

ECONOMY

Draft 2/1/10

ECONOMY

An important component of any comprehensive plan is an examination of local economic structure. A locality's quality of life, population growth, land development, access to funding for community facilities and public services, and the condition of its housing market, are among the factors influenced by the state of the economy.

An economic profile of Rockbridge County would be deficient if it excluded the economic activities of the City of Buena Vista and the City of Lexington. The three jurisdictions can be viewed as a regional economic unit whereby changes in the economic condition of one jurisdiction can influence circumstances of the other jurisdictions. Conversely, sufficient local economic distinction exists to compare the economic strengths and/or weaknesses of the three localities.

EMPLOYMENT

Population

Rockbridge County's population has steadily increased since 1990. In 1990, the population was 18,350, in 2000 it increased to 20,808 (35 persons per square mile) and in 2008 it increased to 21,570 (36 persons per square mile).

Employment Rates

During 2003, the Civilian Labor Force residing in the Rockbridge County-Buena Vista-Lexington area reached 17,126 workers (see Table 32). Annual unemployment rates for 2003 ranged from 3.7 percent in Rockbridge County to 5.5 percent in Lexington. The area unemployment rate was 4.6 percent. In 1998 the unemployment rate in Rockbridge County was 2.2 percent. Since that time the rate has steadily increased. As of September 2009 the Virginia Employment Commission (VEC) shows the current unemployment rate for Rockbridge County at 5.6%, the state of Virginia at 6.6% and the United States at 9.5%. Rockbridge County is below both the Virginia state average and the United States average.

**TABLE 32
COMPONENTS OF THE CIVILIAN LABOR FORCE
2003 (BY PLACE OF RESIDENCE)**

	Rockbridge County	Buena Vista	Lexington	Total Area	State of Virginia
Civilian Labor Force	11,343	3,425	2,358	17,126	3,802,819
Employment	10,922	3,271	2,228	16,421	3,647,095
Unemployment	421	154	130	705	155,724
Unemployment Rate	3.7	4.5	5.5	4.6	4.1

Source: Virginia Employment Commission - VEC Portal 2003
Central Shenandoah Planning District Commission.

2008

	ROCKBRIDGE COUNTY	BUENA VISTA	LEXINGTON	TOTAL AREA	State of Virginia
Civilian Labor Force	11,617	3,499	2,456	17,572	4,124,766
Employment	11,133	3,321	2,303	16,757	3,960,011
Unemployment Number	484	178	153	815	164,755
Unemployment Rate	4.2	5.1	6.2	5.2	4.0

Source: Virginia Employment Commission- VEC Portal 2008
Central Shenandoah Planning District Commission

Employment by Sectors

During the second quarter of 2005, the top three employment sectors were services (39.1 percent), manufacturing (19.5 percent) and government (18.5 percent). Traditionally, manufacturing has been the largest sector in the Rockbridge County-Buena Vista-Lexington area and even with recent declines, the manufacturing rate is far above the statewide rate (8.3%). Manufacturing firms employed approximately 27.3 percent of the persons working in Rockbridge County and 25 percent of those working in Buena Vista during the quarter. The percentage in manufacturing has declined over the past five years, while employment numbers in services, trade, and government have increased. The services and trade sectors in Lexington together employed 67.8 percent of the persons working in the City and 34.3 percent in Rockbridge County.

The 2000 Census gives employment data by place of residence (see Table 34). In 2000, a total of 3,296 people residing in the area were employed by manufacturing firms (21.6 percent). Manufacturing employment accounted for 21.5 percent of the total employment of persons residing in Buena Vista and 32.6 percent in Rockbridge County, but only 6 percent in Lexington. Other major employment sectors included education, health and social services (24.6), retail trade (9.8%) and personal, entertainment and recreational services (9.3%). The fewest number of persons were employed in the information and finance, insurance, real estate, rental and leasing sectors.

While private wage and salary workers are predominant in the labor market, a large proportion of workers living in Rockbridge County, Buena Vista, and Lexington are employed by the governmental sectors. The 2000 Census showed that 2,611 persons, or 20.8 percent of all workers in the area, were employed in the three levels of government (see Table 35).

In Table 33 the service sector (accommodations, health services, professional services, business services and education services) has the highest percentage of employment for the local area. The local colleges, universities and public schools account for 55% of the service sector workforce. In the second quarter 2005, 1,547 employees were employed in six of schools located in the City of Lexington. The figures for Rockbridge County and Lexington were not disclosed by the Virginia Employment Commission.

**TABLE 33
EMPLOYMENT BY INDUSTRIAL SECTOR - 2005**

	Rockbridge	Lexington	Buena Vista	Total	% of Area	% of VA
Agriculture, Forestry & Fishing	77	*	*	77	.5%	.4%
Mining & Quarrying	*	*	*	*	*	.2%
Utilities	*	*	*	*	*	.3%
Construction	494	141	12	647	4.4%	6.8%
Manufacturing	1,954	31	855	2,840	19.5%	8.3%
Wholesale & Retail Trade	1,244	443	195	1,882	12.9%	14.8%
Transportation & Warehousing	137	*	*	96	.7%	2.6%
Information	*	96	*	96	.7%	2.6%
Finance, Insurance & Real Estate	113	168	51	332	2.3%	5.3%
Services	1,777	2,816	1,113	5,706	39.1%	39.9%
Government	1,268	943	486	2,697	18.5%	18.3%
Total	7,129	4,703	2,757	14,589	100%	100%

Source: Virginia Employment Commission – 2nd Quarter, 2005

*Data is withheld, but included in total.

