

ECONOMIC DEVELOPMENT

INTRODUCTION

Economic growth is vital to a locality’s financial sustainability. Cities and counties need business and industry to generate local tax revenues that help pay for the public services required by local residents while helping to keep residential taxes to acceptable levels. This need is compounded by continued population growth, which will continue to place demands on County schools, fire and emergency medical services, law enforcement, parks and recreation, libraries, and other public services and infrastructure. For these reasons, the Board of Supervisors has identified as one of its six adopted strategic priorities to “Facilitate quality economic development that is sensitive to community character and the environment.” In accordance with this vision, the County strives to pursue economic development initiatives that will result in a more favorable and fiscally sustainable balance between residential and economic development while maintaining the high quality of life enjoyed by the County’s residents.

EXISTING CONDITIONS

Overview

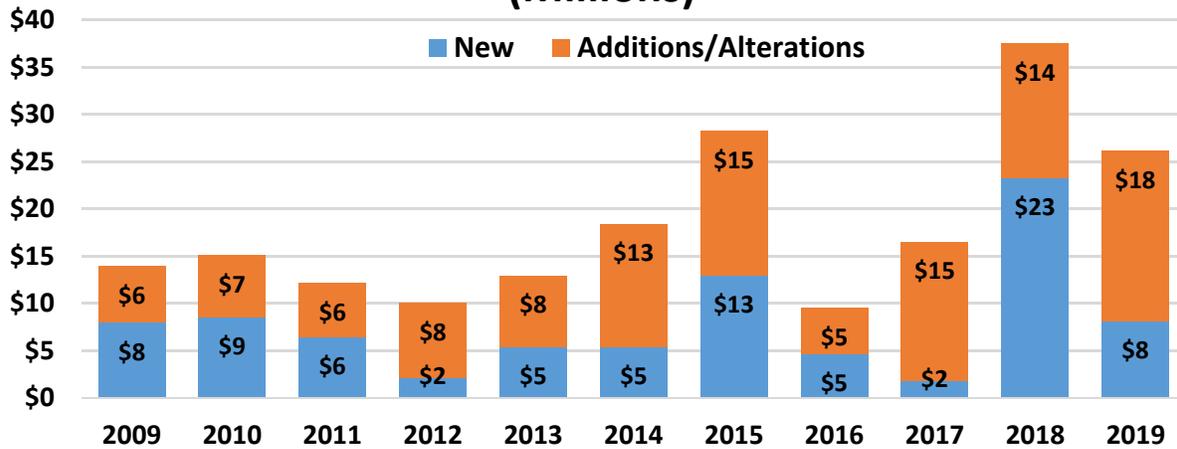
Despite periodic downturns mirroring the national business cycle, York County has experienced long-term economic growth during the post-World War II era. In the late 1950s, the development of the Amoco refinery and the Dominion Virginia Power Yorktown Power Station gave the County a strong heavy industrial base, providing good jobs and greatly bolstering local tax revenues. The County's second recent economic expansion began in the 1970s and continued throughout the 1980s. During this time, York County experienced significant new motel construction in the upper County with the widening of Bypass Road (Route 60) and the privately funded extension of public water and sanitary sewer service to this area. This period also brought dramatic growth in the County's retail sales resulting from the development of several new shopping centers to serve the growing residential and tourist populations. The late '90s and early 2000s brought a second retail boom with the emergence of the Kiln Creek and Lightfoot areas as major retail nodes.

As the County entered into the 2010s, it faced a new economic reality. The refinery, which, as recently as 2003 was among the County’s top ten employers, shut down and was acquired in 2011 by Plains Marketing, a subsidiary of Plains All American Pipeline, and is now operated as a storage and distribution terminal. At the same time, the “great recession” of 2007-09 was taking its toll on employment and retail sales, both of which had experienced many years of sustained growth. Toward the end of the decade, in February 2019, Dominion Energy, also a former “top ten” employer, closed its two coal-burning units at the Yorktown Power Station, while the remaining oil-burning unit currently operates only during periods of peak energy demand and is scheduled to also be shut down. Still, York County attracted \$200 million worth of commercial development from 2009 through 2019 and boosted annual taxable sales by \$40 million. Employment and wage growth have lagged, however, in comparison with the Virginia Beach-Norfolk-Newport News metropolitan area and the state as a whole.

Building Permits

From 2009 through 2019, York County issued 1,313 building permits for a combined total of \$200 million worth of commercial construction. Additions to and alterations of existing structures accounted for more than half (56.8%) of this development, while new construction accounted for the remainder.

Commercial Building Permit Value (Millions)



Source: York County Division of Building Safety Annual Reports

Figure 1

Employment

As stated in the Demographic Profile and Projections chapter, approximately 75% of the County’s employed residents work outside the County, most of them in Newport News, Hampton, and James City County. This contributes to the County’s reputation as a bedroom community, although it should also be noted that almost two-thirds of the people who work in the County commute from other jurisdictions. York County has experienced strong and steady job growth over most of the past thirty years. Like most of the nation, York County suffered four consecutive years of job losses during the recessionary period from 2007 through 2010, resulting in a 6.8% decline in employment. Job growth began to rebound slowly in 2011, but by 2019 these losses still had not been fully erased. As shown in **Table 1**, York County was one of three Peninsula localities to experience a net increase in employment – albeit a small one – between 2009 and 2019. Any hope of a further rebound in employment in 2020 was dashed by the COVID-19 pandemic, which plunged the global economy into a deep recession – the deepest since World War II, according to World Bank forecasts.

AVERAGE AT-PLACE CIVILIAN EMPLOYMENT, 2009-2019				
JURISDICTION	2009	2019	Change, 2009-2019	
			Jobs	Percent
Hampton	56,504	53,474	-3,030	-5.4%
James City County	26,269	30,354	4,085	15.6%
Newport News	95,603	103,442	7,839	8.2%
Poquoson	1,998	1,798	-200	-10.0%
Williamsburg	14,256	12,784	-1,472	-10.3%
York County	21,265	21,492	227	1.1%
Peninsula	215,895	223,344	7,449	3.5%
Virginia Beach MSA	707,033	744,740	37,707	5.3%
Virginia	3,544,833	3,936,042	391,209	11.0%

Source: Virginia Employment Commission, Covered Employment and Wages in Virginia (published quarterly)

Table 1

1 The Accommodation and Food Services industry is York County’s largest civilian employment sector with an
 2 18% share, followed by retail trade with 17%. Other significant industries include Health Care and Social
 3 Assistance (9%), Administrative and Support and Waste Management (8%), and Educational Services (9%).
 4 The Accommodation and Food Services sector remains the largest despite a 4.3% decline in employment
 5 over the last ten years. Other industries experiencing significant job losses in that period include
 6 Construction, where employment fell from 2,165 in 2009 to 1,487 in 2019 – a 31.3% decline – and
 7 Manufacturing, which dropped by 44.3% (from 652 to 363). Sectors that experienced sizable growth over
 8 the past ten years include Health Care and Social Assistance, with a net increase of 32.2% (465 new jobs)
 9 and Professional, Scientific, and Technical Services, which added 302 net new jobs – an increase of 25.5% -
 10 between 2009 and 2019.

