

## **Cover page template.**

This cover page provides an overview of the method used to track potential updates and changes to the 2030 Comprehensive Plan as part of the 2035 update of the Comprehensive Plan.

The base document from which the changes have been tracked is the approved 2030 Comprehensive Plan.

Stage 1.

Each chapter, or section of a chapter, was updated by members of a Blue Ribbon Panel (Citizen Advisory Group) or the responsible agency, department, or commission.

Stage 2.

The Comprehensive Plans and Programs Committee (CPPC) reviewed, adjusted where necessary, and endorsed each chapter of the 2035 update prepared in Stage 1 above.

Stage 3.

The chapters of the 2035 update as endorsed by the CPPC were forwarded to outside editors for their review and input. Adjustments were made as noted.

Ongoing actions.

Additional comments were received throughout this process by individual Board members and Planning Commissioners.

As demonstrated above, the following color scheme was used:

Blue text – Blue Ribbon Group/Committee/Agency Input

Red text - CPPC Input

Brown text – Editor Input

Green text – BOS Input (individual)

Highlighted Text – Public Input (online and from public meetings)

## **BUSINESS ECONOMIC DEVELOPMENT**

### **INTRODUCTION**

**The goal of the economic development policies and practices recommended herein are focused on two key areas:**

**First, to retain desirable businesses and foster the growth of an economically diverse commercial tax base comprised of environmentally-sound industries that create quality jobs for the citizens of Frederick County and attract ongoing commercial investment.**

**The second key area is to ~~utilize~~ use the county's land and natural resource assets in a manner that provides a high quality of life that fosters the retention of a diverse population and attracts citizens to live and work in the county as well as encourage growth in Frederick County's tourism revenue by providing expanded options and a high quality experience for business and leisure travelers.**

The ~~2030~~-**2035** Frederick County Comprehensive Plan relating to new ~~business development~~ **economic development** focuses on four discreet areas that are all integral to the economy of the County. These areas are:

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

While each of these segments differs from one another, they ~~are all interconnected and help form a~~ **interconnect to make our economy** well rounded ~~economy~~.

Frederick County's attractiveness as a residential community will continue to expand our population. Recognizing that **Each new residence within the Winchester-Frederick County area** generates ~~less than~~ **approximately** 50% of the taxes needed to offset the service burden created by the

residence; the goal of planning for new **business economic** development is to attract businesses that will balance the tax base **and jobs**.

Enhanced real estate valuations, business specific taxes such as machinery and tools, increased sales tax revenues, and meals and lodging taxes are all the results of a well-executed **business economic** development plan. 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.

**Currently there are 31,587 households in Frederick County that have a median household income of \$68,424. Population growth averaged 2.0% per year between 2000 and 2010 and is forecasted to grow by roughly 2% per year between 2013 and 2018. The median age of Frederick County residents is 39.1 years.**

The **land use related economic** ~~business~~ development policies ~~outlined~~ **advocated** in this plan ~~will~~ work collectively to ~~further a positive economic future for Frederick County and its citizens.~~ **create an economic environment to benefit both the citizens and the growth of commerce.**

### CURRENT CONDITIONS

In order to develop a sound **business economic** development plan, an assessment of the current market, economic, demographic, political, and infrastructure conditions ~~must~~ **should** be conducted for each of the ~~four~~ **Economic** Development areas ~~comprising this plan~~ **areas on an annual basis**. Each segment of the plan includes an introductory analysis in order to effectively identify the base from which the future can be built. ~~Further analysis will be essential in capturing the community's future potential.~~ **Much of the information used for the analysis of these items is available through the Frederick County Economic Development Authority (EDA) and the items listed in the Supporting Materials and Resources section of this document. A summary of this analysis is provided below.**

**The largest employment sector in Frederick County is Manufacturing, (5,093 workers followed by 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).**

Frederick County has a proven track record in economic development and is committed to supporting existing businesses as well as welcoming new companies to the area. ~~Frederick County as of 2010 has 16,700 acres designated to business and industrial uses. This chapter has a segment dedicated to each of the business development focuses (office and industrial, retail, tourism, and agribusiness).~~

**In addition to strong workforce and access to a robust highway and rail network to support businesses there are over 700 acres fully zoned and available to the market. Through the combination of all the attributes over the past decade, Frederick County ranks in the top 15% of all counties in Virginia in new capital investment and new jobs announced. Moreover, Frederick County resides among the top 10% of counties in Virginia over the last three years for capital investment and new job growth.**

**The County's Planning Area Analysis identifies approximately 10,000 additional acres planned for economic development land uses.**

### **FUTURE FOCUS FOR THE FUTURE**

~~In order to maximize the effectiveness and benefit of economic development within Frederick County, strategic planning is essential.~~ **Efficient utilization use of land, transportation networks, demographic changes, and spending patterns is crucial to ensuring strong new economic development** and the growth of existing businesses. In addition, recognizing the importance of the growth of existing businesses to future economic development is essential.

~~Where appropriate,~~ The Plan recognizes the changing nature of the social and economic environment and identifies potential adjustments to existing resource **utilization use.**

~~Historically, Frederick County has sought to achieve a balanced ratio between commercial/industrial and residential and other use growth in terms of both available areas of land use and taxable value of the land uses. However, determining the percentage of balance was not institutionalized as a policy.~~

In an effort to provide an appropriate balance between **the County's land use** planning and fiscal policies, as well as to reinforce a sound planning policy basis, the 25/75 percent ratio between commercial/industrial uses and residential and other uses, in terms of both available areas of land use and taxable value of the land uses, will be the established benchmark. By achieving this policy goal, the taxable land values equate to the projected

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

To encourage commercial and industrial (C & I) uses to help achieve the targeted ratio, Frederick County has designated certain areas solely for commercial and industrial type 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. ~~The area planning process~~ **Future planning processes and the Business Development Area Study** will continue to identify opportunities **to align land uses to promote** ~~for~~ economic development **and enhance quality of living that attracts a productive and diverse population.**

### Countywide Future Focus & Policy Objectives

**The following items represent common land use focus areas that can influence economic development on a broad countywide basis and as such should be adopted to support the five focus areas that will be presented in detail on the following pages. Some of these elements are included in the recently developed Area Plans and merit inclusion in this section.**

### POLICIES/IMPLEMENTATION

**POLICY: Develop a strategy that promotes the expansion of the following business and industrial land uses in the county:**

