

Chapter 6

Economic Development

Background

Local economies evolve as the resident population increases, the number of employers and jobs increase, and as the numbers of businesses that provide goods and services increase. As these economies evolve, the responsibility for the careful management of resources by governing bodies and support agencies evolves as well.

Local governments and organizations increasingly have become interested in promoting policies and programs which stimulate local economic development. By being proactive in economic development, Warren County will retain control of important social factors such as the local education system, areas of industrial, commercial, and business development, and the efficient provision of local services such as water and sewer.

The County can effectively promote the creation, survival, and expansion of local businesses by reducing the costs of doing business, by correcting market imperfections that inhibit new or small business development, and by designing a comprehensive plan that clearly defines areas targeted for growth and areas targeted for preservation.

A prudent economic development program promotes local goods and services for export, and decreases dependence on imported goods and services. Importation of goods and services reduces the opportunity to circulate money locally, and employs people elsewhere in the manufacture of those goods and services. Alternatively, the local manufacture of goods and services for export creates jobs and generates and circulates money locally.

The three basic components of job creation are: (1) the retention and expansion of existing businesses, (2) the recruitment of new businesses, and (3) the emergence of new businesses. The County's economic development program should foster these components in order to provide a balanced approach to local economic diversification.

It is recognized that, due to its proximity to Washington, D.C. and the Northern Virginia region, Warren County is poised for future growth. It is important that the County carefully manage this growth in order to preserve its character and the quality of life for its residents.

Economic Development & Growth Management Issues

The Warren County economic development program is an integral component of the County's Comprehensive Plan. The County's economic development has direct impact on land use, transportation, infrastructure, housing, and the provision of community facilities and related services. The ability to pay for the growth costs and to manage growth effectively is related to the balance achieved between commercial, industrial, and residential development. The following points are some important links between economic development and other aspects of growth management.

- **Local economic development can affect the type and quality of the County's residential development.**

The growth of the County's internal employment base can affect the location, timing, type, and quality of residential development. New commercial, office, and particularly industrial developments, provide jobs for County residents. These employment opportunities generate housing demands different to those created if Warren County continues to develop as a bedroom community. Varied local industries will generate varied local housing demands depending upon prevailing wages.

- **Employment opportunities within Warren County will present different transportation and infrastructure requirements than those based upon increasing out-migration jobs.**

The extent to which Warren County's growth is dependent upon employment expansion beyond the County's borders, specifically in the Northern Virginia region, has direct consequences for the County's present transportation and infrastructure (water and sewer) requirements. Encouraging future economic development within the County will require transportation system improvements and increased availability of water and sewer service in key County areas.

- **Economic development is linked directly to the issue of paying for the growth costs.**

The ability to support a wide range of community facilities and services is dependent, in part, on the non-residential development that the County can sustain and attract. To the extent that local commercial and industrial development does not occur, more reliance must be placed upon residential property taxes to pay for needed services - affecting both present and future home owners.

- **The character of the County's development, from its land use patterns to the incomes and lifestyles of its residents, is a function of economic development that can be encouraged within the County's borders.**

Most County residents recognize that Warren County, due to its proximity to Northern Virginia and Washington, D.C., is poised for future growth. The character and form of growth and development within Warren County will in large part, be shaped by the local economy. The desired mix of residential and non-residential development in Warren County will have a strong impact on the County's character and the County's quality of life.

Section 1: The Local Economy

Introduction

The purpose of this section is to capture and chart the County's economy, and to identify important trends. The basic indicators are employment, income, and sources of tax revenue, i.e., industry, commercial, retail, etc. Included herein is a labor market analysis that indicates those jobs, at which residents are employed, a work source analysis that indicates the number and kinds of jobs available, and a study of income.

The data presented in this paper is assembled from a variety of sources, including the Census Bureau, the Bureau of Economic Analysis, and by the Virginia Employment Commission.

Labor Analysis

Warren County Labor Force

Labor force refers to the number of people, 16 or over, who are either employed or seeking work (**Table 6.1 and Chart 6.1**). In Warren County, according to the 2000 Census, 16,245 of the 24,361 people 16 or over were in the labor force, for a civilian labor participation rate of 66.6%. Warren County’s labor force participation rate was above the State of Virginia rate of 64.4%. Out of the 16,245 people in the civilian labor force, 558 were unemployed, which is a 3.4% unemployment rate. Twelve people were employed in the Armed Forces.

