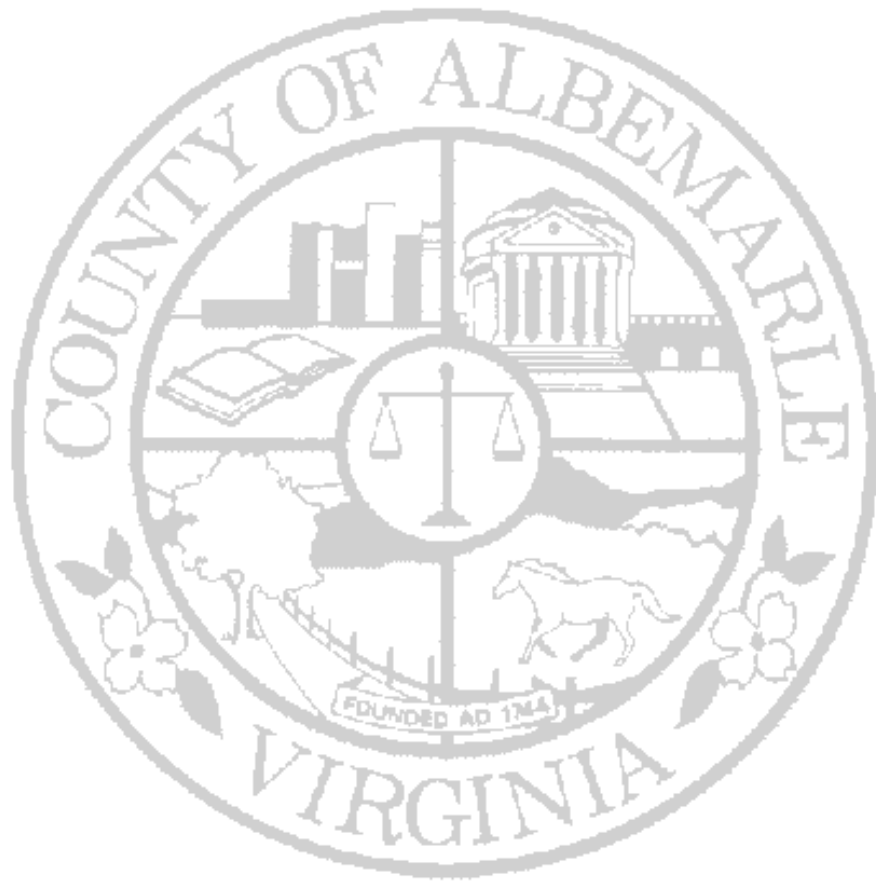


**ECONOMIC DEVELOPMENT
POLICY
ADOPTED MARCH 1, 1995**



**COUNTY OF ALBEMARLE
COMPREHENSIVE PLAN
1996-2016**

ECONOMIC DEVELOPMENT POLICY

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ANALYSIS AND FINDINGS

WHAT WE KNOW:

Economic Growth

1. **Albemarle County has experienced steady growth and will continue to grow as people continue to move to the County.** Albemarle County's population grew at 2.0% annual rate from 1980 to 1990. It is forecast to grow at 1.5% annual rate during the 1990's and a slightly lesser 1.3% annual rate after the turn of the century. Migration into Albemarle County has been and should continue to be the primary component of growth. During the 1980's, 63% of that growth was net in-migration of people.
2. **The County's resident labor force has grown at a rate exceeding County population growth, yet the number of those unemployed has not increased and, in fact, the County's unemployment rate has consistently been the lowest in the area and has stayed well below state and national rates.** Over the 10 year period from 1982 to 1992, the County's resident labor force grew by 35% (as compared to a population growth of a little over 20%) and the unemployment rate averaged 3.6% annually (as compared to 5.3% at the state level and 7.1% nationally).
3. **County residents place importance on job opportunities and economic growth, but not at the expense of the protection and preservation of water quality, natural resources, farmland, historic areas and open space.** In the Spring, 1994 Albemarle County Planning Needs Survey rating of long-term community planning goals, bringing more jobs to the area had an average rating of 2.40 (1 being not so important, 2 being somewhat important and 3 being very important). Protecting water quality scored an average of 2.86, preserving natural resources and open space an average of 2.73, preserving farmland an average of 2.68 and preserving historic buildings an average of 2.53.

