



ECONOMIC DEVELOPMENT

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CHAPTER 6 – *ECONOMIC DEVELOPMENT*

INTRODUCTION

Economic Development is critical to the prosperity and quality of life of the citizens of Caroline County. The creation and retention of jobs and financial investment in the County generates the revenues to pay for services necessitated by all forms and parts of residential and commercial development.

Economic Development in Caroline County is unique in the region because it is removed from an urban center and the resulting investments and spin-off developments. Development patterns, taken for granted in other communities, cannot presently be duplicated in the County. This requires the community to act independently and without the benefits or impacts of urbanized industrial/office development and retail sprawl.

This chapter provides guidance and direction for future economic development efforts by the County, based upon an assessment of the current economic conditions. The resulting profile can be used to identify economic strengths and weaknesses. Identifying economic development needs leads to the creation and implementation of goals, objectives, and action strategies.

ECONOMIC INDICATORS

The economy of Caroline County has been in the process of changing from a primarily rural and agricultural economy to one that is diversified and supported by services, distribution, and industrial uses. It is important to look at this mix of economic activities in Caroline County to determine the best direction for the overall economy. It must be realized that there are a number of influences in the local economy over which the County has no control. However, identification of these influences will help the County to better deal with them.

The Virginia Employment Commission (VEC) maintains statistics on a number of economic factors affecting the Commonwealth of Virginia and its communities, which can be measures of the economic health of a community. Such statistics allow a community to compare itself with other communities in the region, as well as to Virginia as a whole. This section will evaluate three indicators applicable to Caroline County, unemployment, median household income, and weekly average earnings, to deduce how County residents fared through 2007.

EMPLOYMENT

The first economic indicator is the unemployment rate, measuring the rate of employment for the Civilian Labor Force. The Civilian Labor Force is defined as all non-military persons 16 years of age or older, who are employed or unemployed, living in a specific place.

Between 1990 and 2000, the County's unemployment rate dropped sharply, as indicated in Table 6.1. Caroline County's rate, the highest in the George Washington region, fell dramatically over the last half of the decade and was lower than both the state (2.3%) and national (4.0%) averages by 2000. It was still higher than the regional average and higher than all other jurisdictions within the region, with the exception of the City of Fredericksburg.

By the end of 2008, the County's unemployment rate was on the rise again, consistent with trends evident elsewhere in the region, as well as at the state and national levels. The County's rate remains higher than both the regional and state averages, but lower than the national average.

Table 6.2 compares the Median Household Income (MHI) levels from 1990 to 2007, the most recent year for which the data is available. Median Income is defined as the income value where 50% of a particular group has an income above a value and 50% of the same particular group have an income below that value. In 1990, Caroline County had the second lowest median family income in the region. This same general pat-

tern is true for the seventeen year period presented in the Table 6.2.

These two tables show that Stafford and King George Counties consistently have the fastest growing incomes in the region, while the others, although growing, lag behind the growth in income of the urbanizing Counties. In the most recent decade, Caroline County's income growth rate exceeded that of not only Fredericksburg, but also the income growth rate in Spotsylvania County. This is an important indicator of the future economic vitality of the County.

TABLE 6.1: COMPARISON OF UNEMPLOYMENT RATES (PERCENTAGE)

	1990	1995	2000	2005	2008
Caroline	7.5	7.4	2.2	3.7	4.9
King George	3.8	4.3	1.9	3.3	5.1
Spotsylvania	3.9	3.5	1.7	2.7	3.4
Stafford	3.2	3.0	1.7	2.7	3.4
Fredericksburg	4.8	4.2	2.3	4.4	6.2
GWRC Region	4.1	3.8	1.8	2.9	3.9
Virginia	4.4	4.5	2.3	3.5	4.0
United States	5.6	5.6	4.0	5.1	5.8

Source: Virginia Employment Commission

TABLE 6.2: MEDIAN HOUSEHOLD INCOME

	1990	2000	% Change 1990-2000	2007	% Change 2000-2007
Caroline	28,934	41,124	42.13%	51,498	25.23%
King George	35,556	52,268	47.00%	68,824	31.68%
Spotsylvania	41,342	59,618	44.21%	74,374	24.75%
Stafford	44,661	68,819	54.09%	86,865	26.22%
Fredericksburg	26,614	37,137	39.54%	42,954	15.66%
Virginia	35,073	47,163	34.47%	59,575	26.32%
United States	29,943	41,990	40.23%	50,740	20.84%

