

2017-18 ANNUAL REPORT



Dear Shenandoah Valley Partnership Investors,

The Shenandoah Valley Partnership (SVP) has experienced another year of momentum as we've launched forward, together, to rebrand our organization, renew our commitment to our mission, and distinguish our role in the future of this regional economy. **Just as the Shenandoah Valley faces constant growth and progression, as does the SVP.** Over the past 12 months, we've grown with vibrant new staff, diversified economic development prospect activity, and a refocused online presence that all contribute to our ability to better showcase the many economic assets of the Shenandoah Valley.

LETTER FROM THE EXECUTIVE DIRECTOR & CHAIRMAN

The pages that follow convey the incredible collaboration among all stakeholders over the past year to advance our core mission: to bring new business to the Valley, help existing businesses expand, and guide strategic workforce development for both new and existing businesses.

Regionally, we've benefited from the announcement of more than \$96 million in new capital investments and 305 new jobs, coming from the establishment of new business operations and the expansion of existing ones. We continue to refine our message to audiences around the world about the benefits of the Shenandoah Valley as a premier business location, and companies continue to see the positive returns on their investments here. From behind the desk, on a plane, or in the field, we are using our creative outreach marketing efforts to give site location consultants, companies, and entrepreneurs the opportunity to see all our region has to offer.

Leveraging current economic opportunity; our collective public and private marketing efforts; and a refined focus on our core mission, our region is benefiting from the **highest volume of regional economic development prospect activity we've ever experienced.** Through a shared, long-term vision, and a region-wide commitment, we are seeing measurable results from telling our story with one voice to target audiences.

Many of the localities in SVP's footprint also gained recognition for sustainable growth efforts through grant funding over the course of the year. Cities, counties, and higher education facilities up and down the Shenandoah Valley have been the recipients of Tourism, Site Development, Entrepreneurial Economies, Collaborative Communities, and Workforce Development grants. Our region's continued commitment to the development of a strong workforce can be seen in milestones like the **50th Anniversary of Blue Ridge Community College**, and the initial disbursement of talent-related GO Virginia grants. In addition, we received widespread acknowledgement for the region with *The Daily News-Record Business Journal's* listing of our Executive Director in 2017 as one of the "Top 10 under 40" business leaders in the Shenandoah Valley.

The region is fortunate to have committed public and private partners who choose to invest in our energetic and forward-thinking organization. Through your support and appreciation for the importance of our initiatives, we'll continue to encourage companies to grow their future in the Shenandoah Valley by bringing **your business** here, leveraging **our workforce** pipeline, and enjoying **this experience**.

Sincerely,

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Shenandoah Valley Partnership

Carrie H. Chenery Unr. John Downey
Executive Director Chairman

Chairman
Shenandoah Valley Partnership
Board of Directors

John a. Downey



The Shenandoah Valley Partnership is your resource to explore investing in this region and connecting with key business, government, and workforce leaders. Contact our team today to learn more about the opportunities and advantages for finding your company's future in the Shenandoah Valley.



CARRIE CHENERY
EXECUTIVE
DIRECTOR
540.568.3259
cchenery@
theshenandoahvalley.com



COURTLAND ROBINSON
DIRECTOR OF
BUSINESS DEVELOPMENT
540.568.3166
crobinson@
theshenandoahvalley.com



CARI OREBAUGH
COMMUNICATIONS
MANAGER
540.568.3106
corebaugh@
theshenandoahvalley.com



JEN WEAVER
ADMINISTRATIVE
COORDINATOR
540.568.3100
jweaver@
theshenandoahvalley.com

