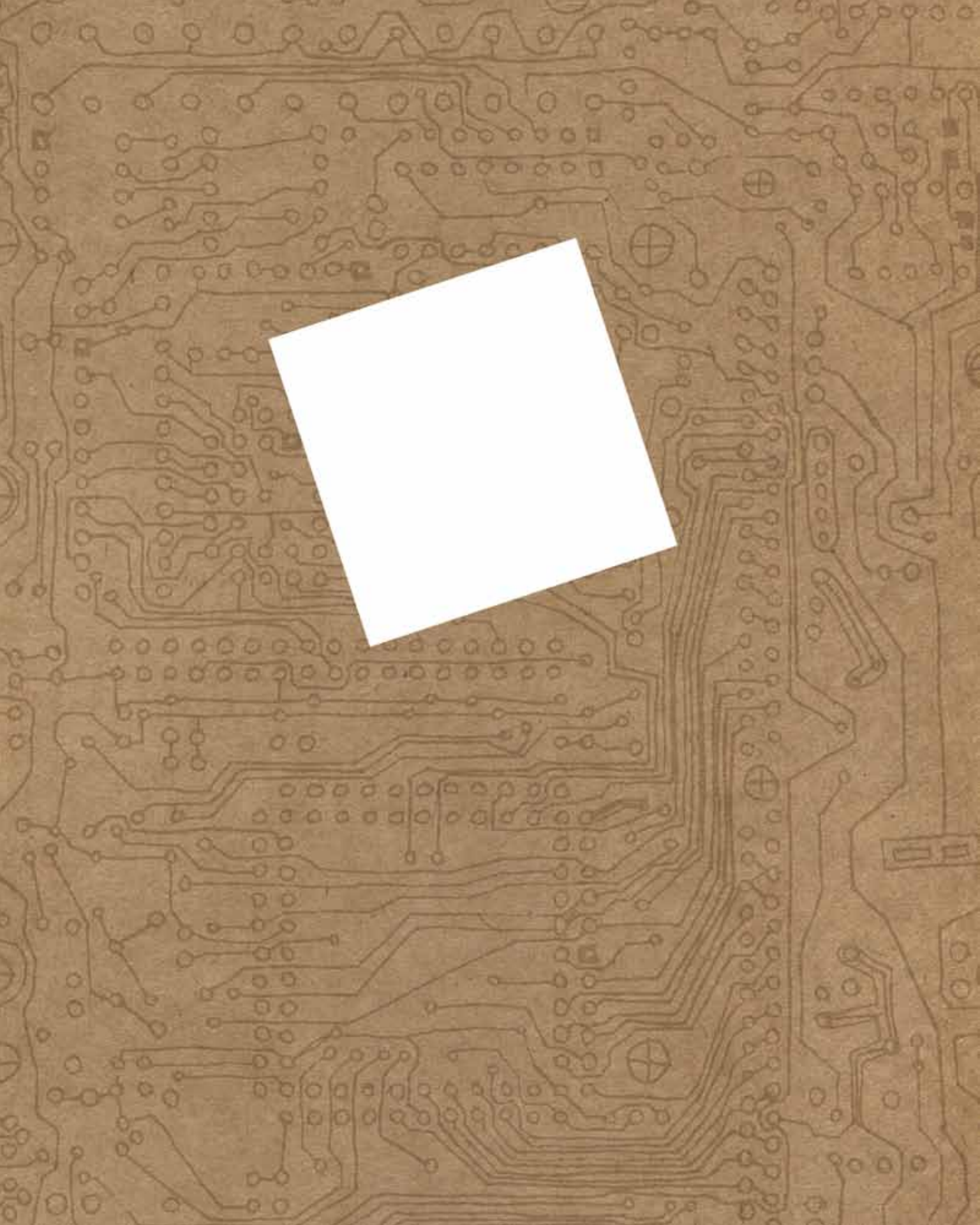




# The Only Way Out is Up

*How MDC helped Danville, Va.,  
chart a new vision for its future*





The Only Way Out Is Up



## How MDC helped Danville, Va., chart a new vision for its future

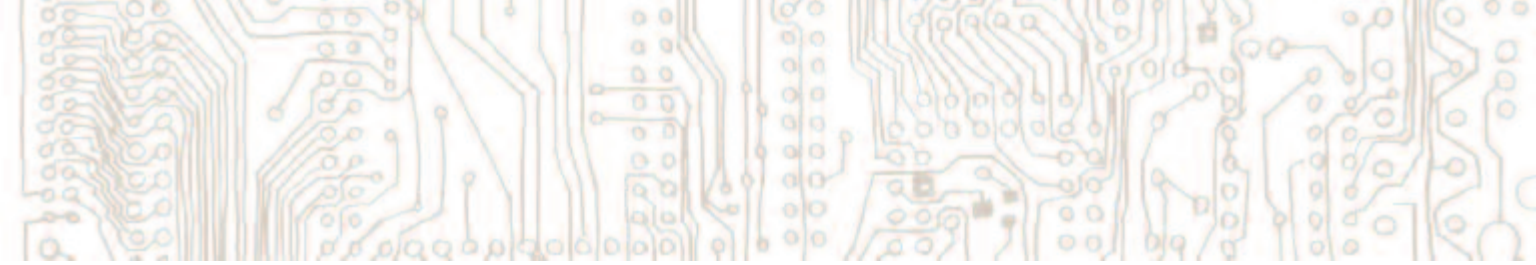
*Written by Alison Jones*

*Photographs by Alex Maness*

*for*







[ danville ]

**“Oh, I’m definitely going to college,”**

*Reggie Jeffries says matter-of-factly, as he plugs a red wire into his computer’s memory board.*

**T**hirteen-year-old Reggie Jeffries has big plans for his future. He might even run for president one day, he says, leaning over the computer he’s building in a course at Danville Community College.

“But I’ll probably go into technology,” the middle-schooler adds. “That’s where the money’s going to be.”

And in the more immediate future?

“Oh, I’m definitely going to college,” Jeffries says matter-of-factly, as he plugs a red wire into his computer’s memory board.

Jeffries, the son of a Danville single mom, grew up among aunts and uncles who worked at Dan River Mills, where you didn’t need a college education to land a steady job. He’s never heard of the Durham-based nonprofit MDC. But if MDC President David Dodson had written a script for Danville’s future when he first set foot in the city nearly 20 years before, he might well have chosen words like Jeffries’ and a scene like this one: a roomful of teenagers up to their elbows in hard drives and USB cords, clustered inside a classroom on a beautiful summer day, nurturing dreams of college.

A different future for young people like Jeffries, a future where college is a given and opportunities extend far beyond the mill, is just what MDC has long envisioned



*Reggie Jeffries, above, builds a computer in a class at Danville Community College. Jeffries envisions a future that includes college.*

*Students, left, get hands-on training at an electronics class at Danville Community College's Regional Center for Advanced Technology and Training. DCC is providing industry-specific training that helps attract businesses and create jobs. Below, Karl Stauber, president and CEO of the Danville Regional Foundation, on a bridge over the Dan River. He says Danville is finally learning how to take advantage of its riverfront setting.*

for Danville. For nearly two decades, MDC has worked to help the Danville community right its economic ship, by consulting with three key local institutions: Danville Community College, the Future of the Piedmont Foundation, and the Danville Regional Foundation, which supported the summer computer-building class through a \$50,000 award to its sponsor, the Danville Church-Based Tutorial Program.

