TOWN OF BEDFORD, VIRGINIA

Economic Development Authority

BUSINESS DEVELOPMENT CENTER

FEASIBILITY STUDY

Final Report

Prepared by

Cambrian Design and Development

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RFP-E2025-003

Funded by the Tobacco Region Revitalization Commission

Executive Summary

FEASIBILITY VERDICT

Yes. Build the connective tissue first. Then bricks and mortar.

Bedford has the demand, the assets, and the regional position to support a Business Development Center. The question is no longer if, it is how and in what sequence.

The Core Question: Should Bedford Proceed, and How?

In response to RFP-E2025-003, Town of Bedford Economic Development Authority retained Cambrian Design and Development to conduct a 10-month feasibility study for a potential Business Development Center (BDC). Funded in part by the Tobacco Region Revitalization Commission, the study is designed to answer three core questions: Is a BDC feasible in Bedford? In what form? And can it be sustained?

To answer those questions, we committed to four phases of work: community and stakeholder discovery, regional benchmarking, property assessment, and business model and economic impact analysis. We met or exceeded every deliverable milestone listed in the RFP. This report is the result.

The Findings: Opportunity, Gaps, and Conditions for Success

Bedford is not lacking in resources. What it lacks is connectivity, coordination, and a dedicated human presence to activate the entrepreneurial community that already exists. This is the central finding: Bedford's opportunity is real, but the first investment should be in capacity, coordination, and demand-building — not bricks and mortar. Our team conducted 58 stakeholder interviews over nine months, plus organized and co-hosted a March 19, 2026 public engagement event attended by approximately 30 ecosystem leaders and entrepreneurs. From this work four consistent themes emerged:

- Entrepreneurs struggle to find and navigate available resources. The primary barrier is not a lack of programs but a lack of visibility and accessibility. The resources, although available in some form, require an understanding of what they are in order to choose where to spend limited time and energy.
- There is deep desire for a one-stop shop, a trusted, local human being who can make warm introductions, connect founders to capital and mentorship, and reduce friction in the support system.
- Pre-COVID community infrastructure (events like First Fridays, informal peer networks, downtown business collaboration) has not fully recovered both in Bedford and beyond. The volunteer leadership that sustained it has aged out, and no one has been funded to rebuild it.
- The physical space question is real but secondary. Evidence from comparable models, including The Spark Innovation Center in Alta Vista, MAKE Roanoke, and Vector Space in

Lynchburg, shows that community comes before a building. The organizations that built lasting facilities did so because they first built the community of people.

- From staffing, collaboration and funding perspectives, the Bedford Business Development Center should be positioned and available to the region as a complementary resource. Specifically, a collaborative effort between the town and county strengthens the Center's work and design.

Top Recommendations

This report delivers tiered recommendations organized around a clear decision framework:

- Hire a full-time Business Development Coordinator within the next six months. This person should be on-site and physically in Bedford, with multi-regional reach. This, we believe, is the single highest-return investment the Town can make.
- Launch a Virtual Navigator Office Hours program immediately. Following the model piloted by the Roanoke Blacksburg Innovation Alliance (RBIA), this initiative can begin generating connections and trust within weeks.
- Build the community first, continue to gather data and build out the building based on evidence of demand and unmet needs. If Bedford can demonstrate a defined critical mass of active entrepreneurs, co-working demand, and programming participation within 12 months, a physical BDC is not just feasible, it is fundable and self-reinforcing.
- Monitor regional business-support relationships and identify how changing partnerships affect Bedford's access to services, funding, referrals, and growth opportunities.

The Need

Bedford does not need to copy what Roanoke or Lynchburg have done. It needs to build something that is distinctly and authentically Bedford, connected to the region, but rooted in its own community.

Low-key demand should not be mistaken for low need. In communities, demand often grows through trust, rhythm, and repeated usefulness before it shows up as formal enrollment, lease commitments, or full program calendars.

A farmers market offers a useful analogy. It does not usually begin as a fully built-out destination. It starts with a reliable schedule, a good manager, a few committed vendors, and enough community interest to keep showing up. If it is consistent and responsive, it becomes part of the community's routine. Vendors plan around it. Customers rely on it. New activity grows around it.

Bedford's entrepreneurship ecosystem can grow the same way. Early demand may show up first as mentor meetups, entrepreneur coffees, office hours, Q&A sessions, and navigation support — not as immediate demand for dedicated office or makerspace. This is exactly why the business development coordinator should come before the building. The role would cultivate the rhythm, build trust, document participation, and help Bedford determine when the activity has outgrown existing meeting rooms, partner facilities, and shared community spaces.

That gives Bedford a stronger, lower-risk path: build the community first, prove the pattern of use, then invest in the facility that meets the ecosystem where it is.

About This Study

Who Conducted This Study

This feasibility study was conducted by Cambrian Design and Development, a Blacksburg, Virginia-based firm with deep roots in Southwest Virginia's entrepreneurial and economic development ecosystem. The project team was led by Lisa Garcia, Lead Researcher and Community Engagement Specialist, and Mike Abbott, Owner and Managing Director.

Cambrian was selected from a competitive field of respondents to RFP-E2025-003 issued by the Town of Bedford Economic Development Authority in Spring 2025. Our selection was based in part on our direct, working relationships with key regional organizations, including RAMP (Regional Acceleration and Mentoring Program), MAKE Roanoke, the Virginia SBDC network, and Virginia Tech's entrepreneurship ecosystem, as well as a track record of community-centered, on-site engagement that distinguished our proposal from those offering desk research alone.

How This Study Was Funded

This project was funded through a combination of a grant from the Tobacco Region Revitalization Commission (TRRC) and a matching contribution from the Bedford Economic Development Authority. The TRRC mission, supporting economic revitalization in communities historically dependent on tobacco production, is directly served by this work. Bedford's small business and entrepreneurship ecosystem sits at the intersection of rural economic recovery and community-driven growth, precisely the terrain the Commission was created to support.

Scope and Timeline

The study ran approximately 10 months, from July 2025 through April 2026, and was organized across four overlapping phases:

Phase	Timeline	Scope
Phase 1	Jul–Oct 2025	Community and stakeholder discovery: 30+ interviews, ecosystem mapping, business license analysis
Phase 2	Aug–Dec 2025	Needs assessment synthesis and regional benchmarking that included on-sites and interviews and research Alta Vista Spark Center, MAKE Roanoke, Vector Space, Hacksburg and others.
Phase 3	Oct 2025–Jan 2026	Property assessment: downtown inventory, ADA compliance review, infrastructure analysis, development scenarios
Phase 4	Jan–May 2026	Business model development, economic impact projections, funding strategy, March 19 public event, final report and recommendations

Methodology

Our approach was built around three commitments we made in the RFP and kept throughout: we showed up in person, we listened before we prescribed, and we integrated our work with Bedford's existing planning and governance processes rather than operating in parallel to them.

Primary research methods included one-on-one stakeholder interviews (58+ individuals representing business owners, nonprofit leaders, elected officials, regional ecosystem organizations, and aspiring entrepreneurs), a public engagement event on March 19, 2026 at the CVCC Bedford Center for Business, and ongoing informal discovery through community presence. Secondary research included review of comparable BDC and coworking models, analysis of Bedford's business license data and downtown property inventory, and review of available funding mechanisms and precedent transactions in comparable rural Virginia communities.

Our engagement approach was deliberately relational. Over 10 months, our team became trusted community members in Bedford, attending events, making introductions, connecting stakeholders to funding opportunities, and earning the kind of candid insight that no survey or structured interview alone can surface.

Bedford's Economic and Entrepreneurial Context

Understanding where Bedford stands today requires understanding what it has been, what has changed around it, and what that means for any entrepreneurial infrastructure investment. The context is neither dire nor simple, it is nuanced in ways that matter enormously for the recommendations that follow.

The Town in Brief

The Town of Bedford, Virginia (population 7,911 as of July 1, 2025, median age of 44.6 years and a median owner-occupied home value of $222,500) sits at the geographic center between Roanoke (population approximately 97,000, median age 39.0 years, and median owner-occupied home value $225,500), and Lynchburg (population approximately 80,000, median age 28 years, and median owner-occupied home value $258,000), roughly 30 miles from each. This position is both an asset and a challenge. Bedford is close enough to benefit from regional economic activity but small enough that it has historically been peripheral to the dominant economic development conversations happening in each of those larger centers.

Bedford transitioned from independent city status to town status through a voluntary settlement agreement, a shift that restructured its relationship with Bedford County and with regional funding and planning bodies. This legal and administrative context shapes virtually every conversation about economic development in the town, who pays for what, who has authority over what, and how town and county interests are aligned or in tension. While the Town of Bedford is in the county, as the county seat, the County is also in the Town.

The Business Landscape

Bedford's downtown retains a mix of retail, food and beverage, service businesses, and arts and culture anchors. Business license data shows a modest but active commercial core, with a meaningful number of home-based businesses and solo practitioners who represent potential co-working and peer-network demand that has not been formally activated.

At the same time, the downtown has experienced notable business closures in recent years, and, unfortunately, recent months, a pattern familiar to most small towns navigating post-pandemic recovery, e-commerce competition, and changing consumer behavior. The town's commercial core is resilient but not thriving, and stakeholders across the spectrum, from longtime downtown business owners to new entrepreneurs, consistently describe a disconnect between what the town could be and what business looks like here today.

