

Northampton County, Virginia

Northampton County – Competitiveness Assessment

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Executive Summary

Northampton faces significant challenges due to its remote location. While it is very close to the Metropolitan area of Virginia Beach-Norfolk-Newport News, VA-NC (known as Hampton Roads), access to “Mainland” Virginia is a single point of entry on the expensive and 23 mile long Chesapeake Bay Bridge-Tunnel system.

Commuting into Hampton Roads for a job would take \$18 dollars a day, and close to an hour even with no traffic to get from the middle of the County into Norfolk. Each day would also realistically mean battling unknown traffic on the Chesapeake Bay Bridge-Tunnel system. Given our analysis, the Team does not expect a significant amount of the working population to make the daily commute into the Norfolk area. This means the residents are employed locally. Employment shows a significant change, with January and February being the most difficult two months with low expected retail and low agricultural employment. Northampton County has a very high percentage of renters to owners and, even with that, has a very high number of vacant housing units.

Data for industry and occupation specific employment and salaries was not available for Northampton County from traditional site selector resources. The analysis was forced to use data from the nearest Metropolitan Area of Virginia Beach-Norfolk-Newport News which sits adjacent to Northampton County. Additionally, state data was used for crime and quality of life. Northampton County should modify the website to include available and comparable data important to site selectors that is missing from more standard sources.

Industries that thrive in Northampton County are not the same as those that are successful in the Virginia Mainland. The Virginia state incentive target larger projects that Northampton can attract and the industry focus does not match well with the County’s strengths. With agriculture being the primary exception, many of the incentives are for industries not generally present in the County. Northampton County should take advantage of its ability to modify sale tax and property tax rates, as allowed by Virginia state law, to encourage certain developments and industries. Northampton County should not adjust its industry targets to match the state but continue to work for appropriate industry targets within the current offered incentive programs. The County should also get the state to update the enterprise zone maps to include the current zones located in Northampton County.

The County should concentrate on workforce development, starting with K-12 education focus, through advanced adult education. This is made more difficult by the remote nature of the county. The closest Community College location is in Accomack County and the closest workforce retraining facility is in Hampton Roads. However, having a qualified workforce to fill available jobs is key, since the labor force pool in Northampton County is small.

One large local employer, the Riverside Shore Memorial Hospital is scheduled to move out of Northampton County and into Accomack County. This shift may only be 20 miles, but it does have significant impacts for revenue, employment levels, and 1 hour critical care windows in Northampton County.

Introduction

Northampton County makes up 35 miles of the 70 mile Delmarva Peninsula along Virginia's eastern shore. The County's eastern seaboard against the Atlantic Ocean contains the largest island wilderness chain on the US Eastern Seaboard. It is separated from Virginia's Hampton Roads area by Chesapeake Bay.

Northampton County does have road access to the Hampton Roads area via Chesapeake Bay Bridge-Tunnel (US Route 13) which provides the only direct vehicle access from the rest of Virginia to the Delmarva Peninsula. The infrastructure is aging and construction is ongoing. This crossing is costly, especially for large commercial vehicles. A round trip for a passenger vehicle or motor cycle is \$13 each way (\$15 peak season) unless round trip is completed within 24 hours in which case the cost is \$18 (same for peak season). This would make an out and back crossing of the bridge-tunnel not within 24 hours \$26 off peak and \$30 peak. One important exception to this toll is for commercial class 1 vehicles making frequent trips (30 or more one way trips in 30 days) with the one way trip costing \$5. All discounts require an EZ-Pass¹. It should also be noted that there is a height restriction for both commercial and private vehicles.

This creates a challenge for economic development in Northampton County, as it is likely to exclude many industry types found within the rest of Virginia which focus heavily on logistics and market access.

Northampton County recognizes the need to improve infrastructure to attract business. The County has finished construction on a broadband trunk line that reaches all towns within the County and construction is underway in more rural parts of the county. Water and wastewater resources are being expanded to establish shovel-ready commercial and industrial sites.

Overview of Key Insights

The most difficult part of the competitive analysis was gathering data relevant and specific to Northampton County. In many cases, data had to be obtained for the nearby metro area of Hampton Roads which is not representative of Northampton County. The data gap needs to be addressed before Northampton County will be seriously considered for a location decision.

The Northampton County website is easy to find and contains some useful information on the area. It appears the area could have significant tourism possibilities, but it has to be presented to the population who has money to spend in the tourism industry not just stated as a tourist attraction on a website. However, one can only find the website if already considering Northampton County as either a business or a tourism destination.

Unemployment rates are highly seasonal with highest unemployment between January and February.

¹ <http://www.cbbt.com/downloads/tollscheduleFINAL2014.pdf>

Research on the Virginia Economic Development Partnership (VEDP) website revealed that Northampton County may qualify for but is not currently a part of the following Virginia state incentive programs:

- The County is in an Enterprise Zone, but state materials are outdated and do not reflect this zone;
- Not in a Technology Zone;
- Not in a Port of Virginia Development Zone; and
- Regional Incentives (none available).

Additionally, Virginia's general industry focus and scale for business attraction is different and larger than Northampton's.

Analysis and Findings

Location Quotient and Employment analysis

No economy is self-sufficient. Most develop and grow around industries that generate more than enough output to export to other locations and in turn import other goods and services from those locations. Trade takes place because the local economy has advantages in producing some goods and services and other economies are better at producing other things. The industries that generate excess production are referred to as base industries. The base industries generate the income that allows the economy to import goods from other economies and that support employment in other sectors needed to support local activity. The simplest example of such a framework is a coal mining town. The base industry is coal mining, the coal is exported which generates income for the miners who spend it on non-base activities such as groceries available at local supermarkets after being trucked in from other parts of the country.

The first step in developing an economic development strategy is to identify the base industries of the regional economy. One of the simplest approaches is by identifying which industries have employment levels that suggest they produce a level of output that exceeds local demand. Economists have developed the concept of Location Quotients (LQ) for this purpose. The LQ is computed in three steps:

1. Each industry's share of employment is calculated for the local economy;
2. The same is done for the national economy; and
3. The ratio, called the Location Quotient (LQ), is calculated from the employment of the local economy relative to the national economy.

An industry with a LQ greater than 1 is considered a base industry. For example NAICS code 11 for Agriculture, Forestry, Fishing and Hunting has a LQ of 25.57 indicating there is significantly above US average employment for that industry in Northampton County. Employment for NAICS code 11 is at 27.4% for the county. NAICS code 44-45 Retail Trade has a LQ of .88 indicating there is less employment in the County based on US average. However, at 13.75% employment, it is still a significant employer even if it is not a base industry.

Location Quotient Findings

Northampton County does particularly well as compared to US for agricultural, animal production and aquaculture. The County has slightly higher LQ in certain retail stores, healthcare and social assistance, leisure and hospitality, and certain other services.

Industry	Northampton County, VA Employment	Northampton County, VA Percentage of Employment	Northampton County, VA LQ	Virginia Beach-Norfolk-Newport News, VA-NC MSA LQ	Virginia – Statewide LQ
Natural resources and mining	1,084	27.40%	15.3	ND	0.38
Leisure and hospitality	556	14.05%	1.12	1.2	0.99
NAICS 11 Agriculture, forestry, fishing and hunting	1,084	27.40%	25.57	0.17	0.39
NAICS 111 Crop production	721	18.23%	37.41	0.23	0.37
NAICS 112 Animal production and aquaculture	181	4.58%	21.67	0.06	0.5
NAICS 44-45 Retail trade					
NAICS 445 Food and beverage stores	158	3.99%	1.54	ND	0.94
NAICS 447 Gasoline stations	129	3.26%	4.28	1.28	1.28
NAICS 62 Health care and social assistance	931	23.53%	1.51	0.97	0.87
NAICS 624 Social assistance	148	3.74%	1.34	ND	0.85
NAICS 81 Other services, except public administration					
NAICS 813 Membership associations and organizations	52	1.31%	1.12	ND	1.31
NAICS 814 Private households	17	0.43%	1.8	ND	1.56

Northampton County has above 5% employment in the following areas but they are not base industries according to the LQ:

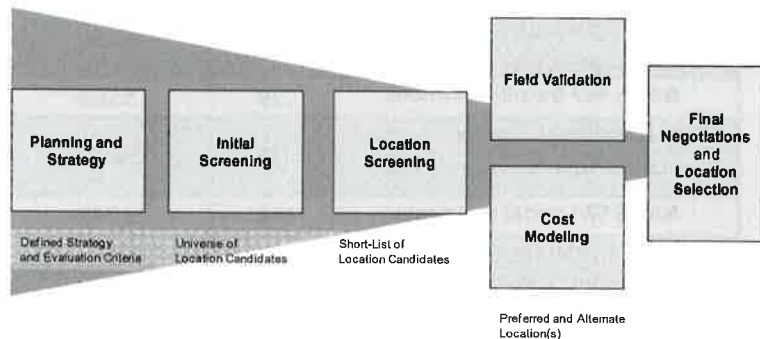
Industry	Northampton County, VA Employment	Northampton County, VA Percentage of Employment	Northampton County, VA LQ	Virginia Beach-Norfolk-Newport News, VA-NC MSA LQ	Virginia – Statewide LQ
Manufacturing	334	8.44%	0.8	0.91	0.74
Trade, transportation, and utilities	544	13.75%	0.61	0.98	0.94
NAICS 31-33 Manufacturing	334	8.44%	0.8	0.91	0.74
NAICS 44-45 Retail trade	466	11.78%	0.88	1.13	1.04
NAICS 62 Health care and social assistance					

Industry	Northampton County, VA Employment	Northampton County, VA Percentage of Employment	Northampton County, VA LQ	Virginia Beach-Norfolk- Newport News, VA-NC MSA LQ	Virginia – Statewide LQ
NAICS 621 Ambulatory health care services	219	5.54%	0.97	ND	0.94
NAICS 72 Accommodation and food services					
NAICS 722 Food services and drinking places	306	7.74%	0.85	1.21	1.01

Northampton County should focus on growing or maintaining all base industries. The County should also focus on identifying the sub-industries for trade, transportation and utilities companies as well as retail trade since they all account for a significant amount of the area employment even if they are not considered Base industries.

Reverse Site Selection Screening Model

Companies making expansion and relocation decisions typically go through a process similar to that which is shown on this page. This process begins with the company identifying their business opportunities, constraints and needs for the new facility, and then progresses through an evaluation of location options. This evaluation process continues to narrow the list of options until the company is prepared to negotiate with the last (and best-fit) handful of communities and sites remaining on the list.



Importantly, this process usually starts with a regional, national, or even international long list of location options. Metropolitan areas are the units of geography being evaluated at this point, not towns or sites. Accordingly, our Reverse Site Selection Screening Model compares Northampton County, VA with other local counties with similar attributes which are likely to be considered when making a location decision.

Local economic development agencies are typically contacted at the completion of these first screening rounds of collected data. This then gives them the opportunity to present specific sites and communities within the broader region.

Competitive Set

Northampton County, VA is a very small location, with a total population of 12,554 according to the 2012 Census estimates. Since the county is so small, we had to modify our normal reverse site selection screening process. Ordinarily we compare locations at the Metropolitan Statistical Area level (MSA) as this is the geography site selectors often use and the geography with the most available data.

