



2010
Business Retention & Expansion
Survey Report

Introduction

In December of 1999, the Industrial Development Authority (IDA) initiated a Business Retention and Expansion Survey Program for York County.

The objectives of the business retention survey are to:

- ◆ Learn about the local business community's perceptions of York County and the advantages and disadvantages of operating a business here.
- ◆ Identify pervasive problems or trends negatively impacting businesses and develop programs and/or processes to address these impacts and improve the economic environment in the County.
- ◆ Identify “red flag” situations, companies that are at risk of closing or relocating.
- ◆ Respond to the needs of “red flag” businesses with a variety of services, from providing information on financing and marketing to acting as a liaison to County/State agencies.
- ◆ Establish a benchmark for measuring the effectiveness of our business retention and expansion program.

In January 2000, **1,065** surveys were sent to a sample of businesses in York County. This survey established a benchmark to measure the effectiveness of our business retention and expansion program as well as the overall perception of economic development in the County. In 2000, there were **146** responses, for a **13.7%** return rate.

In January of 2002, **1,200** surveys were sent to the business community with **210** responses for a **17.5%** return rate. The response rate was better than the 2000 survey and valuable feedback was received from the responses.

In February of 2004, the IDA mailed **1,650** surveys to the business community and received approximately **229** responses for a **13.9%** return rate.

In January of 2006, the Economic Development Authority (EDA) mailed **1,230** surveys and received **215** responses for a **17.5%** return rate.

(Note: The reduction in the number of mailed surveys in 2006 was due to “list scrubbing”. The list was reviewed carefully and all businesses with duplicate addresses were removed, as were those businesses operating out of their homes. Individuals, such as hairstylists and other such professionals, who hold a business license but work for a larger business in the County were also removed, to eliminate duplicate surveys coming from the same business.)

During 2007 staff worked closely with a team of students from William and Mary’s Thomas Jefferson Public Policy Program to review and revamp the survey, making it more useful and user-friendly. The format, question style, and visual appeal were all greatly improved.

In January 2008, the EDA mailed **840** surveys and received **178** responses via mail and the Economic Development website for a **21%** return rate.

(Note: The reduction in the number of mailed surveys in 2008 was, again, due to “list scrubbing”. See above note.)

In January 2010, the EDA mailed **970** surveys and received **182** responses via mail and the Economic Development website for an **18.8%** return rate.

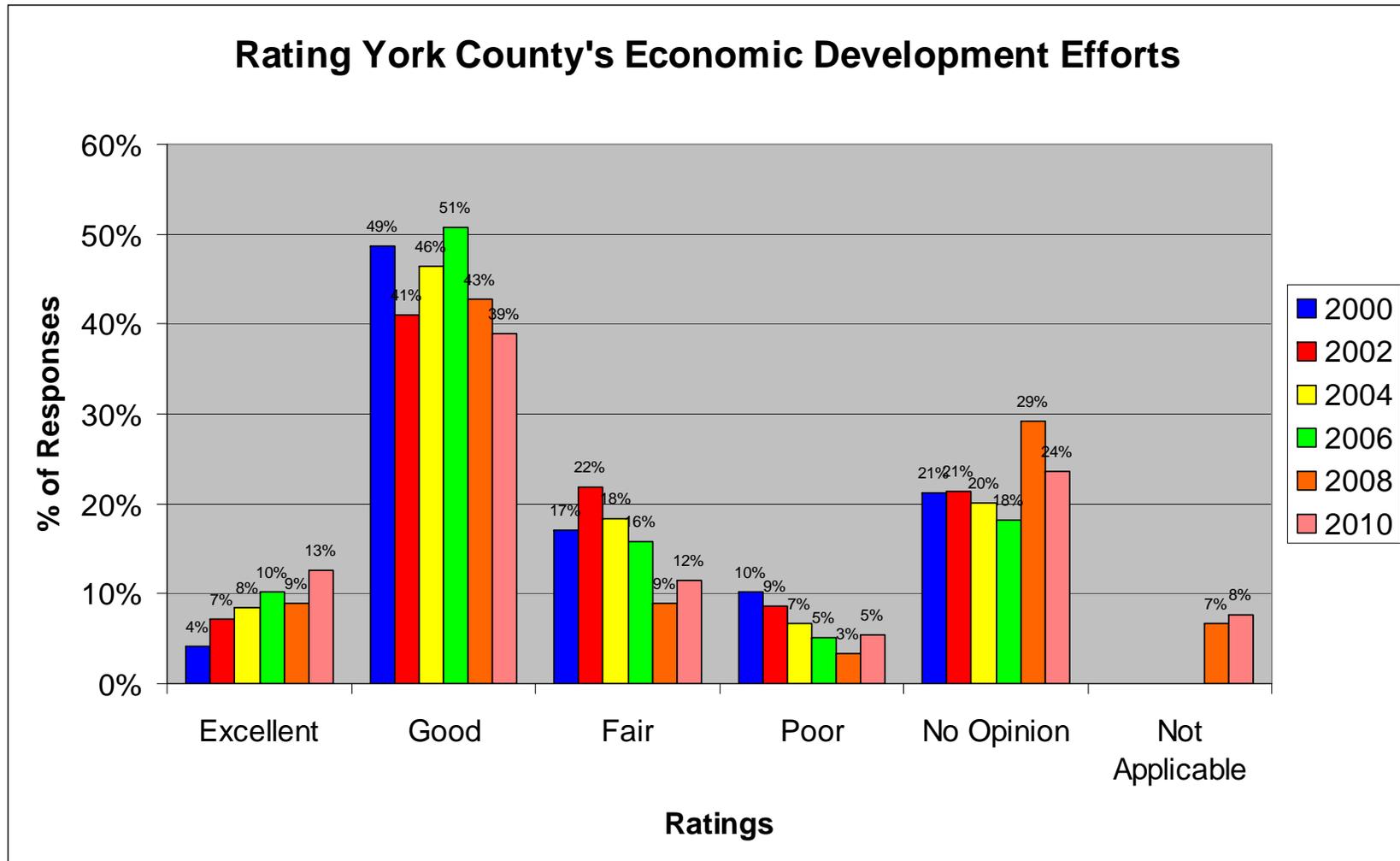
Survey respondents consisted of businesses representing the following industries:

