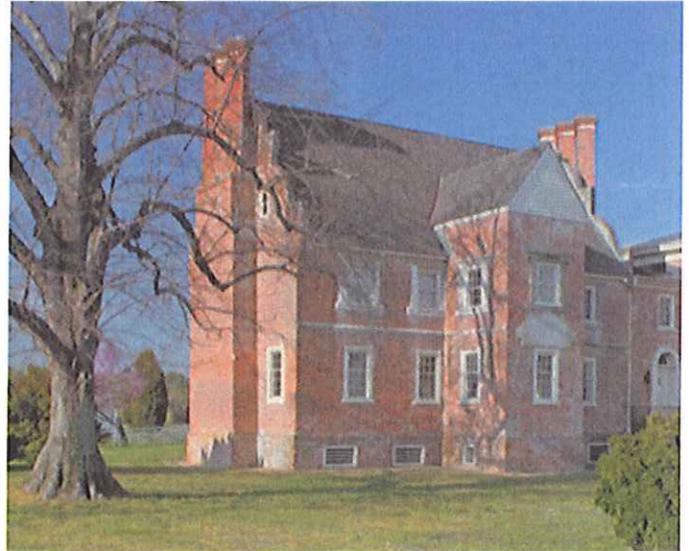




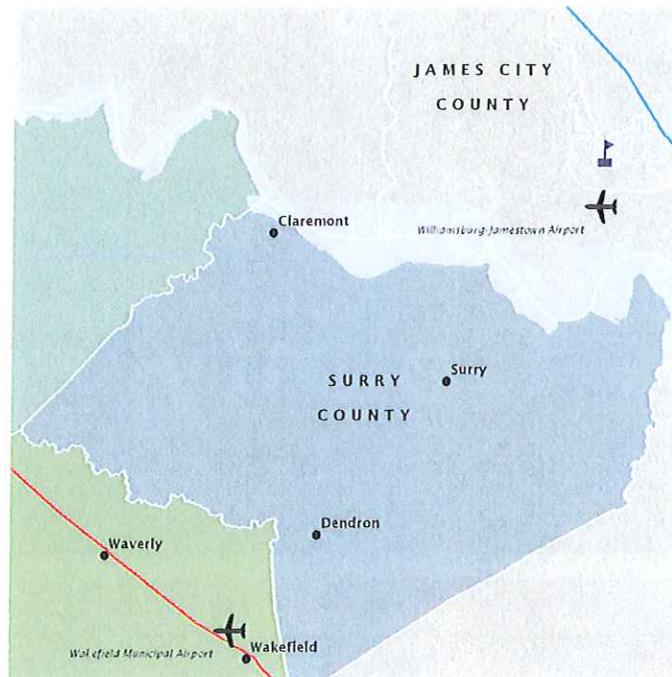
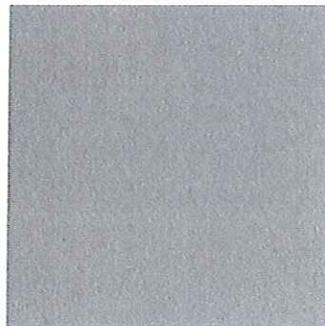
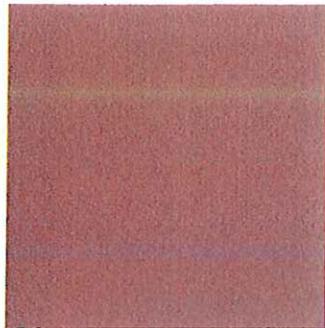
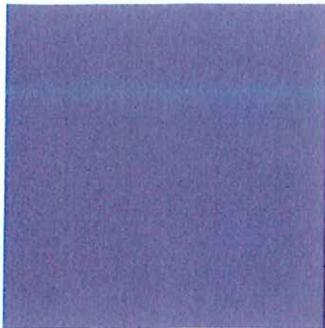
Surry County



VIRGINIA'S GATEWAY REGION
Economic Development Organization

Regional Retail Analysis

Strategically located in southeastern Virginia, Surry County is 10 miles south of Colonial Williamsburg, 50 miles southeast of Richmond and 40 miles northwest of Norfolk—the perfect location for your next retail opportunity.



Surry...

location, location, location

Surry County is located in southeastern Virginia. The 279-square-mile county is bordered to the north by the James River. Despite offering a beautiful backdrop to the county, the river also serves as a natural retail boundary particularly for consumables such as groceries.

Located 50 miles southeast of Richmond, the state capital and 176 miles south of Washington DC, Surry County although rural is far from being "country". In fact, the county boasts close proximity to major military, naval and research centers. The customers are there; the retail offerings are yet to come. Current retail offerings are based in the city of

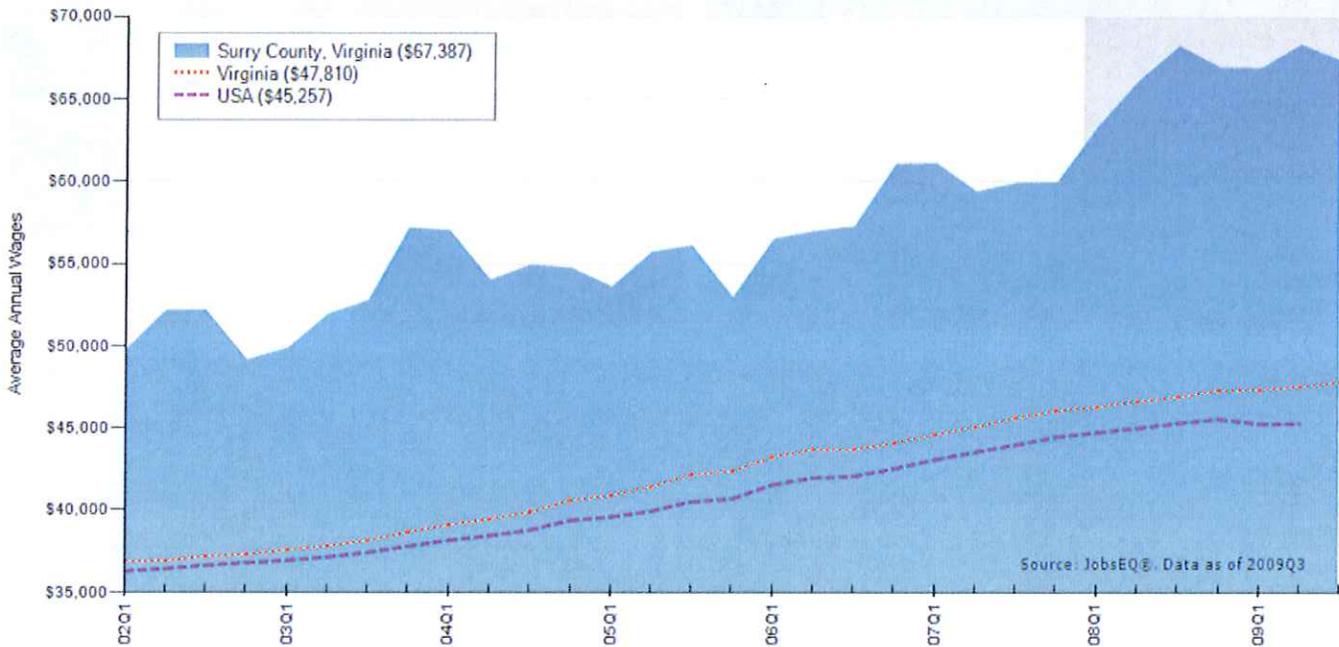
Colonial Heights, 30+ miles from the center of the county and in Williamsburg 10+ miles across the James River by ferry.

County Quick Facts (2008): (US Census)

- ⇒ County Population: 7,128
- ⇒ Population Growth 4.4% (Since 2000)
- ⇒ Total In-Commuters: 1,357 (2000)
- ⇒ White Persons: 51.8%
- ⇒ Black Persons: 46.6%
- ⇒ Median Age: 41
- ⇒ Housing Units: 3,780
- ⇒ Households: 2,619 (2000)
- ⇒ Annual Ave. Salary: \$67,387 (2009)
- ⇒ Total Wages: 30.2m (2009)
- ⇒ Retail Sales: \$102,420,000 (2002)
- ⇒ Persons Per Square Mile: 24.5

+ Average Annual Wages: Surry County

“Almost \$20,000 more than the Virginia average”



“Surry County is woefully underserved in the retail sector despite a relatively affluent population.”

⇒ As the table indicates, the average wages in Surry County are consistently a **third higher** than the **Virginia average** and **higher** still than the **US average**.

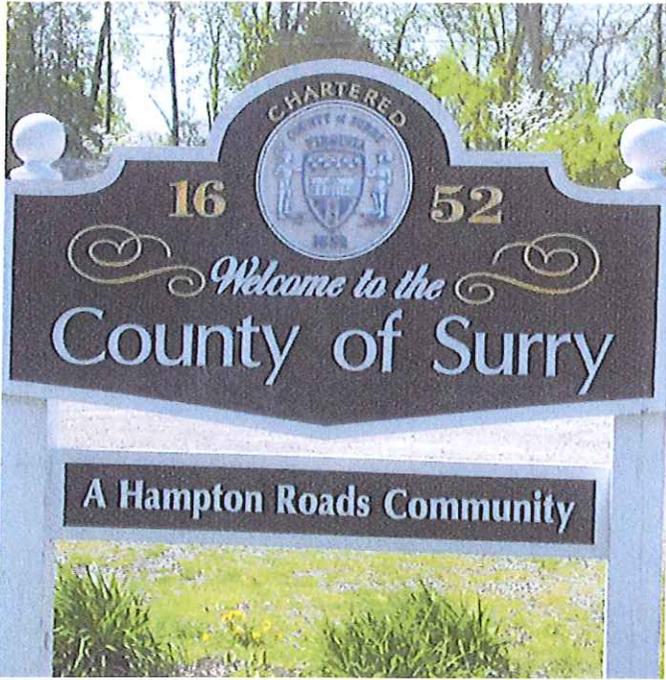
⇒ Almost **300 businesses** operate in the county, with a **10% increase in employment** in the county since 2000.

