

Economy

Introduction

Southampton County is the westernmost county in the Virginia Beach-Norfolk-Newport News Metropolitan Statistical Area (MSA), which is the 37th largest in the United States. The MSA had 1,762,090 as of the 2020 Census. The MSA is approximately 57% White, 31% African-American, 4% Asian and the remainder of other races and two or more races.

Neighboring Southampton County geographically are Isle of Wight, Surry and Sussex Counties to the north, Greensville County to the west, Northampton, Hertford and Gates Counties, NC to the south, and the City of Suffolk and City of Franklin to the east.

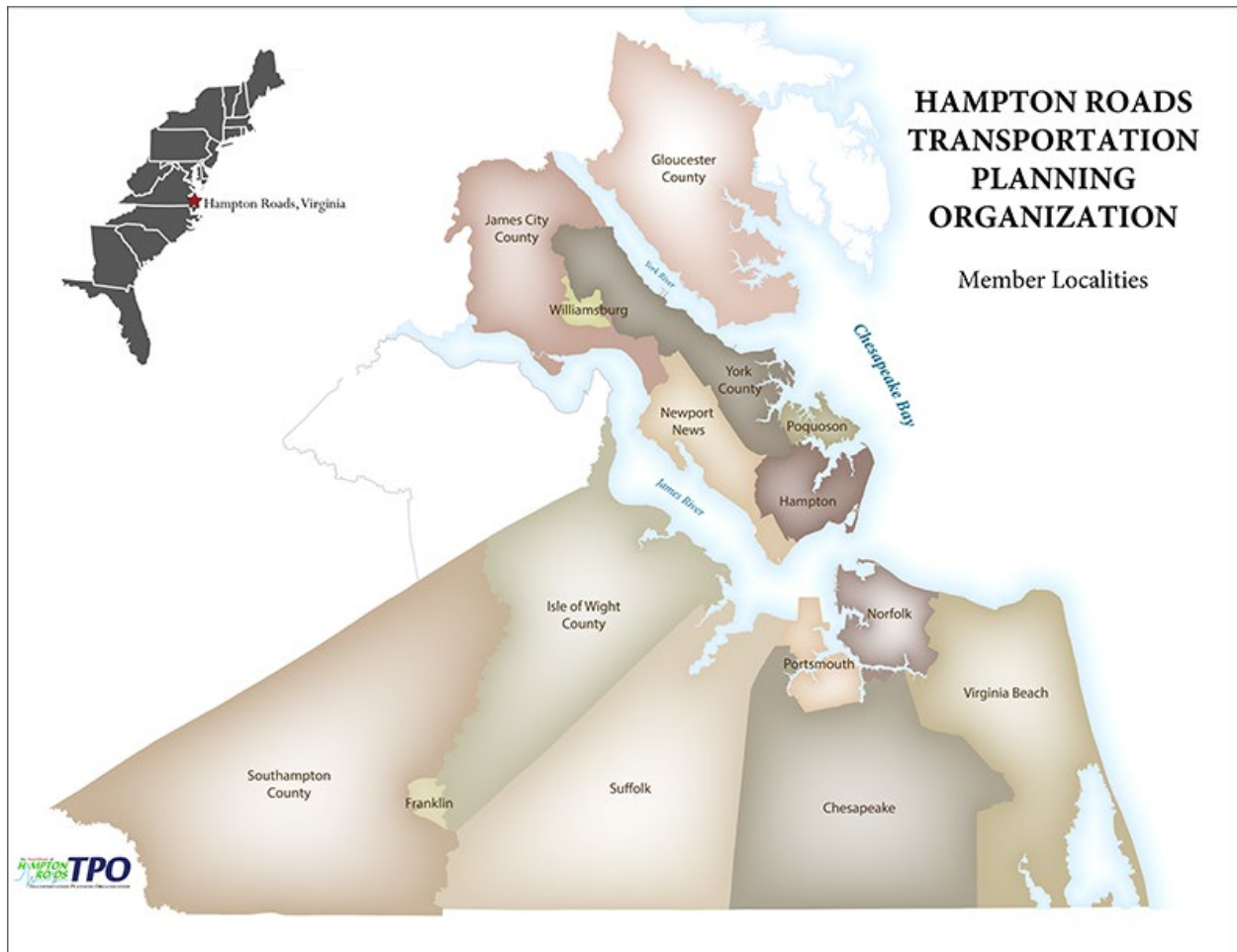
Franklin, Suffolk and Isle of Wight County are the leading areas for both out-commuting to work and in-commuting from other areas. Significant numbers of workers also commute from Southampton County to Sussex County and the Richmond metropolitan area. Other significant in-commuting to Southampton County comes from Northampton and Hertford Counties in North Carolina, and Brunswick and Sussex County in Virginia. The City of Suffolk and Isle of Wight County are both in the top ten municipalities for growth in Virginia, which is a good sign for potential growth in Southampton County given the continued growth of Port of Virginia traffic and related industries.

