

CHAPTER 5 – ECONOMIC BASE

■ INTRODUCTION

In 1990 the National and State economies slipped into recession after an eight year period of significant expansion. During the past two and a half years the most significantly affected industries throughout the state have been manufacturing and construction. Northern Virginia, the Richmond area, and the Tidewater region have had to bear a disproportionate share of the slowing of the economy despite their employment growth in the 1980's. This recession has uncharacteristically impacted white-collar jobs, high-tech defense contractors, and the speculative real estate industry.¹

State and local governments have experienced considerable slowdowns in revenue growth that in turn have led to substantial cuts in government budgets. Although Virginia has been seriously impacted by the national economic slowdown, Virginia is somewhat shielded from the harshest impacts of the recession due to its diversified and balanced economy. This is partly explained by the above average rate of federal government employment within the State.²

■ INCOME CHARACTERISTICS

Median family and household income, per capita personal income, adjusted gross income, and disposable income are the five indicators selected to track income and buying power among County residents.

Median Family and Household Income

According to the 1990 Census, the Fauquier County median family income for 1989 was \$48,806, 28% above the State average. The median household income for 1989 was \$45,222, 36% above the State average. Figure 5.1 outlines these figures as well as the projected family and household income for the years 1990 through 1993. Figure 5.2 gives the median 1989 family and household income for the three incorporated towns.

Per Capita Personal Income

Personal income consists of wages, salary, rental income, dividends and interest, and transfer payments minus personal contributions for social security taxes, government retirement insurance, and other social insurance programs. Personal income includes the following categories: low income persons not required to file a state tax return; non-resident members of the armed forces; and private trust, pension, health and welfare funds.

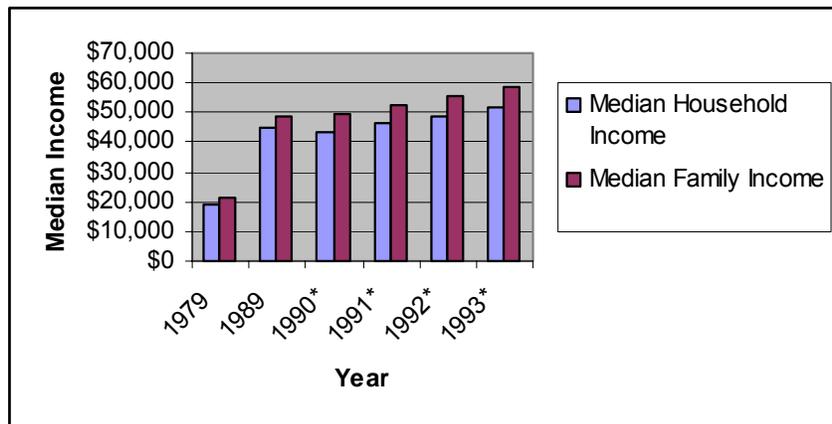
Per capita personal income is total personal income divided by total population. The 1989 Fauquier County per capita income was \$19,195, among the highest in the State. The 1989 per capita income for the State population was \$15,713, 109% of the U.S. average. *Figure 5.3* outlines per capita income for the

County, the State, and the U.S. over the last decade. Per capita personal income between 1980 and 1990 rose 157% in Fauquier County, moderately faster than the State's 110% increase.

■ ADJUSTED GROSS INCOME

Adjusted Gross Income (AGI), or taxable income, is a narrower concept than personal income. It excludes most in-kind (e.g., living quarters provided without charge) as well as most Social Security benefits, and most other transfer payments and incomes below filing requirements. In 1983 Fauquier County had Virginia's third highest percentage increase in married couples AGI from 1978 to 1983; Fauquier County had the second highest percentage increase from 1982 to 1987. The median AGI for Fauquier was \$2,794 above the State average in 1983, and \$530 above the State average in 1987.

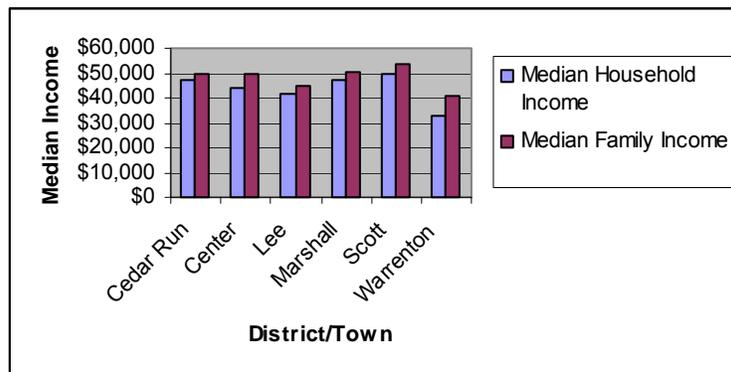
Figure 5.1: Fauquier County Median Family Income and Median Household Income



* Projected Incomes.

