economic development professional to head the new partnership.
 - Appoint a progressive Board of Directors representative of all Martinsville-Henry County constituencies.
 - Develop a Program of Work for the new organization focused on existing businesses, recruitment and entrepreneurship/small-business development.
 - Consolidate all staff in one location.
 - Market the City and County jointly, and approach prospects as one entity.
 - Expand the Martinsville-Henry County economic development website beyond its current marketing focus to one that encompasses all aspects of existing business resources and local development, including tourism, small business and entrepreneurship resources, and create a more graphically dynamic user interface.

- ✓ Optimize Martinsville-Henry County's recruitment capacity.
 - Pursue available public and private funding sources to create an Incentives Fund for closing relocation deals.
 - Incorporate as a 501(c)3 to maximize fundraising potential.
 - Partner with area industry leaders to develop an Ambassadors Program to leverage local executives in the business recruitment process.

- Develop an annual, program-specific marketing event for site-selection professionals.
 - Consider leveraging the Martinsville Speedway for this purpose.
- Assess the community’s inventory of vacant buildings and match them to the appropriate target sectors.
 - Only then consider if a new shell building is needed in the area.²¹
 - Investigate the development of “Virtual Buildings” on available Martinsville-Henry County sites.²²

Existing Shell Buildings in Virginia*



- | | |
|--|---|
| 1 Alleghany Shell Building | 13 Mount Jackson Shell Building |
| 2 Amherst County Shell Building | 14 Prince Edward County Shell Building |
| 3 Battleground Shell Building | 15 Pulaski County Shell Building #3 |
| 4 Bedford Center for Business Shell Building | 16 Ringgold East Shell Building |
| 5 Buckingham County Industrial Building | 17 River View Shell Building |
| 6 Carroll County Shell Building 2 | 18 Roanoke County Shell Building |
| 7 Dickenson Shell Building | 19 Southpoint Building #2 |
| 8 FIBC - Lee County Shell Building | 20 Suffolk Industrial Park Shell Building |
| 9 Glade Highlands Shell Building | 21 Surry County Shell Building |
| 10 Greensville County Shell Building #2 | 22 Westmoreland County Shell Building |
| 11 Honaker Shell Building | 23 Wise County Shell Building #2 |
| 12 Kenbridge Shell Building | |

***According to VEDP, there are over 700 existing empty buildings available in rural Virginia in addition to shell buildings.**

Source: Virginia Economic Development Partnership, as of 3/5/04

²¹ Note: See existing supply of shell buildings in Virginia listed below.

²² The Virginia Economic Development Partnership’s *Virtual Building Program* began in early 2003. The Program is a timesaving business-location alternative to constructing an existing building. A “virtual” building is a site where all the preliminary work has been completed in order to start construction immediately. The building has been designed, utilities are available, the development team is in place, firm cost estimates and construction schedules have been established and the site plan permit obtained. In addition to zoning and utilities, additional features of a “virtual” building include a site plan, color renderings of the site and building and floor plans. (Source: Brunswick County Industrial Development Authority)

GOAL 1: BENCHMARKS

- ✓ Create a unified public-private partnership for economic development in Martinsville-Henry County.
- ✓ Reduce unemployment rate to 6.5% by 2008.
- ✓ Increase labor force participation rate to 75.0% by 2008.
- ✓ Diversify local economy such that no sector contains over 25% of Martinsville-Henry County's total employment by 2008.
- ✓ Achieve an annual total employment growth rate of 2.0% by 2006.
- ✓ Increase median real per capita income to \$22,500 by 2008.
- ✓ Successfully create 20 new local businesses by 2008.
- ✓ Successfully create an Ambassadors Program for local businesses.
- ✓ Increase median per capita income of local nonfarm proprietors to \$15,000 by 2008.
- ✓ Increase percentage of labor force working in its county of residence to 70.0% by 2008.
- ✓ Approval of construction for I-73 through Henry County by 2006.
- ✓ Create an active Health Care Industry Group; Plastics Manufacturing Roundtable; Hospitality Industry Board; and, Wholesale and Distribution Industry Roundtable.
- ✓ Create a Business Calling Program.
- ✓ Create a "one-stop shop" for permitting and business assistance.
- ✓ Create a regional marketing organization.
- ✓ Create a Minority Enterprise Office for local minority-owned business development.
- ✓ Increase percentage of minority-owned local businesses by 15% by 2008.

GOAL 1: PERFORMANCE MEASURES

- Unemployment rate as compared to Virginia and the U.S.
- Net job growth and average wage of new jobs.
- Number of net new businesses created in Martinsville-Henry County, and average number of employees.
- Amount of financial assistance obtained from private, Commonwealth and federal sources.

- Number of expansions by existing businesses annually, and net number of new jobs created.
- Number of business relocations and expansions in each Target Business Cluster and overall.
- Number of jobs and capital investment generated in each Target Business Cluster and overall.
- Percent of total Martinsville-Henry County employment held by each local economic sector.
- Vacancy rate of Martinsville-Henry County commercial and industrial properties.
- Direct infrastructure spending related to site development.
- Dollar value of new capital investment onsite.
- Percentage of local residential and commercial units with high-speed communications capacity, and usage rates.
- Number of new economic development programs created.
- Net number of new businesses and jobs resulting from economic development programs.
- Net increase in tourist visitation and local spending in Martinsville-Henry County.
- Net annual increases in tax revenue and local spending during NASCAR race weeks.
- Number of new, non-racing programming events at Martinsville Speedway, average attendance, and net tax contributions.
- Various Philpott Lake indices, including amount of new shoreline and adjacent development, and amount of new investment and jobs created in Philpott Lake area.
- Number of partnerships created between local agri-businesses and food processing companies and net number of new jobs created by these partnerships.
- Number of new courses/degree programs initiated at Patrick Henry Community College in response to local business needs and recruitment strategies.
- Number and percentage of PHCC graduates successfully placed in new employment.
- Number of firms assisted, percentage of businesses retained and total jobs resulting from assisted businesses.
- Total number of assistance requests at “one-stop” shop, and percentage of permits successfully obtained.
- Net number of new furniture jobs created in Martinsville-Henry County, and average value of new jobs.
- Number of local initiatives developed through regional marketing organization.

- Percentage of eligible local residents taking advantage of small-business development resources, and increase in participation resulting from program subsidies and revised participation requirements.
- Number of new entrepreneurship and small business training courses developed, and number of residents enrolling.
- Number of new businesses developed as a result of new small-business development courses.
- Net number of new minority-owned businesses, average annual sales per firm, and number of new jobs created.
- Amount of funds secured for entrepreneurial development, number of individuals utilizing these funds, number of new businesses created, and number of new jobs at these businesses.
- Number of small businesspeople successfully recruited to Martinsville-Henry County, and number of new jobs created at these businesses.
- Number of site-selection professionals attending annual event, and number of leads and relocations generated by attendees.
- Number of new “virtual buildings” developed.

Goal 2: Education and Workforce Development



Goal 2: Education & Workforce Development: Build the capacity to produce workers with the skills to benefit from the high-wage jobs of the future.

Objective 1:
Develop a comprehensive educational improvement program.

Americans ask a lot of our schools; we expect them to effectively educate, socialize, entertain, and motivate our children, and prepare them for college and the professional workplace. These are the realities of today's educational systems. Unfortunately for many educators and school administrators, they are expected to do more and more with less and less state and federal funding. This is where local governments and communities can step into the breach and augment their school systems' resources with additional funding, donated equipment and selfless volunteerism by parents, businesspeople and other local residents.

The vast majority of Martinsville-Henry County parents, educators, students, and public and private sector leaders interviewed by *Market Street* praised the City and County schools as eminently capable, quality institutions. If there are deficiencies in the community's educational systems or substandard student performance trends, respondents said, they are more than likely the result of historical biases against education on the part of many blue-collar families. After all, with jobs readily available throughout much of Martinsville-Henry County's near-term history, the incentive to finish high school was minimal, not to mention aspiring to a four-year college degree.

However, with the high-wage New Economy jobs of the future increasingly requiring applicants to demonstrate proven skills in various high-technology applications, and often secure post-secondary Associate's and/or Bachelor's degrees, the development of students at the K-12 level is crucial to their future earning power and career aspirations. Tellingly, local employers also noted that Martinsville-Henry County graduates display sub-optimal "soft skills" in many customer-service, business-process and basic measurement tasks.

Many communities are initiating career-focused programs for children as early as their 3rd grade year. Far from setting these children on a career "track" to a particular occupation, the majority of these programs instead stress general skills that lay the groundwork for the more advanced vocational training available to older students with particular, career-focused interests.

In Henry County, the Oh! Henry program provides career and professionally focused learning opportunities for area students.²³ Oh! Henry program options include:

²³ Henry County Schools. *Oh Henry Career Experience*. 02 March 2004.
<<http://henry1.henry.k12.va.us/public/OhHenry/>>.

- *Job Shadowing* (grades 8 to 12): For one day, students observe workers in a particular field, in a typical workday situation.
- *Workplace Mentorships* (grades 9 through 12): Students are partnered with mentors in the local workforce four or more times during the academic year to discuss education, training, and professional development as they relate to a particular occupation.
- *Student Apprenticeships* (ages 16 through 18): Opportunities are provided for students to receive formal training in a specific occupation.
- *“Oh Henry” Internship Programs* (ages 17 and 18): Students can learn about their chosen career pathways throughout the school term through focused internships.

According to a Henry County school official, approximately 10 to 15 percent of eligible students participate in these programs, with these numbers increasing dramatically in recent years. Martinsville schools do not offer a program as robust as Oh! Henry, but do feature a small-scale Junior Achievement program for students in the commercial sewing department at Martinsville High School, and a program coordinated through the National Society of Black Engineers that provides career awareness opportunities for minority students through funded field trips and academic competitions.²⁴

Both the Martinsville and Henry County school systems have institutionalized programs linking individual schools with specific “business partners.” Although these partners have provided – and continue to offer – their affiliated schools donated resources, mentor and volunteer opportunities, and other benefits, at least one local school official noted that the program has lost some of its vitality in recent years. Enhancing the linkages between the private sector and area schools will be a crucial component of any educational improvement initiative.

A national program with the potential to stimulate career awareness and preparedness in Martinsville-Henry County’s minority student population is the INROADS program. INROADS recruits high school and college students of color interested in pursuing careers in business, engineering, retail, technology, nursing, pharmacy, marketing and sales careers. A Pre-College Component then prepares high school students for higher learning by providing supplemental academic instruction and ACT/SAT preparation. Participants are also given leadership development training, including career guidance and business skill-building workshops. Launched by founder Frank C. Carr in 1970, INROADS began in Chicago with just 25 college student interns and 17 sponsoring corporations. Today, INROADS is an international organization with more than 55 offices serving over 5,500 interns at 700 plus companies.²⁵

²⁴ Martinsville City Public Schools. *Outstanding Programs*. 02 March 2004. <<http://www.martinsville.k12.va.us/programs/index.htm>>.

²⁵ INROADS. *Frequently Asked Questions*. 03 March 2004. <<http://www.inroads.org/inroads/inroadsFaq.jsp>>.

Another effective local educational tool is a quality Pre-K program to prepare children for entry into kindergarten. A study by Georgia State University in Atlanta found that kindergarten students who attended Pre-K classes outperformed children who did not participate in preschool programs. A high-quality preschool program also helps children develop social and pre-academic skills that enable them to them succeed in kindergarten and throughout their educational experiences.²⁶

The state of Georgia has one of the most advanced and popular Pre-K programs in the country. The Georgia Pre-Kindergarten Program was established in 1993 with funds from the Georgia Lottery for Education, and is expected to serve about 63,500 children in the 2003-04 school year. The program's school readiness goals emphasize growth in language and literacy, math concepts, science, arts, physical development, and personal and social competence. Participation in the Pre-K program is voluntary on the part of public schools and private child development centers, even though every four-year-old child whose parents are Georgia residents is eligible for admission.²⁷

Currently, the Martinsville and Henry County school systems have Pre-K programs available at various locations, but there are no district-wide efforts. Local officials said that Henry County has staffed Pre-K programs in place in nine schools. In, Martinsville, Pre-K education for 3-year-old children is offered through an Even Start program in which parents attend General Educational Development (GED) classes at the same time their children attend preschool. Clearview Elementary School in Martinsville also offers a program called Parents And Tots Together (PATT) for 4-year old students.

