

DRAFT Chapter 4: Economic Vitality – updated 12/2/2019

The economic vitality of Culpeper County is contingent on a variety of factors, including its residents, their skills, education and occupations, the existing businesses and those that are attracted to Culpeper, transportation routes, and the national economic trends that impact local economic viability. Historically, businesses and employers have located in the Town of Culpeper where the labor force and services are concentrated. Improved roads such as the Route 29 By-pass and Route 3, the increased population trends to the north and west of Town and the creation of industrial parks and expansion of the Culpeper Airport have altered that trend and partially de-centralized the workforce. In the past, many different industries have chosen to build or relocate in the County.

GOAL 1: RETAIN EXISTING INDUSTRIES AND BUSINESSES WHILE ENCOURAGING NEW ECONOMIC DEVELOPMENT.

ESTABLISH AND MAINTAIN A COUNTY-WIDE ECONOMY THAT IS SELF-SUSTAINING, DIVERSE, ENVIRONMENTALLY SENSITIVE AND GEARED TOWARD QUALITY JOB AND BUSINESS OPPORTUNITIES FOR LOCAL RESIDENTS.

1. Maintain the current balance between the agricultural, industrial and commercial service sectors of the economy.
2. Provide for a variety of commercial and industrial zones within the County and emphasize the unique attributes of each. Focus on providing necessary infrastructure, including the opportunity for rail access.
3. Encourage diversity within the industrial sector to prevent domination by limited sectors of the labor market and to provide a broad spectrum of employment options.
4. Capitalize on the established Foreign Trade Zone (FTZ) in Culpeper County to increase the County's attractiveness to new industry and to encourage existing industry to remain.
5. Use existing incentive programs, such as the Technology Overlay Zone, to assist businesses seeking to locate in Culpeper County.
6. Participate in state and regional recruitment activities, including the attraction of foreign companies to the County.

GOAL 2: MAINTAIN AGRICULTURE AS A SIGNIFICANT PORTION OF THE COUNTY'S ECONOMIC BASE.

1. Encourage the continued use of productive agricultural land for farm and agricultural uses.
2. Maintain monetary incentives to encourage continued agricultural production through programs like Land Use taxation which provide incentives to maintain open and forested lands which do not generate demand for services.

3. Work with the appropriate state and local agencies to promote agriculture and forestry and expand markets for Culpeper County agricultural and forestal products.
4. Encourage the development of agricultural and forestal support businesses and industries within the County which complement and support agriculture.
5. Encourage education programs focused on helping those interested in or new to farming.

GOAL 3: PROMOTE COMPATIBILITY OF INDUSTRIAL DEVELOPMENT WITH EXISTING COMMUNITY CONDITIONS.

1. Cluster industries and businesses of similar intensity for ease in delivery of services and efficient use of land.
2. Encourage industries that complement agriculture and use local raw farm products.

GOAL 4: EXPAND EMPLOYMENT OPPORTUNITIES IN CULPEPER COUNTY.

1. Encourage commerce that uses and requires support from the existing Culpeper County workforce.
2. Utilize the Daniel Technology Center as a tool for workforce development, instruction, and technology in order to customize training to a specific employer's needs.
3. Attract industries that fill voids in the existing job market and will offer high paying and technical employment opportunities to the existing out-commuting labor force.
4. Encourage commercial and industrial enterprises that are compatible with Culpeper's unique features.

GOAL 5: PROMOTE TOURISM TO CULPEPER COUNTY AND ENCOURAGE INCREASED VISITOR SPENDING, LOCAL TAX REVENUE, AWARENESS OF COUNTY TOURISM ASSETS, AND OPPORTUNITIES FOR JOB CREATION.

1. Market Culpeper County as a unique visitor destination through a comprehensive integrated marketing program, including a dedicated tourism website, promotional brochures, social media marketing, and print and online advertising.
2. Focus marketing on Culpeper's primary tourism assets of History and Heritage, Nature and Outdoors, Arts and Culture, Craft Beer, Wine and Moonshine, and a Revitalized Historic Downtown in identified target markets.
3. Promote local, regional, and statewide partnerships that maximize local tourism investment.
4. Promote tourism as a major industry and a vital component of County economic development efforts.

Workforce Characteristics

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 a 100 percent.

Table 4.1

Culpeper County Employment Status		
Employment Status	Estimate	Percent
Population 16 years and older	38,576	100%
In labor force:	24,924	64.6%
Civilian labor force:	24,855	64.4%
Employed	23,377	60.6%
Unemployed	1,478	3.8%
Armed Forces	69	0.2%
Not in labor force	13,652	35.4%

Source: 2013-2017 American Community Survey

The 'out-commuters' of Culpeper represent an important segment of the potential local labor force. These commuters would likely consider similar professions with similar wages if available in Culpeper. It is also possible that because of the cost and time of commuting, Culpeper commuters would accept similar jobs with slightly less wages – with no real impact on their net income. If the cost of transportation remains high or increases, the offset of costs for local employment would increase; thereby making jobs in Culpeper more desirable. To a potential employer investigating Culpeper as a location, the commuters represent an available and valuable source of skilled employees.

