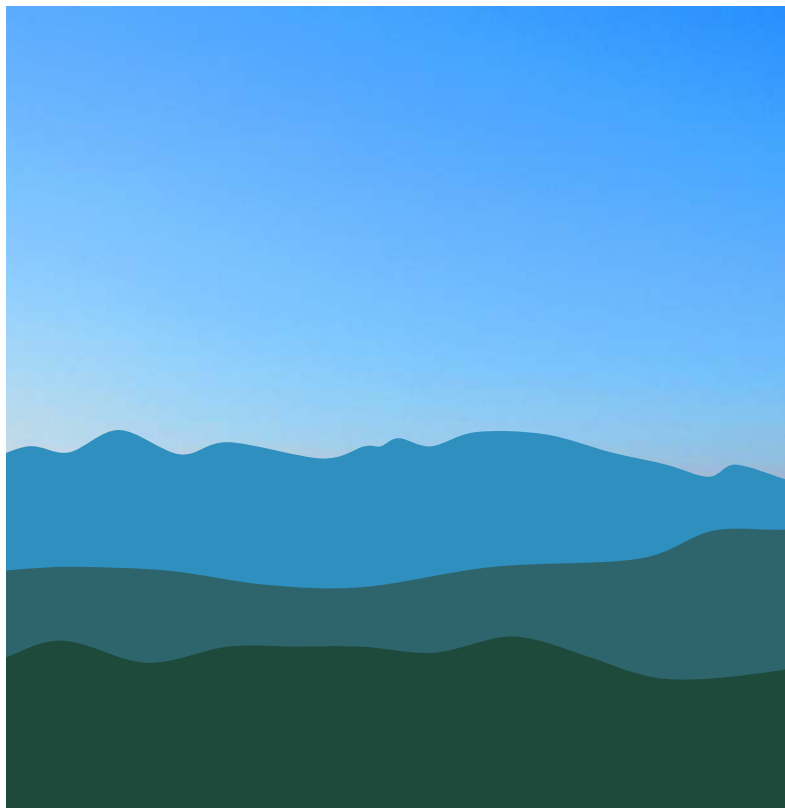


Economic Development

Background Information on Developing an Economic Development Strategic Plan for the Allegheny Highlands

SUBMITTED TO:
The Allegheny Foundation
March 25, 2013



Moran, Stahl & Boyer
Site Selection and Economic Development Consultants



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■ Section 1 - EXECUTIVE SUMMARY

Introduction

The Allegheny Foundation retained Moran, Stahl & Boyer to provide guidance on supporting economic growth in the Allegheny Highlands through the following three objectives:

1. Provide the community with an overall plan to effectively achieve economic growth within specific sectors (e.g., manufacturing, tourism, local services, etc.).
2. Develop an approach that engages the community stakeholders and achieves a buy-in that aligns purpose and priorities for economic development.
3. Provide The Allegheny Foundation with a clear vision of their role in economic development that can be reflected in policies and on-going support efforts.

In order to achieve these objectives, the scope of the assignment focuses on the following four tasks:

- Task 1** - Collect background information on the area and perform resource assessment
- Task 2** - Identify potential economic growth options to achieve a diverse economy and complete the resource gap analysis for each growth option.
- Task 3** – Facilitate discussions with community stakeholders about the current economic situation and future options for economic growth.
- Task 4** - Develop a strategic plan that addresses issues, pursues opportunities and identifies the role of the Allegheny Foundation in supporting economic growth going forward.

To date, Tasks 1 and 3 have been completed through initial research on the area, in-depth interviews with selected community stakeholders, and hosting the Economic Summit on March 12, 2013 at the DS Lancaster Community College with ~80 attendees. A summary of this effort makes up the body of this report.

Going forward, it is essential that tasks be sequentially executed and assure members of the advisory board and other area stakeholders embrace the information as it unfolds and make decisions based on sound and thorough plans. If we were to ignore key steps, there is a likely potential of launching an initiative that either doesn't have the appropriate local support or the strength of market to sustain it and it may fail just out of the gate.

Keep also mind that economic opportunities come in many shapes and sizes, from healthcare and education services, to growth of existing small businesses, to many facets of tourism, to a manufacturing company seeking a community along an interstate. They all can potentially add to the viability of the local economy and must be considered as options. The process of enhancing the Allegheny Highlands will involve not only preparing resources for businesses but also getting the communities to a level of attractiveness that makes individuals and companies want to reside here.

Building (or rebuilding) a local economy/community is like constructing a bridge or other structure. There are defined steps that must be aligned properly for it all to come together. The economic development plan will be based on a vision of a future that may be challenging but still realistic with defined steps that are required to achieve the vision. Along the way, the region should hit a "tipping point" after which enough momentum is gained that incremental growth comes easier. As the old

adage goes: “success breeds success.” To help summarize what we have learned thus far, a preliminary SWOT analysis has been prepared and presented below.

SWOT Analysis

Strengths	Weaknesses/Challenges
<ul style="list-style-type: none"> • Interstate access • Some sites have rail access • Reasonably strategic location • Labor resources from industry presence • Good community college w/ industry focus • Good health care facilities/services • Substantial water resources • Competitive electric power costs • Some sites available • Clifton Forge has a general vision for future 	<ul style="list-style-type: none"> • Very limited flat land • Very limited buildings in good condition near the interstate • Declining demographics • Natural gas services available in limited areas (lacking in Low Moor) • Some areas look tired/challenged . . . companies view it as a reflection on them and their perceived quality

Threats to Achieving Economic Growth	Potential Opportunities (Preliminary)
<ul style="list-style-type: none"> • Lack of railroad support to service a client • Other areas have buildings • Lack of local cooperation • Covington lacks vision for the future 	<ul style="list-style-type: none"> • Small manufacturing (<75 employees or larger with a ramp-up) • Customer service center (near Kroger in Clifton Forge) • Services/contractors for MWV and others • Recycle mill paper scrap • Chemical suppliers to MWV • Data center placed in area caverns (for cooling purposes) • Expand programs at DSLCC with emphasis on four-year degree options • Stimulate additional tourism, particularly related to visual and performing arts and outdoor activities • Pursue additional services for aging population • Support small/emerging business growth and promote entrepreneurship

Next Steps

So far, most of the effort has focused on gathering background information and feedback from local stakeholders. The framework has been established to engage in the following tasks going forward:

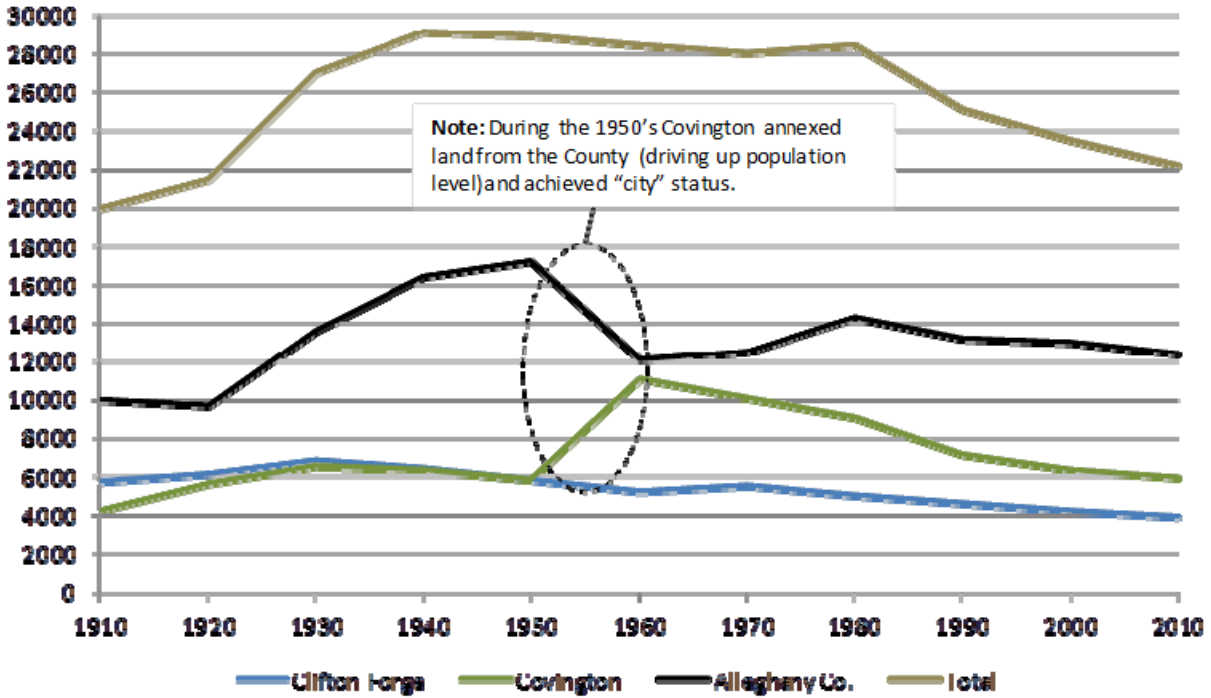
1. Have a visioning session to determine the future economic position for the Alleghany Highlands.
2. Define/evaluate potential opportunities and the resources required to achieve success.
3. Define any gaps in resources that are needed to achieve results in Tasks 1 and 2.
4. Benchmark communities to gather input on a process for enhancing Covington and Clifton Forge.
5. Develop overall strategic plan for economic growth in the Alleghany Highlands with an emphasis on efforts/roles to be provided by the Alleghany Foundation.

