

Town of Blacksburg
Economic Development Strategy Update
April 2013

Prepared for the:

TOWN OF
Blacksburg
a special place

Prepared by:



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1.0 Introduction and Background

1.1 Overview

The Town of Blacksburg commissioned its first Economic Development Strategy in 2000. The plan, completed in 2001, has served as a valuable tool to guide economic growth and vitality in the community over the past twelve years. Many of the recommendations in the Economic Development Strategy have been implemented and the community has regained its stature in the region as a location for retail development and continued downtown redevelopment. In addition, expanded partnerships have fostered quality of investment that has enhanced the economic base of Blacksburg while preserving the quality of life residents expect.

As anticipated in the original Economic Development Strategy, the community has continued to grow through the prior decade and the population now stands at 42,600 according to the 2010 U.S. Census. Accessibility to Blacksburg has been greatly enhanced through the completion of limited access US Route 460 Bypass connecting Interstate 81 with the community. Virginia Tech has continued to be a critical driver (and stabilizer) of the local economy as a major research institution with considerable investments completed in the prior twelve years.

Meanwhile, the Town of Blacksburg has worked diligently to preserve the quality of life in the community and remains the most desirable residential location in the New River Valley.

Much like the original study, this strategy is not designed to address every issue in Blacksburg but rather to recognize past successes, identify current economic development challenges, and present recommendations for future economic vitality while preserving the quality of life residents of the Town expect.

The Economic Development infrastructure of the community has vastly improved since the original study. Partners such as Downtown Blacksburg Incorporated, the Blacksburg Partnership, Montgomery County Economic Development, the Virginia Tech Foundation, and the recently created Montgomery County Tourism Council all share a role in implementing this plan. This plan anticipates new opportunities that will emerge during the coming years including the growth of mixed-use redevelopment of existing parcels, a growing focus on entrepreneurialism, a comprehensive look at quality residential development as a component of economic development, and continued public/private partnerships to foster investment in key areas such as downtown.

1.2 The Economic Development Strategy Update Process

The Economic Development Strategy Update Process began in April of 2012 with a scoping meeting with the “technical team” that included representatives of the Town of Blacksburg, the Blacksburg Partnership, and Downtown Blacksburg Incorporated as well as a Steering Committee appointed by Town Council that included the Mayor and a Council representative

alongside business community and Virginia Tech stakeholders. This visit also included a roundtable discussion among representatives of Town and County economic development stakeholders hosted by the Montgomery County Economic Development.

The public portion of the process began in May with a three-day intensive visit to Blacksburg. This visit included four themed roundtable meetings where the public was invited to share any thoughts on the following:

- Entrepreneurs and the High Tech Economy
- Retail Development
- The Creative Economy
- Downtown Blacksburg

These meetings were well attended with between 25 and 35 attendees at each roundtable discussion. The May visit also included meetings with the Technical Committee, the Steering Committee, and a workshop with Town Council.

A third visit in June gave an update on findings to the Technical and Steering Committees and included individual meetings and interviews to discuss housing issues that had emerged as a priority during the input process in May. Arnett Muldrow conducted additional interviews in July for a total of over twenty-five individual interviews, small group meetings, and roundtables.

In August, Arnett Muldrow conducted a work session with staff to develop recommendations, which were presented to both the Technical and Steering Committee in October. Town Council was briefed on the plan the following day.

The draft plan was developed in November and December with the final draft completed in March of 2013.

1.3 Acknowledgements

The Blacksburg Economic Development Update is the product of Blacksburg business stakeholders, Town government staff and officials, Virginia Tech officials, the Blacksburg Partnership, and Downtown Blacksburg Incorporated as well as other citizen stakeholders who participated in the process. The strategies and tools advanced in this plan are rooted in the information and ideas and shared by those who participated.

The Arnett Muldrow team appreciates the Town's enthusiastic participation in efforts undertaken to create this plan and is especially grateful to the Town of Blacksburg and the Economic Development Plan Update Technical and Steering Committees for their help and outstanding commitment to this update. The members of these committees are listed below:

Steering Committee

Diane Akers

Blacksburg Partnership, Executive Director

Laureen Blakemore	Downtown Blacksburg Inc., Executive Director
Paula Bolte	Annie Kay's and Imaginations, Business Owner
Heather Browning	Town of Blacksburg, Community Relations Manager
David Catalano	Modea, Founder and President
John Dooley	Virginia Tech Foundation, CEO
Karen Drake	Town of Blacksburg, Comprehensive Planner
Matt Hanratty	Town of Blacksburg, Housing and Neighborhood Services Manager
Scott Hill	Montgomery Regional Hospital, CEO
Larry Hincker	Virginia Tech Associate Vice President for University Relations
Doug Juanarena	Rackspace, Vice President
Anne McClung	Town of Blacksburg, Planning and Building Director
Joe Meredith	Virginia Tech Corporate Research Center, President
Jim Rakes	National Bank of Blacksburg, President
	Blacksburg Museum and Cultural Foundation, Chair
Ron Rordam	Town of Blacksburg, Mayor
Steve Ross	Town of Blacksburg, Deputy Manager
Michael Sutphin	Blacksburg Town Council
Mike Soriano	Champs and Wikiteria, Business Owner
Marc Verniel	Town of Blacksburg, Town Manager

Technical Committee

Diane Akers	Blacksburg Partnership, Executive Director
Laureen Blakemore	Downtown Blacksburg Inc., Executive Director
Karen Drake	Town of Blacksburg, Comprehensive Planner
Matt Hanratty	Town of Blacksburg, Housing and Neighborhood Services Manager
Anne McClung	Town of Blacksburg, Planning and Building Director
Steve Ross	Town of Blacksburg, Deputy Manager
Adele Schirmer	Town of Blacksburg, Engineering and GIS Director
Marc Verniel	Town of Blacksburg, Town Manager

2.0 Progress Report on the 2001 Economic Development Strategy and Downtown Master Plan

The 2001 Economic Development Plan and Downtown Master plan were conducted simultaneously and together presented a series of over 100 recommendations to the Town of Blacksburg. The Economic Development Strategy centered on 10 thematic high priority recommendations. The Downtown Master Plan included six themes with a series of recommendations for each theme. Nearly all of these recommendations have been accomplished or addressed in some way since the original plans were adopted. The following sixteen points outline first the accomplishments from the Economic Development Strategy and then the accomplishments from the Downtown Master Plan. Many recommendations overlap both strategies so they are not documented twice.

2.1 Establish an Economic Development Corporation to Manage Economic Development Affairs

This recommendation accompanied a similar recommendation in the Downtown Master Plan for Blacksburg. The finding was that Blacksburg was large enough and sophisticated enough to support a quasi-public agency to assist with economic development. The recommendation specifically outlined that a group called the Blacksburg Partnership be created with representatives of the Town, Virginia Tech, and the private sector community.

The Blacksburg Partnership was created in 2002 to serve this purpose. Its board raised private capital to accompany public support for retail recruitment, marketing and advertising campaigns, and economic development projects. The Blacksburg Partnership alongside Downtown Blacksburg Incorporated have been instrumental in advancing the economic health of Blacksburg.

2.2 Initiate a Downtown Promotional/Ad Campaign

This recommendation involved launching a series of joint advertising/marketing campaigns to support shopping and dining in downtown Blacksburg. The recommendation pointed to a lack of a cohesive image for downtown, very little joint marketing of the area, and the promotional concepts completed in the Downtown Master Plan.

Since this recommendation was made a number of key implementation techniques have been put in place. The Downtown Merchants of Blacksburg changed its name and structure to Downtown Blacksburg Incorporated which retooled its website, created and expanded events to drive traffic downtown, and has conducted ongoing marketing. Most recently the BUY EAT LIVE Local campaign has promoted the benefits of shopping in Blacksburg. The Blacksburg Partnership launched a website that included a town-wide shopping and dining guide as well as

events promoting the districts including downtown. The messaging “Step Into Blacksburg” was a strong marketing initiative under the Blacksburg Partnership.

2.3 Adopt a retail recruitment plan

Retail recruitment was a major concern of the 2001 Economic Development Strategy. Many of the traditional retailers that served the day-to-day needs of residents had relocated to Christiansburg leaving Downtown, the University City Boulevard, and South Main Street areas in a state of decline. Downtown Blacksburg was perceived as an exclusively “student only” destination for nightlife and student oriented businesses. The plan recommended an aggressive strategy for attracting additional retail.