Source: U.S. Census and Center for Public Service.

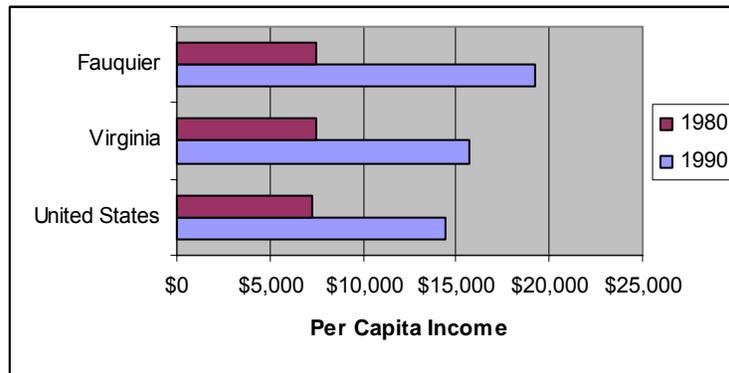
Figure 5.2: Fauquier County 1989 Median Family and Median Household Income by Magisterial District/Town



* Projected Incomes.

Source: U.S. Census and Center for Public Service.

Figure 5.3: Fauquier County Comparative Per Capita Income



Source: U.S. Census and Center for Public Service.

Table 5.1: Fauquier County Average Weekly Wage Distribution by Industry (in dollars)

	1980	1985	1990	1992
Agriculture, Forestry, and Fisheries	151	254	352	371
Mining	—	—	550	439
Construction	225	315	417	377
Manufacturing	258	339	448	433
Durable Goods	283	356	480	468
Non-durable Goods	236	329	324	349
Transportation, Communications and Other Public Utilities	287	395	451	465
Finance, Insurance & Real Estate	210	304	464	463
Wholesale Trade	247	344	449	429
Retail Trade	157	189	252	246
Services	167	268	379	351
Non-Classifiable	479	232	—	—
Government				
State	236	325	419	420
Local	200	271	378	393
Federal	460	519	622	606

Source: Virginia Employment Commission

■ AVERAGE WEEKLY WAGE

Table 5.1 provides a comparison of average weekly wages for the various employment sectors tracked by the VEC. Agriculture, services, and retail trade wages rank consistently among the lowest wages. This is significant because 43% of the County's work force is employed either in retail trade or service positions.

■ **POVERTY STATUS**

Poverty status is a widely used indicator to determine the number of households and people in an area lacking the minimum amount of income needed to meet essential living requirements. Income cutoffs used by the Census Bureau to determine poverty status are based on differences in household size and composition, and apply equally to all communities nationwide, regardless of cost-of-living variations.

According to the 1990 census, 1,979 persons or 4.2% of Fauquier County's population were living below the poverty level, a rate substantially lower than the National and State averages of 13.1% and 10.2% respectively, and equal to the region-wide average for Northern Virginia. Of the 3,141 counties and independent cities in the United States, Fauquier County ranks 3,103 in the proportion of poor people. Only 38 localities have lower proportions of poor, as defined by this measure.

Within the County, however, can be found population sub-groups experiencing a significantly higher incidence of poverty.

These include: blacks, who are four times as likely to be poor as whites (12.2% of blacks live below poverty compared to 3.2% for whites); Hispanics, who are twice as likely as whites to be poor (7.4%); people 65 years of age and older, of whom one of twelve is poor (7.9%); and single-parent, female headed households with children, of whom approximately one of five is poor (21.0%).

■ **LABOR FORCE AND EMPLOYMENT**

The total labor force consists of both members of the armed forces and the civilian population. The military labor force is defined as persons 16 years of age and older on active duty. The civilian labor force consists of all civilians classified employed and unemployed over the age of sixteen. Persons who are temporarily absent from work due, for example, to illness or a strike, are considered employed.

Unemployed persons are those who are not currently employed but are actively looking for a job in the prior four weeks to being counted. Persons not actively seeking employment, such as retired persons or homemakers, are not considered as part of the labor force.

Table 5.2: Fauquier County Labor Force and Unemployment

	1979	1980	1981	1983	1985	1987	1989	1990	1991	1992
Civilian Labor Force	16,556	17,368	17,053	18,550	21,282	23,224	25,328	26,127	27,490	26,987
Employed	15,988	16,684	16,325	17,967	20,535	22,781	24,856	25,269	26,091	25,517
Unemployed	568	684	728	583	747	443	472	858	1,399	1,470
Unemployment Rate (%)										
County	3.4	3.8	4.4	4	2.7	1.9	1.9	3.3	5.1	5.4
PD9	4.2	4.6	5	5.5	4.4	3.1	2.5	4.2	6.8	7.1

State	4.7	5	6.1	6.1	5.6	4.2	3.9	4.3	5.8	6.4
Nation	5.8	7.1	7.6	9.6	7.2	6.2	5.3	5.5	6.7	7.4

Note: Figures are annual averages.

