

IV. BUSINESS DEVELOPMENT



BUSINESS DEVELOPMENT

INTRODUCTION

The Comprehensive Plan Business Development chapter focuses on four areas that are all integral to the economy of Frederick County. These areas are:

- **OFFICE AND INDUSTRIAL**
- **RETAIL**
- **TOURISM**
- **AGRIBUSINESS**

Frederick County's attractiveness as a residential community will continue to expand our population and our opportunities for business growth. Each new residence within the Winchester-Frederick County area generates approximately 50% of the taxes needed to offset the service burden created by the residence; the goal of planning for new business development is to attract businesses that will balance the tax base and jobs.

The opportunity for local residents to have an expanded employment base affords not only an enhanced quality of life and increased income, but also results in increased local spending and therefore increased sales tax collections.

CURRENT CONDITIONS

Highway accessibility, proximity to major markets, an impressive skilled talent pool, and commitment to business are a few of Frederick County's strategic economic cornerstones. These, in combination with outstanding public education institutions and top ranking healthcare facilities, provide additional confidence to businesses about Frederick County's economic environment.

Multiple four-lane highways (which can reach over 40% of the U.S. population in one day), quick access to three international airports (Washington-Dulles International Airport, Baltimore-Washington International Airport, and Ronald Reagan Washington National Airport), and daily intermodal connection via the Virginia Inland Port are just a few of the reasons businesses like operating in Frederick County, Virginia.

Geographically, Frederick County is strategically placed in the Mid-Atlantic region of the United States and along major North/South and East/West transportation routes. This is a valuable asset to companies serving the North American and European markets.

In addition to the outstanding geographic reach, Frederick County employers enjoy a workforce pool of more than 200,000, with approximately 30,000 ready and available for business service and manufacturing operations. Funding programs exist to help with specific training.

Frederick County prides itself as a vibrant, pro-business community with an immense commitment to business. In fact, Frederick County, Virginia, has employed an award winning, proactive model for ongoing support of our businesses for more than 30 years. Onsite visits, quarterly business forums, and assistance in locating and obtaining available workforce training funds are just a few examples of our commitment. Frederick County, Virginia's, consistent economic success provides businesses with assurance that their investment will grow.

Frederick County currently has a consistent and competitive real estate tax rate in comparison to neighboring communities. Supported by a proactive Economic Development Authority (EDA), the area's workforce has a high work ethic and a low turnover rate. The County has a population of 82,262 and over 42,000 residents in the workforce. Of that number 89% of county residents are high school graduates and 30% hold bachelors or more advanced degrees.

The largest employment sector in Frederick County, Virginia, is Manufacturing, (5,093 workers). The next-largest sectors in the region are Retail Trade (3,725 workers) and Educational Services (3,057). Sectors in Frederick County, Virginia with the highest average wage per worker are Management of Companies and Enterprises (\$74,902), Mining, Quarrying, and Oil and Gas Extraction (\$71,244), and Public Administration (\$63,215).

Regional sectors with the best job growth (or most moderate job losses) over the last 5 years are Manufacturing (+983 jobs), Finance and Insurance (+970), and Retail Trade (+862). Over the next 10 years, employment in Frederick County, Virginia is projected to expand by 6,145 jobs. The fastest growing sector in the region is expected to be HealthCare and Social Assistance with a +3.6% year-over-year rate of growth. The strongest forecast by number of jobs over this period is expected for HealthCare and Social Assistance (+912 jobs), Retail Trade (+819), and Construction (+729).

Education opportunities abound in Frederick County which has a well-respected primary education system. In addition, higher education opportunities exist with a growing student base at the following establishments:

- Shenandoah University
- Lord Fairfax Community College (LFCC)
- Old Dominion University Satellite Office at LFCC

The Community has an excellent healthcare system which is centered around the Valley Health Systems. The rate of expansion in the County has increased significantly in the last 10 years. Facilities in the Winchester-Frederick County area now include:

- Winchester Medical Center
- Regional Referral Center
- Level II Trauma Center
- Heart and Vascular Center
- Cancer Center
- Diagnostic and Imaging Center
- Quick Care / Urgent Care Centers
- Health and Wellness Center

Frederick County provides a quality of living which is considered to be a factor in recruiting companies and maintaining a desirable workforce. The City of Winchester, with its successful downtown walking mall, is a resource for additional workforce and provides numerous retail and entertainment opportunities.

