

Salem Department of  
Economic Development

# **Strategic Plan 2023-2028**

**Prepared by**

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# Executive Summary

If you know one thing about the City of Salem, it's the people. The City is a collective of people whose families have lived here for generations as well as new residents that came here for a better, more affordable quality of life. As we look ahead for future generations in Salem, it's essential to set an economic development strategy that's rooted in sustainable growth with industry diversification and real estate development, achievable goals for talent and business attraction and retention, and establishing stronger regional and statewide partnerships to help our City thrive.

## Why a Strategic Plan

Strategic Planning is the ongoing organizational process of using available knowledge to document a community's intended direction. This process is used to prioritize efforts, effectively allocate resources, align citizens and staff on the organizational goals and make sure the goals are backed by data and community input. Having a strategic plan establishes a direction for a community to take, it will help it sharpen its focus in order to get there. Finally, having a strategic plan in place allows tracking of progress toward goals. When citizens and staff understand the community's larger strategy, it makes the organization proactive rather than reactive and instills a shared sense of responsibility.



Economist William Kerr said talent is any economy's most precious resource, and the Office of Economic Development in Salem wants to create a place where people want to work and live.

The next five years can dramatically shape the future of the City and create a path for progress and success. Rooted in data, research, and analysis, this plan outlines six goals to help Salem Economic Development and partners create a robust economic future.

- Expand and diversify the City of Salem's commercial and industrial tax base through a targeted industry approach based on retaining and expanding existing businesses and attracting new business investment.
- Expand and diversify the City of Salem's commercial and industrial tax base through a robust and supportive entrepreneurial environment.
- Grow and strengthen the availability of a qualified workforce to meet the needs of industry and industry of the future
- Expand and diversify the City of Salem's commercial and industrial tax base as a partner in the growth of hospitality assets, tourism assets, and events.
- Make efforts to become a partner and a leader to expand the quality of life in the City of Salem, creating a city with rich character, inviting spaces, and a thriving economy.
- Work closely with the Economic Development Authority and City leadership to inform and explore the capabilities and autonomy the EDA comprises to assist in financing and incentivizing development and revitalization activities while strengthening the department of economic development.

The plan is the first for Salem Economic Development and is designed to create an actionable path and solid foundation for the future. This plan will serve as a baseline for an annual report to the Economic Development Authority that can help expedite timeframes and improve metrics with additional resources. It's also a guide for regional and state partners to help strengthen economic development relationships in an effort to bring the right mix of business investment to the City.

"A Strategic Plan for Economic Development will provide a guiding document for the next five years in the City. It's a culmination of looking at the past, interviews with stakeholders, and planning for the future of Salem," said Salem Director of Economic Development Tommy Miller. "The benchmark of success will be looking back and seeing an established foundation for a proficient economic development office having successful growth, expansion, and diversification of our economy and ready to embark on the next round of even more rigorous planning."

Salem Economic Development is charged with the responsibility of assisting in the improvement of Salem's natural and built environments. This is achieved through the Department's involvement in most major public and private development projects during the City's development review processes, long-range planning, and economic development activities.

## About the Strategic Plan

The City of Salem is located in Southwest Virginia and is part of the greater Roanoke Region and adjacent to the New River Valley. The City was incorporated on Dec. 31, 1967. The City is home to Roanoke College, providing a perfect mix of a college town feel with some of the best Division III collegiate events, and has developed a national reputation as a sports city, with numerous high school sport accolades. The City has the perfect mix of a town feel with some of the best schools, facilities, and services in the Commonwealth. While also enjoying the benefits and amenities with immediate proximity to the City of Roanoke and the larger Roanoke Region.

Salem has a population of 25,290 (2020) with a median age of 41. Estimates between 2010 and 2020 show slight growth in population, but more promising is a jump in median household income from \$48,828 to \$63,411. From a workforce standpoint, short commute times indicate that much of the population lives near work. (More demographic information can be found in the Economic Profile section.)

This strategic plan serves as a benchmark for setting goals and tracking progress for the next five years. This process prioritizes efforts, effectively allocates resources, aligns citizens and staff on the organizational goals, and ensures the goals are backed by data and community input. When citizens and staff understand the community's larger strategy, it makes the organization proactive rather than reactive and instills a shared sense of responsibility.

This plan is rooted in the mission and vision of the City of Salem Office of Economic Development.

- **Mission:** Cultivate, preserve, and attract progressive and complimentary business investment comprising high-quality jobs while enriching the City of Salem's low-cost pro-business environment and community's quality of life.
- **Vision:** An acclaimed Economic Development Practice with innovative and bold leadership fostering creative and collaborative initiatives exceeding global business climate expectations.



# Path Toward Plan Development

Leadership at the City of Salem comprising administration, City Council, and the EDA recognized the City's Office of Economic Development had never composed a strategic plan, and realized perhaps creation of a plan with new leadership would be good timing. After selecting Tommy Miller as the new Director of Economic Development, his thoughts complimented leadership's sentiments, personally designating his number one priority to draft a strategic plan.

Tommy Miller was hired from outside the City of Salem and the Roanoke Valley, having moved from the Richmond, Virginia, region. He saw it as a priority to take many of the plan developments on firsthand to engross himself in the community and expedite his learning of the City and the region.

Examples of developments to create the plan include data research, stakeholder engagement, and third-party support. Over the course of several months, Miller led community meetings with various groups ranging from City leadership and the area chamber to the local historical society and several neighborhood organizations.

Examples of outside collaboration also include the Roanoke Valley-Alleghany Regional Commission and Roanoke Regional Partnership for assistance with data. Greg Wingfield, consultant, with Fahrenheit Advisors, and former CEO of Greater Richmond Partnership was hired as counsel throughout development of the plan. In addition, John Accordino, professor, and former dean at Virginia Commonwealth University's School of Urban and Regional Studies provided a site visit for additional insight and feedback during plan development.

# Economic Profile

The City of Salem is positioned well among peer communities in Virginia and with a workforce spread across industries, although it could benefit from further diversification in high growth and high-quality industries. Commuting patterns show that a significant number of people come into the City for work.

Please note that no data set is perfect; many data sets capture information via zip code which small portions overlap with Roanoke County. It was the role of the author to properly decipher this data. Detailed analysis of data collected is contained in the Appendix.

## Socioeconomic Indices Data

Within the Roanoke Region, Salem is ahead of peer communities and the regional average in most socioeconomic indices and on par or slightly behind state averages, which are greatly impacted by a robust Northern Virginia economy.

Notably, the median household income is \$63,411, outpacing the region (\$56,997) in dollars and percent increase in the past 10 years. Salem saw an increase of 29.8%, while the region grew 18.5%. Per capita, income is on the same trend line. The prime-age labor participation rate shows that most eligible workforce participants are working at 83.8%, just below the state average of 84.3%.

Home values in Salem are between state and regional averages, and the poverty level is well below the state average of 10% at 8.7%. The regional average is 11.9%.

## Employment Trend

Employment is rising in Salem, with total employment at 19,599 in the fourth quarter of 2021. City employment follows the same curve as state and regional employment, with a minor overall increase based on a four-quarter moving average of 1.5%. The unemployment rate of 2.7% mirrors the region and Commonwealth (March 2022).

## Major Employers

The top 10 employers in the City include health care, education, manufacturing, and retail.

1. U.S. Department of Veterans Affairs
2. City of Salem
3. City of Salem Schools
4. Yokohama Tire Corp.
5. HCA Virginia Health System
6. Carter Machinery Company
7. Roanoke College
8. Integer
9. U.S. Foodservice
10. Kroger

## Industry Snapshot

The largest sector in Salem is health care and social assistance, employing 4,137 workers. Following are manufacturing (2,670) and retail trade (1,958).

High location quotients indicate sectors in which a region has high concentrations of employment compared to the national average and could indicate a need for potential economic diversification and/or further specialization in these areas based.