Table 6.1 Labor Force Data (1980-2000)

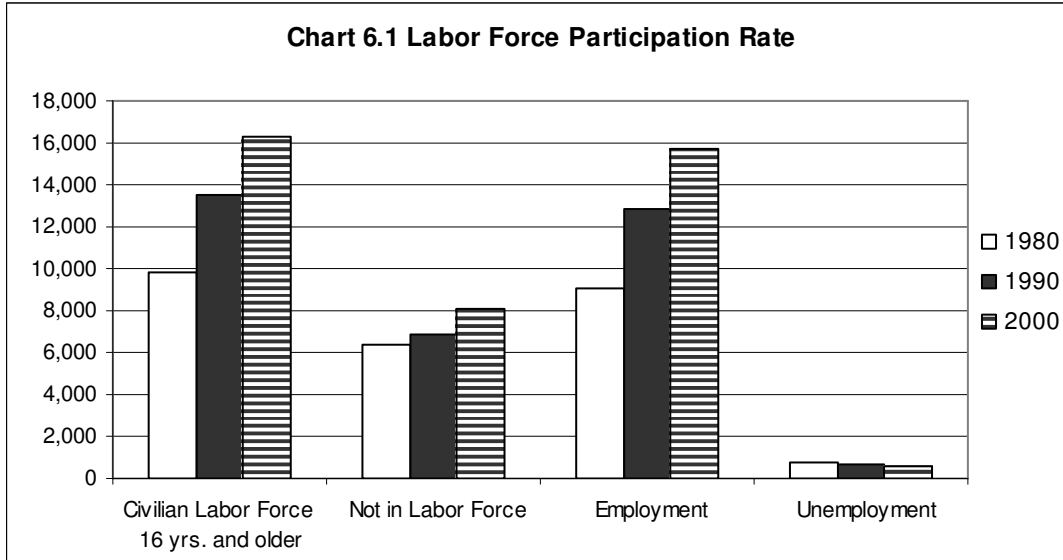
| Total, 16 years and over | 1980 | 1990 | 2000 |
|---------------------------------|-------------|-------------|-------------|
| Civilian Labor Force | 9,768 | 13,554 | 16,245 |
| Armed Forces | 19 | 18 | 12 |
| Employed | 9,044 | 12,856 | 15,687 |
| Unemployed | 724 | 698 | 558 |
| Unemployment Rate | 7.4% | 5.1% | 3.4% |
| Not in Labor Force | 6,386 | 6,831 | 8,104 |

Source: *Census of Population 1980, 1990, & 2000*, U.S. Bureau of Census.

This same potential work force pattern is seen for both males and females. The County’s male labor force participation was 75.4% (8,863 out of 11,751). The Planning District’s rate was 75.0% and the State’s rate was 73.4%. The County’s female labor force participation was 58.6% (7,394 out of 12,610) in 2000. That is below the State average of 60.6%. The Planning District’s labor force participation rate was 59.4%.

In addition to people who are not currently working, a major labor source is recent high school graduates. In 1990, of the residents 25 and older, 65% were high school graduates and 15.8% were college graduates. In 2000, of the residents 25 years and older, 75.5% were high school graduates and 15.0% were college graduates. For high school graduates, these percentages were above the Planning District, but below the State education attainment percentages.

Chart 6.1 Labor Force Participation Rate (1980-2000)



Labor Characteristics

The Bureau of Census classifies the resident labor force in two different ways. The first is by the industry in which they are employed, such as agriculture, manufacturing, and services. The second is by occupation; managers and clerical workers, for example, are employed in a number of industries.

This data provides information about Warren County residents but not the location of their employment. A Warren County resident could be a manager in the manufacturing sector but be working in Fairfax County. This data is important because an existing industry or a new industry moving into Warren County is concerned about the available work force. Local industries could attract those commuting workers for employment within the County.

Industry of Employed Residents

Table 6.2 and Chart 6.2, shows the employment growth and change by industry for 1990 and 2000. During this time, total employment rose 22%. The distribution by industry of employed residents changed during the 90's, with a lower percentage of workers in Agricultural, Forestry and Fisheries, Mining, Manufacturing, Transportation, Communication, Utilities, and Wholesale or Retail trade. The Construction, Finance, Insurance, Real Estate, Service, and Government sectors increased.

In 2000 over half of Warren County's working residents were employed in either in Service industries or in Wholesale or Retail Trade. Of the County's 15,687 employed residents, 5,946 (37.9%) were working in Service industries and 2,365 (15.1%) were involved in Wholesale or Retail trade. The third largest group was Construction, with 2,511 (16.0%) followed by Manufacturing with, 602 (10.2%).