Section 2 - PROFILE OF AREA DEMOGRAPHICS AND ECONOMY

Population

The population of the Alleghany Highlands peaked between 1940 and 1980 at just over 28,000 and has been on a steady decline since as the area has lost major C&O Railroad jobs as well as other industries.

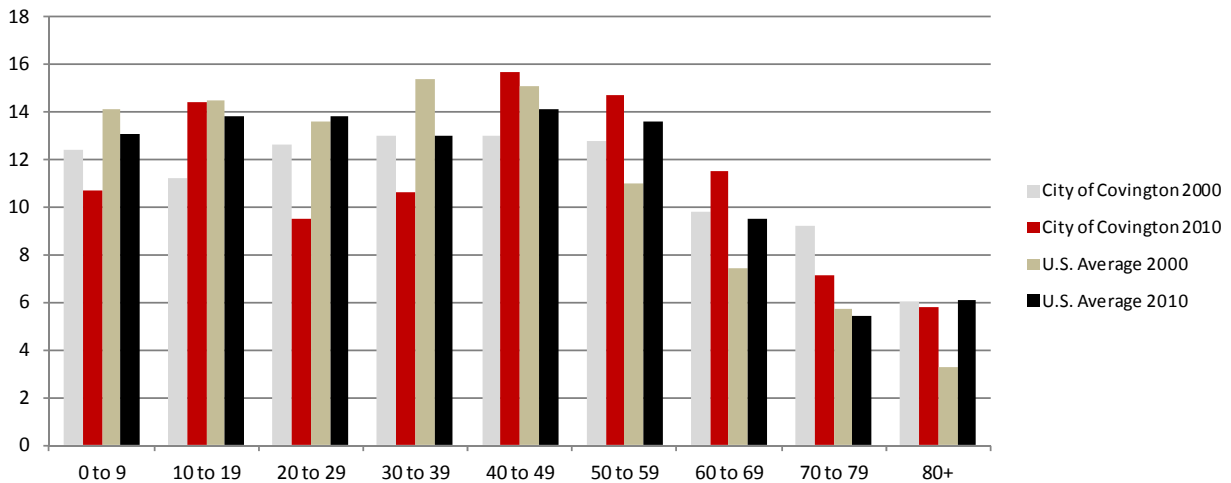
POPULATION OF THE ALLEGHANY HIGHLANDS (1910 - 2010)



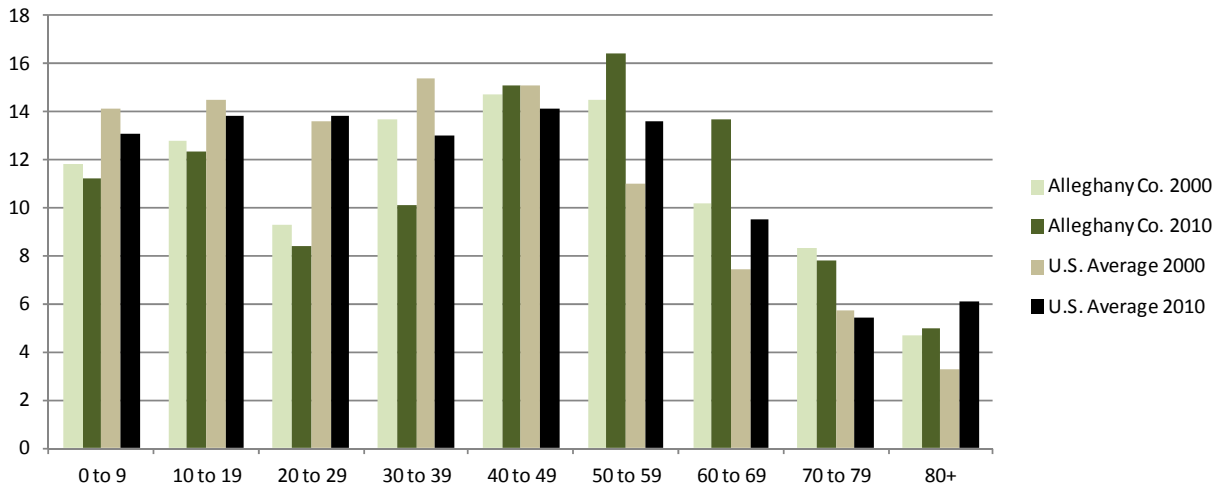
Age Brackets (Cohorts)

The percent of the population distributed among each 10-year age bracket is plotted below for the City of Covington vs. national average and for Alleghany County vs. national average for year 2000 vs. 2010.

AGE BRACKET DISTRIBUTION FOR THE CITY OF COVINGTON VS. NATIONAL AVERAGE (2000 VS. 2010)



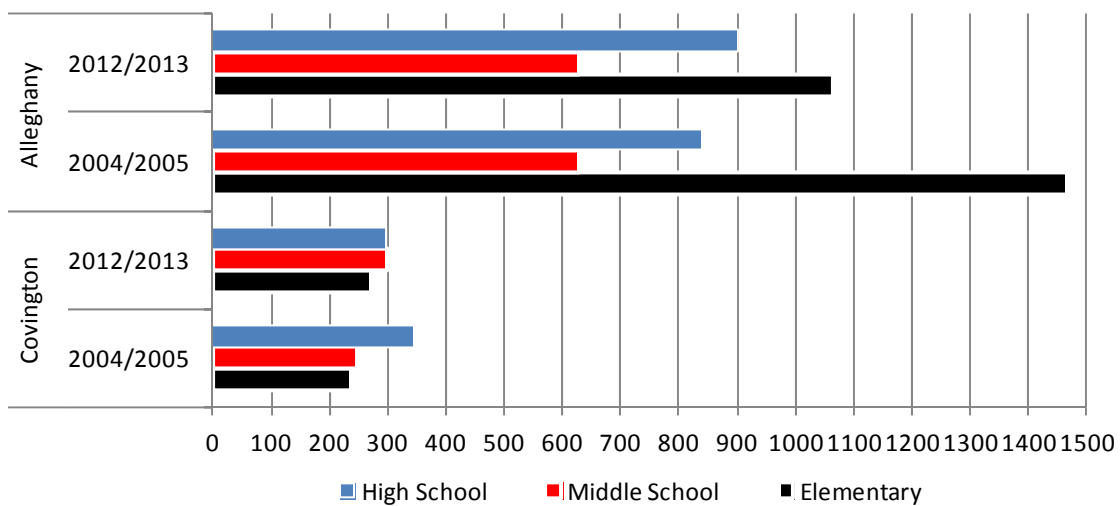
AGE BRACKET DISTRIBUTION FOR THE ALLEGHANY COUNTY VS. NATIONAL AVERAGE (2000 VS. 2010)



For the City Covington there was a significant drop in percentage for brackets below age 40 (except in the 10 to 19 year old bracket) and a corresponding increase for 50 to 70 age brackets – even above national averages. For Alleghany County (which includes the Town of Clifton Forge), the less than 29 year old brackets dropped a small percentage while the 30-39 year old bracket dropped nearly 4%. There was a marked increase in the 50 to 70 age brackets that was much higher than national averages. In essence, the Highlands are aging and is not replenishing its labor force over time.

The loss of school age children is manifesting itself in the need to close schools as demonstrated in the graph below. The Alleghany School District has lost 400+ students from the 2004/2005 to 2012/2013 school years.

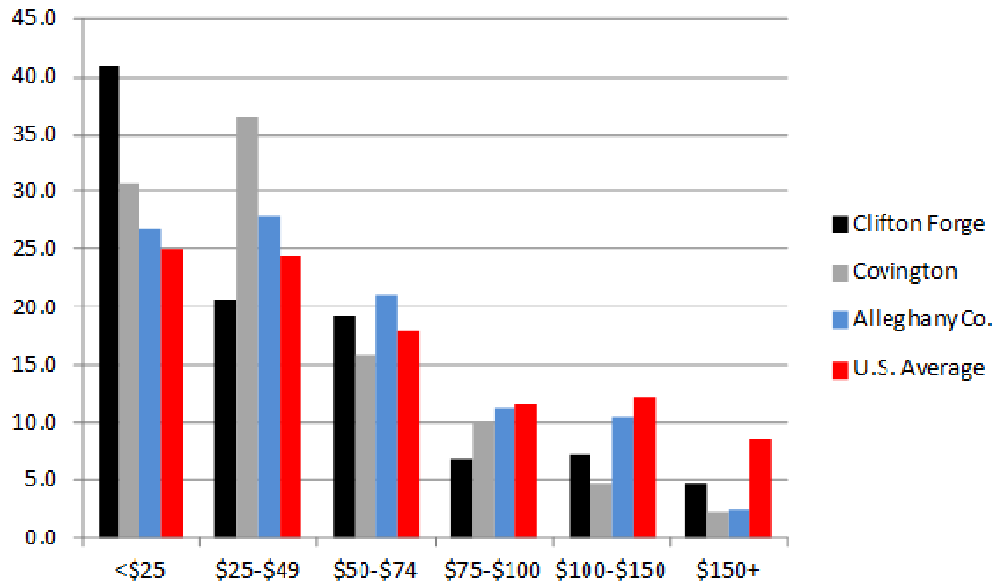
SCHOOL ENROLLMENT FOR ALLEGHANY AND COVINGTON SCHOOL DISTRICTS (2004/2005 VS. 2012/2013)



Comparison of Median Household Income Levels

A very telling observation about the region is the level of median household income. Over 40% of the households in Clifton Forge are below \$25,000 while more that 35% of the households in Covington are between \$25,000 and \$49,000. Clifton Forge has a stronger presence than Covington in the \$100,000+ ranges. This demonstrates that there is a significant portion of the population that does not have the resources to make substantial home improvements and support community initiatives.