The largest population cohorts in Hampton Roads are 25-34 year olds, with almost 15% of the population, and 35-44 year olds, with slightly over 13% of the population. The significant military presence in Hampton Roads does influence the number of people in those cohorts, and provides an opportunity for all counties in the region to attract and retain talent exiting the military. The Hampton Roads Alliance estimates that 15,000 exiting military each year stay in Hampton Roads, and that talent pool provides considerable added depth to the local employment pool.

Southampton County had 17,996 residents in the 2020 Census, a decline of 3.1% from the 2010 Census numbers. Southampton County has had very stable population numbers for over a century, with the major change in population occurring in 1960 when the City of Franklin became an independent city. The median age of Southampton County residents is above the Commonwealth and national averages at approximately 46 years of age. Southampton County's 2020 Census population was 62.7% White, 34.1% African-American, and the remainder of other races or two or more races.

Approximately 76% of Southampton County households were homeowners in the 2017-2021 American Community Survey, with a median value of owner-occupied housing units of \$183,000. The County had 6,661 households with a median size of 2.50 per household. 85.5% were at least high school graduates, and 19.3% held Bachelor's Degrees or higher.

Based on the American Community Survey, 55.6% of the population aged 16 years and older are in the civilian labor force, which is below the Commonwealth and national averages. The relatively older population and potentially higher number of military persons living in the County are potential explanations for the gap. Rural populations and the need to travel long distances to employment also are likely factors. Southampton County residents have a mean travel time of 32.1 minutes to get to work.



Southampton County residents had a median household income of \$65,079 in 2021, which is higher than the more rural counties to the west of Southampton County as well as the City of Franklin. It is lower than the Commonwealth median household income, but only slightly below the national average of \$70,784. Approximately 14 percent of County residents live in poverty.

The current unemployment rate in Southampton County is 2.8%, which is below the Commonwealth average of 3.1%. Unemployment in Southampton County has been below the Commonwealth and national averages since 2013.

Southampton County helps fund Franklin Southampton Economic Development, Inc. (FSEDI), a not-for-profit agency that is the economic development agency for Southampton County and the City of Franklin. FSEDI has been in existence since 2005 and has completed a number of economic development projects in the City and County. FSEDI is also the Destination Marketing Organization (DMO) for Southampton County, and Southampton County is also a member of the Hampton Roads Alliance regional economic development organization, the Hampton Roads Planning District Commission, and other organizations that have an impact on economic development. Supporting FSEDI and the Hampton Roads Alliance is a cost-effective way to support economic development that has yielded results that far exceed the annual expenditure of supporting these organizations.

Major Employers and Wage Data

Southampton County is typically characterized by small employers, with few businesses that employ more than 100 persons. Barring the location of a “mega-site” sized business in Southampton County, this pattern of development is likely to continue into the foreseeable future.

Based on Virginia Employment Commission data for the third quarter of 2022, employment by size of establishment was as follows: 318 persons worked in firms with 0-4 employees, 394 persons worked in firms with 5-9 employees, 331 persons worked in firms with 10-19 employees, 426 worked in firms with 20-49 employees, and 675 employees worked in companies with 50-99 employees.

