

XXX RESONANCE

CITY OF CHARLOTTESVILLE

Economic Development Strategic Plan - Draft

City Council
Presentation

May 15th, 2023



Overview

PART 1

Project Introduction

PART 2

Research Overview

PART 3

Strategy

Four phases of our engagement

01.

Development of
Project Work Plan
and Consultation
Strategy

02.

Demographic,
Economic, and
Real Estate
Assessment

03.

Stakeholder
and Public
Engagement

04.

Strategic Plan
Development and
Implementation

Discovery Recap



Competitive Benchmarking Analysis

Comprehensive evaluation of Charlottesville and peer communities across 6 pillars (50 factors)



Industry Cluster and Career Pathway Analysis

Assessment of Charlottesville's industry and workforce strengths and opportunities



Real Estate and Land Use Review

Analysis of the development potential and the future of the built environment for the City



Community and Business Survey

Survey for residents and business owners to gather input on community needs, assets, and economic development priorities



Stakeholder Engagement

Roundtable discussions with more than 80 community members
1-1 interviews with Council members





Research Overview

WHAT WE LEARNED:

01. Charlottesville is a diverse and young community with an authentic small-town charm.



Home to more than 51,000 residents, Charlottesville's population has increased by 3% in the last five years, a rate on par with the Commonwealth and national averages. Nearly 35% of Charlottesville residents are BIPOC (Black, Indigenous, and People of Color), and the median age is six years younger than the Commonwealth and national average. Residents and tourists celebrate the small town feel while enjoying big city amenities.

WHAT WE LEARNED:

02. Home to a highly-skilled workforce in a variety of industries, Charlottesville has a healthy economy.



Educational attainment in Charlottesville is 72% higher than the national average, and almost a third of the City's workforce is employed in knowledge-based occupations. As a result, Charlottesville has a healthy economy with an engaged and productive workforce, a low unemployment rate, and steady job growth.

WHAT WE LEARNED:

03. Charlottesville has competitive export clusters - a foundation for a strong, diverse economic base.



Charlottesville is competitive in Defense, Life Sciences, Business Services, and Tourism. There is also an emerging IT industry and a growing Clean Technology cluster. Those clusters collectively employ more than 13,000 employees. Ensuring the City maintains commercial spaces for flexible use and an environment open for business will support sustainable business growth in the future.

WHAT WE LEARNED:

04. Charlottesville can grow its leadership in Life Sciences and Clean Technology.



Led by UVA's innovative research facilities and the CvilleBiohub and CvilleREA collaborations, Charlottesville's Life Sciences and Clean Technology industries are a major part of its future in innovative industries. Together, these two clusters employ more than 6,000 employees and generate almost \$650m in economic output. Ensuring these growing industries are supported will advance Charlottesville's economic portfolio.

WHAT WE LEARNED:

05. Charlottesville has a strong asset in UVA; cultivating a stronger partnership is essential for economic development.

Together, UVA and the City of Charlottesville can cultivate a culture committed to inclusive innovation, attract world-class talent, address affordability challenges, and deliver cultural experiences that can be enjoyed by all.

WHAT WE LEARNED:

06. Reimagining a more inclusive Charlottesville is part of its economic development future.



Charlottesville has gaps in earnings, poverty, and educational attainment between White and BIPOC populations. The City has an opportunity to utilize its economic development plan to advance shared economic prosperity.

WHAT WE LEARNED:

07. Charlottesville has a growing diverse entrepreneurial community.



Nearly seven in 10 Charlottesville businesses are small (having fewer than 10 employees), and more than a third of businesses are BIPOC-owned. Through supporting diverse entrepreneurs, the City and its partners can generate opportunities for wealth creation in the community.

WHAT WE LEARNED:

08. Charlottesville can bridge equity gaps through innovative workforce development.



BIPOC employment is concentrated in lower paying occupations; these occupations tend to have a high risk of automation, highlighting the need for upskilling. Strengthening the City's workforce development ecosystem to upskill homegrown talent for its growing sectors is essential for equitable economic growth.

WHAT WE LEARNED:

09. Charlottesville's economic development story is largely untold.



Charlottesville needs communication assets and an economic development identity that highlight its business climate, industry strengths, and workforce capabilities.