Regional Context

4. **While the County has the largest resident labor force in the area, the City of Charlottesville retains a strong position as an employment center with its employers attracting a significant number of County residents to work each day. Together the City and County are the center of a regional economy in which the majority of the region's workers are employed in Charlottesville and Albemarle County.** There are a greater number of employed County residents than total jobs in the County. As a result, according to the 1990 U. S Census 49% of County workers work in Albemarle, while 43% commute to Charlottesville where there are more jobs than workers. Charlottesville

remains the area's largest employment location with about 36,000 jobs (April, 1993) as compared to about 29,000 in the County. Together, the City and County are the region's employment center, employing 88% of the Planning District 10 work force.

5. **By any of several measures of economic activity, Albemarle County is pacing the Charlottesville region in economic growth.** Economic trends are showing a steady growth in economic activity in Albemarle County. Reflecting its history, location and presence of the University, travel expenditures increased 13% annually from the late 1980's into the early 1990's. Taxable sales in the County grew at an average annual rate of 17.8% in the 1980's, continuing to grow through the recession of the early 1990's to, for the first time, exceed taxable sales in the City of Charlottesville in 1992 by \$14 million. Retail sales also grew in this period at more than twice the rate of the state, with per capita retail sales increasing from \$4,867 per person in 1985 to \$6,992 per person in 1992 (as compared to state figures of \$5,471 per person in 1985 and \$6,710 per person in 1992). An analysis of retail trade indicates that the County has become a regional market center that is a net importer of retail trade dollars. Deposits in commercial banks have also increased steadily (13% annually from 1983 to 1992), out pacing the state average for that period. Building activity, subject to inflation and the ups and downs of the economy, showed steady growth throughout the 1980's, peaking in 1989, and, despite the recession of the early 1990's, has continued at a fairly steady dollar level of activity in all sectors - residential, non-residential and commercial/institutional as well as farm buildings - in 1992 and 1993.

Labor Force/Population

6. **The County population is getting older, a result of both the national trend of aging baby-boomers and the attractiveness of the area to those reaching retirement age.** The middle and older age populations aged 40 and over, which constitute empty-nesters and those retiring, grew from 29% of the County's population in 1980 to 35% of the population in 1990, totaling a little less than 34,000 people. By 2010, this group is forecast to total 45% of the population, or a little over 40,000 people. By contrast, the 20-39 age group, constituting late college/post graduate students, young professionals and families in their prime child-bearing years, and a group that more than doubled in number from 1970 to 1990, is forecast to remain almost stable over the 1990 to 2010 period.

This shift to middle and older populations represents: population growth without job growth, and without the expense of educating children; a unique housing market; and a market with a certain amount of discretionary income to spend.

7. **The County population is well educated with many residents possessing bachelor's or graduate degrees, also a reflection of the presence of the University and higher technology/professional service employers.** 39% of County residents had obtained at least a bachelor's degree in 1990. Another 42% had graduated from high school, 23% having attended some college or possessing an associate's degree. (See Attachment I)