Source: Virginia Employment Commission and U.S. Department of Labor, Bureau of Labor Statistics.

■ ESTIMATED LABOR FORCE COMPONENTS: EMPLOYMENT, UNEMPLOYMENT AND RATE OF UNEMPLOYMENT

Labor force components are determined by both place of work and place of residence. *Table 5.2* summarizes the estimated civilian labor force by place of residence (persons included in the labor force that live in the County, but may work within or outside the County) over the last twelve years. The labor force by place of residence has increased at an annual average rate of 3.4% between 1979 and 1991. The unemployment rate has fluctuated between a low of 1.7% in 1988 and 1.9% in 1987 and 1989 and a high of 5.4% in 1992. From 1980 to 1992 the unemployment rate was consistently lower than the State and national rates. In addition, when compared to other counties within the Planning District, Fauquier County had the lowest rates for the same period. Virginia's unemployment rate is traditionally between 20 and 40% below the U.S. average.

Fauquier County has followed the national trend toward more women in the labor force. This was evident from 1940 to 1970 as women represented three quarters of the increase in total County employment. However, between 1970 and 1980 the proportion of women entering the work force decreased to fifty percent as the number of employed persons entering the work force increased faster than the proportion of women entering the work force. In 1990, Census figures indicated a steady increase in the number of Fauquier County women entering the work force and approximately 45% of the County's work force now consists of women.

■ EMPLOYMENT BY INDUSTRY

Table 5.3 outlines employment by industry for County residents. This information is from the 1990 Census; therefore the total number of employed persons is slightly different from the 1990 figures provided in *Table 5.2* which uses an average annual employment figure.

From 1980 to 1990, total employment by place of work in Fauquier County grew to 14,092 up from 8,512 in 1980, as shown in *Table 5.4*. Since 1990, this number has declined slightly to 13,583. *Table 5.4* shows the number of jobs by industry within the County, although these employees do not necessarily reside within the County.

A listing of major County employers and the total number of full and part-time employees is included in Appendix D. In 1989, the Center for Public Service conducted an economic profile for the Rappahannock-Rapidan Planning District and concluded that of the private non-agricultural business

establishments within the Planning District, 91% have fewer than 20 employees, none have more than 500 employees, and 1.5% have more than 100. This study also stated there were no announcements for new plants or expansions of existing facilities.

The biggest employment sector in Fauquier County (excluding the government sectors) is the services sector, hiring approximately 23% of all workers, down from 26% in 1990. Combining federal, State and local government into one group would make government the largest employer in the County. These figures are somewhat misleading in that they show positive growth in all industries from 1980 to 1990, whereas in 1990 virtually all job growth ceased. The 1992 average annual unemployment rate for Fauquier County was 5.4%. The 1992 average annual unemployment rate for the State and the U.S. was 6.4% and 7.4% respectively.

■ COMMUTING PATTERNS

It is important to note that those persons who live in the County, but work elsewhere in the region, have traditionally had the greatest effect on the suburbanization of Fauquier County. Currently, the number of "out-commuters" is slightly more than double the number of "in-commuters." In 1990, the number of County residents working in the County was nearly equal to the number commuting elsewhere in the region to work. In 1970 the out-commuter work force was approximately 30% of all workers. This represented an increase of 8% from the 1960 figure. The 1980 figure increased to just over 4%, a figure the 1977 Plan estimated would not be reached until 1990.

The majority of County residents commute to jobs in neighboring jurisdictions, primarily Fairfax County, Prince William County, and the City of Manassas. Refer to [Figure 5.4](#) for commuter statistics.

■ RETAIL TRADE AND COMMERCIAL ACTIVITY

Table 5.5 shows taxable retail sales for Fauquier County. The figures for taxable retail sales by group are not adjusted for inflation so they are not directly comparable, but some of the increases are clearly ahead of inflation. Also of interest is the increase in the number of dealers in the various categories. This is a clear indication that new businesses are locating in the County and that generally, growth in most sectors of the retail market is healthy.

Data from the Department of Taxation shows that between 1984 and 1991 retail sales in the County increased by an average of 106%, the greatest increase occurring in the Hotels, Motels and Tourist Camp, Apparel, Furniture and Home Furnishings, and Miscellaneous/Unidentifiable categories. The total number of registered dealers increased from 841 to 1,130 during that same period, an increase of 34%. Between 1991 and 1992 the greatest increase occurred in the apparel, hotels, motels and tourist camp, and the miscellaneous/unidentifiable categories, but the increases were significantly less and a number of

classifications registered losses. The total number of registered dealers increased from 1,130 to 1,176 between 1991 and 1992.

