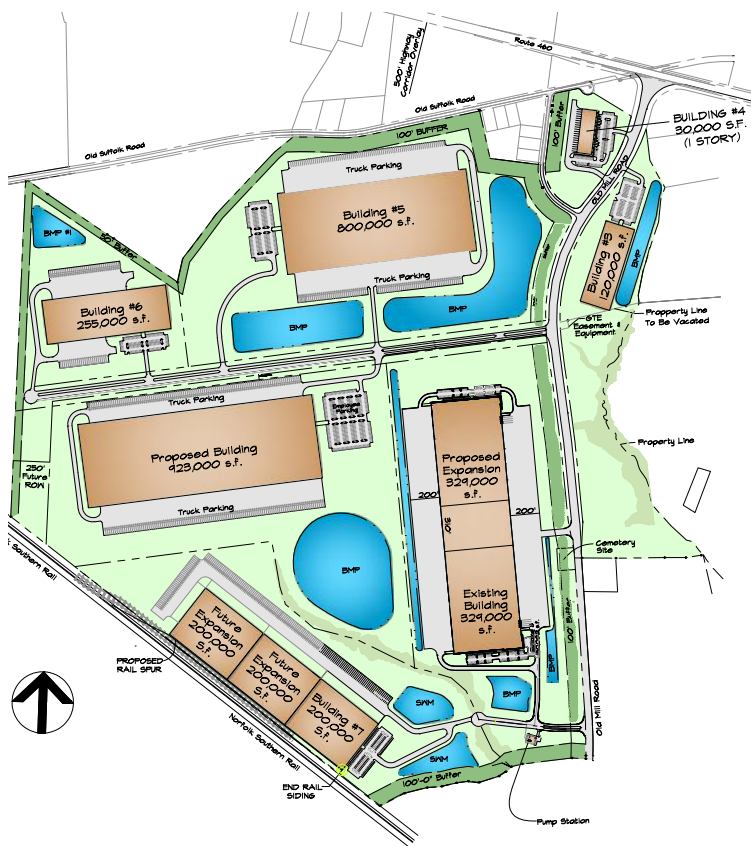
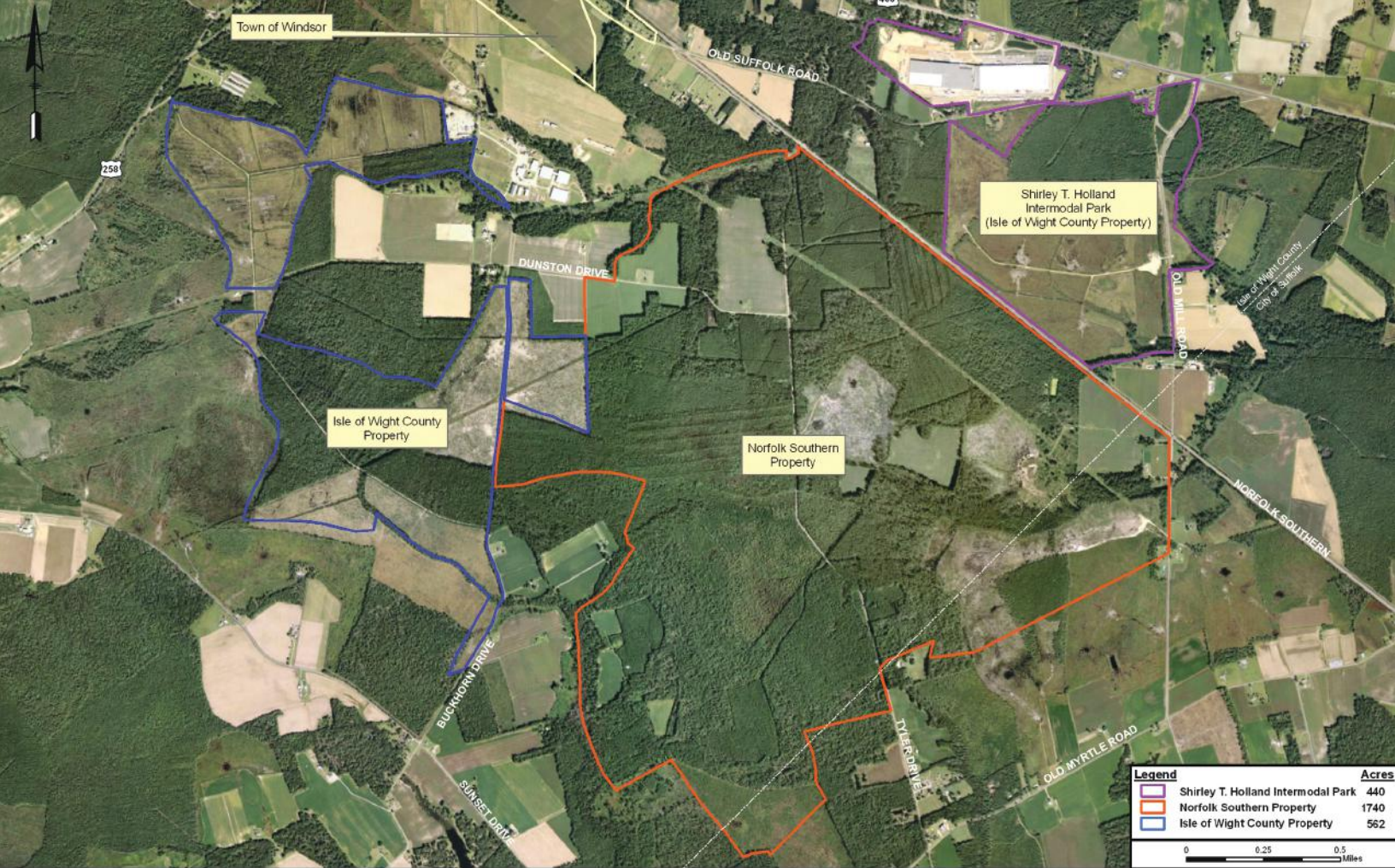




