



Grant Year  
2018  
Annual Report

Community Business Launch



## 2018 COMMUNITY BUSINESS LAUNCH SNAPSHOT

### GRANT RECIPIENTS

4

CBL Grants  
Awarded

43

# of  
entrepreneurs/  
participants

27

Businesses Created  
or Expanded

### BUSINESS AND JOB CREATION



#### BUSINESSES

CREATED: 17  
EXPANDED: 10



#### JOBS

CREATED: 21  
RETAINED: 23

11

Downtown Buildings Leased or Sold

TOTAL INVESTMENT IN PROJECT AREAS: \$1,798,300

\$ PUBLIC: \$67,000  
PRIVATE: \$781,300  
LOANED: \$950,000

Chilhowie - \$40,000

Lexington - \$165,000

St. Paul - \$93,300

Wytheville - \$1,500,000

*\*Statistics provided are tracked as reported by each community and may not accurately represent final data/outcomes at the end of the three-year reporting period.*

## COMMUNITY BUSINESS LAUNCH PROGRAM OVERVIEW

The Community Business Launch (CBL) program is designed to assist communities in taking a systems approach to defining and pursuing an asset-based, small-business development strategy. It starts with a community's unique vision for its future and then uses a business competition to find and foster the entrepreneurs that connect with that vision. While only a limited number of entrepreneurs may win the business competitions, the Community Business Launch gives rise to many budding entrepreneurs that have been prepared through the CBL grant to be successful businesses despite not winning a grant.

CBL was first established in 2015 as a pilot program in three Virginia Main Street communities (Gloucester, Hopewell, and Staunton). Since that time, CBL has been deployed in 19 communities across the commonwealth. CBL grants are performance based and require that each locality select a designated area with move-in ready vacancies, create and/or expand three businesses, and create five full-time equivalent employees in their selected area.

Figure 1 illustrates the funding available for years 2015-2018, the corresponding number of communities assisted, and businesses and jobs created as a result of the investment.

Figure 1: Funding Availability			
Funding Available	# of Communities Assisted	Businesses Created/Expanded	Jobs Created/Maintained
\$300,000	3	10	31
\$420,000	7	35	100
\$300,000	5	18	24
\$180,000	4	25	TBD



# COMMUNITY BUSINESS LAUNCH: ADDITIONAL SERVICES

## Delivering Memorable Experiences Downtown

Maximize your long-term profitability with efficient and friendly interactions at every single touch point. Come hear from Dr. Vincent Magnini, author and associate professor at Virginia Tech, and learn about the latest research on establishing and maintaining a first-class customer service culture.

### About Vincent Magnini



Recently ranked one of the top 12 most prolific hospitality researchers worldwide, Dr. Magnini has published six books and more than 150 articles and reports. His projects typically include destination marketing plans, economic impact analyses, feasibility studies and visitor satisfaction tracking. Dr. Magnini has also been featured on National Public Radio's (NPR) All Things Considered and With Good Reason, as well as being cited in the New York Times. Before his career in academia, Dr. Magnini worked on management teams at Marriott, Hyatt and Hilton Garden branded hotels in the Mid-Atlantic and Midwestern regions of the U.S.

### Find a session near you:

July 10 - Martinsville	Aug. 15 - Farmville	Sept. 12 - Pulaski
July 12 - South Boston	Aug. 20 - Weymouth	Sept. 13 - Lynchburg
July 31 - Damascus	Aug. 21 - Stanton	Sept. 14 - Vinton
Aug. 1 - Bristol	Aug. 22 - Winchester	Sept. 18 - Cape Charles
Aug. 2 - Marion	Aug. 23 - Calverton	Sept. 19 - Franklin
Aug. 6 - Hopewell	Aug. 29 - Strasburg	Sept. 24 - Gloucester
Aug. 14 - Petersburg	Sept. 11 - Albemarle	