**TABLE 33 (continued)
EMPLOYMENT BY INDUSTRIAL SECTOR - 2008**

	Rockbridge	Lexington	Buena Vista	Total	% of Area	% of VA
Agriculture, Forestry & Fishing	69	*	*	69	0	.3%
Mining & Quarrying	*	*	*	*	*	.2%
Utilities	*	*	*	*	*	.3%
Construction	433	177	20	630	4.4%	6.1%
Manufacturing	1,880	31	589	2,500	17.4%	7.2%
Wholesale & Retail Trade	1,189	454	177	1,820	12.6%	14.6%
Transportation & Warehousing	130	*	*	129	*	2.8%
Information	32	55	*	75	*	2.4%
Finance, Insurance & Real Estate	118	180	55	353	2.5%	5.0%
Services	1,826	3,027	950	5,803	40.3%	42.4%
Government	1,177	1,132	471	2,780	19.3%	18.5%
Total	6,896	5,132	2,363	14,391	100%	100%

Source: Virginia Employment Commission – 2nd Quarter, 2008

Quarterly Census of Employment and Wages (QCEW)

*Data is withheld, but included in total.

**TABLE 34
EMPLOYMENT BY INDUSTRY - 2000
(BY PLACE OF RESIDENCE)**

	ROCKBRIDGE COUNTY	BUENA VISTA	LEXINGTON	AREA TOTAL	% of Area
Agriculture, Forestry, Fisheries & Mining	479	35	19	533	3.49%
Construction	858	173	112	1,143	7.47%
Manufacturing	2,172	998	126	3,296	21.55%
Transportation	436	91	39	566	3.7%
Wholesale Trade	270	41	32	343	2.24%
Retail Trade	963	336	195	1,494	9.77%
Information	111	45	43	199	1.30%
Finance, Insurance & Real Estate	351	61	31	443	2.9%
Professional, scientific, management, administrative and waste management	449	78	93	620	4.05%
Personal, Entertainment, Recreation Services	975	205	244	1,424	9.31%
Health Services, Educational, and Social Services	2,192	628	946	3,766	24.63%
Other Services	548	198	130	876	5.73%
Public Administration	312	174	103	589	3.85%
TOTAL	10,116	3,063	2,113	15,292	100%

Source: 2000 US Census Summary File 3 (SF 3)

**TABLE 35
WORKER CLASSIFICATION - 2000**

	ROCKBRIDGE COUNTY	BUENA VISTA	LEXINGTON	TOTAL AREA	% of AREA
Private Wage & Salary Worker	7,422	2,498	1,493	11,413	74.68%
Local, State and Federal Government Workers	1,641	437	533	2,611	17.08%
Self-Employed Worker	979	113	81	1,173	7.68%
Unpaid Family Worker	74	6	6	86	.56%
TOTAL	10,116	3,054	2,113	15,283	100%

Source: 2000 US Census Summary File 3 (SF 3)

Employment by Occupation

The Rockbridge County-Buena Vista-Lexington area work force has decreased since 1990. According to the 2000 Census, there were 16,077 persons aged 16 years and older living within the area, approximately 400 less than in 1990.

Residents of the Rockbridge County-Buena Vista-Lexington area can be considered part of the potential work force for an incoming industry or facility. Table 36 shows that in 2000, more than 3,934 workers were employed in management, professional and related occupations; 3,491 workers were classified as production, transportation, and material moving occupations; and approximately 3,168 worked in sales and office occupations.

**TABLE 36
EMPLOYMENT BY OCCUPATION - 2000**

OCCUPATION	ROCKBRIDGE COUNTY	BUENA VISTA	LEXINGTON	AREA	%
Management, Professional and Related Occupations	2436	530	968	3934	25.7
Service Occupations	1607	622	394	2623	17.2
Sales and Office Occupations	2100	611	457	3168	20.7
Farming, Forestry & Fishing Occupations	246	18	0	264	1.7
Construction, extraction and maintenance occupations	1285	371	147	1803	11.8
Production, transportation, and material moving occupations	2442	902	147	3491	22.8
TOTAL	10116	3054	2113	15283	100

Source: 2000 Census Summary File 3 (SF 3)

Commuting Patterns

Statistics depicting Rockbridge County's commuting patterns establishes interrelationships among Rockbridge County, Buena Vista, and Lexington. According to the 2000 Census commuting pattern data, the Rockbridge County area had 12,757 working residents. 13.6 percent, or 2,273 of the Rockbridge County area's working residents, commute to other jurisdictions for employment as shown in Table 37.

According to the 2002 Census, Rockbridge County by itself has 5,413 working individuals who live and work in the County. 3,423 individuals commute into the County and 4,542 commute outside of the County. Leaving the net in-commuters at -1,119. 42.7% of out-commuters commute to Lexington and 20.3% commute to Buena Vista. 34.3% of in-commuters are from Buena Vista and 28.4% are from Lexington.

Table 37
Commuting Patterns

Live and work in Rockbridge County Area	12,757	76.2%
Total In-Commuters	1,718	10.3%
Total Out-Commuters	2,273	13.6%
In-Commuters From:		
Augusta Co. VA	559	54.8%
Botetourt Co. VA	181	17.7%
Alleghany Co. VA	130	12.7%
Staunton City VA	86	8.4%
Rockingham Co. VA	64	6.3%
Out-Commuters To:		
Augusta Co. VA	710	52.8%
Staunton City VA	218	16.2%
Waynesboro City VA	164	12.2%
Roanoke City VA	139	10.3%
Botetourt Co. VA	113	8.4%

Source: 2000 Census
Virginia Economic Development Partnership

WAGES AND INCOME

Adjusted Gross Income

Adjusted gross income as defined by Wikipedia is the calculation of an individual's income tax liability. AGI is calculated by taking an individual's gross income and subtracting the income tax code's enumerated deductions, and is an important benchmark in determining certain other allowed benefits. The 2006 median AGI figures for the Rockbridge County-Buena Vista-Lexington area were lower than the State median for both individuals and married couples (see Table 38). Lexington registered the highest median AGI, in the area, for both individuals (\$19,933) and married couples (\$66,765).

Table 38
Median Adjusted Gross Income – 2006

	AGI – Individual	AGI – Married Couple
Rockbridge County	18,807	52,015
Lexington	19,933	66,765
Buena Vista	18,546	44,055
Virginia	22,595	70,335

Source: Weldon Cooper Center for Public Services &
Virginia Department of Taxation 2006

Per Capita Income

Per capita income is the total personal income of all the residents of a locality divided by the total population. The 2000 census recorded Rockbridge County-Buena Vista-Lexington combined per capita income as \$17,077. By 2006 the per capita income figure had increased to \$28,442 and by 2007 it had increased to \$29,712, as reported by the Weldon Cooper Center for Public Service.

