

CASE STUDY UPDATE | CAPE CHARLES, VA

JULY 2020



"Downtown Cape Charles, VA" (n.d.). Retrieved from <https://www.getawaymavens.com/cape-charles-va-things-to-do/>

Cape Charles remains focused on leveraging natural assets for economic development through expanded ecotourism.

Since the original case study, Cape Charles, VA has continued to grow, but unfortunately the nation's first eco-industrial park did not prosper. The town's aim was to promote industrial development and environmental preservation by adding an eco-industrial park where eco-businesses could open—creating new jobs and simultaneously preserving the bay environment. While the park did bring 65 new jobs to Cape Charles, the strict requirements for eco-businesses to begin operation ultimately limited the number of new businesses that could open in the park. In addition, Larry DiRe, Town Manager of Cape Charles, shares that the Great Recession significantly impacted the STIP [eco-industrial] park project, sharing that "only one eco-business client remains in the park since 2008."¹ While the park did not survive, Cape Charles remains focused on leveraging natural assets for economic development through expanded ecotourism.

In 2010, regional leaders "effected a total overhaul of the region's tourism industry. The result

¹ Email interview with Larry DiRe, Town Manager of Cape Charles, March 25, 2019.

was a rebranding initiative that sought to link existing cultural assets with eco- and agritourism opportunities."² The Eastern Shore of Virginia Tourism Commission invested in and introduced a new website that pointed visitors toward off-the-beaten-path attractions, including Cape Charles. Eastern Shore Chamber of Commerce executive director, Robie Marsh, shares that "the strategy paid off in a big way."³ In fact, Marsh says, "the influx of new visitors—and the revenue they brought with them—bolstered confidence,"⁴ and brought together town officials, business leaders, and community members to continue building on the success.

Cape Charles continues to rely largely on ecotourism, waterfront activities, and downtown revitalization to fuel the economy, reflecting the town's commitment to balancing environmental assets and economic growth from the original study.

² "Coastal Renaissance." *Virginia Living*. March 6, 2020.

³ Ibid

⁴ Ibid

Waterfront Activities and Ecotourism: After the decline of the eco-industrial park during the 2008 recession, the town had to look for new ways to grow the economy. Cape Charles is now prospering with “tourism and working waterfront activities” as their economic base. There are multiple activities available to visitors; one example is Southeast Expeditions, an outdoor adventure watersports company headquartered in downtown Cape Charles that offers kayaking tours, jet-ski rentals, and kite-surfing lessons in the local area and throughout the region. Since 2010, “bookings for tours have nearly quadrupled.” The new Front Street Shipyard company will also expand the waterfront economy by providing services to visitor boats and yachts. They are building a boat yard and yacht provisioning center for longer term guests to stay, and DiRe says there will be a “ship store and little restaurant for vessels that are passing through.” These additions, and the fact that Cape Charles has the only public access beach on Chesapeake Bay, will help to increase tourism revenue.

In 2012, the town was fortunate enough to receive an “Our Town” grant from the National Endowment for the Arts to continue revitalization efforts. The 2012 grant was used to fund “creative place making projects in the town and re-branded Cape Charles as an arts and cultural destination for tourists.”⁵ This included funds for the town’s annual Harbor for the Arts Summer Concert Festival, a multi-weekend event which offers free public concerts in the town’s park, and the Experimental Film Virginia project, where international artists collaborated to create short films in Cape Charles. The state of Virginia is currently working to revamp its tourism economy and, with new proposals, and expanding budgets, tourism has previously been projected to increase in Cape Charles. Here, the effects of COVID-19 should be noted. While the pandemic’s overall impact on area tourism is uncertain, Cape Charles is well-situated for socially distanced tourism through the amount of outdoor waterfront activities offered above.

Downtown Revitalization & Civic Engagement: Cape Charles has been focused on revitalizing their downtown historic district through the Virginia Main Street Program since July 2018. DiRe shares that Cape Charles Main Street, Inc. began in 2015 as an “ad hoc committee on community advancement,” and is still a work in progress. The organization’s goal is to preserve and develop the historic downtown district while further adding to the sense of community. In March 2019, the Historic District Review Board met to oversee renovations and review the guidelines for the historic district. The Main Street incorporation has helped Cape Charles enhance the town’s economic development, branding, and design through developing a downtown plaza and new streetscape for Mason Ave, the town’s main street.

Not only has the Main Street Program helped to revitalize the town’s historic district, it has also promoted more civic engagement. DiRe says that “in the past, city officials were not interested in community input,” but thanks in part to newly elected officials who are highly committed to the community, the Main Street program has been very successful in “bringing residents into the public process and fostering more

5 “Artistic Films Capture Life, Beauty of Cape Charles.” *DelmarvaNow*. July 14, 2015.

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involvement.” Cape Charles’ government and residents now have more “engagement and trust” between them. The town hosted the Inaugural Cape Charles Day Celebration in March 2019 with local government officials, members of Cape Charles Main Street, Citizens for Central Park, and many residents to celebrate the town’s incorporation in 1886. The event was a valuable way for Cape Charles to involve people in the community and help them take pride in where they live.

Economy: When reviewing the town’s municipal budget in 2005 compared to this past year, it has more than doubled to a current \$8.1 million. Larry DiRe attributes this increase to funding for “capital projects that have been successful and are unique to what [we] do in Cape Charles.” This includes funding from the Virginia Department of Transportation for multipurpose trail projects, financing for a series of breakwaters (structures constructed on the coast to control shoreline erosion), money from the town’s Main Street Program for historic revitalization, the “Our Town” grant from the National Endowment for the Arts back in 2012, and other sources. Cape Charles’ strategy has seen multiple payoffs: “buoyed by Cape Charles, the Eastern Shore has been [Virginia’s] fastest growing tourist region for three of the past four years. Shore-wide, annual visitor spending has risen by 22 percent since 2011—totaling \$274 million in 2016. The influx has boosted tourism-related payrolls by nearly 30 percent and created more than 500 new jobs.”⁶

Outcomes:

- » Only one eco-industrial business remains in Cape Charles since the original case study. The town now largely relies on ecotourism and waterfront activities to fuel their economy.
- » Since 2005, the town has now more than doubled the municipal budget. In 2005, the budget was \$3.2 million compared to a now \$8.1 million budget.
- » In 2018 alone, 14 new businesses opened.
- » Cape Charles’ growth has attracted statewide attention. During ribbon-cutting ceremonies at the 14 new businesses in 2018, Governor Ralph Northam “praised residents for spearheading a boom in regional tourism.”
- » Front Street Shipyard is opening soon, bringing 150 full-time, skilled jobs.
- » In 2020, Cape Charles was featured on the cover of *Virginia Travel Guide*.

6 “Coastal Renaissance.” *Virginia Living*. March 6, 2020.