The Fredericksburg Economic Development Strategic Plan was last adopted in 2017. This is an updated plan that takes into consideration changes over the past six years. It is intended that this plan will be updated every five years – so again in 2028.

This plan is guided in large part by the City Council 2036 Vision Statement:

The people of Fredericksburg are building a 21st-century urban center on the foundation of this historic city at the fall line of the Rappahannock River. Fredericksburg is the hub of regional economic activity, a city with a multicultural population and thriving cultural scene, a place that works for everyone, a community where the people are writing the next chapters of Fredericksburg’s history.
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**Appendix Three:** 2017 Economic Development Strategic Plan
Part 1: Review of accomplishments since last Economic Development Strategic Plan

Much progress has been made on the economic development goals in the 2017 plan.

These include:

- Negotiating an agreement with the owners of the Fredericksburg Nationals that led to a privately financed, 5,000-seat multi-purpose stadium being built next to the Fredericksburg Expo Center that opened for the 2021 Minor League Baseball season.
- Negotiating an agreement with the owners of the Fredericksburg Expo Center and the Fredericksburg Economic Development Authority (EDA) that will lead to substantial capital investments in the facility.
- Facilitating the redevelopment of the former Free Lance-Star headquarters in downtown Fredericksburg into a vibrant mixed-use project with a privately financed, publicly accessible garage. The City has played a substantial role in this project, approving two separate performance agreements for two important parts of the overall project.
- Expanding the City’s trails and parks network with the opening and expansion of the Rappahannock River Heritage Trail, VCR Trail and Riverfront Park. Economic Development and Tourism (EDT) staff helped the City win a $1.2 million federal grant that will lead to restrooms and a covered stage at Riverfront Park.
- Expanding the City’s parking inventory by working with the EDA on the acquisition and sale of a surface parking lot at Charles and Amelia streets. This deal also brought a highly regarded professional office user into the downtown and led to the refurbishment of the building on the property.
- Rezoning much of the Princess Anne Street gateway as a creative maker district and helping to recruit several new businesses that are now open along the corridor.
- Working with countless businesses and projects to help navigate the City’s permitting process and get open, leading in part to a half-billion dollars in taxable growth. This growth, coupled with prudent fiscal management, has helped the City retain an enviable AA+ bond rating.
• Advancing in our tourism program, including the hiring of an Assistant Director for Tourism as prescribed by the DMO Proz tourism strategic plan. A new tourism website, FXBG.com, was also rolled out, and a new Visitor Center orientation video was produced.

• Helping businesses navigate the challenges of civil unrest and the COVID-19 pandemic and rolling out a number of grant programs to assist.

• Building out a first-class public information strategy with newsletters, blogs, social media sites and weekly videos (almost 300 episodes of “Freehling Finds” have been produced to date).

• Highlighting the diversity of our community through the FXBG Diverse City promotion and numerous wayside panels.

• Making the entire City of Fredericksburg a Technology Zone.

• Entering into a Regional Industrial Facilities Authority for regional projects.

• Assisting with the opening of Germanna Community College’s FredCAT and the library’s MakerSpace.

• Making significant progress on the relocation of the Visitor Center and EDT office, with the sale of the current building to the EDA and subsequent efforts to market the property to the private sector. The new Visitor Center is expected to open in 2024 at 601 Caroline, which will also be home to the EDT office.

• Helping to develop the FXBG brand and beginning the rollout.

• Helping businesses navigate the 18-month closure and eventual reopening of the Chatham Bridge, which now includes greatly improved pedestrian connectivity.

• Working with the University of Mary Washington (UMW) on plans for a new performing arts center along William Street on campus.

• Conducting a Historic Structures Report on the Renwick courthouse, undertaking a visioning plan for how the facility might be reused and beginning the process of working with developers on the next chapter for the complex.

