

CHAPTER 5: ECONOMIC DEVELOPMENT



Source: Culpeper County Economic Development

INTRODUCTION

Economic development is an important focus of local government. Through various policies such as tax rates, investment incentives, special business zones, etc., the County fosters new economic opportunities and tailors these policies to specific industries that complement the County's existing character and economic market. In relation to the Planning & Zoning Department, the County's land use & development policies, as well as transportation projects, outlined in Chapters 2 and 3 respectively, influence economic growth in the County.

This chapter aims to provide an overview of the County's current economic climate, an analysis of current and future economic concerns and trends, and a list of the goals, objectives, and action items that will address these identified concerns. These statements will outline the County's economic aspirations for the next several years, influencing how it will carry out future decisions. Each of these generalized goals will include detailed objectives and accompanying action items that will provide the framework for how the County can work towards achieving them.

OVERVIEW

LABOR FORCE

The U.S. Census categorizes all persons 16 years of age and older as eligible to participate in the work force. The availability or capacity of the community's labor force for employment is its participation rate. Due to infirmity, retirement, pursuit of education, lack of jobs, deferral for care of children and elderly parents, and other circumstances, the participation rate is never 100 percent.

As illustrated in Figure 5-1, the 2020 American Community Survey estimate for the population 16 years and over was 40,802. Of that number, 64% were in the labor force. In the labor force, 99.8% were a part of the civilian labor force, with the remaining 0.2% in the armed forces. Finally, 96% of the civilian labor force were employed, with 4% classified as unemployed.

| | |
|------------------------------|--------|
| Population 16 years and over | 40,802 |
| In labor force | 26,116 |
| Not in labor force | 14,686 |
| In labor force | 26,116 |
| Civilian labor force | 26,052 |
| Armed Forces | 64 |
| Civilian labor force | 26,052 |
| Employed | 25,008 |
| Unemployed | 1,044 |

Figure 5-1
Source: 2020 ACS Economic

EDUCATION

Out of the 2020 estimated population of 35,168 persons at the age 25 and over, 31.1% had only a high school degree or an equivalent, and 25.2% had a bachelor's degree or higher. Figure 5-2 breaks down the educational attainment in greater detail.

HOUSEHOLD INCOME

The 2020 estimated median household income was \$80,663. Figure 5-3 provides further detail on the population sizes of each of the household income brackets. This is not inclusive of earnings or various benefits and programs.