Industry	2008 Results	2010 Results
Contracting or Construction	13.5 %	12.0 %
Manufacturing	5.0 %	4.3 %
Durable Goods (Retail)	17.5 %	14.7 %
Non-Durable Goods (Service)	1.5 %	5.4 %
Education or Health Services	8.0 %	4.3 %
Professional Services	40.0 %	27.7 %
Leisure/Tourism/Hospitality	9.5 %	5.4 %
Wholesale or Distribution	3.5 %	1.6 %
Other	1.5 %	32.1 %

Survey Results

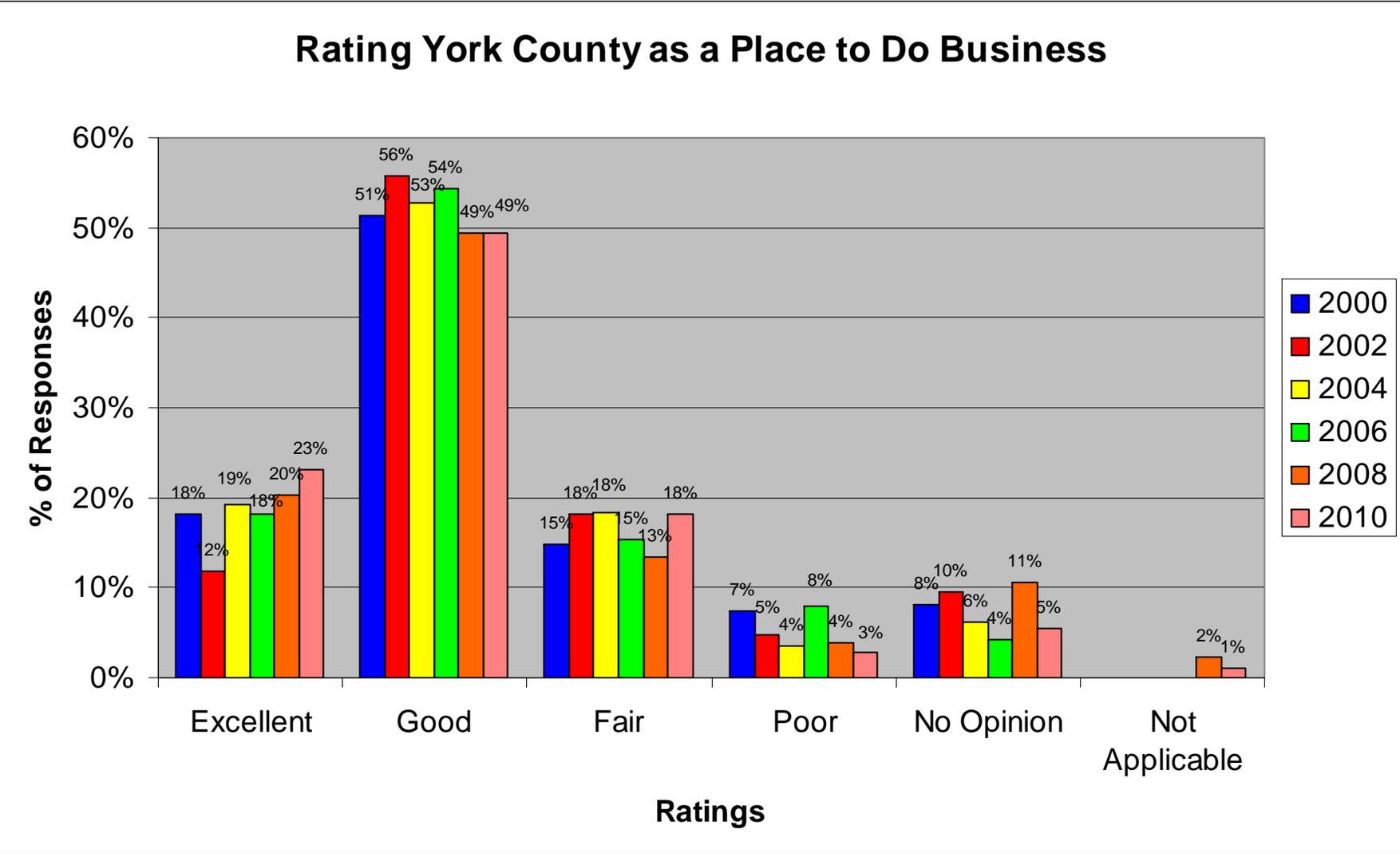
The following graphs depict results for two of the survey questions that provide insight into the business owners' perceptions of York County.