Based on Virginia Employment Commission data, the largest employers in Southampton County are:

- 1) Southampton County Public School Board
- 2) Deerfield Correctional Center
- 3) County of Southampton
- 4) Meherrin Agricultural and Chemical Company
- 5) Enviva Management Company, LLC
- 6) Southampton Academy
- 7) Division of Institutions
- 8) Courtland Operating LLC
- 9) Solenis LLC
- 10) Jernigan Oil Company, Inc.

The largest employment sector in the County is government (1,383, with 773 in local government, 565 in State government and 45 in Federal government), followed by manufacturing (362), wholesale trade (348), retail trade (330), health care and social assistance (194), accommodation and food services (139) and agriculture, forestry, fishing and hunting (132). A total of 3,459 persons were shown as working in Southampton County in the third quarter of 2022 by the Virginia Employment Commission.

The average weekly wage for all industries in Southampton County is \$883. Manufacturing had the highest weekly wage at \$1,372, followed by finance and insurance at \$1,329, and Federal Government employment (\$1,274).

Southampton County has long had strong roots in the agriculture and forestry industries, and is the leading producer of peanuts and cotton in Virginia. Other major crops, such as corn, soybeans and wheat, are also grown in the County. The County’s substantial production of peanuts has led to the creation of several area peanut companies that create significant levels of employment, including Hubbard Peanut Company, Gurganus Peanuts, Newsoms Peanut Shop and Parker’s Peanuts. Feridies, recently sold to a company headquartered in nearby Wakefield, also operates in Southampton County. These companies are an important part of the Salty Southern Route, a trail that promotes these products and attracts tourists to Southampton County.

According to the 2017 Census of Agriculture, Southampton County has 257 farms with 141,942 acres in production. The average farm size is 552 acres. The total market value of products sold was \$75,062,000, a five percent decline from the previous period. The market value of products

sold per farm, though, rose 24 percent to \$292,071. Approximately 69 percent of acreage was in cropland, and 26 percent was in woodland.

Cotton represented 38,067 acres in production, soybeans represented 24,098 acres, corn for grain represented 15,561 acres, peanuts for nuts were planted on 11,210 acres and wheat for grain were planted on 3,003 acres. Hogs and pigs represent another major agricultural production area with just over \$10 million in sales in Southampton County. Shown below are some of Southampton County's famous "jumbo Virginia peanuts."



Acres under cultivation in Southampton County did drop by five percent according to the most recent Agricultural Census, and the County has taken land-use planning measures to protect agricultural and forestry lands, including the utility-scale solar project ordinance that will allow appropriate development in this emerging industry while at the same time protecting valuable agricultural and forestry land.

Southampton County continues to support agricultural production as a strong economic sector as well as an important part of its quality of life. Southampton County will remain a strong agricultural community far into the future, and these base industries have also been major supports for its growth into newer sectors such as renewable energy and food processing.

Major Current and Potential Employment Corridors

Southampton County has two major highway corridors. US-58, which spans the middle portion of the County and connects the area to urban Hampton Roads and Interstate 95 at Emporia, is the best-travelled. Major facilities along this route include the Port of Virginia and the Coastal Virginia Logistics Park in Suffolk, which has attracted several large distribution center facilities. Increased activity at the Port of Virginia combined with organic growth in Hampton Roads is beginning to create development pressure further down US-58 towards Southampton County as the main sites in Suffolk fill up with buildings.

The other major corridor is US-460, which traverses the northern portion of Southampton County. This route also has an active Norfolk Southern railroad line running parallel to it. While there are a few industries currently in this corridor, the potential for significant development exists there as well. The recently approved Port 460 project in Suffolk will eventually create five million square feet of distribution/logistics space that utilizes US-460 and will likely encourage upgrades to the existing highway that will benefit users along the entire corridor. US-460 is the shortest route

between I-95 at Petersburg and the Port of Virginia, and is being utilized more often in recent times by logistics providers for goods going north. US-460 is also a connection to the Virginia Inland Port at Front Royal, which is a major distribution point for multi-modal freight opportunities in the Commonwealth.