ISLE of WIGHT
COUNTY IN VIRGINIA
Annual Report 2007



Isle of Wight County currently owns 1,008 acres for Intermodal Park development located within a designated industrial zone encompassing more than 3,500 acres.

The site is within 35 miles of The Port of Virginia Marine Terminals. For domestic and export cargo this site is a mid-point between Hampton Roads, the port and I-95, I-85 and easily accessible to I-64.

Travel by road is supported by US 460 (upgraded to a limited access interstate quality facility in 2010) and US Route 58 a divided facility.

The sites available for development are situated at the Norfolk Southern mainline and in close proximity to the CSX mainline.

Handling distribution and logistics needs across the country grows in importance and this location is well suited as:

- APM opened their state of the art, automated marine terminal in 2007
- Norfolk Southern opens the Heartland Corridor route to Columbus and Chicago in 2009
- Funding was just announced for the Crescent Corridor, an I-81 North-South rail solution
- CSX is improving its routing from this area to Atlanta and the Southeast
- By 2014 the expansion of the Panama Canal is predicted to flood the East Coast with Asian cargo that will require handling, storage and services

By virtue of its ownership, Isle of Wight County is ensuring this industrial area is master-planned with the appropriate infrastructure available.

FOR MORE INFORMATION CONTACT:

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ISLE of WIGHT

COUNTY IN VIRGINIA

T O M
I V Y

C H A I R M A N

May 1, 2008

Dear Friends & Neighbors,

It is my pleasure to report that Isle of Wight County remains a vital industrial and agricultural hub in the Hampton Roads Region. The pages contained in this report detail the significant demographic and economic progress made in 2007, during which I was honored to serve as the Chairman of the Board of Supervisors.