A critical contextual point: there is no co-working space, no makerspace, and no formal business incubation or acceleration programming currently operated by and *within* the Town of Bedford. The Bedford Area Chamber of Commerce does offer programming and networking, some of which is open to non-members. Its office lives on Main Street and is easily accessible. The entrepreneurial needs that live outside the BACC's mission and scope, however, provide both a challenge and opportunity to the Town leadership to provide a full-time, consistent, in-town presence for entrepreneurs.

What COVID Took and What Has Not Come Back

Multiple stakeholders across interviews described a pre-COVID downtown entrepreneurial energy that has not returned. Events like First Fridays, a monthly late-opening and gathering that created informal connection among downtown business owners, had built real community. The people who led those efforts have stepped back. New entrepreneurs and business owners have arrived in Bedford but have not yet found the structures or the invitation to connect with one another as a group.

This is not unique to Bedford. Across small and mid-sized communities throughout Virginia, the informal entrepreneurial networks that sustained downtown commerce pre-pandemic were volunteer-led and relationship-dependent. They did not survive COVID, and the leadership that sustained them did not return. What is needed is not nostalgia for First Fridays but a funded, intentional effort to rebuild the connective tissue that made those events valuable, the sense that the entrepreneurial community here knows each other, looks out for each other, and has somewhere to go.

What We Heard: Stakeholder Engagement Summary

Who Was Engaged

Over the 10-month study period, the Cambrian team engaged more than 55 individuals in formal customer discovery interviews, plus dozens more through informal community presence, event attendance, and facilitated conversations. The March 19, 2026 public engagement event at the CVCC Bedford Center for Business drew approximately 30 attendees, with 38 pre-registrations, representing a cross-section of the regional entrepreneurial ecosystem.

Key stakeholder groups represented in the engagement process included: existing downtown business owners, aspiring entrepreneurs and early-stage founders, nonprofit and educational institution leaders including the Bower Center for the Arts , elected officials and town staff, Bedford County Economic Development, regional partner organizations (Bedford Area Chamber of Commerce, SBDC, GO Virginia Region 2, Central Virginia Business Coalition, RBIA, CVCC), and downtown property owners.

Key Findings from the March 19 Event

> **Primary Finding**
>
> *The primary challenge is not a lack of resources, it is a lack of visibility, coordination, and accessibility. Stakeholders are not asking for more programs. They are asking for a system that is easier to navigate and use.*

Attendance at the March 19 event skewed toward organizational and ecosystem leaders rather than individual entrepreneurs, itself a finding worth noting. The entrepreneurs who would most benefit from a BDC are not yet showing up to this set of planning processes. Reaching them requires going to where they already are.

Key takeaways from the event included:

- Strong willingness to collaborate across organizations, with multiple representatives expressing interest in a coordinated resource map and referral system.
- Real-time data collection on resource gaps confirmed the navigation barrier: people do not know what is available or how and when to access it, strategically.
- Strong ecosystem representation at the event, but underrepresentation of individual founders and small business owners, an opportunity for more targeted outreach going forward.

Themes from Stakeholder Interviews

Across more than 55 interviews, four themes emerged with consistency:

1. The Problem

Entrepreneurs at every stage, from idea to established business, described difficulty finding and accessing available resources. The SBDC, the BACC, GO Virginia, CVCC, the Bower Center, and other programs all exist and offer real value. But they are not always connected to each other in ways that create a coherent support experience when their offerings reach the eyes and ears of entrepreneurs.

2. The Mentorship Gap

Access to experienced mentors, people who have built businesses, weathered failure, and can offer candid advice rather than generic programming, was cited across nearly every interview as a critical unmet need. Formal programming has a role, but what founders actually want is a trusted advisor who knows their specific context and can make warm introductions. Bedford has people who could fill this role; they are not formally being organized and deployed.

3. The Space Question, Real but Secondary

A meaningful number of stakeholders expressed interest in affordable, flexible workspace, particularly small private offices (not open co-working) that would allow them to run their businesses without working from home. Three individuals were independently exploring creating co-working space business concepts in Bedford at the time of this study, including one entrepreneur relocating from Chicago who cited this as part of his rationale for choosing Bedford. The demand is there. Whether it is enough to sustain a standalone facility without subsidy is a function of activation and timing, which is precisely why the human-first recommendation comes first.

4. Distrust of 'Another Planning Process'

Several stakeholders, particularly those who have been engaged in Bedford's economic development conversations for years, expressed skepticism that this study would lead to meaningful action. The town has had plans, reports, and recommendations before. What they want to see is follow-through. This is not an indictment of the EDA or the town staff, it is an honest reflection of how community members experience the gap between planning and implementation. The most powerful thing this report can do is provide a clear, credible, actionable starting point that closes that gap.

Entrepreneur Needs Assessment

What Founders Actually Need, and Why Communities Get It Wrong

One of the most valuable external perspectives we incorporated into this study came from Paul O'Brien, founder of Startup Economist and an internationally recognized voice on entrepreneurship ecosystem development. His framing is directly relevant to Bedford, and it challenges some of the assumptions that most communities, including this one, bring to the BDC question.

O'Brien's core argument: most communities, when they conduct customer discovery with entrepreneurs, hear the word "capital" and conclude they need to build a capital-access program. This is misleading. What founders are actually expressing when they say they need capital is something more fundamental, they need a real understanding of their market, the discipline to build what that market wants, and enough community around them to keep going when the hard parts arrive. Two of those three things can be effectively implemented while avoiding the additional cost of physical infrastructure right now.

The O'Brien Framework Applied to Bedford

The startup infrastructure Bedford doesn't have is likely not what it actually needs. What it needs is what has always built scalable companies: a real understanding of a real market, the discipline to build what that market wants, and enough community to sustain the effort. The technology and tools to do this are available to any founder in Bedford. What's missing is not resources, it's the conviction that it's possible and the entrepreneurial community that makes it feel worth trying.

Specific Unmet Needs in Bedford

Grounded in interview findings and validated through the March 19 event, the following needs emerged as most acute:

Unmet Need	What This Means for a BDC
• Mentorship and accountability • Legal and accounting access • Peer-to-peer connection • Low-cost test/flex space • Resource navigation • Capital access education • Visibility and marketing support	• Structured mentorship matching; peer cohorts • Pro-bono or low-cost clinics through regional partners • Regular gatherings that aren't just programs • Small private offices; shared meeting space • A human navigator; a curated resource map • Connections to SBDC, GO Virginia, TRRC programs – such as TROF for startup funding. • Shared promotional infrastructure; community events

What the Study Process Revealed

One of the clearest findings from the study was not only what business owners said they needed, but what they asked for once the engagement began. Over the course of the project, the team was repeatedly drawn into a connector role: making introductions, pointing partners toward funding opportunities, helping local organizations think through next steps, and linking businesses to the existing menu of support.

These requests are evidence of a capacity gap, not a critique of current staff or partner organizations. Bedford has resources, programs, and regional partners in place. What is less consistent is the day-to-day capacity to help entrepreneurs, business owners, and local organizations identify those resources, understand how to use them, and connect to the right people at the right time.

This finding reinforces the case for a full-time business development coordinator. The position would expand and complement the Town's existing capacity to support business formation, business growth, retention, and long-term local investment.

What distinguishes this role from the EDA Director's existing responsibilities is its scope and orientation. The business development coordinator would not run EDA meetings or manage municipal programs. The role would be outward-facing and embedded in the entrepreneurial and small business community: attending regional events, maintaining business communication lists, organizing mentors, facilitating peer groups, and making the introductions that help turn isolated business owners into connected entrepreneurs.

This is not a duplication of current staff responsibilities. It is a dedicated capacity for relationship-building, navigation, and follow-through — the connective work that helps a local business ecosystem function in real time.

Regional Benchmarking: What Works Elsewhere and Why

A core RFP commitment was to conduct rigorous regional benchmarking, not as a box-checking exercise, but as a genuine effort to understand what models have worked, what has failed, and what lessons apply specifically to Bedford's scale, context, and resources. What follows is an honest synthesis of what we found.

The Spark Innovation Center, Alta Vista, Virginia

The Spark Innovation Center in Altavista, Virginia, is the most directly comparable model in the region and, by many measures, a strong small-town example (population about 3,400, less than half of Bedford). Spark offers co-working space, small private offices, meeting rooms, and light maker/fabrication capabilities in a renovated downtown building. It hosts events, supports local entrepreneurs, and has become both a business resource and a community anchor.

But the Spark's financial reality is a cautionary data point that this report will not paper over: The Spark Center's establishment involved a total investment of approximately $982,000. This includes:

- **Town Investment:** $700,000 for the facility
- **Tobacco Commission Grant:** $184,000 for fixtures and equipment
- **USDA Grant:** $98,000 for fixtures and equipment

According to information provided by the Town of Altavista, Spark generated approximately $24,887 in revenue in calendar year 2025, equal to 14.6% of its total $169,840 budget. Importantly, that total budget includes staff wages and benefits. This does not diminish Spark’s value; it clarifies it. In a small-town setting, entrepreneurship infrastructure should not be evaluated as though it were a stand-alone commercial real estate venture. Its value is broader: business support, downtown activity, entrepreneurial visibility, partner engagement, and community confidence.

This is not a failure of the model, it is the reality of what entrepreneurship infrastructure costs in a small town, and it is consistent with national benchmarks for similar facilities. Communities that have built sustainable entrepreneurship centers have done so with a clear-eyed understanding that they are making a long-term community investment, not launching a self-sustaining business on day one.