11
 12 The government sector – federal (including military), state, and local – accounts for almost a third of total
 13 employment in the County. Without the military, government still represents one-fifth of civilian
 14 employment. The large role of the government, tourism, and retail sectors in York County’s economy is
 15 reflected in the list of principal employers in the County, four of the top five of which are public sector
 16 employers, while tourism and retail account for four of the remaining six. Nevertheless, all of the job growth
 17 in the past ten years has been in the private sector, which grew by almost 400 jobs while local, state, and
 18 civilian federal employment all experienced net declines.

19

PRINCIPAL YORK COUNTY EMPLOYERS			
July 1, 2019			
Rank	Employer	Employees	Percent of Total
1	Naval Weapons Station/Cheatham Annex	3,565	15.4%
2	York County School Division	1,817	7.8%
3	U.S. Coast Guard Training Center	1,807	7.8%
4	Sentara Williamsburg Regional Medical Center	878	3.8%
5	Walmart	788	3.4%
6	York County Government	762	3.3%
7	Water Country USA	739	3.2%
8	Great Wolf Lodge	522	2.3%
9	YMCA	515	2.2%
10	Kroger	298	1.3%
	Total	11,691	49.1%
	Total County Employment	23,794	100.0%

Source: York County Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2019

Table 2

Wages

20
 21
 22 As shown in **Table 3**, wages in York
 23 County are generally low in comparison
 24 with those offered in surrounding
 25 jurisdictions and are below average for
 26 both the metropolitan area and the state.
 27 This reflects the high percentage of
 28 service and retail jobs in the County’s
 29 employment base. The average weekly
 30 wage in the County increased by 21.9%
 31 between 2009 and 2019, while the
 32 metropolitan area and the state
 33 experienced increases of 24.0% and
 34 24.7% respectively. Compared with other
 35 Peninsula localities, York County has the
 36 third-lowest average weekly wage, while
 37 Newport News has the highest.

AVERAGE WEEKLY WAGE, 2009-2019				
Jurisdiction	2009	2019	Change, 2009-2019	
			Dollars	Percent
Hampton	\$823	\$949	\$126	15.3%
James City County	\$641	\$773	\$132	20.6%
Newport News	\$813	\$1,056	\$243	29.9%
Poquoson	\$549	\$658	\$109	19.9%
Williamsburg	\$607	\$830	\$223	36.7%
York County	\$640	\$780	\$140	21.9%
Peninsula	\$762	\$949	\$187	24.5%
Virginia Beach MSA	\$763	\$946	\$183	24.0%
Virginia	\$928	\$1,157	\$229	24.7%

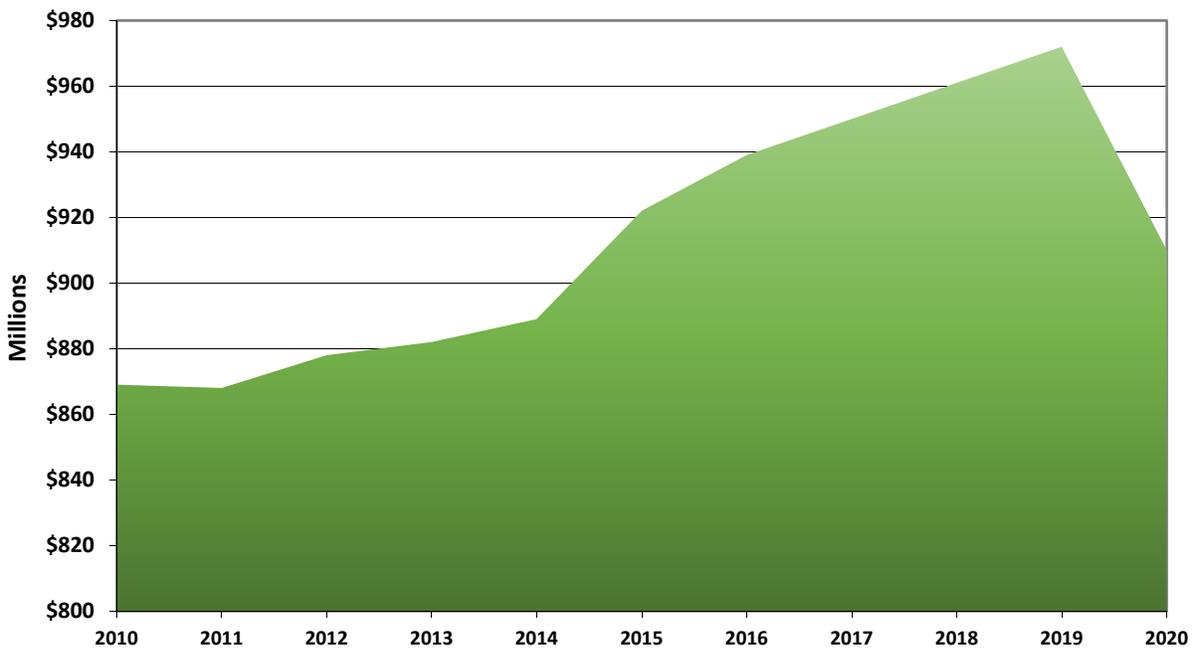
Source: Virginia Employment Commission, Covered Employment and Wages in Virginia (published quarterly)

Table 3

Retail Sales

After two decades of nearly continuous growth, taxable retail sales in York County declined in 2010 and 2011 during the great recession and then rebounded with eight years of steady growth, climbing to \$972 million in 2019 (see **Figure 2**). As with employment, however, taxable sales suffered a steep decline in 2020 as a result of the COVID-19 pandemic, falling by \$62 million (6.4%). The declines were even sharper in Williamsburg and James City County, which are more heavily reliant on the tourism industry. Although it surpassed James City County in 2019 and 2020 to have the third most taxable sales among Peninsula localities, York County has generally lagged behind its neighboring localities and the state as a whole over this period, during which the County’s share of Peninsula retail sales dropped from 16.5% in 2010 to 15.7% in 2020 (see **Table 4**). In retail sales per capita, York County ranks second on the Peninsula behind the City of Williamsburg.