Economic Health

8. **The University of Virginia remains the dominant employer in terms of numbers of employees, but is providing and will likely continue to directly provide a decreasing share of the County's and area's overall employment.** The University employs some 12,000 persons in its academic and medical centers combined, representing 18% of the City/County total employment (this is as compared to 20% in 1985). While the University expects to add some 2,000 students in the next 10 years, it expects to do so essentially without increase in its total employment.
9. **The types of jobs provided by the County's employers, following national trends, are becoming more trade and services oriented.** While government and manufacturing continue to provide the most jobs (28% and 20% respectively), the greatest growth in County employment sectors has been in services and wholesale/retail trade. This reflects national trends of contracting manufacturing employment while trades and services are experiencing growth. Yet, for both sectors the proportion of all County jobs (18.5% and 17% respectively) is still below statewide proportional averages. Since 1982, manufacturing employment has experienced virtually no change. In the Charlottesville Metro Statistical Area, manufacturing employment is forecast to decrease by 10% over the next 10 years, while services are forecast to grow by 36% and wholesale and retail trade by 24%. Within the services sector, social services, legal services and engineering and management services are forecast to have the greatest growth. (See Attachments F & G)
10. **The occupation of County workers, reflecting the presence of the University as well as other higher technology/professional service employers, is fairly concentrated in managerial and specialty occupations and technician, sales and support occupations.** Close to 70% of labor force occupations are executive, administrative, managerial and professional specialty (36%) or technicians, sales and administrative support (33%). Statewide, there is a lower concentration in these groups (61%). Only 8% of occupations are operators, fabricators and laborers. Statewide, there is a higher concentration in this group (14%). (See Attachment H)
11. **While the number of employers in the County is increasing, the number employed by those employers has remained relatively stable.** The number of employers in the County has grown from 1192 in 1987 to 1584 in 1993. Employment in Albemarle County establishments was 29,045 in April, 1987 and 29,167 in April, 1993. Taking into account the physical relocation of UVA Hospital employees from the County to the City during this time period, this indicates that employment in other sectors actually increased. Major employers of over 150 employees (not including the University) accounted for 19% of the total County labor force in 1993. This compares with 22% of the total labor force in 1987. (See Attachment J)
12. **While the County has relatively high incomes when compared to the region and the state, wages in many employment sectors are below the state average for those sectors.** Both median family and median household income figures for Albemarle County residents have, over time consistently exceeded Charlottesville region and state medians. In 1993, median family income was 115% of state median. Yet, except for the agriculture

and government employment sectors, wages provided by the County's employers are below state averages. In 1992, the manufacturing, trade and services sectors were respectively, 98%, 81 % and 70% of state average. A closer look at the service sector reveals that several service producer type jobs - legal, membership and engineering/management - exceed state average, but that the remaining job types, many of which are service providers (ex: hotels/lodging, personal, business, health services, social services, household) are below state average, some substantially so.

13. **While families and persons living in poverty in the County have consistently fallen, poverty still exists for a segment of the population.** From 1970 to 1990, the number of families experiencing poverty fell from about 1150 to a little more than 800. Nevertheless, this represented nearly 5% of families and over 4000 persons.
14. **The Charlottesville area has consistently ranked at or near the bottom of urban regions in the state in housing affordability.** The Virginia Real Estate Research Center at Virginia Commonwealth University measured housing affordability in Charlottesville as last in the state's urban regions in both 1992 and 1993 based on average home price, prevailing mortgage interest rates and median family income. Using Census derived information, about 14% of County, households spend more than 30% of household income monthly on home owner costs. About 33% of households spend more than 30% on rent.
15. **Agriculture and forestry, while not growing as a share of the overall Albemarle County economy, nevertheless remain an important component.** When adjusted for inflation, total value of agricultural products sold in 1992 was about \$15.5 million, down from about \$16.8 million in 1987 and about \$21.0 million in 1974. Albemarle ranked 25th in the state, (1992) in total value of agricultural products sold and 15th in the state in, livestock sales. In some specialty areas, such as horses, grapes, peaches and apples, sheep and lamb operations, purebred cattle operations, pine stumpage value, and hay production, there is increasing activity and the County ranks higher among state, localities.
16. **An inventory of designated land exists in the County for economic expansion, some of which is concentrated in larger consolidated areas.** Nearly 1400 acres of developable industrial land is designated in the County's Comprehensive Plan. Approximately 750 additional acres exist for office and commercial development. Approximately 450 acres of industrial land and 240 acres of office/commercial land

would need to be zoned for development to proceed. A September, 1993 report entitled Consolidated Industrial Areas in Albemarle County identified eight areas under one ownership or a limited number of ownerships ranging in size from 12 acres to 240 acres. Two areas exceeded 200 acres in size. (See Attachment X)

WHAT WE UNDERSTAND:

Labor Force/Population

1. **The most fundamentally sound work force is one that has basic education and good work habits.** Survey after survey has found that employers want workers who at the very least have a good attitude and can communicate. Good basic educational skills reading, writing and to a lesser extent math - are fundamental. Even if a person is relatively unskilled, these characteristics make them trainable. Availability of continuing education and training opportunities, such as can be provided by the public schools, Piedmont Virginia Community College and the University of Virginia, is important for the advancement of a work force.
2. **A place can operate from its strengths to deal with its weaknesses.** Economic growth opportunities are going to be most available to places that possess, nurture, protect, carefully utilize and strategically communicate the resources already in place. Economic growth will come from within and as well as from the outside. Of one scale, the talents of the University and the presence of significant technical resources and skills give this area a prime opportunity to connect with the manufacturing of today, particularly research and development efforts. Of another scale, small business is said to create 7 out of 10 private sector jobs and there are great micro-enterprise opportunities for the diverse skills and abilities ' in the Albemarle labor force. It is important to bring these talents to the table. Manufacturing is looking for existing resident pools - they do not look to import a great amount of labor. For the small business, there are growing opportunities to access capital and reach markets. Good preparation and communication of what is available and what is desired puts the locality in a position of better control. Any weaknesses need to be addressed directly, rather than by boosting the overall economy where such efforts may not help those citizens most needing better jobs, working conditions and wages.

Economic Health

3. **There is a perception of underemployment in the local economy.** Underemployment is not an easily quantifiable measure without extensive surveying. There are numerous reported examples in the area of job openings that have received dozens of applicants, many of whom have skills and/or education that greatly exceed the job's requirements. This is not unheard of in today's economy, not just locally but nationally. There is great demand for part-time employment. Some fill these jobs because it is all that is available for them and some because it can fit a lifestyle choice (ex: the second worker in a household looking for flexible work or the student needing additional income). Furthermore, in a University community it is not unusual to see higher numbers of part-time workers. A number of University communities in Virginia, like this area, have percentages of part-time workers in the work force exceeding the state average. In many cases, these communities, like this area, also have percentages of the total population that work that are higher than the state average. Thus, underemployment is relative to the individual and what they are in need of.

4. **The most traditional of basic industries - manufacturing - has changed in the opportunities it provides and how it benefits a community.** Manufacturing has changed greatly from its more traditional forms. It has re-tooled for efficiency, becoming highly automated and technical, with high value, capital intensive production demanding lower employment. Nevertheless, while employment has decreased in manufacturing, it has maintained its relative percentage of the gross national product according to the Virginia Department of Economic Development. Part of the reduction in workers has been a result of downsizing where manufacturing does not employ the variety of occupations and skills it used to. Yet, it still needs those services and it gets them by contracting out. Thus, as examples, the accountant services or the janitorial services that used to be on staff are now contracted for. The presence of modern manufacturing and the increased income it can bring into a community will mean outsourcing of work and growth in other employment sectors, particularly those providing services. An indication of this can be found in the Virginia Employment Commission employment forecasts. As noted earlier, manufacturing employment is forecast to decrease in the Charlottesville region in the next 10 years, while service employment is forecast to have the greatest percentage increase of all sectors.
5. **While Albemarle County is not seen as an agricultural industry center, it has tradition in agriculture and opportunities for continuing benefit from agriculture.** Food processing is a growth industry. There is some history of that activity in the County (Con-Agra). The opportunity may exist for more of this activity. Otherwise, for Albemarle County it is a matter of finding opportunities. Vineyards and orchards have found a place in the local economy. Horse breeding has a long history in the County and with a new horse track coming within 100 miles to the east off of I-64, opportunities exist. It also should not be forgotten that agriculture is part of the heritage of this place that makes it attractive as a tourist attraction and contributes to its special atmosphere that has made it attractive to people and business. The Agricultural and Forestal Industries Support Committee has stated that the industry provides stable employment to all demographic segments of the County's population, paid on-the-job training in a variety of meaningful trades, an attractive landscape for tourists and the citizens of the County, and, as a consumer and a business, local purchase of most needed supplies and services. The Committee has made a number of recommendations to market County agricultural and forestal products.
6. **A variety of available properties with adequate infrastructure are desirable for business and industrial growth.** Albemarle County policy has traditionally been geared towards providing adequate land areas for economic growth consistent with Comprehensive Plan goals while leaving decisions on economic expansion to the private sector. In the 1989 Plan, this was translated into a target of providing two times the forecast needed land area for such growth. Some localities use a measure of three to four times forecast needed land area. The areas designated for business and industrial growth meet industrial land use standards, but may not have in place complete on-site utilities or necessary road improvements (both internally and externally). In fact, several undeveloped sites with zoning have not received such infrastructure improvements.