Source: Virginia Employment Commission

WAGES

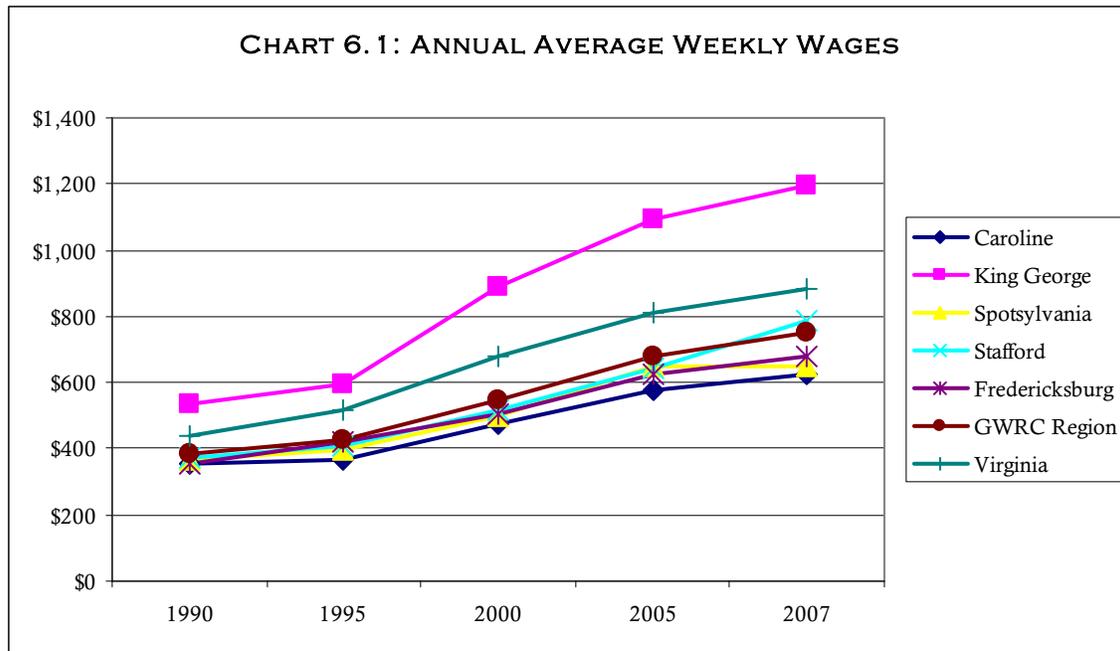
Table 6.3 and Chart 6.1 compare the average annual weekly wages for all industries from 1990 to 2007 in Caroline County and surrounding localities. As is evident from the table, Caroline County has the lowest average wage of any locality in the George Washington region. Of course, it is true that some Caroline County residents worked in other localities and earned higher average wages, but the average wages for jobs in the County indicate the type of jobs available in the County. Efforts should be made to improve the average wage level of available employment in Caroline. Although these rates are subject to fluctuation, they represent a "snapshot" of the wages paid to people working in Caroline and other localities.

In Caroline County, the lowest wages are paid in the service industry (an average of \$226 per week), with agriculture and trade wages slightly higher. The highest wages, by far, in Caroline are paid in the transportation, communication and utilities industries, at an average of \$621 dollars per week. Manufacturing wages are slightly higher than the overall average wage in the County. It is interesting to note that at least on the national level, it is the service and trade job opportunities, some of the lowest paying jobs in Caroline County, that are growing the fastest.

TABLE 6.3: COMPARISON OF ANNUAL AVERAGE WEEKLY WAGES

	1990	1995	2000	2005	2007
Caroline	\$352	\$366	\$474	\$576	\$626
King George	\$536	\$593	\$887	\$1,091	\$1,195
Spotsylvania	\$367	\$395	\$498	\$648	\$651
Stafford	\$372	\$406	\$516	\$642	\$786
Fredericksburg	\$356	\$420	\$505	\$625	\$681
GWRC Region	\$385	\$427	\$546	\$681	\$750
Virginia	\$438	\$517	\$676	\$813	\$885

CHART 6.1: ANNUAL AVERAGE WEEKLY WAGES



TAXES

Compared to most surrounding jurisdictions, Caroline County enjoys a relatively low tax rate. The 2007 real estate tax was \$0.45 per \$100, lower than all other jurisdictions in the George Washington region, except for King George County with a rate of \$0.44 per \$100. The real estate tax in Caroline was also lower than the State average of \$0.70. The personal property tax of \$6.25 per \$100 of capitalized cost (assessed at 40% for an effective rate of \$2.50 per \$100) has remained constant since 1991, except for personal vehicles, which are assessed at 50% of their value (effective July 1, 2009).

Principal taxpayers include Virginia Power, Rappahannock Electric Cooperative, and Verizon. In 2008, the thirty largest taxpayers contributed \$1,567,426 in business taxes to the County. Table 6.4 identifies the thirty largest business taxpayers in the County.