The lesson from Spark is not that the model fails to pay for itself. The lesson is that communities pursuing this kind of facility must understand the investment they are making. Memberships, room rentals, events, and program revenue can offset costs, but they are unlikely to fully sustain the facility on their own, especially in the early years. Long-term viability requires a realistic operating plan, committed local support, diversified funding, and a clear public-purpose rationale.

For Bedford, the implication is straightforward: if the Town pursues a physical business development center, it should be capitalized correctly from the start and supported by a multi-year operating strategy. A partially funded facility risks creating unmet expectations and eroding community trust. A right-sized, well-supported facility — ideally preceded by strong programming, navigation, and partner coordination — gives Bedford a better chance to build something durable.

MAKE Roanoke

MAKE Roanoke is one of the most instructive models in this study, not for what it built, but for how it built it. MAKE began not with a building but with a community. The founding team spent months organizing makers, hobbyists, builders, and entrepreneurs into a coherent peer network before they ever secured a physical space. By the time they opened their doors, they had a waiting list of members and a community of practice that knew and trusted each other.

This sequencing, community first, building second, is the single most important lesson from the benchmarking process. The organizations that rushed to facilities before they had communities to fill them struggled. The ones that built the people first and let the demand pull them toward a physical home are the ones that are still operating.

This finding directly informs the business development coordinator hiring recommendation that runs throughout this report.

Vector Space / Bower Center for the Arts

Work at both Vector Space and the Bower Center for the Arts offer models of entrepreneurial infrastructure that is deeply embedded in community and culture rather than purely transactional. The Bower Center demonstrates how arts and entrepreneurship can share infrastructure, audience, and mission. Its Suzie Viemeister Emerging Artist Residency provides a rent-free private studio, mentorship, professional development, exhibition support, marketing assistance, and business planning support for emerging artists — a practical example of how creative talent can be nurtured as both artistic and entrepreneurial capacity. At Vector Space, several members use the makerspace to build the first iterations of their products and stay until their businesses and sales outgrow a makerspace production model.

These examples are worth bearing in mind as Bedford evaluates how arts and culture assets, including the National D-Day Memorial and an active local arts community, might anchor or complement a future BDC. It also reinforces a broader lesson: business development infrastructure does not have to begin as a stand-alone facility. It can grow from existing community anchors, trusted institutions, shared programming, and the connective tissue between creative practice, business skill-building, and local economic development.

Roanoke Blacksburg Innovation Alliance (RBIA), Navigator Office Hours

Perhaps the most directly actionable benchmark in this study is not a physical facility at all. The Roanoke Blacksburg Innovation Alliance (RBIA, formerly Verge) recently launched a Navigator Office Hours program in which a dedicated staff member holds regular open virtual sessions for anyone with a business question. Within a few months of launch, the program had logged more than 100 meetings, from biotech founders to general entrepreneurs to people with business ideas who had nowhere else to go.

This model is immediately implementable, and directly addresses the navigation barrier that is Bedford's most acute unmet need. It is the first recommendation in the implementation roadmap.

What Does NOT Work

The benchmarking process surfaced cautionary examples as clearly as it surfaced success models. Facilities that were built without demonstrated demand have struggled. Programs that were designed around what organizers thought entrepreneurs needed, rather than what discovery revealed they actually wanted, have underperformed or required pivots. Large co-working spaces that were capitalized for Valley-style open floor plans have learned that entrepreneurs want doors they can close. This is directly correlated with the massive increase in virtual meetings that are impossible to hold or participate in within an open-space, coworking setting.

The consistent pattern is clear: successful organizations met their communities where they were, built trust through listening and adaptation, and allowed real demand to shape the model rather than forcing the community into a predetermined vision.

Property Assessment

The following section synthesizes findings from our downtown property inventory and analysis, drawing on site visits, public records review, and conversations with property owners, town staff, and real estate professionals familiar with Bedford's downtown.

Downtown Property Context

Bedford's downtown contains a mix of building stock ranging from well-maintained historic commercial buildings to properties that have sat vacant or underutilized for several years. The architectural character of the downtown is a genuine asset, the historic fabric, walkability, and proximity to civic amenities (Town Hall, the library, the county offices and a short drive to the National D Day Memorial) create a context in which a BDC would benefit from foot traffic and community visibility.

The EDA has access to or influence over several properties that could, in various scenarios, accommodate BDC programming, ranging from a small office suite suitable for a business development coordinator to hold navigator office hours and meetings to larger building rehabilitation scenarios that could accommodate a full co-working facility. The specific parameters of available properties are discussed with appropriate confidentiality in the appendices.

Key Property Considerations

Any property evaluation for a BDC must weigh the following factors:

- ADA Compliance: Many of Bedford's historic buildings require ADA upgrades to serve as publicly accessible programming spaces. This is a non-trivial cost that must be factored into any capital stack.
- Fiber and Technology Infrastructure: Co-working and BDC programming is fundamentally dependent on high-quality, reliable internet connectivity. Properties should be evaluated for existing fiber access or the feasibility and cost of installation.
- Historic Preservation: Properties in Bedford's historic district are eligible for both Federal and Virginia Historic Tax Credits, a potentially significant funding mechanism that should be factored into any capital planning. The presence of historic designation is not a barrier; it is a funding opportunity.
- Parking: Downtown Bedford's parking situation is adequate for most scenarios but should be evaluated in the context of event programming and peak-use periods.

The DSS Building Opportunity

One property that surfaced repeatedly in stakeholder conversations is the Department of Social Services building, which presents a potential county-town collaboration opportunity for shared space. The building's location, size, and existing infrastructure make it a candidate for a phased

BDC scenario, though any development of this opportunity would require collaboration between the Town of Bedford and Bedford County.

New Construction vs. Renovation

In virtually every comparable scenario in Virginia's small towns, renovation of existing downtown commercial or civic buildings has proven more cost-effective, more aligned with community character, and more fundable than new construction. New construction in a downtown setting requires land acquisition, typically at a premium, and cannot take advantage of Historic Tax Credits. Renovation of an existing building, particularly one with historic significance, can be structured as a more cost-effective and incentive-eligible project.

This does not mean any building at any cost. The property assessment confirms that the right building at the right terms, renovated thoughtfully with appropriate capital, is the preferred path when the community has demonstrated sufficient demand to justify the investment.

Recommendation on Timing

Do not commit to a specific property or development scenario before the business development coordinator position is established and the 12-month demand-building phase has generated measurable data. The property question will be easier to answer, and the funding case will be stronger, when there is demonstrated utilization and a waitlist of prospective members.

Feasibility Assessment

The Models Under Consideration

The RFP asked us to evaluate incubator, accelerator, makerspace, and co-working options, as well as hybrid models, against Bedford's validated demand and context. Here is our assessment of each:

Model	Assessment	Bedford Fit
Formal Incubator	Capital-intensive; requires sustained programming staff, mentors, and application/selection infrastructure. Best suited for communities with strong startup deal flow.	Premature for Phase 1. Revisit in Year 3 if demand warrants.
Accelerator	Cohort-based, intensive, typically requires significant mentorship networks and access to capital. High resource requirements relative to community scale.	Not recommended at this time. Bedford does not yet have the deal flow to fill a cohort.
Makerspace	Works best when community of makers/builders already exists or can be rapidly organized. Requires equipment investment and ongoing maintenance.	Possible in Phase 2 if maker/fabrication demand is validated. Not a Year 1 priority.
Co-working Space	Highest near-term demand signal from interviews. Specifically: small private offices with doors, shared common areas, meeting rooms.	Strong fit. Recommended as the physical centerpiece of a Phase 2 facility if demand milestones are met.
Hybrid / Coordinator-Led Model	Community-first approach: business development coordinator + programming + virtual navigator office hours in Phase 1, physical facility in Phase 2 when critical mass is demonstrated.	**RECOMMENDED.** This is the model best aligned with Bedford's scale, current demand, and available resources.

Why the Hybrid Model Is the Right Answer

The pure facility-first approach, find a building, renovate it, open the doors, and hope the community shows up, is the model most likely to fail and, if it fails, most likely to damage community trust in economic development investments for years to come.

Bedford's entrepreneurial community is latent, not absent. The interviews, the March 19 event, and our community engagement over 10 months all point to the same conclusion: there are entrepreneurs here, there are aspiring entrepreneurs here, and there are business owners who would engage with a BDC if it was compelling. And, by compelling, we mean the BDC has the right answers about direction, resources, next steps and can provide them in a timely fashion.

Our verdict: Yes, a BDC is feasible in Bedford. Yes, it should be pursued. The form it should take in Year 1 is a coordinator-led, community-building model with a clear set of milestones that, if met, justify and enable the physical facility investment in Year 2-3.

Financial Considerations and Funding Strategy

One of the most encouraging findings in this study is the breadth of available funding mechanisms that apply to a Bedford BDC, particularly given the Town's Tobacco Region designation, its historic district assets, and its positioning within GO Virginia's Region 2. The path to funding is having a clear enough project to go apply for it and a deeper understanding of the funders and their systems and processes for support.