FOCUS FOR THE FUTURE

The Plan recognizes the changing nature of the social and economic environment and identifies potential adjustments to existing resource use.

In order to maintain a desirable and competitive real estate tax rate, the County strives to achieve ratio of 25/75 between commercial/industrial (C&I) land uses and residential uses in terms of their collective taxable value.

The County seeks to achieve fiscal balance through land use planning.

To encourage C & I uses to Frederick County has designated certain areas solely for these type of uses such as the Route 11 North corridor, Kernstown area, Round Hill, the Route 277 Triangle area, and in the vicinity of the Winchester Regional Airport. Future planning efforts will continue to identify opportunities to align land uses to promote business development.

COMMUNITY BENEFITS

Adequate amounts of land must be planned for and designated for both C & I uses and residential developments. Striking a balance of these land uses and ensuring that the tax rates remain low and that services are available to support these initiatives will help make Frederick County an economic engine within the region.

GOALS/STRATEGIES

GOAL: **DEVELOP A STRATEGY THAT PROMOTES THE EXPANSION OF DESIRABLE BUSINESS AND INDUSTRIAL LAND USES.**

STRATEGIES:

- Frederick County Economic Development Authority (EDA) targeted industries: (as of February 2016):
 - Light Industrial
 - Pharmaceutical & Medicine Manufacturing, Scientific Research & Development, and Lab Services
 - Business Services
 - Retail

- Additional Recommended Target Areas:
 - Federal & State Facilities
 - Healthcare & Health Services

OFFICE AND INDUSTRIAL

CURRENT CONDITIONS

Geographically, Frederick County is strategically placed in the Mid-Atlantic region of the United States and along major North/South and East/West transportation routes. This is a valuable asset to companies serving the North American and European markets.

The County's location places its businesses halfway between the markets of the north and south, within a one-day haul of 50% of the U.S. population. Over 60% of the goods manufactured in the United States are distributed from the 750-mile (1,207 kilometers) area.

In addition to being half way between Boston and Atlanta, Winchester-Frederick County is well positioned equidistant between Los Angeles and London. For national and international companies, being in the Eastern Time Zone maximizes their hours of operations, which helps to improve efficiencies.

Excellent road, rail, inland ocean port and the Dulles World Cargo Center provide access to the major markets in North America, Latin America, and globally.

Interstate 81 runs directly through the County. Several major airports are within 100 miles of Frederick County, including Washington-Dulles International Airport (IAD), Baltimore-Washington International Airport (BWI), and Ronald Reagan Washington National Airport (DCA). Frederick County is home to a growing regional general aviation airport. These assets support access to Frederick County's business development opportunities.

With the formation of the Washington-Baltimore Metropolitan Statistical Area after the 1990 US Census, the sixth largest USA market begins at the County Line. This close proximity to Washington D.C. also provides access to the unique opportunities associated with the Federal Government and the County's location is supportive of those policies established for purposes of Homeland Security.

In addition to the ideal geographic location of Frederick County, other significant strengths of the Frederick County market, particular to attracting new office and industrial development, include favorable tax rates, quality of life, numerous education options, nationally recognized healthcare provider, workforce, and a diverse current office and industrial community. Frederick County is currently the site of several government facilities, including, the Federal Emergency Management Agency (FEMA), the Army Corps of Engineers, and a recently selected site for a Federal Bureau of Investigation (FBI) Records Storage facility.

Frederick County has a consistent and competitive real estate tax rate in comparison to neighboring communities. Supported by a proactive Economic Development Authority (EDA), the areas workforce has a high work ethic and a low turnover rate.

BUSINESS DEVELOPMENT

Current office and industrial operations within the Community provide for diversity in current business markets. The economic strength of the area is further enhanced by the fact that the area is not linked to one major industry or employer. There is a redundancy in resources offered at certain business parks.

FOCUS FOR THE FUTURE

Frederick County should focus on targeted office and industrial business development opportunities over the next twenty years (as outlined in the Introduction).