Northampton County, VA does not sit in an MSA. It also is so small that it is excluded from most county estimate statistics. In those cases, we had to use data available for “non-metro” areas of the state. These statistics are most often presented as percentage or rate statistics and represent all rural areas of the state that are not included in MSA or County level statistics. The following Counties were included in the screening model:

County	Alternative Geography
Northampton County, VA	Virginia Beach-Norfolk-Newport News, VA MSA “Non Metro” Area VA
Accomack County, VA	Virginia Beach-Norfolk-Newport News, VA MSA “Non Metro” Area VA
Isle of Wight County, VA	Virginia Beach-Norfolk-Newport News, VA MSA
Chesterfield County, VA	Richmond, VA MSA
Worcester County, MD	Salisbury, MD MSA “Non Metro” Area MD
Harford County, MD	Baltimore, MD MSA
Sussex County, DE	Dover, DE MSA “Non Metro” Area DE
Kent County, DE	Dover, DE MSA

The following geographies were used for the screening model factors

Geography	Statistic
Calculated From Major City/Town Center	<ul style="list-style-type: none"> Statistics within 4 hours Airport and Highway
County	<ul style="list-style-type: none"> Population Working Age Population Unemployment Labor Force Housing Unit Data Home Value and Income
MSA	<ul style="list-style-type: none"> Education
MSA (Statistics for Non-Metro area)	<ul style="list-style-type: none"> Employment by Occupation Employment by Industry Labor Force Cost
State	<ul style="list-style-type: none"> Tax Information Crime and Quality of Life Statistics

Reverse Screening Model Findings

Not all of the standard Reverse Screening Model Findings apply to Northampton County since many of the data points are for MSA or the State instead of the County. Even indicators that are available for counties with population over 25,000 are not available for Northampton County. As a result, we have only presented findings in this section for the factors with Northampton County data. The full screening model as would be seen by a site selector (complete with data for the closest MSA) is presented in [Appendix B](#) of this report. Please see [Eastern Shore of Virginia 2012 Comprehensive Economic Development Strategy \(CEDS\)](#) in the [Previous Report Analysis](#) section discussing alternative data

currently produced for the County and concerns on data quality, comparability, and future availability. Please see the CD on [Appendix D](#) for electronic versions of documents discussed here.

	Northampton County, VA	Accomack County, VA	Isle of Wight County, VA	Chesterfield County, VA	Worcester County, MD	Harford County, MD	Sussex County, DE	Kent County, DE
Population and Demographics	7	7	4	3	6	5	1	1
Household Statistics	8	7	3	2	6	1	4	4
Labor Force Availability	6	5	3	1	8	1	3	7
Industry-Specific Employment (MSA)	0	0	0	0	0	0	0	0
Occupation-Specific Employment (per 1000 MSA)	0	0	0	0	0	0	0	0
Occupation-Specific Salaries (Annual Mean 2010) (MSA)	0	0	0	0	0	0	0	0
Education 2012 (MSA)	0	0	0	0	0	0	0	0
Transportation and Market Access	6	7	5	2	8	1	4	3
Tax Regime	1	1	1	1	7	7	1	1
Crime and Quality of Life (MSA)	0	0	0	0	0	0	0	0

Below is a list of Northampton County advantages and disadvantages based on the data analyzed in the Reverse Site Selection Screening Model.

Advantage

Disadvantage

Population and Demographics (7th place) – County – Declining working and general population.

- Slight decline projected for general population
- Moderately strong decline projected for working age population

Household Statistics (8th place) – County – High renter occupied housing rate with low household incomes

- Lowest median household income
- Lowest median disposable income
- 2nd lowest median home value
- 2nd highest renter-occupied rate

Labor Force Availability (6th place) – County – High unemployment

- Moderately strong labor force growth from 2007-2012
- Higher pre-recession unemployment than most competitors – 2nd highest
- Higher 2012 unemployment than most competitors and nation – 2nd highest
- Significantly change in unemployment

Advantage	Disadvantage
	rate – 2nd highest
Industry Specific Employment– MSA – No data	
	<ul style="list-style-type: none"> No data for Northampton County available from sources site selectors normally use for comparisons
Occupation Specific Employment– MSA – No Data	
	<ul style="list-style-type: none"> No data for Northampton County available from sources site selectors normally use for comparisons
Occupation Specific Salaries– MSA – No Data	
	<ul style="list-style-type: none"> No data for Northampton County available from sources site selectors normally use for comparisons
Education –MSA– No Data	
	<ul style="list-style-type: none"> No data for Northampton County available from sources site selectors normally use for comparisons
Transportation and Market Access (6th place) –County– Hard to reach from major population centers	
	<ul style="list-style-type: none"> Lowest population & household density within 4 hours No interstate highway
Tax Regime (1st place) – State – Tied with Delaware, excels in more categories	
<ul style="list-style-type: none"> 1st overall Best tax climate Lowest corporate income tax top bracket 2nd lowest sales tax (among 3 states) 	<ul style="list-style-type: none"> Highest property taxes as % of income
Crime and Quality of Life – No Data	
	<ul style="list-style-type: none"> No data for Northampton County available from sources site selectors normally use for comparisons

Northampton County Labor Force Analysis

In trying to better understand the labor force environment in Northampton County, the team examined unemployment and labor force statistics over time within the county.

The annual labor force increased year on year growth until 2010. From 2010 to 2013, the labor force has experienced a drop of about 400 individuals. Overall employment numbers rose from 2000 through 2010 at which point they have lost 300 individuals through 2013. Annual unemployment rates were at 2.6% in 2000 but increased over the years to a high of 8.8% in 2012. Finally in 2013 the decline in workforce and employment along with economic recovery changed that trend. 2013 annual unemployment sits at 7.7%.

The monthly unemployment numbers fluctuate greatly as well. Generally there is a 2-3% or greater decrease in unemployment between the months of March and May with a corresponding increase between the months of October and December. This seasonal employment is due to the agricultural growing season and likely tourism. The area also experiences another smaller increase in unemployment between December and January which is likely due to the retail season.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2000	3.6	3.7	3.3	2.7	2.5	2.7	2.4	2.3	1.9	1.9	2.2	2.5	2.6
2001	4.4	4.3	4.2	3.6	3.5	3.4	2.6	2.9	2.8	3.0	4.6	4.9	3.7
2002	6.2	5.9	8.0	6.0	5.2	5.0	4.3	4.2	3.5	3.3	4.6	4.9	5.1
2003	6.3	6.1	5.4	5.0	5.1	5.5	4.6	4.2	3.8	3.3	4.5	4.6	4.8
2004	5.4	5.7	5.3	4.6	4.1	4.0	3.7	3.9	3.5	3.7	5.8	5.8	4.6
2005	6.8	7.3	5.7	4.7	4.6	5.2	4.5	4.7	4.5	3.8	4.3	4.8	5.1
2006	5.2	5.7	5.3	4.1	4.4	4.4	4.0	4.0	3.8	3.3	4.1	4.5	4.4
2007	5.1	5.6	4.6	3.8	3.5	3.5	3.6	3.6	3.7	3.6	3.9	4.8	4.1
2008	4.9	5.8	5.0	4.0	4.8	4.5	5.7	5.8	5.1	5.2	7.0	7.7	5.4
2009	8.5	9.4	9.8	8.1	7.9	7.5	6.8	6.8	6.9	6.9	8.1	8.9	7.9
2010	9.3	9.5	8.8	7.0	7.7	7.0	7.5	7.8	7.1	6.9	8.2	8.9	8.0
2011	9.8	9.5	9.5	7.8	7.3	7.2	7.5	8.2	8.4	8.3	9.0	9.6	8.5
2012	9.9	10.0	9.2	8.8	8.6	8.3	8.6	8.0	7.8	8.0	8.8	9.4	8.8
2013	10.9	10.5	9.6	8.1	6.9	6.6	6.4	6.7	5.9	5.6	7.4	7.5	7.7
2014	9.1	8.6	8.0	6.2									

Northampton County Workforce Analysis

As with other data points, specific data for Northampton County is very hard to find. This section relies on firsthand conversations, school board reports, and internet research. Some of the workforce concerns are based in the public school system and the K-12 education. Other concerns focus on having the appropriate skills matched to available jobs. The most specific concerns centered on the Hospital moving from Northampton County to Accomack County.

K-12 Education

The public school system was reported to be in good shape until recently. The tipping point has been identified as the time when schools were not simply teaching the students, but required to teach to the standardized tests. This disrupted the teacher student relationships, the students stopped responding to the teachers, and the resulting test scores are below acceptable levels. Most resident teachers

retired or left the school system and the replacement teachers have not been able to improve the test scores. Additionally, each student is costing the school system over \$12,000 a year. This is only slightly above the Virginia average of \$11,683 per student, but high for a county of Northampton's size². On average, the trends show that states with higher per pupil expenditures tend to have higher test achievement. This does not seem to hold true for the Northampton area.

The school system is requesting a budget of \$8,227,883 which is \$264,383 above the previous year. This raise is in part for required services to be provided such as contractual raises, adding a second military science instructor, and adding VRS and group life insurance for bus drivers. Actual school enrollment was 1,676 for 2012 and 1,590 for 2013. This is down from 2002 where enrollment was 2,112 students. School enrollment is projected to continue declining at a rate of -2.3% per year.

This research also revealed that many of the County's public schools remain unaccredited or are operating under provisional accreditations in certain areas. It should be noted that the school can be accredited through many different organizations and this may or may not have a significant effect on the quality of the education. There are only three teachers in the County that have National Board Certifications. In contrast, the percentage of "highly qualified teachers" is at 96%. The high school instituted a military science program – its purpose and impact are unknown at this time. The high school earned an award for increased access to Advanced Placement (AP) courses. From the school board budget report, it appears the school system has spent a significant amount of money on technology solutions for the students.

One of the things the school system is trying to improve educational results is implementing a 1:1 tablet/computer initiative for the 2014/2015 school year. Previous achievements include Parent University (getting parents involved in child's education), increase in access to student counseling services, teachers enrolled in ODU Graduate Cohort partnership, District, instituted and implemented a formal lesson plan and monitoring system, developed a district comprehensive plan to act as a guide for reaching the district's objectives, and superintendent chats.

Adult Education and Retraining

One of the downsides to living in Northampton County is that many professional trade skills are not currently located within the County. For example, if one experiences a plumbing problem, one has to call the plumber in Exmore (the only plumber in Northampton County), or one from Accomack County, or one from the Hampton Roads area. Computer fix-it services, electricians, and other trades are also in short supply. Offering access to retraining for these fields (along with basic business courses) makes it more likely that individuals with these talents will locate or remain in the County.

One study³ showed that an area could improve High School outcomes by combining college prep course work with CTE in the high school curriculum. It is unlikely that Northampton County has the student population to support a Technical High School. One alternative is to offer Career-Technical Education (CTE) in the current high school setting. This better prepares students for a range of postsecondary

² <http://febp.newamerica.net/k12/rankings/ppexpend>

³ http://casn.berkeley.edu/resource_files/ca-dropout-project410-06-03-12-54-51.pdf

options. It would be difficult for the high school to offer such courses as plumbing within the current confines of the budget. However, the high school could partner with career training centers and the community college. Currently the only career training centers are located across the Chesapeake Bay Bridge.

Impact of Hospital Move

The hospital move is scheduled for the near future and little can be done by the County to change this. The move will not cause workforce turnover but will have an impact on Northampton County employment and revenue. The move raises concerns for urgent care treatment regarding time critical emergencies such as heart attacks. For such time critical cases, the one hour to treatment timeframe is crucial. With the Hospital located 20 miles north of its current location, the southern part of Northampton County is at or exceeds 1 hour from Hampton Roads ER facilities as well as the new hospital facility. While some hospitals in the area do have med flight services, travel time is still close to one hour for an out and back flight.