In Danville as elsewhere, MDC's work has been guided by its commitment to lifting communities out of poverty by improving education and job opportunities, broadening the local leadership base, and building capacity in community organizations so they can better address their community's long-term challenges. Born in 1967 as the North Carolina Manpower Development Corporation, MDC was an offshoot of the North Carolina Fund, then-Governor Terry Sanford's ambitious anti-poverty campaign. Since those early days, MDC has become a thought leader on economic development strategies and an important bridge between national foundations and local institutions, and has accumulated nearly 50 years' experience helping economically distressed communities map their way to a brighter future.

MDC takes a comprehensive approach to economic development that includes education, job training, and personal savings. Low-paying jobs won't turn a community around, MDC's leaders believe. Instead, true prosperity flows from investing in a community's most important resource: its people, the skilled workers of today and tomorrow. MDC also holds that local leaders are best positioned to create





*Tchaundia Pruitt has used Danville Community College's tailored training courses to improve her skills on the job at EIT South.*

lasting change in a region. To that end, MDC works in tandem with local institutions such as businesses, community colleges, social service agencies, and foundations, coaching them in how to clearly define their goals and better assist their community in helping people move out of poverty, into better-paying jobs, and towards broad-based, long-lasting prosperity. MDC's recipe for change includes clear diagnosis of a community's ills through thoughtful examination of community history and intelligent use of data.

In Danville, the broad-based, multi-layered approach that MDC champions is bearing fruit. These days, Danville's economic ship is indeed turning. Despite slowdowns due to the national recession, computer software firms have opened in shuttered tobacco warehouses downtown, new corporate employers such as IKEA have opened factories, and biofuels are being pioneered at the city's sparkling new research facility, the Institute for Advanced Learning and Research. But Danville didn't achieve these changes simply by hunting new businesses. This former mill town has gone about economic development by focusing on the deeper civic changes that make businesses want to come and stay.

"When people think of economic development, they think of buffalo hunting, of getting the big factory," Dodson says. "It's more like a salt lick. You show that you're a community that's willing to invest in your own future, and people will come to you."



*Young people learn to build their own computers—and take them home when they're done—in a course at Danville Community College. The course was offered by the Danville Church-Based Tutorial Program, a program that has received support from the Danville Regional Foundation.*



## *Progress, and Challenges*

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### Improving education outcomes

High school on-time graduation rate is up			Higher education attainment is on the rise		
	2008	2011	Danville and Pittsylvania County:		
Danville	74.2%	75.5%	2005	2011	
Pittsylvania County	82%	86.8%	13.8%	14.5%	

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### A mixed economic picture

Higher per capita income			But larger numbers of people living in poverty		
Danville/Pittsylvania County MSA:				2005	2010
2005	2009		Danville	24.3%	26.6%
\$27,081	\$30,092		Pittsylvania	14.3%	15.9%

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### Putting people to work

Danville has struggled with unemployment in the wake of closures of major industries, such as Dan River Mills. But there are signs of positive change. Danville's unemployment rate has shown improvement recently, after peaking in 2009.

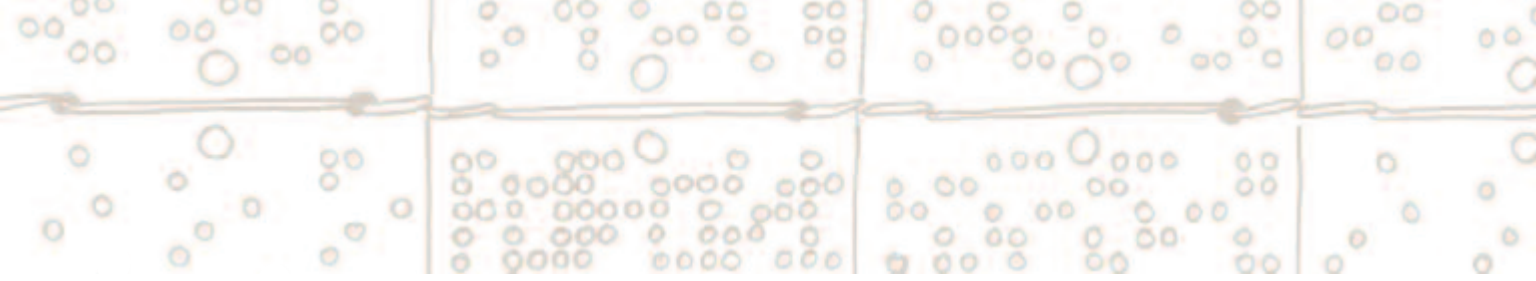
#### Annual unemployment rate Danville, VA MSA\*

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
7.6	7.7	7.4	7.8	6.7	6.4	7.7	12	11.5	9.7

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Sources: 2011 Regional Report Card, Danville Regional Foundation, and U.S. Bureau of Labor Statistics





[ in the shadow of the mill ]

## Textile and tobacco industries

*defined Danville's communal life and civic identity*

**T**o appreciate Danville's progress, it helps to consider its past. Danville was the last capital of the Confederacy. It was here, in an Italianate mansion on Main Street, that Jefferson Davis sought refuge in the waning days of the Civil War. After the war, Danville rode the late 19th-century tobacco and textile boom to become one of the richest cities in the South. You can still feel echoes of the city's former glittery wealth as you stroll down Main Street past the ornate Victorian and Edwardian mansions of Millionaire's Row. The houses, erected by tobacco and textile magnates after the Civil War, read like a catalogue of turn-of-the-century architectural styles: Greek Revival, Italianate, Romanesque, Beaux Arts. Lady Astor was born in one of these mansions. So was Irene Langhorne Gibson, the model for the famous Gibson Girl.

That concentrated wealth, memorialized in Millionaire's Row, came from textile and tobacco fortunes. And just as surely as those industries stamped Danville's architecture, they also shaped the city's culture, for good and ill. Throughout most of the twentieth century, the twin economic pillars of tobacco and textiles defined Danville's communal life and civic identity.

Carolyn Evans vividly recalls those days. Evans, a Danville native, serves on the Danville Regional Foundation board of directors and works for the City of

*Opposite: Dan River Mills once dominated Danville's cityscape. Now only a few buildings remain.*

Danville. She has only to step out her office door and glance across the street at the hulking, shuttered Dan River factory building that hovers over the river to be reminded of the city's past. If she walks just two blocks further, she enters the heart of the old tobacco warehouse district, where Universal Leaf, Liggett & Myers, and Dimon Tobacco all once had factories.

"Starting in August, when they'd start bringing tobacco to market, you could see tobacco leaves all over the street," Evans says. "You'd go two blocks west of here and the smell of tobacco just permeated everything."