A recent mega-project announced in Surry County, northeast of Southampton County, will result in the construction at least 30 new data centers with 3,000 projected employees. Hydrogen and nuclear power facilities are also anticipated, and this employment center could be attractive to northern Southampton County residents as well as businesses in the US-460 corridor. Many of the jobs at this new complex will likely be high-wage opportunities, and areas close to the development such as Ivor may well benefit from the influx of workers.

Another substantial node of economic activity includes the shared services area known as “The Golden Mile” which starts as Armory Drive in the City of Franklin and continues as General Thomas Highway in Southampton County. In Franklin, recent new developments in this corridor include Wawa, Starbucks and Dunkin’ restaurants, and an expanded Southern Charm Garden Center. Development opportunities remain in this general area, and are likely to continue as additional national chains can be attracted as well as other facilities such as new hotels and retail/restaurant usage.

On the County side of “the Golden Mile,” the largest development is the Hampton Farms peanut butter plant. This facility is continuing to be invested in and add employment, and a satellite facility for cold storage and grain purchasing is being constructed by Meherrin/Hampton Farms down the road. Birdsong Peanuts is also expanding its warehouse facility further down General Thomas Highway near the Southampton Commerce and Logistics Center. Solenis LLC also maintains a substantial presence for its chemical business located near General Thomas Highway as well, with almost 100 employees at their complex. Solenis/Synthomer/Arkema is a high-wage producer of chemicals, with this facility being the only facility in the United States producing some of these chemicals.

Off of General Thomas Highway on Rose Valley Road, Enviva Biomass has its Southampton facility which processes wood to make utility-grade wood pellets. Enviva is a rapidly growing company, with 10 plants located throughout the Southeastern United States. While this business has mostly been for export, domestic business is also being obtained. Enviva completed an \$85 million expansion of the facility after its initial phase was completed, and is just now bringing the plant to full capacity. Its future in Southampton County is strong.

The remainder of the Southampton Commerce and Logistics Center may be committed to businesses shortly, as one parcel has been sold and another parcel placed under option. The third parcel is in its due diligence phase. At least one of the users is committed to utilizing the adjacent CSX rail line, which transverses the County in an east-west direction with connection points at Norfolk and Roanoke Rapids, NC. This property has 80 acres of land zoned M-2 with rail access.

Southampton County also has an option on the Beale Farm property adjacent to the Southampton Commerce and Logistics Center. This parcel is slightly over 200 acres, is zoned M-2 heavy industrial and can be available for a variety of manufacturing and related uses. Logistics and manufacturing uses are the most likely options for this parcel as it becomes developed, and creating new infrastructure and resources that can support more intensive operations as needed.

The Southampton Business Park in Courtland contains several businesses, as well as 32 acres remaining for a new business. Existing companies in the Southampton Business Park include Feridies Peanuts, Southampton Knife Sharpening, the regional Farmer's Market and Auction, and Southampton Terminal warehousing. The available acreage is zoned M-1, light industrial, and would likely be an excellent location for logistics or warehousing of some type. The Southampton Business Park has ample water and access to natural gas, as well as direct access to US-58. It will make an excellent site for a variety of manufacturing and transportation-related processes. The Southampton Business Park location is shown below.



The Camp Parkway Commerce Center is a privately-owned industrial park that has 439 acres of land located on Camp Parkway (Business US-58) in the Southampton County-City of Franklin shared services area. It is zoned CM-1, light industrial with proffers, and is anticipated to be used for logistics or light manufacturing. While it is located in Southampton County, it is part of the shared services area with the City of Franklin, and a water agreement with the City of Franklin will be required in order to facilitate development. The Camp Parkway Commerce Center has had interest in recent months, as the continued growth in logistics-related businesses in Hampton Roads due to increased activity at the Port of Virginia is reaching Southampton County.

Other potential sites for substantial economic development include the node at the US-258 interchange near US-58, and properties on US-58 in Courtland near the current commercial node and Southampton Business Park.

