



ECONOMIC DEVELOPMENT

TECHNICAL REPORT

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1. Introduction

James City County is a unique place and destination. The historic significance of the area combined with the beauty of its natural environment, the quaint character attributed to many places within this community, and the quality of life enjoyed by its citizens contribute to the uniqueness of James City County, makes this a desirable community in which to visit, live, and work. The uniqueness of this community is an important asset, which can be used as an effective strategy to promote and nurture sustainable economic development in the County.

The County is one of the fastest growing communities in the Virginia Beach-Norfolk-Newport News MSA¹, more commonly known as the Hampton Roads Metropolitan Area. To best manage the pressures associated with population growth, the County must balance the need to retain and attract compatible economic development to offset the costs to support the growing population and the demand for services while maintaining and promoting the County's quality of life.

James City County's economy was initially based on agricultural activities. The agrarian economy diversified over the years to include industrial activities; the arrival of industries such as Dow Chemical during the 1950s opened the way for the development of industrial parks, and manufacturing plants such as Anheuser Busch in the 1960s. During the 1970s residential developments such as Kingsmill and Ford's Colony flourished. With the increasing expansion of the County population, the growth of housing, tourism and industrial sectors, the next wave of economic diversification introduced the retail industry, particularly tourism-oriented retail to the County.

Tourism and tourism-oriented retail are among the main economic activities in the Greater Williamsburg Area (GWA)². The GWA is well know for its hospitality industry including top tourist attractions such as Colonial Williamsburg, Jamestown Settlement, Historic Jamestown, Yorktown Victory Center, Yorktown Battlefield, Busch Gardens Europe, and Water Country USA.

James City County's economy continues to diversify to meet the challenges of the future. Sustainable economic practices and activities are desired strategies for the County, as these are generally less detrimental to the County's natural resources. New technologies have created the impetus for a more knowledge-based economy, and the advent of "Globalization" has expanded the County's economic opportunities from the local and regional to the international arena, while at the same time creating additional competitive challenges.

This report evaluates the state of the County's economy by assessing current trends and conditions and identifying opportunities for the future.

¹ The Virginia Beach-Norfolk-Newport News MSA is a U.S. Metropolitan Statistical Area (MSA) as defined by the United States Office of Management and Budget (OMB) consisting of the following localities: Gloucester, Isle of Wight, James City, Mathews, Surry, and York counties and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg.

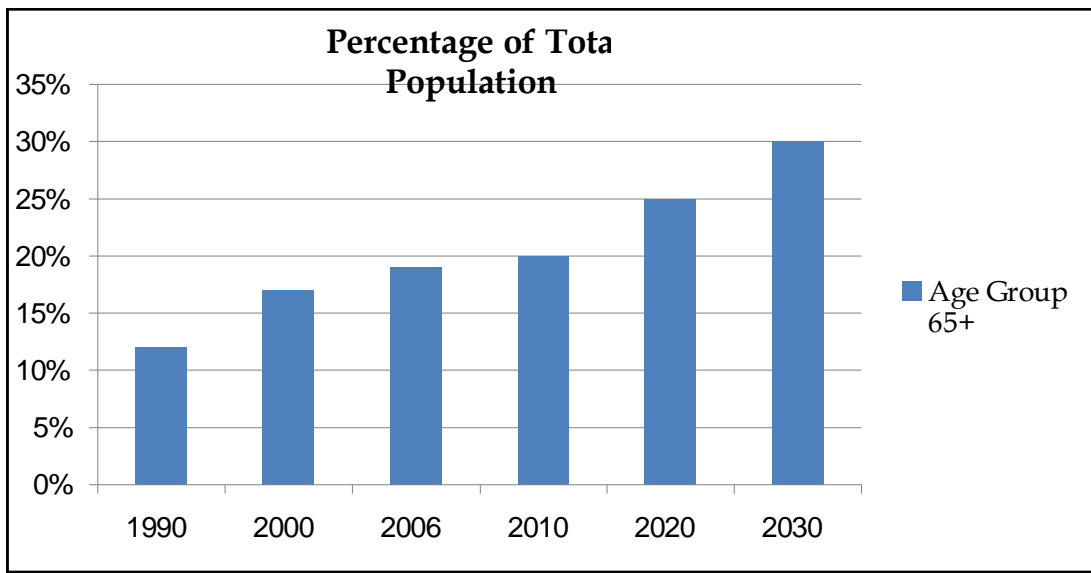
² Williamsburg, James City County, and the Bruton District of York County make up the Greater Williamsburg Area.

2. Demographics and Economic Development

James City County has one of the fastest population growth rates among localities in the MSA. (Please refer to the Demographic Section for further details.) Since the last Census in 2000, the County population increased from 48,102 to 61,694 in 2007 (Virginia Employment Commission estimate), an increase of almost 30% in less than a decade. Not only is the County's population growing at a faster pace than many of its neighboring communities but it is also aging faster.

According to the statistics provided by the Virginia Employment Commission (VEC), and as presented in Chart 1, the 65-and-older segment of the County's population continues to increase as a percentage of the total population. Between 1990 and 2006, citizens aged 65 and older increased their representation from 12% to 19% of the total population and are projected to reach 30% of the County's population by the year 2030.

Chart 1- Projected Growth of Population 65 and Over 1990-2030



Source: Virginia Employment Commission

The rate that the County population grows impacts the planning and the development of business retention, growth and diversification policies as the demand for housing, public services, and infrastructure rises. The aging of James City County's population adds another layer of planning to the development of economic policies, particularly as the percentage of workers in the labor force declines as the percentage of the older segment of the population rises. Another important feature of James City County's population is its overall high educational attainment. According to data from the 2000 Census, 89% of the County's adult population has a high school diploma, over 40% of the population has a four-year college degree, and almost 17% has at least a graduate to professional degree. The high educational attainment of the County adult population provides insight into the types of jobs currently being filled in the County and the types of jobs James City County needs to attract in order to match the skills of its workforce.

3. Labor Force

Civilian Labor Force, as defined by the Census Bureau, represents all members of the population aged 16 years or over who are either employed or unemployed and actively seeking and available for work. This definition excludes military personnel, persons in institutions such as prisons and/or mental hospitals, those studying or homemaking full-time, persons who are retired or unable to work, and volunteer workers.

According to the last Census, 48% of James City County's population, or 23,153 residents were actively participants in the local civilian labor force. Recent estimates by the VEC indicate that in 2007, the civilian labor force rose to 50% of the County's population. (For a comparison between changes in the civilian labor force in James City County and selected localities please refer to Table 1.) Population growth generally pushes the number of the civilian labor force upwards. However, given the growth rate and aging characteristic of James City County's population previously discussed in this report, it is likely that the civilian labor force will experience slower growth when compared to the growth of the total population. If this trend continues in the future, it is likely that James City County may have to import additional labor force from neighboring communities in order to fill the demands of its growing population.

Although not counted toward the civilian labor force, retirees also participate in the County's work force. According to the VEC, in 2006, approximately 20% of the County's working population was drawn from the age 55 and over cohorts. Given James City County's industrial sectors composition and employment base (to be later discussed in this report), it is likely that this segment of the population fills many of the jobs offered in the service industry.

Total employment in James City County in 2007, according to the VEC, was at 30,078, an increase of 32% since 2000. (The County's population grew at a similar rate, or 30% between 2000 and 2007.) This number suggests that the employment base has expanded during this period of time. In fact, unemployment rates for the County have maintained relatively low and stable since 2000. At 2.5%, the unemployment rate in James City County was one of the lowest among the localities in the MSA in 2007 (for a comparison between changes in unemployment rate in James City County and selected localities please refer to Table 2).

Table 1-Civilian Labor Force (CLF) in James City County and Selected Communities

Locality	2000	2001	2002	2003	2004	2005	2006	2007	% Change
Virginia	3,584,037	3,641,231	3,744,023	3,805,178	3,854,728	3,933,949	3,995,077	4,054,199	13.1%
MSA	721,983	738,026	765,135	778,230	787,566	800,492	805,178	815,193	12.9%
James City	23,153	24,017	25,468	26,467	27,627	28,056	30,454	32,852	41.8%
York	26,697	27,829	29,052	29,556	29,942	30,465	31,201	31,592	18.3%
Williamsburg	4,577	4,655	4,657	4,664	4,667	4,735	4,828	4,895	6.9%
Newport News	82,380	83,179	85,819	86,951	87,175	88,653	86,565	87,895	6.6%
Surry	3,375	3,418	3,573	3,594	3,574	3,659	3,722	3,777	11.9%
New Kent	7,256	7,467	7,755	8,135	8,530	8,702	9,306	9,455	30%
Gloucester	17,489	17,922	18,665	19,115	19,411	19,754	20,434	20,700	18.3%
Charles City	3,593	3,666	3,745	3,790	3,808	3,863	3,853	3,912	8.8%
Suffolk	29,149	30,720	33,110	34,919	36,405	36,985	39,500	40,008	37.2%
Chesapeake	97,374	100,199	103,884	106,605	109,007	110,809	114,675	116,069	19.1%

Source: Virginia Employment Commission (VEC)

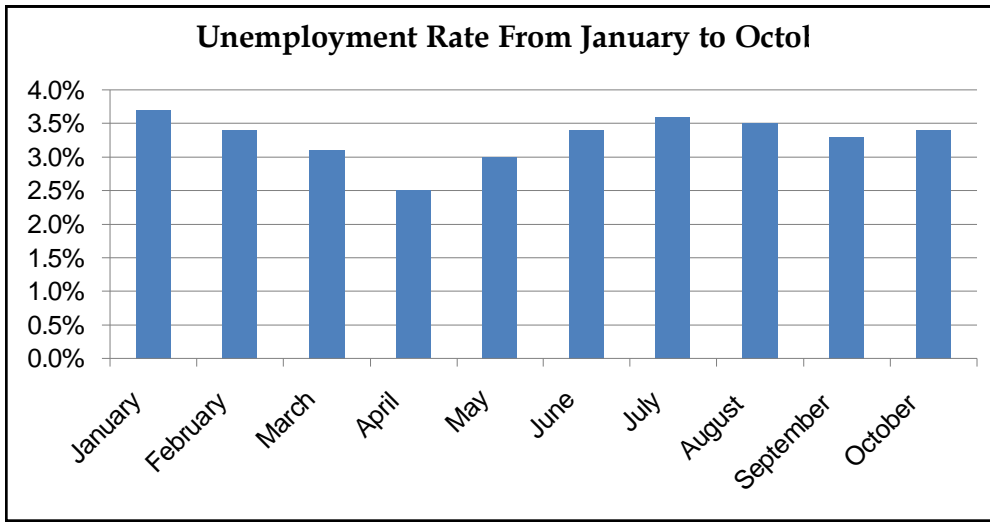
Table 2-Unemployment Rate in James City County and Selected Communities