Question – How do you rate the County's economic development efforts?



The overall opinion regarding the County's economic development efforts was positive. In 2010, **52%** of the respondents rated the County's economic development efforts as good or excellent, which held constant with 2008 ratings.

Question – What is your overall opinion of the County as a place of business?



The overall opinion regarding the County's business environment was very positive. In 2010, 132 or **73%** of the respondents believed that the County was a good or excellent place to operate a business. This was up from 70% in 2008.

Question – What can York County do to better serve local businesses?

When asked what York County could do to better serve firms and to attract new firms to the area, comments received in 2010 centered on the following themes:

1. Lower Business Taxes and Fees
2. Reduce/Relax Code/Zoning Regulations - Become more “Business Friendly”
3. Improve/Streamline Site Plan & Building Permit Process
4. Improve Signage Issues/Reduce Signage Restrictions
5. Reduce Route 17 Congestion/Traffic
6. Promote “Keep it in the County” Mentality
7. Offer More New Business Services & Incentives

In response to these survey results, the OED has taken several steps to improve the economic environment in York County and to address the reoccurring suggestion of needing to offer more new business services & incentives. A new OED services brochure was created to better inform current & potential businesses about the free services, programs, & resources offered to them via the OED. The new **York BIZ** program, a web-based business outreach program that was designed to provide new and existing businesses with the information and resources they need to succeed, thrive, and grow, is being much more heavily promoted. Additional marketing and promotion is also being given to the County’s two grant programs; the **NxLevel grant** program, which encourages York County's business owners and entrepreneurs to attend the Hampton Roads Small Business Development Center's NxLevel course, a 12-session, 15-week national entrepreneurial training program that helps entrepreneurs learn the skills needed to create and strengthen successful business ventures, and the **E-commerce grant** program, which encourages website development for York County's private businesses. All new business licenses are now published on the Economic Development website, providing free publicity for startup companies. In addition, any York County business is welcome to submit news articles for publication on the site. This opportunity not only provides free advertising to new companies, but also promotes the ‘Keep it in the County’ theme and mentality.

The OED, with financial help from the Economic Development Authority, has compiled over 800 York County business email addresses and began utilizing Constant Contact to improve the delivery of these and other services & event announcements to our new and existing businesses.

OED staff worked with the departments of EDS and PIO and the local Chambers of Commerce to review the current sign ordinance and to initiate changes that would make York County more business friendly. Some improvements include the ability to

now use electronic message boards and the ability for existing businesses to post temporary signs for limited periods throughout the year. The OED then developed a new Business Signage brochure that explains the County's rules, regulations, processes, and fees associated with all types of business signage: Temporary, Wall, and Freestanding. The brochure will be distributed with each new business license application and is available on the OED website and in the OED, EDS, and Chamber offices.