The sectors with the highest LQs are:

- Wholesale Trade (LQ = 2.29)
- Manufacturing (1.67)
- Health Care and Social Assistance (1.45)

Comparing employment to wages, the sectors with the highest average wages per worker are:

- Wholesale Trade (\$75,454)
- Professional, Scientific, and Technical Services (\$72,517)
- Finance and Insurance (\$70,672)

While employment data in Salem over the next year anticipates little to no growth, there is positive news in relation to the City's largest employment sector. Job growth over the last 5 years is paced by Wholesale Trade (+113 jobs), a solid sector in Salem, followed by Public Administration (+105).

In the next year, the fastest growing sector in the region is expected to be Arts, Entertainment, and Recreation, with a +2.5% year-over-year rate of growth.



## Occupation Snapshot

The greatest challenge to the Salem economy is workforce and occupation concentrations. To ensure a healthy economy moving forward, the City will look at employment concentrations, location quotients, and projections in employment. Some of the City's highest concentrations of workers are in industries that are anticipated to encounter contraction in the next year.

The largest major occupation groups in Salem are:

- Office and Administrative Support Occupations (2,366 workers), LQ = .95
- Healthcare Practitioners and Technical Occupations (1,871), LQ = 1.63
- Sales and Related Occupations (1,824), LQ = .97
- Production Operations (1,800), LQ = 1.59

Occupation groups among the highest wages in the City include:

- Management Occupations \$108,800 (970 workers)
- Legal Occupations \$87,300 (104)
- Computer and Mathematical Occupations \$82,200 (433)

Occupation groups with the highest growth forecast in the City include:

- Personal Care and Service Occupations, 1.3% year-over-year rate of growth (5 jobs)
- Food Preparation and Serving Related Occupations, 1.2% (18)
- Healthcare Support Occupations, 0.7% (7)

The challenge is in occupations with the greatest expectation of workforce exits, led by Food Preparation and Serving Related Occupations (277 jobs) and Office and Administrative Support Occupations (249).

## Commuting Patterns

Daily, Salem has more people coming into the City for work each day than leaving, with a net of 4,221 inbound commuters in 17 counties and cities. The majority of these come from Roanoke County, Franklin County, and Bedford County. Salem loses workers to Lynchburg City (net loss of 99) and Roanoke City (86).

## Cost of Living

The cost of living in Salem is 11.6% below the national average. With higher average wages and lower cost of goods, give residents greater purchasing power than the region and the state.

- \$60,193 Salem
- \$55,850 Roanoke Region
- \$57,394 Virginia

## Regional Cluster Analysis

Looking at industries from a historical trend line can indicate future growth and provide some guidance for diversification. An overall regional analysis, including but not limited to Salem, shows that several large clusters had positive job growth between 2014 and 2019.

- Healthcare (7.1% growth)
- Construction (3.3%)
- Transportation and Logistics (1.7%)

The region's most concentrated clusters also showed employment growth:

- Industrial Machinery (23.8%)
- Furniture (20.6%)
- Materials (2.2%)

Other sectors with employment growth include:

- Software/IT (13.7%)
- Automotive (13.2%)
- Agribusiness and Food (11.7%)

Strong clusters showed employment losses, including Metalworking (12.5%), Retail (3.8%), and Back Office (0.2%). Overall, 10 of 27 clusters are considered weak and declining in the region but only account for 12.7% of overall employment.

# Inventory of Assets, Programs & Marketing Presence

Salem Economic Development is in a stage of rebirth and evolution. A new director was hired earlier this year after the position had been vacant for two years. There was not a lot of historical documentation, marketing materials, files, or programs in place to facilitate the transition. This lack of procedure makes it necessary to inventory assets and establish a plan for future development and growth.

## Web Presence / Marketing Material

Salem Economic Development has a small online presence located within the City of Salem Government website (<https://salemva.gov/179/Economic-Development>). Information is thin, and there's no sales proposition for locating a business to the City or expanding an existing business.

Secondary menu items – business resources, available property, major employers, economic development authority, and zoning map – have a placement that looks like an afterthought with little information therein. Most of the information dates to 2018 and does not reflect the state of economic development, or the City, in 2023.

Further, the design and informational assets lack user-friendliness for ease of reading and gathering information. There are no images, data, graphics, or tools to facilitate business development.

Salem does not have or maintain social media assets for economic development or share office information and news on the City's profiles.

## Existing Business Outreach

Developing and retaining existing businesses is a vital part of any healthy economy. The City of Salem wants to grow its businesses and help them stay here.

Currently, there is no formal plan for business outreach to existing companies, although there has been past engagement with chambers of commerce and workforce development. Past engagement was more reactive – rumors of trouble or need for expansion within a company – than proactive with planned communication and outreach.



## Outbound Marketing

Currently, no outbound marketing efforts are in place. All of the City's economic development efforts have relied on state and regional partners for marketing.

## Real Estate

Salem does not have a current assessment of City-owned or privately owned underutilized real estate that categorizes potential use or rankings of available buildings and property. Additionally, the most recent comprehensive plan with land use and zoning recommendations for the City was completed more than a decade ago (2012).

There is no regular engagement with property owners for other real estate available for potential development within City limits.

## Workforce

One of the bright spots in Salem's programs and outreach is workforce development. The City has positively engaged with schools and regional workforce development, including job fairs and CareerQuest (for seventh through 12th graders) at Salem Civic Center.

The City has also engaged with Roanoke College, including annual support for the Salem Civic Challenge. The Challenge tasks students with developing innovative solutions for a real-world issue facing Salem leaders, who write the prompt and reveal it at the start of the competition.

## Stakeholder Engagement

Through research and interviews, Salem has conducted a SWOT analysis, gathered stakeholder feedback, and compiled a list of aspirational cities to help guide the future of Salem. The following data was collected from interviews conducted by Fahrenheit Advisors, the Roanoke Regional Partnership, and a survey from the Annual Business Breakfast.

Here are the key highlights of each, with complete data listed in the appendix.

### SWOT Analysis

Understanding a community's strengths, weaknesses, opportunities, and threats can help future and forward planning. Many of the elements of the analysis fall in line with much of the data already presented in this plan.

Salem's most significant strengths in terms of economic development include its location and access to an interstate highway, metro community (Roanoke), and access to higher education. Growth and employment in manufacturing, healthcare/life sciences, and outdoor infrastructure and sports tourism are strong spots in the economy.

The most concerning economic weaknesses in the City include slow job growth and a low share of working age population (25-44). With inadequate marketing and no significant online presence, inbound marketing is a challenge, with very few projects coming to the City. That is compounded due to aging infrastructure and limited availability of property for business development. Additionally, the City doesn't have a wide variety of entertainment and quality of life amenities that are attractive to younger professionals, an important factor in their job searches.

Economic development opportunities for the City are promising. Expansion of technology and life sciences sectors can complement growth regionally and align with education and workforce programs for talent attraction. Greater engagement with existing businesses and partners can grow the influence of Salem regionally, especially when combined with a new and energized marketing program.

Many of the threats facing Salem mirror those in other communities, including and again workforce, increased competition for talent, and an underdeveloped entrepreneurial ecosystem. Threats specific to the City include the potential loss of sports tourism due to aging facilities and a perception that the community is not "open" to new businesses or residents. Part of the "closed" perception could correlate to high location quotients in specific industry sectors, where there are already high concentrations, compounded by the lack of a plan to invest and attract new industries.

## Stakeholder Feedback

Salem gathered stakeholder feedback in seven areas to determine the most important priorities for the community. Areas of feedback included business attraction, climate, infrastructure, plan, quality of life, real estate, and workforce.

Many of the wants and needs of community stakeholders fall in line with themes from the SWOT analysis with more detail and specificity. The items of most interest, as ranked by stakeholders in each category, include:

- Business attraction: Targeted retail, including food/grocer, unique shops and restaurants; life sciences; and manufacturing
- Business climate: Improved permitting and government department processes
- Infrastructure: Improve traffic flows and road quality; create access for public or alternative transportation; develop fiber infrastructure
- Planning: Create better partnerships with colleges to retain talent
- Quality of life: Develop general amenities to attract workforce
- Real estate: Improve existing assets, including the civic center; create a real estate database and focus on outreach with property owners to develop viable business opportunities
- Workforce: Greater promotion and education about opportunities available in Salem



## Aspirational Communities

Stakeholders identified 12 aspirational communities that Salem can look at for inspiration and planning. None of these locations is an exact target for what Salem aims to be. Instead, they should be looked at in tandem to take some of the best attributes from each in the forward planning process.