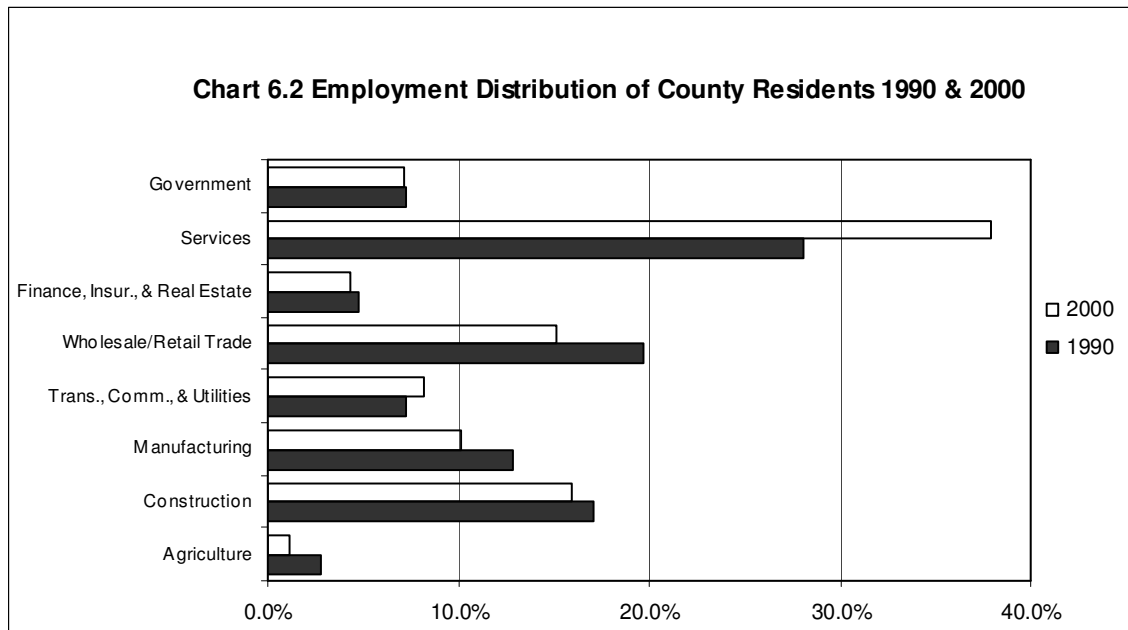
Table 6.2 Industry of Employed Residents (1990-2000)

| Industries | 1990 Total | 1990 Distribution | 2000 Total | 2000 Distribution | Percent Change 1990 to 2000 |
|--|------------|-------------------|------------|-------------------|-----------------------------|
| Total Employment | 12,856 | 100% | 15,687 | 100% | +22.0% |
| Agriculture, Forestry, Fishing, & Mining | 357 | 2.8% | 173 | 1.1% | -51.5% |
| Construction | 2,197 | 17.1% | 2,511 | 16.0% | +14.3% |
| Manufacture | 1,664 | 12.9% | 1,602 | 10.2% | -3.8% |
| Transport., Comm., & Utilities | 938 | 7.3% | 1,288 | 8.2% | +37.3% |
| Wholesale Retail Trade | 2,532 | 19.7% | 2,365 | 15.1% | -7.1% |
| Fin., Ins., & Real Estate | 623 | 4.8% | 693 | 4.4% | +11.2% |
| Services | 3,606 | 28.1% | 5,946 | 37.9% | +39.3% |
| Government | 939 | 7.3% | 1,109 | 7.1% | +18.1% |

Source: **Summary File 3**, U.S. Bureau of Census, 1990 & 2000.

Note: Percentages are rounded to the nearest whole number.

Chart 6.2 Employed County Residents' Occupations (1990-2000)



Occupation of Employed Residents

According to the 2000 Census, almost 26.9% of Warren County's working residents were employed as management, professional, and technical workers. In 2000 there were 4,227 such workers in the County.

The County's second largest occupation group consisted of 3,727 clerical and kindred workers. This group, which includes all administrative support occupations, accounted for 23.8% of the working residents.

The other large groups included construction, extraction, and maintenance workers, service workers. There were 3,125 (19.9%) construction, extraction, and maintenance workers, and 2,398 (15.2%) service workers. Transport and material moving workers accounted for 2,152 (13.7%) of the total 15,687 workers.

Since 1990, only the farming, fishing, and forestry category has decreased in both net and in percentage of total workers. The farming, fishing, and forestry category lost 258 workers (Table 6.3).

Table 6.3 Occupation of Employed Residents:

| Occupation | 1990 Total | 1990 Distribution | 2000 Total | 2000 Distribution | Percent Change 1990 to 2000 |
|---|-------------------|--------------------------|-------------------|--------------------------|------------------------------------|
| Total Employed 16 years & over | 12,856 | 100% | 15,687 | 100% | +42.1% |
| Management, Professional & Technical | 3,022 | 12.8% | 4,227 | 26.9% | +39.9% |
| Sales and Office | 3,081 | 9.9% | 3,727 | 23.8% | +21.1% |
| Construction, Extraction, and Maintenance | 2,663 | 20.7% | 3,125 | 19.9% | +17.3% |
| Transport & Material Moving | 2,012 | 4.9% | 2,152 | 13.7% | +7.0% |
| Farming, Forestry, & Fishing | 316 | 2.5% | 58 | 0.3% | -81.6% |
| Service | 1,762 | 13.7% | 2,398 | 15.2% | +55.9% |

Source: Summary File 3, U.S. Bureau of Census, 1990 & 2000.