In those days, Evans recalls, one of the biggest events of the year was the Harvest Jubilee, a multi-day celebration of tobacco underwritten by local cigarette companies. The event featured concerts by big-name artists and climaxed with a Victorian ball where Elizabeth Taylor once made an appearance. The celebration included tobacco auctioneering contests and a cigar-smoking contest.

"The cigar with the longest ash won a prize," Evans says.

If tobacco was a celebrated economic artery for Danville, Dan River Mills was the city's economic heart. The largest textile mill in the South, the company dominated Danville's riverfront. By 1942, Dan River operated more than a dozen different mills, which lined the river from one bridge to the next. The mills employed 14,000 workers in a town of 40,000. Nearly everyone in town was connected to the mill; if you didn't work there yourself, one of your relatives typically did.

It's hard to overstate how much the mill dominated life in Danville throughout most of the twentieth century. In the Schoolfield district, a once independent mill village that is now part of Danville, you can still feel the stamp of the mill on the architecture and life of the city. On one side of West Main Street are the remains of a vast mill complex where Matt Charles' grandfather once worked. Charles returned to his native Danville after ten years working as an actor and a police officer in New York and Los Angeles.

These days, the old mill colossus is vanishing, brick by brick. Near the street, Bobcat tractors gnaw at piles of brick and mortar, picking through the rubble of a demolished mill building, while in the background one vast brick building still stands, its arched windows and silent smokestacks all that remains of the former complex. But Charles remembers when it reached from the road to the river, covering an area the size of two football fields. He also remembers summer nights in the Schoolfield community across the street, where a Baptist church sits at the top of the hill and a row of nearly identical modest, company-built frame houses, some capped in asphalt and others in the original tin, cascades down the hill towards the company-built softball field. Charles' father grew up there, and Charles played Little League baseball on the Schoolfield community ballfield on summer evenings as a child, before going on to play competitively in high school.

"People didn't have air conditioning," Charles recalls. "All up and down the street people would come out and sit on their porches to watch. You could have a hundred people watching a group of 10-year-old kids. As a kid, it was pretty magical."

If Schoolfield had a strong sense of community, bolstered by its own stores and its own school, it was also a world with a limited horizon. At its center was the mill, which held out the promise of steady work that didn't require much education. The result of this paternalistic presence was a culture that promoted dependency and complacency, and discounted the value of education. Generations of Danville residents never looked past the horizon of the mill to picture a different future for themselves or their children.



*The Schoolfield neighborhood, once a mill village, was a world unto itself with a strong sense of community.*



*The ballfield in Schoolfield where Matt Charles played on summer nights as a boy.*

*Generations of Danville residents never looked past the horizon of the mill to picture a different future for themselves or their children.*



*Icons of community in Schoolfield—churches and the neighborhood barber shop*

# DAN

[ danville : a snapshot ]

**Founded:** 1793

**Square miles:** 42.93 square miles (U.S. Census)

**Geography:** Located on the Dan River, east of the Blue Ridge Mountains

**Famous Danville natives:** Nancy Langhorne, better known as Lady Astor; Irene Langhorne Gibson, the inspiration for the "Gibson Girl"; former New York Jets running back Kenny Lewis; Tony Rice, bluegrass musician

**County:** Pittsylvania County, named for William Pitt, British statesman and the Earl of Chatham. At 983 square miles, it is the largest county in Virginia

**Historical highlights:** Last capital of the Confederacy; site of violent civil rights protests in 1963

[ fast facts ]

**Population:** 42,852

**Percent white:** 48.8

**Percent black:** 48.6

**Percent latino:** 3

**Home ownership rate:** 54.6

**Median household income, 2009:** \$30,092

**Percent living below poverty level, 2009:** 26.6

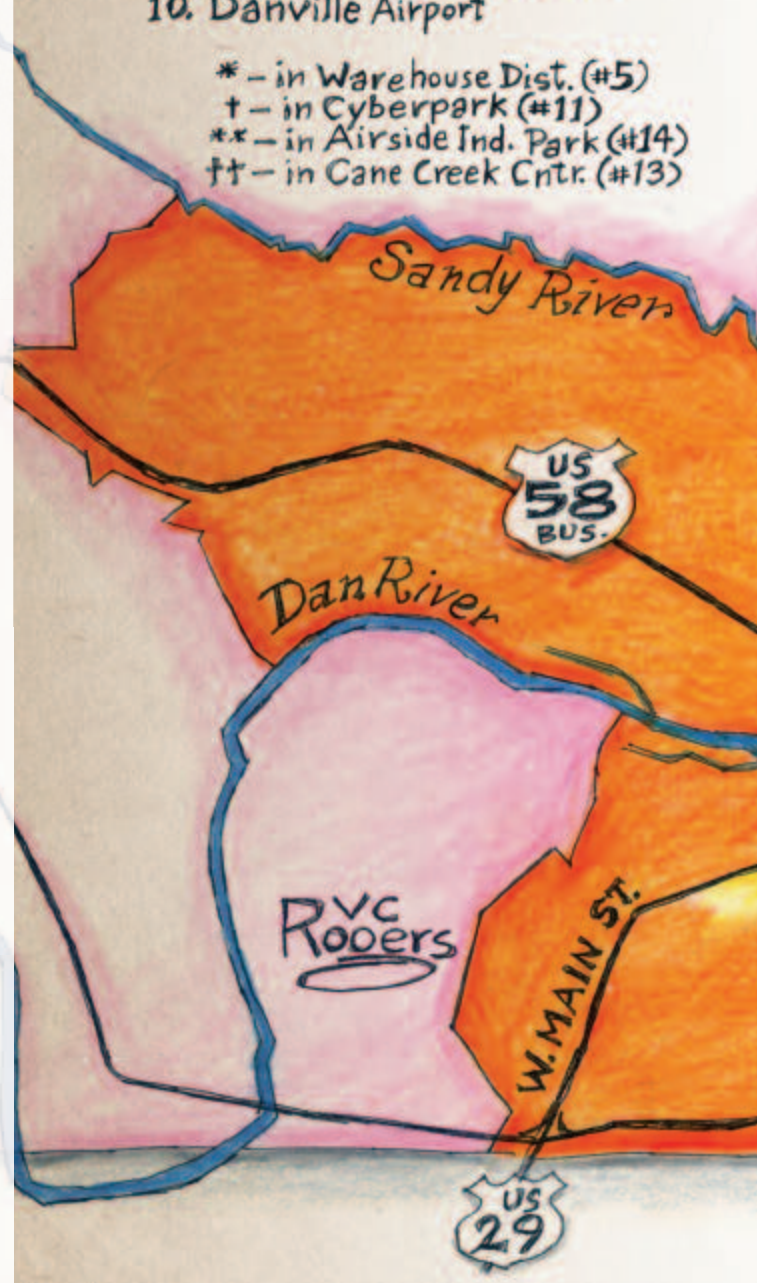
**Percent high school graduates:** 75.8

**Percent of college graduates:** 14.5

Sources: U.S. Census Bureau,  
2011 Danville Regional Report Card

1. Danville Community College
2. Danville Regional Med. Cntr.
3. "Millionaires Row" on Main St.
4. Dan River factory building
5. Warehouse District
- \*6. Danville Regional Foundation
7. Schoolfield District
- +8. Regional Center for Applied Technology & Training
- +9. Institute for Advanced Learning & Research
10. Danville Airport