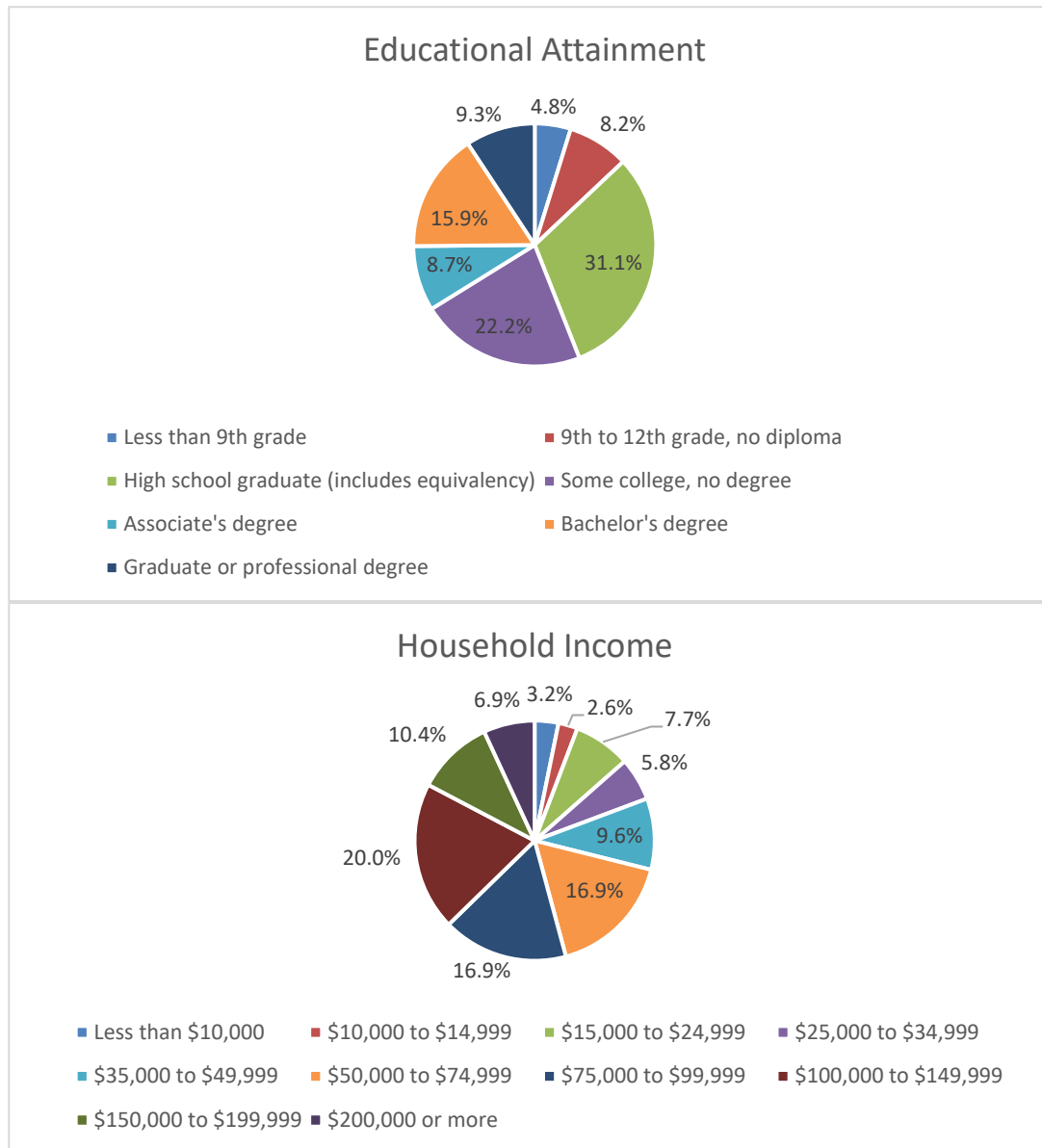


Figure 5-2
Source: 2020 ACS Social

Figure 5-3
Source: 2020 ACS Economic

CULPEPER ECONOMIC MARKET

GENERAL ECONOMIC BASE

Culpeper County is host to a diverse economic base which includes businesses in fields such as agriculture, manufacturing, commercial, service, and technology. As shown in Figure 5-5 on page 5-6, the educational services, and health care and social assistance industry was the largest sector, employing 20.9% of the employed workforce. The second largest was professional, scientific, and management, and administrative and waste management services at 11.4%, followed closely by retail trade at 11.1%.

Regarding specific businesses and entities, Culpeper County School Board, UVA Culpeper Medical Hospital, the County of Culpeper, Wal Mart, and Masco Builder Cabinet Group are the 5 largest employers in the County. Other large employers include the Rappahannock Rapid Services Board, S.W.I.F.T., and the Coffeewood Correctional Center. Figure 5-4 shows the 50 largest employers in the County.

For worker classification, 77.6% of residents that are civilian, employed, and 16 years of age or older, are considered private wage and salary workers. The other classifications include government workers at 16%, self-employed in own not incorporated business workers at 6.1%, and unpaid family workers at 0.2%.

50 Largest Employers

| | | | | |
|--------------------------------------|---|---|---|--|
| 1. Culpeper County School Board | 11. Cintas Corporation | 21. Brantner And Associates Inc | 31. Postal Service | 41. Health Connect America, Inc. |
| 2. UVA Culpeper Medical Center | 12. VDOT | 22. Culpeper Health & Rehabilitation Center | 32. Rappahannock Electric Co-op | 42. Kohl's Department Stores |
| 3. County of Culpeper | 13. Town of Culpeper | 23. Target Corp | 33. T J Maxx | 43. Chrysalis Counseling Centers, Inc. |
| 4. Wal Mart | 14. Communications Corporation of America | 24. Euro Composites Corporation | 34. Chick-fil-A at Culpeper Colonnade | 44. Ridgeline Physician Services |
| 5. Masco Builder Cabinet Group | 15. Virginia Baptist Homes | 25. Surge Staffing LLC | 35. Mullens Markings, Inc. | 45. Culpeper Farmer's Co-operative, Inc. |
| 6. Rappahannock Rapid Services Board | 16. Lowes' Home Centers, Inc. | 26. UVA Health Services Foundation | 36. JC Roman Construction Company | 46. Environmental System Services |
| 7. S.W.I.F.T. | 17. Childhelp | 27. Bureau of the Census | 37. Weis Markets | 47. Safeway |
| 8. Coffeewood Correctional Center | 18. Martin's Food Market | 28. Jefferson Homebuilders | 38. Battlefield Ford Mercury | 48. McDonald's |
| 9. Continental Automotive Systems | 19. Merchants Grocery Company | 29. McClain And Co Inc | 39. Virginia Department of State Police | 49. Culpeper Wellness Foundation |
| 10. Bingham And Taylor Corp | 20. Labor ReadyMid-Atlantic, Inc. | 30. NewAgeSys Inc | 40. Randstad Us L P | 50. Brinker International |