TABLE 6.4: CAROLINE COUNTY TOP 30 BUSINESS TAX REVENUE GENERATORS

Rank	Company Name	Amount of Business Tax (rounded to the nearest dollar)
1	Virginia Electric & Power	\$526,749.00
2	Rappahannock Electric Cooperative	\$226,741.00
3	Verizon	\$106,510.00
4	Value City Distribution Center	\$72,780.00
5	R F & P Rail	\$72,723.00
6	Union Bankshares Corp	\$70,641.00
7	Petro Truck Stop & Shopping Center	\$47,802.00
8	Flying J	\$44,782.00
9	Russell Stover Candies	\$34,753.00
10	Land'Or Utility	\$29,863.00
11	APCCPS	\$24,528.00
12	Quality Inn	\$21,186.00
13	The Shops at Ladysmith	\$20,858.00
14	Spratt Commercial Park/MC Dean	\$19,576.00
15	Milford Investment Properties	\$19,009.00
16	Bowling Green Plaza	\$18,292.00
17	Bowling Green Health Care	\$17,776.00
18	Days Inn - Lot 1	\$17,321.00
19	Days Inn - Lot 2	\$16,519.00
20	Ladysmith Industrial Park/VSE	\$16,350.00
21	Boulware/Good Earth Horticulture	\$16,266.00
22	Union Bank & Trust - Main Street	\$15,520.00
23	Comfort Inn	\$15,149.00
24	A T & T Corp	\$14,297.00
25	VA Natural Gas	\$14,280.00
26	Pilot Travel Center	\$14,251.00
27	The Village at Ladysmith	\$13,750.00
28	Level 3 Communications	\$13,710.00
29	Columbia Gas	\$12,936.00
30	Holiday Inn Express/Karm International	\$12,508.00

The Department of Economic Development and Tourism prepared estimates for the top twenty employers in Caroline County. As of October 2009, The Caroline County School System was the largest employer with 737 full and part time employees. In fact, the three largest employers were all public sector employers. The complete list of top employers is shown in Table 6.5.

TABLE 6.5: 2009 CAROLINE COUNTY TOP EMPLOYERS

Company Name	Employees
Caroline County School System	737
Fort A.P. Hill	300
Caroline County Government	253
Union Bankshares Corporation	150
Petro Shopping Center	145
Remuda Ranch	120
Rappahannock Electric Cooperative	100
M.C. Dean	100
Value City	95
Williamsburg Millwork	75
ASI Precast	60
VSE Corporation	60
Blue Beacon Truck Wash	52
Hoover Treated Wood	52
Flying J Travel Plaza	40
WT Jones Lumber	40
JH Knighton Lumber	40
Meadow Event Park	40
Patton Keihl Group	35
GH Watts Construction	30
Day's Inn	30

CURRENT ECONOMIC DEVELOPMENT PROGRAM

Economic development, tourism, and the administration of the Industrial Development Authority are the responsibility of the Department of Economic Development. The Board of Supervisors adopted the following mission statement:

The Caroline County Department of Economic Development operates to attract, retain and facilitate the expansion of business and industry in the County, resulting in a stable, diverse economy and an improved quality of life for the citizens of the County. The Department serves as the primary local contact for information about the County. Specifically, the Department's goal is to provide an expanded tax base and employment opportunities for the citizens of Caroline.



MC Dean facilities in Caroline County

TABLE 6.6: CAROLINE COUNTY BUSINESS INVESTMENT GROWTH

	2000	2007
Business Land	\$896,300	\$89,035,000
With Improvements	\$4,932,300	\$138,448,400
Total	\$5,828,600	\$227,483,400
Public Value	\$99,023,075	\$206,750,256

Data on file with Caroline County Commissioner of Revenue

Careful choices in the use of limited finances to market strengths and leverage weaknesses has made Caroline a leader in industrial recruitment in the region since 2001, often more successfully than larger and well-financed communities. Recent economic development successes include MC Dean (2007), Union Bankshares Corporate Office (2007), CFC Home Center (2007) and the State Fair of Virginia/Meadow Events Center (Opening Fall of 2009). The overall growth in investment in Caroline County is shown in Table 6.6.

Table 6.6 does not include announced and recent projects and their value such as the State Fair of Virginia: \$70M; MC Dean \$18M; VSE: \$6M; Dominion Virginia Power: \$130M, etc. These major projects alone would represent known added value of \$224 Million. This would make a projection in 2008 of Total Business Land with Improvements to conservatively be \$450 Million. Machinery and payroll taxes and impact multipliers are also not included.

COMMUNITY STRENGTHS AND WEAKNESSES

Caroline is predominantly an agricultural community with crop production and forestry as the largest land users. Only recently has an effort been made to capitalize on the County's significant highway and rail network and other attributes. Even with many strengths, however, at a time when the County is marketing itself for industrial and commercial development, there are also a number of weaknesses facing these economic development efforts.

