

Economic Development and Employment

Introduction

Most of the factors analyzed in this Comprehensive Plan affect the City's economic structure. The size, skill and educational levels of the workforce; the availability and suitability of sites and buildings; the availability of utilities; and access to telecommunications and transportation all affect the local economy. Even the variety and affordability of housing and other quality of life components affect the attractiveness and marketability of the City.

A vital economy is important in creating a solid base to ensure the viability and sustainability of Manassas Park's quality of life. The economic base provides goods, services and employment for citizens and generates tax revenues which pay for services needed by residents. A city is often compared to a living organism in that it is either growing or dying. Cities must continually grow in order to meet the needs of its residents. This means encouraging and accommodating new development or redevelopment.

Manassas Park is at a crucial point in its history. The city has few remaining undeveloped parcels of land left and revenue generation is greatly imbalanced between that generated by residential properties and a lesser amount coming from commercial and industrial land uses.

Most of the remaining undeveloped parcels are currently zoned for commercial or industrial development although there is pressure to reclassify some of them to allow additional residential development. If these parcels do not develop as commercial or industrial uses then the city will remain dependent upon residential property taxes for funding its operations.

General Economic Trends

The Northern Virginia area is fortunate to have one of the strongest economies in the United States. Being located in this region, Manassas Park benefits from this regional economy, as is reflected in the high demand for housing, increased real estate assessments and low unemployment levels. Each jurisdiction in the region contributes to and benefits from the regional economy in different ways, based upon their respective internal dynamics.

Manassas Park has historically been a bedroom community for people who work in other communities in the region. Due to the primarily residential character of the city, there is a high dependency upon the revenues generated by residential property taxes for funding city operations and services. In 2005, approximately 43 percent of the total

city revenues were derived from this source.

Revenues from sale tax do not compare very well to those derived from the residential property tax. In 2005, only 6 percent of the city's total revenues came from sales tax, reflecting the fact that Manassas Park currently has a very limited amount of retail activity. The city's relatively short frontage along Route 28 offers very few opportunities to capture funds from motorists traveling along this route. In addition, the Manassas Park Shopping Center, located at the intersection on Route 28 and Manassas Drive, does not currently contain the types of businesses that compete very well with other, newer and more up-scale centers located along Route 28 in other jurisdictions. There are a few other retail uses located in the city that also produce sales tax revenue, the Manassas Park Village located at Manassas Drive and Andrew Drive being the most notable.

Given the imbalanced mix of uses in the city and the resulting higher dependence on residential property tax, the city is intent on encouraging the development of new retail and office uses on the remaining undeveloped land in the city. The vacant land along Manassas Drive between the railroad tracks and Andrew Drive, together with the Park Center project and the redevelopment of Euclid Avenue north of Manassas Drive for commercial and office uses, represents the greatest opportunity

for securing additional revenue-generating uses.

Labor Force

The city's labor force, which is defined as all non-military residents between the ages of 16 and 64 years old and who are either employed or unemployed, grew from 3,866 in 1990 to 5,638 in 2000. This is an increase of 45.8 percent. Likewise, total employment, or the number of city residents employed, has grown from 3,692 in 1990 to 5,513 in 2000, an increase of 49.3 percent, according to the U.S. Bureau of the Census.

Employment Opportunities in Manassas Park

Manassas Park's employment base is dominated by construction and trade sector jobs. The lack of significant retail areas and office buildings is overshadowed by the businesses located in and around the Conner Business Center. It is interesting to note that not only have the construction and trade jobs been the dominant type of employment in Manassas Park since the city was founded, the actual percentage of these types of jobs has increased during the past decade. For example, in 1994, construction and trade account for 55 percent of the city's job base; in 2000 these sectors accounted for 67 percent of the city's job base.