Figure 5-4
Source: Virginia Community Profile

Civilian Employment By Industry

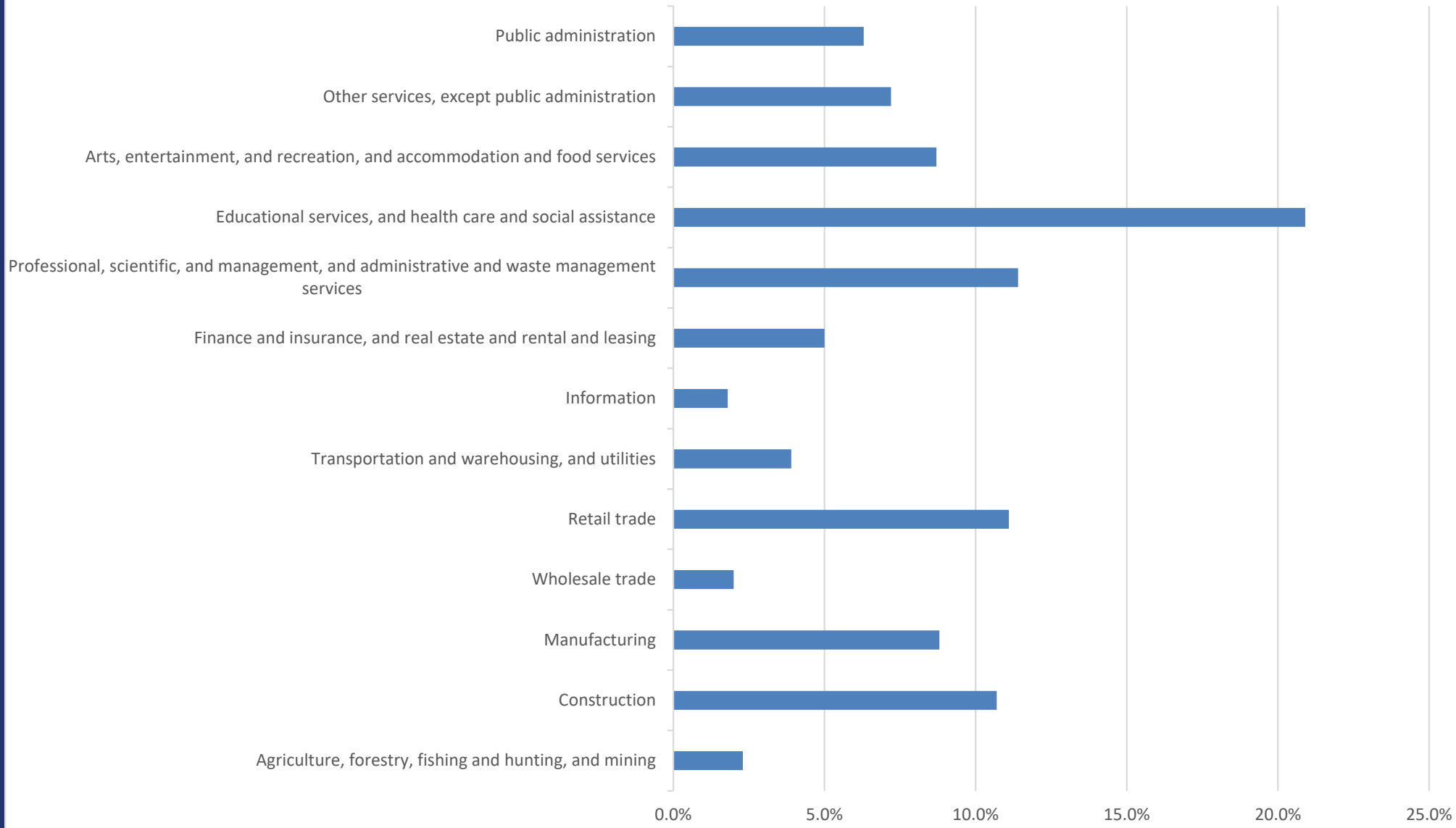


Figure 5-5
Source: 2020 ACS Economic

AGRICULTURE

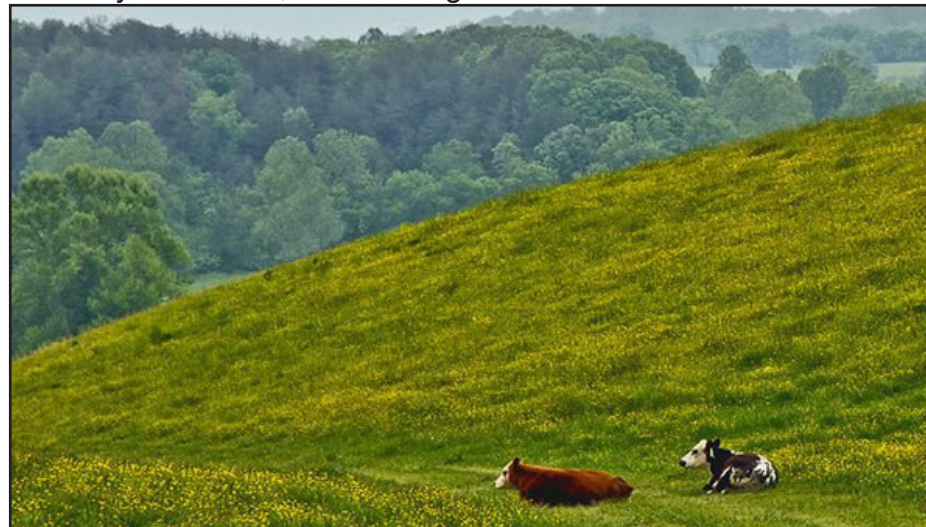
Agriculture plays a sizable role in the County economy and is a central part of the County's identity. As outlined by the U.S. Department of Agriculture's 2017 Census of Agriculture, which occurs every 5 years, there were 682 farms, with the total of land in farms being 124,390 acres. These are 7% and 2% respective decreases compared to 2012. Regarding the type of farmland, 48% were cropland, 25% were pastureland, 23% were woodland, and 4% were other. The top crops in acres were forage (hay/haylage) all, soybeans for beans, corn for grain, and corn for silage or greenchop. The top livestock inventory were cattle and calves, layers, and broilers and other meat-type chickens.

Regarding the agricultural economy, the total market value of products sold was \$48,542,000, an increase of 13% from 2012. For a per-farm average, the market value of products sold was \$71,175 with an average net cash farm income of \$5,951. The crop category with the highest market value sold was nursery, greenhouse, floriculture, and sod, followed by grains oilseeds, dry beans, and dry peas. The livestock category with the highest market value was cattle and calves, followed by milk from cows.

Finally, greenhouses, also referred to as controlled environment agriculture (CEA), are a sizable component to the County's agricultural economy. These operations allow for longer and more frequent growing seasons for a variety of produce.

