



# Economic Development Analysis & Master Plan

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**Appendix** (Under Separate Cover)

A - Detailed Demographic and Market Analysis

B - Alternative Concept Development Plans for the Catalyst Sites

## I. Introduction and Overview

**This report is an analysis of economic development market opportunities and a master plan for action to seize those opportunities.** It examines the City as a whole, but gives special focus to six key “catalyst” sites that offer particular opportunities for economic development and revitalization.

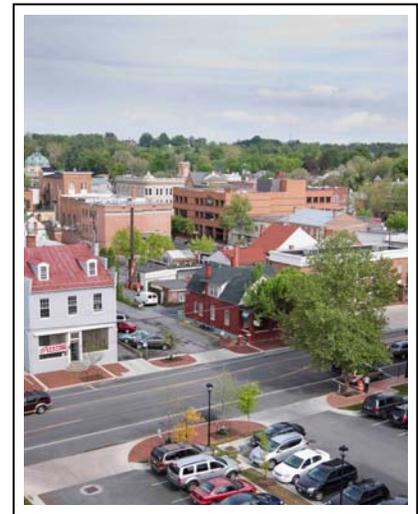
This Master Plan clarifies the City’s vision of its economic future, and supports that vision with a program of strategic actions for both short-term and long-term horizons. This plan has been done in parallel with the City’s update of its overall Comprehensive Plan, which provides the broader, long-term, land use policy framework for the City.

**The City is at a key juncture in its history and development.** As the nation and the region begin to emerge from a serious economic downturn that has affected nearly every sector of the economy, the City will need to pursue a course of action that will allow it to capture new economic growth opportunities and leverage its inherent assets and advantages, and to ultimately realize its economic goals.

The current economic conditions present serious challenges to the City, but also important opportunities for enhancing local economic vitality, overall quality of life, and for capitalizing on the basic forces that will drive the 21<sup>st</sup> century economy - while also preserving the essential community character of Winchester. *In fact, contemporary economic trends indicate that Winchester’s assets are advantageous.*

**This Master Plan provides a sound analytical basis** for the implementation of projects through public and private initiatives and collaborations, as well new ideas and opportunities for economic development implementation. In particular, it provides:

- *An analysis of existing and potential markets* that identifies regional, Citywide, and area-specific development and re-development opportunities;
- Examination and evaluation of the viability of *individual project site opportunities* that are defined as key catalyst projects for economic development;
- *An action program* to achieve the City’s goals for enhancing the overall quality of life of City residents and businesses through increased economic development opportunities; and

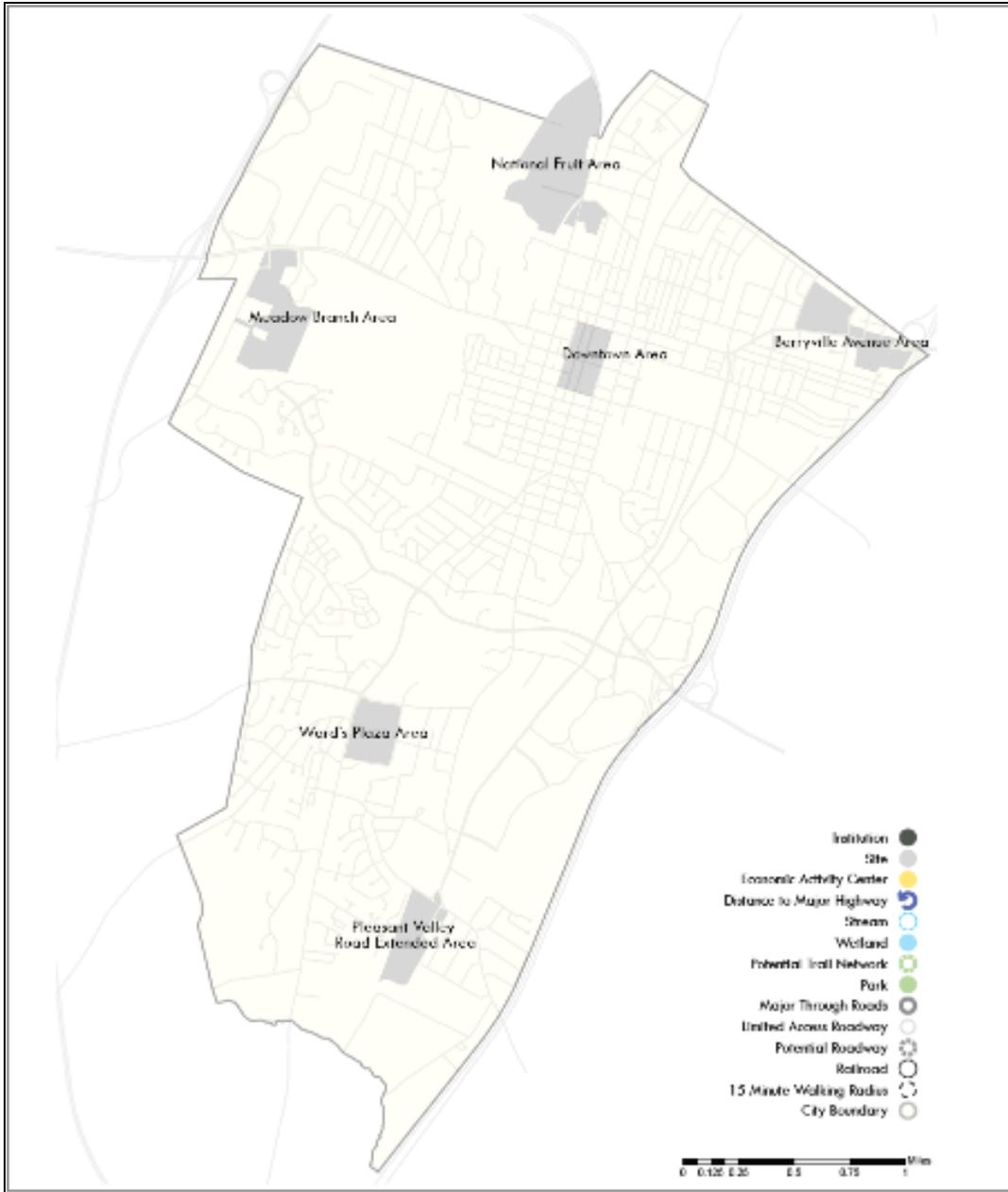


- *Coordination with the City's Comprehensive Plan* update process.

The six catalyst sites that were studied in detail are:

- Ward's Plaza
- Meadow Branch corridor extended
- Berryville Avenue (financial analysis focuses on the Apple Valley Square)
- Pleasant Valley Road extended
- National Fruit Products Company
- Downtown (historic core area)

**Fig. 1. Map of Catalyst Site Locations within the City**



## II. Trends and Expected Changes - Global to Local

- **Shifts in Demographics**
  - Overall, only 25% of households now have children, and this is expected to decline to 20% in the next two decades
  - Two biggest markets are aging baby boomers and the millennial generation which will soon begin to turn 30 and enter the housing market in large numbers

- **Shift in Market Demands**

- Most of the single family detached homes needed over the next two to three decades have already been built
- Demand is increasing for urban, walkable lifestyles; convenience living



- Trend toward smaller

housing, rental units and townhouses

- Trend toward “new urbanism”, walkability, and sense of place

- **Potential Impacts of Energy Costs**

- Costs of transportation as a percentage of household expenses
- Centralization around jobs and services

- **Decentralization of Federal Government and Accessibility**
  - Movement of FBI and other government facilities to the region
  - Transportation improvements bringing better access (e.g. Jubal Early Drive)

### III. Current Conditions

The City has numerous advantages and opportunities relative to the global and local trends cited above. It's inherent assets and constraints as a place to live and work are well known to City leaders. Below is a summary of the major factors that will influence the City's planning and economic development strategies and actions. (For more detail, see *SWOT Analysis in the Marketing Plan*, page 61).

#### 1.0 Primary Assets, Amenities and Opportunities

A strategic plan for economic development for Winchester should be firmly founded upon the basic assets, amenities and opportunities that currently exist the City. In addition, the plan should also recognize those assets that may not yet exist or are only emerging assets that the city needs to build on in order to realize its economic vision for the future. Listed below are the City's principal assets that can be leveraged as part of the overall plan for action for future economic development.

- *Regional Economic Center*

Historical and continuing role as a major economic, cultural, financial, legal, real estate, political/government and social center of the northern Shenandoah Valley.

- *Historic Community Character*

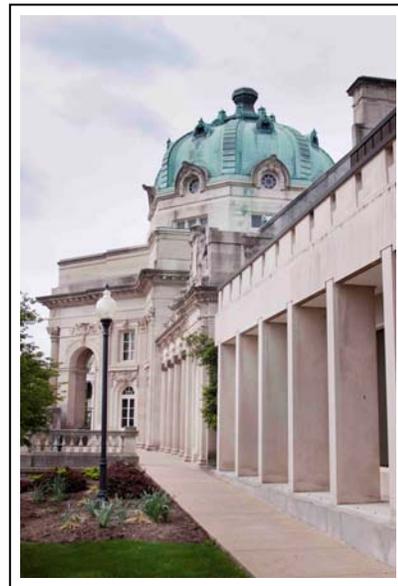
Historic downtown core, with a traditional grid street network, substantial historic architectural fabric, and a long history of active preservation and restoration initiatives.

- *Regional Accessibility*

Location on Interstate 81, with two major interchanges directly into the City and two additional interchanges just to the north and south of the City.

- *Proximity to Northern Virginia and Washington, DC*

Location on the fringe of the northern Virginia region, just outside a 70-mile zone surrounding the nation's capitol. (this is a constraint as well as an asset).



- *Health and Medical Center*

The Winchester Medical Center, a major, well-respected hospital facility.

- *Higher Education Center*

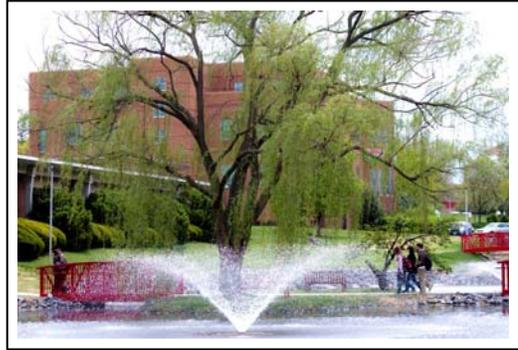
Shenandoah University, a well-known, mid-sized private university.

- *Existing Industry*

Several major, diverse industrial employers.

- *Retail Center*

Substantial retail sector that serves the City and surrounding market service area.



## 2.0 Current Constraints and Liabilities

- *Income and Education*

Lower incomes and education levels relative to surrounding jurisdictions.

- *Regional Competition*

Competition with Frederick County and neighboring jurisdictions for employment growth, retail sales, and meals and lodging.

- *Tax Exempt Properties*

Large number of tax-exempt entities and limited land base for real property tax and expansion.

- *Location*

Location on the fringe of the northern Virginia region (an asset as well as a constraint) – an easy commute to the east with multiple routes.

- *Housing Stock*

Substantial amount of relatively low-value/under-maintained housing stock.

- *Crime Rates*

Rates of some crime categories are higher than surrounding jurisdictions.

- *Group Homes*

Relatively high proportion of group home facilities.

- *Infrastructure Improvements and Deficiencies*

While the City has various infrastructure deficiencies in streets, sidewalks, etc., it has also made significant recent improvements including converting several one-way streets back to two-way.

## **IV. Summary of Demographic & Market Analysis**

### **1.0 Demographic and Employment Trends Analysis**

*[A complete analysis of demographic and employment trends is contained in the Appendix to this report, under separate cover]*

### **2.0 Current Market Analysis**

The consulting team prepared an analysis of the viable market sectors in the City today. The analysis looks at sectors for which there is already an identified market demand in the City, as well as at merging and potential markets. Note that the original market analysis was prepared at the beginning of the project in 2008-09, and thus was updated during 2010 to reflect recent changes in the economy.

*In summary, current trends suggest that new housing development can occur and that new apartment unit development, senior housing, and for-sale townhouses are feasible. The most viable development sites are Ward Plaza, Meadow Branch, and the downtown Mall. Retail space, office space and hotel room development are more long-term potentials. The need is for planning for upgrading key sites into planned environments for new retail and office space, possibly new hotel development, and a location for “town center” type housing.*

The City needs to think in terms of both short-term and long-term development trends.

The market area population continues to increase, albeit at a very slow pace. The number of jobs declined in 2008 and 2009, although growth in at-place jobs prior to the recession was also modest.

Employment decreased in 2008 and 2009 after years of steady growth. The greater decrease in employment (number of residents who are employed) compared with jobs indicates the high percentage of out-commuting from the market area.

Building permit activity has also declined significantly, particularly in the City in 2008 and 2009.

These trends suggest that although short-term development opportunities are limited, there is a real need and opportunity to make the City more competitive for new development in the medium to long-term, by capitalizing on the City's inherent assets.

### ***2.1 Summary of Apartment Market Analysis***

*This is currently the strongest land use within the market area.* The current occupancy rate for the higher rent apartments is approximately 98 percent. Most of the market area's apartment properties are mature, modest, and without amenities. The City has several real estate companies that own and manage small apartment properties, plus scattered units.

Analysis shows that the market area has only 600± apartment units that serve middle to higher income renters. The vast majority of the apartment units in the market area are mature and at modest rents.

For Stuart Hill, one of the "better" apartment properties in the market area, occupancy is nearly 100 percent. The vacancy rate for the other four apartment complexes that are classified as "better" is 3.2 percent.

There appears to be a sufficient supply of modest rent properties, but a short supply of better rentals. Thus, there is clearly an underserved market for upscale apartment units in the market area, with Stuart Hill Apartments being the only true comparative property for this segment. Based on the current pent-up demand and demographic trends, the market area is estimated to support 200 to 250 new, upper-rent units every five years, and a market currently exists for 150 to 200 units.

### ***2.2 Summary of For-Sale Housing Market***

Within the market area, the majority of the "active" subdivisions are inactive and without on-site sales staff. The current new home sale prices are reduced by as much as 50% from pre-2007 prices. There is some planning for new home construction at a few of the area's subdivisions, but home prices will be greatly reduced and home sizes will be smaller and with fewer amenities.

Within the City, there are a few active single-family subdivisions and new homes are being built there. These are small properties.

However, the for-sale home market appears to be strengthening somewhat, with some level of sales activity after nearly three years of stagnation. Brookfield Homes at Snowden Bridge PUD and Oakcrest Builders at The Village at Harvest Ridge are currently planning new sections.

Winchester has no townhouse communities and no age-restricted communities. Both are appropriate housing types to add to the City. These are housing types that can be built in the near future, if attractive sites can be located. The Meadow Branch catalyst site would be an attractive location.

Winchester does not have sufficient land area to compete with the large amenity-oriented Planned Developments in the County. Thus, products with good urban design and site planning will need to be built so that the City can attract its share of the market. Townhouses are one type of product that can be successful, particularly in a marketplace where home prices will continue to be an issue for project success. Renovations of historic downtown properties are also a viable option.

### ***2.3 Summary of Age-Restricted Housing Market***

*In time and within the right setting, the market area will have a demand for more variety in housing types for older adults, including the assisted living market, summarized below.*

While the vast majority of the apartment complexes within the market area are located in the City of Winchester, most of the new age-restricted communities are located in Frederick County. Analysis shows that this is an active part of the area's new home sales market, and that the market could be fully supplied once the proposed properties are started, and the fact that Shenandoah at Lake Frederick and Snowden Bridge are very large subdivisions.

The data show that the market area has 3,500+ households with the household head aged 55 to 74 and with incomes over \$75,000. This sector of the housing market within the market area is expanding and will support additional age-restricted housing in time. Data show a trend increase in the number of "active senior-headed households" with incomes of \$75,000 and over (constant 2008 dollars) since 1990.

The age-restricted market is expanding, but for project success, City sites must attract seniors from Frederick County, or from outside of the market area. The for-sale, attached home, age-restricted market is viable, although The Village of Harvest Ridge still has available lots. There is currently no product for independent living (IL) for seniors, either for rent or for-sale within a multifamily building. This product has been successful in many locations and with the age of some homes in the City, this could be a viable product, both market rent and affordable. The Meadow Branch area is a likely location, as are some downtown locations.

#### ***2.4 Summary of Assisted Living Facilities Analysis (ALF)***

At present, the Winchester area has four ALF's, including the large Westminster-Canterbury property. These contain a total of 277 "beds" for AL care. Westminster-Canterbury also has 148 cottages and apartments for active seniors and a skilled nursing facility on the 65-acre campus. Hilltop House added 35 new beds in spring, 2008, and these may not be fully occupied at this time.

Data in the demographic analysis show that the market area has nearly 1,900 households with the head age 80 years and older. Of these, 960 households are single persons – persons 80+ years of age living alone. These are seniors who are not in ALF's or in nursing homes. The number of households with the head 80 years or older are increasing by 70± per year, on average.

As with the age-restricted housing for active seniors, the housing market for older seniors is also expanding. The potential of 100 new AL beds during a 5-year period is a conservative projection. The success of Spring Arbor of Winchester (assisted living – ALF) is a clear indication of continuing need to this type of senior housing. It will require a few years, however, before another ALF would be feasible.

#### ***2.5 Summary of Office Space Analysis***

The market area has well over a million square feet of privately owned office space that has been built since the 1990's. Relevant data for the more mature office space was not available, but the inclusion of these buildings could add substantially more than another 100,000+ square feet of somewhat competitive space.

The data on new office buildings show, besides the gross annual space additions, that:

1. Most of the new space was built in the City, but the two large government tenants located in large buildings in the County.
2. Much of the new space is in buildings of 30,000 square feet or less.
3. Medical occupied space represents a large percentage of recently built space.
4. Condominium office space totals 45 percent of the post-2000 buildings, but excluding the FEMA building.

In general, the positive feature of the office market analysis is that the 8± percent vacancy rate for the greater Winchester office space market is a modest total given the sizable amount of recent development. Secondly, the market area attracted two large federal government users and that trend could continue. The fact that the market area is generating condominium space reflects the locally-focused/large medical space market rather than a regional-focused market. Much of the office space market has been built in the City.

There is no regional-serving office market demand in the area, which is why most buildings currently are small in scale. The positive aspect of this, however, is that smaller, locally-based offices may have more stability in the market place due to their relative immunity from the merger volatility that national and multi-national companies are subject to. The office condominium market is likely to be soft for the next couple of years. It is unlikely that the medical-related office market can continue to expand at the same level as over the 2000 decade. More vacancy exists in older buildings compared with the newer space, so all of the new space occupied is not truly net absorption.

The office space market should continue to expand, but probably not at the same level as during the past five years prior to the downturn. The key is to attract more technology sector and federal government tenants and this in turn could generate the demand for government contractors. At present, the City does not have large enough buildings or settings for large government users. If achievable, this setting needs to be able to accommodate contractors as well as government tenants.

Note that Section 2 of Executive Order No. 13006, issued in 1996, encourages the location of federal facilities on historic properties in central cities. Further, Executive Order No. 12072 (entitled “Federal Space Management”), issued in 1978, requires all federal executive agencies that have a mission requirement to locate in an urban area to give first consideration to locating federal facilities in central business areas (CBAs), and/or adjacent areas of similar character, to use them to make downtowns attractive places to work, conserve existing resources, and encourage redevelopment. In addition, recent increases in security concerns for federal facilities puts the City in a strong competitive position for federal space located away from the nation’s capital.

Thus, the office space market will continue to gradually expand, but it needs to include a regional market as well, in order to assure sustainable and expanded growth, because at-place job trends do not support a lot of new office space in the near future. The best scenario is to attract more of the government space being built away from the immediate DC region. To be successful, competitive sites must be “shovel ready” – i.e. with all utility and roadway infrastructure already available and regulatory permission in place for the development to proceed.

## ***2.6 Summary of Retail Space Analysis***

The analysis concentrated on the anchored shopping centers. This approach would include most of the grocery store sales, except for the 7-Elevens and other small markets. Sales at smaller stores within retail centers were estimated. Any omitted stores/sales would represent a very small total within the market area and not affect the study conclusions. The surprising finding for the analysis of food store sales is that even with the presence of a new super Wal-Mart and new Martin’s stores, the market is not oversupplied with supermarket stores, although the overall retail market remains generally somewhat oversupplied.

*Food Stores.* The existing supermarket “market” is served by several companies - Martin’s, Super Wal-Mart, Costco, and Food Lion. Retailers report that Trader Joe’s and other specialty stores are not yet ready to locate in the Winchester area. A Wegman’s store is reported to be a potential new addition to the area.

*Other Retail Stores.* The comparative goods market appears fully supplied at this time. The analysis of other stores includes restaurants and personal service stores – flower shops, nail and hair salons, spas, etc.

There are retailers that are reportedly interested in the market area and there are several large centers under study/planning, plus vacant and expansion space at existing centers. The challenges for the retail space market are:

- Retaining existing stores in light of proposed new competition.
- Understanding any new trends within the retail space market and determining how to attract this type of retail space to the City.
- Attracting quality retailers to the subject sites under study, some of which are away from the large existing nodes within the market area.