#### **Frederick County EDA Targets (as of February 2016):**

- **Light Industrial (Plastics & Metals)**
- **Food Processing (Organic, Beverages, Packaged, Perishable)**
- **Life Science (Pharmaceutical & Medicine Manufacturing, Scientific R&D, Lab Services)**
- **Business Services**
  - **Service & Call Centers**
  - **IT – Data Centers, Hosting Services, Transaction Processing**
  - **Business & Facilities Support Services**
- **Retail (Restaurants, Apparel, Entertainment)**

#### **Additional Recommended Target Areas:**

- **Federal & State Facilities**
- **Healthcare & Health Services**
- **Lodging / Event / Dining**
- **Vineyard, Wineries, Micro-Breweries / Distilleries**
- **Telecommuting & Home Based 'Remote' Employees**

**IMPLEMENTATION:**

- **Give targeted businesses and industries priority when processing applications for the development of new, or expansion of existing facilities.**
  
- **Recognizing that the refresh of the Comprehensive Plan occurs only twice a decade it is recommended that periodic reviews (IE - on an annual basis) between the Planning Commission with interested stakeholders such the Frederick County Economic Development Authority, the Winchester-Frederick County Convention and Visitors Bureau, The Small Business Development Center and other optional stakeholders to report on progress, identify areas where there is misalignment in the policies or practices outlined in this plan and identify further opportunities to positively influence economic development via the Comp Plan and land use related initiatives in general.**
  
- **New residential and commercial development should be designed to promote/support pedestrian and bike access, making this a walkable community.**
  - **Included in this should be a requirement that Developers fund the cost of creating access to existing walking or biking trails that run adjacent or within close proximity (1/4 mile) to their development(s).**
  
- **Developers should consider including in their Proffers funding to help offset the cost related to the planned or prior construction of Frederick County Parks and Recreation walking and biking trails that are adjacent to or within close proximity (1/4 mile) of their development(s).**
  
- **Expand walking and biking trails to provide access to the undeveloped land identified as Natural Resource & Flood Plain.**
  - **Additionally, these Natural Resource and Flood Plain lands should be targeted for future development of suitable walking and biking trails.**
  
- **Promote redevelopment and revitalization of vacant or older commercial and industrial properties to support the development of targeted business and land uses as identified on the prior page of this plan.**
  
- **Encourage the implementation of generally accepted zoning strategies that promote water conserving**

**construction standards in high density / large square footage new construction.**

- **Encourage the collection and reuse of household wastewater from sinks, tubs, showers and dishwashers, commonly known as 'greywater', for irrigation purposes on new construction on parcels of ½ acre or larger regardless of their location within the SWSA. ~~as~~ This would decrease demand on Sanitation Authority resources and enable population growth without the need to incrementally increase capacity.**
- **Revise zoning guidelines and relax, where appropriate, height ordinances in order to promote expanded coverage and access to high-speed communication and internet resources. Examples include the placement of communication towers on industrial land, antennas on existing structures such as water towers and the ability for land owners to place towers that provide wireless internet access to other residences when no other high-speed service (EG – DSL, Cable Modem, etc..) are available.**
- **Allow consolidation of Density Rights into higher density configurations on large parcels (>99 acres) to maximize the amount of open space retained in the county's rural areas.**

### **COMMUNITY BENEFITS**

An **effective** comprehensive plan ~~cannot be considered effective if it does not serve~~ **and the execution of the recommendations and policies outlined herein will serve** the needs of the community and enhance the quality of life of its citizens. Adequate amounts of land must be planned for and ~~set aside~~ **designated** for commercial and industrial uses **and residential developments.** ~~This is beneficial to the community because these uses help support the community, provide services to its citizens, while at the same time keep the overall tax base low for the residents of Frederick County. A balanced approach to all of the above will ultimately ensure a high quality of life for the citizens of Frederick County.~~ **In addition, retaining the rural and agricultural character of the county and preserving its historical and natural resources are equally important. 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.**

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## **BUSINESS ECONOMIC DEVELOPMENT – OFFICE AND INDUSTRIAL**

### **CURRENT CONDITIONS**

**Recognized in the top 20 in Forbes' list of "Best Small Places for Business and Careers" and earning the highest forecasted annual average growth among Virginia Metropolitan Statistical Areas (MSA) in employment, wages and building permits for 2015, Frederick County has not only weathered the 'Great Recession of 2008' better than most localities, it has continued to thrive. This is further evidenced by its low unemployment rate of 5% and 2015 forecast as #3 in retail sales revenue among Virginia MSA's.**

**Geographically, it is** strategically placed in the Mid-Atlantic region of the United States **and along major North/South and East/West transportation routes.** ~~Frederick County's location on the eastern seaboard~~ **This** is a valuable asset to companies serving the ~~US markets and Europe~~ **North American and European markets.**

~~Frederick County is the northernmost community in the Commonwealth of Virginia.~~ 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, Baltimore-Washington International Airport, and Ronald Reagan Washington National Airport. Frederick County is home to a growing regional general aviation airport. These assets support access to Frederick County's economic development opportunities.

## BUSINESS ECONOMIC DEVELOPMENT

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With the formation of the Washington-Baltimore Metropolitan Statistical Area after the 1990 US Census, the ~~fifth~~ **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, ~~a high~~ quality of life, **numerous education options, nationally recognized healthcare provider, workforce, and a diverse current office and industrial community.** Frederick County is currently ~~home to~~ **site of** several government ~~agencies~~ **facilities**, including, FEMA, **the Army** Corps. of Engineers, and ~~the FBI~~ **and a recently selected site for an FBI Records Storage facility.**

Frederick County **currently** ~~has an incredibly low~~ **a consistent and competitive real estate** tax rate in comparison to neighboring communities. Supported by a proactive Economic Development ~~Commission~~ **Authority (EDA)**, the areas workforce has a high work ethic and a low turnover rate. ~~The area county~~ **In the area there is a population of 121,944 and over 62,000 residents in the workforce. Of that number** ~~an educated workforce with~~ 84% of county residents ~~being~~ **are** high school graduates and 24% ~~with~~ **hold** bachelors or more advanced degrees.

### Employment Trends

**Declines in manufacturing, construction and housing related jobs since 2000 and the corresponding decrease in the tax base from these industries should soften as the US economy continues to improve. It is encouraging to note that the primary driver for new job growth (Education, Health & Financial Services and Tourism) have centered on higher wage positions in recent years.**

**The primary areas of job growth in the first 14 years of the new century have been Financial Services (150% growth) and Education and Health Services (128% combined growth). This is reinforced by the fact that the primary providers of Education and Health Services, Shenandoah University, Lord Fairfax Community College and Valley Health have made substantial capital and operational investments in the last decade to broaden their offerings and expand capacity.**

**This is followed by Tourism and Hospitality, which enjoyed close to**

**30% growth during the same time period. In addition to providing employment opportunities, Tourism and Hospitality also bring revenue *into* the county with very low impact on county provided services required in return.**

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
- **Old Dominion University**
  - **Satellite Office on the Lord Fairfax campus**

The community has an excellent healthcare system which is centered around the Valley Health Systems. ~~Facilities include:~~ **The rate of expansion of the Valley Health System 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 ~~high quality of life~~ **quality of living** which is considered to be an important 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.

