



ECONOMIC VITALITY
Draft Text (January 20, 2023)

Goal

Hanover County places priority on the growth and resiliency of our economy, which contributes to the vitality and well-being of our community. Through economic development activities, the County supports entrepreneurship and the growth of existing businesses, while working to attract new investment to appropriate areas.

Why It Matters

One of the guiding principles identified during the public engagement process was to maintain the County's predominately rural character and to manage growth. Supporting commercial and industrial development in appropriate locations within the Suburban Service Area (SSA), along with context-sensitive agribusinesses in rural areas, provides the community with the resources necessary to preserve rural areas and keep development within a limited footprint.

Economic development is about creating opportunities for residents. A strong and diverse economy helps create a vibrant and healthy community by:

- Allowing for the continued balance of preservation and growth.
- Providing job opportunities to residents, allowing people to live and work in their community and secure the resources needed to support a high quality of life.
- Providing the tax revenues needed to deliver necessary services, including high-quality schools, public safety, and infrastructure, while minimizing tax burdens on residents.
- Ensuring the viability and sustainability of Hanover County's premier quality of life.

Given the dynamic and competitive nature of the larger economy, Hanover County must proactively nurture and develop its business sector to continue to thrive long-term with a diversified and balanced community.

This section of the Comprehensive Plan provides guidance regarding policies and programs that can be implemented to attract desired businesses and capitalize on private investment. All of these activities lead to job creation, an increase in the tax base, and improvement of the overall quality of life within a community. Recommended policies allow for a continued balance between preservation and growth. Supporting economic development within designated areas with the appropriate infrastructure allows more than 75% of the County to remain rural.

Measuring Our Progress

- Number of Net New Jobs
- Increase in Annual Average Wages
- Inventory of Tier 3+ Sites (Virginia Business Sites Readiness Program)
- Ratio of Commercial/Residential Tax Base Property Assessments
- Diversification of Industry Types