Southampton County should continue to be involved in the targeted purchase and development of land in appropriate locations for industrial and commercial purposes, as well as developing and improving necessary water and wastewater treatment facilities to allow higher density and more structured development opportunities. Participating in this manner will likely lower development costs in the long run, and allow growth in the County while also protecting the largest amount of agricultural and forestry lands as possible.

It is noted that while Southampton County is supportive of industrial and other "large-footprint" economic development, it seeks to locate such development in or near existing areas of substantial development and along existing major transportation corridors.

Tourism and Housing Development

Southampton County has a number of community assets that are marketed for tourism development. The County has been actively developing the Insurrection Trail, which commemorates the slave rebellion of Nat Turner and is an internationally-known event related to the Civil War and the abolition of slavery. Southampton County is also the birthplace of Dred Scott, who was made famous by the Supreme Court decision that returned him to slavery. These events are potential sites of historical tourism, and the County has been able to obtain funding for a self-guided tour as well as restore the Rebecca Vaughn House and Mahone's Tavern in Courtland. These historical sites are managed by the Southampton Agricultural and History Museum.

Southampton County is also the birthplace of Confederate Civil War General William Mahone and Union Civil War General George Thomas. These historical generals had a significant impact on the Civil War and Reconstruction, and are part of the narrative that can be marketed to attract tourists and overnight lodging stays.

Along with historical tourism, Southampton County has scenic rivers that are increasingly utilized for fishing, kayaking and boating. Shown below is the Courtland Boat Landing, which is an active site for outdoor recreation in Southampton County.



New housing development has recently occurred in the County. The Bethel Farms and Regency Estates developments, both started and abandoned during the 2008 financial crisis, have now been completed. The County believes there are additional opportunities to add housing to attract younger families and working people that are seeking a more rural way of life.

Potential Target Industries

Southampton County is attractive for industries that rely on agricultural inputs, strong transportation networks and substantial acreage to site operations. The most recent major industry attraction projects in Southampton County, Enviva Biomass and Hampton Farms, both fit this profile of businesses that have a connection to locally produced products. Both of these businesses have significant manufacturing operations, and have been strong additions to the Southampton County economy.

The US-58 corridor has had a major expansion in logistics operations in recent years, as the Centerpoint/Coastal Virginia Logistics Center has had major expansions with the addition of Ace Hardware, Target, Amazon and QVC warehouses, as well as increased manufacturing operations at Massimo Coffee. The City of Suffolk is investing in a major expansion of US-58 in the Centerpoint area to accommodate increased truck traffic. Based on data provided by the Hampton Roads Planning District Commission, the number of trucks travelling US-58 in this sector has doubled in recent years as the number of warehouses has expanded.

Aligning the current Southampton County schools Career and Technical Education programs to meet the needs of the industries already in the County, such as agriculture, forestry and construction, as well as newer opportunities such as logistics and magnatronics, will not only help Southampton County's economic development efforts in the future, but also create an environment that will allow more current Southampton County residents to live and work within the County. Creating a live-work environment in Southampton County will help to attract development and new residents.

Warehousing and logistics opportunities are likely to expand into Southampton County in the near future. These facilities generally require large land footprints, and wish to locate within 50 miles of the Port of Virginia and/or Interstate 95. Southampton County has a number of locations that can accommodate these site requirements, and companies in the logistics and related industries are looking actively at locations in the County.

Current Major Economic Initiatives

Southampton County is part of the Virginia Telecommunications Initiative (VaTI), which is providing broadband access to the remaining passings (addresses) in the County that are not currently served with broadband service. The provision of this utility is critical to 21st Century communications and work, and will help a number of enterprises in rural areas of the County become more productive and economically active. VaTI coverage is anticipated to be fully delivered in 2025. This improvement in infrastructure will benefit over 5,000 properties in Southampton County, and be a major benefit to the County's agricultural, forestry and other rural-based industries.

Crop production and modern farm equipment, for instance, now routinely uses GPS and Internet tracking software in order to manage the application of fertilizers and other chemicals as well as the planting locations and watering timing and applications.

Shown on the next page are Southampton County and Charter officials at the 2022 Broadband Groundbreaking in Suffolk.