WHAT WE LEARNED:

10. Charlottesville has an array of quality of life assets that need to be complemented with creative placemaking strategies.

Charlottesville offers an easy-going atmosphere with an abundance of attractions that entertain visitors and locals alike—from 40+ wineries along the historic Monticello wine trail, annual book, film, and arts festivals, and an assortment of local, family-owned eateries. Re-imagined activation strategies will encourage consumers and entrepreneurs to return to the economic core.



Target Clusters

	Bioscience and Life Sciences	Information Technology	Business and Financial Services	Defense and Security	Tourism	Clean Technology
Strengths	Highest GRP; High gender diversity; Low risk of automation	Fastest-growing; Highly-educated workforce; Competitive earnings	Fast-growing and forecasted for strong future growth; High racial diversity; Dependency on local supply chains	Strong competitive advantage; Highly-educated workforce; High productivity; Largest share of exports	Large employment base; High gender diversity; Skilled workforce; High share of exports	Large employment base; significant contributor to the economy
Assets	University of Virginia Medical Center; CvilleBioHub; North Fork Discovery Park; Fontaine Research Park; Virginia Biosciences Health Research Corporation	Virginia's only citywide Technology Zone; GovSmart	Finsemble; S&P Global Market Intelligence; and CFA Institute	Strategic location near Washington D.C.; major companies such as Northrop Grumman, General Dynamics, and Battelle	John Paul Jones Arena; Monticello Wine Trail; two UNESCO World Heritage Sites; Wineries, breweries, and cideries	Charlottesville Renewable Energy Alliance (CvilleREA); Climate Action Plan; AltEnergy, Apex Clean Energy; Sigora Solar; Hexagon Energy
Specialization	Research and Development; Device Manufacturing; Specialized Consulting	Software and App Development	Financial Services	Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing	Wineries; Breweries; Arts and Cultural Facilities	Sustainable Energy
Challenges	C-suite level leadership, major entrepreneurs, and long-term investments	Capital investments	Cost of living; Workforce development opportunities	Space constraints; Talent pipeline	COVID-19 impact on jobs; Low earnings	Financing streams



Strategy

Elements of a Strategy

WHAT WE WILL DISCUSS TODAY:

01. Vision

A Preferred
Future

02. Goals

Desired
Outcomes

03. Strategies

How We
Activate

04. Actions

Steps,
Resources, and
Partners

VISION STATEMENT

A cultural and creative capital of Virginia,
Charlottesville treasures its people and
diversity - a leader in innovation and
sustainability.

Goals

Goal 1

EQUITABLE ENTREPRENEURSHIP

We will invest in entrepreneurship to grow a more diverse, equitable, and vibrant Charlottesville.

Goal 2

INTENTIONAL AND INNOVATIVE GROWTH

We will build an innovative economy —one that values intentional growth, value-added partnerships, and sustainability for tomorrow.

Goal 3

PATHWAYS FOR OPPORTUNITY

We will create pathways of opportunity, creating opportunity for all Charlottesville residents.

Goal 4

CREATIVE PLACEMAKING

We will invest in placemaking to celebrate Charlottesville's creativity and culture.

Goal 5

STORYTELLING FOR INVESTMENT

We will position Charlottesville as a community open for investment.

Goal 01

EQUITABLE ENTREPRENEURSHIP

We will invest in entrepreneurship to grow a more diverse, equitable, and vibrant Charlottesville.



WHY IT MATTERS?

A vibrant and inclusive entrepreneurial ecosystem must include strategies that intentionally support a diverse group of entrepreneurs in both local and export sectors. Through entrepreneur-focused economic development for underrepresented businesses, Charlottesville can create wealth opportunities and greater shared prosperity.

GOAL 1: EQUITABLE ENTREPRENEURSHIP

We will invest in entrepreneurship to grow a more diverse, equitable, and vibrant Charlottesville.

STRATEGY 1.1

Partner to grow Charlottesville's BIPOC and diverse businesses (LGBTQIA-, women- and veteran-owned) through technical training, capital access, and networking.

STRATEGY 1.2

Establish a one-stop resource hub (website/ app) for support services, culturally sensitive resources and how to navigate city processes.