In 2007, the County saw the expansion of the Shirley T. Holland Intermodal Park start to take shape. Based on a study by Moffatt & Nichol, the County was proactive in addressing the overwhelming need for land designated for distribution and manufacturing space near the Port of Virginia. The economic development team continues to focus their efforts on finding suitable businesses to build a facility within the park. I expect several announcements regarding property sales and the new businesses locating in the County very soon.

I am also pleased to announce that our real estate and property taxes did not increase this year, as they did in so many other surrounding cities and counties. The County's financial team is much admired for optimizing our efficiencies within the County so that we can attract new businesses to join our community, and continue to enjoy the quality of life that has become synonymous with area.

Upon further examination of services offered by our County, our priorities are based upon great schools, superior law enforcement and fire-rescue services, and on facilities and services offered to our citizens. Our Board of Supervisors and our County Staff have strived to make Isle of Wight County "A Community of Choice, Committed to Excellence".

Thank you for your interest in the Isle of Wight County and your support of the Department of Economic Development, including its award-winning rural economic development division. I hope you are as excited as I am to be part of this well regarded community.

Sincerely,

Thomas R. Ivy
Chairman, 2007
Isle of Wight County Board of Supervisors

Shirley T. Holland Intermodal Park

To continue the commitment to providing a significant positional advantage for the growing manufacturing and distribution industry in the Hampton Roads area, Isle of Wight County recently purchased an additional 606 acres from International Paper, which is located south of the original site. News of the purchase was featured in an article in the Hampton Roads business journal, *Inside Business*, titled "Isle of Wight Buys 600 acres: Purchase puts county closer to field of freight dreams". Ultimately, with the assistance of strategic partners at the Virginia Port Authority, Moffatt & Nichol, Norfolk Southern, and regional and state economic development organizations, the County hopes to develop the largest intermodal facility in the region to offer rail access and congestion-free routes to all port facilities, area highways and interstates for its tenants.

In other Park news, Johnson Development Associates, an industrial real estate developer based in Spartanburg, South Carolina, completed a 329,000 square foot building in 2006 and is preparing to break ground on a second facility in the Park.

Additionally, the application for Foreign Trade Zone designation is under review. Once zone status is granted, companies located within the Park can take advantage of benefits such as duty exemption, duty deferral, inverted tariff, logistical benefits, and inventory tax exemptions.



Rt. 58 Corridor Master Plan

The goal of the "Route 58 Economic Development and Land Use Plan" is to develop a formal growth plan to ensure the economic vitality and high quality of life in the southern portion of the County. The kick-off meeting with the consultant team, Renaissance Planning Group and Thomas Point Associates, County staff and the Southern Development Committee (SDC) was held in November. The phased project plan, with direct public participation throughout, will continue in 2008. It begins with the technical analysis of baseline conditions, continues with development of alternative corridor growth and improvement scenarios, and concludes with final development of the preferred alternative.

Rural Economic Development Program Receives Awards

The National Association of Counties (NACO) awarded Isle of Wight County's Rural Economic Development Program two achievement awards in 2007. One NACO Achievement Award recognized the Program as a winner in the category of Community and Economic Development. The second NACO Achievement Award was for Best Overall Program, where only thirteen programs were chosen as winners.

Additionally, the Virginia Association of Counties (VACO) named Isle of Wight County's Rural Economic Development Program as a 2007 Achievement Award winner in the category of Community and Economic Development.

These three awards recognized the Rural Economic Development Program, which is focused on promoting and protecting Isle of Wight County's agriculture and forestry businesses. The program manager serves as the liaison to the agriculture and forestry communities, assists in the future development of these industries through agri-business recruitment, assists in the development of local farmer's markets, and administers the farmland preservation program, among other initiatives.

Purchase of Agricultural and Forestal Conservation Easements (PACE) Program

Agriculture and forestry are the leading industries in the County, and a critical mass of farm and forest land is necessary for the continued vitality of the farm and forest businesses here.

