AC44
ALBEMARLE COUNTY 2044

THRIVING ECONOMY

DRAFTED: 2.25.25

GOAL: *Albemarle County will have career and educational pathways for upward economic mobility and for all community members to thrive. Economic development initiatives and programs will recognize the different expectations and features for the Development Areas and Rural Area and the connections with transportation, land use, environmental stewardship, community facilities and services, and housing. Albemarle County will value and support its vital local assets, including the natural environment, historic resources, local businesses, and arts and culture.*

Objective 1: Recognize and implement the Economic Development Strategic Plan as the primary document and process to identify economic development actions and strategies.

Objective 2: Ensure the availability of sufficient land with existing or planned infrastructure, including a diversity of sites across the Development Areas to accommodate future business and industrial growth, especially for Target Industries.

Objective 3: Strengthen business retention and expansion, prioritizing industries that are consistent with the Comprehensive Plan and the County's Economic Development Strategic Plan.

Objective 4: Increase the local workforce's access to job training, career development, and career ladder jobs.

Objective 5: Reduce barriers to workforce participation.

INTRODUCTION

Achieving a thriving economy is an essential component of quality of life and well-being in Albemarle County. A thriving and sustainable economy offers residents job opportunities, competitive wages, and career advancement. A strong economy also enhances the visibility of the community, attracts visitors, and retains current residents.

Providing equitable access to jobs, pathways to small business success, a range of career ladder employment opportunities, and access to employment and workforce training helps elevate the opportunities of community members to achieve financial stability. These opportunities need to be paired with other community needs that overlap with all Plan elements, including housing, childcare, public infrastructure and utilities, recreation, and transportation. These quality-of-life factors inform decisions on where to locate for both employees and employers.

Providing for a thriving economy involves not only the need for economic development efforts/initiatives that support business development, but other efforts (from multiple County departments and other organizations) to support the provision of educational services/career development/job training, the provision of adequate land, structures, and infrastructure to support business development and the provision of essential services for businesses and employees.

The County's Economic Development Strategic Plan is a time-bound plan that is regularly updated to guide the strategy for investing resources to support economic priorities. This strategic plan should be viewed as the lead document identifying the County's strategic direction, priorities, and action steps regarding economic development as it relates to land use.

PAST AND CURRENT ECONOMIC DEVELOPMENT EFFORTS HAVE BEEN GUIDED BY THE FOLLOWING COUNTY PRIORITIES:

- Support a vibrant economy that offers a broad range of job opportunities.
- Encourage collaboration on all levels (local, regional, and state) to maximize the economic opportunities.
- Support entrepreneurship and growth of local business.
- Recognize and support our local educational institutions and support efforts that build a talented workforce.
- Leverage local intellectual capital to promote expansion of business interests to attract investment and enhance the livability of our community.
- Support the provision of both physical (utilities, power, communications, transportation infrastructure) and social infrastructure (such as child-care, housing, education/career training, transportation services/alternatives).
- Attract investment of private capital into our economy that grows jobs, creates opportunity, increases tax revenues, and builds on public investment for necessary infrastructure.

The economic development strategic plan and its periodic review and update process will continue to establish, refine, and update this guidance and direction for economic development efforts.

MAJOR FINDINGS AND TRENDS

The County's Economic Development Office is undertaking an update of the County's Economic Development Strategic Plan concurrent with the update of the Comprehensive Plan. Relevant data and trends will be developed under that process. Once adopted, the Economic Development Strategic Plan will be incorporated into the Comprehensive Plan. An overview of recent data/trends related to local employers includes:

- Virginia Employment Commission data (Q3 2024) shows that most county employers consist of four or fewer employees: 2,608 businesses, which is more than half of the 4,103 businesses in the county.
- Virginia Employment Commission data (Q3 2024) indicates the top 10 employers in Albemarle County (by total number of employees):
  - University of Virginia
  - Albemarle County
  - Sentara Healthcare
  - U.S. Department of Defense
  - Crutchfield Corporation
  - Northrop Grumman Corporation
  - Atlantic Coast Athletic Club (ACAC)
  - Boar's Head Inn
  - Walmart
  - Farmington Country Club
- According to the TJPDC Comprehensive Economic Development Strategy Plan, employment in Albemarle County grew 5.1% between 2017-2022.
- The County continues to strengthen existing business retention and/or expansion (BRE) to help existing businesses be successful. As of June 2024, the County leveraged $877,000 in local dollars to secure $1.8 million in state grants to ten existing businesses to support their expansions here in Albemarle County. In total, those business expansions have/will result in $70 million of capital investment and create 491 career ladder jobs.