FY17-18 ANNOUNCEMENTS AND ECONOMIC ACTIVITY

COMPANY NAME	LOCATION	BUSINESS DESCRIPTION	NEW JOBS	INVESTMENT (MM\$)
ComSonics, Inc.	Augusta County	Manufactures electric test equipment and repairs broadband equipment	34	0.615
Provides US, Inc.*	Augusta County	Researches, develops, and produces parts for the heat exchanger industry	20	0.897
Shenandoah Valley Organics	Harrisonburg	Processes organic poultry	0	0
Old Hill Cider	Rockingham County	Produces hard cider	5	0.5
Mohawk Industries, Inc.	Rockbridge County	Manufactures and creates floor products for enhanced residential and commercial spaces	15	10
Hutchins and Hutchins	Augusta County	Assembles and distributes clean room supplies and equipment	15	0.224
TruckVault	Shenandoah County	Manufactures secure storage units and boxes for passenger trucks	60	1.5
DanoneWave	Rockingham County	Produces healthful dairy, plant-based products and coffee creamers, and beverages	49	60
Blue Sprocket Media Group	Harrisonburg	Manufactures vinyl records	6	0.75
Ariake U.S.A., Inc.*	Harrisonburg	Manufactures quality stocks, bases, and seasonings for the food industry	22	17
Packaging Corporation of America	Harrisonburg	Manufactures corrugated packaging	0	0.5
Friendship Industries, Inc.	Harrisonburg	Contract packaging and document destruction	50	3
Stable Craft Brewing	Augusta County	Craft brewery	13	0.5
Draftco	Augusta County	Machine and fabrication shop	16	0.45
		TOTAL	305	\$96MM

^{*}indicates foreign affiliation

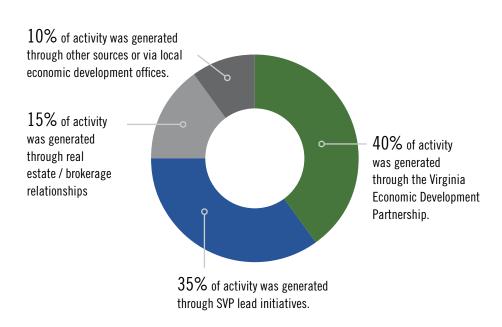
During the past year, the SVP fielded requests for information that represented a market demand of:

Excess of 10 MILLION square feet

Approximately
\$1 BILLION
in potential CAPEX

More than 5,500 JOBS

Generated leads included a diverse range of industry sectors and subsectors, ranging from precision manufacturing, IT, aerospace, plastics and packaging, and agriculture and forestry



MARKET AND ECONOMIC OVERVIEW

The Shenandoah Valley offers a readily trainable workforce and a powerful cluster of employers rooted in manufacturing, agriculture and logistics. Within a 60 minute drive of the center of the Shenandoah Valley, there's access to a labor force of 348,648 workers, including more than 47,000 veterans and over 125,000 millennials. Four out of five of Virginia's top agriculture producing counties are located here, making the Valley the number one region in the Commonwealth for total value of agricultural products sold. Food and Beverage production is at the heart of the region's manufacturing sector, employing over 16% of the Valley's labor force, more than four times that of the national average. This robust agribusiness and manufacturing fueled economy is also supported by a healthy supply chain of Production Technology & Heavy Machinery, Folding Paperboard Box Manufacturing, Refrigerated Warehousing and Storage, Plastics Products Manufacturing and more.