The Hospital currently has many supporting businesses in the area. A few have reportedly already chosen to move with the Hospital. The retirement home, which is a major area employer, has not publicized a decision to move at this time.

Previous Report Analysis

Additional data is available for the Northampton Area and is summarized in the Virginia Community Profile report, however, this data is not likely to be found by site selectors unless Northampton County is one of the top competitors from a site selection model. Many of the focuses found in the Comprehensive Economic Development Strategy are similar to, but independent from, the findings of this report.

Virginia Community Profile Northampton County

Developed by Virginia Employment Commission and updated on June 7, 2014

This study notes some general travel-to-work data obtained from the Census LEHD On The Map tool. There are a number of reasons why this tool is not used for a site selection screening model. The tool is about to be retired, is based on two months of employment, and is based on partially synthesized data.

On The Map indicated a workforce travel pattern of twice as many people leaving Northampton County to work as entering. While the combined number of commuters across the Chesapeake Bay Bridge-Tunnel is slightly larger, the largest single county labor force sharing happens between Northampton and Accomack Counties.

According to the reports, Northampton County primarily hosts companies with 0-4 employees. The number of establishments drops as the employee size increases. Northampton County has 8 companies with 50-90 employees. Data cannot be disclosed for companies between 100 and 500 employees and the county has no larger businesses.

The study shows high 4th quarter employment in government, healthcare and social assistance, local government, and agriculture, forestry, fishing, hunting. The County has significant employment in retail trade, accommodation and food services, and manufacturing.

Startup firms have risen from 16 in 2011 to 42 in 2013. New hires were highest for agriculture, forestry, fishing, and hunting followed by accommodation and food services in the second quarter 2013. Healthcare and social assistance industry had the highest turnover followed by professional, scientific, and technical services, accommodation and food services, and construction in the first quarter of 2013. Professional scientific and technical services have the highest weekly wage followed by wholesale trade in the fourth quarter of 2013. Most people employed were between the ages of 45-54, followed by 25-34, 35-44, and 55-64 in the second quarter of 2013.

Projected growth data was not available for Northampton County and as a result the data was provided for Bay Consortium. Project growth for all industries and occupations between 2010 and 2020 is 1.9% per year and 20.74% over all years. Data is provided for Consumer Price Index for the US with no data available for Northampton County.

Education data was provided for Northampton County but is an estimate based on the years 2008-2012 through the American Community Survey. The data indicates the population surveyed was 18 or over where these statistics are normally presented 25 and over for a single year for a site selection model. This allows the student time to complete much of the higher education before reporting. The data shows that only 24% of the Northampton County population has a college degree, whereas 33% of the US population and 38% of the Virginia population have college degrees. There are similar rates of associates degrees between the three geographies with fewer Bachelor's and professional degrees. The high school dropout rate in Northampton County is nearly twice that for Virginia and the US.

Eastern Shore of Virginia 2012 Comprehensive Economic Development Strategy (CEDS)

Developed by The Virginia Employment Commission, November 2012

This study is not immediately useful to those only looking at Northampton County as it includes Accomack County and views the Virginia Delmarva Peninsula as a single region. The study included more than 200 business leaders from nine industry sectors who shared their perceptions of the region and made suggestions for improving the prospects. This report does not include independent research to verify these perceptions. The group will follow up with a new CEDS report in 5 years based on projects in the intervening time. Many points made with specific reference to Accomack County have been left off this summary, most notably the ones with reference to NASA and the Aerospace industry.

Area pros:

- Pristine coastline with expanding tourism and vacation home destination;
- Only one hour from "Hampton Roads Metro Area," 3 hours from Richmond, Annapolis, Baltimore, Washington DC, and northern Virginia, 6 hours from New York City and Philadelphia;
- Industry cluster focus for Northampton County— Agriculture/food processing, seafood/aquaculture, tourism;

- Many organizations willing to help the economic development process; and
- Federal and State resources have helped with economic development projects through the years.

Areas to work on:

- Education, specifically young workforce leaving (market to keep them here);
 - Provide better opportunities for education and re-education;
- Continue economic development analysis , specifically in new markets, e-commerce, and niche tourism markets;
 - Specific focus on agriculture/aquaculture;
 - Create new tourism destinations and improve signage on existing destinations;
 - Create a “Colonial Williamsburg,” “Sturbridge Village” or “Pioneer Village” tourist attraction
- Support community clean-up programs to eliminate roadside litter;
- Infrastructure improvements such as water, sewer, natural gas, broadband, road, rail, recreational facilities, and substandard housing;
- Deepen Cape Charles Federal Harbor and natural channel;
- Educate leaders on real estate industry and how it works in Northampton County; and
- Find a way to keep an urgent care facility in Virginia on the Delmarva Peninsula.

Strategic area goals are listed as [copied directly out of report]:

- Create a positive environment for the growth of our seven industry clusters by providing the necessary public infrastructure (business parks, utilities, incubators) and by enhancing capital availability (revolving loan funds);
- Offer opportunities for lifelong learning and skill development related to our seven industry clusters, serving potential employees and entrepreneurs;
- Develop a regional identity that celebrates our competitive advantages and connects the communities of our region;
- Attract or grow businesses that provide living-wage jobs without harming the environment; and
- Recognize the importance of our historic towns and villages to the overall economic health of the region and develop strategies to stimulate their revitalization.

Supporting data, interview notes, and comments can be found on the CD in [Appendix D](#) of this report but are not summarized here.

Taxation and Incentives

A region’s tax climate is a reflection of the investments needed for the proper functioning of local infrastructure of services, balanced with a community’s ability to make good short- and long-term financial choices. These decisions are then reflected in taxes which are divided between business and residents fairly, depending upon the relative contributions and needs of each.

On occasion, these taxes are balanced against incentives and credits which may be offered to induce companies to make desired investment and hiring decisions. Key in making a case for any location is the incentives available to assist a company to decide to locate within its borders. A well-packaged combination of incentives selected for specific target companies and/or industries can be a powerful tool in corporate decision making.

Virginia Key Industries

Virginia's list of target industries is as follows:

- Food Processing;
- Aerospace;
- Plastics & Advanced Materials;
- Data Centers;
- IT;
- Life Sciences;
- Automotive;
- Energy;
- Distribution; and
- Corporate HQ.

Aside from food processing, the industries listed are small to non-existent in Northampton County. As a result, many of Virginia's incentives do not assist businesses within Northampton County.

Taxation

Virginia's Corporate Tax Climate Score is 6 out of all the US states and the corporate tax does not exceed 6% no matter how large or profitable a company may be. The state also does not levy unitary tax on Virginia companies' worldwide profits. This puts Virginia near the top of the as one of the best states in which to do business.

Virginia does not tax intangible property, manufactures' inventory, manufacturers' furniture, fixtures or corporate aircraft, or certified pollution control facilities and equipment. Localities in Virginia have the option to fully or partially exempt property from taxation. That list includes certified recycling equipment, rehabilitated commercial or industrial real estate for up to 15 years, manufacturers' generating and co-generating equipment, certified solar energy devices, and environmental restoration sites (eligible real estate in the Virginia Voluntary Remediation Program). Localities in Virginia can reduce the tax rate for research and development tangible personal property, equipment used for biotechnology research and development and production, semiconductor manufacturing machinery and tools, computer hardware and peripherals, aircraft, clean fuel vehicles, tangible personal property used in the provision of certain internet services, and energy efficient buildings.

Sales and Use Tax Exemptions

Northampton County sits outside the Hampton Roads and Northern Virginia tax zones so the statewide sales tax is 5.3%. The following is a list of the important sales and use tax exemptions¹:

- Manufacturers' purchases used directly in production including machinery, tools, spare parts, industrial fuels and raw materials;
- Items purchased for resale by distributors;
- Certified pollution control equipment and facilities;
- Custom computer software;
- Utilities delivered through lines, pipes or mains;
- Purchases used directly and exclusively in research and development;
- Most film, video and audio production-related purchases;
- Charges for Internet access, related communications services and sales of software via the Internet;
- Purchases used directly and exclusively in activities performed in cooperation with the Virginia Commercial Space Flight Authority;
- Semiconductor clean rooms or equipment and other tangible personal property used primarily in the integrated process of designing, developing, manufacturing or testing a semiconductor product; and
- Computer equipment purchased or leased for the processing, storage, retrieval, or communication of data in large data centers. Requires a minimum capital investment, job creation and wage level to qualify.

Some of these sales and use tax exemptions can be used in Northampton County, but not as extensively as in other areas of Virginia, which have a higher concentration of state target industries.

Corporate Tax Credits

Several corporate income tax credits are offered to Virginia companies including⁴:

- Major Business Facility Job Tax Credit;
- Recycling Equipment Tax Credit ;
- Worker Retraining Tax Credit ;
- Day Care Facility Investment Tax Credit;
- Green Job Creation Tax Credit;
- Refundable Research and Development Expenses Tax Credit;
- Port Volume Increase Tax Credit;
- International Trade Facility Tax Credit; and
- Barge and Rail Usage Tax Credit.

Many of these credits will not easily apply to Northampton County, as they target industries and activities not readily present in the County.

⁴ Descriptions from
<http://www.yesvirginia.org/Content/pdf/Virginia%20Guide%20to%20Business%20Incentives%202013-2014.pdf>

Incentives

The Virginia Economic Development Partnership (VEDP) acts as a liaison between businesses and the many incentive programs offered in Virginia. The following incentive program list was obtained from the VEDP website.

Category	Incentive	Sub-Programs	Northampton County Eligible?	Notes
Enterprise Zones	Enterprise zone for Job Creation Grants		Yes – not readily apparent	Get state to correct incentive documents and post clearly on Northampton County Website
	Enterprise Zone Real Property Investment Grant		Yes – not readily apparent	
Technology Zones	Technology Zones		No	County to mandate Technology Zone in chosen area
Port of Virginia Development Zone	Port of Virginia Development Zone		No	No action
Training	Virginia Jobs Investment Program	Virginia New Jobs Program	Yes	Large employment and capital investment requirement
		Workforce Retraining Program	Yes	Moderate requirements
		Small Business New Jobs and Retraining Program	Yes	Most useful given Northampton's makeup
	Virginia's Community Colleges	Open Enrollment	Yes	Offered online or at college location
		Customized Training	Yes	At business or at college
	The Workforce Investment Act		Yes	Federal funding to reimburse up to 50% of worker wage during training
Infrastructure	Economic Development Access Program		Yes	Access to new and expanding manufacturing facilities
	Rail Industrial Access Program		Yes	Funds to construct new rail tracks to substantially expanded industrial and commercial projects
	Transportation Partnership Opportunity Fund		Yes	Grants, loans, or other financial assistance awarded at Governor's discretion
	Foreign Trade Zones		No	No action
Discretionary Incentives	Governors Opportunity Fund		Yes	Not likely to be used in Northampton County
	Governor's Agriculture and Forest Industries Development Fund		Yes	Good resource but applies to businesses with 30% or higher value add
	Virginia Investment Partnership Grant		Yes	Requires significant capital investment (more than 25M over 3 years)
	Major Eligible Employer Grant		Yes	Not likely to be used in Northampton County because of requirements
	Virginia Economic Development Incentive Grant		Yes	Not likely to be used in Northampton County because of requirements