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. ~~In addition, a Foreign Trade Zone with several locations provides tax free trade areas.~~

### **FUTURE FOCUS FOR THE FUTURE**

Frederick County should focus on targeted office and industrial economic development opportunities over the next twenty years. It can be anticipated that there will be an increased opportunity to capitalize on the following operations:

### **Light Manufacturing**

**These areas include plastics (IE – Food containers, packaging, foam insulations, pipes, etc) and metals (IE – Structural and fabrication products, architectural, part stamping, pipes and containers). There are over 3,000 jobs generated from these activities in the region and as traffic in the Northeast corridor continues to increase, the placement of these types of manufacturing facilities close to the less congested road and rail networks in our region will help to support future growth.**

### **Food Processing**

~~Anticipate increase in number of food processors locating in area as out-sourcing internationally is not an option. Processors seek access to resources, location and workforce within a right-to-work locality. Water resources will be necessary for this industry.~~ **Frederick County's proximity to interstate highways and rail networks, along with access to a workforce that resides in a 'right to work' location, make it a favorable location for processors. Water and sewer resources are a primary requirement for this type of industry. It should be noted that large food processors require a significant amount of water *per day* to support their operations. The county needs to be able to support these demands if it seeks to attract these types of industries.**

### **Distribution/Repackaging and Assembly Centers**

~~Anticipate increase in distribution and repackaging centers based on area location and proximity to transportation~~ **the Virginia Inland Port and interstate highway and rail networks.**

### **Healthcare ~~Research & Development~~ Resource and Support Industries**

~~Anticipate increase in healthcare-related research and development operations~~ **In addition to the aforementioned economic benefits associated with Valley Health's operations in the area, the increase in the 55+ population will drive the expansion of supporting healthcare-related industries.**

### **~~Plastics Manufacturing~~**

~~Anticipate increase in plastics manufacturing, an industry already common in this area. Water resources will be necessary for this industry.~~

### **Back Office Support**

Anticipate increase in back office support organizations. Current examples operating in Frederick County include Navy Federal Credit Union and American Background.

### **Software Development, R&D and Data Centers**

**In addition to being in close proximity to one of the nation's largest technology corridors, Frederick County has available square footage and an abundant and stable supply of energy that modern data centers require. The areas is home to a large amount of IT professionals, (many of which who currently commute outside of the region every day) to staff and support the operational needs of modern data centers. These assets could be effectively leveraged to draw IT service and Cloud Solutions providers to locate their facilities in the county.**

### **Tourism and Agribusiness**

**In addition to the specific business activities outlined in this section please refer to the Tourism and Agribusiness sections of this document for additional targeted growth opportunities specific to those two areas.**

### **Government Activity**

~~Anticipate an increase in government agencies locating operations to Frederick County. Location plays major factor, in particular, Homeland Security locational factors are extremely favorable in Frederick County. COOP's, Continuity of Operations Plans, highlight the attributes of Frederick County.~~

~~Additional government activity in Frederick County will result in an increase in the number of jobs directly related to their presence. Those jobs will typically be highly skilled, high paying jobs. In addition, there will be an increase in support and ancillary jobs. Similarly, there will be a significant increase in ancillary support business opportunities such as support contractors, many of which will be higher tech. As previously noted, this will drive a need for services, housing, entertainment, retail, and other businesses.~~

A well planned **business economic** development marketing strategy will not be effective if ~~insufficient~~ acreage has **not** been ~~set aside~~ **designated** to accommodate desired business uses in suitable key locations. The Area Plans will ~~need~~ **continue** to identify and incorporate ample areas of business and

industrial land use in support of the **business economic** development goals of The Plan.

Frederick County ~~is supportive of~~ **supports** green initiatives in the field of economic development. ~~Sustainable~~ **Viable** development initiatives should be recognized and their implementation ~~incentivized~~ **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. **Taking a leadership role in these type of initiatives is the Opequon Water Reclamation Facility. In the spring of 2016 it will begin using methane gas generated from the bio-solids obtained from waste water treatment activities to fuel onsite production of electricity. In addition to diverting a significant amount of material that would otherwise be trucked to the local landfill, the production of electricity will reduce demand on the grid and result in the opportunity to pass along the energy cost savings to county residents and businesses.**

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

With regards to water, waste water treatment, and electricity, manufacturers will be concerned with quantity and availability, but also of equal or greater importance will be quality and service reliability. There is a finite capacity of these resources that must be managed accordingly.

The concept of redundancy will need to be a priority; **redundancy is the duplication of critical systems in the form of a backup**. Manufacturers and government agencies will require redundancy in services necessary to support their economic investment and growth.

### COMMUNITY BENEFITS

The value of office and industrial ~~business~~ **economic** 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 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 and a continuance of low real estate taxes.

The County's development impact model projection for a single-family home anticipates tax revenue of approximately fifty percent of the projected costs to the County. The County's fiscal survival is dependent upon recruiting office and industrial occupants which offset those residential costs.

An effective office and industrial business development strategy will also ensure the stabilization of the workforce and maintain low levels of unemployment. An increase in high skill, high paying jobs locally will result in a decrease in number of skilled residents commuting outside the region to the Northern Virginia region.

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.

### **POLICIES/IMPLEMENTATION**

**POLICY: IDENTIFY AND RECOGNIZE AREAS IN THE COUNTY MOST STRATEGICALLY SUITED TO MEET THE REQUIREMENTS OF OFFICE AND INDUSTRIAL DEVELOPMENT**

**IMPLEMENTATION:**

- Complete review of area land use plans to ensure sufficient acreage is ~~identified and reserved~~ **designated** for office and industrial use to enable a balanced County tax base.
  - Lands identified for business use should avoid limestone areas where karst geology is present.
  - Ensure these lands are properly located in relation to transportation and water, sewer, and natural gas.
  - **Business Development Advancement Study identified sites.**
- Communications infrastructure, such as voice and data fiber, should be extended to areas identified for office and industrial uses **and non-rural residential areas.**
- The zoning process and support should be examined by the County to encourage willingness on the part of landowners of properties identified in Area Plans (see Appendix I) to proceed with rezoning.



