

# 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 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.

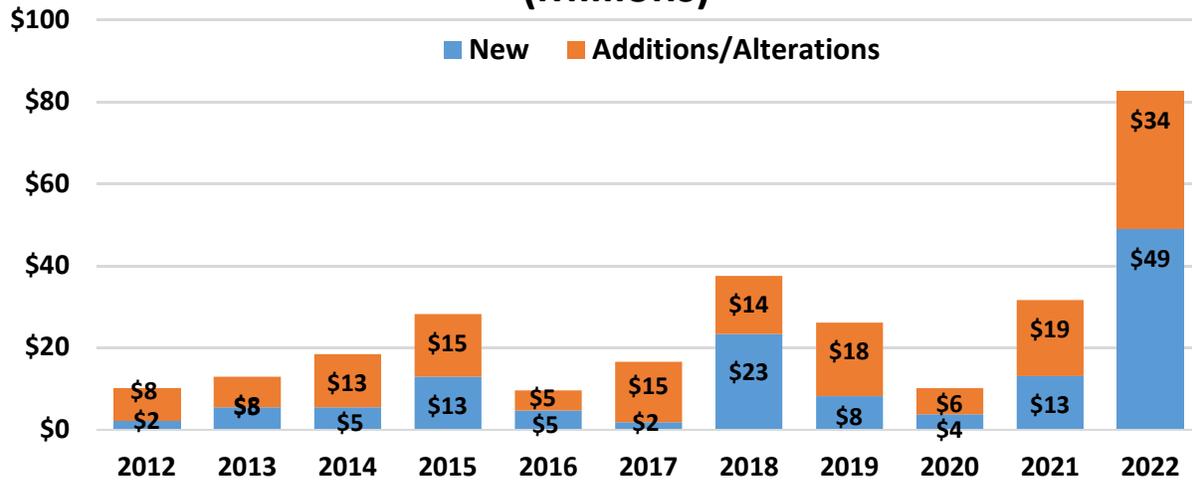
As the County entered into the 2010s, it faced a new economic reality. The refinery, which, as recently as 2003 was among the County’s top ten employers, shut down and was acquired in 2011 by Plains Marketing, a subsidiary of Plains All American Pipeline, and is now operated as a storage and distribution terminal. At the same time, the “great recession” of 2007-09 was taking its toll on employment and retail sales, both of which had been experiencing 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 continued to operate during periods of peak energy demand before it was shut down entirely in 2023. 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.

In 2020, the COVID-19 pandemic plunged the nation into economic recession as businesses across the country were forced to shut down, either temporarily or permanently. The effects of the pandemic on the County’s economy can be seen in much of the economic data presented here.

### Building Permits

From 2012 through 2022, York County issued 1,462 building permits for a combined total of \$283 million worth of commercial construction. Additions to and alterations of existing structures accounted for more than half (54.4%) of this development, in terms of value, 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, more than two-thirds 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 and by 2019 these losses had been mostly erased until 2020, when employment declined sharply – by 2,023 jobs, or 9.4% – as the COVID-19 pandemic plunged the global economy into a deep recession. Employment rebounded somewhat in 2021 and 2022 (see **Table 1**). Unlike the Peninsula as a whole, York County experienced a net increase in employment between 2012 and 2022.

AVERAGE AT PLACE CIVILIAN EMPLOYMENT, 2012 2022				
JURISDICTION	2012	2022	Change, 2012-2022	
			Jobs	Percent
Hampton	54,960	49,275	-5,685	-10.3%
James City County	26,991	29,069	2,078	7.7%
Newport News	98,514	100,287	1,773	1.8%
Poquoson	1,729	1,831	102	5.9%
Williamsburg	13,709	10,931	-2,778	-20.3%
York County	20,804	21,372	568	2.7%
Peninsula	216,707	212,765	-3,942	-1.8%
Virginia	3,619,176	3,956,116	336,940	9.3%

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Table 1

The Retail Trade industry is York County’s largest civilian employment sector with an 16% share, followed by Accommodation and Food Services with 15%. Other major industries include Health Care and Social

Assistance (11.8%); Construction (7.7%); Administrative and Support and Waste Management (6.8%); Professional, Scientific, and Technical Services (5.0%); and Arts, Entertainment, and Recreation (4.9%).