In addition to regularly updating the Commercial Development Guide, OED, Planning, and EDS staff hosted the first "Development Professionals Training Session" in February 2010. The session targeted various development professionals - such as architects, developers, real estate professionals, and engineers - in the local area. Staff walked attendees through the new Development Guide, the Top Mistakes in Commercial Land Development, Quick Reference Lists, Best Practices in York County Land Development, and much more. Attendees received Continuing Education Credits and they were placed on a "Preferred Providers List" on the OED website.

New programs and plans that are currently underway include a Home based business program, which would encourage & assist businesses with their transition to a commercial location, an OED Strategic Plan update, and a comprehensive review and overhaul of the County's Business License process to make it more business friendly.

Question – Please describe the key issues facing your business.

The main issue, by far, for the respondent's businesses was the current state of the economy, with over 40 respondents citing this concern. This is a continuing trend from the 2008 survey. Notably absent was the concern over workforce development and skilled labor issues. In past surveys this has been a consistent theme, yet only three respondents listed it as one of the key issues facing their business today. Many listed the economy, rising costs of doing business, and/or change in consumer spending habits as the key issue facing their business today.

Top three responses:

1. Current State of the Economy
2. Business Costs & Taxes
3. Decreased Demand/Sales

Question – Does your company experience difficulties recruiting employees with adequate skills? If yes, please describe.

In previous surveys, workforce issues seemed to be the most consistent and problematic issues facing the survey respondents. Last year 25% said they had issues in the areas of workforce development and employee attraction and retention. This year, that is down to just **13%**, or 24 out of 182 respondents. This is likely indicative of the overwhelming number of people out of work and searching for employment, thereby increasing the available skilled labor force.

Some common concerns focused on:

1. Difficult to Find Experienced/Skilled Workers
2. Difficult to Find Quality Employees (i.e. Work Ethic)
3. Difficult to Retain Employees

* Note: The Peninsula Council for Workforce Development provides employment services and training for both employers and employees in Hampton Roads. Visit www.pcfwd.org for more information on Peninsula Worklink, the Youth Career Café, and the many other workforce programs offered.

Questions – Is your company planning closure or sale of the business? If yes, when (Mo/Yr and why)?

Twelve respondents indicated they have plans to close or sell their business and two indicated it was a possibility. Most of these were due to new ownership, the economy, or rising business costs. Nine businesses plan to close completely and five are exploring opportunities outside of York County, two in other areas of the Country.

Questions – Is your company planning to relocate within or outside of York County? If so, why?

Of the 182 respondents, twelve indicated they have plans to relocate within York County and nine (including the five mentioned above) plan to relocate outside of the County. Of those planning to leave the County, one indicated they plan to relocate to Williamsburg, two plan to move to James City County, two plan to relocate in another state, and the other four did not provide any relocation details. Each of the companies planning to relocate have been contacted by OED staff to see if assistance could be provided.

* Note: To view a comprehensive database of available commercial property and buildings in York County, visit York County Site Selector at www.yorkcountysites.com.

Question – If you plan to expand your business, in which areas can OED assist you?

The following list shows the areas in which respondents who plan to expand their businesses would like helps from the OED:

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|---------------|----|
| 1. Marketing | 49 |
| 2. Financing | 33 |
| 3. Permitting | 16 |
| 4. Location | 10 |
| 5. Other | 10 |
| 6. Training | 7 |

Knowing the type of information and resources York County businesses need will help OED staff determine the type of information to include in the Business Resource Guide and on the Economic Development Website and assist staff with the development of new business assistance programs. Several educational workshops are planned that will address various aspects of marketing, financing, and customer service. The Small Town & Merchant Program (STAMP) will be offered in September 2010 and the Entrepreneur Express Program is planned for January 2011. Detailed information on both programs can be found on the economic development website www.yesyorkcounty.com.

Marketing is the category in which respondents indicated they needed the most assistance. Because of this, the OED created several marketing idea and incentive idea sheets, resource lists, and many other promotion related documents intended to assist businesses in the successful marketing of their business, specifically in a down economy. All resources are prominently displayed on the OED website's York BIZ section.

Conclusion

A great deal of information was gained from this year's survey, which will be used to help in the future retention of York County's businesses. Examples include the review and update of the Business Sign Ordinance, the creation of a new Business Signage Brochure, and the review and update of the County's Business License Approval Procedures. In addition, the OED, with financial help from the Economic Development Authority, has compiled over 800 York County business email addresses to improve the delivery of these and other services to our existing businesses. OED staff has been reorganized to allow one administrative staff member to perform business visits, thereby increasing the number of visits that can be completed annually. The survey results have already proven useful in improving the County's business climate.