Category	Incentive	Sub-Programs	Northampton County Eligible?	Notes
	Clean Energy Manufacturing Incentive Grant Program		Yes	More likely to be used for a wind energy company than a clean energy manufacturer because of requirements
Regional Assistance	Tobacco Region Opportunity Fund		No	No action - Tobacco does not seem to be an area crop
	Virginia Coalfield Economic Development Authority		No	No action
Financial Assistance	Virginia Small Business Financing Authority	Industrial Development Bonds	Yes	New or expanding manufacturing companies or exempt facilities
		Economic Development Loan Fund	Yes	Secured loans based on risk
		Loan Guarantee Program	Yes	Small credit-worthy businesses only
		Environmental Compliance Assistance Fund	Yes	Small credit-worthy businesses only
		Small Business Microlend Program	Yes	Small Business Only
		Child Care Financing Program	Yes	Provides credit to credit worthy child care providers
		Virginia Capital Access Program	Yes	Small Business Loan Loss Reserve
		Cash Collateral Program	Yes	Assistance obtaining funds
		Loan Participation Program	Yes	Assistance obtaining funds
	Community Development Block Grant		Yes	Noncompetitive process
Management and Technical Support	Center for Innovative Technology	CIT Entrepreneur: Access to Capital	Yes	Seed stage investments
		CIT R&D Strategic Investments in Research and Commercialization	Yes	Brings university research teams together with businesses to develop marketable solutions
		CIT Connect Funding and Assimilating Innovation	Yes	Connect small innovative companies with consumers of technology
		CIT Broadband: New Infrastructure for the New Innovation Economy	Yes	PURSUE THIS INCENTIVE
	Virginia Small Business Development Center Network		Yes	Provides counseling and resource sharing to strengthen Virginia Businesses
	International Trade	Virginia Leaders in Export Trade	Yes	Not likely to be helpful in Northampton County

Findings and Recommendations

A number of findings and recommendations are discussed below. Many of the findings of this report are also supported by findings of previous reports. One of the biggest things to keep in mind is Northampton’s perceived and actual isolation from Mainland Virginia. This isolation has a significant effect on some of the recommendations below.

The easiest recommendations to implement are the workforce and website recommendations. The website recommendations tie into physical visibility, data accessibility, and data availability among others. Also important is to remember that a website is dynamic and must change often to support the County with current information.

Recommendation	Time Frame	General Suggestions
Physical Visibility	Short-Medium	<ul style="list-style-type: none"> • Better physical signage with URL and QR barcode • QR barcodes posted at businesses • Variable Message Board
Data Accessibility	Medium-Long	<ul style="list-style-type: none"> • Encourage or incentivize businesses to have free wifi for customers • Real Estate Brochures
Data Availability	Medium-Long	<ul style="list-style-type: none"> • Post data for Northampton County that site selectors use for location decisions (also suggested in the website section) • Post a brochure document including the above data in a digested format (also suggested in Data Accessibility section and the Website section)
Website	Short-Medium	<ul style="list-style-type: none"> • Update Links • Update Metadata search terms • Add site selector data (excel and brochure) (see Data Accessibility section) • Improve website with tourism focus • Work with Northampton Chamber web folks to improve content on both websites (enhance the County website with cross linking as shown on the Chamber website)
Labor Force	Medium-Long	<ul style="list-style-type: none"> • Address seasonality of workforce • Keep an eye on Hospital move to Accomack County • Workforce retraining (see workforce development)
Workforce Development	Short-Long	<ul style="list-style-type: none"> • High school should continue and expand the offering of AP online classes • Encourage concerned parents to look at School Choice laws for alternatives to a public education • Require short internships for high school students • Encourage workforce retraining center to locate in Northampton County • Publicize loan forgiveness programs • Encourage supporting businesses for the Hospital to

Recommendation	Time Frame	General Suggestions
		<ul style="list-style-type: none"> remain in the Northampton area Encourage the retirement home (a major employer) to remain in Northampton County, only 20 miles from the new hospital location.
Housing	Medium-Long	<ul style="list-style-type: none"> Community cleanup efforts Grants or loans to improve housing Community project days Improve local recreational facilities
Infrastructure	Medium-Long	<ul style="list-style-type: none"> Improve broadband and cell access (if necessary) Revise toll structure for Northampton and Accomack Counties and short commercial trips from the Mainland to increase connectivity Roadside cleanup Continue road, water, sewer, natural gas, and rail improvements No additional industrial parks are required at this time
Incentives	Short-Medium	<ul style="list-style-type: none"> Work to get state incentive materials to reflect the enterprise zone in the County Establish a technology zone Lobby to be in a Port of Virginia Development Zone Promote the Governor’s Agriculture and Forest Industries Development Fund Work with CIT Broadband incentive to continue expanding broadband coverage Consider modifying taxes and exemptions to promote industry growth
Attraction and Development Targets	Short-Long	<ul style="list-style-type: none"> Agriculture and aquaculture; tourism; manufacturing; retail trade; healthcare and social assistance; food services Tourism – Create a Sturbridge Village or Pioneer Village type of attraction In general, businesses moving to Northampton County need a national or international draw

Physical Visibility

Include a URL and QR barcode on all signs leading in and out of the County. For the URL, use the County website. For the QR barcode, link it to a page within the County’s website describing and linking to all the tourist attractions.

The County should consider placing a variable message board at the southern point of Northampton County on Rt 13 noting any local events or tourist attractions. The county could even rent out space on the variable message board to advertise for local businesses to help pay for the equipment.

Create a brochure with a map, a short description of the attractions, and QR barcodes and URLs to link the paper copy to the websites. Allow County businesses to hand out the brochure and leave copies at any rest stops along Rt 13.

The County should consider distributing a sign for each business to hang in their window. The sign would include information on the business, URL addresses for the Northampton County website, the business website, and QR barcodes for each. We recommend doing the template in Word or PowerPoint so businesses do not need special software to modify the template.

Data Accessibility

Data accessibility can be spotty in areas, especially 3G or 4G connectivity used by most portable devices. In this day and age, younger tourists are spontaneous and often use their cell phones to look up nearby tourist destinations en route, in addition to any pre-trip research. This type of research is impossible if the tourist cannot get internet service. Coverage can be increased in business areas by encouraging all establishments to provide free wifi to users, especially restaurants and hotels. Suggestions for QR barcodes and information posted on a storefront poster can be found in the [Physical Visibility](#) section.

Consider creating a handout/brochure discussing area site selector data and encouraging businesses to locate in Northampton County. Local real estate folks might not want to waste 3 or 4 hours taking their clients across the Chesapeake Bay Bridge, but they can at least provide the brochure. Post the brochure on the website in PDF format. See [Data Availability](#) for suggestions on an excel version for site selectors. See the [Website](#) section for additional information on both the PDF and Excel suggestions.

Data Availability

Northampton County continues to struggle to become known to site selectors. When it is known, the lack of data is a significant barrier. The County should adjust for these shortcomings by posting data on its website. The following data is information that site selectors research as well as current availability for Northampton County. All data below should be included on the Northampton County website, but with specific focus on collecting those statistics that are not available through other common sources.

Data point	Currently accessible to site selector for Northampton County?	Source	Data to include (for years 2000, 2010, and 2012 where available)
Population and changes in population	Yes	US Census	Population and population change
Working age and labor force	Yes	US Census and BLS	Population between the age of 15-65, labor force
Unemployment	Yes	BLS	Annual unemployment rate
Housing unit growth	Not easily	American Community Survey (ACS)	Data on renter vs. owner occupied housing units, housing unit vacancy, Median home value, income and disposable income
Industry and occupation specific employment	Not for the county – MSA only	US Census	Show strengths and weaknesses
Location quotient	Yes	BLS	Show areas of greater than

Data point	Currently accessible to site selector for Northampton County?	Source	Data to include (for years 2000, 2010, and 2012 where available)
			normal activity (over 1)
Occupation specific salaries	Not for the county – MSA only	BLS	Include high level occupations
Education	Not for the county – MSA only	ACS	High school completion rate and how many did not complete high school, higher education rates
Commute time to work	Not for the county – MSA only	US Census, ACS or Cities Ranked and Rated	On average, how long it takes a resident to commute to work
Tax regime	Not for the county – State wide only	Tax Foundation	Re-state the data from the Tax Foundation (business and personal taxes) and include any local taxes
Climate and Natural Hazard	Not for the county – MSA only	Cities ranked and rated or National Weather Service	# days precipitation per year, annual precipitation, annual snowfall, annual days with thunderstorms, tornado risk, hurricane risk
Crime and quality of life	Not for the county – MSA only	Cities Ranked and Rated, US census, ACS	Violent crime rate, property crime rate, cost of living, rate of physicians, rate of hospital beds

Of particular interest would be levels of education, industry and occupation specific employment, occupation specific salaries, and crime and quality of life (specifically including cost of living index).

Site selectors are often entering the data into an analysis tool. For site selectors, a raw excel table is best with data in rows and locations in columns. The second to last column should contain date information for the row of data. The last column should include a link to the source for that data row. Please see [Appendix C](#) with an example table. It is important to only use data that is available and comparable to all other county level geographies for the entire US. It is also important to use the same year for the data and use annually reported data where possible rather than quarterly reported data. If the data is not comparable, do not include in this excel file as it will not be useful.

The County should also develop a writeup that includes this information in a graphical presentation format for potential businesses in addition to the raw data for site selectors. Please see [Appendix C](#) for an example of the raw data format to be used in excel. Please see [Appendix D](#) for a version of this chart in excel format.

Website

A website is your virtual window to the world and is important for getting your message out to that world. Northampton County has a good website: easy to locate and navigate. However, a website is only as good as its updates. The website should be considered a dynamic tool rather than a static piece

of data. A budget should be developed to maintain the content as well as the infrastructure for the website.

Data on the County, its economic base, opportunities, and basic location factors remains scarce. Post all previous studies relating to the Eastern Shore of Virginia and Northampton County with appropriate notes on geography and short description. Also, post the Excel file and the graphical data sheet discussed in the Data Availability section.

Companies making investment locations basically do so through mitigating or eliminating risk. A lack of data represents a significant risk, and will likely remove a community from consideration at a very early stage. As a result, the County should link between other county, state and federal resources to improve access to area information.

If finances are a concern for website updates, consider contacting the local Community College and employ interns to help with web coding and content. Also consider offering businesses the ability to update their webpages through the same service.

Having a web presence is important for many businesses, but not all businesses can afford the hosting and design fees for a website. This is particularly true of the very small businesses of up to 4 employees, which are prevalent in the county. Offer each Northampton County business a page with the look and feel of the County's website and hosted by the County. This page could redirect to the business website if one exists. If a website does not exist, this page will allow those companies to have a minimum web presence. Interns can also be used for this process and the labor can be provided to companies free of charge. The company's only obligation is to provide details as requested by the interns. Ultimately, the County website should host a company directory listed alphabetically and by industry as access points to the company webpages.

Consider working with the Northampton Chamber of Commerce to include more detailed information on both websites. The content and simplicity of the Chamber website is a good model, however, the topics need to be enriched and expanded upon. Also, encourage the Northampton Chamber of Commerce to go through the website and fix any broken URL references to external webpages.

