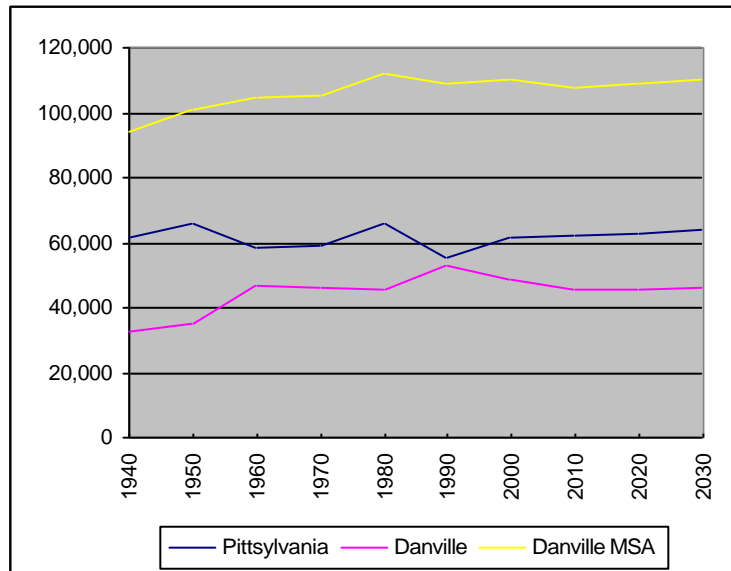


BACKGROUND INFORMATION

Population

As seen in Figure 1, the population in the City of Danville grew prior to 1990, but has slowly receded since then. The larger spikes in the City (and related dips in the County) reflect past annexations in 1950 and 1988 and not large in-migrations from outside of the MSA. The figures recorded for the 1990 census show Danville at its population peak of 53,056. The City has had a net population loss of 7,550 residents since that time. Future population estimates provided by the Virginia Employment Commission (VEC) show a minimal population increase in the City over the next 20 years (2010-2030).

Figure 1: Population Trends

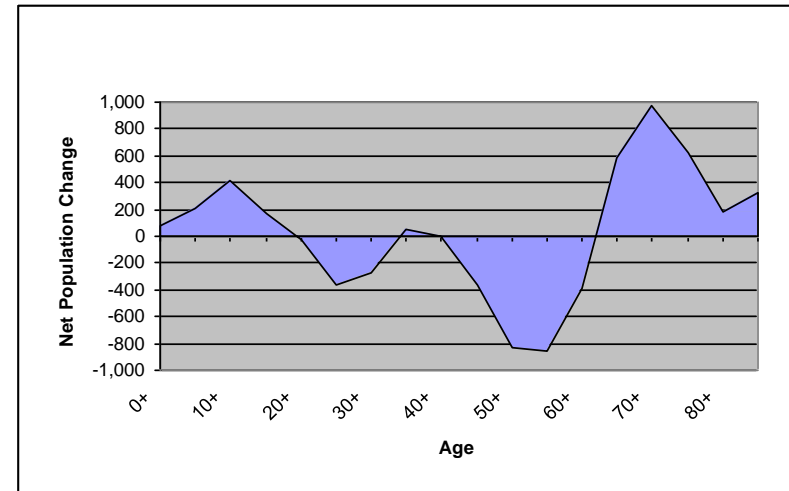


Source: U.S. Censuses, Virginia Employment Commission Population Projections.

Age Distribution

The VEC population projections from 2010 to 2030 contained in Figure 2 show the City gaining school-aged children and senior citizens. These estimates also show key losses in the work force population, mainly adults in their 50s and younger adults in their 20s. Thus, the picture of Danville in 20 years shows an exodus from the workforce which is not being replaced. Based on a static economic forecast, young adults will leave the City once they hit their 20s, with some returning as family needs draw them back home. The infusion of additional young adults into the local workforce, however, is absent.

Figure 2: Change in Population by Age, 2010-2030



Source: Virginia Employment Commission Population Projections.