⇒ In **2009**, Total Wages for the county exceeded **\$30.2 million**

⇒ In **2008**, retail sales in the county exceeded **\$10.4 million**.

⇒ Great potential exists within the county with **retail sales per capita** approximately a tenth of the Virginia state average **\$1,471 versus \$11,069**

Source: US Census



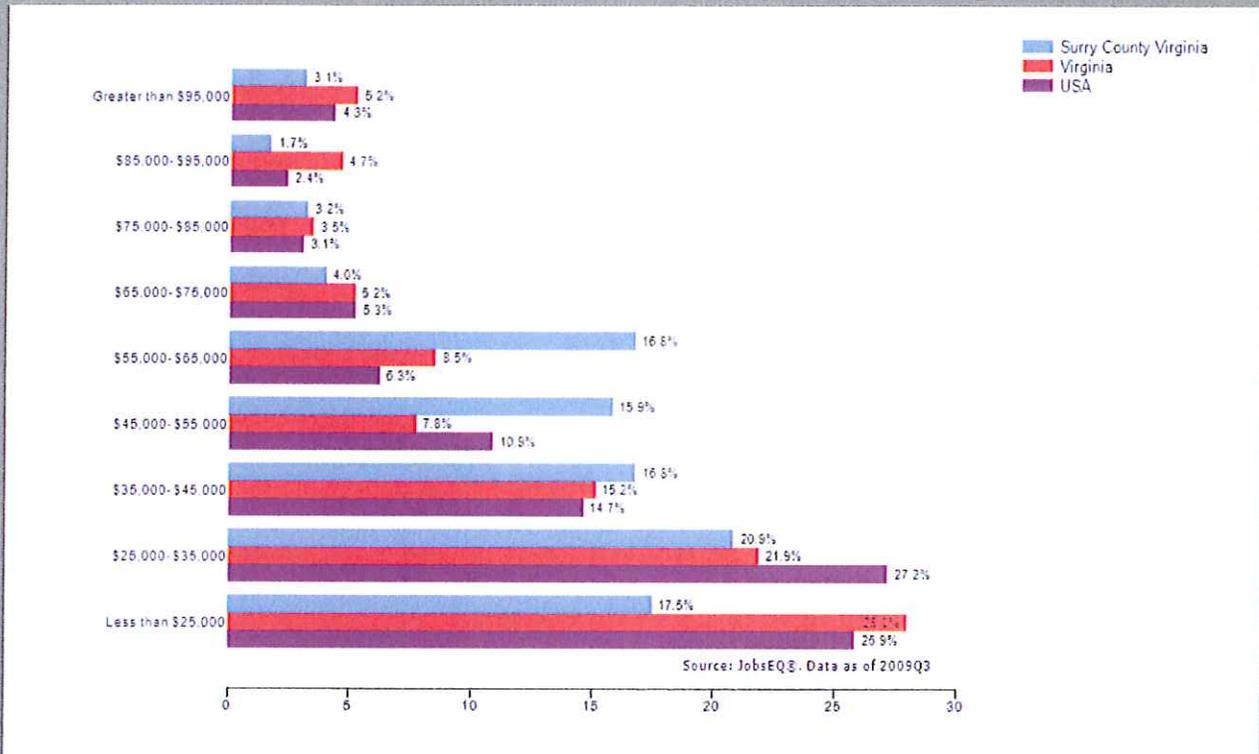
*"\$30.2 million
in total wages
for the
county"
2009Q3*

*"Twice as
many middle
income
employees"*



Wage Distribution

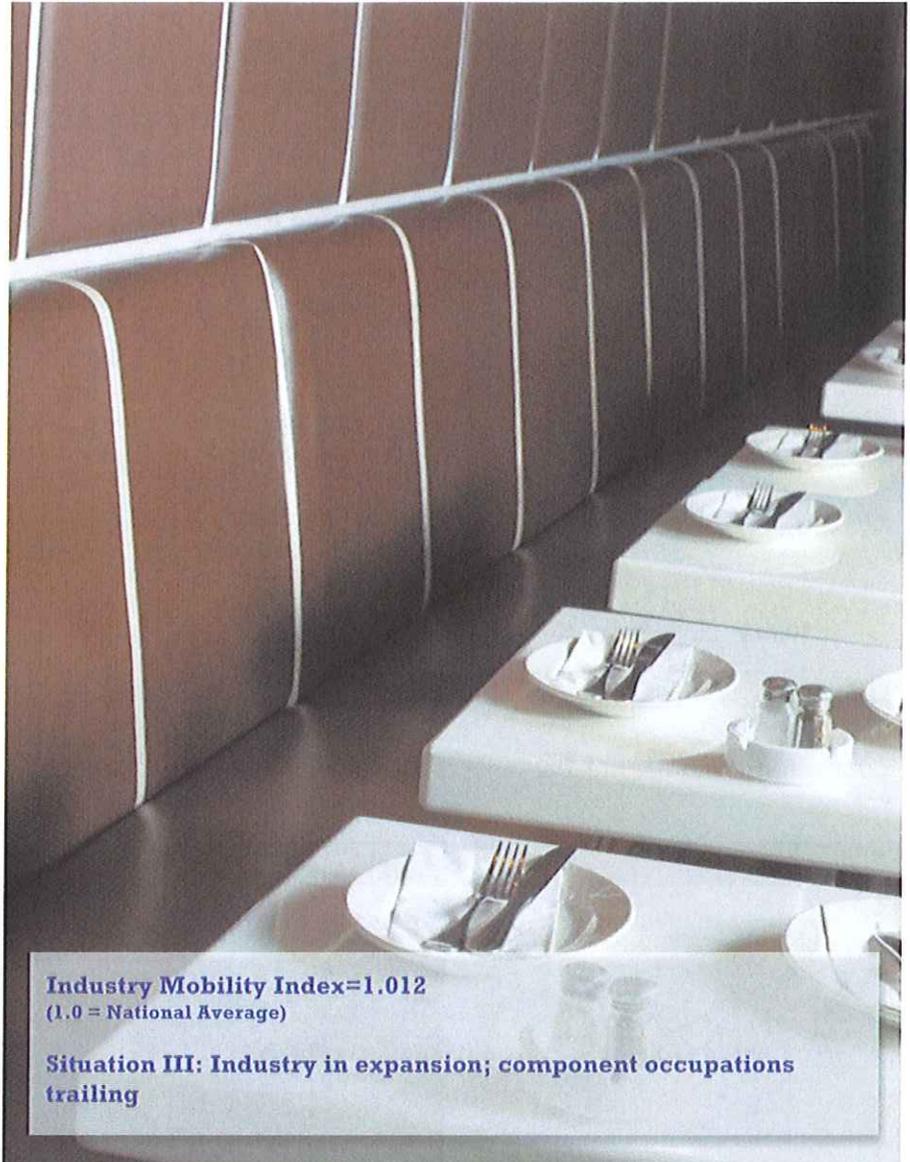
Percent Employed in Surry County





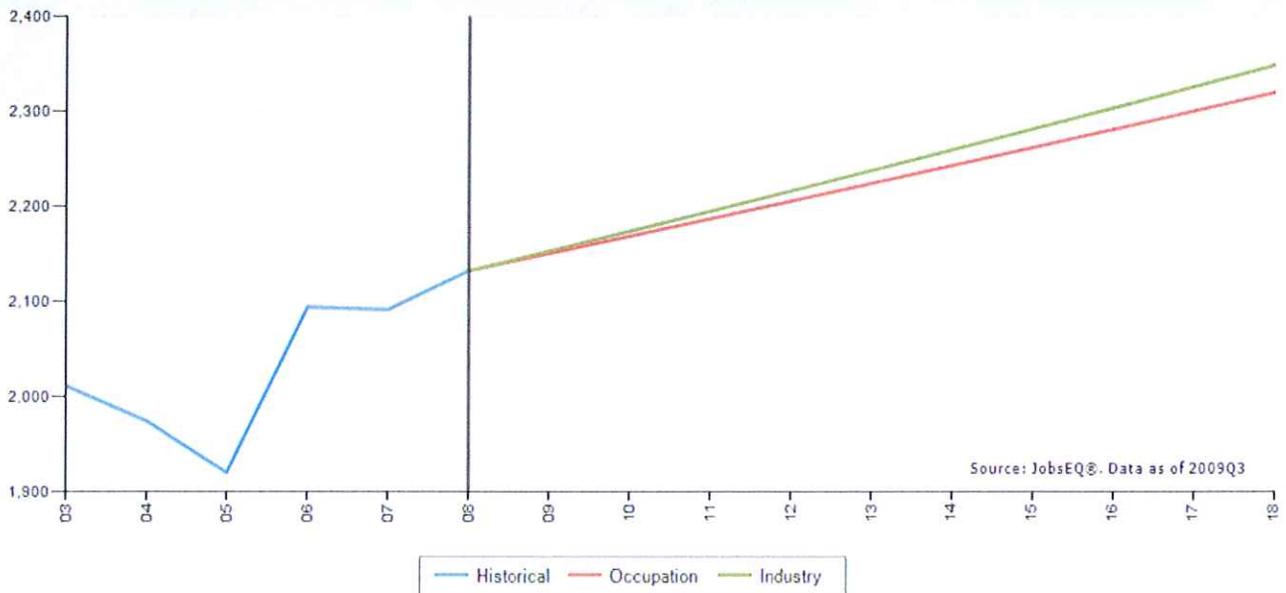
Mobility Index for Surry County

In an occupation drill-down, mobility (m) is the Regional Mobility Index Number, a relative measure of occupation mobility in the county versus the nation. As the line graph shows below the aggregate of all industries is in expansion in the county, with that growth anticipated to continue through 2018, followed closely by accompanying occupations. These figures demonstrate a prime market for an increased retail presence in the county.