The defense industry is one of several industries with major local economic impacts. Notable entities for this industry include Northrop Grumman Corporation and Rivanna Station.

- Total County impact (in 2020 USD): $567.2 M
- Percentage of local economy: 7%
- Total jobs (direct, indirect, and induced): 4,790
- In 2023, the County purchased 462 acres around Rivanna Station with the intent to both retain and grow the defense sector in our community, an initiative known as ***Rivanna Futures***. Since acquiring the land in 2023, the County has rezoned 172 acres for light industrial and commercial office use. This is now one of the largest development opportunities in Albemarle County, which will be professionally planned for over the next several years.

Conceptual rendering - Rivanna Futures

There are a variety of outdoor recreation activities, historic resources, and other local assets that bring tourists to our area. In our region, the Charlottesville Albemarle Convention and Visitors Bureau (CACVB) is the direct marketing organization that supports the tourism sector.

- The tourism sector represents a $1.3 billion annual economic impact on the regional economy, with more than half of direct visitor spending occurring in Albemarle County lodging, dining, destination, and recreation locations.
- There are more than 45 wineries, cideries, distilleries, and breweries in Albemarle County. According to the most recent 2022 Agricultural Census, grapes are now a top five crop (from an acreage standpoint), which is a change from the 2017 Census when grapes did not make the top five list.
- In 2024, due to the efforts of the CACVB, our region was recognized as “Wine Region of the Year” by Wine Enthusiast and has also made strategic partnerships with Discover Black Cville, “Tourism for All” with Destinations International and TripAdvisor, and Wheel the World to ensure our destination is welcoming and accessible to all. The work of the CACVB is guided by the Tourism Master Plan, adopted in 2024.

CREATING A HEALTHY ECONOMY

A healthy local economy contains a diversity of business types and can thrive when the flow of resources (mostly financial) coming into the community exceeds the flow of resources going out. A positive flow of resources is generated by supporting an appropriate balance of traded sector businesses to non-traded businesses. A traded sector business produces a good or service locally and then sells to customers outside of the Charlottesville metropolitan statistical area (which includes Charlottesville and Albemarle, Greene, Fluvanna, Nelson, and Buckingham Counties), generating an import of new financial resources into our community. In contrast, non-traded businesses primarily serve the local community and circulate financial resources between businesses and people. However, the financial resources that are circulated will eventually 'leak out' of the community, which is why a well-balanced mix of traded and non-traded businesses results in a more vibrant and resilient economy.

By strengthening primary businesses, indirect support is transferred to consumptive businesses and workforce initiatives, which improves the business climate, uses public-private partnerships to attract investment, supports tourism, and creates strategic partnerships with educational institutions to leverage the immense local intellectual capital.

LAND USE BUILDOUT ANALYSIS

Land use is a critical factor for the support, growth and sustainability of economic development in Albemarle County. The designation of adequate land for commercial, industrial, and office use is essential for existing and future businesses to expand and thrive. County land designated for commercial, retail, office, industrial and mixed-use development is predominately located within Albemarle County's Development Areas.

