

Cape Charles, Virginia



	Cape Charles
Population (2000)	1,130
Municipal budget (2005)	\$3.2 million ²³
Per capita income (2000)	\$13,790
Median household income (2000)	\$22,240
Poverty rate (2000)	28%
Minority population (2000)	44%
Proximity to urban center	43 miles to Norfolk, Va.
Proximity to interstate highway	38 miles
Strategic approach	Industrial development
Time frame	1990-2000

In the mid-1990s, Cape Charles planned and developed an environmentally friendly “eco-industrial park.” This development was part of the town’s strategy to blend job creation with environmental protection. Located in Northampton County on the Chesapeake Bay, the town’s economy is rooted in fishing, farming and food processing. Over the last couple of decades, however, local food processing plants have moved away, and overfishing has decimated the fishing industry. In the wake of significant job losses and increasing water pollution, local officials committed to charting a new, more sustainable economic development path. Cape Charles is now the location of the nation’s first eco-industrial park, which has created new jobs for residents while limiting its environmental footprint.

The community and its history

Sandwiched between the Chesapeake Bay to the west and the Atlantic Ocean to the east, Cape Charles has a long history as a trading post and fishing center. It was founded in 1886. For much of the 1900s, the town’s port and ferries connected Northampton County with Norfolk across the bay. In 1965, a two-lane bridge and tunnel were built to connect Cape Charles with Norfolk, reducing the port’s traffic.

Cape Charles’s economy has always centered on agriculture and fishing. The rich soils and freshwater bays have provided a living to generations of family farms and fishermen. Beginning in the early 1900s, processing

With a local economy crippled by plant closures and environmental problems, Cape Charles bridges these challenges with the nation’s first eco-industrial park.

²³ Town of Cape Charles website: capecharles.org/pdf/2007budget.pdf. Accessed on February 27, 2007.

plants located in town to package and sell produce and seafood from the area. Over the next half century, Cape Charles blossomed yet retained its character as a quaint coastal town.

In the mid-1980s, food processors became an obvious and easy target for federal environmental regulators. In addition, improvements in technology and transportation networks meant that the proximity between processors and growers was becoming less important. In the late 1980s, three food processing plants in or near Cape Charles closed, and 1,500 workers lost their jobs. At the same time, the fishing industry began to flounder because of overfishing and increasing pollution from run-off. On top of all of this, the only source of drinking water in the region started showing signs of saltwater intrusion. "These issues were like a storm out on the sea," one resident said. "It was lurking, but everyone said it wouldn't be here for awhile. Then all of the sudden it became real, and we were in trouble."

The strategy

Cape Charles's strategy was to link environmental protection with economic development. One element of this strategy was to develop an eco-friendly industrial park. In 1992, the Northampton County Board of Supervisors received a grant from the National Oceanic and Atmospheric Administration (NOAA) to research innovative ways to balance economic growth with coastal resource protection. In 1993, town and county officials partnered with NOAA and the Virginia Department of Environmental Quality to hire Timothy Hayes, the nation's first local sustainable development planner. Hayes created a volunteer citizens task force to identify "measurable, achievable tasks that build the economy and preserve the assets on which they depend."²⁴

Through a series of public meetings spread over 18 months, the task force came to an agreement on six economic sectors Cape Charles could pursue for job growth. One was to recruit new "low-emission" industries that would have a limited impact on the environment and local waterways. The task force recommended that Cape Charles create a new type of industrial park designed to reduce water and resource use while allowing businesses to take advantage of all the traditional benefits of a park.

The recommendation was timely as Northampton residents had already approved a \$4.6 million bond to build a new industrial park. County officials thus committed to use this bond money to create an eco-industrial park. In January of 2000, the first phase of the Cape Charles Sustainable Technologies Industrial Park (STIP) opened to much fanfare. It was the first industrial park of its kind in the United States. A 31,000-square-foot manufacturing/office building was complete with solar panels, protected wetlands, low-energy light and water fixtures and native landscaping. Local water resources were protected through an innovative water recy-

²⁴ Reardon, Christopher. "Oysters, Grapes, High-Tech Industry." Ford Foundation Report. Spring 1997.

cling system. The system collects used water from each company, recycles it and then redistributes the water back to businesses.

In the first few years after opening, STIP leveraged another \$8 million from private companies locating there and created more than 65 new jobs. Unfortunately, some of the businesses have since closed, and the county has struggled to replace them. According to local officials, federal and state officials developed a rigorous list of sustainability criteria for how businesses in the park could operate. Apparently, these criteria are so stringent that the already small pool of potential green businesses able to locate in the park became even smaller. In addition, county officials attribute miscommunication between state and local leaders over who would lead in recruiting businesses to the park as being a major factor in its downturn. County officials and the Chamber of Commerce are now talking with a nearby community college about locating in the unused space. Even though the eco-industrial park did not turn out to be an outright success story, the forces that led to its creation and the reasons for its continuing struggle bring out lessons for similar strategic initiatives.

What are the lessons from this story?

Environmental adversity can lead to economic opportunity. Cape Charles and county officials were in a predicament after food processing plants closed in the late 1980s. On the one hand, residents were desperate for jobs; on the other, the once pristine environment was being degraded. Cape Charles also faced threats to its water supply. The town had to come up with a strategy that would balance economic growth and environmental protection. In this case, public leaders decided to put a new spin on an old tool -- the industrial park. As Andrew Barbour, the county supervisor, said, "We saw nature-based development as an asset and key differentiator in doing business." This innovative approach to economic development set Cape Charles apart from its neighbors, provided uniqueness to the community and gave industries a reason to explore the town.

The process of building capacity and creating partnerships is as important as the outcome. The inclusive nature of the planning process for the eco-industrial park generated community capacity to do other things. In 2006, when the park was struggling to maintain occupancy, the local Chamber of Commerce partnered with the area community college and the Nature Conservancy to develop a certification course in ecotourism. Graduates of the course receive exclusive access to Nature Conservancy-owned barrier islands and can offer a more expensive and exclusive experience to their customers. The course has been extremely successful for both the town government and local business owners. This partnership was a direct result of the process that Cape Charles went through to explore sustainable economic development strategies (of which the park was only one option).

Contact information

Andrew Barbour

Northampton County Supervisor

Cape Charles, Virginia

757-678-0440

andrewbarb01@aol.com

Deborah Christie

Director

Northampton County Chamber of Commerce

Cape Charles, Virginia

757-331-2304

ccncchamber@verizon.net