Specific suggestions for the County's website include:

- Refine Metadata search terms to make the Northampton County website more find-able;
- Repair broken links to the State of Virginia websites and all other broken links;
- Work with the Northampton Chamber of Commerce to develop written material to benefit both websites;
 - Use the pages and linking as a base for content to include in the Northampton County website where appropriate;
- To the extent possible, include data site selectors seek (see section on Data Availability for more information);
- Modify the incentives webpage to include a brief description of all incentives available to Northampton County including requirements and URL link to the appropriate organization;

- Include numbered list of enterprise zones that correlates to a map of Northampton County and close-ups of each enterprise zone;
- Improve the Tourism page to include a numbered list of all tourism attractions with a short description and URL that correlates to a map on the same page;
- Include changes recommended in the Physical Visibility, Data Accessibility, and Data Availability sections;
- Create a business directory listed both alphabetically and by industry; and
- Consider offering all businesses a single page on the Northampton County website for visibility.

Labor Force

Unemployment rates are highest in January through February and continue to remain very high even with the recent economic recovery. Winter tourism does not really exist for the area as it is not warm enough to be a winter attraction for the cold states nor is it cold enough with snow to serve as a winter tourism spot. The County should consider incentivizing or encouraging greenhouse, hothouse, or hydroponic farming which could happen during the winter months. One way to encourage this is to subsidize heating costs or connect the farmers with incentives for green energy alternatives (solar heat pumps) to warm the greenhouses and heat water for hydroponic growing.

Northampton County can also address the labor force concerns by increasing workforce training and development. Please see Northampton County Workforce Analysis or Workforce Development in the Findings sections for more details.

Workforce Development

Northampton County has a very small working population. As such, it is important to make sure the working population has the tools and skill set to work in the County and make a difference.

The K-12 public school system appears to focus more on accreditation, certifications, and access to technology than it is on educating and engaging the students. The teachers do not appear to have a good relationship with the students and they are teaching (with mixed results) to the test.

For parents worried about education, the child could be enrolled into a private, non-religious school and the School Choice law would pay for part of the education. In addition, parents can donate money to a scholarship fund and 65% (with some exceptions and restrictions) will be returned to the student in the form of a scholarship. Another suggestion is to put in a charter school and allow residents to take advantage of the school choice program. The school choice program has a limited charter school law, limited public virtual schooling but no intra-district or intra-district public school choice. However, just because a school is a charter school does not mean the quality will necessarily be better than the existing public school.

The High School should continue to offer AP online classes and potentially expand them to in person classes at a community college or retraining center. The High School should also setup an internship program and require a short internship a requirement for all High School Seniors. Given concern about access to internships, the County should assist by offering internships at their offices, encouraging

businesses to take advantage of low-cost labor, and encouraging more localized governments to employ interns.

Access to workforce retraining and community college programs is a concern. Workforce retraining programs were located on the Mainland, but a quick web search did not reveal any locations in Northampton County. The closest community college locations appear to be in Accomack County or on the Mainland, with no locations in Northampton County. Even with the distances involved, local community colleges should communicate with area industries to help develop training programs that will directly benefit local businesses. The courses could be offered in any of the following ways:

- Paid for by the company and provided for current or prospective employees at the company's location;
- Paid for by the company and for current or prospective employees at the college's location; or
- A general course offered to all students and the general population, as a standalone course or as a part of a larger curriculum.

For certain professions, Federal loan forgiveness programs exist for individuals practicing in their field who chose to live and work in a rural or depressed area. The most common programs are offered for healthcare and veterinary care professionals, however, they may exist for other industries. Research all federal and state loan forgiveness programs and explain the process on the Northampton County website. Connect potential transplants with this information. Educate high school students about this option so they can go to school outside the area but return to practice if they want to be close to family.

Of further concern to County employment, the Riverside Shore Memorial Hospital is slated to move from Nassawadox in Northampton County to Onancock in Accomack County. At this point, little can be done to change or stop this 20 mile move. It will have an impact on Northampton County employment concentration and levels, but will not cause workforce turnover at the hospital facility. Northampton County should try and retain the healthcare support businesses also located in Nassawadox as well as any independent physicians and the retirement home. Note that the retirement home has not announced any plans to move, however, the large local employer should be encouraged to remain in the County. Additionally, consider trying to attract a critical care or urgent care center in Southern Northampton County to handle critical cases like heart attacks within the critical one hour window for treatment.

Housing

Housing is a concern with a very high ratio of renters to owners in Northampton County and a reported apathy in certain areas. Even with that tipped percentage, the county has a very high number of vacant housing units. The County should continue to monitor this situation and assist with reuse and renovations where possible. Assistance could take the form of housing repair grants or housing loans, with priority given to owner occupied facilities where there is more than one housing unit. The County could consider offering a local property tax discount to owner occupied buildings with rental units.

The county could arrange to have several community cleanup days. This engages the population to get involved and shows them that their effort can make a difference. Even if few people turn out the first year, the entire neighborhood will take notice and is more likely to participate in the next event. This is community-building that results in a cleaner community.

The County could host community project days where the community works on one project with the involvement of key professional volunteers to accomplish a project the County would otherwise have been unable to complete. One example of this is the Mass Central Rail Trail in Massachusetts. A local construction company lent the equipment and personnel to re-grade the path. Another company offered labor and gas to truck in the stone dust. The community turned out *en masse* to provide hours of hand labor where needed. The only major cost to the community was the purchase of the stone dust. This strategy can be applied to parks and other recreational facilities. Have an individual from a landscaping service donate his time to coordinate the effort and encourage local flower gardeners and other DIY types to offer guidance and tools to other individuals in the manner of Habitat for Humanity.

With improvements such as those outlined here, residents take pride in their community and feel the worth of their community and themselves. A happy community is more likely to be a successful and healthy community.

Infrastructure

Northampton County is currently improving broadband access throughout the county. This is very necessary and should continue. The County should put a map of high speed data availability on the County website and link to the Economic Development pages. The County should identify any significant gaps in cell reception and work with cell phone companies to expand coverage if needed. The County should post a map of cell phone coverage or possible cell coverage gaps by carrier to use as leverage when working with those carriers.

The County should seriously consider roadside cleanup programs similar to the community cleanup programs (detailed in the [Housing](#) section) to improve the area's image. The first thing a tourist sees when they drive into Northampton County is the visual image of the roadside. It is important to keep that clean to create a positive initial impression and help the tourism industry.

The Chesapeake Bay Bridge-Tunnel system is a much more significant barrier to economic development than is evident at first glance. To fix this consider lobbying to offer a residential rate to those who live in Northampton or Accomack Counties and a discount for commercial businesses servicing these counties but located on the mainland. The current 24 hour round trip discount is only offered to EZ-Pass customers and the proposed discounts could also have that restriction. The discount would be applied electronically to the account holder who has an address in either Northampton or Accomack Counties. The discount for commercial services could be applied by time limit - commercial vehicles completing the round trip in less than 9 hours would receive the discount.

Historically, Northampton County has been served by a short line railroad by the name of Bay Coast Railroad setup as an "unincorporated public entity" and was operated by Cassatt Management. This effort was a last ditch attempt to preserve rail service to Northampton and Accomack counties. It

utilized the Chesapeake Bay Floating Rail Bridge, which is simply a rail car barge service, to cross the Chesapeake Bay. This service does not appear to be operational. Calls to the Bay Cost Railroad listed phone numbers on the Chamber of Commerce and the Railroad website did not reach a person or business and connected to only dead air.

Additionally, the cost and inconvenience of that service has likely encouraged shipping activities to be shifted to trucks. This short line had the ability to provide alternatives to the over height clearance restrictions and width restrictions placed the Northeast Corridor.

Bay Creek Railway Excursions⁵ operated a passenger dining and tourist attraction. It was operated by Bay Creek until 2011 when the diner car was sold. According to Trip Advisor reviews, the diner car continued to operate until the end of the tourist season in 2013. Even though the Chamber of Commerce still lists the tourist attraction, the diner car was transported off Cape Charles in the spring of 2014.

It should be noted that very little information can be found on the internet from current reliable first hand sources about the state or rail activity in Northampton County.

If the railroad formally abandons the line to Cape Charles, the County should consider standard practice national rail banking actions. This requires the County to sign an extended “lease agreement” with the owner of the land for use of the property with takeback clauses listed if a railroad needs to reclaim the right of way. Often it is \$1 lease for a 99 year agreement. One example of reuse is to salvage materials from existing rail line and construct a bike path or linear green space which can increase tourism and local home values. More information on rail banking can be found here:

<http://www.railstotrails.org/aboutus/index.html>.

Improvements have been made to sewer, water and power in the Port of Cape Charles Sustainable Technologies Industrial Park. The park has won national acclaim⁶ as a model of public-private partnership in a rural area. The Park’s goals are to provide a fertile ground for the growth of environmentally friendly businesses. All indications show there is no deficiency in infrastructure at this park. No additional industrial parks are needed until the current one is closer to capacity.

Northampton County should continue to improve the infrastructure for basic business and residential services. A suggestion from a previous report suggested that Northampton County should deepen the Cape Charles Federal Harbor and Natural Channel to allow deeper ships into port.

Incentives

The state itself offers a significant number of incentives. However, these incentives are often for larger projects than Northampton County can reasonably expect to attract. The recommendation is to make the best of what Northampton CAN offer and to connect potential recipients with the programs.

⁵ <http://www.northamptoncountychamber.com/visitors/railroad.htm>

⁶ <http://www.smartcommunities.ncat.org/success/northam.shtml>

Northampton County should work to change the statewide incentive materials so they reflect the enterprise zones that already exist in Northampton County. The County has tried to address this issue in the past and, while the state recognizes the materials are incorrect, the County has been unsuccessful in effecting a change.

Northampton County should consider selecting an area and creating a technology zone. This would assist in attracting or growing a business in a selected industry.

The County has been making many improvements to Broadband access. If the County has not been using the CIT Broadband incentive, it should examine this program to help fund continuing Broadband expansion.

The County should consider lobbying to be included in the Port of Virginia Development Zone. This may be a long shot, but Northampton County does have a port and likely does have some impact on Port of Virginia operations. This would be far more useful if the toll on the Chesapeake Bay Bridge-Tunnel cost less for commercial vehicles.

Northampton County should promote the new Governor’s Agriculture and Forest Industries Development Fund as a resource to allow agricultural businesses to expand. There are restrictions on this program, but it is well targeted to work in Northampton County.

The County should consider modifying the real property taxes and exemptions to promote industry growth within the county. This may be a small incentive, but it is allowed according to the State incentive laws.

Lobbying may be better received if the County uses the population from the summer rather than the annual average population of the county based on the seasonal tourism and agriculture population.

Attraction and Development Targets

Companies attracted to Northampton County need to have a national or international draw. The population is such that two grocery stores (considered key services) have closed and only one small one remains open. One business attraction success story is New Ravenna Mosaics. They moved to Northampton County because of a personal connection and export high end ready-to-install tile mosaics to the Middle East and other countries. They have been successful in the County for over 20 years.

The following industries are listed by importance to the County. Manufacturing and retail trade are included because they make up a significant amount of the area workforce even though very little information is available below this level.