Unemployment

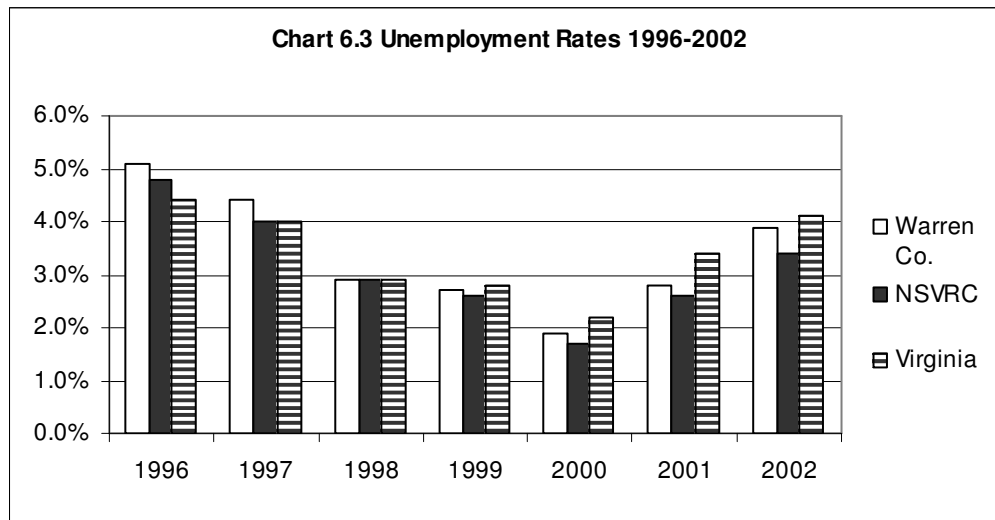
Warren County's unemployment rate is among the highest within the Lord Fairfax Planning District. The County's 2002 average unemployment rate was 3.9% (Table 6.4 and Chart 6.3) compared to the Planning District rate of 3.4% and the State-wide rate of 4.1%.

Table 6.4 Unemployment Rates (1996-2002)

| Annual Rates: | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|---------------|------|------|------|------|------|------|------|
| Warren Co. | 5.1% | 4.4% | 2.9% | 2.7% | 1.9% | 2.8% | 3.9% |
| LFPD | 4.8% | 4.0% | 2.9% | 2.6% | 1.7% | 2.6% | 3.4% |
| State | 4.4% | 4.0% | 2.9% | 2.8% | 2.2% | 3.4% | 4.1% |

Sources: Labor Force Estimates, 1996-2002, Virginia Employment Commission.

Chart 6.3 Unemployment Rates (1996-2002)



Regional Labor Pool

Information on the regional labor pool is provided in Table 6.8. This table looks at the labor supply in terms of total population, sex distribution, and labor force participation. The Northern Shenandoah Valley’s 2000 population was 204,869 people. NSVRC’s work force of 145,391 people, 16 years or older, includes 70,603 males and 74,788 females. Of those, 52,898 males and 44,403 females were participating in the labor force, for an average total participation of 67%.

Table 6.5 Labor Force Participation (1990-2000)

| Sex | Persons 16 & Over | In Labor Force | Participation Rate |
|--------------------|-------------------|----------------|--------------------|
| Male | 70,603 | 52,898 | 75.0% |
| Female | 74,788 | 44,403 | 59.4% |
| Not in Labor Force | 31,832 | | |

Source: Northern Shenandoah Valley Regional Commission.

Work Source Analysis

Jobs in Warren County

As reported by the Bureau of Economic Analysis (BEA), in 2000 Warren County had 13,890 jobs; an increase from 1990's 9,722 jobs. Between 1990 and 2000, Warren County had a 42.6% job increase. **Table 6.6** shows a comparison of Warren County's employment and income changes by industry for 1990 and 2000.

Of Warren County's 12,233 private employment jobs in 2000, over one-third, 4,152 (30.0%) were in the service sector. Warren County's largest manufacturing employers in 2003 were: Family Dollar Services with 450 employees, DuPont with 400 employees, and Ferguson Enterprises with 160 employees. United Parcel Service with over 100 employees, is also a major employer. The food distribution center, SYSCO, will provide a proposed 380 employees when construction is completed. Services added 4,152 (30.0%), Wholesale and Retail added 3,257 (23.4%), and Finance, Insurance, and Real Estate (FIRE) provided 749 jobs (5.4%). In 2000, these three industries accounted for almost 67% of all the Warren County jobs. Since 1990 the Service sector had a 51.1% increase. The Wholesale and Retail Trade sector increased 43.9%; the Manufacturing sector increased by 24.1%.

Government accounts for 699 (12.3%) of the jobs, most of which 1,396, are in state and local governments. The contract construction sector made up 1,386 jobs (10.0%) in 2000.

Personal Earnings

Residents' personal earnings by industry increased between 1990 and 2000. Overall, incomes rose by 119% while employment rose by 9.1% (**Table 6.6**).

The non-farm sector earnings rose by 97.9% and the private sector posted a 101.7% increase. Farm income decreased, along with farm employment which decreased by 81.6%.

The largest income increase sectors are Agriculture, Forestry & Fishery 198.0%, Transportation & Public Utilities 185.0%, Wholesale Trade 176.4%, and Manufacturing 131.9%. Construction incomes rose by 44.5%. The Government sector increased 80.7%. Retail trade rose 104.1%. Although Agriculture, Forestry, and Fishing income increased, this category represents a small portion of residents' personal income.