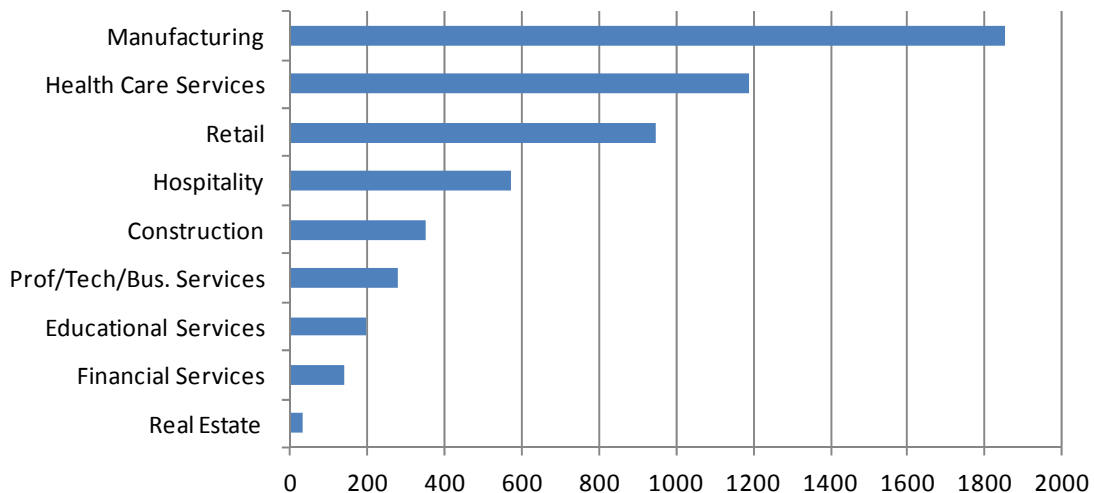
MEDIAN HOUSEHOLD INCOME FOR THE ALLEGHANY HIGHLANDS VS. NATIONAL AVERAGE



Major Employers/Economic Segments

The key driver to the regional economy is manufacturing anchored by the MWV paper mill and converting plant. There are also several smaller manufacturers that are located primarily in Low Moor and Covington.

EMPLOYMENT BY ECONOMIC SEGMENT FOR THE ALLEGHANY HIGHLANDS



The LewisGale Alleghany Hospital in Low Moor, operated by HCA, is the next largest economic segment of the region. Retail consists of small shops located primarily in Covington and Clifton Forge as well as several big box retailers in Covington near I-64.

Hospitality consists of lodging for visitors to MWW and other local employers as well as some tourism, particularly those visiting the state and national parks in the area.

Construction is primarily focused on expansions/upgrades at the MWW mill and other small projects in the region.

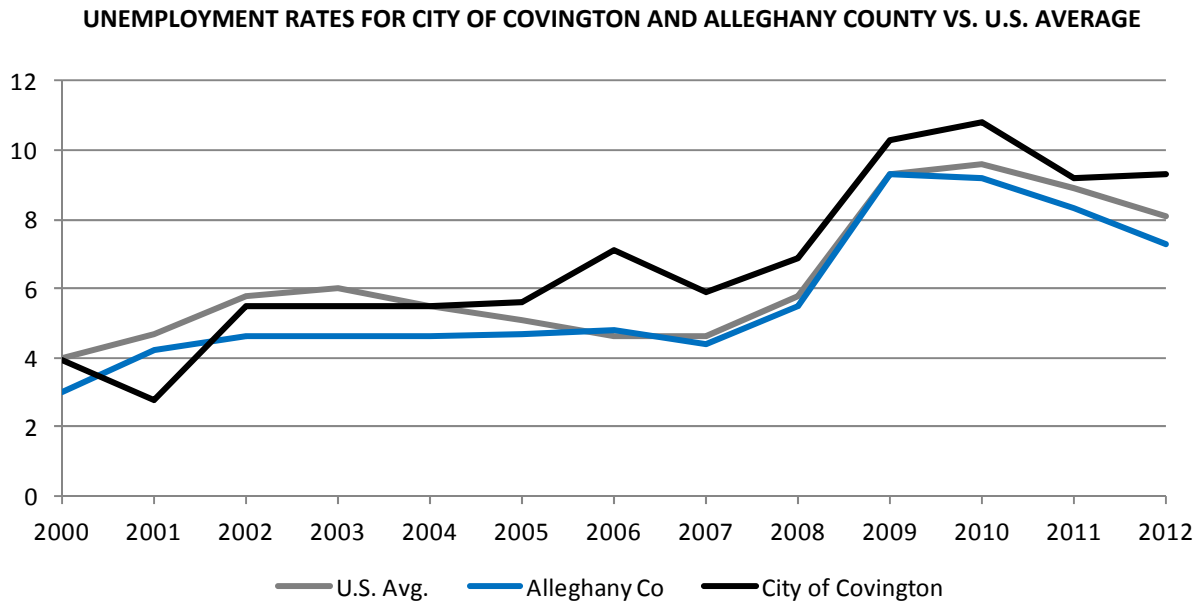
Professional/Technical/Business services are derived primarily from legal, accounting and engineering services that serve a local and regional client base.

Educational Services are primary derived from DS Lancaster Community College and other smaller daycare and related providers. The community college employment is not in the private employment number because it is government-operated facility.

Financial Services is primarily banking and some insurance representatives that serve commercial and consumer clients in the region.

Unemployment Rate

The City of Covington has had unemployment rates above national averages since 2004 due to loss of manufacturing and support. Alleghany County (with the Town of Clifton Forge) went through higher unemployment rates in the 1980's and 1990's and has since resized itself to the job market.



Resource Assessment

This assessment focuses on resources required not only to attract outside companies to the area but also to help existing businesses to expand.

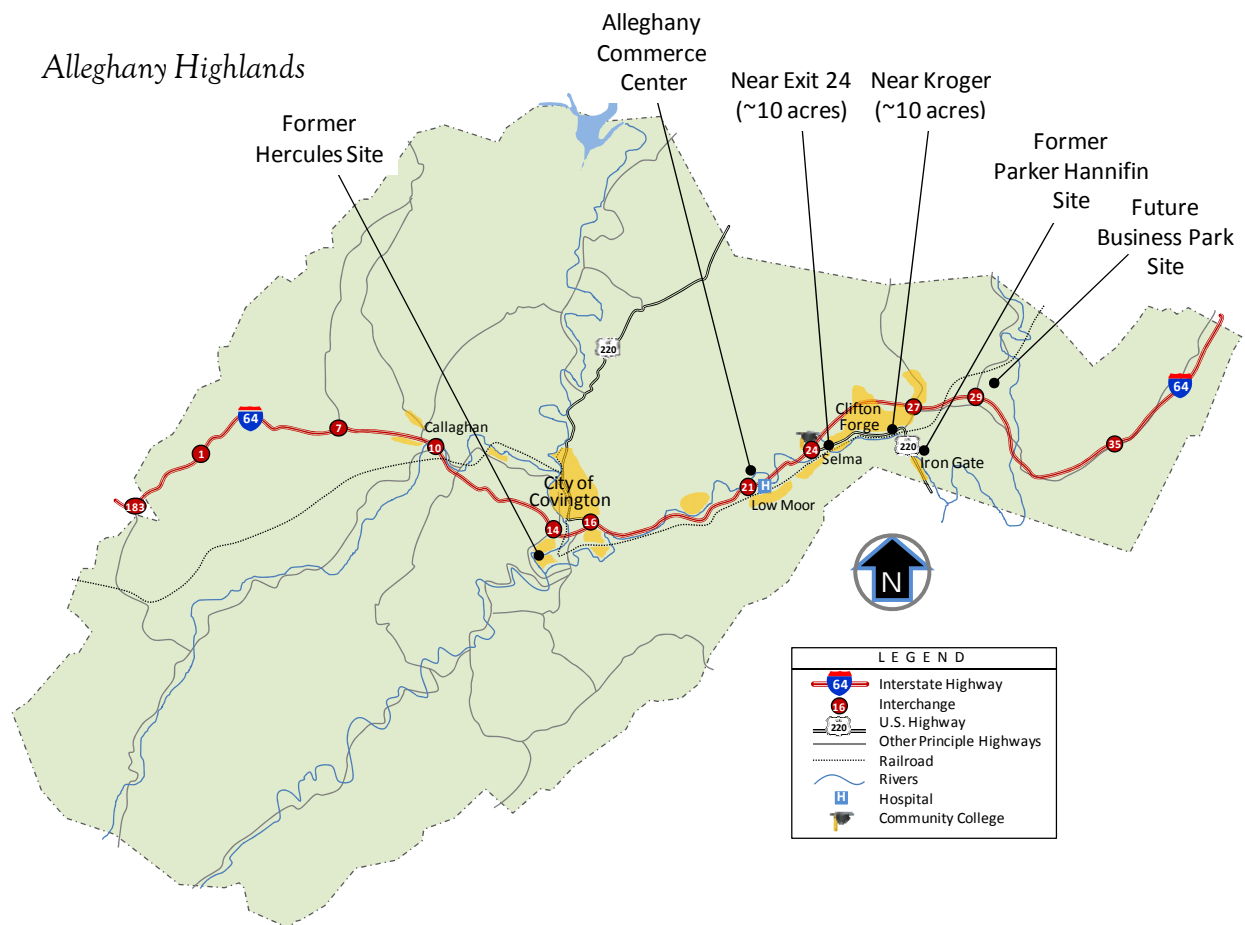
Resource	Assessment
Workforce	<ul style="list-style-type: none"> • Significant industrial workforce with diversity of skills supported by MWV and other industry within the area. • The available nursing and tech talent in the area is adequate for existing service levels but attracting doctors and senior administrative talent can be a challenge. • Technical talent for higher level services (business consulting, engineering and related service) must be relocated to the area.
Education and Training Support	DS Lancaster Community College has strong industrial programs for operations and maintenance with Mechatronics and welding courses.
Real Estate (Site and Buildings)	<ul style="list-style-type: none"> • There is a very limited inventory on buildings that are <20 years old with 25+ feet ceiling clearance. Those that are available are being utilized by MWV for product/scrap storage. • There are a very limited number of flat greenfield sites outside a flood plain with full utility access (see next page).
Utilities	<ul style="list-style-type: none"> • Electric Power - adequate service at competitive rates. • Gas - not available in Low Moor but is at other sites. • Water - large water resources but delivery system limited in some areas. • Sewer - sewer capacity may be challenged with major food processor. • Telecom - good service along the I-64 corridor. Limited in remote areas.
Transportation	<ul style="list-style-type: none"> • Direct access to I-64 via multiple exits within the Highlands. • Roanoke Airport (50 miles from Clifton Forge/60 miles from Covington). • Rail access to some of the older industrial sites.
Financial Resource	<ul style="list-style-type: none"> • Access to capital to establish/expand a business is very limited other than a traditional bank or SDA loan. • The deal flow is low for investors and so is the presence of equity-based resources.

