

BUSINESS DEVELOPMENT – OFFICE AND INDUSTRIAL

CURRENT CONDITIONS

Strategically placed in the Mid-Atlantic region of the United States, Frederick County's location on the eastern seaboard is a valuable asset to companies serving the US markets and Europe.

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.

With the formation of the Washington-Baltimore Metropolitan Statistical Area after the 1990 US Census, the fifth 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, education, healthcare, workforce, and a diverse current office and industrial community. Frederick County is currently home to several

BUSINESS DEVELOPMENT – OFFICE & INDUSTRIAL

government agencies including, FEMA, Corps. of Engineers, and the FBI.

Frederick County has an incredibly low tax rate in comparison to neighboring communities. Supported by a proactive Economic Development Commission (EDC), the areas workforce has a high work ethic and a low turnover rate. The area has an educated workforce with 84% of county residents being high school graduates and 24% with bachelors or more advanced degrees.

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

The community has an excellent healthcare system which is centered around the Valley Health Systems. Facilities include:

- Winchester Medical Center
 - Regional Referral Center
 - Level II Trauma Center
- Quick Care / Urgent Care Centers
- Health and Wellness Center

Frederick County provides a high quality of life 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 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

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:

BUSINESS DEVELOPMENT – OFFICE & INDUSTRIAL

Food Processing

Anticipate increase in number of food processors locating in area as out-sourcing internationally is not an option. Processers seek access to resources, location and workforce within a right-to-work locality. Water resources will be necessary for this industry.

Distribution/Repackaging and Assembly Centers

Anticipate increase in distribution and repackaging centers based on area location and proximity to transportation

Healthcare Research & Development

Anticipate increase in healthcare related research and development operations

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.

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 development marketing strategy will not be effective if insufficient acreage has been set aside to accommodate desired business uses in suitable key locations. The Area Plans will need to identify and

BUSINESS DEVELOPMENT – OFFICE & INDUSTRIAL

incorporate ample areas of business and industrial land use in support of the business development goals of The Plan.

Frederick County is supportive of green initiatives in the field of economic development. Sustainable development initiatives should be recognized and their implementation incentivized. 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 economic development are planned in a sustainable way and available in 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. 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 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

BUSINESS DEVELOPMENT – OFFICE & INDUSTRIAL

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 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.
- Communications infrastructure, such as voice and data fiber, should be extended to areas identified for office and industrial use.
- 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.
 - 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.

BUSINESS DEVELOPMENT – OFFICE & INDUSTRIAL

- 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 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.

COMMUNITY PARTNERS AND STAKEHOLDERS

- Winchester-Frederick County Economic Development Commission
- Industrial Development Authority
- Industrial Parks Association
- Blue Ridge Board of Realtors

BUSINESS DEVELOPMENT – OFFICE & INDUSTRIAL

SUPPORTING MATERIALS AND RESOURCES

- Economic Development Commission Targeted Business Plan
- WinVa.com