Wages

The Rockbridge County area has an average weekly wage per worker figure lower than the State average (see Table 40) in every category but transportation and warehousing. In the fourth quarter of 2006, workers in the transportation, utilities, professional and technical service sectors earned the highest average weekly wages in Rockbridge County. Workers in the manufacturing sector earned the highest wage in Lexington City. In Buena Vista, professional and technical service sector had the highest average weekly wages (\$1,115).

Labor Laws

The Virginia Department of Labor and Industry is responsible for administering and enforcing most of the State's labor laws. At the center of this legislation is the right-to-work statute which declares that the right of persons to work cannot be denied or abridged on account of membership or nonmembership in any labor union or labor organization. In addition, an employer cannot require employees to become or remain members of a labor union or require that dues or fees be paid to a union or labor organization as a condition of employment.

Table 40
Average Weekly Wage Per Worker – 4th Quarter 2006
(By Place of Work)

Category	Rockbridge County	Buena Vista	Lexington	State of VA
Agriculture, Forestry & Fisheries	488	*	*	566
Mining & Quarrying	*	*	*	1,217
Construction	595	386	676	953
Manufacturing	700	820	397	992
Transportation & Warehousing	1,000	749	599	897
Utilities	874	*	625	1,346
Wholesale Trade	417	777	694	1,335
Finance & Insurance	687	509	790	1,331
Professional & Technical Services	702	491	1,115	1,793
Average	607	415	544	1,159

Source: Virginia Employment Commission - Quarterly Census 4th Quarter 2006

*Data is withheld, but included in total.

The Virginia Employment Commission administers the unemployment insurance program and job assistance programs for State residents. In addition, an Employer's Advisory Committee meets on a quarterly basis to discuss issues of mutual concern with the Virginia Employment Commission.

Economic Base Analysis

The economic base technique is one of the oldest, simplest and most widely used techniques for economic analysis and projection. The economic base technique assumes that local firms that serve external demand (the "basic sector") are the prime cause of local economic growth - the "economic base" of the local economy. The economic base technique assumes that the local economy can be divided into two sectors: (1) a "basic" or "non-local" sector and (2) a "non-basic" or "local" sector. Basic activities consist of industries which export most of their goods and services outside of the defined study area or import income into the area. Theoretically, expansion of these activities generate more income for a locality and increase growth in all economic sectors. One measure of the relative strength of a region's economy is the ability to export goods and services at a greater level than the requirement for imports of goods and services. The basic sector, generally, includes exporting firms such as mining and manufacturing enterprises (and often agriculture), federal and state government, and local firms that sell to tourist and temporary community residents, such as college students. The non-basic or supporting sector consists of firms which provide goods and services primarily for consumption within the defined study region and are largely dependent on local economic conditions. Retail trade, local service industries, and local government activities are examples of supporting sector activity.

A "location quotient" (LQ) is a term used by economists to analyze the strengths of an area's exports and imports by types of industries. Location quotients relate the proportion of total employment in a given area industry to the proportion of total employment in that industry in the State.¹

A location quotient of 1.0 is indicative of a self-sufficient economic sector. Industries whose ratios are greater than unity (1.0) are regarded as "export" or basic industries. Since the proportion of employment in these industries is greater on an area basis than for the state, it is assumed that the production of goods exceeds local consumption demand. The product is, therefore, exported statewide,

¹LQI = $\frac{EIR / EIS}{ER / ES}$

I Industrial sector S State of Virginia
R Region E Employment

nationally or globally and consequently money is brought into the region. Industries whose location quotient is below 1.0 are "import" or supporting industries.

Caution must be used, however, in using the location quotient technique to identify industries that do, or do not, contain basic sector activity. Local industries such as hotels, forestry, or state and federal government may be dependent largely on non-local factors and can be assumed to be entirely basic, regardless of the location quotient value. Other industries such as local government may have a location quotient greater than 1.0 and be entirely dependent on the local economy.

In Rockbridge County the LQ for natural resources and mining (this category includes agriculture and farming) is 2.33. Manufacturing is 3.69; trade, transportation and utilities is 1.06; and leisure and hospitality is 1.93. In Buena Vista city manufacturing is 3.44 and education and health services is 2.66. In Lexington city manufacturing is 3.69, natural resources and mining is 2.33, and leisure and hospitality is 1.93. Table 41 shows the major industry sectors and their LQ.

**Table 41
Location Quotation, 2008**

Industry	Lexington City	Rockbridge County	Buena Vista
Natural Resources and Mining	ND	2.33	ND
Construction	.53	.99	ND
Manufacturing	ND	3.69	3.44
Trade, Transportation and Utilities	.55	1.06	.63
Information	.45	.18	ND
Financial Activities	.73	.35	.43
Professional and Business Services	.20	.19	.29
Education and health Services	3.36	.21	2.66
Leisure and Hospitality	1.67	1.93	.49
Other Services	1.27	.58	ND
Unclassified	NC	NC	NC
Footnote: (ND) Not disclosed; (NC) Not Calculated			
Location Quotient: Ratio of analysis-industry employment in the analysis area to base-industry employment in the analysis area divided by the ratio of analysis-industry employment in the base area to base-industry employment in the base area.			

Source: Bureau of Labor Statistics. Quarterly Census of Employment Wages (QCEW) 2008

Sector Highlights

Manufacturing and services are major employers and sources of income for the area. At the close of the second quarter of 2008, 1,880 manufacturing jobs existed in Rockbridge County. This represents the 27.3% of all County jobs and is the largest employment sector in Rockbridge County. At 589 jobs, manufacturing represents 24.9% of Buena Vista's jobs but is not the largest employment sector in that locality. Lexington had 31 manufacturing jobs which represents only .6% of employment in that locality.

