



**County of Middlesex**  
**Economic Development Authority**  
**Strategic Plan**  
**Adopted**  
**December 15, 2022**

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## Executive Summary

The Middlesex County Economic Development Authority (EDA), an independent authority, appointed by the Middlesex County Board of Supervisors, is charged with the responsibility of improving the economic conditions of Middlesex County. Last adopting a strategic plan in 1998, the Authority recognizes that much has changed in Middlesex County and past original initiatives have changed, as have those in the Commonwealth and the United States.

This plan, developed with significant participation by current EDA Board members with input from the Board of Supervisors and County Administrator, provides a roadmap for the next generation of economic development work in Middlesex County. The plan establishes a local framework for economic development efforts while establishing a stronger commitment to business engagement and private sector job creation. The Strategic Plan is data-driven, has been informed by extensive member and elected official engagement sessions and recognizes and complements other County planning and development efforts. The plan seeks to leverage the resources of the Economic Development Authority, County and external (state and federal) assistance and supports the broader mission of Middlesex County government.

The plan intends to:

- Assist the County in deploying its economic development and planning resources in the best way possible to meet resident and commercial needs
- Address the County's most pressing economic challenges as they affect Middlesex County
- Take advantage of major investments (water, sewer and broadband) supported by the County
- Work in a collaborative fashion with the County and regional and state partners so that it complements rather than overlaps other initiatives
- Provide tangible efforts to sharpen the County's economic development focus for the next five years while resulting in positive job growth and tax base expansion.

## Introduction

The Middlesex County Economic Development Authority (EDA) authorized under Section 15.2 - 4903 of the Code of Virginia is comprised of seven (7) members appointed by the County's Board of Supervisors to staggered four-year terms. Powers of the EDA authorized under Virginia law include: acquiring by purchase, lease or donation and leasing or selling real property, issuing bonds with adequate security used to carry out the EDA's powers, employing staff, borrowing money and accepting contributions, grants and other financial assistance for, or in the aid of, construction, acquisition, ownership, maintenance or repair of Authority facilities, payment of bonds of the Authority, making loans or grants to any person, partnership, corporation, business or governmental entity in furthering the Authority's objectives and other activities allowed under Virginia law.

The Middlesex County Economic Development Authority (EDA) recognizes the value of a strong and well developed strategic planning process to guide the EDA's future activities in Middlesex County. The Authority's prior plan, adopted in 1998, was based upon an assumption that the County would grow, served as a guide for prior Boards and a few of the sixteen (16) identified projects outlined in the 1998 plan have been fully or partially fulfilled. Among those which the EDA approved, cooperated with, or completed are:

- Hiring of a central point of contact for economic development activities in the County (Retention of an Executive Director)
- Expansion of marketing activities taking advantage of the County's location aimed at tourism expansion (Participation with Virginia Tourism Corporation, partnering with Lancaster County and the Town of Kilmarnock to form Virginia's River Realm)
- Creation of a website – Visit Middlesex VA - promoting economic development and tourism in the County (partnering with Middlesex County government)
- Creation of an inventory of existing business ready sites in conjunction with guidelines issued by the Virginia Economic Development Partnership (VEDP), many of which require additional investment to improve their readiness under VEDP guidelines
- Support civic organizations dedicated to creation of a museum system dedicated to boating in the County (Museums of Middlesex and Deltaville Maritime Museum)
- Support for creation of a visitors center in the County and development of print and electronic tourism related materials (in conjunction with Middlesex Museums)

In addition, the EDA assisted in supporting construction of the County's first public water system by providing short-term financing for the Middlesex Water Authority.

Middlesex County recognizes that its rural setting and the natural resources provided by its location in relationship to the Rappahannock and Piankatank Rivers and the Chesapeake Bay have provided the County with past opportunities to provide for an economic base rooted in agriculture, forestry and water-based activities such as fishing, boating and tourism.

However, the EDA also recognizes that the County continues to change, as do all organizations and the previous core economic drivers, such as population increases and job growth, have not been realized and are changing as well. In Middlesex County's future, change which will influence this plan and its objectives will be driven by the provision of a public central water system serving a significant portion of the County by the Middlesex Water Authority, a corresponding provision of central sewage collection and treatment processes to areas served by central wastewater services by the Hampton Roads Sanitation District and the provision of broadband services to a significant portion of the County.