Real Estate Options

From a real estate evaluation perspective, there are specific criteria that companies incorporate into their real estate evaluation that include:

- Overall logistics between a location and the company's suppliers and customers
- Access to interstate
- Access to labor (types of skills available within 20-30 miles based on demographics and industry presence)
- Access to utilities
- First seek an available building (lower cost and less startup time) to lease with option to buy and then consider available land that is at a high level of readiness (based on third party ownership, flatness and utilities in general proximity). Smaller companies (seeking <50,000 SF) will very much want an available building rather than a site . . . unless there is a commitment to have the building up and running within six (6) months. Note the map below shows interstate exits and areas of population concentration (orange areas). Sites/buildings within 1-2 miles of the interstate would be the most desirable to potential companies.

POTENTIAL SITES FOR ECONOMIC EXPANSION WITHIN THE ALLEGHANY HIGHLANDS



■ Section 3 – FEEDBACK FROM AREA STAKEHOLDERS

Summary of Interviews, Discussions and Observations

(Weeks of December 9, 2012 and January 21, 2013)

Health Care

LewisGale Alleghany Hospital

- Hospitals have four levels of service: (1) Primary Care; (2) Community Hospital; (3) Tertiary Care for regional level major surgeries; (4) Quaternary Care for organ transplants and highly specialized care.
- Sources of income from patients: Medicare (70%); Commercial Insurance (12%); Medicaid (10%); and no coverage (8%).
- Expansions require Certificate of Public Need (COPN)
- Potential opportunities for a cancer unit and emergency/critical care 24/7 small operation
- Long term growth will be derived from population growth . . . the geographies are well established and there is well defined regional competition.
- Staffing: nurses, technicians and general workers can be derived from local labor force (DSLCC is a good training partner). Doctors and senior staff must be brought in and live either in Roanoke area, Daleville in Botetourt Co., local country estates or commute from long distances (e.g., Florida).
- Quality of life offerings, particularly quality of schools, are very critical to attracting staff.

Manufacturing

MeadWestvaco (MWV)

- Seeking to substantially enhance cost/productivity of mill to assure competitiveness in the next 10 years. Potential opportunities: (1) improved cost of alum; (2) additional service suppliers (contractors); (3) Use of reject paper (100 - 150 tons/day) for making plates and other products; (4) paper merchant for marketing off-spec paper sales; (5) consolidation of warehousing close to the mill; (6) woodcutter services, particularly when the biomass boiler is in operation.
- Labor: have no problems hiring talent . . . tend to hire experienced labor from contractors when jobs open. Contractors are in the mill every day and are familiar with systems, layout and procedures.

Balchem

- There are completing construction and should start-up in early 2013.
- If process goes well, the company will consolidate the encapsulation product line in Low Moor
- They have 15 employees and will be expanding to 40-50 over the next few years as production ramps up.

Jenfab

- About 30% of their business is with MWV and the rest is with other paper mills and industrial operations throughout VA.
- They have lathe and other large machining equipment that differentiates them from the competition. Also have custom fabrication, welding, water jet cutting and design/engineering
- They need experienced machinists to expand their business going forward which are becoming very hard to get recruit.
- They approached the issue of no natural gas available for space heating by installing a wood fire hot water system (like the Woodmaster stove shown to the right) and heat their operation for ~\$300 per month.



Education (College)

Dr. Teaff, President of Dabney Lancaster Community College

Gary Keener, Vice President, Continuing Education

- School is poised to support local businesses (e.g., healthcare and MWV programs). School can develop non-degree programs quickly and effectively with their experienced staff/faculty.
- Toured industrial labs and classrooms . . . mechatronics and other modules look good.
- School would like to sponsor Economic Development Summit on March 12th at the school and have a main overview session along with breakouts on different aspects of the economy.

Education (K-12)

- Allegheny County School District has lost ~430 students since 2004 . . . a number of elementary schools are well below their optimum attendance level and closures are being considered.
- The school district is supported by the Jackson River Technical Center that offers classes in:
 - Hospitality/Tourism-Related: marketing of hotels/ destination venues, culinary arts
 - Construction: carpentry, plumbing, electrical basics
 - Building maintenance
 - Computer systems and multi-media
 - General business: business law and management
 - Entrepreneurship
 - Welding

Tourism

Teresa Hammond, Executive Director of Allegheny Highlands Chamber of Commerce and Tourism

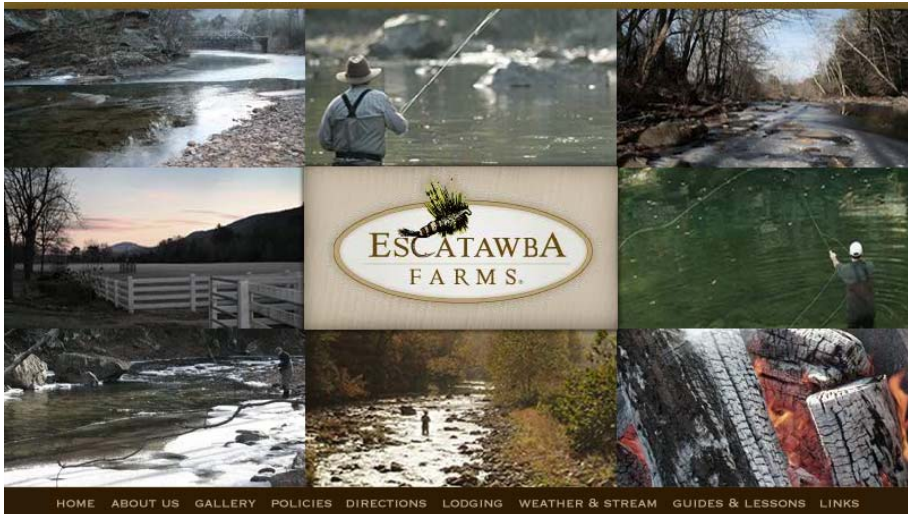
- Blue Print for Success for Virginia . . . State Chamber of Commerce focuses on the following:
 1. Reducing business costs and enhancing productivity
 2. Achieving a positive/supportive government and regulatory environment for business
 3. Infrastructure and connectivity (transportation and energy initiatives)
 4. Economic development (incentives for existing companies, stimulate entrepreneurial companies, invest and leverage R&D)
 5. Quality of life (health care delivery, wellness and sustainability)
- Blueway . . . water access points for canoes on the Jackson River.
- Opportunity for a Museum of Industry and Technology.
- **Shop Local** program.
- A lot of energy going into Clifton Forge . . . may soon have hit a “tipping point”. Existing, former and new residents are working together to build-up Main Street, expand the arts with a focus on near retirees and hope to get younger generation to embrace the same environment. Events such as bike race (The Allegheny Highlands Cycling Festival) as well as new restaurants and shops (antiques) are building interest.
- The Chamber offers/supports multiple programs to support existing and emerging business to grow their markets through selling services/products to the government and larger corporations as well as handling exports.



- Partner with Roanoke region for other services to support small businesses.
- There is a small business loan program that has very little current funding remaining.
- Some gap financing through local banks.

Derek Barr, Owner, Escatawba Farms

- Offers daily sport fishing with stocked trout and other species in a spring fed stream. Biking is also an option.
- Had access to B&B and restaurant but no longer does . . . impacts business.



Telecom Industry

Lumos Networks

- Lumos and Intelos split to meet the needs of Wall Street investors that focus on either mobile or land-based networks. Companies still work together to deliver package.
- Technology for telecomm is in a constant state of flux driven by both consumer electronics' demand for band width and the technology of signal transmission.
- Under a federal grant, the company continues to expand fiber optics to the "final mile" but existing service is pretty good for existing applications (about 6 Mbps vs. 10+ with fiber).
- Trend is to deliver extended broad band on an "anywhere" mobility basis.

