



CHAPTER FIVE: ECONOMY¹

INTRODUCTION

Rockingham County is a business-friendly community with a strong and diverse economic base rooted in agriculture and bolstered by public-private partnerships, strong transportation infrastructure, a reliably trainable workforce, and proximity to numerous educational institutions. Rockingham County and the Shenandoah Valley are home to successful long-standing companies, a contagious entrepreneurial spirit, and complete workforce solutions.

This chapter highlights the key economic drivers in Rockingham County, workforce and industry characteristics, and strategies for how the County can continue to protect its historical agricultural base, support the retention and expansion of its existing businesses and major industries, and plan for intentional investments in prospective growth.

EXISTING CONDITIONS | OUR ECONOMY TODAY

Economic Assets and Infrastructure

Rockingham County benefits from its centralized location in the heart of the Shenandoah Valley and is well served by road, rail, and air infrastructure. The Shenandoah Valley Regional Airport located just south of the County in Weyers Cave currently offers commercial flights and provides opportunities for private and non-commercial air travel. Interstate 81 runs north to south through the County, and freight rail service is provided throughout the County by Norfolk Southern and the Shenandoah Valley Railroad.

[Map 5.1: Economic Assets]

Table 5.1 | Transportation Resources and Hubs

| Location | Distance* |
|-----------------------------------|---------------------|
| Interstate 81 | Runs through County |
| Interstate 64 | 11 miles |
| Interstate 66 | 33 miles |
| Shenandoah Valley Airport | 15 miles |
| Charlottesville-Albemarle Airport | 46 miles |

¹ NOTE: All language provided by County staff has been integrated throughout this Chapter.



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| | |
|--|-----------|
| Dulles International Airport | 112 miles |
| Richmond International Airport | 125 miles |
| Port of Virginia | 208 miles |
| Port of Virginia (Inland Port Front Royal) | 64 miles |
| Freight Rail Service | |
| Norfolk Southern Railway | |
| Shenandoah Valley Railroad | |

SOURCE: Virginia Economic Development Partnership
*Per VEDP, distances are measured from locality borders.

Economic Diversity

Rockingham County’s economy is highly diverse. A diverse economy decreases vulnerability to external financial downturns and contributes to a more productive community. The top employers for the area represent the industries of education, health care, manufacturing and distribution, public administration, and hospitality/recreation.

Table 5.2 | Top 10 Employers

| # | Employer |
|----|----------------------------------|
| 1 | Rockingham County Public Schools |
| 2 | Sentara Healthcare |
| 3 | WalMart |
| 4 | Cargill Meat Solutions |
| 5 | Merck & Co. |
| 6 | Marshall's |
| 7 | Great Eastern Resort Management |
| 8 | Rockingham County |
| 9 | Pilgrim's Pride |
| 10 | Danone North America |

SOURCE: Virginia Employment Commission, Economic Information & Analytics, Quarterly Census of Employment and Wages (QCEW), 3rd Quarter (July, August, September) 2022



Cost of Living

Table 5.3 | Cost of Living Comparison

| Locality | Cost of Living Index |
|----------------------|----------------------|
| Rockingham County | 90.2 |
| City of Harrisonburg | 89.0 |
| Augusta County | 89.8 |
| Albemarle County | 109.8 |
| Shenandoah County | 89.2 |
| Page County | 83.8 |
| Virginia | 104.2 |

Cost of living is an important aspect of economic vitality and is defined as the amount of financial resources required to meet necessary expenses – such as housing costs and groceries – and maintain a certain standard of living in a geographic area. Cost of living is typically conveyed as an index that takes these different factors into consideration and is widely accepted as a good means of

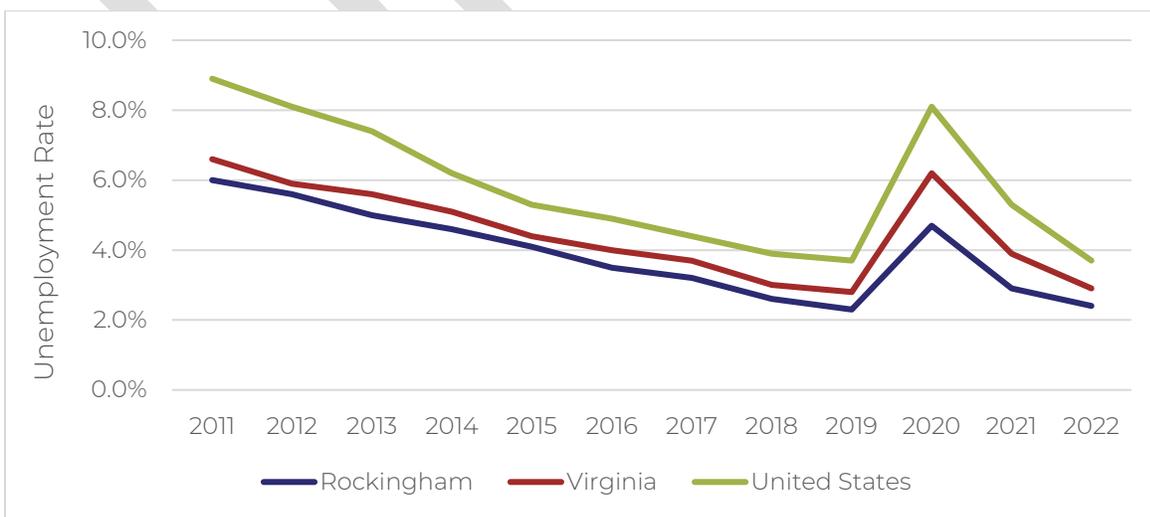
comparing the livability of different geographies.

The overall cost of living index in Virginia is 104.2, slightly higher than the national average index of 100. Rockingham County’s cost of living index is 14 points below the state average, 9.8 points below the national average, and comparable to those of its immediate neighbors, making it attractive for people who enjoy a high quality of life in a place where their dollar stretches further.