Locality	2000	2001	2002	2003	2004	2005	2006	2007	% Change
Virginia	2.3	3.2	4.2	4.1	3.7	3.5	3.0	3.0	30.4%
MSA	2.5	3.3	4.2	4.3	4.1	4.0	3.3	3.2	28%
James City	2.0	2.5	3.2	3.1	3.1	2.9	2.6	2.5	25%
York	1.9	2.5	3.0	3.1	2.9	2.9	2.6	2.5	31.5%
Williamsburg	4.3	5.6	7.3	8.2	7.8	7.6	5.8	5.8	34.8%
Newport News	2.6	3.5	4.7	4.9	4.7	4.6	3.5	3.6	38.4%
Surry	2.9	3.3	4.4	4.5	4.1	4.6	3.4	3.4	17.2%
New Kent	1.8	3.0	3.5	3.5	3.1	2.9	2.7	2.7	50%
Gloucester	1.9	2.4	3.1	3.1	2.9	2.9	2.6	2.5	31.5%
Charles City	2.4	4.9	5.2	5.0	5.0	4.2	3.9	3.9	62.5%
Suffolk	2.5	3.1	4.2	4.1	3.8	3.7	3.4	3.3	32%
Chesapeake	2.3	2.9	3.7	3.8	3.6	3.5	3.2	3.0	30.4%

Source: Virginia Employment Commission (VEC)

Although the annual unemployment rate for 2008 has not yet been released by the U.S. Bureau of Labor Statistics, the available data for the first 10 months suggests a higher unemployment rate for 2008 than the 2.5% average for 2007. Between January and October of 2008 the highest unemployment rate was registered in January at 3.7% while the lowest rate was registered in April at 2.5%. Chart 2 illustrates the changes in unemployment rates between the months of January and October of 2008.

Chart 2-Unemployment Rate in James City County-First 10 months of 2008



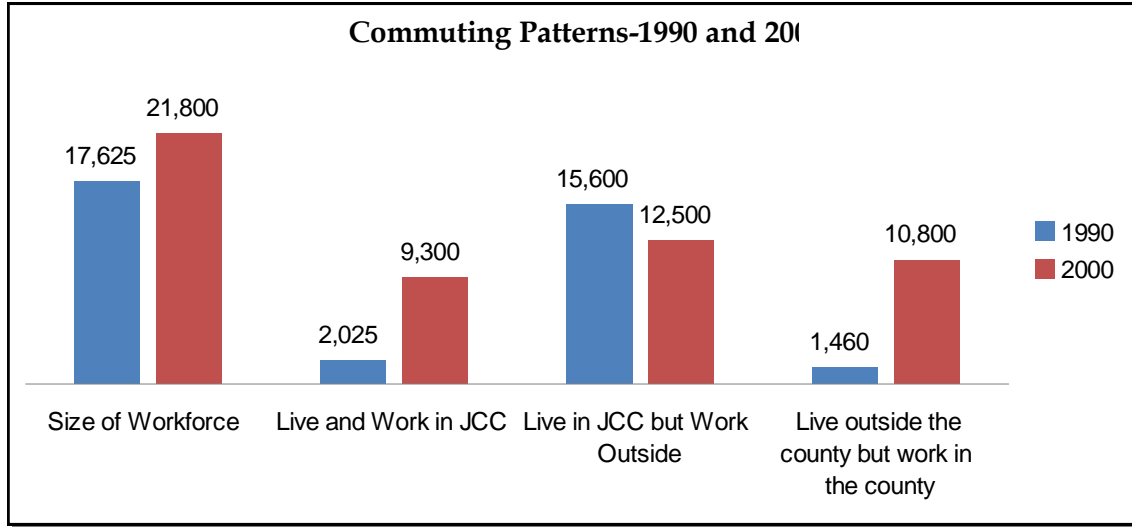
Source: Virginia Employment Commission

The higher than average unemployment rates observed during the first 10 months of 2008 is likely a reflection of the current global economic downturn. According to the U.S. Bureau of Labor Statics, the national unemployment rate rose from 4.9% in January to 6.6% in October of 2008.

4. Commuting Patterns

Commuting patterns reveal important relationships between places where people work and live. According to information provided by the Census, 2,025 workers representing 22% of the County's labor force lived and worked in the County in 1990. This number rose to 9,300 workers or 55% of the County's labor force in 2000. Chart 3 illustrates the different elements of the commuting patterns for James City County between 1990 and 2000.

Chart 3-Commuting Patterns in James City County

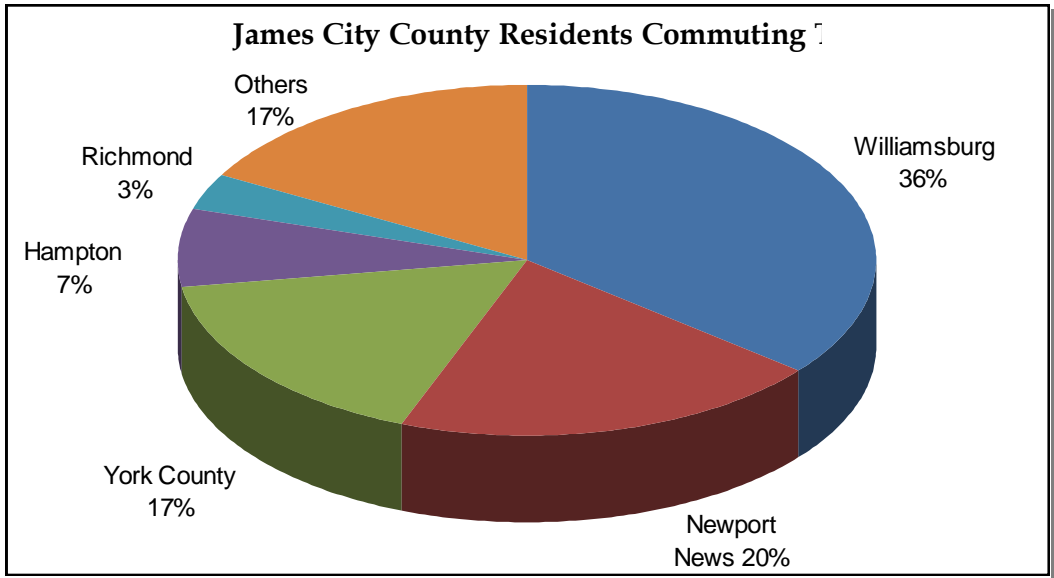


Source: U.S. Census 2000 special tabulation county-to-county worker flow file.

The above data suggests employment opportunities growth in the County between 1990 and 2000 as more residents worked in the County and fewer residents left the County for employment opportunities in 2000. It is also worth noticing that the number of workers commuting to James City County grew dramatically between 1990 and 2000 from 1,460 to 10,800. While the increase in “in-commuters” may be associated with employment opportunities in the County, there is currently no data available to confirm this relationship.

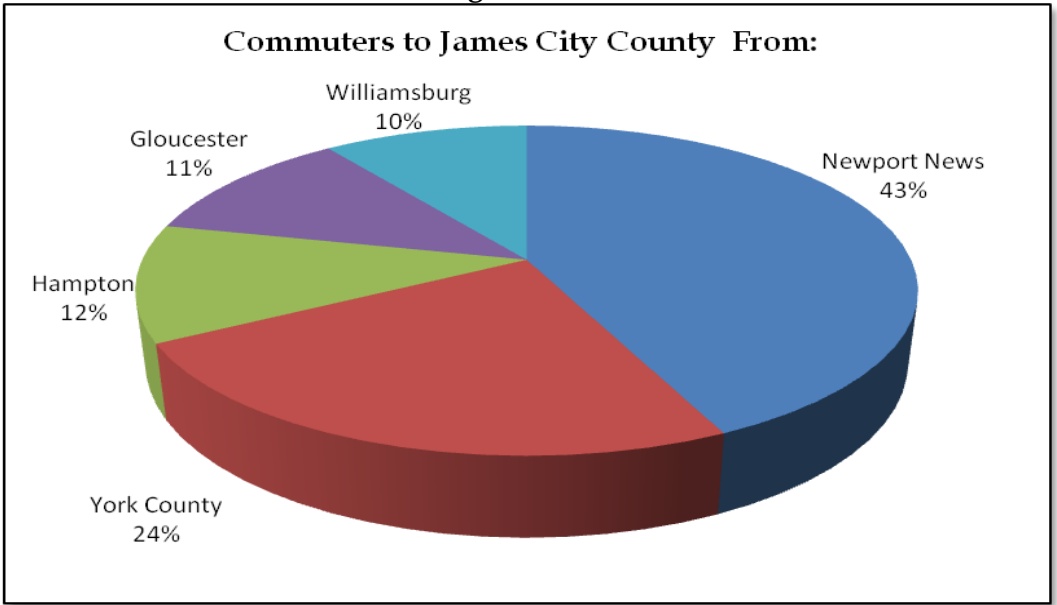
According to the Census and as shown on Chart 4, in 2000 the City of Williamsburg was the place of destination for 36% of all James City County commuters. Newport News came second capturing 20% of all commuters and York County in third with 17%. Conversely, Newport News was the place of residency for 43% of all commuters to James City County (as seen on Chart 5) followed by York County with 24% and Hampton with 12%. James City County's commuting patterns, particularly to and from Williamsburg, York County, and Newport News suggests an economic interdependence among these localities.

Chart 4-“Out-Commuters” According to the 2000 U.S. Census



Source: U.S. Census 2000 special tabulation county-to-county worker flow file.