Occupations and Employment

Tables 4.2 and 4.3 illustrate the industries and employers most prominent in Culpeper County at this time. It is anticipated that growth occupations between now and 2025 will include many medical professions as well as Physical Therapy, Mental Health, and other health related fields. Skilled labor and construction fields will be other anticipated areas of job growth.

Occupations expected to decline between now and 2025 include postal service workers, electronics assembly and electronics engineers, farmworkers and laborer's, including crop, nursery, and greenhouse employees. Some of these occupations decline is due to a shift in area employers, while the majority is attributed to changing consumer needs and technological improvement.

Table 4.2

20 Largest Employers in Culpeper County		2017
1. Culpeper County School Board	11. Masco Builder Cabinet Group	
2. Novant Health UVA Culpeper Medical	12. Childhelp	
3. County of Culpeper	13. Town of Culpeper	
4. Wal Mart	14. Gretna Health Care Center	
5. Coffeewood Correctional Center	15. Euro Composites Corporations	
6. S.W.I.F.T	16. Bingham and Taylor Corporation	
7. Rappahannock Rapidan Services Board	17. TE Connectivity	
8. Cintas Corporation	18. The Culpeper – Senior Living Community	
9. VDOT	19. Lowe’s Home Centers, Inc.	
10. Continental Automotive Systems	20. Merchants Grocery Company	

Source: Virginia Employment Commission, Economic Information and Analytics, Quarterly Census of Employment and Wages (QCEW), 4th Quarter, (October, November, December) 2017.

Table 4.3

Culpeper County Occupation Overview by Industry	2017	
Industry	Estimate	Percent
Civilian Employed Population Age 16 years and older	23,377	100%
Agriculture, forestry, fishing and hunting; and mining	726	3.1%
Construction	2,001	8.6%
Manufacturing	1,845	7.9%
Wholesale trade	575	2.5%
Retail trade	2,708	11.6%
Transportation, warehousing and utilities	1,013	4.3%
Information	676	2.9%
Finance and insurance, real estate and rental/leasing	991	4.2%
Professional, scientific, management, administrative, and waste management services	3,031	13%
Educational services, health care and social assistance	5,547	23.7%
Arts, entertainment, and recreation, accommodation and food services	1,732	7.4%
Other services, except public administration	1,065	4.6%
Public administration	1,467	6.3%

Source: U.S. Census Bureau, 2017 American Community Survey Fact Finder

Unemployment

The labor force in Culpeper County consists of those employed, those temporarily laid off from a job and those actively seeking employment. In May 2018 the unemployment rate for Culpeper County was 2.8% compared to May 2017 of 3.5% (*Virginia Employment Commission, Economic Information & Analytics, Local Area of Unemployment Statistics*).

Commuting

The degree to which people travel to and from the County for work forms another component of the labor force: in-commuting and out-commuting. The 2017 American Community Survey of the U.S. Census Bureau indicated that 46.7% of the County's workforce commuted into Culpeper County from surrounding communities, 50.4% commuted out of the County, while 2.9% of Culpeper's workforce does not work in Virginia. As shown below, areas in Northern Virginia are the top four "commuting to" destinations for employment.

Table 4.4

Top 10 Places Residents are Commuting To		Top 10 Places Residents are Commuting From	
Fairfax County, VA	2,269	Orange County, VA	975
Fauquier County, VA	2,122	Madison County, VA	787
Prince William County, VA	1,501	Spotsylvania County, VA	748
District of Columbia, DC	615	Fauquier County, VA	718
Orange County, VA	501	Prince William County, VA	360
Loudoun County, VA	486	Fairfax County, VA	339
Manassas City, VA	467	Loudoun County, VA	327
Spotsylvania County, VA	432	Albemarle County, VA	256
Stafford County, VA	357	Stafford County, VA	241
Henrico County, VA	349	Rappahannock County, VA	206
Work Elsewhere	4,259	Reside Elsewhere	3,450
Total Out-Commuters	13,358	Total In-Commuters	8,407

Source: Virginia Locality-to-Locality Commuting Data; Demographics Research Group Weldon Cooper Center of Public Services, University of Virginia. March 2018.

Means of Transportation

The means of transportation for the work force traveling to and from Culpeper County plays into the economic vitality of the County. The most common mode of transportation remains the single occupancy automobile. While the modes have remained fairly unchanged in recent years, the mean travel time to work has increased between 2012 and 2017, from 34.6 minutes to 39.7 minutes.