\* - in Warehouse Dist. (#5)  
+ - in Cyberpark (#11)  
\*\* - in Airside Ind. Park (#14)  
++ - in Cane Creek Cntr. (#13)



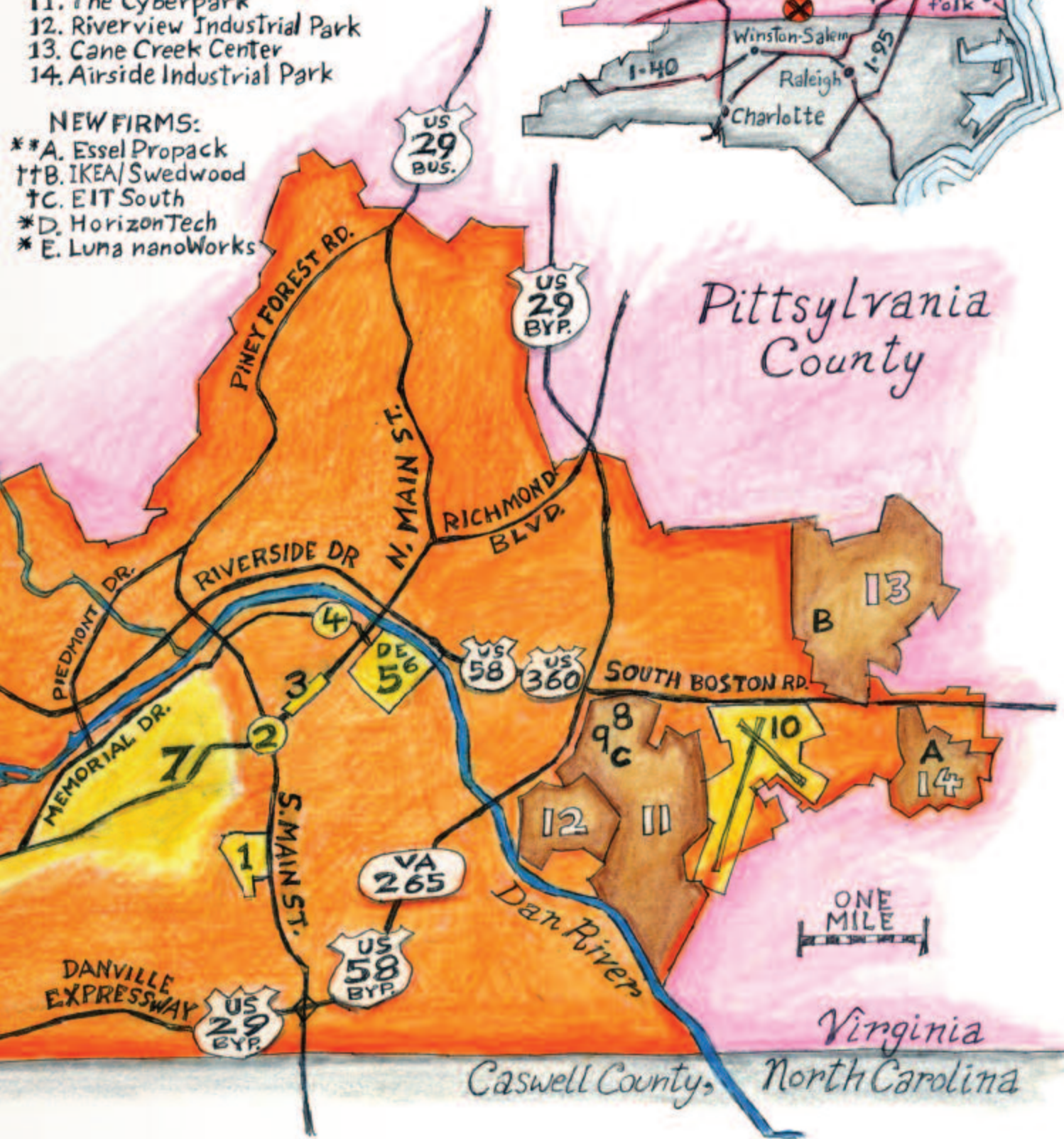


# VILLIE



- INDUSTRIAL PARKS:**
- 11. The Cyberpark
  - 12. Riverview Industrial Park
  - 13. Cane Creek Center
  - 14. Airside Industrial Park

- NEW FIRMS:**
- \*\*A. Essel Propack
  - ††B. IKEA/Swedwood
  - †C. EIT South
  - \*D. HorizonTech
  - \*E. Luna nanoWorks





[ engines of change ]

# Community Colleges

*putting vision into action*

**T**extiles and tobacco still dominated Danville's life and economy on MDC's first trip to Danville in 1993 on behalf of the Pew Partnership for Civic Change advisory board. On that trip, David Dodson met Danville Community College President Carlyle Ramsey for the first time. Neither realized it then, but that meeting would become just the first chapter in MDC's long-term, multi-faceted involvement with the city. And those two factors—the length of the partnership between Danville and MDC, and MDC's multi-layered approach, in which multiple community partner organizations learn a series of complementary strategies—have helped Danville achieve real change at a critical juncture in the city's history.

Danville Community College was the first area institution to partner with MDC. Working in tandem with MDC, the college enrolled in four successive national programs aimed at boosting its effectiveness. In the Pew initiative, the community college worked on strengthening partnerships with other local organizations. Then in 1997, MDC nominated the college for the Ford Foundation's Rural Community College Initiative. The multi-year demonstration project took 24 rural and tribal colleges in distressed communities and coached them in how to become powerful engines for economic change.

"The exciting story in Danville is that they have strung together one national initiative after another, and they always kept the string of what they had learned

*Opposite: Chris Farmer, an employee at computer manufacturer EIT South, received training at Danville Community College in the skills he needed to advance his career*

before,” says Carol Lincoln, now a senior fellow at MDC, who coached the college throughout the RCCI process. “So with each opportunity, they built on their previous experience.”

As managing partner in the RCCI initiative, MDC stressed that in order to revive themselves, struggling rural communities needed a multi-pronged approach. The key words were access, economic development, and civic engagement. Economic development, in this case, meant that rather than focusing on landing the next big factory, communities would build a diverse economic base that didn’t depend on one or two industries. Communities also would encourage local entrepreneurship in an effort to grow their own job opportunities. MDC also cautioned that jobs, while essential, weren’t enough. The program stressed nurturing a qualified, educated workforce by expanding access to education. Finally, RCCI stressed civic engagement, or the recruitment and nurturing of a new generation of leaders from throughout the community.

With those targets in mind, MDC staffers coached community college leaders in how to become more entrepreneurial and more proactive in working with potential employers. Meanwhile, they also sought ways to bring more Danville residents into DCC classes. For instance, DCC launched new satellite adult literacy classes in far-flung neighborhoods, eliminating a transportation hurdle that had kept would-be students out of class.