Chart 5-“In-Commuters” According to the 2000 U.S. Census



Source: U.S. Census 2000 special tabulation county-to-county worker flow file.

Given James City County’s commuting patterns and similar employment base shared by these three localities (please refer to the Workplace and Wages sections of this report) it is likely that many jobs being filled in the County by “in-commuters” are directly or indirectly related to the tourism and services industries (i.e. Accommodation and Food Services, Arts and Recreation, and Retail sectors).

5. Workplace

According to the VEC, the five largest industry sectors in James City County in the second quarter of 2008 were the Arts, Entertainment, and Recreation sector followed by the Retail Trade, Accommodation and Food Services, Health Care and Social Assistance, and Construction (Please see Appendix A for definitions of the different industry sectors.) Table 3 shows the 10 largest industry sectors in James City County according to employment numbers.

Table 3-10 Largest Industry Sectors in James City County-2008

Industry Sectors*	Average Employment**
Arts, Entertainment, and Recreation	5,203 employees
Retail Trade	3,518 employees
Accommodation and Food Services	3,395 employees
Health Care and Social Assistance	2,615 employees
Construction	1,998 employees
<i>Sub-Total for the 5 largest industry sectors</i>	<i>16,729 employees</i>
Manufacturing	1,983 employees
Real Estate and Rental Leasing	1,299 employees
Professional and Technical Services	1,280 employees
Administrative and Waste Service	1,273 employees
Public Administration	801 employees
Total	23,366 employees

Source: Virginia Employment Commission

** No data for Educational Services is currently available.*

***Quarterly Census of Employment and Wages (QCEW), 2nd quarter (April, May, June) 2008*

The largest employers in James City County mirrors the employment numbers found in the largest industry sectors. Table 4 shows that 14,171 or 45% of all employment in the County is concentrated in ten establishments, as measured by the number of employees. Employment concentration in the largest employers in the County has been gradually declining. In 1996, approximately 47% of all employment in the County was based of 10 industries/business³; in 2000, this number declined slightly to 46.41%⁴. However, the current concentration of large employment numbers in fewer industries and establishments indicates that the County's employment base needs to further diversify.

Diversification of the employment base is a sustainable economic strategy; it allows for a more balanced distribution of the labor force among different industries and employment establishments and thus, the economy as a whole, becomes less susceptible to external forces such as downturns in the global economy and financial markets.

³ James City County Adopted Budget, 1995-1996

⁴ James City County-The Comprehensive Annual Financial Report, 2000

Table 4-10 Largest Employers in James City County-2008

Establishments	Industry Sector	Ownership	Employees (in thousands)
Busch Gardens Europe*	Arts, Entertainment, and Recreation	Private	6,159
Williamsburg-James City County Public Schools	Educational Services	Local Government	2,140
James City County Government	Government	Local Government	1,179
Eastern State Hospital	Health Care and Social Assistance	State Government	1,021
Busch Properties	Real Estate and Rental Leasing	Private	960
Anheuser-Busch, Inc	Manufacturing	Private	850
Wal-Mart Distribution Center	Transportation and Warehousing	Private	603
Jamestown-Yorktown Foundation	Arts, Entertainment and Recreation	State Government	503
AVID Medical	Manufacturing	Private	442
Williamsburg Landing, Inc	Health Care and Social Assistance	Private	314
<i>Sub-total</i>			<i>14,171</i>
Total Employment in James City County***			30,643

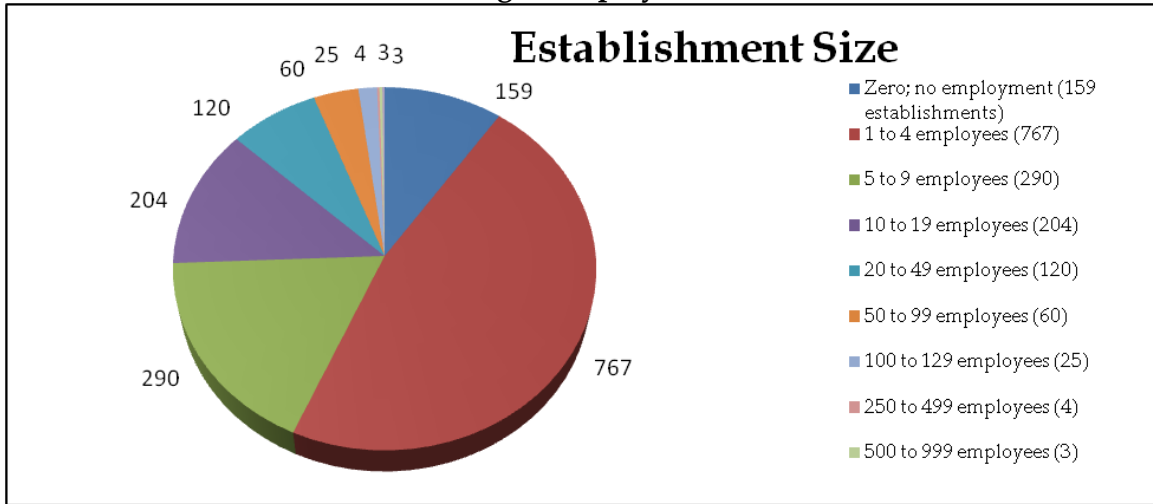
Source: Office of Economic Development, James City County

** Seasonal Employer*

As previously stated, almost half of James City County’s labor force is concentrated in 10 employment centers with the largest employment numbers in the Art, Entertainment, and Recreation sector (Bush Gardens Europe), followed by Educational (Williamsburg-James City County Public Schools), Government (James City County Government), and the Health Care sectors (Eastern State Hospital).

Despite the concentration of high employment numbers in few establishments, it is also important to notice that the majority of employment available in the County occurs in smaller to medium-sized establishments with fewer than 100 employees. According to the VEC, and as shown on Chart 6, establishments with 1 to 4 employees represent the largest number of business establishments in the County followed by establishments with 5 to 9 employees. This data reveals the collective importance of medium and smaller size businesses to the economy as generators of employment, incomes, and revenues.

Chart 6-Establishment Size According to Employment Numbers

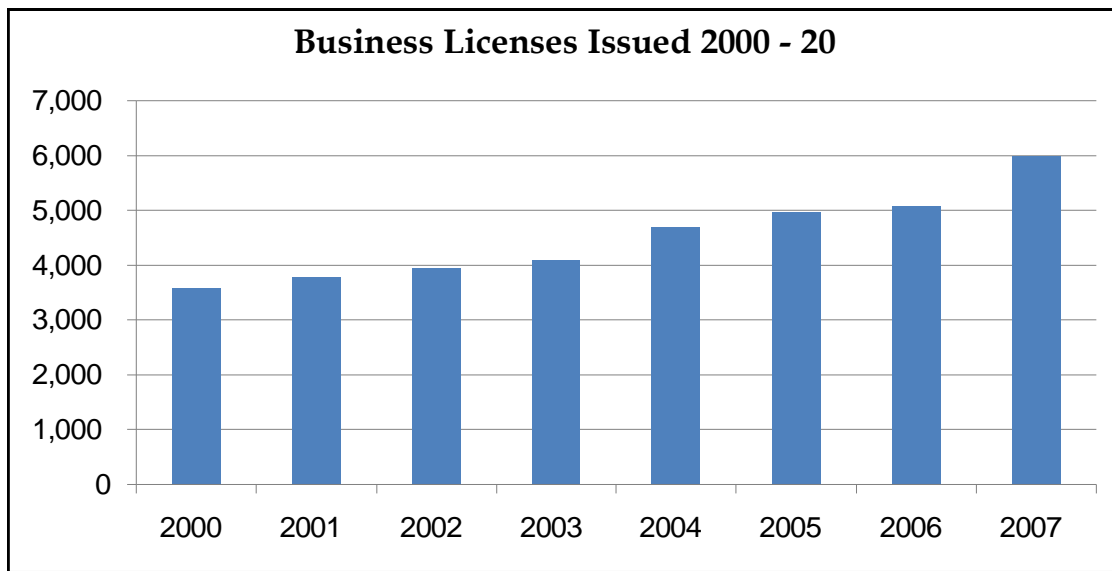


Source: Virginia Employment Commission,
 * "Zero; no employment" typically represents a new startup firm or sole-proprietorships.

5a. Business Licensing Data

Since 2000 James City County has experienced continued strong business growth. Chart 7 illustrates the number of business licenses issued during the past eight years. Business licenses issued in James City County showed its strongest gains between 2006 and 2007 when they increased by 17.6%. A business license is required for small businesses as well as large corporations. It should be noted, however, that while manufacturers are required to register with the Commissioner of Revenue's Office by state law, they are not required to have business license, and therefore this data is not representative of manufacturing.

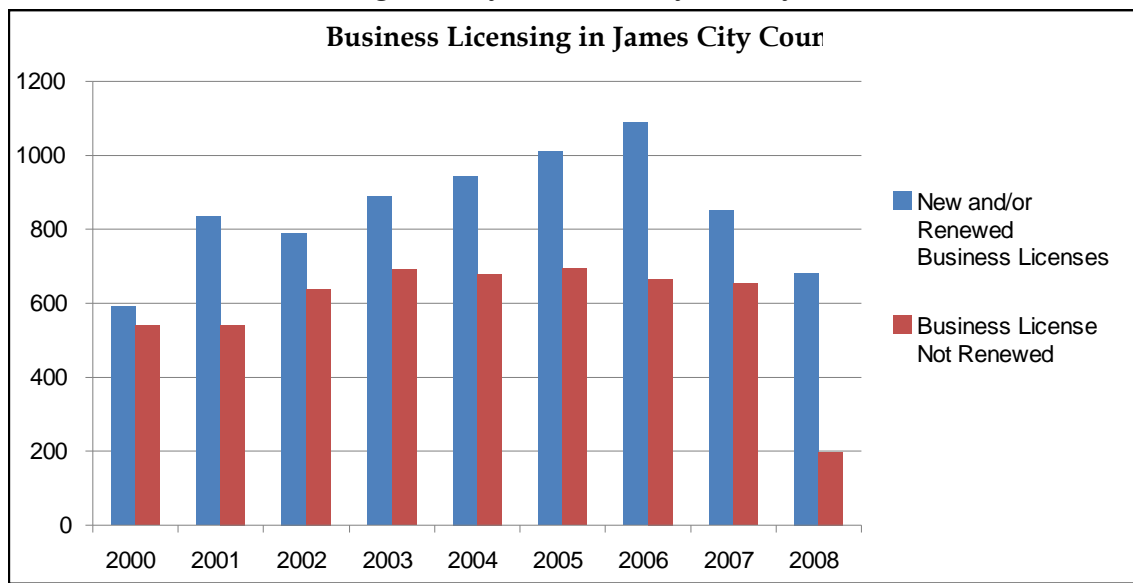
Chart 7-Business Licenses Issued in James City County between 2000 and 2007



Source: Office of the Commissioner of the Revenue, James City County

Between 2000 and 2008, 7,682 businesses applied for business licenses in the County. Between the same period of time, 5,301 did not renew their license, which is an indication of a business ceasing operation, leaving a net increase in business between 2000 and 2008 of approximately 2,381 establishments. Chart 8 graphically represents business licensing activity in James City County between 2000 and 2007.