Much of the current adult population will remain in the City and perhaps even in their current homes as they age. This is commonly referred to as “aging in place” and provides benefits of stability that

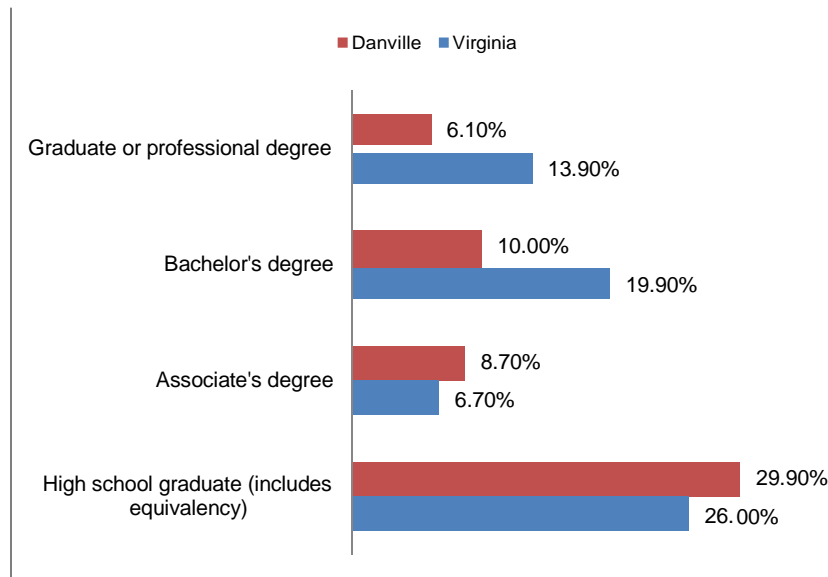


can benefit the individual and community. On the other hand, it also results in a less dynamic housing market for Danville if additional housing units are not created.

Education

In Danville, educational attainment is skewed higher towards those with a high school/GED degree and lower towards those with 4-year bachelors and post-graduate degrees. The percentage of Danville residents with bachelors and masters degrees is around one-half of the state percentages. However, Danville has a higher high school graduation rate and rate of persons holding associate’s degrees.

Figure 3: Educational Attainment, 2010

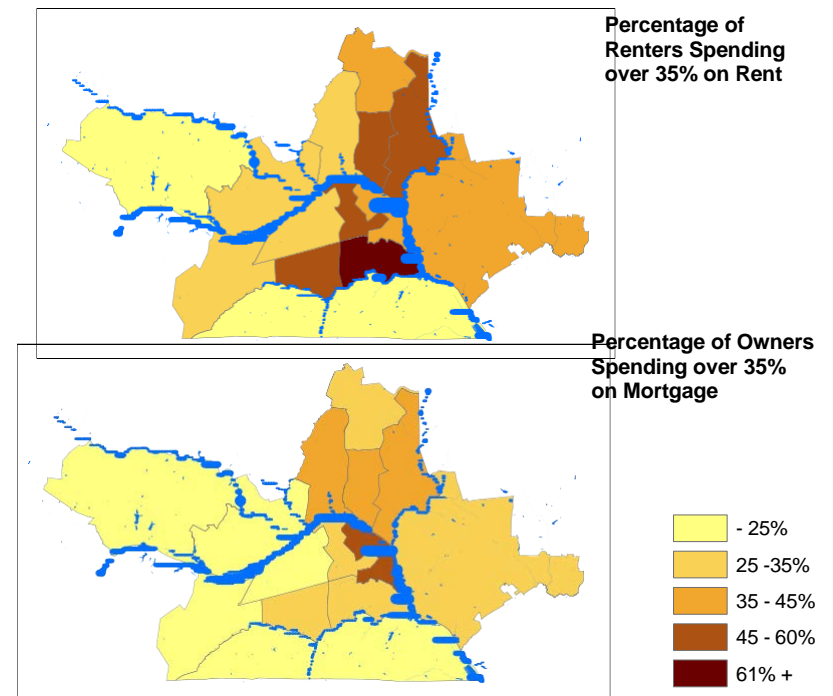


Source: 2010 American Community Survey, 5-year estimates

Households and Housing

The maps below show percentages of renters and homeowners that spend over 35% of their household income on living expenses. The Largest concentration of unaffordable housing is found in the North Main Planning Area and the River District Planning Area.