Table 5.1 Employment within Manassas Park 1990-2000						
	<i>1990</i>	<i>1992</i>	<i>1994</i>	<i>1996</i>	<i>1998</i>	<i>2000</i>
Agriculture	**	**	**	99	126	144
Construction	441	453	587	967	1240	2,029
Mfg -total	57	44	90	86	201	259
Transportation	**	**	**	36	16	34
Trade-Wholesale	91	95	184	221	166	250
Trade – Retail	292	219	138	144	204	326
Services	203	259	329	364	417	421
Gov - State	0	0	1	1	1	2
Gov - Local	317	296	303	343	379	440
Total	1,449	1,410	1,658	2,260	2,759	3,910

Source: Virginia Employment Commission

** indicates no data available

One positive development in the region's job market is the creation of professional, technical and managerial service jobs that provide information and knowledge-based services to the region, as well as the national and international communities. These are the types of jobs that have been fueling the rapid employment growth in neighboring jurisdictions. These positions tend to have the highest average salaries

and have experienced the highest growth rates during the 1990's. Historically, these high-paying jobs have made up a small percentage of the private sector jobs in and around Manassas Park. The area of Western Prince William County has begun to see an increase in these jobs in the last few years, though, and the city, with its economy closely tied to that of Prince William County, is likely to see similar changes.

Table 5.2 Resident Employment by Occupation 1990 - 2000				
<i>Occupation</i>	<i>Employees 1990</i>	<i>Percent</i>	<i>Employees 2000</i>	<i>Percent</i>
Managerial, Professional & Related	872	23.6	1,683	30.5
Service	537	14.5	791	14.3
Sales & Office	876	23.7	1,406	25.5
Farming, Fishing & Forestry	27	.07	0	0
Construction, Extraction & Maintenance	949	25.7	1,034	18.8
Production, Transportation & Material Moving	431	11.6	599	10.9
Totals	3,692	100	5,513	100

Source: U.S. Bureau of the Census, Census

Development Patterns

Typically, as raw land develops, the first uses that come in are residential. The buyers of these new residences are looking for less expensive homes and are willing to do without a few conveniences like nearby shopping areas and employment centers. As a critical mass of residents populate an area and traffic counts rise, retail uses will start to locate nearby to fill the void that exists. Companies looking for open land to build offices, factories, laboratories, and other types of employment are then attracted to the nearby areas due to the available employee base. Manassas Park has been following this pattern.

The development of the west side of Manassas Park in the nineteen-fifties, as well as other residential development in the neighboring counties and the City of Manassas, provided the worker base to fuel the development of the Conner Business Center. The subsequent development of Bloom Crossing, Haverhill Apartments and Park Station, which is under construction, will provide the mass needed to support Park Center and other commercial and office uses along Manassas Drive between the railroad tracks and Andrew Drive and along Euclid Drive north of Manassas Drive.

Unemployment

According to the Virginia Employment Commission, as of December 2003, Manassas Park’s unemployment rate was 1.9% while the lowest unemployment rate in Virginia was 1.8% compared against

Table 5.3 Annual Statistics for Unemployment

<i>Year</i>	<i>Labor Force</i>	<i>Employment</i>	<i>Unemployment</i>	<i>Rate (%)</i>
2002	5,766	5,635	131	2.3
2001	5,669	5,601	68	1.2
2000	5,556	5,512	44	0.8
1999	4,247	4,193	54	1.3
1998	4,166	4,095	71	1.7
1997	4,462	4,371	91	2.0
1996	4,477	4,306	171	3.8
1995	4,072	3,980	92	2.3

Source: Virginia Employment Commission

a statewide average of 3.6%. For an historical perspective, Manassas Park’s annual unemployment rate is provided in Table 5.3.

Income and Wage Levels

Income and poverty levels are important indicators for determining social and economic health of a community. Though most of Manassas Park’s residents work outside of the city the incomes they earn are used for paying taxes and making purchases in the city.

The State of Virginia’s median household income in 2002 was \$48,224. The median household income of Northern Virginia’s localities was considerably higher, and Manassas Park was no

exception: in 2002 the City's median household income stood at \$63,931. This is a substantial rise from the 1990 level of \$40,213 and is a good indicator of the strong growth in the local and regional economy.