Chart 8-Businesses Licensing Activity in James City County between 2000 and 2008*



Source: Office of the Commissioner of the Revenue, James City County

**Data for 2008 is from January to November*

The year 2000 experienced the smallest net gain for business license applications in James City County with 51 new and renewed applications followed by:

- 152 new and renewed applications in 2002;
- 197 new and renewed applications in 2003 and 2007;
- 265 new and renewed applications in 2004; and
- 294 new and renewed applications in 2001.

The largest gains have been in 2006 and 2008 with 424 and 484 new and renewed applications respectively. Of the 13 business categories classified by the James City County Office of the Commissioner of the Revenue, the top five growing business categories between 2000 and 2008 were the following:

- Construction Trades with 835 new establishments;
- Personal Services with 513 new establishments;
- Business Services with 351 new establishments;
- Repair Services with 156 new establishments; and
- Retail with 115 new establishments.

The least growing businesses were concentrated in the following five categories:

- Wholesale Trade and Motels, Hotels and Campgrounds with no new establishments;
- Short-Term Rent with 3 new establishments;
- Utilities with 7 new establishments; and
- Financial Services with 34 new establishments.

Again, in this instance, data on manufacturers is exempted.

5b. Business Climate Task Force Report

In order to sustain and improve the economic viability of James City County, the Board of Supervisors, at the suggestion of its Economic Development Authority appointed a Business Climate Task Force (BCTF) to review the local business climate for the retention and expansion of existing small, medium, and cornerstone businesses in the County, as well as for recruitment from outside the area.

In January 2008, the Business Climate Task Force Report was released with recommendations formulated by the Task Force to improve the business climate in the County. One of the tasks of the BCTF was to identify qualities, characteristics, and categories of business preferred in the James City County. Instead of targeting specific industries/business envisioned in the County, the Task Force identified attributes and qualities to determine the types of business desired for the County. These attributes, as seen on Table 5, were arranged in five broad categories: quality jobs, community values, fiscal contribution, environmentally friendly, and stability.

Many of the attributes and qualities described by the BCTF are sustainability indicators (e.g. economic diversification, fair pay, high wages, low impact on natural resources), which can be used as criteria for selecting not only the desired types of industries the County would like to attract but also how sustainable and complementary to James City County's the desired industries/sectors can be. As noted by the BCTF report, "this list is instructive because it also illustrates the perceived relation between the business that the Task Force targeted and the preservation of the uniqueness of the County and our quality of life."

Table 5-Preferred Attributes

Quality Jobs	Community Values	Fiscal Contribution	Environmentally Friendly	Stability
Fair pay, high wages	Respectable corporate citizen	Generates local tax revenue	Clean	Economic diversification
Jobs with benefits	Enhances citizen's quality of life	Favorable tax/resource usage ratio	Low impact on natural resources	Stability and locality
Year-round, full-time employment	Uses local resources, buys locally	Exports goods/services; imports new dollars		Less affected by macroeconomic changes
Diversification of the labor force	Distinctive, unique	Recycles local spending		Headquarters location
Interest in well being of employees	Promotes community values	Economic diversification		
	Likes, values and respects community	Supports other local business		

Source: Business Climate Task Force Report, 2008

6. Wages and Incomes

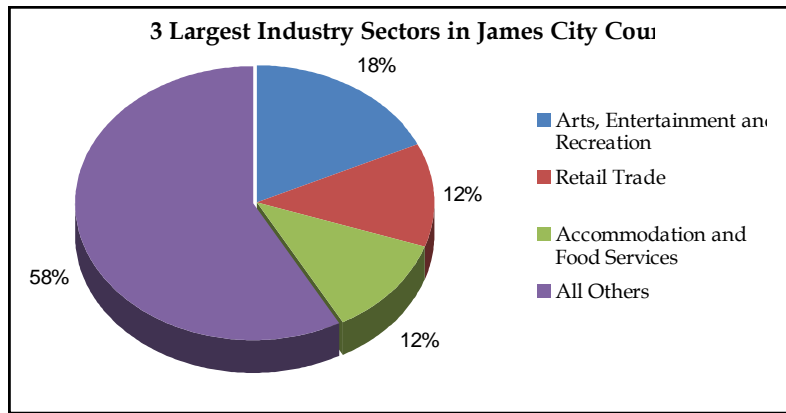
6a. Wages

According to the VEC, the average weekly wage for James City County was \$609⁵. This figure is equivalent to \$15.22 per hour or \$31,668 per year, assuming a 40-hour week worked throughout the year. James City County's average weekly wage is higher than Williamsburg's at \$14.08 per hour but slightly lower than York County's at \$15.60 per hour. However, when compared to the state and MSA averages (\$22.12 per hour and \$18.27 per hour respectively), James City County and the GWA as a whole display much lower wages on average.

Wages in James City County and GWA are on average lower than the state and MSA given the composition of the industry sectors of these communities. As seen in Chart 9, 42% of total employment in James City County falls under the Arts, Entertainment and Recreation, Retail Trade and Accommodation and Food Services Industry sectors. (For a list of the 10 largest industry sectors in James City County please refer to Table 3, Page T-3-10.) In York County, and as seen on Chart 10, 34% of local employment is in the Retail Trade and Accommodation and Food Services, and as seen in Chart 11, 32% of employment is in the Accommodation and Food Services. Both privately and publicly owned business/establishments were included in the major industry sectors comparison among the GWA, state and the MSA.

Traditionally, jobs associated with these industries offer lower wages, temporary or seasonal employment, and limited benefits such as subsidized health care. According to the VEC, the average weekly wage for the Arts and Recreation Sector is \$259, Retail Trade is \$378 and Accommodation and Food Services is \$363⁶.

Chart 9-Three Largest Industry Sectors in James City County

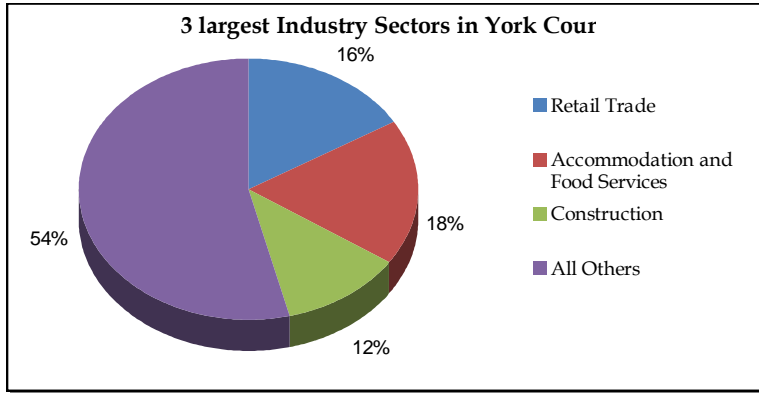


Source: Virginia Employment Commission

⁵ This figure is for the most recent data available-2nd quarter of 2008

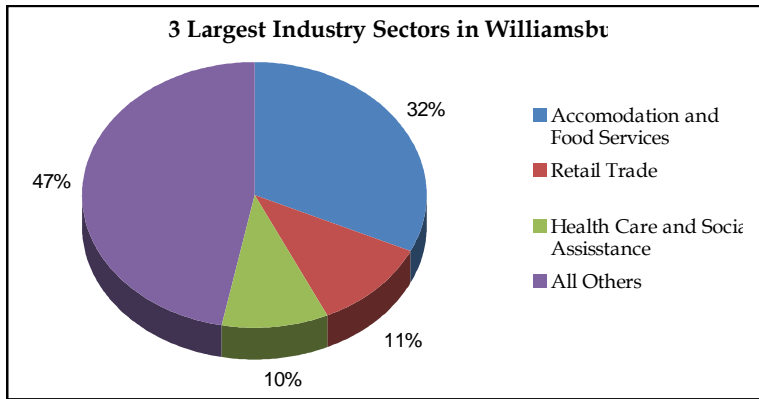
⁶ Quarterly Census of Employment and Wages (QCEW), 2nd quarter (April, May, June) 2008

Chart 10-Three Largest Industry Sectors in York County



Source: Virginia Employment Commission

Chart 11-Three Largest Industry Sectors in Williamsburg



Source: Virginia Employment Commission

By contrast, employment in the MSA and in the state is concentrated in fewer and higher-paying industry sectors. In the MSA the three largest industry sectors are the Retail Trade with 12% of all employment, the Health Care and Social Assistance also with 12% of all employment, and the Educational Services sector with 10% of all employment. In the state of Virginia, 12% of all employment is in the Retail Trade, 11% in the Health Care and Social Assistance, and 10% in the Professional, Scientific and Technical Service sectors. According to the VEC, the average weekly wage for the Professional, Scientific and Technical Service sector is \$1,021 while the Health Care and Social Assistance sector averages \$793.⁷

⁷ Quarterly Census of Employment and Wages (QCEW), 2nd quarter (April, May, June) 2008. No data available for Educational Services sector. Government sectors are excluded from this analysis.