VALLEY QUICK FACTS

365,198 POPULATION

564,105

23,426

2.000

2016-2017 INDUSTRY JOB GROWTH



WAREHOUSING AND STORAGE **EMPLOYMENT**

& 8%



SNACK FOOD MANUFACTURING **EMPLOYMENT**

▲ 7%



TRANSPORTATION AND WARFHOUSING **EMPLOYMENT**

▲ 2.3%



CONSTRUCTION

EMPLOYMENT

▲ 1.3%



FORESTRY & LOGGING **FMPI OYMENT**

▲ 18.8%



FABRICATED METAL PRODUCT MANUFACTURING

3%



CROP PRODUCTION EMPLOYMENT

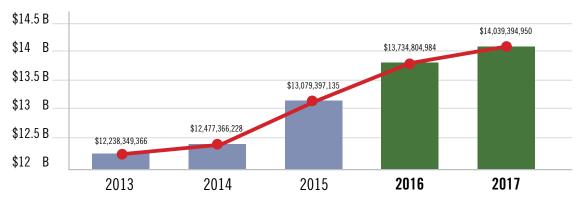
▲ 8.3%



STATE OF THE ECONOMY

In 2017, there were a total of 162,568 jobs in the Shenandoah Valley, an increase of approximately 2,000 jobs relative to 2016. As of December 2017, unemployment in the region was 3.4%, and average earnings per job were \$45.2K. As the number of jobs increased, the labor force participation rate held steady around 58%. As of January 2018, there were a total of 6,789 unemployed people in the Shenandoah Valley, the majority of whom had previous work experience in construction, manufacturing, and retail/food services.

The region's gross regional product (GRP) in 2017 was \$14 Billion. Imports in the region were \$19.7 Billion, and exports totaled \$16.6 Billion. As a share of gross domestic product (GDP) in 2017, animal production & processing, food manufacturing, beverage manufacturing, pharmaceutical medicine manufacturing, and general freight trucking were some of the largest contributors.



From 2016 to 2017, Gross Regional Product (GRP) increased by more than 2% (+\$304,589,966)

Source: Emsi data based primarily on data from the Bureau of Economic Analysis (BEA) and the Quarterly Census of Employment and Wages (QCEW) from the Bureau of Labor Statistics (BLS)

C2ER COST OF LIVING INDEX - FIRST QUARTER 2018

The Central Shenandoah Planning District Commission and Shenandoah Valley Partnership jointly fund and conduct the data survey for the Cost of Living Index for the Harrisonburg-Rockingham Metro, Staunton-Augusta-Waynesboro Metro, and the Rockbridge-Lexington-Buena Vista area.

The Council for Community and Economic Research (C2ER) produces the *Cost of Living Index* to provide a useful and accurate measure of living cost differences among urban areas. The Cost of Living Index measures relative price levels for consumer goods and services in participating areas. The average for all participating places, both metropolitan and non-metropolitan, equals 100. Each participant's index is read as a percentage of the average for all places. The index does not measure inflation, and data from different quarters cannot be compared because the number and mix of participants change quarterly.

Metro/Micro Urban Area and State	100% Composite Index	13.47% Grocery Items	28.15% Housing	9.9% Utilities	8.99% Transportation	4.5% Health Care	34.92% Misc.Goods and Services
Harrisonburg VA Metro / Harrisonburg, VA	101.4	97.6	95.9	100.0	86.7	104.9	110.9
Staunton-Waynesboro VA Metro / Staunton-Augusta Co. VA	96.1	98.9	91.1	100.9	87.9	92.6	100.3
Non-Metro US Lexington-Buena Vista-Rockbridge VA	94.4	89.1	88.0	101.0	84.9	99.8	101.4
Charlottesville VA Metro / Charlottesville VA	101.9	99.4	103.4	98.5	84.8	107.1	106.2
Richmond VA Metro / Richmond VA	95.3	87.1	87.9	96.5	94.6	113.1	102.0
Washington-Arlington-Alexandria DC-VA-MD-WV Metro Div. Alexandria VA Arlington VA	145.1 148.7	115.8 122.1	239.2 239.2	94.0 93.1	114.0 106.1	105.8 99.5	108.2 119.2

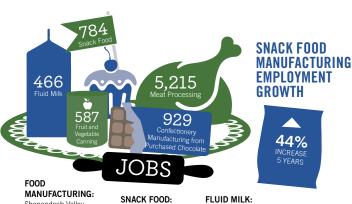
The index is compiled by C2ER - The Council for Community and Economic Research www.c2er.org

SHENANDOAH VALLEY INDUSTRY CLUSTERS



Food & Beverage

The Shenandoah Valley is home to a strong agricultural economy, burgeoning agritourism assets, and deep food and beverage manufacturing expertise.