The government sector – federal (including military), state, and local – accounts for almost a quarter of total employment in the County. Without the military, government still represents 18.6% of civilian employment. The large role of the government, tourism, and retail sectors in York County’s economy is reflected in the list of principal employers in the County, the top four are public sector employers, while tourism and retail account for four of the remaining six.

<b>PRINCIPAL YORK COUNTY EMPLOYERS</b>			
<b>July 1, 2022</b>			
<b>Rank</b>	<b>Employer</b>	<b>Employees</b>	<b>Percent of Total</b>
1	Naval Weapons Station/Cheatham Annex	2,699	11.9%
2	York County School Division	1,890	8.4%
3	U.S. Coast Guard Training Center	1,273	5.6%
4	York County Government	814	3.6%
5	Sentara Williamsburg Regional Medical Center	810	3.6%
6	Walmart	769	3.4%
7	Water Country USA	683	3.0%
8	Great Wolf Lodge	439	1.9%
9	YMCA	296	1.3%
10	Kroger	291	1.3%
	<b>Total</b>	<b>9,964</b>	<b>44.1%</b>

*Source: York County Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2022*

**Table 2**

### Wages

As shown in **Table 3**, wages in York County are generally low in comparison with those offered in surrounding jurisdictions and are below average for both the Peninsula and the state. This reflects the high percentage of service and retail jobs in the County’s employment base. The average weekly wage in the County increased by 40.7% between 2012 and 2022, while the Peninsula and the state experienced increases of 37.0% and 37.8% respectively. Compared with other Peninsula localities, York County has one of the lowest average weekly wages, while Newport News has the highest.

<b>AVERAGE WEEKLY WAGE, 2012-2022</b>				
<b>Jurisdiction</b>	<b>2012</b>	<b>2022</b>	<b>Change, 2012-2022</b>	
			<b>Dollars</b>	<b>Percent</b>
Hampton	\$829	\$1,087	258	31.1%
James City County	\$666	\$953	287	43.1%
Newport News	\$893	\$1,222	329	36.8%
Poquoson	\$600	\$774	174	29.0%
Williamsburg	\$661	\$993	332	50.2%
York County	\$648	\$912	264	40.7%
Peninsula	\$808	\$1,107	299	37.0%
Virginia	\$993	\$1,368	375	37.8%

*Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages*

**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. Retail sales rebounded in 2021 and 2022 with increases of \$156 million and \$71 million respectively. Although it surpassed James City County in 2019 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 16.0% in 2012 to 15.8% in 2022 (see **Table 4**). In retail sales per capita, York County ranks second on the Peninsula behind the City of Williamsburg.