6b. Industry Sectors Growth

According to the VEC, the largest employment gains since 2000 happened in some of the smallest industry sectors in James City County:

- Management of Corporation sector-406% increase in employment;
- Transportation and Warehousing-377% increase in employment;
- Wholesale Trade-173% increase in employment;
- Finance and Insurance-143% increase in employment; and
- Real Estate and Rental Leasing-119% increase in employment.

Two of the top five growing industries in the County, Management of Corporation, and Finance and Insurance sectors offer some of the highest weekly wages (\$1,246 and \$1,205 respectively) among other industry sectors. The high educational attainment of James City County's adult population, particularly the large segment of the population with a college degree and beyond (57% of the adult population) may be one of drivers pushing the growth of these industries.

6c. Per Capita Personal Income (PCPI)

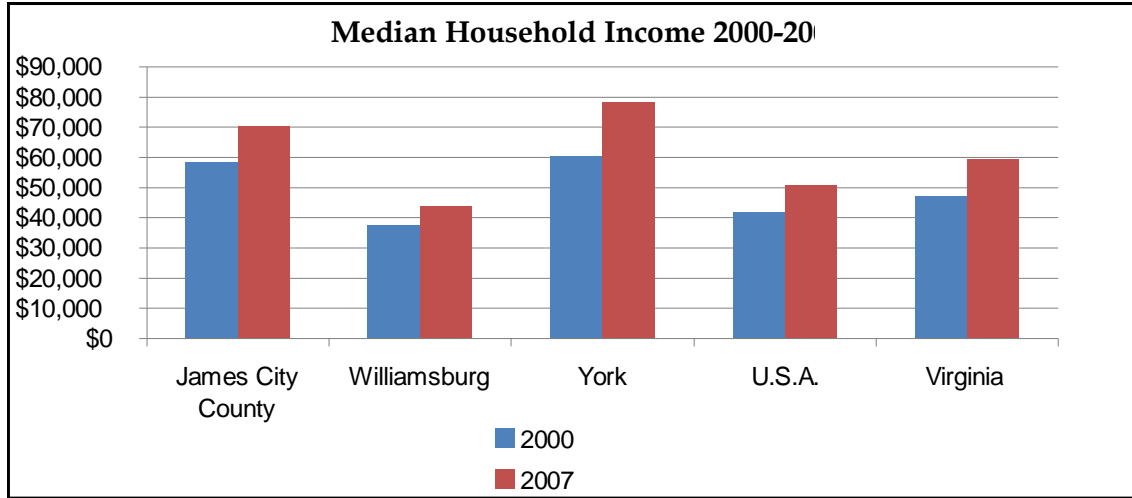
According to the U.S. Bureau of Economic Analysis (BEA), personal income is one of the most comprehensive ways to measure household income. Personal income is defined as "the sum of wage and salary disbursements and other labor income, rental income, personal dividend income, personal interest income, etc." Per Capita Personal Income (PCPI) is measured as the personal income of residents of a given area divided by the resident population of the area. According to the BEA, the average 2006 PCPI for James City County and the City of Williamsburg (the BEA aggregates and reports per capita income for both localities together) was \$42,923, a 103% change over 2000 and one of the highest personal income rates in the MSA.

6d. Household and Family Income

The U.S. Census Bureau defines household income "as the sum of money income received in a calendar year by all household members 15 years old and over, including household members not related to the householder, people living alone, and other non-family household members." The *median* household income provides income information by dividing households into two equal parts with the first half of the households earning less than the median household income and the other half earning more. The most recent data on median household income is provided by the 2004 U.S. Census Small Area Income and Poverty Estimates. At \$70,487, James City County was estimated to have the second highest median household income in the GWA behind York County with \$78,234 but above Williamsburg with \$43,777. The low median household income attributed to Williamsburg may be a result of the large number of Williams and Mary college students residing in the City. It is likely that the number of college students living in James City County may have some impact on the median household for James City County.

Chart 12 illustrates and compares the growth of the median household income among the GWA communities and the state and the country.

Chart 12-Median Household Income Comparison



Source: U.S. Census Small Area Income and Poverty Estimates

Another way of measuring income is through Family Income. By definition, family income excludes non-family households, which consists of single person household and/or unrelated members. In 2000, the Census median family income for James City County was \$66,171 while the median family income for the City of Williamsburg was \$52,358.

6e. Median Adjusted Gross Income:

Yet another way of measuring income is through the Internal Revenue Service’s measure of Median Adjusted Gross Income (MAGI) of individuals and married couples. MAGI is the median income calculated after deductions for taxes are made. While it cannot be directly compared to median family income, which includes all families, it does provide important information regarding the expansion and contraction of household income over time. As shown in the table 6, James City County has the highest MAGI among the localities of the Greater Williamsburg Area and above the state average.

Table 6-Median Adjusted Gross Income-2005

Area	Median Adjusted Gross Income-Single Filer 2005	Median Adjusted Gross Income-Married Couple 2005	Total Median Adjusted Gross Income-2005
State	\$ 21,539	\$67,160	\$35,372
James City County	\$ 18,829	\$77,593	\$43,546
Williamsburg City	\$ 18,168	\$68,657	\$30,555
York County	\$ 18,186	\$78,571	\$42,475

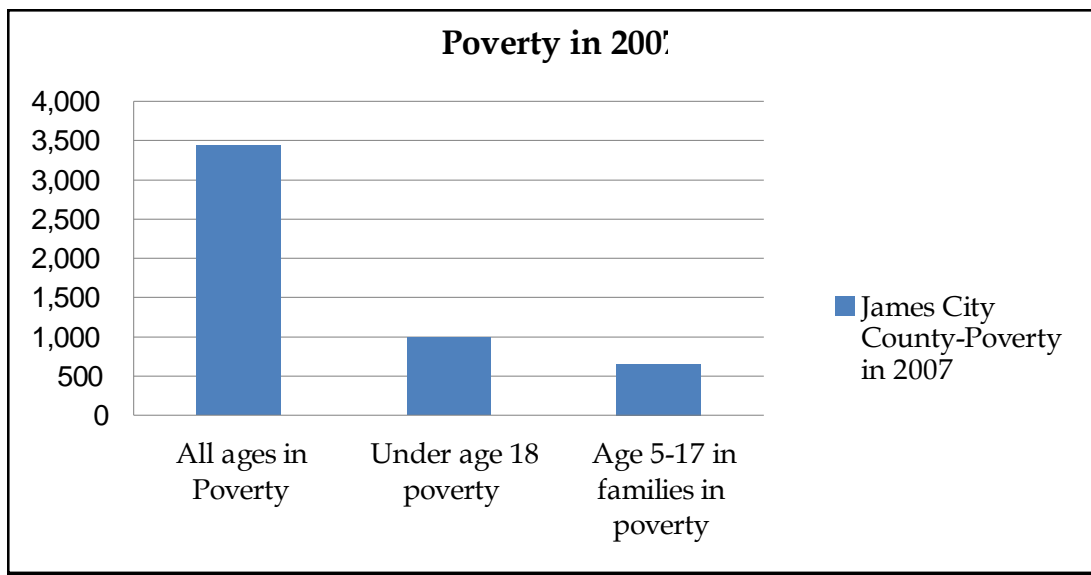
Source: Weldon Cooper Center based on Virginia state tax records

6f. Poverty

The U.S. Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is in poverty. Each person or family is assigned one out of 48 possible thresholds (e.g. the 2007 weighted average threshold for one person was \$10,590; for a two-person household the threshold was \$13,540 and for a family of four the threshold was \$21,027). These thresholds do not vary geographically and are used throughout the United States; if a family's total income is less than the family's threshold, then the family and every individual in it is considered in poverty.

According to the 2000 Census, the poverty rate for James City County was 6.4% which was below the poverty rate for the MSA (10.6%) and the state (9.6%). However, the most recent available data on poverty provided by the U.S. Census Small Area Income and Poverty Estimates shows that poverty rate for James City County rose slightly to 6.6% in 2007 while the state's poverty rate rose to 9.9%. (There is no current data available for poverty rate in the MSA.) Chart 13 illustrates the poverty rate in James City County across different age cohorts. Note that the poverty rate is dependent upon age.

Chart 13-Poverty in James City County, 2007



Source: US Census Small Area Income and Poverty Estimates

7. Taxes

7a. Tax Rates

James City County continues to levy a relatively low tax rate: in 2008, the real estate tax was \$0.77 per \$100 slightly higher than York County's at \$0.60 and Williamsburg's at \$0.50. At \$4.00 per \$100 of capitalized cost, assessed at 25% for an effective rate of \$1 per \$100, James City County's personal property tax rate has remained constant for the last 20 years. York County has the same tax rate, while Williamsburg has a slightly lower property tax rate at \$3.50 per \$100.

A growing source of revenue for the County is the Business, Professional, and Occupational Licensing (BPOL) Tax. This has been driven by a recently corresponding growth in the Services sector of our economy.

According to data provided by the James City County Adopted Budget for the Fiscal Years 2009-2010, revenues from real estate taxes is projected to grow 0.6% while personal property taxes are projected to increase by almost 13%. These two sources will remain principal sources of revenue for the County.

Residential uses (not including mobile homes which are generally considered and taxed as personal property in James City County) correspond to 84% of the real estate property tax. Since 2000, the County has been losing ground on residential versus non-residential real estate property taxes. This is likely due to the increasing values of residential property and the slow appreciating values for non-residential uses. Table 7 compares the residential and non-residential percentage increases from 2002 to 2009.

Table 7-Real Estate Property Taxes

Real Estate Property Taxes	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009
Residential	77%	78%	79%	80%	83%	84%	84%	84%
Non-Residential	23%	22%	21%	20%	17%	16%	16%	16%

Source: James City County Adopted Budget Fiscal Years 2002-2009

An 84%/16% ratio of assessed residential and non-residential uses seems far from a more balanced target of 75%/25%. However, this ratio changes if, for instance, business personal property and machinery & tools, BPOL, sales, room and meal taxes, state funds and investment income are all included in the non-residential revenues. Further, if facilities such as apartment and assisted living complexes and mobile home parks are taxed as commercial properties, as is the case in certain other neighboring jurisdictions, then total non-residential real estate property taxes rises. Table 8 offers information regarding total revenues from taxable sources for the fiscal years of 2008 and 2009.