Through RCCI, Carlyle Ramsey and the college’s trustees traveled to communities such as Tupelo, Miss., that had succeeded in reinventing themselves. Ramsey also began to network with leaders in his field at conferences that spotlighted best practices. As his world expanded, Ramsey says, he began to have a much broader vision for what was possible at his college.

“I felt we were being held up to a certain standard, and we had to produce,” Ramsey says. “It was almost—I can’t let these people down, and I can’t let my community down. As a result, we really got much better at this whole two-prong thrust of access and economic development.”

If Ramsey gained access to a broader network of expertise during those years, he also gained specific strategies.

“MDC was coaching us along the way,” Ramsey says. “Because of RCCI and because of MDC, we instituted a strategic planning system called ‘vision to action’ that we still use today.”

In 2004, the community college again partnered with MDC, this time in a Lumina Foundation-sponsored effort called Achieving the Dream. Achieving the Dream, which MDC has since incubated and spun off as an independent organization, focused on student achievement, including ensuring that more community college students complete degrees. As managing partner of the initiative, MDC coordinated the work of seven national organizations and drove the program’s design process. MDC also took the lead in teaching colleges how to mine data to guide educational reform.

Through careful use of data, Lincoln and others at MDC argued, colleges could pinpoint why students were dropping out. Historically, schools have relied on statistical snapshots that measure the truth at a given moment. A statistical

## *Helping Students Succeed*

Working hand in hand with MDC, Danville Community College has striven to help more students afford higher education, and to help more students complete degrees.

### More Students Graduating Or Transferring To Complete Their Studies

	1998	1999	2000	2001	2002	2003	2004
Number of graduates	58	55	49	56	47	45	111
Graduation rate	24.70%	26.30%	24.80%	21.70%	23.20%	22.40%	29.90%
<hr/>							
Number of transfers	24	17	22	17	22	NA	29
Transfer rate	10.20%	8.13%	11/1%	6.58%	10.80%	NA	7.80%
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	2005	2006	2007	2008	2009	2010	
Number of graduates	99	103	95	105	161	102	
Graduation rate	29.90%	25.50%	26.20%	27.30%	37.10%	27.60%	
<hr/>							
Number of transfers	25	31	29	49	68	76	
Transfer rate	7.60%	7.70%	8%	12.70%	15.70%	20.50%	

*Source: Virginia's Community Colleges. Data collected for full-time students only.*

## *Improving Affordability\*\**

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	2007–2008	2008–2009	2009–2010	2010–2011
Grant & Scholarship Recipients	2,068	2,527	3,068	3,456

*\*\*Achieve 2015 Six-Year Strategic Plan for Virginia's Community Colleges*

snapshot can capture how many students graduate in a given year, for instance, or how many are enrolled on a given day. In *Achieving the Dream*, Danville Community College instead focused on specific student cohorts. By following a group of students over time, they began to identify roadblocks to student success.

"In the past, most institutions relied on anecdotes, and we tended to focus on the one student who overcomes the odds," Lincoln says. "We don't understand the magnitude of the problem of students falling off of pathways.

"We asked: Those who were in the seats in the third week, did they actually come back the next semester, and are they progressing towards credentials? We want people to understand what happens to students along the way. Do they fall off the track, and if so, why? Is it because of the course scheduling time, or because the curriculum is out of date and not relevant to what students need to know, or because students need support with financial aid or extra tutoring?"

The work with MDC left a lasting mark on his institution's culture, Ramsey says. For instance, the leaders at Danville Community College fine-tuned the art of facing difficult questions head-on.

"At the end of every day when working to develop strategic plans, we'd ask George [Autry, MDC's founding president] or David or Carol to give a summary of what had happened," Ramsey remembers. "One of them—and I just can't remember which one—said, 'You know we're not going to do what we need to do unless we're willing to face tough issues head-on. One would be race. We have to address the issues that divide us, the unmentionable ones. You've just got to have the ability to have courageous conversations.'"



*At Danville Community College's Regional Center for Advanced Technology and Training, left, students receive industry-specific training and learn new skills, creating a workforce that can attract new industries. Below, an EIT South employee works with computer circuit boards.*



*“We’re training workers for the new economy,” Ramsey says. “Building capacity – you hear that from the feds a lot. We have actually done it.”*

“**W**ith our team it stuck. We came back, and in the early phases of Achieving the Dream we’d say, ‘Okay, is everyone ready for a courageous conversation?’”

“Courageous conversations” is still a buzzword for Ramsey and his staff.

“If you’re not prepared to have courageous conversations, you’re not prepared to make much change, whether in your college or in your community,” Ramsey says.

Ramsey’s college has progressed a great deal since the day back in 1993 when he first met with MDC. The college is actively involved in recruiting new businesses to the region. It has gone to great lengths to ensure that it provides courses that equip students with meaningful job skills. For instance, DCC’s Regional Center for Applied Technology and Training provides specialized training useful for specific industries, including nanotechnology courses and a precision machining lab where students learn how to manufacture custom plastic tubes and other polymer plastics prototypes.

“We’re training workers for the new economy,” Ramsey says. “Building capacity—you hear that from the feds a lot. We have actually done it.”

In the arena of student achievement, too, Ramsey is proud of his college’s progress. DCC ranks among Virginia’s top community colleges in the areas of access, completion, retention, and graduation rates. Ramsey credits his college’s improvement in those areas partly to its work with MDC.

“When I see the data from year to year, if we’re not in the top three, I’m not happy,” Ramsey says. “Did we have the tools to do that in 1992? The context, the network, the vision, the confidence to do it? I don’t think so.

“MDC can’t change Danville Community College, we have to do it,” he adds. “But the expertise, the inspiration, the technical assistance, the pressure of producing—all contributed to Danville becoming a much better community college.

“To have an opportunity to work with a world-class organization like an MDC—it makes you better.”





*MDC worked with local leaders to help build a vision for a revitalized Danville. Clockwise, from top left: Danville Community College President Carlyle Ramsey; former Danville Regional Foundation Board Chair Carolyn Evans; Ben Davenport, chair of Davenport Energy Inc. and First Piedmont Corp.; and Charley Majors, CEO of American National Bank and Trust Co., member of the Future of the Piedmont board, and board chair of the Danville Regional Foundation.*





[ a clear plan of action ]

## Moving into a new economy

*sustainable long-term outcomes*

**D**anville Community College was becoming a stronger institution at a critical time, because as the twentieth century drew to a close, the economic engines that had fueled Danville's rise were sputtering. Tobacco auction houses were closing. Furniture factories were still. The former textile colossus Dan River Mills was shrinking as foreign competition ate up more and more of the textile market share. Layoffs were becoming routine, and poverty was gaining a bigger foothold.

At this juncture, the key plot points in Danville's story resemble those of many other Southern manufacturing cities: a dwindling manufacturing heart, a hemorrhaging economy, and rising poverty. But this is precisely where Danville's story takes an unusual turn.