Table 4.5

Culpeper County Commuting Overview		
Commuting to Work	Estimate	Percent
Workers Age 16 Years and Older	22,698	100%
Car, truck, or van (drove alone)	18,361	80.9%
Car, truck, or van (carpooled)	2,405	10.6%
Public transportation	252	1.1%
Walked	371	1.6%
Other means (taxicab, motorcycle, etc)	295	1.3%
Worked at home	1,014	4.5%
Mean travel time to work (minutes)		39.7

Source: U.S. Census Bureau, 2013-2017 American Community Survey

Tax Base

Culpeper County levies two primary types of taxes, real estate and personal property (table 4.6). Taxes collected make up most of the general revenue fund from which the Culpeper County operates. Additional monies are collected from State taxes such as the gasoline tax, income tax and sales tax. These funds are usually earmarked for programs such as education. Gasoline taxes are reserved for roads and/or road maintenance and are administered by the Virginia Department of Transportation. Culpeper County, through the Commissioner of Revenue, administers land use value taxation. The purpose of this program is to encourage agricultural and forestal enterprises within the County and to provide a basis for tax relief for this land use. The Commissioner of Revenue also administers a real estate tax relief program for senior citizens and disabled homeowners. Both of these programs derive from Culpeper County Ordinances.

Table 4.6

2019 Tax Rates for Culpeper County	
Type of tax	
Real Estate	\$0.62
Personal Property	\$3.50 General / \$1.50 Recreational
Machinery & Tools	\$2.00
Merchants Capital	\$0.00
Mobile Homes	\$0.83
Public Service Corporation (real/personal)	\$0.62/\$3.50

Culpeper Regional Airport

The Culpeper Regional Airport is a critical and unique component of the County's integrated transportation system and, therefore, important to economic development efforts. In 2019, Culpeper Regional Airport celebrated its 50th anniversary of service. The airport is currently home to 140 hangars and 158 based aircraft and of the 15 non-reliever airports in Virginia, Culpeper Regional Airport ranks first in based aircraft, first in general aviation non-towered flights per day, first in airport tourist/visitor spending and first in general aviation movements, serving 23,000 passengers in a year. The total economic impact of the airport is \$12.913 million, contributing both direct and indirect operations impact of \$5.563 million while adding \$7.35 million of visitor spending.

Current and future improvements to the airport include; recent paving of existing surfaces, expanded apron areas, increased hangar space and upgrades to the navigational systems. In its improved configuration, the Culpeper Regional Airport has significantly increased its services and potential as a key element of the County's economic development strategy. With the airport's location to the industrial park, the possibility of attracting a major aviation company or public service entities is inevitable.

The airport is home to a maintenance/management facility for charter services. As large airports experience greater congestion and delays, and the cost and time for ground transportation and parking increases, regional feeder airports become a more cost-effective alternative. Surrounding land use and infrastructure development should take into account the possibility of expanding airport facilities. Two major needs identified for airport services and future expansion are; enhanced internet coverage and

access control via fiber optic lines and three-phase power capabilities for maintenance shops and aviation equipment.

The airport recognizes a need for the future of the aviation industry; the lack of new pilots and new aviation mechanics. The airport is partnering with various companies that are working to help fill this void. Education is key in preserving the future growth of the aviation industry.

Novant Health UVA Culpeper Medical Center



The University of Virginia Medical Center went from partial owner of Culpeper Regional Hospital (now Novant Health UVA-Culpeper Medical Center) to its majority proprietor in October of 2014. The partnership will benefit the local community with increased access to resources and research. The Emergency Department will be undergoing a major renovation and expansion in the near future as a result of the increased funding UVA has contributed to the hospital. The hospital has been serving the Culpeper community since 1960.

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.

For Culpeper, the indirect impact of the National Audio-Visual Conservation Center is likely to include visiting scholars, experts and commercial enterprises in the field of audio-visual preservation, as well as the general public with interest in the films and recordings. There is also the possibility that related private business interests may find proximity to a national research and preservation facility an appealing reason to locate in Culpeper.

Nap of the Capital Region, LLC-Equinix



Strategically located 60 miles from Washington D.C. in Culpeper, Va., the NAP of the Capital Region (NCR) opened in June 2008 as the most secure and technologically sophisticated datacenter campus in the eastern United States. The 30-acre campus, which can accommodate up to five, 50,000-square-foot independent datacenters and one 72,000-square-foot office building, was developed to exceed Federal standards for a data communications and hosting facility. Each datacenter structure is a secure bunker where a professional security staff maintains and operates sophisticated surveillance systems, biometric scanners and secured areas for processing of staff, customers and visitors. This facility has the capacity to serve a variety of national communications firms.