## York County Taxable Sales, 2012-2022

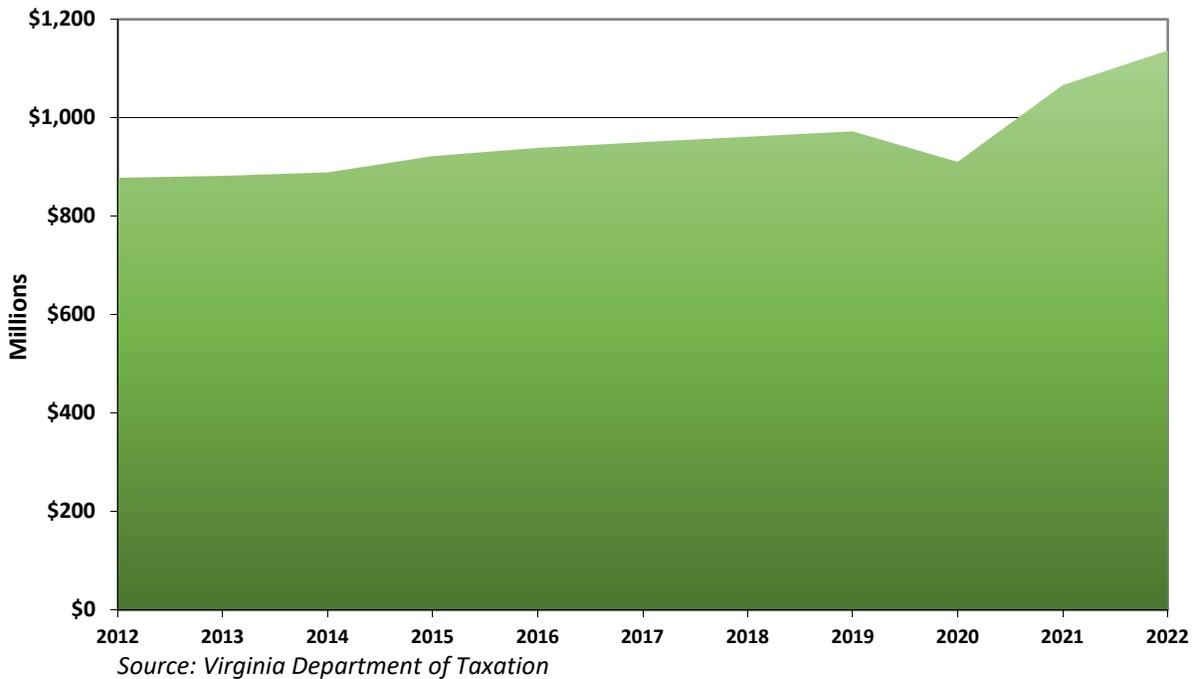


Figure 2

TAXABLE RETAIL SALES, 2012 2022 (Millions)				
JURISDICTION	2011	2022	Change, 2012-2022	
			Millions	Percent
Hampton	\$1,310	\$1,694	\$384	29.3%
James City County	\$900	\$1,096	\$196	21.8%
Newport News	\$1,993	\$2,714	\$721	36.2%
Poquoson	\$48	\$68	\$20	41.7%
Williamsburg	\$354	\$470	\$116	32.8%
York County	\$878	\$1,137	\$259	29.5%
Peninsula Total	\$5,483	\$7,178	\$1,695	30.9%
Virginia	\$93,336	\$129,002	\$35,666	38.1%

Source: Virginia Department of Taxation

Table 4

### Tourism

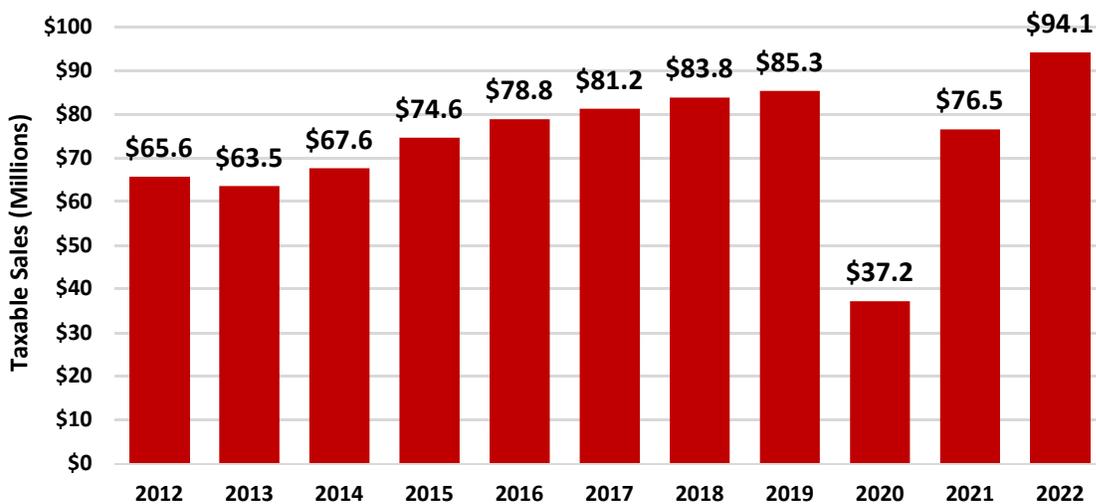
Tourism plays a large role in York County’s economy. There are approximately 3,050 hotel and motel rooms in the County, the vast majority of them (84%) in the upper County and particularly along Bypass Road, which is a major gateway into the Williamsburg area. There are also six timeshare resorts in the upper County that offer a combined total of almost 1,900 “space available” rentals. In addition, there are two campgrounds in the upper County with a total of approximately 560 sites and cabins, as well as several bed-and-breakfast