Table 8-Revenues from Taxable Sources

Detailed Summary Revenues	FY 2008 Adopted	FY 2009 Adopted*
General Property Taxes	\$105,183,729	\$107,754,387
Other Local Taxes	\$22,555,000	\$22,030,000
Licenses, Permits and Fees	\$9,745,125	\$8,345,000
Fines & Forfeitures	\$413,125	\$375,000
Revenues from Use of Money and Property	\$1,311,631	\$1,315,000
Revenue from the Commonwealth	\$25,724,786	\$25,433,233
Revenue from the Federal Government	\$5,868	\$5,868
Charges for Current Services	\$7,912,034	\$4,678,036
Miscellaneous Revenues	\$1,670,250	\$170,500
Total Revenues	\$174,521,548	\$170,107,024

Source: James City County Adopted Budget FY 2009-2010

*Projected Numbers

According to the 2009-2010 adopted budget for James City County, "Other Local Taxes" revenues include the budget for the 1% Local Sales Tax. This tax is collected with the 4.0 percent state sales at the time of sale, and remitted to the County. An increase of 7.7% over the fiscal year 2008 collections is anticipated in the fiscal year 2009 and 6.1% in the fiscal year 2020. Local sales taxes represented approximately 44% of the revenues for "Other Local Taxes" for James City County which is higher than York County's at 34%.

7b. Largest Taxpayers in the County

According to information provided by the Department of Financial and Management Services Department, property taxes assessed in 10 of the largest business in James City County represented approximately 11% of the total revenues for Fiscal Year 2007. Anheuser-Busch, Inc. was the highest taxpayer in 2007 with \$4,626,557 of property taxes assessed or 4.36% of all taxable revenue for the County. Busch Entertainment, Corp. was the second highest taxpayer with \$1,438,461 representing 1.36% of total County revenues followed by Wal-Mart, Inc. (1.03%), Powhatan Plantation Owners Association (0.87%), Busch Properties, Inc. (0.64%), Ball Metal Container (0.59%), Williamsburg Plantation owners Association (0.55%), Manor Houses Association (0.54%), Williamsburg Landing, Inc (0.53%), and Virginia Electric and Power Company (0.52%). It is important to note that the percentage of the County total revenues attributed to the 10 largest business/industries has been gradually diminishing over the years. For the 2003 fiscal year, ten of the largest business/industries contributed to a total of 14.81% of total

County revenues followed by 14.13% in 2004, 13.8% in 2005, 12.17% in 2006, and 10.99% in 2007. This trend is an indication that fiscal contribution is gradually diversifying, as some of the County's sources of revenues are less dependent on large businesses/industries.

8. Retail Sales

James City County has seen an increase of 37% in retail sales since the year 2000. Currently at \$882,593,500 million, the County retail sales are on average above that of the City of Williamsburg and York County. Table 9 illustrates the gradual increase of taxable sales in James City County, York County, and Williamsburg.

Table 9-Retail Sales in the Greater Williamsburg Area

Year	James City County	York County	Williamsburg
2000	\$644,192,700	\$456,882,473	\$326,768,644
2001	\$673,000,700	\$461,360,068	\$335,092,593
2002	\$660,603,800	\$500,602,807	\$353,630,563
2003	\$678,016,200	\$618,115,416	\$349,465,319
2004	\$679,508,600	\$683,115,416	\$354,054,369
2005	\$763,697,400	\$677,672,111	\$309,144,131
2006	\$832,202,000	\$791,024,224	\$374,571,609
2007	\$882,593,500	\$841,712,562	\$417,579,292

Source: Virginia Department of Taxation

According to the Virginia Department of Taxation, the industry sectors which provided the highest taxable sales revenue in James City County for 2007 were Clothing and Clothing Accessories, 30%; followed by Food and Beverage Stores, 28%; Recreation, 16%; Accommodation, 13%; and Food Services and Drinking Places, 13%. It is interesting to note that the top sales tax generator-Clothing and Clothing Accessories, is a reflection of the emergence of the County as a hub for discount stores, particularly stores such as Prime Outlets (the largest and most consistent sales tax generator in the County). Other industry sectors, particularly Recreation, Accommodation, and Food Services and Drinking Places sectors have strong economic ties with the tourism and service industries, confirming the economic relevance of tourism as a source of revenue for the County.

9. Agriculture

The impact of traditional agricultural activities in the County's economic base has been gradually declining over the years. According to data provided by the VEC, in 2000 the average employment number for this industry sector was 92 employees; average weekly wages corresponded to \$323. In 2007, the average employment number was down to 48 employees while the average weekly wage declined to approximately \$252.

This negative trend is also reflected by the decline in the number and size of farms in James City County. According to the most recent information provided by 2002 Census of Agriculture, and as shown on Table 10, James City County had 9,559 acres of farmland in 1992. In 2002, this number decreased to 8,962 acres. The average size of farms in the County also decreased from 157 to 140 acres. The market value of agricultural products fell between 1992 and 1997 but showed signs of growth in 2002.

Table 10-Agriculture in James City County-Years 1992-2002

	1992	1997	2002
Land in Farms (in acres)	9,559	10,002	8,962
Average Size of Farms (in acres)	157	135	140
Market Value of Agricultural Product Sold (millions)	\$2,428	\$2,074	\$2,341
Market Value of Agricultural Products Sold, Average per Farm (thousands)	\$39,810	\$28,023	\$36,579

Source: 2002 Census of Agriculture-U.S. Department of Agriculture.

According to the U.S. Office of Management and Budget, all counties and cities which are not designated as parts of a MSA are considered rural. By this definition, James City County is a non-rural community. Table 11 compares economic and agricultural features between James City County and other non-rural and rural communities.

Table 11-Rural and Non Rural Communities

	Locality	Farms (Numbers)	Farmland (Acreage)	Cash Receipts (In thousands)
Rural	King George County	169	31,888	2,970
Non-Rural	King William	135	61,370	14,395
Non-Rural	James City County	64	8,962	2,341
Non-Rural	York County	44	743	2,922

Source: 2002 Census of Agriculture-U.S Department of Agriculture

In terms of community values and quality of life, the statistics provided by the Census of Agriculture does not provide an accurate picture of the state of agriculture in the County. According to rough in-house estimates, nearly 40,997 acres in the County are zoned A-1, Agriculture, while only 8,962 acres of that may be reported to the Census of Agriculture as cropland or actively timbered land, much more remains as forestland. Rural preservation, investigation of higher yield agricultural and related activities and growth management are important tools to use in order to protect the County's agricultural lands, promote sustainable economic activities such as agribusiness, and maintain the overall quality of life of the County.

10. Tourism

Tourism plays an important role in Virginia's economy. According to the VEC, industry sectors related to tourism are among the top five largest employers in the state. A recent study prepared for the Virginia Tourism Authority (VTA), *Economic Impact of Domestic Travel Expenditures on Virginia Counties 2007*, found that domestic travelers spent close to \$18.7 billion on transportation, lodging, food, entertainment, and recreation and incidentals in Virginia, a 5.8% increase from 2006, and higher than the national growth rate of 4.7%. Further, domestic tourism spending generated approximately \$2.5 billion in state, local and federal tax revenue, up 3.3% from 2006. The study also indicates that domestic tourism in the state generated 210,300 jobs, including full-time and seasonal/part-time positions, up 1.0 percent from 2006. On average, every \$88,882 spent by domestic travelers in Virginia directly supported one job.

The MSA is well known for its tourist attractions and hospitality industry. Estimates from the VTA for the year 2007 finds that domestic tourism generated over \$3.7 billion in the region or 19% of the total tourism expenditures in the state. The highest domestic tourism expenditures in the MSA were in Virginia Beach, \$1.124 billion; followed by Norfolk, \$660.72 million; Williamsburg, \$495.37 million; James City County, \$350.45 million; Newport News, \$257.36 million; Chesapeake, \$252.90 million; Hampton, \$194.27 million; York County, \$178.06 million; Portsmouth, \$77.22 million; Suffolk, \$50.96 million; Gloucester County, \$36.93 million; Isle of Wight County, \$29.87 million; Mathews County, \$27.19 million; Surry County, \$8.33 million; and Poquoson, \$2.59 million.

The slowing national economy has had an impact in the industry sectors related to tourism in the MSA. According to the latest projection released by the Economic Forecasting Project at the College of Business and Public Administration at Old Dominion University⁸, "In 2009, hotel rooms revenues are projected to decline 2.7% from 2008."

Traditionally, the hospitality industry, which includes tourism, has been one of the cornerstones of the GWA's economy. As previously seen in the Workplace Section of this report, the largest industry sectors in the area according to the number of employees are directly and/or indirectly related to the Hospitality Industry (i.e. Arts, Entertainment and Recreation, Accommodation and Food Services, Retail Trade). Further, in accordance with the *Economic Impact of Domestic Travel Expenditures on Virginia Counties 2007* study, 5.6% of all domestic tourism expenditure in the state happens in the GWA. Table 12 breaks down the domestic tourism impact in the GWA in five categories.

⁸ Hampton Roads Yearly Forecast for 2009

Table 12-Domestic Travel Impact in the GWA-2007

Greater Williamsburg Area	Expenditures (in millions)	Pay Roll (in millions)	Employment (in thousands)	State Tax Receipts (in millions)	Local Tax Receipts (in millions)
Williamsburg City	\$495.37	\$99.60	5.95	\$18.82	\$17.57
James City County	\$350.45	\$67.21	3.97	\$15.91	\$14.96
York County	\$178.06	\$31.99	1.85	\$7.77	\$6.98
Combined three jurisdictions	\$1,023.78	\$198.80	11.77	\$42.50	\$39.51
As Percentage Distribution by all Counties in the State	5.6%	4.6%	5.6%	5.9%	7.4%

Source: The Economic Impact of Domestic Expenditures on Virginia Counties 2007 Report

According to the study, travel expenditure represents the direct spending by domestic travelers including meals, lodging, public transportation, auto transportation, shopping, admissions and entertainment. Pay roll represents the direct wages, salaries and tips corresponding to the direct travel-related employment. Employment represents the estimates of direct travel related employment in the locality. State Tax Receipts represents the estimates of direct travel related state taxes generated within the locality (i.e. includes state sales-and-use tax, gasoline excise taxes, corporate income tax, and personal income tax). Local travel receipts represents the estimates of direct travel related local taxes generated within the locality (i.e. local sales-and-use tax, local excise taxes and property taxes).