York County Taxable Sales, 2010-2020



Source: Virginia Department of Taxation

Figure 2

TAXABLE RETAIL SALES, 2010-2020 (Millions)				
JURISDICTION			Change, 2010-2020	
			Millions	Percent
Hampton	\$1,313	\$1,435	\$122	9.3%
James City County	\$779	\$778	-\$1	-0.1%
Newport News	\$1,923	\$2,283	\$360	18.7%
Poquoson	\$42	\$60	\$18	42.9%
Williamsburg	\$339	\$318	-\$21	-6.2%
York County	\$869	\$910	\$41	4.7%
Peninsula Total	\$5,265	\$5,784	\$519	9.9%
Virginia	\$86,421	\$104,360	\$17,939	20.8%

Source: Virginia Department of Taxation

Table 4

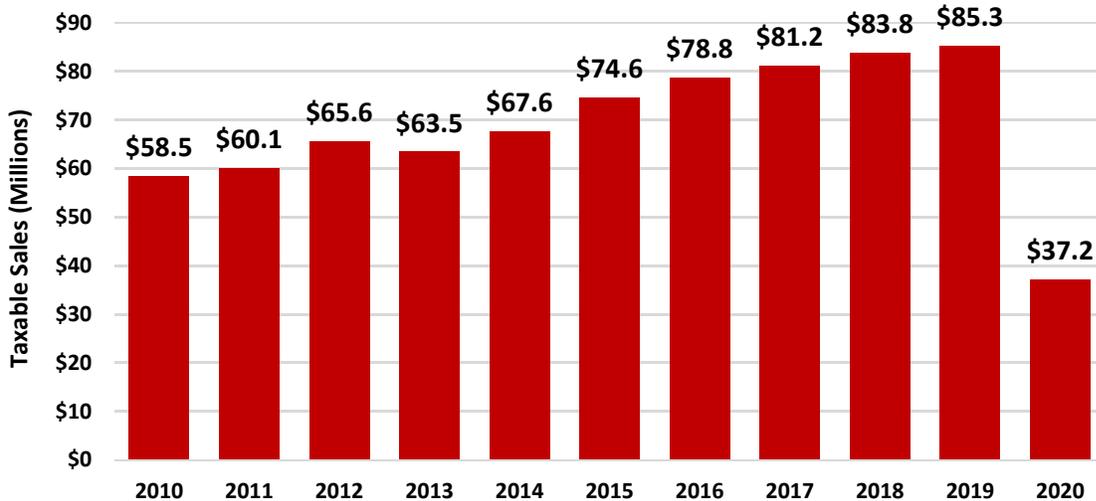
1 **Tourism**

2
3 Tourism plays a large role in York County’s economy. There are approximately 3,050 hotel and motel rooms
4 in the County, the vast majority of them (84%) in the upper County and particularly along Bypass Road, which
5 is a major gateway into the Williamsburg area. There are also six timeshare resorts in the upper County that
6 offer a combined total of almost 1,900 “space available” rentals. In addition, there are two campgrounds in
7 the upper County with a total of approximately 560 sites and cabins, as well as several bed-and-breakfast
8 inns and short-term rentals scattered throughout the County. Historic Yorktown offers a single motel and
9 several bed-and-breakfast establishments in the village and three motels along Route 17 within 3.5 miles.

10
11 Hotel, motel, and tourist camp sales in the County saw fairly steady growth for most of the last ten years,
12 increasing from \$59 million in 2010 to \$85 million in 2019, before plummeting to \$37 million in 2020 because
13 of the COVID-19 pandemic, which sharply curtailed tourist activity across the country, especially during the
14 crucial summer months. Prior to the pandemic, average annual occupancy rates in the Williamsburg market
15 area generally hovered between 45% and 50%, while in the Newport News-Hampton market area, which
16 includes lower York County, occupancy rates have been fifteen to twenty percentage points higher and have
17 also been hurt, but not as sharply, by the pandemic.

18
19 In 2018, the Virginia General Assembly passed, and the Governor signed, Senate Bill 942, which created a
20 1% state sales and use tax in the three Historic Triangle localities. Half of the revenue is to be used to market,
21 promote, and advertise the Historic Triangle as an overnight tourism destination and the other half is
22 distributed to the three localities in which the revenues were collected. The revenues for tourism are
23 administered by the regional Tourism Council of the Greater Williamsburg Chamber and Tourism Alliance.
24

Hotels, Motels, and other Accommodations



Source: Virginia Department of Taxation

Figure 3

25
26
27
28 **Economic Development Programs and Initiatives**

29
30 The County operates and funds numerous economic development programs through its Office of Economic
31 Development (OED) and Economic Development Authority (EDA), whose joint mission is to create a diverse
32 economic base through the aggressive recruitment, expansion, and retention of businesses, industries, and
33 tourism, thus expanding the tax base and capital investment in the County and providing new employment

1 opportunities for its citizens. The EDA is a separate political subdivision of the state whose members are
2 appointed by the Board of Supervisors. It can issue tax-exempt bonds to finance manufacturing facilities
3 located in the County, and it is also charged by the Board with attracting new, clean, and responsible
4 commercial and industrial enterprises that will contribute to the economic well-being of the community and
5 the preservation of its natural resources. The EDA is also responsible for helping existing businesses to
6 expand and making recommendations regarding County policies and procedures that affect the business
7 environment.

8
9 The OED and the EDA manage a number of ongoing programs to promote business growth and success and
10 have undertaken several new economic development initiatives in recent years. Some of these initiatives
11 and programs are detailed below:

12
13 • **Route 17 Property Acquisition Program**

14
15 The need to address the problem of blighted commercial structures in the County was a major topic
16 of discussion during the 2004-05 Comprehensive Plan review and update. The citizen survey
17 conducted as part of that effort showed strong support for commercial redevelopment initiatives
18 and, specifically, for County acquisition and demolition of vacant, rundown business properties.
19 Consistent with these findings, the 2005 Comprehensive Plan, *Charting the Course to 2025*,
20 recommended that the County pursue the acquisition of maintenance and landscape easements on
21 blighted properties and, in some cases, purchase of the properties themselves, to achieve both
22 aesthetic and economic development objectives.

23
24 With the shortfall in County revenues resulting from the “great recession” that began in 2007, funds
25 were not available to implement any kind of property acquisition program. Nevertheless, the basic
26 idea – that the County should work to spur private redevelopment along major commercial
27 corridors through the acquisition of strategically located properties and the removal of blighted
28 and/or nonconforming structures that detract from the appearance and market appeal of the
29 surrounding areas – did not go away and was carried forward into the 2013 Comprehensive Plan
30 update, *Charting the Course to 2035*. In 2017 the County put the idea into action, acquiring, through
31 the EDA, a 1.2-acre site on Route 17 that was occupied by several old, vacant commercial and
32 residential buildings (which were subsequently demolished), and sold it to a brewery operator for
33 construction of a brew-pub. The groundbreaking for Beale’s East brew-pub took place late in 2020,
34 and it is expected to be open for business in 2021.