Figure 4: Housing Affordability, 2005-2009



Source: 2005-2009 American Community Survey

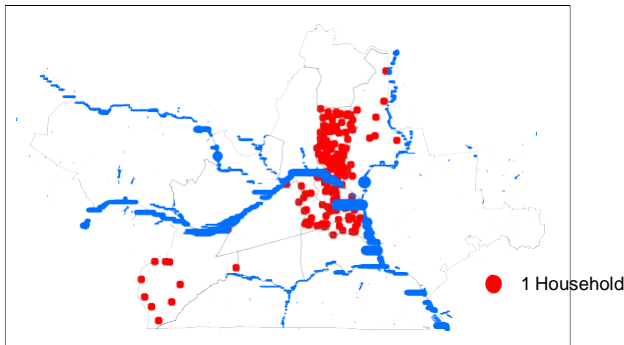


Comprehensive Plan

The average household size has declined in the City and total overall MSA. The rate of household decline is steady in the City and follows a national pattern of decline which began in the 1960s. In Danville, the average household has shrunk from 2.85 in 1970 to 2.17 in 2007.

Figure 5 demonstrates a concentration of substandard housing in the central neighborhoods of the City. There are 156 occupied housing units that lack complete indoor plumbing. The majority (144) of these units are located in the River District and North Main planning areas.

Figure 5: Occupied Housing Units without Complete Indoor Plumbing¹, 2005-2009



Source: 2005-2009 American Community Survey

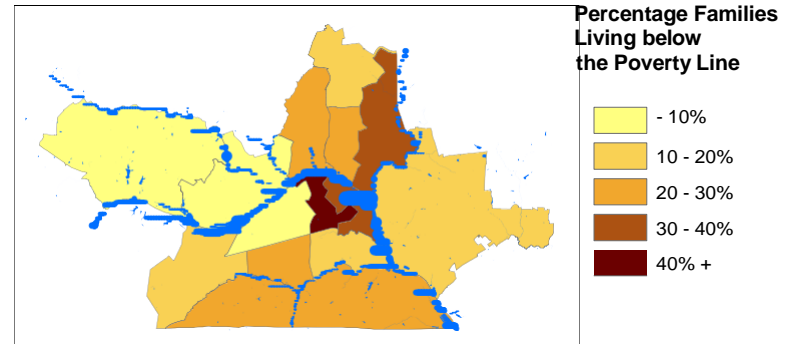
Demonstrating that poverty and housing affordability are closely linked, Figure 6 at the top of the next column shows those Census tracts in which people are spending an inordinate amount of income on housing are also those areas with the highest poverty rate.

Another factor affecting housing is the age of the housing stock. Those areas of the City that have a high unaffordable housing rate,

¹ According to the U.S. Census, Complete plumbing facilities include: (1) hot and cold piped water; (2) a flush toilet; and (3) a bathtub or shower. All three facilities must be located in the housing unit. (U.S. Census)

high poverty rate also have the oldest housing stock in the City. One exception to this trend is the housing in the West Main area which, despite its age, maintains a higher affordability rate and a relatively low poverty rate.

Figure 6: Families Living below the Poverty Line, 2005-2009



Source: 2005-2009 American Community Survey

According to Figure 7, housing units in Danville are older and smaller than their counterparts in Pittsylvania County. Newer homes usually have greater square footage, larger kitchens and are more energy efficient. All of these factors will influence the home-buying decisions of families and individuals that move to the Danville region in response to new job opportunities. Housing options in Danville are lacking for middle income households.