Of the three jurisdictions making up the GWA, the City of Williamsburg economic base is more reliant on employment and revenues generated by the hospitality industry than both James City and York County. As an industry, tourism offers many economic benefits to all three jurisdictions of the GWA. However, economic reliance on a limited number and types of industry sectors is not sustainable in the long run as it exposes local economies to the swings of economic cycles.

11. Economic Opportunities

As previously indicated in this report, James City County's unique community assets package is one the greatest advantages over other communities in the MSA. The County's location midway between two major Metropolitan Statistical Areas, the Richmond MSA and Hampton Roads MSA, also offers opportunities and benefits to the economy of the County. Proximity to the military, technical and research and development establishments such as the National Aeronautics and Space Administration (NASA), the Thomas Jefferson National Accelerator Facility (i.e. Jefferson Laboratory), Virginia Lab for Marine Sciences, Virginia Center for Innovative Technology, Hampton Roads Technology Council, Langley Air Force Base, Fort Eustis, Fort Monroe, and the Yorktown Naval Weapons Station has the potential to stimulate economic derivatives in James City County.

Proximity to the ports of the Hampton Roads presents economic opportunities to the County for port-related exporting and importing activities and consulting opportunities that will require office and spaces for warehousing, assembly and packaging. Proximity to academic research activities in the College of William and Mary and Old Dominion University presents economic opportunities particularly in the scientific fields related to sensors and advanced manufacturing as well as marine applications.

11a. Technology Business Incubator

A James City County Technology Business Incubator initiative was suggested and implemented in the spring of 2006. Part of the Hampton Roads Technology Incubator System (HRTIS), the program provides cost-effective, high-tech professional business counseling and strategic services to entrepreneurs and small business. Since its onset, 10 small companies are or have been in the program and 5 have successfully graduated. The retention of business graduating from the Technology Business Incubator is an important strategy to further diversify the County's economic base.

11b. The College of William and Mary Office of Economic Development

The College of William and Mary Office of Economic Development has been active in linking companies to ongoing research and development of new technology in the areas of sensors, modeling and simulation, applied science, bioscience, bioinformatics, aging and geriatric health, marine science and others. The William and Mary Research Institute is pursuing research in cutting edge technologies in the material sciences, alternative energy, bioscience and environmental science. The research and development of such technologies is beneficial to the economy of the GWA as it has the potential to attract business, which are less dependent on the local resources and less intrusive to the environment. Further, research and development activities have the potential to cluster and create an environment conducive to the attraction of the knowledge-based business.

William and Mary is also engaged in providing business and outreach services to companies in the GWA. Its Technology and Business Center provides outreach classes in conjunction with the Mason School of Business, sponsors a CEO forum for leaders of local companies, supports companies in the James City County technology incubator, and connects companies with faculty and students. The William and Mary Economic Development, the Research Institute, and the Technology and Business Center all have office in the Discovery Two building in New Town, along with Thomas Nelson Community College high tech classrooms and the James City County Office of Economic Development. These organizations are developing collaborations to develop the local workforce and expand business connections.

The Hampton Roads Technology Clusters, under the auspices of the Hampton Road Research Partnership (HRRP), seeks to promote economic development in the Hampton Roads region by linking university and laboratory research with the private sector. The project seeks to expand technology clusters in three areas-sensors, modeling and simulations, and bioscience. Most of the HRRP partners participate in all three clusters, and one partner has the lead in coordinating through its Technology and Business Center, has the lead for the sensors cluster. The project has resulted in an expanded network of relationships among research and companies and numerous joint initiatives in research and contracting.

12. Land Use and Economic Development

12a. Industry and Office

Table 13 shows available acreage and useable acreage at seven selected industrial and office parks located in James City County. (Please refer to Appendix C for the location of the Industrial Parks in the County.) While the majority of industrial and office activity is located within the seven selected developments, James City County has additional industrial and office areas located outside these industrial and office parks. The majority of these non-residential uses are located within parcels which are zoned MU, B-1, LB, PUD-C, M-1, and M-2.

Table 13-Selected Industrial/Office Parks in James City County

Park	Acreage*	Undeveloped Acreage**	Developed Acreage	Useable Acreage Remaining
Busch Corporate Center	137.69	0.00	108.77	28.92
GreenMount Industrial Park	744.03	46.16	498.07	199.80
Hankins Industrial Tract	138.31	4.65	119.27	14.39
Jacobs Business Park	86.62	32.02	0.01	54.59
James River Commerce Center	203.32	40.90	75.87	86.55
Stonehouse North	553.36	170.87	0.00	382.49
Stonehouse Commerce Park	236.76	50.73	126.48	59.55

Source: James City County Planning Division

** All acreage amounts are computed from GIS and do not necessarily reflect legal amounts*

*** Resource Protection Areas, steep slopes, environmental sensitive areas.*

Below are three of the major business announcements for the year of 2008 according to the James City County Office of Economic Development:

- **Dylla Manufacturing** signed a lease to occupy 20,000 square feet in James River Commerce Center. Dylla makes customized rubber elevator parts.
- **Walsh Electric** announced plans to construct a 12,000-square-foot facility in GreenMount Industrial Park. Walsh Electric offers a variety of commercial general electric contracting services in seven states in the eastern United States.
- **Yeargin Landscaping, Inc.** announced plans to construct a facility in GreenMount Industrial Park.

12b. Commercial & Retail

James City County is served by a variety of retail establishments, from smaller “mom & pop” local stores to larger commercial operations such as Prime Outlets. These commercial and retail establishments are an important economic sector for James City County strengthening the economic and social fabric of the County. The majority of commercial and retail square footage is clustered in the following areas:

- Colonial Heritage - 350,000 square feet;
- Williamsburg Pottery - 2,000,000 square feet
- Lightfoot Corridor - 1,000,000 square feet
- Williamsburg Market Place - 125,000 square feet
- Monticello Shopping Center - 300,000 square feet
- New Town - 300,000 square feet

Other larger and medium size shopping centers such as Prime Outlets at Williamsburg, Shops at Norge, Colony Square, and Williamsburg Crossing provide additional commercial and retail shopping opportunities for residents. Further discussion regarding the County’s land use inventory will take place in the Land Use Technical Report.

12c. James River Enterprise Zone Program

The Virginia Enterprise Zone program was established by the General Assembly in 1982 through passage of the Virginia Enterprise Zone Act (§ 59.1-270 through § 59.1-284 of the Code of Virginia). The purpose of the program is to encourage new business activity by providing state and local tax relief and grants, local regulatory flexibility, and local infrastructure development.

The James River Enterprise Zone is a 5.6-square mile area that contains 2,400 acres of land zoned for industrial use and two industrial parks, James River and GreenMount (Please refer to Appendix E for the location of the Enterprise Zone in the County.) This area was designated as an enterprise zone by the State of Virginia effective January 1, 1996 until 2016. The program is a state and local partnership in which both parties seek to improve economic conditions within a targeted geographic and industrial investment, development and expansion. Both state and local incentives are available. Currently there are three qualified business located in GreenMount Industrial Park, and one business is under construction. Seven qualified business are in James River Commerce Center in addition to Ball Metal.

13. Conclusion

A sustainable economy is one that is comprised of different but complementary features. A diverse employment base is, for instance, one of the features which can be used to measure the sustainability of James City County's economy. Income that meets the needs of workers and reduction of poverty rates are also features which may be used to gauge how sustainable the economy of a James City County is.

As the Technical Report suggests, James City County's economic base may not be as diversified as it could be, but it is showing signs of diversification; the growth in employment numbers in small industry sectors in the County (e.g. Management of Corporation and Finance and Insurance sectors) has been noted by this report, and strategies to support further diversification of the County's economic base is presented in Strategy 1.6.

Still, a large percentage of the County's economic activities and employment remains concentrated in a few industry sectors, particularly the hospitality industry. Tourism and related industries are an important economic activity in James City County. Strategies to protect and strengthen the hospitality-tourism industry are reflected in Strategy 1.9.

There are opportunities for James City County to diversify its economic base from its more traditional industries; proximity to research and development centers located in the Hampton Roads area, partnership with the College of William and Mary (please refer to Strategy 1.8.) offers opportunities for developing technology industries clusters such as Information and Communications, Biotechnology and Environmental Science, Materials Science and Advanced Manufacturing.⁹ These clusters are prime examples of "knowledge-based business" which are associated with higher-paying jobs, high-skill labor force, and high-education attainment levels.

This report also presented information regarding incomes and wages in James City County. Wages are lower than the state's average partially as a result of the current industry sector and employment base composition of the County. The Business Climate Task Force Report has provided a list of attributes and qualities (i.e. fair pay, high wages, jobs with benefits and year-round, full time employment) to determine the types of business desired for the County. This report has included this list of attributes not only as desired qualities for business location in James City County but also as sustainable economic measures to be achieved to ensure better wages and higher income for James City County's residents.

In conclusion, the greatest measurement of sustainability for James City County's economy may very well be the capacity that the County has to develop and diversify its economy, support its growing population, enhance the quality of life of its citizens and at the same time, preserve the unique character of the County.

⁹ Crossroads Research and Technology Committee Report

Appendix A

Industry Sector Definitions

Accommodation and Food Services:

This sector comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption. This sector includes both accommodations and food services establishments because the two activities are often combined at the same establishment.

Administrative and Waste Services:

This sector comprises establishments performing routine support activities for the day-to-day operations of other organizations. The essential activities are often undertaken in-house by establishments in many sectors of the economy. Activities performed include: office administration, hiring and placing of personnel, document preparation and similar clerical services, solicitation, collection, security and surveillance services, cleaning, and waste disposal services.

Agriculture, Forestry, Fishing, and Hunting:

The Agriculture, Forestry, Fishing and Hunting sector comprises establishments primarily engaged in growing crops, raising animals, harvesting timber, and harvesting fish and other animals from a farm, ranch, or their natural habitats.