In Rockbridge, the service sector employed 1,826 persons, or 26.5% of those employed in the County. Service was the largest employer in Buena Vista employing 950 persons or 37.8% of the work force. Persons employed in the service sector were paid below average wages for the Rockbridge, Buena Vista and Lexington. Service for the area employed 4,392 persons (35.3 percent) for the quarter. In Lexington the service sector employed 3,027 persons (59%).

Manufacturing

Manufacturing is still a very important component of the Rockbridge County-Buena Vista-Lexington area economy. Manufacturing is no longer the number one employment sector in the area but it is still a major source of employment. Buena Vista has traditionally been the manufacturing center of the Rockbridge area, but the number of firms located in the remainder of the area has increased slightly. The major manufacturing concerns operating in the Rockbridge area are listed in Table 42.

**TABLE 42
MANUFACTURING FIRMS**

<u>FIRM</u>	<u>PRODUCT OR PROCESS</u>
ROCKBRIDGE COUNTY	
Charles W. Barger & Son	Crushed Stone/Concrete
Barr Marine Products Co.	Marine Parts
Burke-Parsons-Bowlby Corp.	Treated Lumber
Conrock/Construction Materials	Construction Materials
Mohawk	Carpets and Rugs
W. R. Deacon & Sons, Timber, Inc.	Lumber
Fitzgerald Lumber & Log Co.	Hardwood Lumber
North Fork Lumber	Wood Products
Rockbridge Stone Products	Limestone
Shenandoah Framing, Inc.	Wood Products
Taylor-Ramsey Corporation	Lumber
HDT Engineered Technology	Mobile Infrastructure/Shelters
FEI, LTD	Steel Fabrication
HDT Technical Power Systems	Power Systems/Generators
Randolph Williams Lumber	Dry Kiln Facility
BUENA VISTA	
Advanced Drainage Systems, Inc.	Plastic Tubing
Auto Recyclers, LLC	Auto/Consumer Product Reclamation
ARAMARK	Food Services
BONTEX	Fiberboard, Foam, Leather
Munters Corp	Air-to-Air Heat Exchangers
Everbrite, Inc.	Outdoor Signs
Fitzgerald Lumber & Log Co.	Lumber
Modine Manufacturing Company	Heating Equipment
Mundet Industries, Hermetite Division	Cigarette Tipping
Painter Space Print, Inc.	Carpet Yarn Dyeing
LEXINGTON	
Rockbridge Weekly	Newspaper Publishing
The News Gazette Corp.	Newspaper/Printing

SOURCE: yellowpages.com.

Forestry

The North American Industry Classification System (NAICS) classifies forestry under natural resources along with agriculture and mining. The Department of Forestry averaged sales in Rockbridge County to be at \$3,445,183 between 1986 and 2001. This figure ranks Rockbridge County 24th in sales out of the 98 counties in Virginia. Table 42 shows sales in the Rockbridge County-Lexington-Buena Vista area for 2007.

Table 42
Forestry Sales per Locality, 2007

	Rockbridge County	Lexington	Buena Vista	State of Virginia
Pine (MBF)	187	0	10	543,982
Pine (Cord)	5,988	0	0	2,225,805
Hardwood (MBF)	14,768	0	1,718	594,268
Hardwood (Cord)	22,878	0	0	1,410,628
Value Pine	\$84,525.40	0	\$1,230.59	\$138,587,637.73
Value Hardwood	\$3,769,250.14	0	\$513,748.17	\$125,999,092.46
Total Value	\$3,853,775.54	0	\$514,978.77	\$264,586,730.19
% of State	1.46%	0%	.19%	100%

Source: Virginia Department of Forestry 2007

Agriculture

Agriculture has remained one of Rockbridge County's major industries, having an impact as significant as that of manufacturing. The Census of Agriculture defines a farm as any property that has sales of a \$1,000 or more, as reported by the property owner on the Agricultural Census questionnaire. In the last Agricultural Census, taken in 2002, the approximate market value of agricultural products produced in the County was nearly \$18.5 million. Livestock, poultry, and their products accounted for \$16 million of the market income (86 percent), while crop production accounted for the remaining \$2.5 million (see Tables 43 and 44).

TABLE 43
FARMS AND VALUE OF LANDS AND BUILDINGS
2002 AND 2007

	TOTAL FARMS	
	2002	2007
Number of Farms	789	805
Acreage Farmed	157,308	137,315
Average Size (Acres)	199	172
Average Value of Land and Buildings Per Farm	\$562,144	\$747,890

SOURCE: 2002 and 2007 Census of Agriculture.

**TABLE 44
MARKET VALUE OF AGRICULTURAL
PRODUCTS SOLD - 2002 AND 2007**

	TOTAL FARMS	
	2002	2007
Market Value of Products Sold (\$000)	\$18,545	\$19,680
Crops (\$000)	\$2,528	\$3,776
Livestock and Livestock Products (\$000)	\$16,017	\$15,904

SOURCE: 2002 and 2007 Census of Agriculture.

Trade

Trade is an important aspect of the Rockbridge-Buena Vista-Lexington economy. This component includes both retail and wholesale trade. 2,829 persons were employed in this sector in 1990. This accounted for 19.8 percent of the total work force. In Rockbridge County there were a total of 1,811 persons in the trade sector during the same period. This represents 12.7 percent of the total County work force. Table 45 displays "Measures of Wholesale Trade, 2002 and 1997." This table suggest that Lexington is now the major center of wholesale activity in the area. In 2002, Rockbridge County and Buena Vista's per capita sales were undefined, while Lexington's per capita sales were \$444. Lexington City had more wholesale businesses than Rockbridge County and Buena Vista combined. Since 1982, Rockbridge County has lost 15 wholesale businesses, Lexington has lost eight and Buena Vista has lost two.

**Table 45
MEASURE OF WHOLESALE TRADE, 2002**

	NUMBER OF BUSINESSES	TOTAL SALES (000)	PER CAPITA SALES	TOTAL PAYROLL (000)
ROCKBRIDGE	6	*	*	*
BUENA VISTA	1	*	*	*
LEXINGTON % OF STATE	10 .13%	30,705 .04%	444	2,354 .05%
AREA % OF STATE	17 .22%	* *	* *	* *
STATE	7,712	69,267,796	950	4,503,110

Source: 2002 Economic Census "Wholesale Trade Sales"

*Data is withheld, taxable sales is suppressed for confidentiality.