Figure 7: Households in the Danville Metropolitan Area, 2010

Housing Units		
	City of Danville	Pittsylvania County
Median Year Built:	1961	1979
% With 3 or More Bedrooms	51%	68%

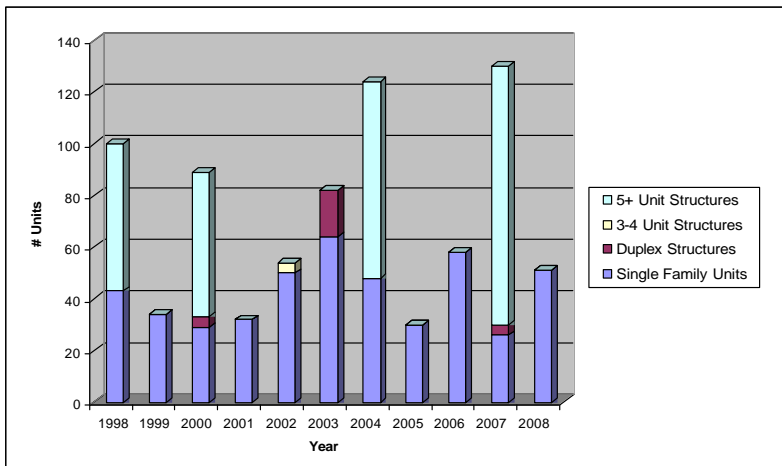
Source: 2010 American Community Survey; 3-year estimates



Major housing changes in Danville since 2000 include the growth of loft conversion housing in the Tobacco Warehouse District (TWD) and a major HOPE VI housing project in Liberty View (south of the TWD).

Figure 8 shows that from 1998 to 2008 the number of new single family permits in the City was relatively steady. On the other extreme, the spikes of larger multifamily structures (those with 5 or more units) show the impact that larger scale development can have on the City while having little impact on actual land consumption. The creation of market rate units through adaptive reuse of existing structures is less land and resource intensive and puts less of a strain on public infrastructure.

Figure 8: New Residential Permits, 1998-2008

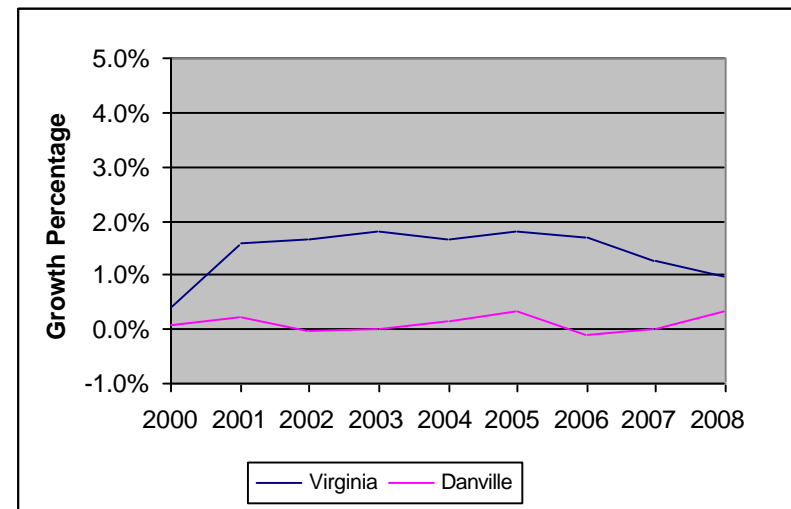


Source: Weldon Cooper Center Residential Building Permits Database.

Figure 9 in the next column shows the percentage growth of housing units in Danville in comparison with the state overall. While the state has experienced some declines as the City has experienced a minor upturn, at no point during 2000-2008 has the City's growth equaled

or exceeded the state average. Danville's housing market remains static.

Figure 9: Housing Unit Growth



Source: U.S. Census Bureau Annual Estimates.

The Economy of Danville

Danville's earliest major industry was the storing and marketing of tobacco grown across Southside Virginia and nearby portions of North Carolina. The industry that grew to be the largest in Danville with over 18,000 employees in 1956, was Dan River Mills, founded in 1882. Both of these industries no longer exist to any large extent in Danville and the City has struggled to replace the lost jobs and find uses for the vacant facilities left behind. Over the last ten years, employment in Danville has grown slightly from 26,554 jobs in 1999 to 27,978 jobs in 2009, a significant accomplishment given the challenges of seeing Dan River, Inc. close its last facilities during that timeframe.