Quick Facts

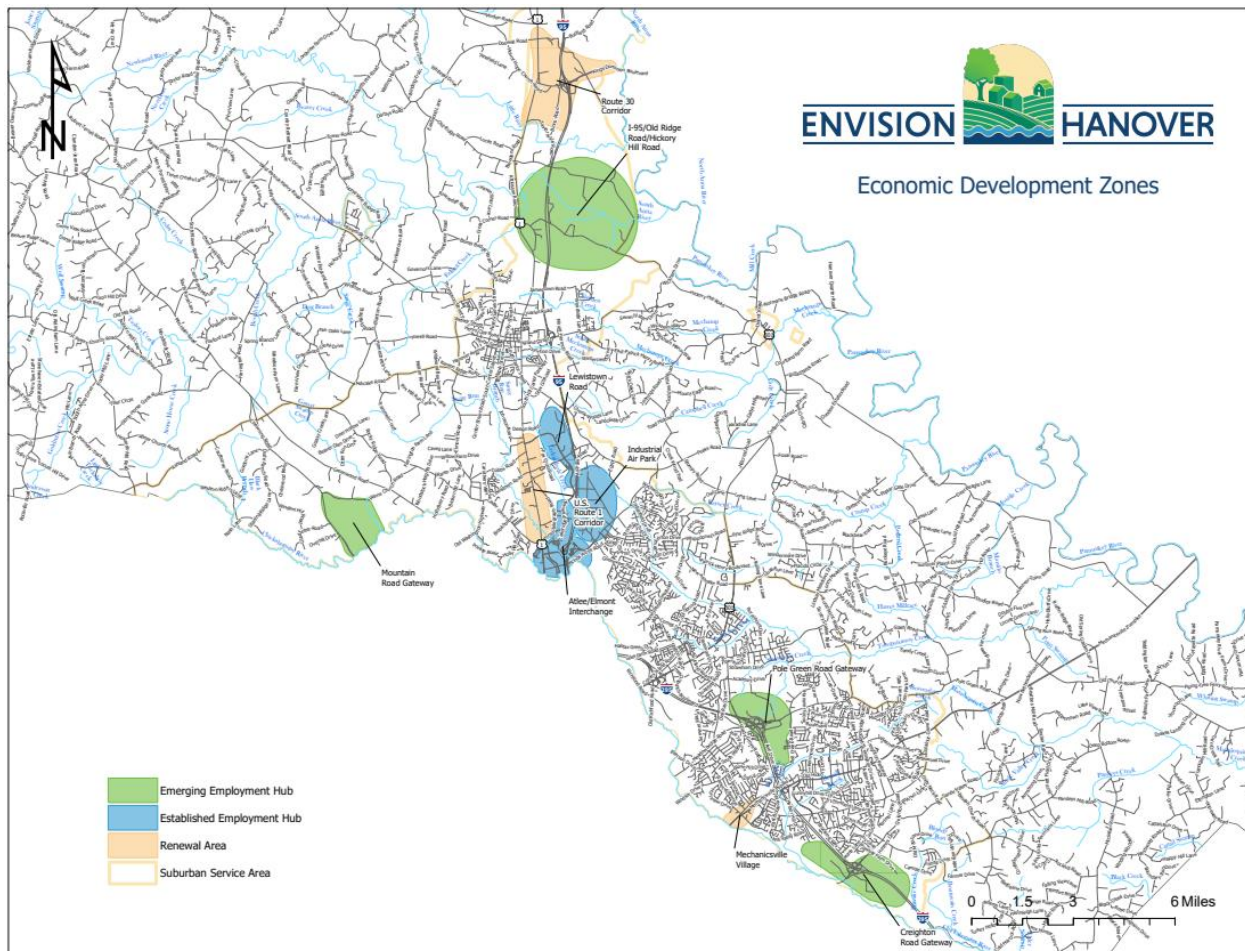
- Hanover County is located within the Richmond Metropolitan Statistical Area (MSA) along several major transportation corridors, including Interstate 95 and Interstate 295. Access to these transportation corridors and proximity to major metropolitan areas creates economic development opportunities.
- As of 2022, Hanover County has 58,537 jobs. Some of the top employment industries relate to healthcare, professional services, food services, construction, and local government.
- Hanover County has experienced significant employment growth in recent decades, and continued growth is expected. The County has experienced 1.6% average annual employment growth since 2001, which is four times the growth rate of the Richmond MSA (0.4% annually). Employment is projected to grow faster (1.6% annually) than the MSA (0.6% annually) through 2030.
- As of 2021, there is 37.7 million square feet of non-residential building space countywide. More than 44% of this space is occupied by warehouse/storage uses (16.8 million square feet), with another 4.7 million square feet (12.7%) occupied by retail businesses and 3.2 million square feet (8.6%) occupied by service uses. The majority of these non-residential buildings are located within southeastern portions of the Suburban Service Area (SSA), which includes the Atlee and Mechanicsville areas.
- As of November 2022, there are 286 acres of land available for economic development officially ranked Tier 3 or higher (based upon the Virginia Business Sites Readiness Program).
- There are limited areas in the County for new large-scale economic development that are supported by existing infrastructure and utilities.
- Hanover County has an educated workforce. 24.7% of residents 25 years of age or older hold a bachelor's degree or higher (compared to 23.5% statewide).
- In 2021, the median household income in Hanover County was \$94,381, compared to a median household income of \$80,963 statewide.
- In 2022 (Q1), the average weekly wage for jobs in Hanover County was \$1,093, which is lower than the average of neighboring localities (\$1,231). The average weekly wage in Hanover County is higher than those found in Caroline, King William, New Kent, and Spotsylvania counties, but lower than those in Goochland, Henrico, and Louisa counties.
- As a rural locality, agriculture remains a part of the local economy. According to the last Census of Agriculture (2017), farms covered 89,186 acres and sold more than \$49,000,000 in agricultural products. Hanover County ranked among the top 10 Virginia counties in crop production.
- The seven-member Economic Development Authority (EDA) was created in 1967 to provide creative financing alternatives to assist businesses in land acquisition, building construction, and equipment acquisition. More than 100 bonds have been issued by the EDA with a total value of more than \$700 million. Members are appointed by the Board of Supervisors and supported by staff in the Economic Development Department.

Economic Development Zones

Since 2000, Hanover County has identified **Economic Development Zones (EDZs)**, which are areas intended to support new and expanding businesses by:

- Ensuring appropriate land use designations are in place;
- Prioritizing investment in supporting infrastructure (roads, utilities, etc.); and
- Supporting public/private partnerships to enhance the quality of development.

These areas are generally located near interstate interchanges or other major transportation corridors located within the Suburban Service Area (SSA), where businesses can capitalize upon existing (or planned) infrastructure investments.