**Table 6.6 Warren County
Residents' Personal Income by Industry**

| Industry | 1990 | 2000 | Percent Change |
|------------------------------------|-------------|-------------|-----------------------|
| Agriculture, Forestry, & Fisheries | 1,405 | 4,187 | 198.0% |
| Mining | 120 | 268 | 123.3% |
| Construction | 26,612 | 34,439 | 29.4% |
| Manufacturing | 26,633 | 61,739 | 131.9% |
| Transportation & Public Utilities | 9,792 | 27,901 | 185.0% |
| Wholesale Trade | 4,183 | 11,563 | 176.4% |
| Retail Trade | 23,519 | 48,006 | 104.1% |
| Finance, Insurance, & Real Estate | 7,563 | 11,798 | 56.0% |
| Services | 41,412 | 84,935 | 105.1% |
| Government | 30,886 | 55,781 | 80.7% |

Source: Bureau of Economic Analysis, Table CA05 (SIC), 1990 and 2000.

Commuting Patterns

According to the 2000 Census, 8,528 (55.4%) of Warren County's 15,372 workers, 16 years and older, were commuting. When compared to 1990, there has been an increase in the number as well as in the percentage of the commuting work force. In 1990, 6,970 (53.5%) of the 12,697 workers, 16 years and older, who specified their work locations, were commuting. Of those commuting in 2000, 68% worked in a Metropolitan Statistical Area (MSA). The largest MSA close to Warren County is Washington D.C.

An analysis of the 2000 Census (**Table 6.7**) shows that almost 26% of the 8,528 out-commuters were going to Fairfax County. Another 12% were going to Manassas and Prince William County. There were 3,988 in-commuters to Warren County in 2000. 32% of those in-commuters came from Winchester or Frederick County.

Since there were 8,528 out-commuters and only 3,988 in-commuters, Warren County experienced a net loss of 4,540 commuters in 2000. The largest portion of that loss went to Fairfax County. There were 2,069 more out-commuters to Fairfax County than in-commuters to Warren County. Manassas and Prince William took in 941 out-commuters from Warren County.

Table 6.7 Commuting Patterns (2000)

| Jurisdiction | In-commuters from | Out-commuters to | Net |
|--------------------------|-------------------|------------------|---------------|
| Clarke County | 85 | 205 | -120 |
| Frederick County | 979 | 948 | 31 |
| Winchester City | 284 | 624 | -340 |
| Page County | 302 | 41 | 261 |
| Shenandoah County | 680 | 550 | 130 |
| Arlington County | 30 | 162 | -132 |
| Fauquier County | 76 | 495 | -419 |
| Fairfax City | 0 | 234 | -234 |
| Fairfax County | 177 | 2,246 | -2,069 |
| Loudoun County | 74 | 689 | -615 |
| Manassas City | 9 | 258 | -249 |
| Prince William County | 64 | 756 | -692 |
| Rappahannock County | 149 | 111 | 38 |
| Rockingham County | 24 | 53 | 29 |
| Other in Virginia | 240 | 370 | -130 |
| Total - within VA | 3,173 | 7,742 | -4,569 |
| Washington, D.C. | 54 | 376 | -322 |
| Maryland | 226 | 303 | -77 |
| West Virginia | 405 | 37 | 368 |
| Other States, Countries | 130 | 70 | 60 |
| Total | 3,988 | 8,528 | -4,848 |

Source: U.S. Bureau of the Census, unpublished data, 2000.

Income Analysis

Income and Wages

According to the 2000 Census, (Table 6.8) the median 1999 household income for Warren County residents was \$42,422. The corresponding State median was higher at \$46,677. Warren County's median household income is the third highest in the Northern Shenandoah Valley Regional Commission.

Table 6.8 Median Household Income (1989-1999)

| Jurisdiction | 1989 | Percent of State | 1999 | Percent of State | Percent Change 1989 to 1999 |
|-------------------|----------|------------------|----------|------------------|-----------------------------|
| Warren County | \$31,062 | 93.2% | \$42,422 | 91.0% | 108.2% |
| Clarke County | \$34,636 | 103.9% | \$51,601 | 110.5% | 108.0% |
| Frederick County | \$32,806 | 98.4% | \$46,941 | 100.6% | 91.7% |
| Page County | \$24,971 | 74.9% | \$33,359 | 71.5% | 97.5% |
| Shenandoah County | \$26,086 | 78.2% | \$39,173 | 83.9% | 86.9% |
| Winchester City | \$26,086 | 78.2% | \$34,335 | 73.6% | 86.9% |
| State | \$33,328 | 100% | \$46,677 | 100% | 90.7% |

Source: Summary File 3, U.S. Bureau of Census, 1990 & 2000.

In **Table 6.9**, 8.2% of Warren County's households had incomes below \$10,000, while the State's was 7.9%. In Warren County, 42.2% of the households had incomes of \$50,000 or more. The State's percentage of households with incomes greater than \$50,000 was 46.8% in 2000.