Adopted in May of 2005, the PACE Program is a voluntary program that allows landowners to enter into agreements to sell the development potential of qualifying property to the County while maintaining the right to farm and forest the land. By participating in the PACE Program, a landowner has the opportunity to sell a conservation easement to the County, a public agency, to be held in trust for perpetuity.



The PACE Program held its first application period from March 1 to May 15, 2007, in which it received twenty-eight applications for over 3,100 acres of farm and forest land in Isle of Wight County. The overwhelming interest in the Program has shown the strong commitment to preserving the businesses of farming and forestry in the County. Although the County is not able to purchase all of the development rights on every application at this time, it is very encouraging to see active interest in the Program. The County appreciates the opportunity to partner with local landowners to preserve the quality of life that all our citizens enjoy.

Entrepreneur of the Year

Isle of Wight Honors Entrepreneur of the Year Carol Jordan, owner of Sesroh Tack Shoppe, was recognized as the 2007 Isle of Wight County Entrepreneur of the Year. In 2006, Jordan and her family purchased a former auto shop and car wash on South Church Street in Smithfield and began renovations to make the location suitable for their equine shop. Sesroh ('horses' spelled backwards) opened in October. Jordan's shop offers English and Western tack, saddles, apparel, and other equestrian-related gifts. A longtime resident, Jordan is anxious to build the horse industry in the County. She is an active participant in local equine events, and is supportive of non-competitive riding, too. The award is given annually at the Business Appreciation Golf Tournament in May.



Measurements of Economic Activity 2007

POPULATION

Provisional estimate for the preceding years and the growth (decline) in that number relative to the year before as a real number and as a percentage.

Calendar Year	Population Estimate	Growth (Decline)	Percentage + / -
2007	33,612	522	1.6%
2006	33,090	673	2.0%
2005	32,417	817	2.6%
2004	31,600	700	2.3%
2003	30,900	500	1.6%
2002	30,400	300	1.0%
2001	30,100	372	1.3%
2000 (Census)	29,728		

Source: Weldon Cooper Center for Public Service

EMPLOYMENT AND WAGES

Statistics detailing the annual not seasonally adjusted labor force, employment and unemployment data.

Labor Force and Unemployment

Calendar Year	Civilian Labor Force	Employment	Unemployment	Unemployment Rate %
2007	17,955	17,422	533	3.0%
2006	17,685	17,142	543	3.1%
2005	17,225	16,628	597	3.5%
2004	16,886	16,342	544	3.2%
2003	16,459	15,895	564	3.4%
2002	15,906	15,369	537	3.4%
2001	15,227	14,821	406	2.7%

Source: Virginia Employment Commission

Employment and Wages

Quarter	Average Employment	Total Wages (in thousands)	Avg. Weekly Wage
April - June 2007	11,903		\$780
January - March 2007	11,714		\$693
October - December 2006	11,911		\$822
July - September 2006	11,412	\$109,775	\$740
April - June 2006	11,808	\$120,974	\$788
January - March 2006	11,913	\$102,934	\$663
October - December 2005	12,279	\$107,533	\$673
July - September 2005	12,272	\$107,000	\$671
April - June 2005	12,818	\$139,648	\$838
January - March 2005	12,643	\$99,427	\$605

Source: Virginia Employment Commission. All 2007 data is preliminary. 3rd and 4th quarter 2007 data available mid to late 2008.

TAXES

Real Estate, Personal Property and Machinery and Tools tax receipts and assessed values for the preceding year. Growth (Decline) in those receipts as a real number and as a percentage.

