

Chapter IX:

ECONOMIC DEVELOPMENT

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Introduction

This chapter provides an update of the 1999 Comprehensive Plan's vision for maintaining and enhancing the economic vitality of the Town. With an emphasis on promoting diversity of its economic base, the 2008 Plan's purpose is to establish a renewed focus on the policies and strategies that the 1999 Plan had established for both new development and redevelopment within the Town. It is recognized that the 1999 Plan created the first contemporary, commonly-held vision for economic development in the Town. In this regard, the prior planning effort marked Smithfield's initial attempt to fully integrate economic development planning with the balance of its comprehensive planning objectives. Since 1999, the Town has made excellent progress in this pursuit.

The 1999 Plan recognized that maintaining a healthy local economy is essential to all other aspects of the community. Economic policy was embraced as the "umbrella" under which the ultimate future land use program for Smithfield should be structured. This set the course for the Plan's recommendations for a proactive "leadership" role, as opposed to "reactionary" role, for Town officials. The 2008 Comprehensive Plan is an attempt to further advance and enhance this effort to best respond to the challenges of a new century.

The findings and recommendations of this chapter are supported by detailed economic and demographic analyses of the Town and region, with the findings of this research summarized in Chapters III, IV and V of the 2008 Smithfield Comprehensive Plan document. This updated analysis has guided the establishment and refinement of the major and minor economic development goals contained in the 1999 Comprehensive Plan. In addition to the specific goals, six major policy categories offer an updated focus on the desired vision, guidance and initiatives for economic development at the beginning of the 21st century. Finally, a strategy for implementation is emphasized which supports an expanded focus on an office for economic development in the Town which would be committed to implementing the pro-active initiatives of this Plan.

Basis for Economic Development Planning

Virginia enabling statutes provide local governments with the legal framework for economic development planning, and the legislation sets reasonably broad powers for the locality to develop plans and establish policies for economic development. As stated by the statutes:

“The comprehensive plan shall be made with the purpose of guiding and accomplishing a coordinated, adjusted and harmonious development of the territory which will, in accordance with present and probable future needs and resources, best promote the health, safety, morals, order, convenience, prosperity and general welfare of the inhabitants.”

The Important Questions

Economic development planning is *“a process intended to create wealth by mobilizing human, physical, natural and capital resources to produce marketable goods and services”*. The real challenge for the 2008 Comprehensive Plan is to answer the following difficult questions:

“How do we do this in the 21st Century with dwindling resources, limited geographical area, and strong regional competition? At the same time, how do we do this without compromising the Plan’s goals for the environment, the waterfront, its historic and cultural resources, and transportation facilities in the Town?”

The Town desires to extend and expand its economic base in a manner consistent with community values. In moving this process forward in the 2008 Comprehensive Plan Update, the Town leadership seeks to expand on the foundation established by the 1999 Plan and to refine Smithfield’s vision for economic growth. This leads to another subset of questions, and the answers to these questions will be fundamental to the Town’s continuing success:

1. *What is the most appropriate level of economic growth and business diversity in Smithfield for 2008-2018 period?*
2. *How much additional land should be reserved within the Town by the Future Land Use Plan for economic development?*
3. *How much land, in addition to that which is contained within the current Town boundaries, is needed to support the area’s “fair share” of regional and state-wide economic expansion?*
4. *To what extent should Town leadership be involved in leading and stimulating economic development?*
5. *How can the Town best attract a larger tourism market through continued downtown revitalization and new waterfront development efforts?*
6. *What is the optimal balance between tourism and conventional industrial enterprise in the Town?*
7. *What efforts must be taken if the Town expects to capture future regional retail and commercial markets?*
8. *How can the Town better organize new and existing industrial land uses for the betterment of the overall community?*
9. *What should the Town’s role be in the redevelopment and revitalization of underdeveloped areas?*

10. *To what level should the Town be involved in the expansion (and possible relocation) of local housing opportunities for the Town's employment sector?*
11. *How can the Town achieve proper balance amongst the often competing goals and policies for the environment, preservation, housing and the economy?*
12. *At what pace should the Town pursue a course of annexation to expand its economic development capacity and to improve its economic position within the region?*