**POLICY: PROACTIVELY ATTRACT DESIRED BUSINESS ENTITIES**

**IMPLEMENTATION:**

- Review/revise office and manufacturing zoning to minimize the number of low tax generating entities locating in the area.
  - **The targeted industries outlined herein have been selected due to the quality and diversity of the job opportunities that they bring and the positive impact that they will have on the tax base. These industries should be given clear priority in terms of favorable zoning and ordinances. Additionally, these items should be reviewed and amended to ensure that they do not contain any ambiguous language or omit any terms that would inadvertently restrict or otherwise delay the establishment of the targeted business types and activities.**
  - ~~Minimize distribution centers as they have a minimal personal property tax, typically result in lower paying jobs, and absorb greater land mass than other uses.~~
  - ~~Maximize targeted industries such as governmental facilities, as well as high tax base industries that have a low resource requirement.~~
- Continue to examine and fund business location marketing that builds or modifies the current business base, to **take help** the County forward ~~to~~ its goal of increased income for its citizens and tax value for the County.

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

**IMPLEMENTATION:**

- Complete an analysis to determine services most desirable for redundancy and determine the feasibility of service redundancy in currently zoned office and industrial areas.
- Create incentives for industrial site developers to implement service redundancy.

**POLICY:      FUNDING OF POLICIES**

**IMPLEMENTATION:**

- Determine funding plan for policies such as service redundancy, water availability, electric service, communication, etc. These could include public/private funding and transportation access funds for industrial development.
- Address how the County's public role could be used more effectively in lowering development costs.

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## **BUSINESS ECONOMIC DEVELOPMENT – RETAIL**

### **CURRENT CONDITIONS**

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

- 1) ~~The number of households within the market and the income of those households. These variables are dynamic and depend, in large part, upon a variety of factors beyond the control of any entity tasked with maximizing a market's retail potential.~~
- 2) **The average disposable income of those households.**
- 3) **The sophistication and depth of surrounding competing markets.**
- 4) **The presence of a marketing effort for the area (as opposed to the marketing of an individual venue).**
- 5) ~~The market's ability to compete successfully against neighboring markets. Meaning that if there are gaps in the local market's supply of desirable retailers, residents are forced to shop and dine in neighboring markets. Or conversely, is the market pulling shoppers and diners in from outside of its borders?~~

**In the complex shopping world of the 21st century a general label for traditional retail no longer pertains. From a land use perspective as well as general economic development retail needs to be viewed in at least 3 parts:**

- **National Retail**
- **Small Retail**
- **Meals Away from Home**

**Provisions need to be provided for each of the above parts, but not necessarily the same for all, are necessary for each of the above parts; however they will vary. One discernible difference is \$1 of sales at a "national" retailer contributes approximately \$.40 to the local economy. The same dollar spent in a "small" locally owned business contributes approximately \$.60 to \$.70 to the local economy. This observation is weakened when it is realized the "small" retailer may not be able to provide the depth of line offerings that the "national" retailer can. The point is though; a balance needs to be sought.**

**Meals away from home can take many shapes but today's mobile families have come to think of this category as a normal expense occurring multiple times a week.**

~~Consumers are often willing to forego secondary costs when they desire products and services being offered outside of their local trade area, thus it is imperative for any market to draw retail spending dollars from neighboring areas and to fend off the outflow of retail spending beyond its borders. With~~

regards to this inflow/outflow of retail sales, Frederick County naturally finds itself in a tug-of-war with the City of Winchester. Because potential incoming retailers likely consider Frederick County and Winchester as a single market containing “pocket markets”, little can be done to influence the end results of this competition. The availability of land, the location of new developments and the location of “pocket markets” within the Frederick County/Winchester market as a whole, are all determining factors in whether a new development or incoming retailer locates within the city or the county. However, the Winchester/Frederick County market collectively finds itself in a larger tug-of-war with neighboring markets, particularly Martinsburg/Berkeley County, and Front Royal/Warren County, where recent retail development has likely reduced both the city and the county’s inflow of retail sales.

Beyond the basic service retailers (grocery, drug, general and discount department, gas, fast-food, etc.), there are countless specialty retailers that, due to their internal growth structure and nature of their products, look at non-urban markets from a distinctly regional perspective. Examples of such retailers include Pottery Barn (home furnishings), and The Cheesecake Factory (dining). It is unlikely that we will see any such retailer open an establishment in Frederick County/Winchester and another in a neighboring market. Thus the stage is set for an ongoing inflow/outflow specialty retail sales competition, and the Frederick County/Winchester market must be prepared to position itself to win this competition against its neighboring markets.

### **FUTURE 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 basic service **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 a key indicator. With access to resources such as Retail Leakage and Surplus Analysis reports and similar studies, the EDA will be key in assessing potentially successful retail operations.**

**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.**

**Another “focus for the future” emerging as we move toward the third decade of the 21<sup>st</sup> century is the increased demand for meals away from home with specific emphasis on casual dining, family dining and in some case fine dining. Even fast food has**

**recognized this and has taken steps to emulate casual and family dining both in menu and service.**

~~With such growth, specialty retailers will, in considering the potential of Frederick County and neighboring markets, select sites to establish their brands within the region. Each site selection will have an effect on subsequent decisions made by other specialty retailers creating a domino effect where one market within the region gains a cumulative prominence.~~ **Driving retail growth in Frederick County is the** ~~Due to its size,~~ **average household income, central location within the region, access, the continued growth of Winchester Medical Center, the establishment of federal agency operations, and intangible factors such as the County's historical, architectural, and aesthetic charm, Frederick County is well-positioned to gain such prominence. In addition to these factors the overall growth and diversity of Frederick County's population, low traffic and presence of other nationally recognized retailers will help the county to attract and retain targeted retailers.** If successfully promoted against neighboring markets, Frederick County will establish itself as the dominant market within the region.

~~To achieve this goal,~~ 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 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.**

~~To assure retail growth preserves the aesthetic integrity of the area (which in turn will make it more attractive to potential retailers), Frederick County must encourage high standards with regards to the architectural design and upkeep of retail developments.~~

### **COMMUNITY BENEFITS**

The community benefits of a vital retail environment cannot be understated. 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 **relocating** employers to the area).