Real Estate

Fiscal Year	Assessed Value	Growth (Decline)	Percentage + / -
2007	\$3,968,971,200	\$114,013,200	2.96%
2006	\$3,854,958,000	\$1,374,290,175	55.00%
2005	\$2,480,667,825	\$433,301,337	21.16%
2004	\$2,047,366,488	\$129,348,490	6.74%
2003	\$1,918,017,998	\$202,874,506	11.83%
2002	\$1,715,143,492	\$169,451,166	10.96%
2001	\$1,545,692,326		

Fiscal Year	Tax Receipts (Actual)	Growth (Decline)	Percentage + / -
2007	\$19,434,488	\$1,563,697	8.75%
2006	\$17,870,791	\$689,270	4.01%
2005	\$17,181,521	\$1,874,380	12.25%
2004	\$15,307,141	\$1,332,891	9.54%
2003	\$13,974,250	\$2,215,774	18.84%
2002	\$11,758,476	\$1,143,031	10.77%
2001	\$10,615,445		

Source: Isle of Wight County Commissioner of the Revenue and Isle of Wight County Treasurer.

Personal Property

Fiscal Year	Assessed Value	Growth (Decline)	Percentage + / -
2007	\$274,174,115	\$8,264,570	3.11%
2006	\$265,909,545	\$29,359,660	12.41%
2005	\$236,549,885	\$23,194,713	10.87%
2004	\$213,355,172	\$32,031,766	17.67%
2003	\$181,323,406	\$13,413,621	7.90%
2002	\$167,909,785	(\$7,754,204)	-4.41%
2001	\$175,663,989		

Fiscal Year	Tax Receipts (Actual)	Growth (Decline)	Percentage + / -
2007	\$6,090,199	\$599,784	10.92%
2006	\$5,490,415	\$757,902	16.01%
2005	\$4,732,513	\$401,048	9.26%
2004	\$4,331,456	\$1,108,260	34.38%
2003	\$3,223,205	\$39,273	1.23%
2002	\$3,183,932	(\$1,221,574)	-27.73%
2001	\$4,405,506		

Reflects all personal property tax abatement and supplements. Does not include mobile home, boat or aircraft assessments. Year 2002 does not reflect abatement and supplements. Source: Isle of Wight County Commissioner of the Revenue and Isle of Wight County Treasurer.

Machinery and Tools

Fiscal Year	Assessed Value	Growth (Decline)	Percentage + / -
2007	\$744,812,445	\$56,402,181	8.19%
2006	\$688,410,264	\$47,326,298	7.38%
2005	\$641,083,966	\$45,049,194	7.56%
2004	\$596,034,772	\$15,509,873	2.67%
2003	\$580,524,899	(\$69,586,318)	-10.70%
2002	\$650,111,217	(\$20,792,098)	-3.10%
2001	\$670,903,315		

Fiscal Year	Tax Receipts (Actual)	Growth (Decline)	Percentage + / -
2007	\$6,463,700	\$91,024	1.43%
2006	\$6,372,676	\$263,676	4.31%
2005	\$6,109,000	\$447,692	7.91%
2004	\$5,661,308	\$149,529	2.71%
2003	\$5,511,779	(\$1,271,714)	-23.07%
2002	\$6,783,493	\$521,612	7.69%
2001	\$6,261,881		

2003 reflects International Paper reclassification. 2002 does not reflect delinquent accounts in this collection. Source: Isle of Wight County Commissioner of the Revenue, and annual audit by Goodman and Company and Isle of Wight County Treasurer.

Measurements of Economic Activity 2007

BUILDING PERMITS

Residential and commercial/industrial permits issued during the preceding year and the growth (decline) in the number and value of those permits relative to the year before as a real number and as a percentage.

Residential Building Permits

Calendar Year	Number	Growth (Decline)	Percentage + / -
2007	236	(196)	-45.00%
2006	432	(102)	-19.10%
2005	534	105	24.48%
2004*	429	63	16.39%
2003	366	35	10.57%
2002	331	71	27.31%
2001	260		

* 2004 includes 12 multi-family units

Calendar Year	Value	Growth (Decline)	Percentage + / -
2007	\$44,068,203	(\$42,523,112)	-49.00%
2006	\$86,591,315	(\$27,210,679)	-23.91%
2005	\$113,801,994	\$37,637,398	49.42%
2004	\$76,164,596	\$28,410,674	59.49%
2003	\$47,753,922	\$1,645,275	357.00%
2002	\$46,108,647	\$12,017,414	35.25%
2001	\$34,091,233		