Local Government

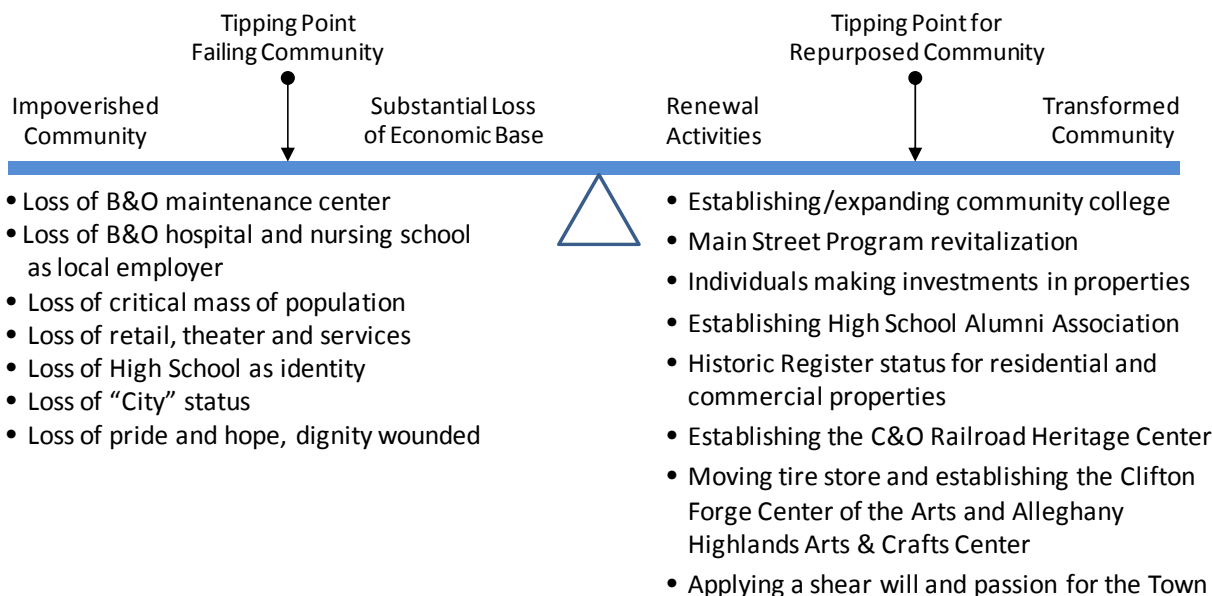
Darlene Burcham, Town of Clifton Forge

Chief JB Broughman and Major Tom Sibold, Covington City

John Strutner, Alleghany County

Town of Clifton Forge

Clifton Forge is focusing on arts, retail on Main Street, and enhance housing options to attract near retirees and others that seek out a small town.



Defining the end point of a transformed Clifton Forge:

Clifton Forge is seeking to become a revitalized, authentic 19th and 20th century railroad town with the majority of its architecture intact. It will be a “quaint” town with a little “cool” and “accessible” as defined below.

“Cool”, “Quaint” and “Accessible”

Small town America has achieved a renewed interest to both the young and older folks alike if it meets certain criteria – wrapped up in both the stage and the culture it exudes. The success of small towns can be defined as both “quaint” and “cool” as well as be reasonably “accessible” to retail and services.



“Quaint” Criteria . . . Authentic, Attractive/Well Cared For, Aesthetically Pleasing

- Unique location due to local history or other attributes
- Well-kept homes with authentic paint colors, landscaping/gardens, flags and other attributes
- An attractive and vital Main Street area
- Legal/implied covenants for maintaining yards, parks and neighborhoods

“Cool” Criteria . . . Fun, Interesting, Active and Stimulating

- Outdoor café, cyber café, coffee shop, bakery with muffins, breakfast and lunch (meeting places)
- Music and sports events/festivals
- Trails, parks, gym and other places for walking, biking and exercise
- Homes that are lofts, old houses and other unique structures
- Good internet access to work from home or small office
- Unique/high quality restaurants
- Boutique shopping (non-chain) including organic foods, sports equipment, clothing, etc.

“Accessible” . . . Being Within a Reasonable Distance of Necessities

- Shopping (groceries, clothing, pharmacy, hardware for home repair/improvement, etc.)
- Transportation (regional airport and interstate)
- Health Care Services (primary care/clinic, regional hospital, tertiary care, quaternary care)

Examples of small towns with a quaint/cool ambiance:



Madison, GA



Lewisburg, WV



Galena, IL



Cowan, TN (With Railroad Museum)



Covington, GA



Waynesville, NC





Beaufort, SC



Hammondsport, NY



Damascus, VA

City of Covington

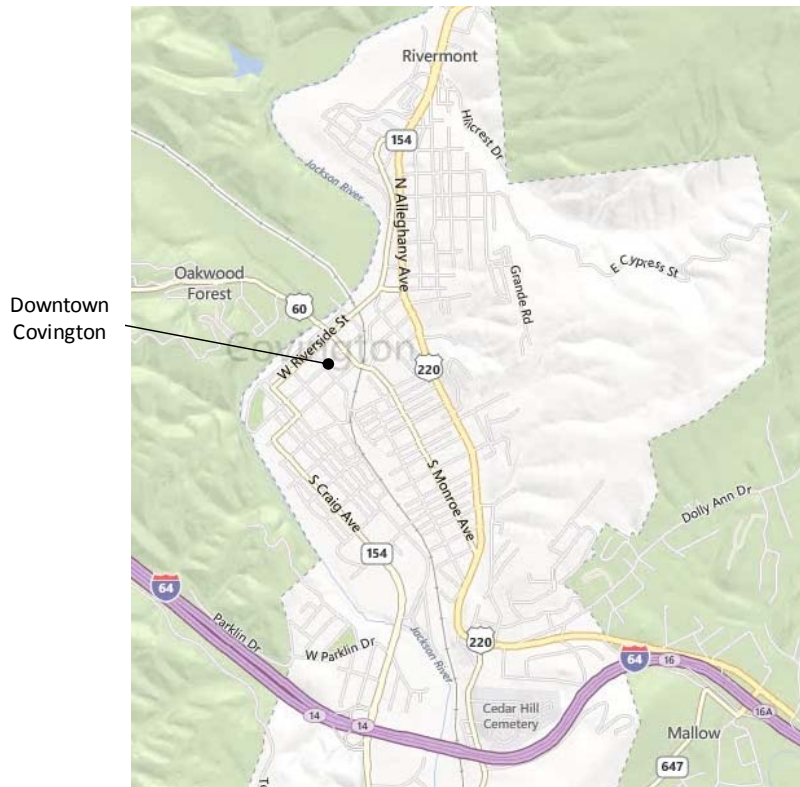
The City's current role is primarily focused on supporting MWV, the largest industrial employer in the area and one of the largest paper mills in North America. Covington has a portion of the service and supply companies as well as housing for blue collar workers. The mill also draws from Allegheny and the surrounding counties for labor.



The City's downtown is located about three miles from I-64 (Exit 16) and not easily accessible. It's location was more appropriate for outside access when the trail that is now Route 60 (Monroe Ave.) was the main access before the interstate was built. Some work has been done under the Main Street Program to preserve original facades and help populate the stores but there are still substantial vacancies.

- The City would like a plan to revitalize the downtown area. However, there seems to be some disconnect between the City and the merchants. "Does the City really care about us . . . we never hear from them and they seem to inhibit our ability to get things done and built a major jail right in the middle of downtown."

- Downtown Farmer’s Market has new facility designed by VATEch students/faculty and is moderately utilized . . . lots of tomato vendors in the season.



Current downtown Covington. Much less activity than 40-50 years ago.