**POLICIES/IMPLEMENTATION**

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

**IMPLEMENTATION:**

- ~~• Engage National and Regional Trade Organizations.~~
- **Develop a unified marketing plan for the county and its businesses.**
- **Promote existing businesses to join together in the marketing effort.**
  - Strategically identify prime areas for commercial land use in key locations to capitalize on future commercial opportunities.
  - ~~• Participating as an exhibitor in events such as the International Council of Shopping Center's National Trade Exposition and Leasing Mall (which brings together more than 30,000 developers, owners, retailers, lenders, and municipalities) or smaller events of a regional nature (The ICSC also holds an annual event in Washington, D.C.).~~

**POLICY: REQUIRE FUTURE DEVELOPMENTS TO BE OF A HIGH QUALITY, ~~AND REQUIRE UPKEEP OF EXISTING DEVELOPMENTS, THUS ASSURING LONG TERM VIABILITY OF DEVELOPMENTS, AND THE ONGOING ABILITY TO MAKE A POSITIVE IMPRESSION ON POTENTIAL DEVELOPERS AND RETAILERS CONSIDERING ENTRY IN THE MARKET.~~ PRESERVE THE ASTHETIC INTEGRITY OF THE SURROUNDING AREAS AND REQUIRE UPKEEP OF EXISTING DEVELOPMENTS.**

**IMPLEMENTATION:**

- Promote enhanced architectural/design requirements for future retail development, including structure appearance, landscaping, and signage.
- Establish and implement regulations regarding upkeep of existing and future retail development including the removal of exterior debris, the removal of non-approved signage, and the maintenance of landscaping.



## BUSINESS ECONOMIC DEVELOPMENT

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**POLICY:** ~~PROVIDE EASY ACCESS TO UP-TO-DATE MARKETING MATERIALS AND RESOURCES TO POTENTIAL DEVELOPERS, RETAILERS, AND TENANT-REPRESENTATION REAL ESTATE AGENTS AND BROKERS.~~

**IMPLEMENTATION:**

- ~~• Develop and periodically update general retail marketing materials for the market, including brand-establishing information (history, appeal, etc.), demographics (population, disbursement, income data, etc.), and access and existing retail locations (maps).~~
- ~~• Provide electronic access to these materials (via web download) for developers, agents/brokers, and retailers.~~

**POLICY:** ~~CONDUCT AN IN-DEPTH ANALYSIS OF THE MARKET'S RETAIL POTENTIAL VERSUS ITS CURRENT PERFORMANCE. UNDERSTAND IF THE DAILY RETAIL DEMANDS OF THE CITIZENS OF THE FREDERICK COUNTY/WINCHESTER MARKET BEING MET BY THE EXISTING SUPPLY OF RETAIL ESTABLISHMENTS. ANECDOTAL EVIDENCE SUGGESTS THE MARKET ENJOYS SUCH BALANCE, WITH AN EVER-GROWING ARRAY OF RETAIL AND DINING ESTABLISHMENTS.~~

**IMPLEMENTATION:**

- ~~• A comprehensive analysis of census and business data for the region should be conducted to determine if Frederick County has an adequate supply of retail and dining establishments.~~
- ~~• Conduct an analysis to determine which retail segments in Frederick County are underperforming and determine where new opportunities for retail growth lie.~~

**POLICY:** **ENCOURAGE MIXED USE DEVELOPMENT (such as the R4 district) for FUTURE RESIDENTIAL DEVELOPMENTS TO INCORPORATE SPACE FOR COMMERCIAL EXPANSION AND for COMMERCIAL DEVELOPMENTS TO INCLUDE LIMITED RESIDENTIAL SPACE.**

**IMPLEMENTATION:**

- **Identify zoning regulations and related ordinances that may require modification to support the inclusion of a limited retail component within residential developments.**
  - **'Limited Retail' uses pertain to businesses that offer convenience to a residential population. These uses include, but are not limited to:**
    - **Small grocery stores**
    - **Neighborhood convenience stores**
    - **Dry cleaners**
    - **Small dine-in or carry-out restaurants**
    - **Banks**

## **BUSINESS ECONOMIC DEVELOPMENT – TOURISM**

### **CURRENT CONDITIONS**

Each year, thousands of visitors come to the Frederick County/Winchester area. Events and attractions such as the Shenandoah Apple Blossom Festival, the Museum of the Shenandoah Valley, the Cedar Creek and Belle Grove National Historic Park, orchards, farm markets, and historic homes are key assets in bringing travelers to the area.

**The Frederick County/Winchester area plays host every year nationally recognized events such as the Shenandoah Apple Blossom Festival and Belle Grove Civil War living history reenactments. It also 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 hotspots such as the Appalachian Trail, Shenandoah River, and the Shenandoah National Park.**

**Between 2010 and 2014 annual direct tourism spending in the Frederick County – Winchester area has increased from \$186.6 million to \$235.5 million.**

- **This represents an increase of 21%, with 4% of that growth occurring between 2013 and 2014.**
- **These activities are supported by a workforce of over 2,300 who earn \$43.8 million in tourism-related income.**
- **Tourism generated close to \$9 million in City and County tax revenue and \$7 million in State revenue.**

**The positive impact of tourism in the region cannot be understated and the recent growth trends, while encouraging, also demonstrate that, when compared to neighboring Loudoun County**

**and its \$1.6 billion in tourism-related revenue in 2014, there is a significant opportunity for increasing the rate of growth. At the state level, tourism brought in over \$22.4 billion in direct spending in 2014, making it one of Virginia's top 5 industries**

~~Currently tourism and travel related business contributes an estimated \$93,503,585 to Frederick County's economy and provides an estimated 1,038 jobs, and \$3,616,084 in revenue in the form of lodging occupancy taxes and food service taxes. The Virginia Tourism Corporation estimates that the average dollars spent per visitor is approximately \$100.~~

~~In the last four years, four new lodging facilities have been built in Frederick County, adding to the number of available rooms. The County also continues to lure new restaurant and lodging as a result of present position and future potential in the market.~~

~~In the year 2009, international visitation to Virginia increased by 16% with more than 380,000 travelers. This places Virginia as the 14<sup>th</sup> most visited state by international travelers. The Smith Travel Research, which is the leading lodging industry research company, published its 2010 1<sup>st</sup> quarter results that show that room demand in the state of Virginia is up 2.3% over 2009. The Virginia Tourism Corporation identified travelers from New York, Washington, D.C., Ohio, Pennsylvania and Maryland as the top visitors to the state.~~

As the economy improves and travel increases, it is critical that the Frederick County area be poised to capitalize on the growth in ~~the arena of~~ travel and tourism. ~~The current, jointly funded,~~ **The Winchester – Frederick County Convention and Visitors Bureau, a city/county tourism marketing partnership,** is a key component to driving the marketing **strategy and** efforts for the present and future ~~desire effort~~ to **draw drive** additional visitors **and spending** to the area.