The Blacksburg Partnership took on initial recruitment efforts alongside the Town of Blacksburg by partnering with retail experts in Virginia as well as exhibiting and attending the International Council of Shopping Centers (ICSC) national conference for several years. The First and Main development was a direct result of this effort and brought national retailers to the Blacksburg market that heretofore were not in the New River Valley. The national recession impacted the full development of First and Main hampering its ability to fully develop as originally envisioned. A partnership among Downtown Blacksburg Inc. (then known as the Downtown Merchants of Blacksburg), the Blacksburg Partnership, and the Town of Blacksburg commissioned a retail market study that identified potential retail expansion opportunities, incentives for retail growth, and a marketing strategy for downtown in 2009. Many of these recommendations were implemented and downtown has enjoyed additional retail and restaurant growth. However, the economic recession has made sustaining downtown and other retail locations challenging.

2.4 Work Closely with Virginia Tech to Plan for Future Enrollment Increases and Student Housing Needs

Accommodating growth of the student population was indicated as one of the “Town’s biggest challenges” in the 2001 Economic Development Strategy report. In 2000-01 the enrollment at Virginia Tech was 24,133 and had been increasing steadily through the prior two decades (Source: Virginia Tech). In 2012-13 enrollment has increased to 27,543, an increase of 14.1% (Source: Virginia Tech). Complicating the issue is that many of the existing off-campus housing options for students in 2001 have aged since that time and national developers have emerged as major players in the student housing market. The Town has generally been reluctant to accommodate major new student housing development in the community as it would impact adjacent single-family neighborhoods or occur at the expense of other desired housing types although several projects have been completed. A period of demand for “gameday” housing compounded the community’s concern over multi-family development. Although the town has not had a proactive strategy toward accommodating student housing, Town Council has articulated policies through reactive decisions particularly concerning the sensitive location and

design of housing and a desire to see aging low density student housing stock in key locations replaced with more dense and higher quality development.

Feedback from focus groups and leaders in Blacksburg indicates a desire that the Town address a comprehensive approach to address the student housing demand. Comments from the Old Blacksburg Middle School master plan process indicated strong and cohesive resistance to student housing on the site in spite of considerable interest for that product type from the development community. This strategy from 2001 will need to be addressed in greater detail in the coming years as the demand for new student housing will only increase.

In the absence of a pro-active strategy, the community will continue to debate these issues as the demand increases, specific projects come forward and resistance from neighborhoods increases.

Moreover, the focus groups in Blacksburg have indicated that housing options for young professionals and families are limited. The lack of supply is driving them to look at adjacent communities to live pointing to a need to look at housing in Blacksburg that goes beyond simply accommodating students.

2.5 Prepare a redevelopment plan for South Main Street

The 2001 Economic Development Strategy identified the South Main Street corridor as a significant location for future retail development in Blacksburg that could accommodate new uses identified in its retail market study. The strategy indicated that an overall redevelopment plan for the corridor should be completed that would identify redevelopment sites, upgrade land uses, and increase property values.

While a comprehensive redevelopment plan for South Main Street was not completed, the redevelopment of the Gables Shopping Center and the First and Main project accomplished some of the goals of this recommendation. The Gables Shopping center has experienced a remarkable resurgence with the expanded Kroger and an overall redesign. First and Main has been a more controversial project. Originally envisioned as a true mixed-use development using “lifestyle center” shopping design combined with upper floor residential and office uses, the project changed in scope to a retail only development. The 2008 recession further compounded the challenges to the project as did a proposal to construct a superstore on the site that was not part of the original plan. The construction of First and Main did eliminate many blighted buildings on South Main Street and has introduced stores (some of which closed during the recession) to the Blacksburg market that previously were not available. First and Main is now under new ownership and the opportunity remains to capitalize on this important location and address other locations along the South Main corridor to ensure that it is a key component of the retail success of Blacksburg.

Perhaps most importantly, the South Main Task Force has been formed to unite the stakeholders in the district. The Task Force is in its early stages of organization and goal setting. Ultimately, the Task Force endeavors to become a companion organization similar in scope to Downtown Blacksburg Incorporated.

2.6 Work with Virginia Tech to Seek Higher Utilization of Prime Retail Properties at University City Boulevard

The University had occupied much of the University Center Mall property on University City Boulevard, which was indicated to be prime retail space in the 2001 Economic Development Strategy. The strategy recommended working with the University on higher and better uses for this location.

While the location has not materialized as a major retail location, the University and the Town alongside a local developer completed a major redevelopment of the University City Boulevard area including the mall itself. Now home to offices including the Virginia Tech Foundation, the development has brought employees to the area resulting in new restaurant development and proposals for additional redevelopment on adjacent properties. This is a situation where circumstances from 2001 and 2012 have changed and the outlook for this area is much more positive than it was in the original plan due to the cooperation of the University and the Town of Blacksburg.

2.7 Establish Blacksburg's Role as a Leader in Electronic Government and Business Support Services

The 2001 Economic Development Strategy quotes, "The Town has taken its eye off the Electronic Village concept that once brought it so much attention and notoriety during the early 1990's" and indicates that refocusing on e-government and technology advancement re-emerge as a priority for the community. The plan further states that "building a reputation in this area will set the community apart from other competitive locations and give the community a marketable commodity to promote to new technology companies."

The results of this recommendation have generated considerable discussion in Blacksburg. The Virginia Tech Corporate Research Center (CRC) has clearly emerged as a leader in promoting the latest technology and is the home for some of the most important corporate entities in Blacksburg. The CRC remains a critical contributor to the economic success of Blacksburg and is working on aggressive expansion alongside the enhancement of amenities that new technology companies desire. It is also the location in the Town of Blacksburg for the most advanced digital connections.

Meanwhile, some of the technology companies that have had connections to the CRC are looking at (and have located in) Downtown Blacksburg – a thought not conceived in the original plan. This has precipitated a discussion of how to deliver high-speed data access to these

companies and how that infrastructure might expand throughout the town. Discussions like “fiber to the home” or “fiber to the site” as well as franchise agreements with service providers, municipally owned infrastructure, and operation and maintaining technology infrastructure are all on the table. The Town Council has appointed a task force to study this issue realizing that it remains an important component of the future growth of the town as a whole.

2.8 Maintain an Inventory of Available Commercial Properties and Work with Property Owners to Secure Tenants

In 2001 the Town did not have an inventory of available properties or a coordinated way to work with property owners to assist in marketing available parcels and buildings. The plan recommended completing an inventory and developing an approach to assist real estate professionals and property owners in marketing these locations.

Both the Blacksburg Partnership and Downtown Blacksburg Incorporated have made significant progress in this recommendation. Both organizations have fostered relationships with property owners, real estate professionals, and have aggressively marketed available properties. The Blacksburg Partnership maintains a town-wide approach and is extremely knowledgeable about available properties. Downtown Blacksburg Incorporated works on a one-on-one basis with existing businesses and property owners. The Town has gone the extra step of offering incentives to fill vacant downtown properties including grants. Since 2001, the community has a much stronger handle on the available properties within the Town.

2.9 Consider Careful Rezoning of Areas for Commercial Development in Northend, Northwest, and Southwest

The 2001 Economic Development Strategy recognized the limited amount of land resources available to the Town of Blacksburg for future residential and commercial growth should the pace of growth continue at its historic rates. The 2001 plan pointed out specific zoning recommendations for properties that could accommodate multi-family and commercial uses. The plan specifically addressed property along Prices Fork Road beyond the U.S. 460 Bypass, Toms Creek Road/Route 460 Bypass, Research Center Drive, and South Main Street for future growth nodes to accommodate additional commercial, higher density residential, and business oriented uses.

Town Council carefully considered all of these locations for rezoning during the Comprehensive Plan process and made a conscientious decision to deliberately focus on development and redevelopment of existing, aging, or underutilized commercial parcels prior to proactively rezoning additional property for commercial growth.

2.10 Encourage Construction of a Major Performing Arts Center in the Downtown

At the time the 2001 Economic Development Strategy was completed for Blacksburg, the concept of a Performing Arts Center for Virginia Tech was in its infancy. The scope of such a center and its location were far from being identified though the need had been established in order for Virginia Tech to remain competitive with peer institutions. The Economic Development Strategy alongside the Downtown Master Plan emphasized that the greatest impact that such a facility would have would be if it were located in downtown Blacksburg.

Through the tireless work of Virginia Tech officials, the Center for the Arts is nearing completion in a location in the heart of downtown. It will evolve into a centerpiece attraction for the University and critical connection between downtown Blacksburg and Virginia Tech. This location and the scope of the facility is an unqualified success for the community. As the Center for the Arts at Virginia Tech comes online, ongoing discussions on how the facility and downtown Blacksburg can cooperatively benefit one another will be a major priority.