IS EMPLOYED IN THE MANUFACTURING SECTOR **FOOD & BEVERAGE** WORKERS' AVERAGE ANNUAL WAGES

Shenandoah Valley

Employment in Food Manufacturing is more than 4x that of the national average.

Snack Food Sector Employment Projected to increase 20% over next 5 years

93% (37.5M) of all purchases made by Fluid Milk Manufacturers in the Valley are in-region



Agriculture and Forestry

The Shenandoah Valley is home to four of the top five agricultural counties in Virginia producing more than \$1.2 billion annually in commodities sold. Some of the largest clusters of agricultural-related employment in the Commonwealth are located in the Shenandoah Valley. The Valley's employment in Ag & Forestry is 50% above the national average, increasing by 46% since 2010. In 2017, total earnings in Ag & Forestry including wages, salaries, supplements and proprietor income surpassed \$208 Million. Overall, this sector contributed nearly \$350 Million to the Valley's GRP in 2017.



Plastics, **Packaging** and Printing

From industrial and personal service paper wholesalers to commercial printing, plastics product manufacturing employs over 1,200 people in the Shenandoah Valley, 107% above the national average for a region of its size.



As of 2017, primary and fabricated metal manufacturing employed over 2,000 people in the Shenandoah Valley. Industry employment in the region increased by 2.1% from 2016 to 2017.



The Shenandoah Valley is a concentrated employment center for heating, air-conditioning, and commercial refrigeration equipment manufacturing. Twenty-six percent of the state's employment in HVAC equipment manufacturing is located in the Shenandoah Valley. accounting for approximately 900 jobs.



Transportation & Warehousing

Transportation and warehousing employs over 8,000 workers in the Shenandoah Valley, 55% above the national average for a region of its size. Regional employment in this sector increased by 2.5% from 2016-2017, significantly TRUCK TO higher than the state average of 0.8%. As of December 2018, there were 380 unemployed people in this sector, 2% above the national

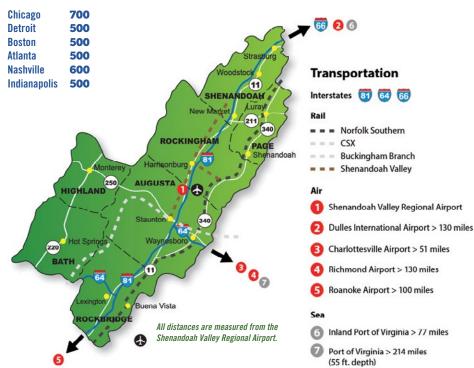
average. There are 137 miles of interstate (I-81 & I-64) in the Shenandoah Valley, offering 1-day trucking access to major markets.

By sea, the Valley has access to the Inland Port of Virginia at the northern end of our market and is 200 miles to the Port of Virginia's terminals in Norfolk. By rail, service is provided by both CSX and Norfolk Southern, as well as two locally owned providers, the Shenandoah Valley Railroad and Buckingham Branch Railroad.



Medical equipment manufacturing, hospitals, outpatient care, as well as diagnostic laboratories employ over 6,500 people in the Shenandoah Valley. The Valley's employment in the biopharmaceutical sector is 135% above the national average for a region our size.

ACCESS TO MAJOR MARKETS:





LEADERSHIP

The Board includes public officials and business leaders representing industry sector and regional diversity. The Board of Directors oversees development and implementation of regional economic development initiatives and provides a balanced approach to economic growth and stability.

PRIVATE SECTOR

Mr. Greg Campbell Executive Director, Shenandoah Valley Regional Airport

Mr. Tony Biller President & CEO, Nielsen Builders, Inc.