Industry	Sub Industries and Details (Where Known)	Recommendations for Industry Growth
Agriculture and Aquaculture	<ul style="list-style-type: none"> • Farming/Food Processing • Animal Farming/Processing • Aquaculture/seafood • Very high LQ and over 27% employment 	<ul style="list-style-type: none"> • Consider encouraging greenhouse, hothouse farming, or hydroponic farming during colder weather • Connect farmers with energy incentives, particularly green energy incentives to heat

Industry	Sub Industries and Details (Where Known)	Recommendations for Industry Growth
		<ul style="list-style-type: none"> hothouses/hydroponic setups Partially or fully exempt sales tax on solar energy devices Reduce real property taxes on energy efficient buildings
Tourism	<ul style="list-style-type: none"> Chesapeake Bay Bridge-Tunnel Eastern Shore Wildlife Area High LQ in Leisure and Hospitality and 14% employment 	<ul style="list-style-type: none"> Tourism info on website (see website suggestions) Cross linking to other nearby tourist attractions Market to locals for one-day-getaways Market to summer and retired “snow bird” population Promote eco-tourism options
Manufacturing	<ul style="list-style-type: none"> Known to be an area of high employment but data is not available at the sub-NAICS code level 	<ul style="list-style-type: none"> Determine type of manufacturing activity happening within the County Advertise the manufacturing sub-industries that are present Advertise shovel ready sites and move-in ready sites Target small volume high value manufacturing , specifically in the clean energy field to take advantage of Virginia incentives
Retail Trade	<ul style="list-style-type: none"> Known to be an area of high employment but data is not available at the sub-NAICS code level Also includes high occurrence of gas station employment as identified by LQ Elevated LQ for food and beverage stores 	<ul style="list-style-type: none"> Unemployment increase in January is likely due to the retail industry Employ seasonal agricultural workers in stores for the holiday rush Consider creating a tourism outlet area similar to North Conway, NH or Kittery, ME
Healthcare and Social Assistance	<ul style="list-style-type: none"> Large hospital may be closing Identified through high LQ and almost 25% of area employment 	<ul style="list-style-type: none"> Particular attention should be paid to this sector as we have received word that the County’s large hospital will be moving Work to keep businesses that support and support/locate near the hospital (especially the nursing home) Monitor access to healthcare and death rates due to long travel times to the nearest medical facility
Food Services	<ul style="list-style-type: none"> Over 7% employment in food services and drinking establishments 	<ul style="list-style-type: none"> Supports tourism industry Encourage tourism, and the food service industry will follow

Other industries that have been identified in the past as target industries for the Delmarva Peninsula:

- Aerospace;
- Education/Research;
- Studio Businesses; and
- Retiree Services.

These industries do not appear to apply to Northampton County, based on analysis. They likely apply more to Accomack County. However (as noted many times) without appropriate data, the Team may be unable to identify industries or clusters located within Northampton County.

Appendix A: Location Quotient Analysis

Combined tables from BLS Location Quotient tool is included below.

Industry	Northampton County, VA Employment	Northampton County, VA Percentage of Employment	Northampton County, VA LQ	Virginia Beach-Norfolk-Newport News, VA-NC MSA LQ	Virginia – Statewide LQ
Base Industry: Total, all industries	3,956	100.00%	1	1	1
Natural resources and mining	1,084	27.40%	15.3	ND	0.38
Construction	80	2.02%	0.39	ND	1.16
Manufacturing	334	8.44%	0.8	0.91	0.74
Trade, transportation, and utilities	544	13.75%	0.61	0.98	0.94
Information	ND	ND%	ND	ND	1.01
Financial activities	ND	ND%	ND	0.92	0.91
Professional and business services	122	3.08%	0.19	1.05	1.41
Education and health services	1,019	25.76%	1.44	0.97	0.88
Leisure and hospitality	556	14.05%	1.12	1.2	0.99
Other services	118	2.98%	0.81	ND	1.21
Unclassified	NC	NC	NC	ND	0.92
NAICS 11 Agriculture, forestry, fishing and hunting	1,084	27.40%	25.57	0.17	0.39
NAICS 21 Mining, quarrying, and oil and gas extraction	NC	NC	NC	ND	0.38
NAICS 22 Utilities	ND	ND%	ND	0.51	0.73
NAICS 23 Construction	80	2.02%	0.39	ND	1.16
NAICS 31-33 Manufacturing	334	8.44%	0.8	0.91	0.74
NAICS 42 Wholesale trade	46	1.16%	0.23	0.64	0.74
NAICS 44-45 Retail trade	466	11.78%	0.88	1.13	1.04
NAICS 54 Professional and technical services	52	1.31%	0.18	1.13	1.86
NAICS 55 Management of companies and enterprises	43	1.09%	0.59	0.92	1.39
NAICS 56 Administrative and waste services	28	0.71%	0.1	1.01	0.97
NAICS 61 Educational services	89	2.25%	0.97	0.98	0.9
NAICS 62 Health care and social assistance	931	23.53%	1.51	0.97	0.87
NAICS 48-49 Transportation and warehousing	ND	ND%	ND	0.95	0.89
NAICS 51 Information	ND	ND%	ND	ND	1.01
NAICS 52 Finance and insurance	70	1.77%	0.36	ND	0.88
NAICS 53 Real estate and rental and leasing	ND	ND%	ND	ND	0.99
NAICS 71 Arts, entertainment, and recreation	ND	ND%	ND	1.16	0.93

Industry	Northampton County, VA Employment	Northampton County, VA Percentage of Employment	Northampton County, VA LQ	Virginia Beach- Norfolk- Newport News, VA-NC MSA LQ	Virginia – Statewide LQ
NAICS 72 Accommodation and food services	ND	ND%	ND	1.21	0.99
NAICS 81 Other services, except public administration	118	2.98%	0.81	ND	1.21
NAICS 99 Unclassified	NC	NC	NC	ND	0.92
NAICS 111 Crop production	721	18.23%	37.41	0.23	0.37
NAICS 112 Animal production and aquaculture	181	4.58%	21.67	0.06	0.5
NAICS 113 Forestry and logging	NC	NC	NC	0.27	1.4
NAICS 114 Fishing, hunting and trapping	ND	ND%	ND	1.52	1.08
NAICS 115 Agriculture and forestry support activities	ND	ND%	ND	0.09	0.17
NAICS 211 Oil and gas extraction	NC	NC	NC	ND	0.08
NAICS 212 Mining, except oil and gas	NC	NC	NC	0.09	1.22
NAICS 213 Support activities for mining	NC	NC	NC	ND	0.09
NAICS 221 Utilities	ND	ND%	ND	0.51	0.73
NAICS 236 Construction of buildings	23	0.58%	0.51	ND	1.09
NAICS 237 Heavy and civil engineering construction	11	0.28%	0.36	ND	1.22
NAICS 312 Beverage and tobacco product manufacturing	NC	NC	NC	0.86	1.41
NAICS 313 Textile mills	NC	NC	NC	ND	1.3
NAICS 314 Textile product mills	NC	NC	NC	1.16	1.09
NAICS 315 Apparel manufacturing	NC	NC	NC	0.13	0.39
NAICS 316 Leather and allied product manufacturing	NC	NC	NC	NC	0.39
NAICS 321 Wood product manufacturing	ND	ND%	ND	0.23	1.42
NAICS 322 Paper manufacturing	NC	NC	NC	0.33	0.78
NAICS 238 Specialty trade contractors	46	1.16%	0.36	1.17	1.18
NAICS 311 Food manufacturing	ND	ND%	ND	0.79	0.76
NAICS 337 Furniture and related product manufacturing	ND	ND%	ND	0.46	1.01
NAICS 339 Miscellaneous manufacturing	NC	NC	NC	0.41	0.45
NAICS 423 Merchant wholesalers, durable goods	ND	ND%	ND	0.8	0.77
NAICS 424 Merchant wholesalers, nondurable goods	37	0.94%	0.53	0.58	0.64
NAICS 425 Electronic markets and agents and brokers	ND	ND%	ND	0.24	0.89
NAICS 441 Motor vehicle and parts	12	0.30%	0.19	ND	1.1

Industry	Northampton County, VA Employment	Northampton County, VA Percentage of Employment	Northampton County, VA LQ	Virginia Beach-Norfolk-Newport News, VA-NC MSA LQ	Virginia – Statewide LQ
dealers					
NAICS 442 Furniture and home furnishings stores	ND	ND%	ND	ND	1.16
NAICS 443 Electronics and appliance stores	ND	ND%	ND	0.94	0.99
NAICS 444 Building material and garden supply stores	40	1.01%	0.95	0.97	1.02
NAICS 445 Food and beverage stores	158	3.99%	1.54	ND	0.94
NAICS 446 Health and personal care stores	ND	ND%	ND	0.98	0.91
NAICS 323 Printing and related support activities	ND	ND%	ND	0.69	0.88
NAICS 324 Petroleum and coal products manufacturing	NC	NC	NC	ND	0.19
NAICS 325 Chemical manufacturing	NC	NC	NC	0.46	0.72
NAICS 326 Plastics and rubber products manufacturing	NC	NC	NC	0.18	0.9
NAICS 327 Nonmetallic mineral product manufacturing	ND	ND%	ND	0.88	0.83
NAICS 331 Primary metal manufacturing	NC	NC	NC	0.43	0.4
NAICS 332 Fabricated metal product manufacturing	NC	NC	NC	0.39	0.49
NAICS 333 Machinery manufacturing	NC	NC	NC	0.76	0.55
NAICS 334 Computer and electronic product manufacturing	ND	ND%	ND	0.17	0.43
NAICS 335 Electrical equipment and appliance mfg.	NC	NC	NC	0.39	0.82
NAICS 336 Transportation equipment manufacturing	NC	NC	NC	3.85	1.03
NAICS 533 Lessors of nonfinancial intangible assets	NC	NC	NC	ND	0.52
NAICS 541 Professional and technical services	52	1.31%	0.18	1.13	1.86
NAICS 551 Management of companies and enterprises	43	1.09%	0.59	0.92	1.39
NAICS 561 Administrative and support services	ND	ND%	ND	1.01	0.97
NAICS 562 Waste management and remediation services	ND	ND%	ND	0.97	0.81
NAICS 611 Educational services	89	2.25%	0.97	0.98	0.9
NAICS 621 Ambulatory health care services	219	5.54%	0.97	ND	0.94
NAICS 622 Hospitals	ND	ND%	ND	0.89	0.81
NAICS 623 Nursing and residential care facilities	ND	ND%	ND	0.95	0.84

Industry	Northampton County, VA Employment	Northampton County, VA Percentage of Employment	Northampton County, VA LQ	Virginia Beach-Norfolk-Newport News, VA-NC MSA LQ	Virginia – Statewide LQ
NAICS 624 Social assistance	148	3.74%	1.34	ND	0.85
NAICS 447 Gasoline stations	129	3.26%	4.28	1.28	1.28
NAICS 448 Clothing and clothing accessories stores	ND	ND%	ND	1.12	0.92
NAICS 451 Sports, hobby, music instrument, book stores	5	0.13%	0.24	ND	1.07
NAICS 452 General merchandise stores	38	0.96%	0.35	1.22	1.09
NAICS 453 Miscellaneous store retailers	11	0.28%	0.39	1.39	1.05
NAICS 454 Nonstore retailers	ND	ND%	ND	0.86	1.29
NAICS 481 Air transportation	NC	NC	NC	0.4	1.12
NAICS 482 Rail transportation	NC	NC	NC	NC	ND
NAICS 483 Water transportation	NC	NC	NC	4.4	0.9
NAICS 484 Truck transportation	ND	ND%	ND	0.53	0.82
NAICS 485 Transit and ground passenger transportation	ND	ND%	ND	0.54	0.69
NAICS 486 Pipeline transportation	NC	NC	NC	ND	0.33
NAICS 487 Scenic and sightseeing transportation	ND	ND%	ND	1.13	0.4
NAICS 488 Support activities for transportation	NC	NC	NC	2.6	1.04
NAICS 491 Postal service	NC	NC	NC	ND	ND
NAICS 492 Couriers and messengers	ND	ND%	ND	0.67	0.82
NAICS 493 Warehousing and storage	ND	ND%	ND	0.92	0.99
NAICS 511 Publishing industries, except Internet	NC	NC	NC	0.55	0.85
NAICS 512 Motion picture and sound recording industries	NC	NC	NC	0.69	0.49
NAICS 515 Broadcasting, except Internet	NC	NC	NC	2.53	1.08
NAICS02 516 Internet publishing and broadcasting	NC	NC	NC	NC	NC
NAICS 517 Telecommunications	ND	ND%	ND	0.58	1.25
NAICS 518 Data processing, hosting and related services	NC	NC	NC	1.07	1.5
NAICS 519 Other information services	NC	NC	NC	ND	0.73
NAICS 521 Monetary authorities - central bank	NC	NC	NC	ND	ND
NAICS 522 Credit intermediation and related activities	34	0.86%	0.37	ND	1.03
NAICS 523 Securities, commodity contracts, investments	NC	NC	NC	0.4	0.52
NAICS 524 Insurance carriers and related activities	36	0.91%	0.48	0.79	0.81