STRATEGY 1.3

Support home-based entrepreneurship and remote work.

STRATEGY 1.4

Grow the GO Start-Up initiative, setting goals for diverse participants.

STRATEGY 1.5

Continue the Business Equity Fund (BEF) Loan program.

STRATEGY 1.6

Explore the creation of a subsidized shared commercial space on or near the Downtown Mall.

STRATEGY 1.7

Continue to support key partner ESOs with program funding.

STRATEGY 1.8

Promote and tell the story of Charlottesville's diverse entrepreneurs.



GOAL 1: EQUITABLE ENTREPRENEURSHIP

We will invest in entrepreneurship to grow a more diverse, equitable, and vibrant Charlottesville.

Possible Metrics:

- Business Formation (by Background)
- Small Businesses and Home-based Businesses Participating in Programs
- Entrepreneurs Receiving Capital Dollars
- Entrepreneurs Promoted

Goal 02

INTENTIONAL AND INNOVATIVE GROWTH

We will build an innovative economy —one that values intentional growth, value-added partnerships, and sustainability for tomorrow.

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WHY IT MATTERS?

Thoughtful planning and collaboration are key to the success of any economic development initiative and ensure that resources are shared efficiently and effectively. This way, Charlottesville is able to fully capitalize on its innovative and technology strengths and tier-1 research institution in UVA.

GOAL 2: INTENTIONAL AND INNOVATIVE GROWTH

We will build an inclusive economy – one that values intentional growth, value-added partnerships, and innovation for tomorrow.

STRATEGY 2.1

Execute a business retention program to help existing businesses be successful.

STRATEGY 2.2

Activate, in partnership with Commonwealth and regional partners, a private investment strategy to reach decision makers.

STRATEGY 2.3

Focus - in partnership with industry associations - on expansion efforts for scalable businesses in Charlottesville's traded sectors (Life Sciences, Clean Tech, etc..)

STRATEGY 2.4

Align policy, planning, and future (re)development to support innovative industries.

STRATEGY 2.5

Expand the Cville Match Program.

STRATEGY 2.6

Strengthen partnerships with Albemarle County, UVA, and others to advance the City's development interests.

STRATEGY 2.7

Utilize public-owned land and public-private partnerships to support quality jobs, investment, and housing options.



GOAL 2: INTENTIONAL AND INNOVATIVE GROWTH

We will build an inclusive economy –one that values intentional growth, value-added partnerships, and innovation for tomorrow.

Possible Metrics:

- Businesses Visited
- New Businesses (Total and by Cluster)
- Jobs (Total and by Cluster)
- Cville Match
- Site Selectors Engaged

Goal 03

PATHWAYS FOR OPPORTUNITY

We will create pathways of opportunity, creating opportunity for all Charlottesville residents.



WHY IT MATTERS?

Creating pathways in Charlottesville will help to bridge community divides and create the skilled workforce for its innovative sectors, allowing the City and its partners to achieve its development goals.

GOAL 3: PATHWAYS FOR OPPORTUNITY

We will create pathways of opportunity, creating opportunity for all Charlottesville residents.

STRATEGY 3.1

Educating private sector leaders about workforce development and talent attraction.

STRATEGY 3.2

Lead efforts with the private-sector to pilot new “earn and learn” opportunities for Charlottesville’s tech sectors: clean tech, software and life sciences.

STRATEGY 3.3

Develop, in collaboration with workforce partners, a GO Healthcare program.

STRATEGY 3.4

Continue the GO Cook program and other culinary supports and provide linkage to each of the GO programs so that entrepreneurial pathways can be created.

STRATEGY 3.5

Partner with Charlottesville City Schools and others to evaluate K-14 industry-focused programming to ensure alignment with the City’s growth sectors.

STRATEGY 3.6

Expand the the capacity of the GO Hire program, focusing on underserved enterprises.

STRATEGY 3.7

Advocate for leadership opportunities for BIPOC and underserved up-and-coming leaders.

STRATEGY 3.8

Support the priorities outlined in the Charlottesville Comprehensive Plan and Affordable Housing Plan.