Commercial Building Permits

Calendar Year	Number	Growth (Decline)	Percentage + / -
2007	24	0	0.00%
2006	24	5	26.32%
2005	19	(4)	-17.39%
2004	23	1	4.55%
2003	22	2	10.00%
2002	20	10	100.00%
2001	10		

Calendar Year	Value	Growth (Decline)	Percentage + / -
2007	\$10,814,576	\$4,303,685	-28.00%
2006	\$15,118,261	\$10,873,799	256.19%
2005	\$4,244,462	(\$15,729,003)	-78.75%
2004	\$19,973,465	\$13,792,014	223.12%
2003	\$6,181,451	(\$1,358,927)	-18.02%
2002	\$7,540,378	(\$5,151,061)	-40.45%
2001	\$12,661,439		

New Residential Construction

Calendar Year	Hardy	Newport	Windsor	Town of Windsor	Town of Smithfield
2007	34	66	15	3	65
2006	59	243	16	18	96
2005	40	288	17	57	132
2004	30	270	18	11	100
2003	58	172	17	12	107
2002	39	156	26	7	103
2001	32	104	13	11	100

New Commercial Construction

Calendar Year	Hardy	Newport	Windsor	Town of Windsor	Town of Smithfield
2007	1	9	13	4	9
2006	3	4	1	0	11
2005	1	4	0	3	8
2004	1	7	0	2	4
2003	2	3	0	6	3
2002	0	6	0	1	8
2001	0	2	1	0	2

(continued)	Windsor Non-Tax	Newport Non-Tax	Hardy Non-Tax	Town of Windsor Non-Tax	Town of Smithfield Non-Tax
2007	0	0	0	0	0
2006	2	1	0	0	2
2005	0	2	0	0	0
2004	2	3	2	1	0
2003	3	1	0	0	0
2002	2	1	0	0	0
2001	2	3	0	0	0

Source: Isle of Wight County Department of Building and Inspections

BUSINESS AND PROFESSIONAL LICENSES

Number of licenses issued in the preceding year and the growth (decline) in that number as a real percentage. Taxes collected from licenses issued in the preceding year and the growth (decline) in that number as a real number and as a percentage.

Calendar Year	Number Issued	Growth (Decline)	Percentage + / -
2007	1645	(69)	-4.03%
2006	1,714	250	17.08%
2005	1,464	44	3.10%
2004	1,420	128	9.91%
2003	1,292	43	3.04%
2002	1,249	(74)	-5.92%
2001	1,323		

Calendar Year	Tax Revenue	Growth (Decline)	Percentage + / -
2007	\$442,485	(\$9,122)	-2.06%
2006	\$451,607	\$56,962	14.43%
2005	\$394,645	\$41,497	11.75%
2004	\$353,148	\$68,791	24.19%
2003	\$284,357	(\$9,567)	-3.25%
2002	\$293,924	(\$71,073)	-24.18%
2001	\$364,997		

Numbers indicate the actual number of licenses, not the number of active accounts. 2003 decline reflects discontinued peddler's license issuance. Source: Isle of Wight County Commissioner of the Revenue.

Planning & Zoning Highlights 2007

The goal of the Planning Commission is to ensure that future land use and development is in keeping with the County's long-range plans. In furtherance of this effort, the Planning Commission conducted a total of 30 regular meetings and work sessions during the calendar year to address current, as well as long-range plans, with reliance on the County's Comprehensive Plan as a blueprint to ensure that development proceeds in an orderly and efficient manner. The Commission took action on a total of 58 land use applications and various other items.