Arts, Entertainment, and Recreation

The Arts, Entertainment, and Recreation sector includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons. This sector comprises (1) establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; (2) establishments that preserve and exhibit objects and sites of historical, cultural, or educational interest; and (3) establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests.

Construction:

The construction sector comprises establishments primarily engaged in the construction of buildings or engineering projects (e.g., highways and utility systems). Establishments primarily engaged in the preparation of sites for new construction and establishments primarily engaged in subdividing land for sale as building sites also are included in this sector.

Educational Services:

The Educational Services sector comprises establishments that provide instruction and training in a wide variety of subjects. This instruction and training is provided by specialized establishments, such as schools, colleges, universities, and training centers. These establishments may be privately owned and operated for profit or not for profit, or they may be publicly owned and operated. They may also offer food and/or accommodation services to their students.

Finance and Insurance:

The Finance and Insurance sector comprises establishments primarily engaged in financial transactions (transactions involving the creation, liquidation, or change in ownership of financial assets) and/or in facilitating financial transactions.

Health Care and Social Assistance:

The Health Care and Social Assistance sector comprises establishments providing health care and social assistance for individuals. The sector includes both health care and social assistance because it is sometimes difficult to distinguish between the boundaries of these two activities. The industries in this sector are arranged on a continuum starting with those establishments providing medical care exclusively, continuing with those providing health care and social assistance, and finally finishing with those providing only social assistance. The services provided by establishments in this sector are delivered by trained professionals. All industries in the sector share this commonality of process, namely, labor inputs of health practitioners or social workers with the requisite expertise. Many of the industries in the sector are defined based on the educational degree held by the practitioners included in the industry.

Information:

The Information sector comprises establishments engaged in the following processes: (a) producing and distributing information and cultural products, (b) providing the means to transmit or distribute these products as well as data or communications, and (c) processing data. The main components of this sector are the publishing industries, including software publishing, and both traditional publishing and publishing exclusively on the Internet; the motion picture and sound recording industries; the broadcasting industries, including traditional broadcasting and those broadcasting exclusively over the Internet; the telecommunications industries; Web search portals, data processing industries, and the information services industries.

Management of Companies and Enterprises:

The Management of Companies and Enterprises sector comprises (1) establishments that hold the securities of (or other equity interests in) companies and enterprises for the purpose of owning a controlling interest or influencing management decisions or (2) establishments (except government establishments) that administer, oversee, and manage establishments of the company or enterprise and that normally undertake the strategic or organizational planning and decision-making role of the company or enterprise. Establishments that administer, oversee, and manage may hold the securities of the company or enterprise.

Manufacturing:

The Manufacturing sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. The assembling of component parts of manufactured products is considered manufacturing, except in cases where the activity is appropriately classified in Sector 23, Construction. Establishments in the Manufacturing sector are often described as plants, factories, or mills and characteristically use power-driven machines and materials-handling equipment. However, establishments that transform materials or substances

into new products by hand or in the worker's home and those engaged in selling to the general public products made on the same premises from which they are sold, such as bakeries, candy stores, and custom tailors, may also be included in this sector. Manufacturing establishments may process materials or may contract with other establishments to process their materials for them. Both types of establishments are included in manufacturing.

Other Services, Except Public Administration:

The Other Services (except Public Administration) sector comprises establishments engaged in providing services not specifically provided for elsewhere in the classification system. Establishments in this sector are primarily engaged in activities, such as equipment and machinery repairing, promoting or administering religious activities, grant making, advocacy, and providing dry-cleaning and laundry services, personal care services, death care services, pet care services, photo finishing services, temporary parking services, and dating services.

Professional and Technical Services:

The Professional, Scientific, and Technical Services sector comprises establishments that specialize in performing professional, scientific, and technical activities for others. These activities require a high degree of expertise and training. The establishments in this sector specialize according to expertise and provide these services to clients in a variety of industries and, in some cases, to households. Activities performed include: legal advice and representation; accounting, bookkeeping, and payroll services; architectural, engineering, and specialized design services; computer services; consulting services; research services; advertising services; photographic services; translation and interpretation services; veterinary services; and other professional, scientific, and technical services.

Public Administration:

The Public Administration sector consists of establishments of federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area. These agencies also set policy, create laws, adjudicate civil and criminal legal cases, provide for public safety and for national defense. In general, government establishments in the Public Administration sector oversee governmental programs and activities that are not performed by private establishments. Establishments in this sector typically are engaged in the organization and financing of the production of public goods and services, most of which are provided for free or at prices that are not economically significant.

Real Estate and Rental and Leasing:

The Real Estate and Rental and Leasing sector comprises establishments primarily engaged in renting, leasing, or otherwise allowing the use of tangible or intangible assets, and establishments providing related services. The major portion of this sector comprises establishments that rent, lease, or otherwise allow the use of their own assets by others. The assets may be tangible, as is the case of real estate and equipment, or intangible, as is the case with patents and trademarks.

Retail Trade:

The Retail Trade sector comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The retailing process is the final step in the distribution of merchandise; retailers are, therefore, organized to sell merchandise in small quantities to the general public. This sector comprises two main types of retailers: store and non-store retailers.

Transportation and Warehousing:

The Transportation and Warehousing sector includes industries providing transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation. Establishments in these industries use transportation equipment or transportation related facilities as a productive asset. The type of equipment depends on the mode of transportation. The modes of transportation are air, rail, water, road, and pipeline.

Utilities:

The Utilities sector comprises establishments engaged in the provision of the following utility services: electric power, natural gas, steam supply, water supply, and sewage removal. Within this sector, the specific activities associated with the utility services provided vary by utility: electric power includes generation, transmission, and distribution; natural gas includes distribution; steam supply includes provision and/or distribution; water supply includes treatment and distribution; and sewage removal includes collection, treatment, and disposal of waste through sewer systems and sewage treatment facilities.

Wholesale Trade:

The Wholesale Trade sector comprises establishments engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The merchandise described in this sector includes the outputs of agriculture, mining, manufacturing, and certain information industries, such as publishing.

Appendix B Citizen Commentary

James City County's Citizen Survey 2007 Input

- ❖ Almost five in ten respondents (49.1%) from the Virginia Tech survey rate economic development in the County as either "excellent" or "good."
- ❖ Many responses on the open-ended portions of the Virginia Tech survey regarding desired services and business opportunities in James City County included: control of residential and non-residential growth, more business and industries to increase the County's tax base, and more variety of businesses.
- ❖ Many respondents of the survey raised the issues of slowing down growth and decreasing development in the County as principal concerns when asked, "What would you most like to see change in the County in the future?"

The National Citizen Information Survey 2007 Input

- ❖ Survey respondents were asked to rate community features related to economic opportunity and growth. The highest rated features were shopping and overall quality of business establishments in the County. The lowest rated feature was employment opportunities.
- ❖ Survey respondents were asked to reflect on their economic prospects in the next 6 months. Seventeen percent of the respondents expected that the coming six months would have a "somewhat" or "very" positive impact on their family, while 35% felt that the economic future would be "somewhat" or "very" negative (48% of the respondents expressed neutrality).

Community Conversation Input (Rounds 1 and 2)

- ❖ Participants identified job opportunities, full-time employment, and better wages as currently missing but desired economic elements in the County.
- ❖ An unbalanced economy and rapid growth were concerns expressed by many participants, as was the desire to see existing empty buildings and shopping centers rehabilitated and reused before building new centers.
- ❖ When asked "What are important features (such as clean industries, living wages, shopping opportunities) you would like to see in the business and industries the County attracts," many responders answered clean industries, businesses that create and/or promote green building techniques, high-tech jobs, high paying jobs, research and development jobs and water efficient businesses. The general theme indicated participants are interested in attracting businesses with minimal impacts on the environment and surrounding area.

- ❖ In the second round of Community Conversations, participants were asked if redevelopment of non-residential areas was an important economic strategy in the County. Eighty-three percent (83%) of the participants responded yes to this question.
- ❖ Participants were also asked to identify what type of economic development activities citizens would like to see more or less of in James City County. Participants included the following activities in the “more” category: research & development, eco-business/eco-tourism, agri-business, farming, and home-based occupation. In the “less” category, the following activities were noted: retail, office, industry, and tourism.
- ❖ When asked if the County should invest more in the development, retention, and attraction of a skillful young work force, 88.7% of the surveyors responded yes. Of the nine strategies to attract and retain younger professionals listed on the survey, participants rated the following in the order from the most effective to the least effective (percentages of responses stated at the beginning of statement):
 - a. 71% “Recruit more knowledge-based business that can provide higher paying jobs.”
 - b. 50% “Provide more affordable and workforce housing.”
 - c. 43% “Increase the opportunities for outdoor recreation and sports.”
 - d. 42% “Provide more public open spaces such as parks and trails.”
 - e. 31% “Provide more subdivisions with mixed income and mixed type housing.”
 - f. 31% “Provide additional urban living options similar to New Town.”
 - g. 30% “Provide more cultural venues such as theaters and/or museums.”
 - h. 28% “Provide more public entertainment venues for musical concerts.”
 - i. 26% “Provide more diverse commercial venues such as taverns and/or nightclubs.”

Other Input (CPT forums, listening stations, letters & e-mails)

- ❖ Listening station comments and comment cards included the following statements: stop residential growth, have less development, expand the railroad system, reduce the number of shopping centers, place a priority on local agriculture, attract a tax base other than retail and tourism, more shopping centers, recruit high paying jobs and clean industries, develop technological infrastructure to entice high-tech businesses, and attract more large industries.

- ❖ The Economic Development Authority (EDA) presented to the Community Participation Team and explained the importance of considering issues such as: redevelopment, land use and economic development, workforce education, and achievement of a balanced economic portfolio into the review of the 2008 Comprehensive Plan. The EDA also discussed the implementation of the Business Climate Task Force Study and the importance of making James City County more business friendly.
- ❖ The Greater Williamsburg Chamber & Tourism Alliance also presented to the Citizen Participation Team and identified the following issues as important ones to be addressed for the future of James City County: retaining the uniqueness of the County, encouraging growth of existing and new business in the area, strengthening tourism, and supporting workforce needs.
- ❖ Many letters and e-mails raised control of growth in the County as one of their major concerns.