Comprehensive Plan

The City along with Pittsylvania County and other regional and state partners have had significant successes in recent years that will continue to help shift the City's economy away from the lost manufacturing jobs to manufacturing jobs within the new economy and to more high tech jobs. The Virginia Tobacco Indemnification and Community Revitalization Commission alone sets aside just over \$1.6 million annually for Danville economic development projects with another \$3.7 million annually going to Pittsylvania County and additional funds going to efforts near enough to have a positive impact on Danville's economy such as programs at the Virginia International Raceway complex. Successes include:

- The development of the Institute of Advanced Learning and Research, the Regional Center for Applied Technology and Training, the Mid Atlantic Center for Aviation, the Cyber Park industrial park, and most recently the Sustainable Energy Technology Center where ground was broken in the fall of 2010.
- Creating the Berry Hill Regional Mega Park, a 3,700 mega site that is jointly sponsored by Danville and Pittsylvania County with \$9.6 million in funding committed to the project by the Tobacco Commission.
- Aggressive marketing of existing facilities including buildings in the Tobacco Warehouse District and even Dan River's "White Mill," . The Tobacco Warehouse District houses the Center for Applied High Performance Computing which contains the first Cray XMT supercomputer housed outside a federal agency or university.
- Installing and operating a broadband fiber network called nDanville as a new public utility linked to the fiber optic backbone running down U.S. 58.
- Securing Swedwood, IKEA's only manufacturing facility in the United States, as a major tenant of the Cane Creek Centre industrial park in 2008.
- Finding a niche tobacco company in Japan Tobacco International, which set up its processing and export facility in the Riverview Business Park in 2009 and is already poised for an expansion in 2011.
- Welcoming EcomNets, a manufacturer of green computers to the Airside Industrial Park in 2010.
- Bringing LiFeBATT, a maker of high-tech batteries, to the Old Belt No. 1 building in the Tobacco Warehouse District on the edge of Downtown Danville.
- Securing Semprius, a maker of low cost, high performance solar energy cells, as an occupant of the Charles Hawkins Research Center that is a part of the Institute for Advanced Learning and Research bringing 256 jobs to the area.

It is also important to note, that from a regional standpoint, Danville's economic health continues to be tied to its ability to compete with its regional neighbors in the manufacturing and transporting of valuable commodities, goods, and services. Danville still serves as the primary economic center within Pittsylvania County and attracts additional retail spending from neighboring jurisdictions to the south in North Carolina. Danville is within 60 miles of the Research Triangle Park and the major cities of the Piedmont Triad and the Piedmont Triad International Airport. The major north-south highway serving Danville is US Route 29 connecting the City to the



Triad and to Lynchburg, Charlottesville, Washington, DC, and other points to the north. Though Danville was by-passed by the Interstate System, US Route 29 provides a quick four-lane connection to I-64 to the north and I-40 and I-85 to the south.

US Route 58 affords the City a direct connection to I-85 and I-95 and the ports in Hampton Roads to the east. Unfortunately, linkage to interstates to west (I-77 & I-81) is hindered by the portion of US Route 58 that continues to be a winding two-lane road through the Blue Ridge Mountains. In addition to good linkages to the Interstate System, Danville is served by the Norfolk Southern Railroad with service north to Washington, DC and south to Atlanta and points beyond and is served by Amtrak on this line. The Danville Regional Airport, located in the east of the city, holds great potential for air freight-related trade opportunities particularly in light of the recent emergence of internet-related commerce distribution networks.