At the elementary and secondary school levels, Martinsville and Henry County systems are quite distinct, not only from a demographic perspective, but also in terms of performance. Generally, the City schools are more racially diverse, and underperform their County counterparts in Virginia-sponsored standardized testing. Enrollment in both systems is declining in tandem with overall population loss in Martinsville and Henry County, and an outmigration of the community's young people. While the number of Limited English Proficient (LEP) students receiving services in Henry County is skyrocketing along with the County's growing Hispanic population, the issue is less acute in Martinsville.

Even with these challenges, the recent improvement of both Martinsville and Henry County schools relative to students' Virginia Standards of Learning performance has been exceptional, and a testament to the concern of local educators and administrators and the students' own diligence. School performance on the Adequate Yearly Progress criterion of President Bush's No Child Left Behind legislation has been mixed, but this is typical of the national trend as schools adapt to the law's measurement criteria.

²⁶ Georgia Office of School Readiness. *Georgia Pre-K Program*. 02 February 2004.

<<http://www.osr.state.ga.us/prekprogram1.html>>.

²⁷ Ibid.

A recent report titled *Options and Opportunities: A Needs Assessment* – commissioned by the non-profit Harvest Foundation as part of its Education Initiative – found that Martinsville-Henry County schools feature a number of strengths, including:²⁸

- A deep affection for the community that translates into greater involvement of teachers and others.
- Exemplary special education programs, and programs for the gifted and talented.
- “Islands of excellence” in the City and County schools, and the private Carlisle School.
- School staff is highly supportive of change and innovation, have respect for policymakers and high-level administrators, and are supportive of the schools’ current leadership.
- A fair and even implementation of student behavior and discipline policy.

Weaknesses included:

- Based on educator and resident feedback, disparate perceptions about the overall mission of the schools and districts indicated a lack of cohesion between school-level officials and district-wide administrators regarding dissemination and coordination of mission goals.
- A need to further develop teacher, staff and administrator leadership skills.
- A need to further develop instructional teaching practices focused on child-specific needs.
- A need for greater emphasis and a systemic approach to teaching literacy and math.
- A need to better prepare students for post-secondary education and careers.
- A need for a comprehensive plan for the use of technology in teaching and learning.
- A need for a campaign to attract, recruit and retain qualified and certified staff.

Local officials feel this last need is especially acute in Martinsville-Henry County. Regional variations in teacher salaries, the proximity of area counties, and a relatively congestion-free transportation system allow local educators to pick and choose their place of employment while maintaining their current county of residence. Officials said teacher-recruitment difficulties are most pronounced in the math, science and special education fields.

Many of the programmatic recommendations of the well-researched, incisive *Options and Opportunities* report are integrated in the Action Steps that follow, so that

²⁸ Tewel, Kenneth J., PhD and Betty Webb, Ed.D. *Options and Opportunities: A Needs Assessment*. The Harvest Foundation Education Initiative, June 2003, p. 4-5.

Martinsville-Henry County's educational improvement programs are consistent across-the-board.

ACTION STEPS

- ✓ Enhance available resources for local schools.
 - Lobby to increase Commonwealth funding for Martinsville-Henry County K-12 educational systems.
 - Work with area businesses to source school-improvement funds and sponsorships, donated computers and other equipment, and volunteer programs for local employees/executives.
 - Reenergize and expand existing “business partner” programs at City and County schools.
 - Continue pursuing funding opportunities through the Harvest Foundation.
 - Target certain monies to efforts that improve teaching in literacy and mathematics.
 - Continue efforts to secure all available Commonwealth and federal grants for education.

- ✓ Initiate a *Value of Education* marketing effort for targeted Martinsville-Henry County constituencies.
 - Integrate the effort with a best-practice parent-involvement program to increase the stakes at home for students to perform their best.
 - Work with all affected regional partners, including social service, faith-based and law enforcement communities, to effectively implement the program.

- ✓ Develop progressive curricula for City/County schools, working with area businesses and Patrick Henry Community College, to coordinate career and workforce-training targets.
 - Integrate technology into the curricula as deeply as possible.
 - Evaluate the development of an entrepreneurial program at the K-12 level.
 - Utilize this forum to begin training and emphasis on the need to develop “soft skills” to succeed in business.
 - Consider the expansion of the *Junior Achievement* program in the Martinsville schools, and the initiation of a program in Henry County schools.
 - Pursue the creation of an INROADS program with participating businesses in Martinsville-Henry County.
 - Consider forming a multi-agency task force to design and implement the workforce-development component.
 - Focus on attention to child-specific needs, integration of technology into lesson plans and administrator/staff communication, and emphases on effective teaching of literacy and mathematics.

- ✓ Initiate teacher-retention and recruitment strategies.
 - Work to provide competitive local salaries relative to regional systems.
 - Improve financial efficiency by eliminating redundancies in Martinsville-Henry County's school systems, potentially through City/County school consolidation.
 - Actively source district-level grants to facilitate greater staff capacity.
 - Emphasize Martinsville-Henry County's desirable quality of life and affordable cost-of-living.
 - Consider the development of programs coordinated at the City and County levels to provide qualified teachers with homeownership tax credits, discounted rents and auto loans, and other innovative strategies for recruiting and retaining quality educators.

- ✓ Develop a program to provide school and district staff with the leadership capacity to affect best-practice educational systems.
 - Utilize the program to build cohesion among schools and districts for the overall educational mission of Martinsville-Henry County.

- ✓ Partner with local school districts and the Commonwealth of Virginia to make Pre-K education available to every eligible student.
 - Coordinate program curricula with district-wide goals and performance measures to effectively prepare preschool students for kindergarten and beyond.
 - Work with district and Commonwealth-level staff to develop additional sustainable funding sources to initiate and maintain the system-wide Pre-K programs.
 - Maintain and enhance existing programs such as Even Start and PATT.

- ✓ Enhance the programmatic capacity serving Limited English Proficient (LEP) students in Martinsville and Henry County.²⁹
 - Coordinate programs with local Hispanic leadership to determine priority needs of students, and elicit early-stage parental involvement in all efforts.
 - Pursue available grant monies through federal and Commonwealth agencies, and bilingual and English-as-a-second-language (ESL) programs.

²⁹ Henry County has a notably higher percentage and raw number presence of Hispanics in the workforce and school system than the City of Martinsville.

Goal 2: Education & Workforce Development: Build the capacity to produce workers with the skills to benefit from the high-wage jobs of the future.

Objective 2:
Establish best-in-class workforce development resources and programs.

Like many other manufacturing-based communities, Martinsville-Henry County has experienced dramatic economic changes as a result of global and hemisphere-wide trade pacts signed during the 1990s. With U.S. companies increasingly taking advantage of the cost benefits of these pacts to send employment and production overseas, local workers in commodities manufacturing have been laid off by the thousands. In Martinsville-Henry County, many textile and furniture manufacturing companies have either gone out of business or sent production overseas in order to remain economically viable.

The fallout has affected the community's workforce development institutions (primarily Patrick Henry Community College), which have seen record enrollments as students take advantage of federal Trade Act Assistance retraining grants. Coordination between existing businesses in Martinsville-Henry County, economic development offices and workforce-training providers is essential to ensuring that the proper occupational and industry targets are selected for training, and that companies' most pressing workforce needs are attended to promptly and effectively.

Most respondents interviewed by *Market Street* noted that Martinsville-Henry County's workforce, while challenged by a deficit of certain "soft skills," a rising incidence of drug-test failures, and a work ethic less robust than previous generations, nevertheless is eager to become more "employable," and will respond to occupation-specific training if the jobs are available locally. Therefore, although workforce development is in many ways tied to an economic rebound in Martinsville-Henry County, the "chicken-and-egg" theory compels local developers to offer prospects an effectively trained workforce in order to successfully recruit particular industries, and allow existing companies to expand into new, skill-specific ventures. It is also essential that every Martinsville-Henry County constituency be included in workforce-development strategies. In order for a rising economic tide to lift all boats, they must all be in the water to benefit from local job and wage growth.³⁰

There are several workforce-training efforts ongoing or under development in Martinsville-Henry County, including programs at Patrick Henry Community College, a pilot program called Linked Workforce being coordinated by the Martinsville-Henry County Chamber of Commerce in partnership with Virginia Economic Bridge, and various career-focused classes at local secondary schools. However, the community must

³⁰ In other words, what comes first, the chicken or the egg? In order to register on site-selectors' radar for certain industries, Martinsville-Henry County will need to have a workforce in place with the skill-sets to effectively compete for these jobs.

do more. Numerous local employers told *Market Street* that they are having increasing difficulty locating quality workers with the skills to accomplish everyday business-related tasks. Others noted that finding employees for specific health care, high-tech and furniture-manufacturing positions is also difficult. Better coordination between employers and workforce-training institutions will solve some of these issues. But for others, including the “soft skills” deficits demonstrated by many local employees, more aggressive actions will need to be taken.

One best-practice workforce development resource Martinsville-Henry County should utilize more expansively is the *WorkKeys*® program at Patrick Henry Community College. *WorkKeys*® is a national system developed by American College Testing (ACT) for documenting and improving workplace skills. The program profiles occupational job duties and skills requirements, and tests participants in three skill areas: Communication Skills; Interpersonal Skills; and Problem-Solving Skills. Participants are then trained in areas where they have demonstrated “skills gaps.”

In the nearly seven years the *WorkKeys*® program has been implemented at PHCC, 1,000 individuals have taken advantage of the standardized skills test. Test results are analyzed based on eight basic skills categories, the student’s program of study and ACT’s database of occupational skills profiles. Students are then trained in their “skills gap” areas using ACT-sanctioned software applications, instructors or tutors.

Though PHCC workforce development officials have marketed the *WorkKeys*® program to local groups and businesses, the tool is still not widely known in the community based on *Market Street*’s research. That may soon change, as *WorkKeys*® skills testing will be the prime determinant of a person’s employability in Governor Mark Warner’s new Career Readiness Certificate program. If effectively implemented, Martinsville-Henry County’s *WorkKeys*® program has the real potential to identify local workers’ most pressing skills deficits, coordinate training protocols to greatly augment these workers’ employability, and effectively align with new Commonwealth workplace-preparedness initiatives.

In the end, local business and civic organizations, elected leaders, and economic development professionals must do all they can to ensure that Martinsville-Henry County’s workforce development system is fully funded and effectively aligned with the needs of existing businesses and target industries.

ACTION STEPS

- ✓ Optimize programs, curricula, outreach and capacity of Patrick Henry Community College.
 - Work with community leaders and local social service agencies to more effectively market PHCC programs to all area constituencies.

- Continue efforts to optimize communication and cooperation between PHCC, area businesses and workforce-preparedness agencies for curricula development and targeted training initiatives.
 - Survey local trade occupations for consistent employee shortages and assess the need to develop training curricula for these professions.
 - Enhance programmatic capacity of PHCC by partnering with Commonwealth, national and local agencies to source all available grant monies and potential funding streams for existing and new workforce-training efforts.
- ✓ Maximize the impact of the *WorkKeys*® program at Patrick Henry Community College.
- Utilize the *WorkKeys*® training program to provide area workers and job seekers with hands-on instruction in the “soft” skills needed to thrive in service-oriented occupations.
 - Effectively market the program to all local companies, their workers, and job seekers through social service and employment-assistance agencies.
 - Work with local employers to determine the “soft” skills most lacking in the Martinsville-Henry County labor force, and design corresponding *WorkKeys*® training curricula to address these areas.
 - Consider integrating PHCC’s *WorkKeys*® efforts into the local WIA One-Stop Center as part of a Workforce Readiness Program to more effectively prepare displaced workers for local employment.
 - Utilize workers’ Trade Assistance Act monies to finance *WorkKeys*® testing and skills training.
 - Designate the Workforce Readiness Program as the priority training tool for displaced and skills-poor local workers.
 - Partner with local companies to incentivize workers’ use of *WorkKeys*® to gain receipt of Career Readiness Certificates.
 - Work with companies to prioritize certified candidates for new job openings.
 - Work with local economic developers to market Martinsville-Henry County’s percentage of adults with Career Readiness Certificates as an example of local workforce quality.
- ✓ Collaborate with area K-12 educational institutions and local businesses to develop effective career awareness, school-to-work, internship and mentoring programs in Martinsville-Henry County.
- Actively pursue traditional and unique funding sources for new and existing programs.
 - Initiate and enhance career awareness programs in local public schools.
 - Consider the potential to link early-grade awareness programs with structured workforce development programs at the high school level.
 - Maintain and expand existing programs such as Oh! Henry in Henry County Schools, and “business partner” efforts in Martinsville and Henry County districts.