Industry	Northampton County, VA Employment	Northampton County, VA Percentage of Employment	Northampton County, VA LQ	Virginia Beach-Norfolk-Newport News, VA-NC MSA LQ	Virginia – Statewide LQ
NAICS 525 Funds, trusts, and other financial vehicles	NC	NC	NC	ND	ND
NAICS 531 Real estate	17	0.43%	0.33	1.44	1.04
NAICS 532 Rental and leasing services	ND	ND%	ND	1.16	0.87
NAICS 711 Performing arts and spectator sports	NC	NC	NC	0.51	0.63
NAICS 712 Museums, historical sites, zoos, and parks	NC	NC	NC	3.06	1.37
NAICS 713 Amusements, gambling, and recreation	ND	ND%	ND	1.16	0.98
NAICS 721 Accommodation	ND	ND%	ND	1.19	0.93
NAICS 722 Food services and drinking places	306	7.74%	0.85	1.21	1.01
NAICS 811 Repair and maintenance	30	0.76%	0.71	1.25	1.06
NAICS 812 Personal and laundry services	19	0.48%	0.41	1.23	1.18
NAICS 813 Membership associations and organizations	52	1.31%	1.12	ND	1.31
NAICS 814 Private households	17	0.43%	1.8	ND	1.56
NAICS 999 Unclassified	NC	NC	NC	ND	0.92

Footnotes:

(ND) Not Disclosable

(NC) Not Calculable, the data does not exist or it is zero

Appendix B: Reverse Site Selection Location Screening Model and Database – Detailed Findings by Category

It is difficult to separate out Northampton's strengths and weaknesses relative to competitor counties without the availability of County specific data. The findings below include all data as a site selector would see. However, the model is sometimes forced to rank data from overlapping or adjacent areas rather than using data for the actual geography sited in the model. Without narrower data, the model cannot clearly distinguish Northampton from the set, positively or negatively.

Overall Findings

One of the biggest flags from the Reverse Screening Model is that Northampton County has a very high ratio of renters to owners. Even with that tipped percentage, the county has a very high number of vacant housing units.

Overall, Northampton County, VA ranks 5th in our model among the eight competing counties in Virginia, Maryland, and Delaware. Northampton shares many characteristics with neighboring Accomack County, VA, however, Northampton scores slightly better between the two. Northampton ties Accomack for last on population and demographics, ranks last on household statistics, next to last on labor force availability and 6th of 8 on transportation and market access. Northampton's advantages come in the categories of education (tying two others for 2nd), state tax regime (Virginia ranks 1st, along with Delaware), positive state crime stats and quality of life factors (Virginia ranks 1st), and competitively attractive prevailing occupation specific-salaries (tied for 3rd with one other).

	Northampton County, VA	Accomack County, VA	Isle of Wight County, VA	Chesterfield County, VA	Worcester County, MD	Harford County, MD	Sussex County, DE	Kent County, DE
Population and Demographics	7	7	4	3	6	5	1	1
Household Statistics	8	7	3	2	6		4	4
Labor Force Availability	6	5	3		8		3	7
Industry-Specific Employment	0	0	0	0	0	0	0	0
Occupation-Specific Employment (per 1000)	0	0	0	0	0	0	0	0
Occupation-Specific Salaries (Annual Mean 2010)	3	3	6	7	2	8	1	5
Education 2012	2	2	2	5	6	1	7	7
Transportation and Market Access	6	7	5	2	8	1	4	3
Tax Regime	1	1	1	1	7	7	1	1
Crime and Quality of Life	1	1	1	1	7	7	5	5
Overall rank	5	6	2	1	8	6	3	4

Below is a list of Northampton County advantages and disadvantages based on the data analyzed in the Reverse Site Selection Screening Model.

Advantage

Disadvantage

Population and Demographics (7th place) – County – Declining working and general population.

- Slight decline projected for general population
- Moderately strong decline projected for working age population

Household Statistics (8th place) – County – High renter occupied housing rate with low household incomes

- Lowest median household income
- Lowest median disposable income
- 2nd lowest median home value
- 2nd highest renter-occupied rate

Labor Force Availability (6th place) – County – High unemployment

- Moderately strong labor force growth from 2007-2012
- Higher pre-recession unemployment than most competitors (though good relative to nation) – 2nd highest
- Higher 2012 unemployment than most competitors and nation – 2nd highest
- Significantly change in unemployment rate – 2nd highest

Industry Specific Employment (No Ranking) – MSA – Highest industry employment for services & retail

- 1st in retail trade
- 2nd in manufacturing
- 2nd in wholesale trade
- 2nd in finance/insurance/real estate
- Last in information (relative to competition)
- Last in service industry (relative to competition)

Occupation Specific Employment (No Ranking) – MSA – Highest occupation employment in computers & mathematical

- Highest in computers & mathematics
- 2nd highest in production
- Lowest in office & admin

Occupation Specific Salaries (3rd place) – MSA – Generally very competitive salaries relative to peer counties

- Most competitive in healthcare support
- Most competitive in office & admin
- Most competitive in production
- Most competitive in transportation & material moving
- Most expensive in business & financial
- 2nd most expensive in computers & mathematical

Education (2nd place) –MSA– Existing educational performance suited to current economy, but

Advantage	Disadvantage
limited for adaptation	
<ul style="list-style-type: none"> • Lowest % without H.S. diploma • Highest % with at least H.S. diploma • Highest % with some college • Outperforms the 3 counties from DE & MD on the peninsula on nearly all ed. measures 	<ul style="list-style-type: none"> • 2nd lowest % with advanced degree
Transportation and Market Access (6th place) –County– Hard to reach from major population centers	
	<ul style="list-style-type: none"> • Lowest population & household density within 4 hours • No interstate highway
Tax Regime (1st place) – State – Tied with Delaware, excels in more categories	
<ul style="list-style-type: none"> • 1st overall • Best tax climate • Lowest corporate income tax top bracket • 2nd lowest sales tax (among 3 states) 	<ul style="list-style-type: none"> • Highest property taxes as % of income
Crime and Quality of Life (1st place) – State– Virginia has a more attractive quality of life than MD or DE	
<ul style="list-style-type: none"> • 1st place overall • Lowest violent crime rate • Lowest property crime rate • Lowest cost of living • 2nd fastest commute time 	

Population and Demographics

Population dynamics give an overall indication of a community’s “health,” or whether it is growing at a sustainable pace. Negative growth can indicate a failing economy or an obsolete community. Explosive growth can be a warning sign for strain on infrastructure or on community finances. This analysis, which typically examines growth of working age population over a specified time period, typically favors young or newer communities.

	Northampton County, VA	Accomack County, VA	Isle of Wight County, VA	Chesterfield County, VA	Worcester County, MD	Harford County, MD	Sussex County, DE	Kent County, DE
% Population Growth 2012-2017	-0.5%	-2.5%	2.9%	6.2%	1.4%	2.3%	10.0%	8.0%
% Population 15-65 Growth 2012-2017	-4.2%	-5.9%	-0.2%	3.7%	-2.6%	-0.3%	6.2%	5.1%

	Northampton County, VA	Accomack County, VA	Isle of Wight County, VA	Chesterfield County, VA	Worcester County, MD	Harford County, MD	Sussex County, DE	Kent County, DE
Subscore	7	7	4	3	6	5	1	1

Sussex and Kent Counties in Delaware, which have been growing rapidly in the past decade, tied for first overall on population statistics. Sussex, the southernmost county in Delaware, had the strongest projected growth in both overall population and working age population. The state’s middle county, Kent, trailed just behind. Northampton County, VA ranked last overall, along with neighboring Accomack County, VA, due to projected declines in both the overall and working-age populations. Accomack’s projected decline is slightly more severe than Northampton’s. Next-door Worcester County, MD, just south of Sussex, ranked next to last in the set.

Population and Demographic Sources

- ESRI Business Analyst Online (BAO) by MSA – Custom Reports

Household Statistics

Household statistics indicate community involvement, residential health, income information as well as disposable income. Communities with a high number of owner occupied units are more likely to have involved and supportive residents and families. Those with low owner occupied units are more likely to house an apathetic population. Those with low vacancy rates show a healthy community while those with large vacancy rates show the community is struggling. Median home value, median household income, and median disposable income all indicate the affordability of the area and touch on quality of life.

	Northampton County, VA	Accomack County, VA	Isle of Wight County, VA	Chesterfield County, VA	Worcester County, MD	Harford County, MD	Sussex County, DE	Kent County, DE
Total Owner Occupied Housing Units 2010	48.66%	47.44%	75.01%	73.11%	30.02%	75.17%	50.68%	65.88%
Total Renter Occupied Housing Units 2010	24.24%	18.26%	18.74%	21.28%	9.85%	19.24%	13.83%	26.37%
Total Vacant Housing Units 2010	27.09%	34.30%	6.25%	5.61%	60.13%	5.58%	35.49%	7.74%
Median Home Value 2012	\$133,345	\$122,788	\$249,628	\$212,636	\$209,853	\$266,079	\$220,569	\$191,062
Median Household Income 2012	\$36,177	\$41,150	\$59,499	\$68,168	\$53,713	\$75,605	\$49,520	\$51,449
Median Disposable Income 2012	\$29,804	\$35,076	\$49,715	\$53,943	\$42,895	\$56,054	\$40,006	\$41,682

	Northampton County, VA	Accomack County, VA	Isle of Wight County, VA	Chesterfield County, VA	Worcester County, MD	Harford County, MD	Sussex County, DE	Kent County, DE
Subscore	8	7	3	2	6	1	4	4

Northampton County, VA ranked last overall on housing statistics, with the lowest median household income, lowest median disposable income, second lowest median home value (behind Accomack County, VA), and the second highest renter-occupied rate (behind Kent County, DE) in the set. Nearly a quarter of Northampton housing units are renter-occupied, while less than half are owner-occupied. Northampton fared somewhat to substantially better on housing vacancy (4th) than 3 other Delmarva counties in the set. Neighboring Accomack ranked second to last on housing, with very similar problems as Northampton faces: second lowest homeownership, 3rd highest vacancy rate, lowest median home value, second lowest household and disposable income. Harford County, MD ranked first on housing, with the highest homeownership rate, the lowest housing vacancy rate, the highest median home value, the highest median household income, and the highest median disposable income.

Household Statistics Source

- ESRI Business Analyst Online (BAO) by MSA – Custom Reports

Labor Force and Availability

Given as a measure of Civilian Labor Force growth and an area’s unemployment dynamics, this section measures the very general strength of the workforce as a whole, without regard for specific skills. Areas with moderate unemployment and stable labor force growth perform well.