2.11 Create an Authentic Town Center: A Strategy to Reconnect Downtown with the Citizens of Blacksburg

This recommendation focused on creating events and activities, internal marketing to recruit local shopping, implementing improved crosswalks, creating better signage, and exploring options for the Old Blacksburg Middle School and a renovation to College Avenue to better link Henderson Lawn to downtown. This recommendation also included significant improvements to North Main that would both calm traffic and foster investment.

Downtown Blacksburg Incorporated and the Blacksburg Partnership created these events and activities and launched aggressive marketing campaigns already mentioned above. The Town of Blacksburg commissioned and completed major capital improvements to downtown through a streetscape overhaul to Main Street that included brick sidewalks, hanging baskets, crosswalks, and distinctive street furniture throughout downtown. In addition, the Town completed a comprehensive wayfinding system to curate the visitor experience to downtown.

The North Main improvements including a roundabout at the intersection of Prices Fork Road and North Main have resulted in a much more pedestrian friendly corridor and businesses are responding with new investment in the area.

The Town in partnership with Montgomery County commissioned a detailed master plan for the Old Blacksburg Middle School site and construction is now underway on the College Avenue Promenade that will result in a dynamic new space that will transform the intersection of “town and gown” in the heart of downtown Blacksburg.

2.12 Cultivate a Specialty Shopping Destination: A Retail Development Strategy

Many of these recommendations were documented above but included retail marketing and recruitment as well as retail incentive programs. This recommendation also focused on parking as a whole and creating the first decked parking in downtown as well as infill development.

The Town worked with the Blacksburg Partnership and Downtown Blacksburg Incorporated to launch a series of meaningful incentives to encourage business and building investment in downtown. A major public/private partnership created Kent Square, downtown Blacksburg's first major mixed use project that included significant structured parking.

Parking in downtown remains a challenge in spite of the increase in space; the partnership recommendation for a major parking structure in partnership with Virginia Tech on the Donaldson Brown lot has yet to come to fruition. However, the Town has made proactive strides through the acquisition of the Progress Street properties to add public metered parking and make a distinction between public parking and leased parking on the lot. Overall, the goal is to have a more cohesive parking resource in this location.

2.13 Develop a Regional Cultural District: An Arts and Entertainment Strategy

The goal of this strategy was to make Blacksburg Southwest Virginia's regional center for the performing and visual arts. As documented above, the Center for the Arts is perhaps one of the most important partnership efforts that came from this recommendation and one of the largest investments in the history of Downtown Blacksburg. Virginia Tech's acknowledgement that the Center for the Arts location adjacent to downtown would reap rich rewards for both the University and the Town cannot be overstated enough.

The Center for the Arts will serve as an ongoing catalyst to implement the remaining recommendations of this strategy including a community art gallery and studio space.

2.14 Create a Welcoming Place for Visitors: A Tourism Strategy

This recommendation also included the gateways and welcome signs that have been implemented and recommendations for future accommodations options and meeting space in downtown Blacksburg.

Despite the loss of Donaldson Brown as a downtown lodging option, the private sector has responded with the Main Street Inn and development proposals have been floated for a new hotel on the site of the Old Blacksburg Middle School. Moreover, the regional effort to have a coordinated tourism strategy will help bring other recommendations for increasing the visitor appeal of Blacksburg to fruition.

2.15 Foster a Mixed Use Neighborhood: A Residential Development Strategy

The goal of creating residential options for the non-student population in downtown Blacksburg was very much a component of the 2001 Downtown Master Plan. The New Town area was thought to be the best opportunity for that kind of development (the area bounded by Turner Street, Prices Fork Road and North Main Street). While New Town has significantly redeveloped from the poor condition it was in a decade ago, non-student housing did not develop in this site.

However, several residential projects have happened that gear more toward a non-student population base including the Lofts at the Lyric, Kent Square, and Clay Court. The Brownstone is also marketed as a product for the non-student population and the Old Blacksburg Middle School Site includes recommendations for a variety of housing types that will appeal to a variety of permanent residents.

2.16 Develop a Partnership for the Future: A Downtown Economic Development Strategy

The recommendation for such a partnership is covered in section 2.1 above. Over time, both the Blacksburg Partnership and Downtown Blacksburg Incorporated have grown to become partners in this effort.

2.17 Concluding Remarks

In total, nearly all of the recommendations of the 2001 Town of Blacksburg Economic Development Strategy and Downtown Master Plan have been addressed in some form. In addition to those recommendations the Town of Blacksburg and its partners at Virginia Tech (University and Foundation), Downtown Blacksburg Incorporated, and the Blacksburg Partnership have implemented a host of other projects to improve the community including:

- Main Street Streetscape Improvements that dramatically changed the appearance all along Main Street and promoted pedestrian safety
- Traffic signal synchronization, pedestrian actuated crossings, and decorative fixed mast poles
- Improvements to Market Square Park that redesigned the Farmers Market and created both a community gathering place and a friends group to support it
- Expansion of the CRC by the Virginia Tech Foundation

All of these accomplishments are made even more remarkable when the economic outlook in August of 2001 (when the report was published) is taken into consideration. While the country was facing some economic challenges, the situation changed dramatically the following month with the September 11th terrorist attacks. Like all of America, the community was also

impacted by the recession of 2008. Blacksburg has faced these challenges with remarkable resilience and courage. Blacksburg remains a strong and vital community, has enhanced its standing as a retail and business location all while maintaining and enhancing its quality of life as a great place to live and raise a family. New challenges lie ahead, and this strategy strives to poise Blacksburg to continue its success over the coming years.

3.0 Input Summary and Emerging Economic Development Themes

This plan includes recommendations that revolve around six themes for moving forward in Blacksburg:

- Entrepreneurship/Technology
- Retail Development
- Real Estate Development
- Creative Economy
- Downtown Development
- Virginia Tech Partnerships

Unlike the original plan that included broad recommendations with many subsets, the thematic arrangement of this strategy allows the community to examine more detailed recommendations, some of which can be implemented in the short term while others may require more work in the long term.

Within each of the themes below, the issues related to the theme are presented. These issues are a synopsis of the input received through the public process that involved well over a hundred Blacksburg stakeholders. It is important to understand that the issues presented sometimes conflict with one another and do not necessarily reflect the view of the Town of Blacksburg or the consultant. They are presented as heard with the attempt not to spin the input in any way. Where necessary, Arnett Muldrow's editorial remarks on the input are shown in *italics* to distinguish our thoughts from those taken directly from input.

Following the issues are the recommendations themselves along with descriptions and examples of how those recommendations may be implemented. In some cases links or references to successful projects in peer communities have been included.

4.0 Entrepreneurship/Technology

4.1 Issues from the Roundtable Input

- Overall, Blacksburg offers an atmosphere that encourages entrepreneurship particularly if the entrepreneur has ties to the local area. There are desires to expand opportunities for entrepreneurship both at the CRC and in Downtown.
- Entrepreneurship was not a focus of the 2001 Economic Development Strategy for Blacksburg; addressing it in this strategy is an indication of how far the community has come and how economic development strategies have evolved over the prior decade.
- The Virginia Tech Corporate Research Center (CRC) is a dynamic asset for Blacksburg. In fact, more people are employed at the CRC than there are faculty positions at Virginia Tech. The center has grown and has plans to continue to grow.
- Young professionals comprise a very important component of Blacksburg though they are often not recognized as such. Local events like “Up on the Roof” have served to create a network of these professionals and many consider this and other efforts as advancing the desirability of Blacksburg as a place to live for young professionals.
- Young professionals are attracted to the outdoor activities in Blacksburg such as biking, canoeing, hiking, etc. Some find the small town environment and pace of life appealing. Those with children find excellent schools. Of course, natural beauty, reasonable cost of living when compared with large metro areas and access to the Virginia Tech talent pool are all assets for entrepreneurs. Blacksburg should continue to market these amenities.
- While diversity is improving, Blacksburg is not as diverse as some of its competition. Many who come to or stay in Blacksburg have some link to the region. The community lacks the cachet of some communities that have marketed themselves as attractors to young professionals and entrepreneurs. Blacksburg should contemplate its competitors and evaluate how they sell themselves to entrepreneurs. Places like Asheville (NC), Austin (TX), and Boulder (CO) were mentioned. The community should explore better ways to capture people who have been here (low hanging fruit) to come back and market to them in a more formalized way. Perhaps better connections with alumni associations across the country to serve as potential talent pools should be considered so the community does not have the perception that you need to bring the job with you to Blacksburg if you want to return.
- Outside of the CRC and especially in downtown Blacksburg there are few opportunities for business locations. Very little Class A office options exist downtown and affordable broadband is very limited. There is a desire for more office options in downtown as well as housing options to accompany these offices. There are some good options such as the Lofts at the Lyric, Kent Square, or Clay Court but they are limited and many other residential units

adjacent to downtown (especially in the original 16 squares) are perceived as undesirable for rental or ownership by young professionals or families. At the same time, more office uses and a young professional population could help “dilute” the student population that is so prevalent in downtown while creating more accountability/greater responsibility. Virginia Tech’s model with faculty living with students in the Honors Residential College might be applied in other parts of the town. Some view the lack of building stock, height limitations, and historic preservation regulations as impediments to getting downtown to the point where it can support these uses. Others expressed that the vision of Downtown should extend northward and southward along Main Street. *There is some debate in the input about whether the housing that has developed downtown actually is appealing or caters to the young professional. While some say the Lofts at the Lyric represents a paradigm shift, others say this project is not indicative of a trend and that projects such as Clay Court and Kent Square have not lived up to expectations that they attract local residents.*