- Utilize local leaders, recent graduates, and young professionals to communicate the importance of education, training and a strong work ethic.
- Expand and enhance existing vocational, college preparatory and career/technical programs in area public schools.
 - Coordinate all programs to be inclusive of a system-wide vision for effective career-focused student development.
 - Inventory current programmatic capacity and effectively link existing programs.
 - Solicit professional volunteers to serve as career mentors for students.
 - Work with local companies to structure internship programs for interested students.
- ✓ Identify regional workforce development resources to supplement and enhance Patrick Henry Community College.
 - Utilize existing Danville Community College and Danville's Institute for Advanced Learning and Research (IALR) programs if applicable for Martinsville-Henry County industry targets.
 - Consider recruiting potential students from impacted regional health care training programs for enrollment at PHCC.
 - Maximize awareness and participation in local continuing education programs such as Henry County's Adult Learning Center, GED and ESL programs, and Adult High School at the Fieldale-Collinsville High School.

Goal 2: Education & Workforce Development: Build the capacity to produce workers with the skills to benefit from the high-wage jobs of the future.

Objective 3:
Work to develop a four-year university in Martinsville-Henry County.

There can be no denying the tremendous actual and potential economic impact a four-year university can have on a community. In 1999, there were close to 19,000 active licenses of innovations developed at academic institutions. In the same year, with only 25 percent of those licenses producing revenue, they still generated over \$40 billion in economic activity and supported 270,000 U.S. jobs. Affiliated business activity resulting from license-derived products generated roughly \$5 billion in tax revenues at the federal, state, and local levels.³¹

Colleges and universities are also major employers. Nationally, colleges and universities employ nearly 3 million workers. Industry cluster analysis reveals that Education and Knowledge Creation is the second fastest-growing cluster in the U.S., with Colleges and Universities by far the fastest-growing industry within that cluster, adding 300,000 jobs between 1990 and 1999.³²

Recently, an announcement by Virginia Lieutenant Governor Tim Kaine regarding a priority siting of a new four-year university in Southside Virginia set off a flurry of local activity, including a remarkable \$50 million challenge grant from the Harvest Foundation payable if the college is located in Martinsville-Henry County. Two local developers – Bill Adkins and Earl Greene of Martinsville – subsequently offered to donate 100 acres in Henry County, worth an estimated \$1 million, as a potential site for the four-year university. The property is roughly 20 minutes from Danville and is also adjacent to the proposed Interstate 73 corridor.³³ Local leaders are also interested in siting the college in Uptown Martinsville as a means to stimulate revitalization of the district and reuse of many of its historic structures.

In February 2004, both houses of the General Assembly passed resolutions calling for the State Council for Higher Education in Virginia (SCHEV) to study the establishment of a university in Southside Virginia. After both houses approved the other's resolution in March 2004, work began on the study. The resolutions call for SCHEV to submit a summary of its findings and recommendations to the General Assembly by the 2005 session.³⁴ While the jury is still out on the ultimate viability of the university effort – and

³¹ *Leveraging Colleges and Universities for Urban Economic Revitalization: An Action Agenda*. A Joint Study by Initiative for a Competitive Inner City (ICIC) and CEOs for Cities, Spring 2002, p. 7-8.

³² *Ibid.*

³³ Hairston, Douglas. "Site for college offered." *Martinsville Bulletin*, 1/14/04, accessed from www.martinsvillebulletin.com on 1/15/04.

³⁴ Hairston, Douglas. "Study clears hurdle." *Martinsville Bulletin*, 2/18/04, p. 1.

SCHEV has said there may be more pressing funding needs than developing a new college in Southside Virginia – the announcement has nevertheless generated dynamic local discussion regarding the benefits of a four-year university, and built momentum and consensus for progressive economic development efforts in the community.

To assess the potential economic stimulus of a four-year university on a rural Virginia community, Martinsville-Henry County officials can look to Wise County, in the southwestern corner of the Commonwealth. Similar to Martinsville-Henry County's reliance on textile and furniture employment, Wise County and the City of Norton were largely dependent on the coal industry until it declined in the 1980s and 1990s. However, Wise County had an ace in the hole – a co-educational branch campus of the University of Virginia founded in 1954 as Clinch Valley College, and now known as the University of Virginia's College at Wise. A recent study commissioned by Norton-Wise County found, "The College plays a major role in (the area's) diversification as a non-coal related employer and has a substantial influence on the region's economic development efforts." The study determined that, in 2001, the university's total operations budget of \$15,393,479 resulted in a direct impact of \$11,538,749 spent in the community. In the 2000-01 fiscal year, the school's faculty, staff, students and visitors accounted for over \$9 million in retail sales, and paid nearly \$350 thousand in local government taxes.³⁵

Clearly, the siting of a four-year university in Martinsville-Henry County would be a major coup for local officials, and should be pursued as aggressively as is feasible.

ACTION STEPS

- ✓ Continue ongoing efforts to develop a four-year university in Martinsville-Henry County.
 - Organize a University Development Coalition made up of local public and private leadership to serve as Martinsville-Henry County's principal lobbying mechanism in this effort at the Commonwealth level.
 - Coordinate with regional partners to reach consensus on the priority siting of the four-year university in Martinsville-Henry County.

³⁵ Hairston, Douglas. "Studies show local college could be boon to economy." *Martinsville Bulletin*, 3/8/04, p. 1.

GOAL 2: BENCHMARKS

- ✓ Increase public and private funding for local schools by 2% annually.
- ✓ Create a *Value of Education* marketing effort.
- ✓ Increase teacher-retention rates by 2% annually.
- ✓ Increase average teacher salaries by 10% by 2006.
- ✓ Develop district-wide Pre-K programs in Martinsville and Henry County school systems.
- ✓ Increase percentage of Limited English Proficient students receiving specific programmatic attention to 90% by 2008.
- ✓ Increase percentage of over-25-year-olds with a college degree by 1.0% annually.
- ✓ Increase percentage of eligible area adults attending Patrick Henry Community College by 1.5% annually.
- ✓ Increase total local job placement from Patrick Henry Community College by 2% annually.
- ✓ Increase Patrick Henry Community College funding by 1.0% annually.
- ✓ Increase percentage of eligible adults participating in *WorkKeys*® program by 250% by 2007.
- ✓ Obtain legislative approval of full funding for new four-year university in Martinsville-Henry County by 2006.

GOAL 2: PERFORMANCE MEASURES

- ☑ Public school dropout rates by grade and cohort.
- ☑ High school graduation rates, and number of individuals receiving GEDs.
- ☑ Student performance on Virginia Standards of Learning tests, and national standardized tests.
- ☑ Number and percentage of graduates attending two- and four-year colleges.
- ☑ Annual budget for Martinsville-Henry County district schools, including all grants and donations.
- ☑ Percentage of students whose parent(s) are involved in school-sponsored programs.
- ☑ Number of new classes and programs added in area public schools.
- ☑ K-12 teacher retention rates.
- ☑ Average teacher salaries.

- Enrollment in Pre-K program, and percentage of eligible children enrolling.
- Percentage of LEP students in Martinsville and Henry County receiving specific training.
- Net increase in number and percentage of students participating in Advanced Placement/Dual Enrollment courses in City and County schools.
- Net increase in number and percentage of minority students participating in Advanced Placement/Dual Enrollment courses in City and County schools.
- Number and percentage of Martinsville-Henry County high school students receiving industry certification in their chosen workforce-training fields.
- Number of students on track to receive industry certification within 6 months of graduation from high school.
- Enrollment rates at Patrick Henry Community College.
- Annual budget at PHCC.
- Percentage of net new PHCC students considered at or below poverty level.
- Percentage of PHCC “completers,” and the number of those at or below poverty level.
- Percentage of PHCC “completers” obtaining jobs after graduation, and average wage of those jobs.
- Percentage of Martinsville-Henry County and PHCC students remaining in the community for employment.
- Number of new programs and classes at PHCC.
- Number of participants and percentage of “completers” in *WorkKeys*® program.
- Percentage of *WorkKeys*® graduates who transition into employment within six months.
- Number of new career-focused programs and classes at Martinsville-Henry County public schools.
- Total value of the dedicated budget for career-focused programs.
- Percentage of students taking advantage of career-focused programs, and number of students graduating directly into a targeted trade.
- Number of Martinsville-Henry County students utilizing regional training opportunities.
- Number of participants and number of meetings of University Development Coalition.

Goal 3: Leadership, Vision and Community Outlook



Goal 3: Leadership, Vision & Community Outlook: Align all public, private, and community leadership behind the vision of a brighter local future.

Objective 1:
Streamline and unify Martinsville and Henry County departments and organizations.

On December 11, 2003, *Market Street* coordinated a Community Leadership Meeting to coincide with the release of Martinsville-Henry County's *Competitive Assessment*. After *Market Street*'s presentation, the meeting attendees were divided up by table, and told to reach consensus on two questions, the first being, "If you were king for a day and could change one thing about Martinsville-Henry County, what would it be?" Over 50 percent of the responses to this first question included references to consolidation of City and County governments and/or services. Sample responses included:

- "Merge City and County; act as one voice."
- "One government, one school system, all services merged."
- "Create one community, one future."
- "Consolidation of City-County government."

These opinions are consistent with the responses of focus group and interview participants, who overwhelmingly told *Market Street* that Martinsville-Henry County would greatly benefit by consolidating its services into functional units serving the City and County jointly. Already, community leaders have taken progressive steps to merge Martinsville and Henry County's social service departments, and are moving forward on the consolidation of the community's parks and recreation departments. The Martinsville and Henry County economic development offices also share a website, www.henrycountycommerce.com through which the City and County are marketed jointly.

Because of Virginia's unique system of government, all cities and counties in the Commonwealth are functionally separate entities. This structural reality is one of the prime reasons for the bifurcated development of Martinsville and Henry County government and services, and continues to pose an obstacle to comprehensive consolidation efforts. Though local officials have proven that certain consolidations are possible – and improve cost and time efficiencies if done correctly – it should be noted that the issue of consolidation is a potentially very divisive one for Martinsville and Henry County.

An exploratory effort to merge Martinsville and Henry County a number of years ago ended before it even began, as early meetings led to suspicion, speculation, acrimony, and the eventual dissolution of the consolidation effort. Because the City and County are

quite distinctive demographically and structurally in terms of tax rates, cost-per-resident of various services, and other criteria, any effort to unify Martinsville and Henry County departments, functions or services will likely meet with some type of opposition. It will be the charge of City and County officials at the elected, private and community levels, to work together proactively to pursue consolidations deemed viable by a majority of Martinsville-Henry County stakeholders. Local officials told *Market Street* that full city-county consolidation should be considered a longer-term issue, with priority unification efforts focused on economic development, parks and recreation, and other initiatives that have already demonstrated consensus-building potential.

If local officials decide to pursue consolidation efforts, both city and county mergers and consolidation of services are allowable under Virginia law.³⁶ In fact, not only are city-county consolidations legal, they have been successfully accomplished 14 times from 1951 to 1998, although the last city-county consolidation occurred in 1975.³⁷ Consolidations are possible under **Section 15.2-3520** of the Virginia Code: *Counties, cities and towns specified; alternative consolidations*. Per the Section: “Any one or more counties or cities having a common boundary, or any county and all incorporated towns located entirely therein, may consolidate into a single county or city. This article applies to the (i) consolidation of unlike units of local governments such as a county and a city joining to form either a county or city.” Any consolidation would have to be approved by a majority vote of the consolidating entities in a general referendum.

Joint exercises of power – including the merging of city and county services – are authorized under **Section 15.2-1300** of the Commonwealth Code. The Section states, “Any power, privilege or authority exercised... by any political subdivision... may be exercised and enjoyed jointly with any other political subdivision of this Commonwealth having a similar power.” The actions are approved by ordinance.

Cities and counties are also allowed to enter into voluntary economic growth-sharing agreements. Per Code **Section 15.2-1301**, any county, city or town or combination thereof can, “Enter into binding fiscal arrangements for fixed time periods, to exceed one year, to share in the benefits of the economic growth of their localities.” All revenue, tax base and economic growth-sharing agreements are subject to review by Virginia’s Commission on Local Government.

With a seeming groundswell of community support for unified City-County operations, Martinsville-Henry County elected and appointed officials should consider the plusses and minuses of greater consolidation, and weigh efforts to move forward with more united local governance.