GOAL 3: PATHWAYS FOR OPPORTUNITY

We will create pathways of opportunity, creating opportunity for all Charlottesville residents.

Possible Metrics:

- GO program participants
- GO Hire participating enterprises
- New training programs created
- Share of BIPOC residents
- Per Capita income

Goal 04

CREATIVE PLACEMAKING

We will invest in placemaking to celebrate
Charlottesville's creativity and culture.



WHY IT MATTERS?

Charlottesville's destination assets (wineries, arts and culture, Downtown Mall, and more) are essential for attracting and retaining talent.



GOAL 4: CREATIVE PLACEMAKING

We will invest in placemaking to celebrate Charlottesville's creativity and culture.

STRATEGY 4.1

Collaboratively Reimagine with key stakeholders the Historic Downtown Mall and a retail strategy to support it.

STRATEGY 4.2

Explore, with community partners, creating a welcoming initiative.

STRATEGY 4.3

Support the Rising Professional program.

STRATEGY 4.4

Support the efforts of Visit Charlottesville to grow destination assets.

STRATEGY 4.5

Provide, maintain, and promote innovative parking solutions.



GOAL 4: CREATIVE PLACEMAKING

We will invest in placemaking to celebrate Charlottesville's creativity and culture.

Possible Metrics:

- Number of Visitors
- Placemaking Events
- Residents 24 to 34
- New Entertainment and Hospitality Investments

Goal 05

STORYTELLING FOR INVESTMENT

We will position Charlottesville as a community open for investment.



WHY IT MATTERS?

Storytelling and marketing are essential elements for economic development today. Charlottesville can improve its investment value proposition with improved economic development marketing and promotion.



GOAL 5: STORYTELLING FOR INVESTMENT

We will position Charlottesville as a community open for investment.

STRATEGY 5.1

Develop a competitive identity for economic development.

STRATEGY 5.2

Update promotional materials (including website, investor pitch and target profiles) to grow economic development brand and investment opportunities.

STRATEGY 5.3

Invest in the technology and data infrastructure to support business development and marketing.

STRATEGY 5.4

Develop a communication and marketing plan to share success and wins with Cville policy makers, businesses, and residents.



GOAL 5: STORYTELLING FOR INVESTMENT

We will position Charlottesville as a community open for investment.

Possible Metrics:

- Unique Website Visitors;
- Social Media Engagement
- OED Newsletter Subscribers/Engagement
- Earned Media

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RESONANCE



Thank you.

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Appendix

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Charlottesville's Target Clusters

Bioscience and Life Sciences

The Bioscience and Life Sciences cluster is a **significant contributor to the economy** (\$373m in 2022). The cluster is **competitive** where employment is 75% higher than the national average.

The cluster has a high share of **gender diversity** where 54% of employees are women and a **highly educated workforce**, where 59% of employees have a Bachelor's degree or above.

The cluster is forecasted to grow by 6% in the next five years. Growth in this cluster is largely sustainable, with a robust industry base, a low share of jobs at risk of automation (7%) and a low retirement risk (only 25% of the workforce is over 55 years of age).

UVA produces innovative **research discoveries** and offers access to world class faculty experts. **UVA School of Medicine** is ranked 19th for primary care and 31st for research by U.S. News and World Reports. Moreover, Greater Charlottesville has the highest concentration of life sciences organizations in Virginia and is home to more than 75 companies. Industry leaders have come together to form **CvilleBioHub**; a collaborative regional community.