### ***2.7 Summary of Hotel Room Demand***

An overview market analysis for the hotel room market in the Winchester/Frederick County market area shows a large and expanding market for new hotel rooms in recent years, but the current market area annual hotel room occupancy is now under 60 percent. The desired rate is approximately 65 percent, or slightly lower with mature hotels. To reach 65 percent occupancy for the market area under current inventory, including 2009 properties, would require an increase in 47,500+ occupied room nights, which is equivalent to another 85-room hotel.

Eight new hotels (including the George Washington) opened since 2007 and added 880 new rooms. The Winchester Visitors Bureau reports that the market area is now well served. There will probably be a loss of older hotel rooms in the coming years due to the new addition of rooms. Thus, this is a land use that will likely be expanded in time, so quality sites need to be made available.

Market area occupancy rates were generally well above average until 2007, at generally 70 percent and above. The national economy slowed somewhat in 2007 and into 2008 and three new hotels opened in 2007 and in 2008.

These data suggest that based on past trends in hotel room demand, the current market (2009) is only marginally oversupplied, given the significant amount of new rooms recently placed on the market.

Additionally, the market area has six hotels that were built prior to 1980 that are small, non-amenitized and some poorly located. The market area is attracting better quality hotels, such as the Hilton Garden, Wingate, and Courtyard by Marriott.

The largest new hotel has 136 rooms. None have sizable meeting room capacity. Thus, normal trends would generate the demand for 100 new rooms annually, without transfer demand, i.e., without the closing of some of the older less desirable facilities. Additionally, in time, a conference market could be established locally, which if successful, would increase past growth trends.

*These data suggest that after 2010/11, additional hotel rooms would be supportable. The share that can be captured in the City would be dependent on the quality of the site. It is plausible that a new market area hotel could be built every other year (depending upon size) and that with quality sites, half of this demand could be located in the City.*

### **3.0 Identification of Potential or Emerging Markets**

The analysis of emerging and potential market sectors was based on general demographic and economic trends in the region, the potential for current marketplace trends to expand, and the potential to leverage the City's current assets for new market sectors in the future.

#### ***Business:***

**3.1 Existing Businesses – Retention, Expansion.** The primary target for most economic development efforts begins with what the City currently has. Retaining existing businesses, and fostering expansion and spin-offs of existing employment sectors is a logical initial priority. However, due to a constantly changing economic environment - markets, technology, finance, labor, etc. - no locality should rely solely on its existing sectors.

**3.2 Health-Related.** Two of Winchester's largest economic entities are the medical center and the university. These also happen to represent important economic sectors for the 21<sup>st</sup> century, and they can reinforce each other. Expansion of the medical center, as well as support services, offers excellent long term potential. In addition, such employment expansion is related to the attraction of higher income households to fill those jobs. Thus, expansion of this

sector could lead to synergistic benefits for local housing, retail stores and personal service establishments, among others.

**3.3 University-Related.** Like the health industry, higher education is expected to be an important growth industry in the 21<sup>st</sup> century. Further, the university and the medical center can be mutually reinforcing, to the extent that the university's curriculum can be further shaped to produce graduates that are qualified to fill the kinds of jobs that are part of the medical center's activities as well as the adjunct services that support the medical center. For example, the University's potential new focus on a Doctor of Osteopathy program would directly tie into future needs for health professionals, and allow the potential to retain graduates in the City.



**3.4 Technology Entrepreneurs.** Winchester offers many of the key resources desired by emerging and start-up technology businesses – economical work and living space, convenient access to regional transportation linkages, proximity to the large northern Virginia technology community, and a vibrant, historic, walkable downtown. To an increasing degree, an expanding network of technology entrepreneurs is emerging, which creates a self-reinforcing momentum for continued expansion. The Bright Cowork Center is an example of a program directly supporting technology start-ups in the City.

**3.5 Federal Agency Facilities and Spin-offs/Support.** Several major federal facilities have located to the Frederick County/Winchester market area, due to the desire to disperse various federal functions, as well as to achieve cost efficiency. These facilities account for not only the direct federal jobs, but also produce some “spin-off” employment to support the basic federal functions. Due to its location beyond the immediate reach of the close-in Washington, D.C. suburbs, (and just beyond the targeted minimum 70-mile distance criterion for federal relocations outside of Washington) yet within a short travel time of the District, Winchester offers a significant potential for additional expansion of federal facilities, and the related support services. Federal agency locations in Winchester are also supported by the two Executive Orders cited above.

**3.6 Entertainment-related.** In part due to the potential for the younger adult demographic, the potential for food, beverage and entertainment businesses also holds good long-term potential for Winchester. The City remains the only significant urban place in the region, which gives it “gravitational” force to add to this segment of the economy.

**Residential:**

**3.7 Retirees and “empty-nest” households.** A demographic segment with major potential for Winchester is the aging “baby boom” population, particularly retirees and “empty-nest” households. This population tends to have higher than average incomes, bringing in dollars from outside the local economy, and additional capacity to the social and cultural fabric of the community. Many of those in this segment – especially the “empty-nesters” – are independent or part-time workers, as well, and would thus directly enhance the local employment base and labor force.

Research is showing that this “age-wave” will have the single biggest impact on the future of real estate and land development trends, and communities across the nation are strategizing for ways to address this major change in the market.

Research also indicates that the desires of this group as it ages will focus on many of the amenities - such as walkability, easy access to services and cultural resources and transportation choices - that Winchester either already has or can strengthen to capitalize on this impending change.



**3.8 Young, “creative class” households.** The other demographic segment with particular potential for Winchester’s future are the young professionals – those with higher education levels who want to live and work in a vibrant downtown, yet also wish to have a relatively convenient and less congested life style, with better access to active recreational amenities like the rivers, national parks, trails, etc.

This population segment tends to be very mobile, with flexibility for a wide range of locational decisions that meet their lifestyle preferences. Here too, the City can again capitalize on the embodied assets in the character of its existing built fabric to attract this class more easily than many surrounding suburban or rural areas.

These two demographic sectors, in many ways, represent not just potential population growth, but also *economic* growth in and of themselves, since they would tend to raise the average income, diversify and upgrade the educational levels of the population and work force, and provide the labor resources desired by the emerging jobs in the modern, high-tech economy.

## V. Strategic Vision

### 1.0 Citywide Vision

Based upon the input from the public, city staff, and the consulting team's analysis, a vision for successful future economic expansion and enhancement in Winchester has been proposed below, with both near-term and long-term horizons.

It centers on achieving the physical development and redevelopment of land uses, infrastructure, and building patterns that will attract and support the emerging population and employment sectors of the 21<sup>st</sup> century, thereby simultaneously changing and enhancing the City's image to one of a small, diverse, prosperous, cutting-edge city, whose economy is based on a diverse mix of market sectors with long-term sustainability, supported by a vibrant urban life-style, and surrounded by a historic, rural regional setting.

This vision has two important components related to two distinct time horizons:

*In the near to medium term (1 to 5 years),* the City should focus on creating and strengthening the assets that it will need for economic success in the future, while also promoting its existing assets.

*In the longer term (5+ years),* the City will be able to implement strategies and tactical actions to capitalize on new and improved assets for better economic health and vitality.

***Near Term Vision:***  
Create and strengthen economic assets

***Long Term Vision:***  
Implement strategies and tactical actions to capitalize on new and improved assets for better economic health and vitality

Specific actions recommended to achieve both the near-term and long-term strategic visions are included in the analyses and plans for each catalyst site. The vision is further detailed below in a series of overall recommendations for *enhancements* to the current conditions in the City.

### 2.0. Housing Stock Enhancement.

**RECOMMENDATION:**

Improve and expand the overall housing stock, to provide for and attract both older and younger age household populations, thereby raising the average household income in the City.

### **3.0. Future Industry Sectors.**

#### ***RECOMMENDATIONS:***

- Increase the synergy between the medical center and the university, including both economic and physical linkages
- Establish and grow technology businesses, especially small, start-up companies that can benefit from Winchester's unique setting and environment.
- Gradually add retail space that capitalizes on the new, higher income residents and employees, as their numbers increase.
- Establish and grow businesses that support federal facilities that expand or relocate into the Winchester/Frederick County market area.

### **4.0 Labor Force Enhancement.**

#### ***RECOMMENDATIONS:***

- Create programs that improve educational attainment at all levels, including improving the graduation rate for high school and improving the ratio of higher educational attainment, in order to provide a more skilled and better educated labor force in the area.
- Create new housing types and improve the existing housing stock in the City so that it can attract the younger and older demographic groups with higher education levels and income expectations

### **5.0 Quality of Life and Built Character.**

#### ***RECOMMENDATIONS:***

- Develop mixed-use neighborhood centers and corridors that combine housing (for young and old households), retail, and office/employment uses, integrated within a compact, walkable area that will create the kind of urban amenity environment sought by the "creative class" and "empty nest" demographic sectors (the six catalyst sites offer special opportunities for this type of development)
- Provide anchoring entertainment and cultural amenities (music, museums, arts, events, recreation, etc.) in and around the City's historic core and neighborhoods that will serve as a draw to both residents and businesses in

and around the City. It is particularly important that these build to a “critical mass” of cultural opportunities over time to change and enhance perceptions of the City. This perception can serve both to directly attract more of a well-educated and higher income population, and to attract the kinds of businesses that look for access to these amenities and quality of life for their employees.

## **6.0 General Implementation Recommendations**

A multi-pronged approach to implementation of the concept development plans for the catalyst sites is needed. Action is needed on a number of fronts simultaneously to implement these ideas. Attention is needed by the City and other governmental bodies, and also by private property owners. Partnerships will be important. The approaches to implementation can be categorized as follows:

### **Encourage Private Investment**

Private investment in the catalyst sites needs to be sparked. Through working directly with property owners, construction of public improvements (as described below), and an array of regulatory incentives (as described below), private property owners can be encouraged to invest in the City’s revitalization in ways that are consistent with the City’s principles and guidelines. The City can articulate, through design guidelines and/or policy statements, the actions that it wishes private property owners to consider. In order to provide greater flexibility in a changing market outlook, mixed-use development proposals should be encouraged throughout the City.

Economic incentives are often needed in addition to investments in public infrastructure to help bridge the gap to make investment opportunities viable. A wide variety of incentives exist for developers and property owners:

- Dedicated bond issues
- Direct investments through tax increment finance districts (TIF)
- Tax abatements, credits or waivers
- Density bonuses or other zoning incentives
- Expedited permitting
- Grants of publicly owned land or property
- Community Development Authorities (CDA) and Special Tax Districts

### **Direct Public Investment and Operational Changes**

The most direct way to encourage a physical change within the catalyst sites is to use public resources to fund improvements and take the actions that transform the character of the areas in and around each site. One of the best ways to encourage

development to occur in desired locations and patterns, is to invest in public infrastructure. Directing resources to support the maintenance and upgrade of existing facilities helps to maintain the value of investments made by the private sector and to better position the City to attract private investment in new construction and rehabilitation on the catalyst sites. Also, public investment in civic buildings (libraries, post office) or other uses that serve a public function (i.e. market, park, public gathering place, etc) send a message to the community that these areas are worthwhile investment opportunities.

Listed below are examples of specific recommendations for public sector improvements. Not all can be pursued at once, and priorities need to be established for consideration as resources allow. Projects are categorized below by level of effort/expenditure required that indicate whether planning, funding, and execution of a project might be accomplished immediately, or within a short, medium, or long term context. Projects are listed below without indication regarding individual project priorities or urgency of need:

Near Term (1-2 years):

- Work with individual property owners of all the catalyst sites to establish mutual objectives for revitalization/redevelopment, and develop agreed-upon concept plans to pursue a public and private implementation approach;
- Develop a marketing and branding strategy for City revitalization and integrate catalyst site redevelopment with the overall marketing strategy (*see Marketing Plan, page 61*);
- Revise the comprehensive plan and zoning ordinance (see specific recommendations below) to align with the City's revitalization objectives and the concepts for the catalyst sites (*underway*).

Medium Term (2-5 years):

- Develop selected pedestrian improvements along portions of Valley Avenue and Pleasant Valley Road near the catalyst sites (crosswalks, planters, sidewalk improvements);
- Potential acquisition of Ward's Plaza site to connect Taft Avenue to Middle Road (Potential to solicit private developers through a RFP for a public private partnership that would use CDA and/or tax increment financing for most of the infrastructure including the parking, along with a partial rebate of up to 20% of the business taxes including the local portion of sales tax);
- Improve pedestrian crosswalks and connections between key sites, the downtown and the City-wide trail system;
- Establish trolley service to connect select areas with downtown;

- Create additional parking along the railroad tracks between Tremont Street and Chester Street;
- Transition all signals downtown that hang from wires to signal arms,
- Replace light fixtures and street furniture with elements of a more historic character.

Long Term (5-10+ years):

- Develop a shared-use trail for bicyclists and pedestrians along selected railroad rights-of-way if they become vacant;
- Develop the Green Circle trail segments and tie into a sidewalk/trail system that links all the catalyst sites to each other and the downtown;
- Create civic open space in association with trails and redevelopment areas along Valley Avenue and Pleasant Valley Road;
- Look for opportunities to create a Community Art Center in or near one of the catalyst sites
- Put more emphasis on grant writing to secure additional resources. Possibilities can include use of Community Development Block Grant funds, more aggressive advocacy of tax credit programs related to historic properties, and funding from VDOT and the MPO for specific projects that improve the safety and character of individual development nodes along key corridors.

### **Adjust Zoning Regulations**

Encouraging private investment is a good economic development strategy. Directly funding public improvements is necessary for those large-scale projects that cannot be accomplished otherwise. However, it is also necessary to ensure that the City's current zoning regulations are able to appropriately influence the form of new private development and to assure that public improvements that are necessary to serve new development are provided as components of new development or redevelopment projects.

Zoning amendments are needed in order to achieve the vision for revitalization. The timing is good right now for attention to zoning amendments. The ongoing comprehensive plan process provides an important policy framework for zoning changes, whether they are undertaken by the City or encouraged by the private sector.

Three types of zoning adjustments should be considered:

1. *Market-based Regulatory Adjustments* to allow activity that meets the City's revitalization objectives. To the extent that there are actions currently prohibited that might be taken by private property owners, in response to market conditions, that would promote public objectives for the City's

revitalization objectives, zoning regulations should be adjusted to allow these actions. Examples include adding residential uses as permitted uses in commercial districts, allowing small-scale commercial uses in residential districts, allowing accessory apartments in dwelling units in or close to downtown, and allowing existing downtown uses to expand without triggering additional parking requirements.

2. *Regulatory Requirements that prescribe standards and procedures to upgrade the overall character of new development.* Zoning regulations can also be adjusted in a manner that requires new development (or redevelopment) to meet more rigorous standards, and/or to provide public infrastructure that will be needed as a result of the development. Examples include requirements for off-site improvements and expanded landscaping requirements, or to mitigate traffic impacts through contribution to the development of the greenway network or off site road improvements.
3. *Regulatory Incentives to encourage types of activity that cannot be required.* Zoning regulations can be adjusted in a manner that provides incentives for property owners to take actions that are in the public interest. Incentives could include (a) less stringent requirements if characteristics of proposed development are consistent with policy objectives; (b) streamlined approval process if the proposed development is consistent with policy objectives; (c) modifications of regulations and requirements if certain findings are met; and/or (d) public participation in the financing of required infrastructure.

In pursuit of these ideas to amend zoning regulations, the approach could take one of three potential routes:

- Amend the base zoning districts covering the catalyst sites;
- Create one or more new overlay zoning districts for the sites and surrounding areas;
- Modify current PUD requirements to allow more flexibility to develop urban mixed-use projects as anticipated in the concept plans.

Implementing a process to expedite plan and permit approval for catalyst sites.

Prompt, thorough review of catalyst projects and the timely issuance of permits can reduce the holding cost of land for developers, which can make these projects more attractive. “One stop shops”, developer liaisons, priority review, and review deadlines are just a few ways the City can focus review resources on projects they want to encourage. The City should also encourage regulatory agencies to work together to make catalyst sites a high priority. Gaining political support from

various review agencies can be done through behind-the-scenes networking or through a visible, institutionalized action.

In summary, catalyzing redevelopment in the City and especially in the identified catalyst sites will require a multi-pronged strategy. Success will rely on the pursuit of all of the above actions, including encouraging private investment, funding public improvements, making operational changes, and adjusting zoning regulations.

## **VI. Analyses and Concept Plans for Catalyst Sites**

### **1.0 Overview of Site Analyses and Concept Plans**

**Following are site analyses and conceptual land use and development plans** for five of the six key catalyst sites (downtown is addressed mainly through comprehensive plan policies). These are sites that offer particular opportunities for development and redevelopment. They were selected by the consulting team and City staff based upon:

- The inherent potential of these sites for redevelopment due to geographic location and the relationship to key economic drivers within the City such as the Hospital, the University, and Downtown;
- Past discussions with City leaders; and
- Input received from the public in the early stages of the comprehensive planning process.

The six catalyst sites are:

- Ward's Plaza
- Meadow Branch corridor extended
- Berryville Avenue (financial analysis focuses on the Apple Valley Square)
- Pleasant Valley Road extended
- National Fruit Products Company
- Downtown (historic core area)

**For the first five sites**, the consulting team prepared an analysis of opportunities and constraints, and based on that analysis, two or more alternative scenarios, culminating in a final conceptual site development plan, shown in this report.

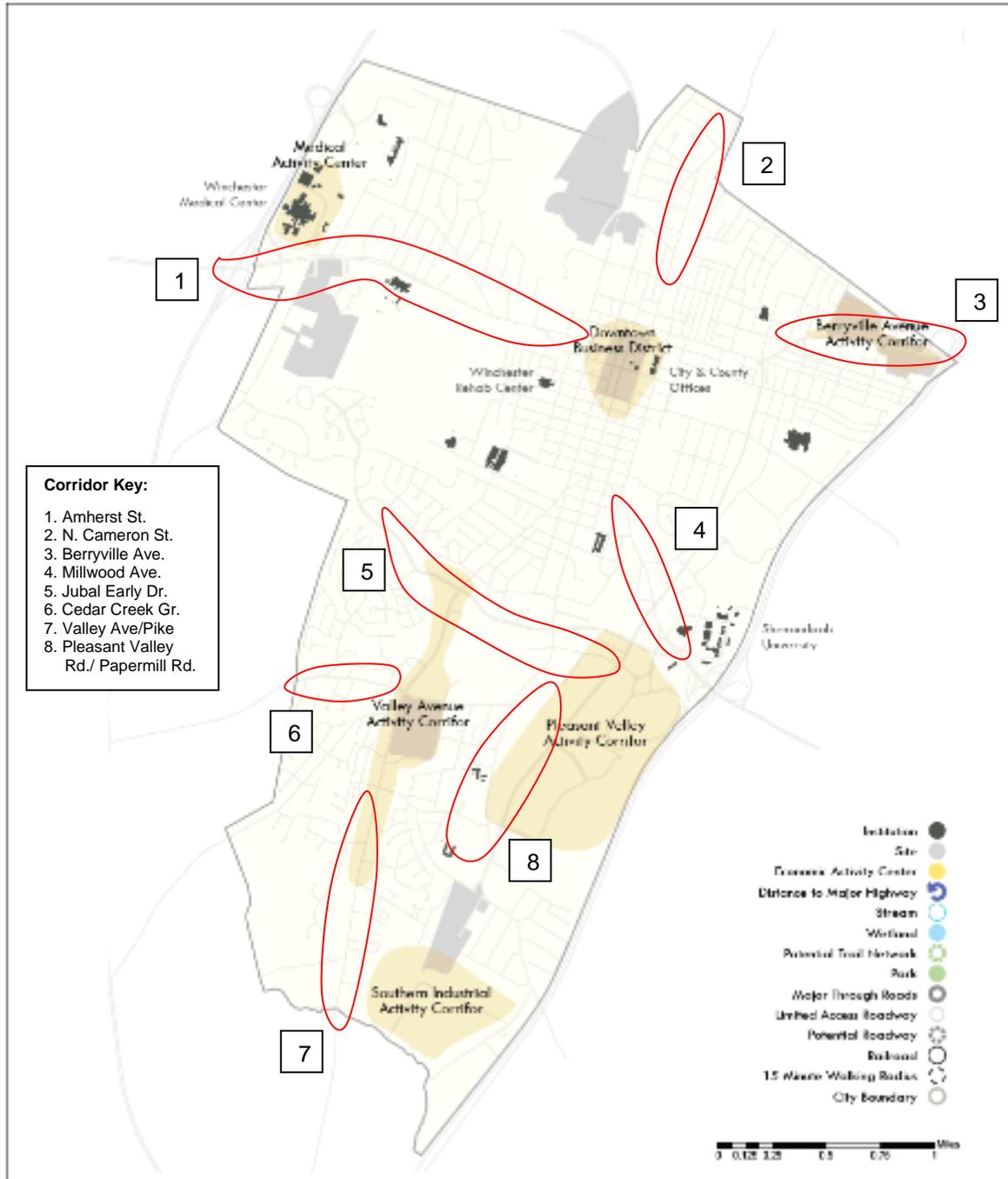
Each conceptual site development plan was derived from the alternative scenarios that reflected the results of the team's initial market analyses, the early input from the public and city staff in the comprehensive plan process, and the judgment and design expertise of the team.

For two sites (Ward's Plaza and the Apple Valley Square property on Berryville Avenue), the team also prepared estimated development costs and a detailed "pro forma" analysis of financial feasibility. For two other sites (Meadow Branch and Pleasant Valley), the team prepared a generalized pro forma analysis.