- How can the CRC better connect to both South Main and to Downtown. The road network between the two is confusing and the 2,400 employees there frequently go to Christiansburg to live because it is more convenient. Some employees also opt to live in Christiansburg because of limited housing options in Blacksburg.
- *There is a lot of discussion and some confusion about what kind of broadband improvements are necessary in Blacksburg to make it competitive.* Broadband is well established at the CRC and some downtown businesses have ensured that they themselves have access to broadband; however, there is not a comprehensive strategy. There is recognition that broadband is an important element in economic development. There is a discussion about just what role the Town itself should play in this. A group has been formed to make recommendations but as of yet it has not developed consensus on the strategy.
- There is a disconnection between job seekers and jobs available and some stakeholders indicate a lack of a centralized place for job seekers to view all available opportunities. The CRC has a job search database available but stakeholders indicated that it is not comprehensive to the whole community.
- Some stakeholders indicated that the human resource regulations at Virginia Tech interfere with placing talent. The example cited is that an applicant’s resume for a particular position cannot be shared for other positions.
- Some in the roundtable suggested that there be an opportunity to allow applicants to “check a box” to give permission to share their resume across the community, streamlining job boards/opportunities, offering job resources on the Town’s website, and making sure that employers and job seekers take advantage of the existing resources at the Roanoke Blacksburg Technology Council’s website. All of these suggestions would benefit the University, companies at the CRC and elsewhere, and would help trailing spouses.

- There are many who are "under the radar" who are not members of the Roanoke Blacksburg Technology Council (RBTC). Perhaps the RBTC can market to smaller companies and serve as an indirect route to meeting other tech folks. Smaller companies have different problems and different interests, including just seeing the success of other small companies as a model for success.
- Blacksburg should explore ways that local investors/angel investors/alumni investors can get directly involved in entrepreneurial activities in the community. *Many investment funds and opportunities to foster entrepreneurship are available but are not well promoted.*

4.2 Recommendations

4.2.1 Remove Barriers to Entrepreneurship

Entrepreneurship is emerging as a major theme for the future economic health of Blacksburg and the region. The Roanoke-Blacksburg Technology Council (the RBTC) is an organization created to promote the regional growth of technology sector businesses and entrepreneurship. Representatives from both Roanoke and Blacksburg lead the RBTC board including some of the top executives from the region. The Regional Innovation Blueprint was rolled out in July of 2012. The Innovation Blueprint assesses the existing conditions in the region, prepares goals and outcomes and focuses on a series of recommendations revolving around four key areas:

1. Build a continuum of innovation talent at all levels to support the development and growth of high impact sectors.
2. Create a robust entrepreneurial and early-stage growth ecosystem by connecting capital and services in ways that accelerate commercialization and business development.
3. Enable vibrant education-industry partnerships by strengthening partnerships among the region's higher education institutions and effectively connecting those institutions to the region's industry and economic development efforts.
4. Raise awareness of the region's innovation assets and opportunities (within and outside the region) and strengthen the organizational infrastructure that supports outreach efforts.

It is important that Blacksburg play a role in this regional partnership as it is a major contributor to the regional asset base as the home to the region's major research university Virginia Tech and the headquarters to some of the most innovative companies in the region. The Corporate Research Center has developed VT KnowledgeWorks that is serving entrepreneurs in innovative ways. Blacksburg should also maintain a role in the RBTC and VT KnowledgeWorks to assert entrepreneurial priorities important to the community in the region.

4.2.2 Expand Broadband Downtown

The ongoing discussion on broadband is both complex and changing as technology evolves: In 2011, Mayor Ron Rordam appointed a task force to explore best practices and make

recommendations to bring Blacksburg to the forefront of telecommunications and broadband access. The vision established in 2010 was to have gigabit or higher broadband infrastructure throughout the community that is open, accessible, and affordable. The timeline set for this goal was 2015. The Broadband Vision Task Force met aggressively through 2011 and remains in place.

One of the major discussion points is to ensure that infrastructure to handle fiber is part of the College Avenue promenade construction and that this pilot project could extend up Main Street in both directions to have a “core” area of fiber access (or at least infrastructure). The Town of Blacksburg should construct the infrastructure, contract for maintenance and operation, and continue to work with private, education, and non-profits to further develop fiber access.

Fiber to the home has been a discussion topic but the recommendation is to push fiber to the home to a later priority once the downtown broadband network is complete.

4.2.3 Create a Local Comprehensive Job Board and Improve Job Search Options

The Town and its partners should work with the CRC and Virginia Tech to help streamline job boards and opportunities perhaps by offering job resources on a dedicated website and making sure that employers and job seekers take advantage of the existing resources at the Roanoke Blacksburg Technology Council’s website. Virginia Tech might include a policy change that would allow departments, with an applicant’s permission, to share the applicant’s resume for other positions.

4.2.4 Create a Local Investment Strategy

Blacksburg has benefitted from a number of venture capital efforts through the years. The latest, Valleys’ Ventures, pledged to invest between \$15 and \$20 million in regional business ventures. This will be a critical step in helping Blacksburg business gain access to capital not otherwise available. Like many venture capital funds, Valleys’ Ventures is a “closed loop” investment fund where the partners are invited to invest. The community should explore expanded ways for early phase funding to better incentivize commercialization of discoveries of Virginia Tech faculty, staff, and students.

Blacksburg should explore an “open loop” way to encourage entrepreneurship, local investing, and local partnerships. A well-educated, local oriented population already exists in Blacksburg that would be a prime market for such a system. There are several specific opportunities the community should explore:

- Business Alliance for Local Living Economies (BALLE) is a national 501(c)3 organization that promotes local first, do it yourself entrepreneurs, community capital, and community partnerships to create an eco-system for local investing, shopping, and business. Major national organizations are working as partners with BALLE in this endeavor. Meanwhile, local BALLE chapters all over the country are following the BALLE model with innovative results. Currently there

are no BALLE affiliates in Virginia though North Carolina has affiliates in Boone, Greensboro, and Durham. Blacksburg should explore BALLE further as a way to support local investing. www.bealocalist.org

- Crowdfunding is a growing national trend with sites such as Kickstarter www.kickstarter.com offering opportunities for entrepreneurs to raise capital. The return on investment for such sites is minimal. A more advanced model that is exploring everything from company investing to real estate is Fundrise that has been working in the District of Columbia (www.fundrise.com). Blacksburg should explore these models.
- Local Stock Exchanges are being promoted as future opportunities for communities especially after the Jumpstart Our Business Startups Act (JOBS Act) was enacted in April of 2012. The state of Hawaii and Lancaster, Pennsylvania have both pursued Local Stock Exchanges and author, economist, and attorney Michael Shuman has written extensively about the possibilities of local investing in communities. His website www.small-mart.org offers a wealth of information on the concept.