The retail market in Fauquier County will continue to be affected during this planning period by the location of large regional shopping facilities in Prince William and Fairfax counties. In addition, these out-of-county facilities are in the general area to which County residents are commuting for work, thereby making them more convenient places to shop than they might otherwise be. The proximity of existing and forthcoming regional retail centers in neighboring counties significantly impacts the market for similar facilities in Fauquier County.

■ TOURISM

Tourism is an important and growing segment of the County economy and has the potential to become a major local industry.

Tourism in Fauquier County resulted in revenues of more than \$25 million annually. The Town of Warrenton, where a majority of motels and restaurants are located, collected nearly \$775,000 for fiscal

Table 5.3: Fauquier County Average Annual Employment by Industry and Residence										
	County						% Change	Warrenton	Remington	The Plains
	1940	1950	1960	1970	1980	1990	1980-90	1990	1990	1990
Agriculture, Forestry, & Fisheries	3,487	2,767	1,972	1,354	1,709	1,663	3%**	18	4	3
Mining	19	30	48	80	**	101		0	4	3
Construction	555	956	1,103	1,429	2,043	3,243	59%	304	40	21
Manufacturing	226	338	378	733	1,376	2,029	47%	184	28	5
Transportation, Communications & Other Public Utilities	252	307	372	575	1,131	1,850	64%	160	19	6
Finance, Insurance & Real Estate	74	107	271	352	955	1,852	94%	231	19	10
Wholesale Trade	541	810	1,247	182	416	770	85%	478	54	12
Retail Trade	*	*	*	1,415	2,265	3,849	70%	*	*	*
Services	1,733	1,425	2,168	2,823	4,610	7,599	65%	872	68	32
Non-Classifiable	94	147	248	—	—	—	—	—	—	—
Government	110	197	575	881	1,671	2,575	54%	227	18	3
Total	7,091	7,084	8,382	9,824	16,176	25,531	59%	2,474	254	95

Note: * = Figures for wholesale and retail trade combines for these years.
 ** = Figures for Agriculture, Forestry, and Fisheries combined with Mining for this year.

Source: U.S. Census Bureau

Table 5.4: Fauquier County Average Annual Employment by Industry									
	1980	1985	1990	1992	% Change	% of County	% Change	% of County	
					1980-90	Employment	1990-92	Employment	
Agriculture, Forestry, & Fisheries	215	561	701	692	226.05	4.97	-1.28	5.09	
Mining	D	0	48	36	—	0.34	-25	0.27	

Construction	981	1,373	1,903	1,321	93.99	13.5	-30.58	9.73
Manufacturing Total	678	1,167	794	668	17.11	5.63	-15.87	4.92
Durable Goods	315	462	629	491	99.68	4.46	-21.94	3.61
Non-durable Goods	362	705	165	178	-54.42	1.17	7.88	1.31
Transportation, Communications & Other Public Utilities	298	277	354	330	18.79	2.51	-6.78	2.43
Finance, Insurance & Real Estate	439	554	713	630	62.41	5.06	-11.64	4.64
Wholesale Trade	270	312	486	467	80	3.45	-3.91	3.44
Retail Trade	1,424	1,878	2,772	2,739	94.66	19.67	-1.19	20.16
Services	1,998	2,162	2,976	3,087	48.95	21.12	3.75	22.73
Non-Classifiable	3	44	*	*	*	*	*	*
Government (Total)	2,198	2,513	3,347	3,616	52.27	23.75	8.04	26.62
State	218	211	219	229	0.46	1.55	4.57	1.69
Local	1,202	1,340	1,877	2,019	56.16	13.32	7.57	14.86
Federal	778	962	1,251	1,368	60.8	8.88	9.35	10.07
Total	8,512	10,840	14,092	13,583	65.55	100	-3.61	100

Notes: D = Data suppressed to protect confidentiality of individual firms.

* All data reported was classifiable.

Source: Virginia Employment Commission

Table 5.5: Fauquier County Taxable Retail Sales by Group with Number of Registered Dealers

Business Classification					% Change in Sales
	1984	1990	1991	1992	1990-1991
Apparel	\$1,446,610	\$2,705,539	\$3,271,902	\$3,638,630	20.93%
Automotive	\$9,539,481	\$15,547,893	\$15,180,067	\$16,520,772	-2.37%