	Northampton County, VA	Accomack County, VA	Isle of Wight County, VA	Chesterfield County, VA	Worcester County, MD	Harford County, MD	Sussex County, DE	Kent County, DE
%Growth in Labor Force 2007-2012	5.78%	-1.79%	-1.79%	0.97%	7.14%	4.00%	5.13%	-1.64%
Unemployment Rate 2007	4.1%	4.1%	2.9%	2.6%	5.8%	3.3%	3.4%	3.4%
Unemployment Rate 2012	8.8%	6.8%	6.0%	5.9%	11.6%	7.0%	7.1%	7.4%
Change in Unemployment Rate	4.7%	2.7%	3.1%	3.3%	5.8%	3.7%	3.7%	4.0%
Subscore	6	5	3	1	8	1	3	7

Chesterfield County, VA ranks first overall on labor force statistics (along with Harford County, MD), having weathered the recession with a minimal unemployment increase from a very low starting point, despite having very little labor force growth. Harford had much stronger labor force growth, and only slightly more unemployment growth and absolute numbers. Isle of Wight County, VA, which tied for 3rd (with Sussex County, DE), performed very similarly to Chesterfield and Harford counties, apart from

tying with Accomack County, VA for biggest labor force shrinkage. Northampton County, VA ranked 6th overall on labor statistics, due to its second worst unemployment rate growth and rates in both 2007 and 2012, but it did have the second strongest labor force growth during the same period (in contrast with neighboring Accomack's workforce exodus). Worcester County, MD had the strongest labor force growth but finished last overall, because that merely compounded an existing unemployment problem.

Labor Force and Availability Sources

- <http://data.bls.gov/cgi-bin/dsrv?la> - Bureau of Labor Force Statistics Local Area Unemployment Statistics Customized Labor Force and Unemployment Statistics (not seasonally adjusted)

Industry Specific Employment

This section contains information on the availability of workers within selected industries. Employment in Utilities, Construction, Manufacturing, Finance, Services, and Professional/Technical/Scientific functions are analyzed as a percentage of overall employment indentifying critical masses of industry partners and workforce. These are selected as they provide an indicator of the presence of basic skills and networks that may be useful across a broad array of new industry and use types.

Industry specific employment is very useful to identify a community's strengths and distribution of workers. While the industry specific employment section was included in the reverse screening model, it is not ranked as it would be in a site selection screening model. The color coding below is indicating strength and weakness of the industry employment rather than positive and negative numbers.

Ind. as a % of Total Employment	Northampton County, VA	Accomack County, VA	Isle of Wight County, VA	Chesterfield County, VA	Worcester County, MD	Harford County, MD	Sussex County, DE	Kent County, DE
Manufacturing	1.80%	1.80%	1.80%	1.70%	0.60%	1.90%	1.10%	1.10%
Wholesale Trade	9.80%	9.80%	9.80%	7.00%	8.10%	9.80%	11.20%	11.20%
Retail Trade	10.00%	10.00%	10.00%	9.70%	9.60%	7.70%	8.50%	8.50%
Information	3.90%	3.90%	3.90%	4.90%	4.40%	4.60%	5.50%	5.50%
Finance/Insurance/Real Estate	12.10%	12.10%	12.10%	11.60%	9.00%	11.10%	15.30%	15.30%
Service Industries	57.70%	57.70%	57.70%	59.30%	61.00%	63.10%	58.80%	58.80%
Subscore	0	0	0	0	0	0	0	0

All counties in the set have fairly similar breakdowns on industry representation by employment. Service industry jobs overwhelmingly dominate the set, followed by finance/insurance/real estate, and then retail, and wholesale trade. Harford County, MD had the highest manufacturing proportion.

Northampton County, VA tied for second on industrial jobs, along with Accomack County, VA and Isle of Wight County, VA, but all were quite low. Wholesale trade jobs were most present in Sussex and Kent Counties in Delaware. Northampton tied for second with Accomack, Isle of Wight, and Harford, with nearly 1 in 10 jobs coming from wholesale trade. Retail made up a full 10% of the jobs (the greatest

share in the set) in Northampton, Accomack, and Isle of Wight, with Chesterfield County, VA coming in next. Sussex and Kent performed best on information industry jobs. Northampton, Accomack, and Isle of Wight came in last, with less than 4% of employment in information. Sussex and Kent also performed best in finance/insurance/real estate (the first two being specialties of Delaware and the third likely in response to the population influx in the lower counties of Delaware). Northampton, Accomack, and Isle of Wight were second in the category. Worcester County, MD was the worst in finance/insurance/real estate. Northampton, Accomack, and Isle of Wight counties ranked last on service jobs, but all three counties remained close to the other figures in the set, which topped out above 63% in Harford.

Industry Specific Employment Sources

- <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml> - CP03 Selected economic characteristics 2012 American Survey 1-Year estimates

Occupation Specific Employment

In addition to understanding industry trends, the modern economy still requires workers with specific talents regardless of the company employing them. This category examines the availability of some in-demand skills, such as Business and Financial Operations, Computer & Mathematical, Healthcare Support Functions, and Production skills. As with the statements for industry employment, the availability of these broad occupation types is indicative of the strength of the local skills base for a variety of uses.

Occupation specific employment is useful to identify a community’s strengths and distribution of workers. While the occupation specific employment section was included in the reverse screening model, it is not ranked as it would be in a site selection screening model.

	Northampton County, VA	Accomack County, VA	Isle of Wight County, VA	Chesterfield County, VA	Worcester County, MD	Harford County, MD	Sussex County, DE	Kent County, DE
Business and Financial Operations	48.16	48.16	55.58	69.06	30.70	66.85	20.74	38.84
Computer & Mathematical	58.34	58.34	29.70	33.76	10.58	43.19	6.73	14.23
Healthcare Support Functions	29.02	29.02	27.80	25.90	29.77	28.41	35.18	43.39
Office and Administrative	136.13	136.13	154.60	168.87	157.99	162.97	136.82	156.04
Production	75.46	75.46	50.10	46.72	58.06	33.23	108.95	45.54
Transportation and Material Moving	65.92	65.92	63.42	62.27	58.98	57.62	68.24	74.65
Subscore	0	0	0	0	0	0	0	0

Chesterfield County, VA has the highest concentration of business and financial jobs. Sussex County, DE has the lowest. Northampton County, VA performed in the middle. In computer & mathematical jobs, Northampton tied for first with neighboring Accomack County, VA. Harford County, MD had the second highest concentration in computers. Sussex had the lowest. Kent County, DE had the highest

concentration of healthcare support function jobs, while Sussex had the second highest. Chesterfield had the lowest, followed by Isle of Wight County, VA. Northampton scored toward the lower end in healthcare jobs. Northampton and Accomack had the lowest concentrations of office and administrative jobs, while Chesterfield had the highest. Sussex had the highest concentration of production jobs, while Northampton and Accomack had the second highest. Harford had the lowest. Kent had the highest concentration of transportation and material moving jobs, while Harford had the lowest. Northampton scored in the middle on transportation jobs.

Occupation Specific Employment Sources

- <http://stats.bls.gov/oes/current/oesrcma.htm> Occupation and Employment Statistics May 2012 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates

Occupation Specific Salaries (Annual)

Salaries and benefits often make up companies' largest or second largest cost category overall. Hence, costs for specific occupations in each community show the relative cost of doing business for the assembled entity.

	Northampton County, VA	Accomack County, VA	Isle of Wight County, VA	Chesterfield County, VA	Worcester County, MD	Harford County, MD	Sussex County, DE	Kent County, DE
Business and Financial Operations	\$76,410	\$76,410	\$68,570	\$69,970	\$58,850	\$75,220	\$60,980	\$61,050
Computer & Mathematical	\$92,240	\$92,240	\$76,070	\$79,610	\$67,410	\$93,060	\$71,740	\$65,470
Healthcare Support Functions	\$24,000	\$24,000	\$26,410	\$27,870	\$27,490	\$30,410	\$28,620	\$27,200
Office and Administrative	\$30,350	\$30,350	\$33,240	\$34,970	\$32,560	\$37,640	\$31,790	\$32,490
Production	\$25,420	\$25,420	\$37,670	\$36,120	\$31,360	\$37,190	\$28,530	\$34,750
Transportation and Material Moving	\$27,650	\$27,650	\$33,850	\$32,190	\$29,910	\$35,850	\$30,170	\$32,770
Subscore	3	3	6	7	2	8	1	5

Sussex County, DE is the most competitive overall on occupation-specific salaries, with the lowest prevailing salaries in business and financial, and the second-lowest salaries in office and administrative, production, and transportation and material moving. Neighboring Worcester County, MD scored second with fairly competitive figures in most categories and the second lowest in computers & mathematical.

Northampton & Accomack Counties, VA tied for third on salaries, with the most competitive salaries in healthcare support functions, office and admin, production, and transportation and material moving. They fall short on computer & mathematical (second highest salaries) and business and financial (highest salaries). Thus, moving southward on the peninsula, from Sussex to Worcester to Accomack and Northampton, there is a fairly direct progression of rising salaries by occupation, but they are all much cheaper overall than the counties closer to Baltimore/Washington.

Occupation Specific Salaries (Annual) Sources

- <http://stats.bls.gov/oes/current/oessrcma.htm> - Occupation and Employment Statistics May 2012 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates

Education

The education levels of a community’s population (from high school to professional school graduates) indicated both the capabilities of the workforce and can also be an indication of the regional school system as a quality-of-life measurement. An educated workforce can also help attract talented people to relocate to the region. Due to changes in available data, education statistics are only available at the MSA level.

As a % of Population 25+	Northampton County, VA	Accomack County, VA	Isle of Wight County, VA	Chesterfield County, VA	Worcester County, MD	Harford County, MD	Sussex County, DE	Kent County, DE
Population less than High School Diploma	10.14%	10.14%	10.14%	12.69%	15.18%	10.65%	14.18%	14.18%
Population at least High School Graduate	89.86%	89.86%	89.86%	87.31%	84.82%	89.35%	85.82%	85.82%
Population (at least) Some College	64.10%	64.10%	64.10%	60.50%	52.26%	62.56%	52.30%	52.30%
Population (at least) Associates Degree	38.03%	38.03%	38.03%	39.54%	31.10%	42.82%	31.43%	31.43%
Population (at least) Bachelors Degree	28.84%	28.84%	28.84%	32.59%	25.35%	36.36%	22.33%	22.33%
Population Graduate/Professional	10.53%	10.53%	10.53%	12.20%	11.24%	15.82%	7.95%	7.95%
Subscore	2	2	2	5	6	1	7	7

Northampton County, VA ranked second best overall on education statistics, tying Accomack and Isle of Wight Counties, VA for highest population with at least some college, highest prevalence of high school graduates, and lowest share of the population without a high school diploma. The three counties also score third on population with an associate’s degree and population with a bachelor’s degree. Northampton and the other two fell short, however, on population share with an advanced degree. Harford County, MD’s strength in this category, as well as bachelors and associates degree prevalence and similarly competitive figures on high school performance, put that county in first overall. Northampton and Accomack performed substantially better overall on education than Delmarva Peninsula neighbors Worcester County, MD and Sussex and Kent Counties, DE. Those three took the last two spots and fared poorly in nearly all categories.

Education Sources

- <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml> - CP03 Selected economic characteristics 2012 American Survey 1-Year estimates