"The year 2000 was kind of a defining year for Danville," Ramsey says. "Most if not all of the smaller textile operations in the area were gone or closing. Dan River was preparing for strategic reductions. Tobacco was clearly on its last leg in terms of being a major player."

In late 1999 and early 2000, two more local textile firms announced plans to close. Tultex in nearby Martinsville announced that it was closing in early 2000, after letting go some 1,000 workers with just a few days' notice. Then, a nearby J. P. Stevens plants announced that it planned to shut down, too.

*Opposite: In the River District, historic tobacco buildings are getting a new life.*

“Thousands of workers were thrown out of work,” Ramsey says. “I’d go to parties during the holidays and people would say ‘What are we going to do? This is catastrophic.’”

“But while Rome was collapsing, Rome was also being rebuilt.”

If Danville had a lot of problems as the old century gave way to the new, it also had a unique asset: a cadre of local leaders who clearly recognized that the city’s economy was headed for the shoals and who were determined to act to prevent disaster. This group, which became the Future of the Piedmont Foundation, had already started looking past plant closings and towards a different future. The Future of the Piedmont leaders saw an opportunity in the tobacco settlement, a settlement between four large tobacco manufacturers and the attorneys general of 46 states, including Virginia. Through the settlement, Virginia was set to receive about \$4 billion. Working behind the scenes with Virginia legislators, business leader Ben Davenport, Jr., and others lobbied to make sure some of that money would benefit communities like Danville.

“A substantial amount of money was going to come back into Virginia,” says Davenport, chairman of Davenport Energy, Inc., and First Piedmont Corporation. “We crafted a piece of legislation such that a large amount of money would end up coming back to areas where tobacco had been raised, to help revive those economies.”

Davenport, Charley Majors, Linwood Wright, and the others who formed Future of the Piedmont knew their new foundation needed a business plan. In fairly short order—and with the governor’s prodding, Davenport adds—the group decided it needed outside advice to help craft that plan.

“We interviewed a number of different firms,” Davenport says. “But the only one that really seemed to clearly understand what we wanted to do and had a lot of passion for the work was MDC.”

For his part, MDC’s David Dodson was struck immediately by Future of the Piedmont’s dedication to the community. Though the group lacked diversity—it was all male and all white—its members seemed open to asking hard questions about how to make real and lasting change.

“Here you had people who could drive an agenda, who were very well-networked,” Dodson says. “They could get things done. And generally speaking, they wanted to get the right things done. They wanted to expand opportunity.

“There was an openness to asking, ‘What’s the new architecture of prosperity going to be?’”

The Future of the Piedmont Foundation asked MDC for a concise diagnosis of Danville’s economic ills and a clear plan of action. Most importantly, the group wanted a practical plan that would be put to use and not rolled up on a shelf. They wanted a roadmap for change.

MDC and the Future of the Piedmont Foundation spent months in discussion, honing the plan. The work included trips to other communities that had brought about significant change, such as Tupelo, Miss. It also included hours of frank discussion.

Dodson recalls an early session with the FOP board, in which the group studied a timeline of Danville’s economic history. Across the top of the chart ran a line that zig-zagged up and down, showing Danville’s previous great peaks in wealth, and

## *A Shifting Economic Base*

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Type of employment	1990	2011
Total nonfarm	42,200	39,600
Total private	36,700	33,100
Goods-producing	18,000	8,200
Service-providing	24,200	31,500
Private service-providing	18,700	24,900
Manufacturing	16,000	6,800
Trade, transportation, and utilities	7,100	7,200
Government	5,500	6,500

Source: Virginia Workforce Connection, State of Virginia

then ran steeply downhill, tracing the city's recent sharp economic decline.

"I said, 'What does this precipitous decline tell you?'" Dodson recalls. "Then I said, 'Let me tell you what it says to me. It says to me that the region can either change or die.'"

Future of the Piedmont members appreciated that sort of directness, Davenport says.

"Most of the time, consulting groups come in and really all they do is take your thoughts and put them together. David doesn't do that. MDC interjects... They expand your knowledge base. To me that's critical.

"David knew what had worked what hadn't worked elsewhere. So he was able, in nice way, to say 'that's baloney.'"

MDC also encouraged Future of the Piedmont to think about the long-term, says Charley Majors. Majors, the CEO of American National Bank and Trust Co. and a past chairman of the Virginia Bankers Association, serves on the Future of the Piedmont board and chairs the Danville Regional Foundation board.

"Probably the first important lesson that MDC brought to us was to make us realize that this was a long-term process, that it was not a short-term fix," Majors says. "We began the process saying we don't have a lot of time, and we want a quick fix. Well, we quickly found out that you do not do quick fixes with this type of situation and these types of changes."



*The Danville Farmers' Market draws crowds on Saturdays as part of Danville's effort to capitalize on its historic riverfront.*

MDC's work with Future of the Piedmont culminated in the July 2000 report "Learning, Working, Winning: Bringing the New Economy to the Dan River Region." The plan was released to the public in fall 2000 in a series of carefully organized public meetings. Today, the influence of the plan on Danville's evolution is striking.

"The plan MDC produced had four foci: workforce development, economic development, information technology, and civic infrastructure," Carlyle Ramsey says. "That became the blueprint for the Future of the Piedmont."

Ben Davenport agrees.

"It became our playbook," Davenport says. "We got the city and county to adopt it. And that's been the document we've used going forward."

The plan emphasized technology, calling for greatly expanding broadband access throughout the Dan River Region. It stressed the importance of regional cooperation. The document also called for a new research institute to offer technology-based advanced degree programs and specialized research geared towards finding new economic opportunities for the region.

That center, the Institute for Advanced Learning and Research (IALR), opened in 2004. It was intentionally perched on a hill near the Danville airport, so visitors flying in would be greeted by a striking, future-oriented image the moment they arrived in Danville.

“We wanted to create an icon that said, ‘We’re not accepting who we are, we’re going to be born again in this new economy,’” Davenport says.

But the symbolism of the new, shiny glass building on the hill wasn’t only important for corporate visitors, Davenport says: The message embodied by IALR was aimed equally at Danville residents.

“The most difficult thing for downtrodden people is to develop a positive attitude about who they are and where they’re going,” Davenport says. “People who have a bad self-image or lack of sense of pride in where they live—you need to help them. A lot of what we’re trying to do is rebuild a sense of self-worth.”

In the years since the plan was released, city and county governments have made important strides towards working more in tandem to promote the region. For instance, Pittsylvania County and the City of Danville joined together to build a new industrial park for the region—an act of inter-governmental cooperation without local precedent. Regional cooperation also helped the group accomplish a key infrastructure goal outlined in its plan: wiring the Danville region for broadband communications. The group launched an ambitious effort to lay broadband cable all along U.S. Highway 58 through southwest Virginia. The effort required an outlay of more than \$75 million. But today, an 800-mile fiber optic network that many large cities would envy stretches across rural Virginia, linking not just businesses but also every public school in the region.