Mr. Scot Lilly Agribusiness/Farm Credit Express Specialist, Farm Credit of the Virginias

Mr. Emmett Toms Manager, External Affairs, Dominion Virginia Power

Mr. Keith May Owner, Cottonwood Commercial Realty

Mr. Greg Godsey Senior Vice President, Commercial Market Executive, Union Bank & Trust

Dr. John Downey President, Blue Ridge Community College

Mr. Chip Harvill Vice President, Cadence

Mr. Chris Kyle Vice President of Industry Relations & Regulatory, Shentel

Dr. Linda Reviea Retired Superintendent, Staunton City Schools

Mr. Charles Hendricks Principal, The Gaines Group
Mr. Devon Anders President, InterChange Group, Inc.

PUBLIC SECTOR

Ms. Carolyn Bragg Board of Supervisors, County of Augusta

Mr. Noah Simon City Manager, City of Lexington

Mr. Greg Hitchin Economic Development Director, City of Waynesboro

Mr. Robin Sullenberger Board of Supervisors, County of Highland

Dr. Melissa Lubin
Dean of Outreach & Engagement, James Madison University
Mr. Casey Armstrong
Assistant County Administrator, County of Rockingham

Ms. Bonnie Riedesel Executive Director, Central Shenandoah Planning District Commission

Mr. Brian Shull Economic Development Director, City of Harrisonburg

Ms. Jenna French Director of Tourism & Economic Development, County of Shenandoah

Mr. Sam Crickenberger Director of Community Development, Rockbridge County

Mr. Eddy Hicklin Board of Supervisors, County of Bath

Ms. Rachel Moore Director of Economic Development, City of Buena Vista

Mr. Mark Stroupe Board of Supervisors, County of Page

Mr. Billy Vaughn Director of Community & Economic Development, City of Staunton

EXECUTIVE COMMITTEE

Dr. John Downey Chair Mr. Keith May Vice-Chair

Mr. Brian Shull Treasurer/Secretary

Mr. Charles Hendricks
Development Committee Chair
Dr. Linda Reviea
Education & Workforce Chair
Mr. Greg Hitchin
Marketing Committee Chair

OVERVIEW

The Shenandoah Valley Partnership (SVP) is an energetic and forward-looking non-profit organization seeking to increase economic prosperity in the Shenandoah Valley. By providing a forum for cooperation and collaboration through the Valley's counties and independent cities, private-sector businesses, and educational institutions, the SVP:

- Encourages businesses to establish operations in the Shenandoah Valley through capital investments and job creation
- Serves as an advocate for the expansion of existing business facilities
- Assists with regional workforce development efforts

UNIVERSITY-BASED ECONOMIC DEVELOPMENT

The Shenandoah Valley Partnership serves as a catalyst by utilizing JMU's resources to create mutually beneficial partnerships and advance educational opportunities.

This strategic partnership with the Department of Outreach & Engagement



ensures a direct collaboration among the university, businesses, non-profit organizations and government.



SHENANDOAH VALLEY PARTNERSHIP QUICK FACTS

12

LOCALITIE: SERVED 150

COMPANIES INVESTED 4

STAFF MEMBERS COMMITTED

3

COMMITTEES LEVERAGED

1

VALLEY EPRESENTED

OUR CASE FOR MARKETING THE REGION:

We market because...

- It's by region, not by locality, that the site selection decision-making process begins
- Individual governments can realize greater efficiencies and leverage local dollars with our partner localities

We market to

- Improve the region's local, national and international image for doing business
- Promote attractive economic policies and programs to incentivize investment
- Attract, retain and promote the expansion of industry

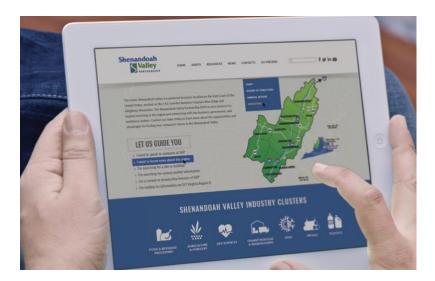
Top Site Selection Factors

- Availability of Skilled Labor
- Highway Accessibility
- Quality of Life
- Occupancy or Construction Costs
- Available Buildings
- Labor Costs
- Corporate Tax Rate
- Proximity to Major Markets
- State and Local Incentives
- Energy Availability & Costs