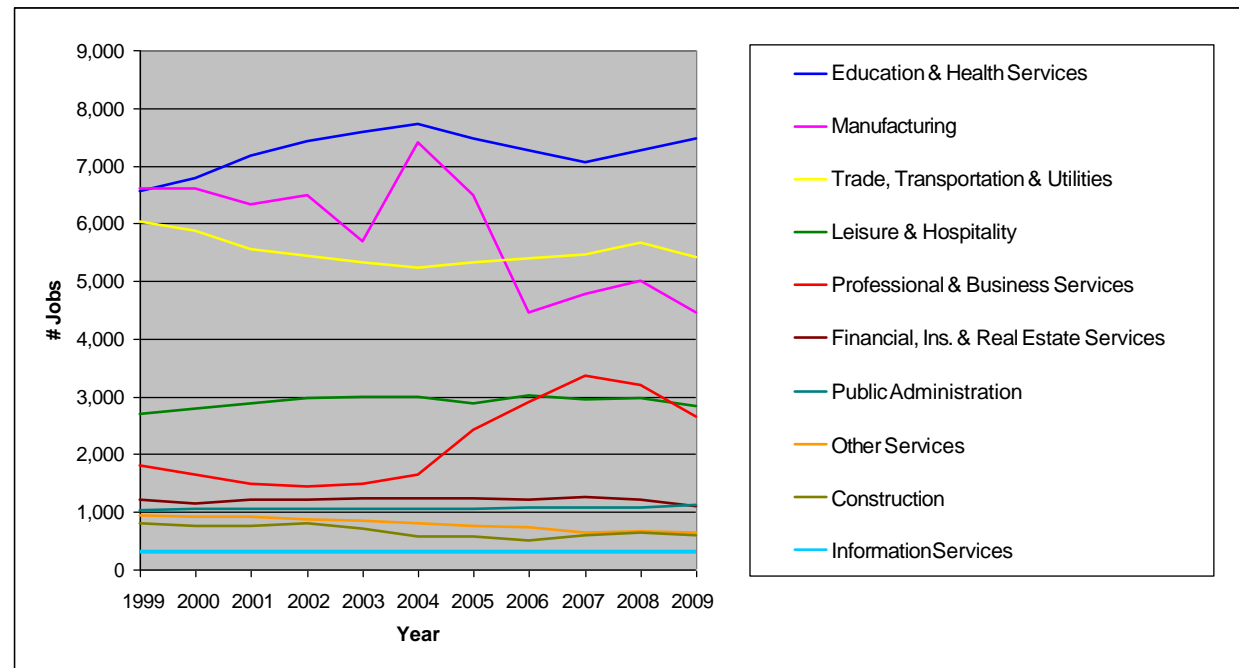
Employment

Historically, textiles and tobacco operations were the largest employers in Danville and the region, but employment in these industries has been greatly reduced during the last thirty years and replaced with opportunities in industries such as electronics, food processing, and tire manufacturing. The addition of these industries has served to diversify the local economic base, therefore making the City less vulnerable to the cyclical trends in single industries. However,

the City continues to be in a vulnerable position in its transition to a new economic structure because of the overall decline in the national economy and the challenging economic environment in Southside Virginia. In 2009 the City lost a Corning manufacturing plant with its 200 jobs and had 400 jobs eliminated at the Goodyear plant, though the plant was in the process of calling many workers back in the fall of 2010. As of September 2010, the City had an unemployment rate of 12.6%, nearly double the statewide rate of 6.5% and significantly higher than the national rate of 9.6% (9.2% unadjusted).

Figure 10 below paints a more complete picture of the changes in employment patterns in Danville over the last ten years. Total

Figure 10: Job Growth/Loss by Industry, 1999-2009



Source: Annual Employment Reports, Virginia Employment Commission.



Comprehensive Plan

employment in Danville has grown slightly from 26,554 jobs in 1999 to 27,978 jobs in 2009. The most significant changes in employment patterns for the City are in manufacturing, falling from 6,608 jobs in 1999 to 4,458 jobs in 2009, a loss of 2,150 jobs or 32.5%, in professional and business services, rising from 1812 jobs in 1999 to 2,650 jobs in 2009, a gain of 838 jobs or 46.2%, and in education and health services, rising from 6,545 jobs in 1999 to 7,465 jobs in 2009, a gain of 920 jobs or 14.1%.