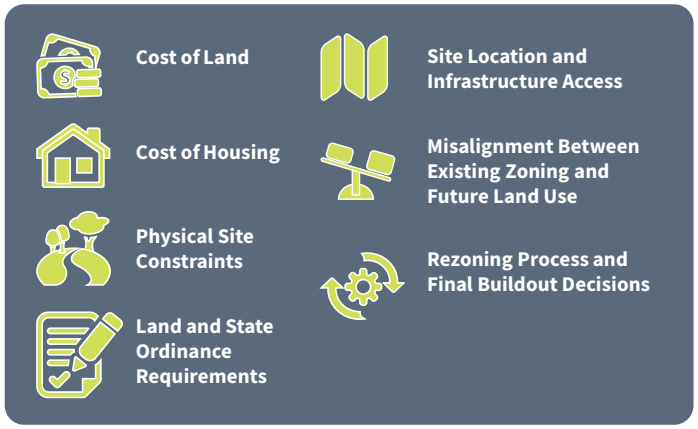
Albemarle County periodically conducts an analysis of land use and development capacity within the Development Areas, where the majority of employment generating land uses are located. The most recent County Land Use Buildout Analysis published in 2022 captures past trends for development as well as projections for potential buildout capability in the future for different categories of land use in the county. Non-residential land uses within the buildout analysis are divided into categories of retail, office, industrial, and hotel use. The land use analysis estimates a maximum theoretical buildout for each non-residential land use category (retail, office, industrial, and hotel use) based on buildable land within the Development Areas.

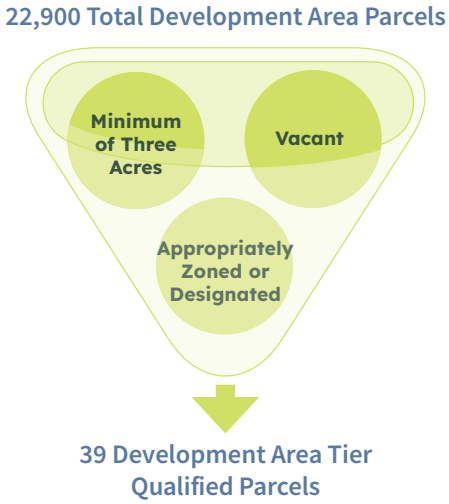
The summary findings:

- For retail, office, industrial, and hotel uses, the results indicate that adequate land exists to accommodate each use in relation to the projected demand over the next 20 years.
- However, demand forecasts do not take into consideration various development limitations, such as the availability of land, cost of development, and environmental constraints. Considering these limitations, actual buildout is expected to be less than the maximum buildout estimate.
- Maintaining a sufficient inventory of non-residential land use to meet market needs is important for maintaining a vibrant economy.

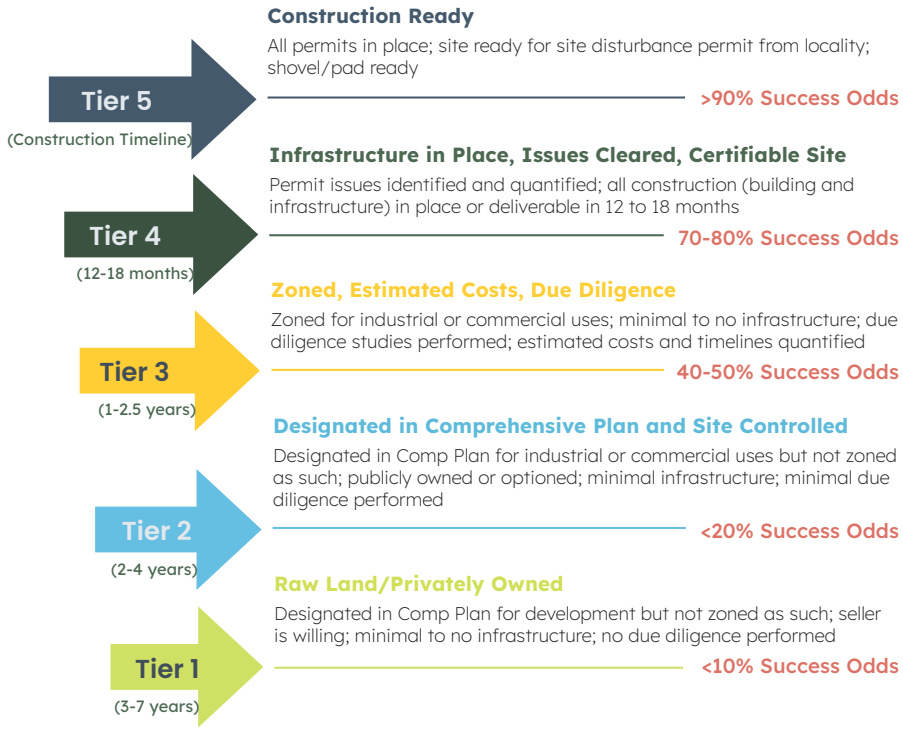
Summary of Non-Residential Findings: Land Use Buildout Analysis, 2022