inns and short-term rentals scattered throughout the County. Historic Yorktown offers a single motel and several bed-and-breakfast establishments in the village and three motels along Route 17 within 3.5 miles.

Hotel, motel, and other lodging place sales in the County saw fairly steady growth for most of the last ten years, increasing from \$59 million in 2010 to \$85 million in 2019 and then plummeting to \$37 million in 2020 because of the COVID-19 pandemic, which sharply curtailed tourist activity across the country, especially during the crucial summer months. Lodging sales more than doubled to \$77 million in 2021 and then jumped to \$94 million in 2022.

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

## Hotels and Other Accommodations



Source: Virginia Department of Taxation

Figure 3

### Economic Development Programs and Initiatives

The County operates and funds numerous economic development programs through its Department of Economic and Tourism Development and Economic Development Authority (EDA), whose joint mission is to create a diverse economic base through the aggressive recruitment, expansion, and retention of businesses, industries, and tourism, thus expanding the tax base and capital investment in the County and providing new employment opportunities for its citizens. The EDA is a separate political subdivision of the state whose members are appointed by the Board of Supervisors. It can issue tax-exempt bonds to finance manufacturing facilities located in the County, and it is also charged by the Board with attracting new, clean, and responsible commercial and industrial enterprises that will contribute to the economic well-being of the community and the preservation of its natural resources. The EDA is also responsible for helping existing businesses to expand and making recommendations regarding County policies and procedures that affect the business environment.

The Department of Economic and Tourism Development and the EDA manage a number of ongoing programs to promote business growth and success and have undertaken several new economic development initiatives in recent years. Some of these initiatives and programs are detailed below:

- **Route 17 Property Acquisition Program**

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

With the shortfall in County revenues resulting from the “great recession” that began in 2007, funds were not available to implement any kind of property acquisition program. Nevertheless, the basic idea – that the County should work to spur private redevelopment along major commercial corridors through the acquisition of strategically located properties and the removal of blighted and/or nonconforming structures that detract from the appearance and market appeal of the surrounding areas – did not go away and was carried forward into the 2013 Comprehensive Plan update, *Charting the Course to 2035*. In 2017 the County put the idea into action, acquiring, through the EDA, a 1.2-acre site on Route 17 that was occupied by several old, vacant commercial and residential buildings (which were subsequently demolished), and sold it to a brewery operator for construction of a brew-pub. The groundbreaking for Beale’s East brew-pub took place late in 2020, and it is expected to be open for business in 2023.

- **EVRIFA/Kings Creek Commerce Center**

Launched in 2015, GO Virginia is an initiative by Virginia’s senior business leaders to foster private-sector growth and job creation through state incentives for regional collaboration by business, education, and government. In 2018, under York County’s leadership, the six Peninsula localities and Gloucester County were awarded a GO Virginia matching grant in the amount of \$150,000 to be used to form the Eastern Virginia Regional Industrial Facility Authority (EVRIFA) and initiate the development of an Unmanned Systems Testing and Demonstration Facility on a 182-acre portion of the 432-acre former Virginia Emergency Fuel Storage Facility (Fuel Farm) property bounded by Penniman Road, the Colonial Parkway, and the Yorktown Naval Weapons Station. The overarching concept is to establish a facility that would be open for any company to develop, test, or demonstrate unmanned systems. The remaining acreage would be available for development of a light industrial park with flex space (potentially up to 500,000 square feet) for unmanned systems companies and related businesses. The Hampton Roads Regional Unmanned Systems Facility would be a multipurpose facility for use by public institutions, and private companies, to develop, test, and demonstrate unmanned systems. The EVRIFA, which was later expanded to include Isle of Wight County, the City of Chesapeake, and the City of Franklin, also plans to lease a portion of the property to a solar company for development of a 20-megawatt solar farm for which the Board of Supervisors approved a Special Use Permit in 2019.