Elements of the Economic Development Plan

In the development of this chapter and supporting chapter of the Comprehensive Plan, the following elements have been considered and incorporated into the economic development strategy for Smithfield:

- *identification of general economic development goals and objectives to guide the growth management process;*
- *economic inventories of existing commerce and employment sectors, with projection of future economic growth;*
- *definition of appropriate economic development land use categories (corridor commercial, waterfront, downtown, residential/office transitional, light industry and heavy industry);*
- *establishment of appropriate economic development densities and intensities for each of the land use categories;*
- *establishment of guidelines for the appropriate mix and geographical locations for economic development uses;*
- *recommendations for transportation and urban infrastructure plans which respond to economic development goals;*
- *recommendations for specific policies, action plans and initiatives related to future economic development activities within the Town;*
- *recommendations for land use initiatives, administrative mechanisms, fiscal programs; and*
- *implementation techniques for managing economic growth.*

Framework for Economic Development Planning

The 2008 Plan attempts to revisit and re-energize the 1999 Plan's approach to economic development within the broader context of its community-wide adopted goals and objectives. This approach involves a heightened awareness of the individual needs of private enterprise as well as the acknowledgement that local government can (and should) play a positive and proactive role in stimulating both the creation and the retention of local enterprise. Thus, the recommended approach presumes that the Town should assume a broader role in the conventional economic development process.

Fundamental to this expanded involvement is the recognition of certain marketplace realities, many of which are carried over from the 1999 Plan. They include:

- *the Town's predominantly single-industry employment sector has evolved from the decision made several decades ago to locate Smithfield Foods in the Town;*
- *the Town has limited economic diversity when viewed by conventional measures, with a disproportionate reliance on its one major industrial employer which has taken on a higher national profile with respect to facility locations and acquisitions;*
- *the Town enjoys a generally stable economic health tied directly to the business cycles impacting the meat processing industry. However, the business model for meat processing is expanding from a regional to a national (and international) focus.*
- *the Town's gross tax base is modest compared to its more urban neighbors in Hampton Roads;*
- *regional and state economic development marketing entities have not marketed the Town as a prime location for substantial industrial enterprises or expanded tourism;*
- *the Town has a limited number of prime sites suitable for substantial conventional industrial development and employment growth;*
- *the Town does not have a competitive advantage in community and regional-level retail shopping and in the absence of the entry of more niche-based shopping opportunities, will continue to lose its regional market share as residential sprawl continues throughout Isle of Wight County and other nearby counties;*
- *citizen attitudes are sensitive to the impacts of altering the prevailing community character and natural environment;*
- *low-paying manufacturing and retail jobs in the Town and region have created wage stagnation relative to the region which detracts from the Town's overall strengths;*

- *the Town has not optimized its “tourism” potentials within the regional marketplace to support the significant efforts made to revitalize the Downtown;*
- *the Town has not optimized the use of its ample water resources and attractive waterfront land areas which hold high potential for tourism-based enterprise; and*
- *the Town does not have sufficient land area within its corporate limits to provide the element of location choice and diversity in order to capture major industries.*

As detailed in **Chapter IV, Economy**, Smithfield’s economic base is and will likely continue to be dominated by the food processing trade sector, with an overwhelming emphasis on existing Smithfield Foods employment and related enterprises. The retail, industrial, service and government sectors account for nine out of every 10 jobs within Isle of Wight and Smithfield. Manufacturing constitutes 59% of the County’s job base. During the decade of the Nineties, retail trade has realized a modest three percent increase while the manufacturing has increased by over thirty percent. The service economy makes up approximately ten percent of today’s employment base in the area. However, this represents a 30.1% increase in employment levels of the past six years. The government employment sector (including local, state and federal offices) creates one out of every ten jobs, but has witnessed a 28.4% increase in the 1990’s. Overall employment levels in the County actually increased 23.8% during the 1990-2000 period.

Goals and Objectives for Economic Development

The economic development goals for the 1999 Comprehensive Plan Update place a priority on the continued enhancement of the Town’s existing industrial base while placing a major focus on the promotion and development of new economic opportunities designed to take advantage of the Town’s water resources in order to promote regional tourism. In expanding on the Plan’s adopted Economic Development goals and objectives, the following statements represent the Town leadership’s “vision” for economic growth in Smithfield:

Primary Goal for Economic Development

Expand the Town’s existing economic base by exploring opportunities for economic development diversification in the areas of tourism and active recreation, as well as retail commerce and industry in order to strengthen the existing economy and generate additional revenue and employment opportunities.