Danville does serve as an employment hub for the south central Piedmont in Virginia and for at least a part of North Carolina's north central Piedmont. According to the 2000 U.S. Census, 14,628 residents both lived and worked in Danville; 4,634 residents commuted out of the city for work with nearly one-half of those going only as far as Pittsylvania County; and 15,375 people commuted in to Danville with the vast majority of those being Pittsylvania County residents, 11,669. Just under 2,000 people commuted to Danville for work from North Carolina each day at the taking of the 2000 Census.

The list of the ten largest private employers in Danville and its immediate surroundings in 2010 has changed significantly since the 2020 Comprehensive Plan was assembled as illustrated to the right. The previous largest employer, Dan River, Inc., no longer exists. Other Danville closures include Dimon Tobacco and Corning. Pittsylvania County had a significant loss during this timeframe with the loss of 5,000 jobs by the closing of the Burlington Industries plant in Hurt that lies within commuting distance of Danville on the northern edge of the county. Telvista, a provider of call center services, did not have a presence in Danville in 2000, but stands as the third largest private employer in 2010. The previously mentioned Swedwood plant was the eighth largest private employer in 2010. Given the recent announcements of new industry coming to the area, the top ten list is likely to look very different again ten years from now.

Figure 11: Ten Largest Private Employers in Danville & Immediate Surroundings, 2010 (with comparisons to the previous *Comprehensive Plan*)

Company Name	Approximate Number of Employees		
	2000-02	2006	2010
Goodyear Tire & Rubber	2,600 *	2,400	2,000
Danville Regional Medical Center	1,772 **	1,636	1,235
Telvista	0	500	780
Nestle	450 *	500	575
Walmart	n/a	450	474
Food Lion	n/a	321	376
Roman Eagle Memorial Home	379 **	350	363
Swedwood	0	0	292
CIT Commercial Services	n/a	375	280
Intertape Polymer	200 *	245	275
Dan River, Inc.	5,000 *	300	0
Dimon Tobacco	250 *	0	0
Corning, Inc.	200 *	212	0

Source: * from Danville 2020 Comprehensive Plan; ** from 2002 Economic Census, U.S. Census Bureau; 2006 & 2010 figures from the Danville Office of Economic Development.