## 2.0 Citywide Analysis/Context of the Catalyst Sites

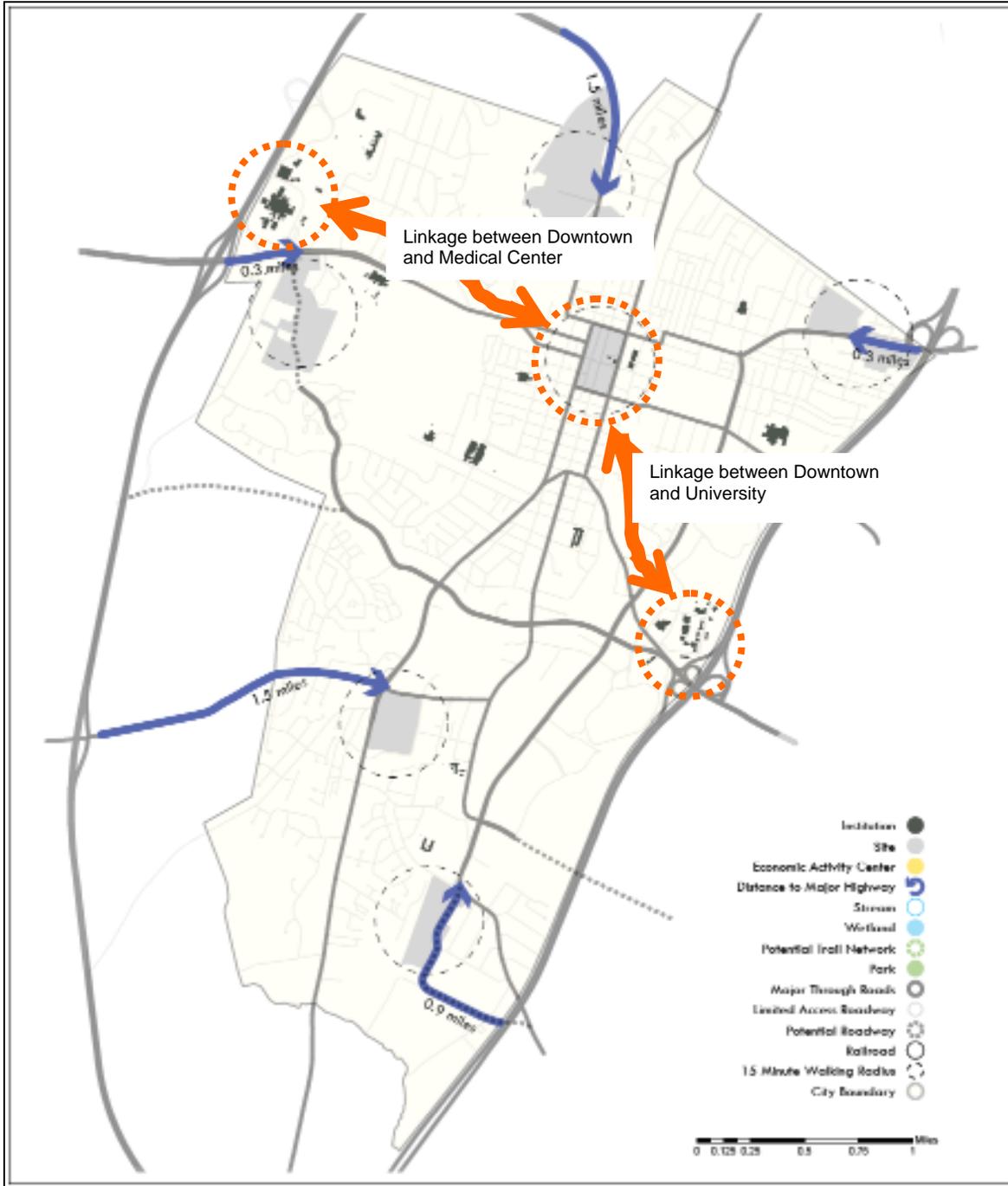
**Fig. 2. Map of Existing Economic Activity Centers and Corridors within the City**

The City is anchored by key activity centers, including the downtown pedestrian mall, Shenandoah University, the Valley Health Medical Center, the Pleasant Valley commercial areas and the Valley Avenue commercial corridor.



**Fig. 3. Map of Proximity of Catalyst Sites to Major Transportation Corridors**

Each of the catalyst sites has excellent road access and transportation connections to other activity centers within the City; and most have good access to the road network surrounding the City. Of special importance are the linkages between Downtown and the Winchester Medical Center to the west, and Shenandoah University to the east.



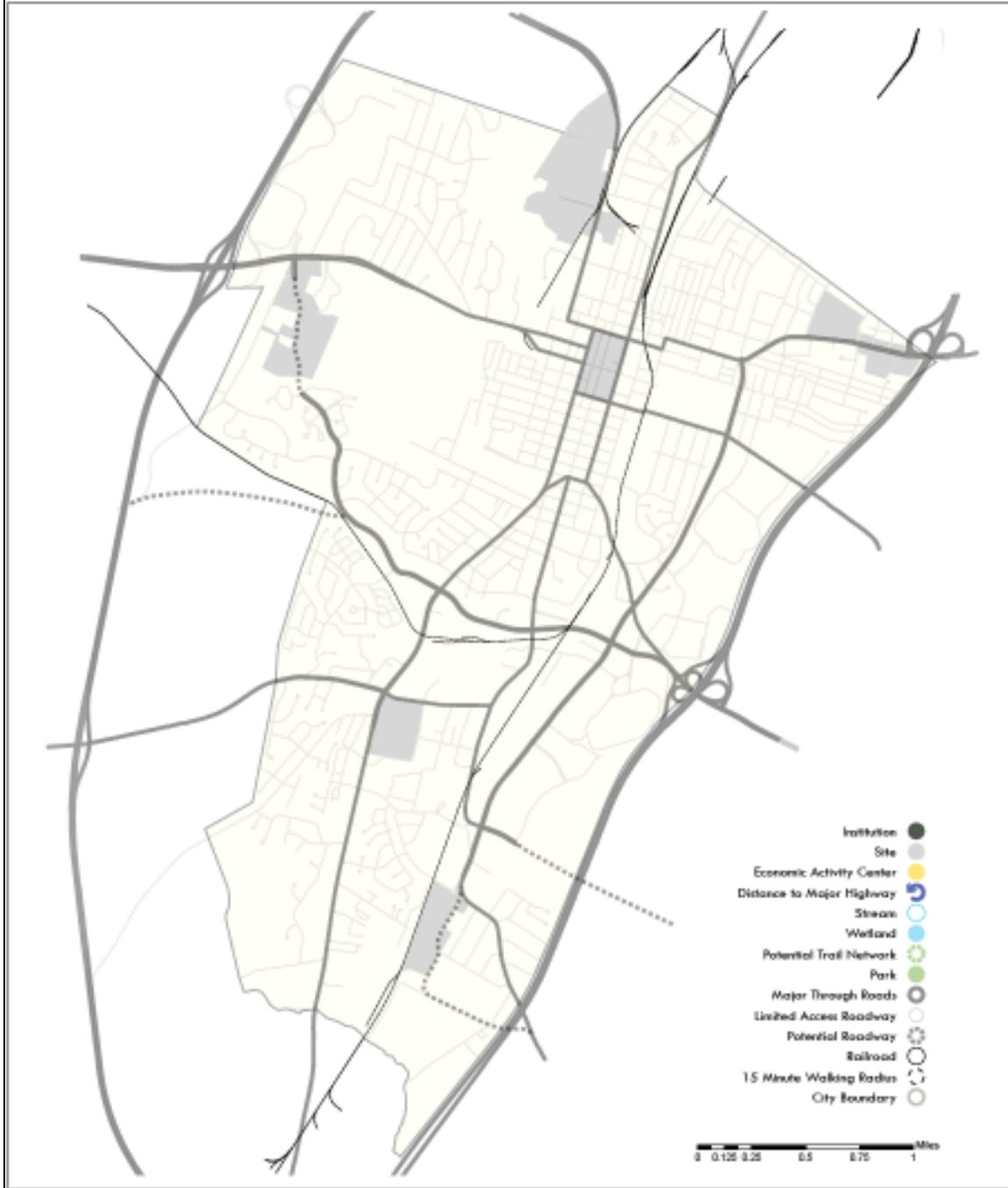
**Fig. 4. Map of Open Space Parks and Natural Areas**

The City has made a strong commitment in public investments in its open space network and green assets, including Green Circle trail which serves as Winchester’s “emerald necklace.”



**Fig. 5. Map of the primary Transportation Network**

The City continues to plan, promote and execute improvements to its transportation network, including the return to two-way traffic on key downtown streets, as well as a planned overpass of I-81, the completion of Meadow Branch Parkway, and improvements to Jubal Early Drive.



**Fig. 6. Composite Map of Citywide Analysis and Catalyst Sites**

The catalyst sites hold critically advantageous positions within the City, both in terms of their close relationship to key economic engines like the medical center and the university, but also in relationship to each other – providing a framework of touchstone points at key locations distributed across the City.



### 3.0 Individual Catalyst Site Analyses and Concept Plans

The following pages incorporate summaries of the detailed analyses and concept plans that were prepared for each of the Catalyst Sites:

- Ward's Plaza
- Meadow Branch
- Berryville Avenue
- Pleasant Valley
- National Fruit
- Downtown Area

#### 3.1 Overview of Analysis and Findings

For the pro forma financial analysis of future development of each site, the team calculated the net increase in land value that would be generated by the proposed development plan. Thus, the analysis "solved" for future land value, to show the financial feasibility of developing the site.

##### **Assumptions included:**

- Developers will purchase finished sites if market support exists, and each land use will be feasible if the land price is at market value.
- Development is not expected to commence until at least 2011, when market support will emerge.
- Utilities are available at each site (if utilities must be extended or expanded, some adjustments in the calculations would be required, but would not be expected to change the conclusions).

##### **Feasibility findings:**

*Ward's Plaza* – This is a mature retail center with considerable vacant space and no recent investment. The center is no longer fully competitive for the retail space market due largely to the large number of new, more upscale centers that have been built elsewhere in the region. The site is now being marketed for sale, with expectation of redevelopment for a different use, which would likely be residential, with *potential for a mixed-use development including some new commercial space. Redevelopment of the site will likely need to be done in phases.*

*Meadow Branch* – This site is a roadway corridor located on the west side of the City. Currently, Meadow Branch Avenue runs north from Handley

Avenue to approximately Buckner Drive. The roadway is proposed to be extended north to U.S. Route 50, near Merriman's Lane.

Near the intersection of Meadow Branch Avenue extended and Route 50 is the expanding Winchester Medical Center. This area has a wide range of medical offices. The surrounding area contains some of the higher-value residential neighborhoods in the City. The roadway corridor is not yet extended north from Buckner Drive and the land along the future roadway corridor is vacant.

*The concept plan for the Meadow Branch Corridor is a phased mix of new medical office space, age-restricted housing and new subdivisions.*

**Berryville Avenue** – This is a mature retail strip corridor along Route 7 from the I-81 interchange west to Pleasant Valley Road. This area contains a wide variety of commercial uses, including discount retail uses, ethnic stores, and a wide range of free-standing commercial buildings, including fast food restaurants. Prior redevelopment plans have been prepared for this highway corridor, but the redevelopment of the defined corridor area is very complex due to the large number of sites that need to be assembled.

For this effort, the Apple Valley Square strip retail center was selected for study, as this mature retail site represents a sizable development parcel. It has some of the same issues as Ward's Plaza, reflected in increased vacancies and deferred maintenance. There are no other major vacancy problems along Berryville Avenue, but limited new investment is an issue. *A new catalyst project will help "jump start" new investment along this corridor.*

**Pleasant Valley** – This is a 25.92-acre area located along the east side of Pleasant Valley Road, from Cedarmeade Avenue/Paper Mill Road south to Summit Avenue. A large portion of the site is vacant. North of the site is the Apple Blossom Mall and Corners Shopping Center, plus a wide range of other retail stores. The Windy Hill Industrial Park is also on the north side, but east of I-81. The Winchester industrial park is on the south. A railroad right-of-way runs parallel to the west side of Pleasant Valley Road. The closest interchange to I-81 is at Millwood Avenue/U.S. Route 50 on the north side of Apple Blossom Mall. *The site is identified as a potential office/business center. If developed, this location will likely be a land development with finished lots sold for office or industrial development.*

**National Fruit** – This is the 96.28-acres of former industrial land located on the northwest side of the City on the west side of U.S. 522 Business and

along Strothers Lane. The buildings are three- and four-story brick industrial buildings formerly used for processing for the apple industry.

This is the largest potentially available site in the City. General market support was not identified for this large property, as other industrial sites are more readily available. However, *this site has potential for future development, possibly as a secure site for a government agency or government contractor.*

***Downtown Area*** – The historic downtown area is the core of the City and the focal point around which the other areas and sites revolve. It contains the most prominent civic buildings of the City and the County, as well as most of the significant historic architectural fabric. Due to the fragmentation of ownership and the extensive land coverage, this study does not look in detail at the Downtown area as a single development site, but references the most recent policies and site improvement concepts developed through the recent comprehensive plan update process, which has been conducted in parallel with this study. *With its traditional human-scale streetscapes and mix of uses, it has excellent potential for additional residential development to serve the “empty-nester” and “young professional” housing markets.*

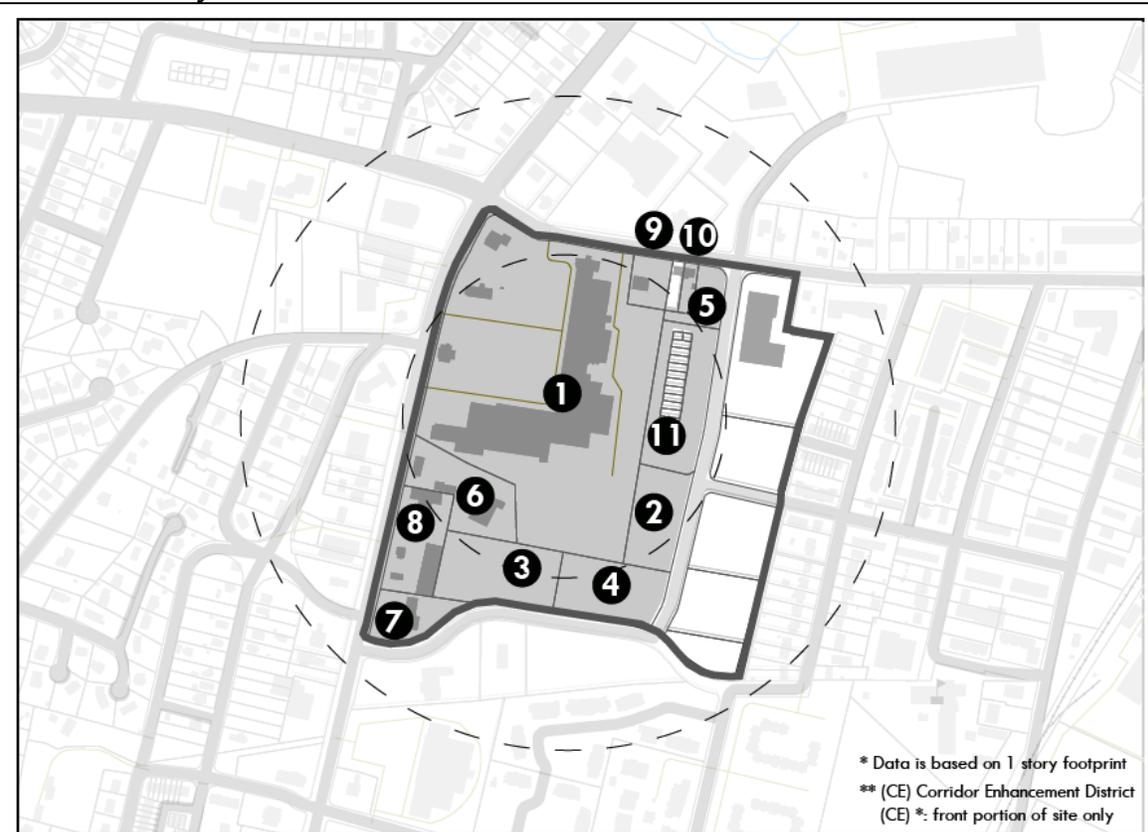
### **3.2 Site-Specific Analyses and Concept Plans for Action**

Following are summaries of the specific analyses for each site, showing:

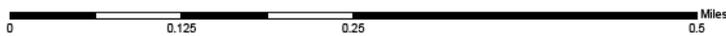
- Existing site inventory – opportunities and constraints analysis, general market evaluation, and overall market and ‘thematic’ policy framework.
- Conceptual site development and redevelopment plans - site layout, development types, total square feet, unit counts, compatible land uses, and design character, major concepts for vehicular and pedestrian circulation.
- Pro forma land value calculations, incorporating development cost and revenue estimates, development phasing and financing strategies.

## Ward's Plaza Site

### Site Inventory



Lot	Gross acreage	Total bldg sq ft. *	FAR*	Existing zoning**	MYRBLT	Property Owner	Store/ Use
1	19.37	176959	0.20	B2 (CE)	1965	Walter Enterprises	Ward's Plaza Shopping, United Bank, Anthony's Restaurant, vacant
2	1.76	0	0.00	B2	N/A	DAKA II LLC	N/A
3	2.66	0	0.00	B2	N/A	Direct Partners LLC	N/A
4	2.21	27201	0.28	B2	2008	NC Development	Madison Center, Strip Commercial
5	0.69	3000	0.10	B2	2009	Holliday, David B	Art Gallery
6	2.13	14084	0.15	B2 (CE) *	1962	Molden Real Estate Corp.	Offices/Rainbow Books
7	1.42	7437	0.12	B2 (CE)	2004	Wachovia National Bank Assn.	Wachovia Bank
8	1.86	23768	0.29	B2 (CE)	1956	HWA Enterprises	Food/Restaurant, Firestone
9	0.66	3005	0.11	B2	2000	Cooper, David and Pamela	VA Automotive
10	0.22	2402	0.26	B2	1933/1960	JRW Properties and Rentals/ Stultz, Timothy	Residential Rental
11	2.88	28800	0.22	B2	2007	Edwin Warkowitz	Vacant strip commercial center



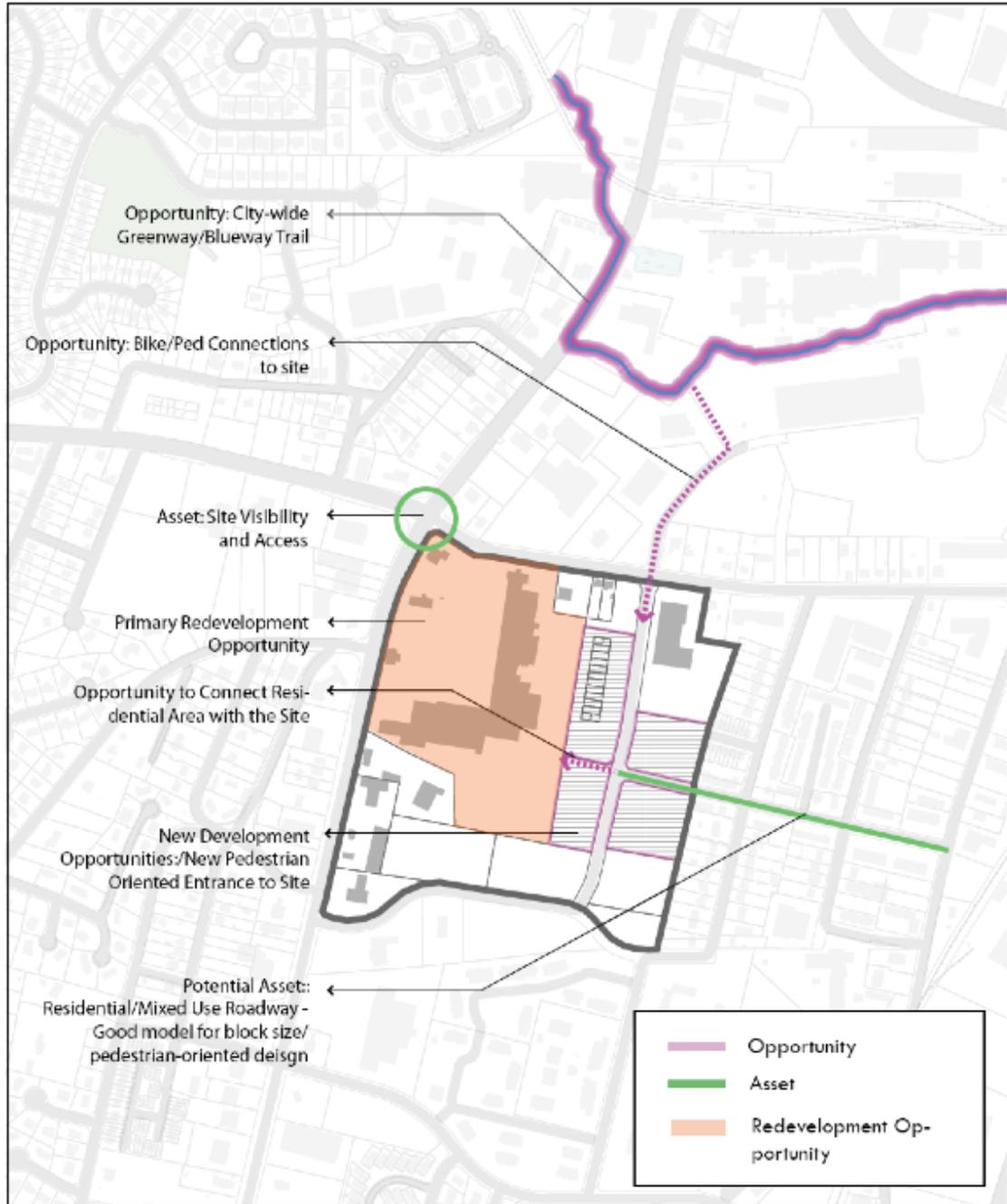
**Issues and Opportunities**

<b>Ward's Plaza SWOT</b>	
<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>▪ Corner frontage with excellent visibility</li> <li>▪ Proximate access to Rt. 37 interchange (1.5 miles)</li> <li>▪ New investment nearby - office/flex industrial along Bickers St. extension</li> <li>▪ Proposed County mixed residential development to the west along Cedar Creek Grade could provide expanded market base</li> <li>▪ Located on existing transit route</li> <li>▪ Excellent broadband capacity</li> <li>▪ New 12" water main along Rte 11 frontage</li> </ul>	<ul style="list-style-type: none"> <li>▪ Character of surrounding development is aging and needs upgrading</li> <li>▪ Traffic congestion along Valley Ave.</li> <li>▪ Lack of identity along Valley Ave.</li> <li>▪ Multiple property owners adjacent to shopping center site</li> <li>▪ Poor connection to surrounding areas and residential neighborhoods</li> <li>▪ Unmotivated property owner</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>▪ Acquire strategic properties to allow connections to surrounding neighborhoods</li> <li>▪ Improve streetscape along Valley Avenue</li> <li>▪ Potential extension of Taft Ave. through site to connect to Middle Rd.</li> <li>▪ Existing PUD Zoning provisions, if applied to site, permit up to 10 units/ac</li> <li>▪ Existing Corridor Enhancement (CE) overlay zone provides incentives for reduced parking and density increase</li> <li>▪ Major traffic signal upgrade on Rte 11 scheduled shortly</li> <li>▪ Weems Lane widening &amp; drainage improvements in near-term VDOT 6-yr road program</li> </ul>	<ul style="list-style-type: none"> <li>▪ Underlying zoning written for older auto-oriented and suburban pattern of development could lead to piecemeal development</li> <li>▪ Character of area threatened by disinvestment and strip commercial character of surrounding uses</li> <li>▪ Access management issues contribute to congestion on Valley Ave.</li> </ul>

This is a key site in the City with excellent location and regional accessibility. However, Ward's Plaza is also an example of long-term disinvestment and its rehabilitation could be an important catalyst for the revitalization of the Valley Avenue mixed commercial corridor. The concept plan shows a compact mixed-use development analogous to a "Lifestyle Center" with associated residential mid-rise development and a parking structure that would support the redevelopment of the whole area.