³⁶ All legal references in this section were sourced from Virginia’s Code of Ordinances.

³⁷ Sources: www.cig.state.va.us/consolidation.names and www.ccps.virginia.edu, accessed 12/15/03.

ACTION STEPS

- ✓ Pursue potential consolidation plans for City/County departments and/or services, including water/sewer, public works, police and fire, planning/zoning, human resources, etc.
 - Consider contracting for a demographics consultant to conduct a community-wide poll to gauge potential consensus for City-County consolidations.
 - Publicize and leverage existing consolidations that have already proven successful and cost-effective.
 - Proactively engage Martinsville and Henry County public, private and community leadership to ensure that the potential for consensus exists.
 - Develop a strategy to most effectively facilitate the consolidation of the chosen department and/or service.

Goal 3: Leadership, Vision & Community Outlook: Align all public, private, and community leadership behind the vision of a brighter local future.

Objective 2:
Develop increased capacity for local leadership by involving all Martinsville-Henry County constituencies in the momentum for positive change.

Communities in transition typically need representatives from all local interest groups to champion area improvement programs if they are to build the consensus necessary to move from idea to implementation. Although Martinsville-Henry County has, for the most part, not experienced the wrenching racial or class strife of many other small Southern communities, it nevertheless has a history of control by an oligarchy of local manufacturing barons and allied elected officials that has limited the expansion of the community's leadership base. While most in the community say that the era of local monopolies turning away industries and companies in order to protect Martinsville-Henry County's low wage structure has ended, the residue of these decades remains in the area's less than inclusive leadership structure.

This current time in Martinsville-Henry County's history is one of possibility and the potential to move forward as one community towards a consensus future of better jobs, higher wages and more pervasive local participation. As the community's previous commodity manufacturing employment base is restructured, these efforts should coincide with strategies to broaden the participatory leadership base in the community – opening up channels of power and influence to those groups that may have been marginalized during Martinsville-Henry County's previous economic incarnations.

Market Street heard from a number of minority leaders in the local African-American and Hispanic communities that their views, issues and concerns were often overlooked or minimized by the existing Martinsville-Henry County powers-that-be. In order to fully realize its economic and demographic potential, Martinsville-Henry County will have to open up the lines of communication and the pathways of leadership to its full spectrum of diverse, dynamic, and dedicated resident communities.

If the principles of inclusion are not embraced and fostered by the area's most visible local leaders, then Martinsville-Henry County's potential for truly community-wide growth is severely constrained. As such, progressive measures may be necessary to ensure that those with the capacity to change the leadership paradigm in the City and County are fully cognizant of the benefits – both social and economic – of full community inclusiveness. One means to effectively secure the support of Martinsville-Henry County leaders for a broader local participatory base is through the development of a best-practice *Community Inclusion Plan*.

Plan components could relate the following benefits of a truly united community:

- Increased attractiveness of Martinsville-Henry County as a place of residence for persons of color and minority professionals.
- Augmented marketing capacity through the participation of City and County minority groups in the targeting of prospective businesses for local expansions.
- Greater capacity to draw to Martinsville-Henry County the young people in the “creative class” who include local diversity in their criteria for potential places of residence.
- Enhanced ability of local leaders and economic officials to operate effectively in multicultural development situations, including the recruitment of multinational companies, pursuit of foreign and/or minority investors, and management of interactions with corporate executives from a broad array of cultures.

The Plan must include in-depth analysis of Martinsville-Henry County’s existing community climate as it specifically relates to issues of diversity, and should be designed to permanently reconfigure local attitudes towards minority inclusion and unified growth.

ACTION STEPS

- ✓ Partner with local representatives from the African-American and Hispanic communities to develop a fully funded *Community Inclusion Plan* for Martinsville-Henry County.
 - Create a best-practice strategy for the full inclusion of local minorities in the political and economic future of the City and County.
 - Formalize the enlistment of existing local leadership in the process of fostering progressive community change.
 - Work to develop a mutual understanding among minority and majority communities regarding each group’s commitment to positive change in Martinsville-Henry County.
 - Provide benchmarks and performance measures to effectively monitor the progress of plan implementation.
 - Market Martinsville-Henry County’s inclusion plan to the site-selection community as an example of best-practice rural development capacity-building.
- ✓ Initiate community forums and issue-specific work sessions between elected City and County leadership and local community groups and residents.
 - Work to broaden the lines of communication between local governments and their constituents.
 - Ensure that local initiatives have broad-based community support before moving forward.

- ✓ Broaden the reach of the Martinsville-Henry County Chamber of Commerce's Leadership Development Program.
 - Expand the program to fully represent the changing demographics of the Martinsville-Henry County community.
 - Consider the expansion of the Program to more than 30 participants per year.
 - Establish a Scholarship Program to encourage participation by a wide variety of local constituencies.
 - Develop a strategic framework to institutionalize the engagement of graduated Leaders in local affairs and development efforts.
 - Continue the development of a Youth Leadership Development Program through City and County schools.

- ✓ Develop an independent Grassroots Leadership Council focusing on community, neighborhood and social issues.
 - Formalize communication channels between grassroots leadership, City and County officials, and other leadership entities.

Goal 3: Leadership, Vision & Community Outlook: Align all public, private, and community leadership behind the vision of a brighter local future.

Objective 3:
Enhance the community's overall outlook and vision for the future.

In the qualitative component of *Market Street's* research in Martinsville-Henry County, one theme consistently appeared in comments from focus group and interview participants: The community lacks a vision for a positive future. This absence of vision contributes to a pervasive sense among many Martinsville-Henry County residents that the area is a "sinking ship," without an effective plan to slow ongoing job and population losses.

While numerous respondents said that negative portrayals of the community in certain media outlets also lead to defeatist attitudes among local service-sector employees and the population at large, many were quick to add that the lack of strong, visionary leadership in Martinsville-Henry County was also to blame for a mindset that sees the local glass as half-empty. Various focus group participants and interviewees specifically related witnessing local workers ask new transplants to the area, "Why would you ever want to come here?" Others noted that these same employees tell company officials scouting the Martinsville-Henry County area that this is not a place they want to be. Parents were even said to be advising their children, "Get an education, and then get out of town."

Vision is necessary to affect a defensible plan for future development, and also to build support and enthusiasm behind the plan from local residents. In the absence of visionary leadership, numerous local programs and improvement efforts – though quality initiatives coordinated by hard-working, dedicated officials – run the risk of being separated from each other in "silos" and left to die on the vine from lack of support. Utilizing a common vision to link the vast number of people striving to improve the economy and quality of life in Martinsville-Henry County will enable disparate local efforts to develop the synergy needed to truly make a difference in the overall community.

ACTION STEPS

- ✓ Consider holding an annual Martinsville-Henry County Visioning Day, where public and private leadership communicate their outlooks and priority initiatives for the coming year.
 - Provide ample and legitimate opportunity for community feedback.
 - Publish a yearly newsletter distributed to all City and County households detailing the visions, goals and community responses presented at the event.

- ✓ Work with local media outlets to enhance their community-service functions.
 - Ensure that print and television media are balanced between authentic depictions of local events and attitudes, and positive, enriching community news and initiatives.
 - Consider measures requiring a dedicated percentage of public-access programming on local television and radio stations.

- ✓ Work with public school officials in Martinsville and Henry County on the potential development of a system-wide, high school contest in which students submit entries depicting their vision of the community's desired future.
 - Reward the winner with a seat in the owner's box at a Martinsville Speedway event, or a prize of similar nature.
 - Run the winning entry – depending on the medium – in the *Martinsville Bulletin*, or on Channel 18.

GOAL 3: BENCHMARKS

- ✓ Consolidate at least three Martinsville and Henry County departments by 2007.
- ✓ Hold at least four community forums annually between elected officials and community groups by 2006.
- ✓ Hold at least two community meetings annually to discuss local cross-cultural issues by 2006.
- ✓ Increase minority presence in Martinsville-Henry County's Leadership Development Program to 25% by 2007.
- ✓ Create a local Youth Leadership Development Program.
- ✓ Create a Grassroots Leadership Council.
- ✓ Hold an annual Martinsville-Henry County Visioning Day by 2006.
- ✓ Develop a system-wide high school visioning contest by 2006.

GOAL 3: PERFORMANCE MEASURES

- ☑ Number of City and County departments consolidated.
- ☑ Annual cost savings from departmental consolidation.
- ☑ Number of community forums and work sessions held annually between elected officials and community groups.
- ☑ Number of community meetings held annually to discuss cross-cultural issues in Martinsville-Henry County.
- ☑ Number of participants in Martinsville-Henry County Leadership Development Program, Youth Leadership Program and Grassroots Leadership Council.
- ☑ Percentage of minority participants in all leadership programs.
- ☑ Amount of scholarship funding available to allay entry costs of Leadership Development Program.
- ☑ Percentage of Leadership Program graduates that commit to participating in local development efforts.
- ☑ Number of attendees at Martinsville-Henry County Visioning Day.
- ☑ Percentage of local media airtime dedicated to public-access programming.
- ☑ Number of entries in system-wide high school visioning contest.

Goal 4: Quality of Life



Goal 4: **Quality of Life:** Make Martinsville-Henry County a community where people of all ages, incomes and ethnicities will feel welcome and thrive.

Objective 1:
Initiate a comprehensive Martinsville-Henry County Arts Development Strategy.

Abandoned mill buildings elicit strong local feelings. Residents call them an eyesore; economic developers say they are obsolete and rarely show them to prospective companies. Martinsville-Henry County's stock of vacant manufacturing buildings is a daily reminder of the changes occurring in the local economy. But they are also an important part of the area's history and should be preserved at all costs. Is there a way to not only save these structures but also leverage them for local gain?

Many communities with similar economic circumstances as Martinsville-Henry County – former mill towns struggling to redefine themselves in the new millennium – have undertaken successful strategies to reuse their collection of vacant manufacturing buildings as tools to recruit and develop local artists communities. The most famous of these cities – Lowell, Massachusetts – has successfully revitalized its once decrepit mill buildings by creating a national historic park and converting many structures into artists' studios, museums, shops and residences. While Martinsville-Henry County does not have the same breadth of historic infrastructure as Lowell, the community nevertheless has a collection of abandoned manufacturing buildings that would be well suited to redevelopment as artists' quarters and studios.

A number of preemptive actions would need to be taken to convert these buildings into usable artist spaces, including zoning changes, bringing the structures up to code for residential and artistic use, potential installation of utilities infrastructure, subdividing floors into multiple units, and others. But building owners – public, private and institutional – might be incentivized to invest in the conversion of their buildings for artistic purposes if tangible benefits are conveyed.

Concurrent with efforts to reclaim Martinsville-Henry County's abandoned mill buildings for artistic use would be a recruitment strategy to draw regional artists to the inexpensive work spaces and low cost-of-living the area has to offer. Martinsville-Henry County's plentiful stock of historic homes, natural beauty and existing arts community would be additional selling points for local officials.

Expanding the artist class in Martinsville-Henry County has the ancillary benefit of potentially attracting artist-serving retail as well. Arts stores, coffee shops, bars, bookstores, galleries, restaurants, and other businesses have sprouted up in areas where communities of artists have taken hold. **Asheville, North Carolina** is an example of a small city where an artist-friendly climate has led to a corresponding rise in retail

establishments serving the arts community, and also the tourists that increasingly seek out Asheville for its charm and cultural amenities. Factoring in Martinsville-Henry County's other tourist draws – the Piedmont Arts Association, Virginia Museum of Natural History, aesthetic beauty, outdoor recreation – the addition of “open” studios, art galleries and artist-serving amenities would be another means to stimulate cultural tourism in the area.

The U.S. non-profit arts industry alone is estimated to generate \$36.8 billion in annual revenue, and is becoming a potent force in economic development nationwide. A recent article in *Arts Calendar* magazine noted that U.S. cities and states:

...are using the arts to revitalize declining areas, improve community culture, draw in more residents and businesses, and foster economic growth. Artists are being lured by tax incentives and business support to move to certain towns and cities, and government funds are being allocated for redevelopment programs that involve the arts and create new opportunities for artists.³⁸

The following are examples of U.S. cities that have successfully initiated arts-driven reclamation strategies for their inventory of abandoned manufacturing buildings.