- **Virtual Shell Building**

The Virtual Shell Building is a pre-approved 162,000-square foot industrial building designed to accommodate manufacturing, warehouse/distribution, and other business uses. In an effort to attract such businesses by addressing the desire of commercial and industrial developers for fully-serviced, properly zoned “shovel-ready” sites and thereby avoid the costly and often time-

consuming process of preparing sites for development and securing the necessary plan approvals and permits, the EDA undertook the expense of preparing site and building plans for an unspecified industrial use on a 23.6-acre parcel in the York River Commerce Park. The site, owned by Dominion Energy is zoned for General Industrial use; is fully served by three-phase electric, natural gas, public water, public sewer, telephone and fiber optics; and offers excellent rail access via the CSX spur. The York River Commerce Park, which is a joint venture between Dominion Energy and the York County EDA, is a 102-acre business/industrial park located at the intersection of Old York-Hampton Highway and Newsome Drive.

- **Commercial Corridor Property Improvement Grant Program**

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

- **Commercial Property Demolition Loan Program**

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

- **Business Growth Grant Program**

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

- **Development Incentives**

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

- **Home-Based Business Transition Grant Program**

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

## **PLANNING ISSUES FOR THE FUTURE**

### **General**

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

- Access to university resources and commercialization of technology are essential to attracting knowledge-based businesses that rely on intellectual capital (e.g., information technology, health biotech, telecommunications, research and development).
- The most vibrant communities in the U.S. are those that appeal to younger knowledge-based workers. These communities offer a variety of housing choices as well as entertainment and recreational amenities preferably within walking distance of one another.
- The nation’s economy is evolving to embrace telecommuting and home-based businesses, resulting in a blurring of the distinction between places where people live, work, shop, and play.

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

- One challenge that has plagued economic development efforts in the Hampton Roads region and the state of Virginia as a whole is the lack of developable, shovel-ready economic development sites – such as the Virtual Shell Building – that already have the necessary infrastructure, zoning, plan approvals, and permits in place. A regional initiative of the Hampton Roads Planning District Commission (HRPDC) is to expand the inventory of such sites through public investment and regulatory changes. Several potential sites exist in York County. In addition to the Kings Creek Commerce Center site, there are several large areas of contiguous undeveloped land that are designated Economic Opportunity and have good to excellent interstate access. These sites, one located in the northwest quadrant of the I-64 Lightfoot (Route 199/Route 646) interchange and the other located at the Camp Peary (Route 143) interchange, present an opportunity for the County to participate in the development of one or more first-class business parks with the appropriate amenities and support services to attract companies that offer high-paying knowledge-based jobs. The presence of such a campus could complement other economic goals, such as:
  - Fostering entrepreneurship through partnerships with entities like Launchpad (the Greater Williamsburg Business Incubator), Start Peninsula (a regional partnership providing mentorship, networking, and funding for entrepreneurs), the William & Mary School of Business, Christopher Newport University School of Business, and the Hampton Roads Small Business Development Center to create a network of students, faculty, retired management executives, and venture capitalists.
  - 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 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. In an effort to advance sports tourism in the greater Williamsburg area, York County joined with the City of Williamsburg and James City County in 2021 to form the Historic Triangle Recreational Facilities Authority (HTRFA), the purpose of which is to oversee the construction and management of regional recreational facilities as part of the redevelopment of more than 160 acres alongside the Colonial Williamsburg Visitor Center. 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.” Toward that end, York County and the region need to continue to pursue 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 Airport, located in Newport News with runways extending into York County, serves as an asset to the local community by providing convenient, quality service to Peninsula residents and businesses but offers far 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. If standard passenger air transportation continues to decline, some have suggested exploring the conversion of the airport to an air freight terminal.