Expansion of these services, particularly digital services, coupled with a changing work environment which allows for sharing of information and expansion of business in more remote areas, while offering employees options to work 'from anywhere' are likely to be driving forces in Middlesex County's future economic development program.

Over the years, the Middlesex EDA has met regularly with limited guidance and resources from the Board of Supervisors which has caused the Authority to have a more limited mission focus. The recent formation of a liaison committee comprised of EDA and Board of Supervisors members, the County Administrator and Authority's Economic Development & Tourism Coordinator (Executive Director) is serving as an initial step in improving communication between the two Boards and better defining next steps in the County's economic development efforts.

Tourism historically has served as the primary focus of economic development in Middlesex. With significant recent investments in broadband, water and sewer services by the Board of Supervisors and an identification of a need for refocused work force training programs, the two Boards are beginning to focus on development of more diverse efforts to serve the existing business community and provide a needed expansion of the County's tax base and job opportunities for its citizens better matching the County's identified needs.

Realizing that change is inevitable and the County and its economic development plan must adapt to that change to maximize benefits to the County's citizens, this plan replaces the Authority's 1998 strategic plan and focuses on a new set of economic development objectives or projects centered on taking advantages of the strengths of the County and addressing weaknesses which could impede the plan's objectives.

## **Background of the EDA's Strategic Plan and Strategic Planning Process**

The Middlesex Economic Development Authority adopted its original strategic plan in 1998 utilizing the services of Virginia's River Country, the Middle Peninsula Planning District Commission and the Middlesex County Planning Department. In reviewing the existing document, the EDA Board, at its July 2022 meeting, recognized that economic conditions and opportunities nationally, statewide, regionally and in Middlesex County have changed and a new, forward-looking document was required to guide the Authority in future economic development planning and programmatic activities.

The process to develop a new and fresher strategic plan commenced in August 2022 using staff and EDA resources. The new strategic plan was developed and centered around answering three fundamental questions:

- 1) Where is the County and EDA in its economic development efforts now?
- 2) Where should the County and EDA go in developing its economic development program?
- 3) How do we get or move the County to where it wants to go in its economic development efforts?

The new economic development plan, to address the three questions above has been developed using analysis of existing data to determine 'where the County is' in better developing economic opportunities, and gaining input by the members of the EDA, its Executive Director and the Board of Supervisors, the County's Administrator and designated staff to chart a course of 'where do we want to go? and 'how do we get there?'

The Plan is viewed to be fluid in its approach in working to achieve new and expanded economic opportunities for the County's residents and businesses and recognizes that a well-developed and unified effort driven by development of a stronger partnership between the EDA, Board of Supervisors, the private sector and state and federal agencies is key to reaching the objectives of the plan and the success in developing a stronger economic base for the County's residents. As such the new plan will touch on a wide range of factors which drive economic development which includes expanded workforce training opportunities, expansion of existing business, and creation of new, higher paying jobs. Because change and trends in economic development occur quickly in today's world, the EDA will revisit the plan and its relevancy to the County's needs annually and adjust the plan at five-year intervals.

## **History and Economic Overview of Middlesex County**

In developing a strategic plan an assessment of 'where are we now?' is important to understanding the organization's history and its past efforts, as well as its competitive standing in the economic development 'marketplace.' The following represents a brief description of the County's current condition as the plan answers the question of 'where are we now?' and explores the County's history, recent EDA efforts and an analysis of data related to economic data reflecting the County's current conditions.

### **A General Background of Middlesex County**

Middlesex County is located at the eastern end of Virginia's Middle Peninsula; a rural region, steeped in history, with 132 square miles of land and 135 linear miles of shoreline. The County has the Rappahannock River to the northeast, the Piankatank River and Dragon Swamp to the southwest and the Chesapeake Bay to the east. Middlesex shares a northern border with Essex County, Gloucester County to the south, King & Queen County to the west and Lancaster County to the east. At Stingray Point, the village of Deltaville is located between the mouths of the Rappahannock and Piankatank Rivers. Once a major center for wooden boat building, the village remains a commercial and recreational boating center today. According to the Middle Peninsula Planning District Commission's most recent CEDS update the total economic impact of resident and non-resident boaters on Middlesex County was \$53.9 million in 2007 and boating related business was responsible for generating 588 full time jobs in the County generating \$14.8 million in labor income.