4.2.5 Partner to Expand a Co-Working Entrepreneurial Accelerator in Downtown

TechPad is a prime example of a private sector led effort to create co-working space in downtown Blacksburg. The trend for co-working and accelerator spaces is rapidly growing and downtowns are the new location for these facilities. Many of these facilities are developed through a partnership with nearby universities which see the value of investing in their local downtowns while fostering innovation and entrepreneurship. 2012 was a banner year for these facilities with expansions and new openings of incubators and co-working spaces across the country. The following institutions of higher education and their adjacent downtowns have partnered to create downtown spaces for business to grow:

- University of Alabama, Downtown Tuscaloosa, The EDGE
<http://www.tuscaloosachamber.com/theedge/>
- University of Louisville, Downtown Louisville, Nucleus <http://nucleusky.com>
- Northwestern University, Downtown Evanston, INVO
<http://entrepreneur.northwestern.edu/index.php/directory>
- Bucknell University, Downtown Lewisburg, Bucknell University Entrepreneurs Incubator (BUEI) <http://www.bucknell.edu/BUEI.xml>
- University of Buffalo, Downtown Buffalo, UB Biosciences Incubator
<http://www.buffalo.edu/news/releases/2012/12/011.html>

These examples represent just a few of the case studies of downtown incubators as a key way to link local universities with entrepreneurship in downtowns. Many of these centers are seeing unprecedented success. Blacksburg should contemplate partnering with the Virginia Tech Foundation and private investors on expanding the co-working, hacker, and accelerator opportunities in downtown. The project could be positioned so as not to compete with plans to expand entrepreneurial space at the CRC.

4.2.6 Revise Conditional Use for Ground Floor Office Uses in Downtown Commercial

The Conditional Use Permit (CUP) for office uses on the ground floor of downtown properties was one of the most often cited barriers to both downtown development and entrepreneurship in downtown. The CUP was developed in prior years as a way to stave off rapid redevelopment of retail space into office space as Virginia Tech aggressively grew its off-campus footprint into downtown.

Over time, this pressure has waned but the CUP has remained in place. There are valid concerns about maintaining retail strength in the downtown (especially the core) to foster a vibrant pedestrian environment and commercial district while preventing “dead zones” where office uses interrupt pedestrian flow. There are also valid concerns about the CUP impeding leasing particularly when the track record for approval has generally been positive.

Town Council has recently explored this issue in detail and has determined that the best approach to tackling the problem initially is an automatic streamlining of the CUP process for ground floor non-retail uses that would shorten the time a building owner/developer would have to wait for approval. Town Council and the business community should continue to monitor this issue and be willing to explore additional options if necessary.

5.0 Retail Development

5.1 Issues from the Roundtable Input

- Blacksburg has come a long way in retail development since 2001 in all areas of town. In 2001 Christiansburg was the major retail attractor and Blacksburg had lost much of its basic retail. South Main Street and University City Boulevard were in a state of decline. Downtown, while vibrant, had not had significant real estate or public capital investment in years and was viewed primarily as a student destination for nightlife.
- While Blacksburg has come a long way, the success of First and Main is a major concern by many in the community. The development came online as the recession hit, the original concept was changed during the scope of the project, and a proposed superstore on the property became a contentious local issue. During the course of this update, the property has undergone a transfer of ownership and plans are underway to develop/redevelop the property. While many want to see First and Main succeed, some perceive it as competing for attention with other shopping destinations in Blacksburg (particularly Downtown). *Retail critical mass across the board is the most important way for Blacksburg to be healthy overall; districts within a community do not compete with one another, they compete as a whole against a shopper leaving the market entirely.*
- Many focus groups and individuals expressed a desire for a department store (such as Kohl's), a high-end grocer (such as Whole Foods, Freshmarket, or Trader Joe's), more dining options not geared specifically to students, and better choices for clothing shopping.
- In the absence of the chains mentioned above, some mention the opportunity to "home grow" these opportunities in Blacksburg with local options such as co-ops or locally owned stores so as not to impede on existing businesses. Still others see an opportunity to better market what Blacksburg already has as a cluster of specialty shops (particularly geared around food in the South Main area).
- *The market will dictate whether a chain store is likely to be built in Blacksburg. If a chain store like Trader Joe's does not see a market, then the community can explore ways to create local equivalents through existing and new businesses.*
- There is a lack of cohesive vision on what kind of development should take place on North Main Street. This corridor offers a variety of service and retail businesses but does not have a consistent identity.
- Blacksburg should continue to work on how to better focus its retail recruitment and who is best suited to do so. In many cases developers are the intermediary between a local community and national chains with whom they have relationships. Some interviewees

wonder whether and/or which economic incentives would attract the desired stores to Blacksburg.

- Will additional non-student residential units downtown contribute to balancing the perception that the district is still too student centric.

5.2 Recommendations

5.2.1 Prepare Streetscape and Site Redevelopment Plan for South Main Street

This recommendation was included in the 2001 Economic Development Strategy. The Town of Blacksburg has already completed several important streetscape and traffic improvements along South Main including planted medians and timed traffic light controls. As time progressed, renovation of the Gables Shopping Center and the First and Main project evolved as a major focal point for redevelopment of the distressed properties along South Main St. and an overall redevelopment strategy for the corridor was supplanted by the Town's work on these important projects.

However, many vacant, underutilized, and dated properties remain on South Main Street and the corridor lacks a cohesive identity as the visitor travels the corridor. The Town should commission a plan that looks both at the detailed design of the street here including implementing approaches that would improve the appearance and function of the street alongside a redevelopment strategy that works with existing property owners to explore future development options for key sites along the corridor.

5.2.2 Partner with Developers to Complete Original Vision of First and Main

First and Main was originally conceived as a true mixed-use project that would include retail, restaurant, residential, and office uses. As the project progressed many of the original concepts did not come to fruition, a situation exacerbated by the recession and by the proposal to place a superstore on the site. It is time for Blacksburg to move past these prior debates and focus on the overall success of this project as the country emerges from recession and developers begin investing again. The First and Main project still has tremendous potential for Blacksburg.

First and Main is now under new ownership after a period of bank ownership and the Town of Blacksburg has a significant opportunity to work with the developer and owner to revisit the original vision for the site. The Town of Blacksburg should contemplate participating in the project not simply as a supporting entity but going the extra step of using a Community Development Authority to provide financial participation while creating public benefit. This would help First and Main develop in a way that creates a strong gateway to the community and contribute to the overall economic vitality of Blacksburg.

5.2.3 Explore and Understand the Market Viability of Desired Retailers for Blacksburg

Many interviewees expressed strong desire for certain store types and specific named stores. In the food category, Whole Foods, The Fresh Market, and Trader Joe's were most often mentioned while Kohl's was mentioned frequently as a desired clothing/department store

option. Conversely, the community has consistently shown resistance to Wal-Mart as a potential store appropriate for the community.

Prior market research and first hand experience working with some of these retailers indicate that the community needs a way to better comprehend the potential to support certain retail types. Even an understanding of these stores in 2013 does not necessarily mean that the retailer may not change its approach, market demands, and location standards as retail nationally is undergoing dramatic transformation. Furthermore, many retailers work through a master list of brokers and developers that act as the go-between for the store and the actual development.

The following are based on knowledge of the current standards that named retailers are searching for:

- *Food/Grocers:* Whole Foods desires 25-50,000 square feet of space in a location with 200,000 people within a 20-minute drive time (Blacksburg has less than 80,000 within a 20-minute drive time). The Fresh Market desires 150,000 residents within a five-minute radius (according to a Nielson radius study, Blacksburg has less than 59,000 within a 5-minute radius). Trader Joe's has recently broadened its market requirements but remains publicly quiet about the requirements though the estimate is that 36,000 people must live within a 15-minute driving radius and that two thirds of them have higher education degrees as well as reasonably high incomes. Trader Joe's has been locating in smaller markets especially those with institutions of higher learning.

In conclusion, it is very unlikely for Whole Foods or the Fresh Market to locate in Blacksburg but Trader Joe's is a "dark horse" candidate for the market.

- *Clothing/General Merchandise:* Kohl's has become much more flexible in its store types introducing smaller store formats specifically designed to serve more "rural" mid-sized communities. This flexible format generally calls for 100,000 in the trade area though what constitutes a trade area is not specified on its site. Kohl's could be viable in Blacksburg based on the data from its site although plans have been shelved for continued expansion in the foreseeable future.

Discount retailers like Wal-Mart have become even more nimble in their store location strategy adapting both to resistance from communities to the superstore concept and competition from smaller format stores like Family Dollar and Dollar General. "Express" and "Neighborhood Market" stores are flexible concept stores introduced by Wal-Mart and are expanding aggressively with stores in 18,000 to 38,000 square foot formats. Blacksburg can be certain that discount retailers will continue to explore options to reach customers in the market. Blacksburg should be pro-active in understanding what these store types are like.