Lawrence, Massachusetts

Lawrence (population: 72,043) has the type of vacant mill space and historic buildings that successfully attracted artists to Lowell during its cultural rebirth. Already, more than two-dozen artists have carved out studios in Lawrence's once vacant mill buildings. One artists' collective – the Arts Development Group – is eyeing vacant mill buildings for a performing arts space. A local sculptor and member of the Lawrenceville mayor's Artist Housing Task Force commented, “Quite frankly, if you build it, if you make it affordable, (artists) will come.”³⁹

Rollinsford, New Hampshire

The Upper Mill in Rollinsford (population: 2,744) was earmarked for reuse as manufacturing space, until one day an artist appeared at the construction site and expressed interest in renting a loft space. Soon after, several more artists came by looking for space. The owner began to see possibilities, and eventually converted the entire top floor into studio lofts. Now workers are finishing the last floor in the building. All studios spaces are spoken for and there is now a waiting list for the units. In all, the owner estimates he spent \$1 million on the Upper Mill. The building's property manager

³⁸ Backer, Noelle. “The Arts and Economic Incentives.” *Art Calendar*, September 2002, p. 13.

³⁹ Ford, Rosemary. “Rebuilding Lawrence's culture.” *Eagle Tribune*, 2/23/03, accessed from http://www.eagletribune.com/news/stories/20030223/LI_001.htm on 12/15/03.

was amazed how quickly the building filled up; the artists just materialized, even without advertising.⁴⁰

New Bedford and Fall River, Massachusetts

The cities of New Bedford (population: 93,768) and Fall River (population: 91,938) on Massachusetts' south coast have benefited from artisans and artists' searches for reasonably priced studio space away from the big cities of the Eastern seaboard. According to the director of an artists' collective in New Bedford, "Because of development in Boston and Providence, artists are being pushed out of those areas and looking to New Bedford." The same thing is happening in Fall River. In Boston, studio space rents from \$8 to \$15 a square foot, and from \$4 to \$5 a square foot in Providence, Rhode Island. In Fall River and New Bedford, a standard rate for what artists consider prime studio space runs \$1 to \$5 a square foot. Utilities are sometimes included. Coming from as far away as Maine and as close as Provincetown, artists are taking advantage of the old mills in New Bedford and Fall River with airy spaces and huge windows. According to a local mill owner, "The decline in the garment industry left us with entire floors, and the next possible source was to break up the floors... I saw the way they (designed the floors) in Waltham, and that gave us the idea to use our mill space for art studios."⁴¹

Peekskill, New York

The Hudson River town of Peekskill (population: 20,000) is so committed to attracting artists that both the planning director and the city's planning consultant actively match available second and third-floor space in downtown properties with artists looking to relocate. To recruit artists, the planners concentrate on the surrounding region, especially New York City. To initiate the strategy, Peekskill began investing portions of its annual federal community development block grants (CDBGs) to make low-interest loans to downtown property owners willing to convert upper story space into artists' lofts and studios. At the same time, city officials approved a planning department recommendation to re-zone 10 downtown blocks to allow artists to live and work in the upper-story studios. The planning consultant also began a public relations and advertising campaign to inform artists about the newly available space. Within a year, 20 artists had relocated to Peekskill and were renting downtown live-work or studio space. About 80 artists relocated to downtown Peekskill in the first four years of the program.⁴²

⁴⁰ Turner, Jeremiah. "A mill is reborn: Village benefits as artists snap up affordable space." Accessed from <http://premium1.fosters.com/2003/news/> on 12/15/03.

⁴¹ Thomas, Sarah. "Old mills paint a new picture of SouthCoast." *Standard-Times*, 2/14/00, accessed from <http://www.s-t.com/daily/02-00/02-14-00/a011o003.htm> on 12/15/03.

⁴² Schamess, Gil. "Lofty plans for artists." *Planning*, Vol. 62, Issue 8, August 1996, p.16-19.

Pawtucket, Rhode Island

Pawtucket (city population: 72,958) is a gritty industrial town that is slowly attracting artists as its old mills are being converted into upscale lofts and affordable studios. Many factors are contributing to Pawtucket's renaissance, including tax laws friendly to artists, low rent and an abundance of abandoned or partly used mill complexes that are perfect for artists seeking lots of space and natural light. Pawtucket's planning director said, "There's been a heavy demand for the old mill buildings... Many of the buildings aren't conducive to current manufacturing needs. This is a way to easily convert the buildings for use."⁴³

In February 2002, the state of **Rhode Island** augmented the burgeoning revival of mill buildings as artist spaces through the passage of the *Urban Mill Restoration and Tax Exemption Act* in the city of Providence. The Act provides certain sales tax exemptions for writers, composers and artists who own and reside in buildings in a designated arts and entertainment redevelopment zone.

Justifications for the Act included:

- Industrial mill buildings are an important part of the historic fabric and architectural heritage of the state;
- Many of these buildings today are suited to new residential, commercial, and institutional uses because of their large floor areas, strong masonry construction, high ceilings, large windows, and ability to support heavy floor loads;
- Commercial and fine artists have given new life to old mills by establishing new working and/or living spaces in these buildings; and
- It is the policy of the state to preserve its industrial heritage, and to promote the adaptive reuse of industrial mill buildings.⁴⁴

In the Land Use Element of the General Plan of **Pasadena, California**, the zoning category of *Artist Loft* was created. Per the Plan, the designation:

...is intended to facilitate the adaptive reuse of otherwise obsolete structures and to promote the growth of the arts in the community. Older commercial and industrial buildings located on properties with non-residential land use designations may be wholly or partially converted into combined studio/workshop and living quarters for artists, artisans and crafts person engaged in activities commonly considered artistic in nature.⁴⁵

⁴³ Donald, Brooke. "Artists drive Rhode Island mill town renaissance." *Associated Press*, 12/7/03, accessed from <http://www.fortwayne.com/mld/fortwayne/2003/12/07/living/7436538.htm> on 12/15/03.

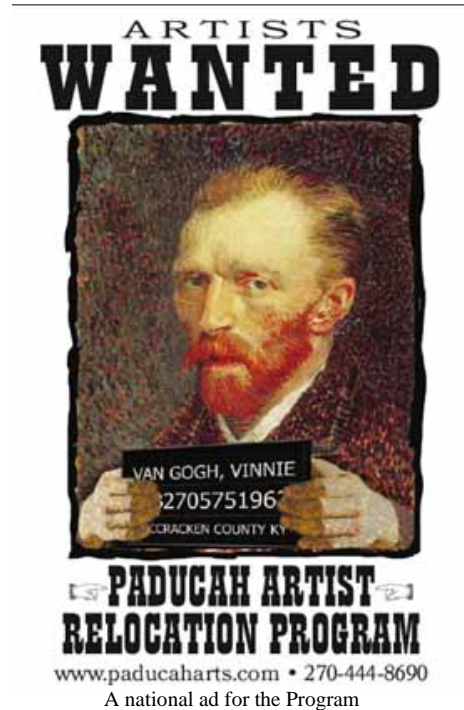
⁴⁴ *Rhode Island Urban Mill Restoration and Tax Exemption Act*, 2002, H7533, February 5, 2002.

⁴⁵ Land Use Element: General Plan. Pasadena, California.

It is not just communities located in regional proximity to major metropolitan areas and their high concentrations of artists that are successfully initiating arts development strategies. The following localities are more geographically remote, but have still implemented arts strategies and artist-recruitment efforts.

Paducah, Kentucky

Paducah (population: 25,577) is located in McCracken County (population: 64,534), 120 miles northwest of Nashville, TN, the closest major metro in the area. The Paducah community – roughly equivalent in size to Martinsville-Henry County – initiated an Artists Relocation Program in August 2000 to revitalize its central core, known as Lowertown. The program has been a phenomenal success, luring over 20 artists from across the country to relocate to town. In 2002, the program won Kentucky’s prestigious *Governor’s Award in the Arts*, and continues to grow through Paducah’s city general fund and strong dollar commitments from Paducah Bank as well as an array of support from the re-energized downtown arts and tourism community. As of September 2003, the City of Paducah had committed \$600,000 to the program, with a total economic impact of over \$7 million. During the program’s over three-year history, 620 information packets have been sent to artists in all 50 U.S. states and six countries, including Canada, Mexico, England, Germany, Philippines, and Ukraine. The relocation program offers incentives including: Low interest loans from Paducah Bank with up to 100 percent financing; discounts on closing costs; free lots for new construction; preservation tax incentives; Enterprise Zone incentives; free web pages and other joint marketing programs; and health insurance packages for individuals and businesses through the Kentucky Arts Council.⁴⁶



Millville, New Jersey

Millville (population: 26,000) is located in a rural county roughly an hour’s drive from Atlantic City and the Jersey shore. In 2000, the community created its Glasstown Arts District to revitalize its downtown area. One benefit provided to artists and art entrepreneurs is a Façade Assistance Program with matching grants of up to 50 percent given for projects up to \$5,000, and a 40 percent zero-interest loan for projects between \$5,000 and \$12,500. Another incentive is Millville’s Pioneer Artists Program, which provides loans up to \$5,000 for “Pioneer Artists” who choose to live in Millville. The loan can be used for relocation expenses and/or establishing the artist in a rented or

⁴⁶ Backer, p. 13-14.

purchased property located in the Arts District, contingent on a two-year residency agreement. Millville promotes its Glasstown Arts District through billboards, radio and TV ads, and brochures distributed at highway rest stops.⁴⁷

The following vacant Martinsville-Henry County buildings, sourced from the joint City and County marketing website, would hold promise as artist conversions.



F&L, LLC., Martinsville



Martinsville Novelty, Martinsville



Vision Business-Industrial Center, Martinsville



219 Aaron Street, Martinsville

There are many more obsolete structures in Martinsville and Henry County that also have viable reuse potential as artists' studios or workspaces for craftspeople. The five Henry County schools set to be closed in the County's 2004-05 consolidation plan might also hold benefit as artist spaces.⁴⁸ Lastly, the Henry County communities of **Fieldale**, **Bassett** and **Ridgeway** contain historic buildings in their town cores that have redevelopment potential as art lofts and galleries. Another potential use for these spaces

⁴⁷ Ibid, p. 20-21.

⁴⁸ Bassett Middle School, along with Fieldale, Spencer-Penn, Ridgeway, and Figsboro elementary schools, will be closing after schools are consolidated in fall 2004.

is a Textile Museum documenting the region's rich history in fabric and apparel manufacturing.

A successful Arts Strategy in Martinsville-Henry County would require the coordination of numerous local departments and constituencies, but would yield the potential windfall of an infusion of a "creative class" in the community, and the retail amenities that cater to it. Time and again in focus groups and interviews, *Market Street* heard from local adults and teenagers that there was a noticeable lack of "things to do" for young people. Initiating a multi-pronged effort to develop certain of these entertainment and retail amenities through the attraction of artists and artisans to Martinsville-Henry County – and the provision of affordable workspace for existing community artists – would be a progressive first step towards reversing the exodus of young people from the City and County.

ACTION STEPS

- ✓ Develop a program to recruit artists and artisans to relocate into subsidized studio space in the area's obsolete manufacturing buildings, and vacant, "artist-friendly" structures.
 - Partner with building owners and property managers in the redevelopment and reuse of vacant buildings as artist studios, lofts and gallery space.
 - Develop a best-practice artist-recruitment strategy encompassing the Roanoke, Piedmont Triad, and Triangle regions, neighboring counties, Blue Ridge Mountain artisans, and national markets, if feasible.
 - Coordinate with City and County officials and local banks to structure best-practice incentives packages to recruit artists to the area.
 - Work with Commonwealth representatives to create a law in Martinsville-Henry County similar to Rhode Island's *Urban Mill Restoration and Tax Exemption Act*.
 - Partner with City and County planning officials to zone these buildings for Artist Lofts, or an equivalent category.
 - Coordinate a program with local economic development officials to subsidize development of gallery spaces in artists' buildings.
 - Work with tourism groups to package "art crawls" and other events focused on area galleries.

- ✓ Initiate a program to develop and recruit artist-serving retail to Martinsville-Henry County.
 - Partner with local small business and entrepreneurial development officials to facilitate the development of craft stores, coffeehouses, and restaurants in areas of high artist concentration.
 - Pursue strategies to recruit national and regional retail outlets to revitalizing areas of the City and County.

Goal 4: **Quality of Life:** Make Martinsville-Henry County a community where people of all ages, incomes and ethnicities will feel welcome and thrive.

Objective 2:
Upgrade public spaces and urban design in Martinsville-Henry County.