Unemployment and Labor Force Participation Rates

From 2011 to 2022, Rockingham County’s unemployment rate was consistently lower than both state and national averages. There was a net decline from 6.0% in 2011 to 2.4% in 2022, even after an increase to 4.7% during the height of the COVID-19 pandemic in 2020.

Figure 5.1 | Unemployment Trends

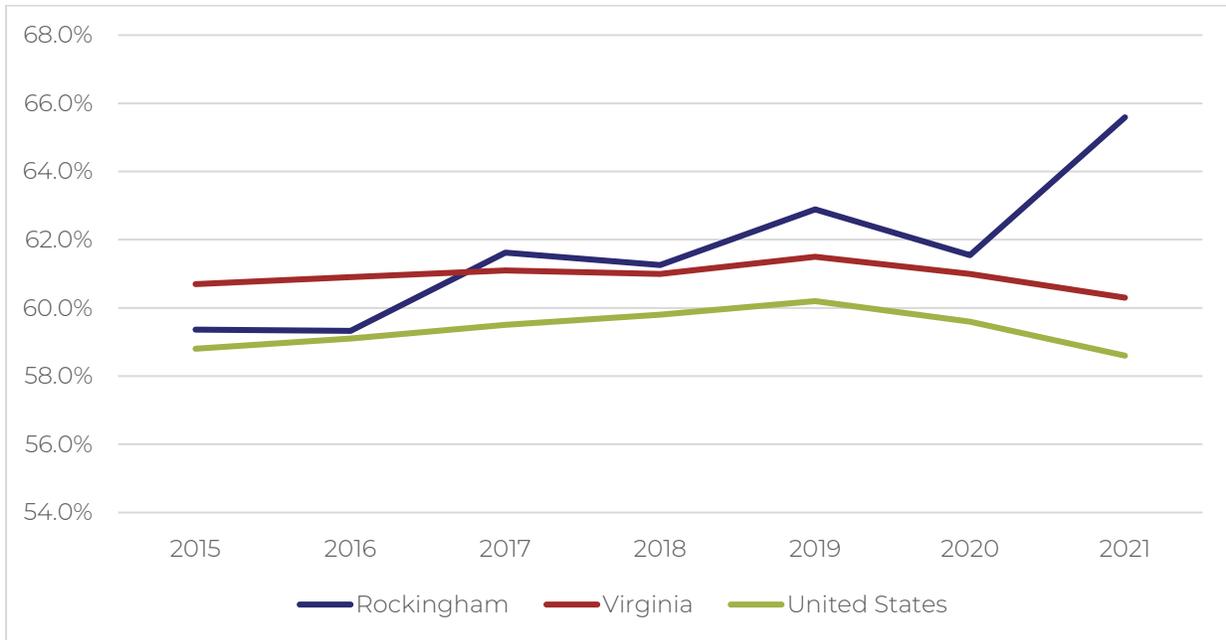


SOURCE: Virginia Employment Commission, Economic Information & Analytics, Local Area Unemployment Statistics



Sixty-six percent (66%) of residents aged 16 and older are actively employed in the workforce. While the state and national averages show declining labor force participation (LFP) rates, Rockingham’s LFP rate has grown stronger since 2020. Combined with the relatively low unemployment rate, this indicates a strong employment base that has remained stable even as state and national trends fluctuate.

Figure 5.2 | Labor Force Participation Rate, 2015-2021



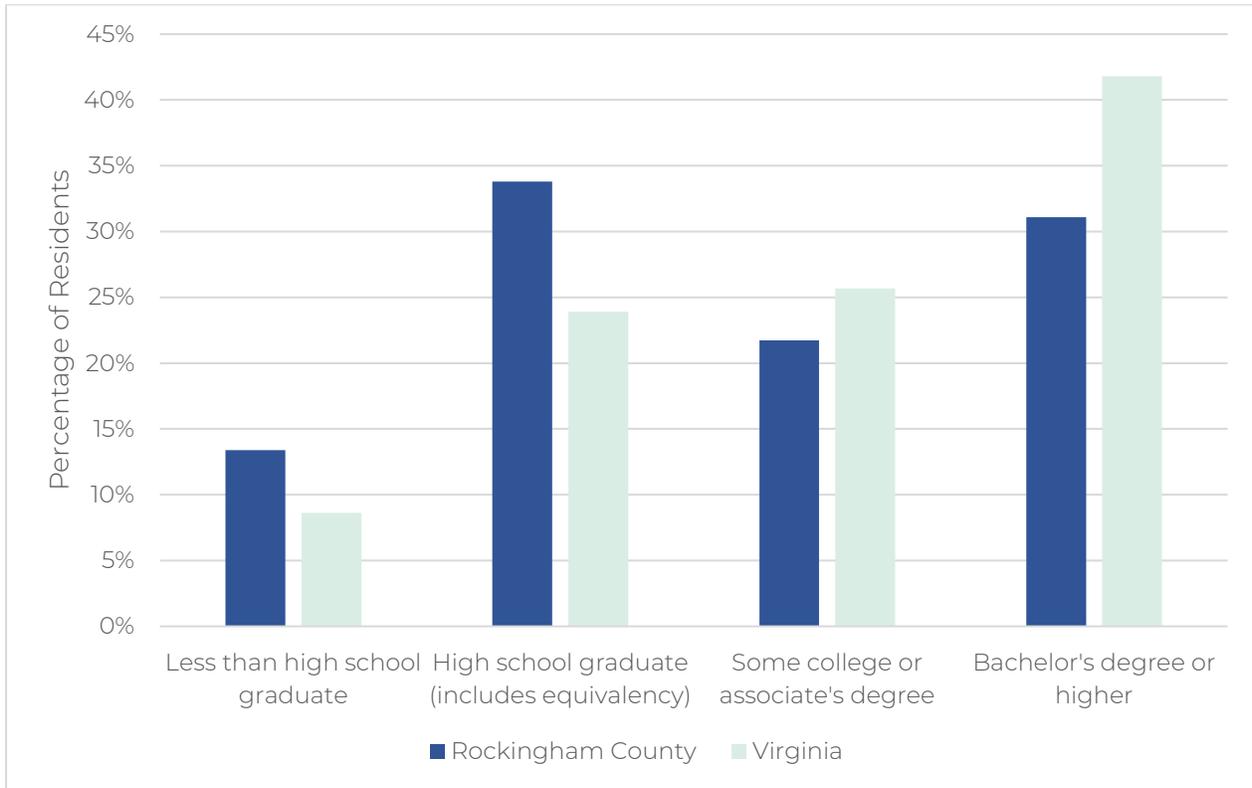
SOURCE: American Community Survey 1-Year Estimates, 2021