MEASURE OF WHOLESALE TRADE, 1997

	NUMBER OF BUSINESSES	TOTAL SALES (000)	PER CAPITA SALES	TOTAL PAYROLL (000)
ROCKBRIDGE % OF STATE	10 .13%	**	**	**
BUENA VISTA % OF STATE	2 .03%	**	**	**
LEXINGTON % OF STATE	5 .06%	16,904	235	1,354
AREA % OF STATE	17 .22%	***	***	***
STATE	7,868	61,046,705	16,904	3,784,428

Source: 2002 Economic Census "Wholesale Trade Sales"

*Data is withheld, taxable sales is suppressed for confidentiality.

Retail sales have been a stronger component of the trade sector in the Rockbridge-Buena Vista-Lexington area than the wholesale trade. As Table 46 depicts, there were 147 retail trade businesses in the area in 2002, which is a decrease from 240 in 1987. The decrease occurred in all three localities, with the majority being lost by Rockbridge County.

Area wide per capita sales however have increased from \$5,788 in 1987, to \$9,406 in 2002. Rockbridge County per capita sales increased from \$3,490 in 1987 to \$8,246 in 2002. Lexington and Buena Vista's per capita sales also increased from 1987 to 2002. Lexington's per capita sales went from \$12,414 to \$15,836, and Buena Vista's per capita sales increased from \$5,176 to \$6,197.

**Table 46
Measure of Retail Trade, 2002**

	NUMBER OF BUSINESSES	TOTAL SALES (000)	PER CAPITA SALES	TOTAL PAYROLL (000)
ROCKBRIDGE	45	171,961	8,246	15,172
BUENA VISTA	26	39,020	6,197	1,250
LEXINGTON	76	109,283	15,836	10,225
AREA	147	320,264	9,406	26,647
STATE	28,914	80,509,062	11,069	401,921

Source: 2002 Economic Census "Retail Trade Sales"

Measure of Retail Trade, 1997

	NUMBER OF BUSINESSES	TOTAL SALES (000)	PER CAPITA SALES	TOTAL PAYROLL (000)
ROCKBRIDGE	79	165,330	8,486	13,927
BUENA VISTA	32	33,184	5,128	3,544
LEXINGTON	68	108,877	15,139	9,633
AREA	179	307,391	9,274	27,104
STATE	29,032	62,569,924	9,213	6,202,575

Source: 2002 Economic Census "Retail Trade Sales"

An examination of taxable sales (see Table 47) reveals fluctuations in economic activity in the Rockbridge, Buena Vista, Lexington region in the past 15 years. Rockbridge has experienced the greatest growth. Total taxable sales in 1993 was \$115,062,762. In 2008 that figure increased by \$97,596,150 to \$212,658,912. Buena Vista City's taxable sales decreased from \$24,363,835 in 1993 to \$24,344,454 in 2008. This represents a \$19,381 decrease in taxable sales for Buena Vista. Lexington City's taxable sales increased from \$38,950,462, in 1993 to \$49,671,674, in 2008. This represents over a ten million dollar increase in taxable sales for the city.

**TABLE 47
REGISTERED DEALERS AND TOTAL TAXABLE SALES - 2008**

ROCKBRIDGE COUNTY

CATEGORY	NUMBER OF DEALERS	TAXABLE SALES
Natural Resources and Mining	7	174,674
Manufacturing	15	4,013,548
Trade, Transportation and Utilities	198	152,364,697
Professional and Business Services	10	859,189
Rental and Leasing Services	41	1,800,410
Arts, Entertainment and Recreation	8	2,693,856
Accommodations and Services	90	40,832,778
Other Services	32	2,783,582
Unclassified	27	7,136,178
TOTAL	428	212,658,912

SOURCE: Virginia Department of Taxation, Taxable Sales in Virginia Counties and Cities, Annual Report: 2008.

BUENA VISTA

CATEGORY	NUMBER OF DEALERS	TAXABLE SALES
Natural Resources and Mining	0*	0
Manufacturing	0*	0
Trade, Transportation and Utilities	56	18,429,809
Professional and Business Services	0*	0
Rental and Leasing Services	6	107,073
Arts, Entertainment and Recreation	0*	0
Accommodations and Services	18	5,039,406
Other Services	7	603,333
Unclassified	11	164,833
TOTAL	98	24,344,454

SOURCE: Virginia Department of Taxation, Taxable Sales in Virginia Counties and Cities, Annual Report: 2008.

*Data is withheld because locality has less than four dealers in a business classification, the taxable sales in that category is suppressed for confidentiality.

LEXINGTON

CATEGORY	NUMBER OF DEALERS	TAXABLE SALES
Natural Resources and Mining	0*	0
Manufacturing	0*	0
Trade, Transportation and Utilities	82	26,888,470
Professional and Business Services	0*	0
Rental and Leasing Services	18	410,814
Arts, Entertainment and Recreation	0*	0
Accommodations and Services	39	17,006,083
Other Services	13	1,139,152
Unclassified	18	4,227,155
TOTAL	170	49,671,674

SOURCE: Virginia Department of Taxation, Taxable Sales in Virginia Counties and Cities, Annual Report: 2008.

*Data is withheld because locality has less than four dealers in a business classification, the taxable sales in that category is suppressed for confidentiality.

Travel Trade

The travel and tourism sector is economically important for the Rockbridge-Buena Vista-Lexington area. Travel and tourism has always been a major activity in Lexington with its many historic attractions and has also played a role in southern Rockbridge County with the Natural Bridge attractions and in Buena Vista with its proximity to the Blue Ridge Parkway. Since the implementation of the joint Lexington, Buena Vista and Rockbridge Area Tourism Development program 10 years ago, travel and tourism has become increasingly important to the area. All three localities benefit from traffic along the major interstates (I-64 and I-81) that pass through the area and visitation associated with the Virginia Horse Center, Washington and Lee University, Virginia Military Institute and Southern Virginia University.