The value of travel and tourism's economic impact reaches every citizen of Frederick County **(each household pays less each year in local & state taxes due to the revenue generated by tourism)** by means of providing employment and tax revenues as well as offering a diverse portfolio of local events, attractions and activities that are not only marketed to the destination traveler but, more importantly, ~~serve the local community~~ **it improves the quality of life for local residents and increases employee recruitment and retention success for our local businesses and schools.**

### **FUTURE-FOCUS FOR THE FUTURE**

First impressions ~~frame the rest of~~ **often set the tone for** a visitor's experience, and ~~most~~ **the great majority of** travelers arrive in Frederick County through its roadways. ~~So~~ **Therefore,** 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 these corridors will improve visitor impressions, and will benefit the quality of life for residents. **This includes both aesthetic and traffic flow enhancements.**

~~In addition, the traditional, small-town character that is a distinctive feature of the Shenandoah Valley is a unique asset that is marketable for cultural heritage tourism. Cultural heritage tourism is defined as "traveling to experience the places and activities that authentically represent the stories and people of the past and present. It includes historic, cultural and natural resources." Source: National Trust for Historic Preservation Heritage Tourism Program.~~

Frederick County – **Winchester area** should concentrate on how to ~~increase~~ **bolster** the County's ability to attract **an increasing number of overnight** visitors – ~~especially the heritage traveler~~ — through policies and projects that enhance the visitor experience, ensuring that visitors to Frederick County are left with an exceptional memory of their visit, positive stories to share with friends and family, and a desire to return. **through targeted, strategic and collaborative branding and marketing efforts that focus on visitor experiences rather than political boundaries. The ultimate goal will thus be to enhance the visitor experience, ensuring that tourists choosing Frederick County are left with an exceptional memory of their visit, positive stories to share with friends and family, and a desire to return.**

~~Heritage tourists are a valuable demographic to attract because they:~~

- ~~• stay longer — 4.7 nights compared to 3.4;~~
- ~~• spend more during their travels — \$623 per trip compared to \$457;~~
- ~~• shop more — 44% compared to 33% for other travelers.~~

~~Source: Travel Industry Association of America and Smithsonian Magazine: "The Historic/Cultural Traveler, 2003 edition.~~

~~Heritage tourists are looking for authentic experiences. Market research conducted for the Shenandoah Valley Battlefields Foundation in 2007 found that visitors to the Valley who said their visit exceeded their expectations were more likely to have experienced the region's historical sites. Frederick County should continue to create a unique visitor destination, offering authentic experiences that are not available in other communities.~~

~~The presence of the Cedar Creek and Belle Grove National Historic Park is another important feature in Frederick County. There are less than 350 national park units nationwide and Frederick County is fortunate to have one of them within its borders. The park can be a key economic driver and a unique cultural and recreational resource for visitors and County residents today and in the future. The success of the park will rely on its ability to offer a meaningful, engaging experience for visitors, one that leaves them with a sense of respect and appreciation for the northern Shenandoah Valley's history and exceptional landscapes.~~

~~Other tourism opportunities that should be developed in the future include recreation, sports, commercial recreation, and wineries.~~

### **MULTI-GENERATIONAL TOURISM**

**Multi-generational travel is defined as a group of at least three generations partaking in leisure travel. In a recent study, multi-generational travelers make up at least 40% of the U.S. leisure travel market, 75% are married, and most have household incomes over \$100,000. This is quickly becoming a competitive marketplace, and one that will continue to grow into the foreseeable future with the continuing increase of baby-boomer travelers and dispersed families. While the grandparents foot the bill, the millennials are driving the planning and decisions.**

**Most attractive to the Winchester/Frederick region, though, is the research indicating that far and beyond all other physical activities, having enough time to just relax and unwind was the biggest factor in planning a trip (88% of all multi-gen travelers). This positions the Frederick County / Winchester area above larger, more crowded destinations such as New York City, Northern Virginia, Virginia Beach, etc.**

**The Frederick-County / Winchester area is primed for this market, with a rich array of activities and attractions for all age levels. Just a few of these highlights include:**

#### **For kids:**

- **An outstanding children's museum in downtown Winchester**
- **Great year-round weekly activities at the Handley Libraries**
- **Great county, town and city parks**

- **Attractions with designated kid's areas (such as Marker-Miller Orchards)**

**For parents:**

- **Outdoor recreation (hiking, kayaking, ATV trails)**
- **Breweries, wineries and cideries**
- **Large selection of unique local restaurants**
- **Coffee shops, boutique shops, farm markets, etc in the City and County**
- **Outstanding pedestrian downtown**

**For grandparents:**

- **Bed and breakfasts and inns**
- **Golf**
- **Civil War Battlefields, excellent museums and historic sites (including Belle Grove)**
- **Wineries**
- **Hiking trails**
- **Proximity to Shenandoah National Park**

**Events:**

- **Shenandoah Apple Blossom Festival**
- **Wine-centered events and festivals**
- **October / fall events and festivals**
- **Christmas and holiday events**
- **Battlefield Half Marathon, Triathlons, bicycle and running races and tournaments**
- **Year-round theatre**

**Frederick County, in partnership with the City of Winchester, should capitalize on these outstanding shared assets and focus heavily on multi-generational travel.**

**The majority of lodging is actually in Frederick County. Therefore, increasing overnight visitors should be a key focus of this shared tourism strategy. However, neither the City nor County can successfully market themselves without each other's assets (be it lodging, outdoor recreation, the pedestrian downtown, historic sites and museums, etc.), so a branding and marketing strategy focused on the overall visitor experience versus strict political boundaries needs to be adopted for the overwhelming benefit of all localities, lodging, small businesses and attractions involved.**

***Agritourism***

**Agritourism is a type of vacation that 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.

Frederick County is fortunate to have numerous working farms and successful examples of how diversified uses of its rural lands can increase the income from farm operations as well as help to preserve the open space and rural character that is so important to the identity and quality of life for the area. As detailed in the Agribusiness section of this plan there are numerous opportunities for the county's agriculture industry and rural land owners to tap into this growing segment of the tourism industry. The Agritourism trend is one of the fastest growing segments of the tourism industry.

Included in this category are tours, **onsite** hospitality activities and **onsite** retail operations for vineyards, wineries, breweries and distilleries. These farm-based activities draw tourists who are more likely to spend their money in the area's premium dining and lodging establishments.