For Carlyle Ramsey, vindication for the cumulative efforts of Danville Community College, Future of the Piedmont Foundation, and others came in 2003, when after several dry years, Danville finally landed a new industry, the Indian-based packaging firm Essel Propack, which produces plastic tubes for major manufacturers of consumer products such as lotion and toothpaste. The company agreed to come, Ramsey said, partly because Danville had already invested in itself. At its Regional Center for Advanced Technology and Training, the community college showed that it could provide the specialized training the new Essel Propack workers would need.

Other new businesses followed, and DCC launched a new training program in late 2006 to accommodate the new, advanced manufacturing jobs.

“In mid-2007 there were 1,500 new production jobs we were looking at filling,” Ramsey recalls. “Only three years earlier we couldn’t find one.”

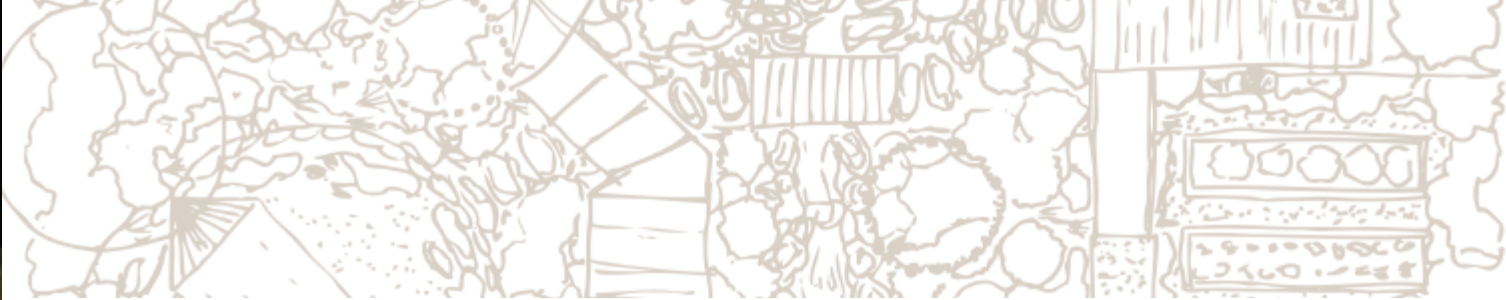
Then came a big coup for the city: In 2007, Swedwood, a subsidiary of IKEA, broke ground in Danville on its first U.S. factory. The 930,000-square foot factory opened its doors the following year.

Another new arrival was computer manufacturer EIT South, where Chris Farmer and Tchaundia Pruitt now work. Danville Community College has been a key resource for both Farmer and Pruitt, helping them get the training they needed for their current jobs.

“It was the boost I needed,” Pruitt says. “In the job market today because there are so many people unemployed, companies are looking for people who can do the job, not the one who is, ‘I think I can do it, or I may be able to do it—I can pick it up as I go.’”







[ strategic philanthropy ]

## At a critical time

*investing upstream to change the way  
the community does business*

**B**y 2005, change was stirring in Danville, led in no small part by Danville Community College and the Future of the Piedmont Foundation. Then came a key decision point, when a potential buyer expressed interest in the local hospital.

The idea of selling Danville Regional Medical Center to an outside investor, LifePoint Hospitals, Inc., was immensely unpopular. But the sale would free up millions of dollars, enabling the creation of a new local foundation. The foundation could in turn become a force for continued change and ongoing investment in the city's future. Hospital board members decided the risk was worth taking.

So in July 2005, despite huge public outcry, they sold the medical center and invested the \$200 million in the creation of the new Danville Regional Foundation (DRF). The decision generates controversy in Danville to this day.

"Those of us on the hospital board get a lot of criticism for doing that," Davenport says. "I think history will validate that it was one of the things that really helped spur the redevelopment of the region."

Davenport and other local leaders quickly realized they needed help establishing guidelines for the new foundation. So they turned to MDC, where consultants urged the board members to think beyond simply which grant

*Opposite: The Dan River Plant Propagation Center at the Institute for Advanced Learning and Research was launched with a grant from the Danville Regional Foundation*



*The Institute for Advanced Learning and Research's Plant Propagation Center is investing in the creation of new biofuels. The center is marketing miscanthus grass as a biorenewable energy source.*

proposals to support, and instead to chart a clear mission for the new foundation.

MDC emphasized that the new foundation had a critical opportunity. The foundation could be reactive, and step in with grants to ease suffering. Or it could be strategic, and target the new infusion of money towards the root causes of Danville's problems. If it took the latter course, argued David Dodson, the new foundation could create lasting change.

"Most Southern philanthropy is content to deal with the after-effects of problems, to deal with downstream and not upstream," Dodson says. "You can either deal with downstream consequences or you can move upstream and change the way the community does its business... Getting at causation is really a better way to invest than just providing charitable relief."

DRF board member Carolyn Evans said those conversations about strategic philanthropy were among the most important moments in the board's formation.

"One of the things David, through MDC, helped us understand was the difference between philanthropy and charity," Evans says. "You can continually give money and still not make a real difference in the community."

"We decided, we've got this big pot of money that we could flush the community with. With that we would answer a lot of immediate needs, but at the end of the



*In the robotics lab at the Institute for Advanced Learning and Research, a Virginia Tech graduate student tests a remote-controlled robot used for mapping.*

day there would be nothing that was sustaining the long-range changes.”

When Karl Stauber took the helm of the new foundation in 2007, he found a board in place that already understood the importance of targeting philanthropic dollars.

“Foundations can be primarily responsive organizations,” Stauber says. “MDC helped this foundation’s board to see that if it wanted to create the changes necessary, it had to lead, and had to take the heat that goes with being a leader.

“MDC helped the board find its vision. But in some ways even more important, it helped the board find its courage. So the board has been willing to do the hard things, the sometimes unpopular things. It’s been willing to stay the course. Without that kind of courage, vision’s not very useful, not very powerful.”

To demonstrate just how powerful local foundations can be, MDC took foundation board members to Alexandria, La., to meet with board members of the Rapides Foundation. The board then traveled to Tupelo, Miss. Both trips drove home the importance of establishing a clear mission.

Working with MDC, the board established four focus areas for the new foundation: economic development, education, health, and civic engagement. When he arrived as CEO in 2007, Stauber hit the ground running. He credits his quick start partly to MDC’s preparatory work with the foundation board.

"I don't know that I would have come here or any place if somebody like MDC hadn't done all the preliminary work that had already been done in this community, and with this organization, before I got here," Stauber says. "For example, there was a pretty solid outline of a strategic plan. There was a clear statement about values. There was a sense about how to get through the first year.

"Those are all things that MDC played an absolutely critical role in having in place. MDC, in the person of David Dodson and Joan Lipsitz, was able to get the board here all facing in the same direction and having same fundamental understandings of what the foundation would do and what it would not do.

"I turned down other jobs in other places because nobody had done the readiness work. I didn't want to spend my first two years doing readiness work when I knew there was so much critical work that needed to be done. MDC really created the platform. They helped our board to see the possible."

The foundation gives Danville a key advantage over many economically distressed Southern cities: an independent source of capital for investment in change, and a local entity whose sole mission is to help Danville move forward.