Current Activity:

SVP completed 17 marketing campaigns in fiscal year 2018, leveraging outreach to our key audiences. We allocate our resources to a combined strategy targeting site, tax and real estate consultants; direct company decision makers in target industries; and research mined from premier economic development software solutions. In the 6 months of calendar year 2018 alone, SVP used our collective resources to hold more than **100 one-on-one meetings** with decision makers in a **dozen different markets** around the United States.

Leveraging (1) current economic opportunity, (2) our collective public and private marketing efforts and (3) a refined focus on our core mission, our region is benefiting from the highest volume of regional economic development prospect activity we've ever experienced, and a **20% increase in activity** compared to this time last calendar year.



New Resources:

To support our business development message and enhance our online presence, SVP is launching www.theshenandoahvalley.com as the domain name for a refreshed website. This domain name includes the iconic and recognizable "Shenandoah Valley" and establishes our region as the location to find your future business location or grow your existing business.

The new website will tell #theshenandoahvalley #VABiz story to #econdev consultants across the globe of thriving existing business, available #sitesandbuildings & contagious #entrepreneurial spirit.

www.theshenandoahvalley.com



One of nine GO Virginia Regions in Virginia, Region 8 represents the Shenandoah Valley of Virginia and includes the counties of Augusta, Bath, Clarke, Frederick, Highland, Page, Rockbridge, Rockingham, Shenandoah, and Warren; and the cities of Buena Vista, Harrisonburg, Lexington, Staunton, Waynesboro, and Winchester. The Regional Council consists of 28 members and is supported by the Central Shenandoah Planning District Commission (CSPDC) and the Northern Shenandoah Valley Regional Commission (NSVRC). The Council represents small and large businesses, higher education institutions, K-12, local government, and other community leaders.



In the past year, GO Virginia Region 8 funded talent-related projects to provide infrastructure and training to fill high-wage, high-demand industries. In February, funding for the Rockbridge Area Advanced Manufacturing Program (RAAMP) was approved. RAAMP is a 40-week training program for welders at Byers Technical Institute, a new technical training center in Rockbridge County. The program is designed to meet the critical shortage of skilled welders in the region. The \$200,000 needed to implement RAAMP will include a mix of GO Virginia funds and matching public/private investments from the Rockbridge County Economic Development Authority, the City of Buena Vista, and Byers, Inc.

In June, GO Virginia Region 8 announced that funding for the public-private Cyber Security Workforce Development and Jobs Program submitted in round four of project grants to the state GO Virginia Board was approved. This \$200,000 project will allow Blue Ridge Community College (BRCC) to implement a new cybersecurity workforce development program in the Shenandoah Valley to grow high-wage, high-demand cybersecurity jobs. Full funding for this project will include a mix of GO Virginia funds and matching public/private cash and in-kind investments from the cities of Harrisonburg and Waynesboro, BRCC, and a private cyber security partner in the region, InnovateTech.

TO LEARN MORE VISIT:

- theshenandoahvalley.com/govirginia
- govirginia/org/regions/eight
- dhcd.virginia.gov/index.php/go-virginia.html

INVESTORS 2017-18

LOCALITIES

County of Augusta
County of Bath
City of Buena Vista
City of Harrisonburg
County of Highland
City of Lexington
County of Page
County of Rockbridge
County of Rockingham
County of Shenandoah
City of Staunton
City of Waynesboro

DIAMOND LEVEL INVESTORS

InterChange Group, Inc.