Land Use Type	20-Year Demand Forecast		Maximum Buildout Estimate
	Low	High	
Retail (sq. ft.)	1.0 M	1.3 M	1.9 M
Office (sq.ft.)	750,000	1.0 M	2.7 M
Industrial (sq. ft.)	950,000	1.1 M	5.5 M
Hotel (rooms)	750	900	2,554





Tier System Analysis for Site Selection
(as defined by VEDP)



A secondary analysis was conducted to determine prime properties for employment generating uses for primary industries. Evaluation criteria included adequate size (defined as three or more acres), vacant land, and appropriate zoning (e.g. Light Industry).

- The evaluation indicated only 39 parcels within the Development Areas that are prime for non-residential development.

Another measure called a "Tier Analysis" illustrates the availability of readily developable land. This measure ranges on a scale from Tier 1 to Tier 5. Tier 1 sites are the least ready for development (raw land) to Tier 5 (site is ready to construct). Albemarle County Economic Development staff reviewed each of the 39 parcels prime for non-residential development.

- Only one property in the Development Areas met the description of a Tier 4 site where infrastructure is in place, site challenges have been addressed, and a project could be brought to market in 12 to 18 months.
- None of the properties met the definition of a Tier 5 site.
- Staff estimated that nine additional properties could also support development in the 12–18-month time-frame but may require some extension of infrastructure.
- Given the limited number of these properties and their concentrated locations, it will be important for the county to identify and develop a diverse selection of additional prime properties throughout the Development Areas.

These studies identify the need to ensure that there is sufficient, usable/developable land (and structures) available and affordable to support market demand for economic activity and growth, with the specific need to provide sites ready for development (zoned and with existing or readily available infrastructure). The County will continue to conduct the buildout and tier analysis at regular intervals (typically every 2-3 years) to ensure that data remains current.

ECONOMIC DEVELOPMENT STRATEGIC PLAN UPDATE

The County's Economic Development Office is undertaking an update of the County's **Economic Development Strategic Plan** concurrently with the update of the Comprehensive Plan. The Economic Development Strategic Plan is the guiding document establishing implementation actions and priorities for addressing the county's economy. The goal for this chapter establishes the County's higher-level expectation for a thriving economy while the objectives identify important elements that contribute to maintaining and enhancing economic vitality. Further direction and actions will be established with the update of the strategic plan.

The actions found in this chapter recognize priority actions that 1) primarily relate to land use and infrastructure decision making, and 2) address the provision of services needed for our local workforce (e.g. workforce support services, career and job training, etc.). Again, most actions to implement the following objectives will be established within the Economic Development Strategic Plan.