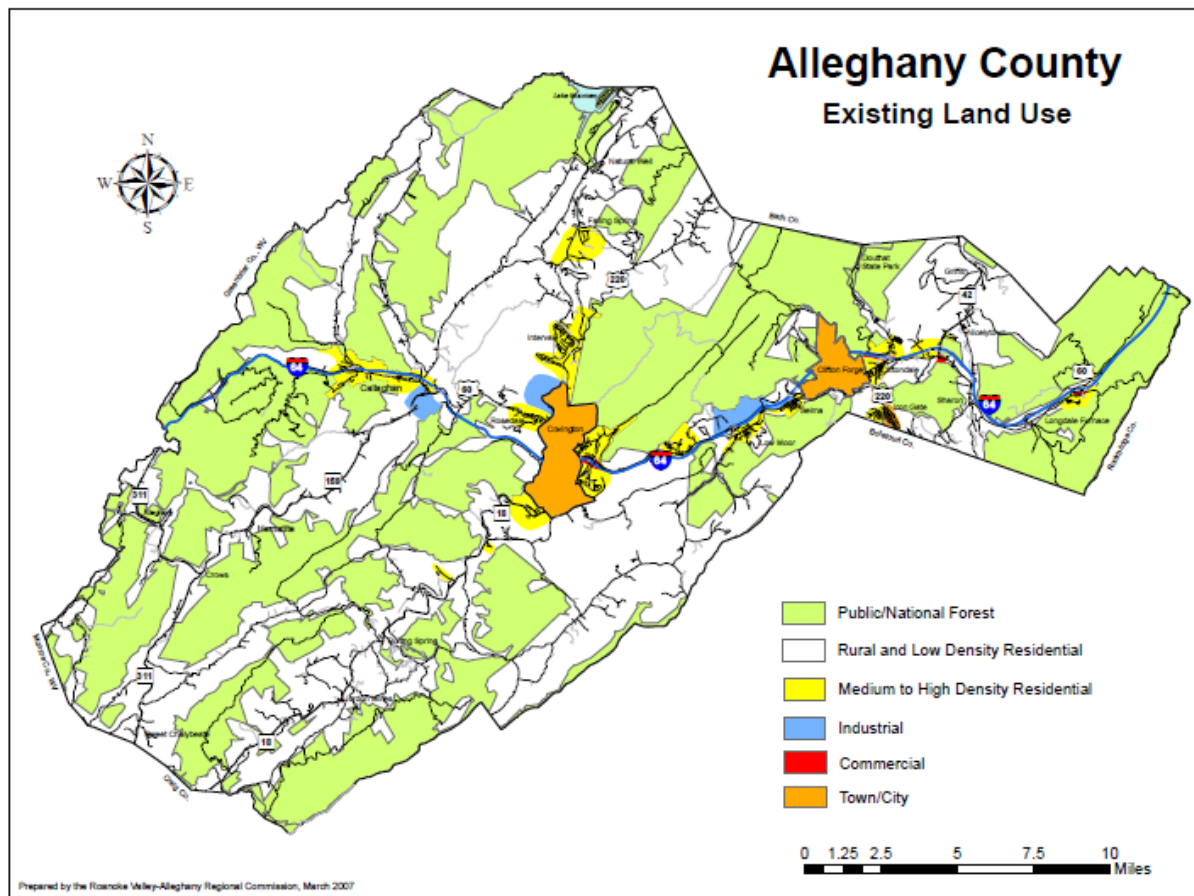
Allegheny County

The County is aware of the need to support economic growth through expanding existing and attracting additional companies. They are also aware that the County (region) is flat-land limited.

Forest Service

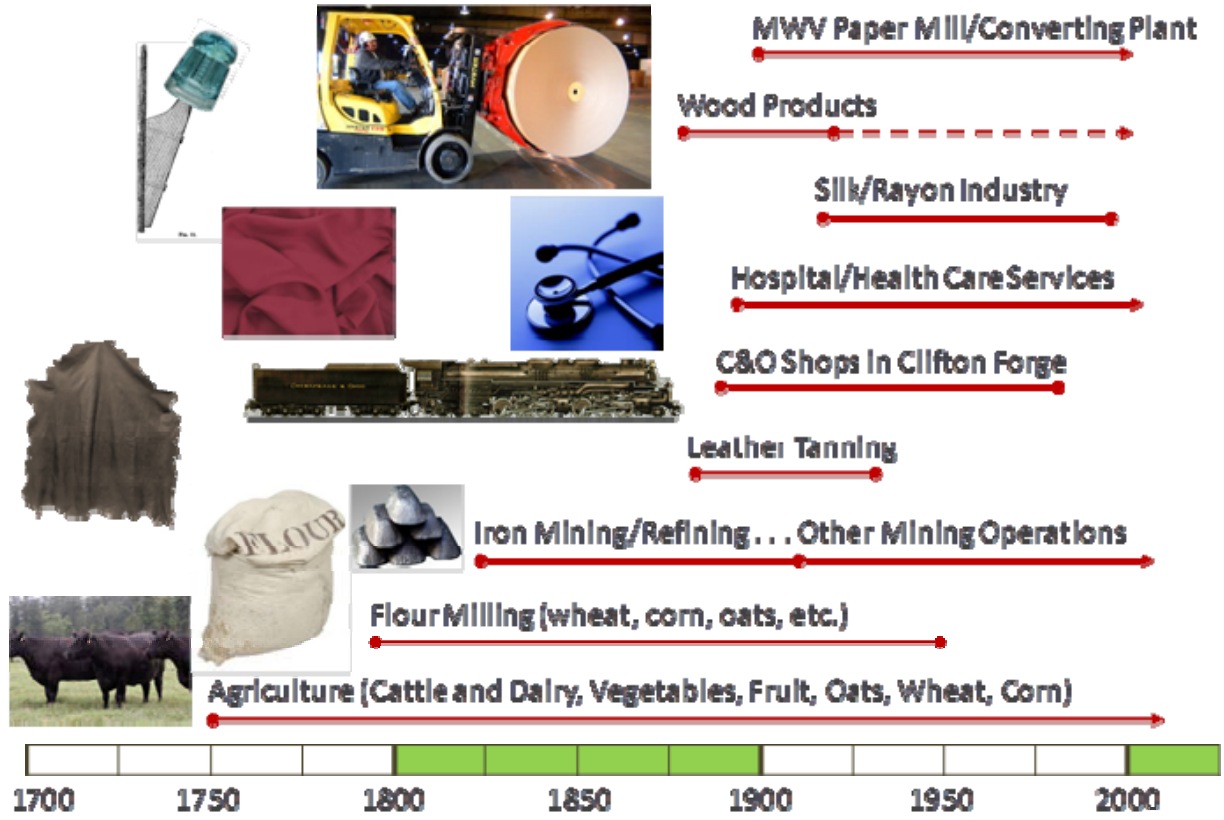
- The US Forest Service manages about 180,000 acres in the James River Region. There are ~288,000 total acres in Allegheny County, of which, 49.2% is National Forest land.
- The National Forest concept was derived from heavy flooding in the 1920's that had a devastating impact on the City of Pittsburgh and other locations resulting in the Weeks Act that authorized the federal government to acquire private within the water shed and rehabilitate it. Much of the land in this area at that time had been heavily logged for timber and had little vegetation to control erosion.
- Lake Moomaw is a major destination asset that is somewhat underutilized compared with Douthat State Park.
- The forest lands are host to some events such as triathlons and other activities that require a special use permit – but are viable options on national forest lands.
- The lands have primarily oak and hickory species that are of value along with wildlife such as bobcats, deer and bear as larger species.

- There are about 500 acres harvested in the local national forest area each year and the agency would like to expand that number. It does take a significant effort to manage this activity through marking trees and engaging in paperwork.
- There are opportunities for area residents and others to volunteer to maintain trails . . . maybe develop a destination package for city folks to come work on the trails . . . ecotourism.
- The Forest Service would like to work with local marketing to promote use of the land to generate more revenue.
- They are also working closely with MWV to supply their biomass boiler with wood.