One key opportunity on this site is to extend Taft Avenue through the site to connect to Middle Road. This would provide better connectivity for the site and the local area as well, connecting this portion of the City to other neighborhoods in the City and areas in the County along Route 628. One strategy for the City to

facilitate this redevelopment would be to potentially condemn the site to allow the road connections to be made. The City would then solicit private developers through a RFP for a public-private partnership. The City could then use Community Development Authority (CDA) financing (or tax increment financing) for most of the infrastructure on and around the site, including the parking structure and the east-west road connection. As a further incentive, the City could structure a partial rebate of up to 20% of the business taxes including the local portion of sales tax for the property.



## Ward's Plaza - Conceptual Redevelopment Site Plan



The conceptual site plan shows a mixed-use development with 14 distinct building envelopes, designed as an interconnected, pedestrian-friendly area. The site would be expected to develop in phases, with the first phase consisting of buildings 1, 2, 6, 7 and 8, as indicated in the drawing above.

Phase I would include 51,670 square feet gross for retail/office on the first floor level, and 83,890 square feet gross for residential. At an average of 900± square feet gross per unit, 100± apartment units would be in the five-buildings of Phase I.

**Ward’s Plaza - Proposed Square Footage and Use by Building**

<b>Building 1:</b> 15,600 SF 1 <sup>st</sup> flr: retail: 7,800 SF 2 <sup>nd</sup> Flr: office: 7,800 SF	<b>Building 8:</b> 21,000 SF 1 <sup>st</sup> flr: retail: 7,000 SF 2 <sup>nd</sup> flr: residential at 7 units 3 <sup>rd</sup> flr: residential at 7 units
<b>Building 2:</b> 60,000 SF 1 <sup>st</sup> flr: retail: 20,000 SF 2 <sup>nd</sup> flr: residential: 20,000 SF or 20 units@1,000 SF ea. 3 <sup>rd</sup> flr: residential: 20,000 SF or 20 units@1,000 SF ea.	<b>Building 9:</b> 31,500 SF 1 <sup>st</sup> Flr: retail: 10,500 2 <sup>nd</sup> flr: residential: 10,500 at 10 units 3 <sup>rd</sup> flr: residential: 10,500 at 10 units
<b>Building 3:</b> 24,000 SF 1 <sup>st</sup> flr: retail: 8,000 SF 2 <sup>nd</sup> flr: residential: 8,000 SF or 8 units 3 <sup>rd</sup> flr: residential: 8,000 SF or 8 units	<b>Building 10:</b> 31,500 SF 1 <sup>st</sup> Flr: retail: 10,500 2 <sup>nd</sup> flr: residential: 10,500 at 10 units 3 <sup>rd</sup> flr: residential: 10,500 at 10 units
<b>Building 4:</b> Pharmacy – 22,000 SF (1 story)	<b>Building 11:</b> 26,100 SF 1 <sup>st</sup> flr: retail: 8,700 SF 2 <sup>nd</sup> flr: residential: 8,700 SF or 8 units 3 <sup>rd</sup> flr: residential: 8,700 SF or 9 units
<b>Building 5:</b> 108,000 SF 1 <sup>st</sup> flr: retail: 36,000 SF 2 <sup>nd</sup> flr: residential: 36,000 SF or 36 units 3 <sup>rd</sup> flr: residential: 36,000 SF or 36 units	<b>Building 12:</b> 9,105 SF 1 <sup>st</sup> flr: office 3,035 SF 2 <sup>nd</sup> flr: residential 3,035 or 3 units 3 <sup>rd</sup> Flr: residential: 3,035 SF or 4 units
<b>Building 6:</b> 23,300 SF 1 <sup>st</sup> flr: retail: 11,650 SF 2 <sup>nd</sup> flr: office: 11,650 SF	<b>Building 13:</b> 47,400 SF 1 <sup>st</sup> flr: 15,800 SF retail 2 <sup>nd</sup> flr: residential: 15,800 SF or 15-16 units 3 <sup>rd</sup> flr: residential: 15,800 SF or 15-16 units
<b>Building 7:</b> 15,660 SF 1 <sup>st</sup> Flr: retail: 5,220 SF 2 <sup>nd</sup> flr: residential: 5,220 SF or 5 units 3 <sup>rd</sup> flr: residential: 5,220 SF or 5 units	<b>Building 14:</b> 9,464 SF 1 <sup>st</sup> flr: retail: 4,732 SF 2 <sup>nd</sup> flr: office: 4,732 SF

**Ward’s Plaza - Development Program**

Land Use	Quantity		Parking
Pharmacy <sup>1</sup>	22,000	SF	47
<b>Mixed Use Buildings</b>	<b>409,120</b>	<b>SF</b>	<b>853</b>
General Retail <sup>2</sup>	147,152	SF	491*
General Office <sup>2</sup>	25,968	SF	87*
Apartments (each 1000 sf) <sup>3</sup>	236	DU	236*

<sup>1</sup>City of Winchester zoning requires 1 space per 250 square feet (88 spaces). Additional 56 shared spaces available, counted as Mixed Use parking.

<sup>2</sup>City of Winchester zoning requires 1 space per 300 square feet

<sup>3</sup>City of Winchester zoning requires 1 space per dwelling unit for 1-2 bedroom multifamily dwellings

\*Amount of parking required calculated from Winchester zoning regulations. Total parking for Mixed Use Buildings provided.

### **Ward's Plaza - Pro Forma Analysis**

The team prepared a pro forma analysis for Phase I of the proposed conceptual redevelopment plan, as described above. (Note that the Pro Forma supports the concept development plan as shown above, but with phasing. It is likely that Building 3, with 24,000 square feet, could be included in the Phase I redevelopment, which would add 25 to 30 apartment units to the total redevelopment plan, although building 3 is not now part of the pro forma).

A 15,000 square foot free-standing pharmacy located on an out parcel of approximately 1.5 acres could be a land lease or sale. This is also not included in the pro forma calculations.

For the development shown on the conceptual site plan, the following development costs are estimated:

- \$700,000 for demolition of the existing 175,000± square foot shopping center, including “dump fees”. This is at a rate of \$4.00 per square foot.
- \$500,000 for contingency costs.
- At \$6,000+ cost per space for parking and roadway work and 300 parking spaces, for a total cost of \$1.8 million for site preparation, including the cost for roads and parking. Roads would include the new road that serves the five buildings, the road north to Weems Lane, and a “stub” road to the parking lot behind buildings 6, 7, and 8.
- \$250,000± for engineering costs.
- \$11.0 million of the development of the 136,000 square foot mixed-use building at a cost of \$80 per square foot. This assumes no elevator in the building.
- There are two options for the proposed 15,000 square foot pharmacy. The site size needs to be 1.5 acres. The user could lease the site at \$150,000 per year or purchase the site at \$1.5± million. Both are considered at market prices.
- Net rental rates (excludes all utilities) for the apartment units, in 2010 constant dollars, should be:
  - One-bedroom - \$900 (50% of units)
  - Two-bedroom - \$1,020 (50% of units)
- The net rents for the retail and office space are estimated at \$20 per square foot triple net.
- The assessed value of the entire property is \$10.43 million, which includes land values and building values for the Montgomery Ward building, small space

and two other buildings. One-third of this value for phase one land cost would be \$3.5 million. Reducing the acquisition cost is essential for project feasibility.

The pro forma analysis follows, and based on these costs and values and an 18% discount rate that includes the developer profit. With these assumptions, the redevelopment for Phase I, is shown to be very positive. The pro forma “works better” if Building 3 is included, as there will be no extra land costs or parking costs. Again, the planned free-standing pharmacy is also to be added.

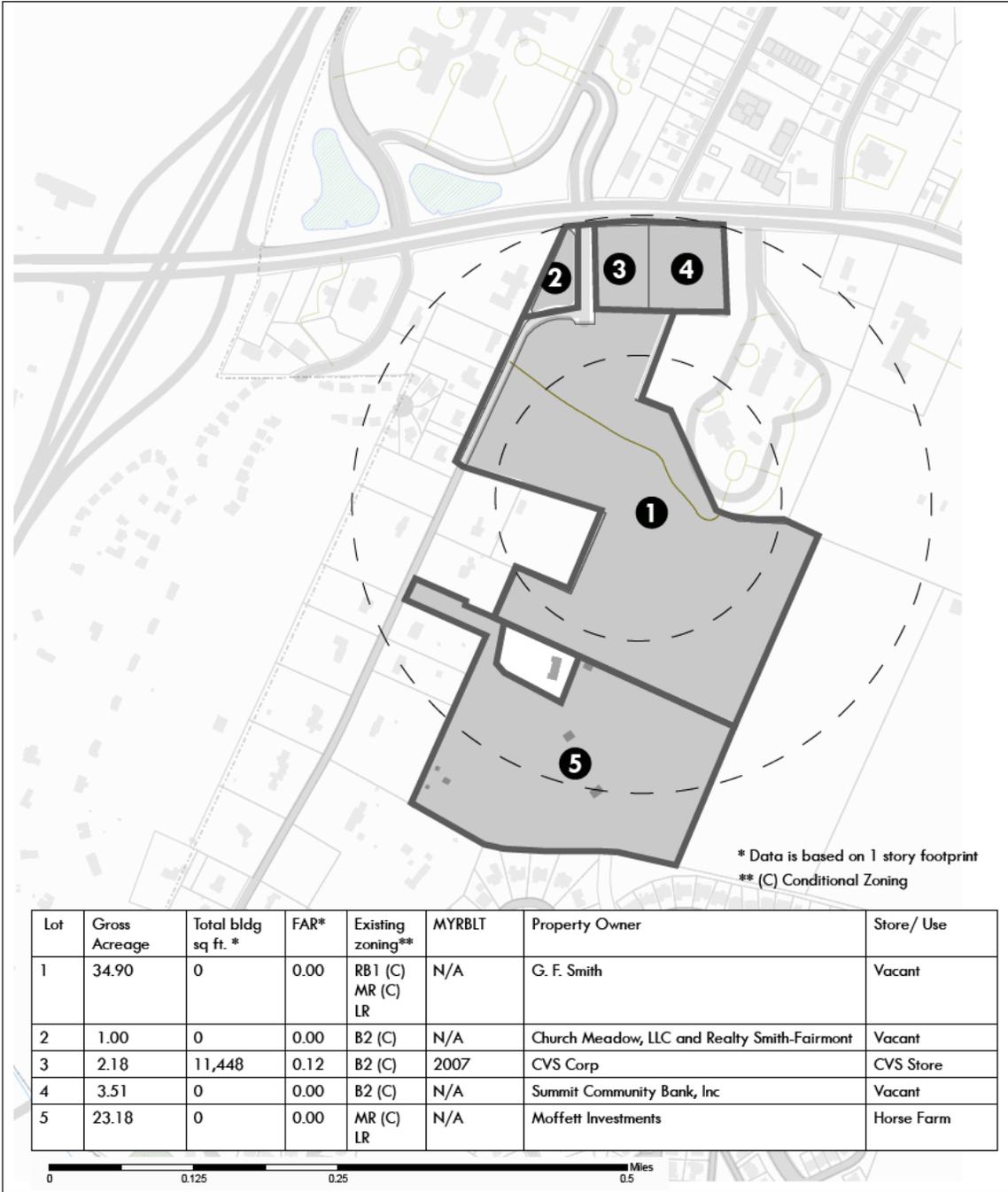
As noted above, a value \$3.5 million is used for land/building costs. If 60 percent of that cost is allocated to the residential portion, that would equal \$21,000 per apartment unit, which is high. Most developers will likely pay \$8,000± for apartment unit land costs. With the addition of Building 3, 125± apartment units is likely to be the maximum total units for initial development. At this level, a land value for the residential portion would be \$16,300 per unit. The inclusion of the commercial space is key to project feasibility. Future development on the remaining land is likely to be primarily residential. Even with the high land cost for Ward Plaza, redevelopment can be feasible, particularly at a more “realistic” land value.

***Note:** Prospective developers for the site will likely offer different redevelopment scenarios. However, the purpose of this pro forma analysis is to “test” project feasibility. The financial test was positive, with the caveats of land price and ability to develop the site in phases. It should also be noted that New Market Tax Credit financing was assumed. This program is for a mixed-use development in an urban area. It was determined to be essential for project feasibility.*

WARD PLAZA, PHASE I - PRELIMINARY PRO-FORMA WINCHESTER, VA 22601 Apartments (50 One-BR @ \$900/mo. & 50 Two-BR @ \$1,020/mo.) Office / Retail Space - \$2,000 +/- SF @ \$20/SF. NNN AS OF FEBRUARY 7, 2011	This is a draft pro-forma completed by Steven J. Gibson, VA Certified General Appraiser 41001-001534, on February 8, 2011 It was completed by Mr. Stu Patz of S. Patz & Associates, Inc.													
	1	2	3	4	5	6	7	8	9	10	11	12	13	TOTALS
<b>ASSUMPTIONS</b>	The final version will include a Letter of Transmittal, Appraiser Certification, and Statement of Assumptions & Limiting Conditions. Please note that the appraiser has not verified any of the numbers, rates, costs, absorption estimates, or rents used in this analysis. All of the numbers utilized herein were provided to the appraiser by Mr. Patz													
NUMBER OF APARTMENT UNITS	100													
AMOUNT OF OFFICE/RETAIL SPACE (in SF)	52,000													
MONTHLY ABSORPTION RATE - APARTMENTS	8.00%													
MONTHLY ABSORPTION RATE - COMMERCIAL	2.16%													
LEASING & MARKETING EXPENSE	1.50%													
ENTREPRENEURIAL INCENTIVE	In Discount Rate													
QUARTERLY RENTAL GROWTH RATE	0.00%													
DEMOLITION COSTS	\$700,000													
QUARTERS TO LEASE APARTMENTS	4													
QUARTERS TO LEASE OFFICE / RETAIL	8													
DISCOUNT RATE	18.00%													
ACQUISITION COSTS (PHASE 1)	\$3,500,000													
RE TAXES (\$3.5 MILLION @ \$0.77 per \$100)	\$26,950													
BUILDING COSTS	\$11,000,000													
CONTINGENCY FEES	\$500,000													
ENGINEERING COSTS	\$250,000													
SITE DEVELOPMENT COSTS	\$1,800,000													
NEW MARKET TAX CREDITS (2.5%)	\$4,262,500													
NMTC DEBT (6.5%)	\$11,082,500													
PERIOD	Mar-16	May-16	Aug-16	Nov-16	Feb-17	May-17	Aug-17	Nov-17	Feb-18	May-18	Aug-18	Nov-18	Feb-19	TOTALS
INVENTORY - APARTMENT UNITS AT BEGINNING OF QUARTER	100	100	100	100	100	100	100	100	100	100	100	100	100	
APARTMENT UNITS - LEASED PER QUARTER	0	0	0	0	0	0	0	0	0	0	0	0	0	
INVENTORY - APARTMENT UNITS AT END OF QUARTER	100	100	100	100	100	100	100	100	100	100	100	100	100	
INVENTORY - RETAIL SPACE AT BEGINNING OF QUARTER (SF)	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	
RETAIL SPACE - LEASED PER QUARTER	0	0	0	0	0	0	0	0	0	0	0	0	0	
INVENTORY - RETAIL SPACE AT END OF QUARTER (SF)	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000	
INCOME														
APARTMENT RENTAL INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,131,200
LESS: APARTMENT V & C LOSS @ 9%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$106,560)
APARTMENT EFFECTIVE GROSS INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,024,640
LESS: APARTMENT EXPENSES @ 30% of EGI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$607,392)
APARTMENT NET OPERATING INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,417,248
OFFICE/RETAIL RENTAL INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,430,000
LESS: OFFICE/RETAIL V & C LOSS @ 10%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$143,000)
OFFICE/RETAIL EFFECTIVE GROSS INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,287,000
LESS: OFFICE/RETAIL EXPENSES @ 10% of EGI	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$128,700)
OFFICE/RETAIL NET OPERATING INCOME	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,158,300
TOTAL INCOME GENERATED (per Quarter)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,575,548
REVERSION VALUE IN QUARTER 13 (Q13 NOI * 4 / 7.5%)	\$4,262,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,446,400
VALUE OF THE NEW MARKET TAX CREDITS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,262,500
EXPENSES														
LEASING & MARKETING EXPENSE	\$0	\$0	\$0	\$0	\$488	\$975	\$1,463	\$1,950	\$2,438	\$2,925	\$3,413	\$3,900	\$4,387	\$21,450
BROKER FEE @ 6% OF REVERSION VALUE IN Q13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,286,784
ACQUISITION COSTS	\$3,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,500,000
DEMOLITION COSTS	\$700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$700,000
SITE DEVELOPMENT COSTS	\$1,800,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,800,000
ENGINEERING COSTS	\$250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$250,000
BUILDING COSTS	\$0	\$3,666,667	\$3,666,667	\$3,666,667	\$3,666,667	\$3,666,667	\$3,666,667	\$3,666,667	\$3,666,667	\$3,666,667	\$3,666,667	\$3,666,667	\$3,666,667	\$11,000,000
REAL ESTATE TAXES	\$6,738	\$6,738	\$6,738	\$6,738	\$6,738	\$6,738	\$6,738	\$6,738	\$6,738	\$6,738	\$6,738	\$6,738	\$6,738	\$87,588
MORTGAGE CARRYING COSTS (1,000 Yr Amortization @ 6%)	\$163,781	\$163,781	\$163,781	\$163,781	\$163,781	\$163,781	\$163,781	\$163,781	\$163,781	\$163,781	\$163,781	\$163,781	\$163,781	\$2,129,150
TOTAL EXPENSES	\$6,420,518	\$3,837,185	\$3,837,185	\$3,837,185	\$3,837,185	\$3,837,185	\$3,837,185	\$3,837,185	\$3,837,185	\$3,837,185	\$3,837,185	\$3,837,185	\$3,837,185	\$20,774,972
NET OPERATING INCOME (NOI)	(\$2,138,018)	(\$3,837,185)	(\$3,837,185)	(\$3,837,185)	(\$3,837,185)	(\$3,837,185)	(\$3,837,185)	(\$3,837,185)	(\$3,837,185)	(\$3,837,185)	(\$3,837,185)	(\$3,837,185)	(\$3,837,185)	\$20,387,318
DISCOUNT FACTOR	0.956938	0.913230	0.876297	0.841561	0.808241	0.778066	0.744828	0.705044	0.670464	0.640014	0.623736	0.597494	0.573225	\$7,509,476
DISCOUNTED NOI	(\$2,065,089)	(\$3,513,825)	(\$3,262,512)	(\$3,017,715)	(\$2,792,215)	(\$2,590,667)	(\$2,412,288)	(\$2,252,772)	(\$2,117,598)	(\$2,004,404)	(\$1,912,708)	(\$1,840,650)	(\$1,787,538)	\$21,378
<b>PRESENT VALUE</b>	\$21,378													<b>Total</b>
														<b>\$20,000</b>

## Meadow Branch Site

### Site Inventory



**Meadow Branch - Issues and Opportunities**

The Meadow Branch site is one of the few vacant properties in play for development in the vicinity of the Medical Center. With the planned Medical Center expansion, the value of this site will increase and the potential for supportive development such as medical service/offices and elderly/active adult housing will be strong.