STRENGTHS

Quality of life is often under utilized as an argument for business investment in a rural community. While the lack of shopping opportunities, cultural amenities and high performing schools can negate the rural advantage, a rural quality of life also indicates lack of traffic congestion, quicker commutes, and lower transportation costs. It can also mean lower security, insurance, and construction costs. A quality of life argument that translates into cost savings and higher profits becomes a basis for sound business site decisions.

Interstate highway access is a highly positive factor for business recruitment, with I-95 being the main arterial through the County. With traffic north of Caroline at a point of severe congestion, even during off peak hours and on weekends, reverse commuting is far more attractive for business investment. Additionally, Caroline is more easily accessible than most I-95 communities.

The County is also within 80 miles of the deep water port of Newport News and 30 miles of the Port of Richmond. Both of which are easily accessed by interstate from Caroline County.

A substantial internal road network provides alternate travel and commuting options outside of Caroline and easy access to points within the County. Routes 1, 207 and 301 have strong potential and will be attractive for business development as congestion increases further on Interstate 95.

A large, regional skilled labor force places Caroline in a unique position. Approximately 800,000 people live and could work and/or be customers within 30 miles of I-95 Exit 104 (Carmel Church), with Ladysmith (Exit 110) nearly as populated. A recent survey of potential employees for a technology prospect identified 140,000 technology and office employees within commuting distance of Bowling Green.

Large undeveloped tracts of land offer the opportunity to recruit larger (mega) projects. It is rare to find over 1,000 acres immediately adjacent to an interstate on the East Coast. Caroline has two such "Mega Parcels", as 1,000 acre tracts are called. There are also two 300+ acre assemblages, a 200 acre tract, as well as other large tracts near the interstate.

Railroads are extensive in Caroline, though usable sites are few. Fortunately, one Carmel Church site is served by rail, as is the Milford industrial area. Rail service can be extended to approximately 2,000 additional acres in Milford.

Natural Gas is important in many industrial processes. Caroline is fortunate to have an almost unlimited supply as a result of the main east coast pipeline of Columbia Natural Gas that traverses the County. Service lines extend to or are available to several industrial areas.

Water & sewer have been inadequately invested in to allow for immediate site development for many locations in the County, however, the beginnings of an excellent system to pipe existing wells, and eventually water from the Rappahannock suggests this essential infrastructure item is at hand, though costly.

A strong communications infrastructure is in place in many parts of the County. While the lack of residential DSL has been irritating to some citizens, the application of DSL and T-lines in specific growth areas is impressive. Dawn has DSL and Bowling Green is about to possess triple redundancy of this vital development feature. Ladysmith has redundant fiber for most of its business district and triple redundancy can be achieved if demand can be demonstrated.

Private schools enhance the educational argument for relocating to Caroline. With choice an ever growing necessity for educational opportunity, Caroline possesses private education options for those desiring to locate in the County.

Geographic location places Caroline in the center of Virginia, as well as the eastern seaboard of the United States. Caroline is well connected by excellent highway access. Caroline's location removed from urban areas can be challenging, but it is not prohibitively far from any urban area.

Low taxes reduce business overhead and promote profit on a recurring basis. Caroline County has the lowest real estate tax rate on the I-95 corridor between Richmond and Washington. This factor is very important in business recruitment.

WEAKNESSES

The cost of road improvements is an additional expense that discourages significant economic development investment in Caroline. Current VDOT regulations require prospective businesses to include the cost of their impact on the road network. The implication of including road impacts is that far fewer companies will invest in Caroline and those that do are likely have unique development requirements.

A lack of industrial access roads negatively impacts industrial and distribution prospects and the marketability of industrial sites. These roads are specific in dimension and quality to handle traffic generated by industrial users. No green-field sites have adequate industrial access road already in place. The expense of having to construct access to industrial sites is not a cost most prospects are willing to bear.

A population of less than 28,500 is insufficient to draw the attention of many business investors to Caroline. Labor availability is crucial to any business prospect. Caroline's population suggests that only a small number of qualified employees may be available, even though the regional labor market is well qualified. Most prospects do not look deeply into the County's statistical profile before eliminating it from consideration.

Limited rail access reduces the County's ability to recruit industry that relies on rail. Due to curvature and sight distance, most of the County's previously advertised sites promoting rail access do not meet the current CSX access criteria. The resulting locations where rail is a positive factor are few and much of the adjacent acreage does not have access to other needed infrastructure.

The lack of developed commercial or industrial sites gives the County little to sell for business recruitment. Available sites are all privately owned and subjected to uncontrollable factors, such as pricing and personalities. Most sites are undeveloped and reflect a lack of investment by the owners. The lack of business appropriate zoning can also be an inhibiting factor.

The lack of industrial buildings leaves Caroline with an empty sales floor to show prospective businesses. Inquiries for buildings are frequent, while calls for green-fields are almost non-existent. Buildings that become available are sold or occupied quickly.