Economic Base

Food	\$60,056,695	\$110,040,655	\$115,226,560	\$108,976,335	4.71%
Furniture, Home Furnishings	\$3,288,900	\$7,575,231	\$7,235,279	\$6,395,971	-4.49%
General Merchandise	\$14,504,537	\$18,503,519	\$19,246,523	\$20,656,508	4.02%
Lumber, Building Materials	\$26,660,858	\$38,911,285	\$32,560,667	\$28,106,872	-16.32%
Fuel	\$1,294,437	\$308,627	*	*	—
Machinery, Equipment, & Supplies	\$14,297,468	\$15,584,304	\$9,881,950	\$9,710,459	-36.59%
Miscellaneous	\$15,972,917	\$28,302,257	\$27,556,271	\$31,689,845	-2.64%
Hotels, Motels, & Tourist Camps	\$1,320,446	\$16,747,519	\$13,399,270	\$15,680,112	0.22%
Other Miscellaneous and Unidentifiable	\$2,615,446	\$16,747,519	\$13,399,270	\$15,680,112	-19.99%
Total	\$150,997,795	\$270,974,348	\$256,957,759	\$257,055,616	-5.17%
	1976 Reg.	1984 Reg.	1990 Reg.	1991 Reg.	1992 Reg.
Business Classification	Dealers	Dealers	Dealers	Dealers	Dealers
Apparel	5	16	22	31	34
Automotive	68	80	84	88	82
Food	121	163	186	195	197
Furniture, Home Furnishings	34	58	72	73	85
General Merchandise	36	80	87	91	90
Lumber, Building Materials	47	62	65	75	63
Fuel	6	6	4	*	*
Machinery, Equipment, & Supplies	19	35	63	67	69
Miscellaneous	225	314	450	477	522
Hotels, Motels, & Tourist Camps	11	11	12	12	13
Other Miscellaneous and Unidentifiable	33	16	23	21	21
Total	605	841	1068	1130	1176

year 1992-93 through a 4% lodging and food tax. These figures indicate the potential for developing this industry, and the County and Town are pursuing initiatives to realize this potential.

In 1992, the County and the Town of Warrenton jointly enrolled in the Virginia Tourism Accreditation Program, a project of the Virginia Department of Economic Development, which is designed to help communities develop their tourism assets. The Fauquier County Chamber of Commerce is coordinating the effort. Warrenton-Fauquier County TEAM Tourism, a committee appointed to complete the requirements of the program, has undertaken efforts such as cataloguing assets, publishing new literature, working on improved signage, assembling a library of slides and pictures, developing a marketing plan, and establishing a State-approved visitor's center.

Fauquier County's major tourism assets are its beautiful countryside, well-preserved old towns and villages, rich heritage, five wineries, and unique events, some of national renown. These include equestrian events such as the Gold Cup Races, spring steeplechase shows, and the Hunt Country Stable Tour. The Flying Circus, which performs every Sunday from May through October, is one of only two permanent antique airplane shows in the United States.

Sky Meadows State Park, which includes a portion of the Appalachian Trail, is an outdoor magnet in the northern part of the County. The Rappahannock River on the western border has potential for tourism development.

Old Town Warrenton, listed in the Virginia and National Historic Registers, is also a Virginia Main Street Community. As the County seat and showcase for the Old Court House, Old Jail Museum, Warren Green Hotel, and several buildings of architectural significance, Old Town is the focal point of tourism promotion.

Fauquier County and Warrenton are members of the Foothills Travel Association, a six-county tourism promotion organization. The Fauquier County Chamber of Commerce serves as the contact office for Foothills and is a Virginia Destination Marketing Organization (DMO).

■ INDUSTRIAL ACTIVITY

The County has been involved in industrial development in varying degrees since 1961. At that time, the Board of Supervisors established an Industrial Development Committee. In 1963, the Board, at the recommendation of the Committee, commissioned the Fantus Area Research Corporation to study the type of industries that would be suitable for location within the County. The Fantus Area Research Corporation selected ten light to medium industrial activities, four of which were directly related to the construction industry. An Industrial Development Corporation (IDC) was also formed as a result of this study. Before its dissolution the IDC completed a study of land suitable for industrial zoning. As a result

of that study, the 1967 Comprehensive Plan recommended that 2,600 acres be allocated for industrial purposes. These areas were zoned industrial in 1970; however, the amount was reduced to approximately 1,700 acres after the 1981 comprehensive rezoning.

In 1972, the County hired Rivkin/Carson, Inc. to review the 1967 Comprehensive Plan. The result was a report designed as an addendum to the 1967 Plan. Following the recommendation of the Rivkin/Carson report, the Board appointed an Economic Development Task Force. This body was “*charged with the responsibility of establishing an economic development policy geared toward encouraging selected office, research, and institutional location.*”

Late in 1974 the Economic Development Task Force rendered their final report to the Board, which included two recommendations of particular interest. The first is as follows: “*The obtaining of non-manufacturing forms of industry which would be more or less developed around the engineering and research aspect could be considered in areas which are not now zoned industrial, provided proper revisions were made to the existing ordinance, whereby, if the applicant met certain specific requirements, a construction permit could be issued without requiring variances.*”

The second recommendation called for the establishment of a permanent Economic Development Corporation Commission, charged with the mission of attracting to the County appropriate industrial concerns that would be financial assets and would conform to the County's performance standards. The Economic Development Corporation Commission group was also “*to encourage the location of appropriate small industrial business concerns that will provide additional economic opportunity for existing residents of the County.*”

The Board of Supervisors established such a commission in early 1975; however, it has been inactive for several years. In response to the recommendations of the Rivkin/Carson Report the County amended its zoning regulations in order to attract those industries that met the adopted planning goals.