The City’s primary role in helping to catalyze this development will be to work with the property owners to ensure a coordinated development program that maximizes the value of the development to the City and the owners. In particular, the City can review the zoning and regulatory issues associated with the anticipated development program on the site and creatively develop a regulatory strategy to streamline the development approvals.

<b>Meadow Branch SWOT</b>	
<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>▪ Proximity to regional hospital</li> <li>▪ Proximate access to Rt. 37 interchange (0.3 miles)</li> <li>▪ Planned hospital expansion will greatly increase spin-off potential for office/medical uses</li> <li>▪ Surrounding character is visually attractive including historic Glen Burnie to the east and DeGrange Park on medical ctr. campus</li> <li>▪ Regional storm water mgt. already constructed by CVS</li> <li>▪ 15 ac already zoned RB-1 for New Urbanism mixed use development</li> <li>▪ Located on existing transit route</li> </ul>	<ul style="list-style-type: none"> <li>▪ Adjacent and some subject area zoning geared toward family uses – Single-Family detached only</li> <li>▪ Concept plan is not required under current zoning</li> <li>▪ Limited frontage on Amherst St. for retail uses</li> <li>▪ Unknown intentions of parcels adjacent to site</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>▪ Secure ROW for road connections</li> <li>▪ Market for age restricted community in proximity to hospital</li> <li>▪ Zoning or PUD should allow for higher density</li> <li>▪ Strong connections to future hospital and related development</li> <li>▪ Located on proposed Green Circle corridor with close proximity to large Wellness Ctr.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Potential resistance to connections to existing neighborhoods?</li> <li>▪ Potential future traffic congestion on Amherst from expansion and new development?</li> <li>▪ Vocal adjacent property owners</li> </ul>



**Meadow Branch - Conceptual Site Plan**



*Oblique view of the site looking to the west*

The concept plan shown above for the Meadow Branch corridor calls for a proposed mix of medical office space, some commercial space, age-restricted housing and family housing, primarily townhouses. This plan clearly is a long-range development opportunity, as Meadow Branch Avenue is not yet extended and will be required for project development. That could likely be at public expense.



Development of this plan will likely attract a wide range of developers; phasing would be a likely necessity.

The team studied one vacant parcel along the corridor, a 33.4-acre vacant parcel with an assessed land value of \$3,340,000, or \$100,000 per acre. If developed for townhouses at a density of eight units per acre, the land cost would be \$12,500 per townhouse unit. With no major off-site development costs, that price readily would allow for townhouse development. At four units per acre it would also allow for single-family home development. Site development for attached, single story homes would also be feasible.

Age-restricted housing, such as an independent living facility, would generate the same land values as standard apartment units, or \$8,000± per unit. The Meadow Branch land values would be fully supportive of this type of development. An assisted living facility (ALF) could generate higher land costs, so that land use also is feasible. This is true for commercial uses that generate much higher land values compared with residential.

Key issues to consider for this concept plan at this time:

1. If development is to occur here, one option is to develop the Route 50 frontage first. Under this condition, the developer may be able to pay for the initial roadway construction to serve the development site. Medical office space and an ALF could be land uses with immediate market support.
2. The expansion of the roadway could be undertaken with Tax Increment Financing (TIF), but would need to be undertaken in phases.



**Meadow Branch - Proposed Square Footage and Use by Building**

**Area 1:**

Total Area- 373,259 SF; 8.6 Acres  
Includes: 17 Single Family Dwellings, 80 townhouses with detached garages, and 42 townhouses with no garages.

**Area 2:**

Total Area - 219,146 SF; 5.0 Acres  
Includes: 3 Single Family Dwellings and 37 townhouses with detached garages

**Area 3:**

Total Area - 535,131 SF; 12.3 Acres

**Area 4:**

Total Area - 478,654 SF; 11.0 Acres  
Includes: 80 age restricted townhouses with garages and 49 apartments (total of 49,000 SF multi-family)

**Area 5:**

Total Area - 431,670 SF; 9.9 Acres

**Area 6:**

Total Area - 206,398 SF; 4.7 Acres

**Areas 5 & 6** together include: 127,265 SF of medical offices

**Area 7:**

Area of 7A: 1.0 Acres; Area of 7B: 3.51 Acres; Total: 4.51

Includes: 202,000 SF Assisted/Independent living facility; assumed 42,000 SF Assisted living @ 143 SF/bed and 160,000 SF Independent living @ 400 SF/unit.

Includes (not counting the existing CVS): 22,378 single story commercial retail

**Meadow Branch - Development Program**

Land Use	Quantity		Parking	
			Garage	Surface
Single Family Detached Houses (each 2000 sf + 600 sf garage) <sup>1</sup>	20	DU	40	0
Townhouses with Garages (each 1700 sf + 300 sf garage) <sup>2</sup>	121	DU	121	0
Townhouses without Garages (each 1700 sf) <sup>3</sup>	42	DU	0	42
Age-Restricted Townhouses with Garages (each 1500 sf + 300 sf garage) <sup>2</sup>	80	DU	80	23
Age-Restricted Apartments (each 1000 sf) <sup>4</sup>	49	DU	16	68
<b>RESIDENTIAL TOTAL</b>	<b>312</b>	<b>DU</b>	<b>257</b>	<b>133</b>
Independent / Assisted Living Facility (400 independent units + 300 beds for assisted living) <sup>5</sup>	700	persons	0	547
General Retail (1 story) <sup>6</sup>	22,378	SF	0	121
Medical Office (2-3 stories) <sup>7</sup>	127,265	SF	0	655

<sup>1</sup>City of Winchester zoning requires 1 space per dwelling unit; parking provided in unit garage on lot

<sup>2</sup>City of Winchester zoning requires 1 space per dwelling unit for 2 bedroom townhouses; parking provided in unit garage on lot

<sup>3</sup>City of Winchester zoning requires 1 space per dwelling unit for 2 bedroom townhouses

<sup>4</sup>City of Winchester zoning requires 1 space per dwelling unit for 1-2 bedroom multifamily dwellings; 16 spaces provided in 5,000 sf garage facility on first floor

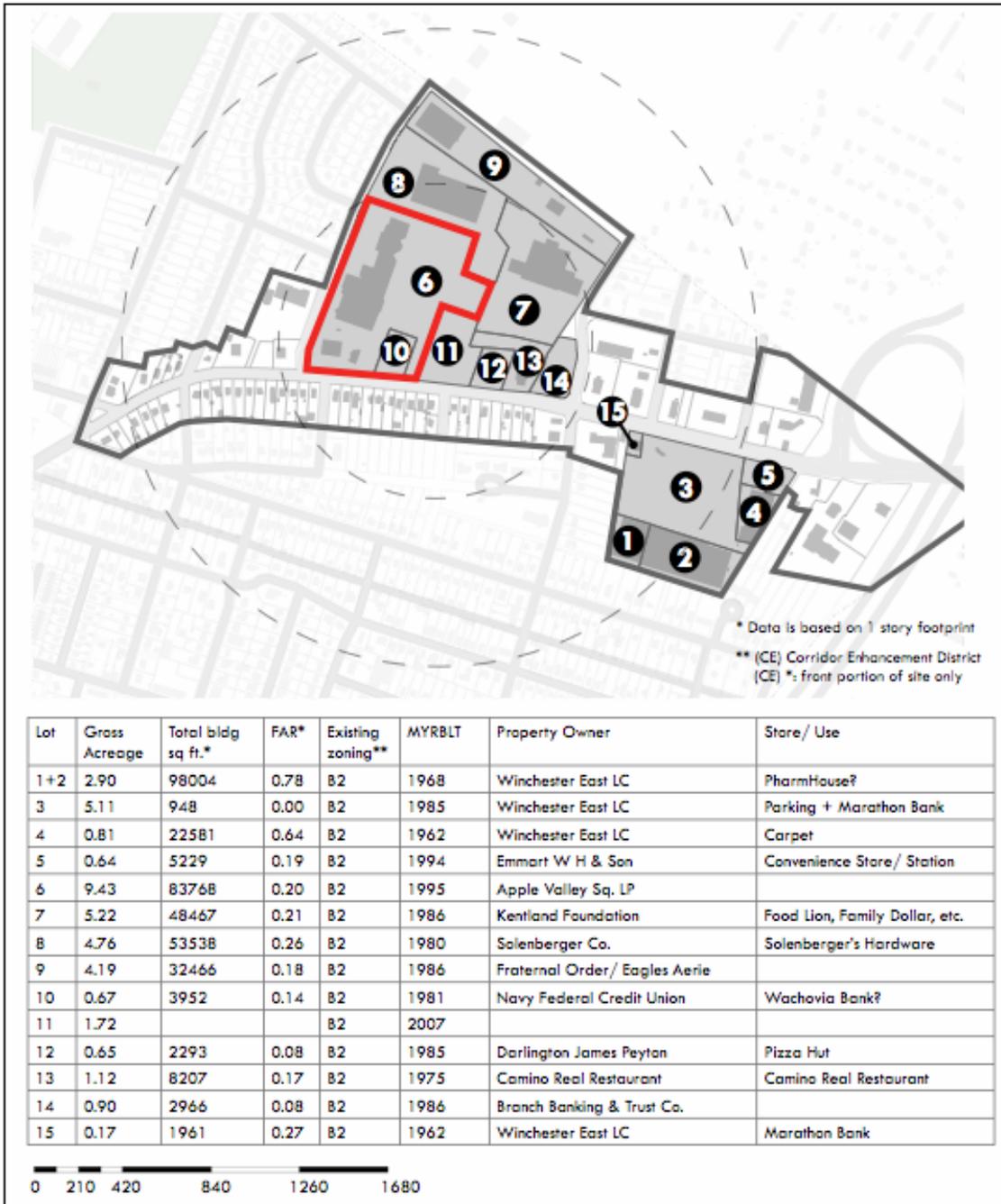
<sup>5</sup>City of Winchester zoning requires 1 space per 3 beds plus 1 space for each employee based on largest shift for assisted living facilities

<sup>6</sup>City of Winchester zoning requires 1 space per 300 square feet

<sup>7</sup>City of Winchester zoning requires 1 space per 200 square feet

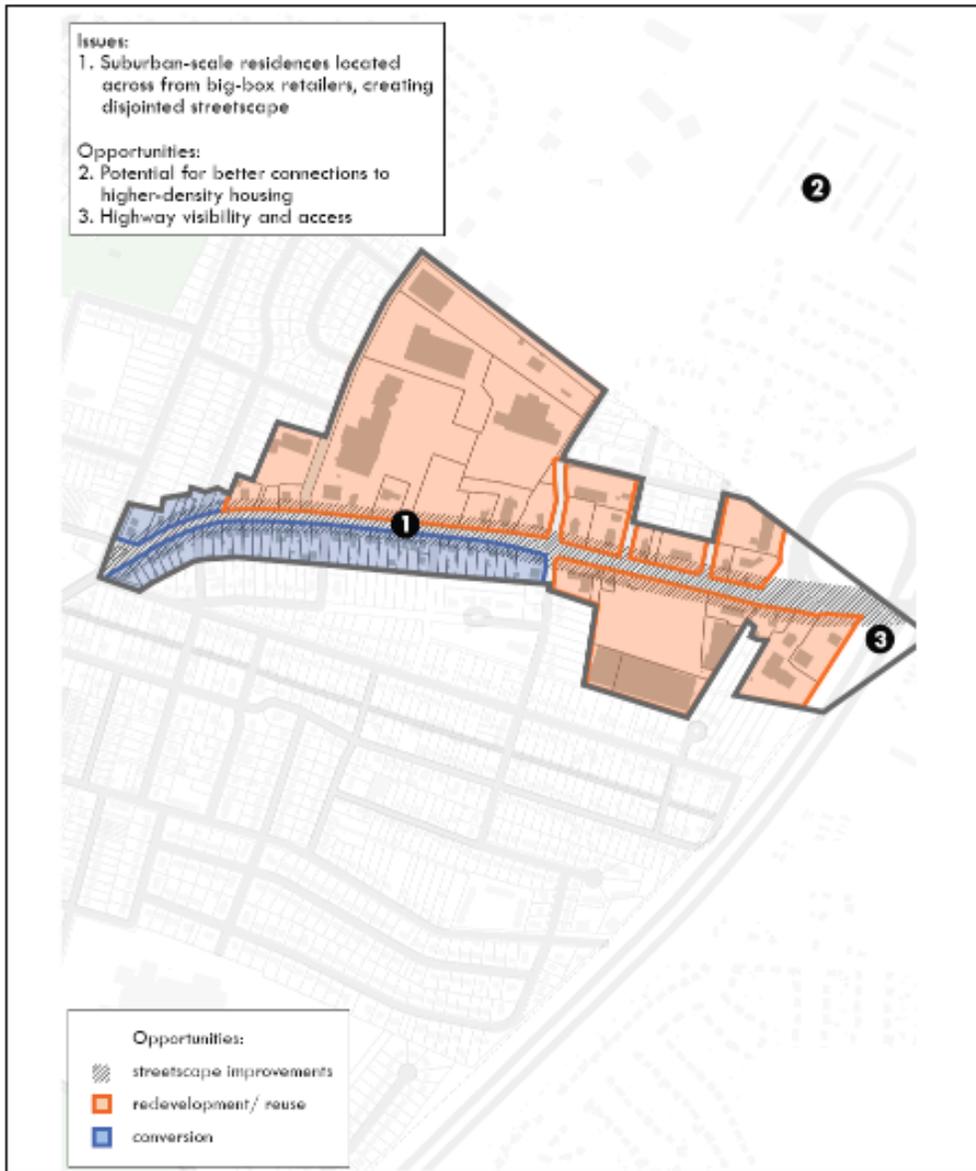
## Berryville Avenue

### Site Inventory



### Berryville Avenue - Issues and Opportunities

Berryville Avenue SWOT	
<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>▪ Good access to I-81</li> <li>▪ Good visibility of key sites from I-81</li> <li>▪ Good access to population and commercial areas to the east</li> <li>▪ Large amount of viable commercial activity</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>▪ Older housing fronts southern edge of high-volume road</li> <li>▪ Multiple curb cuts of strip commercial uses</li> <li>▪ Underused commercial sites</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>▪ Opportunity for consolidation of smaller commercial sites</li> <li>▪ Opportunity for increased intensity and mixed use development</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>▪ Increased traffic along business 7</li> <li>▪ Deterioration of commercial vitality</li> </ul>



### Berryville Avenue - Conceptual Redevelopment Site Plan

The concept plan for the corridor calls for the redevelopment of mixed-uses on the underused sites, including residential, office and retail, and the addition and/or extension of key roadways to enhance connectivity and a clear system of blocks. The plan also calls for a new parallel road corridor to the south of Berryville Avenue which would allow for higher value infill redevelopment in that area.



Plan View



Oblique Aerial View (looking north)

**Berryville Avenue - Development Program**

Land Use	Quantity		Parking
Single Family Detached Houses (each 2000 sf + 600 sf garage) <sup>1</sup>	7	DU	7*
Multi-Family Residential Apartments (each 1000 sf) <sup>2</sup>	25	DU	25*
General Retail <sup>3</sup>	151,971	SF	507*
Hotel/Conference	536,874	SF	465***
General Office <sup>3</sup>	141,666	SF	473*
<b>Mixed Use Buildings</b>		SF	1650**
General Retail <sup>3</sup>	113,164	SF	378*
Apartments (each 1000 sf) <sup>2</sup>	188	DU	188*

<sup>1</sup>City of Winchester zoning requires 1 space per dwelling unit

<sup>2</sup>City of Winchester zoning requires 1 space per dwelling unit for 1-2 bedroom multifamily dwellings

<sup>3</sup>City of Winchester zoning requires 1 space per 300 square feet

\*Amount of required parking calculated from Winchester zoning regulations. These spaces counted in Mixed Use parking.

\*\*Total surface parking provided for entire site plan is 1,650 spaces, not including on-street parking.

\*\*\*Spaces provided in 139,448 sf 2-story underground parking garage beneath 536,874 sf building.

**Berryville Avenue - Pro Forma Analysis for the Apple Valley Square Site**

The same pro forma analysis was prepared for Apple Valley Square, as for Ward’s Plaza. However the development concept includes 140 apartment units, with no first floor retail space, since the site configuration is not well suited for small retail users.

The site is 9.86 acres in size, but a 0.67-acre parcel is an out-parcel and not attached to the retail center. The development concept is for the out-parcel to be sold separately and the residual 9.19 acres developed with 140± apartment units. The existing retail center is 83,768 square feet in size.

The following photo shows that the site is underdeveloped with an abundance of parking for the mostly vacant center. Food Lion is the anchor and the center lacks recent investment. It is a poorly designed center which will likely continue to lose business to the new Martin’s store that opened in 2007 along U.S. Route 7 just west of I-81 in the Winchester Gateway Center.



*Aerial View of Apple Valley Square Site (outlined in red)*



*Street View into Apple Valley Square Site from Business Rt. 7*

The setting for Apple Valley Square is shown in the preceding site inventory map. Lot No. 6 is the retail center. The retail stores do not front on Route 7. Lot No. 10 is part of the ownership, but is not a required parcel for site redevelopment. The site could be greatly expanded to include parcels noted as #7, #8, #9 and #11. If combined, a 25.75-acre parcel could be assembled. Depending on the specific future land uses, a site of this size will likely also require phased development.

The assessed value of the property is likely high at a \$3.73 million improvement value, plus land cost. For the pro forma to follow, a lower acquisition cost of \$3.0 million was used. Even with that adjustment, and the same development cost data, the pro forma shows negative present value of just under \$46,000.

Typical HUD financing was used which requires a 25% down payment. In general, with a more realistic acquisition cost, redevelopment of this site should be able to be feasible.



## Pleasant Valley Site

In a similar manner, a vacant parcel was studied in the area defined as Pleasant Valley. A conceptual plan for development of the site as a business park was prepared (*shown on page 55*). If developed for that use, the site will likely be developed as a land sales project, with each user purchasing a finished lot.

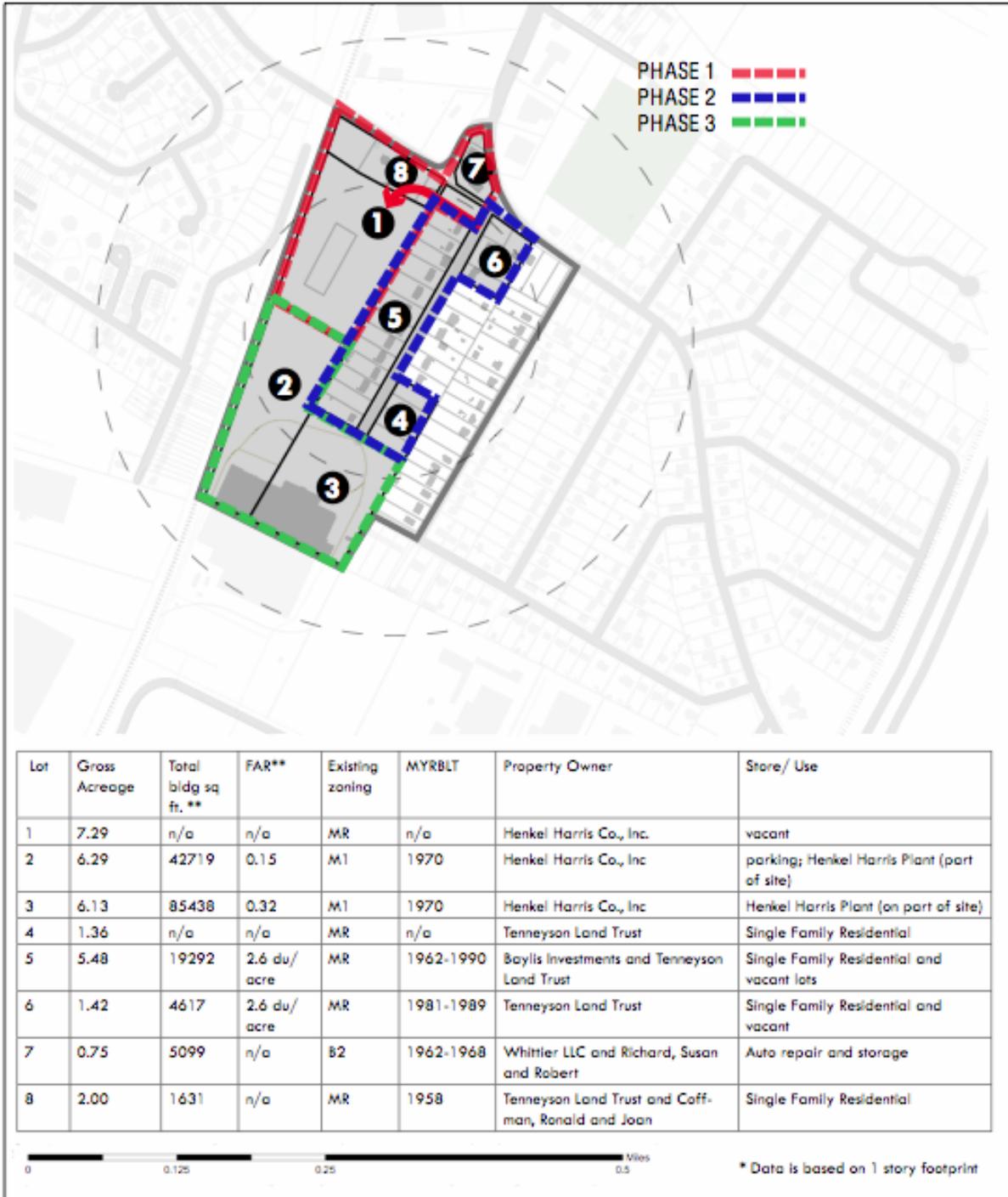
The site under study is 7.12 acres in size, vacant, with an assessed land value of \$498,400 or \$70,000 per acre. All utilities exist at the site. Road frontage exists along Pleasant Valley Road and Cedarmeade Avenue. There are no known off-site development cost issues. For the vacant land at this location, once the market improves, development will be feasible.