Economic History of the Area

Industry Timeline

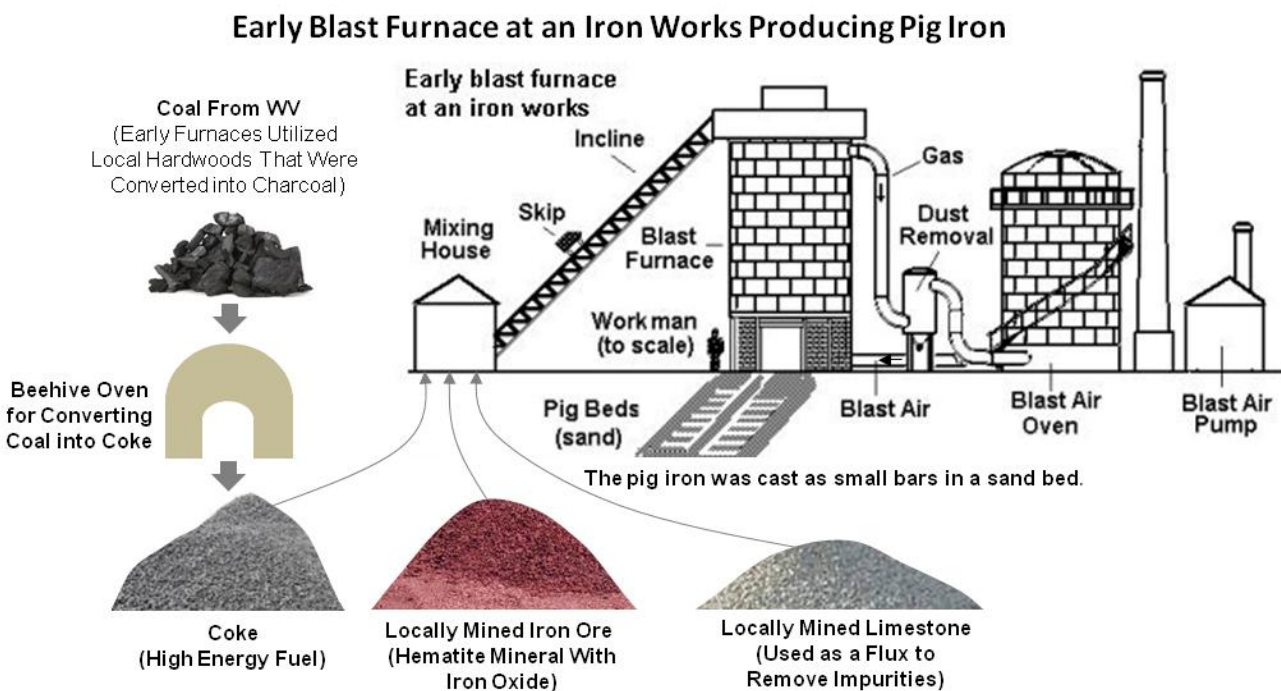


Iron Industry

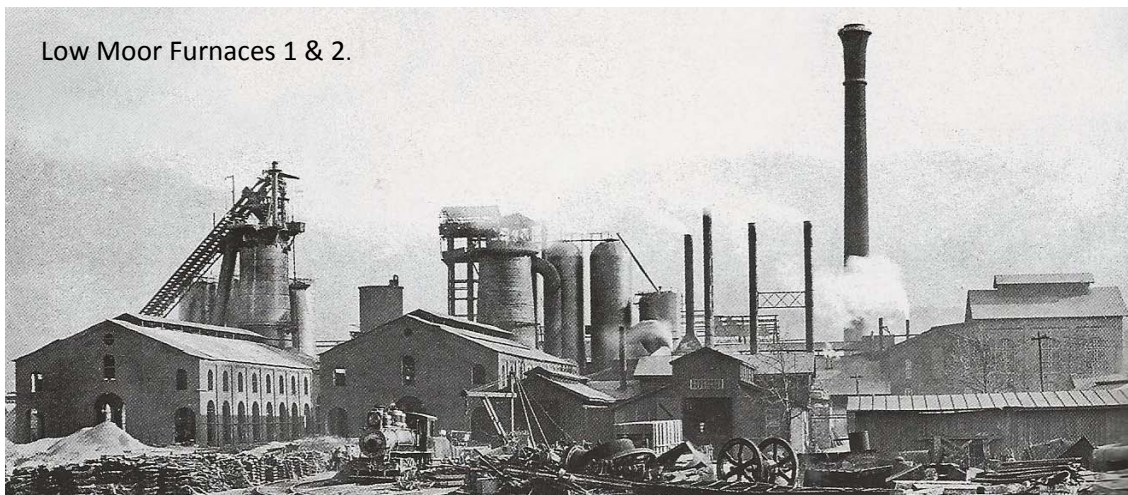
Producing pig iron, an intermediary material for making iron products such as cannon, other armament as well as household and industrial goods, was a primary industry throughout the region. Early local activity began in the early 19th century and ended in 1926 with the shutdown of the Low Moor Iron Company and the layoff of 1,600 workers plus support people to the industry. Iron plates from the Longdale Furnace were used on the ironclad ship, the Merrimack, during the Civil War.



The industry mined iron ore (hematite mineral) and limestone (flux used to remove impurities) locally and initially cut hardwood trees to make charcoal as a high temperature fuel and then mined WV coal and converted it into coke as a fuel. A general overview of the iron making process is provided below.

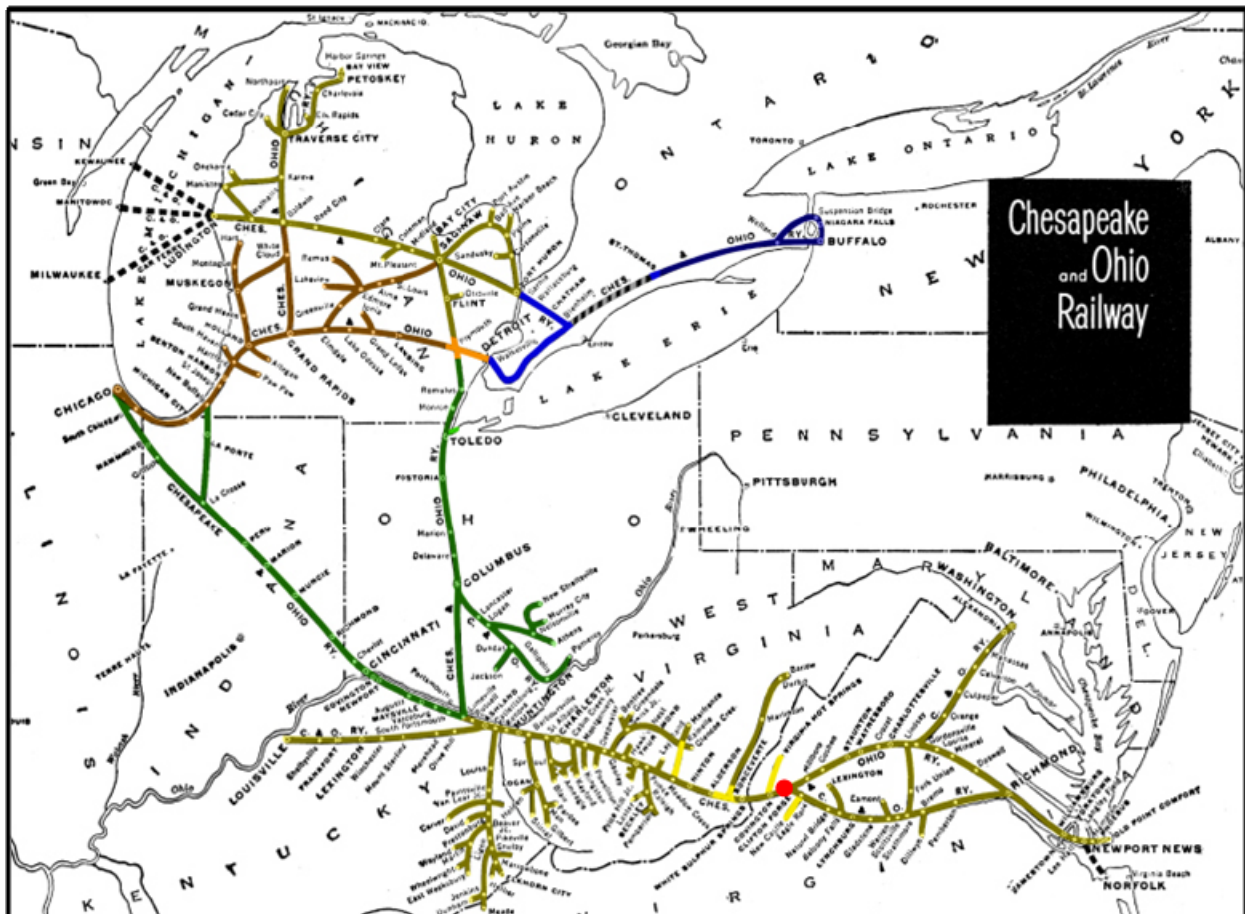


Low Moor Furnaces 1 & 2.



C&O Railroad Center in Clifton Forge

The Clifton Forge area began its long-term relationship with the railroad in 1857 when the Virginia Central Railroad extended its track from Staunton to the Jackson River at an area originally known as Williamson and later became Clifton Forge officially in 1884. After the Civil War, the railroad was expanded west to connect with the Covington and Ohio Railroad and in 1868 the two lines merged to form the Chesapeake and Ohio Railroad. In 1881, a line was run to connect with Richmond that allowed the iron industry to haul pig iron and other materials to a major iron and steel center.



Route Map of the C&O Railway Circa 1955 (Red dot is at Clifton Forge)

Over the next century, the presence of the C&O railroad would have a profound impact on Clifton Forge. In the late 19th century, the C&O established a hospital in Clifton Forge to serve their network. In 1916, a new facility was built that was expanded several times over the next 50 years.

The hospital eventually merged with the hospital in Covington and ultimately became the HCA-Virginia owned LewisGale Hospital that was opened in Low Moor in 1979.

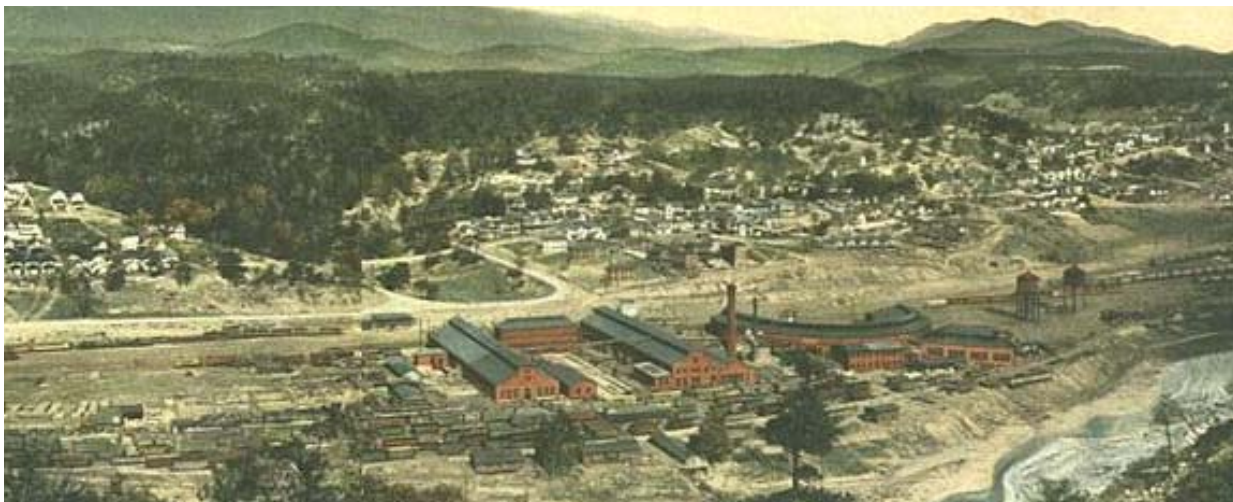


Former C&O hospital in Clifton Forge



C&O Maintenance Operations in Clifton Forge

Another major C&O facility was the steam locomotive maintenance shop that began around 1889 and ramped up over the years and at its height of activity employed nearly 2,000 local workers. With the introduction of the diesel-electric powered locomotives in the 1950's, the shop was converted to adapt to the new technology. After CSX acquired the C&O in 1980, the majority of maintenance jobs had been transferred out of the facility although there is still a small inspection and minor repair activity left in the yard.



Bird's eye view of Clifton Forge and the C&O Maintenance Facility while it was in full activity.

Rayon and Related Manufacturing

In the 1920's, the Industrial Rayon Corporation built a major facility on the banks of the Jackson River, south side of Covington. Company housing and a store were set up in an adjacent village known as Rayon Terrace. The site has substantial water access as well as rail lines throughout.