TOURISM

Culpeper County is host to a large range of tourism opportunities, ranging from the commercial activity in Town, the agritourism ventures in the countryside, and the varied environmental and historic assets spread throughout the County. Additionally, there are numerous annual events that stimulate the tourism sector, such as CulpeperFest, Culpeper Fireman's Parade and Carnival, Third Thursday Summer Concert Series, Culpeper Downtown Open House and Tree Lighting, and the Culpeper County Farm Tour. These assets attract a variety of visitors, which brings in additional revenue to the Town and the County.



Source: Culpeper County Home Page

ECONOMIC INSTITUTIONS & DRIVERS

EDUCATIONAL INSTITUTIONS

Culpeper County is host to three educational institutions: Germanna Community College – Daniel Technology Center, the Carver Center, and the Culpeper Technical Education Center. These facilities provide specialized career training that creates a more skilled workforce.

The Culpeper Technical Education Center provides specialized career training for high school students in fields such as automotive technology, cybersecurity, industrial maintenance technology, and plumbing. These programs provide multiple avenues for success to young adults while creating a skilled workforce suitable for a wide range of careers.

The Carver Center, formerly known as the George Washington Carver Regional High School, hosts a multitude of educational and business opportunities within its former classrooms. These opportunities include technical training offered by the American Institute of Welding and New Pathway’s Tech, a commercial kitchen, and other agricultural and small business opportunities.

The Daniel Technology Center is one of the main educational facilities of Germanna Community College. While the college offers a wide range of associate degree programs, certifications, and other types of career training, the Daniel Technology Center specializes in technological education and training, hosting “a manufacturing technology lab, a computer tech lab, a training suite, an interactive video theatre, and a conference center that seats 600 people (GCC).” The Daniel Technology Center helps develop a workforce that can meet the needs of the increasingly technological world and could facilitate cooperative initiatives between its students and local technological businesses.

AGRICULTURAL SERVICES & SUPPORT

While there are many businesses that are oriented to the agricultural economy and to servicing agricultural businesses, there are also two public institutions that provide support to the agricultural sector. While the Culpeper Virginia Cooperative Extension provides educational services regarding agricultural practices, the Culpeper Agricultural Enterprises provides business, operational, and marketing support. These institutions help keep agriculture as a viable lifestyle and a profitable business.

The County also provides support to working farmlands through its taxation and land use policies. For taxation, the County uses a land use tax, which is a special tax schedule for agricultural businesses. Regarding land use, the County enforces agricultural zoning designations that are protective of its rural areas, and a voluntary agricultural/forestral district program that provides additional support to participating agricultural properties. The County support for agricultural businesses is detailed in greater detail in Chapter 2, Land Use & Development.

UVA CULPEPER MEDICAL CENTER

The University of Virginia Culpeper Medical Center is a key institution of Culpeper County, providing general, emergency, and specialized medical care. As the second largest employer in the County, the hospital plays a significant role in the economic livelihood of the County.

NATIONAL AUDIO – VISUAL CONSERVATION CENTER

The National Audio-Visual Conservation Center is a state-of-the-art facility where the Library of Congress acquires, preserves, and provides access to the world's largest and most comprehensive collection of films, television programs, radio broadcasts, and sound recordings. In addition to preserving the collections of the Library, the Packard Campus was also designed to provide similar preservation services for other archives and libraries in both the public and private sectors. The Campus includes 415,000 square feet, more than 90 miles of shelving for collections storage, 35 climate-controlled vaults for sound recording, safety film, and videotape, and 124 individual vaults for more flammable nitrate film.

AIRPORT & RAILROAD

Culpeper County is fortunate to have an active railroad, and an operating regional airport. These facilities allow for additional transportation options to move people and freight into and out of the County, helping Culpeper County connect to the wider world market. While the railroad connects Culpeper County industries to regional and national freight hubs through the use of rail sidings at select businesses, the airport provides fueling and hanger services to corporate and recreational fliers outside of the Special Flight Rules Area. A more detailed analysis of the County's air and rail assets can be found in Chapter 3 of the Comprehensive Plan.