Middlesex remained largely rural over the years with farming, forestry, fin, and shell fishing providing the principal elements of its economic base. The County's historically remote location among Counties with larger towns, better roads and other advantages has helped retain a rural character.

The 2020 Census showed the population to be 10,673, a decrease of 308 (2.8%) residents from the 2010 Census, with a continuing slight decline (48) based on 2021 estimates. According to Census data, the population was equally split with 5,466 males and 5,493 females and was comprised of 8,680 whites, 1,978 African-Americans, and 301 people of other races. Projections indicate that Middlesex County, along with numerous other rural counties statewide has begun to experience a slight population decrease (-0.4 %) according to population estimates from the University of Virginia's Cooper Center and in opposition to the County's [2010] Comprehensive Plan which predicted continued population growth.

## **A Brief History of Middlesex County**

In the middle 1800's tobacco, Virginia's, and the County's major cash crop, had significantly worn out the soil, and had nearly disappeared. During this period, the County's economy began to change, and many new residents came to Middlesex and established businesses here.

Also, during this period, the economy in the central and eastern part of Middlesex relied more on the water with harvesting of fish and oysters, a significant contributor, with much commerce moving through the port of Urbanna. Market hunting of waterfowl was also a significant business. Oysters became an important part of the local economy with large quantities being shipped to the north. With no railroad service and very poor roads to the south, west and north, water transportation was the chief form of travel for both goods and passengers, by steamship or freight boats to Washington DC and Baltimore and the Old Bay Line, and others, were an important transportation method into the 1960's.

Due to its location Deltaville, became and remains an important center of boat building and boating, with many workers in the county employed as watermen, boat builders and working in marine-related businesses. Farms in Middlesex grew vegetables such as beans, tomatoes and melon for the Washington, Baltimore, and Norfolk markets. Early in the 20th century canning plants were built in the County that employed a number of workers.

In the early part of that 20<sup>th</sup> century there were no electrical or other utilities in Middlesex and the County had, and still has, no rail or natural gas service; two important resources for economic development purposes. Today, the County still has limited areas where central water or sewer service is provided; another hindrance to economic growth, which is now being addressed by the Board of Supervisors through development of the Middlesex Water Authority (MWA) and partnering with the Hampton Roads Sanitation Authority (HRSD).

While the County's location and services limited significant economic opportunities in the 1920's, the growing metropolitan areas of Norfolk, Richmond, Washington, and Baltimore brought summer visitors to Middlesex, largely by water, since there were no paved roads until the 1930's. Samuel J. Moore built the Samore Hotel in Deltaville and as paved roads made access to the County easier, many small waterfront cabins were built giving the County a considerable economic boost.

The pre-war defense buildup and World War II brought growth in the County to a halt. Postwar, summer residents slowly returned, but roads leading to the County remained in poor condition, making it difficult for many visitors and part-time residents to easily access the County. Electrical utility services did not reach most of the county until the 1950's, also limiting business opportunities in the County.

The growth of the metropolitan areas of Norfolk, Richmond, and Washington DC in the 1960's and improvement to Virginia's road system renewed interest in the County for summer and retirement homes. In the 1970's local realtors recognized these opportunities and began



developing new residential developments comprised of single-family homes and condominiums throughout the County, many centered on the County's waterfront properties.

During the 1980's Middlesex entered a period of more intense development, culminating in 1990 when 180 residential building permits were issued. That rate of development, even though it tapered off sharply in the recession of the early 1990's, created changes the County was experiencing among some County residents, due to what was perceived as too rapid a rate of growth, and a movement to better manage growth resulted in a new outlook on protection and development of the County's resources. A new zoning ordinance was adopted, limiting both business and residential construction to specific areas. Special Use Permits, requiring action by both the Planning Commission and the Board of Supervisors for many projects, were adopted.

With increased demands from the Federal and Commonwealth governments for un-funded environmental and other mandates on local governments, and with a more static tax base, the County increased its Real Estate tax rate to 61¢ per \$100 of assessed valuation, an 82% increase since 1996. The County also adopted Lodging (Transient Occupancy), Meals and Cigarette taxes, to diversify the tax base and to take advantage of a developing tourism base created by the County's access to the water.