35
36 • **EVRIFA/Kings Creek Commerce Center**

37
38 Launched in 2015, GO Virginia is an initiative by Virginia’s senior business leaders to foster private-
39 sector growth and job creation through state incentives for regional collaboration by business,
40 education, and government. In 2018, under York County’s leadership, the six Peninsula localities and
41 Gloucester County were awarded a GO Virginia matching grant in the amount of \$150,000 to be
42 used to form the Eastern Virginia Regional Industrial Facility Authority (EVRIFA) and initiate the
43 development of an Unmanned Systems Testing and Demonstration Facility on a 182-acre portion of
44 the 432-acre former Virginia Emergency Fuel Storage Facility (Fuel Farm) property bounded by
45 Penniman Road, the Colonial Parkway, and the Yorktown Naval Weapons Station. The overarching
46 concept is to establish a facility that would be open for any company to develop, test, or
47 demonstrate unmanned systems. The remaining acreage would be available for development of a
48 light industrial park with flex space (potentially up to 500,000 square feet) for unmanned systems
49 companies and related businesses. The Hampton Roads Regional Unmanned Systems Facility would
50 be a multipurpose facility for use by public institutions, and private companies, to develop, test, and
51 demonstrate unmanned systems. The EVRIFA, which was later expanded to include Isle of Wight
52 County, the City of Chesapeake, and the City of Franklin, also plans to lease a portion of the property

1 to a solar company for development of a 20-megawatt solar farm for which the Board of Supervisors
2 approved a Special Use Permit in 2019.

3
4 • **Virtual Shell Building**

5
6 The Virtual Shell Building is a pre-approved 162,000-square foot industrial building designed to
7 accommodate manufacturing, warehouse/distribution, and other business uses. In an effort to
8 attract such businesses by addressing the desire of commercial and industrial developers for fully-
9 serviced, properly zoned “shovel-ready” sites and thereby avoid the costly and often time-
10 consuming process of preparing sites for development and securing the necessary plan approvals
11 and permits, the EDA undertook the expense of preparing site and building plans for an unspecified
12 industrial use on a 23.6-acre parcel in the York River Commerce Park. The site, owned by Dominion
13 Energy is zoned for General Industrial use; is fully served by three-phase electric, natural gas, public
14 water, public sewer, telephone and fiber optics; and offers excellent rail access via the CSX spur. The
15 York River Commerce Park, which is a joint venture between Dominion Energy and the York County
16 EDA, is a 102-acre business/industrial park located at the intersection of Old York-Hampton Highway
17 and Newsome Drive.

18
19 • **Commercial Corridor Property Improvement Grant Program**

20
21 The Commercial Corridor Property Improvement Grant provides grants of up to \$10,000 in matching
22 funds for exterior improvements or renovations intended to upgrade the appearance of commercial
23 properties or buildings. Funds can be used for qualified external improvements, such as signs,
24 hardscaping, windows, awnings, landscaping, lighting, and sidewalks.

25
26 • **Commercial Property Demolition Loan Program**

27
28 The Commercial Demolition Program provides loans for reimbursement of the cost of demolishing
29 qualified, underused commercial properties in order to help move these properties to the
30 redevelopment market.

31
32 • **Business Growth Grant Program**

33
34 The Business Growth Grant Program offers up to \$2,500 of matching funds to businesses for one-
35 time expenses, such as property improvements, equipment, tools, professional services, etc.

36
37 • **Development Incentives**

38
39 York County offers a variety of loans, grants, and land discounts to businesses in target industries,
40 such as defense contracting, software development, and engineering and architectural services.
41 Target factors include, among others, environmentally-friendly projects, business expansion, and
42 redevelopment of blighted properties.

43
44 • **Home-Based Business Transition Grant Program**

45
46 The Home-Based Business Transition Grant Program was created to assist operators of home-based
47 businesses who are ready to relocate to a commercial location. It provides grants of up \$2,000 per
48 business for qualified transition expenses, which can include the purchase of supplies, equipment,
49 or inventory; down-payments toward the lease or purchase of a commercial site; renovations or
50 minor repairs to a new commercial site; utility connection fees; and advertising/marketing. Normal
51 operating expenses, such as rent, utilities, payroll, and taxes are not allowable expenses.
52

1 **PLANNING ISSUES FOR THE FUTURE**

2
3 **General**

4
5 With more than 10,000 new residents projected in the next twenty years, York County will need to continue
6 to promote economic growth in order to maintain a fiscally sustainable mix of residential and non-residential
7 development. For its long-term financial health, the County will need to build on the success of previous
8 years and capitalize on its inherent strengths to address the changing needs of the 21st Century economy,
9 including the following:

- 10
11 • Access to university resources and commercialization of technology are essential to attracting
12 knowledge-based businesses.
13
14 • The most vibrant communities in the U.S. are those that appeal to younger knowledge-based
15 workers. These communities offer a variety of housing choices as well as entertainment and
16 recreational amenities preferably within walking distance of one another.
17
18 • The nation’s economy is evolving to embrace telecommuting and home-based businesses,
19 resulting in a blurring of the distinction between places where people live, work, shop, and play.
20

21 With a well-educated citizenry, a highly regarded school system, relatively low tax rates, a pleasant living
22 environment, and proximity to institutions of higher education and other regional assets (e.g., The College
23 of William & Mary, Christopher Newport University, Hampton University, Thomas Nelson Community
24 College, the National Center for State Courts, the National Institute of Aerospace, the Thomas Jefferson
25 National Laboratory, the NASA Langley Research Center, and the Virginia Institute of Marine Science), York
26 County offers many attributes that will enable it to take advantage of these emerging opportunities and
27 further enhance the climate for new business creation, including both the stimulation of small
28 entrepreneurial endeavors and the expansion of existing businesses. Capitalizing on these assets, the
29 County can work to enhance economic development and redevelopment opportunities through various
30 strategies as described below:

31
32 ➤ One challenge that has plagued economic development efforts in the Hampton Roads region and the
33 state of Virginia as a whole is the lack of developable, shovel-ready economic development sites – such
34 as the Virtual Shell Building – that already have the necessary infrastructure, zoning, plan approvals, and
35 permits in place. A regional initiative of the Hampton Roads Planning District Commission (HRPDC) is to
36 expand the inventory of such sites through public investment and regulatory changes. Several potential
37 sites exist in York County. In addition to the Kings Creek Commerce Center site, there are several large
38 areas of contiguous undeveloped land that are designated Economic Opportunity and have good to
39 excellent interstate access. These sites, one located in the northwest quadrant of the I-64 Lightfoot
40 (Route 199/Route 646) interchange and the other located at the Camp Peary (Route 143) interchange,
41 present an opportunity for the County to participate in the development of one or more first-class
42 business parks with the appropriate amenities and support services to attract companies that offer high-
43 paying knowledge-based jobs. The presence of such a campus could complement other economic goals,
44 such as:

- 45
46 • Fostering entrepreneurship through partnerships with entities like Launchpad (the
47 Greater Williamsburg Business Incubator), Start Peninsula (a regional partnership
48 providing mentorship, networking, and funding for entrepreneurs), the William & Mary
49 School of Business, Christopher Newport University School of Business, and the Hampton
50 Roads Small Business Development Center to create a network of students, faculty,
51 retired management executives and venture capitalists.
52

- Promoting the commercialization of technology through research assistance and “economic gardening” (i.e., expanding the local economy from within) and providing facilities to leverage assets such as the National Center for State Courts, the National Institute of Aerospace, and the Jefferson Lab’s Free Electron Laser Facility.
- Providing opportunities in the rapidly growing field of health care and medical devices.