Table 6.9 Warren County Household Income (1999)

| Income Range | Households | Percentage |
|------------------------|---------------|-------------|
| Less than \$10,000 | 993 | 8.2% |
| \$10,000 to \$14,999 | 620 | 5.1% |
| \$15,000 to \$24,999 | 1,347 | 11.1% |
| \$25,000 to \$34,999 | 1,786 | 14.7% |
| \$35,000 to \$49,999 | 2,256 | 18.6% |
| \$50,000 to \$74,999 | 2,735 | 22.6% |
| \$75,000 to \$99,999 | 1,419 | 11.7% |
| \$100,000 to \$149,999 | 741 | 6.1% |
| \$150,000 to \$199,999 | 114 | 0.9% |
| \$200,000 or more | 114 | 0.9% |
| Total | 12,125 | 100% |

Source: Summary File 3, U.S. Bureau of Census, 2000.

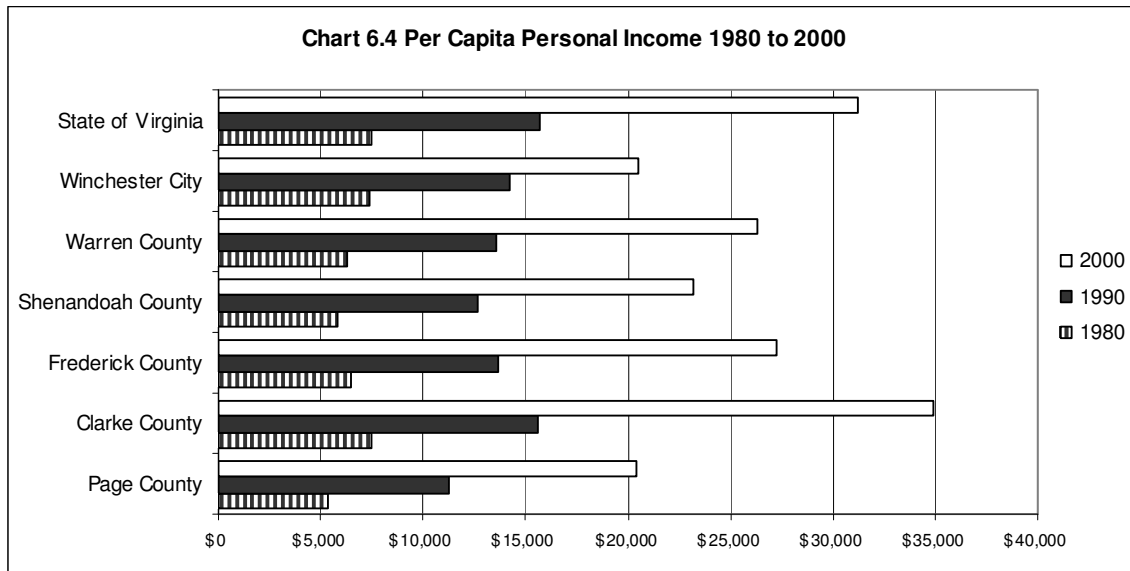
As reported by the Bureau of Census, the 2000 per capita personal income in Warren County was \$26,338 (**Table 6.10** and **Chart 6.4**). That is 18.5% lower than the State's 2000 per capita income of \$31,210. The County's per capita income increased 93.9% between, 1990 and 2000 while the State's increased 98.6%.

Table 6.10 Per Capita Personal Income (1980-2000)

| Jurisdiction | 1980 | 1990 | 2000 |
|--------------|---------|----------|----------|
| Page | \$5,395 | \$11,304 | \$20,452 |
| Clarke | \$7,473 | \$15,657 | \$34,886 |
| Frederick | \$6,503 | \$13,671 | \$27,251 |
| Shenandoah | \$5,849 | \$12,686 | \$23,223 |
| Warren | \$6,326 | \$13,580 | \$26,338 |
| Winchester | \$7,358 | \$14,214 | \$20,500 |
| State | \$7,478 | \$15,713 | \$31,210 |

Source: Census of Population 1980, 1990, & 2000. General Social and Economic Characteristics.

Chart 6.4 Per Capita Personal Income (1980-2000)



According to the Virginia Employment Commission, the average weekly wage paid to workers by Warren County industries during the year 2000 was \$475. (Table 6.11). That represents a 66.9% increase since 1990. The sectors paying the highest wages included Manufacturing firms, which paid a weekly average of \$767. Transportation, Communication, and Utility Firms were the next highest paying wage per week at \$599, followed by Wholesale Trade (\$536) and Construction (\$509).

Table 6.11 Average Weekly Wages Paid in Warren County (1990-2000)

| Industry | 1990 | 1995 | 2000 |
|---------------------------------|-------|-------|-------|
| Agriculture, forestry & fishing | \$269 | \$286 | \$270 |
| Construction | \$379 | \$397 | \$509 |
| Manufacturing | \$317 | \$549 | \$767 |
| Trans., Comm., & Utilities | \$438 | \$556 | \$599 |
| Wholesale Trade | \$333 | \$367 | \$536 |
| Retail Trade | \$205 | \$231 | \$316 |
| Fin., Ins., & Real Estate | \$329 | \$389 | \$489 |
| Services | \$294 | \$323 | \$415 |
| Government | \$325 | \$369 | \$535 |
| Total | \$318 | \$360 | \$475 |

Source: Average Annual Average Weekly Wage, 1990, 1995, 2000. Virginia Employment Commission.