### **Data Indicating Where Middlesex County Currently Stands**

Though the tax rate is still below the rates in the Norfolk area, Richmond, and Northern Virginia, which are in close proximity to the County, both household income and local Middlesex wages have not kept pace with those jurisdictions. The tax rate increases in Middlesex far exceeded the growth of local incomes. Average per capita income in Middlesex in 2020 was \$33,392 lagging behind both the state and national figures in chart below. Average weekly wages in the County were \$828 compared to \$1,142 in Virginia.

The EDA's Strategic Plan, adopted in 1998, predicted the county's population would grow by the same rate as the rest of the Commonwealth, increasing almost 800 people during the 2000-2011 decade. The County's Comprehensive Plan, adopted in 2010, also continued to predict population growth. Instead, the County's population has decreased.

Most recent (2021) data, as provided below, indicate that the County's population decreased between the 2020 census and 2021 estimates by 39 residents, essentially flat (no change) yet slightly trailing state and national growth rates. Also, according to available data, the percentage of the County's population over 65 years of age grew significantly, from 11% in 1994 to 32.5% in 2021 indicating a more aged population and an outmigration of younger residents.

Comparative Population Change in Middlesex County 1990-2021							
	1990	2020 (2)	Change	% Change	2020-2021(1)	Change	% Change
<b>Entity</b>							
Middlesex County	8653	10,625	+1972	+22.8%	10,586	-39	0.0%
Virginia	6,187,358	8,631,393	+2,444,035	+39.5%	8,655,608	+10,081	+0.1%
United States	248,709,873	331,449,281	+87,232,130	+35.1%	331,893,745	+444,464	+0.13%

1.Cooper Center Population Estimates, UVA 2022

2.US Census Quick Facts

The general decrease in population growth from 2010 to 2020 has had a negative impact on the local economy and creates challenges for maintaining existing businesses, as well as promoting new business locations.

However, certain factors are likely to positively influence population growth in the County such as the recent installation of public water supply systems in various areas as well as planned sewer installations. The County could experience higher in-migration and the typical situation of death rates exceeding birth rates could reverse, a trend the County schools have observed most recently in total student population increases in 2022 relative to previous years of minimal changes. Analysis of detailed 2020 Census data, once released, and monitoring of annual population estimates prepared by the Weldon Cooper Center for Public Service will provide more insight on demographic trends.

Seasonal population is also a factor that deserves regular monitoring. Middlesex County is relatively unique given the number of homes occupied on a seasonal basis (27% of total housing units), the number of campground sites (over 2,000) relative to total homes and trends such as Airbnb rentals. While anecdotal evidence suggests the seasonal population could double or triple, there is currently no formal model used to provide specific estimates. However, a conservative estimate using seasonal housing units (2,003) only and the average household size of 2.16 indicates a seasonal increase (primarily on weekends in March – November) of 40% (approximately 4,300 people). Including approximately 2,000 campground sites adds approximately 4,000 people resulting in the “doubling” of population many people believe occurs each year during “Tourist Season”.

While there has been some economic growth around the airport and the County seat, Saluda, the County has lacked an aggressive stance in promoting economic growth, other than tourism, and has lacked focus in creating new, higher paying employment opportunities for its citizens.

There is some good news in that the County’s annual unemployment rate typically is less than both the state and nations, and average weekly wages, while below the Commonwealth’s

median, have grown at a faster rate than the state or the U.S. as a whole. The relatively high 2020 unemployment rates and reduced labor force participation rates due to the COVID-19 Pandemic seem to have abated given 2021 data and 2022 information to-date.

The table below notes the County’s labor force over the 1990-2020 period has remained flat while other economic indicators such as per capita income lag behind Virginia and the United States and the decrease in the poverty level is less than that experienced in the state and the United States as a whole.

<b>Comparative Economic Data 1990-2021</b>					
	<b>1990</b>	<b>2020</b>	<b>Change</b>	<b>% Change</b>	<b>2021</b>
<b>Labor Force Middlesex County *</b>					
Total Employed	4,914	4,617	-297	- 6%	
Unemployed	171	463	+292	+170.1%	
Total	5,085	5,080	-5	0 Relative Change	
<b>Unemployment Rate</b>					
Middlesex County	3.6% (1996)	5.1%		+1.5%	3.4%
Virginia	4.3%	6.2%		+1.9%	3.9%
United States	5.4%	8.1%		+2.7%	5.3%
<b>Average Weekly Wages*</b>					
Middlesex County	\$323	\$876	+\$553	+171%	
Virginia	\$526	\$1,142	+\$616	+117%	
United States	\$535	\$1,435	+\$900	+168%	
<b>Per Capita Income</b>					
Middlesex County	\$20,768	\$33,392	+\$12,064	+58.1%	
Virginia	\$22,493	\$41,255	+\$18,762	+83.4%	
United States	\$21,696	\$35,384	+13,688	+63.1%	
<b>Poverty Rate</b>					