Rezoning and Conditional Use Permit Applications

Of the 11 rezoning applications considered, all were recommended for approval. Seven of the approved application requests were for the creation of 15 new residential lots on properties located outside of the designated Development Service Districts (DSD) in the Rural Agricultural Conservation (RAC) area. One rezoning request was for Industrial zoning in the Camptown DSD to accommodate the expansion of the International Paper facility with the addition of a Wood Storage Yard, and one request was for General Commercial zoning in the Newport DSD for an automobile repair facility. The other applications were for Planned Development-Mixed Use (PD-MX) inside the Newport DSD: one for an additional 40 residential units to be added to the St. Luke's Mixed Use Development and the other for the proposed Benn's Grant Mixed Use Development, including Medical and General Office, Commercial, Residential and Recreational uses.

The Commission approved 14 applications for Conditional Use Permits. Applications included two borrow pit requests, two churches, two requests for manufactured homes while building a single-family dwelling, two communications towers, a Wal-Mart with a building footprint in excess of 80,000 square feet, two commercial kennels, a masonry contractor's office, a recreational vehicle sales and service business, and the Fort Huger Historic Park.

Site Plan and Subdivision Review

The Commission reviewed five preliminary site plans, which included the Fort Huger Historic Park, a communications tower, a church, the International Paper Wood Storage Yard, and a contractor warehouse. These approvals yielded the addition of one new business, as well as the exhibition of the history of Fort Huger (a historic revolutionary and civil war site), and the continued investment in the International Paper facility.

The Commission also reviewed the preliminary subdivision plat for the first two phases of the St. Luke's Mixed Use Development, which consisted of 145 lots.

Comprehensive Plan Amendments

Three Comprehensive Plan amendments were considered for a change in land use designations. Two involved property located on Rt. 17. The two applications were recommended for approval after much consideration and delay to allow the Commission to substantially complete its review of the Rt. 17 Corridor Master Plan.

The third Comprehensive Plan amendment was for property located on Rt. 460, adjacent to the Town of Windsor, and across from the CostPlus World Market facility. This request was to change the land use designation from Suburban Estate to Mixed-Use. The request was denied.

The Commission also considered and recommended approval of the Rt. 17 Corridor Master Plan and the 2006 Comprehensive Plan Update after a very involved public-input process.

Ordinance Amendments

Seven Zoning Ordinance amendments were considered and approved by the Commission. The most notable is the amendment to the Zoning Ordinance to provide for "by-right" cluster development as mandated by the General Assembly. The new requirements were based upon the sliding scale option for development under the Rural Agricultural Conservation District.

Agricultural/Forestral District

The Commission considered and approved three requests for withdrawal of property from the Knoxville and Courthouse Districts, totaling approximately 666 acres. The Commission also approved a 21-acre addition to the Longview Agricultural Forestal District.

Chesapeake Bay Preservation Program

Two applications for exceptions to the Chesapeake Bay Preservation Area (CBPA) Ordinance were recommended for approval. Both provided for the construction of a primary residence on lots platted prior to the adoption of the CBPA Ordinance and that suffered from significant topographic constraint.



30,000 products & counting

Every day, Jerome Richardson drives up to the one million square foot Cost Plus World Market warehouse and is greeted by local smiles, friendly surroundings, and over 30,000 different products ready for distribution.

Richardson loves working in Isle of Wight County. "The community is connected in so many ways. The thing that excites me the most is watching new employees advance in the company." He takes pride in using local businesses for the majority of his warehouse supplies – pallets, tape, and shrink wrap, to name a few.

A strategic focus on the development of the logistics market in the area has made Isle of Wight County one of the most distribution and warehouse-friendly places in the Mid-Atlantic region. Thanks to the amount of property available, land prices and tax rates that are considerably lower than other area locales, it was easy for Cost Plus World Market to select Isle of Wight County as the location for its east coast supply branch.

Isle of Wight County offers a unique blend of economic expansion and small-town harmony for companies doing business locally and abroad. Infrastructure, proximity to land, rail and water transportation, and shovel-ready sites... we're ready when you are.

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Department of Economic Development

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