6.0 Real Estate

6.1 Issues from the Roundtable Input

- A theme that ran throughout nearly all of the focus groups and interviews was a desire for more housing at a price point for young professionals particularly in downtown Blacksburg. Many agree that this new housing is likely (and needs to be) more dense than the single family detached homes found elsewhere in the community.
- While there has been a great deal of desire for housing for young professionals in downtown, some see a disconnect between what products people want (higher end loft style) vs. what they are willing to pay for that product. Others have contended that what has been constructed to date is not appealing to the young professional market and consequently has either rented to students or to alumni for “game day” condos.
- Some developers expressed that existing apartment rents are too low (\$450-\$550 on the higher end per bedroom) which makes financing difficult to obtain and that a rent of \$750+ per bedroom would make for a viable rental market. In spite of that contention, developer demand for new student housing has been high and there has been little indication that the Town has a cohesive strategy on where new student housing will go. Pressure will continue in this direction and pushing the housing out of the Town will still create problems with traffic and circulation. Many expressed that a decision needs to be made about how student housing will be accommodated.
- The speculative office market is weak. Office vacancy rates are currently high and the market is soft. There have been a lot of long-term vacancies in the past 5 years. Commercial property sales over that past five years are very slow. One real estate professional cited zero sales year-to date.
- The CRC is continuing to expand leading some to conclude that Virginia Tech is both a driver and a competitor for the local office market. Many recognize the important role that the CRC plays while realizing that an overall strategy for the community may be warranted to accommodate future office growth. Some have commented that CRC is a huge competitor and has the advantage of Virginia Tech Foundation financing at a less stringent lease up versus having to deal with a traditional lender with tighter regulations. Furthermore, the CRC offers leases that are far more flexible (add and subtract space easily) than the outside leasing market.
- Key opportunity sites abound for development/redevelopment: The Old Blacksburg Middle School Site, Blacksburg Baptist Church, Blacksburg Square, First and Main, Holiday Inn, the interchange property and others offer opportunities for more dense development.

- The local hotel market is saturated except for game days and graduation. Currently the hotel market is at approximately 55% occupancy at other times of the year. Ideally the hotels need to be around 60-65% occupancy overall to break even.
- Housing sales per square foot vary widely in town from \$75 per square foot on the low end (1970's style ranch) to approximately \$140 per square foot on the high end (at subdivisions like Wyatt Farm). Overall Blacksburg prices continue to command a premium in the region and are about 15% higher than Christiansburg prices. Because of the recession, the growth in housing has slowed but Virginia Tech is continuing to hire including about 90-100 jobs over the past year, which has a stabilizing effect on Blacksburg when compared with other markets.
- The conditional use permit process for office on the ground floor in Downtown Commercial is too burdensome to go through and not practical for businesses to wait 4-6 months for Town Council approval of the space. There should be a sunset clause to temporarily allow lower floor office to fill vacancies. Overall, developers need regulatory relief on allowable uses but keep the infrastructure/design regulations for quality/ability to convert space from office back to retail when the market improves.
- Continued development of First and Main may have an opportunity to integrate student housing into the development to better activate it on one of the two large parcels.
- Density bonuses may be a way to achieve multiple goals: housing, design, and compatibility.

6.2 Recommendations

6.2.1 Create a Housing Trust Fund

According to the Center for Community Change in Washington, DC, "Housing trust funds are the single most impressive advance in the affordable housing field in the United States in the last several decades." Nationally, housing trust funds have experienced phenomenal growth with less than 50 in 1965 to over 600 in existence now. Forty states have communities with housing trust funds and the Commonwealth of Virginia became the forty-first state to adopt a statewide housing trust fund that is currently being implemented.

Local housing trust funds follow a similar overall pattern but are extremely flexible in their goals. Some focus exclusively on providing housing to very low-income families while others delve into workforce housing, public private partnerships, and even creative financing for market rate developments.

One of the biggest challenges of any Housing Trust Fund is capitalization. Having a dedicated revenue source stabilizes the fund and makes it feasible. A one-time infusion of capital, grants,

or donations will not make for a successful Housing Trust Fund. Blacksburg should explore the following suggestions for its Housing Trust Fund:

- The name of the fund should be the Blacksburg Neighborhood Housing Trust emphasizing the preservation and creation of stable neighborhoods throughout the town.
- The Blacksburg Neighborhood Housing Trust should focus on the market not being targeted by any other program: workforce housing, first time home-buyers, and young professional/family housing. These are the groups that are “slipping through the cracks” because they don’t qualify for conventional financing in Blacksburg or cannot afford the housing stock and they are not economically distressed enough to qualify for low to moderate income housing assistance.
- Blacksburg should study the possibility of proffers based on residential construction development and operating cost data, separated by type and use, to create a sustainable funding source for the Blacksburg Neighborhood Housing Trust.
- The Blacksburg Neighborhood Housing Trust should be housed within the Town of Blacksburg government with Trustees appointed by Town Council.
- Eventually the Blacksburg Neighborhood Housing Trust could expand its scope to include a Community Land Trust (this is a housing program that does long term leaseholds on trust on lands), becoming a Community Development Financial Institution, or other spin-off options.

6.2.2 Identify, Promote, and Work with the Owners of Key Development and Redevelopment Sites

Blacksburg has several sites that are prime for development and redevelopment. The community has shown through commissioning a master plan for the Old Blacksburg Middle School site in partnership with Montgomery County that providing guidance for redevelopment can yield results in investment.

Holiday Inn, Obenshain property, South Main Corridor, Blacksburg Baptist Church, First and Main, the interchange property, the Progress Street parking lot and potential adjacent properties that might be redeveloped with higher densities, and the parking for Squires on the campus of Virginia Tech each represent sites that the community can play a pro-active role in working with owners and developers to develop plans that satisfy key goals of the town, offer a marketable product for developers, and result in these properties being developed to add to the tax base and quality of life of Blacksburg. Both the Blacksburg Partnership and Downtown Blacksburg Inc. can play an important partnering role with the Town and the property owners to market the properties, work on conceptual plans when needed, and facilitate input from the community.

6.2.3 Consider Vacant Building Ordinance

Currently, the Commonwealth of Virginia does not allow towns to implement a vacant building ordinance that protects the health and safety of local citizens from hazards from buildings that are not being maintained or occupied. Blacksburg has requested this authority in the past, but has not been successful.

State law does allow a locality to acquire a building through a Spot Blight Abatement program authorized through § 36-49 of Virginia Code. The building must be found to be uninhabitable to be acquired. Lynchburg has adopted a program whereby vacant and derelict properties are posted with signs providing the name and address of the property owner and a statement asking the public if the building “meet(s) your neighborhood standards.”

Other techniques have been used to aggressively deal with nuisance properties, each of which should be explored by the Town of Blacksburg. However, consideration should be given to the conditions in Blacksburg and whether blighted properties exist as in more urban areas such as Richmond, Norfolk, or Lynchburg.

6.2.4 Implement Micro-Grants and/or Business Plan Competition

Many communities are providing micro-grants to startup businesses through their economic development partner groups. The Blacksburg Partnership would be an ideal partner to provide micro-grants for start-ups, business expansion, savvy business plans, and other purposes. Many of these are structured into Business Plan Competitions or “Pitch” sessions where businesses compete for funding.

Many universities are incorporating business plan competitions into their entrepreneurial support role. Blacksburg should explore best practices in these grants and competitions and launch a pilot project to foster innovative businesses.

7.0 Creative Economy

7.1 Issues from the Roundtable Input

- The Center for the Arts will be a tremendous asset for Blacksburg's downtown and the community as a whole. There is an opportunity for the Center for the Arts to attract regional clientele (Roanoke and beyond) to downtown Blacksburg. The concept is to make people stay in Blacksburg beyond their initial stop. Just how the Center for the Arts will accomplish this and the details of outreach and partnerships are being explored but as of yet are unclear.
- Blacksburg needs to better link to surrounding traditions and culture of the region. Rather than being perceived as an "island" in a region rich with tradition, the community should embrace that and cultivate it in any way it can. This may include cultivating a relationship with Old Time Music as well as small value added agriculture. Some of this is already happening at the Farmers Market. Further opportunities could happen to build a bridge to and from the campus and Southwest Virginia. This could also build on the Crooked Road and enhance the existing stop on the trail, simultaneously, complementing the region and building Blacksburg's reputation.
- The regional tourism effort offers an opportunity to market Blacksburg to visitors beyond the traditional alumni. Blacksburg and Montgomery County can be used as a jumping off point to explore the entire region. The community should do a better job of marketing its amenities and attractions to the visitor. The Blacksburg "brand" should be established as Montgomery County launches into tourism. Branding of the Center for the Arts has already been contracted and should be completed soon.
- Blacksburg has the opportunity now to build an arts enclave and become a community that fosters growth in the creative economy through the arts. Emerging and growing partnerships offer a chance to achieve this.
- Blacksburg has an opportunity to build an arts nucleus (create a concentrated critical mass) to create synergy and build upon each other as an arts destination. This might include a small arts district/street to draw to by removing regulatory burdens, an artist incubator to foster development, an artist co-op, better marketing and maps showing locations of galleries and artists, and mentors or self-mentoring for artists to sustain a viable business. Artists businesses can expand their appeal by utilizing broadband to have a virtual art gallery to market to larger markets (need the infrastructure to do so, particularly in downtown). There are already many available venues and resources but a need exists to continue a consolidated effort to connect the arts community. The Blacksburg Partnership's art summit idea to bring all the arts stakeholders together is a good start.