The lack of sufficient water and sewer investment for industrial processes and fire flow force investors to seek private alternatives to public services. More often, Caroline is simply eliminated from consideration.

Educational attainment contributes to industry concerns about the County's labor force. The school system has a negative reputation that is difficult to overcome and statistics do not support a strong, positive education message. This makes the argument of regional labor availability even more critical.

A lack of shopping opportunities and cultural amenities also inhibit the business location decision. While this type of development is generally population dependent, previously discussed factors tend to overwhelm retail decisions.

RECRUITMENT STRATEGIES

Caroline County's business recruitment strategy must be unconventional due to those factors previously discussed. The identified strengths keep Caroline in the hunt for business investment, while its weaknesses dictate which prospects to target and how to frame the argument for a competitive recruitment strategy. By mitigating the County's weaknesses and playing to its strengths, Caroline can better market itself.

Quality of life and **geographical location** places Caroline in the center of major urban areas, yet able to provide a welcome rural setting for development. There is potential to attract investment from Washington, DC and Richmond that allows management to remain in their established city while operating in Caroline. For those who value a more rural lifestyle with access urban amenities, Caroline offers that proximity.

THIS SET OF VARIABLES, QUALITY OF LIFE & CENTRAL LOCATION, TARGETS FIRMS THAT ARE MORE REGIONALLY FOCUSED.

Interstate access and **cost of road improvements** favor industries where transportation is important and the companies are large enough to pay for their impact on highways. Manufacturers and distributors of significant size or quantity can either produce or warehouse products in the County. These facilities operate with volumes such that road improvement or other ancillary expenses will not alter a decision away from the efficiency of a Caroline County location. Smaller firms would benefit from time sensitive deliveries to nearby urban areas and avoid triggering cost of road improvements through use of existing delivery firms.

THIS SET OF VARIABLES SUGGESTS LARGER TRANSPORTATION DEPENDANT FIRMS AND LARGER UNIT BUSINESS INVESTMENT.

Good internal road network combined with a **lack of industrial access roads** points to targeting manufacturers or distributors that require highway access and are willing or able to provide VDOT access improvements themselves.

THIS VARIABLE SET SUGGESTS PURSUING LARGE OR WELL CAPITALIZED FIRMS.

Combining **a large regional labor force** with the County's **population of 28,000+** artificially expands the pool of labor to market to a prospective business. Large or specialized employers require an expansive labor pool from which to draw prospective employees. Even the best workforce programs do not meet the immediate needs of many manufacturing prospects. The larger regional workforce circumvents any major objection to Caroline's limited labor force.

THIS VARIABLE SET SUGGESTS A FINANCIALLY STRONG INDUSTRY THAT HIRES A SUBSTANTIAL NUMBER OF EMPLOYEES AT A COMPENSATION LEVEL SUPPORTIVE OF REVERSE COMMUTING.

Combining **large tracts of land** and **insufficiently developed sites** indicates the need to target large projects that can bear the land development costs. Water, sewer and natural gas can be brought to sites at the expense of the developer. Projects that fit these criteria are few and recruitment opportunities less likely.

FOR THIS VARIABLE SET, THE INFRASTRUCTURE NEEDS OF THE BUSINESS MUST BE MET TO ENHANCE THE ODDS OF OBTAINING A LARGE INVESTMENT TO TAKE ADVANTAGE OF CAROLINE COUNTY'S LARGE ACREAGE SITES.

Limited rail access combined with **large tracts of land** provides opportunities for heavy industry. With rare exceptions, heavy manufacturing is non-competitive due to strong competitive forces and national policies that favor overseas investment. The continuous decline in manufacturing investment in the United States suggests that investment in heavy industry is both a low percentage recruitment and one with an uncertain future.

THIS VARIABLE SET SUGGESTS HEAVY INDUSTRY ADDRESSES ALL OF THE STRENGTHS AND WEAKNESSES DETAILED ABOVE AND APPEARS TO BE THE LIKELY ANSWER TO THE OPPORTUNITIES AND CHALLENGES OF THE CAROLINE ECONOMIC CONTEXT.

Obviously, the economic development strategy chosen must have the best chance of success for recruiting industry, creating jobs, developing revenue, and increasing the standard of living in Caroline. All of this must be accomplished while recognizing that many of the weaknesses will not be financially overcome in the near future.

The difficulty of succeeding is not easily overstated. Most communities of Caroline County's size and resources rarely achieve their economic development goals. Many simply choose to encourage population growth and the resulting commercial growth that follows, thereby surrendering the indigenous culture and quality of life to unmanaged growth. A community can have more through population expansion, but paradoxically, will no longer be recognized as the same community. Caroline's leadership need not go far to find examples of this.

DEVELOPMENT STRATEGIES

In an effort to encourage development at a scale and intensity that retains the rural character of the County, the following development approaches are encouraged. Use of these tactical approaches will encourage economic development in the immediate future, while long-term steps are taken to address the weaknesses identified previously in this chapter.