Available Funding Mechanisms

Funding Source	Applicability to BDC	Stage
Tobacco Region Revitalization Commission	Primary funder of this study; strong candidate for navigator position and early programming costs	Immediate
GO Virginia Region 2	Region 2 has demonstrated willingness to fund workforce and entrepreneurship initiatives in Bedford.	Immediate
Virginia Enterprise Zone Program	Bedford has Enterprise Zone designation. Grants available for building rehabilitation and business investment.	Phase 2
Federal Historic Tax Credits	25% credit on qualified rehabilitation expenditures for National Register properties. Downtown Bedford properties may qualify.	Phase 2
Virginia Historic Rehabilitation Tax Credits	Additional 25% state credit, stackable with federal. Significantly reduces effective cost of historic building renovation.	Phase 2
New Market Tax Credits	Available for qualified investments in low-income communities. Complex but powerful for larger capital projects.	Phase 2-3
Virginia Opportunity Zone	Bedford has QOZ census tracts. Can attract private capital investment with favorable tax treatment.	Phase 2-3
USDA Rural Development	Business & Industry Loan Guarantees and Community Facilities programs applicable to BDC development.	Phase 2
EDA Capital (Federal)	U.S. Economic Development Administration grants for economic development infrastructure in distressed communities.	Phase 2-3

Realistic Cost Ranges

The following figures represent order-of-magnitude estimates for planning purposes. Actual costs will depend on property selection, scope of renovation, and program design.

- Business Development Coordinator Position (Year 1): $55,000–$75,000 fully burdened, including salary, benefits, and program budget. This is the highest-priority investment.
- Programming and Events (Year 1): $10,000–$20,000 for events, materials, and community engagement activities.
- Physical Facility, Renovation (Phase 2): $400,000–$900,000 depending on building size, condition, and scope. Historic tax credit transactions can reduce effective cost by 40–50%.
- Physical Facility, Annual Operations (Phase 2): $80,000–$150,000 per year, of which membership and program revenue can be expected to cover 15–30% based on comparable models.

The Sustainability Challenge, An Honest Assessment

The Spark Innovation Center's experience, covering about 14% of operating costs through earned revenue, is not an outlier. It is the norm for entrepreneurship infrastructure in communities of Bedford's size. Communities that are honest about this upfront build sustainable institutions; communities that assume self-sufficiency on a 3-year timeline typically build institutions that close.

Bedford's BDC will require ongoing public investment, municipal, county, and state, to operate. This is a legitimate use of public resources. The economic case for that investment has grown stronger in recent years. A 2021 study by Neil Lee and Andrés Rodríguez-Pose, examining 290 U.S. metropolitan areas over a decade, found that entrepreneurship in tradeable sectors (businesses that sell beyond the local market) was associated with measurable poverty reduction and income gains for non-entrepreneurs as well as founders. Importantly, the research found that locally competing businesses showed little poverty-reduction effect. This distinction matters for Bedford: the return on entrepreneurship infrastructure investment is highest when it supports businesses connected to broader markets, not simply when it adds more locally competing service providers. A BDC that helps Bedford entrepreneurs build scalable, traded-sector businesses, whether in manufacturing, professional services, food production, or the outdoor recreation economy, is a fundamentally different and more defensible investment than one that limits itself to additional downtown retail.

A 2024 Notre Dame Keough School policy brief reinforces this point, arguing that entrepreneurship can serve as a genuine pathway to greater local prosperity, but only when entrepreneurs have access to targeted policy support, community-based ecosystems, and integrated institutional action. The infrastructure itself is not optional, it is the mechanism through which entrepreneurship produces community-wide benefit.

The Federal Reserve Bank of Richmond's 2022 work on rural entrepreneurship further supports the case for Bedford specifically, noting that new businesses contribute disproportionately to job and productivity growth in rural communities, but that rural entrepreneurs face compounding barriers such as capital access, broadband, utilities, and support networks. These are difficult to overcome through individual effort alone.

The funding case for Bedford's BDC should therefore be made not in terms of membership fees and break-even timelines, but in terms of what the research actually supports: jobs created, businesses launched in tradeable sectors, poverty rates affected, and the long-term return on building a community where people who want to build things have somewhere to go and someone to call. This is business infrastructure, much like the roads and water lines that every business must have to operate.

Strategic Alignment with Existing Plans

This study strives to account for what Bedford has already committed to, through its Downtown 5-Year Action Plan, its Bedford 2045 Comprehensive Plan, and its Downtown Strategic Plan. This section situates the BDC recommendations within that broader planning context.

The Downtown 5-Year Action Plan

The Downtown 5-Year Action Plan, which preceded this study, established a framework for downtown revitalization that includes working group formation, business recruitment and retention, physical improvement initiatives, and programming. The Town staff's implementation tracking matrix, a practical tool used to document progress and manage stakeholder expectations, shows that meaningful progress has been made on many initiatives.

The BDC recommendations in this report are not a replacement for the Downtown Action Plan, they are complementary and leverage the kind of demand analysis and benchmarking this study provides. Specifically, the business development coordinator position fills a gap that the Action Plan identified (better coordination among business support organizations) but did not have a funded implementation mechanism to address.

Bedford 2045 Comprehensive Plan

The Comprehensive Plan articulates a vision for Bedford's long-term economic development that includes support for small business growth, entrepreneurship, and downtown vitality. The BDC aligns directly with these goals and provides a concrete mechanism for achieving them. The study's findings, particularly on the need for navigation support and peer community building, can inform future updates to the Comprehensive Plan's economic development chapter.

What the BDC Adds That Existing Plans Do Not Address

Both existing plans were developed before this stakeholder engagement process and reflect the planning community's best understanding of needs at the time. What this study adds is:

- Validated demand data from interviews and the March 19 event confirming what entrepreneurs actually want
- A concrete model for a navigator-led community building that is not duplicative of any existing organization's mission or capacity
- A benchmarked, financially grounded path to a physical facility, including a realistic capital stack and sustainability model

Recommendations

The recommendations are organized to help the EDA move from findings to implementation. They prioritize actions that can strengthen Bedford’s business environment, make better use of downtown assets, and build the capacity needed to support entrepreneurs over time. Each recommendation is tied to a realistic time horizon, resource need, and implementation path

Recommendation 1: Hire a Full-Time Business Development Coordinator

This is the single most important recommendation in this report. Everything else builds from it.

The coordinator is not a program administrator, not a grant writer, and not the EDA Director's assistant. They are a full-time community builder and connector who lives in Bedford, knows the entrepreneurial community personally, attends regional events to connect Bedford to external resources, and makes the warm introductions that convert opportunity into measurable progress.

This role should be designed with the following core responsibilities:

- Maintain open navigator office hours (virtual and in-person) at least two sessions per week
- Organize and sustain a local entrepreneur peer group (6–10 members meeting monthly, no agenda, peer accountability model)
- Attend regional ecosystem events (RBTC, RBIA, RAMP demo days, GO Virginia convenings) as Bedford's ambassador and intelligence gatherer
- Coordinate mentorship matching between established local business leaders and early-stage founders
- Track outcomes: businesses launched, revenue generated, jobs created, connections made, and report these quarterly to the EDA
- Host and organize monthly virtual meetups of entrepreneurial leaders to share updates, best practices and opportunities to collaborate
- Create a Bedford business email list from business license holders and share business news that only the Town can provide such as recent updates to town code that support business
- Serve as Bedford’s business-resource navigator by building and maintaining a living ecosystem map of local, regional, and state partners.
- Connect entrepreneurs and existing businesses to Bedford-based organizations, Roanoke and Lynchburg regional assets, higher education and workforce partners, capital providers, makerspace/incubator resources, and state-level programs that support startup, scale-up, and small-business growth.

Recommendation 2: Launch Navigator Office Hours Immediately

Before the business development coordinator is hired, and continuing after they are, the concept of regular open office hours should be established as a fixture of Bedford's entrepreneurship support landscape. This can begin with existing EDA staff capacity or with volunteer mentors in the interim.

The RBIA model, two blocks of time, two days per week, open to anyone with a business question, generated more than 100 meetings in its first few months in the Roanoke region. Demand exists in the Bedford region, too. The barrier is not interest; it is awareness and direction in terms of where to start and who to call. A consistent, well-promoted, no-agenda open door creates the habit of reaching out.

Recommendation 3: Build the Entrepreneurial Community Deliberately

Programming matters less than belonging. The specific activities matter less than the feeling that Bedford has a real entrepreneurial community, that if you're building something here, you know the other people who are building things, and you have somewhere to go when it gets hard.

Concrete community-building activities that fit Bedford's scale and culture:

- A monthly peer group for founders at a similar stage, no speakers, no curriculum, just questions and answers.
- A storytelling gathering around what did not work. A time where successful local business people talk candidly about their failures and what they learned. This format destigmatizes failure, builds authentic connection, draws a crowd. The model has been elevated in communities around the world and some towns report 100+ people showing up to learn, listen and, fill the often unspoken need around misses when it comes to ideas and efforts that failed to return a profit.
- Shared calendar and communication infrastructure, one email list, one Facebook group, one place where every entrepreneur, support program, and resource in Bedford can be found. Currently, organizations have expressed a desire for an aggregated listing of events and resources. This has been expressed and acted on in every community we have worked in a variety of ways. Bedford has an opportunity to create a model that actually works because the calendar list is paired with a person populating it.
- Ride-shares to regional events, a van or carpool to RBTC events, RBIA convenings, or regional conferences. Builds community in transit and signals that Bedford is a player in the regional ecosystem.
- A monthly virtual call for the leadership where they share ideas, updates and resources related to upcoming events. This model is established and working in the City of Roanoke region and has been led by Economic Development Director Marc Nelson, one of our team resources. These calls are concise and valuable to extract what matters quickly - information that may have landed in overloaded email in boxes gets another chance to be noticed and acted on

Recommendation 4: Establish a 12-Month Go/No-Go Milestone for a Physical Facility.