Skilled Labor

Rockingham County and the Shenandoah Valley offer a readily trainable workforce, as indicated by educational attainment. Residents have access to several colleges and universities in the region, along with Massanutten Technical Center (MTC), a joint technical and career education center. Approximately 33% of residents hold a bachelor’s degree or higher and approximately 87% of residents have at least a high school degree.



Figure 5.3 | Educational Attainment



SOURCE: American Community Survey 1-Year Estimates, 2021

NOTE: Educational attainment data only includes residents ages 25 and older.

Household Income and Weekly Wages

Median household income and weekly wages are two valuable metrics for gauging the economic health of a community. Rockingham County's median household income is \$73,163, which is about 9.6% lower than the statewide median of \$80,963, but on par with a cost of living that is 14 points lower than the state average. Most households in the County make between \$50,000 and \$74,999 annually.

Household income varies by the number of residents in a household, with 4-person households and 6-person households having the highest median income.



Table 5.4 | Rockingham County Median Household Income by Household Size

| Household Size | Median Household Income |
|-----------------------------|-------------------------|
| 1-Person Households | \$36,854 |
| 2-Person Households | \$74,550 |
| 3-Person Households | \$89,401 |
| 4-Person Households | \$105,051 |
| 5-Person Households | \$105,552 |
| 6-Person Households | \$142,574 |
| 7-or-more-Person Households | \$57,185 |
| All Households | \$73,163 |

SOURCE: American Community Survey 1-Year Estimates, 2021

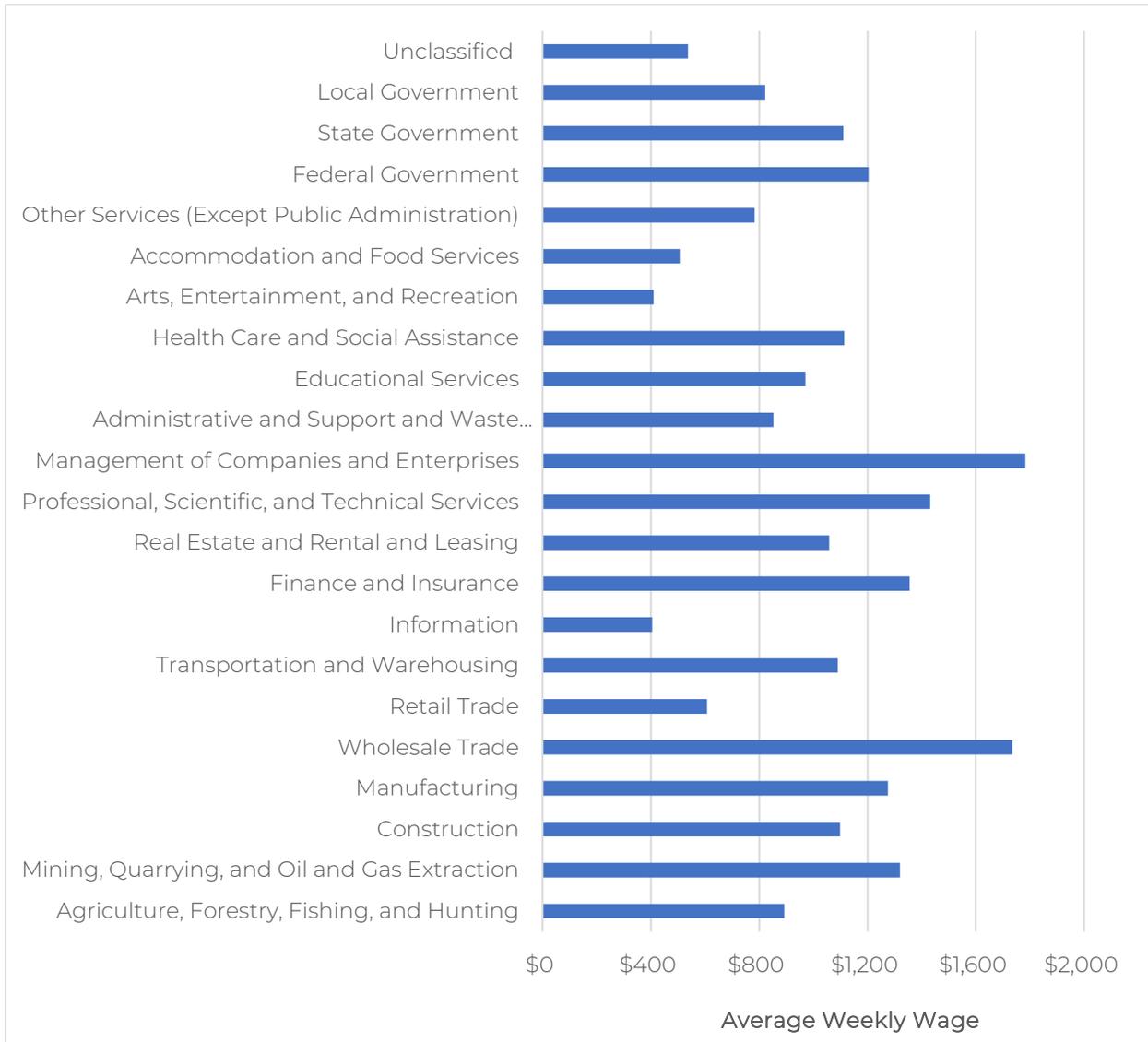
The County's average weekly wage of \$1,057 exceeds the average of \$978 for all localities in the Central Shenandoah Planning District Commission (CSPDC) and is below the national average weekly wage of \$1,418, again on par with a lower cost of living than the national average.²

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² Data for the 2022 statewide average weekly wage is currently unavailable and will be added as it is made available.