Industry Mobility Index=1.012
(1.0 = National Average)

Situation III: Industry in expansion; component occupations trailing

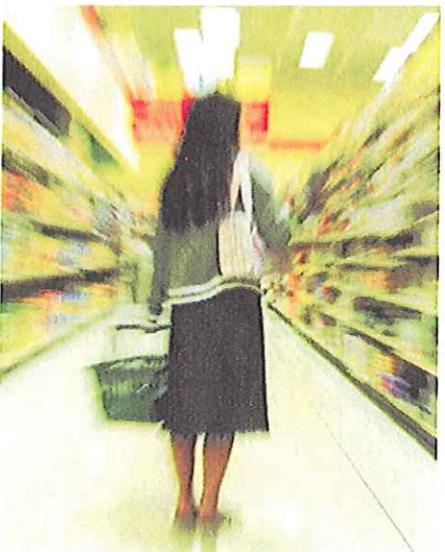




Snapshot of the Retail Trade in Surry County

Industry	Four Quarters Ending with 2009q3			Total Employment Change 2004q3-2009q3
	Employment	Avg. Annual Wages	Location Quotient	Employment
Retail Trade	35	\$19,290	0.14	-5
All Industries	2,148	\$67,387	1	172

Industry	Average Annual Percent Change in Employment 2004q3-2009q3			Projected Change in Employment 2009q3-2014q3
	Surry County	Virginia	USA	Avg. Annual Percent
Retail Trade	-2.7%	-0.5%	-0.1%	0.4%
All Industries	1.7%	0.6%	0.6%	0.2%



Wages & the Location Quotient

As the first table demonstrates employment within the retail sector is relatively small with low annual wages. Retail employment has only a 0.14 location quotient within the county

Change in Employment

Employment in the retail trade sector in the county declined at a much faster rate than the aggregate of all industries pointing to a retail gap.

Projected Growth

Although small, employment growth in the retail sector is anticipated to be double that of the aggregate of all other industries in the county.

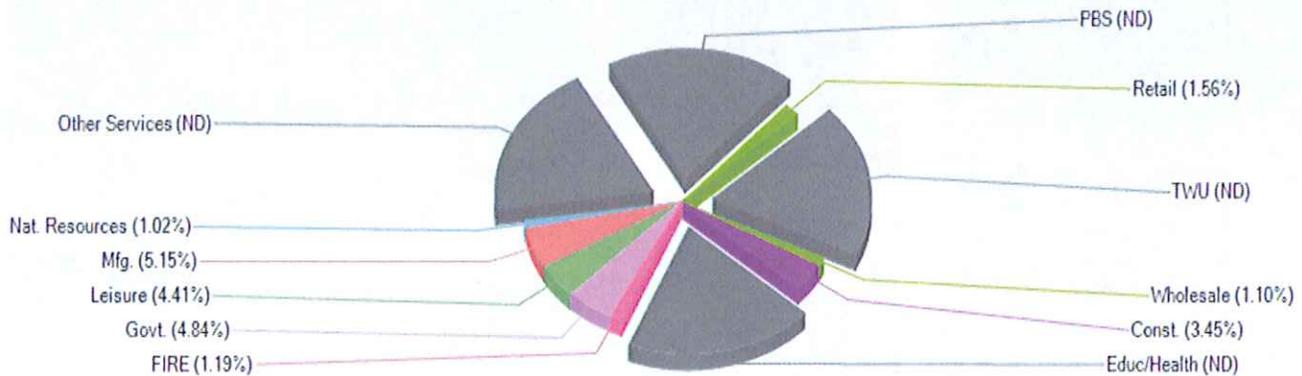
Source: JobsEQ®. Data as of 2009 Q3



Labor Inventory for Surry County

Labor Inventory shows the composition of a region's workforce plus detailed occupation information e.g.:

- percentage of workforce by industry
- percentage of workforce by firm size
- percentage of workforce by industry and given firm size

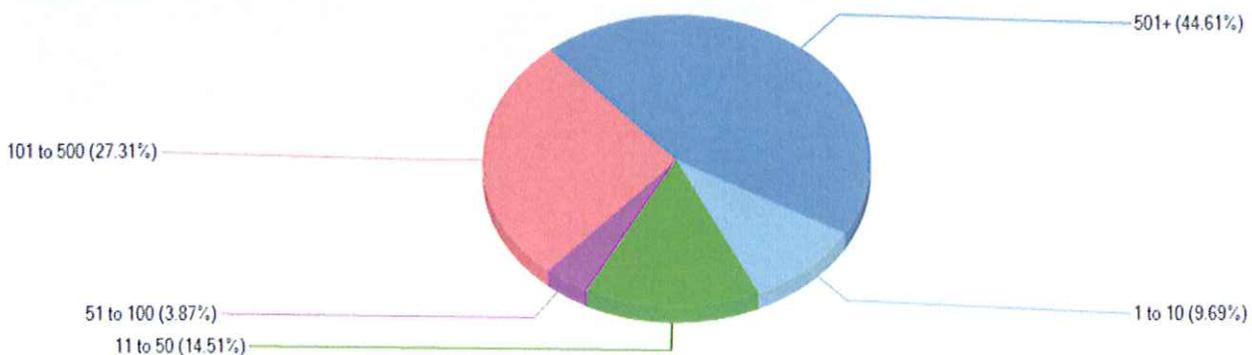


Source: JobsEQ®. Data as of 2009Q3

As the pie chart above demonstrates, employment in the county is largely split within four sectors: Professional Business Services (PBS); Transportation/Warehousing/Utilities (TWU); Education/Health and Other Services. With the majority of employment within these four sectors, **retail only comprises 1.56% of total employment** in the county, further emphasizing the lack of retail services.

The majority of those employed in Surry County work for firms in excess of 101 people (71.92%)

Labor Inventory by Firm Size (Surry County)

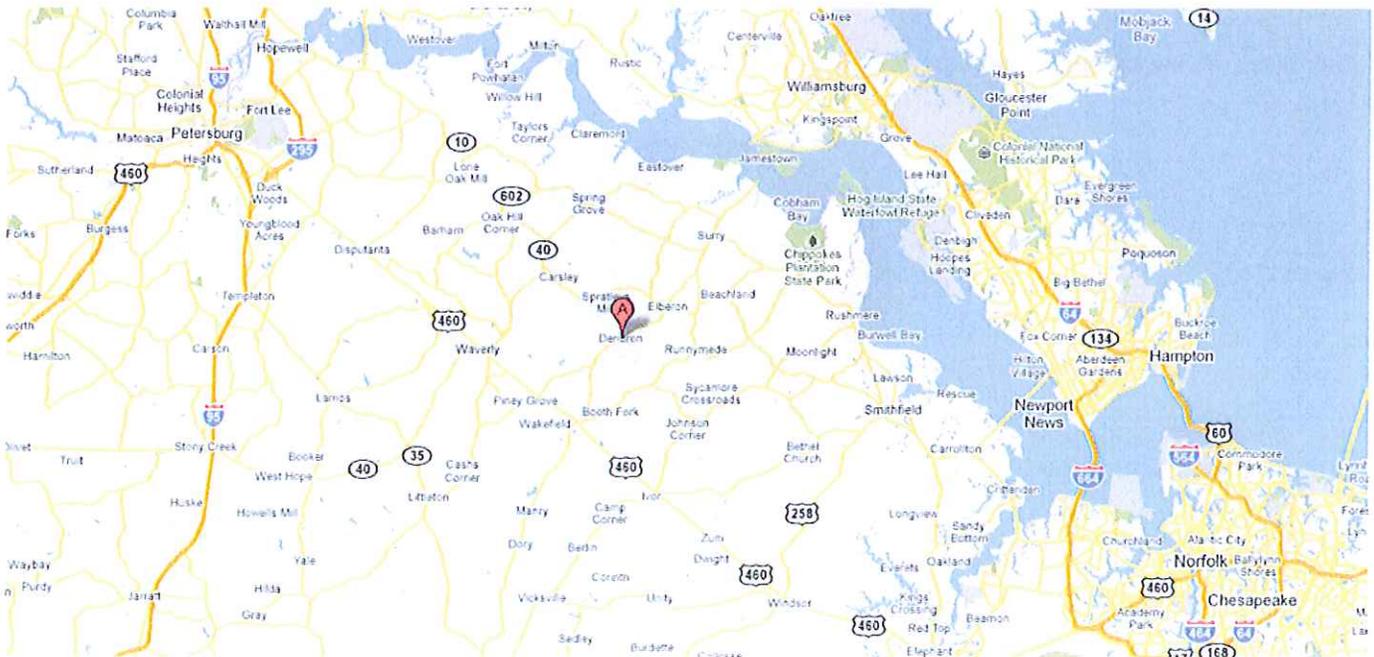


Source: JobsEQ®. Data as of 2009Q3

Sites Available:

Dendron Site

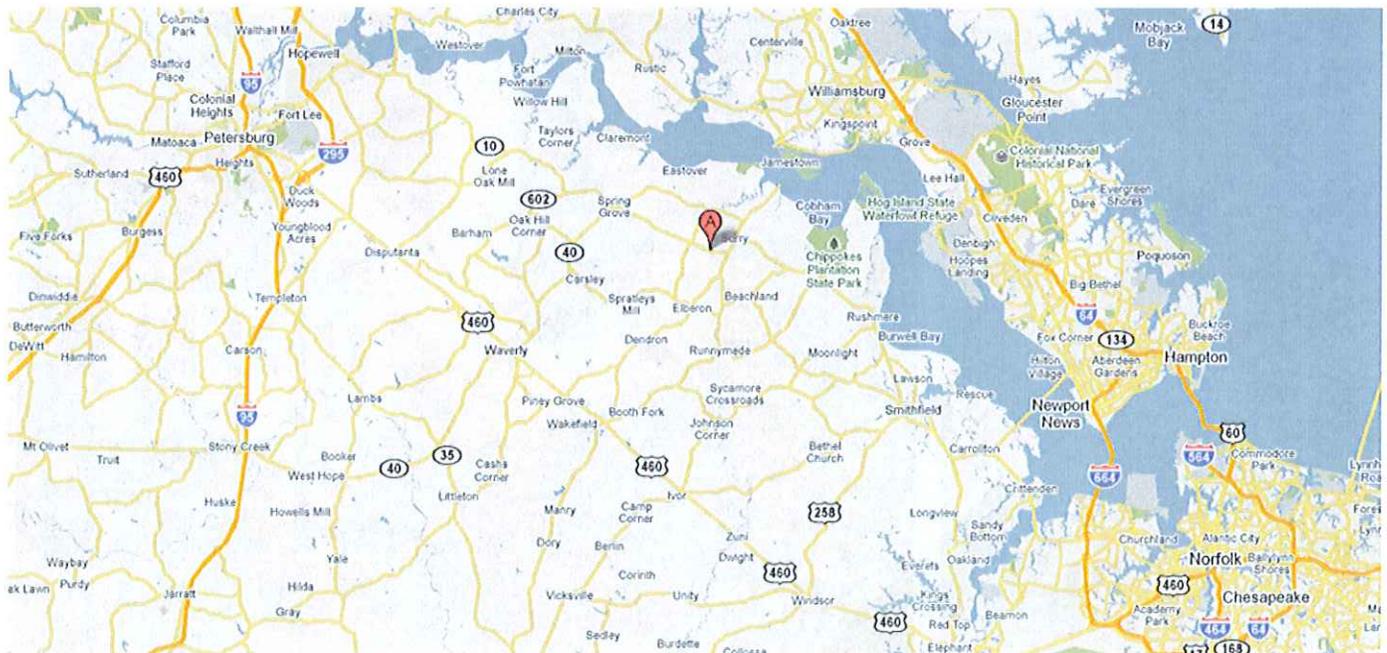
Situated in the heart of Surry County, the Dendron site offers the perspective retailer a cost-effective, 12-acre location ready for development. The county controlled site provides frontage on Route 31, Rolfe Highway and is minutes away from Route 460, a major thoroughfare through to the coast and the Port of Virginia. Furthermore, the site is within a mile of the proposed new Power Plant to be constructed in Dendron. With County ownership, the site can be transferred and fast-tracked to meet the strictest of deadlines.



Sites Available:

Surry West

Located just minutes outside of the town of Surry, the Surry West site is actually a collection of sites including several offering frontage on Route 10, Colonial Trail West perfect for a high visibility retail operation. With numerous County controlled parcels located on one site, Surry West represents the future of economic development and a good opportunity to locate a retail operation in a rapidly growing area.



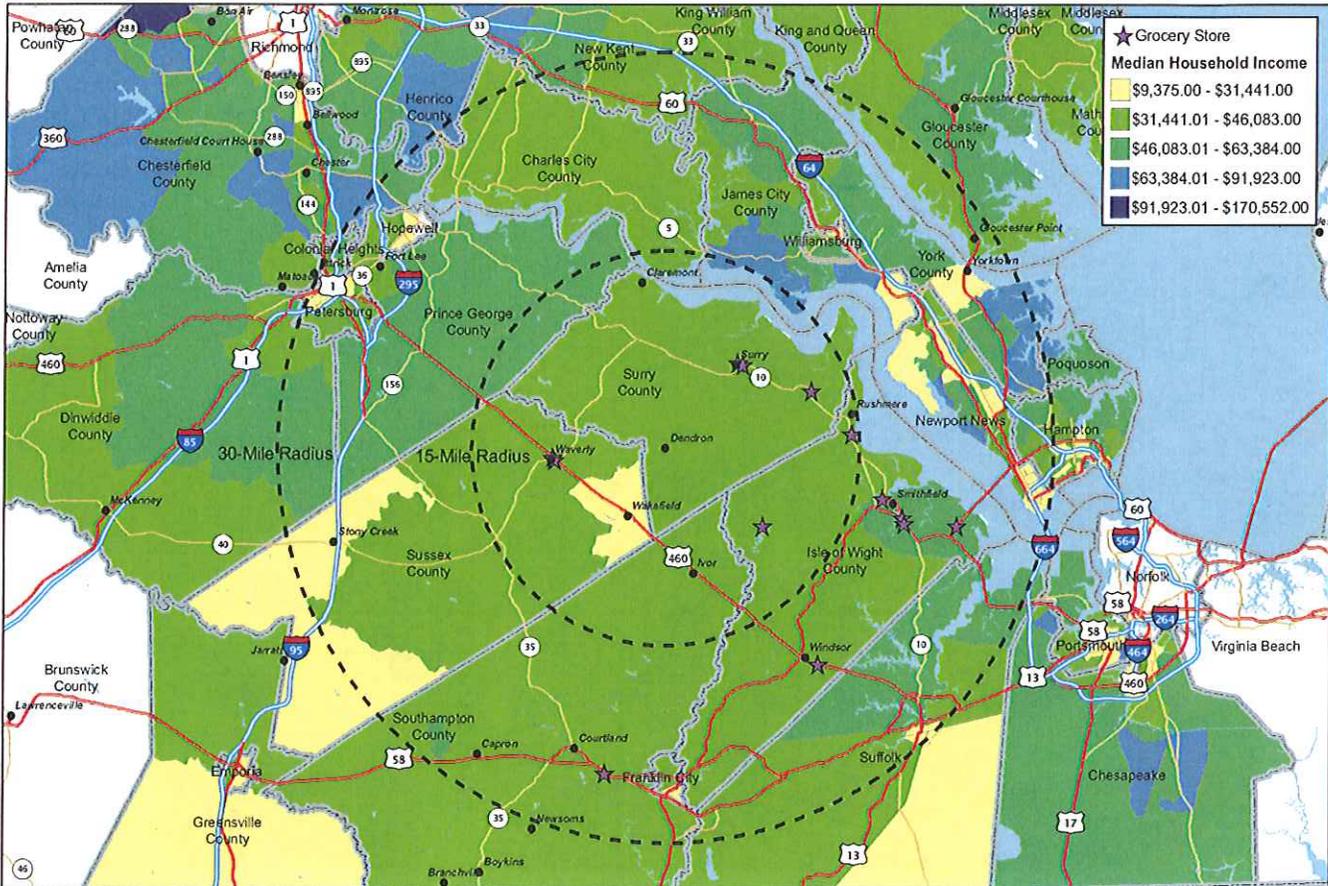
+ Regional Data
Virginia's Gateway Region



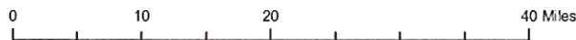


Median Household Income Radius Map 1.