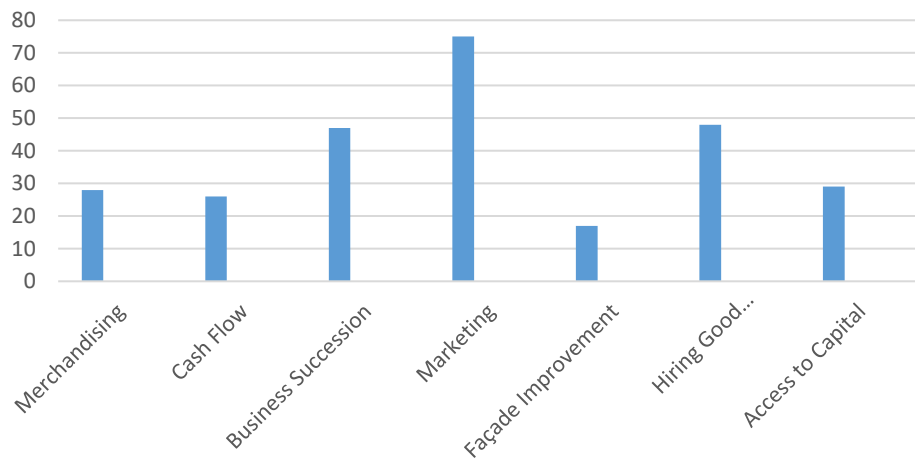


Over the course of the program through surveys and technical assistance it has become apparent that CBL communities and their new formed businesses require continued education and support to navigate their local economies. Using the Virginia Main Street program funds, 20 communities were able to host hospitality workshops for their local business owners throughout 2018, and two communities (South Boston and Martinsville) were selected to work with the Advancement Foundation to develop a network of mentor knowledge and support for local entrepreneurs.

Dr. Vincent Magnini, a professor at Virginia Tech and recently ranked one of the top 12 most prolific hospitality researchers worldwide, conducted the workshops. Sessions lasted three hours and were open to other nearby community businesses. More than 150 people participated in the 20 workshops. All participants were surveyed to inform DHCD and participating communities on the different types of education and training that would be most beneficial to their businesses. Figure two shows topics ranked in regards to being most beneficial to their businesses.

Of the seven categories provided, the highest-rated educational topics included marketing, hiring good employees (management training), and business succession planning. Additional categories submitted include volunteer recruitment, creating a company culture, place making, and social media marketing.

Figure 2: BUSINESS TRAINING EDUCATION NEEDS



## PROGRAM SUCCESS RATE

OVERALL SUCCESS  
RATE:

87%

2018

26 open;  
1 closed

2017

21 open;  
3 closed

2016

44 open;  
8 closed

2015

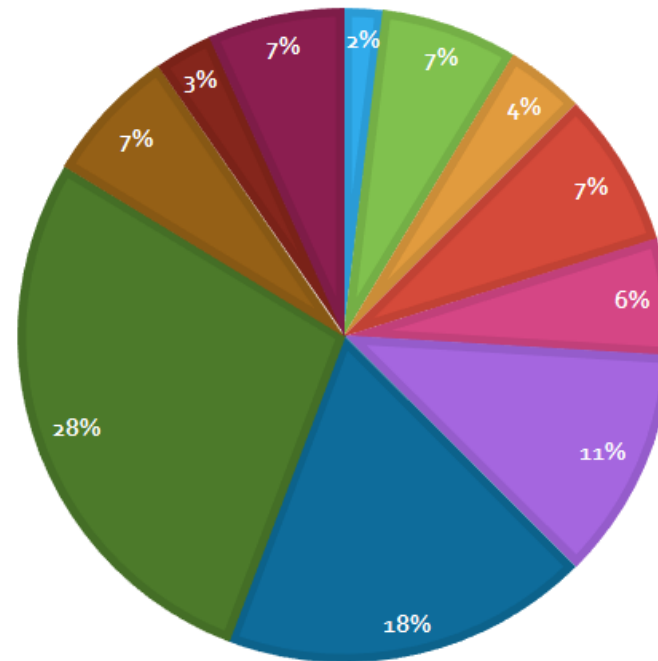
13 open;  
3 closed

Since 2015, over 100 businesses have opened as a result of Community Business Launch funding and technical assistance. The program defines businesses as successful and in compliance with grant requirements as long as they remain open for an entire year. Of the businesses that have closed their doors, the majority took place after the one-year period. In addition, the majority that closed doors did so because of personal choice rather than mismanagement or failure.

Community Business Launch participants and their businesses are tracked for three years after opening. Below is a chart signifying the different types of businesses that have opened over time.