Components of Income

The income of Warren's residents has been increasing in recent years. Between 1990 and 2000, total personal income in the County increased by 100.4% (**Table 6.12**). Warren County's income increase has been due primarily to an increase in net labor and proprietors income by place of residence, which includes total earnings by place of work, less personal contributions for social security, with an adjustment for place of residence to account for commuting wage earners. This category grew by 107.6% between 1990 and 2000, accounting for 72.1% of the 2000 total personal income.

The other components of total personal income are 1) Income from dividends, interest, and rent, and 2) transfer payments, which include: retirement and disability benefits, unemployment insurance benefits, and medical, educational, and public assistance benefits. Retirement benefits are the largest source of transfer payments. Both categories grew substantially, but transfer payments decreased in ratio to the total personal income. This is a positive indication of economic growth.

Table 6.12 Personal Income Components

| Jurisdiction | 1990 (\$1,000s) | Distribution | 2000 (\$1,000s) | Distribution | Percent Increase 1990 to 2000 |
|--------------------------------|--------------------|--------------|--------------------|--------------|-------------------------------------|
| Warren County | | | | | |
| Net Labor & Property Income | 290,197 | 69.6% | 602,533 | 72.1% | 107.6% |
| Dividends/Interest & Rent | 64,034 | 15.4% | 142,128 | 17.0% | 122.0% |
| Transfer Payments | 62,665 | 15.0% | 90,643 | 10.9% | 44.6% |
| Total Personal Income | 416,896 | 100% | 835,304 | 100% | 100.4% |
| State | | | | | |
| Net Labor & Property Income | 86,420,777 | 70.6% | 159,880,464 | 72.1% | 125.7% |
| Dividends/Interest & Rent | 20,172,002 | 16.5% | 41,127,607 | 18.5% | 184.8% |
| Transfer Payments | 15,807,830 | 12.9% | 20,769,518 | 9.4% | 114.1% |
| Total Personal Income | 122,400,609 | 100% | 221,777,589 | 100% | 132.0% |

Source: **Personal Income by Major Sources**, Bureau of Economic Analysis, 2000.

Summary

Warren County's economic base has diversified in recent years. During the 80's the tourism industry emerged to play a larger role in the economy. The two industry sectors most affected by tourism are services and wholesale and retail trade. By 1990, these industries were the second and third largest employers, respectively. As of 1980, the service sector was the second largest employer, but the wholesale and retail sector was fourth.

Net employees in manufacturing decreased during the 1980's and also decreased as a percentage of Warren County's total employment. Farming's percentage of the economic base has also decreased. In 1990, 6.8% of the work force were employed in the farm sector. By 2000, this had declined to 1.1%.

Changes in the occupational distribution of the County's residents indicate a shift from blue collar to white collar jobs. This trend might be due to the shift toward service and trade jobs and the occupations of people who have recently moved into the County, particularly those who moved from the Washington, D.C./Northern Virginia metropolitan area, but still commute back to highly-skilled, highly-paid jobs. The income of Warren's residents has increased steadily during the past few years as compared to the rest of the Planning District and the State; this increase is expected to continue.

Recent Developments

Since 1995, the Economic Development Authority of the Town of Front Royal and the County of Warren (EDA) attracted 14 firms to locate operations within the County. These firms represent approximately 1,819 new jobs, 3,097,000 square feet in new buildings, and over 511 million dollars of private investment. The major employers within Warren County and Front Royal are illustrated in Figure 6.1.

Recommendations

The local economy's health is determined in part from factors or events occurring outside the region. For a local economy to flourish and to prevent one event from crippling an area, employment must be diversified. The analysis of basic, compared to supporting industry employment, emphasizes that basic employment provides a foundation for supporting industry employment.

The basic employment in Warren County has diversified in recent years, and there has been an increase in the manufacturing employment which is the heart of an area's basic employment. This is due to the continued recruitment of industrial prospects and support for existing Warren County industries.

The tourism industry emerged during the 1980's and plays a major role in Warren County. There are many County tourist attractions. The area's natural resources and attractions should be protected and efforts should be made to expand tourism. These measures would ensure continued visitors to Warren County.

The recommended goals and objectives of Warren County's economic development program are based on several important County needs. The County must diversify its economic base and it must expand its non-residential tax base. This would keep local residential property taxes down as demand for additional and improved public services and facilities continue to rise. Local jobs with competitive wages must be provided, thereby providing employment for young people entering the work force.