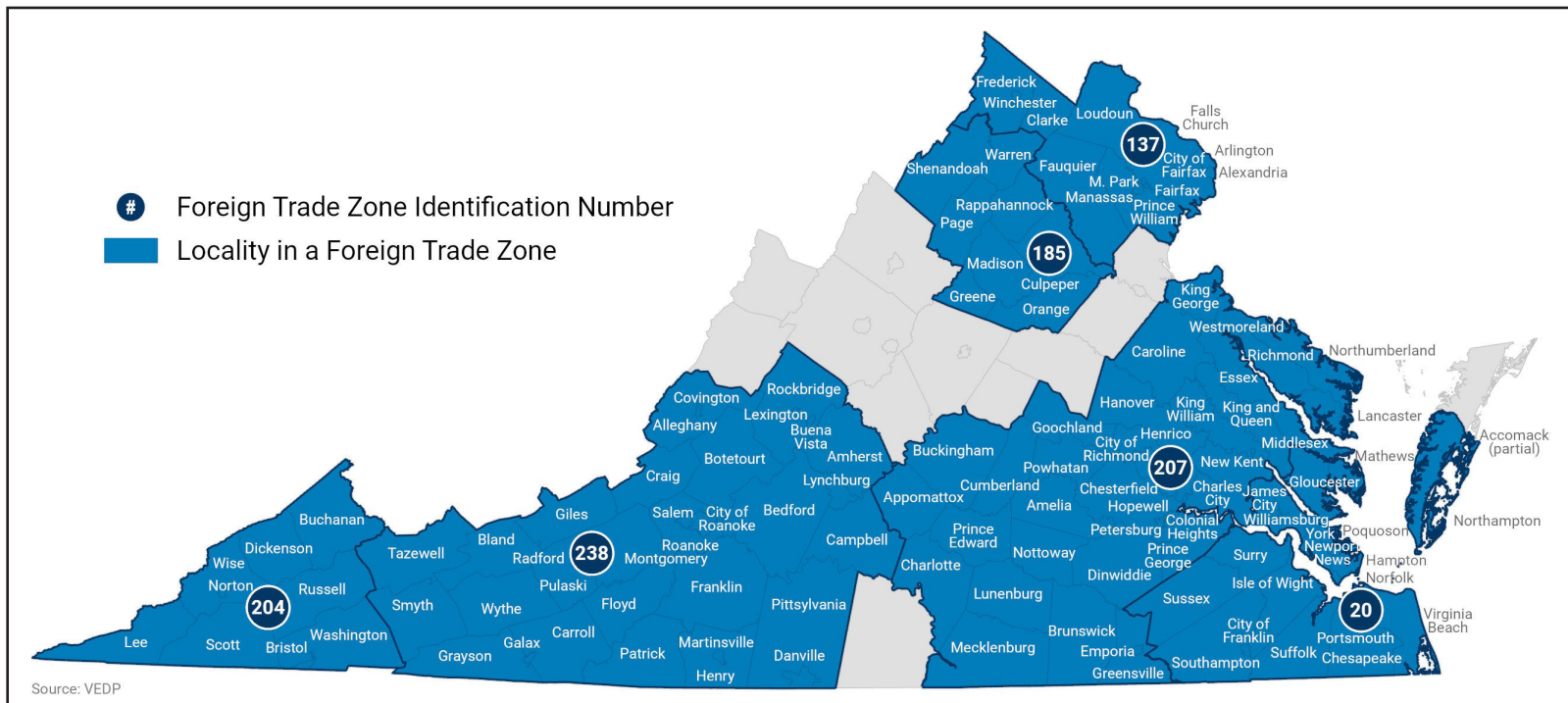
ECONOMIC INCENTIVES

ACCELERATED DEPRECIATION

As stated on the Culpeper County Economic Development web page, “Culpeper County has adopted an accelerated depreciation schedule for the assessment of business personal property including machinery and tools.” There is a separate schedule for computer equipment for knowledge-based businesses.

FOREIGN-TRADE ZONE

Culpeper County is host to multiple areas that are a part of Foreign-Trade Zone #185 and, under the Alternative Site Framework, can expedite application process for a business-driven zone. These foreign-trade zones “allow businesses to defer paying U.S. Customs duties on imported goods held within the zones until the goods enter the United States for domestic consumption.” These zones are utilized by companies that import goods into the County. Currently, there is one zone within the County, “a 104-acre site located at the Culpeper County Industrial Airpark. (Virginia Economic Development Partnership FTZs)”.



Source: Virginia Economic Development Partnership FTZs

PARTNERSHIP FOR ECONOMIC DEVELOPMENT AND JOB TRAINING

Culpeper County recognizes the importance of being competitive to attract new business development. To that end, local tax incentive programs have been developed to assist industry with project financing and the cost of work force training. Financial incentives have been made available to eligible businesses that invest at least \$500,000 in new capital improvements in Culpeper County. This threshold is lowered to \$250,000 for businesses with fewer than 26 full-time employees.