IMPLEMENTATION

OBJECTIVE	ECON 1. *Recognize and implement the Economic Development Strategic Plan as the primary document and process to identify economic development actions and strategies.*
ACTION	
1.1	Use the County's Economic Development Strategic Plan to guide implementation of the County's economic development priorities. Refer to the Economic Development Strategic Plan actions and priorities for County economic development effort.
OBJECTIVE	ECON 2. *Ensure the availability of sufficient land with existing or planned infrastructure, including a diversity of sites across the Development Areas to accommodate future business and industrial growth, especially for Target Industries.*
ACTION	
2.1	Maintain an adequate inventory of land use plan designated and zoned lands for light industrial, flex, and office use. Prioritize maintaining existing designated and zoned lands over proposals to convert such lands to other uses.
2.2	Develop strategies to protect high value sites and Employment Districts from the encroachment of incompatible land uses and redevelopment pressures, including through land use designations in Area Plan updates.
2.3	Prioritize designating locations during Development Area plan updates for Office/Flex/Research and Development/Light Industrial uses in Activity Centers, Employment Districts, and/or where development would have fewer impacts to sensitive environmental features, including redevelopment of existing buildings, parking areas, and brownfields. Coordinate with Economic Development efforts to support, encourage, and prioritize, to the extent feasible, development within the activity centers and employment districts.
2.4	Analyze use of County-owned land to address priority land use needs, including employment-generating uses, affordable housing, and public facilities (schools, parks, etc.). Include opportunities to develop a mix of uses that address multiple needs. Prioritize opportunities that are consistent with the target industries and that provide career-ladder job opportunities that meet the needs of the local workforce when considering use of public land for economic development purposes. Initiate County-led rezonings as appropriate and/or use of public-private partnerships to encourage development of and that is suitable for employment uses or housing.
2.5	Regularly update the Development Areas' economic development tier analysis to evaluate areas for site readiness as part of the update of the Economic Development Strategic Plan. Coordinate timing with the land use buildout analysis update when feasible. Use the results to inform land use decisions, community facilities/infrastructure, and the economic development strategic plan to increase the availability of Tier 4 and 5 sites.

2.6	Develop a policy for the acquisition of land for economic development, emphasizing sites that meet or could be retrofitted to meet the definition of a Tier 4 or 5 site.
2.7	Provide a full range of sites and structures, to promote the full spectrum of company/business growth (from start-up to corporate).
2.8	Initiate County-led rezonings where appropriate for land that is suitable for employment uses, especially in designated Activity Centers and Employment Districts in support of the Growth Management Policy, Future Land Use Plan, and the Economic Development Strategic Plan.
2.9	Develop and implement strategies to address the infrastructure and site readiness needs of future business and industrial growth, including the pursuit of state and federal grant opportunities.
2.10	Promote and support available and affordable space for entrepreneurs and small businesses, especially for target industries and/or businesses that meet the needs of the local workforce and local artists/crafters.
2.11	Provide resources to retain and further develop Rivanna Station and surrounding site in a manner that is consistent with and supports its use.
2.11.A	Establish a military overlay zoning district to provide uses and activities compatible with the Rivanna Station military facility.
2.11.B	Pursue a Defense Production Zone (VA State Code § 58.1-3853) for Rivanna Futures.
2.11.C	Plan for complementary future public and private land uses adjacent to Rivanna Station. Develop a campus plan of the County-owned property at Rivanna Station, consistent with the relevant economic vitality, land use, transportation, parks, and community facilities recommendations in the Comprehensive Plan.
OBJECTIVE	**ECON 3.** ***Strengthen business retention and expansion, prioritizing industries that are consistent with the Comprehensive Plan and the County's Economic Development Strategic Plan.***
ACTION	
3.1	Update the priority review process for proposed development projects to effectively implement the recommendations of the Comprehensive Plan and the County's Climate Action Plan, such as for sustainable agriculture or carbon dioxide capture in the Rural Area.
3.2	Leverage local and regional partnerships to build the County's tourism sector, including the City of Charlottesville, Town of Scottsville, and the Charlottesville Albemarle Convention and Visitors Board (CACVB).

OBJECTIVE	ECON 4. *Increase the local workforce's access to job training, career development, and career ladder jobs.*
ACTION	
4.1	Promote the development of industries that provide career-ladder job opportunities.
4.2	Establish a priority review process, with appropriate eligibility criteria and measures, for projects that include public-private partnerships and that would provide career ladder jobs that meet the needs of the local workforce.
4.3	Provide resources to Albemarle County Schools to increase training and connections with local employers, including by using the High School Center model.
OBJECTIVE	**ECON 5.** ***Reduce barriers to workforce participation.***
ACTION	
5.1	Update the Zoning Ordinance to reduce barriers to land uses that provide essential support services for workers (childcare, etc.) and implement essential transportation and infrastructure improvements needed to access employment opportunities (e.g. transit, bike, and sidewalk improvements).
5.2	Update the Zoning Ordinance to reduce barriers for home occupations that would have minimal impact on surrounding properties. Engage with community members to identify barriers and possible solutions, including prospective and current business owners.