## **E-Commerce**

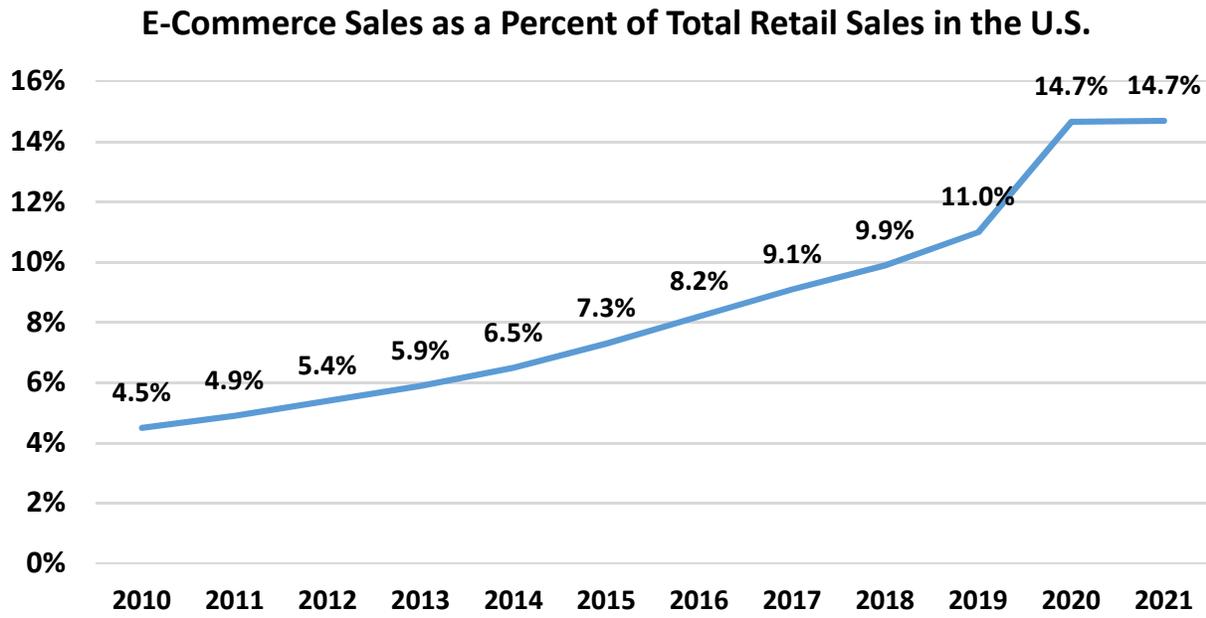
The future is hard to predict, but at least one thing appears certain: technology will continue to advance, and it will do so in ways we cannot currently imagine. The impacts of technological innovation on the world we live in will be far-ranging. The nationwide decline in the commercial real estate 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 space appears remote as the so-called “Amazon effect” continues to take its toll on brick-and mortar-businesses – a trend that could accelerate as people become increasingly accustomed to online shopping during the COVID-19 pandemic.

As shown in **Figure 4**, online sales have grown steadily as a proportion of all retail sales in the United States over the last ten years. According to the U.S. Census Bureau, e-commerce<sup>1</sup> accounted for 4.5% of all retail

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<sup>1</sup>The 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.”

sales in 2010; by 2020, the proportion had more than tripled to 14.7%.<sup>2</sup> E-commerce sales increased from 11.8% in the first quarter of 2020, which ended March 31 – around the same time that the pandemic forced businesses around the country to close – to 16.1% in the second quarter (April through June) when business shutdowns were at their peak. Online retail sales dropped to 14.2% and 14.0% in the third and fourth quarters respectively as COVID restrictions were eased and more brick-and-mortar business establishments were able to reopen, at least partially.<sup>3</sup>