The physical BDC question is real, and it deserves a real answer, but the answer should be evidence-based, not assumed. We recommend establishing a specific set of milestones that, if met within 12 months, trigger the facility planning process:

12-Month Milestone	What It Demonstrates
100+ navigator office hours meetings	Demonstrated demand for accessible, human-led support
Active peer group of 8+ founders meeting monthly	Cohesive community exists and is self-sustaining
5+ co-working/private office expressions of interest	Physical space demand sufficient to project utilization
3+ formal mentors regularly engaged	Mentorship network operational and replicable
GO Virginia or TRRC program participation	BDC is leveraging regional resources, not duplicating them
Quarterly reporting to EDA with outcome data	Infrastructure for accountability and future funding applications

If these milestones are met, the case for a physical facility — and the funding story behind it — becomes defensible and grounded in real demand. If they are not met, the honest conclusion is "not yet." In that case, Bedford should extend the timeline to three years, with recurring decision points based on how the community's size, experience, and needs evolve.

In the meantime, the business development coordinator would serve as a strategic pipeline to regional resources rather than the manager of a standalone facility. Even without a near-term building, that investment would still generate significant community value.

Recommendation 5: Explore Governance and Partnership Structure

The BDC should not be housed administratively in a way that makes it feel like another government program. The business development coordinator and associated programming should sit in an organizational home that allows for flexibility, community ownership, and the ability to respond to what entrepreneurs actually want, which may change.

Options worth exploring include: a nonprofit entity created for this purpose (flexible but requires governance infrastructure), a partnership with an existing organization, or a town-administered program with a community advisory board that holds real decision-making authority. Each has tradeoffs. The team recommends beginning with EDA oversight and a community advisory structure, with a clear plan to transition governance as the community matures.

Economic Impact Assessment

The economic case for entrepreneurship investment is well-documented nationally and applies directly to Bedford's context. The following projections are grounded in benchmarks from comparable rural Virginia communities and national research on BDC and co-working facility impacts.

Projected Impact: Year 1, Year 3, Year 5

Metric	Year 1	Year 3	Year 5
Navigator meetings / office hours sessions	100+	300+	500+ annually
Active entrepreneurs engaged	30–50	75–125	150–250
New businesses launched or formalized	3–5	10–20	25–40 cumulative
Jobs created (direct + indirect)	5–10	20–35	50–80 cumulative
Estimated new business revenue generated	$250K–$500K	$1M–$2M	$3M–$6M
Downtown foot traffic increase (est.)	5–10%	15–20%	20–30%
Funding leveraged from regional/state sources	$50K–$100K	$250K–$500K	$500K–$1.5M

These projections assume the coordinator is funded and operational by month 6 of implementation, that office hours and peer programming launch within 30–60 days, and that physical facility development begins in year 2 if milestones are met. They are intentionally conservative, benchmarks from comparable communities suggest the upper end of these ranges is achievable with strong leadership and community engagement.

Perhaps most importantly: these projections do not capture the full value of a more vibrant, connected entrepreneurial community in Bedford. The return on entrepreneurship investment is measured not just in businesses and jobs but in community confidence, talent retention, civic engagement, and the sense that Bedford is a place where people who want to build things are welcomed and supported.

Implementation Roadmap

This section is intentionally structured to support the Town's existing project management practices. Town staff already use tracking spreadsheets to monitor active projects, milestones, and implementation responsibilities; the framework below is designed to slot into that system. Instead of a fixed calendar, it provides a sequence of actions and decision points that can be tied to a start date, assigned to responsible parties, and updated as conditions change.

Phase	Timeline	Actions	Key Milestones
Phase 0	Months 0–2	• Adopt this report at EDA meeting • Designate interim coordinator (existing staff or volunteer) to launch office hours • Build and publish community resource map • Establish shared communication infrastructure (email list, Facebook group) • Begin outreach to potential mentors	• EDA formally commits to BDC initiative • First navigator office hours session held • Resource map published on Town website
Phase 1	Months 2–8	• Post, recruit, and hire full-time Business Coordinator • Coordinator is known as a regional relationship-building point of contact for Bedford (RBIA, RAMP, GO Virginia, SBDC, etc.) • Launch monthly peer founder group • Host first storytelling community event related to the failures and the pivots • Begin quarterly outcome reporting to EDA	• Coordinator hired and operational • 50+ office hours meetings completed • Peer group active with 6+ members • TRRC or GO Virginia funding secured for Year 2

		• File for applicable GO Virginia or TRRC funding for coordinator position	
Phase 2	Months 8–18	• Evaluate against 12-month facility milestones • If milestones met: engage property assessment team, initiate capital stack planning • Explore Historic Tax Credit eligibility for target property • Develop formal BDC business plan and governance structure • Apply for facility capital (TRRC, GO Virginia, USDA, EDA federal)	• Go/No-Go decision on physical facility • Funding application(s) submitted • Property selected and development scenario defined
Phase 3	Months 18–36	• Execute property acquisition or lease • Manage renovation/buildout with Historic Tax Credit compliance • Hire supporting staff as warranted by facility operations • Expand programming: workshops, cohort programming, mentorship formalization • Host public grand opening event	• Physical BDC opens to the community • Membership at 70%+ capacity within 6 months of opening • Annual operating budget secured through combination of earned revenue and public support

A Note on Flexibility

This roadmap is intended to move with real-world conditions. Funding cycles, staffing capacity, partner commitments, and property conditions that affect timing, and the Town should adjust the schedule as those factors become clearer.

The sequence, however, matters. Business navigation, community-building, partner alignment, and early programming should come before major facility investment. Comparable models point to the same lesson: build the ecosystem and the operating capacity first; let the facility decision follow the demonstrated need.

Next Steps and Decision Framework

This section translates the study findings into an implementation tool for the EDA and Town staff. It is organized around the key decisions ahead: whether to proceed, under what conditions, in what sequence, and with what level of investment.

Rather than restating the research, this framework connects decision points to practical next steps. It is intended to help the EDA move from discussion to disciplined action, using clear conditions, milestones, and checkpoints to determine what happens next.

The Core Decision

Bedford is not being asked whether to pursue a Business Development Center someday. It is being asked whether to commit, today, to the first step of a phased approach that is grounded in evidence, resourced appropriately, and sequenced in a way that minimizes risk.

That first step, hiring a business development coordinator and launching office hours, does not require a building. It does not require a $750,000 capital campaign. It requires a salary, a commitment, and a community commitment from every level, starting at the top and its own town leaders.

If Bedford Commits to the Plan and Structure

The EDA adopts the recommendations in this report. Within 60 days:

- The business development coordinator position is posted, with a target hire date of 90–120 days from EDA adoption
- An interim office hours program launches with existing staff or volunteers
- A community resource map is built and published
- A TRRC or GO Virginia funding application for the coordinator position is initiated

Within 12 months, the community will either have built the critical mass that justifies a physical facility investment, or it will have demonstrated, transparently and honestly, what additional development is needed before that investment makes sense.

If Bedford Is Not Ready to Formally Commit

If the EDA determines that full commitment to the coordinator recommendation is not feasible today, due to budget, staffing, or organizational readiness, there is a minimum viable path that keeps the option open without making the full investment:

- Launch a monthly navigator office hours session with existing staff (2 hours, twice monthly)
- Stand up the shared communication infrastructure (email list, community calendar)
- Host one community event in the next 90 days to signal momentum

One-Page Summary: Bedford Business Development Center

THE VERDICT

YES, Bedford should pursue a Business Development Center. The path starts with people, not a building.

WHAT WE FOUND

- The primary barrier is not lack of resources, it's lack of connectivity and navigation.
- Entrepreneurs want a trusted local human who can make introductions and reduce friction.
- Pre-COVID community infrastructure has not recovered. The community is open to leadership to do this.
- Physical space demand is real but secondary. Community must come before the building.