The look of a community is an important criterion for residents *and* potential economic prospects. Residents want to be proud of their surroundings, and to live in an attractive, well-maintained area. At the same time, companies and/or employees considering relocating to a community will take away subtle – and often not-so-subtle – clues about the desirability of a place based on the effort and care dedicated to its upkeep.

While many Martinsville-Henry County residents told *Market Street* that the “gateways” into the community’s activity centers via approach roads are visually unappealing, efforts to upgrade these areas through coordinated design improvements are ongoing. The lead organization for these efforts is the Gateway Streetscape Foundation, a nonprofit group formed in 1991 to enhance Martinsville-Henry County’s aesthetic value. For most of its history, Gateway focused on planting trees, flowers and shrubbery along the area’s major roadways and thoroughfares. Recently, the organization expanded its mission to include environmental protection measures such as recycling, reuse of materials, and waste reduction.

There has also been much local effort dedicated to aesthetic and physical improvement of city and town centers, and neighborhoods. The most prominent of these local stewards is the Martinsville Uptown Revitalization Association (MURA). A non-profit 501(c)3 economic development organization, MURA’s sole stated purpose is to lead Uptown Martinsville revitalization efforts. The Association receives its funding from the City of Martinsville, fundraising events and membership dues.

Each fiscal year, MURA offers \$8,000 in grant money to qualified recipients for façade renovations and signage projects, with matching grants available up to \$2,000. The Design Committee of MURA also has the authority to grant up to \$3,000 for special renovation projects that involve multiple buildings and/or improvements of historical significance. Additional design services are provided free to Uptown businesses and property owners through Frazier Associates, a Staunton, Virginia architectural firm. Lastly, low-interest loans and Enterprise Zone tax benefits are available for qualified Uptown businesses or prospects.

Martinsville’s Community Development office is another local agency coordinating neighborhood improvement efforts through its administration of CDBGs and Community Revitalization Programs.

According to local officials, there is a design-review process in place to ensure that Uptown Martinsville façade improvements are consistent with existing architectural character and the overall design of the district. It is important that safeguards like this are in place throughout the City and County so that renewal efforts are consistent with predetermined design criteria and the overall look and feel of the community.

With a number of ongoing aesthetic beautification, urban design and neighborhood improvement efforts, Martinsville-Henry County would be well served to inventory all existing programs to determine current capacity. Then, complimentary programs can be unified, redundant efforts streamlined, and new initiatives developed based on areas of identified need. With Commonwealth and local funding sources limited for public space improvements, Martinsville-Henry County should strive to maximize the utility of existing and future monies.

ACTION STEPS

- ✓ Develop a coordinated Martinsville-Henry County Urban Design Initiative targeted towards improvement of area “gateways.”
 - Partner with the Gateway Streetscape Foundation, MURA and other existing groups to continue and expand ongoing efforts.
 - Source new potential funding streams from Virginia and U.S. agencies, for example, Transportation Efficiency Act (TEA) monies available from the U.S. Department of Transportation for roadway-design improvement efforts.
 - Coordinate an environmental design and wayfinding (signage) strategy to link Martinsville and Henry County communities, allowing residents and tourists to effectively navigate to and from area destinations.

- ✓ Continue efforts to augment city/town centers and neighborhood public spaces.
 - Work to maintain improvement programs in Uptown Martinsville and City neighborhoods, while initiating coordinated, integrated town center enhancement strategies in Henry County’s principal towns and outer-county municipalities.
 - Consider restoration and adaptive reuse of the Courthouse building in Uptown, potentially through partnerships with the National Trust for Historic Preservation.
 - Ensure that façade improvements are consistent with existing neighborhood character and architectural details.
 - Work with City and County parks departments and the Harvest Foundation to develop greenspace, children’s play areas and athletic fields in Martinsville-Henry County.

- ✓ Consider development of a Martinsville-Henry County Nature Conservancy to protect, manage and fully leverage the region’s natural amenities.
 - Partner with local, Commonwealth and federal environmental agencies to coordinate effective resource protection and utilization efforts.

Goal 4: Quality of Life: Make Martinsville-Henry County a community where people of all ages, incomes and ethnicities will feel welcome and thrive.

Objective 3:
Work to alleviate local social and health issues in the City and County.

Statistics compiled for Martinsville-Henry County’s *Competitive Assessment* showed negative trends in certain crime and health indices for the City and County. For instance, crime rates in Martinsville were high for forcible rape and motor vehicle theft, and were comparably high for a number of other crimes relative to similarly sized benchmark communities. In Henry County, the rate of murder and non-negligent manslaughter was significantly above other comparative localities.

As the following table shows, for a number of vital health events, Martinsville-Henry County has rates of incidence much higher than the Virginia average. In Martinsville, residents are much more likely to suffer from diseases of the heart, malignant tumors, chronic lower respiratory diseases, diabetes, Alzheimer’s, and chronic liver disease than most Virginians. In Henry County, incidences of pneumonia and influenza far outpace the Commonwealth.

Health Profile, Martinsville, Henry County, Virginia: 2002 (Rates per 100,000 population)

<i>Vital Event</i>	<i>Martinsville</i>	<i>Henry County</i>	<i>Virginia</i>
Death Rate/1,000 population (all ages)	15.9	10.6	7.8
Diseases of Heart	537.3	357.2	204.0
Malignant Tumors	334.2	203.8	185.5
Chronic Lower Respiratory Diseases	52.4	38.3	37.6
Pneumonia and Influenza	13.1	34.8	20.2
Diabetes	59.0	29.6	21.2
Alzheimer's	45.9	15.7	18.7
Chronic Liver Disease	19.7	13.9	8.2

Source: Virginia Department of Health

Drug use among Martinsville-Henry County adults is also a deterrent to labor force availability as numerous local employers said applicants for entry-level positions routinely fail mandatory drug tests.

From a resident’s quality of life perspective, and the standpoint of business climate competitiveness, high incidences of certain crimes and health problems detract from Martinsville-Henry County’s attractiveness as both a place to live and locate a company. With the “portability” of today’s knowledge worker (their ability to live virtually anywhere they want), it is important for communities to acknowledge quality of life measures as vital competitive criteria. This is especially true for small communities,

whose greatest strengths are often a slower pace, lower incidence of crime, and robust opportunities for outdoor recreation.

A number of Martinsville-Henry County's health issues can be attributed to the area's aging population, rising poverty and manual-labor-intensive occupational history. Even so, efforts must be made to lower the incidences of the pernicious diseases that threaten to deplete residents' retirement incomes, overburden local health systems, and prematurely take the lives of friends and family members. There also must be a comprehensive plan for making residents aware of existing services and resources, and strategies developed to increase public participation in free health screenings, daylong clinics and speakers' bureau presentations.

According to local practitioners, a Virginia Dental Association-sponsored free dental clinic held in November 2003 at the Commonwealth Center in Martinsville was swamped with participants, while the Virginia Department of Health's Health Fair at the same location was far less busy. The dental clinic portion of the fair offered actual dental services such as checkups, cleanings, fillings and extractions, while the health clinic provided health screenings, and health education activities. A local dentist noted that the discrepancy might be a result of patients responding to the pain of tooth decay, but not feeling the urgency to pursue a free health screening when no symptoms are apparent. Practitioners said that health and dental fairs such as this could feasibly be held only every 18 to 24 months based on the availability of statewide practitioners to donate their time and efforts to the event.

For year-round care, Martinsville and Henry County are part of the Virginia Department of Health's West Piedmont Health District, which has clinics in Martinsville, Rocky Mount and Stuart. The clinics offer a range of low-cost services, including immunizations, testing for certain diseases, health education programs, women's gynecological testing, family planning assistance, a Women, Infants, and Children (WIC) Program, pregnancy and well-baby services, dental services, and environmental-health resources. The offices also coordinate restaurant permitting and inspections, and make public health nurses available for school health education and counseling visits.⁴⁹

In the Martinsville City schools, a program called Health Net, funded with Medicaid reimbursements, provides health screenings and basic treatment to students for a variety of health-related problems.

There is a free clinic located in Martinsville – the Family Life Services Free Medical Clinic – but the operation is only open one day and one evening a week, can only dispense medications without offering any other health services, and is in need of a new facility. A local non-profit executive commented that Martinsville-Henry County would be served best by a full health delivery platform that is sustainable through a mix of providers.

⁴⁹ West Piedmont Health District. 03 March 2004. <<http://www.vdh.state.va.us/LHD/westpied/westpied.htm>>.

In regards to crime issues, trends are improving. Recently, Martinsville Police Chief Mike Rogers told the City Council that major crime in the area has dropped across the board. In fact, many major crime rates are at 20-year lows, including: robberies, aggravated assaults, burglaries, motor vehicle thefts, and other larcenies.⁵⁰ While this news is commendable, employers' frustrations over job applicants' drug use shows that there is still much to be done.

Currently, there are few after-school options for local youth to keep them engaged during the afternoon and early-evening hours, when numbers show their propensity to commit petty crimes increases. One after-school option available to Martinsville youth is the City's Prime Time Learning Center program, funded through Commonwealth grants. The centers are open until 8 p.m. Monday through Thursday during the school year, and at selected times over the summer. Paid professional teachers and trained volunteers staff the centers and provide a structured environment for children to interact after school hours.⁵¹

A number of potential after-school programs and facilities provide Martinsville-Henry County officials with further choices to broaden the community's array of after-school activities for area youth. Among these are:

- *4-H Afterschool*: The well-known 4-H organization also provides after-school programming in participating communities. Martinsville's already active 4-H organization offers the potential to expand local services to include after-school activities (<http://www.4hafterschool.org/>).
- *Junior Achievement Afterschool*: This program is a national initiative designed to offer localities quality, educational after-school programming. The organization's after-school activities utilize a variety of Junior Achievement's K-12 business and economic programs to create engaging after-school experiences for local at-risk children. Martinsville's existing Junior Achievement program could possibly serve to lay the groundwork for development of a local JA Afterschool effort (<http://www.ja.org/afterschool/default.shtml>).
- *Boys and Girls Clubs of America*: These dedicated youth facilities are open every day, after school and on weekends, and are staffed by full-time, trained youth development professionals and volunteers. Annual dues range from \$5 to \$10 per child, per year. Currently, 3.6 million boys and girls are served by 3,300 Club locations in all 50 states, Puerto Rico, the Virgin Islands and on U.S. military bases. Starting a local Club takes dedication and money. A committed leadership group must shepherd the community through the process, and secured funding must be sourced. Start-up costs for a Boys and Girls Club run from approximately \$100,000 to \$175,000, while annual operating costs range from \$125,000 to \$175,000. In many

⁵⁰ Source: City of Martinsville.

⁵¹ Prime Time Learning Centers. *Martinsville High Schools, Outstanding Programs*. 03 March 2004. <<http://www.martinsville.k12.va.us/programs/index.htm>>.

communities, corporate donations help allay the costs of starting and running a Club (www.bcga.org).

- *Big Brothers Big Sisters of America*: Founded in 1904, Big Brothers Big Sisters is the oldest and largest youth mentoring organization in the United States. In 2002, the organization served more than 200,000 youth ages five through 18, in 5,000 communities across the country, through a network of 470 agencies. There are two core programs: Community-based, in which volunteers provide youth with one-on-one time and attention in their communities, typically two to four times a month; and Big Brothers Big Sisters in Schools, where volunteers meet with their “littles” once a week, on average, during the academic year. Teachers identify children who can benefit most from interaction with a caring adult (www.bbbsa.org).

Whatever the means, Martinsville-Henry County leaders must acknowledge the crime and health concerns affecting their community and take proactive steps to build ground-up, inclusive solutions to these problems.

ACTION STEPS

- ✓ Partner with area social service agencies, the faith-based community, educational systems and law enforcement to develop best-practice crime and drug-use reduction programs in Martinsville-Henry County.
 - Consider alternative after-school programs for area youth.
 - Fully utilize the Prime Time Learning Center program at Martinsville City schools.
 - Investigate potential development of additional after-school programming, including 4-H Afterschool, Junior Achievement Afterschool, Boys and Girls Clubs and Big Brothers Big Sisters programs.
 - Educate all local students on the importance of remaining drug-free to secure quality employment.
 - Work with area businesspeople to schedule talks with students and job-seekers regarding the nature of drug testing, and how failing these tests can threaten employability.
 - Continue efforts to aggressively police high-crime areas, and integrate beat officers into the community to better understand local neighborhood dynamics.
 - Develop mechanisms for officers to refer specific individuals to drug-prevention and treatment programs, and other local social service providers.
- ✓ Work with neighborhood businesses and residential groups to create local security patrols and neighborhood watch programs in the City and County.
- ✓ Develop a strategy to increase the capacity of local health and human service organizations.
 - Pursue all available Commonwealth and federal grant monies.