Figure 5.4 | Average Weekly Wage in Rockingham County by Industry



SOURCE: Virginia Employment Commission, Economic Information & Analytics, Quarterly Census of Employment and Wages (QCEW), 3rd Quarter (July, August, September) 2022

INDUSTRY CHARACTERISTICS

Agriculture

Rockingham County is the largest agricultural producing county in Virginia, totaling 20% of all agricultural sales, and among the top 50 counties in the United States for agricultural production. More than 13,000 jobs in the region directly relate to the agriculture industry, and the Shenandoah Valley's employment in agriculture and forestry is 82% above the national average.



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The County’s largest agricultural exports by revenue are poultry, cow’s milk, and cattle and calves. The top crops by acreage are hay and corn. The most recent United States Census of Agriculture provides a glimpse into the County’s highly productive and diverse agricultural economy.

Table 5.5 | Agriculture Trends, 2007 and 2017

| | 2007 | | 2017 | |
|---|-------------------|-----------------|-------------------|-----------------|
| | Rockingham County | Virginia | Rockingham County | Virginia |
| Total Farms | 1,970 | 47,383 | 2,026 | 43,225 |
| Total Land in Farms (acres) | 233,087 | 8,103,925 | 228,542 | 7,797,979 |
| Avg. Size of Farm (acres) | 118 | 171 | 113 | 180 |
| Total Cropland (farms) | 1,440 | 35,954 | 1,570 | 32,091 |
| Total Cropland (acres) | 114,523 | 3,274,137 | 121,863 | 3,084,067 |
| Total Market Value (overall) | \$534,142,000 | \$2,906,188,000 | \$795,919,000 | \$3,960,501,000 |
| Market Value (Crops) | \$20,047,000 | \$858,301,000 | \$54,341,000 | \$1,361,462,000 |
| Market Value (Poultry and livestock products) | \$514,095,000 | \$2,047,887,000 | \$741,578,000 | \$2,599,039,000 |
| Total Market Value (per farm) | \$271,138 | \$61,334 | \$392,852 | \$91,625 |

SOURCE: United States Department of Agriculture (USDA) Census of Agriculture 2007, 2017

Note: 2022 Census of Agriculture to be released in summer 2024.

Learn more about the methodology and terminology used in the USDA Census of Agriculture by visiting https://www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1_Chapter_1_US/usappxa.pdf.

Between 2007 and 2017, the total number of farms in the County increased, and the total market value notably grew by 49%, outpacing the overall state growth of 36% during this time. The total acreage and number of farms in cropland increased despite the total acreage in farms decreasing. Statewide, the number of farms with cropland, the acreage in crops, and the overall number of farms decreased. Altogether, the agricultural economy in the County continued to grow and strengthen.

As Rockingham County seeks to enhance its economic diversity, it can protect its agricultural productivity by supporting both large and small farms alike. Land use policies that concentrate development in defined geographic areas preserve rural farmland. Continuing to connect farmers with USDA, Virginia Department of Agriculture and Consumer Services (VDACS), and Virginia Cooperative Extension (VCE) services helps them access financial and educational resources.



Additionally, many organizations, such as 4-H and Future Farmers of America (FFA), provide valuable lessons in leadership, entrepreneurship, and farming to the youth of Rockingham County. The County will continue its support of these organizations to help the next generation be available and prepared for agricultural vocations.

Manufacturing

Attracting and retaining a varied pool of manufacturers has long been an economic development goal for Rockingham County. Manufacturing is the County's largest industry by number of employers, as seven of the County's top 20 employers are manufacturers. The manufacturing industry has a low employee turnover rate of 6.5% when compared to other industries in the County, indicating high employee satisfaction. Additionally, the manufacturing sector itself is highly diverse, with food and beverage, airplane, pharmaceuticals, and plastics manufacturers representing only a few of the different types of manufacturers in Rockingham County.

The manufacturing industry relies heavily on County infrastructure and services – water, sewer, land area, transportation, and broadband – for its continued success. Investments in County services, facilities, and infrastructure are thereby investments in economic vitality; these investments will have long-term benefits and positive implications for economic vitality and quality of life.

Manufacturers in the County rely heavily on skilled labor, with advanced manufacturing jobs requiring some level of post-high school education. Continuing to support workforce development, job training, and talent pipelines is one way the County can support the manufacturing industry; see the “Workforce Development” section of this Chapter for additional information.

Additionally, there is a strong connection between the agricultural and manufacturing sectors. Many of Rockingham County's food processing plants rely heavily on local poultry producers for their supply. The success of poultry farmers directly correlates to the success of food manufacturers.

Market access and a growing need for additional cold storage across the region inspired InterChange Group, Inc., a regional Third-Party Logistics (3PL) provider and developer based in Mt. Crawford, to begin construction of a 300,000 square feet cold storage facility on Crowe Drive in Mt. Crawford.

Transportation and Warehousing

The prominence of the transportation and warehousing industry sector – comprised of warehousing, distribution, and logistics businesses – in Rockingham County can be directly attributed to its well-connected and well-maintained transportation infrastructure. Interstate 81 bisects the County, and Interstates 64 and 66 are an approximate 30-minute drive. U.S. Routes 340, 33, and 11, and VA



Routes 259 and 42 connect the County with the greater Shenandoah Valley, West Virginia, and beyond. In fact, one-third of the United States population can be reached within an eight-hour drive of Rockingham County.

The transportation and warehousing industry is the County's fourth-largest sector by number of employees (3,549). This industry had a high number of new hires in the second quarter of 2022 (262) and had an employee turnover rate of 8.2%, lower than the County's average turnover rate of 9.3%.

