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### History of Galax

- ▶ Incorporated as a town in 1906, became a City in 1953.
- ▶ Population 6,423
- ▶ Independent City with full services and our own school system.
- ▶ History -
  - ▶ Typical small town with wood based manufacturing, textiles, railroad, etc.
  - ▶ Regionally - heavy in textiles and manufacturing.
- ▶ 2003 - 2008 Galax saw 5 major employers cease operations with job losses totaling over 1500.
- ▶ Numerous other regional companies downsized and reduced their workforce.
- ▶ Unemployment in Galax at the beginning of 2006 was 3.6%, 2011- 11.3%
- ▶ Loss of jobs and loss of tax base (M&T, real estate values, personal property).
- ▶ 2010 - Reduced fund balance, down to 2.75% of General Fund Budget

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### How to Recover

Began a focus on economic restructuring through:

- Regional Collaboration
- Education Opportunities
- Diversification of Our Tax Base
  - Music, Cultural Heritage, Tourism
- Local Efforts

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### Regional Collaboration/ Education Opportunities

Crossroads Institute -

- Founded by Galax, Carroll and Grayson; in addition to our school systems.
- Converted Lowes Home Improvements to a "life long learning" institute.
- Provides educational training, business incubator, meeting areas and other services to our citizens. 25% of WCC students now take classes through Crossroads. Students can now obtain 4 year degrees through New College Institute which works with YCU, ODU, Bluefield College, Radford University & Norfolk State.

Tenants:

- Wytheville Community College
- Results XM (call center, 255 jobs)
- Blue Ridge Crossroads Economic Development Authority (BRCEDA)
- Wired Road Authority
- Small Business Development Center (SBDC)
- Business incubator spaces

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### Regional Collaboration - BRCEDA

- ▶ Formed in 2002 as a Regional Industrial Facility Authority between Galax, Carroll and Grayson with a specific project in mind.
  - No project, regional partnership stalled.
- ▶ Re-visited in 2006 at urging of DHCD with a focus on Entrepreneurship.
- ▶ Hired Regional Economic & Entrepreneurial Director
- ▶ Took over operations of SBDC from WCC with a focus on Entrepreneurial Development.
- ▶ Since 2006 -
  - Over 1800 Clients
  - New/Expanded Businesses - 331
  - Business Plans - 461
  - Anticipated Funding - \$ 57,985,000
  - Jobs Created - 1357



The success of small business development fostered by the Blue Ridge Crossroads Economic Development Authority, Small Business Development Center, Southwest Regional Enterprise Center and other partners was recognized with a recent dinner and ribbon-cutting at Crossroads Institute. Cutting the ribbon were from left Sam Dodson of the Carroll County Board of Supervisors, Galax Mayor C.M. Mitchell and Mike Maynard of the Grayson County Board of Supervisors

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### Regional Collaboration - BRCEDA

#### Other BRCEDA Initiatives

- **Wired Road Authority** - regional broadband network as an effort to provide broadband connectivity and an "open access" network in our region.
 
- **Regional Grants** -
  - Carroll Farmer's Market - hydro-cooling
  - Fries Volunteer Fire Department
  - Grayson Natural Foods - refrigerated truck
- **Wildwood Commerce Park** - regional industrial park, classified as "Mega-site" (400 jobs, \$200M investment) by the Tobacco Commission
 
  - 264 acres (100 graded, 154 ungraded)
  - Exit 19, I-77
  - Local Investment - Over \$5,000,000
  - Grant Funds - Over \$16,000,000
  - Revenue Sharing between Galax, Carroll County and Grayson County on approximately 700 acres.
  - Mega-site will provide potentially \$900,000+ in shared tax revenue for the three participating localities.

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### Economic Restructuring - Diversification of our tax base

#### Asset-based development - Music, Cultural Heritage & Tourism



#### Music -

- Crooked Road - 2 venues
- Rex Theater - live radio broadcast every Friday night on WBRF 98.1 and streaming internet.
- Fiddlers Convention, 85<sup>th</sup> this year, 7 day event, approximately 40,000 paid admission.

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### Cultural Heritage

- Chestnut Creek School of the Arts
  - Located Downtown
  - ARC Funds, Anonymous Donation, Historic Tax Credits
  - Classes in music, dancing, instruments, JAM, weaving, sewing, painting, carving, jewelry, pottery, stained glass, etc.
- Felts Park Performance Stage - hosts various music and community events. (ARC, local funds, Galax Moose Lodge)
- Galax Farmers Market - upgraded facilities (USDA RBEG Grant)
 

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## Cultural Heritage

- Chestnut Creek School of the Arts Woodworking Studio
  - Located Downtown
  - Funding
    - ARC
    - Tobacco Commission Funds
    - USDA
    - Local Contributions
    - City (donation of property)
  - Classes in woodworking, instrument building, furniture, etc.




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## Tourism

Full Time Tourism Director since 1998 and a new facility open since 2010.



### Yearly Events

- > Houston Fest (May)
- > Leaf & String Festival (June)
- > Smoke on the Mountain Barbeque Championship (Virginia Championship, Memphis in May & Kansas City affiliate) (July)
- > Galax Fiddlers Convention (August)
- > Cruise-ins, National Night Out, rodeos, Fireman's Carnival, etc.
- > Visitors from 48 states and 22 countries
- > Virginia Tourism Corporation - tourism supports over 140 jobs in Galax.






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## Local Efforts "The good and the bad"

**Galax City Public Schools**

- > Budget Discussions, Maintain Level Funding
- > Use of Capital Fund Account
  - Refund portion to locality
  - Assist in joint beneficial capital projects

**Staffing**

- > Open positions/ reduction of workforce
  - Assistant City Manager, not rehired
  - Reduced Public Works, 36 to 25
  - Police Department, Court, SRD - full time to part time
  - Reduced WTP and WWTP positions
  - Reduced Commercial Sanitation/Eliminated dumpster service
- > New Positions or Shared Positions
  - Hired Grants Administrator - Since 2011 over \$19M in Grants (DOT, UPLD, ARC, COPS, USDA, WEPD, etc....)
  - GIS/E911
  - Regional Economic Development
  - IT
  - Fire Department Retention & Recruitment

**Utilities/Capital**

- > In-house Capital Projects - "What can we do"

**Revenue**

- > Raised Taxes
  - Current Real Estate is \$0.845
  - Meals Tax is 1.2%
- > Raised Utility Rates
  - Water Sewer - \$58 total (\$29 water/\$29 sewer) every 2 months
    - Set to increase July 1, 2020 to \$64

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## Diversification of Tax Base

- Per 2017 Weldon Cooper Center for Public Service, Real Estate Property Tax as source of revenue -
  - Cities 55%
  - Counties 65.4%
  - Towns 29.4%
- Galax (FY2020 Budget, minus school construction) -
 

• Real Estate	20.0%
• Personal Property	3.5%
• Sales Tax	12.6%
• Meals Tax	11.4%
• M&T	4.4%
• BPOL	5.6%

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### ***Our Current Efforts***

- Continue the path of traditional economic development - industry recruitment and expansion.
- Support our current businesses as they grow, with a focus on improved customer service at the local level.
- Recognize our need to continue diversifying and creating a more stable local economic environment.
- Provide continuing educational opportunities for our citizens.
- Continued use and expansion of our cultural heritage and assets.
- Support, grow, and nurture local entrepreneurs/businesses - they may be the next large employer.

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### ***Thank You***



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