According to the Virginia Tourism Corporation, Rockbridge County's lodging tax generated \$914,290 in 2005 and increased to \$1,121,857 in 2008. The meals tax revenues in 2005 were \$1,126,412 and \$1,257,675 in 2008. Buena Vista's meals and lodging tax produced \$153,082 in 2005. This figured increased to \$197,797 in 2008. Lexington's meal and lodging tax produced \$727,869 in taxes for 2005 and \$803,607 in taxes for 2008. This tax, which was three percent in 1986, is now four percent.

According to the Virginia Tourism Corporation, there are approximately 916 persons employed in food and lodging establishments in Rockbridge, 326 in Lexington, while in Buena Vista there are approximately 40 persons employed in food and lodging establishments. There are approximately 90 accommodation and service related businesses in Rockbridge, 39 in Lexington and an additional 18 in Buena Vista.

According to the Virginia Tourism Corporation, \$3,435,699 was spent by tourists in Buena Vista, \$29,153,194 in Lexington and \$103,765,085 in Rockbridge County in 2008. This total amount spent by travelers is a large part of the economy that should be realized and utilized by the localities.

The Rockbridge County, Buena Vista and Lexington area offers over 40 attractions including The Natural Bridge of Virginia, Historic Lexington, Virginia Safari Park, Blue Ridge Parkway, Virginia Horse Center, The Vista Links Championship Golf Course and Rockbridge Vineyard. The natural beauty of the area and its many cultural and recreational offerings, combined with a good highway system, ample lodging (nearly 1,500 rooms) and a growing commercial sector, have made Rockbridge County, Buena Vista and Lexington desirable destinations for visitors.

**TABLE 48
TOURISM - 2008**

	ROCKBRIDGE COUNTY	BUENA VISTA	LEXINGTON	TOTAL AREA
Total Travel Expenditures	\$103,765,085	\$3,435,699	\$29,153,194	\$136,35,978
Travel-Generated Payroll	\$16,340,396	\$754,718	\$5,627,935	\$22,723,049
Travel-Generated Employment	916	39	326	1,281
State Tax Receipts	\$4,625,425	\$137,963	\$1,162,567	\$5,925,955
Local Tax Receipts	\$2,397,647	\$96,224	\$1,052,328	\$3,546,199

SOURCE: Virginia Tourism Corporation, 2008.

Education

In 2008, 71.5% of Rockbridge County's 25 years and over population had received high school diplomas. 20.7% of the 25 years and over population had also obtained a Bachelor's Degree or higher.

Rockbridge County High School

As of January 31, 2008, there were 1,051 students enrolled at Rockbridge County High School. Of those 1,051 students 655 (62%) are enrolled in the Career and Technical Education programs (CTE). Rockbridge County High School offers the following career and technical education programs: agriculture, business, culinary technology, family and consumer science, health and human services and trade and industrial. In 2008 27.9% of CTE students were enrolled in business courses. 23.8% were enrolled in trade and industrial (this category includes automotive courses) and 16.5% were enrolled in agricultural courses. 47 Industry Certification tests were given to CTE students in 2008, this represents 40% of students enrolled. Scott Hannah with Rockbridge County High School is estimating 66% of CTE will take Industry Certification tests in 2009.

Higher Education

The Rockbridge-Buena Vista-Lexington area has several major institutions of higher education. Southern Virginia University and Dabney S Lancaster Community College are located in Buena Vista, the George C. Marshall Research Library, Virginia Military Institute (VMI), and the Washington and Lee University (W&L) are located in Lexington.

Virginia Military Institute, located in Lexington, is a four year undergraduate college. Created in 1839 as the first State supported military college, VMI has had several faculty which were to become famous throughout military history. Such persons include Thomas Jonathan "Stonewall" Jackson, General John A. LeJeune (later Lieutenant General) a distinguished former Commandant of the United States Marine Corps, Major General Charles E. Kilbourne (later Lieutenant General), first American to hold all three of the nation's highest awards for service and valor - the Medal of Honor, the Distinguished Service Cross, and the Distinguished Service Medal.

Present enrollment at VMI stands at 1,500 students cadets, all of whom live in barracks on campus. There are approximately 700 employees including subcontractors and Alumni. The college works closely with the public and local governments for use of the facilities. Rockbridge County High School has used Cameron Hall for graduation ceremonies, the basketball team works with the youth in the area to support the community, and other faculty work with the schools to provide special educational programs. The college library and meeting rooms are open to the public, upon request.

Washington and Lee University, also located in Lexington, was founded in 1749 as the Augusta Academy. It was renamed Liberty Hall Academy in 1776 and then become Washington College in honor of George Washington's generous endowment gift in 1796. Robert E. Lee served as president of the institution from 1865 until his death in 1870 at which time the name was changed to Washington and Lee University.

Enrollment at W&L is approximately 2,150 students, 80 percent of which are undergraduate students and 20 percent are law school students. There are approximately 900 people employed at the university.

The front campus consists of approximately 50 acres. There are an additional 250 acres of recreational and wooded areas on campus. Major building efforts, in recent years, have included the

\$15.5 million renovation of Wilson Field (2007-08), a \$2.5 million library renovation (2008-09), and the current Colonnade renovation, expected to cost about \$50 million (2009-2014).

W&L offers two undergraduate divisions. The College (humanities and natural sciences) offers the B.A., the B.S., and the B.S. with special attainments in chemistry. The Williams School of Commerce, Economics, and Politics offers the B.A. with a major in economics, or politics, and the B.S. with special attainments in commerce with a major in accounting and business administration, business administration, or public accounting. Additional special academic opportunities are also offered at W&L. The School of Law offers the Juris Doctor degree and, for international law graduates, the Master of Laws degree in United States Law.