No business development marketing strategy will be effective if sufficient acreage has not been designated to accommodate desired business uses in suitable key locations. Area Plans should continue to identify and incorporate ample areas of business and industrial land use.

Frederick County supports green initiatives in the field of economic development. Viable development initiatives should be recognized and their implementation encouraged. Such an example is rail access and transportation which will become more valuable and expected in industrial settings due to desire to operate effectively and efficiently.

Frederick County should be proactive in ensuring the resources necessary for business development are planned for in a viable way and available to support identified office and industrial users.

With regards to water, waste water treatment, and electricity, manufacturers will require adequate supply and availability, but will also be interested in quality and service reliability. There is a finite capacity of these resources that must be managed accordingly.

COMMUNITY BENEFITS

The value of office and industrial business development to Frederick County is immeasurable. As part of the County's economic development effort, office and industrial growth is a key component for ensuring a broad selection of employment opportunities for the citizens of Frederick County.

The continuation of a low residential tax rate is a direct result of the expansion of the commercial and industrial tax. Currently commercial and industrial tax revenue accounts for approximately 13% of the County's tax base. The County's goal indicates this should be around 25% to ensure a balanced fiscal environment.

Tax revenue derived from the average single family residence is approximately fifty percent of the cost of service provided for that same residence. The County's fiscal survival is dependent upon recruiting office and industrial occupants which offset those residential costs.

BUSINESS DEVELOPMENT

Overall, a sound office and industrial business development strategy will result in the conservation of a variety of finite resources and promote a high quality of life for the citizens of Frederick County.

GOALS/STRATEGIES

GOAL: IDENTIFY AND RECOGNIZE AREAS IN THE COUNTY MOST STRATEGICALLY SUITED FOR OFFICE AND INDUSTRIAL DEVELOPMENT

STRATEGIES:

- Complete review of area land use plans to ensure sufficient acreage is designated for office and industrial uses.
- All infrastructure, such as voice and data fiber, electric, water, wastewater and natural gas, should be extended to areas identified for office and industrial uses and non-rural residential areas.
- The rezoning process should be examined and streamlined as appropriate in order to encourage landowners of properties identified in Area Plans (see Appendix I) to proceed with rezoning.

GOAL: PROACTIVELY ATTRACT DESIRED BUSINESS ENTITIES

STRATEGIES:

- Review and revise the office and manufacturing zoning districts to further encourage development of targeted industries.
- Continue to examine and fund business location marketing studies that build or modify the current business base, to help the County forward its goal of increased income for its citizens and tax value for the County.

GOAL: CONSIDER REGULATIONS ENCOURAGING AND/OR REQUIRING SERVICE REDUNDANCY IN OFFICE & INDUSTRIAL AREAS

STRATEGIES:

- Create incentives for industrial site developers to implement service redundancy.

RETAIL

CURRENT CONDITIONS

The retail sales potential of any geographic market is based upon a mixture of many factors, a few of which are:

- The number of households within the market.
- The average disposable income of those households.
- The sophistication and depth of surrounding competing markets.
- The presence of a marketing effort for the area (as opposed to the marketing of an individual venue).

From a land use perspective as well as general business development retail needs to be viewed in at least 3 parts:

- National Retail
- Small Retail
- Meals Away from Home

FOCUS FOR THE FUTURE

Over the next twenty years, population growth in Frederick County and its environs will continue to fuel retail development and the opening of varied retailers throughout the area. Frederick County has already taken necessary steps to prepare. The establishment of the Frederick County Economic Development Authority (EDA) is an example. A locality has little impact on the decision of the “national” retailer to locate in an area unless items #1 and #2 (above under “Current Conditions”) meet their individual business model. With a “small” retailer the driving factor is affordable available space.

Frederick County must strategically identify prime areas for commercial land use in key locations to capitalize on future commercial opportunities. In addition, Frederick County must continue to effectively market itself to the network of developers, national and regional retail trade organizations, retailers, and tenant-representation real estate agents and brokers that influence site selection decisions.

While the County’s ability to attract national and regional developers and retailers to the area cannot be understated, the County must not underestimate the importance of supporting locally-owned and operated developments and retail establishments. The growth of such locally-owned businesses within the market’s retail mix will have a direct positive impact to the vitality of the market’s retail profile and the quality of life of local residents.