The most recent industrial development efforts by the County have been made through the Warrenton-Fauquier Chamber of Commerce. This group has attempted to gain certification through the State's Certified Local Government program in order to receive assistance from the State in promoting the County to industry.

Although denied certification status, the information and effort should demonstrate that Fauquier County is interested in industrial development consistent with the goals of this Plan.

Table 5.6: Fauquier County Value of Agricultural Products Sold						
	1964	1969	1974	1978	1982	1987
Market Value of Agricultural Products Sold	9,682,650	12,136,539	18,644,000	27,448,000	32,509,000	31,494,000
Percent of Virginia	2.00%	2.10%	1.90%	2.10%	2.00%	2.00%
Crops	1,105,645	1,231,636	3,543,000	3,972,000	5,489,000	4,310,000
Percent of Virginia	0.50%	0.60%	0.80%	0.70%	0.80%	0.90%
Forest Products	199,345	107,698	105,000	Not included	N/A	2,718,400
Livestock, Poultry, and Their Products	8,010,927	10,797,205	14,996,000	23,477,000	27,020,000	—
Percent of Virginia	3.30%	3.20%	2.90%	3.00%	2.70%	—
Per Farm- Fauquier County	9,876	14,639	24,150	32,749	33,411	—
Per Farm- Virginia	5,845	8,832	18,211	25,257	30,986	—
Per Farm- Fauquier %	69%	66%	33%	30%	8%	—
Over (Below) Per Farm-State						

Source: U.S. Bureau of the Census

■ AGRICULTURAL ACTIVITY

National and State Activity

Virginia as a whole is not considered a large farming state when compared to Midwestern states; however, its economy is still intertwined with the agricultural industry. One in five working Virginians is employed directly or indirectly in agriculture, and approximately 20% of the State's gross state product can be attributed to agriculture or the accompanying agribusiness sectors which include transportation, marketing, and retail food industries. As a whole the industry generates almost \$17 billion annually. An increasingly significant amount of agricultural products is exported to foreign markets, from \$1.9 billion exported in 1987 to \$3.2 billion currently.³

As agricultural revenues increase, the number of farms and farmers continues to decrease in the State as a whole. The State farm population declined from 58,000 in 1980 to 45,000 in 1992. In addition, more farms are operated by part-time farmers. In the past ten years, the number of acres used for agriculture has declined from 9.8 million in 1980 to 8.8 million a decade later. The average farm is 196 acres and the average farmer is 54.5 years old. Despite this loss in acreage, productivity is up due to hardier varieties of crops, better vaccinations, and better technology. The statistics from the last six Agricultural Censuses are in Chapter 4 and in *Table 5.6* of this Chapter, which summarizes the value of agricultural products sold in Fauquier County.

■ LOCAL ACTIVITY

The foundation of the economy in Fauquier County has historically been agricultural in nature as is a large portion of this region of the United States. In 1940 approximately one half of the County's 7,091 employed persons had jobs in agriculture and forestry. This number decreased to approximately 1,400 by 1970. The reasons for this downward trend include mechanization, competition with the Washington metropolitan area for labor, and the increasing difficulty in sustaining smaller family farms. By 1980, there had been a turn around in the number of agricultural workers and the 1982 Census showed an increase of approximately 300 workers over the 1970 figure. In the 1990 Census, the number of persons employed within the County in the agriculture industry was 701 out of a total work force of 14,092. By 1992 the number had dropped to 692.

Despite the reduction in the total amount of agricultural land in the County over past decades, there appears to have been a resurgence in agricultural activity according to the 1982 and 1987 Census of Agriculture. Since 1974, the number of farms in the County increased by more than 200 and the market value of agricultural products increased by two thirds.

Fauquier County, being in proximity to a fast-growing metropolitan area, should take every opportunity

to encourage agricultural uses and to protect these uses from incompatible ones. The urban-agricultural interface serves to intensify many of the problems that exist in the agriculture industry. Land value, based on development speculation, is pushed beyond its worth for agricultural purposes, therefore making it difficult for someone to inherit, purchase, or to expand a farm operation. Taxes also become a significant consideration. Special land use assessments have helped the Fauquier County farmer, although increasing tax rates on real estate to accommodate the increasing service demands of the non-farm population will continue. Noise, odor, and trespassing are also exurban interface problems that will continue to hamper farming.