## **POLICIES/IMPLEMENTATION**

**POLICY:**        **REVIEW LANGUAGE IN ALL COUNTY ZONING AND DEVELOPMENT PROCESSES TO RECOGNIZE DIVERSIFIED LAND USE FOR TOURISM RELATED ACTIVITIES**

### **IMPLEMENTATION:**

- **Review all relevant zoning and permit language to identify areas that require revision to 'speak to' the various activities and land uses detailed within this section. The primary goal would be to ensure that business owners are not hampered in their efforts to bring these types of activities to the tourist and local consumer market due to omissions or lack of specificity in the current language.**
- **Continue to support rural agribusiness such as breweries, wineries and distilleries.**
- **Non-traditional lodging policies need to be addressed due to the dramatic increase in internet booking sites such as**

**AirB&B and HomeAway that enable residential property owners to 'sell' space in their homes or on their property for the purpose of short-term lodging. Policies should not discourage this trend. However the landowners need to comply with residential zoning requirements and ensure that they are collecting and paying the appropriate taxes.**

**POLICY: LINK THE AREA'S VISITOR ATTRACTIONS WITH A TRAIL NETWORK THAT FACILITATES NON-VEHICULAR MOVEMENT FROM PLACE TO PLACE.**

**IMPLEMENTATION:**

- Work with the Northern Shenandoah Valley Regional Commission and surrounding jurisdictions to update and improve the regional bike/ped 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.
- **Upon the approval of this plan:**
  - Update and implement plans for a trail network within Frederick County that will connect attractions to one another and to retail and hospitality areas. Such plans may include connectivity ~~among other~~ **with** community facilities such as schools and parks.
  - Identify and examine potential increased public access development to existing trails and waterways, such as the Tuscarora Trail (hiking) and Cedar Creek (kayaking).
  - Identify potential projects as candidates for transportation enhancement grants, and encourage the incorporation of segments of the regional trail network into development projects. These projects could be included as part of the Capital Improvements Plan.

**POLICY: PRESERVE AND ENHANCE THE HISTORIC CHARACTER OF FREDERICK COUNTY'S ROADWAYS AND NEW CONSTRUCTION, MAKING THEM ATTRACTIVE AND APPEALING TO VISITORS AND RESIDENTS.**

**IMPLEMENTATION:**



## BUSINESS ECONOMIC DEVELOPMENT

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- Foster a compact community design that uses traditional building features to ~~help~~ maintain Frederick County's unique historic character to ~~help-maintain~~ give a sense of place that sets the community apart from other areas in Virginia.
- Strengthen the use of corridor overlay districts.
- Strengthen the effort to focus development in compact centers, using Neighborhood Design guidelines, and keeping the rural, agricultural landscape as part of the visitor experience in Frederick County.

**~~POLICY:~~ ~~MAXIMIZE THE OPPORTUNITY PRESENTED BY THE NEW CEDAR CREEK AND BELLE GROVE NATIONAL HISTORICAL PARK.~~**

**~~IMPLEMENTATION:~~**

- ~~Encourage cooperation between the National Park Service, the non-profit partners who operate facilities within and near the park's boundary, the Winchester-Frederick County CVB, and surrounding towns, landowners, and businesses.~~
- ~~Ensure that the park's historic, natural, and cultural resources are protected as land use and public policy decisions are made that affect areas in or near the park.~~
- ~~Support efforts to create recreational and public access facilities within and adjacent to the park, such as trails and other visitor services.~~
- ~~Continue and promote the County's membership in the Cedar Creek and Belle Grove National Historical Park Federal Advisory Commission.~~

**~~POLICY:~~ ~~PURSUE COMBINED COMMERCIAL AND RECREATION USES.~~**

**~~IMPLEMENTATION:~~**

- ~~Identify new areas of land uses that would specifically promote the recreational and open space attributes of the County in conjunction with surrounding localities, landowners, and businesses.~~
- ~~Enable the development of commercial and recreational land uses which will provide economic development, tourism, and entertainment benefits to Frederick County.~~

- ~~Recognize opportunities to create a well-designed conference facility integrated with those tourism-related commercial and recreational land uses.~~

**POLICY: CONTINUE EFFORTS TO DEVELOP EVENT CENTER BUSINESS IN THE COUNTY**

**IMPLEMENTATION:**

- **Currently Frederick County / Winchester is viewed as a 'non-traditional' location for large trade and corporate events. However with its proximity adjacent to the Washington DC SMSA and to three major airports and north/south and east/west transportation routes the county could serve as a lower cost option to events that are typically held in the Metropolitan DC area. In conjunction with the efforts currently underway, ~~via~~ it is recommended that the following steps be taken:**
  - **Identification of target locations that could support the an event center in the county based on a current Needs and Capability Assessment.**
  - **Identify required changes to current land use plans and/or zoning ordinances required to support the development of an events center in the county.**



DRAFT

## **BUSINESS ECONOMIC DEVELOPMENT – 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. More importantly recent '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 help drive additional market growth for the county's farms and find an increasing market for its top crops consisting of forage, apples, corn, and soybeans and its primary livestock inventory of cattle, hogs, laying chickens, horses, and goats.**

Agriculture has traditionally been an important aspect of Frederick County, not only in terms of its economic impacts but also its value to the identity and character of Frederick County. The rural areas are not a mere scenic backdrop for the urban areas, but also a source of jobs and a way of life worth preserving. A thriving rural economy is a critical component of the future vision for the rural areas.

While the County has seen a continuous decline in the total acreage of **farmland, Frederick County's** interest and support of its agricultural economy remains strong. From 2002 to 2007, Frederick County experienced a reduction in the number of farms (676 from 720), the amount of land in farms (98,278 acres from 112,675) and the average size of a farm (146 ac. from 156). However, the market value of products sold (71% crop and 29% livestock) increased by 29% to \$27.9 million, an average of 38% per farm according to the U.S. Census of Agriculture. Top crops were forage, apples, corn, and soybeans. Leading livestock inventory included cattle, hogs, laying chickens, horses, and goats.

This period of time included significant population growth and residential development in the County that spilled into the rural area. The amount of housing in the Rural Area now represents 50% of the current total of 28,338

homes in the County. **It should be noted that as the economy improves and regains losses following the recession of 2008 there is a risk of further erosion of the county's agricultural resources as development of these areas for residential purposes will be on the increase. As of 2015 the amount of housing in the Rural Area represented approximately 50% of the current total of 33,912 homes in the County.** The Rural Area has both a low housing density and by right development (see Residential chapter). Residential conversion because of rising value of agricultural land was likely a major cause of the above reductions. **earlier erosions and a key threat over the course of the next 20 years.**

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 ~~2010~~ 2016 there were ~~six~~ **eight** Districts covering approximately 10,000 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.