There are several ways for the County to help maintain the continued stability of this industry sector, which can also be applicable to manufacturing. As automated technology and artificial intelligence become more sophisticated and replace human labor in many warehousing and distribution centers, Rockingham County's goal is to promote its well-diversified economy by supporting its labor force, and providing employees in this sector with continued, direct access to a variety of job-training and education programs. Additionally, future transportation investments must be able to balance truck and freight traffic with passenger vehicle traffic, facilitating both traffic flow and safety for all users of the road (see Chapter 8).

Tourism

Rockingham County's tourism industry has grown dramatically in recent years. With a direct entrance to Shenandoah National Park and Skyline Drive at Swift Run Gap along U.S. Route 33, Rockingham County continuously attracts tourists from around Virginia, the United States, and the world. With pristine mountain vistas, varied outdoor recreation opportunities, and diverse agritourism, Rockingham County has much to offer and is emerging as a tourist destination.

Agritourism opportunities have been a driver of Rockingham County's increasing tourism. Other tourism drivers include water sports and fishing, craft beverage venues, Massanutten Resort, and local caves and caverns.

While the initial impact of the COVID-19 pandemic caused revenue losses in Rockingham County's tourism sector, there was a strong post-pandemic comeback. As shown in Table 5.5, traveler spending fell 17.9% between 2019 and 2020, then grew 44% between 2020 and 2021. This not only returned the County's tourism revenue to pre-pandemic levels, but actually increased it by 18% over 2019 and 33% over 2017.

Table 5.6 | Rockingham County Tourism Revenue, 2017-2021

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------------|---------------|---------------|---------------|---------------|---------------|
| Traveler Spending | \$133,776,081 | \$141,738,032 | \$150,319,934 | \$123,386,036 | \$177,725,728 |
| Travel Payroll | \$30,812,842 | \$32,947,801 | \$34,797,634 | \$31,259,524 | \$38,845,802 |
| Local Tax Receipts | \$5,455,696 | \$5,659,308 | \$5,995,621 | \$5,002,787 | \$7,261,774 |
| State Tax Receipts | \$3,576,429 | \$3,796,354 | \$4,016,265 | \$3,132,285 | \$4,518,184 |



SOURCE: Virginia Tourism Corporation, 2017-2021

Massanutten Resort, a key tourist destination and major employer for the County through Great Eastern Resort Corporation, benefits the County through its abundance of offerings as a four seasons resort. Massanutten Resort has successfully invested in diverse recreational opportunities such as a waterpark, mountain biking trails, seasonal festivals, mini-golf, snow skiing, snow sports, and more.

Rockingham County has several opportunities it can pursue to help its tourism industry – which is mainly comprised of small and locally owned businesses and attractions – flourish. Three examples of such opportunities follow. Coordinated, branded wayfinding signage not only highlights and directs visitors to points of interest but can also boost community pride and enhance existing sense of place. The creation of a regional tourism network or joint Economic Development Authority between the County, City, and seven Towns could benefit the County greatly by providing avenues for open collaboration and shared time and financial resources. Additionally, marketing at a regional level helps create widespread economic impact and vitality and provides greater visibility for local and small tourist attractions.

A significant economic opportunity for the area is the proposed Shenandoah Rail Trail. This 48.5-mile multi-purpose trail is planned to begin in the Town of Broadway and follow an inactive railroad segment north through the Valley to Front Royal. Similar trails have had profound economic impacts on their respective areas. The 150-mile Great Allegheny Passage in Pennsylvania and Maryland generated more than \$74 million in direct spending, nearly \$22 million in indirect spending, and almost \$25 million in induced spending during 2019, with median property values along the trail route increasing by 13 percent between 2015 and 2019. The 52-mile Virginia Capital Trail generated \$6.1 million in 2019, with most spending within a 50-mile radius of the trail. The County can benefit from the Shenandoah Rail Trail as a catalyst for both future investment and commercial growth in the areas of the County around Broadway and Timberville.

Healthcare and Social Assistance

The Healthcare and Social Assistance sector has emerged as one of the leading industry sectors in the County. Industries in this sector are arranged on a continuum of establishments providing medical care exclusively, those providing health care and social assistance, and those providing only social assistance.

As Rockingham County has experienced steady population growth over the last few decades, employment in this sector has grown to be the second largest in the County by number of employees at 4,471 in 2022, with Sentara Healthcare being the County's second largest employer. Nursing programs at area colleges and