Planning Objectives and Policies:

- *Encourage new commercial retail and service development in appropriate areas in order to promote and expand the diversification of the Town's consumer-oriented economic base.*
- *Identify areas suitable for new economic development or the expansion of existing local operations, with an emphasis on long-term planning opportunities for light industrial facilities.*
- *Work with existing businesses and property owners to ensure the continued viability of the Town's existing commercial areas.*
- *Identify areas suitable for redevelopment, particularly along South Church Street and develop specific strategies on a site-by-site basis to encourage such redevelopment.*
- *Identify business linkage opportunities within the existing marketplace, and actively promote Smithfield as an ideal location for the future location of firms and industries that could properly take advantage of these opportunities.*
- *Encourage adaptive re-use within the Town's downtown areas, emphasizing architectural quality and compatibility.*
- *Identify sectors within the local retail marketplace in which local spending is "leaking" to surrounding localities, and actively promote the development of new and specialty retailers to take advantage of market niche opportunities.*
- *Conduct feasibility studies to determine the appropriateness of future annexation as a means of increasing the Town's tax base and limited geographical area remaining for economic development.*
- *Create and budget for a position on the Town Staff devoted entirely to a person to lead economic development, including the active promotion of tourism, recruitment of industry, management of events and volunteerism, strengthening the downtown merchant organization, pursuing grants, and carrying out the initiatives of the Town Manager and Town Council.*
- *Initiate a feasibility and master plan study of the Windsor Castle property for potential future use as a tourism destination, town park, and recreational activity center. Various land use options should be considered within the context of the suitability of the property as a location to serve potential income-generating local and regional demands for expanded parks and recreation uses.*

Economic Development Policies and Initiatives

In response to the goals listed above, a broad range of strategic planning opportunities and implementation policies were evaluated during the Comprehensive Plan Update. These policies explore different perspectives and options for the Town's leadership and expanded involvement in economic development. State and regional coordination is deemed an essential factor in establishing economic policy, as was close cooperation with public and private entities associated with local and regional tourism, industry and other forms of business recruitment.

The following six policy categories explore a range of *recommended activities and initiatives* that are to be employed by the Town in constructing its expanded economic development program to be embraced by the 2006 Comprehensive Plan:

Policy 1:

Promote recognition and the active retention of existing businesses in Smithfield, with an emphasis on assisting small businesses and creating expanded employment opportunities.

Recommended Activities and Initiatives

- 1.1 Promote new and expanded retail and related business development in the Downtown and waterfront areas of the Town.
- 1.2 Support the redevelopment of underdeveloped properties in the Redevelopment Areas identified in the Land Use Plan. Wherever feasible, undersized lots should be consolidated to allow sufficient acreage for the expansion of existing businesses or the entry of new enterprises into the area that respect the adjacent land uses and meet the goals and objectives established in this Plan with respect to Economic Development.
- 1.3 Coordinate with the Chamber of Commerce, the downtown merchants' association, and other groups in establishing strategies for the retention, expansion and coordination of activities of existing businesses in the Town.
- 1.4 Work with the Chamber of Commerce and other groups in establishing public awareness and awards programs to recognize small businesses within the Town for "excellence" in such topical areas as marketing, business appearance, customer satisfaction, redevelopment and revitalization efforts, signage improvements and advertising.
- 1.5 Continue liaison and coordination with Smithfield Foods, Incorporated to assess direction and impact on the Town of its future industrial growth opportunities.

- 1.6 Establish an Office of Economic Development within the Town to serve, coordinate, promote, and facilitate efforts and programs to support local business.

Policy 2.

Encourage economic development while creating growth management incentives which increase the attractiveness of the Town for new enterprise and which protect the Town's cultural identity, historic character, natural resources and waterfront environment.