THE POLICY:

Albemarle County has a strong economy. We have a growing population and labor force and have experienced low unemployment rates. The labor force is skilled and well educated. Good schools, good planning, and our quality of life are important factors in the County's current economic position. Median incomes are higher than at the State and regional levels. A consistently strong employer is present in the University of Virginia, which, as a major university and medical center, offers great potential for associated research and development industry. Other major employers and sectors continue to provide employment stability and diversity. The renowned natural environment, Blue Ridge Mountain location, and historic resources of the area provide a growing tourist trade as well as an attractive place to do business. The rural and agrarian heritage contributes to this character, and also offers opportunity for agricultural and forestry industries. These are the strengths of Albemarle County which this economic development policy recognizes, and will seek to maintain.

We are like other university communities in that we have an above average labor force participation rate and above average number of part-time workers (both students and adults who prefer part-time work). As a university community, we have a somewhat captive labor force as well as people who live here for quality of life reasons, knowing that wages would be higher in the more urban parts of the state. We are a growing community with rising property values, and a large share of our housing stock is new and priced accordingly. The high demand for both new and used housing and the desirability of the community produce well above average housing costs relative to wages paid by many employers. As we fine tune our community, we seek to maintain a diversity of employment opportunities and to find ways to add housing for the lower half of the incomes in our community. We also have residents who are poor, who are unable to work regularly, or who work for minimum wage. Possible increases in the minimum wage nationally would benefit those who continue to work in the minimum wage positions. Local efforts to enhance skills and to develop the work force may also provide ways to move individuals out of minimum wage jobs.

The purpose of this economic development policy is, first and foremost, to provide the local citizenry an improved standard of living, improved job opportunities and competitive wages, and work force development opportunities, rather than to seek to stimulate further population growth. We do not seek growth, or to add new population, but accept that more people will move to our community and that jobs, goods, and services will be needed to meet their needs. Accordingly, we will designate sites to address future growth needs in ways that will not detract from, but will add to, the strengths of our community. We will provide information about those sites to those who request it and attempt to answer all questions promptly and directly. We recognize our position, along with the City of Charlottesville, as the center of the regional economy. We recognize the economic objectives of the other localities in the region, while renewing our commitment to our own economic development within the overall framework of our growth management objectives. Albemarle County supports the Community Vision Statement regarding economic development.

Note: "Business" and "industry" are intended to be inclusive and interchangeable terms, meaning the commercial production and sale of goods or services.

GOALS, OBJECTIVES, AND STRATEGIES:

GOAL: Maintain a strong and sustainable economy: 1) benefiting County citizens and existing businesses and providing diversified economic opportunities; 2) supportive of the County's Growth Management Policy and consistent with the other Comprehensive Plan goals; and, 3) taking into consideration regional (including the City of Charlottesville, and Greene, Louisa, Fluvanna, and Nelson Counties) economic development efforts.

OBJECTIVE I: Base economic development policy on planning efforts which support and enhance the strengths of the County.

STRATEGIES:

1. Protect through diligent growth management efforts the County's distinctive natural and man-made qualities to maintain its attractiveness as a place to live and work.
2. Continue to recognize the relationship of high quality schools and public services and an outstanding level of natural and cultural amenities to positive economic development, and maintain these attributes.
3. Encourage tourism focused on the rural, agrarian, and historical resources of the County, and which does not threaten or compromise those resources.
4. Encourage agriculture and forestry by implementing when appropriate the recommendations of the Agricultural and Forestal Industries Support Committee.
5. Recognize that the University of Virginia can provide important resources for business and industry and work with the University and its associated entities to take advantage of opportunities to benefit from this resource in innovative ways.
6. Compile data on County plans, zoning, sites, and policies, and make these available on request.
7. Designate a contact point for information about the County.
8. Plan for the special needs, and utilize the talents, of the growing retired population attracted to this area.
9. Encourage employment of the local labor force, rather than heavy reliance on relocated workers.
10. Discourage business and industry which is not environmentally sustainable or friendly (such as high water users, polluters).
11. Encourage diversity in business and industry which will accommodate a variety of skill/educational levels and provide for a diversified tax base.