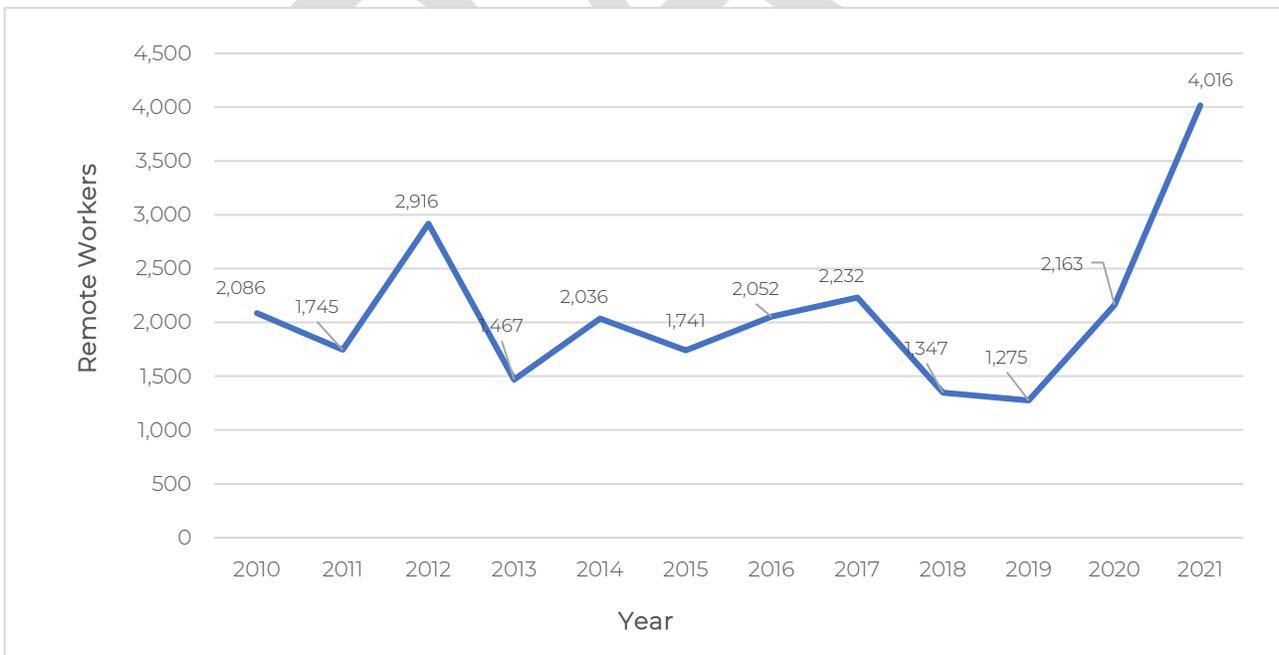
universities provide local employers in Healthcare and Social Assistance industries with a well-trained talent pool. With the County’s population projected to continue growing over the life of this Plan, the Healthcare and Social Assistance sector is also expected to grow, as the sector is comprised of essential service-providing businesses and jobs.

Educational Services

Educational Services is a leading industry sector for Rockingham County. Rockingham County Public Schools (RCPS) is the County’s top employer with nearly 2,000 full-time employees responsible for helping educate over 11,600 students. Bridgewater College (BC) is also included in the County’s top 20 employers. Like the Healthcare and Social Assistance sector, Educational Services consists of essential service-providing industries, meaning that population growth correlates with sector growth due to inherent demand.

Remote Work

Employees who perform their job from a location other than their employer’s usual place of business or central office are considered remote workers. Between 2010 and 2021, the number of remote workers in Rockingham County increased 92.5%, from 2,086 to 4,106.³ Working remotely has become increasingly popular across both the Shenandoah Valley and Virginia due to technological innovation, corporate desires to reduce operating costs, and changes in social trends.



³ NOTE: This percentage is calculated based on the active labor force ages 16 and over.



Figure 5.5 | Rockingham County Remote Work Trends

According to Virginia Realtors®, a real estate industry trade association, localities that attract a solid base of remote workers offer reliable high-speed internet, provide recreational and cultural amenities, and have quality local schools. Attracting remote workers can be financially beneficial for the County, as they increase the tax base and patronize local businesses.

As broadband is expanded universally throughout Rockingham County, facilitating remote work, it is possible that a new wave of residents interested in the area's high quality of life and low cost of living will be attracted to the area. In addition to being a partner in expanding broadband, the County can help to increase uses such as co-working spaces, passive and active recreation (further discussed in Chapter 4), and workforce housing (further discussed in Chapter 6) to support remote workers. Continuously monitoring trends related to remote work and changing impacts will be important in informing strategic investment; as needs are identified over time, the County will consider support of developing relevant uses such as co-working spaces where appropriate.

ADDITIONAL ECONOMIC DRIVERS

Workforce Development

Rockingham County's workforce is the County's most important and essential economic asset. Through continued education and training, a well-trained workforce in the County is vital to retention and expansion of existing businesses and a key attraction for prospective businesses and industries.

The Shenandoah Valley is home to 10 colleges and universities. High academic standards, new technologies, and the application of classroom learning to real-world situations prepare graduates to enter the job market as educated and skilled professionals with a livable salary. In the immediate area, James Madison University (JMU) and Eastern Mennonite University (EMU) in Harrisonburg and Bridgewater College (BC) in Bridgewater provide a talented, educated, and diverse talent pool. Annual graduates from these institutions and others around the Valley strengthen the workforce and enrich the cultural vitality of the community.

Colleges and Universities in the Shenandoah Valley

Blue Ridge Community College, Weyers Cave

Bridgewater College, Bridgewater

Eastern Mennonite University, Harrisonburg



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James Madison University, Harrisonburg

Laurel Ridge Community College, Luray

Mary Baldwin College, Staunton

Mountain Gateway Community College, Clifton Forge

Southern Virginia University, Buena Vista

Virginia Military Institute, Lexington

Washington and Lee University, Lexington

SOURCE: Shenandoah Valley Partnership

Blue Ridge Community College (BRCC), located in Weyers Cave in neighboring Augusta County, serves the Rockingham community and is vital to providing workforce development and degree programs tailored specifically to the region's major industries, including advanced manufacturing, brewing, healthcare, and transportation.

Private employers in the County work in harmony with educational institutions to provide innovative skills-training programs for the next generation of employees. Evidencing the collaborative spirit among educational institutions and innovative workforce solutions, Merck & Co. announced an investment of up to \$1 billion when BRCC and JMU formed a partnership to develop their future talent pipeline. The two institutions created curriculum and training programs centered on biotechnology, process engineering, and workforce development. This program has evolved into the "Job Starter Program" at BRCC which offers students paid job training and education for a variety of manufacturing-based companies in the region.

Another similar program of note is Dynamic Aviation's "NEXTGEN Aviators." This program partners with local organizations to provide area youth with exposure to a variety of aviation careers such as aerospace engineering, electronics and avionics, and flight. The program has reached more than 6,000 students not only in Rockingham County but around the country through a mobile program. Program participants can then progress to pursue aviation training through MTC or BRCC.

Rockingham County is also home to Massanutten Technical Center (MTC), which has served as a joint career and technical education center since 1972. MTC serves the students of Harrisonburg City and Rockingham County Public Schools and meets a vital need in the community, with more than 20 programs for high school students as well as continuing education for adults. One of the newest programs, Cybersecurity Systems Technology, offers students the opportunity to utilize a state-of-the-art space to explore the foundations of computer and networking



technologies. Additional information about MTC can be found in Chapter 4 of this Plan.