This plan identifies three types of EDZs, with each type having different characteristics and needs:

- Emerging Employment Hubs
- Established Employment Hubs
- Renewal Areas

More detail is listed on the following pages for each of these categories.

EDZs: Emerging Employment Hubs

Emerging Employment Hubs include areas near major transportation corridors where there is significant land available to accommodate new businesses and industries to create high-quality employment opportunities. The focus of these areas are to accommodate new economic development opportunities and to construct and/or upgrade infrastructure to make these areas attractive for new business investment and targeted industries.

| Area | Targeted Industries | Potential Infrastructure Upgrades Needed |
|---------------------------------------|--|---|
| Mountain Road Gateway | <ul style="list-style-type: none"> • Life Sciences • Technology • Research and Development • Data Centers • Corporate Offices • Retail | <ul style="list-style-type: none"> • Transportation • Sewer • Gas |
| Creighton Road Gateway | <ul style="list-style-type: none"> • Flex Industrial • Light- to Medium-Intensity Manufacturing • Advanced Manufacturing • Research and Development • Data Centers | <ul style="list-style-type: none"> • Transportation • Water • Sewer |
| I-95/Old Ridge Road/Hickory Hill Road | <ul style="list-style-type: none"> • Heavy Industrial • Advanced Manufacturing • Automotive (incl. electric vehicles) • Semiconductor • Data Centers • Life Sciences | <ul style="list-style-type: none"> • Transportation • Water • Sewer • Gas |
| Pole Green Road Gateway | <ul style="list-style-type: none"> • Financial Services • Medical • Life Sciences • Offices • Distribution | <ul style="list-style-type: none"> • Sewer • Gas |

Specific Policy Guidance for Emerging Employment Hubs

| | |
|---------------------------|---|
| Infrastructure Investment | <ul style="list-style-type: none"> • Prioritize and implement the Water and Wastewater Facilities Master Plan to provide adequate water and sewer infrastructure to these EDZs. • Dedicate funding to construct new infrastructure to accommodate targeted industries. • Coordinate with other utility providers (such as electric, gas, and fiber providers) to ensure adequate availability and capacity to accommodate targeted industries. |
| Regulatory Review | <ul style="list-style-type: none"> • Continuously review zoning regulations to ensure they adequately address emerging industries and business trends. |
| Shovel-Ready Sites | <ul style="list-style-type: none"> • Partner with property owners to complete plans and studies that could improve the marketability of vacant properties for economic development. |

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| | <ul style="list-style-type: none"> • Evaluate strategies that could be used to have properties prepared and certified as shovel-ready sites. |
| Incentives | <ul style="list-style-type: none"> • Identify tools that could be used to incentivize economic development opportunities that generate high-quality jobs within these EDZs. |

| EDZs: Established Employment Hubs | |
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| <p><i>Established Employment Hubs</i> include areas that have a concentration of established businesses and industries. The focus of these areas are to support existing businesses; facilitate redevelopment and infill development to accommodate complementary businesses; and maintain and upgrade the infrastructure necessary to facilitate goods movement and support continued economic vitality. These areas have been developed with a variety of architectural styles, in accordance with varying development standards and zoning regulations.</p> | |
| Area | Established Industries |
| Atlee/Elmont Interchange | <ul style="list-style-type: none"> • Financial Services • Medical • Life Sciences • Light Industrial • Retail • Office |
| Lewistown Road | <ul style="list-style-type: none"> • Life Sciences • Distribution/Logistics/Supply Chain • Light- to Medium-Intensity Industrial • Advanced Manufacturing • Office |
| Hanover County Industrial Airpark | <ul style="list-style-type: none"> • Flex industrial • Light Industrial • Heavy Industrial • Distribution • Fabrication • Niche Manufacturing • Office • Retail |
| Specific Policy Guidance for Established Employment Hubs | |
| Infrastructure Investment | <ul style="list-style-type: none"> • Maintain and upgrade existing infrastructure to meet current business needs and maintain the area’s marketability. |
| Regulatory Review | <ul style="list-style-type: none"> • Work with property owners and businesses to identify creative policies and programs that could facilitate redevelopment and infill development, accommodating the expansion of existing businesses and the location of new complementary businesses. |
| Business Retention | <ul style="list-style-type: none"> • Strengthen the business visitation program to support existing businesses in these areas. |