The key takeaway noted in almost all aspirational locations is a desire for a strong community/downtown area with plenty of charm.

- Asheville, NC: Tourism Assets, Downtown, Similar Geography/Size/ Outdoor Assets
- Charleston, SC: Downtown, Historic Charm
- Charlottesville, VA: Pedestrian-Friendly Downtown, Sports Tourism
- Frederick, MD: Downtown Charm, Small Town Feel, Sports Tourism
- Greenville, SC: Downtown Revitalization
- Hendersonville, NC: Downtown
- Hillsborough, NC: Downtown, Historic Charm
- Indianapolis, IN: Diverse, Clean & Welcoming, Sports Tourism
- Montgomery, AL: Medical Park
- Reno, NV: Investment to Diversify Industry, Revitalization
- Staunton, VA: Downtown, Historic Charm, Variety of Retailers
- Winchester, VA: Downtown, Historic Charm, Variety of Retailers

## Recommended Target Industries

A strong economic development plan has areas of focus to help plan development strategically. Most localities, regions, and states outline five to 10 sectors where they are most competitive to focus on. Marketing efforts, real estate development, and resources are dedicated to these primary sectors ahead of other projects and are designed to shape the economy of the locality.

Salem has identified five key industries to focus on that align with its current economy, facilitate future development and growth, and work in collaboration with partner target industries at the Roanoke Regional Partnership and Virginia Economic Development Partnership.

- Future-Ready Manufacturing (Advanced Manufacturing)
- Life Sciences
- IT / Finance / Back Office
- Unique Focused Retail
- Entrepreneurial Enterprise

# Recommended Goals & Objectives

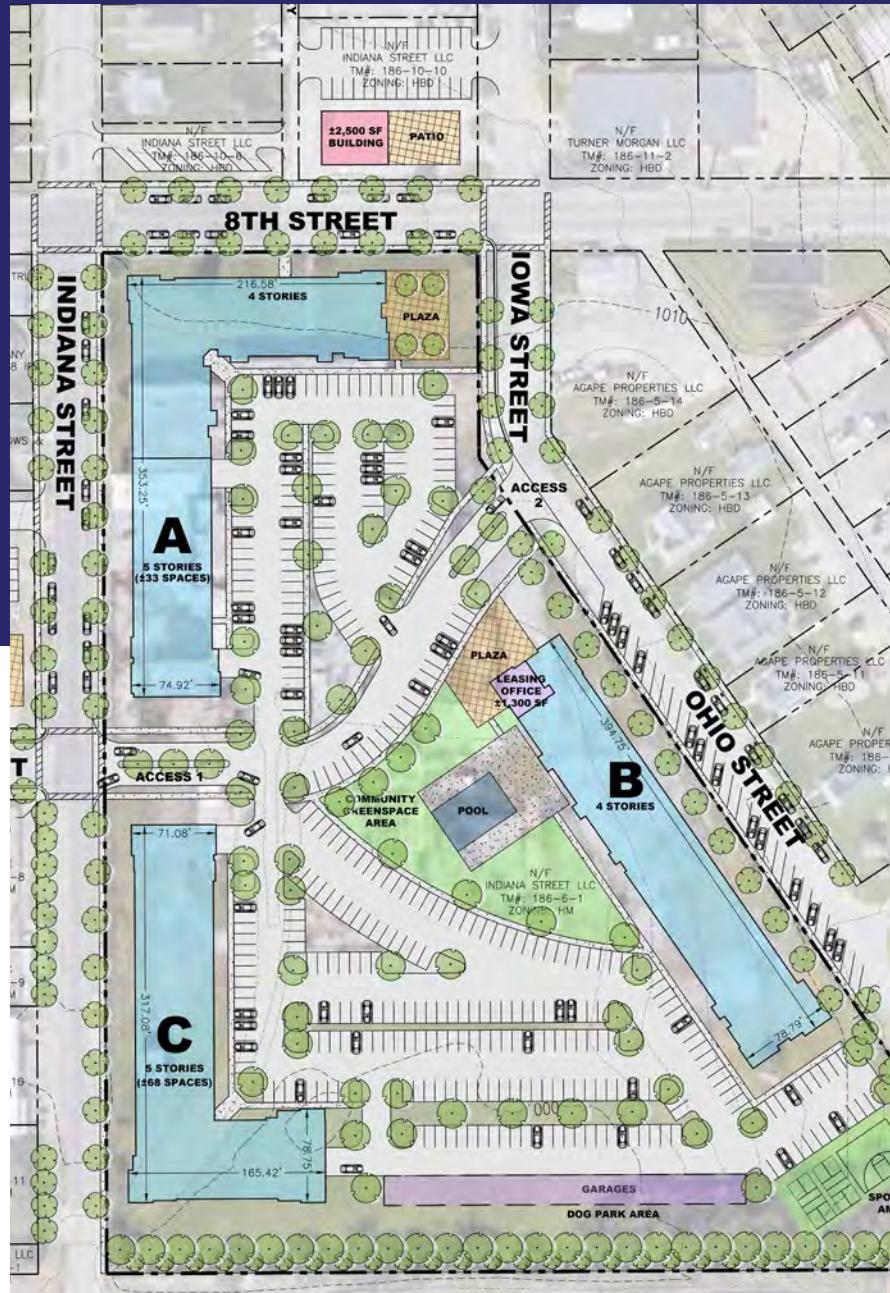
This Strategic Plan will serve as a baseline for an annual report to the Economic Development Authority that can help expedite timeframes and improve metrics with additional resources. It's also a guide for regional and state partners to help strengthen economic development relationships in an effort to bring the right mix of business investment to the City.

The plan includes six goals with actionable objectives and implementable strategies to create growth in Salem over the next half-decade. The estimated time horizon for each objective is noted in parenthesis, where applicable.

Goal 1: Expand and diversify the City of Salem's commercial and industrial tax base through a targeted industry approach based on retaining and expanding existing businesses and attracting new business investment.

*"Recent economic analysis by PwC and the World Economic Forum showed that upskilling could add \$6.5 trillion to world GDP and create 5.3 million net new jobs."*

(PwC, "An Upskilled Workforce Will Help Build a Stronger Tax Base," <https://www.pwc.com/gx/en/services/tax/publications/upskilled-workforce-help-build-stronger-tax-base.html>)



## **Objective 1 – Prioritize and respond to all active project inquiries professionally and promptly**

- Response to prospective companies within identified target industries must be a priority over all other goals and objectives
- All project inquiries must meet a 24-hour turnaround period or date specified by the request for information and presented using consistent branding for Salem
- All project inquiries will be cataloged in the department CRM and presented and reviewed annually (36 months)

## **Objective 2 – Create an existing business outreach program**

- Meet with 50 existing companies annually
- Meet annually with the City's 10 largest employers
- Create a "Headquarters Campaign" and visit the headquarters of a Salem major employer or target industry in their home city (outside of Salem) once per year
- Create a standard questionnaire (12 months)
- Evaluate engagement with Salem-Roanoke County Chamber to partner in outreach and program development, including but not limited to electronic survey distribution, appreciation events, district business associations, educational programming, etc.
- Create annual business roundtables related to target industry sectors
- Identify support staff to lead development and management of business outreach program (24 months)
- Create a formal Business Retention & Expansion program with identified goals and objectives (36 months)
- All business interviews will be cataloged in the department CRM and presented and reviewed annually (36 months)

## **Objective 3 – Create a new marketing brand and web presence for the Office of Economic Development**

- Identify and create a brand, logo, and tagline for Salem Economic Development (12 months)
- Create a world-class website with a unified social media presence (24

months)