Rockingham County will continue to support education providers including BRCC, MTC, and regional institutions of higher education to promote workforce educational attainment as an incentive for both existing and potential new businesses and industries. Additionally, the County can support efforts to advertise and promote existing job training and workforce development opportunities, especially through Rockingham County Public Schools to support the next generation.

Amenities and Services

Investments in the County's service economy are crucial to providing long-term community growth and stability. In addition, a strong service economy aids in attracting and retaining qualified employees in the County by enhancing the existing quality of life.

The service economy is broad in nature and includes County administration, community education, emergency services, physical and mental health services, day care and senior services, commercial and retail amenities, recreation and community service infrastructure, communications and transportation infrastructure, and the hospitality industry.

In addition to building strong County services and infrastructure (see Chapter 4 of this Plan), encouraging and investing in amenities such as recreation and commercial retail contributes to quality of life and further incentivizes qualified employees to move here or remain in the area. This is especially important for recent college graduates and young families, who are often not only looking for stable and living wage jobs, but desire a great place to live, play, and support their families.

Many commercial and retail amenities are located within the seven incorporated Towns and the City of Harrisonburg. The Stone Spring Urban Development Area (UDA) has the supporting infrastructure and potential to become a "neighborhood center" area for the community, with a variety of commercial and retail uses.

Business Support Services

Rockingham County's Economic Development department provides support services to businesses in the County. The mission of the Economic Development department is to coordinate with regional and state resources, such as the Virginia Economic Development Partnership (VEDP), Shenandoah Valley Small Business Development Center (SBDC), and the Shenandoah Valley Partnership (SVP) to attract new businesses and industries that are complementary to the way of life in



the Shenandoah Valley and to assist existing businesses and industries with their expansion plans.

There are numerous other support services and agencies available to businesses in the County, including but not limited to the following:

- **Harrisonburg-Rockingham Chamber of Commerce:** The Harrisonburg-Rockingham Chamber of Commerce is a non-profit community organization providing a myriad of resources and support services to local businesses. These support services include leadership development, networking, strategic promotional opportunities, and advocacy efforts at the local, state, and national levels.
- **Shenandoah Valley Small Business Development Center (SBDC):** The Shenandoah Valley SBDC is one of 27 small business development centers in the Commonwealth of Virginia and serves six Counties, including Rockingham County, and five Cities. SBDC offers no-fee, confidential consulting services, assists with feasibility studies and business planning, sponsors seminars and training events, and provides information and other services to new and established small and medium-sized businesses.
- **Virginia Career Works:** The Virginia Career Works center is administered by the Shenandoah Valley Workforce Development Board and provides several services among various workforce programs. The center is also a trusted voice for facilitating community leadership for workforce issues. Some of the services available to the local workforce include employment information, career development training, on-the-job training, and self-directed job search options.
- **Shenandoah Valley Partnership (SVP):** The Shenandoah Valley Partnership serves seven counties and five cities in the Shenandoah Valley, including Rockingham County. SVP works closely with public and private partners at the local, regional, and state levels to develop an economic climate for business success throughout the Valley.
- **Central Shenandoah Planning District Commission (CSPDC):** The Central Shenandoah Planning District Commission (CSPDC) is one of the region's partners in economic development. The CSPDC is a designated Economic Development District under a program administered by the U.S. Department of Commerce's Economic Development Administration. The CSPDC partners with Rockingham County and prospective industries through the provision of data, grant funding resources, and project development assistance.

Economic Incentives



Geographically Based Incentives

Rockingham County has several place-based incentive areas in the form of Technology Zones and Opportunity Zones. Technology Zones encourage the development of commercial and industrial businesses engaged in technological research, design, and manufacturing. Tax incentives and certain regulatory flexibility are attached to Technology Zones for up to ten years. A County-wide technology zone was established in 2019.

Opportunity Zones are a federal economic development and community development tax benefit available to investors with capital gains designed to encourage long-term private investment in low-income Census tracts. There are two Opportunity Zones in Rockingham County, one located in the south-central area of the County in the Pleasant Valley area and the other located in the north-central area of the County in the Keezletown and Melrose areas. Any future commercial and industrial uses in these Opportunity Zones must be able to be supported by existing water, sewer, and transportation infrastructure, and additionally located in areas designated for future development by the Future Land Use Map included in Chapter 7 of this Plan.

Innovation Village @ Rockingham

Innovation Village @ Rockingham, often referred to as “IV@R,” is a 365-acre Class A master planned research and technology park located on U.S. Route 11 just north of the City of Harrisonburg. IV@R provides potential sites for biotechnical and food and beverage industries. It is an exciting opportunity for prospective innovative industries looking for a beautiful setting with a high quality of life.

Tourism Zones and Enterprise Zones are additional incentive zones that may benefit appropriate areas of the County. Much like a traditional business enterprise zone, a Tourism Zone allows businesses to take advantage of state and local tax incentives that are otherwise unavailable elsewhere. The goal of these incentives is to stimulate business attraction, growth, and increased employment opportunities within certain areas of a locality. This can include, but is not limited to, hiring credits, sales and use tax incentives, expense and interest deductions, discount utilities hook-up and payment plans, and reduced parking requirements. The County can consider the creation of Tourism Zones in locations close to tourist attractions and hospitality-oriented land uses. This would include the areas around the seven incorporated Towns, along with McGaheysville, which is near Massanutten Resort and Shenandoah National Park.

The Virginia Enterprise Zone (VEZ) program is a partnership between state and local government that encourages job creation and private investment. VEZ accomplishes this by designating Enterprise Zones throughout the state and providing two grant-based incentives, the Job Creation Grant and the Real Property



Investment Grant, to qualified investors and job creators within those zones, while the locality provides local incentives.