“Only 2 large grocery stores exist within 30 miles of the town of Dendron”



Town of Dendron Median Household Income



Within 15 Miles: \$42,047.57
 Within 30 Miles: \$41,588.38

Source: 2000 U.S. Census (Tract Level)
 1999 Data
 December, 2009

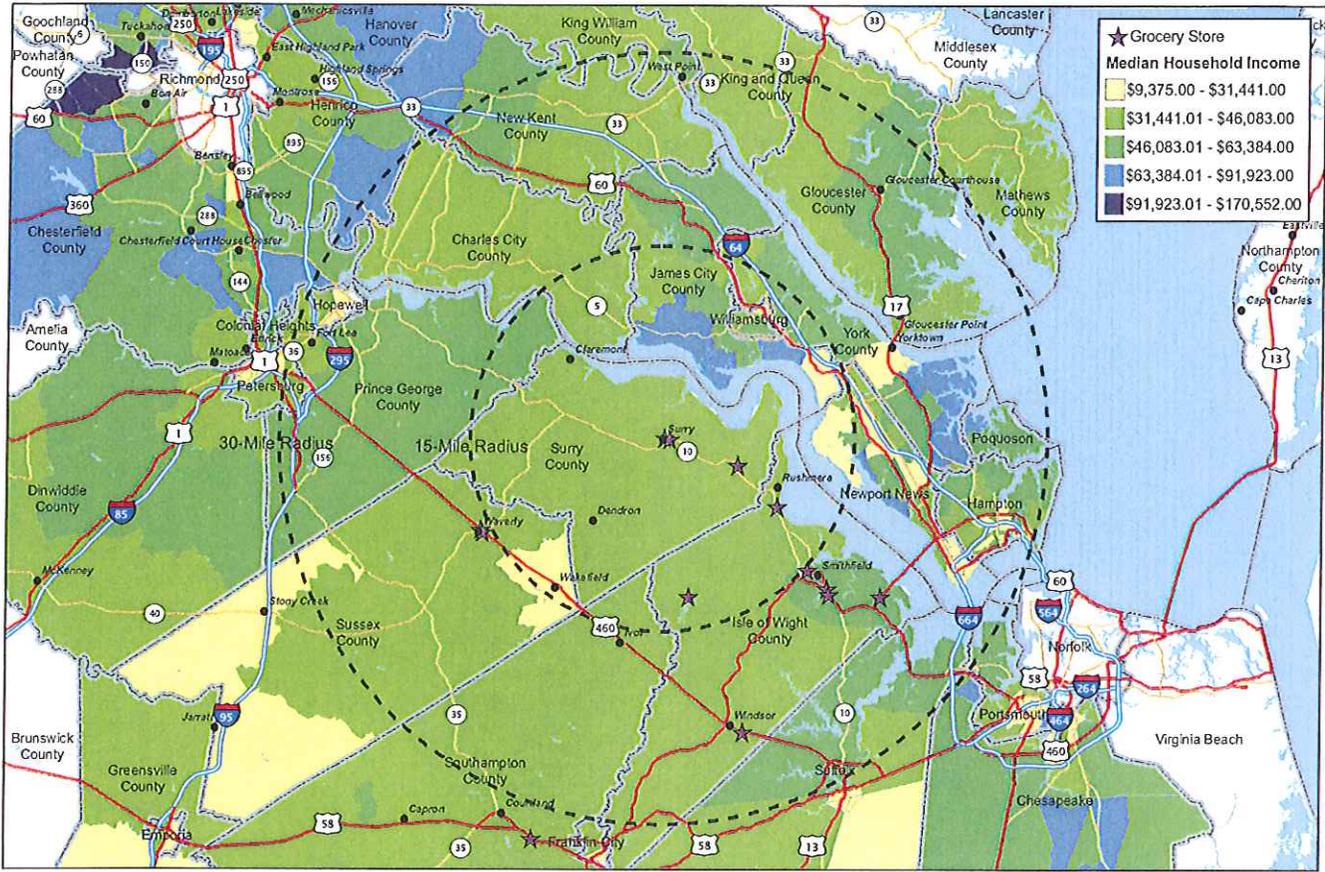
The radius map above geographically shows the distribution of household wealth around a 30-mile radius of the town of Dendron in Surry County. Also depicted are the 13 stores that offer food in that same radius, of which **only two would be considered of grocery chain size** (in excess of 25,000 square feet). Please note the physical divide caused by the James River as it moves to the Chesapeake Bay area.

Due to being rural and not offering the standardized number of “rooftops” usually sought by retail operations, the county and the surrounding region remain very underserved from a retail perspective. While it is understood that consumers will travel for luxury goods, typically these same consumers do not wish to travel for basic goods such as groceries. The county and surrounding region would benefit greatly from a grocery retail operation particularly in a niche market such as organic foods.

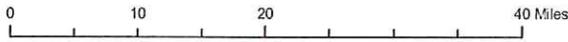


Median Household Income Radius Map 2.

“Only 2 large grocery stores exist within 30 miles of the town of Surry”



Town of Surry Median Household Income



Within 15 Miles: \$44,963.68
 Within 30 Miles: \$43,143.71

Source: 2000 U.S. Census (Tract Level)
 1999 Data
 December, 2009

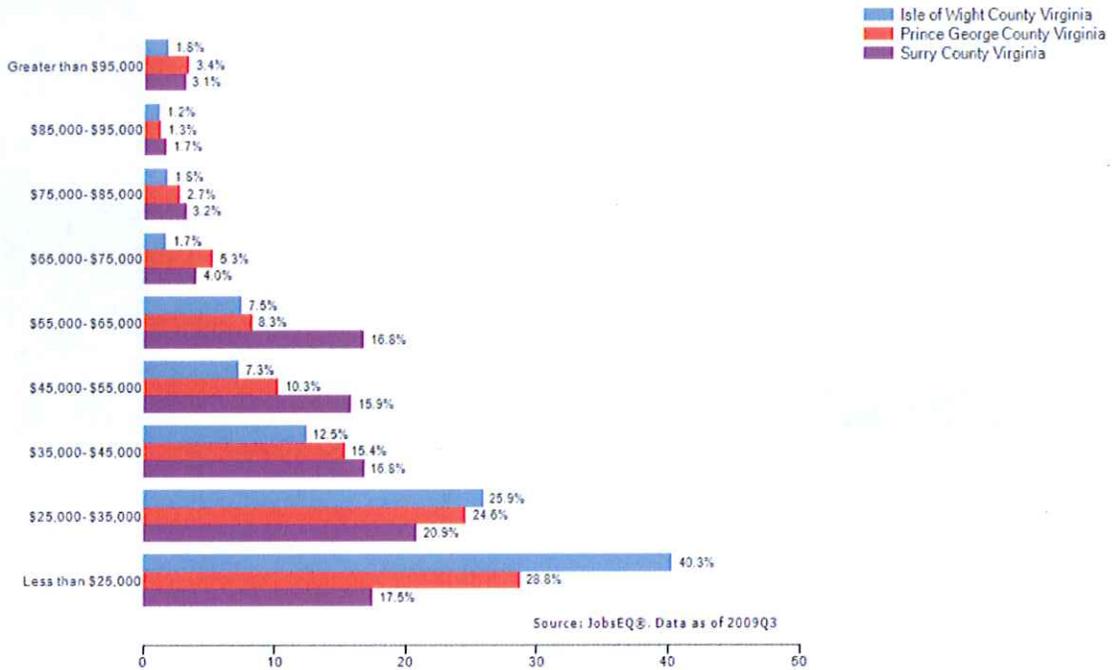
The radius map above geographically shows the distribution of household wealth around a 30-mile radius of the town of Surry in Surry County. Also depicted are the 12 stores that offer groceries in that same radius, of which only two would be considered of grocery chain size (in excess of 25,000 square feet).