12. Monitor and report to the Planning Commission and Board of Supervisors about the volume of economic development activity and how that activity is fitting with the Goals, Objectives and Strategies of the Comprehensive Plan.

OBJECTIVE II: Plan for land and infrastructure to accommodate future business and industrial growth.

STRATEGIES:

1. Assess the quality of areas designated for business and industry through analysis of the site size variety, topography, location, and availability of infrastructure in such areas, and compile an inventory of actual, useable land.
2. Designate areas for office, commercial and industrial development that meet the development standards of the Comprehensive Plan and will provide sufficient land to meet community needs through the next Comprehensive Plan revision. Provide enough land to allow flexibility and choice without inviting sprawl or detracting from infill opportunities in areas previously designated in the Plan.
3. Utilize the rezoning process and associated proffer allowances to address needs brought about by new development and to provide the community with assurances about future development activities.
4. Encourage infill development of business and industrial uses in areas appropriately designated in the Land Use Plan.
5. Review current infrastructure (water, sewer, roads, community facilities) programs to determine their impact on business and industrial development of designated areas. Identify infrastructure improvements that will make Growth Areas work.
6. Continue to work with property owners in designated Growth Areas to identify infrastructure needs, and promote good planning for development of such areas consistent with County growth management strategies.

OBJECTIVE III: Recognize the County's place in the regional economy.

STRATEGIES:

1. Cooperate through the TJPDC with other jurisdictions in the region, the University of Virginia, and Piedmont Virginia Community College for:
 - Development of a coordinated economic data base;
 - Continuing discussion among the TJPDC jurisdictions about working and shopping patterns, wage levels, job stability, work force development needs, housing affordability,

public services, tax burdens, and other topics which relate to the purposes of local and regional economic development policy;

- Distribution of information about development opportunities in the TJPDC to those who request it;

- Regional work force development;

- Addressing linkages between housing and wages;

- Evaluating local, regional, statewide, national, and worldwide economic trends to determine the current and future economic stability of, and growth opportunities for, different types of business and industry.

2. Support mutual consultation on regional development projects along shared borders, and/or on projects of significance to more than one locality, possibly through a "Memorandum of Understanding."
3. Recognize and seek to cooperate with the City of Charlottesville's economic development objectives, and the objectives of the other counties in the Thomas Jefferson Planning District, consistent with County goals, objectives, and strategies.
4. Measure our accomplishments in economic development against the strategic questions posed in the Community Vision Statement regarding economic opportunity.

OBJECTIVE IV: Consider fiscal impact as one indicator of positive economic development, along with environmental impact and standard of living impact.

STRATEGIES:

1. Evaluate the fiscal impact of new business/industrial development.
2. Recognize that County residents place importance on job opportunities and economic growth, but not at the expense of the protection and preservation of water quality and quantity, natural resources, farmland, historic areas, and open space.
3. Recognize that the purpose of this economic development policy is to provide the local citizenry an improved standard of living, improved job and wage opportunities, and work force development opportunities, rather than to seek to stimulate further population growth.

OBJECTIVE V: Provide local business development opportunities.

STRATEGIES:

1. Support existing businesses and industries through an open door policy of communication, and exchange of information and concerns.

2. Coordinate with existing entities that assist new small, locally-owned, and minority businesses and micro-enterprises in their start-up and early operation efforts.

OBJECTIVE VI: Provide work force development opportunities.

STRATEGIES:

1. Recognize that the most fundamentally sound work force is one that has basic education and good work habits.
2. Encourage and support continuing educational and training programs to prepare the local work force for the skill demands of current and future employers, including appropriate work habits and life skills.
3. Encourage and support apprenticeship programs. Encourage the school system to teach basic life skills as a means of preparing our future work force.
4. Develop related goals and objectives of the Comprehensive Plan (education, housing, day care, transportation, etc.) to address barriers experienced by the local work force, particularly those with greatest needs.