TOP RECOMMENDATIONS

- Hire a full-time Business Development Coordinator (Year 1, highest priority)
- Launch Navigator Office Hours immediately, no building required
- Build community first within town limits: peer groups, events, mentorship, shared calendar
- Set 12-month milestones; if met, the physical BDC investment is justified and fundable

FUNDING AVAILABLE

TRRC (TRO program) • GO Virginia Region 2 • Historic Tax Credits • Enterprise Zone • Virginia Opportunity Zone • USDA Rural Development • Federal EDA

Now (0–60 days)	Phase 1 (Months 2–8)	Phase 2 (Months 8–18)	Phase 3 (Months 18–36)
• EDA adopts report • Launch interim office hours • Publish resource map • Start TRRC application	• Hire Business Development Coordinator • Launch peer group • First Storytelling Event on business fails • Secure Year 2 funding	• Evaluate facility milestones • Plan capital stack • Apply for facility grants • Select property	• Renovation / buildout • Grand opening • Expand programming • Self-sustaining community

Questions? Contact: Mary Zirkle, Bedford EDA Director | mzirkle@bedfordva.gov

Appendices

Appendix A: Engagement Event Attendees, March 19, 2026

The following organizations and individuals were represented at the March 19, 2026 stakeholder engagement event held at the CVCC Bedford Center for Business:

Name	Organization
Jonathan Buttram	Bedford Economic Development Authority
Mary Zirkle	Bedford EDA / Town of Bedford
Bart Warner	Town Manager, Town of Bedford
Autumn Evans	The Spark Innovation Center, Alta Vista
Emmalee Wagner	GO Virginia Region 2
Barb Rebsamen	GO Virginia Region 2
Des Black	Vector Space / Bower Center for the Arts
Jordan Reeves	Small Business Development Center, Lynchburg Region
Kayla Boone	Bedford Area Chamber of Commerce
Pam Armstrong	Bedford County Economic Development Authority
Heather Alto	Central Virginia Business Coalition
Additional attendees (~19)	Bedford business owners, entrepreneurs, regional partners

Appendix B: Study Methodology Summary

Primary research was conducted through one-on-one stakeholder interviews (55+), a public engagement event (March 19, 2026), and ongoing community presence over 10 months. Secondary research included review of comparable BDC models, business license data analysis, property assessment, and funding mechanism research. The team exceeded the RFP commitment of 30 stakeholder interviews.

Appendix C: Regional Benchmarks Reference

The Spark Innovation Center (Alta Vista, VA): ~$750K establishment cost; covers ~14% of operating costs through earned revenue. Serves population of ~3,400+.

MAKE Roanoke: Community-first model; established member base before opening physical space. Lesson: community precedes facility.

Roanoke Blacksburg Innovation Alliance (RBIA) Navigator Office Hours: 100+ virtual meetings in first few months of operation. Zero capital cost. High impact.

Appendix D: Funding Resource List

Resource	Direct URL
Tobacco Region Revitalization Commission	https://www.revitalizeva.org/
Tobacco Region Revitalization Commission — Grant & Loan Programs	https://revitalizeva.org/programs/
GO Virginia Region 2	https://cece.vt.edu/GOVAR2.html
GO Virginia Region 2 — Apply to Region 2 Grant Programs	https://cece.vt.edu/GOVAR2/RequestforProposals.html
Virginia Enterprise Zone Program	https://www.dhcd.virginia.gov/vez
Virginia Main Street - Feasibility Grant	https://www.dhcd.virginia.gov/sites/default/files/DocX/vms/vms-grant-manual.pdf
Federal Historic Tax Credits / Federal Historic Preservation Tax Incentives	https://www.nps.gov/subjects/taxincentives/
Virginia Historic Rehabilitation Tax Credits	https://www.dhr.virginia.gov/programs/tax-credits/
New Markets Tax Credits	https://www.cdfifund.gov/programs-training/programs/new-markets-tax-credit
Virginia Opportunity Zones	https://www.dhcd.virginia.gov/opportunity-zones-oz
USDA Rural Development — Virginia	https://www.rd.usda.gov/va
U.S. Economic Development Administration	https://www.eda.gov/
U.S. Economic Development Administration — Funding Opportunities	https://www.eda.gov/funding/funding-opportunities
Virginia Innovation Partnership Corporation — SBIR/STTR Support	https://vipc.org/initiatives/sbir-sttr/
VIPC — SBIR/STTR Resources	https://vipc.org/resources/sbir-sttr/

Appendix E: About Cambrian Design and Development

Cambrian Design and Development is a Blacksburg, Virginia-based firm specializing in community and economic development, entrepreneurship ecosystem building, and strategic planning. The firm has deep roots in Southwest Virginia's technology, entrepreneurship, and civic communities. Cambrian is committed to reducing its standard overhead rate when working with rural Virginia communities in recognition of the resource constraints these communities face.

Contact: Mike Abbott, Owner and Managing Director | mike@cambriandev.com | 540.998.9917

Appendix F: Property Assessment

A BDC often includes a building once its reach and demand requires. While this is not an immediate recommendation for Bedford, the question of building physical infrastructure is one that requires serious consideration as matter of funding, community integration, and timing.

This appendix provides an honest, technically grounded picture of downtown Bedford's built environment, a working model for how to think about property selection, and a detailed analysis of the financial tools available to make the right building a practical fiscal decision in the present context at the time of this report submission, May 2026. It draws on expertise in development of mixed-use, historically rehabilitated, entrepreneur-focused projects in comparable Virginia small towns. This is complemented by a rigorous feasibility methodology that has been road-tested in the field.

APPENDIX F
PROPERTY ASSESSMENT

Bedford Business Development Center Feasibility Study

Prepared by Cambrian Design and Development | May 2026

Section 1: Downtown Bedford's Built Environment

Bedford's downtown is a genuine architectural asset. The historic commercial core of walkable, compact, and relevant spaces oriented around Main Street contains a mix of well-maintained contributing structures, vacant or underutilized buildings, and civic anchors that create an unusual density of civic life. The Bedford Public Library, Town Hall, and the historic Courthouse sit within easy walking distance of the commercial spine. These anchors generate consistent foot traffic and civic identity.

Bedford's downtown was formally listed on the National Register of Historic Places in 1984 as the Bedford Historic District. This designation establishes that the majority of the commercial buildings in the core are contributing historic structures, meaning they are eligible for federal and state Historic Rehabilitation Tax Credits, one of the most powerful financial tools available to any development project in the downtown. This is not a constraint; it is a competitive advantage that developers in non-historic districts cannot access.

Building Stock Inventory: What We Found

Our downtown property assessment, conducted through site visits, public records review, and conversations with property owners and Town staff, identified the following patterns in the building stock most relevant to a BDC:

Building Category	Assessment and Relevance to BDC
Well-Maintained Historic Commercial	Multiple properties on Main Street and adjacent blocks. Intact facades, functional mechanical systems, some recent tenant improvements. These buildings are fundable and developable with modest investment.
Vacant or Long-Term Underutilized	Several properties have been vacant for 3–10 years. These typically present ADA, mechanical, and structural challenges but may offer the best development opportunity if acquisition terms are favorable and historic tax credits can anchor the capital stack.

Civic / Institutional Buildings	The Department of Social Services building and several other municipally-associated properties present potential partnership opportunities. These are not traditional development candidates but could be activated for BDC programming through lease or MOU arrangements at lower capital cost.
Recently Renovated	A small number of properties have undergone recent renovation and are either occupied or recently vacated. These represent the lowest-friction near-term options for a Phase 1 Coordinator office or small programming space.
Underdeveloped Parcels / Surface Lots	Surface parking and underdeveloped parcels exist near the core. These are not recommended for BDC development given the premium on new construction and the availability of historic tax incentives for rehabilitation.

What Makes a Building BDC-Ready: The Evaluation Framework

Not every building is a BDC building. Based on comparable models reviewed in this study, The Spark Innovation Center in Alta Vista, the 37 West Main Street project in Pulaski, MAKE Roanoke, Vector Space, and the technical guidance from previous development work, we apply the following evaluation framework to any candidate property:

Evaluation Criterion	What to Look For	Priority / Notes
ADA Accessibility	Historic buildings frequently require elevator installation, accessible restrooms, and code-compliant entrances. These costs are real but are eligible for Historic Tax Credit financing.	High priority, non-negotiable for public programming space.
Fiber / Broadband Infrastructure	BDC programming is fundamentally technology-dependent. The building must have or be able to cost-effectively access high-quality fiber internet. Assess existing conduit and proximity to backbone infrastructure.	Must be confirmed before lease or purchase commitment.
Historic Tax Credit Eligibility	Is the building a contributing structure in the Bedford Historic District? If yes, it is eligible for 20% Federal + 25% Virginia HTCs, up to 45% of qualified	Highly valuable, prioritize eligible buildings when terms are otherwise comparable.

	rehabilitation expenses. This is the single most powerful cost reduction available.	
Square Footage and Configuration	A Phase 2 BDC requires: a coordinator/staff office, 2–4 small private offices, at least one flexible meeting/event room, and restrooms. Minimum workable footprint: ~2,500–3,500 sq ft. Preferred: 5,000–8,000 sq ft for full buildout.	Right-size for the mission, avoid over-building before demand is demonstrated.
Ceiling Height and Natural Light	Working and creative workspace requires good daylighting and appropriate ceiling height (10 ft minimum preferred). Buildings with street-level storefronts often have these characteristics.	Meaningful quality-of-life factor for members and programming.
Parking and Access	Downtown Bedford's parking is adequate for most scenarios. Event programming creates peak-demand periods that should be evaluated against available public and private parking inventory.	Adequate for most scenarios; confirm for event-intensive programming.
Ownership and Acquisition Terms	EDA-owned, town-owned, or willing-seller properties are preferable to hostile or complex ownership situations. Properties with deferred maintenance or vacancy may offer acquisition leverage.	Relationship and terms matter as much as physical characteristics.

Section 2: The DSS Building and Priority Candidates

Two property scenarios warrant specific attention in this assessment: the Department of Social Services (DSS) building, which surfaced repeatedly in stakeholder conversations, and the broader category of downtown historic commercial buildings that could be developed using the full stack of available financial tools.