• Facilitating an agreement whereby Washington Heritage Museums (WHM) took ownership of the Mary Washington Lodge and Monument property. WHM will turn it into a tourism asset.
• Attracting new events such as the Babe Ruth World Series and retaining key ones such as the Marine Corps Historic Half.
• Working with the EDA to stand up a new business loan program called InvestFXBG and making loans to several City businesses.
• Advancing efforts to “better tell our story” with significant new historic panels around the City.
• Partnering with Fredericksburg VA Main Street and helping ensure that organization’s success.
Part 2: Review of Chmura work

In 2022, the City of Fredericksburg contracted with highly regarded Richmond-based consulting firm Chmura Economics & Analytics to lay the groundwork for this updated plan. Chmura helped the City with two reports:

1. An economic overview of the U.S., Virginia, region and City of Fredericksburg to establish current macro- and micro-economic trends shaping the economy. Chmura delivered this report to City Council at the biennial retreat October 6, 2022. The presentation can be found in Appendix One.

2. A survey of Fredericksburg business stakeholders on the City’s economic development strengths, weaknesses, opportunities and threats. Forty-two members of the business community responded to the survey – including representatives from the City of Fredericksburg, UMW Center for Economic Development, Fredericksburg Regional Alliance at UMW (FRA), Fredericksburg Area Association of Realtors, Fredericksburg Nationals and a variety of local law firms, banks, Realtors, restaurateurs, and small businesses. Chmura published a report based on the survey findings on December 14, 2022, and that report can be found in Appendix Two.

These two reports have formed the foundation of a significant number of the goals laid out in this updated plan.
Part 3: Strategic Goals

Based on the Chmura work, City Council’s Priorities, the Fredericksburg Comprehensive Plan, the Economic Development Authority’s (EDA) goals for the City, and staff input, the following are the strategic economic development goals that the City of Fredericksburg will focus on for the next five years. Action items can be found under each goal.
Goal #1: Recruit new businesses to the City

The City of Fredericksburg strives to build an economy that is heavy in research- and-development and high-tech jobs. These jobs will allow a larger percentage of the region’s workforce to find solid employment opportunities closer to home, thereby keeping this talented labor pool at home during the weekdays.

Action Items:

A. Hire a Business Development Manager to focus 100 percent on business recruitment.

B. Focus on recruitment in the industry clusters designated by the FRA and Chmura. These include defense contracting, healthcare, education, professional services, technology and hospitality.

C. Market the City as a good place for remote work and entrepreneurialism.
Goal #2: Develop pro-business policies

Small and large businesses are the lifeblood of the community as well as the City’s tax base, and steps must be taken to ensure they feel appreciated and fairly treated. That is accomplished through superior customer service, a reasonable regulatory environment, competitive tax rates, excellent business retention efforts and business-oriented initiatives.

Action Items:

A. Enact changes to the City’s BPOL tax that can make the City regionally competitive for larger, higher-grossing employers while also helping small businesses.

B. Be an advocate for businesses in the permitting process.

C. Promote the EDA’s InvestFXBG loan program and use it to help businesses locate and expand in Fredericksburg.
Goal #3: Enhance the City’s tourism operation, with a focus on sports tourism

Tourism is a major economic driver for the City, bringing in meals, sales and lodging taxes that support the local budget while creating jobs and revenue for local businesses. A sizable percentage of the City’s annual budget is derived from tourism-related tax revenue.

Action items:

A. Increase the lodging tax in part to create a funding source to attract events and meetings through a Tourism Opportunity Fund held by the EDA. This fund could help drive sports tourism and other initiatives that will put “heads in beds.”
B. Relocate the Visitor Center to the Executive Plaza and make it one of the best in the Mid-Atlantic.
C. Bring in sought-after hospitality-related businesses that aren’t currently in the market and that will drive meals, lodging and sales-tax revenue.
Goal #4: Enhance public infrastructure that will drive tourism and business growth

The City of Fredericksburg, working with its private sector partners, has made great progress over the past five years in building up tourism-related assets. More progress should occur over the next five years.