Retail

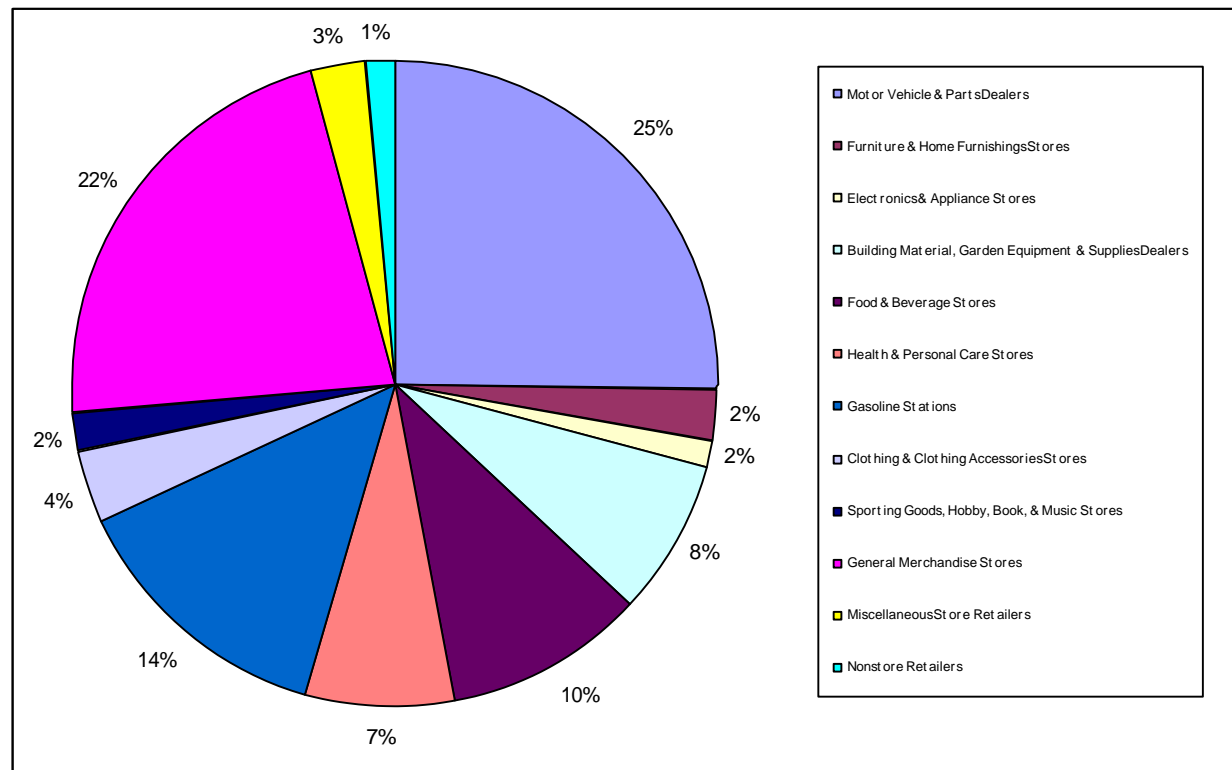
Retail sales volumes serve as a valuable indicator of the relative strength of a local economy. Danville merchants had rung up \$585,472,000 in retail sales receipts in 1997. That figure had grown to \$903,589,000 in sales in 2007, an increase of 54%. While this sounds very positive, during the same time span, retail sales grew by 71% for Virginia as a whole. Other comparisons between 1997 and 2007 and the City and Virginia are helpful as well. In 1997, motor vehicle and auto parts sales made up 31.9% of Danville’s retail sales, but now make up only 25.2% of the City’s sales. The previous number was rather high as compared to the state’s figure in 1997 of 24.6% of sales, but is now more in line with the state’s 2007 figure of 22.6% of sales. This would indicate that Danville’s regional draw for vehicle sales has slipped a bit, but remains quite healthy.

General merchandise stores including “big box” stores like Wal-Mart grew significantly during this time frame, from \$103,440,000 in sales in 1997 to \$201,422,000 in sales in 2007, a 95% increase. This compares favorably with the state increase of 87% in general merchandise stores sales from 1997 to 2007. General merchandise stores made up 22.3% of retail sales in Danville in 2007 as compared to the statewide figure of 15.1% of sales for the same year. This is a clear indicator of a strong presence in the regional retail economy,

very likely due to the presence of the “big box” stores.

Another sub-sector of note is food and beverage stores. In Danville, these outlets represented 9.9% of retail sales in 2007 as compared to 13.1% across the state in 2007. Grocery stores tend to follow rooftops and with the decline of some of Danville’s closer in neighborhoods and the residential growth of adjacent areas of Pittsylvania County, the location of grocery stores has likely become more dispersed. The percentages of retail sales for the various sub-sectors are shown below:

Figure 12: Retail Trade by Sub-Sector, 2007



Source: 2007 Economic Census, U.S. Census Bureau.



Development Capacity

Environmental Conditions

The Environmental Conditions–Erosion Map and Environmental Conditions-Slopes Map that follow this page show the erosion rates and slopes in undeveloped areas of the city. Areas of particular sensitivity include undeveloped parcels that adjoin the Dan River and its tributaries. Erosion issues are most severe surrounding the Goodyear plant, surrounding the Seeland Crossing development, and north of West Main Street (US Route 29 Business) in Planning Area 3 where a large wooded tract has begun to be subdivided. All new development must follow the City’s Erosion and Sediment Control Plan.

Public Water and Sewer

Public water and sewer is available in most parts of the city. Within the current economy, the City has not faced significant pressure to develop lands with more limited access to public water and sewer. However, with an improving economy and with the growing list of economic development success stories, development pressure may grow in the future. Access to public water and sewer is most limited in the southern parts of the city, specifically south of the Danville Expressway. A Public Water Lines Map and Sanitary Sewer Lines & Storm Drainage Map immediately follow the two Environmental Conditions maps.



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