- Develop an inventory of marketing materials for business visits, prospective companies, and general events and programs (18 months)
- Identify support staff or contract with a marketing agency to assist in creation of social media presence, newsletter, and project management of a website (12-24 months)

## **Objective 4 – Conduct outbound marketing efforts to attract new business investment**

- While in other locations for the "Headquarters Campaign," visit with prospective companies, site selectors and industry peers
- Evaluate participation in one marketing trip per year with the Roanoke Regional Partnership, Virginia Economic Development Partnership, or other partners/industry associations (i.e., Roanoke College, Tourism/ Parks & Recreation, Port of Virginia, etc.)
- Focus marketing efforts based on intelligence gathered from the existing business program, target industries, stakeholder engagement, and other research, including but not limited to a retail gap analysis
- Actively participate in marketing strategy with Roanoke Regional Partnership, Virginia Economic Development Partnership, and other partners

## **Objective 5 – Identify and support available real estate assets for lease, sale, development, and/or redevelopment for commercial and industrial use**

- Identify key property owners and establish regular dialogue annually
- Identify key brokers and developers and establish regular dialogue annually
- Ensure a database of available real estate is regularly updated on VASCAN, CoStar, and other commercial real estate outlets
- Conduct "Full Site Inventory Study" of City-owned real estate, including potential use, priority ranking, and actions to improve/ market real estate (24 months)
- Evaluate utilization of EDA powers to develop City-owned property

- Evaluate areas throughout the City to adopt various zones or districts to induce development (48 months)
- Create an incentive policy to encourage investment related to target industries (24 months)
- Partner with state agencies in grant opportunities to support redevelopment (i.e., DHCD, DEQ, DHR, etc.)

**Goal 2: Expand and diversify the City of Salem's commercial and industrial tax base through a robust and supportive entrepreneurial environment.**

*"Entrepreneurship is important to economic development. The benefits to society will be greater in economies where entrepreneurs can operate flexibly, develop their ideas, and reap the rewards. Entrepreneurs respond to high regulatory barriers by moving to more innovation-friendly countries or by turning from productive activities to non-wealth-creating activities. To attract productive entrepreneurs, governments need to cut red tape, streamline regulations, and prepare for the negative effects of layoffs in incumbent firms that fail because of the new competition."*

(IZA World of Labor, "Entrepreneurs and Their Impact on Jobs and Economic Growth," <https://wol.iza.org/articles/entrepreneurs-and-their-impact-on-jobs-and-economic-growth/long>)

**Objective 1 – Engage with state, regional, and local entrepreneurial development organizations to provide resources and programming to local entrepreneurs**

Engage in regular dialogue with existing partners in the Roanoke Valley entrepreneurial ecosystem, including Verge, RAMP, The Advancement Foundation, RRSBDC, etc., and encourage local programming twice per year in Salem (24 months)

- Host annual business pitch contest with partners, offering a cash award (36 months)

**Objective 2 – Provide physical space in the City of Salem for local entrepreneurs to cultivate their businesses, exchange ideas, and provide access to resources**

- Work with regional entrepreneurial partners to evaluate what services and/or amenities are lacking in the entrepreneurial ecosystem and bring them to Salem through unique partnerships, such as Roanoke College; examples may include an incubator, maker space (3D printer/ CNC), shared commercial kitchen, lab space, I.T. coworking space, etc. (60 months)



## Goal 3: Grow and strengthen the availability of a qualified workforce to meet the needs of industry and industry of the future

*"A skilled workforce gives people the economic mobility and higher earning power to support themselves and their families, offers businesses the workers they need to compete in the global economy, and provides communities a stronger tax base to maintain and improve their quality of life."*

(IEDC, "Why Workforce Development Matters to Economic Development," [https://www.iedconline.org/clientuploads/Downloads/Key\\_Strategies/IEDC\\_Why\\_and\\_Impact\\_Workforce\\_Development.pdf](https://www.iedconline.org/clientuploads/Downloads/Key_Strategies/IEDC_Why_and_Impact_Workforce_Development.pdf))

### **Objective 1 – Strengthen partnerships and programming with local, regional, and state workforce partners to provide opportunities for employment and skills advancement**

- Engage in regular dialogue with workforce partners, including VEC, GRWB, VWCC, Salem Schools System, etc.
- Direct participation in the Salem School System's Career & Technical Education programs and Business Advisory Committee
- Become a partner/advisor in Roanoke College's internship and job placement programming encouraging Salem business participation (24 months)

### **Objective 2 – Identify opportunities to support talent attraction efforts to the Roanoke Region and the City of Salem**

- Engage in regional partners' talent attraction efforts, including young professional groups, intern engagement, promotion at college campuses, etc.
- Explore opportunities with developers and the Salem Planning Department to diversify housing options in the City of Salem

## Goal 4: Expand and diversify the City of Salem's commercial and industrial tax base as a partner in the growth of hospitality assets, tourism assets, and events in the City of Salem

*"The hospitality industry has much to look forward to as travel demand continues to grow faster than expected over the last few years. Consumer research reveals that leisure and group business travel remains strong and new workplace trends allow people to travel more as they can work from anywhere."*

(EY, "Hospitality Industry Looks Strong for 2023, Despite Recession Fears," [https://www.ey.com/en\\_us/real-estate-hospitality-construction/hospitality-industry-looks-strong-for-2023-despite-recession-fears](https://www.ey.com/en_us/real-estate-hospitality-construction/hospitality-industry-looks-strong-for-2023-despite-recession-fears))

### **Objective 1 – Become a partner and resource for local, regional, and state tourism organizations**

- Engage with Virginia's Blue Ridge (VBR) and Virginia Tourism Corporation (VTC) for updates on initiatives annually
- Develop a quarterly meeting with Salem Tourism, Parks & Recreation, and Salem Civic Center leadership for regular updates and aligned goals, resources, and initiatives
- Work with Salem Tourism and VTC as partners to create a Tourism Strategic Plan, including asset inventory, SWOT, and gap analysis (24 months)

### **Objective 2 – Utilize Economic Development analysis and resources to evaluate future opportunities and marketing efforts related to tourism and hospitality**

- Utilize the "Full Site Inventory Study" of City-owned sites to evaluate potential for hospitality and event use, such as river access, Salem Golf Course, and Mowles Spring Park (24 months)
- Evaluate where development opportunities exist to expand access to outdoor recreation (i.e., fishing, hiking, kayaking, disc golf, biking, etc.) and market attraction of unique outdoor retailers
- Evaluate where development opportunities exist to expand or enhance entertainment assets/venues related to target industries and market attraction of unique entertainment companies (i.e., live music venue, full-service hotel, amphitheater, golf venue, etc.)

Goal 5: Make efforts to become a partner and a leader to expand the “Quality of Life” in the City of Salem, creating a city with rich character, inviting spaces, and a thriving economy.

*“Definitions of community and economic development are parallel: community development produces assets for improving the quality of life and business climate, and economic development mobilizes these assets to realize the benefits of the community.”*

(Community Development, “The Community and Economic Development Chain: Validating the Links Between Process and Outcomes,” <https://www.tandfonline.com/doi/abs/10.1080/15575330902918956>)

### **Objective 1 – Become a partner and resource for the City of Salem’s Department of Community Development**

- Develop quarterly meetings with Community Development for regular updates, aligned goals, resources, and initiatives, including but not limited to corridor development, zoning, preservation, grant funding, development districts, etc.
- Ensure goals of the economic development strategic plan align with the adoption of a new comprehensive plan (36 months)

### **Objective 2 – Advance the City of Salem’s participation in the DHCD’s Main Street Program and implement best practices**

- Attract lifestyle amenities to the downtown district and the City through the overlap of business attraction and tourism efforts (Goals 1, 2, and 4), including but not limited to outfitters, restaurants, locally owned retailers, events, recreation, etc.
- Evaluate planning efforts to increase beautification efforts along with modern and efficient infrastructure, including but not limited to electric vehicle infrastructure, parking downtown, alternative transportation, building and landscaping requirements, etc.
- Elevate the City of Salem’s Main Street program to Tier 2 with dedicated staff and a strategic plan (60 months)

Goal 6: Work closely with the Economic Development Authority and City leadership to inform and explore the capabilities and autonomy the EDA comprises to assist in financing and incentivizing development and revitalization activities while strengthening the Department of Economic Development.