The entire site shown is nearly 26 acres. It has vacant land on the north half and some development on the south. Assemblage is required for the entire 26± acres, but the market does not support enough office and industrial space demand for the entire site at this time. Thus, development phasing will be required.



*Aerial view of the site currently*

Site Inventory



**Pleasant Valley - Issues and Opportunities**

The Pleasant Valley Site is also a site with excellent potential to be an economic catalyst for the revitalization of the southern portion of the City and to enhance regional road connections in the area. The extension of Pleasant Valley Road to connect to Battaile Street and a new overpass crossing I-81 would accomplish several objectives. In addition to providing arterial-grade access to the catalyst site along the Pleasant Valley Road extension, it would create a safer and more appropriate southern gateway to the City by avoiding the existing residential area along Peppermill Road and allowing an opportunity for new streetscape and landscape enhancements along the new road.

To support this economic opportunity, the City could condemn the first three properties to extend Pleasant Valley Road and then enter into a public-private partnership with the Henkel-Harris property owners to jointly construct the new road. This would significantly benefit the property value of the catalyst site as well as assist the City in funding a major public infrastructure improvement with regional benefit.

<b>Pleasant Valley SWOT</b>	
<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>▪ Cedarmeade Ave. is one of few East-West crossings of railroad</li> <li>▪ Proximity of Pleasant Valley commercial corridor</li> <li>▪ Close to community park &amp; school</li> <li>▪ Significant area in vacant parcels</li> <li>▪ Recent reinvestment of new higher income housing along Packer St on opposite side of railroad to the west</li> <li>▪ Located on existing transit route</li> </ul>	<ul style="list-style-type: none"> <li>▪ Requires road improvement for development plan</li> <li>▪ Distance from downtown</li> <li>▪ Patchwork of residential and industrial zoning won't allow development as planned currently</li> <li>▪ Flood-prone land at north end</li> <li>▪ Older mobile home park along N. side of E. Cedarmeade Ave</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>▪ Opportunity to design new road to ease traffic and have strong visual character</li> <li>▪ Potential future reuse of rail as trails</li> <li>▪ Create access to park across street</li> <li>▪ Mixed use opportunity because of dual residential and commercial corridor character of site</li> <li>▪ Proposed I-81 access at new Battaile Dr interchange</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increased traffic from new overpass or interchange at I-81</li> <li>▪ Possible resistance to new road from neighborhoods?</li> </ul>

## Pleasant Valley - Conceptual Site Plan



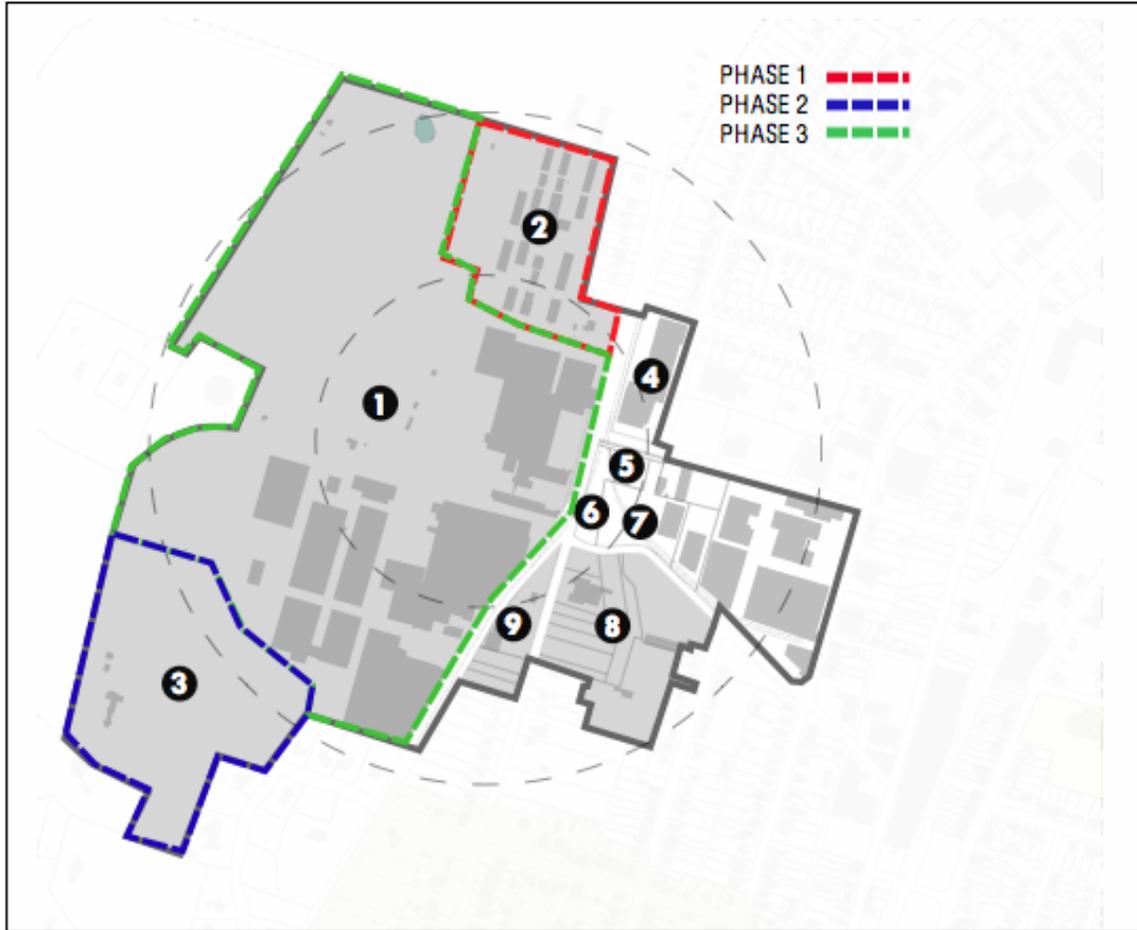
*Oblique view of the site looking to the north*

Market support for business park development may be three or more years in the future. The Pleasant Valley property is well located, but not viable for retail uses given the large cluster of retail space at and near the mall. At the assessed value of the vacant land at this location, residential development could occur, and the City needs available subdivision land for population growth. Thus, there are likely to be various development options for this location.



## National Fruit Products Site

### Site Inventory



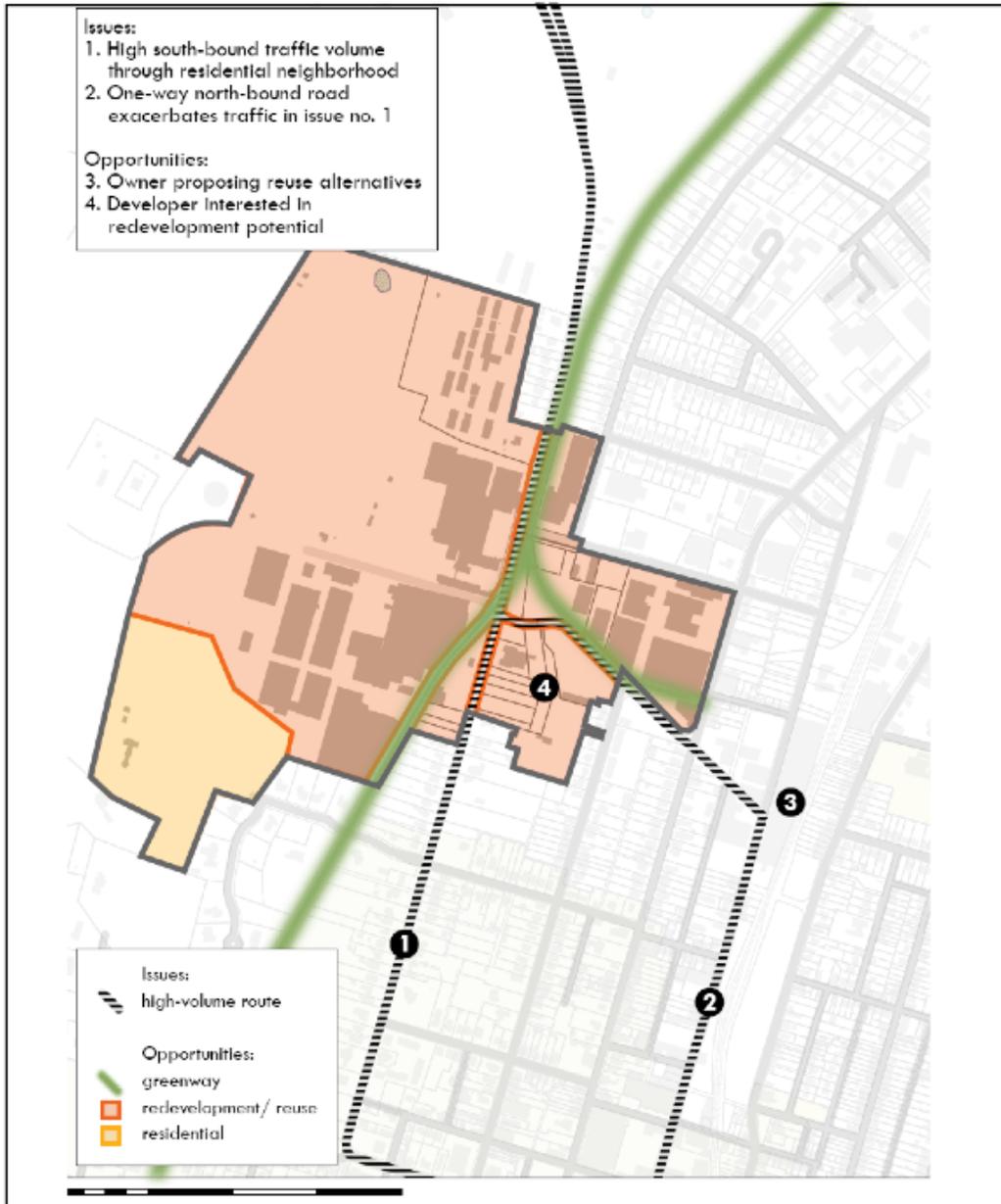
Lot	Gross Acreage	Total bldg sq ft.	FAR	Existing zoning	MYR-BLT	Property Owner	Store/ Use
1	67.15	742671	0.254	M1		Nat'l Fruit Production Co.	Nat'l Fruit Production Co.
2	10.25	72352	0.162	M1	1970	Frederick Cty Fruit Growers Assoc. Inc.	Fred. Cty. Fruit Grow. Consolidated
3	16.76			LR	1950	Smith-Fairmont LP	subdivision
4	2.36	55024	0.54	M1		Trust A & B Properties, Glalze Fred L. Residual Trust	packing house
5	0.43	0	0	M1		Green Chemical Co.	
6	0.70	0	0	M1		Winchester & Western RR	
7	2.05	11292	0.13	M1		Green Chemical Co.	store, office, warehouse
8	8.00	18166		M1		Fairmont Avenue Holdings, LLC	N/A
9	2.12	5282		M1		National Fruit Prod. Co., Inc.	Lots for trailers/parking

0 210 420 840 1260 1680

\* Data is based on 1 story footprint

### National Fruit Products Site - Issues and Opportunities

National Fruit SWOT	
<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>▪ Access to regional road system to the north</li> <li>▪ Proximity to historic downtown</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>▪ Existing obsolete buildings</li> <li>▪ Topography on west side of site</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>▪ Connectivity to Downtown commercial uses</li> <li>▪ Potential to create a secure site suitable for federal government functions.</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>▪ Deterioration of existing structures</li> <li>▪ Competition from large commercial and industrial sites on the periphery.</li> </ul>



## National Fruit Products - Conceptual Site Plan



*Oblique view of the concept plan looking to the north*

The National Fruit Products Company site is 67.6 acres. It is assessed at \$3.05 million for land and \$11.54 million for improvements. The land value is at a moderate \$45,100 per acre for M-1 zoned land. The improvement value is high due to the large number of buildings on site. The reuse of some of the existing buildings on the site has not been studied. Redevelopment of this site for a wide range of uses will be feasible, if the improvement costs are reduced or removed.

Given the current industrial space market, the National Fruit Products Company land is not viable for traditional industrial development and this condition will likely not change for several years. These are buildings that could be reoccupied; however that would require further study. At the land value only, the site could be developed for residential use, but it is zoned M-1 and near a railroad track. Preparing the property for high security government/contractor use would be viable, especially if some of the existing buildings could be reused.

If the City identifies a prospective user that needs the security and proximity features offered by this site, the City may want to prepare a more detailed master plan for redevelopment, showing the buildings that are reusable and with a large development parcel identified. The master plan would need to show how best to “handle” security if a government agency/contractor can be secured. Marketing of this site for this type of use is essential.

### **Downtown Area Site**

*This site is significantly different from the other catalyst sites, due to its size, complexity, and multiple ownership. The line on the map below indicates the extent of the existing Historic District. Recommendations for development initiatives in this area are consistent with those that have emerged through the Comprehensive Plan update process.*

*The historic Downtown Pedestrian Mall is a focal point, particularly the proposed improvements and redevelopment of several adjacent properties, including the Taylor Hotel site. Improvements to enhance the appearance and functionality of the mall should include thinning the tree canopy to “open up” the walkway and brighten the space.*



## Summary of Conclusions

The Appendix to this report (under separate cover), includes a detailed market analysis that documents market support for various land uses, including a wide range of residential uses, retail space, office space, industrial space, and other commercial uses, such as new hotel rooms and specialty retail space. The downtown area was studied, as was the five identified sites presented above.

In summary, the rental apartment market is the most viable land use, with immediate market support likely. There is an evolving market for age-restricted housing, particularly ALF's and single-story attached homes. The commercial and industrial markets have not yet recovered from the past recession, but the hotel market has just expanded and future growth is likely.

The site financial analyses presented above show that some of the City's proposed redevelopment sites are feasible for new development but some have challenges, particularly existing retail and industrial properties where assessments for site improvements appear above market.

In most instances, with some modifications to the development plans shown, or with some adjustments in the identified improvement values, redevelopment with some public support is generally feasible for several key sites within the City.

## VII. Citywide Marketing Plan

**Winchester**  
economic redevelopment Virginia

Economic Redevelopment  
Marketing Plan

PREPARED FOR:  
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City of Winchester  
Office of Economic Redevelopment  
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## 1.0 - Overview

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The purpose of this Marketing Plan is to outline the City of Winchester strengths, weaknesses, opportunities and threats; identify key markets and audiences; and develop specific strategies to support and enhance the City's economic development efforts. Available information, statistics and other resources have been pooled to help identify the pros and cons of living, working and doing business in the City. These findings will help guide the development of a brand and marketing program that conveys the vision of the City and helps to ensure that the goals for economic development are achieved.

The marketing program will aim to create a new image for the City that helps target, attract and retain businesses and people. In order to meet the objectives, an adaptable theme will be developed for communication pieces, which includes a new Winchester Economic Redevelopment logo, tagline, collateral (a multi-purpose pocket folder with inserts) and microsite for the City.

### 1.1 - Marketing Objectives:

- Create a brand identity for City of Winchester Economic Redevelopment
- Establish a marketing system that reflects and supports the *Citywide Vision* and goals - near-term and long-term
- Increase awareness of the City of Winchester's key benefits and assets
- Promote the idea that the City is an outstanding place to do business, live and visit.
- Highlight the new City of Winchester Master Plan with a particular emphasis on the six new catalyst sites

## 2.0 – S.W.O.T. Analysis

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The S.W.O.T. analysis is a strategic balance sheet that includes lists of the City of Winchester’s strengths, weaknesses, opportunities and threats. The purpose of outlining this information is to help city officials understand Winchester from an unbiased perspective. The benefits of a S.W.O.T. analysis are that it provides learning and knowledge critical to the City’s vitality and prosperity.

### 2.1 – Strengths

#### 1. High quality of life, low cost of living

- Winchester’s cost of living index is 89.9 as of Dec. 2009
  - U.S. average is 100 (below is less expensive, above is more expensive)
  - vs Leesburg is 116.9
  - vs Frederick is 115.9
  - vs Hagerstown is 112.8
  - vs Harrisonburg is 93.9
- Winchester’s Gross Domestic Product (GDP) is consistently higher than National average for small metro areas
  - Winchester has experienced a 35% growth 2001-2006
  - vs 8% in Harrisonburg
  - vs 33% in Hagerstown (considered a midsized metro area)
  - vs Leesburg and Frederick ~ *data unavailable*
- Winchester’s estimated median household income (2008): \$44,355
  - vs \$38,695 in Harrisonburg
  - vs \$39,050 in Hagerstown
  - vs \$62,302 in Frederick *but the cost of living is higher*
  - vs \$95,567 in Leesburg *but the cost of living is higher*
- Winchester’s average hourly wage is high within the region, \$18.16
  - vs \$16.82 in Harrisonburg
  - vs \$17.20 in Hagerstown
  - vs \$45.91 in Leesburg *but the cost of living is higher*

- vs Frederick ~ *data unavailable*
- Real estate taxes for Winchester (1%) are lower than the Virginia average (1.6%) and the National average (1.4%)
- Lower rents than the competitive area
  - Median gross rent in 2007 was \$750
  - vs Leesburg at \$1,252
  - vs Frederick at \$1,120
  - vs Hagerstown at \$684
  - vs Harrisonburg at \$658
- Short commutes (20 min average) and low traffic congestion.

## **2. Unique setting and environment**

*(like a Norman Rockwell hometown)*

- Traditional values and a strong sense of community.
- Downtown historic district with human-scale streets, mixed uses, historic architecture and pedestrian-friendly streetscapes.
- Historic character of the City and its surrounding area, particularly the rich Civil War history.
- Beautiful, sweeping scenery surrounded by a rural regional setting.
- Close to outdoor recreation, parks and outdoor activities.
  - Shenandoah National Park, Appalachian Trail and Shenandoah River provide opportunities for hiking, camping, horseback riding, canoeing, fishing, etc.
- Offers mixed appeal to Baby Boomers (ages 50+) and tourists.

## **3. Mix of industry sectors with long-term sustainability**

- Industries: healthcare, manufacturing, government and higher education
- Large businesses and government organizations with large numbers of employees
  - Premier businesses in the City: Valley Health System, Rubbermaid American Woodmark and National Fruit (White House)
  - Premier businesses just outside of the City: Trex, Kraft, GE Lighting and New World Pasta

- Government organizations and military branches just outside of the City: FEMA, FBI and Army Corp of Engineers

**4. Good infrastructure** that continues to improve and develop

- High-speed data and voice communication services.
  - Three redundant fiber optic pathways and full DS-3 bandwidth fiber optic service. Winchester has a fiber optic Integrated Community Network, with a local Internet node.
- Access to major transportation networks:
  - Roads: I-81, I-66, Rt 7, Rt 50, Rt 522, Rt 37 – can reach 70% of the U.S. and Canada in a day's drive
  - Rail service is provided by CSX Transportation and Winchester & Western
  - Virginia Inland Port (VIP) is an intermodal shipping center that provides access to international markets – located 15 miles south of Winchester.
- Several regional providers and services handle utility needs of large and small businesses as well as the average consumer.
- Win Tran, the Winchester Transit system, provides public transportation in the form of bus and trolley services with regular routes throughout the City.
- Ongoing projects for City to update improved reliability water and sewer lines and the creation of new roads and sidewalks.

**5. Winchester Medical Center**

- The Medical Center is the main healthcare facility in the regional.
- The Medical Center ranks as a top 100 hospital in the U.S.

**6. Shenandoah University**

- The university continues to gain prestige and national recognition for its health sciences program and its performing arts Conservatory.
- Having a university nearby offers ancillary benefits for local businesses, such as training opportunities, research labs, and a built-in consumer base.

**7. Proactive City initiatives**

- New Comprehensive Plan underway.
- Economic Development Analysis and Master Plan underway.
- Labor force programs to increase education levels.
- Tax-exemptions: bonds available to finance the acquisition of land, building, new capital equipment and “green” practices.
- Business-responsive permitting allows new building projects to get started in as little as four weeks.