Table 5.4 Median Incomes	
<i>Northern Virginia Jurisdictions</i>	<i>2002 Median Incomes</i>
Alexandria	\$59,173
Manassas	\$62,728
Manassas Park	\$63,931
Arlington	\$67,106
Prince William County	\$70,555
Fairfax City	\$70,976
Falls Church	\$81,280
Fairfax County	\$82,834

Source: Virginia Employment Commission

Per capita income is the total income received by all persons divided by the total population of the locality. According to the Federal Bureau of Economic Analysis, between 1999 and 2003 per capita income in the Prince William County-Manassas-Manassas Park area rose from \$28,145 to \$32,849.

Poverty Level

Northern Virginia has been experiencing a sustained period of economic growth for more than a decade. An unfortunate reality of life is that even though most residents of the region are gainfully employed there is still a segment of the population, spread across the region, that exists at or below the poverty level.

The threshold for the poverty level fluctuates yearly and is dependent on family size; a family of three persons will have a lower threshold than a family of five persons. In 1999, the threshold for a family of three was \$13,290 and \$20,127 for a family of five. The threshold for a single person was \$8,501.

In Manassas Park there were 120 families consisting of 530 individuals that were at or below the poverty level in 1999. This equates to 5.2 percent of the city's population. Though the percentage of residents living below the poverty level has increased by 1.4 percent over the past decade, the total population has increased by 53 percent.

For all of Prince William County there were 2406 families or 12,182 individuals that fell into this group in 1999. This equates to 4.4 percent of the population at or below the poverty level. The increase in the percentage of the population below the poverty threshold of 1.2 percent is about the same percentage increase as Manassas Park experienced.

Revenue Generation

The City of Manassas Park has been fortunate over the past decade in the number of quality residential developments constructed within the city. The types of housing products available have also expanded with the construction of the Park Place Senior Apartments, the Haverhill

Apartments and the Park Station developments. Unfortunately, though, there has not been a substantial amount of new commercial or office development taking place over this same time period. This has created a situation where the city is highly dependent upon residential property tax as a dominant source of city revenues.

The real property tax collected in Manassas Park, as a percentage of total local tax revenues, is higher than the regional average but not the highest of all jurisdictions.

The regional average is 61.6% and Manassas Park's percentage is 65.5%. Real property tax is comprised of real residential property tax and real commercial/industrial property tax.

In Manassas Park the relative percentage of these components is more heavily dependent upon residential when compared to other cities within the region. In Manassas

Park, the percentages are 85.7% for residential and 14.3% for commercial/industrial.

Comparatively, the City of Manassas' split is 68.9% residential and 31.1% commercial/industrial and the City of Fairfax has 67.4% residential and 32.6% commercial/industrial.

Personal property tax, as with real property tax, is comprised of business and non-business sources. The share of total city revenue that personal property tax makes up in Manassas Park is at 11.5%, slightly lower than the regional average of 11.7%. As with real property tax, the two components in Manassas Park are heavily comprised of non-business sources with a ratio of 83.9% to 16.1%. The City of Manassas has a ration 60.9% from business to 39.1% non-business. The City of Fairfax is more comparable to Manassas Park's ration with 70.9% non-business to 29.1% business.

Table 5.5 Percentage of Revenue Generation by Jurisdiction

	<i>Regional Average</i>	<i>Manassas Park</i>	<i>Manassas</i>	<i>Prince William</i>	<i>Fairfax City</i>	<i>Fairfax County</i>	<i>Falls Church</i>	<i>Alexandria</i>	<i>Arlington</i>
Real Property Tax	61.6%	65.5%	57.4%	68.3%	50.9%	66.3%	67.9%	64.6%	56.4%
<i>Real Residential Property</i>	71.8%	85.7%	68.9%	85.7%	67.4%	81.8%	76.3%	59.8%	48.6%
<i>Real Comm/Ind Property</i>	28.2%	14.3%	31.1%	14.3%	32.6%	18.2%	23.7%	40.2%	51.4%
Personal Property Tax	11.7%	11.5%	15.4%		10.8%	18.4%		9.0%	
<i>Personal Property - Non Business</i>	65.6%	83.9%	39.1%	10.4%	70.9%	65.4%	6.3%	68.6%	13.9%
<i>Personal Property - Business</i>	34.4%	16.1%	60.9%		29.1%	34.6%		31.4%	
Local Sales Tax	8.3%	8.2%	8.8%	8.0%	15.3%	5.4%	9.1%	6.4%	4.7%
Business License	6.2%	3.1%	3.1%	3.4%	11.3%	3.9%	6.2%	7.0%	7.4%
Vehicle License	2.0%	1.4%	1.0%	1.3%	0.0%	0.8%	0.6%	0.6%	8.7%
Hotel/Motel	0.8%		0.2%	0.3%	0.6%	0.3%	0.4%	1.6%	2.4%
Meals	2.5%	1.3%	3.3%		2.9%		3.8%	2.6%	3.6%
Other	6.9%	9.0%	9.7%	8.2%	8.2%	4.9%	5.7%	8.2%	2.9%