- Increase staffing levels and secure office space sufficient to handle current and future organizational needs.
- Investigate the development of a full-service, full-time free health clinic in Martinsville-Henry County.
- ✓ Partner with Memorial Hospital and local health-service organizations to develop a comprehensive Health Education Program in Martinsville-Henry County.
 - Create marketing materials and convene public-education forums and information sessions on the hazards of unhealthy diets and lack of exercise.
 - Develop a Speaker's Bureau of illness survivors to talk with local groups regarding the dangers of unhealthy lifestyles and a lack of concern about certain health issues.
 - Work with the Martinsville and Collinsville YMCAs to develop recruitment strategies to involve more residents in athletic activities.
 - Continue to organize local health and dental fairs as often as possible.
 - Pursue financing and staffing partnerships at the Commonwealth and national levels to facilitate increased frequency of fairs in the community.
 - Brainstorm strategies to increase participation of local residents in health fair screenings and informational activities.

GOAL 4: BENCHMARKS

- ✓ Recruit at least 25 artists to Martinsville-Henry County by 2007.
- ✓ Passage of a Virginia law providing tax exemptions for artists locating in converted Martinsville-Henry County buildings.
- ✓ Creation of a new zoning category in Martinsville and Henry County for *Artist Lofts*.
- ✓ Secure the opening of a national chain-store coffeehouse in Uptown Martinsville by 2007.
- ✓ Successfully complete the improvement programs to three major Martinsville-Henry County “gateways” by 2008.
- ✓ Implement a way-finding system in Martinsville-Henry County.
- ✓ Develop at least three new athletic playfields/parks in Martinsville-Henry County by 2008.
- ✓ Create a Martinsville-Henry County Nature Conservancy.
- ✓ Lower Martinsville-Henry County disease and “vital event” incidence rates to Virginia averages by 2015.
- ✓ Lower overall Martinsville-Henry County index of crimes per 100,000 inhabitants by 2% annually.
- ✓ Achieve passage by job applicants of 90% of drug tests by 2010.

GOAL 4: PERFORMANCE MEASURES

- ☑ Number of artists residing in Martinsville-Henry County.
- ☑ Number of net new artists’ workspaces created in redeveloped Martinsville-Henry County buildings.
- ☑ Number and percentage of artists taking advantage of Commonwealth tax exemptions.
- ☑ Number of net new art galleries opened in Martinsville-Henry County.
- ☑ Total and average attendance at officially sponsored “art crawls,” and other art-themed local events.
- ☑ Net number of new two-star-or-above restaurants opened in Martinsville-Henry County.
- ☑ Total funds raised or granted for Martinsville-Henry County Urban Design Initiative.
- ☑ Total dollars spent on “gateway” improvement projects.

- Number of total signs, markers and maps installed as part of Martinsville-Henry County wayfinding system.
- Total funds raised or granted for city/town center and neighborhood improvement programs.
- Total dollars spent on city/town center and neighborhood improvement programs.
- Total acres of new athletic fields/parks/playspaces developed, and annual park acreage per capita in Martinsville-Henry County.
- Average annual budget of Martinsville-Henry County Nature Conservancy.
- Average annual economic impact from nature tourism and year-to-year net increases/declines.
- Annual crimes per 100,000 residents in Martinsville-Henry County, and annual rates for each category of crime.
- Number and percentage of job applicants failing drug tests annually.
- Number of talks and information sessions regarding the importance of staying drug-free.
- Number of Martinsville-Henry County residents referred to drug-treatment programs.
- Number of neighborhood watch programs created in Martinsville-Henry County.
- Net number of new after-school programs and facilities.
- Number of youth participating in new after-school programs and facilities.
- Number of health-related public education forums and information sessions convened annually.
- Number of health and dental fairs held annually.
- Total attendance and increase/decrease year-to-year of local health and dental fairs.
- Total funds raised and granted for health-education programs.
- Total funds raised and granted for local health and human service organizations.
- Staffing levels and office square footage for health and human service organizations.
- Number of talks given by illness survivors Speaker's Bureau.
- Annual number and percentage increases in YMCA memberships.

Conclusion



CONCLUSION

One thing that becomes clear after spending even a short amount of time in Martinsville-Henry County is the abiding affection and true concern residents have for their community and its future. The region has withstood economic downturns in the past and demonstrated great resiliency, eventually developing an industrial base that enabled the community to create jobs and grow.

However, the current economic circumstances in Martinsville-Henry County are different than the area has ever experienced. Global and hemispheric trade pacts have completely rewritten the laws of industrial commerce and commodity manufacturing employment, with companies increasingly outsourcing jobs and production to overseas countries, often just to avoid bankruptcy. Martinsville-Henry County's traditional economic development focus on industrial recruitment at the expense of existing businesses and local entrepreneurs will not serve the region well in the New Economy. The community's economic development officials and organizations must unite and coordinate like never before to streamline operations, leverage all available funding streams for quality development, and partner in the holistic growth of the area's existing and future businesses.

Changing Martinsville-Henry County's current economic paradigm will require patience, persistence, cooperation and a steadfast belief in the vision of a stronger community through dynamic partnerships and the inclusion of all area constituencies in local improvement efforts. To do otherwise will risk Martinsville-Henry County's surging momentum for positive change through City-County consolidation and progressing as one community towards a brighter future.

Next Steps

The goals, objectives and action steps put forth in this *Community and Economic Development Strategy* are a starting point for progressive and lasting change in Martinsville-Henry County. Through the work of the Advisory Committee and a broad community input process, these goals and objectives took shape. The language of this document was informed by the words and phrases citizens of Martinsville-Henry County used to describe their preferred future and the strategies needed to realize it.

Although this document is a work plan for the next five to ten years in Martinsville-Henry County, priorities change. As goals and objectives are accomplished, local focus may shift and the ideas and actions in this document should be changed to reflect this. Accordingly, the final component of the community's strategic process will be an *Implementation Plan*. This document will focus on the agencies, actors and efforts needed to successfully implement the goals recommended in the *Community and Economic Development Strategy*. The *Implementation Plan* will include:

- **Benchmarks and Measures:** A re-listing of those included in this Strategy document.
- **Program Assessments and Enhancements:** A review of the existing program capacity in Martinsville/Henry County, including the “players” crucial to successful implementation, and a brief capacity assessment.
- **Timetable:** The Advisory Committee and *Market Street* will jointly develop a timetable for implementation focused on the first year’s activities and potential longer-term action scenarios.
- **Communications Guidelines:** Primary considerations include the “rollout” of the strategy, distributing executive summary brochures, preparing a PowerPoint or other presentation for a speaker’s bureau, and assisting with press and media relations.
- **Funding Allocation:** *Market Street* will work with the Advisory Committee to determine if any funding reallocations are needed for implementation.
- **Goal Implementation:** Each goal will be analyzed considering Martinsville-Henry County’s organizational leadership structure and the City/County program assessments.

At the end of this process, Martinsville-Henry County leaders will have a blueprint for a positive and progressive local future – a plan that embodies local citizens’ vision for sustainable and inclusive community and economic development.

Glossary of Terms



MARKET STREET SERVICES GLOSSARY OF TERMS

*The following terms are defined within the context of Market Street's work. Glossaries from such federal websites as the **Census Bureau** and the **Bureau of Labor Statistics** were used to define certain terms. Other government and **economic development** resources were also used. **Boldface type** within a definition indicates that term is also in the Glossary.*

ACCRA: Formally known as the American Chamber of Commerce Researchers Association, ACCRA is considered the authoritative source for **Cost of Living** estimates for most **Metropolitan Statistical Areas** and other urban places.

Age distribution: Published by the **Census Bureau**, a study of the population's age characteristics by looking at what percentage of the total the different age groupings represent. While they can vary, typically the following groupings are used: 17 and under, 18-24, 25-34, 35-44, 45-54, 55-64, 65-74, and 75 and over.

Average annual pay: A statistic provided by the **Bureau of Labor Statistics (BLS)**. According to BLS, the figure includes, "in addition to **salaries**...bonuses, the cash value of meals and lodging when supplied, tips and other gratuities, and, in some states, employer contributions to certain deferred compensation plans, such as 401(k) plans and stock options."

Bureau of Economic Analysis (BEA): United States government agency that provides economic statistical information such as personal **income**, **per capita income**, total **earnings** and **employment** by industry, and population.

Bureau of Labor Statistics (BLS): United States government agency that provides economic statistical information such as **unemployment**, **unemployment rates**, **average annual pay**, and total **employment** by industry.

Business costs: The expenses and regulations associated with conducting business including real estate, labor, production, and utility costs, permitting fees, taxes, and government financial incentives.

Business climate: The environment in which companies operate and employees must live. To characterize that environment, *Market Street* collects an appropriate combination of primary and secondary qualitative and quantitative data. Factors that *Market Street* considers include educational opportunities, **workforce** quality and availability, transportation, communication, and energy **infrastructure**, **business costs**, and such **quality of life** concerns as health care, crime, housing, and cultural opportunities.

Business clusters: Geographic concentrations of related businesses and institutions that benefit from close proximity, including workers, producers, buyers, sellers,

competitors, partners, researchers, service companies, and public agencies in a given field. Target business clusters are those that have been recommended as part of a strategic development plan.

Capital improvement programs: A government budget and schedule of construction for developing transportation networks, sewer and water systems, and public facilities such as schools and parks. Most programs have short-term and long-term projects identified.

Census Bureau: United States government agency that conducts the decennial census and provides that data, as well as some interim estimates and forecasted data, to the public. Information available on their website includes population, age, **race**, **ethnicity**, education, housing, and commuting data. The Bureau also publishes County Business Patterns, which include **employment sector** data pertaining to total **employment**, annual **payroll**, and total **establishments**.

Community development: A comprehensive approach to improving the **quality of life**, wealth, and competitive capacity of an area through the combined efforts of citizens, businesses, and the government. In *The Practice of Local Government Planning*, Edward John Kaiser and David R. Godschalk define community development as the “process by which citizens and local government officials identify and seek to achieve a desirable future for their community,” which involves the “evolution and promotion of community goals and potential.”⁵²

Commuting patterns: Published by the **Census Bureau**, the study of such statistics as the percentage of individuals that work within their County of residence, their average travel time to work, the time of day that individuals leave home for work, and their mode of transportation.

Comparative advantage: When comparing two locations, this term is used to state that one location is preferable to another regarding a particular indicator.

Comprehensive plan: Created to coordinate long-term policies based on population and economic trends regarding such components of development as the economy, **land use**, natural and historic resources, community facilities, and **infrastructure**.

Consumer price index: Published by the **Bureau of Labor Statistics**, a measure of the change in price for the consumer that occurs for a particular good or service in a particular place over a period of time.

Cost of living index: Published by **ACCRA**, a measure of the price of goods and services in an area based on the national average, enabling an analyst to compare the price of such necessities as groceries, housing, utilities, transportation, and health care

⁵² Kaiser, Edward John and David R. Godschalk. “Development Planning.” *The Practice of Local Government Planning*, 3rd ed. (Washington, DC: International City/County Management Association, 2000) 141.

from one location to another.

Crime rate: Published by the Federal Bureau of Investigation, the rate is usually calculated as the number of criminal offenses per 1,000 people. Unless otherwise specified, the **crime rate** includes both personal and property crimes. Personal crimes are such acts as murder, rape, robbery, and aggravated assault. Property crimes are such acts as burglary, larceny-theft, and motor vehicle theft.

Demographic information: Demography is the study of human populations. *Market Street* collects demographic data pertaining to certain key characteristics of a community including population size, **age distribution**, **race** and **ethnic** composition, etc.

Displaced workers: Individuals who have lost their position because a business closed, moved elsewhere, or laid off workers due to a shift in the amount or nature of its employment needs.

Disposable income: After-tax income available for saving or spending.

Domestic migration: Published by the **Census Bureau**, the net change in the number of individuals moving into and out of a community from another location within the United States (sometimes also referred to as internal migration). **See also Net Migration and International Migration.**

Earnings: The **Bureau of Labor Statistics** defines **Earnings** as “remuneration (pay, wages) of a worker or group of workers for services performed during a specific period of time. The term invariably carries a defining word or a combination; e.g., straight-time average hourly earnings...”