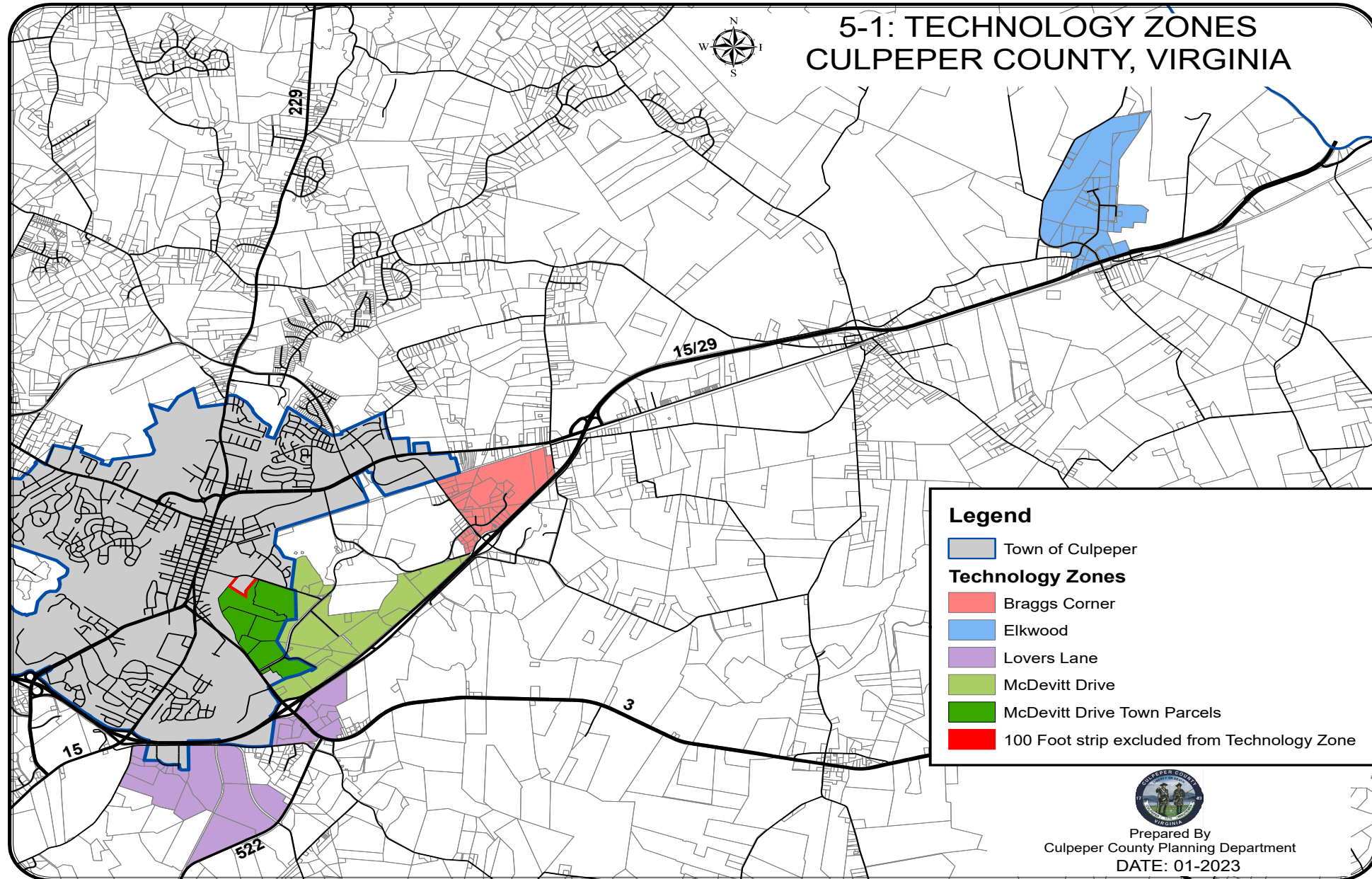
As stated in Chapter 12 of the County Code of Ordinances – Taxation, Article XIII – Partnership for Economic Development and Job Training, the incentive allows for “reimbursements from the taxes they pay to partially compensate for new investments and job training expenses that businesses incur, on the following bases; One hundred (100%) percent of new machinery and tool taxes for a period of three (3) years; Up to fifty (50%) percent of new real and personal property taxes for approved employee training and educational expenses for a period of five (5) years; Up to twenty-five (25%) percent of new real and personal property taxes for approved employee training and educational expenses for an additional five (5) years; For businesses awarded assistance through a Commonwealth’s Development Opportunity Fund (COF) , Governor’s Agricultural and Forestry Industries Development Fund (AFID) grant or similar grants and assistance that require local matching funds and that do not meet the local matching requirements through [subsection] (1) above, one hundred percent (100%) of all taxes paid on the new investment until the local matching requirements are met.”

TECHNOLOGY ZONES

The 2005 Comprehensive Plan sought to implement a Technology Overlay Zone to attract desirable economic investment. Section 58.1 – 3850 of the Code of Virginia authorizes localities to create technology zones which are intended to encourage further investment by business and industry currently located, or which may locate, in the County. In November 2006, the Culpeper County Board of Supervisors adopted Chapter 12 – Taxation, Article XVI of the Culpeper County Code entitled “Technology Zones”. This ordinance established technology zones within the county.

Current zones now consist of the Lovers Lane Technology Zone, the McDevitt Drive Technology Zone, the Braggs Corner Technology Zone, and the Elkwood Technology Zone. These are shown in Map 5-1. Qualified technology zone businesses, which voluntarily comply with the Entrance Corridor Overlay District of the Culpeper County Zoning Ordinance, may be eligible to receive incentive grants established by the Technology Zone Economic Development Policy, also adopted in November 2006. A qualified technology zone business is “a non-retail business that derives its gross sales revenue from research, development, manufacturing, advanced technological services, or other technology related products, processes and services and is located within the boundaries as set forth in section 12-219.”

5-1: TECHNOLOGY ZONES CULPEPER COUNTY, VIRGINIA



Legend

- Town of Culpeper
- Technology Zones**
- Braggs Corner
- Elkwood
- Lovers Lane
- McDevitt Drive
- McDevitt Drive Town Parcels
- 100 Foot strip excluded from Technology Zone



Prepared By
Culpeper County Planning Department
DATE: 01-2023

TOURISM ZONE

Culpeper County established a tourism zone that covers all land within its borders, with the aspiration to spur business development in the County's tourism sector. The incentives for tourism businesses are tax rebates on County-imposed taxes on real estate, tangible business personal property, and machinery tools.

As outlined in Chapter 12 – Taxation, Article XVIII – Tourism Zones, Section 12-245 – Qualifications, there are eligibility criteria for existing and new tourism businesses. “An existing tourism business must provide and demonstrate an additional minimum capital investment of at least one hundred twenty-five thousand dollars (\$125,000.00) and create a minimum of three (3) new jobs over the base year and shall maintain the minimum qualifying investment level and jobs through three (3) years. A new tourism business must provide and demonstrate an additional minimum capital investment of at least two hundred fifty thousand dollars (\$250,000.00) and create a minimum of five (5) new jobs over the base year and shall maintain the minimum qualifying investment level and jobs through three (3) years.” Additionally, “Qualified tourism businesses that have completed at least one (1) three-year incentive period and are seeking qualification for additional incentive periods will be treated as an existing tourism business for qualification purposes.”