- The creative economy also needs to include food, value-added agriculture, and dining in its strategy. The Farmers Market is a great asset and is doing innovative things. The first Blacksburg Restaurant Week was a success. There have been many comments about the lack of fine dining (locavore options) in Blacksburg.
- The local investing opportunities explored for entrepreneurs should be expanded to the creative economy as well.
- While important, some fear that this economic development strategy will try to rest entirely on the arts.
- Children should be involved in the creative economy initiative. A Children’s Museum could be a catalyst project for downtown that would attract visitors.
- Overall there is an opportunity to enhance marketing efforts both inwardly and outwardly including building on the Blacksburg Partnership’s initiative to develop a community website that lists all types of events.

7.2 Recommendations

7.2.1 Create a Co-Op Artist Gallery/Studio in Downtown

Blacksburg continues to develop its arts infrastructure and is certainly a regional center for art. The Blacksburg Regional Art Association, the Blacksburg Partnership Collaborative for the Arts, and the Blacksburg Museum and Cultural Foundation should explore creating a co-op artist gallery possibly in the old Blacksburg Town Hall in downtown. Such a facility would allow artists a joint place to display their work and possibly include classroom and studio space. If the Old Town Hall location is pursued, the location would have the added benefit of reinforcing the adjacent neighborhood as a center for creative people to live, work, and sell their art (see recommendation below).

7.2.2 Create a Local Investment Strategy and Incentives for Creative Businesses

Recommendations in sections 4.2.4 and 6.2.4 above provide ideas that should be applied to creative economy businesses as well as more traditional business models. For example, the BALLE model has a very extensive “creative economy” focus and a local investment effort might focus on fostering artistic and creative economy businesses.

7.2.3 Create a Food Related Events Similar to Restaurant Week

2012 marked the first year for the Blacksburg Restaurant Week and many considered this inaugural event a success. The same concept should be considered for food related retailers in Blacksburg. This should happen for several reasons:

- High end food retailers were the most often cited “wants” of community stakeholders in input sessions,

- Stores like Whole Foods and The Fresh Market are unlikely candidates for Blacksburg under their current location models, and
- Existing stores (as well as the Farmers Market) in Blacksburg already provide many of the goods found in stores cited as desirable in Blacksburg.

Many of these stores are clustered in the South Main part of town including Annie Kay's Natural Foods, Kroger, Oasis World Market, Vintage Cellar, Our Daily Bread, and the Chocolate Spike so this effort could be a unique opportunity for the South Main Task Force to partner with other groups in Blacksburg such as the Farmers Market to have a "Blacksburg Food Week" with special events, tastings, chef demonstrations, and other activities. The goal would be to showcase that Blacksburg's independent businesses offer the types of goods available at national chain "high end" grocers.

7.2.4 Brand the Region for Tourism

Until recently, Blacksburg and the region have not had a cohesive tourism marketing approach. In 2011, Montgomery County and the Towns of Blacksburg and Christiansburg created the Montgomery County Tourism Development Council and hired a director of tourism in late 2012. This represents a significant opportunity to create a marketing and brand identity for the region that ties together the communities, Virginia Tech, and the rich array of outdoor amenities that surround these places. Blacksburg will play a critical role in the evolution of this organization and an early step should be completing a brand identity that is both authentic to the area and enticing to visitors.

7.2.5 Research and Implement Best Practices for Outreach at the Center for the Arts

The Center for the Arts is the most significant single investment in downtown Blacksburg in several decades. It will bring world-class performances, attract visitors, and program activities that will greatly enhance downtown's appeal to local citizens, regional residents, and visitors. As the Center for the Arts opens in late 2013, the Town of Blacksburg should be an active partner in exploring best practices of peer facilities in doing community outreach and connecting to the local business and arts community. Ultimately both Virginia Tech and Blacksburg share a goal that the Center for the Arts will not only serve the University but also the community and region.

7.2.6 Complete Alexander Black House

The Blacksburg Museum and Cultural Foundation is well underway fundraising for the renovation of the Alexander Black House into a museum and community center that will offer residents and visitors a downtown venue for meetings and gatherings, exhibitions, and programs. This accomplishment will add another major attraction to Blacksburg and its downtown.

7.2.7 *Open a Children's Museum*

Active Blacksburg residents are already exploring and fundraising for a regional Children's museum. A children's museum could serve several important economic development purposes. First, its location could reinforce and drive traffic to adjacent businesses. Second, it would be yet another way for Blacksburg to market to families and visitors. And third, it would unite the community around a positive effort to add to the culture of the community.

7.2.8 *Host an Appalachian Cultural Festival*

Blacksburg should explore a festival/event that celebrates the history and traditions of the Appalachian Region. The Crooked Road has emerged as one of Virginia's most significant cultural attractions by featuring the musical heritage of this part of the United States. Blacksburg is a location identified along the Crooked Road and should work to have an event that relates a community whose history is richly tied to its location. Such a festival would help cement the role that Blacksburg plays in Southwest Virginia and dispel misperceptions about the community being "different" because it is the home to a major university.

7.2.9 *Implement Live-Work-Sell Ordinance*

The Town of Blacksburg has adopted a live-work-sell zoning ordinance that would cover a portion of the original sixteen squares of the town. The objective of this ordinance is to entice entrepreneurs and those engaged in the creative economy to live where they work and sell from the premises. The current status of the area being considered is a hodge-podge of single-family residences many of which are student housing, multi-family, service, and a variety of other uses. This ordinance will help foster an identity for the residential area on the east side of Downtown as a center for artistic and enterprising ventures. This and other incentives for development would need to be well marketed to artists in the region.

8.0 Downtown Development

8.1 Issues from the Roundtable Input

- There are divergent views on the health of downtown ranging from downtown is doing ok but could be better (the majority view) to downtown has never been in worse condition (a minority view). Some interviewees said that the occupancy rate is very high and others said it was very low. When put in perspective, many admit that downtown Blacksburg in 2012 is a better place than it was in 2001.
- The perception continues among many that when students are in town locals do not go downtown. Many in the know acknowledge that this has become part of the “storyline” of downtown but that in fact locals do indeed use downtown throughout the year. Others say that the perception is indeed changing.
- Parking continues to be a major discussion item in downtown including the amount of available parking, the management of existing parking, the use of vouchers/validation, future parking needs, parking as a catalyst for more investment, etc.
- There is a lot of excitement about the prospect of more office space downtown. One participant said, “If there were 2500 more people working downtown, it would transform the place.”
- As mentioned before, there are issues regarding the Conditional Use Permit for ground floor office space in the Downtown Commercial zoning district.
- Blacksburg continues to have several challenging buildings downtown that relate to landowners unwilling to sell, upgrade, or maintain their buildings.
- The Market Square Park and Farmers Market is a huge success for Downtown.
- There is a stronger relationship and partnership between Downtown Blacksburg Incorporated and the Blacksburg Partnership.
- Blacksburg should consider a local currency as an incentive to shop downtown.
- There are divergent views on what types of businesses should be in downtown. Some would like downtown to be more like it was 20 to 30 years ago when downtown was the retail service center for the region. Others realize that this vision is unlikely with the changing face of retail today and hope to see more specialty retail in downtown. There is a consensus that downtown should continue to market to families and residents as a destination as there is much to offer already in spite of the misperceptions.

- There was a lack of consensus on the impact of a new student center and where it might be located. There is a lot of hearsay about what will happen and speculation of just how much Squires positively or negatively impacts downtown. Some feel like more offices in Squires would help downtown; others contend that fewer restaurants in Squires would drive more foot traffic to downtown dining spots. Others feel like moving a nexus of student activity away from the core of the community would hurt downtown. Some question whether it is important for the Town to take a position on the student center location proactively similar to the position of having the Arts Center downtown, especially since there is no clear consensus on potential impacts.
- As with other groups, if there is a need for more foot traffic downtown, then higher density housing is needed. If people are living downtown, they will use the stores and restaurants a lot more and not have to drive.
- Some don't know that there are resources to promote what is downtown such as an existing parking map on the DBI website. Others want to see a parking app and smart parking to help locate spots.
- There was a spirited discussion about the cost of renovation of buildings. Some said that the town is a hindrance to revitalize older buildings; others found the opposite to be true.
- The College Avenue Promenade presents a significant opportunity for additional special events.