*“The EDA is a tool to extend the City’s opportunities to benefit the community and economic development. Working together provides opportunities thanks to the power the EDA possesses that can help economic development accomplish great things for our City.”*

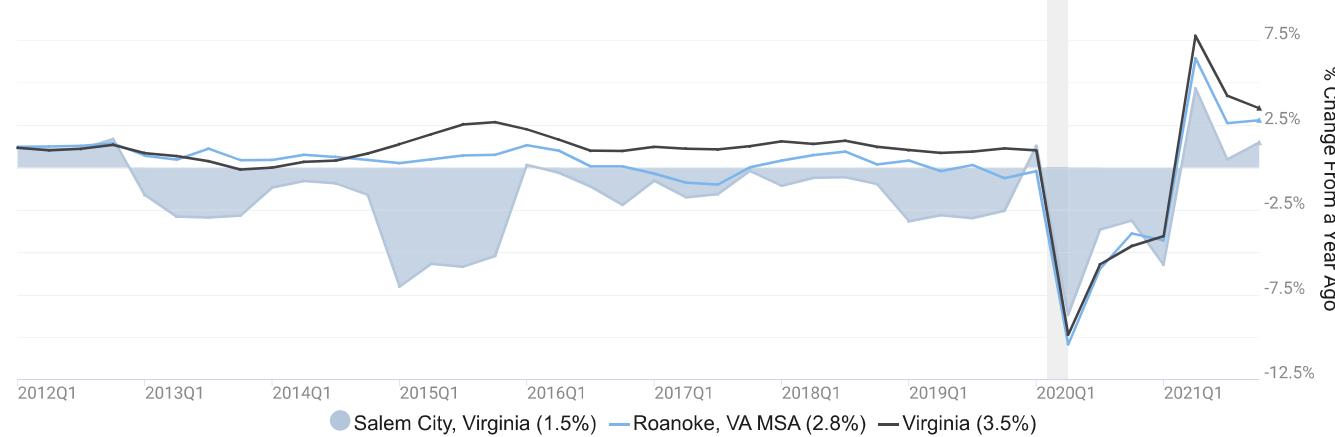
(Quinn Mongan, member of the Salem EDA and President of SERVPRO Salem)

### **Objective 1 – Provide regular opportunities to share best practices with EDA and City leadership related to accomplishing goals of the strategic plan**

- Conduct four familiarization tours to communities conducting best practices with EDA members and various City leaders and staff (24 months with one fam tour every year after)
- Establish a regular review of goals and objectives with current expenditure of human resources and assets to support departmental leadership with allocation and/or expansion of resources and staff

# Appendix 1: Employment Trends

## Employment for Salem City, Virginia



Employment data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2021Q3 with preliminary estimates updated to 2021Q4.

## Unemployment Rate for Salem City, Virginia



Unemployment rate data are from the Local Area Unemployment Statistics, provided by the Bureau of Labor Statistics and updated through March 2022.

## Appendix 2: Socioeconomic Data

	State of Virginia		Alleghany County		Botetourt County		City of Covington		Craig County		Franklin County		City of Roanoke		Roanoke County		City of Salem		Roanoke Region	
	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020	2010	2020
Population <sup>1</sup>	7,841,754	8,509,358	16,406	15,030	32,867	33,440	5,989	5,653	5,173	5,103	54,938	56,231	95,793	99,122	91,583	94,103	24,641	25,290	327,390	333,972
Median Age <sup>2</sup>	37.2	38.4	44.7	48	43.6	47	43.5	42	43.2	48	43.3	48	38.7	38	42.5	44	40.0	41	42	45
Prime-Age Labor Participation Rate (age 25-54)	83.2%	84.3%	83.9%	76.0%	82.8%	84.3%	78.1%	76.9%	85.0%	76.3%	79.5%	78.9%	78.3%	83.0%	87.4%	84.9%	84.1%	83.8%	82.4%	80.5%
Median Household Income <sup>2</sup>	\$61,406	\$76,398	\$43,160	\$48,513	\$64,724	\$72,719	\$35,277	\$41,024	\$51,291	\$57,792	\$45,555	\$56,779	\$36,422	\$45,664	\$59,446	\$70,076	\$48,828	\$63,411	\$48,088	\$56,997
Per Capita Income	\$32,145	\$41,255	\$22,013	\$28,048	\$29,540	\$37,357	\$20,781	\$25,287	\$23,461	\$30,433	\$23,527	\$32,084	\$22,530	\$29,585	\$31,046	\$37,859	\$27,081	\$34,039	\$24,997	\$31,837
Mean Commute Time (minutes)	27.1	28.6	26.2	24.5	25.8	27.6	19.9	15.9	38.5	33	27.7	31.0	18.5	22.2	20.2	23.8	17.9	19	24.4	24.6
Some College or Higher (age 25-64)	63.7%	68.4%	50.9%	48.2%	58.8%	63.8%	50.2%	47.8%	45.0%	53.6%	46.2%	56.0%	53.2%	54.2%	69.3%	71.8%	64.1%	63.7%	54.7%	57.4%
Median House Value (of owner-occupied units) <sup>2</sup>	\$255,100	\$282,800	\$104,000	\$121,100	\$202,500	\$230,500	\$65,900	\$70,400	\$142,100	\$147,900	\$156,100	\$174,600	\$128,700	\$134,900	\$189,500	\$207,300	\$165,700	\$200,000	\$144,313	\$160,838
Homeowner Vacancy	2.0%	1.3%	1.1%	1.3%	2.3%	2.0%	1.0%	1.4%	0.8%	7.2%	1.5%	2.4%	3.4%	1.8%	0.9%	1.6%	2.1%	0.6%	1.6%	2.3%
Rental Vacancy	6.8%	5.4%	0.0%	6.6%	16.3%	10.8%	7.4%	12.5%	2.4%	6.9%	7.6%	7.0%	5.0%	9.7%	5.2%	5.8%	8.6%	7.9%	6.6%	8.4%
% Renter-Occupied Housing Units	31.1%	33.3%	17.3%	20.8%	12.8%	14.3%	31.3%	24.6%	14.3%	29.0%	21.5%	18.4%	44.0%	47.7%	22.3%	25.3%	31.2%	35.6%	24.3%	27.0%
Poverty Level	10.3%	10.0%	10.9%	15.7%	5.6%	6.2%	18.6%	11.6%	7.2%	11.9%	13.2%	14.0%	20.9%	20.1%	5.1%	6.6%	8.8%	8.7%	11.3%	11.9%
Disconnected Youth <sup>3</sup> (2019)	2.7%	1.5%	3.1%	4.1%	5.5%	4.8%	4.0%	11.1%	3.6%	0.0%	0.0%	2.8%	5.6%	4.8%	1.5%	0.4%	1.2%	3.6%	3.1%	4.0%
Children in Single Parent Families (% all children) (2019)	30.1%	31.0%	26.3%	37.9%	15.9%	21.9%	29.4%	36.1%	23.3%	24.7%	31.4%	31.8%	57.1%	55.6%	20.9%	26.6%	30.1%	37.1%	29.3%	33.9%
Uninsured (2012)	12.3%	8.2%	9.0%	5.5%	6.4%	5.0%	12.0%	7.2%	14.6%	5.2%	13.7%	9.5%	17.0%	11.1%	7.2%	5.1%	10.6%	6.0%	11.3%	6.8%
Foreign Born (2019/2020*)	10.8%	12.4%	1.6%	1.2%	1.9%	2.1%	0.9%	3.0%	0.3%	0.3%	2.9%	2.1%	6.3%	1.7%	5.0%	5.7%	4.6%	0.7%	2.9%	2.1%
Speak English Less Than Well (age 5 yrs +) (2019/2020*)	5.7%	5.9%	1.0%	0.3%	0.6%	0.5%	0.3%	0.0%	0.2%	0.0%	2.0%	0.9%	4.2%	3.0%	2.6%	0.6%	2.8%	1.9%	1.7%	0.9%