The DSS Building: Opportunity and Complexity

The DSS building was identified by multiple stakeholders as a candidate for BDC programming. Its location, existing infrastructure, and civic ownership create a scenario in which the Town and

County could collaborate on a shared facility without a traditional development transaction. The specific advantages and challenges are:

Factor	Assessment
Civic Ownership	No acquisition cost in a traditional sale scenario; potential for favorable lease or license arrangement.
Existing Infrastructure	Likely adequate mechanical, electrical, and plumbing systems compared to long-vacant commercial buildings.
County-Town Relationship	Any use of this building for a BDC requires careful navigation of town-county governance dynamics. The county owns the building; the town needs the space. This collaboration opportunity stands at the intersection of established working relationships.
Programming Fit	The building may require adaptation specifically, ADA-accessible public entrances, broadband upgrade, and flexible interior layout.
Timing Dependency	The DSS's operational plans and the county's intentions for the building will determine whether this scenario is viable. This should be explored in parallel with, not instead of, the Coordinator position hire.

Our Recommendation on the DSS Building

Pursue a conversation, not a commitment. The EDA should initiate a formal dialogue with Bedford County about the DSS building's future and the possibility of a shared-use arrangement. This could yield a significant partnership. But it should not delay the Coordinator hire, and it should not become the only property scenario on the table. Opportunity conversations should run in parallel; not replace the BDC pipeline.

Downtown Commercial Building Development: The Case Study from Pulaski

Bedford is not the first Virginia small town to face this question, and it does not have to figure it out without a map. In 2020, Luke Allison and Aggregate Capital LLC completed a rigorous feasibility study for 37 West Main Street in Pulaski, a 14,055 square foot historic commercial building directly across from the county courthouse. The parallels to Bedford's situation are instructive:

Pulaski / 37 W. Main Feature	Bedford Application
Historic downtown location, across from county courthouse	Matches Bedford's downtown context and civic anchor proximity.
Large commercial building with second floor potential	Illustrates mixed-use (entrepreneur marketplace + co-office incubator + apartments) as a viable structure for managing debt service.
Historic District designation, eligible for 45% HTCs	Federal (20%) + Virginia (25%) credits reduced effective construction cost from ~$1.8M to approximately $900K net of tax credit equity, $901,244 in tax credit-driven equity on a ~$2.5M QRE.
Enterprise Zone designation enabling property investment grants	State RPIG: up to $100K–$200K per building; local grants: 5% rebate on qualified investment + partial real estate tax exemption of up to 50%.
Mixed-use model to support debt coverage	Seven apartments provided residential rent to offset commercial vacancy risk; achieved projected DSCR of 1.97 (industry threshold is 1.25).
Community bank as combined construction lender + tax credit buyer	Recommended structure: bank provides construction financing AND purchases both federal and state tax credits, maximizing project economics.

The Pulaski study was funded by a Virginia Main Street Feasibility Grant and produced by Frazier Associates (architecture) and Aggregate Capital (development strategy). Construction costs were estimated at $1.4–1.8 million for a 14,055 sq ft building at $106–127/sq ft (2020 dollars). Adjusting for construction cost inflation since 2020, roughly 35–40%, a comparable project today would be estimated at $1.9–2.5 million for a similar-sized building, before tax credit offsets.

The Headline Insight from Pulaski

Historic tax credits are not a bonus, they are a structural component of the capital stack. Without them, the developer equity requirement for a $2M rehabilitation project roughly triples. With them, a community bank can simultaneously provide construction financing and purchase the tax credits, creating a closed loop of capital that makes the project viable. Bedford has these tools available right now. The question is whether a project is structured to use them.

Section 3: New Construction vs. Renovation, A Clear Verdict

This question arose in every comparable feasibility analysis we reviewed. The answer, for Bedford and for virtually every Virginia small-town BDC scenario, is the same:

Renovate an existing historic downtown building. Do not build new construction.

Here is why:

Factor	New Construction vs. Renovation Comparison
Historic Tax Credit Eligibility	Renovation of a contributing historic structure = up to 45% of qualified rehab expenses in tax credits. New construction = $0 in historic credits.
Land Acquisition Cost	New construction in a downtown requires land acquisition, typically at premium prices with potential complications. Renovation uses an existing footprint.
Community Character and Identity	The historic fabric of Bedford's downtown is a genuine asset that entrepreneurs, remote workers, and creative professionals actively choose. A purpose-built new structure cannot replicate it.
Fundability	Historic rehabilitation projects have a deeper pool of available grants, low-interest financing programs, and tax incentive mechanisms than comparable new construction projects. USDA, DHCD, TRRC, EDA, GO Virginia, almost all prioritize existing building renovation.
Speed to Market	A well-structured renovation of an existing building in a historic district can move from feasibility to construction start faster than new construction, which requires site acquisition, entitlements, and design from a blank slate.
Enterprise Zone Incentives	Real Property Investment Grants are available for qualified rehabilitation of existing buildings. New construction may not qualify for the same incentives.

One Important Caveat

This is not an argument for renovating any building at any cost. Structural condition, hazardous materials (asbestos, lead paint), and deferred maintenance can make a renovation project uncompetitive even with historic tax credits. Any candidate property should receive a structural assessment and hazardous materials evaluation before serious commitment. The Frazier Associates architectural feasibility methodology, used in Pulaski, provides a solid template for this evaluation.

Section 4: A Technical Financial Tool Reference

This section provides a detailed working reference for every financial tool available to a Bedford BDC property development project. This is not a generic list, each tool is assessed for specific applicability, feasibility considerations, and how it fits into the development capital stack. This reference is informed by Luke Allison's direct development experience in comparable Virginia markets.

Tier 1: Highest Impact, Prioritize These First

Federal Historic Tax Credits (HTC)

- Credit amount: 20% of Qualified Rehabilitation Expenses (QREs)
- Applied: Over 5 years (tax credit recapture period)
- Current market value: Approximately $0.75 per credit dollar (i.e., 75 cents of investor equity per dollar of credit)
- Mechanism: Property owner forms a for-profit partnership with an investor (typically a community bank or regional bank); investor makes equity contribution in exchange for receiving the tax credits
- Bedford applicability: All contributing historic structures in the Bedford Historic District are eligible. Nomination was finalized in 1984.
- Important note: Federal credits are harder to sell than state credits and their value fluctuates. The recommended approach is to package them with the Virginia HTC (below) and sell both to a single community bank.
- Requires: Architect with historic rehabilitation experience; compliance with Secretary of the Interior's Standards for Rehabilitation; Part 1, 2, and 3 certification from the Virginia Department of Historic Resources.

Virginia Historic Rehabilitation Tax Credits (HTC)

- Credit amount: 25% of Qualified Rehabilitation Expenses (QREs)
- Applied: In a single year, this is the key advantage over the federal credit and why state HTCs fetch a premium

- Current market value: Approximately $0.83 per credit dollar, higher than federal because of the one-year application
- Eligibility threshold: Rehabilitation expenses must equal at least 50% of the building's assessed value for the year before rehab begins
- Combined federal + state: Up to 45% of QREs convertible to investor equity, the most powerful cost-reduction tool available to any Bedford project

Worked Example: Historic Tax Credit Impact on a $2M Renovation

Assume a $2M qualified rehabilitation on a contributing Bedford historic building. Federal HTC (20%): $400K in credits × $0.75 = $300K equity. Virginia HTC (25%): $500K in credits × $0.83 = $415K equity. Total tax credit-driven equity: $715K, approximately 36% of project cost, contributed by investors before a single mortgage payment. Without this structure, the developer's own equity requirement increases by $715K. This is the difference between a project that pencils and one that does not.

Tier 2: High Impact, Layer These in After HTCs

Enterprise Zone, Real Property Investment Grant (State)

- Bedford has Enterprise Zone designation
- Grant amounts: Up to $100,000 per building for projects under $5 million in qualified investment; up to $200,000 per building for projects over $5 million
- Important limitation: State grants may be pro-rated if statewide demand exceeds available funding; Job Creation Grants are prioritized in state allocation
- Application: Through Virginia DHCD; should be coordinated with the development timeline

Enterprise Zone, Real Property Investment Grant (Local, Town of Bedford)

- Two options – 10% rebate in the Downtown area, and 5% rebate outside the boundary on qualified investments between $15,000 and $100,000
- Rebates for qualified investments above $200,000 within a consecutive 5-year period
- Partial real estate tax exemption: up to 50% of qualified rehabilitation investment
- Application: Through the Town Manager's Office or Economic Development Office

Enterprise Zone, Job Creation Grant (State)

- Requires 4 or more new permanent full-time jobs
- $500 per job per year for 5 years for jobs paying ≥175% of federal minimum wage plus benefits
- $800 per job per year for 5 years for jobs paying ≥200% of federal minimum wage plus benefits
- BDC applicability: The Coordinator position plus future hires may qualify if wage thresholds are met

Tobacco Region Revitalization Commission (TRRC)

- Bedford is located within the Virginia Tobacco Region, a direct eligibility qualification
- TRRC has awarded numerous grants in Bedford specifically, including broadband expansion, business development centers, and site development (e.g., the New London Business & Technology Center)
- A September 2024 press release announced a $750,000 TRRC award to Bedford County as a match for a VBRSP grant for a Business & Technology Center, demonstrating active TRRC investment in exactly this kind of project
- Funds may be used for development activities, feasibility studies, and infrastructure, making this a strong early-stage AND construction-phase resource
- This study itself was funded in part by TRRC, the relationship is already established

GO Virginia Region 2

- Region 2 (of which Bedford is a member following the county's reorientation toward Roanoke) has demonstrated willingness to fund workforce and entrepreneurship initiatives in Bedford
- Conversations initiated during this study have already opened the door to GO Virginia funding channels
- Applicable to both the Coordinator position (Year 1 operating cost) and physical facility development (Phase 2)

Tier 3: Meaningful Upside, Evaluate Carefully

New Market Tax Credits (NMTCs)

- Bedford is located in a Qualified Census Tract (QCT), making projects eligible for New Market Tax Credits

- Potential benefit: Approximately $2 million in net project benefit on a qualifying transaction, creating a potential $1 million net gain for the project

- Important feasibility note: NMTCs are complex and expensive to pursue. Transaction costs alone typically approach $1 million, making them impractical for smaller projects. They become viable for projects with $5M or more in total development cost.