The future needs of agriculture in Fauquier County are not easily delineated in a precise way as they depend on many external factors and vary with future market demands for the various agricultural products. One major factor that influences the economics of farming is the amount of land on which agricultural activities are conducted. The area of this "critical mass" is dependent on the type of farming. There is no precise way to calculate agricultural critical mass; however, the agricultural industry is different from most other industries in that the bigger the critical mass concentration, the better the prospect for viable agricultural activities to occur.

Table 5.7: Fauquier County Revenue and Expenditures						
Fiscal Year Ending June 30						
Revenues:	1980	1985	1990	1991	1992	1993
General Property Taxes	\$6,383,422	\$13,388,334	\$27,334,024	\$34,595,261	\$37,202,099	\$39,603,352
Other Local Taxes	\$2,431,982	\$3,205,434	\$6,031,357	\$5,631,251	\$6,595,335	\$6,286,132
Permits, Privilege Fees and Regulatory Licenses	\$75,855	\$217,792	\$494,961	\$433,172	\$456,613	\$393,613
Fines and Forfeitures	\$0	\$11,157	\$15,568	\$37,034	\$61,665	\$130,103
Revenue From Use of Money and Property	\$1,131,420	\$703,462	\$1,920,697	\$728,140	\$629,862	\$620,588
Charges for Services	\$118,372	\$1,018,738	\$2,283,941	\$2,601,207	\$2,135,821	\$2,068,769
Miscellaneous	\$68,608	\$107,856	\$601,880	\$531,937	\$859,067	\$347,404
Recovered Costs	\$44,511	\$136,825	\$208,769	\$402,511	\$384,823	\$80,699
Revenue from the Commonwealth	\$1,226,027	\$12,030,144	\$16,357,154	\$16,475,772	\$15,701,050	\$15,629,098
Revenue from the Federal Government	\$238,956	*	\$2,136,376	\$2,442,254	\$2,803,917	\$3,039,656
Total Revenues	\$11,719,153	\$30,819,742	\$57,384,727	\$63,878,539	\$66,830,252	\$68,199,414
Expenditures:	1980	1985	1990	1991	1992	1993
General Government Administration	\$396,077	\$1,059,283	\$2,959,934	\$3,185,919	\$3,264,804	\$3,336,681
Judicial Administration	\$130,979	\$256,785	\$492,597	\$774,240	\$883,435	\$876,865
Public Safety	\$642,727	\$1,451,681	\$4,280,231	\$4,564,187	\$4,999,490	\$4,878,359
Public Works	\$400,896	\$550,761	\$1,880,083	\$1,848,586	\$990,293	\$1,440,581
Health and Welfare	\$333,179	\$1,267,465	\$1,951,262	\$2,212,918	\$2,449,113	\$2,544,881
Education	\$12,935,294	\$20,758,725	\$39,217,923	\$43,543,672	\$43,390,849	\$44,395,046
Parks, Recreation and Cultural	\$249,969	\$646,350	\$1,421,475	\$1,552,706	\$1,467,637	\$1,417,448

Community Development	\$159,582	\$266,741	\$1,369,908	\$1,179,258	\$1,113,988	\$1,497,886
Non-departmental	\$330,842	\$0	\$0	\$700,000	\$0	\$0
Capital Projects	\$6,474,193	\$1,033,219	\$15,243,243	\$6,903,597	\$2,109,612	\$3,669,886
Debt Service	\$1,420,802	\$1,672,095	\$3,364,398	\$4,023,564	\$3,957,162	\$4,944,684
Principal Debt Retirement	—	\$1,211,968	\$1,835,761	\$1,986,741	\$2,124,551	\$2,673,053
Interest and Other Fiscal Charges	—	\$460,127	\$1,528,637	\$2,036,823	\$1,832,611	\$2,271,631
Total Expenditures	\$23,474,540	\$30,635,200	\$75,545,452	\$74,512,211	\$68,583,545	\$73,947,001

*= Revenues from the Commonwealth & Federal Government combined for this year.