[Source: JobsEQ®](#)

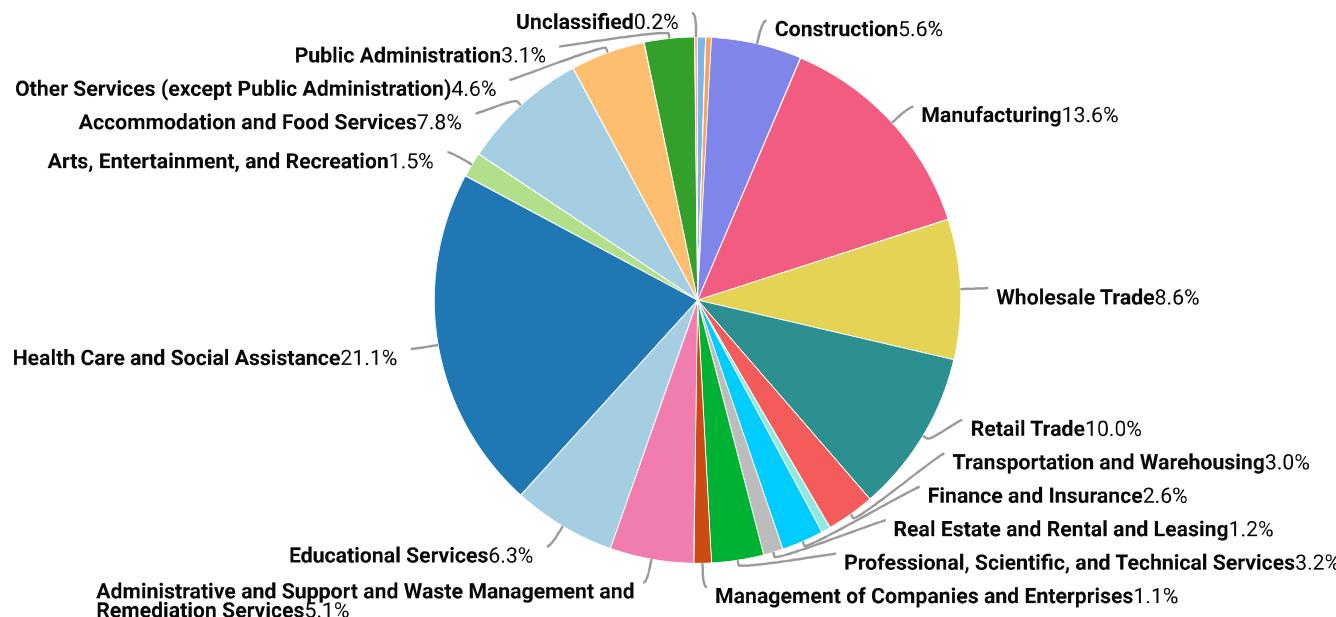
1. American Community Survey, 5-year estimates ending with the year shown in the column header.

2. Median values for certain aggregate regions (such as MSAs) may be estimated as the weighted averages of the median values from the composing counties.

3. Disconnected Youth are 16-19 year olds who are (1) not in school, (2) not high school graduates, and (3) either unemployed or not in the labor force.

## Appendix 3: Industry Snapshot

Total Workers for Salem City, Virginia by Industry



Source: JobsEQ® Data as of 2021Q4

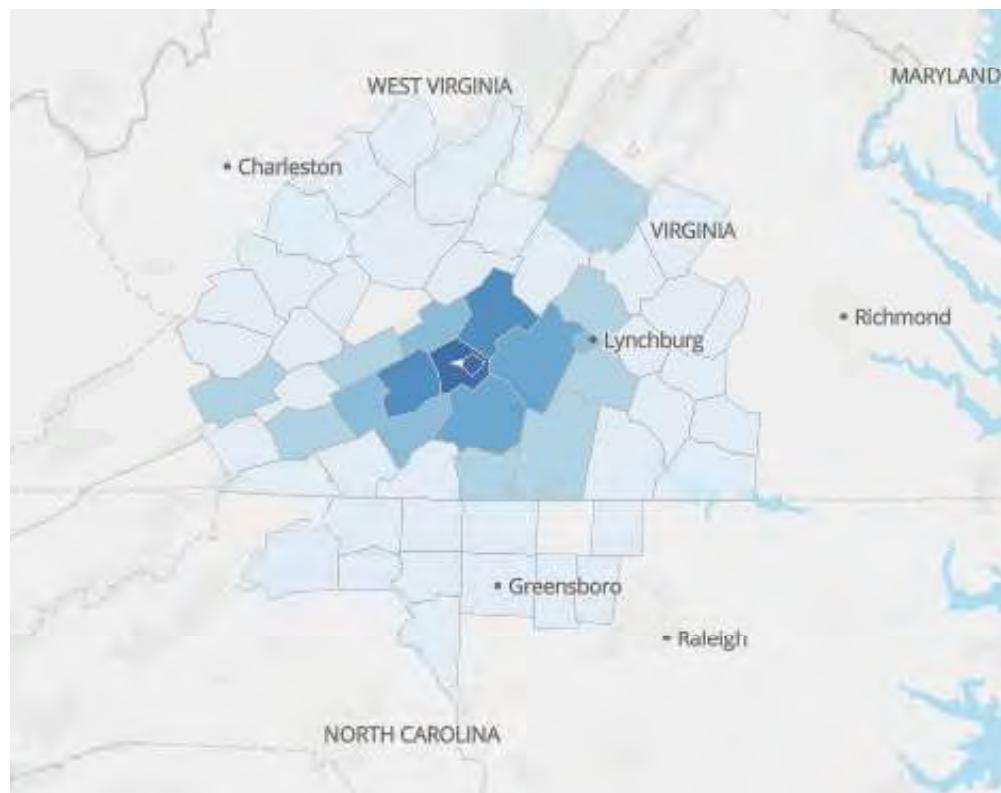
Employment data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2021Q3 with preliminary estimates updated to 2021Q4.

## Appendix 4: Occupation Snapshot

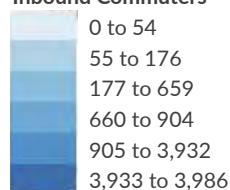
Salem City, Virginia, 2021Q4<sup>1</sup>

SOC	Occupation	Current				5-Year History			1-Year Forecast				
		Empl	Mean Ann Wages <sup>2</sup>	LQ	Unempl	Unempl Rate	Online Job Ads <sup>3</sup>	Empl Change	Ann %	Total Demand	Exits	Transfers	Empl Growth
43-0000	Office and Administrative Support	2,366	\$37,900	0.95	51	3.3%	451	-308	-2.4%	221	109	140	-28
29-0000	Healthcare Practitioners and Technical	1,871	\$79,000	1.63	11	1.1%	630	-48	-0.5%	99	47	55	-3
41-0000	Sales and Related	1,824	\$45,200	0.97	53	4.4%	470	-153	-1.6%	208	89	138	-19
51-0000	Production	1,800	\$38,900	1.59	37	4.3%	134	-385	-3.8%	162	63	123	-24
53-0000	Transportation and Material Moving	1,743	\$36,000	1.03	56	5.1%	428	-155	-1.7%	212	79	137	-4
35-0000	Food Preparation and Serving Related	1,485	\$23,900	0.97	61	6.6%	221	-263	-3.2%	294	120	157	18
13-0000	Business and Financial Operations	991	\$68,900	0.84	14	2.1%	267	-25	-0.5%	83	26	59	-2
11-0000	Management	970	\$108,800	0.80	13	1.9%	346	7	0.2%	77	24	53	0
31-0000	Healthcare Support	962	\$28,900	1.11	23	3.6%	163	-16	-0.3%	128	58	63	7
49-0000	Installation, Maintenance, and Repair	952	\$47,800	1.27	12	2.4%	194	-27	-0.6%	90	30	60	0
25-0000	Educational Instruction and Library	875	\$64,200	0.81	14	2.4%	69	20	0.5%	82	38	41	3
47-0000	Construction and Extraction	817	\$41,600	0.90	25	5.0%	84	-79	-1.8%	77	24	56	-3
37-0000	Building and Grounds Cleaning and Maintenance	677	\$28,200	1.05	20	4.9%	135	-68	-1.9%	87	39	48	0
15-0000	Computer and Mathematical	433	\$82,200	0.64	5	1.3%	194	-27	-1.2%	31	9	21	1
39-0000	Personal Care and Service	412	\$27,900	0.84	23	6.6%	67	-47	-2.2%	66	27	33	5
21-0000	Community and Social Service	345	\$48,200	0.99	4	1.7%	169	-42	-2.3%	38	12	23	3
33-0000	Protective Service	296	\$43,900	0.72	7	3.1%	53	-18	-1.2%	31	14	18	-1