Recommended Activities and Initiatives

- 2.1 Utilize the Future Land Use Map of the Comprehensive Plan to promote economic development activities within the Town.
- 2.2 Rezone prime economic development properties identified by the Comprehensive Plan as having the best development potential in the near planning term in order to have adequate inventory of marketable economic development properties.
- 2.3 Establish land use standards and design guidelines for economic development activities which respect the goals for community character and environmental preservation.
- 2.4 Prepare a natural resources master plan and develop an environmental protection program for the Town's sensitive environmental areas.
- 2.5 Implement a comprehensive study of the Town's potential to annex surrounding land to facilitate the above initiatives.
- 2.6 Establish an Office of Economic Development within the Town to serve, coordinate, promote, and facilitate efforts and programs to attract appropriate enterprise.

Policy 3:

Develop tourism as a major, but appropriately balanced, economic development orientation by pursuing programs and initiatives which emphasize continued downtown revitalization, active and passive recreation facilities, and waterfront enterprise development.

Recommended Activities and Initiatives

- 3.1 Direct and support activities in establishing specific strategies and plans for marketing and public relations for future tourism and waterfront development.

- 3.2 Direct and support the State and region promotional efforts and long-range plans initiated to maintain and expand its entertainment, cultural, educational and lodging opportunities.
- 3.3 Promote the Smithfield Center as a regional conference center. Work closely with Smithfield Foods to coordinate conferencing and community promotional activities around its corporate priorities.
- 3.4 Expand the existing lodging presence in Smithfield in order to provide the hotel or motel facilities needed to support the Town expanding tourism and conference activities.
- 3.5 Work with local enterprise, institutions and community groups to define ways to promote entertainment opportunities which are attractive to both citizens and tourists, and to cultivate local “special events” for such activities as festivals, water resource activities, golfing events, arts/crafts shows and other revenue-generating events.
- 3.6 Explore the feasibility of acquiring a suitable waterfront site that would support a public marina offering additional public access to the Pagan River, a much needed asset in the community.
- 3.7 Support a cooperative and creative approach to the development of a waterfront environmental education center in the Smithfield area.
- 3.8 Update the Town’s Waterfront Master Plan. Establish new priorities for waterfront development projects and activities.
- 3.9 Encourage the development of eco-tourism enterprises in the Town, particularly within the Windsor Castle Master Plan. These enterprises could include activities such as kayaking, canoeing, rowing and equestrian tours. Eco-tourism serves as a “clean industry” that would celebrate and promote the preservation of the area’s abundant natural resources, most notably the Pagan River and Cypress Creek.
- 3.10 Encourage the development of heritage-based industries in Smithfield that would attract regional tourists to visit and learn more about the abundant historic and cultural resources preserved in Smithfield.
- 3.11 The Town should develop a plan for the development of appropriate educational markers to be placed in front of participating historic structures and at other key locations within the Town.
- 3.12 Establish an Office of Economic Development within the Town to serve, coordinate, promote, and facilitate efforts and programs outlined herein above.

Policy 4.

Continue to promote the concept of a “new tourism economy” for Smithfield while creating a balanced economy within the resident marketplace. This effort would identify, target and recruit appropriate new businesses and attractions to the Town.

Recommended Activities and Initiatives

- 4.1 Promote the Town as an attractive location for an appropriate balance between tourism-related businesses and conventional employment.
- 4.2 Prepare an economic development strategy and marketing program which emphasizes the strengths of the Town’s economic development climate and identifies opportunities (land, labor, governance, education, taxation, etc.) for new business, emphasizing tourism.
- 4.3 Construct a public relations effort for economic development and increase level of liaison and program activities between the Town and the State’s Director of Economic Development.
- 4.4 Work with the State officials and politicians to target and recruit individual businesses within tourism, conventional industrial enterprise and compatible economic development sectors.
- 4.5 Expand relationship with the community college system for education awareness programs which complement training needs of the local business community.
- 4.6 Promote the development of technology-based curriculum opportunities in the local public primary and secondary schools, as well as in the community college system.
- 4.7 Increase level of liaison and program activities with Isle of Wight and other regional counties’ economic development staffs and Industrial Development Authority’s (IDAs).
- 4.8 Explore the potential to lure technology-based industry into Smithfield, focusing upon small, high-tech start-up firms that would not require a great deal of land initially, but would have a strong potential to expand in the coming years.
- 4.9 Assess opportunities for annexation to obtain adequate land areas for future economic development.