PURSUE WELL-FINANCED BUSINESS AND INDUSTRIAL PROSPECTS. This approach has been the basis of several successful recruitment efforts. These firms have found niche locations with existing zoning, enough water to meet their needs, and land that is distant enough from the interstate to keep real estate prices low, yet close enough to ensure convenient delivery of products to their customers. If the full cost of development is to be borne by industry, the firms must be financially viable to support the cost burden.

While this idea seems obvious, many firms seeking to relocate may do so because of financial challenges elsewhere or a need for relief from overhead costs. These firms are more marginal and can be poor County investments. Until all infrastructure investment has been made, seeking outstanding firms is essential.

RECRUIT INDUSTRIAL INVESTORS FOR LAND DEVELOPMENT IN ORDER TO ADDRESS COSTLY INFRASTRUCTURE INVESTMENT NORMALLY OBLIGATED TO THE COUNTY. Roads and other infrastructure improvements become an investment for profit through this approach. A willingness on the part of the County to speculatively zone property is essential for this approach to succeed.

CREATE ARTIFICIAL POPULATIONS TO ATTRACT COMMERCIAL AND RETAIL DEVELOPMENT. Caroline enjoys the benefit of a temporary population of 100,000 on any given day, due to I-95 traffic. Though most of this population is only in the County for about 15 minutes, with tourism investment and direct marketing to retail and commercial developers, Caroline can make the case to investors that with the proper attraction and advertisement, this temporary population will stay much longer than 15 minutes and spend their money in the County.

COMBINE THE ADVANTAGES OF RAIL, GEOGRAPHIC LOCATION, LAND AVAILABILITY, AND ROAD ACCESS TO CREATE A TRANSIT ORIENTED DEVELOPMENT (TOD). A transit oriented development (TOD) in Carmel Church with commuter service provided via Amtrak is a viable concept, based on several separate but mutually supporting studies. These studies identify the distance and corridor of operation from Washington, D.C.; the location of a station within the region; the site within the region for a station; and, the property on which a station should be located. These studies give efficacy to the project and encourage full pursuit of such a development.

The Carmel Church TOD will be the basis for industrial, commercial, retail and residential development at a density sufficient to support both



Aerial Photo of Proposed TOD Location

Amtrak service to the site and federal/Commonwealth investment in rail service. The TOD is the most complete type of development involving all elements in a single project, large enough to overcome serious weaknesses and leverage sufficient investment to ensure success.

Commuter/passenger rail service creates an additional artificial population in the County that will spur additional commercial and retail investment. This service may also encourage additional infrastructure investment by the federal and state government and private sources. Employment opportunities will concentrate near the rail station, encouraging the regional labor force to commute to Carmel Church. An appropriately sized TOD can address many of the County needs for business investment, job creation and a higher quality of life for all citizens without creating sprawl or vast population growth.

FUTURE STRATEGIES

While offsetting strengths and weaknesses allows the County to remain competitive in the near term, certain long term decisions must be made and actions taken to ensure the sustained viability of the economic development program. Such strategies address deficiencies in the current program, as previously identified. The Board of Supervisors should evaluate the weaknesses and consider the following strategies to help address program deficiencies:

- Utilize the IDA (Industrial Development Authority) to create County owned industrial parks with infrastructure for immediate use, where the private sector is either unable or unwilling to develop such facilities.
- Utilize the IDA to construct speculative industrial and distribution buildings.
- Develop sufficient water and sewer capacity to meet the needs of large industrial and commercial users.
- Invest in industrial access roads through public-private partnerships to expand the availability of marketable industrial sites.
- Invest in interchange improvements and access roads through transportation overlay districts, community development authorities (CDA) or tax increment financing (TIF) to avoid direct costs to business and industry prior to development.
- Partner with the business community and school system to invest in the education system, including the identification of needed skill sets and development of appropriate curriculums.

A successful and sustained economic development program can only be achieved if the weaknesses identified in this chapter are addressed.

TOURISM

Tourism is an increasingly important economic activity that will continue to grow in significance with the opening of the new Visitor Center and the arrival of the Virginia State Fair in 2009. However, traditional “tourism” benefits are not easily recognized by the community.

In 2003, Caroline County generated \$51,578,108 of travel impacts resulting in 527 jobs, as reported by the Virginia Tourism Corporation. By 2007, \$70,212,547 of travel related expenditures were reported with 557 jobs. During the same year, Hanover and Spotsylvania Counties recorded travel impacts of \$179,199,447 and \$198,708,735, respectively. Obviously, more can be done to promote tourism and increase County revenues. This is achievable through the systematic planning of tourism strategies and the marshalling of resources to set the strategies in motion.