| EDZs: Renewal Areas | |
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| <i>Renewal Areas</i> include highly-visible business areas that have the potential for additional redevelopment and reinvestment. These areas include sites developed prior to modern development standards, so reinvestment could be capitalized on to enhance community aesthetics (landscaping, lighting, signage, etc.), pedestrian/bicycle infrastructure, access management, and other features to create attractive gateways to Hanover County, support existing businesses, and attract new ones. | |
| Area | |
| U.S. Route 1 Corridor (Chickahominy River to Ashland Town Limits) | |
| Mechanicsville Village | |
| Route 30 Corridor | |
| Specific Policy Guidance for Renewal Areas | |
| Infrastructure Investment | <ul style="list-style-type: none"> • Maintain and upgrade existing infrastructure to meet current business needs and maintain the area's marketability. |
| Regulatory Review | <ul style="list-style-type: none"> • Work with property owners and businesses to identify creative policies and programs that could facilitate redevelopment and infill development, accommodating the expansion of existing businesses and the location of new complementary businesses. |
| Building Rehabilitation and Reuse | <ul style="list-style-type: none"> • Encourage the renovation and reuse of existing structure, especially those with historic significance. • Consider providing grants or other financial incentives to businesses investing in façade improvements and/or site improvement that enhance community aesthetics. |

Overall Objectives and Strategies for Economic Vitality

Objective EV.1: Pursue policies, programs, and infrastructure investments within EDZs to maintain their economic vitality and sustain competitive inventories of marketable properties, ensuring there is sufficient land suitable for economic development at appropriate locations.

- Strategy EV.1a: Implement policy guidance for different EDZ types identified in this chapter.
- Strategy EV.1b: Review and revise local policies and regulations to ensure they are supportive of current business models and development trends, while maintaining quality development standards that are not overly burdensome.
- Strategy EV.1c: Align County infrastructure plans, such as the utilities master plan and major thoroughfare plan, to accommodate growth within the Emerging Employment Hubs.
- Strategy EV.1d: Identify funding mechanisms (including public/private partnerships) that could be used to make strategic infrastructure investments in public utilities and roads within the EDZs to support economic development.
- Strategy EV.1e: Protect industrial areas from encroachment. Through zoning, ensure that existing and planned employment centers are protected from incompatible land uses and development.

Objective EV.2: Support business attraction and retention efforts to create a diverse economic base.

- Strategy EV.2a: Identify targeted industries in Hanover County based upon citizen engagement and market analysis (and update the list regularly as conditions change).

- **Strategy EV.2b:** Evaluate practices and policies used to incentivize projects, including new economic development projects, business retention/expansion efforts, and redevelopment opportunities.
- **Strategy EV.2c:** Coordinate with the Chamber of Commerce and other business organizations to maintain continued awareness regarding local business needs and changing trends.
- **Strategy EV.2d:** Coordinate business-to-business support within the County.

Objective EV.3: Promote tourism.

- **Strategy EV.3a:** Develop a strategy on how to support tourism (including sports tourism and agritourism).
- **Strategy EV.3b:** Identify gateway corridors that approach major tourist destinations and investigate policies and programs (including the adoption of development standards) that could support attractive development and redevelopment in these areas.
- **Strategy EV.3c:** Participate in major events that highlight the history of Hanover County.

Objective EV.4: Support agri-business.

- **Strategy EV.4a:** Promote agriculture, forestry, and agribusiness enterprises in the County's rural areas to create a vibrant agricultural economy.
- **Strategy EV.5a:** Complete a study of the impact agriculture plays in the County's economy in order to determine how this economic sector may be best supported, encouraged, and promoted.

Objective EV.5: Increase the availability of high-speed data connections and broadband internet access.

- **Strategy EV.5a:** Continue implementing the Connect Hanover initiative to provide broadband access to all residents and businesses countywide.

Objective EV.6: Support workforce development across age ranges, skill sets, and business sectors to create a workforce prepared for current and future opportunities.

- Strategy EV.6a: Support existing workforce programs.
- Strategy EV.6b: Expand collaboration between employers and training providers to address the needs of local industries and build a pipeline of talent to fuel future business growth.
- Strategy EV6.c: Attract businesses that match the skills of the County's workforce, creating job opportunities for existing residents.