COMMUNITY BENEFITS

Successful growth of retail equates to an increase in sales tax revenue to support county services and capital improvements. A strong retail environment also plays a key role in the quality of life for the residents of any geographic area and thus plays an integral role in an individual family, a corporation, or other entity deciding to relocate to that area. Retail growth also equates to more jobs, both directly (with the retailers themselves) and indirectly (a strong retail environment plays a role in drawing employers to the area).

GOALS/STRATEGIES

GOAL: **PROMOTE FREDERICK COUNTY AS A DYNAMIC, RETAIL MARKET.**

STRATEGIES:

- Develop a unified marketing plan for the County.
- Strategically identify prime areas for commercial land use in key locations to capitalize on future commercial opportunities.

GOALS: **FUTURE DEVELOPMENTS SHOULD BE OF A HIGH QUALITY.**

STRATEGIES:

- Promote enhanced architectural/design requirements for future retail development, including structure appearance, landscaping, and signage.
- Encourage mixed use developments for future residential and commercial developments.
- Identify regulations that may require modification to support the inclusion of a limited retail component within residential developments.

TOURISM

CURRENT CONDITIONS

Frederick County and the surrounding areas play host every year to nationally recognized events such as the Shenandoah Apple Blossom Festival and Belle Grove Civil War living history reenactments. The area is home to the Museum of the Shenandoah Valley, the Cedar Creek and Belle Grove National Historic Park, the North-South Skirmish, various year-round live theater and performance centers, a revitalized and vibrant Old Town Winchester and other key assets such as orchards, farm markets, historic homes, battlefields, and natural resources that bring travelers and their tourism dollars to the area.

The County also supports a growing number of wineries and the potential for new craft breweries and distilleries, as well as outstanding outdoor recreational opportunities such as the Tuscarora hiking trail, an ATV trail, seasonal navigable waterways, and access to regional spots such as the Appalachian Trail, Shenandoah River, and the Shenandoah National Park.

As the economy improves and travel increases, it is critical that the County be poised to capitalize on the growth in travel and tourism. The Winchester – Frederick County Convention and Visitors Bureau, a city/county tourism marketing partnership, is a key component in developing the marketing strategy to attract additional visitors, and subsequent spending, to the area.

The economic impact of travel and tourism reaches every citizen of Frederick County (each household pays less each year in local & state taxes due to the revenue generated by tourism) by providing employment and tax revenues. Tourism also helps to support a diverse portfolio of local events, attractions and activities and thereby contributes to the quality of life for local residents.

FOCUS FOR THE FUTURE

First impressions often set the tone for a visitor's experience, and the great majority of travelers arrive in Frederick County through its roadways. The character of Frederick County's entrance corridors, especially in areas adjacent to the city of Winchester, is a key factor for the visitor's experience and their decision to stay longer and hopefully return. Enhancing the aesthetics and traffic flow of these corridors will improve visitor impressions, and will benefit the quality of life for residents.

Frederick County should concentrate on strengthening its ability to attract an increasing

number of overnight visitors –through targeted, strategic and collaborative branding and marketing efforts that focus on visitor experiences. The ultimate goal will be to enhance the visitor experience.

Agritourism

Agritourism takes place on a farm or ranch and may include the opportunity to assist with the day to day activities associated with running the farm or to participate in the use of these lands for outdoor related events or activities. The term *agritourism* has also been broadened now to include wineries, breweries and distilleries, which, combined, are the hottest trend in tourism product development in the Commonwealth. Agritourism is discussed at length in the following section of this chapter.

GOALS/STRATEGIES

GOAL: RECOGNIZE DIVERSIFIED LAND USE FOR TOURISM RELATED ACTIVITIES

STRATEGIES:

- Ensure that business owners are supported in their efforts to bring tourism activities to the local consumer market
- Continue to support rural agribusiness such as breweries, wineries and distilleries.

GOAL: LINK THE AREA’S VISITOR ATTRACTIONS WITH A TRAIL NETWORK THAT FACILITATES NON-VEHICULAR MOVEMENT

STRATEGIES:

- Work with the Northern Shenandoah Valley Regional Commission (NSVRC) and surrounding jurisdictions to update and improve the regional bicycle and pedestrian plan, “Walking and Wheeling in the Northern Shenandoah Valley”.
- Support the Redbud Run Greenway project to provide a trail network that will link natural areas, battlefields, including the existing five-mile trail on the Civil War Preservation Trust property, schools, and other facilities in the Redbud Run corridor.