## Appendix 5: Commuting Patterns

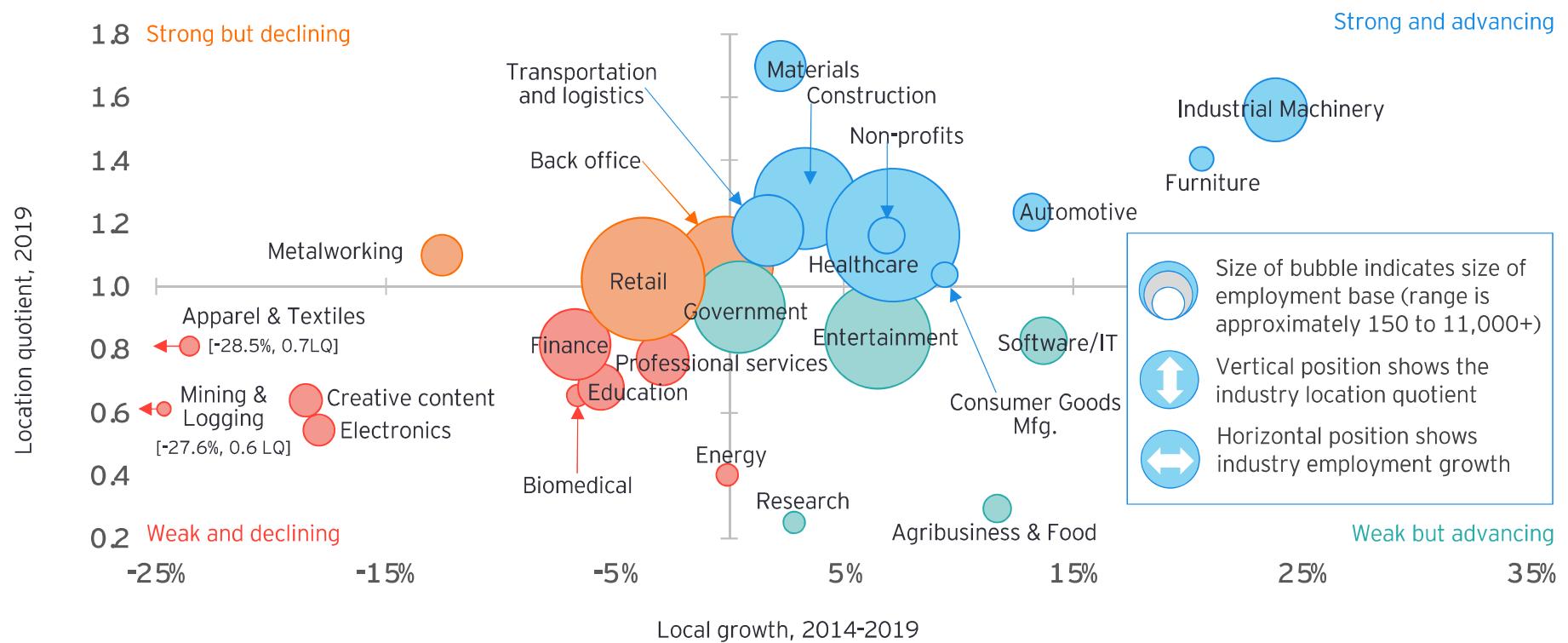


### Inbound Commuters



LOCALITY	INBOUND	OUTBOUND	NET
Roanoke County	3,986	2,839	1,147
Roanoke City	3,933	4,019	-86
Montgomery County	1,035	835	200
Botetourt County	905	539	366
Franklin County	824	171	653
Bedford County	660	136	524
Lynchburg	231	329	-99
Craig County	219	27	192
Pulaski County	194	49	145
Floyd County	191	43	148
Radford	177	55	122
Giles County	123	21	102
Martinsville	122	37	86
Henry County	120	45	75
Augusta County	114	89	25
Staunton	101	34	67
Campbell County	92	58	34
	14,190	9,969	4,221

## Appendix 6: Industry Cluster Analysis



Source: EMSI

## Appendix 7: SWOT Analysis

### Strengths

- Location & Access to Interstate, Roanoke City, Universities & Other Markets
- Manufacturing, Healthcare/Life Sciences
- Outdoor Assets & Sports Tourism (Greenway, River, Travel Sports, Civic Center)
- Regional Center for Commerce & Services
- Quality Higher Education Assets
- Positive Business Climate, Good City Services, & Good School System
- Inviting Downtown District
- Safe Community
- Strong Civic Pride & Culture within the City
- Diversified Business Base, Large and Small

### Weaknesses

- Slow Job Growth
- Low Share & Growth of Working Age Population (25-44)
- Substandard Aging Infrastructure (highways & road quality, air service, fiber, rail, flood zones)
- Limited Availability of Land, Building Product, & Succumb to Apathetic Property Owners
- Inadequate Marketing & Online Presence with No Existing Road Map
- Lack of Housing and Diversity of Options Available
- Lack of Entertainment & Quality of Life Amenities to Attract & Retain Talent/Young Professionals
- City Taxes and Electric Rates are Not Competitive
- Highly Visible Corridors Need for Beautification Improvement
- Lack of Renewable & Environmental Initiatives

### Opportunities

- Engagement with Existing Businesses
- Expanding Technology and Life Science Industry & Innovation
- Success to Align Education, Workforce & Talent Attraction to Meet Employer Needs
- Start Fresh New Economic Development Program Promoting within Roanoke Region and Internationally
- Increasing available real estate (shovel ready and spec buildings, RIFA participation)
- Exploration of Grant Funding to Advance Priorities
- Expand Partner Engagement (Roanoke College, VT, Roanoke Regional Partnership, Workforce Board)
- Creative Opportunities with City Owned Electric Utility (Fiber, Incentives, Attraction)
- Support Downtown Development as a Unique Attraction

### Threats

- Increased Competition from Other Communities Locally & Globally
- Aging Residents & Declining Workforce
- Underdeveloped Entrepreneurial Ecosystem Presents Challenges to Retain High-Growth Startups
- Loss of Outdoors/Sports Tourism Competitive Advantage Without Sustained Resources & Support
- Continued Perception as a Closed Community
- Aging Civic Center and Other City Assets

Sources: Fahrenheit Advisors Interviews, Roanoke Regional Partnership, Survey from Annual Business Breakfast

## Appendix 8: Stakeholder Feedback

Top 10 identified priorities across all groups identified in each subcategory. Contact the Salem Office of Economic Development to request the full data set.