- 4.10 Create, empower, and energize (through coordinated Town support and staffing) an expanded Downtown Property Owners and Merchants Association.
- 4.11 Establish an Office of Economic Development within the Town to support the Council and Town Manager's efforts to coordinate, promote, and facilitate the strategies and initiatives cited herein above.

Policy 5.

Develop specific projects designed for inclusion in the Town's Capital Improvements Plan (CIP) to support existing and future economic development activities.

Recommended Activities and Initiatives

- 5.1 Establish infrastructure initiatives and CIP project funding priorities which anticipate and support private sector requirements for commercial and industrial enterprise.
- 5.2 Coordinate with VDOT in establishing priorities for major transportation improvements in planning areas and corridors targeted for commercial and industrial enterprise.
- 5.3 Seek State and Federal program assistance in planning and funding infrastructure for economic development.
- 5.4 Begin a pre-annexation study process, to be initially implemented by the Planning Commission in conjunction with the update of the 2006 Comprehensive Plan.
- 5.5 Establish an Office of Economic Development within the Town to support the Council's and City Manager's capital improvements planning and programming efforts.

Policy 6:

Provide public support and staffing, fiscal benefits, and other economic incentives in order to attract new, high quality development which is consistent with the Town's emerging economic development goals.

Recommended Activities and Initiatives

- 6.1 Maintain a favorable real estate and personal property taxation policy relative to other jurisdictions competing for new high quality, economic development such as corporate headquarters, R&D facilities, firms specializing in technology advances and software development and light manufacturing industry.

- 6.2 Maintain competitive utility rates and charges for water and sewer availability and connections for economic enterprise.
- 6.3 Establish a pro-active position regarding land acquisition of key economic development properties with prime development potentials. Participate in real estate acquisition opportunities, when feasible, and provide for the land banking of key properties for new high quality development.
- 6.4 On a case-by-case basis, participate in the shared-cost of providing public infrastructure and transportation improvements for selected high quality development.

Implementation

As cited within each of the policy statements, the effective implementation of these six policies affirms the need for a central administrative functionary within Town government to carry out the pro-active tasks imposed by the expanded economic development responsibilities adopted into this Plan. A highly visible and more clearly defined office supporting tourism and economic development should coordinate private sector inquiries for new and expanded business, undertake pro-active measures to cultivate and retain existing enterprise, coordinate with Chamber of Commerce public relations activities, serve as a clearinghouse for governmental and educational programs, and assist Town officials and other agencies in land use planning and capital facilities programming for economic development.

This new focal point for economic development could be organized in one of several ways. It could be enabled in one of three commonly employed ways: (1) as a function of the Town Manager's Office; (2) as a separate Economic Development Office, or (3) as an Economic Development Authority. The first two options are the most feasible at this time for Smithfield. The Council should authorize the Town Manager to hire a new Town staff member who would focus his or her attention solely on implementing the goals and policies identified for the office. This person would be directly accountable to the Town Manager and the Town Council. However, regardless of the organizational alternative that is ultimately chosen, the Town should ensure that the office has access to the proper resources (both human and financial capital) to effectively carry out its role as the proactive focal point for economic development in the Town.

Recommendation for Immediate Policy Implementation:

The Town Council shall establish a full-time position and office within the Town government supporting balanced tourism, downtown businesses, and expanded employment-based economic development.

This office would be committed to proactive implementation of the economic development goals, policies and initiatives of this Plan, and fully prepared to assist those seeking to invest in the Town for both new development and redevelopment.

Initiatives for Implementation

- Support an Office for Economic Development as an administrative function of Town government, under the direction of the Town Manager.
- Coordinate and facilitate local economic development activities with State, federal and regional economic development agencies.
- Provide an annual review of the Town’s economic development activities to ensure adequacy of staffing, resources and policy effectiveness in implementing adopted economic development policies and initiatives.
- Provide a resource base for small businesses seeking information regarding SBA programs, banking and lending support, business plan development, taxation and business strategy.
- Provide coordination and direction for downtown businesses and community events in pursuit of targeted marketing of the downtown within the State and region.
- Assist in the development of strategic plans for the Town’s capital improvements program, future annexation pursuits, and project-specific support to the Town Manager.