- With the closure of the Western (formerly Amoco) refinery and the phased shutdown of the Yorktown Power Station by Dominion Energy, the County has significant economic development assets in the Goodwin Neck area that are extremely underutilized. The refinery property, for example, which is now owned by Plains Marketing and is operated as a storage and transportation terminal for petroleum products, has potential to attract additional industrial users to this area – businesses that would benefit from the existing infrastructure, including deep-water docking facilities, rail, and utilities.
- Tourism plays a major role in the local and regional economy; however, the Williamsburg area hospitality and hotel market has stagnated in recent years, even before the COVID-19 outbreak. This is a problem that transcends jurisdictional boundaries and can best be addressed through inter-jurisdictional cooperation through such groups as the Greater Williamsburg Chamber & Tourism Alliance. One fast-growing sector of the tourism industry that offers great potential is sports tourism. Hosting sports tournaments and events brings visitors to the region who boost the economy by staying in local motels and eating in local restaurants. As part of its sports tourism initiative, the City of Williamsburg has recently undertaken an effort to establish a regional sports complex on the site of the Colonial Williamsburg Visitor Center just off the Colonial Parkway. Motels on Bypass Road and elsewhere in the upper County would certainly benefit from such a facility.
- Businesses need accessibility, and growing congestion on the major arteries in the County and the region hinders economic growth. Indeed, one of the specific goals of the regional 2040 Long-Range Transportation Plan for Hampton Roads is to “Support the economic vitality of the metropolitan area, enabling global competitiveness, productivity, and efficiency.” Toward that end, York County and the region need to continue to pursue federal and state funding for major regional transportation enhancements such as the widening of Interstate 64 between Hampton Roads and Richmond and the expansion of the Hampton Roads Bridge-Tunnel (HRBT) from four to eight lanes.
- With regard to air transportation, the Peninsula is at a competitive disadvantage with other areas. Newport News/Williamsburg International Airport, located in Newport News with runways extending into York County, serves the Peninsula with fewer direct flights than either Norfolk International or Richmond International, both of which are about an hour away from most areas of the County. Airline mergers and the subsequent discontinuation of service at the airport have reversed the positive passenger enplanement trends that the airport had previously experienced. Newport News/Williamsburg Airport has major runway expansion plans (discussed in detail in the Transportation element of this Plan), which could, in concert with the addition of one or more commercial airlines, greatly improve air service to the Peninsula and spur economic activity. Should standard passenger air transportation continue to decline, some have suggested exploring a conversion to an air freight terminal.

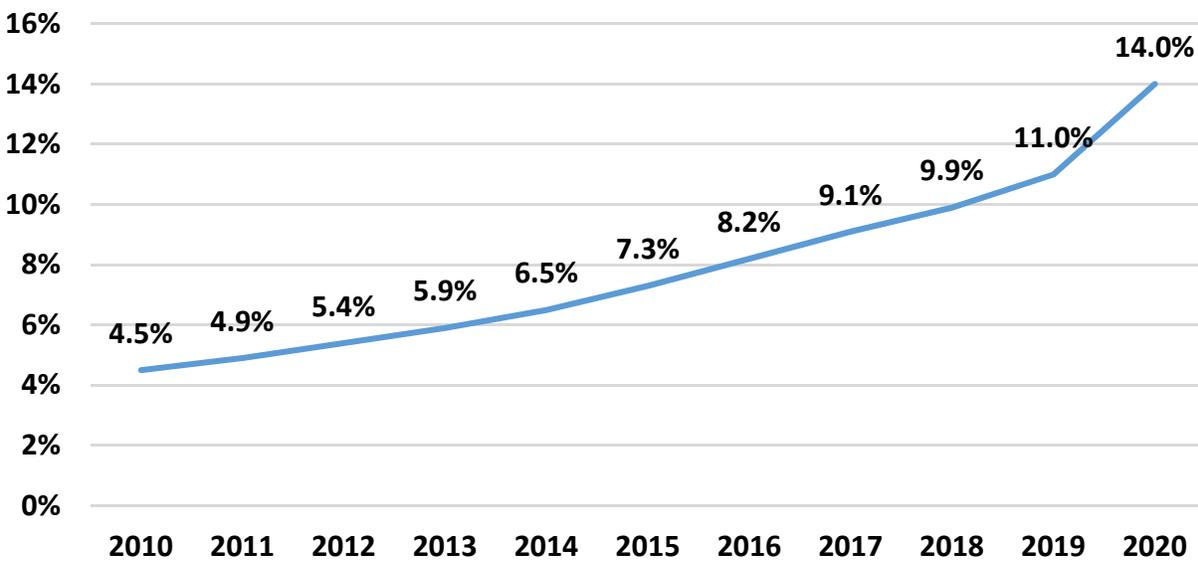
E-Commerce

The future is hard to predict, but at least one thing appears certain: technology will continue to advance, and it will do so in ways we cannot currently imagine. The impacts of technological innovation on the world we live in will be far-ranging. The nationwide decline in the commercial real estate market, for example, can be tied directly to the rise of e-commerce. In growing numbers, people are choosing the ease and convenience of online shopping over getting in their cars and driving to a store or restaurant. Even many medical appointments are now conducted online. The likelihood of a significant rebound in demand for retail

1 space appears remote as the so-called “Amazon effect” continues to take its toll on brick-and mortar-
2 businesses – a trend that could accelerate as people become increasingly accustomed to online shopping
3 during the COVID-19 pandemic.