FIGURE 3: CBL BUSINESS CATEGORY

Auto	Food & Beverage	Home	Sporting Goods/Hobby
Health/Personal Care	Clothing	Miscellaneous	Restaurant
Services	IT	Alcoholic Beverages	



# CBL COMMUNITY HIGHLIGHTS

## Chilhowie (Smyth County Chamber of Commerce): Population – 1,729

- Chilhowie's first cohort consisted of nine participants. After a successful first round, many community members stepped forward to express interest in another round. Chilhowie then hosted a second cohort, with eight total participants. Out of both cohorts (17 total participants), eight were awarded grant funding for their business ideas.
- There were four new businesses created: Elite Sports, Papa's Café, Nice to be Kneaded, and Boutique on Main. There were four business expansions: Captured by Brandi, Laurel Springs Farm, Valley Country Store, and Chilhowie Fence Supply.
- Due to the excitement and activity downtown, Chilhowie was required to redraw their designated area as previously vacant storefronts had been filled.
- Chilhowie is currently participating in a Community Development Block Grant (CDBG) that will revitalize key façade elements in their downtown corridor.
- Chilhowie plans to host a third cohort at the beginning of next year (2019).



## Lexington (Main Street Lexington): Population – 7,100

- At the beginning of the LaunchLex, Lexington had more than 30 interested participant applicants. Due to class size constraints and downtown strategy, 24 entrepreneurs were selected to move forward in participating in the business classes, and 21 finished the program.
- At the pitch night on April 11 hosted at Virginia Military Institute's Ethics Building, eight businesses pitched to the panel of judges and a crowd of over 100 people.
- Although only four businesses were awarded CBL funding (Heliotrope, Make it Sew, Lex Running Shop, and Just Games), three more businesses opened as a result of the program (Flex Fitness Studio, Red Newt Bike Shop, and Sugar Maple Trading Company).
- To celebrate the successful CBL, Gov. Ralph Northam visited Lexington on Oct. 15 to complete ribbon cuttings and tours at each new business location.





# CBL COMMUNITY HIGHLIGHTS

## St. Paul (St. Paul Tomorrow Inc.): Population – 887

- For a town of fewer than 1,000 residents, St. Paul hosted a CBL with a strategic focus on outdoor recreation and additional needed businesses including restaurants and convenience shopping. Ten entrepreneurs signed up to participate in the program, and seven completed it.
- With a mixture of both new businesses and expansions, six participants were awarded grant funding. Those businesses include Clinch River Adventures, Clinch River Outfitters, Sugar Hill Brewery, Trending Floors, Hometown Hardware, and Dew Drop Inn.
- As a result of the excitement downtown, a bakery, Sweet Street Bakery, also opened downtown next to their newly renovated boutique hotel, The Western Front.
- In addition to the \$93,300 investment in the project area (reported to date and growing), this investment resulted in nine additional new jobs and 20 retained jobs for residents of St. Paul.



## Wytheville (Downtown Wytheville Inc.): Population – 7,998

- Downtown Wytheville Inc. had 27 entrepreneurs apply to participate in its CBL program. Of the 27, seven completed business plans and competed in its community-wide pitch night.
- Three new businesses and one expanding business were awarded funding: Rose Cottage Art School, Chau's Corner Bakery, Seven Dogs Brewpub, and Seven Sisters Brewery.
- All businesses combined project to hire 22.25 full-time equivalent employees and retain three jobs.
- Seven Sisters Brewery, which is expected to open in June 2019, is also revitalizing the historic R.P. Johnson building in downtown Wytheville and is utilizing historic tax credits to complete the project.



## CBL TESTIMONIALS

*"The CBL grant we launched as Evolution Wytheville has been a great success for our community. We had a total prize pool of \$73,000 that we awarded to brand new full-scale breweries, a bakery and an art school expansion to incorporate a pottery studio, for a total of \$3.5 million in private investment to our downtown in just one year! The program has helped to increase foot traffic in downtown, and has been a total game changer for our community."*

*-Todd Wolford, Executive Director  
Downtown Wytheville Inc.*



*"We came into the Launch Lex classes midway through the journey toward opening our business, and the process served as an invaluable road map to the finish line – with affirmation and encouragement in the places where we were already on the right track, and vital course corrections where we weren't."*

*-Erik Jones, Owner  
Heliotrope Brewery*





600 East Main Street, Suite 300  
Richmond, VA 23219

[dhcd.virginia.gov](http://dhcd.virginia.gov)

(804)371-7000