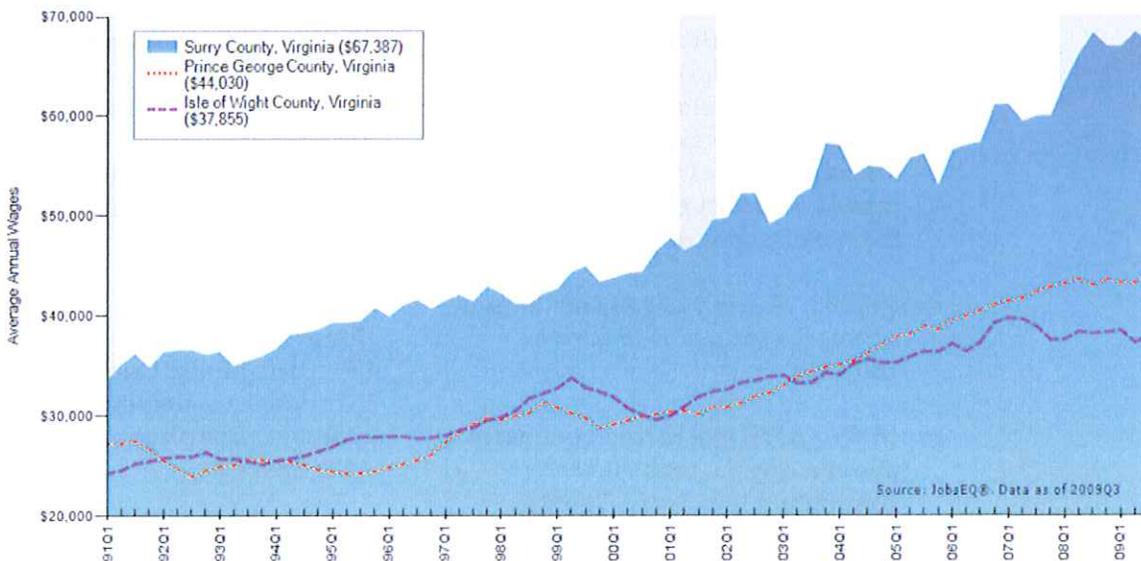
Surrounding Counties Impacting Retail

Prince George & Isle of Wight Counties

Wage Distribution by Percent Employed



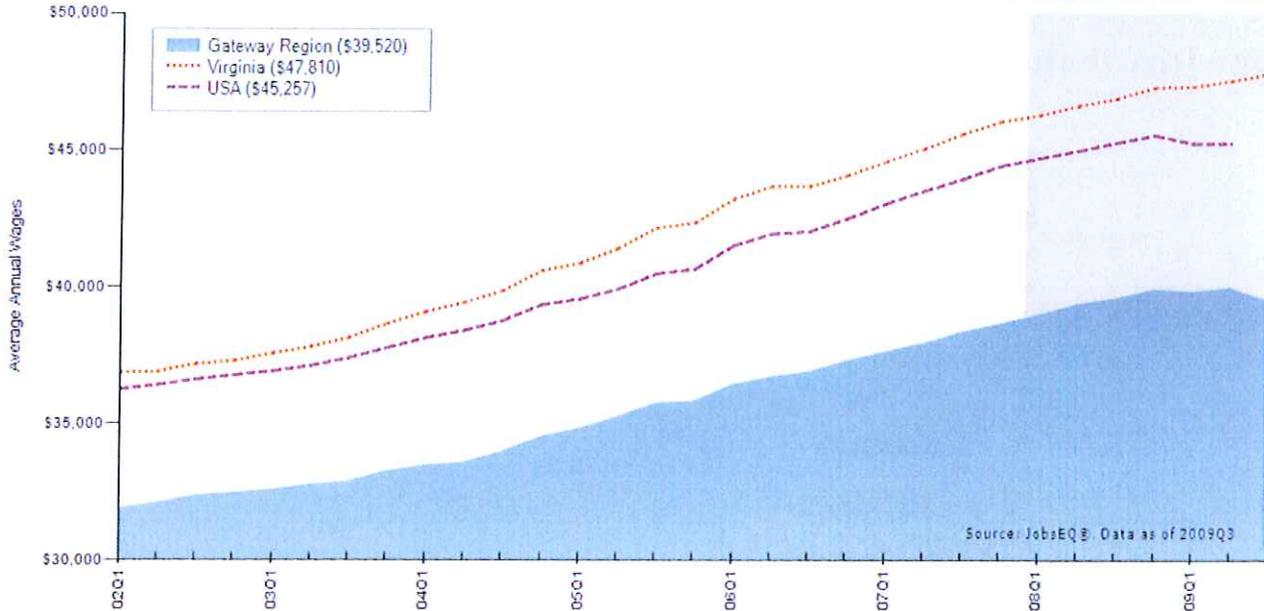
Average Annual Wages





Average Annual Wages: Virginia's Gateway Region

*“Regional
annual wages
are on par
with the
state”*

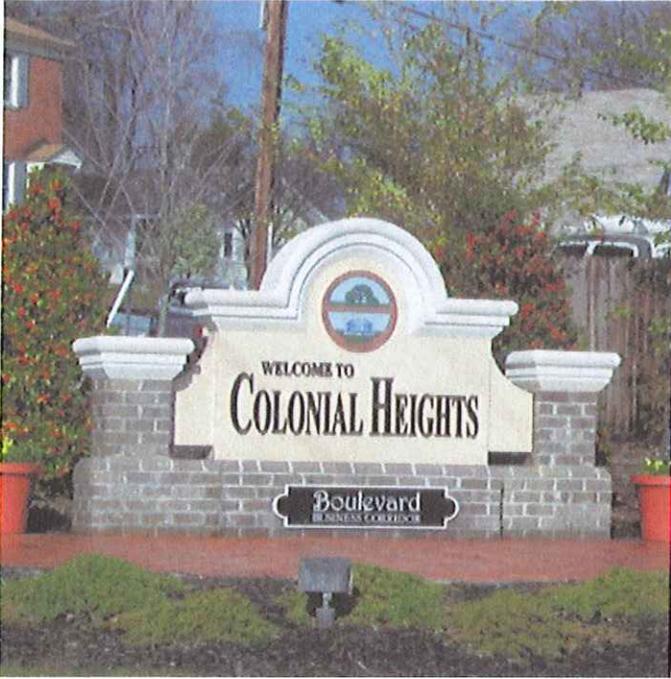


“Average annual wages in the Gateway Region have proven resilient compared to other regions across the country.”

- ⇒ As the table indicates, the aggregate of the average wages in the region is below the state average however, **regional average annual wages** have remained **constant** even through the most recent **recession**.
- ⇒ In 2008, Virginia's Gateway Region boasted a **labor force of over 750,000**.
- ⇒ 16.5% of the workforce commutes into the region, with 30.1% commuting into Surry County offering a great retail opportunity inside the county.

- ⇒ **Major employers in the region include:**
 - Ace Hardware Distribution
 - BI Chemicals
 - Boar's Head Provisions
 - E. I. DuPont de Nemours & Co.
 - Fort Lee Army Base
 - Georgia Pacific
 - Gerdau Ameristeel
 - Honeywell
 - UPS Distribution Center
 - Virginia State University
 - Wal-Mart Distribution
 - AND MORE....

Source: VGR Research



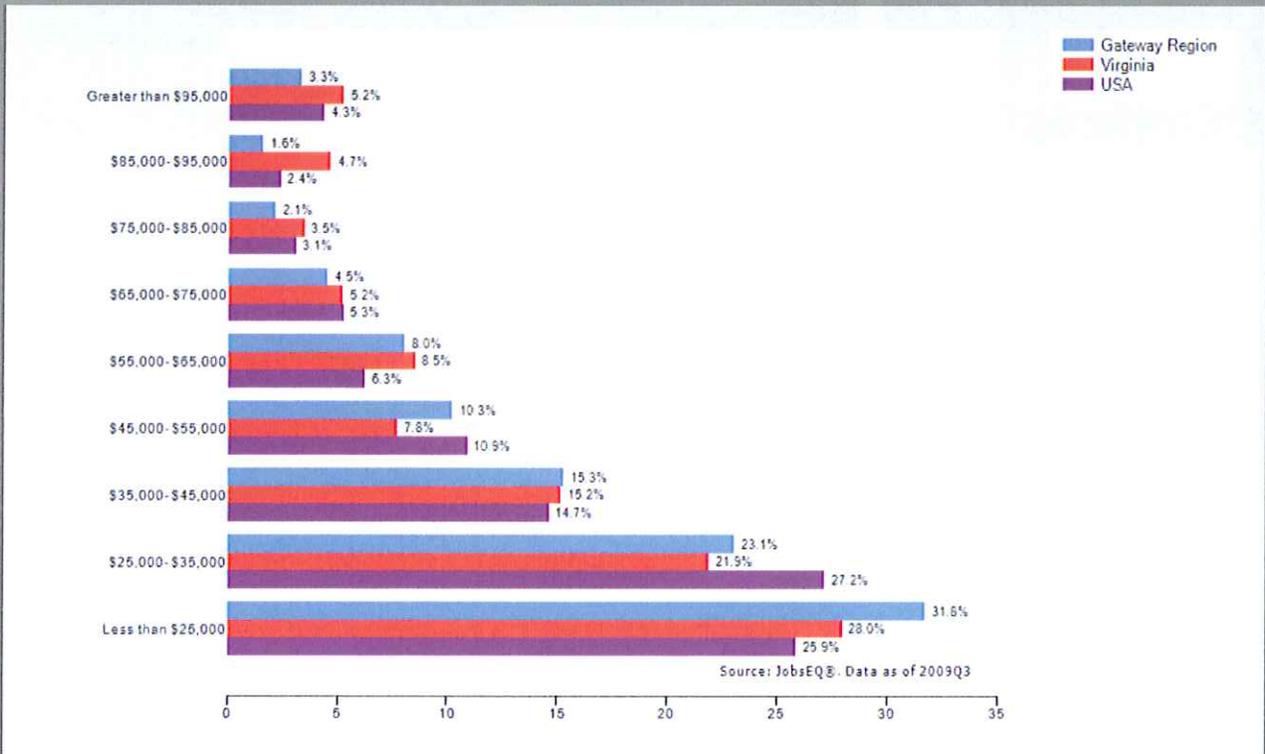
*“\$1.7 billion
in total wages
for the
region”*
2009Q3