4
5 As shown in **Figure 4**, online sales have grown steadily as a proportion of all retail sales in the United States
6 over the last ten years. According to the U.S. Census Bureau, e-commerce¹ accounted for 4.5% of all retail
7 sales in 2010; by 2020, the proportion had more than tripled to 14.0%.² E-commerce sales increased from
8 11.8% in the first quarter of 2020, which ended March 31 – around the same time that the pandemic forced
9 businesses around the country to close – to 16.1% in the second quarter (April through June) when business
10 shutdowns were at their peak. Online retail sales dropped to 14.2% and 14.0% in the third and fourth
11 quarters respectively as COVID restrictions were eased and more brick-and-mortar business establishments
12 were able to reopen, at least partially.³

E-Commerce Sales as a Percent of Total Retail Sales in the U.S



Source: U.S. Census Bureau, Annual Retail Trade Survey

Figure 4

14 While the continuation of this trend will likely reduce the need for retail storefronts, it also opens up other
15 development opportunities. For example, a major focus for online retailers is to increase the speed with
16 which customers, having made their purchases, are able to obtain their merchandise. This is one area where
17 brick-and-mortar stores enjoy a competitive advantage, and online retailers are working to close this gap by
18 offering next-day or even same-day delivery. To address the so-called “last mile” issue – that is, actually
19 getting the product into the hands of the customer expeditiously – will require fulfillment centers, micro-
20 fulfillment centers, and other warehouse/distribution facilities. If it wants to take advantage of this
21 opportunity, York County will need to be open to allowing such facilities, which are typically located in
22 industrial parks, in commercially zoned areas.
23
24
25

¹The U.S. Census Bureau defines e-commerce sales as “sales of goods and services where the buyer places an order, or the price and terms of the sale are negotiated, over an Internet, mobile device (M-commerce), extranet, Electronic Data Interchange (EDI) network, electronic mail, or other comparable online system.”

² United States Census Bureau, Annual and Monthly Retail Trade Surveys

³ United States Census Bureau, Estimated Quarterly Retail Sales: Total and E-commerce (based on Monthly Retail Trade Survey)

1 **Reuse, Redevelopment, and Revitalization**
2

3 The rise of e-commerce raises an important question: what will become of all the commercial buildings that
4 are or will become vacant? With the increase in commercial vacancies, combined with the limited availability
5 of raw, undeveloped land, the County will need increasingly to shift its focus away from development of
6 “greenfield” sites toward redevelopment and adaptive reuse of previously developed buildings and sites.
7 “Redevelopment” refers to the “removal and replacement, rehabilitation, or adaptive reuse of an existing
8 structure or structures, or of land from which previous improvements have been removed.” The less familiar
9 term “adaptive reuse” is defined as “The development of a new use for an older building or for a building
10 originally designed for a special or specific purpose.”⁴ One recent example is the conversion of the former
11 Farm Fresh grocery store on Merrimac Trail into a mini-storage warehouse facility.
12

13 Proposals for new commercial development on vacant land are often met with opposition from citizens who
14 question the need for new construction when vacant commercial buildings already exist and are available
15 for occupancy. While there are many possible reasons why a building constructed for a certain use might
16 not be feasible for a different use, the concern is understandable, and the County’s OED strives to fill these
17 vacant spaces through various grant programs and marketing efforts. In some cases, cost and zoning can be
18 major obstacles to redevelopment. Old, obsolete buildings can be extremely costly to renovate and bring
19 up to current building code standards. Sometimes environmental clean-up is involved, which adds to the
20 expense. In addition, these older structures and sites often do not conform to current Zoning Ordinance
21 standards, which can further complicate the redevelopment process.
22

23 There are things the County can do to help overcome these challenges to redevelopment, starting with a
24 review of the Zoning Ordinance both to remove unnecessary Special Use Permit requirements in commercial
25 and industrial districts and to allow greater flexibility with regard to development standards applicable to
26 redevelopment. A more proactive approach, which has already been mentioned, is to initiate
27 redevelopment efforts through public investment in site acquisition and preparation, as in the case of the
28 Beale’s East project. There are, in fact, five more areas along Route 17 that have been targeted as potential
29 redevelopment sites, but these efforts need not be limited to Route 17.
30

31 Another proactive approach the County can take is to invest in infrastructure enhancements – such as
32 sidewalks, landscaping, road improvements, streetlights, and undergrounding of utilities – along established
33 commercial corridors to spur revitalization through redevelopment of older, unattractive – and often vacant
34 – sites that create a blighting influence. In 2004 the County initiated a Route 17 Revitalization Program aimed
35 at improving the appearance and economic vitality of the Route 17 corridor through a combination of grant
36 programs and public infrastructure investments to encourage private property owners to make
37 improvements. That program can serve as a model for revitalization efforts along other commercial
38 corridors. One particular area of focus is the Merrimac Trail/Second Street corridor, which runs through
39 upper York County, the City of Williamsburg, and James City County. Branded “the Edge District” because
40 of its location at the edge of each of the three localities, this area has seen significant redevelopment over
41 the past several years. One noteworthy example is the Virginia Beer Company on Second Street. Opened
42 in 2016, this craft brewery occupies a renovated former auto repair garage building that stood vacant and
43 unsightly for many years but is now an attractive and thriving retail business and, with a large outdoor
44 patio that often hosts musical performers and serves as an activity hub for the greater Williamsburg area.
45 More recently, a blighted former gas station approximately two thousand feet down the road was
46 converted into the Casa Pearl restaurant, which opened in 2019. Similar success stories can be found along
47 the Williamsburg and James City County portions of the corridor. Although significant progress has been
48 made, there remain several opportunities for redevelopment and/or adaptive reuse.
49

⁴ Harvey S. Moskowitz and Carl G. Lindbloom, *The Latest Illustrated Book of Development Definitions*, p. 8 and 315.



1
2
3 **Placemaking**
4

5 The advent of e-commerce, teleworking, and other technological advances has made it increasingly easy to
6 conduct business on little more than a laptop computer and a smart phone. The result is that freelance
7 workers and business owners for whom work is no longer tied to place represent a growing segment of the
8 nation's workforce. This trend has led to a shift in the way many communities across the country are
9 approaching economic development. Rather than simply trying to attract businesses that, in turn, attract
10 employees, they are focusing on quality-of-life improvements that will make the community attractive,
11 particularly to younger knowledge workers and entrepreneurs in their twenties and thirties.
12

13 There is research to support the notion that public investments in a community's quality of life complement
14 its economic development efforts. In 2014, the American Planning Association (APA) conducted a scientific
15 research poll intended to explore the relationship between planning in local communities and spurring of
16 economic development. It also sought to compare the attitudes of Millennials aged 21 to 34 with those of
17 so-called "Active Boomers" aged 50 to 65, although the intervening Gen X cohort, aged 35 to 49, was also
18 included.) A key finding of this effort, published in a report titled *Investing in Place*, was that "it is the shape
19 and nature of communities and regions that will likely drive mobility and create opportunities for local
20 economic development."
21

22 *Traditional business recruitment strategies are seen as less important than investing in local*
23 *amenities and quality of life. Job prospects and economic health are not the overriding*
24 *factors for choosing where to live. Quality of life features such as transportation options,*
25 *affordability, parks, local vitality, health, and presence of friends and family are equally or*
26 *often more important. By a near 2-to-1 margin, respondents believe that investing in*
27 *communities, over recruiting companies, is the key to growth.*⁵
28

29 The relative lack of young adults among York County's population is documented in the Demographic Profile
30 and Projections chapter of this Plan. As a largely suburban county, York County is at a distinct disadvantage
31 in keeping and luring talented young professionals, who are commonly drawn to urban environments and
32 walkable mixed-use neighborhoods with convenient access to restaurants, shops, offices, and lifestyle
33 amenities. The County's land use pattern is defined predominantly by single-family detached homes,

⁵ American Planning Association, *Investing in Place* (March 2014), p. 11.