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

**Figure 4**

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

**Reuse, Redevelopment, and Revitalization**

The rise of e-commerce raises an important question: what will become of all the commercial buildings that are or will become vacant? With the increase in commercial vacancies, combined with the limited availability of raw, undeveloped land, the County will need increasingly to shift its focus away from development of “greenfield” sites toward redevelopment and adaptive reuse of previously developed buildings and sites. “Redevelopment” refers to the “removal and replacement, rehabilitation, or adaptive reuse of an existing

<sup>2</sup> United States Census Bureau, Annual and Monthly Retail Trade Surveys

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

structure or structures, or of land from which previous improvements have been removed.” The less familiar term “adaptive reuse” is defined as “The development of a new use for an older building or for a building originally designed for a special or specific purpose.”<sup>4</sup> One recent example is the conversion of the former Farm Fresh grocery store on Merrimac Trail into a mini-storage warehouse facility.

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

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

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

### **Placemaking**

The advent of e-commerce, teleworking, and other technological advances has made it increasingly easy to conduct business on little more than a laptop computer and a smart phone. The result is that freelance workers and business owners for whom work is no longer tied to place represent a growing segment of the nation’s workforce. This trend has led to a shift in the way many communities across the country are approaching economic development. Rather than simply trying to attract businesses that, in turn, attract

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

employees, they are focusing on quality-of-life improvements that will make the community attractive, particularly to younger knowledge workers and entrepreneurs in their twenties and thirties.

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

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

The relative lack of young adults among York County's population is documented in the Demographic Profile and Projections chapter of this Plan. As a largely suburban county, York County is at a distinct disadvantage in keeping and luring talented young professionals, who are commonly drawn to urban environments and walkable mixed-use neighborhoods with convenient access to restaurants, shops, offices, and lifestyle amenities. The County's land use pattern is defined predominantly by single-family detached homes, relatively low densities, and a general lack of pedestrian facilities; however, the past decade has seen the approval of four higher density mixed-use developments and a new emphasis on publicly funded sidewalk construction.

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



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



## **Home-Based Businesses**

Over the past ten years, according to the Census Bureau, the proportion of workers in York County age 16 and older who work at home nearly doubled from 4.9% to 9.3%. The COVID-19 pandemic is responsible for much of this increase as many people had no choice but to work from home and the continued to do so even after the shutdown of workplaces came to an end. These statistics include only those who work at home as their main occupation; they do not include the many thousands of home occupations in the County that are operated as secondary or “side” businesses. In all, according to the Commissioner of the Revenue’s business license records, home-based businesses account for more than half – roughly 2,100 – of the commercial business licenses issued in the County. In the Comprehensive Plan citizen survey, 15% of the respondents indicated that they operate a home-based business.

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

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

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

## GOAL, OBJECTIVES, AND IMPLEMENTATION STRATEGIES

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

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### **Objective 1: Expand the County's commercial and industrial base.**

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

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

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

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

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

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

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

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

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

the Table of Land Uses should be reviewed both to identify any unnecessary requirements for Special Use Permits for business uses in commercial and industrial districts and to ensure that the range of uses reflects the 21<sup>st</sup> century economy. Data centers, for example, are not specifically listed in the Table of Land Uses.

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

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

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

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

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

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

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

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

**Objective 3: Increase visitation to York County.**

1. Invest in public improvements in the Yorktown village

Funds have been programmed in the FY 2023-FY 2028 Capital Improvements Program (CIP) to replace the existing Dockmaster building with a larger multi-function facility that would serve not just as a place where boaters check in and pay for docking but also as a tourism information center for visitors to Yorktown. The building would also include office space for County staff responsible for the Freight Shed and modern, handicapped-accessible restrooms with changing stations for families with young children. CIP funds have also been programmed to provide a public address system and open wireless broadband internet service along the Yorktown waterfront; to build a permanent stage structure for performances at Riverwalk Landing; and to install wayfinding signage to help visitors navigate their way around the village. Other potential improvements include construction of a permanent structure for events behind the Freight Shed; extension of the Yorktown Riverwalk from the National Park Service picnic area to the NPS beach; and improvements to the fishing pier.

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

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

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

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

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

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

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

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

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