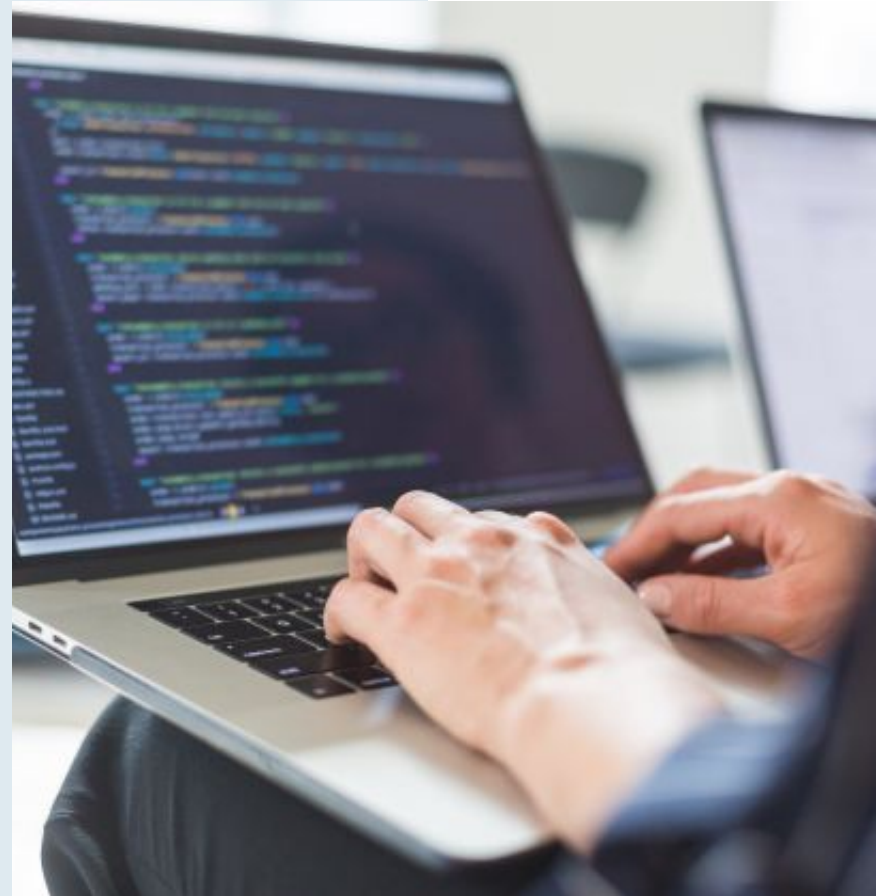
Information Technology

The Information Technology cluster is the **fastest growing** in Charlottesville, where it grew by 26% in the last five years (on par with the state average). The cluster is projected to grow by another 8% in the next five years.

The cluster benefits from a **young and highly educated workforce** (62% have a BA or higher), with a strong specialization in software development. Charlottesville also offers **high competitive earnings** for occupations in this cluster (average \$119,000).

UVA Licensing & Ventures Group provides support for entrepreneurs and partners with start-ups and businesses to commercialize breakthroughs in technology. Two research parks support the University's academic and research activities: **North Fork and the Fontaine Research Park**.

Technology companies in Charlottesville have access to generous incentives thanks to **Virginia's first city-wide technology zone**. They also benefit from **robust infrastructure** (robust, redundant fiber optics network; multiple telecommunications networks and electrical power providers).



Business and Financial Services

The Business and Financial Services cluster employs more than 2,000 employees in Charlottesville. **Growth** in this cluster is double the state average and this cluster is **projected to grow the fastest** in the next five years (13% forecasted growth).

Growth in this cluster is quite sustainable, where 70% of **supply chain requirements** are satisfied in-region. From an **equity** standpoint, this cluster is important where 38% of employees are BIPOC residents.

The University of Virginia features the top ranked **McIntire School of Commerce**, offering concentrations in fields such as Accounting, Finance, Information Technology, and Management. Also, **Piedmont Virginia Community College** and **Germanna Community College** are actively engaged in workforce development, providing courses and training for in-demand career tracks and partnering with businesses to customize programs.



Defense and Security

The Defense and Security cluster has the **highest competitive advantage** in Charlottesville, where employment is almost three times the national average.

The cluster benefits from a **highly educated and productive workforce**, and is the strongest cluster in Charlottesville in terms of **exports** where 95% of its sales are out-of-region.

Charlottesville builds on a **strategic accessible location** with its proximity to the national defense industry centered in Washington, DC and the presence of the the National Ground Intelligence Center (NGIC) and the Defense Intelligence Agency at **Rivanna Station**.

Moreover, The **UVA School of Engineering and Applied Science** has expertise in aerospace technologies, national security applications, information technology, advanced materials, and energy technologies.

Other regional efforts include the **Charlottesville Regional Chamber of Commerce's Defense Affairs Committee** which plays a leading role in advocating for and strengthening support for the region's defense industry.