1 relatively low densities, and a general lack of pedestrian facilities; however, the past decade has seen the
2 approval of four higher density mixed-use developments and a new emphasis on publicly funded sidewalk
3 construction.
4

5 In recent years, the concept of placemaking has emerged as a strategy for enhancing the quality of life in a
6 community and, in so doing, attracting and retaining talented young workers. Broadly defined, placemaking
7 refers to the creation of accessible, comfortable, and attractive public spaces that invite activity and social
8 interaction. The best example of a placemaking initiative in York County is Riverwalk Landing in Yorktown.
9 On a smaller scale, the previously mentioned Beale’s East brew-pub development – which, though not
10 publicly owned, was initiated by the County’s Economic Development Authority and involved the
11 expenditure of public funds – is another example. Other potential opportunities for placemaking include the
12 Edge District, where shopping, eating, and drinking establishments coexist in relatively close proximity in a
13 highly walkable environment; and The Marquis on Route 199, which has the makings of developing as a
14 mixed-use node.
15

16 **Home-Based Businesses**

17
18 Between 2000 and 2019, according to the Census Bureau, the proportion of 4.8% of workers in York County
19 age 16 and older who work at home nearly doubled from 2.5% to 4.8%, while the actual number more than
20 doubled from 722 to roughly 1,600. These are, of course, pre-pandemic figures, and it is likely that the
21 numbers for 2020 and 2021 are much higher. These statistics include only those who work at home as their
22 main occupation; they do not include the many thousands of home occupations in the County that are
23 operated as secondary or “side” businesses. In all, according to the Commissioner of the Revenue’s business
24 license records, home-based businesses account for more than half – roughly 2,100 – of the commercial
25 business licenses issued in the County. In the Comprehensive Plan citizen survey, 15% of the respondents
26 indicated that they operate a home-based business.
27

28 Home occupations, also referred to as home-based businesses, vary greatly in terms of their impacts on the
29 neighborhoods in which they are located. Some – home barber and beauty shops, day care centers, and
30 contracting businesses, for example – can alter the residential character of the neighborhood if not limited
31 in size and scope. Most home businesses, however, are unobtrusive home offices that have little or no on-
32 premises customer or client contact and thus no external impacts such as traffic, on-street parking, heavy
33 equipment storage, etc.
34

35 The Comprehensive Plan citizen survey results indicate that more than two-thirds (69%) of County residents
36 support the growth of home-based businesses in the County – and half support it strongly – while only 12%
37 oppose the growth of home businesses. A little more than half (55%) of those who support home businesses
38 also support allowing those businesses to have clients come to the house. Based on the survey results,
39 acceptance of home occupations is inversely related to age, with particularly strong support among
40 Millennials (84%) compared to Generation X (67%) and especially compared to Baby Boomers and their
41 elders (59%). Still, all three generations are supportive of these businesses.
42

43 As home businesses continue to grow in both popularity and community acceptance, they will come to play
44 an even greater role in the County’s economy. Whether they remain in the home or, as often happens, they
45 succeed to the point where they outgrow their residential space and relocate to a larger commercial or
46 industrial site, these operations often spark innovation while generating tax revenue, creating jobs, and
47 contributing to the entrepreneurial eco-system.
48
49
50
51
52

1 **GOAL, OBJECTIVES, AND IMPLEMENTATION STRATEGIES**
2

3 **Goal: Build a healthy and diverse economic base that provides good job opportunities and**
4 **generates sufficient revenue to pay for the service needs of both businesses and the**
5 **citizenry without degrading the County’s natural resources or the overall quality of life.**
6

7 **Objective 1: Expand the County’s commercial and industrial base.**
8

- 9 1. Engage in efforts to recruit new businesses to locate in York County, with a special focus on privately
10 controlled small to mid-size companies.
11

12 Because of its high quality of life, York County has been particularly successful at attracting businesses
13 that are looking not just for a good business location but also for a good place to live, for both the
14 business owners and their employees as well. In addition to supporting these businesses to ensure
15 that they succeed and grow and remain in the County, a priority must be placed on attracting more
16 such companies to broaden the tax base and create jobs.
17

- 18 2. Invest in infrastructure that will support business attraction and retention.
19

20 Businesses are increasingly attracted to shovel-ready sites that are properly zoned and fully served by
21 infrastructure needed to support them, such as roads, utilities, and broadband. In recent years, the
22 County’s utility extension goals have been broadened to include support for new economic
23 development. Stormwater management ponds are another type of infrastructure that can have a
24 significant impact on the cost of developing commercial and industrial sites. A cooperative approach
25 of joint “regional” ponds serving multiple properties in the same drainage basin is more efficient and
26 cost-effective than for each development to construct and maintain its own pond. Such facilities can
27 be funded through the Capital Improvements Program, with private sector users of the ponds paying
28 their pro rata share of the development and maintenance costs.
29

- 30 3. Promote the formation and expansion of home-based businesses.
31

32 In recent years the County’s Office of Economic Development has placed special emphasis on
33 providing support to home-based businesses through business training events, grant programs, and
34 other resources. In addition, the County recently amended the Zoning Ordinance provisions relating
35 to home occupations in an effort to remove unnecessary impediments to the operation of these
36 businesses. The County can build on these efforts by promoting the development of “co-working”
37 facilities that offer shared amenities – office space and equipment, Wi-Fi, meeting rooms, etc. – to
38 small startups, home-based businesses, and other entrepreneurs who may lack the capital necessary
39 to invest heavily in business infrastructure but can afford the rents that these facilities offer.
40

41 **Objective 2: Maximize the economic productivity of existing vacant and under-utilized commercial sites.**
42

- 43 1. Amend the Zoning Ordinance to expand opportunities for redevelopment and adaptive reuse of
44 previously developed commercial and industrial sites.
45