8.2 Recommendations

8.2.1 Conduct a Comprehensive Parking Analysis of Downtown

For many downtown districts, the number one incentive that a municipality can provide to induce investment is public parking that is well located and managed. Providing this incentive increases the capacity of downtown districts to handle development, allows developers flexibility of design, and results in higher quality developments because the total parking cost and location of parking do not need to be factored into the development's design or pro-forma.

Blacksburg has already been pro-active in working on parking solutions as evidenced by the Kent Square project, which involved public commitment to parking, and the recent purchase of property in the Progress Street lot. As with virtually every downtown, adequate, well-located, quality parking remains a constant source of frustration for local businesses and public officials. Blacksburg has never completed a thorough parking assessment of downtown. The Town should conduct a parking study of downtown that includes: an inventory of existing parking resources both public and private, current management practices for parking, existing parking fees, the capacity and use of existing parking, the need for and location of additional parking, and financing options.

The result of this study should be a phased approach to improve parking in downtown starting first with management practices and moving toward capital projects if needed. In particular, the parking study for Blacksburg should strongly consider multi-modal options including cycling, busses, and pedestrians.

The parking study could be an excellent opportunity for both the Downtown Revitalization Committee and Downtown Blacksburg Inc. to partner with the Town on an important and much needed project.

8.2.2 Do a Master Plan for the Progress Street Lot

Improvement to the Progress Street parking lot is very likely going to be an early implementation step that comes from the parking study mentioned above. Blacksburg has an opportunity not only to improve the parking itself but create a setting where additional investment can “flank” the parking. The Town in conjunction with stakeholders should look at a master plan for the block that includes graphics of what new development including parking, renovated buildings, and new construction could contribute to downtown. This plan should include a financing plan that helps the Town work with a private developer on the overall project.

8.2.3 Complete Future Downtown Improvements

As mentioned in the beginning of this Economic Development Plan update, downtown Blacksburg has undergone dramatic changes in public infrastructure and private investment since the original plan of 2001 was completed. Downtown Development is never complete though and future improvements need to be studied in greater detail. Among these improvements would be designs for an improved streetscape for Draper Road (building perhaps on studies done for this corridor in the past); streetscape designs for side streets including Jackson, Lee, Roanoke; and improvements to Turner Street. Some of these projects will involve extensive dialogue with Virginia Tech as they are streets where the “town” and the “gown” intersect.

8.2.4 Maintaining Downtown at a High Quality Level

Many stakeholders commented that downtown looks better now than it has in decades. The Town of Blacksburg has spent considerable effort improving downtown’s infrastructure as private investors have constructed new buildings and renovated existing spaces. The Town of Blacksburg already employs two Downtown maintainers but the increased level of improvements and streetscaping will require increased capacity. The Town and its partner Downtown Blacksburg Inc. should explore ways to continue maintaining downtown at a high quality level. Many downtowns use a Special Service District to provide “clean and safe” programs in their downtowns. State College, Pennsylvania has a long-standing district with a staff dedicated to keeping downtown clean, programming events, and marketing the district. This could be a way to capitalize Downtown Blacksburg Inc. and allow it to fulfill its mission in an even more comprehensive way.

8.2.5 Develop Programming for the College Avenue Promenade

The College Avenue Promenade is designed to be the “signature” gathering place in the heart of downtown Blacksburg. Downtown Blacksburg Inc., Virginia Tech, and the Town should develop a programming summit for the promenade that covers how to manage outdoor dining, events, coordination with Virginia Tech on the use of Henderson Lawn, and other issues related to how the Promenade will operate as a gathering place for Blacksburg residents.

9.0 Virginia Tech

9.1 Issues from the Roundtable Input

- The Town’s Economic Development Strategy should be aware of the Virginia Tech Master Plan and Capital Strategic Plan. The interesting dynamic of the Virginia Tech Foundation as a critical partner for the success of Blacksburg is juxtaposed with the potential competition that the Foundation places on the private sector. The eventuality that Foundation investments may become part of the University itself places both the Town and the Foundation in the unique position of maintaining continuing dialogue and cooperation to “keep the balance.”
- Some cite that the partnership with Virginia Tech has never been stronger while others cite frustrations in that partnership and still others say the Town and University are in competition (particularly with regard to dining). Many agree that it is a complex relationship and not unique to Blacksburg.
- The Town should continue to support and partner with Virginia Tech; there are still opportunities for new partnerships in the future.
- As mentioned, the Corporate Research Center and the Center for the Arts are both assets for Blacksburg and continued open dialogue about these facilities would enhance the economic vitality of the community. In a broader perspective, the Virginia Tech Foundation is a critical partner that provides great assets to Blacksburg but also can take properties off the tax rolls as it invests.

9.2 Recommendations

9.2.1 Continue to Support and Reinforce the Corporate Research Center

As mentioned before, the Virginia Tech Corporate Research Center is a critical asset to the success of Blacksburg’s economic vitality. Its growth plan and program for entrepreneurship through VT KnowledgeWorks reinforces its role as an innovator in University Research Parks.

9.2.2 Continue Partnerships with the Virginia Tech Foundation

The Virginia Tech Foundation is a critical partner with the Town of Blacksburg and plays the pivotal role of connecting the university to donors and holding an important portfolio of real estate properties in Blacksburg. The role the Virginia Tech Foundation can play (and has played) in economic development has been transformative for Blacksburg and Virginia Tech. As a key real estate holder in town, the Foundation and the Town need to be in continuous dialogue on how to maximize their relationship, benefit the community, and serve the mission of the Foundation itself. At times, this can be a complicated effort but one that both the Town and the Foundation have embraced successfully for many years.

9.2.3 Explore Mixed-Use Public/Private Development on the Donaldson Brown Parking Lot

This project was discussed in the original Downtown Blacksburg Master Plan in 2001. Since that time much has changed. Donaldson Brown itself is no longer a hotel facility, the University has grown significantly, additional construction in the area has occurred both on campus and in downtown. The lot itself represents a key development opportunity that could create synergy between downtown and the campus of Virginia Tech. Residential, office, commercial, and parking uses all could combine to make for a very significant investment in the area.

The area does have site constraints (underground creeks are a significant challenge), but the site is a pivotal point between many major parts of the community. The Town and the University should also consider adjacent properties (some of which are underutilized) when this development is explored.

10.0 Conclusion

Blacksburg has accomplished much during a very challenging time period. The community deliberately commissioned its first Economic Development Strategy and wide ranging Downtown Master Plan in 2001 and has conscientiously followed these plans over the years. The 2006 and 2012 updates to the Town's comprehensive plans have looked to the prior efforts for guidance and their policies reflect and reinforce prevailing goals for the community.

While this report has been divided into six broad themes most of the recommendations can be simplified into four interconnected focus areas:

1. The Town of Blacksburg has repositioned itself as a retail center through the thoughtful redevelopment of underperforming properties and a continued focus on downtown. The next generation of retail development will likely be mixed-use in nature and is likely to be denser as a result. The Town's deliberate efforts to focus on quality redevelopment will ensure that mixed-use growth will reinforce the quality of life in Blacksburg.
2. Residential development in all its forms will continue to be a focus in Blacksburg with a commitment to workforce housing in a variety of formats. Student housing will also be

addressed through the thoughtful redevelopment of aging existing multi-family student housing alongside selected growth in a few key sites.

3. Entrepreneurship and small business growth has emerged as a major focal point for the future of Blacksburg and that growth will emphasize the need to provide residential housing options for residents and mixed use developments already mentioned in the themes above.
4. Facilitating ongoing success in Downtown Blacksburg will require partnership efforts among the Town, Virginia Tech, and the private sector. Provision of parking will continue to be the most significant capital inducement available to let downtown prosper and grow.

These focus areas and the six themes that include recommendations to support them will require a committed and deliberate approach that the Town has demonstrated as successful over the years. Accomplishments should be acknowledged as they occur and this plan should be re-visited on a regular basis to evaluate progress on its recommendations. In conclusion, the Town of Blacksburg has grown and prospered while continuing to emphasize a very high quality of life. The future health of Blacksburg will require the Town and its citizens to continue to focus on quality development through strategic partnerships.