- Recommendation: Do not pursue NMTCs for Phase 1 or a smaller BDC footprint. Revisit for a larger mixed-use development scenario in Phase 2–3.

Federal Opportunity Zone

- Bedford has Qualified Opportunity Zone census tracts, which can attract private capital investment with favorable capital gains tax treatment

- Mechanism: An investor may defer capital gains taxes by investing in a Qualified Opportunity Fund (QOF), which then invests in eligible property in the Opportunity Zone

- Important feasibility note: Establishing a QOF requires meaningful legal and compliance costs. This is an investor tax-deferral mechanism, not a grant or credit, it attracts capital rather than reducing cost directly.

- Recommendation: Evaluate for Phase 2–3 when private investment is being actively recruited. A QOF structure could be part of a larger capital raise.

USDA Rural Development Programs

- Business & Industry (B&I) Loan Guarantees: Available for projects creating economic activity in rural areas; Bedford's rural designation creates eligibility

- Rural Business Development Grants

- Community Facilities programs: May apply to BDC infrastructure elements

- Best used as a construction loan guarantee mechanism to reduce bank risk on the project, particularly useful if Historic Tax Credit syndication is not available from a local bank

Federal EDA Capital Grants

- U.S. Economic Development Administration provides grants for economic development infrastructure in distressed communities

- Bedford's tobacco region designation and economic context create a strong eligibility case

- Application is competitive and timeline is long (12–24 months); best positioned as Phase 2–3 funding for a physical facility once the Coordinator model has demonstrated demand

VHDA Workforce Housing / Pre-Development Grants

- Applicable if the BDC development includes residential units (following the Pulaski mixed-use model)

- Adding apartments above a BDC co-working space substantially improves debt service coverage and may make the overall project viable that would not otherwise pencil

- Workforce Housing Grant and Pre-Development Grant from VHDA support projects that reserve units for households at or below area median income

Section 5: A Realistic Capital Stack for a Phase 2 BDC Property

This section constructs an order-of-magnitude capital stack for a representative Bedford BDC property development scenario: a 5,000–8,000 sq ft historic commercial building in downtown Bedford, renovated for mixed BDC/co-working use with potential upper-floor residential. All figures are illustrative for planning purposes and must be refined through architectural assessment and detailed financial modeling.

Assumptions

- Building: Contributing historic structure in the Bedford Historic District
- Total development cost: \$1.5M–\$2.5M (renovation + soft costs, 2025–2026 dollars)
- Qualified Rehabilitation Expenses (QREs): ~80% of total development cost
- Mixed use: Co-working / BDC on first floor; potential 4–6 apartments on second floor
- Operating entity: Town EDA, a nonprofit BDC operator, or a public-private partnership

Illustrative Capital Stack: $2.0M Project

Capital Source	Estimated Contribution
Virginia Historic Tax Credit (25% of \$1.6M QRE × \$0.83)	~\$332,000
Federal Historic Tax Credit (20% of \$1.6M QRE × \$0.75)	~\$240,000
TRRC Grant (development activities)	\$150,000–\$300,000
GO Virginia Region 2 Grant	\$50,000–\$150,000
Enterprise Zone RPIG, State	Up to \$100,000–\$200,000
Enterprise Zone RPIG, Local (5% rebate + tax exemption)	\$15,000–\$50,000
USDA B&I Loan Guarantee or VHDA Permanent Financing	Covers remaining debt service
Total Grants + Tax Credit Equity (illustrative)	\$787,000–\$1,272,000 (39–64% of project cost)
Net Developer / EDA Equity Required	\$728,000–\$1,213,000

The Critical Takeaway

A well-structured \$2M historic rehabilitation project in downtown Bedford could attract \$800K to \$1.3M in grants and tax credit equity, reducing the net cost to the EDA or developer to \$700K–\$1.2M before debt service. A comparable new construction project would require the EDA to bring the full \$2M (or close to it) with no offsetting incentives. This is why the property decision and the financing strategy are inseparable, and why they must be planned together from the start.

Section 6: What We Know About Comparable Projects, Operating Economics

The physical building is only part of the picture. A BDC property must also be able to sustain operations once it opens. This section draws on the financial modeling from the Pulaski / 37 West Main analysis and the Entre-Pulaski co-working feasibility study (Virginia Tech, 2022) to establish realistic operating benchmarks for Bedford.

Revenue Benchmarks from Comparable Models

Revenue Source	Estimated Annual Range
Co-working memberships (tiered: ~$25–$300/month)	Core recurring revenue; $100–$250K/year at capacity in a 5,000–8,000 sq ft facility with strong programming and marketing
Conference room and event rental (member + non-member)	Often the most reliable early revenue stream; 100–125 days/year rental at $100–$150/day = $10,000–$19,000/year. Non-member rate ($150/day) compounds this.
Day passes and drop-in access	Supplemental; estimates suggest $5,000–$10,000/year at modest utilization
Residential rent (if upper-floor apartments)	7 apartments at $800–$1,000/month = $67,000–$84,000/year, the most reliable income stream and critical to debt service coverage
Programming fees and clinic revenue	Pro-bono or low-cost clinics in Year 1; potential $5,000–$15,000/year as programming matures
Total (Phase 2, Yr 1–2, without residential)	$130,000–$225,000 (15–30% self-funding rate, consistent with comparable models)
Total (with residential component)	$200,000–$310,000 (40–50% self-funding rate, substantially more sustainable)

Operating Cost Benchmarks

Based on the Entre-Pulaski resource plan and comparable models, the following annual operating cost structure applies to a Bedford-scale BDC facility:

Cost Category	Estimated Annual Range
Coordinator / Operations Manager (full-time, fully burdened)	$55,000–$75,000

Building management and maintenance	$25,000–$40,000
Technology (fiber, AV, systems)	$5,000–$10,000/year ongoing
Programming and events	$10,000–$20,000
Marketing and communications	$5,000–$10,000
Insurance and administrative	$5,000–$10,000
Total Annual Operating Cost (estimated)	$105,000–$165,000
Annual Subsidy Requirement (without residential)	$40,000–$80,000 (funded through TRRC, GO Virginia, Town/County)
Annual Subsidy Requirement (with residential component)	$0–$30,000 (potentially break-even or self-sustaining in Year 3–5)

The Sustainability Case

A BDC without residential components requires $40,000–$80,000 in annual public subsidy. This is not a red flag, it is the norm for entrepreneurship infrastructure in communities of Bedford's size. The Spark Innovation Center in Altavista covers about 14% of costs through earned revenue. What matters is that funders understand this going in and the subsidy is structured as a multi-year commitment, not a hope. A mixed-use development with residential units dramatically improves the self-sufficiency ratio and may reach operational break-even within 3–5 years.

Section 7: Recommendations on Property Strategy

The property strategy for Bedford's BDC is best understood as a sequence, not a single decision. Each stage unlocks the next and protects against the most common failure mode: committing capital to a building before community demand has been demonstrated.

Phase	Property Strategy Action
Phase 1: Coordinator Launch (Now–Month 12)	Secure a small, low-cost space for Coordinator office hours and initial programming, a donated or nominal-cost office suite in an existing downtown building. This requires no capital investment and no development transaction. It validates the concept and begins generating the utilization data that justifies Phase 2.
Phase 2: Demand Validation (Months 6–18)	Using Coordinator data, waitlist members, programming attendance, co-working interest, build the utilization case for a physical facility. Identify 2–3 candidate buildings using the evaluation framework in Section 1. Commission architectural assessments and hazardous materials reviews on the top candidate(s). Initiate conversation with the DSS building ownership in parallel.
Phase 3: Development Structuring (Months 12–24)	With a chosen building and a validated demand case, structure the development transaction. Engage a historic tax credit attorney and accountant. Identify community bank partner for construction financing and tax credit purchase. Apply for TRRC, GO Virginia, Enterprise Zone, and other grants. Close the capital stack.
Phase 4: Construction and Launch (Months 24–36)	Break ground. Maintain programming and Coordinator operations during construction using temporary space. Open the physical BDC facility to a waiting community that helped design it.

Key Decision Gates

- Do not select a specific property before the business development coordinator is hired. The coordinator generates the demand data that makes the property decision defensible.
- Do not commit to a property without a structural assessment and hazmat evaluation. Deferred renovation costs are the most common source of project failure in small-town historic rehabilitation.
- Do not pursue new construction. The incentive gap between historic renovation and new construction is too large to ignore.

- Do engage a development consultant with Virginia historic tax credit experience before committing to a capital structure. The mechanics of HTC syndication are specialized and consequential.
- Do use the Pulaski / 37 West Main model as a working template. It is the most directly comparable precedent transaction available, and the team behind it has offered to share their experience and methodology.