Since its establishment, the Danville Regional Foundation has made over \$65 million in grants. One of the biggest was a \$5.4 million award in 2010 to the Virginia Early Childhood Foundation, to help increase school readiness for children across the region. The foundation is also attacking the obesity epidemic through a series of initiatives aimed at promoting healthier, active lifestyles.

Revitalization of Danville's downtown is another priority, and the foundation is aiding that effort both directly and indirectly. DRF has moved into new offices in Danville's old tobacco warehouse district, where nineteenth century brick warehouses and cobblestone streets are being reclaimed for 21st-century applications, including software companies and a battery manufacturing firm. The foundation shares a building with Averett College's nursing program in the stately, mahogany-panelled former headquarters of Dimon Tobacco. And it co-sponsors the River District Festival, an autumn event that highlights the waterfront and attracts visitors from around the region.

"We were a tobacco community," Evans says. "And a lot of those farmers have gotten out of raising tobacco. We're trying to come up with alternatives for those farmers and growers."

Finally, the foundation seeks to widen the scope of leadership in Danville. The simple fact that the foundation was recently chaired by an African-American woman represents change for this city. And through its "Make it Happen" initiative, DRF is recruiting a wide range of citizens into the work of transforming the Dan River region. That initiative invites citizens and organizations to submit proposals for small grants of \$10,000 or less. Already, scores of grants averaging about \$9,000 each have been approved that are aimed at improving the region's health, including a series of exercise stations along the city's riverfront trail.

"The foundation is key to the rate at which the community has now begun to change," Dodson says. "The way in which the foundation has invited people to the table and put results into people's hands is a complete cultural change. But the

*“When you get to readiness, then the chances of the big investment paying off go up dramatically.”*

foundation didn't just grow out of thin air. It itself is a culmination of a lot of earlier developmental work.”

Karl Stauber makes a similar point.

“You have to focus on readiness before you focus on investment,” Stauber says.

“All too often I see national funders who want to assume readiness is something you can buy. But if you don't have a developmental institution like MDC or DRF that does all the on-the-ground developmental work, then all the best practice stuff coming out of major academic institutions has no place to land successfully. So I think one of key roles MDC has played since I've known them in the early 1970s, they help communities and institutions get ready.

“When you get to readiness, then the chances of the big investment paying off go up dramatically.”

The city still faces daunting challenges. Danville's glory days as a textile and tobacco leader left a heritage of extreme economic polarization that is written on the landscape still. On the one hand, Danville's heyday created the mansions that line its Main Street. On the other hand, it created neighborhoods like Schoolfield, where life was quite literally organized around the factory that sat at the top of the hill, and where a culture grew up that rewarded dependency and discouraged education and risk-taking. In Schoolfield and other mill villages, generations of Danville residents were taught that education didn't matter. They were taught to set their sights on a job at the mill—to venture as far as the top of the hill, but no further. A community doesn't unlearn those lessons overnight, Stauber says.

“I often describe Danville as a milltown without a mill,” Stauber says. “I've had people say to me recently that their opinion doesn't matter, because the people at the mill are going to decide. Well, the mill's being torn down, and there are no people at the mill. But it is like a ghost.”

With MDC's help, Danville's leaders have begun to exorcise the ghost of the mill and to summon a different future: a new culture that encourages and rewards entrepreneurship, civic engagement, and pursuit of education. The work of transforming Danville is far from over: Ambitious downtown renovation plans are under way with the help of the regional foundation, but vacant storefronts still mar the downtown streetscape. New businesses have arrived, and the local economy is becoming more diversified. But the national recession has slowed progress, too, and the poverty rate is still high.

Still, change is stirring in this city. The Institute for Advanced Learning and Research is growing new businesses, such as a new plant propagation center. Danville also has begun to reclaim its riverfront as a recreational asset and a natural feature worth celebrating. Equally impressive are changes that are less visible to a casual visitor, but suggest that Danville's educational culture is slowly shifting: high school graduation rates have risen, and college completion is up, too. These days, students such as Reggie Jeffries, workers such as Tchaundia Pruitt at EIT South, and longtime local civic leaders such as Charley Majors are living in a different city than the Danville that existed ten years ago. Local institutions such as Danville Community College, the Future of the Piedmont Foundation, and the Danville Regional Foundation are at the leading edge of change. And MDC's mark is on those changes. By working to strengthen local institutions, MDC has left Danville better able to shape its own future.

"You invest in leadership, you invest in education, you invest in a new development framework, that is not going to produce results next year," says David Dodson. "These are long-cycle investments, 15-year investments. But they are paying off. By working on inclusivity, education, civic capacity, and attractiveness of the community, Danville was able to get IKEA and other entities that they wouldn't have been able to get just through low-ball bids."

While Danville justly celebrates its recent successes, it is continually looking ahead. In 2012, the Danville Regional Foundation began working with a new generation of community residents under 50 who can help chart the region's future. The Danville Regional Foundation again turned to MDC to guide the process. With the support of MDC, the group is developing an action plan that encourages leaders to pursue activities aimed at enhancing growth for all citizens of the region, and creates an organizational structure to ensure that happens.

Danville's successes go back to the community's willingness to examine itself. In Danville, local leaders were willing, with MDC's help, to step back and ask the important questions about what was required in order to truly create change.

"This was a community that was never afraid to put itself in a position of growth," Dodson says. "How many places ever ask that question: 'What do we want to be?'"

For Ben Davenport, that remains a critical question. He takes heart from the new plant hybrids and the robotics research that are being created at the Institute for Advanced Learning and Research. He's encouraged when a new corporation such as Horizon Technology or Luna nanoWorks chooses to make its home in Danville's river district. And he's proud that thanks to 800 miles of broadband cable laid

across southwest Virginia, the teachers and children in Danville's public schools have broadband access to rival that of many corporations.

"I don't like that it's all taking so long," Davenport says. "But our game plan is on course."



*With miscanthus grass, a new biofuel, the IALR's Plant Propagation Center hopes it has found a strong replacement crop for Virginia's former tobacco farmers.*

*“This was a community that was never afraid to put itself in a position of growth,” Dodson says.*



*For decades, Dan River Mills dominated Danville’s civic life. Then the mill closed. Today, Karl Stauber, president and CEO of the Danville Regional Foundation, says Danville is learning how to get past being a milltown without a mill.*





*The Danville Regional Foundation supported installation of fitness equipment along the Riverwalk Trail, as part of its mission to improve local health outcomes.*

*“How many places ever ask that question: ‘What do we want to be?’”*



*Old tobacco warehouses in the River District now are home to high-tech companies.*



MDC is a nonprofit based in Durham, N.C., that has worked for nearly 50 years to help organizations and communities find and incubate sustainable solutions to social and economic inequities through education, workforce development, and personal asset-building. Much of MDC's work is place-based, often working through community colleges and community foundations, helping create long-term change by working with leaders to research specific challenges, design programs that address strategic needs, and then scale-up those programs and find ways for them to become self-sustaining.

For more information, visit  
[www.mdcinc.org](http://www.mdcinc.org) or call 919.381.5802