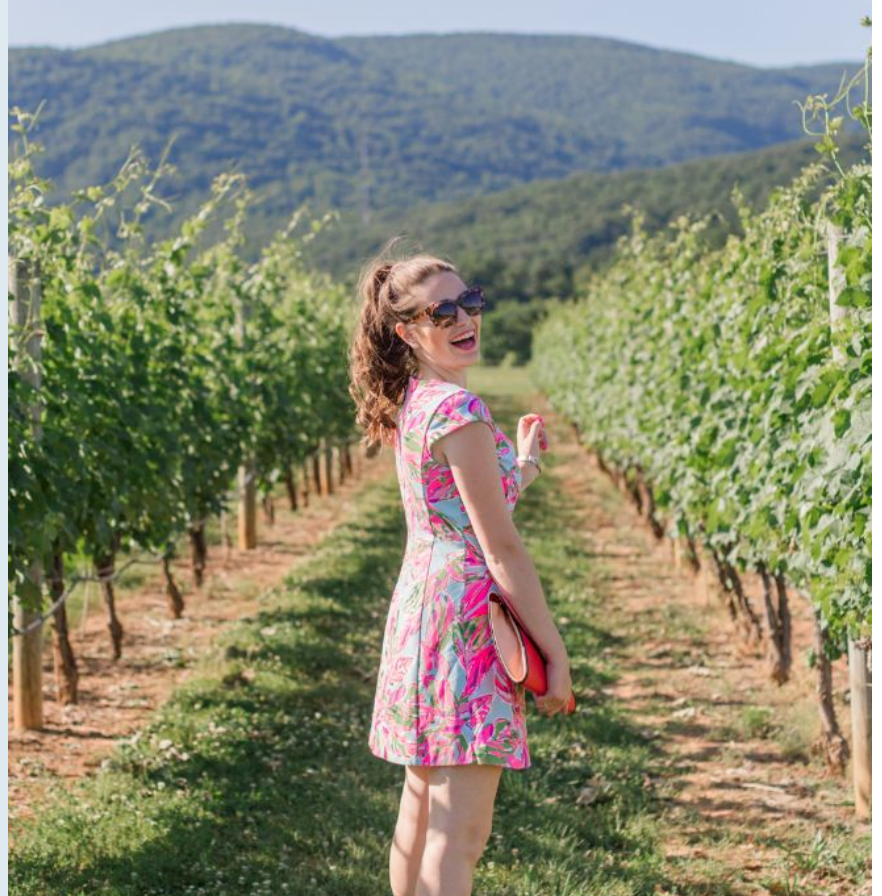


Tourism

With over 4,300 workers, Tourism has the **largest employment base** among all of Charlottesville's clusters. Charlottesville has a **unique competitive advantage** in Tourism where the City was able to withstand the effect of the COVID-19 pandemic and job losses were half those on the Commonwealth level.

The cluster is a major employer of women (54%). It is a strong cluster in Charlottesville in terms of **contribution to the economy** (\$346m GRP in 2022) and **exports** where 76% of its sales are out-of-region.

Charlottesville builds on a **strong destination assets** — from 40+ wineries along the historic Monticello wine trail, outdoor recreational activities, annual book, film, and arts festivals, and an assortment of local, family-owned eateries ranging from southern cuisine to Turkish döner kebab.



Clean Technology

The Clean Technology cluster in Charlottesville employs more than **3,000 employees**.

Charlottesville is home to **eight major companies**: AltEnergy, Columbia Power, Coronal Energy, Apex Clean Energy, Sigora Solar, Sun Tribe Solar, Hexagon Energy, and Coulomb. Collectively, these eight companies generate more than **2,700 megawatts of clean energy**—enough to power a city 40 times the size of Charlottesville, or well over half a million American homes.

Across their portfolios, the companies have more than **\$6.5 billion worth of clean energy operating and in development**.

The cluster is supported by the **Charlottesville Renewable Energy Alliance (CvilleREA)**, an alliance of clean energy companies working to encourage other businesses to offer clean energy incentives, expand local accessibility to EV charging stations, scale up rideshare programs, and retool the downtown business district to welcome this movement.