*“More lower
to middle
income
employees”*



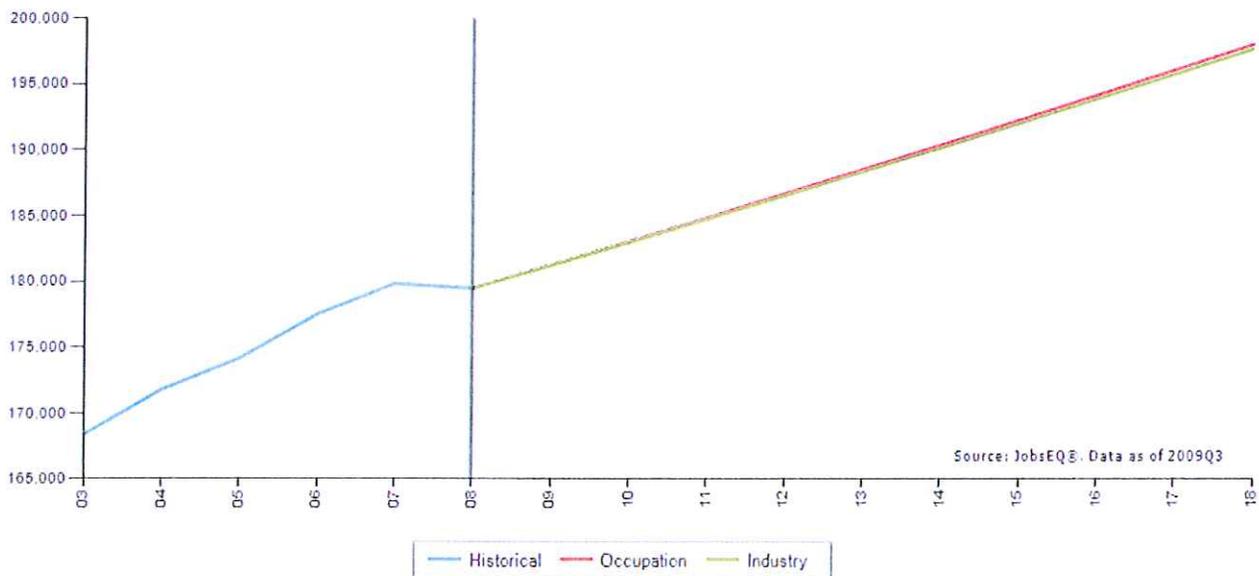
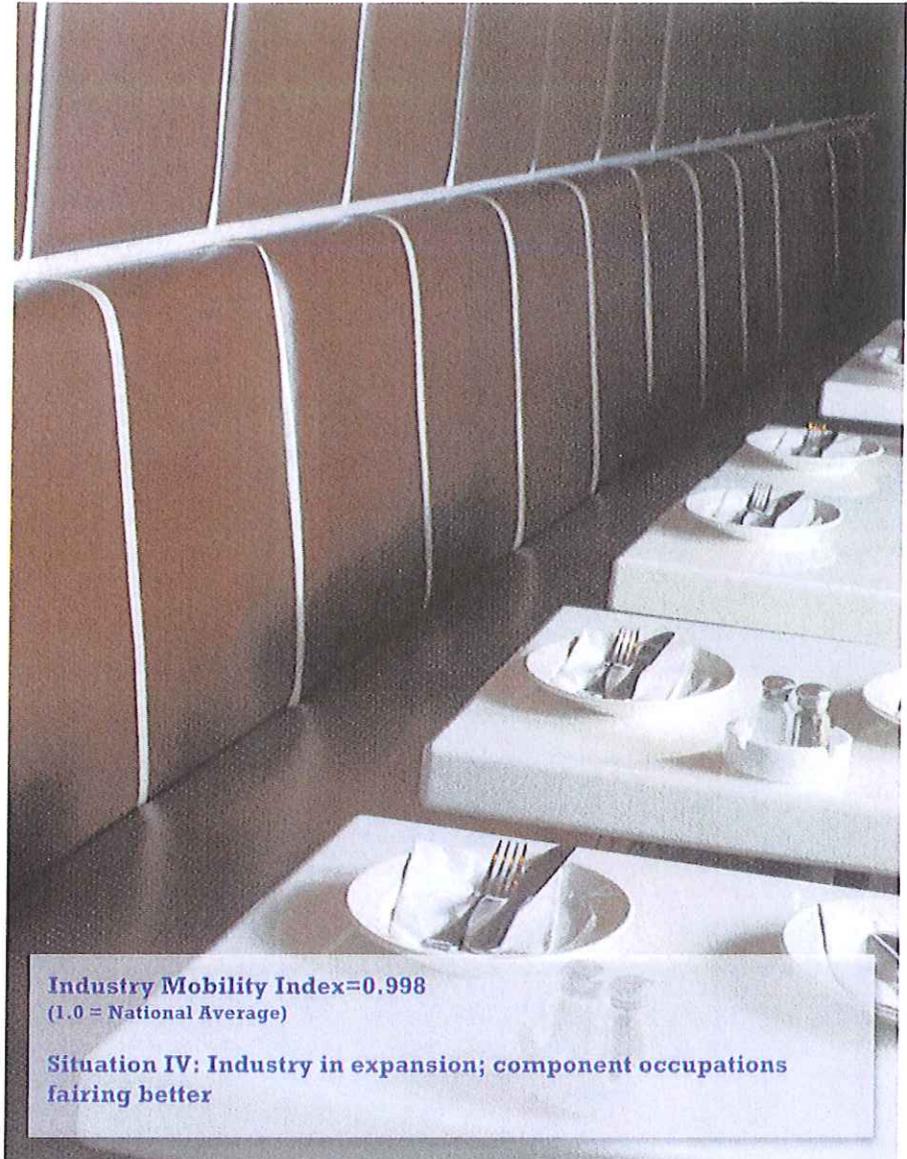
Wage Distribution

Percent Employed in the Gateway Region



Mobility Index: Gateway Region

In an occupation drill-down, mobility (m) is the Regional Mobility Index Number, a relative measure of occupation mobility in the region versus the nation. As the line graph shows below the aggregate of all industries is in expansion in the region, with that growth anticipated to continue through 2018; component occupations are fairing moderately better. These figures demonstrate a prime market for an increased retail presence in the region.

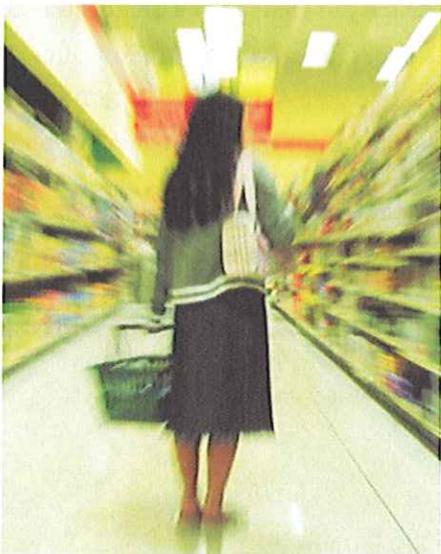




Snapshot of the Retail Trade: Gateway Region

Industry	Four Quarters Ending with 2009q3			Total Employment Change 2004q3-2009q3
	Employment	Avg. Annual Wages	Location Quotient	Employment
Retail Trade	6,395	\$24,863	0.32	-19,920
All Industries	42,960	\$39,520	0.25	-127,967

Industry	Average Annual Percent Change in Employment 2004q3-2009q3			Projected Change in Employment 2009q3-2014q3
	Gateway Region	Virginia	USA	Avg. Annual Percent
Retail Trade	-24.6%	-0.5%	-0.1%	0.4%
All Industries	-24.1%	0.6%	0.6%	1.2%



Wages & the Location Quotient

As the first table demonstrates employment within the retail sector is relatively small with low annual wages. Retail employment has only a 0.32 location quotient within the region.

Change in Employment

Employment in the retail trade sector in the region declined at a much faster rate than the aggregate of all industries pointing to a retail gap.

Projected Growth

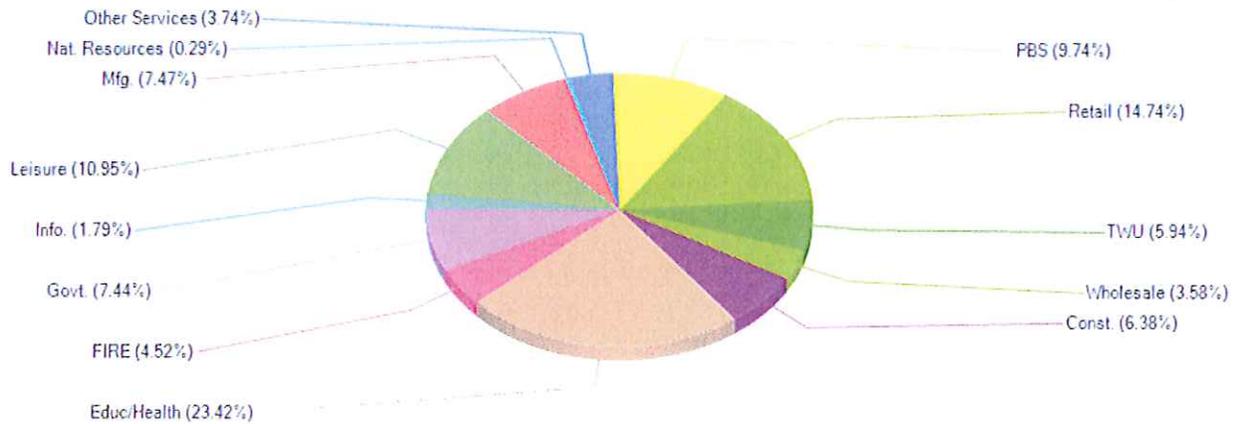
Although small, employment growth in the retail sector is anticipated to grow by .4% by the third quarter 2014, not taking into account significant regional and county growth drivers (see page 19).