**8. Forward-thinking leadership** in the City/local government and businesses

- Vision for diversifying key business industries and increasing the middle-class population.
- Challenging but achievable short-term and long-term goals.

**9. High small business growth rate**

- Winchester’s small business growth rate is 9% (2004-2007)
  - vs National average of 4.1% (for all small metro areas)
  - vs Harrisonburg at 7%
  - vs Hagerstown at 6% (National average for all mid-sized metro areas is 5%)
  - vs Leesburg and Frederick ~ *data unavailable*
- Low failure rate for independent restaurants and dining establishments.

**10. Winchester is the county seat of Frederick County**

- Winchester is the administrative center for Frederick County, where government operations and legislation take place.
- Winchester is the principal city of and is included in the Winchester, Virginia-West Virginia Metropolitan Statistical Area (MSA), which is included in the Washington-Baltimore-Northern Virginia, DC-MD-VA-WV Combined Statistical Area.

**2.2 – Weaknesses**

1. **Housing options** – many existing residences are older and low to average quality
  - Lack of options for the middle class
  - Not a lot of new product (currently)
  - High percentage of low income housing and residence options for the dependant population
  
2. **Educated workforce** – the current percentage of higher education people is relatively low compared to Leesburg, Frederick and larger cities in the expanded region
  - Without a higher percentage of educated worker the City may not attract emerging industry businesses
  - 23% of population (ages 25-34) with bachelor's degree
    - vs National average for all small metro areas is slightly higher at 23%
    - vs Harrisonburg is slightly higher at 24%
    - vs Hagerstown slightly lower at 22% but the population is much larger so the number is greater
  - 9% of population have Masters and Doctoral degrees - likely concentrated in the healthcare industry
  - Other education attainment statistics for Winchester's entire population:
    - 10% less than 9th grade
    - 15% have 9th to 12th grade
    - 27% have no diploma High school graduate
    - 20% have some college but no degree
  
3. **Income and Wages**
  4. Without higher paying jobs (i.e. new industries and emerging businesses) the average income levels will not increase.
    - Per-capita income growth (2002-2007) is below the National average
    - Winchester posted the slowest wages and salaries growth (+0.1%) in the state in 2008, and a decline (-0.5%) is expected in 2009.
    - High population of low income residents and reliant on social services, welfare, food stamps and government assistance

## 5. Disproportionate population

- Demographic information indicates a small middle class as compared to Leesburg,
- Percentage of the population is below poverty level as compared to some competitive cities
- 13.2% of Winchester residents' income is below the poverty level (2008)
  - vs Leesburg is 3.6%
  - vs Frederick is 7.4%
  - vs Hagerstown is 18.1%
  - vs Harrisonburg is 30.1%

## 6. The City has become the **regional hub for drug and alcohol rehabilitation facilities as well as group homes.**

- The City has the largest concentration of halfway houses and drug and alcohol rehabilitation centers in the Commonwealth of Virginia.
- The facilities and the dependant population can distract from the ambiance of the neighborhood.

## 7. Location

- Proximity to major cities and urban centers may be considered by some to be outside of a practical radius for doing business with those areas. The City is farther away from the DC and Northern Virginia metro areas than some of its competitive cities – Frederick, Leesburg and others
  - Winchester is 70 miles from DC, 50 from Northern Virginia
  - vs Hagerstown is 65 miles from DC
  - vs Leesburg is 40 miles from DC
  - vs Frederick is 45 miles from DC
- No direct access to the I-95 corridor
- No sports franchises, limited entertainment venues, etc.

## 8. Short term problems

- Poor and/or under construction traffic patterns, and other street maintenance issues.

- Lack of walking and biking trails within the City (The Green Circle will change this).

## 2.3 - Opportunities

### 1. **Winchester is a magnet city** for the population of the region

- Steadily growing population, +11% (2003-2008)

### 2. **Potential for self-perpetuating community** with the university feeding the medical and life science businesses and the hospital while the growing older/aging community naturally increases the demand for healthcare.

- Graduates just starting their careers have advantages for entrepreneurs: they're newly trained, with up-to-the-minute skills, and they're entry-level – making them relatively affordable for businesses with limited budgets.
- Increased “cross pollination” and collaboration will strengthen both organizations as well as dependant businesses.

### 3. **Emerging industry sectors** – healthcare and life sciences, government and security, and technology

- Each of these sectors has shown positive job growth over the past year.
- The Bright Center offers co-op space for small or fledgling technology business. Connecting prospective small IT businesses to this facility may help get them up and running quicker
- Each of the six catalyst sites has features and amenities that correspond to the needs of the target and emerging industries.

### 4. **Influx of government operations and workforce** with increases projected

- FEMA has a major center of operation bringing in 500+ people.
- FBI has a facility close by with plans for a new one that will bring another 1,000 people to the area.
- Army Corp of Engineers has 400+ employees.
- Location and infrastructure make it an ideal base for defense contractors and emergency relocation.

## 5. New Comprehensive Plan and Economic Development Master Plan

- Vision and plan for creating an Urban Village - The Green Circle
  - Improve quality of life
  - Lower environmental impact
  - Reduce car reliance and promote cycling, walking and transit use
  - Provide a high level of self containment (people working, recreating and living in the same area)
  - Help facilitate strong community institutions and interaction
  - Create an environmental and economic synergy between medical center and university by means of walking and biking paths
- 6 mixed-use catalyst sites:
  - Great potential for mixed use infill development with additional housing components, greater intensity and walkable, pedestrian-oriented environments.
- New housing options geared toward middle class retirees and young adults
  - Within the catalyst sites, residences will be very close to amenities that appeal to the target audience
  - Throughout the City there are opportunities for the redevelopment of old buildings. These “opportunities” can attract architectural firms and investors to renovate and restore old buildings

## 6. Social media engagement

- Social media networks and groups can provide a means of increasing awareness, developing loyalty and creating additional communication between the City, businesses, residents and the general public.
- **LinkedIn** is a major online networking tool. The City of Winchester does not currently have a business profile and very few staff have personal profiles.
- **Twitter** is a microblogging tool that has some activity on “Winchester, Va” and other topics pertaining to target business markets.
- **Meetup** is an online social networking portal that facilitates offline group meetings. Members find and join groups that share common interests, such as politics, books, games, movies, health, careers, business, hobbies or other topics.

- A **Tweetup** is an event where people who Twitter come together to meet in person. Tweetups are popular for IT and small technology-based business networking.
- **Refresh Winchester** is a small online/offline community of designers and developers working to refresh the creative, technical, and professional culture of new media.
- **Live-Winchester.com** is a local online forum with low participation currently but has potential as a resident and small business communication tool.

## 7. Retention of Educated Population

- Winchester graduates thousands of students each year but do they stay?
  - Annual High School Graduates: 5,450
  - Annual Community College Graduates: 460
  - Annual 4-year College Graduates: 719

## 8. Press and Media – lobby for and seek out additional coverage to help change internal and external perceptions. Promoting and re-releasing this coverage through online PR websites and social media can increase awareness and drive more traffic to the website.

- Increase media coverage of Winchester, its advantages, and its emergence as a leader in growth/economic development. Recent examples include:
  - CNN named Winchester 2008 “Best Place to Launch,” metro areas for small business startups
  - Forbes.com named Winchester the 19th (out of 179) "Best Small Place for Business and Careers" (2008)
  - U.S. News named Winchester as a "Best Place to Retire" (2008)
  - Winchester has received awards for “Best Public Celebrations” and “Most Loveable Small Towns” in Mountain Homes Southern Style’s Winter 2007 Annual Guide Issue.
- Increase local media coverage of economic development issues and trends. Recent examples include:
  - WVPT segment featuring **Error! Contact not defined.**
  - Apple Blossom Festival

## 9. Historic and Cultural events

- Annual Shenandoah Apple Blossom Festival draws thousands of visitors to the City.
- Seasonal Civil War Reenactments

## **2.4 - Threats**

### **1. Disproportionate population**

- High number of dependant residents (social services, food stamps, etc.)
- Low number of middle class residents
- High percentage of resident's without college education

### **2. Lack of new housing options for the middle class**

- The housing stock available for the middle class is aging
- Abundance of housing for dependants and lower income

### **3. Negative perceptions** (not necessarily reality) commonly associated with small town or middle America

- Unsophisticated and boring
- Lack of technology infrastructure
- Low paying jobs
- Lack of entertainment, nightlife or engaging activities
- Not a good place for singles
- Lack of ethnic and cultural diversity
- Intolerance for minorities

### **4. Competitive cities**

- **Hagerstown, MD**
  - Know as the "Hub" city for its transportation access
  - Low unemployment rates
  - Large labor force of highly skilled workers
  - Existing technology business infrastructure

- **Harrisonburg, VA**
  - Low violent and property crime
  - Unemployment rate lower than Winchester
  - Diversity of housing options
  - James Madison University competes for student population and feeds local businesses/industries
  
- **Leesburg, VA**
  - Ranked #19 Best Places among small metro areas by CNN (2008)
  - High median household income (2008): \$95,567
  - Highly educated population: 52% of residents 25 or older have a bachelor's degree, 16.9% have a graduate or professional degree
  - 15 miles from Dulles International Airport (IAD) and less than an hour from downtown DC.
  - Major transportation networks include US 15 and Rt 7. Also, the Dulles Greenway toll road (Rt 267) provides direct access to Dulles.
  - Technology infrastructure, situated in Northern Virginia technology corridor
  - Shenandoah University's North Virginia campus, George Washington University and George Mason University (all close by) compete for student population and feed local businesses/industries
  
- **Frederick, MD**
  - High median household income (2008): \$62,302
  - Anchors the northern end of the I-270 Technology Corridor
  - Attractive to business with a large stock of site options including retail, office, R&D and manufacturing
  - Diversity of industries from bioscience and advanced technology, to high-tech manufacturing and professional services
  - Transportation assets that include highway, rail and air
  - Major highway access include Rt 70, I-270 and Rt 15
  - Access to three major airports, all within an hour drive including Baltimore Washington International (BWI) 50 miles away, Ronald

Reagan Washington National 50 miles away and Dulles International (IAD) 42 miles away

- Frederick Municipal Airport is the third busiest general aviation airport in Maryland servicing 350 businesses and some 150,000 aircraft operations annually.
- MARC commuter train offers service to major cities along the I-270 Technology Corridor in Montgomery County and ends at Capitol Hill in downtown Washington, DC.
- Access to two major metro areas, Baltimore and Washington, DC, both within an hour drive.
- Highly skilled workforce.

## **5. Brain drain**

- Loss of young adults to major universities, larger cities and urban centers (assumed).
- Deficits in skills, perceived or real, can thwart efforts to attract new investment, and the lack of new investment makes it more difficult to move more people into work and to improve their skills.

## **6. Weak economy**

- Residential homes in the City have depreciated 21.3% in the last year.
- Job growth in the City is down 2.5% and is expected to fall another 1.1% in 2010 (*according to The Thomas Jefferson Institute for Public Policy Virginia Economic Forecast 2009-10*).
- Low real estate re-sale values across the country make it hard for people to move.

## **9. Inconsistent or disconnected branding, identity and messaging between the City and Frederick County entities**

- Several government offices, organizations and initiatives with seemingly overlapping objectives but divergent data promote differently and compete for audience attention.
  - City of Winchester
  - Old Town Winchester
  - Winchester Parks and Recreation

- The City's Green Circle - Bringing Our Community Together
- Winchester-Frederick County Virginia EDC - Your Move. Our Commitment.
- Winchester-Frederick County Visitor Center - Get a Better View of History
- WinFred Metropolitan Planning Organization
- Frederick County, Virginia - Life at the Top
- Creates confusion for people interested in the City and/or seeking a main resource for information
- Differing data, comparison and implications send mixed messages to consumers

### 3.0 - Market Position

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#### 3.1 - Primary Benefits

Winchester's **top benefit**—the bottom line for residents, businesses and investors—is its **sustainable, vital economy**. All other benefits and assets can be seen as contributors.

**Additional primary benefits include:**

- A **high quality of life** that provides an ideal work-life balance
- A **low cost of living and doing business**
- Mix of current and emerging industry sectors with long-term sustainability
- New Comprehensive Plan and Economic Development Master Plan underway
- Transportation network and infrastructure
- Incentives and business-responsive permitting for businesses

The **quality of life** in the Winchester area is **an important differentiator** among competing and comparable cities. Indicators of Winchester's *quality of life* not only include wealth and employment, but also the built environment (and planned development) and environmental quality issues. Other, more intangible aspects of life that positively affect quality of life include physical and mental health, education, leisure activities, personal and material safety, cultural resources, and social life.

#### 3.2 - Secondary Benefits

In addition to the primary benefits above, Winchester offers several secondary benefits to residents and businesses as well as investors, redevelopment architects and other organizations:

- Location (Shenandoah Valley and proximity to DC and Northern Virginia)
- Unique setting and environment
- Status as County Seat

Currently, Winchester is viewed as a town of historic, cultural and political importance but it is not widely know in terms of a contemporary features and amenities. Winchester holds a unique position in the region as county seat but its **strategic location and ever-developing infrastructure** provide viable market benefit.

The availability, quality and selection of **housing options will be critical** in attracting middle class people to the City. Already underway are two of the six catalyst sites. These sites and the ones to come will provide new homes designed specifically for the middle class population.

### 3.3 - Primary & Secondary Markets

The target markets will be comprised of two separate but interrelated groups: **residents and businesses**. Since major businesses generate local government revenues, increase demand on local services and offer employment to city (and regional) residents, the types of services and products provided by the City's major employers are critical for measuring future economic viability. Trends (U. S. Department of Labor, Bureau of the Labor Statistics) indicate that healthcare, retail, food services, government and education industries are economic drivers in the City.

#### **Business Market**

Business diversity in the City is a measure of its economic viability and self-sufficiency. The workforce is spread across different industries creating a more stable employment base. Strengthening existing industries and adding new industries will compound economic opportunities and further diversify the labor market.

#### **Primary businesses include:**

- **Healthcare** (including but not limited to medical, life science and rehabilitation specialists)
- **Education** (including public schools, colleges and the university)

- **Technology** (including but not limited to IT, data, security and software companies)
- **Government** (including federal, state, and local as well as private sector contractors)

**Other secondary or emerging business markets include:**

- Military
- Banking and Finance
- Small businesses (including but not limited to government contractors, retail, dining, art and entertainment)

All businesses will benefit from the lower cost of doing business with a base of operations in Winchester. For some businesses, access to the major Medical, University and government institutions will provide a steady source of revenue. For others, Winchester's location and access to major transportation networks make logistical sense for accessing resources and distribution stream. Small businesses enjoy financing help (in the form of tax-exemptions) from the City and fast-track permitting to expedite startup.

**Residential Market**

The **residential market segment** that will receive the most emphasis will be **middle class adults** and this will receive priority focus in terms of branding, messaging, and visual imagery. A further narrowing of the middle class based on potential interest in City assets and amenities reveals the need to **target two segments** within this demographic: **the young and the aging**.

**Primary audiences include:**

- Bachelor and Masters graduates
- Middle class young professionals
- Small business entrepreneurs
- Middle class Baby Boomers (50+)
- Middle class retirees with disposable income
- Aging adults (continued care)

Aligning the marketing messaging with the professions, interests and activities of these audiences will be key in gaining adoption. Winchester's primary industries provide business opportunities and jobs that help attract graduates, young professionals and small business entrepreneurs. For the retirees and the aging population, access to the Medical Center and healthcare industries. The City's Old Town provides interests to fit a range of audiences – a quaint pedestrian walking mall; an eclectic mix of antiques, art, clothing and gift shops; restaurants featuring outdoor cafe dining, or dine-in; and historic ambiance.

**Secondary audiences include:**

- Graduate students
- Middle class heads of household and primary income providers
- Business decision-makers (particularly, those responsible for operations, planning and logistics)
- Investors
- Historic tax credit developers

**Other audiences include:**

- Tourists (particularly those interested in Civil War history and Patsy Cline)
- Outdoor enthusiasts

## 4.0 - Infrastructure Assets

Infrastructure as defined in this assessment includes internal assets (within the City) such as public transportation and external assets (outside of the City, in the county or region) such as highways and interstate roads.

### Internal infrastructure assets include:

- Winchester Medical Center – top 100 hospitals in the country
- Shenandoah University – privately endowed institution
- Old Town – historic and walkable
- Win Tran, the Winchester Transit system, provides public transportation
- City improvement street and utility initiatives
- The Green Circle – *currently underway*

### External infrastructure assets include:

- High speed data and voice communications networks
- Winchester has quick access to two Interstates (I-81 and I-66) and is within an hour of three U.S. highways
- Winchester Regional Airport provides private jet and limited cargo service
- Dulles is the closest international airport, 50 miles away
- The Virginia Inland Port (VIP) is 15 miles to the east
- Shenandoah Valley parks and recreation

## 5.0 - Economic Catalyst Sites

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There are six (6) sites that offer particular opportunities for development and redevelopment. The sites were selected based upon distinctive characteristics – existing structures, transportation access routes, proximity to landmark institutions and other significant features.

### The six Catalyst Sites are:

1. National Fruit
2. Meadow Branch
3. Berryville Avenue
4. Ward's Plaza
5. Pleasant Valley
6. Historic Downtown Area

## **Summary of key features and opportunities:**

### **National Fruit**

- Approximately 100 acre site on the north side of the City
- A collection of older industrial buildings used for apple processing and packing.
- Excellent road access opportunities to the surrounding highway network via Route 522.
- At the edge of the historic downtown area, within in a few block walking distance.
- Adjacent to some higher end residential neighborhoods – both new and historic residences.

### **Meadow Branch**

- Approximately 60 acre site on the western edge of the City
- The area is largely undeveloped site but has excellent road access to the Rt. 37 by-pass.
- Located next to the hospital.
- New roadway will bisect the site, connecting Rt. 50 to Jubal Early Drive.
- Adjacent to some newer, higher end residential neighborhoods.
- Adjacent to the scenic open space of the Glen Burnie Foundation property.

### **Berryville Avenue**

- Approximately 38 acre site on the east side of the City.
- Main entry corridor to the City from the east – good visibility and access.
- Adjacent to an interchange on I-81.
- Several older commercial sites are underused and offer opportunities for redevelopment and infill.
- Excellent access to downtown and points east.

### **Ward's Plaza**

- Approximately 35 acre site.
- Older, mostly abandoned shopping center site.
- Good road access at the corner of Valley Avenue and Weems Lane with direct linkage to the Rt. 37 by-pass.
- Substantial commercial as well as residential development surrounds the site.

### **Pleasant Valley**

- Approximately 30 acre site located in the southern part of the City at the bend in Pleasant Valley Road

- Older industrial site next to the railroad.
- Substantial commercial as well as residential development is near the site.

### **Historic Downtown Area**

- The historic core of the city, with its substantial historic structural fabric, includes some very significant buildings such as the Handley Library and the Rouss City Hall
- Portions of the area are in an adopted historic district that provides architectural review to ensure compatible development.
- The streetscape is pedestrian-oriented and walkable.
- Mix of uses
- Substantial public parking available.
- Substantial amount of public and private civic improvements underway or recently completed.

## **6.0 – Branding Strategy**

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### **6.1 – Name: City of Winchester, Economic Redevelopment**

After discussion with the City’s Director of Economic Redevelopment and the Herd Panning & Design consultant, it has been decided the best way to move forward is with a concentration on Winchester’s brand with a sub-line of Economic Redevelopment. Based on this approach, a new identity will be established for the City of Winchester Economic Redevelopment that gives proper weight and priority to naming elements.

### **6.2 – Top Marketable Benefits**

After a thorough review of the available Winchester information and competitive landscape, including the Economic Development and Master Plan provided by Herd Planning & Design, we believe the four top marketable benefits of Winchester to be:

- **Value** (or Affordability)
- **Accessibility** (or Connectivity)
- **Economic Stability**
- **Sense of Belonging** (Community)

Marketing materials for the City of Winchester Economic Redevelopment will be most effective when developed around these primary benefits. There are several other benefits to the City, but they can all be positioned along side of or beneath

one of the primary benefits above.

One of Winchester's most significant attributes is **quality of life**. While this is important to highlight, the overall health of the community can be indicated as a product of all four of the top benefits (and other benefits). To the consumer quality of life may be too vague and too subjective to state without qualification. The term *value*, however, relates to the low cost of living and doing business that contributes to satisfactory quality of life.

**Winchester can benefit most by "owning" the market for value and accessibility**, something that other competitive cities within the region, or larger cities simply cannot do.

Beyond the benefits of value, accessibility, economic stability and community the Winchester's marketing differentiation is best achieved by focusing on the City's unique setting and historic underpinnings.

### **6.3 - Competitive Sensitivities**

Recognizing that the success of Winchester depends in part on its recognition and even adoption by a range of businesses and organizations within the region, the value and accessibility approach works well because it **does not intend to directly compete for northern Virginia and Washington, D.C. business**. In fact, it draws on these areas for business resources and relationships.

If Winchester is branded as a smart choice that provides residents and businesses with a **high quality of life and low cost of living/business**, it can be perceived as filling a **unique niche**.

While many businesses and organizations may be reluctant to purchase a product with overlapping functionality to what they've already invested in, we believe this reluctance can be overcome by focusing on Winchester's benefits of value and accessibility, supported by example scenarios in which **quality of life matters**.