Hourly, daily, weekly, annual--period of time to which earnings figures, as stated or computed, relate. The context in which annual earnings (sometimes weekly earnings) are used may indicate whether the reference includes earnings from one employer only or from all employment plus other sources of income;

Average--usually the arithmetic **mean**; that is, total earnings (as defined) of a group of workers (as identified) divided by the number of workers in the group;

Gross--usually total earnings, before any deductions (such as tax withholding) including, where applicable, overtime payments, shift differentials, production bonuses, cost-of-living allowances, commissions, etc.;

Straight-time--usually gross earnings excluding overtime payments and (with variations at this point) shift differentials and other monetary payments.” **See also Wages.**

Earnings to employment ratio: A comparison of total **earnings** to total **employment** in a given **employment sector** in order to determine which sectors provide the higher paying jobs in the local economy.

Economic development: Creating and sustaining economic activity through such methods as job retention, new business recruitment, and encouragement of entrepreneurial activity in a community. The goal of such efforts is to improve the wealth of the area and develop a strong economic base to ensure long-term prosperity.

Educational attainment: Published by the **Census Bureau**, the statistics used to measure the education levels of a community. Usually the categorized data is illustrated as a percentage of the total population over 25 years old. In each category (i.e., no high school diploma, high school diploma, some college, associate degree, Bachelor's degree, graduate or professional degree), the statistic is referring to the percentage of the population that achieved at most that particular level.

Employment: The total number of individuals that currently have a job. The **Bureau of Economic Analysis**, **Bureau of Labor Statistics**, and the **Census Bureau** publish employment data.

Employment sectors: The classification of the types of businesses in an economy by general categories. The U.S. Office of Management and Budget defines that classification with the **North American Industry Classification System** (previously with the **Standard Industry Classification**). The **Bureau of Economic Analysis**, **Bureau of Labor Statistics**, and the **Census Bureau** publish employment sector data.

Enterprise: The conglomeration of all the **establishments** owned by a single firm, government, or non-profit.

Entrepreneur: According to the National Commission on Entrepreneurship, "Entrepreneurs are people who take advantage of innovative ideas, and turn those ideas into jobs and wealth creation." The development of entrepreneurial activity is the "practice of encouraging the creation and growth of start-up companies."

Establishment: The location at which business activity takes place. In this context, business activity is the provision of a good or service.

Ethnicity: In order to account for the fact that Hispanic is an ethnicity and not a **race**, the **Census Bureau** collects data on the number of people in the United States who classify themselves as part of the Hispanic ethnic group. Hispanic individuals can classify themselves as any **race**, and each **race** may include both Hispanics and non-Hispanics.

High school completion rate: A measure of the percentage of young adults who have received a high school diploma. The U.S. Department of Education's National Center for Education Statistics further defines the rate as "based on the population of young adults ages 18 through 24 who are no longer enrolled in high school or below." The state-level departments of education sometimes determine the rate using a different standard.

High school dropout rate: A measure of the percentage of young adults who left high school before receiving a diploma.

Income: The **Bureau of Labor Statistics** glossary states: “Income before taxes is the total money **earnings** and selected money receipts of all consumer unit members 14 years of age or over during the 12 months [period]. It includes the following components: **Wages** and salaries; self-employment income; Social Security, private and government retirement; interest, dividends, rental income, and other property income; unemployment, workers’ compensation and veteran’s benefits; **public assistance**, supplemental security income, and food stamps; regular contributions for support (including alimony and child support); other income (including cash scholarships, fellowships or stipends not based on working, and meals and rent as pay).”

Inflation: The rise in prices as the value of money decreases over time.

Infrastructure: See **Physical infrastructure and Social infrastructure**.

Input-output analysis: A method of determining economic impacts. The “input,” usually the amount of financial **investment** in a project, is multiplied by a predetermined multiplier to calculate the “output,” or expected total revenue generated by that investment.

Internal migration: See **Domestic migration**.

International migration: Published by the **Census Bureau**, the net change in the number of individuals moving into and out of a community from outside of the United States. See also **Net migration and Domestic migration**.

Investments: Money spent on a good or service in order to improve existing **infrastructure** or service as well as to potentially generate future economic reward for the community or business based on that **investment**.

Labor force: The number of individuals employed or unemployed and actively seeking employment. This does not include those who are of working age, but have taken themselves out of the labor force because they, for example, are independently wealthy, retired early, raise children, or stopped looking for a job because they could not find a suitable opportunity. The **Bureau of Labor Statistics**, which publishes this data, defines the labor force based on individuals meeting these criteria who are 16 years old or over. See also **Workforce**.

Labor force participation rate: The percentage of the **workforce** (all individuals 18 – 69 years old) that is currently in the **labor force** (all individuals currently employment or unemployed and actively seeking employment). This percentage does not include those who are of working age, but have taken themselves out of the **labor force** because they, for example, are independently wealthy, retired early, raise

children, or stopped looking for a job because they could not find a suitable opportunity.

Land use: The purpose of a parcel of land based on the kind of activity that takes place on that land, usually defined by the buildings on that parcel, or lack thereof. For example, residential, commercial, office, industrial and parkland are also considered **land uses**. Typically the development of land is governed by zoning and other government regulations.

Location quotient: A measure of the portion an **employment sector** represents of the total economy for the area under consideration compared to the portion that **employment sector** represents of the United States' total economy. A location quotient of 1.0 indicates that sector represents the same proportion of the local economy as it does of the national economy. A location quotient above or below 1.0 indicates the sector represents a larger or smaller proportion, respectively, of the local economy than it does of the national economy.

Mean: More commonly referred to as the average, the **Mean** is the sum of all the data divided by the total number of pieces of data.

Median: In an ordered data series, it is the figure that falls in the middle of the series. This is different than the **Mean**, or average, of the terms.

Metropolitan Statistical Area (MSA): The total suburban and urban area of a City or urbanized area, as defined by the U.S. Office of Management and Budget for statistical purposes. To qualify, a City must have at least 50,000 people or the urbanized area must have at least 50,000 with a broader metropolitan area population of at least 100,000. For example, in 2000 the population of the City of Atlanta was 416,474 while the 28-County Atlanta MSA population was 4,112,198.

Migration: To change residence from one location to another. **See Domestic Migration, International Migration, and Net Migration.**

Mixed-use development: Properties integrating residential, commercial, office, or industrial **land uses** in a single development or district.

Natural change: Published by the **Census Bureau**, the net change in the population due to births and deaths in the community.

Net migration: The sum of the net **domestic** and net **international migration**.

New Economy: The information and knowledge-based economy that has rapidly and recently evolved due to the technology-driven shift in our capabilities. The national downward trend in the manufacturing sector and the upward trend in the professional services sector is a defining characteristic of the **New Economy**.

Non-farm proprietor: A proprietor is the owner of a business or other **establishment**. The **Bureau of Economic Analysis** publishes the total non-farm proprietor figure, which excludes all farm owners from the total proprietor figure in order to measure non-agriculture based business activity. *Market Street* uses the non-farm proprietorship data as a measure of the amount of **entrepreneurial** activity in a community.

North American Industry Classification System (NAICS): A system standardized by the Office of Management and Budget (OMB) in order to categorize business establishments in broad sectors as well as more defined sub sectors. Established in 1997, the NAICS code is an updated and reorganized version of the **Standard Industry Classification**.

Not seasonally adjusted: Published by the **Bureau of Labor Statistics**, raw employment data that has not been altered to reflect fluctuations that tend to follow the same pattern each year. **See also Seasonally adjusted.**

Owner-occupied housing units: A housing unit that has a current occupant owning that particular dwelling. The **Census Bureau** measures homeownership by calculating the percentage of total housing units that are owner-occupied.

Payroll: See **Average Annual Pay.**

Per capita income: Published by the **Bureau of Economic Analysis** (BEA), an economic statistic considered to be one of the best overall indicators of local wealth. To calculate, BEA divides the total income earned in a given year by the total number of residents, including children, seniors, and other individuals not working. In its analysis, *Market Street* adjusts historical data based on **inflation** to determine the real per capita income.

Physical infrastructure: The shared physical resources of a community needed for its own survival and success, often provided by a local, state, or federal government entity. Examples include highway and road systems, pipelines and electrical wires, libraries, classrooms, and hospitals. **See also Social infrastructure.**

Poverty rate: The percentage of the population with a total family income below the poverty level, or threshold, as defined by the **Census Bureau**. The Bureau updates that level annually based on the **Consumer Price Index**, and that level varies by the total number of people within the family. For example, in 2003 the poverty threshold for a family of one was \$8,980 but it was \$30,960 for a family of eight.

Producer price index: A measure of the change in price for the producer that occurs for a particular good or service in a particular place over a period of time.

Public assistance: Government financial payments to individuals in need of assistance due to factors such as income levels, age, and health. It also includes government

financial payments to businesses and other establishments that have demonstrated a need for help.

Quality of life: An overall, subjective measure of an individual's satisfaction with life. This can include such factors as an individual's perception of the affordability of necessary goods and services, transportation options, air and water quality, educational opportunities, health care quality, feelings of safety, entertainment and recreational offerings, etc.

Race: A self-classification of a distinct geographic, cultural, or physical population. In 2000 the **Census Bureau** listed the following options to choose from in the decennial census questionnaire: White, Black or African American, American Indian and Alaska Native, Asian, Native Hawaiian and Other Pacific Islander, Some other race, and Two or more races. **See also Ethnicity.**

Redevelopment: The renewal of an existing community, usually requiring a large financial investment in order to restore/improve the physical and economic health of the area.

Retirement income: Money paid to retirees from such sources as benefit pension plans and contribution retirement plans. Typically, such as in the case of the **Census Bureau's income** distribution statistics, **retirement income** does not include Social Security benefits, which are considered a **transfer payment**.

Salaries: See **Wages and salaries.**

Seasonally adjusted: Changes to employment data based on fluctuations that tend to follow the same pattern each year. These adjustments are made in order to more effectively illustrate atypical trends that occur. **See also Not seasonally adjusted.**

Skilled workers: Adults with the education and skill sets to meet current and future job requirements. The term applies to all industries and occupations.

Small business: A business that has fewer employees or generates less revenue than a certain level. That level varies by industry. The U.S. Small Business Administration's Office of Size Standards determines those levels for the purpose of administering their assistance programs.

Social infrastructure: The community organizations, networks, and other social resources that are needed for a geographic area's survival and success.

Standard Industry Classification (SIC): A system standardized by the Office of Management and Budget (OMB) in order to categorize businesses and other establishments in broad sectors as well as more defined sub sectors. In 1997, OMB updated and reorganized the data in a new system called the **North American Industry Classification System.**

Sustainability: In the context of *Market Street's* work, it is the economic prosperity that is achieved when measures are taken to ensure long-term, not just short-term, economic success. Sustainable economic vitality also must recognize the interdependence of the environment and the economy.

Tax abatement: A common economic development tool of governments, it permits business-owners to not pay taxes for a certain period of time.

Teenage pregnancy live birth rate: The number of live births per 1,000 female teenagers, published by the National Center for Health Statistics, a division of the Center for Disease Control. The age range is usually 15 – 19. The figure does not include miscarriages and early terminations.

Time series analysis: The study of historical data over a certain period of time, often to compare that specific geographic area to others, the state, or the nation.

Transfer payments: Government financial assistance such as Social Security, Medicare, Medicaid, workers' compensation, and aid to dependent children.

Unemployment: Published by the **Bureau of Labor Statistics**, the total number of people that are without a job, but still within the **labor force** because they are actively seeking a position.

Unemployment rate: Published by the **Bureau of Labor Statistics**, the percentage of the **labor force** that is currently without a job.

Venture capital: Private equity investments in new start-ups or expansions of **small businesses**. Investors receive shares in the company, a degree of management control, or a specified share of profits.

Wages and salaries: The **Bureau of Labor Statistics** defines **Wages** as, "Hourly straight-time wage rate or, for workers not paid on an hourly basis, straight-time **earnings** divided by the corresponding hours. Straight-time wage and salary rates are total earnings before payroll deductions, excluding premium pay for overtime and for work on weekends and holidays, shift differentials, and nonproduction bonuses such as lump-sum payments provided in lieu of wage increases." **See also Earnings.**

Workforce: Often referred to as the "potential workforce," *Market Street* defines it as all individuals ages 18 – 69. **See also Labor force.**