Labor Inventory for the Gateway Region

Labor Inventory shows the composition of a region's workforce plus detailed occupation information e.g.:

- percentage of workforce by industry
- percentage of workforce by firm size
- percentage of workforce by industry and given firm size

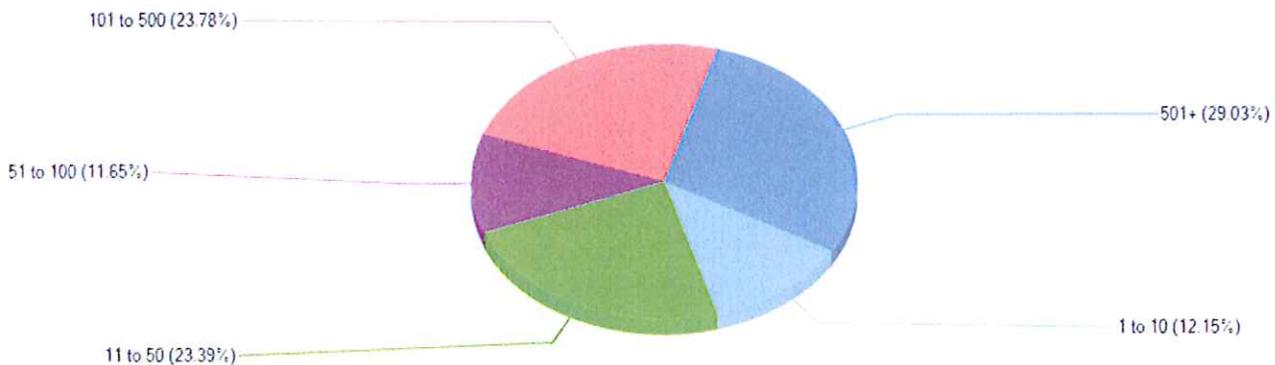


Source: JobsEQ®, Data as of 2009Q3

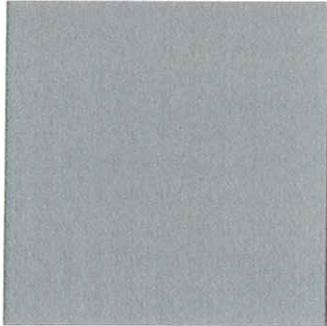
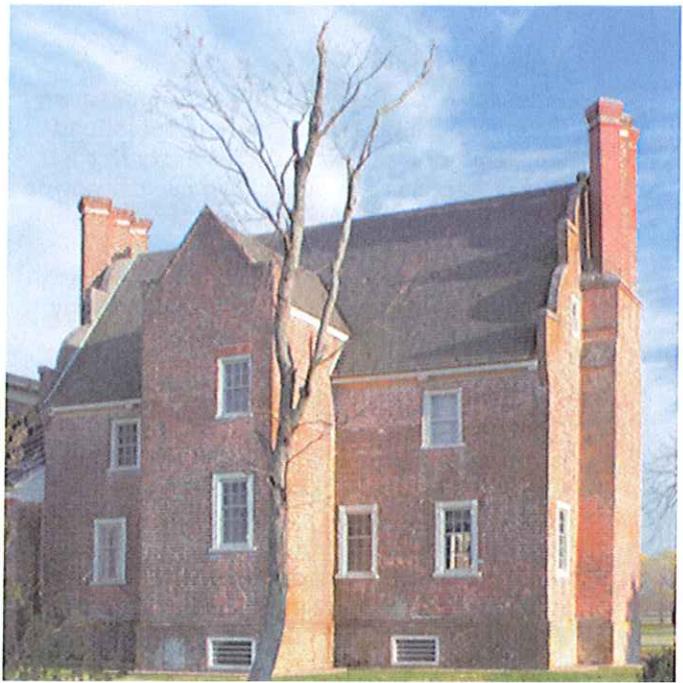
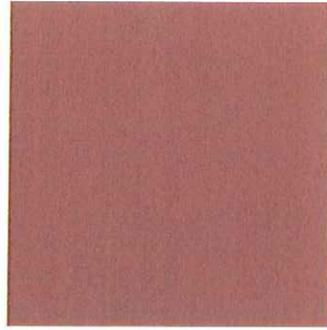
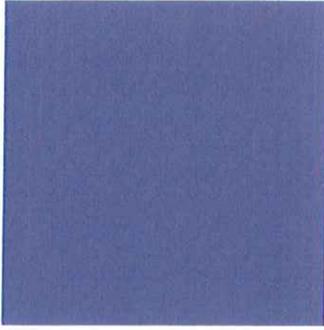
As the pie chart above demonstrates, employment in the Gateway Region is based largely in the following sectors: Leisure 10.95%; Education/Health 23.42%; Professional Business Services (PBS) 9.74% and Retail 14.74%. As you may recall from page 7, **retail only comprises 1.56% of total employment in Surry County**, thereby further emphasizing the huge retail gap in the county.

As shown in the pie graph below, labor inventory is spread fairly evenly across firm sizes in the region offering greater regional stability in employment.

Labor Inventory by Firm Size (Gateway Region)



Source: JobsEQ®, Data as of 2009Q3



Growth Opportunities

Regional & County Drivers

The Gateway Region and Surry County are fortunate to boast drivers that will boost significant growth over the next 10 years.

FORT LEE:

With the Base Realignment And Closure (BRAC) expansion, Fort Lee in neighboring Prince George County will become the global logistics nerve center for the entire US army. The installation is home to the Army Quartermasters, the Army's supply chain management, ordnance school, sustainment center, logistics university, and culinary school. Once the expansion is complete, Fort Lee will be the third largest army training facility in the country.

- ⇒ Additional **6,000** military personnel, spouses and children.
- ⇒ Influx of more than **5,000** civilian contractors and their families.
- ⇒ Approx. **200** temporary construction workers needed to complete building plans.
- ⇒ Estimated **\$1.9 billion** in military construction spending.
- ⇒ **Thousands** of new residential units.
- ⇒ Influx of **trailing spouses** looking for employment in the region.
- ⇒ **Daycare/childcare/school/and social services** for added population.

ROLLS-ROYCE:

First announced in November 2007, the decision by Rolls-Royce to build their latest cutting-edge facility in the Gateway Region literally changed the entire landscape. The company's state-of-the-art production facility will utilize the very latest technology in the industry as the company builds upon its position as a world-leading supplier of power systems and services. The Rolls-Royce Crosspointe Center is based in neighboring Prince George County

SURRY COUNTY:

Although rural, Surry County is fast becoming the energy capital for the region and indeed the Commonwealth of Virginia. Surry Nuclear Power Station is one of only two nuclear power plants that operate in the state. Clearly the presence of this power plant is a major source of revenue for Surry and partly contributes to the high average annual wages in the county (see page 3).

In addition to the nuclear power station, Surry County is also the location for a new, 2,000-acre coal-burning facility. With the construction of this facility an anticipated 200+ construction workers will temporarily live in the County for approximately 2-years. The new plant will also employ 200 permanent employees with an average annual wage of \$75,000.

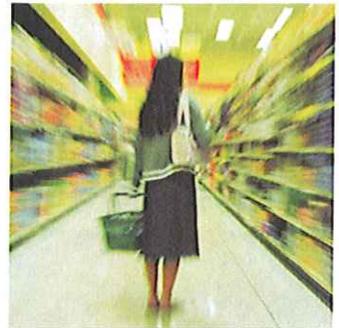
Surry County continues to attract interest in the food and wood product manufacturing sectors, with special interest coming from companies interested in Biomass fuel production. Furthermore, Surry is one of the few areas in the region to attract large-scale manufacturing due to ready availability of land, which in turn will drive retail demand.





*“Nearest
retail hub
30+ miles
away”*

*“Only Food
Lion currently
serves the
area”*



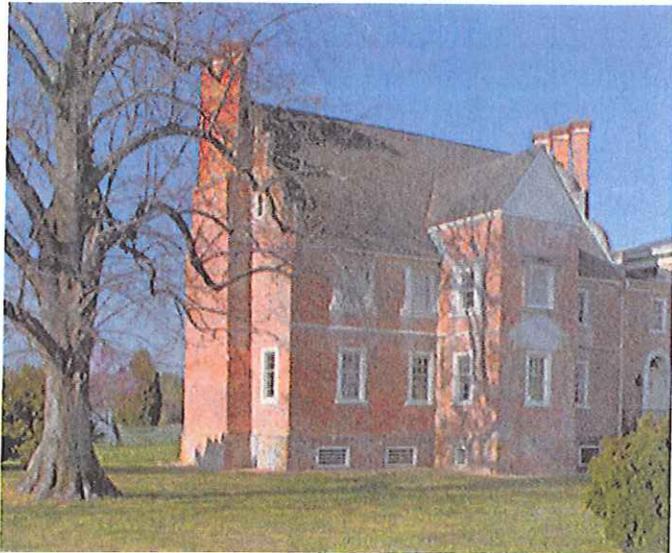
Tri-Cities: Retail Hub

Cities of Colonial Heights, Petersburg & Hopewell

The Tri-Cities in Virginia's Gateway Region represents the only major retail hub in the region and the last retail opportunity between Richmond and the North Carolina border. But even with this hub, demand for grocery stores is \$51 million higher than current demand according to a recent study, with this figure further increased by the growth at Fort Lee.

Currently, citizens of Surry County must either travel 30-40 miles north to reach this area or alternatively negotiate the James River via ferry or a distant bridge separating them from the retail opportunities in the Williamsburg area. While either of these options might be attractive for specialty goods, the same cannot be said for basics such as groceries. The only major grocery chain that currently serves the immediate area is **Food Lion with four locations**, accompanied by a handful of independent stores.

Surry County would benefit greatly from another grocery chain offering a broader selection of name-brand goods for a customer base that has twice as many middle-income employees. We believe the opportunity is there and we would invite you to explore Surry County for the best location possible to take advantage of this market.

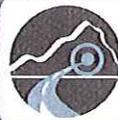


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Surry County



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VIRGINIA'S GATEWAY REGION
Economic Development Organization

Surry County

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