GOAL: PRESERVE AND ENHANCE THE HISTORIC CHARACTER OF FREDERICK COUNTY’S ROADWAYS

STRATEGIES:

- Foster a compact community design that uses traditional building features to maintain Frederick County’s unique historic character.

BUSINESS DEVELOPMENT

- Focus development in compact centers, using Neighborhood Design guidelines, and keeping the rural, agricultural landscape as part of the visitor experience in Frederick County.

AGRIBUSINESS

CURRENT CONDITIONS

Frederick County's rural character is a key component in its identity and one of the primary items that draw visitors and new residents to the area. Historically, these rural areas have supported a wide array of agricultural uses, which at one time was the primary industry in the County. Today those agricultural activities not only generate roughly \$30 million per year but they preserve close to 100,000 acres of rural land. While the number of farms and the amount of land dedicated to agricultural uses has declined in the last 20 years the market value of the products produced has actually increased. 'Farm to Table' trends, 'Buy Fresh, Buy Local' initiatives and the willingness for families to invest in higher quality, locally sourced and environmentally friendly produced groceries will continue to help drive additional market growth.

To protect the amount of land available for agricultural use, the County makes a variety of tools and programs available to land owners. The County continues to allow land owners to participate in the Land Use Tax Deferral Program which allows taxpayers to apply for specially reduced assessments, such as qualifying agricultural, horticultural, and forestry uses. Participation in one of County's many Agricultural and Forestal Districts is available to County property owners. As of 2016, there were eight Districts covering approximately 11,281 acres.

Over the past few years, Frederick County has worked on implementing new tools to not only help protect the agricultural lands in the County but at the same time also help the farmer capture value of the property without actually developing or selling the land. These programs include the Purchase of Development Rights Program and the Transfer of Development Rights Program. These programs are discussed further in the Rural Areas chapter.

FOCUS FOR THE FUTURE

Frederick County agriculture will evolve in a way that is likely to be more intensive and by necessity more diverse. While this will require less acreage than traditional farming activities, activities it is expected that income from agricultural operations will increase. As such the County should focus on implementing policies that seek to prioritize the protection of these rural areas as well as streamline the process for approving the diversified land uses as described within this section. Reduction in permit fees and taxes generated from these new opportunities should be considered as well.

COMMUNITY BENEFITS

Once land is converted from agricultural use it is unlikely that it will ever be reclaimed.

The rural economy of Frederick County plays a significant role in the life and livelihood of its inhabitants. In addition to providing food products for the region, agriculture is a revenue generator which requires very few local services. Agriculture contributes to Frederick County's extraordinary viewsheds while providing a living to its farmers, citizens, and a place of enjoyment for its visitors. Most importantly, an active, profitable agriculture operation reduces the amount of land converted to more dense uses. Diversification of land use for the agricultural not only generate notable income and drive more tourism dollars to the County, it can also offer future protection the land from conversion to residential uses.

GOALS/STRATEGIES

GOAL: THE COUNTY SHOULD CONTINUE TO SUPPORT ITS AGRICULTURAL INDUSTRIES WHILE ALSO RESPONDING TO CHANGES IN THE INDUSTRY.

STRATEGIES:

- Diversified uses on the farm site such as farm markets, alternative fuels, animal boarding, Pick-Your-Own operations, agritourism vineyards, wineries, distilleries and micro-breweries and specialty crops, etc., should be encouraged to help preserve farming and agricultural uses in Frederick County.
- The ordinances of Frederick County should be reviewed to reference and enable the full range of agriculturally related activities. Care must be taken to ensure that such activities are compatible in scale, size and intensity with surrounding land uses and the rural character.
- Value added processes and support businesses should be examined for location within the Rural Area. These processes currently are permitted in the business districts.
- Continue to allow and encourage the use of the Land Use Tax Deferral Program, Agricultural and Forestal Programs, Purchase of Development Rights Program and the Transfer of Development Rights Program.