Shovel-Ready Sites

Rockingham County has Virginia Economic Development Partnership (VEDP) certified sites located at Innovation Village @ Rockingham and the Shenandoah Valley Industrial Park South. These sites have received Tier 3 certification, meaning that the sites are zoned for industrial or commercial development and due diligence has been completed. Site certification through VEDP is highly beneficial in increasing Rockingham County’s visibility as a great place to do business. The County can evaluate additional sites that may meet the criteria for VEDP site certification and pursue certification accordingly.

Shovel-ready sites remain a need for the County as it seeks to continue economic development over the timeframe of the plan. Identifying, acquiring, and preparing shovel-ready sites can be complicated by steep slopes, water and sewer availability, and the need to preserve sensitive natural and agricultural environments. As the County continues to develop its portfolio of marketable properties, it should focus on areas with existing infrastructure and major employers. By concentrating economic development sites together, agricultural and rural character is preserved, and only minimal investments in infrastructure are required.

There are many other state and local advantages and incentives available to prospective employers in the County. A full list can be found on the Rockingham County website.

Financial Incentives

Rockingham County understands that operating costs are a major consideration for existing and potential industries and businesses. The County continues to ensure that it remains an affordable, financially viable place to do business. Throughout the timeframe of this Plan, the County will continue to monitor its tax rates and ensure they remain competitive.

Table 5.7 | Rockingham County Tax Rates*

| | Rockingham County |
|-------------------------|-------------------|
| Machinery and Tools Tax | \$2.55 |
| Real Estate Tax | \$0.68 |
| Personal Property Tax | \$2.65 |
| Vehicles Tax** | \$2.65 |

SOURCE: Rockingham County Commissioner of the Revenue

* The Board of Supervisors evaluates, and potentially adjusts, tax rates during the annual budgetary process.



**The vehicle tax rate is temporarily separated from the personal property rate per the Code of Virginia. It will revert to the personal property tax rate no later than January 2025.

A business located in the County that uses advanced and innovative technological devices to design, assemble, manufacture, develop, and maintain goods and services may be eligible for a technology grant. Grant eligibility requires that businesses have invested at least 50 percent of the prior year's assessed machinery and tool value or will invest \$20 million in new capital outlay for machinery and tools either leased or purchased. Businesses must also affirm that such devices are being used for purposes other than internal administrative operations.

GOALS, OBJECTIVES, AND STRATEGIES

Goal Statement: Rockingham County is a business-friendly community with a robust talent pool, diverse economic base, and the ability to offer incentives to attract, support, and retain industries to promote sustainable economic growth and vitality.

Support and Develop the Local Workforce

- 5.1 Support educational and training opportunities for the next generation of workers.
 - 5.1.1 Continue support of agricultural programs such as 4-H and FFA (Future Farmers of America) to bolster the next generation of agriculturists.
 - 5.1.2 Continue support of MTC (Massanutten Technical Center) and support innovative engagement techniques to market the Center to the County's youth and adults seeking continuing education opportunities.
- 5.2 Expand the pool of candidates ready to fill positions through continued investment in workforce training, education, and talent development.
 - 5.2.1 Continue and strengthen partnerships with Shenandoah Valley Partnership, Virginia Career Works, and similar organizations for workforce development training and opportunities.
 - 5.2.2 In collaboration with regional colleges and universities, continue to support and expand comprehensive workforce development, training,



and apprenticeship programs across both existing and emerging industries.

Attract and Sustain Business and Industry

5.3 Support and attract small businesses and entrepreneurs.

- 5.3.1 Continue and strengthen partnerships with Shenandoah Valley Small Business Development Center, the Harrisonburg-Rockingham Chamber of Commerce, and similar organizations that provide resources to startups and small business owners.
- 5.3.2 Continue to work with regional and state organizations, such as VEDP, to market employment opportunities and the high quality of life in Rockingham County to prospective employees.
- 5.3.3 Continue to improve and streamline business permitting and administrative regulatory processes wherever possible to maintain a business-friendly climate.

5.4 Support the continued stability of the industrial sector and other major employers.

- 5.4.1 Explore responsible ways and opportunities to expand water and sewer infrastructure to the extent practical to support new industrial growth.
- 5.4.2 Continue exploring possible transportation improvements that will adequately support safe industrial traffic flow.
- 5.4.3 Identify sites that may meet the criteria for VEDP site certification and pursue certification accordingly.
- 5.4.4 Continue developing a portfolio of marketable private and public shovel-ready properties, focusing on areas with existing infrastructure to support industry requirements.
- 5.4.5 Consider pursuing a Virginia Enterprise Zone designation.
- 5.4.6 Regularly review the County's tax rates to ensure a balance between County needs and the ability to attract desirable industries.
- 5.4.7 Balance attracting desirable industries with achieving the County's targeted level of growth.

5.5 Support and diversify the tourism industry.



- 5.5.1 Identify and designate appropriate locations for Tourism Zones to bolster the County's growing tourism sector.
- 5.5.2 Consider developing a branded wayfinding system in partnership with regional tourism marketing campaigns to provide clear and consistent signage that enhances the travel experience.
- 5.5.3 Support opportunities for outdoor tourism and agritourism through participation in Virginia's tourism initiatives and emerging tourist trail opportunities.
- 5.5.4 Continue supporting the Shenandoah Rail Trail project as a transformational economic development opportunity for the region.
- 5.5.5 Consider developing a strategic plan to address tourism development in the County.

Promote Ongoing Economic Growth

- 5.6 Support regional economic development partners and strategic initiatives.
 - 5.6.1 Consider implementing relevant strategies from the Central Shenandoah Planning District Commission's Comprehensive Economic Development Strategy (CEDS) Plan.
 - 5.6.2 Consider developing a County-specific economic development strategic plan to build on strategies from regional efforts and partnerships.
 - 5.6.3 Consider developing a regional initiative with the Shenandoah Valley Partnership (SVP) and like organizations to build on strategies from regional and state efforts and partnerships.