Attraction		
PRIORITY	WEIGHT	SUB-CATEGORY
Replace K&W Cafeteria	35	Retail - Restaurant
Target Health Care / Life Sciences - capture local/ regional growth	33	Health Sciences
Attract Seafood Market	29	Retail - Food / Grocer
Target Automotive Industry - VT Partnership	22	Advanced Manufacturing
Target unique downtown retail	21	Retail - Boutique / Unique
Target Retail Outfitters	21	Retail - Outdoor Service
New grocery option - downtown ( food dessert)	18	Retail - Food / Grocer
VT/Carilion Presence / Partnerships	17	Health Sciences
More and Affordable Childcare	15	Childcare
Outreach to Major Employers (80/20 Rule)	12	Existing Business Outreach

Infrastructure		
PRIORITY	WEIGHT	SUB-CATEGORY
More affordable fiber/internet options	14	Internet / Fiber
Business /public transportation	13	Public/Alternate Transportation
Expand bus service West Salem/County	12	Public/Alternate Transportation
More downtown parking (behind Wells Fargo)	10	Parking Downtown
Address flooding - Johnson City, TN grant, Salem golf course stormwater	10	Stormwater / Flooding
Lights on I-81 ramps into Salem	9	Road Quality / Congestion
Downtown parking tower	8	Parking Downtown
Lobby for train stop in Salem	8	Public/Alternate Transportation
Support infrastructure - roads, traffic	6	Road Quality / Congestion
Road congestion on West Main - I-81 improvements, fix speed limit on I-81	5	Road Quality / Congestion

Climate		
PRIORITY	WEIGHT	SUB-CATEGORY
Improve permitting process	13	Permitting/Departmental Process
Continue City Services Success	10	General City Services
Provide safe and secure community	9	Public Safety
Strengthen zoning enforcement	8	Zoning
Downtown business association	7	Business Association
Services providers/suppliers - contract agreements (not handshakes), surface services, gap analysis on providers	6	Business Association
Closed community / open up	6	Perception / Brand
Zoning enforcement	5	Zoning
Sustainability - Increase Recycling	4	Sustainability
Public Safety	3	Public Safety

Plan		
PRIORITY	WEIGHT	SUB-CATEGORY
Partnerships with VT, Roanoke College, Hospitals	48	University Partnership
Downtown is linear/needs to be expanded	32	Downtown Plan
Consolidate City Services - one location	28	Comprehensive Plan
Convert college students to residents	27	University Partnership
Improve Salem golf course	27	Events/Sports/Outdoors/Tourism
Continue CIAA partnership -further promotion / non-profit promotion	26	Events/Sports/Outdoors/Tourism
Improve Roanoke College Partnership	22	University Partnership
Market sports better- black college athletics	20	Events/Sports/Outdoors/Tourism
Support Retailers / small independent	17	Existing Business Outreach
VWCC Satellite Location in Salem	16	University Partnership

## Appendix 8: Stakeholder Feedback (continued)

Top 10 identified priorities across all groups identified in each subcategory. Contact the Salem Office of Economic Development to request the full data set.

Quality of Life		
PRIORITY	WEIGHT	SUB-CATEGORY
Amenities to attract workforce - housing, dining	45	General Amenities / Increase
Salem schools keep reputation	33	Quality Schools
Improve Wildwood, Main St., property upkeep	27	Beautification
Entertainment for HS, College and Young Professionals - Top Golf	15	General Amenities / Increase
Analysis on what young professionals want	15	General Amenities / Increase
Grow, connect Greenway to New River Valley	12	Recreation/Outdoor Amenities
Beautify Salem - corridors to city, 8th St.	10	Beautification
Special needs playground, buy Green Hill Park	10	Recreation/Outdoor Amenities
Maintain Outdoor Assets	9	Recreation/Outdoor Amenities
River access - fishing, tubing, swimming	8	Recreation/Outdoor Amenities

Workforce		
PRIORITY	WEIGHT	SUB-CATEGORY
Emphasize trades to students	24	Promotion / Education
CTE Support/Expansion (VWEE & Burton)	22	Promotion / Education
Opportunities for non-college educated	21	Promotion / Education
Support Salem Schools - safe, accreditation	20	Promotion / Education
Attraction/Retention of general labor	17	Talent Attraction Strategy
Company engagement with public schools	14	Promotion / Education
Expand pool of nonskilled, relaunch workforce program from 2018-19	14	Promotion / Education
Attracting higher talent	8	Talent Attraction Strategy
Ensure good pool of talent in trades	8	Training
Young professionals group /attract young people	6	Talent Attraction Strategy

Real Estate		
PRIORITY	WEIGHT	SUB-CATEGORY
Civic Center Renovation	38	Civic Center Complex
Fill GE building	32	GE Building
Improve Civic Center	26	Civic Center Complex
Focus on GE Building	19	GE Building
Invest in Civic Center before hotel attraction	16	Civic Center Complex
Good database of available real estate	15	Real Estate Database/Outreach
Salem Civic Center - undeveloped area	12	Civic Center Complex
Development of brownfields - GE, Valleydale, Rowe	12	Real Estate Database/Outreach
Concentrate on infill development	12	Real Estate Database/Outreach
Renovate Civic Center	11	Civic Center Complex

## Appendix 9: Regional and Statewide Target Industries

### Virginia Economic Development Partnership

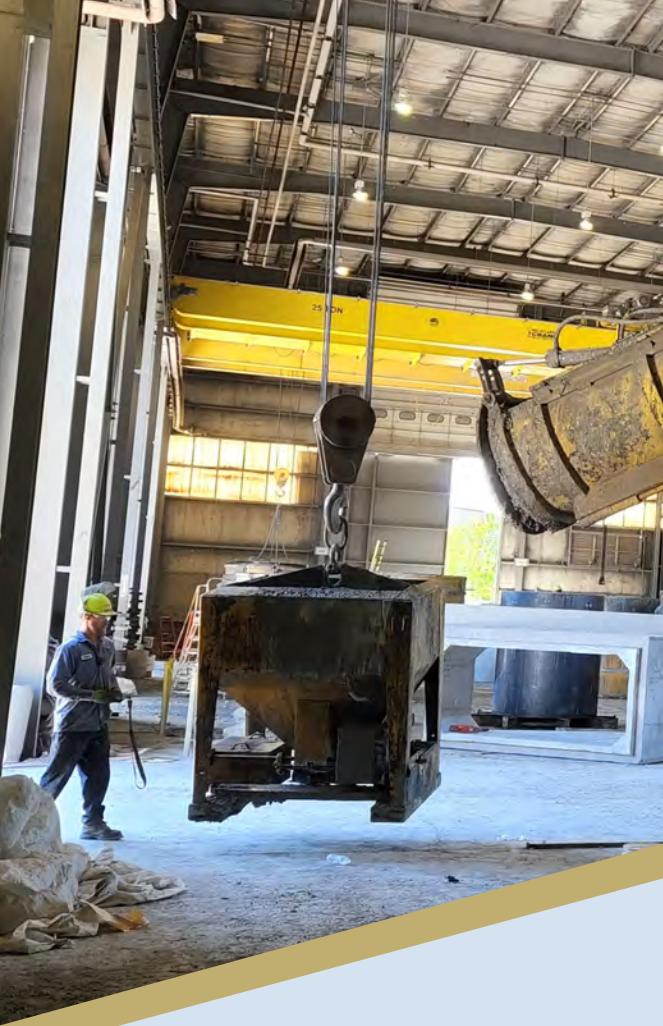
- Advanced Manufacturing
- Life Sciences
- Corporate Services
- Supply Chain Management
- Information Technology
- Food & Beverage
- Energy / Offshore Wind
- Unmanned Systems

### Roanoke Regional Partnership

- Advanced Manufacturing
- Life Sciences
- Finance & Insurance
- Printing & Packaging
- Technology & Innovation
- Food & Beverage
- Outdoor Industry
- Foreign Investment

## Appendix 10: Cost of Living Index

	ANNUAL AVERAGE SALARY	COST OF LIVING INDEX (BASE U.S.)	U.S. PURCHASING POWER
Salem, VA	\$53,204	88.4	\$60,193
Roanoke, VA, MSA	\$49,316	88.3	\$55,850
Virginia	\$65,409	114.0	\$57,394
USA	\$65,055	100.0	\$65,055



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