Manassas Park's sales tax collections are close to the regional average but revenues from other tax sources such as vehicle licenses, business licenses, and prepared meals lags behind the regional averages. Since the city does not have any hotels or motels it cannot realize any revenues from this permitted source.

These statistics indicate that Manassas Park collects a disproportionate share of its city revenue from residential-related land uses as compared to other communities in the region. This higher level of dependence has led to the highest real property tax rate in the region. While steadily decreasing, Manassas Park's real property tax rate is currently \$1.29 compared to the regional average of \$1.12. In order for Manassas Park to eventually be able to lower the tax rate and even out the disproportionate dependence on residential taxes, more non-residential land uses must be developed in the city. The city is approaching build-out of all land within its boundaries. The land still vacant on Manassas Drive between Andrew Drive and Euclid Avenue are key parcels for commercial and office uses. This area contains the Park Center site already planned to be a mixed-use town center development scheduled to be underway soon. The other parcels, especially those on the east side of the Norfolk and Southern Railroad tracks, should be developed only as commercial/office uses even if this means not developing them for several years until the demand exists.

Economic Advantages

It is important for cities to recognize their strong points when it comes to being competitive in the economic development world. Often a city's relative location to a major metropolitan area or some other attraction gives it an advantage over other cities in the region. The disposable income of the residents within a certain distance of a city (i.e. one mile, three miles and five miles) can also be an asset when that number is particularly high compared to other areas. The availability of transportation facilities including major highways, airports and rail service may also make some cities preferred locations for new development compared to those locations that are lacking in such amenities.

Location

Manassas Park is blessed in many of these attributes. Being located just 30 miles outside of Washington, DC sets the city apart from many other cities and towns in Virginia. With the center of the federal government so close the city's residents enjoy the benefits of a strong economy that experience very few economic declines that often impact other areas of the country. Manassas Park also is able to benefit from its closeness to the tourist attractions of our nation's capitol, the Atlantic Ocean shoreline, historical areas and major amusement attractions.

Regional Income Levels

The strength of the local economy is evident when one looks at the level of disposable income that exists for residents in the area surrounding and including Manassas Park. Residents who reside within a one-mile radius of the land where the Park Center is to be developed had an average household income in 2002 of \$72,138. Within a three-mile radius the average household income in 2002 increases to \$79,496 and a five-mile radius represents an average income, of \$97,300. All of these levels are impressive to developers and business owners and represent a desirable factor in weighing a location's attractiveness for new development.

Dulles International Airport

Dulles International Airport is a very desirable neighbor to have even if it is actually twenty miles away. This is one of a handful of major airports in the country and provides convenient access to the world. The airport is close enough to the city to provide ready access for its businesses and residents but is also far enough away that its related noise, fumes and congestion, typical of large airports, do not impact the city. Highway access in and out of Manassas Park is very good and connects us well with the surrounding region. Route 28 is a direct connection to Dulles Airport as well as to Interstate 66 which is the western gateway into Washington, DC. The Prince William Parkway is close by and

provides good access to eastern Prince William County and to Interstate 95, which leads south to Florida and north to Maine.