Figure 6.1 Warren County / Front Royal Major Employers

| | |
|--------------------------|---------|
| Warren County Schools | 700 |
| Warren Memorial Hospital | 500 |
| Family Dollar Services | 450 |
| DuPont | 400 |
| SYSCO | 380* |
| Ferguson Enterprises | 160 |
| Toray Plastics | 100 |
| United Parcel Service | 101-200 |
| Randolph Macon Academy | 101-200 |

*Proposed number of employees

Goals & Objectives

- Goal I: Maintain an effective business environment which fosters the growth and prosperity of existing industries.
- Goal II: Maintain a commercial / industrial tax base of 20 – 25%, within boundaries of land as zoned.
- Goal III: Develop a comprehensive plan to attract tourists.
- Goal IV: Develop a coordinated program to target and attract business and industry to develop a diverse tax base.
- Goal V: Provide an educational system to support industry.
- Goal VI: Provide infrastructure to support industrial / commercial development.
- Objectives:
- A. Continue to assist with regulatory requirements and help reduce business costs in order to increase profits and promote growth.
 - B. Increase public awareness of the economic impact of buying locally and of the community's economic base.
 - C. Increase the number of group tours and festivals in the community.
 - D. Attract the individual leisure traveler.
 - E. Attract Shenandoah National Park visitors.
 - F. Work with the EDA and with existing businesses and industry to evaluate and improve economic development strategies.

- G. Provide business and industry with the infrastructure required for future development and expansion.
- H. Actively market the County's Industrial Parks.
- I. Support businesses that provide services and employment opportunities for local residents.
- J. Provide appropriately zoned land areas suitable for future industrial and commercial growth within areas defined on the future land use map.

Implementation

Adequate Public Facilities Standards - From the County's Comprehensive Plan a Level of Service Policies (LOS) must be developed. LOS policies provide the basis and criteria on which to evaluate alternatives and to determine capital requirements. With the establishment of LOS policies, the County would make a clear statement to developers which would reflect the public's expectations for County services. By establishing LOS policies and standards for public services, this would ensure that sufficient services are in place or will be provided as development occurs. LOS standards can ensure that service expansion coincides with new development.

Business Attraction - Aggressively market Warren County to industrial and commercial prospects. Emphasize the attraction and growth of businesses that maintain and enhance the County's quality of life.

Capital Improvements Program - Maintenance of a CIP is important to meet future needs.

Citizen Participation - Include County residents on committees and advisory boards that provide additional input and comment to the Planning Commission and/or Board of Supervisors.

Education - Provide students with basic skills to be able to compete for jobs within the local economy.

Enterprise Zone - Maintain and market the County's enterprise zones to permit state and local tax incentives to new businesses.

Fiscal Impact Analysis - Maintain a per-unit fiscal impact of residential and commercial development would provide a rational basis on which to accept developers proffers. Such fiscal impacts must be calculated for schools as well as for other community facility needs.

Free Trade Zone - Maintain designation as a free trade zone, especially for areas in and around the Inland Port facility.

Increase Capital - Work with the local finance and banking community to increase the availability of seed and start-up capital for new and small businesses.

Job Opportunities – Provide job opportunities that pay a living wage, provide health and retirement benefits and demonstrate a positive interest in existing and new industries. Increase variety of job opportunities for unemployed and underemployed citizens.

Management Guidance – Work through the Economic Development Authority to provide small and new businesses with the necessary management and marketing skills to facilitate success.

Public/Private Partnerships - Encourage public/private partnerships that will provide well serviced and properly located industrial sites which can be developed quickly.

Shell Building Program - Invest in a shell building program that will provide available space as well as incubator facilities for new and small businesses.

Site Identification - Identify potential sites compatible with the Future Land Use map for industrial, commercial, and office development, based on the following locational and market criteria:

- Availability of infrastructure.
- Commercial/Community Center location.
- Access to major transportation routes.
- Compatibility with surrounding development.

Small Business Assistance - Develop programs which would assist small business with marketing of products and services. Assist local entrepreneurs to locate and acquire new business financing.

Training Programs - As identified in the Warren County Strategic Plan, implement an ambassador training program. Approximately 17% of the community's jobs are in service related positions. These are the people that tourists most often meet, therefore, it is these individuals who often will have the greatest impact on a visitor's impression of our community. It is imperative that service personnel be trained as community representatives.

Tourism - Continue to emphasize and promote tourism as an industry. This should be accomplished through coordination with local, regional, and State tourism development Boards and agencies.

Water/Sewer Service -Examine alternative means of providing solutions for servicing the County's water and sewer needs, including State and Federal agency

grant funds. Ultimately, a regional water/sewer authority should be developed. Currently, the County does not have a water or a sewer system.

Voluntary Proffers - Maintain a proffer system associated with the CIP.

Chapter Summary

Preserving the beauty of Warren County and maintaining the quality of life for its residents should be the prevailing goal of the County's economic development program. The welfare of Warren County's residents, as measured by improved welfare, reductions in unemployment and underemployment, increase in real incomes, improvements in living standards and consideration for environmental quality should be the primary objectives to this end.

Implicit in this goal is the premise that neither economic growth, nor industrial development is always desirable. Simple aggregate growth or industrial expansion is acceptable only when consistent with these goals and objectives. The location, type, and quality of future commercial and residential development should be carefully managed to ensure that economic development occurs in a manner beneficial to all County residents.