Table 5.8: Fauquier County Average Effective True Real Property Tax Rate														
	Median Assessment Ratio (%)				Average Nominal Tax Rate (\$)					Tax Rate (\$)				
	1982	1983	1988	1989	1982	1983	1988	1989	1990	1982	1983	1988	1989	1990
Fauquier	73.1	91	63.6	83.1	0.73	0.59	0.84	0.62	0.83	0.53	0.54	0.53	0.52	0.67
Balance of PD 9														
Culpeper	73.2	95	82.6	70.5	0.68	0.59	0.69	0.82	0.89	0.5	0.56	0.57	0.58	0.57
Madison	94.6	91.2	80	66.3	0.44	0.5	0.71	0.71	0.71	0.42	0.46	0.57	0.47	0.48
Orange	98.1	94.2	87.9	79	0.5	0.54	0.6	0.65	0.68	0.49	0.51	0.53	0.51	0.46
Rappahannock	84.5	85.5	75	60.6	0.32	0.42	0.52	0.75	0.77	0.27	0.36	0.39	0.45	0.44
Other Counties														
Loudoun	87.4	85.7	82.5	85.4	1.13	1.13	0.95	0.88	0.85	0.99	0.97	0.78	0.75	0.8
Prince William	89.5	90.1	87.1	89.5	1.48	1.45	1.45	1.44	1.43	1.32	1.13	1.26	1.29	1.34
Fairfax	84.7	88.2	77.2	82.1	1.5	1.48	1.32	1.2	1.13	1.31	1.13	1.02	0.99	1.02
State of Virginia	—	—	—	—	—	—	—	—	—	0.87	0.87	0.82	0.83	0.84

Source: Virginia Assessment/Sales Ratio Study, 1982, 1983, and 1990, Virginia Department of Taxation.

■ SIGNIFICANCE OF AGRICULTURAL INDUSTRY

From a citizen and government viewpoint, the viability of the agriculture industry is very important for a number of reasons. First, it is a low service—requiring industry that constitutes a sizable portion of the tax base. Second, it is largely responsible for the scenic and open space amenities within the County. Finally, it is of primary importance to the planning process.

Without the continued existence of agriculture in the County, the service district concept cannot be sustained nor can the concept of orderly development and the economic provision of services be attained. Development will be scattered, premature, and will unnecessarily deplete natural resources unless the County preserves the rural areas that complement the service districts.

As pointed out previously, the ability to determine the ultimate land use of all the 651 square miles in Fauquier County is not possible. Agriculture, whether it is the ultimate use or merely an interim use, best maintains the land in a form that preserves land use options for the future. Clearly, the success of the County's development policies is dependent on the viability of two key factors: the agriculture industry and the service districts. Without substantial effort “to protect the agriculture industry,” future growth will affect development patterns in the County. It is, and has been, the policy of the County that growth shall emanate from around existing towns and villages in order to achieve orderly growth patterns. Such concentrated growth is dependent on service districts containing the proper zoning and being supported by the requisite public facilities and utilities.

■ TAX ECONOMY

The County is experiencing a time of change where the present level of taxes collected is lower than that required to provide government services for an increasingly urban-type population. *Table 5.7* compares past local revenues and expenditures. *Table 5.8* compares Fauquier's average effective true real property tax rate with that of surrounding counties; it also compares assessed value to property taxes. These tables show that Fauquier presently has a substantially lower tax rate than neighboring counties to the east. The taxes needed to support local government services are directly proportional to the size and composition of the County population. As Fauquier becomes more urbanized, taxes must increase to support the growth. Proper planning and proper utilization of the Capital Improvements Program will assist in minimizing tax increases and oscillations.

From a planning standpoint, the future of the County's tax revenue is closely related to the composition of the tax base. Property taxes represent the largest local source of revenue, and are subject to influence by local land use policies, particularly the planned mix of residential, commercial, and industrial uses. It is noted that much of the new residential development in the County has been geared toward meeting a market for commuters to the metropolitan area. This group, especially those who buy expensive homes on

five and ten acre lots, pay an excess of taxes relative to their service needs (due in part to small family size with correspondingly fewer children).

The typical residential unit does not generate sufficient taxes to cover its share of the cost of providing schools and other government services. However, providing only for large residential lots or only expensive homes would present several problems. Large lots tend to conflict with the County's goal to protect viable agriculture; and in the balance of taxes with service requirements, agriculture imposes the lowest service burden "per acre." From a policy standpoint, encouragement of large lot development in the absence of higher densities in other areas within the County would operate at the expense of the County's less affluent families including most young people.

Commercial and industrial development can have a positive impact on the County's tax base. Due to Fauquier's traditionally low unemployment rate, a high level of industrial development providing many new jobs will not necessarily contribute positively to the goals of the Plan. Labor-intensive industry could attract families to the County who would pay less in taxes than they would require in services, to the point of off-setting the direct tax base benefit of the industry. On the other hand, new businesses and industries with low labor requirements that provide well paying jobs, and high capital investment could strengthen the tax base.

1 William Mezger, "U.S. Economic Outlook" and "Virginia Highlights," *Economic Indicators*, First Quarter 1992 Data, Volume 24, No.1.

2 Evelyn Marr Glacier, "The Virginia Economy in 1990," Virginia Department of Economic Development, (April 1990).

3 "Virginian's can be Thankful for Agriculture's Bounty," Virginia Farm Bureau New, Volume 51, #6, page 2.

4 *Ibid.*