Virginia Railway Express

The Virginia Railway Express (VRE) located a station in Manassas Park in 1992. Though it has been a tremendous asset for the residents of Manassas Park in providing a convenient means of commuting into Washington, DC, only recently has the city begun to experience its ability to attract new development. The 350-unit Haverhill Apartments development, which was constructed by Fairfield Residential, is located immediately adjacent to the VRE station. With one- and two-bedroom apartment units, it is oriented to young, singles and couples who are professionals and commute into the Washington area. Next to Haverhill Apartments is Park Station, which is under construction by Centex and will be a 400-unit townhouse and condominium development. Park Station is also geared toward young professionals with similar commuting patterns.

The convenience of the VRE station is also a strong component of the Park Center project. Park Center will be the downtown that Manassas Park does not have and will consist of a mix of retail, office and residential uses. Collectively, all of these recent developments fall into the popular nomenclature of being Transit Oriented Development (TOD). TOD is designed to have a higher density than typical

developments and takes advantage of a commuter rail facility. The goal is to provide shopping, work and commuting amenities to residents within walking distance of their homes.

Commuting Patterns

Virginian's spend an average of 27.0 minutes commuting each way to work. Northern Virginia commuters generally have longer commuting times than residents in other parts of the commonwealth, and the city's residents are no exception: Manassas Park residents spend an average of 35.7 minutes commuting.

The 2000 Census reported that only 9% of Manassas Park residents work within the corporate limits of the city and the remaining 91% commute elsewhere. The largest percentage of the city's commuters (35.7%) travel daily to Fairfax County. The second

largest group (17.7%) work in Prince William County. A smaller group (3.4%) commutes to Maryland and an equally sized group travels outside of Northern Virginia.

As the city attracts more professional and technological jobs, the commute time of its residents should decrease somewhat. Though it is not likely that this percentage would drop significantly, it would be expected that some residents would choose to work nearer to home if the opportunities become available.

Table 5.6 Resident Commuting Time			
	<i>1990</i>	<i>2000</i>	<i>Change</i>
Manassas Park	31.1	35.7	14.5%
Prince William	35.9	36.9	2.8%
Manassas	30.7	32.4	5.7%

Source: Bureau of Economic Analysis, U.S. Census 2000

Goals and Action Strategies

Goal ED1

The city should guide the development of the remaining undeveloped parcels in the city so that their development offers the most benefit to citizens.

Action Strategy ED1.1 Parcels that front on Manassas Drive between the railroad tracks and Andrew Drive should not be allowed to be rezoned for residential development. Vacant parcels in this area should be developed as either commercial or office uses regardless of how long it takes to attract such development.

Action Strategy ED1.2 Parcels north of Manassas Drive along Euclid Drive should be rezoned to allow commercial and office uses.

Action Strategy ED1.3 The city should actively promote the development of the remaining parcels by marketing the properties via whatever channels are available to attract commercial or office uses.

Action Strategy ED1.4 The interior parcels on Digital Drive, from Lot 4 to 7, should be allowed to develop as residential uses.

Action Strategy ED1.5 The city should remain an active partner in the Park Center project; to ensure that its development is first class and that it becomes a true downtown.

Goal ED2

The city should prepare an Economic Development Plan that will examine the current economic situation and define a strategy for improving it as well as for balancing the revenue generation in the City.

Action Strategy ED2.1 Review the existing employer base in the city and identify the types of businesses that are either missing or are underrepresented and target specific, desirable fields for recruiting purposes.

Action Strategy ED2.2 The city should participate in regional economic forums in order to become better informed of the regional business climate and to take advantage of opportunities for improving our economy as they arise.

Action Strategy ED2.3 Examine ways for making Manassas Park more competitive in the regional market for attracting new businesses.

Goal ED3

The city should work toward maximizing the revenue generating capacity of all exiting commercial and industrial land uses

Action Strategy ED3.1 The city should promote the redevelopment of key parcels that are currently underutilized, such as the Manassas Park Shopping Center, the parcels adjacent to Park Center within the area planned for the town center, and within Conner Business Center.

Action Strategy ED3.2 The city should work with property owners to explore ways for improving their properties. Such improvements can include outward appearance, productivity, revenue generation, and marketing of their products or services.

Action Strategy ED3.3 Facilitate the increased membership of local businesses in the Greater Prince William and Manassas Chamber of Commerce.