Southern Virginia University, founded in 1867 in Bowling Green, Virginia, was originally named the Bowling Green Female Seminary. In 1900, the seminary moved to the Buena Vista Hotel built in 1891. The hotel now serves as Main Hall, the university's most prominent building, and holds a place of distinction on the National Register of Historic Places and is a Virginia Historic Landmark.

A 2006 study estimates that Southern Virginia University's impact on the local economy is greater than \$17 million per year. 645 students enrolled for the fall 2009, most of whom live on campus. The university is one of the largest employers in Buena Vista, with more than 150 part- and full-time employees.

By providing rigorous instruction in the letters, arts and sciences, Southern Virginia provides an ideal learning atmosphere characterized by intensive student-faculty interaction and a supportive campus environment. Southern Virginia strives to help each student develop its core values of scholarship, discipleship, accountability, enthusiasm and refinement. Named one of the 50 top All-American Colleges by the Intercollegiate Studies Institute, Southern Virginia is accredited by the American Academy for Liberal Education.

Dabney S. Lancaster Community College - Rockbridge Regional Center (RRC) offers day and night courses, both credit and non-credit, each semester. Student support services available include academic advising, financial aid assistance, tutoring, placement testing, tuition payment, proctored course testing and bookstore services. The RRC features a computer lab with 24 stations; compressed video labs; a testing center with computers used for proctored testing; two traditional lecture classrooms; a conference room and two offices; and a health sciences lab.

There is a state-of-the-art teaching kitchen for the Culinary Arts program. A greenhouse, located behind the building, will be the setting for a variety of credit and non credit floral design and horticulture classes and will also be used for the growing of herbs to be used in the recipes prepared by the culinary arts students.

There are 1,589 students enrolled at DSLCC, 510 of those students are taking classes at the RRC/RCHS/PMHS, 82 of which do not reside in the local area. 428 students attend DSLCC and live locally. 59 students on the main campus reside in the local area. 35.8% of DSLCC students are residents of the local area.

Regionally, there are economic benefits gained from these institutions: increased demand for trade and services generated by students and the institutions serve as a major source of employment and cultural enrichment.

MARKETS AND TRANSPORTATION

Geographic Location

The Rockbridge County-Buena Vista-Lexington area is at the heart of a major transportation network and has immediate access to air, rail, and highway transportation. Located in the west-central portion of Virginia in the Shenandoah Valley, the 607-square-mile area is within a one-day drive of half of the population of the United States. Rockbridge County is approximately 45 miles north of Roanoke, Virginia; 140 miles west of Richmond, Virginia; and 190 miles southwest of Washington, D.C. Distances to multi-state markets for area industries are Baltimore, Maryland, 210 miles; Greensboro, North Carolina, 145 miles; New York, 460 miles; Cincinnati, Ohio, 460 miles; and Atlanta, Georgia, 440 miles.

Highway Transportation

Interstates 81 (north-south) and 64 (east-west) intersect in Rockbridge County approximately 2 miles east of Lexington and 3 miles west of Buena Vista. These highways connect the Rockbridge area with key market centers to the north, south, east, and west. U.S. Routes 11 (north-south) and 60 (east-west) also intersect in the County, approximately ½ mile east of Lexington. U.S. Route 501 originates in Buena Vista and proceeds south through Glasgow and Lynchburg to its terminus in South Carolina. Virginia primary highways 130, 39, 42, 252, and 251 connect the towns of Glasgow and Goshen and many unincorporated rural areas of the County with the major highways. Routes 39, 130 and 663 are a part of the Virginia Scenic Byway system.

Motor Freight

The Rockbridge County area is served by many motor freight carriers, some with distribution facilities in the area and others with facilities in Roanoke, Lynchburg, Staunton, and Waynesboro. Most of these firms are authorized for shipping to and from locations in the Rockbridge County area, while others provide only interstate services. Table 49 contains a general listing of carriers serving the area.

Local Transportation

Interstate and intrastate public transportation is provided by Greyhound Bus Lines. The closest bus terminal is located Roanoke. Area passenger services are available from taxi companies based in Lexington.

**TABLE 49
INTERSTATE MOTOR FREIGHT CARRIERS - 2009**

<u>COMPANY</u>	<u>TERMINAL LOCATION</u>
ABF Freight System, Inc.	Waynesboro, Roanoke
B & D Trucking of Virginia, Inc.	Lexington
Central Transport, Inc.	Verona
Melvin Clark Trucking	Buena Vista
Con-Way Southern Express	Stuarts Draft, Roanoke
Estes Express Lines	Waynesboro, Roanoke
Fireball Express, LLC	Raphine
Houff Transfer, Inc.	Weyers Cave
Lee-Hi Trucking	Lexington
Old Dominion Freight Line, Inc.	Roanoke
Overnite Transportation Company	Waynesboro, Roanoke

Preston Trucking Company
Roadway Express, Inc.
Sargents Trucking
Team Carriers, Inc
Watkins Motor Lines, Inc.
Wilson Trucking Corporation

Waynesboro, Roanoke
Roanoke
Troutville
Clifton Forge
Salem
Fishersville, Roanoke

SOURCE: www.yellowpages.com

Package Delivery Service

Express package service is provided by Federal Express and United Parcel Services (UPS). Express Mail service is provided by the United States Post Office. Special custom design express service is available to industrial and commercial clients upon request. There are 12 post offices located in the Rockbridge County area in Lexington, Buena Vista, Glasgow, Natural Bridge, Natural Bridge Station, Brownsburg, Steeles Tavern, Vesuvius, Goshen, Raphine, Fairfield, and Rockbridge Baths.

Railroads

The Rockbridge County-Buena Vista-Lexington area is served by two railroads, the Norfolk and Western Railway (N & W), which is part of the Norfolk Southern system, and CSX Transportation, Inc. N & W provides local freight service to Buena Vista and Glasgow daily and as requested. CSX supplies local freight service to Glasgow and to Goshen. N & W and CSX operate trailer-on-flatcar (TOFC) loading facilities in Roanoke and Lynchburg, respectively. Passenger rail service is available from nearby Staunton and Clifton Forge.