The expansion of broadband into all areas of Southampton County will not only help the existing agricultural and forestry lands where broadband is important for the optimum use of farm equipment, but also is invaluable in the development of home occupations in rural areas. The support of home occupations and remote work in Southampton County will allow more income to come into rural areas and support the existing housing stock as well as potential new development that is compatible with the existing land uses. The COVID-19 pandemic and its aftermath has opened many more opportunities for home-based and remote work that can be serviced in Southampton County once robust broadband is available.

Southampton County is continuing to work to develop areas where land can be effectively used for industrial applications, and the County's continued involvement in the entitlement and development of land will help guide future success. Southampton County is seeing increased activity for industrial and logistics companies looking to utilize railroad and Port of Virginia facilities to ship products. The County's access to US-58, US-460 and I-95 allows for easy shipment of freight in all four major directions, which is a major positive for work in a variety of industries.

FSEDI completed and adopted a Strategic Plan in 2022, and the organization is working to implement its recommendations to help improve the local economy. The Strategic Plan has been presented to Franklin City Council and the Southampton County Board of Supervisors, which both groups affirming the direction and content. Southampton County has a Board seat on FSEDI that the Board of Supervisors makes recommendations for, as does the City of Franklin, Camp Family Foundation, Franklin-Southampton Area Chamber of Commerce and Franklin-Southampton Charities. FSEDI has been able to support economic development in both the City of Franklin and Southampton County, as well as obtain significant private support for economic development that otherwise likely would not exist without the partnership that is in place.

FSEDI programs such as STARTUP Franklin Southampton has supported businesses that have located in Southampton County, and its support of the Franklin Business Center also helps

Southampton County residents who make up about 20 percent of the total number of businesses that operate from that facility. FSEDI also does business retention and expansion, business attraction, and networks with regional, Commonwealth and national organizations to bring additional economic opportunity to Southampton County. Entrepreneurial and small business based development is a key cornerstone of economic development in Southampton County.

Implementation Strategies

- a. Continue the Voluntary Agriculture and Forestal District program, which helps to protect the most productive agricultural and forestry land.
- b. Continue the land use valuation program through the Commissioner of the Revenue's office to provide tax relief to help maintain agriculture and forestry land.
- c. Continue to financially support the work of FSEDI and the Hampton Roads Alliance to bring new businesses and help grow existing businesses.
- d. Encourage staff to continue to refer prospective business owners to FSEDI for assistance in the creation of new businesses and the growth of existing businesses.
- e. Consider acquisition of further property for industrial expansion once the Beale Farm property acquisition is complete, to ensure continued available acreage for County industrial park growth.
- f. Use the recently-adopted utility-scale solar project ordinance to permit appropriately-scaled and located utility scale solar development to take place while protecting agriculture and forestry, as well as providing buffers around towns and communities.
- g. Review County ordinances to ensure the needs of future industrial development are met while protecting and enhancing the County's residents and economy.
- h. Businesses locate in areas where there is a ready workforce. Encourage continued growth of the vocational programs at Southampton County High School to provide the next generation of skilled employees and business owners.
- i. Consider expansion of public transportation through Senior Services of Southeastern Virginia to provide services to students, employees, medical patients, and consumers.
- j. Continue to permit a wide range of home occupations, which provide income to residents and serve as incubators for new ideas and businesses.
- k. Continue to foster a business-friendly community to encourage existing businesses to grow and new businesses to locate in the County. Consider amendments to existing policies and ordinances that may contribute to a business decision to locate elsewhere.
- l. Consider water and wastewater extensions to serve larger areas of the County to encourage further industrial and business development. Water and wastewater extensions may also be considered in areas where workforce/starter-type housing could be located, to help ensure a ready workforce is available for businesses.
- m. Continue to work with VDOT to ensure roads used to move goods through the County are in good repair, as well as to ensure safe travel for residents who use them daily.
- n. Promote tourism that features the County's long tradition of outdoor activities and agricultural-based businesses. Work with local groups, churches, and Franklin to promote local festivals and events that take place throughout the year. Continue to work with and provide support to the Southampton County Historical Society projects.