PLATINUM LEVEL INVESTORS

Daikin Applied
Dominion Virginia Power
Farm Credit of the Virginias
James Madison University
Nielsen Builders, Inc.
PBMares, LLP
Shentel
Union Bank & Trust

GOLD LEVEL INVESTORS

BB&T

Cottonwood Commercial Realty Froehling & Robertson, Inc. Lantz Construction Company Sentara RMH Medical Center

SILVER LEVEL INVESTORS

Andros Foods North America Adams & Garth Staffing Alliance Engineering Inc Augusta Cooperative Farm Bureau Augusta Health **Ball Advanced Aluminum Technologies Corp** Balzer and Associates Bank of America Bank of the James Blue Ridge Architects Blue Ridge Insurance Services, Inc. Blue Ridge Lumber Branch & Associates, Inc. Cadence. Inc. Cathcart Group Classic Kitchen & Bath Columbia Gas CornerStone Bank **DASCOM Americas Corporation**

Devils Backbone Brewing Company

Draper Aden Associates

DuPont Community Credit Union Dynamic Aviation **Eddie Edwards Signs Elk Logistics** F&M Bank FirstBank First Bank & Trust Company Friendship Industries Funkhouser Real Estate Group **GENEDGE** Alliance Hampton Inn & Suites Woodstock, VA Harman Construction Harrisonburg Electric Commission Howard Shockey & Sons, Inc. Kanawha Stone Company Kiellstrom+Lee LD&B Insurance and Financial Services

Lenhart Pettit Lumos Networks Massanutten Resort **Mathers Constuction McClung Companies** McKee Foods Merck & Company MillerCoors NIBCO Inc. Racey Engineering Railside Enterprises Rexnord Gear Rockingham Cooperative Farm Bureau Rockingham Group Route 11 Potato Chips Shenandoah Valley Electric

Cooperative
Shenandoah Valley Regional Airport
Skyline Roofing
Spencer Home Center
SRI International
Superior Concrete
Sunnyside Communities
SW Funk Industrial Contractors
Sysco
The Gaines Group
The Power Connection

SW Funk Industrial Contractors
Sysco
The Gaines Group
The Power Connection
Timmons Group
Triangle Realtors
Turner Long Construction
United Bank
Valley Engineering
Valley Industrial Piping
Vector Industries
Virginia Eagle Distributing
Virginia Poultry Growers Cooperative
Wells Fargo
Wharton, Aldhizer & Weaver

White's Travel Center, LLC

WHSV-TV3

BRONZE LEVEL INVESTORS

Advance Planning Associates
Appeal Production
Blue Ridge Safety Association
Bradford Staffing
Brothers Craft Brewing
Cave Hill Corporation
Chiedo Labs
Crescent Development
CrossKeys Vineyards
Cville Real Estate & Construction
Ecosystem Services LLC
ECS

Enterprise Holdings
Environmental Standards
Excel Heating and Cooling
George Pace

IntraPac
IT Decisions
Kevin Blackburn Photography
Lineage Architects
M.G. Newell
Pale Fire Brewing
Queen City Creative
Secure Futures
Shenandoah Valley Builders

Association

Shenandoah Valley Railroad Co. Shenandoah Valley Technology Council Thalhimer The Highland Center Virginia National Bank Washington Gas

INTRODUCTORY INVESTORS

Bear Creek
CHEFS Catering
CUED-In
Denbigh & Associates
Gravity Group
Rockydale Quarries Corporation
Skyler Innovations
Speyside Bourbon Cooperage, Inc.
Staunton Innovation Hub

EDUCATION & WORKFORCE INVESTORS

Blue Ridge Community College
Bridgewater College
Byers Technical Institute
Dabney S. Lancaster Community
College
Eastern Mennonite University
Fishburne Military School
Lord Fairfax Community College
Mary Baldwin University
Massanutten Technical Center
Washington & Lee University

▼ Over 100 public and private investors enjoyed our Spring Connect Event at Mary Baldwin University's Murphy Deming College of Health Sciences.