Middlesex County	13.9%	11.6%		-2.3%	
Virginia	12.1%	9.2%		-2.9%	
United States	13.8%	11.4%		-2.4%	
<b>Out Commute Rate</b>					
Middlesex County	41%	70%		+29%	
<b>Per Capita Taxable Sales</b>					
Middlesex County	\$4,892	\$9,582	+\$4,690	+95.9%	
Virginia	\$8,096	\$14,185	+\$6,089	+75.2%	
United States	\$7,443	\$15,244	+\$7,801	+104.8%	

- BLS, December, 1990-2020
- US Department of Commerce, Economic and Statistics Administration Reports 1990-2020
- US Census, 1990-2020

The lack of local job opportunities, as shown in the table above, has led 70% of employed residents commuting to work outside the County with many commuters shopping outside of Middlesex, hindering retail sales growth and demand for expanded and/or new business(es). The lack of a growing or at least stable population and a variety of national and state economic challenges (recessions, Covid) has led to the closure of many small businesses and only national chains such as Dollar General stores have opened in the County in recent years.

The lack of a growing, or at least stable population and labor force coupled with the seasonal nature of tourism in Middlesex has, unsurprisingly has led to reduced hours for some businesses, numerous business closures, and lack of new job opportunities for Middlesex residents.

## **Future EDA Economic Objectives to be Addressed**

Upon analysis of the County's past and recent development, the data above and the discussion of County economic development needs by current EDA members, the following objectives have been identified to assist in strengthening the County's assets and overcoming identified weaknesses.

During the next five (5) years the Middlesex EDA will work on:

- Maintaining and building upon a reasonably mature tourism program which continues to focus on the County's water resources (boating, existing watermen, aquaculture, etc.) and rural nature (agriculture, equestrian, etc.) to enhance tourism growth and capture a larger share of the market (and tax revenues) using available local, state, and federal resources.
- Supporting increases in the current boating tourism efforts by the County by working with the County, and participate in, and support specific efforts to find good locations, acceptable, as far as possible, to adjoining property owners for new boat launch sites.
- Recognizing numerous businesses are currently under-staffed and the County has a high out-commuter rate, the EDA will initiate a focus on the need for enhanced workforce training and begin discussions with local businesses to identify the types of training, needed, presenting the findings to the County School Board, Board of Supervisors, Rappahannock Community College and related workforce training agencies while serving as an advocate for training programs that better meet the County's needs.
- Identify and improve, where practical, development of industrial, marine and commercial sites, consistent with standards established by the Virginia Economic Development Partnership (VEDP) to recruit smaller industrial/business or maritime related users appropriate to Middlesex County and matching workforce development program outputs. In carrying out this objective the EDA will create an inventory of existing VEDP identified properties and all County-owned property, including unused property under the control of the School Board, assessing its possibility for development; and developing a descriptive inventory with current zoning, comprehensive plan designation, traffic counts, nearby amenities, etc.

- Reaching out to all existing businesses in the County, the EDA will serve as a resource for businesses looking to relocate or expand, and work to improve their competitiveness through establishment of a business retention program, identifying and communicating resources that are available and establishing a method of constant communication with them.
- Recognizing that successful economic development is a community-wide effort, research and serve as an advocate for the need for improved opportunities for business expansion, work force housing, quality of life improvements (health care/urgent care, transportation, etc.) and small business opportunities the County currently lacks.
- Developing well-researched, reasonable proposals, which work to expand the County's tax base, which are thoroughly discussed and approved by the EDA Board that are related to implementation of the strategic plan.
- Taking a leadership role as the County's lead economic development agency the EDA will work to build a stronger relationship through positive and continuous communication with the Board of Supervisors, developing that relationship through an ongoing presentation of fact-based proposals and programs that speak to the benefits of economic development for the County's businesses and all citizens.
- Exploring the development of partnerships with local, regional, state, and federal programs that fund identified and needed initiatives and let the BOS know that opportunities exist for partnering when those opportunities are presented.