Agriculture

Agriculture and forestry are recognized as vital parts of our economy and their retention and expansion are encouraged. The forestry and agricultural industries preserve the rural character of the County, are revenue positive land uses and can support additional complimentary industries like tourism and those that rely on raw agricultural/forestry products directly or add value to those products. Value-added agriculture/forestry businesses in Culpeper create additional jobs and provide broader markets for traditional products. These businesses include greenhouse production of food as well as decorative plants, living roof production, flour manufactured from local and out-of-state wheat and lumber products that supply several of our building material companies.

Regional Food System Plan

Culpeper County participated in the development of a Regional Food System Plan led by the Rappahannock-Regional Commission. The goal of this effort is to strengthen the local food economy, so more local dollars can be retained within the region, while promoting citizens' health, encouraging

preservation of local farmland and enhancing farmers' quality of life. An economic analysis, stakeholder interviews, focus group meetings, and a producer survey were conducted to document the conditions in the region's farm and food economy as well as stakeholder's challenges and resource needs. Recommended projects include facilities, policy changes, education and marketing programs, and opportunities for private investment, all of which address core obstacles found by the economic analysis. Visit <http://www.rrregion.org/foodsystem.html> for more details.

Economic Development Incentives

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. Culpeper County has also adopted a Technology Zone incentive program that reimburses business taxes based on the economic impact of new development. Other economic development incentives can be developed on a case-by-case basis tailored to the needs of a particular business prospect. Culpeper County is also the Grantee of Foreign-Trade Zone #185 and, under the Alternative Site Framework, can expedite application process for a business-driven zone.

The establishment of a multi-user rail siding should be considered as a local initiative: a centralized rail siding which could be utilized by both existing and future businesses in Culpeper County as a cost-effective and advantageous alternative to long distance trucking. Such an approach could reduce local truck traffic, provide a less expensive means of moving freight for Culpeper businesses, and provide an attractive benefit to market to potential industries considering locating in Culpeper.

Technology Zones

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 of 2006 the Culpeper County Board of Supervisors adopted Chapter 12, Article XV of the Culpeper County Code entitled "Technology Zones". This ordinance established technology zones within the county. Current zones are shown on map 4.1, with individual maps located in the appendix.

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 of 2006.

Tourism, Arts, and Culture

The Culpeper Tourism Office & Visitors Center is located in the historic Train Depot in Downtown Culpeper. The Depot is the site of "Reel LOVE", made from over 150 film reels donated by the Library of Congress Audio Visual Conservation Center in Culpeper. Reel LOVE highlights the emerging arts in Culpeper and the Virginia is for Lovers brand. The sculpture is the first public art installation in Culpeper and was funded by a grant from the Virginia Tourism Corporation.

Quality of Life

In addition to offering economic development incentives, Culpeper County understands that businesses place a high priority on the quality of life in the communities in which they locate. Culpeper was named 13th in a list of the best localities in Virginia for young families, according to a new online list by NerdWallet (April, 2015). In addition to the natural resources which are so beneficial to the community, Culpeper also provides parks and recreation programs and many other events which provide a sense of community. These events are a source of pride in the community. They bring visitors to the County and provide ample opportunity for business exposure. Numerous events that are held annually in Culpeper County. Visit visitculpeperva.com for a complete visitor guide to Culpeper County.

Craft Breweries, Wine and Food

In recent years Virginia's craft beer industry has seen a major resurgence. With over 50 breweries in the state, tourism officials have found great potential in creating destinations called "craft beer trails". According to a Washington Post article published in July of 2014, the craft beer industry in Virginia has seen 75 percent growth in the number of breweries.

Culpeper is home to Belmont Farms Distillery, America's oldest legal operating copper pot whiskey distillery. The still was made in New York City in 1933, and sourced from neighboring Albemarle County. Belmont Farm has been featured in a number of travel articles as well as on the History Channel. Old House Vineyard is another popular attraction in Culpeper County. The winery has experienced success in recent years due to its ever-evolving model of community events, weddings, and wine production. They are also expanding operations to include a distillery which will produce brandy on site.

A growing number of acclaimed locally owned restaurants can also be found in Culpeper. The farm to table movement, which encourages the use of locally sources products is thriving in our area.

Appendix (Resource Material and Other Valuable Planning Tools and Information)

Maps

- [Braggs Corner Technology Zone Map](#) ➔
- [Brandy Station Technology Zone Map](#) ➔
- [Elkwood Technoloy Zone Map](#) ➔
- [Lovers Lane Technology Zone Map](#) ➔
- [McDevitt Drive Technology Zone Map](#) ➔

Additional References for Economic Vitality

- [Culpeper County Airport](#) ➔
- [Culpeper County Economic Development](#) ➔
- [Culpeper County Community Profile – Economic Development](#) ➔
- [Culpeper County Visitors Guide](#) ➔
- [Library of Congress – The Packard Campus](#) ➔
- [Rappahannock-Rapidan Regional Commission](#) ➔
- [Virginia Employment Commission Community Profile](#) ➔