46 Efforts to redevelop older, vacant commercial buildings and sites that do not conform to current
47 zoning requirements can be hindered by the need for costly improvements to bring them up to code.
48 Additional flexibility in the Zoning Ordinance – particularly the provisions relating to nonconforming
49 uses and structures – would provide an incentive to developers to convert these properties for
50 productive economic use rather than allow them to continue to stand vacant and deteriorate over
51 time. The Commercial Corridor Revitalization overlay district provisions of the Zoning Ordinance,
52 established for Route 17 in 2005 and expanded to other commercial corridors in 2017, are an example

1 of this approach but are somewhat limited in their applicability and might need to be revised. Also,
2 the Table of Land Uses should be reviewed both to identify any unnecessary requirements for Special
3 Use Permits for business uses in commercial and industrial district and to ensure that the range of
4 uses reflects the 21st century economy. Data centers, for example, are not specifically listed in the
5 Table of Land Uses.
6

7 2. Provide incentives for private sector-initiated redevelopment and adaptive reuse efforts.
8

9 In recent years there have been several successful efforts in the County to repurpose vacant,
10 sometimes blighted, commercial structures. Still, there are a number of vacant commercial buildings
11 in the County, and the number is likely to grow in the years ahead. Through the EDA and/or the OED,
12 the County can promote the adaptive reuse and redevelopment of existing vacant commercial and
13 industrial structures with a commercial space repurposing grant program that would offer financial
14 assistance to entrepreneurs seeking to convert such properties for a productive economic use.
15 Providing assistance for enhanced high-speed broadband internet service to these properties may be
16 another effective way to spur the redevelopment of these structures.
17

18 3. Promote the redevelopment and adaptive reuse of vacant, blighted commercial properties through
19 site acquisition, demolition (if necessary), clean-up, and preparation for redevelopment by the private
20 sector.
21

22 Major commercial corridors in the County, such as Route 17 and Merrimac Trail, are aging and in need
23 of redevelopment. Redevelopment projects are typically more expensive than green field projects and
24 sometimes require public participation to overcome impediments to private sector investment. In
25 recognition of these facts, the Board of Supervisors in 2018 established a General Economic
26 Development Activities fund in the County’s Capital Improvements Program to provide funding for
27 professional services, land/building acquisition, and/or construction costs in support of economic
28 development.
29

30 4. Enhance the long-term visual attractiveness of the County’s commercial corridors through public
31 improvements and property improvement grants.
32

33 As commercial properties become vacant and fall into disuse and obsolescence, they become
34 eyesores that create a blighting influence over time that discourages private investment. Public
35 investment in corridor improvements – such as sidewalks, bike paths, streetlights, landscaping, and
36 undergrounding utilities – adds not only to their aesthetic appeal but also to their economic appeal
37 and can stimulate private investment in development and redevelopment. In addition, property
38 improvement grants provided to businesses along Route 17 have yielded positive results and can do
39 the same in other commercial areas, such as the Merrimac Trail and Old Williamsburg Road corridors.
40

41 5. Commission a study to recommend specific industries and companies to target in efforts to market
42 under-utilized industrial land in the Goodwin Neck/Waterview area.
43

44 The loss of the oil refinery and power plant has left a void in what was once the heart of the County’s
45 industrial base. With the assistance of a consultant knowledgeable of the specialized needs of
46 manufacturing and other industries, the County should be able to market the Waterview Road area
47 to businesses that would benefit from the significant infrastructure that is already in place to support
48 heavy industrial uses. Full support and cooperation from Dominion Energy and/or Plains Marketing
49 will be necessary to move this initiative forward.
50

51 **Objective 3: Increase visitation to York County**
52

53 1. Invest in public improvements in the Yorktown village

1 Funds have been programmed in the FY 2021-FY 2026 Capital Improvements Program (CIP) to replace
2 the existing Dockmaster building with a larger multi-function facility that would serve not just as a
3 place where boaters check in and pay for docking but also as a tourism information center for visitors
4 to Yorktown. The building would also include office space for County staff responsible for the Freight
5 Shed and modern, handicapped-accessible restrooms with changing stations for families with young
6 children. CIP funds have also been programmed to provide a public address system and open wireless
7 broadband internet service along the Yorktown waterfront; to build a permanent stage structure for
8 performances at Riverwalk Landing; and to install wayfinding signage to help visitors navigate their
9 way around the village. Other potential improvements include construction of a permanent structure
10 for events behind the Freight Shed; extension of the Yorktown Riverwalk from the National Park
11 Service picnic area to the NPS beach; and improvements to the fishing pier.

12
13 2. Work with the National Park Service to expand business opportunities along Main Street in Yorktown.

14
15 The National Park Service (NPS) owns a large proportion of land in the Yorktown village, much of which
16 is undeveloped. The *Yorktown Master Plan* adopted in 1993 notes the potential for additional small
17 shops, inns, coffeehouses, etc. along Main Street and recommends that the NPS be encouraged to
18 allow new buildings to be built, or existing buildings to be renovated, to house such uses. The Mobjack
19 Bay Coffee Roasters shop in the historic Cole Diggs House is an example. In addition to generating tax
20 revenue, offering more attractions would generate more activity along Main Street, enhancing the
21 overall visitor experience and boosting visitation.

22
23 3. Promote sports tourism in the County and across the Peninsula.

24
25 Utilization of County’s sports facilities for regional and Mid-Atlantic competitions not only brings
26 visitors into the area during the shoulder seasons and off-season but also encourage visitors to remain
27 longer, supporting local motels, restaurants, and other businesses. Opportunities to host such events
28 would be enhanced by the implementation of a phased program of converting existing natural turf
29 fields to synthetic athletic turf, thereby allowing fields to be used year-round. Tournaments should
30 also be encouraged in adjoining localities, particularly Williamsburg and James City County, where the
31 County’s many Williamsburg area motels and restaurants would benefit from increased visitation.

32
33 **Objective 4: Attract and retain younger workers and entrepreneurs.**

34
35 1. Work with the public sector to implement placemaking initiatives and expand the range of amenities
36 that enhance the quality of life for County residents.

37
38 One strategy to reverse the trend of losing, or failing to attract, residents in their twenties and thirties,
39 is to invest in placemaking, walking and bike trails, recreational amenities, and other quality-of-life
40 enhancements that are desired by young, mobile professionals, who are highly coveted by – and are
41 often the creators of – high-tech startup companies.

42
43 2. Provide for a range of housing options to meet the needs of a diverse population.

44
45 Although the County’s future housing needs are addressed in detail in the Housing element of this
46 plan, this strategy also has relevance for economic development. The housing market is a segmented
47 market in which different types of dwelling units are targeted to meet the needs of different age
48 groups. For example, as a general rule, younger adults tend to require less space than middle-age
49 couples with children. They are often attracted to higher-density living environments than their older
50 peers, and they like to be within walking distance of restaurants, shops, parks, and other attractions.
51 As such, apartments, townhouses, and mixed-use developments are particularly appealing to people
52 in their twenties and early thirties.