~~Not insignificant is the location of the Alson H. Smith Agricultural Research and Extension Center in Frederick County operated by Virginia Polytechnic Institute and State University.~~

### **FUTURE FOCUS FOR THE FUTURE**

Frederick County agriculture will evolve in a way that is likely to be more intensive **and by necessity more diverse**. ~~Ultimately,~~ **While** this will require less acreage than traditional farming activities, ~~while increasing the income from activities it is expected that income from agricultural operations~~ **will increase**. ~~It will also continue a trend of diversifying into related enterprises that support the land base, such as new value added products, new processes, new retail opportunities, and agritourism. Agriculture will also change to take advantage of the technical results of research and development.~~ **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.

The County should not only protect and promote its agricultural industry, but should do so while accommodating development that is appropriate for the rural area.

**In addition to reclaiming the value of traditionally produced products via these trends and initiatives the county's farms have an opportunity to increase revenue through additional diversified uses of their land in the following areas:**

- **Onsite Farm Markets (EG – Retail operations located on the premise)**
- **Farmers Markets (EG – Centrally located markets that enable multiple vendors to sell their products, generally on a limited basis)**
- **Community Support Agriculture (CSA) operations**
- **Lodging for overnight stays related to rehabilitative purposes (post-op recovery, etc)**
- **Agritourism (refer to the Tourism section of this plan for more information):**
  - **Vineyards**
  - **Distilleries**
  - **Breweries**
  - **Day Camps**
  - **Immersion Programs (hands-on chores, livestock care)**
  - **Petting zoos**
  - **Self-harvesting (EG – pick your own) produce operations**
  - **Fall / Winter hay and sleigh rides**
  - **Corn mazes, haunted farms**
  - **Overnight stays on working farms**
  - **Farm Weddings and Picnicking**
  - **Outdoor adventures:**
    - **Hunting, fishing, horseback riding, bird watching, hiking, photography**

### **COMMUNITY BENEFITS**

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, including transportation. It is agriculture which contributes to Frederick County's extraordinary viewsheds while providing a living to its farmer citizens, and a place of enjoyment for its visitors. Agriculture also has

~~a role in preserving structures that are part of the historic fabric. Most importantly, an active, profitable agriculture operation reduces the amount of land converted to more dense uses.~~

**It should be recognized that once land is converted from agricultural use it is unlikely that it can 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, including transportation. It is agriculture which contributes to Frederick County's extraordinary viewsheds while providing a living to its farmer citizens, and a place of enjoyment for its visitors. Agriculture also has a role in preserving structures that are part of the historic fabric. Most importantly, an active, profitable agriculture operation reduces the amount of land converted to more dense uses. Diversification of the land use for the expanded agricultural-based uses outlined in this section can 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 use and in doing so continue to preserve the county's rural character and natural resources.**

### **POLICIES/IMPLEMENTATION**

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

**IMPLEMENTATION:**

- 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~~ **upon the approval of this plan to reference and** enable the full range of agriculturally related activities **as outlined in the prior bullet** in the rural areas. Care must be taken to ensure that such activities are compatible in scale, size and intensity with surrounding land uses and the rural character.



## BUSINESS ECONOMIC DEVELOPMENT

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- 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. The County should also pursue new permitted policies in support of agriculture as they are developed and become available.
- **The county should establish a working committee that includes the EDA and Winchester- Frederick County Convention and Visitors Bureau to identify and implement strategies to further develop and promote agritourism and additional high-end diversified uses of its agricultural land.**

~~**POLICY: THE COUNTY SHOULD EXAMINE THE BROADER CONTEXT OF THE BUSINESS OF AGRICULTURE AND CONSIDER ACTION TO ACCOMMODATE THE VARIETY OF USES WITHIN THE RURAL AREA.**~~

~~**IMPLEMENTATION:**~~

- ~~• Ancillary agricultural operations such as a livestock market or fruit growers' labor camp should be looked at if the preference of the agriculturalists and appropriate locations are identified in the Rural Area.~~
- ~~• Frederick County should be proactive in providing opportunities for combining agricultural operations with recreational uses, resulting in a cooperative enterprise which strengthens both. Ready examples include equine operations, and golf courses.~~
- ~~• Frederick County should engage agricultural associations, County organizations and private business associations to proactively promote agriculture as an important element of the local economy. Specifically, these organizations should be challenged to undertake community education initiatives, industry and market research, as well as strategic marketing and small business development in support of local agriculturalists.~~

### COMMUNITY PARTNERS AND STAKEHOLDERS

- **Frederick County Economic Development Authority**
- **Industrial Development Authority**
- **Industrial Parks Association**
- **Blue Ridge Association of Realtors**

- **Top of Virginia Regional Chamber of Commerce**
- **Lord Fairfax Small Business Development Center**
- **Winchester-Frederick County Convention and Visitors Bureau**
- **Shenandoah Valley Travel Association**
- **Kernstown Battlefield Association**
- **Cedar Creek and Belle Grove National Historical Park**
- **The North-South Skirmish**
- **Winchester & Frederick County Lodging Facilities**
- **Winchester & Frederick County Parks and Recreation Departments**
- **Winchester Old Town Development Board**
- **Shenandoah Valley Battlefields Foundation**
- **The Museum of the Shenandoah Valley**
- **Frederick County Farm Bureau**
- **Frederick County Fruit Growers Association**
- ~~Old Time Apple Growers Association~~ **Virginia Apple Board**
- **Virginia Cooperative Extension Service**
- **Virginia Vineyards & Wineries Associations**

### **SUPPORTING MATERIALS AND RESOURCES**

- ~~Alson H. Smith Agricultural Research and Extension Center, Virginia Polytechnic Institute and State University~~
- **Frederick County Economic Development Authority**
  - **'Year in Review' Report & Various Fact Sheets**
- **2013 Virginia State Tourism Plan**
- **Weldon Cooper Center for Public Service**
  - **Various reports**
- **National Trust for Historic Preservation's "How to Get Started in Cultural Heritage Tourism" website:**
- **Marketing and Interpretive Plans for the Shenandoah Valley Battlefields National Historic District**
- **"Walking and Wheeling in the Northern Shenandoah Valley"**
- **Winchester-Frederick County Joint Funding Agreement creating the Convention & Visitors Bureau.**
- **Virginia Tourism Corporation Economic Impact Study**
- **Smith Travel Research Lodging Demand Report**
- **Travel Agent Central study on "How to Sell Multi-Generational Travel."**
- **General internet market research on:**
  - **Manufacturing and Industrial trends**
  - **Workforce demographics & Technical / Professional job trends**
  - **Healthcare and related health services**
  - **Tourism trends**

- o **Diversified use of agricultural lands**
- o **Local Vineyard & Wineries and Breweries associations**