Many regional, state and national factors impact visitation and the resulting revenues to the County, most of which are out of Caroline County’s control. But local opportunities to promote tourism do exist, such as capitalizing on the Interstate 95 interchanges; enhancing the tourism related industry at the newly created Meadow Event Park (home of the State Fair of Virginia); and developing and implementing a strategic tourism plan. The key is to maximize the opportunities. To that end, the Board of Supervisors has adopted the following mission statement for the Tourism:

The Tourism Office operates to promote and enhance tourism in Caroline County. By supporting existing tourism activities and investment, marketing the County through advertising, brochures and internet entities, and actively recruiting tourism attractions, the Tourism Office seeks to expand the tax base in Caroline County, while generating greater commercial and employment opportunities.

OPPORTUNITIES

In addition to the Meadow Events Park, other tourism opportunities exist. These opportunities include the Virginia Sports Complex, Virginia Bazaar, Town of Bowling Green, Town of Port Royal, Rappahannock River, golf courses, Russell Stover Candy Outlet, antiques venues, hotels and motels, camping areas, bed and breakfast locations, eating establishments and more than seventy significant historic sites. The location of Caroline County, between the Fredericksburg and Richmond, ensures both revolutionary and civil war era historical sites. The County is also fortunate to have several events throughout the year that encourage visitation.

The exposure of the County to the busiest segment of the I-95 corridor and proximity to the Northern Neck provide unlimited opportunities for an aggressive tourism program. The County's position serves as a "gateway" for travelers on their way to northern and eastern Virginia and Maryland, Routes 207 and 301 are ideal travel routes, saving time and miles. For the Counties of Westmoreland and Essex, the convenience of Routes 207, 301, & 17 are again ideal alternatives to I-95. These connections to the Visitor Center provide the impetus for creation of a Tourism Partnership combining all the attributes and marketing might of several jurisdictions.

VISITOR CENTER LOCATION

Opportunities to obtain travel information at a staffed facility are limited along the I-95 corridor between Richmond and Washington. Traveling southbound from Washington, D.C. provides only one location in Fredericksburg for travel information. Owned by the Commonwealth and operated by the Virginia Tourism Corporation, it is the first Welcome Center that visitors approach when entering Virginia from the North. The northbound travel route does not offer any facilities until Carmel Church (exit 104) in Caroline County.



The location of the Visitor Center ½ mile from the I-95 interchange strategically positions the Caroline County facility at one of the busiest travel service exits along the corridor. This location provides a constant stream of traffic for the promotion of the County. Traffic along the Route 207 and Route 301 corridors has also dramatically increased as travelers use these roads as an alternative to the Interstate.

FUNDING

Funding for the tourism program is generated primarily through the Transient Occupancy Tax, which is the tax rate imposed on all overnight stays in camping facilities, hotels/motels and bed & breakfast establishments. Funds are collected by the Commissioner of Revenue at a rate of 5% of the per night rate. These funds are designed by the Commonwealth of Virginia to be re-invested in tourism activities providing for expansion of the industry. Re-investing these funds encourages additional overnight stays, resulting in a positive impact on the general revenues of Caroline County in meals and sales taxes.

MARKETING

Capitalizing on existing visitor opportunities is an integral part of the tourism program. The Meadow Event Park will offer exceptional programs and venues for year round activities and multi-stay needs. The Virginia Sports Complex also provides multi-stay opportunities for the County. Collaboration with these and similar entities will provide the basis for visitor recruitment. Gaining access to these customers and creating effective promotional materials will be important in circulating their spending power throughout the County.

TOURISM STRATEGIES

The revenues generated by the adjacent jurisdictions indicate that Caroline County has only begun to scratch the surface of tourism revenues. Isolating revenue generating sites from lodging, dining, and shopping fails to enhance revenue in Caroline County, as it only benefits surrounding jurisdictions, as is presently the case with spin off development from the Meadow Event Park. An enhancement strategy that aggressively promotes tourism should be a high priority of the County. Three important components of such a strategy may include:

CREATE AND IMPLEMENT A TOURISM DEVELOPMENT OVERLAY DISTRICT. This overlay district concept could be utilized to promote, incentivize and fast track specific areas of the County for tourism related development. For example, areas around the Meadow Event Park, the Virginia Sports Complex, the Caroline County Fairgrounds, and areas around the Carmel Church and Ladysmith interchanges are prime locations for tourism related businesses.

DEVELOP AND IMPLEMENT AN ENTERTAINMENT VENUE STRATEGY. Geographically, Caroline County is ideally suited for entertainment venues. Transportation access, together with the proximity to larger markets and the availability of land, indicate that there are opportunities that should be explored. The creation of the Planned Recreation and Entertainment District in the Zoning Ordinance in 2004 is a good first step in recognizing the potential of such venues, which should be evaluated for new and/or expanded opportunities.