Air Transportation

Commercial air service to the Rockbridge area is available in Roanoke, Lynchburg, and at the Shenandoah Valley Regional Airport in Augusta County. These facilities are, in respective order, 54, 49, and 45 miles away from Lexington. The Roanoke and Lynchburg airports are served on a regular schedule by a number of major airlines. New terminals were completed recently in Roanoke and Lynchburg improving air service at both facilities. The Shenandoah Valley Regional Airport, also renovated recently, is only 30 miles from the northern portion of Rockbridge County and is served regularly by commuter airlines. The largest runway at this facility is 6,000 feet in length and paved with asphalt. All of these air facilities offer complete general aviation services, including service for corporate jets. Air service is available from each of these airports to such major hubs of Washington, D.C., New York City, Baltimore, Philadelphia, Charlotte, and Atlanta.

Ports

The Port of Hampton Roads is located approximately 240 miles east of Rockbridge County, easily accessible by Interstate 64 and the Norfolk and Western Railway and CSX Transportation, Inc. The ice-free port is capable of handling large volumes of nearly every category of cargo: breakbulk, containerized, heavy lift, LASH, liquid and dry bulk, and roll-on/roll-off. The Port of Hampton Roads is traditionally the largest export port in the nation. More than 75 steamship lines link Hampton Roads with nearly 100 foreign countries through 251 ports.

The Virginia Inland Port, an inland container terminal, is located in Front Royal, less than three hours away from the Rockbridge area. Interstates 81 and 64 easily link business and industry in the area to the Port, which places containers on special trains for shipment to the Port of Hampton Roads. For more information on either the sea port or the container terminal, contact the Virginia Port Authority, 600 World Trade Center, Norfolk, Virginia 23510.

ECONOMIC GOALS

GOAL: Promote agriculture as a significant part of the County's economic base for both production and its contribution to tourism and quality of life through preservation of rural character and viewsheds and become a leader in the Shenandoah Valley in promoting agriculture and agriculture related business.

Objective: Encourage long range farmland and forest conservation.

Strategy

1. Encourage and support cooperative efforts to market and brand county agricultural products such as “Buy Fresh Buy Local” in order to strengthen and grow the local food and farm economy and connect institutional food buyers to nearby farms and processors.
2. Foster a growing relationship among consumers, grocers, meat processors, restaurant owners, dining service staff, farmers, local government, and economic development officials, and assist local independent food and farm businesses to better communicate their positive impacts on the local economy.
3. Promote locally produced food product processing and become a leader in “food to school” programs.
4. Encourage and support educational efforts through the high schools and community colleges to train agricultural workers and businesses.
5. Continue land use taxation program.
6. Continued support for the Farm and Forest Preservation Committee and the creation of agricultural/forestal districts in the county.
7. Support the creation of private conservation easements.
8. Study the feasibility of creating a system for transferring development rights.
9. The County, through the offices of the Consolidated Farm Service Agency, the Natural Resources Conservation Service and the Virginia Cooperative Extension Service, should continue to notify farmers of Federal and State aid which is available and should assist farmers in applying for such aid.
10. Encourage and promote business development in the timber industry that include value added products and resource management.

GOAL: To improve the standard of living for area residents.

GOAL: Increase local job opportunities.

Objective: Encourage industrial, technological, educational, agricultural, recreation and tourism business development to provide jobs, increase personal income and increase the tax base.

Objective: Reduce job out migration.

Objective: Retention and growth of existing businesses and industries.

Strategy

1. The County should continue efforts to identify and market prime development sites that are compatible with the environment and existing land use. Existing studies should be utilized in these efforts.
2. When economically feasible, the County should assist in providing required infrastructure to developed and proposed business, industrial and technology parks.
3. Business, industrial and technology parks should be marketed through the Shenandoah Valley Partnership and the Virginia Economic Development Partnership, to attract development.
4. The County should cooperate with local, regional and State economic development efforts.
5. Educational efforts should be directed toward future employment goals. Encourage efforts to educate skilled workers for existing and potential businesses.
6. Encourage and promote efforts to increase high school graduation rates as well as local school participation in the Dream It Do It Virginia campaign.
7. The County should prioritize the vitality and expansion of existing local businesses and industries. (Primary focus)
8. Pursue development and funding of modern telecommunications infrastructure and broadband development throughout the county.
9. Support efforts to redevelop the old Natural Bridge High School for uses such as a Sustainability Center.
10. Support development of green and energy related jobs and their associated educational programs and provide support to related projects that are compatible with the environment and existing land use.
11. Encourage local colleges and universities to expand summer utilization of their campuses.
12. Support development of the retirement industry.
13. Encourage utilization of government owned properties as sites for job creation.

Objective: Encourage the recognition of the Rockbridge-Lexington-Buena Vista area as an integrated economic system.

Strategy

1. County and City Planning Commissions should meet together on a regular basis to discuss concerns and projects that are regional in nature.
2. The County and Cities, in conjunction with the Lexington-Rockbridge Chamber of Commerce, should reunite cooperative efforts to stimulate economic development.

3. Develop a committee, made up of all three localities, to assist in promoting economic development in each individual locality.

Objective: Encourage a high degree of cooperation and coordination among the three localities, local colleges/universities and industries in their efforts at economic planning and programming.

Objective: Promote tourism as a key industry.

Strategy

1. Improve the advertising and promotion of area attractions in conjunction with regional and state agencies.
2. Increase financial support for the Lexington Visitors Center.
3. Promote camping and outdoor recreation facilities in cooperation with public and private entities.
4. Continue to develop land use regulations that protect and preserve the scenic and historic attractions of the County.
5. Support the development of the James River Heritage and Brushy Blue Trails.
6. Support implementation of the Wayfinding Signage Program.
7. Capitalize on the tourism traffic along the Blue Ridge Parkway.
8. Support efforts to establish a countywide parks and recreation department that promotes outdoor recreational opportunities.

Objective: Encourage development that demonstrates an economic or social benefit to the area.

Strategy

1. Consider cost/benefit impact analysis for proposed businesses, industries and developments.
2. Solicit public input into the development planning and review process.