### **6.4 - Branding Value and Accessibility**

The **City of Winchester, Economic Redevelopment microsite** is an excellent opportunity to introduce the "*value and accessibility*" branding angle through

imagery, headlines and copy. This approach can then be extended throughout all Winchester marketing materials, such as brochures, handouts, press releases, etc.

### 6.5 - Messaging

Any branding and marketing for the City of Winchester can be anchored with a multi-purpose tagline (or slogan) and a core messaging statement.

The tagline can be incorporated into the logo and become part of the company's signature, with the intent of strengthening association with speed and safety in the minds of the target audiences.

The core statement can be used in a variety of ways: as a headline, a business card tag, or anywhere a concise, compelling explanation of the City is needed.

We present the following for consideration:

[Tagline]

**Rooted in History. Reaching for the future.**

[Core Statement]

**Winchester is the perfect balance of value, opportunity, and community**

### Other Messaging Elements

In addition to the tagline and core statement above, we have highlighted other messaging elements below. These should be used as often as possible in any marketing copy as they relate directly to Winchester's primary benefits:

- Winchester **offers balance**: work and life, history and innovation, tradition and opportunity, local charm and big business
- Winchester is an ideal **small business location**
- Winchester is ideally located within the region

### 6.6 - Visual Identity

The Winchester **visual identity** - colors, layout, accents, typography, and other design elements – should ideally connote the attributes listed below. Viewed as a whole, the **combination** of these attributes positions Winchester with a welcoming, broad-based appearance. With the right design and implementation,

Winchester can still appeal to a variety of different audiences and industries.

Themes to consider:

- **Urban Village**
- **Work/Life Balance**
- **Growth**
- **Environment**
- **Technology**
- **Community**
- **Heritage/History**

## 7.0 - The Marketing System

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In support of the branding approach, the development of a core set of **integrated system of marketing tools** that spans **digital, print and other media** will establish a cohesive look and feel for Winchester.

The goal is a collection of tools, unified by the Winchester branding message and visual identity that provide the flexibility to be combined in a variety of ways to suit a specific application and target audience.

### 7.1 - Logo Design

The newly designed Winchester Economic Redevelopment logo will be a **key visual element** in all of the marketing materials.

### 7.2 - Copywriting

A prerequisite element of this system is **copywriting**, which should clearly establish structure, style, and conceptual direction for all visual materials. Copywriting will encompass both editing existing copy as well as crafting new copy, as required.

### 7.3 - Style Guide

Following the conceptual direction as established by copywriting and the

application of the Winchester visual identity, guidelines for the implementation of Winchester Economic Redevelopment marketing materials will be developed and incorporated into the **Style Guide**.

This guide will be an important tool for all Winchester staff, as well as establish standards for development of any future additions to the marketing system.

Included in the Style Guide will be:

- Explanation of Winchester Economic Redevelopment branding approach
- Discussion of colors and color usage with RGB/PMS color values
- Discussion of typography, including font sizes and usage

#### **7.4 – Microsite**

The City of Winchester currently has a website that has a single page for the Office of Economic Redevelopment. Creating a unique online presence will help focus prospects and interested parties on the key benefits, features and amenities of Winchester with emphasis on the six (6) catalyst sites. Goals for the microsite include:

- Branding of the microsite will be in line with the style guide and other marketing materials
- Improved search engine optimization (SEO) resulting in higher search results listings
- Improved articulation of the City of Winchester’s many benefits
- More detailed views of the six catalyst sites
- Added value to the user experience through improved downloads, case studies, training materials and videos

#### **Website Architecture**

A preliminary site architecture/navigation scheme has been developed. The navigation will clearly delineate functional areas of the home page as well as provide a clear visual hierarchy for the user. The preliminary architecture will be as follows:

#### **Primary Navigation**

- About
- Catalyst Sites

- National Fruit
- Meadow Branch
- Berryville Avenue
- Ward's Plaza
- Pleasant Valley
- Historic Downtown Area
- Contact Us

### **Added-Value Website Components**

Included with site redesign

- **Audio and Video Integration** – existing footage from news and radio interviews, segments and broadcasts can be reformatted for web use and incorporated into the microsite (*only if available in an appropriate digital format*).
- **Social Bookmarking and Sharing Integration** – Bookmarking and sharing widgets can be integrated into the website
- **Social Media Updates and Feeds Integration** – existing City of Winchester and/or Economic Redevelopment social media networks that provide updates or feeds can be incorporated into the microsite.

Additional components to be added at present or at a future date

- **Rotating Header** – the main image area on the Home page can be designed and developed to animate or rotate through a series of photos.
- **Interactive City Map** – this tool would engage users, providing a virtual means of exploring the City of Winchester. Points of interest like the catalyst sites would provide rollover interaction and additional information.
- **Social Media Customization** – including design and development of Facebook, Twitter, LinkedIn and/or other social media tools.
- **Search Engine Optimization (SEO)**
- **Blog** – a blog can be an effective method of sharing Winchester's initiatives, building additional web traffic and connecting with prospects as well as current residents and businesses.

Additional value-added components which could be added to the website in the future include:

- **Expanded content/pages and improved information**
- **E-Newsletter Signup Form**

- **Case Studies and/or Testimonial Videos**

## **7.5 – Presentation Folder and Inserts**

Though digital media is fast becoming the norm, many potential customers still prefer print media for product information. Print not only is still more comfortable to read, but is portable and often effective for networked marketing in the form of leave-behinds, recommendations from colleagues and friends, etcetera.

### **Presentation Folder**

A two-pocket folded reflecting the new branding approach will provide summary information and key economic development information from the Winchester website. Given the more permanent nature of print, care would be taken to ensure that the brochure content is not easily dated, but more universal to the basic benefits offered by Winchester. The folder will be developed to hold full-color inserts and business card. This would provide a catch-all solution for a variety of printed literature, including catalyst site sheets, small business pamphlet and reprints of editorial coverage, etc.

### **Full-Color Inserts**

Because the six catalyst sites are fundamentally similar, we suggest the development of:

- City of Winchester Overview sheet – information pertaining to the
- Templated Catalyst Site sheets – each of the six site would have its own content and imagery

## **8.0 – Approach and Tactics**

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All marketing materials and tools should focus on generating awareness and increasing communication between the City and its customers – both existing and prospect businesses, residents and visitors. In addition to establishing of the core set of integrated marketing tools (logo, microsite and presentation folder), Winchester can further its marketing efforts by combining other traditional and digital strategies. A roundup of suggested media and tactics for implementation follows.

### **8.1 – Traditional Marketing**

## Print Advertising

A branded **advertising campaign** can be developed that promotes the overall strengths and of Winchester while **targeting specific audiences or niche industries**. A general ad should run initially to launch the campaign or to test new publications' response rates. Afterward the general ad runs, a rotation of three to five targeted ads. Each ad can also be crafted to fit the primary business markets - Healthcare, Education, Technology and Government - as well as the region and publication in which it runs. As campaign rotates, special attention should be paid to which ads receive the most response and which publications generate the greatest return. Media buys can be adjusted accordingly. Longer term, more targeted ads can be created and advertising can be expanded as budget allows.

What follows is a list of potential publications. Not all are expected to be used. Depending on budget allowances, only a few publications may be utilized.

Local publications to be considered:

- Winchester Star
- Winchester Life Magazine
- The SUN - The Shenandoah University Newspaper

Regional business periodicals and journals to consider:

- Blue Ridge Business Journal
- Washington Business Journal
- Baltimore Business Journal
- Virginia Business Magazine
- Northern Virginia Magazine
- Smart CEO (Washington, DC and Baltimore)
- Business Week (local media buy in Virginia, Washington, DC and Baltimore)
- Healthlink Magazine - ValleyHealth (no advertising currently but sponsored articles may be possible)

## Collateral and Marketing Materials

- Media Kit or New Business Package consisting of one or more of the following:
  - Presentation folder with content and information targeted at specific business categories or prospects

- A resource list of key online and offline tools for prospects and new businesses to connect with the local community
- Interactive CD-ROM/DVD with an introductory video and interactive map
- Promotional items (outlined in *Other Branded Items*)
- Outreach cards or pamphlets for distribution at trade shows and business events
- Flyers for distribution at historic and cultural events

### **Other Branded Items**

Various items or tchotchkes can be branded with the new Winchester. These promotional freebies can be dispensed at events, trade shows and conventions or sent out as part of a marketing kit. These items can help broaden the reach of the Winchester identity by making the brand portable and convenient. People that have these items in their businesses and homes or on their bodies naturally develop a more intimate relationship with the brand.

- Stickers
- T-shirts
- Coffee mugs and water bottles
- USB drives and keychains
- Mouse pads
- Notepads and stickies
- Pens

## **8.2 – Search Engine Marketing**

Promoting the microsite by increasing its visibility in search engine result pages (SERPs) will be a goal of search engine optimization and the use of paid placement, contextual advertising and paid inclusion.

- **Search Engine Optimization** of the microsite
  - Interlace the content and code of the site with keywords and phrases that focus on the main selling points of Winchester as they relate to the search patterns of target audiences.
- **Pay-Per-Click Advertising** and paid inclusion is a search engine marketing method in itself, but also a tool of search engine optimization, since experts and firms can test out different approaches to improving ranking. Knowledge gained this way can be used to optimize pages on the microsite.

- **Google Ad Words**
  - Ads can be set to appear only to people searching in Winchester, the region or Virginia and/or other cities.
  - Using keywords, Google can match ads to webpages within a content networks that are most relevant to Winchester.
  - Ad performance is measured and reports are available to see on site-by-site basis impression, click, cost and conversion data. This data can be used to identify well-performing sites to target more aggressively and low-value placements.
- **Facebook Ads**
  - Connect with target audiences interested in the features and amenities Winchester offers.
  - Or these can be used to drive awareness and increase Winchester's Facebook fans.
  - Reporting features will allow Winchester to track the progress of the ads, gain insight about who's clicking on the ads so that modifications can be made to maximize results.

### **8.3 – Social Media Marketing**

One of the biggest Opportunities (identified in the *S.W.O.T.*) for the City to engage with its audiences is through social media and social networks. These online media tools, networks and various groups can increase awareness, develop loyalty and create additional means of communication between the City, businesses, residents and the general public. Social media is also a cost-effective means of marketing. Time is the biggest investment. The more time put in the more likely the benefit.

Social media and social networking can put Winchester in front of individuals that would not normally or easily be associated with the City. If Winchester engages in active participation – listening, sharing and adding value to the community – the resulting exposure will build the City's online recognition and reputation.

As Winchester's social media penetration increases, integrated marketing efforts that link social conversations to engaging content will be the most successful. To do that, Winchester must first listen to the most social businesses, residents, consumers and advocates. Then, engage the audience through these social networks. Creating conversations through relevant postings (blog articles, Facebook discussions, "tweets," etc.) can stimulate communication.

Observations and tactics for social media engagement:

- **Facebook** is a social network that allows members to connect and share just about anything.
  - There are currently 14 fan pages and over 100 group pages that relate to Winchester, Va. The pages and groups include a range of categories including businesses, retail, restaurants, education, religion, historic, sports, politics, music and more.
  - The City of Winchester should create its own fan page and utilize Facebook for promoting career fairs, events and student incentives.
    - John Handley H.S., Shenandoah University and LFCC students, parents, alumni actively participate in Facebook.
- **Twitter** is a micro-blogging platform that allows participants to share thoughts and ideas in 140 characters or less.
  - There is some conversation (i.e. tweets) on the subject of “Winchester, Va” which suggests potential for active listening and participation by the City.
  - The City of Winchester should create its own Twitter account.
  - Twitter provides a convenient means of searching through all of the tweets to find keywords such as “Winchester, Va” or “small business.” Winchester can reply to the person who posted the tweet.
  - Twitter can be used to broadcast incentives, events and other City initiatives.
  - A calculated approach to tweets should be determined for Winchester that provides a variety of topics, retweets and responses.
    - For example, Winchester may post ten tweets a week – four posts will be directly related to the City, three posts will be online articles.
    - A plan will provide direction and guidance for administrators of the Twitter account.
- **LinkedIn** is a business oriented social network.
  - The City Winchester does not currently have a LinkedIn business profile and only a few employees of the City have personal profiles.
  - All employees of the City should be encouraged to set up and maintain a LinkedIn profile. The profile should have a link to the Winchester website.
  - Employees should be encouraged to join industry and alumni groups related to the target businesses and City-related topics.

- Several LinkedIn **Groups** exist currently for Shenandoah University, as well as regional economic development and other business topics.
  - LinkedIn provides a convenient means of researching prospect businesses and target markets.
  - Winchester can start and moderate a LinkedIn group related the City, region or business market. Local business people and prospects can be invited to participate in the group discussions.
- **PRWeb** is an online press release distribution system.
  - PRWeb can increase online visibility of Winchester's press releases by distributing news to top information sites like Yahoo! News, the AP and major news outlets.
  - PRWeb news and press releases are easy to share in social networks; increasing the viral nature of news and amplifying story's online exposure.
- **Meetup** is an online social networking portal that facilitates offline group meetings.
  - Members to find and join groups unified by a common interest, such as politics, books, games, movies, health, careers, business, hobbies or other topics.
  - Winchester can be an active participant in these events as well as promote and sponsor them.
- A **Tweetup** is an event where people who meet on (or follow each other) Twitter come together to meet in person.
  - Tweetups are popular for IT and small technology-based business networking making them a good venue for stimulating growth within this market.
- **Refresh Winchester** is a small online/offline community of designers and developers working to refresh the creative, technical, and professional culture of new media.
  - Members gather regularly, once a month or so, to discuss topic related to their fields of interest.
  - Winchester may be able to sponsor and/or participate in these gatherings.
- **Live-Winchester.com** is a local online network that provides business and consumer discussion categories, forums, public and private

groups/communities and an events calendar. All posts feature the ability to comment and provide feedback.

- Membership and activity is relatively low right now but the website has potential as a resident and small business communication tool.
- Winchester staff should direct new businesses, residents and prospects to this website and encourage them to participate.
- Sponsorship opportunities are available

#### **8.4 - Partnerships and Affiliations**

Developing mutually beneficial relationships with local and regional business organizations, media companies, special interest communities and other organizations can enhance Winchester's local recognition and boost support for its brand. By affiliating with other reputable entities, Winchester's brand value and reputation will naturally improve.

Local partnerships to consider:

- TV3 Winchester (ABC)
  - Website banner advertising available
  - Facebook page has 798 fans
  - Twitter account has 530 followers
- 92.5 WINC FM
  - Facebook page has over 1,200 fans
  - Website banner advertising
- Winchester Royals
  - Sponsorship get placement on the Royals website
  - Advertising opportunities in the program and at the stadium
- Shenandoah Valley Tech Council (SVTC) – a non-profit networking serving technology users and creators in the Shenandoah Valley of Virginia.
  - Large and diverse membership including business professionals to government employees (several EDCs) to students.
  - Membership in the SVTC would offer Winchester opportunities for networking within the regional tech community.

- The SVTC moderates an active group of professionals on LinkedIn.
- The SVTC also hosts regular events, workshops, receptions and an annual award ceremony. Event sponsorships may also be possible.

**8.5 – Amount to Budget**

*Costs vary widely and depend on the mix of marketing items desired.*

**Traditional Marketing**

**Print Advertising**

Ad Campaign Design (4-5 ads, various standard sizes) .....	\$6,000-\$20,000
Media Buy .....	\$40,000-\$120,000

**Collateral and Marketing Materials**

Design .....	\$4,000-\$20,000
Printing .....	TBD

**Other Branded Items**

Design .....	\$1,000-\$10,000
Materials .....	\$4,000-\$20,000

**Search Engine Marketing**

Search Engine Optimization (Research and Development) .....	\$3,000
Google Ad Words - Account and Campaign Setup .....	\$1,000
Monthly Budget .....	\$500-\$1,000
Facebook Ads - Account and Campaign Setup .....	\$300
Monthly Budget .....	\$200-\$500

**Social Media Marketing**

Setup and Customization of Accounts (Facebook, Twitter, LinkedIn, etc.)	\$600-\$1,200
PRWeb (SEO Visibility Service) .....	\$200 per news release

## 9.0 - Sources

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1. CNN.com Money - 2008 Best Places to Launch a Small Business
2. Sperling's BestPlaces.net
3. Forbes.com Best Small Places for Business and Careers;
4. U.S. News & World Report
5. WinchesterVa.gov - 2008 Citizen Satisfaction Survey Results
6. U.S. Dept of Labor - Bureau of Labor and Statistics
7. City-Data.com
8. SimplyHired.com
9. Wikipedia
10. The Winchester Star
11. CityTownInfo.com

## VIII. Citywide Implementation Strategy

Three basic groups of Citywide strategies emerge from the analysis:

- 1) Develop **Physical Assets** to Improve the Image of the City and Quality of Life
- 2) Develop **Partnerships and Collaboration**
- 3) Pursue Economic Development **Promotion and Incentives.**

For each strategy, a series of tactical actions has been identified. These are shown below.

### 1.0 Physical Assets

Strategy 1.1: Upgrade overall quality of life for residents and employees.

Strategy 1.2: Re-brand the City - re-create the "image" of Winchester as a place that support its overall vision. (*in accord with the Marketing Plan*)

Strategy 1.3: Attract and foster the demographic and economic sectors that match the City's vision and its current and future assets.

Strategy 1.4: Foster the infrastructure improvements and land assemblage and marketing needed to redevelop the catalyst sites.

Strategy 1.5: Promote the catalyst sites for appropriate development and redevelopment for high value housing, mixed-use neighborhoods, and uses that support the City's key assets including the university and medical center.

#### *Tactical Actions:*

- Upgrade, restore and revitalize significant historic buildings, while rebuilding or demolishing non-significant, under-maintained buildings.
- Set up a revolving loan fund to purchase land.
- Establish an Entry Corridor Improvement Program.
- Market the conceptual plans for the catalyst sites; City should promote land assemblage and marketing, provide initiatives for financing, assist with infrastructure improvements, and facilitate development approvals and permitting.

- Establish TIFs and CDAs as needed to provide land and infrastructure for key catalyst sites.
- Establish and foster the development of downtown student housing.
- Mobilize physical upgrades and enhancement of key corridors – streetscapes, facades, sidewalks, trails.
- Create a public-private development agency and/or a housing and redevelopment authority.
- Develop new City slogan, logo, and other branding materials for the 21<sup>st</sup> century (*largely completed as part of this project*)



## 2.0 Partnerships and Collaboration

STRATEGY 2.1: Develop partnerships and alliances with local institutions and businesses to leverage both public and private resources.

STRATEGY 2.2: Foster broad and committed local support - city government, county, businesses, regional and state entities.

STRATEGY 2.3: Provide support for start up businesses and entrepreneurship programs for target industry sectors such as high tech and med/tech.

### *Tactical Actions:*

- Establish or promote local participation on economic development and/or technology list-serves. (*in accord with the Marketing Plan*)
- Become catalyst for entrepreneurial connections – medical center, university, city, existing businesses, regional networks and alliances, developers, etc.
- Promote local networking events and group networks/organizations. (*in accord with the Marketing Plan*)
- Establish a youth entrepreneur program in association with Handley high school.

- Foster entrepreneur program with Shenandoah University – “spirit of entrepreneurs” program to provide services and training for existing and budding small businesses.
- Establish a “School-to-Career Partnership” between the public schools and local employers in the market area. Employers collaborate with the schools to give students and teachers greater awareness and experience with real world business and industry, including specific skills.
- Establish or expand partnerships with:
  - Virginia Economic Development Partnership (state)
  - Work Force development
  - Valley Health
  - Shenandoah University
  - Winchester Medical Center
  - Commercial Realtors
  - Shenandoah Valley Technology Council
  - Frederick County.

### **3.0 Promotion and Incentives** *(in accord with the Marketing Plan)*

STRATEGY 3.1: Assist existing employers and business sectors.

STRATEGY 3.2: Foster the recruitment and development of new and emerging employers and business sectors, and future target demographic:

- Health-related businesses, agencies, and professionals
- Businesses related to Shenandoah University degree programs – nursing, pharmacy, occupations therapy, arts and music, etc.
- Technology entrepreneurs
- Existing businesses.

#### ***Tactical Actions:***

- Media and industry tours.
- Targeted Incentives – grants, tax rebates, loans – for Downtown Façade Improvement, Downtown building rehabilitation, Downtown technology employment.

- Local business award/recognition program.
- Trade-show attendance.
- Support for entrepreneurs – in-house support from the City – create a “business team” or “business ombudsman”.
- Leverage media exposure and related promotions and news of allies.
- Promote events, festivals, etc. – provide grant for new events in downtown.
- Establish incubator centers to foster start-up technology-based enterprises.
- Upgrade Web-site – real-time data and information, contact assistance, information about development opportunities in (and around) the City, existing industries, potential development sites, development approval process, networking links to partners, surveys/polling, etc.
- Advertising – direct mail, print media ads, web-site ads (focus on web-site).
- Provide/expand City’s marketing budget.
- Promote a rehabilitation/adaptive re-use strategy to provide policy and guidelines for the adaptive reuse of buildings that have become functionally or economically obsolete, and facilitate the regulatory process for their redevelopment.

**Appendix (Under Separate Cover)**

A - Detailed Demographic and Market Analysis

B - Alternative Concept Development Plans for the Catalyst Sites