DEVELOP AND IMPLEMENT A REGIONAL TOURISM INITIATIVE. Establishing partnerships with King George and Westmoreland Counties will maximize tourism revenues and cross-utilize existing visitor attractions in the area to the benefit of all parties involved. For example, Caroline County is missing a major market segment in travel revenues from winery promotion, while the other counties do not have access to the I-95 corridor. A partnership between the three localities could capitalize on marketing, travel routes, history, rivers, marinas, fishing, golf, quaint communities, and wineries.

Developing and maintaining a successful tourism program is a complex undertaking, requiring strong community and government support, visionary leadership, continuous marketing, the ability to build upon the area's intrinsic tourism strengths and resources, an understanding of the importance of infrastructure and linkages, and competitive funding. The recommendations contained in this section, together with the goals and actions at the end of the chapter, reflect not only the needs of an infant tourism program, but the economic opportunities that are available to the County by fully supporting tourism.

SUMMARY

An effective economic development program is the means to offset the impacts of residential growth and improve the quality of life for all County citizens. The County must continue its efforts to diversify and expand its nonresidential economic base, both through traditional economic development, as well as the through the expansion of its fledgling tourism industry. Its primary goal is to encourage compatible, high-quality industries offering semi-skilled, skilled and professional job opportunities. The County seeks industry that is capital intensive and conscious of the standards of local infrastructure. New industries meeting these characteristics will provide year-round, full-time jobs with benefits and raise the standard of living in our community.

GOALS, OBJECTIVES AND ACTION STRATEGIES

GOAL: MAXIMIZE THE WELL-BEING OF CAROLINE COUNTY CITIZENS THROUGH RESPONSIBLE ECONOMIC DEVELOPMENT.

OBJECTIVE 6.1 - ESTABLISH A COORDINATED AND EFFECTIVE ECONOMIC DEVELOPMENT STRATEGY INCLUSIVE OF THE COUNTY, CHAMBER OF COMMERCE, INDUSTRIAL DEVELOPMENT AUTHORITY AND THE FREDERICKSBURG REGIONAL ALLIANCE TO FOCUS ON RECRUITMENT OF NEW BUSINESSES, AS WELL AS RETENTION AND EXPANSION OF EXISTING BUSINESSES.

Action Strategy 6.1.1: Provide water and sewer infrastructure in areas planned for commercial and industrial development consistent with County policies for public utility extensions.

Action Strategy 6.1.2: Identify and preserve high quality sites for industrial and commercial use.

Action Strategy 6.1.3: Encourage the development high quality commercial/industrial properties through public/private partnerships.

Action Strategy 6.1.4: Support the Regional Marketing concept for Economic Development.

Action Strategy 6.1.5: Encourage the development of educational opportunities through the Caroline County Public Schools, the University of Mary Washington, Germanna Community College, and local employers to train County residents for local employment opportunities.

OBJECTIVE 6.2 - PROMOTE TRAVEL AND TOURISM THROUGHOUT THE COUNTY TO ALLOW THE ECONOMIC BENEFIT OF TOURISM TO ENHANCE THE QUALITY OF LIFE IN CAROLINE COUNTY.

Action Strategy 6.2.1: Discover, develop, and promote Caroline County attractions and events as a tourist destinations, and promote the County as a quality residential community.

Action Strategy 6.2.2: Increase public awareness that tourism is a major contributor to the local economy, job creator, and provider of positive community well-being.

Action Strategy 6.2.3: Provide recreational opportunities for visitors and residents.

Action Strategy 6.2.4: Adopt strategies to promote tourism as a recognizable means of expanding Caroline County's tax base.

Action Strategy 6.2.5: Coordinate efforts of the County government, local towns, adjacent jurisdictions of King George and Westmoreland Counties to establish and enhance a regional tourism effort.

Action Strategy 6.2.6: Recognize the value of agri-tourism and heritage tourism in growing the local/regional tourism industry.

Action Strategy 6.2.7: Coordinate with local tourism businesses to exchange information, strategies, and feedback related to tourism programs and impact.

OBJECTIVE 6.3 - DEVELOP AND IMPLEMENT A TOURISM PROGRAM THAT UNIFIES TOURISM TRAINING, BRANDING AND DESTINATION INITIATIVES IN ALL SECTORS OF THE COUNTY.

Action Strategy 6.3.1: Work in partnership with local towns to develop a County-wide staffing and customer service training program.

Action Strategy 6.3.2: Conduct tourism research on a continual basis that focuses on return on investment and visitor satisfaction.

Action Strategy 6.3.3: Focus on overnight visitors for the greatest economic impact.

Action Strategy 6.3.4: Create regional/local visitation packages utilizing golf courses, antiquing, winery tours, dining and lodging.

Action Strategy 6.3.5: Leverage the central location and quality of the visitor center for direct revenue opportunities within the region.