CONSTRAINTS & CONCERNS

FACILITATING THE RIGHT KIND OF GROWTH

While Culpeper County continually seeks new ways to build upon and improve the current economic climate, it is important to note that not all new business opportunities are necessarily beneficial to the overall well-being of the County. Specifically, the types of businesses, and where they are located, could negatively impact the quality of life of current Culpeper County residents and businesses.

Additionally, certain types of business ventures can build upon existing assets in Culpeper County, such as the surrounding environmental features, numerous historic sites, and existing community or business hubs. The County should encourage new ventures that further strengthen and complement existing economic and community dynamics.



Culpeper is home to many great companies, including:
Color Orchids, La Bee Da Loca and Moerings *(left to right)*

Source: Culpeper County Economic
Development (Locate)

MAINTAINING AGRICULTURE AS A VIABLE BUSINESS

Since Culpeper County aspires to preserve its rural areas, it must ensure that rural land uses, specifically agricultural businesses, are financially viable operations. As mentioned previously, there are already public institutions and County programs that provide a wide range of support to the agricultural sector. However, as the economy shifts and changes over time, the future of many agricultural operations remains uncertain. The County should explore measures that provide additional support to agricultural operations, whether that assistance is monetary, regulatory, advisory, or otherwise.



Source: Culpeper County Home Page

SITE PREPARATION FOR ECONOMIC GROWTH

While the Virginia Economic Development Partnership identifies 23 sites in Culpeper County and 1 site in the Town of Culpeper for future economic development, only the Wingspread Industrial Site is certified as business-ready. A site is certified at Tier 4. The remaining sites require additional work including due diligence studies, infrastructure evaluations, preliminary engineering. Additionally, sites need to have required infrastructure that can be deliverable within 12 months if it is not currently present. As shown in Figure 5-6, completing these requirements of the Business Ready Sites Program make a site “certifiable.”

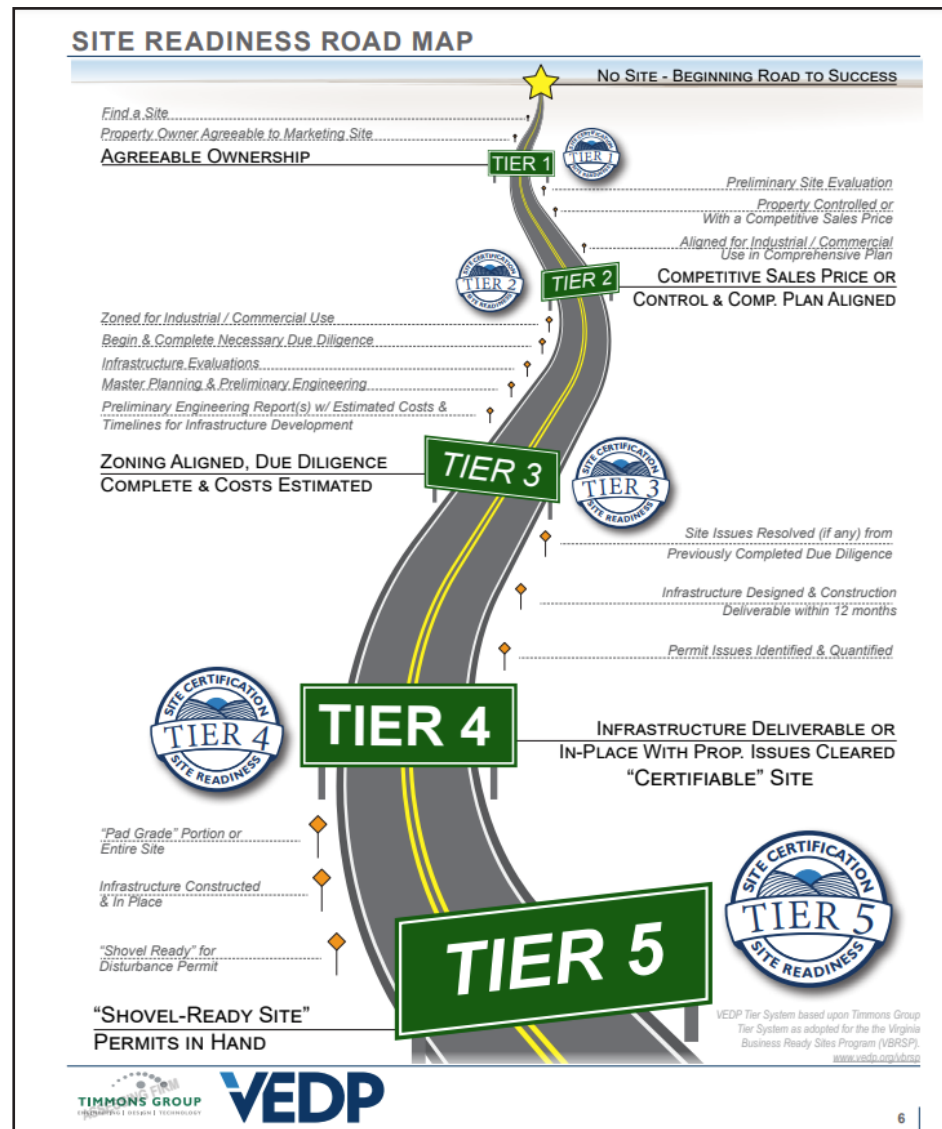


Figure 5-6
 Source: Virginia Business Ready Sites Program

GOALS, PATHWAYS, & ACTION ITEMS

ECONOMIC DEVELOPMENT VISION

Encourage economic growth in the County while providing support for existing businesses and agricultural operations.