The plant is sold to Hercules Corporation in 1961 for making rayon car seats. The plant is operated with about 500 employees until there is a major fire in 1980. The plant is sold to AET in 1994 and they operated it for the production of labels and plastic packaging wrap until 2008.

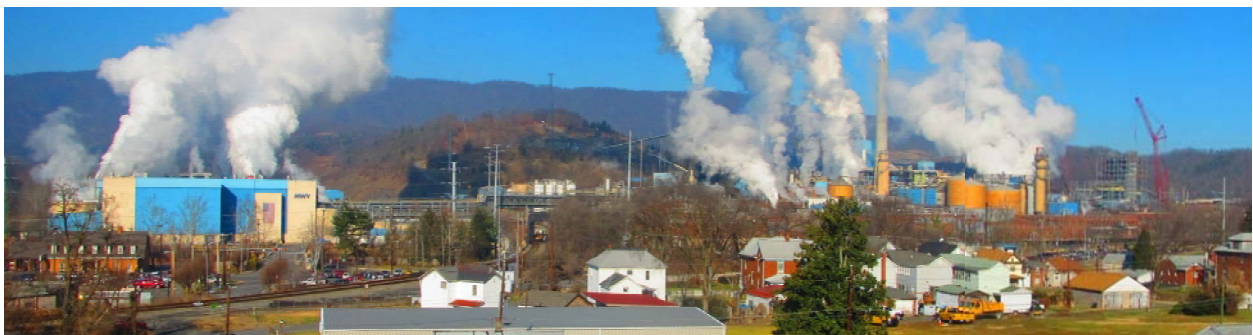


Former International Rayon Corporation's plant built in the 1920.s

Paper Manufacturing and Converting Operations

West Virginia Pulp & Paper Company built a pulp and paper mill in Covington that went on-line in 1900. The mill has been expanded over the years and has undergone several grade changes. Currently, the mill is one of the largest bleached/coated boxboard plants in the world producing a product that has a variety of packaging applications. The mill is currently installing a biomass boiler to burn wood waste to generate process steam and electric power to operate the mill.

In addition to the mill, the company owns a converting plant in Low Moor that can extrude and laminate layers onto the paperboard produced at the Covington Mill.



Current view of the MWW mill in Covington, VA.

■ Section 4 – ECONOMIC DEVELOPMENT SUMMIT

March 12, 2013

Dabney S. Lancaster College

Clifton, Forge VA

Breakout Session Focusing on Four Questions

➤ Question #1 - **What aspects of the economy should we focus on?**

- Tourism based on promotion of the arts and recreation options.
- Further develop arts community and options for classes (woodworking)
- Education: add 4-year programs to the DS Lancaster College and school of arts as revenue source
- Expand healthcare programs at hospital . . . particularly programs that serve aging population
- Entrepreneurship . . . incubator approach with focus on retail.
- Recruitment of professional talent (that wants to reside here).
- Support and expand existing businesses.
- Manufacturing (small/moderate companies, advanced manufacturing).
- Call centers.
- Suppliers to paper mill and other companies in the area . . . “cluster” development.
- Technology-related companies.
- Adopt existing industries to meet new needs . . . housing (renovate and build new).

➤ Question #2 - **What actions do we need to take in order to protect and expand our industrial employment now and into the future?**

- Utilities: Seek alternatives to provide natural gas service to selected sites and broad band (fiber optics) in critical areas.
- Have sites that are at high level of readiness and appropriate buildings to meet specific industries (repurpose existing buildings, build shell building)
- Build a level of interest and skill (training) among work force to support manufacturing jobs (trades) . . . improve image of manufacturing with local residents/students. Expand High school vocational school programs. Provide apprenticeship programs for trades and other related positions.
- Engage with local industry leaders to better understand resource needs going forward.
- Offer incentives and improve operational efficiencies among local governments to reduce cost and need for increasing taxes on companies.
- Enhance aesthetics of area to attract businesses (build pride in communities and gain attention of prospective companies).
- Enhance quality of life (housing options . . . rental, etc., quality of schools, etc.).
- Build stronger work ethic and a reputation of high ability to support manufacturing operations.

➤ Question #3 - **What assets do you feel the community has that are the most important for expanding and attracting businesses?**

- Market access (location) and transportation access (interstate and rail (AMTRAK service to DC)).
- Natural resources (water, wood, limestone, etc.).
- Health-related assets (hospital/medical community, YMCA, other recreation facilities and outdoor venues) for promoting a healthy live style.
- Affordable housing/low cost of living.
- Access to and cost of water (high quality), power, sewer and telecom.
- Quality of life package (natural beauty, safe communities, nice place to raise a family, friendliness of people, etc.).

- Educational resources (JRTC and DSLCC) . . . high level of career readiness/training. . . . lifetime learning for different options (including arts)
- Strong sense of community.
- Good workforce (loyal, honest, willing).
- Cost of real estate and overall operating cost.
- Active Chamber of Commerce with Comprehensive plan for future.
- Expanding array of attractions (museums, amphitheater, etc.
- Access to two major resort communities.
- Support industries/services.
- Greenways and blueways (access to the Jackson River).
- Strategic access to major universities (JMU, VTech, UVA).
- Welcoming communities.
- Stability of region.

☞ Question #4A - **How do you perceive the current situation of our downtown areas?**

Covington (has potential)

- Declining/stagnant/inactive.
- Mill town mentality (one big employer that will take care of us).
- Somewhat closed minded.
- Not working across boundaries and not quite as inviting.
- Main Street has potential . . . but currently unrealized . . . historic function as regional retail destination has been transitioned to I-64 and other locations.
- No night life and lacking a consumer experience.
- Some flat land available . . . with some areas having attractive streetscapes.
- Zoning not conducive for transformative growth.
- Retail/Peebles (downtown losing its retail with a shift to big box near I-64).
- Need to find a niche . . . balance.
- Recreation options (AET) . . . Jackson River Sports Complex a positive.
- How supportive is local government of existing and new businesses?
- Lack of vibrancy.
- Schools are good as well as access to great parks.
- Declining services/retail but working on it.
- County seat/regional jail.
- Historical negative . . . impact from the one way streets.
- Access to a trail.
- Available retail space.
- Good library.
- Downtown not very accessible and as much of a destination as Clifton Forge.
- Main Street impacted by mill location, jail and Walmart presence.

Clifton Forge (Transforming out of Necessity)

- Progressive . . . improving . . . trending up
- Arts and tourism focused
- But poor first impression . . . need to improve entrances
- Positive attitude . . . a spirit of community . . . strong volunteer presence
- Strong interest in arts/history (railroad oriented)
- Momentum . . . vibrancy
- Growing . . . strong vision for the future

- Downtown becoming an emerging strength (Main St. and Ridgeway St.)
- Main Street Program
- School of Arts, Arts Center, C&O Center, Masonic Theater, Amphitheater
- Emerging Urban Trail Program
- Available retail space
- Good library
- Underutilized
- Emerging B&B's
- Proximity to Douthat State Park
- Real/unique restaurants
- Coming soon . . . Underground Clifton Forge
- Zoning policies have helped Clifton Forge prepare for transformation
- Strong focus on historic preservation, leveraging railroad past

➤ Question #4B - **What are the potential assets of each downtown?**

Covington

- Traffic and core services due to its position as County Seat
- Access to utilities and transportation
- Enterprise zone
- Safe and walkable
- River access
- Buildings for new business
- Movie theater
- Destination venues (railroad depot, parks, aesthetics, Farmers Market, sports complex)
- Events (car show, BBQ, Rock-the-Block)

Clifton Forge

- Developing downtown (momentum)
- Access to utilities and transportation
- Enterprise zone
- River access
- Unique architectural assets . . . preservation
- Safe and walkable
- Cultural activities
- Destination venues (Railroad Heritage Center, Amphitheater, Arts & Crafts Center, True Value store, Farmers Market)
- Lots of available space . . . reasonably priced
- Antique stores as venue for tourism
- Easy access to the interstate

➤ Question #4C - **What are some creative ways we can enhance the commercial/social activities in each of the downtown areas?**

General Efforts

- Seek ways to attract world class performance events
- Better signage to direct tourists to specific venues
- Promote local restaurants . . . sample night
- Coordinate event calendars
- More festivals . . . wine related
- Maximize use of forests as a destination venue (hiking, biking)

- Consider the two destinations as one package rather than separate
- Stop wasting funds on studies and apply the money toward downtown
- Centralize information to stimulate historic renovation
- Build resident awareness of what is being accomplished and what the vision is
- Bus tours from Homestead, Greenbrier and Douthat State Park
- Downtown businesses need access to funds
- Local forum for property owners to be aware of incentives/financing options
- Business plan competition
- Outdoor movies
- More events for kids
- More car shows
- Friday night after work get-togethers for younger workers . . . more night life

Covington

- Main Street program
- Relocate Rivermont School from Main St. to more appropriate location
- Need restaurants open in the evening
- Craft brewery
- More museums to celebrate history (manufacturing, pulp & paper, volunteer fire fighters)
- Connect Jackson River Trail with downtown
- Business incubator
- Beautify shopping centers
- Expand the C&O Railroad Heritage Center

Clifton Forge

- Complete Masonic Theater
- Urban trail system
- Outdoor dining in season and more fine dining
- Customer service mentality
- Boutique hotels and B&B's
- Improve aesthetics of gateways and downtown
- Expand housing options (apartments, condos, etc.)
- Develop land at each end of the community near the interstate (make a plan)