GOAL 1: Continue to expand the economic base of Culpeper County in a manner that complements existing businesses and the County character.

PATHWAY 1: Facilitate new economic development.

ACTION ITEM: Maintain the County's favorable business climate, especially regarding the existing incentive programs and overlays.

ACTION ITEM: Identify and address development barriers in parcels located in economic growth areas so that they can be deemed as more attractive opportunities.

PATHWAY 2: Ensure future economic development is compatible with the existing land use fabric.

ACTION ITEM: Maintain the existing commercial and industrial zones within the County that steer economic growth to the most suitable areas.

ACTION ITEM: Cluster industries and businesses of similar intensity for ease in delivery of services and efficient use of land.

ACTION ITEM: Ensure that commercial and industrial development not within existing commercial and industrial areas have additional provisions that address accommodations to surrounding land uses.

GOAL 2: Continue to provide support for the agricultural industry to sustain its viability as a business.

PATHWAY 1: Enhance and expand upon existing public support for the agricultural sector.

ACTION ITEM: Maintain existing policies that are supportive of agricultural business, such as the land use taxation scheme and the agricultural/forestal districts program.

ACTION ITEM: Continue support for agritourism operations.

PATHWAY 2: Explore new ways to support agriculture as a business and lifestyle.

ACTION ITEM: Create an Agricultural Development Officer position for the County to assist the agricultural producer and/or landowner in the economic development of the County's agricultural enterprises.

ACTION ITEM: Cooperate with the agricultural sector to find and/or create new revenue streams for agricultural businesses.

ACTION ITEM: Encourage the development of businesses that complement agriculture and use local raw farm products.

ACTION ITEM: Reach out to the agricultural community to identify pathways to provide further assistance.

GOAL 3: Promote tourism in Culpeper County through the support of existing destination businesses and utilizing existing environmental and historic resources.

PATHWAY 1: Maintain and expand upon the County's tourism sector.

ACTION ITEM: Maintain the existing tourism zone.

ACTION ITEM: Explore implementing incentives regarding business ventures that rely on agricultural, environmental, and/or historic assets.

ACTION ITEM: Foster new opportunities and ventures that complement the existing destination/tourist businesses.

Action Item: Proactively plan for the future state park and how the County can capitalize on this environmental and historic destination.

Chapter Source Appendix & Resources

- 2017 Census of Agriculture https://www.nass.usda.gov/Publications/AgCensus/2017/Online_Resources/County_Profiles/Virginia/cp51047.pdf
- 2020: American Community Survey 5 Year Estimates Data Profiles Selected Economic Characteristics <https://data.census.gov/cedsci/table?t=Commuting&g=0500000US51047&d=ACS%205-Year%20Estimates%20Data%20Profiles&tid=ACSDP5Y2020.DP03&moe=false>
- 2020: American Community Survey 5 Year Estimates Data Profiles Selected Social Characteristics <https://data.census.gov/cedsci/table?t=Populations%20and%20People&g=0500000US51047&d=ACS%205-Year%20Estimates%20Data%20Profiles&tid=ACSDP5Y2020.DP02>
- Culpeper County Home Page <https://web.culpepercounty.gov/>
- Culpeper County Carver Center <https://web.culpepercounty.gov/community/page/carver-center>
- Culpeper County Code of Ordinances, Chapter 12, Taxation https://library.municode.com/va/culpeper_county/codes/code_of_ordinances?nodeId=CD_ORD_CH12TA
- Culpeper Economic Development <https://www.culpeperva.org/>
- Culpeper Economic Development (Air) <https://www.culpeperva.org/locateculpeper-regional-airport/>
- Culpeper Economic Development (CTEC) <https://www.culpeperva.org/grow/culpeper-technical-education-center/>
- Culpeper Economic Development (GCC) <https://www.culpeperva.org/grow/germanna-community-college/>
- Culpeper Economic Development (incentives) <https://www.culpeperva.org/locate/incentives/>
- Culpeper Economic Development (Locate) <https://www.culpeperva.org/locate/>
- Culpeper County Home Page <https://web.culpepercounty.gov/>
- Novant Health <https://www.novanthealthuva.org/services.aspx>
- Virginia Community Profile Culpeper County https://virginiaworks.com/_docs/Local-Area-Profiles/5104000047.pdf
- Virginia Cooperative Extension <https://culpeper.ext.vt.edu/index.html>
- Visit Culpeper County Va <https://visitculpeperva.com/default.aspx>

Chapter Source Appendix & Resources

- Visit Culpeper County Va (Events) <https://visitculpeperva.com/events/default.aspx>
- Visit Culpeper County Va (LOC) <https://visitculpeperva.com/listing/library-of-congress-packcard-campus-for-audio-visual-conservation.aspx>
- Virginia Department of Agriculture and Consumer Services <https://www.vdacs.virginia.gov/about-vdacs.shtml>
- VEDP Sites & Buildings Search <https://sites.vedp.org/>
- Virginia Economic Development Partnership FTZs <https://www.vedp.org/incentive/foreign-trade-zones-ftzs>