**Action items:**

A. Build upon and enhance the City’s walkability and trails network, including an eventual uninterrupted connection between Dixon Park and Motts Run Reservoir. Build sports tourism assets at existing facilities, both City-owned and non-City-owned. Continue to add to the City’s tree canopy.

B. Complete the planned improvements to Riverfront Park – including adding restrooms and a covered stage, and finishing the Meadows section of the park.

C. Create additional parking and electric-vehicle charging stations where feasible – including downtown and around the stadium. Continue to make improvements to the downtown train station and promote Fredericksburg as a rail destination.
Goal #5: Redevelop City consistently with Small Area Plans

Fredericksburg is a small City with limited “greenfield” sites, so a focus of economic development efforts will be redeveloping older sites consistent with our Small Area Plans. Efforts should always be made to enhance the tree canopy and walkability as part of the re-development process.

Action items:

A. Work with developers to replace older strip shopping centers along U.S. 1 and State Route 3 with mixed-use centers such as Eagle Village. This has the opportunity to bring a mix of newer residential and commercial projects to the City. Also included in this goal will be to ensure Central Park remains relevant and vibrant.

B. Drive improvement to the City’s downtown gateway corridors along Lafayette Boulevard, William Street and Princess Anne Street, including adding FXBG branding and bringing “Creative Maker” businesses to these areas.

C. Work with developers to re-imagine some of the City’s prime redevelopment sites – including the downtown Post Office, the area around the train station, the former hospital and PNC building on Fall Hill Avenue, and the former Roxbury Mills site. Always be mindful of historic preservation in these pursuits to attractively blend the new with the old.
Goal #6: Maximize the potential of the City’s few remaining greenfield sites

The City of Fredericksburg has precious few large-scale development opportunities, making it important to maximize the potential of each.

Action items:

A. Work with developers to plan the improvements to the Hylton site, ensuring a four-lane connection between State Route 3 and Cowan Boulevard and a vibrant mix of uses.
B. Complete the initial vision of Celebrate Virginia by bringing attractive commercial and residential development to the remaining undeveloped land along Gordon Shelton Boulevard, Fall Hill Avenue and Carl D. Silver Parkway.
C. Look to enhance FXBG branding opportunities for the City along these key gateway properties.
Goal #7: Help create a competitive workforce

Having access to a prepared workforce is one of the key things businesses look for when making location decisions. The City should work with its community partners to do everything possible to ensure the workforce is prepared.

Action items:

A. Help Germanna Community College expand the Fredericksburg Center for Advanced Technology (FredCAT) in the City.
B. Partner with UMW on both educational programming and cultural amenities (e.g. new performing arts center) that will attract highly skilled workers to Fredericksburg.
C. Work with Fredericksburg City Public Schools on internship opportunities and other programs to enhance the education offered to City children.
**Goal #8: Enhance the City’s marketing strategy**

The City of Fredericksburg is a wonderful place to start a business, raise a family and visit, and a significant part of EDT’s work will focus on letting people know that.

**Action items:**

A. Make continual improvements to EDT’s suite of products: Fred Focus, Freehling Finds, social media, FXBG.com, FredericksburgVA.com and more.

B. Ensure that the City is reflecting its rich history and diversity in marketing efforts.

C. Build up the economic development marketing strategy alongside the existing tourism marketing strategy.
Goal #9: Help develop an entrepreneurial ecosystem

A large percentage of the City’s job growth in the decades to come will likely come from entrepreneurs. As such, the City will support this community.

**Action items:**

A. Facilitate co-working spaces to create flexible work environments for entrepreneurs.
B. Gradually raise the revenue threshold for the business license tax to help small businesses.
C. Invest in and support the Fredericksburg Regional Alliance’s efforts to create an angel fund network.
Goal #10: Analyze City-owned real estate

The City of Fredericksburg has a number of under-utilized buildings that could be the subject of either outright sales or partnerships to enhance tax revenue and economic development.

Action items:

A. Partner with Washington Heritage Museums on the exciting plans for converting the Mary Washington Lodge and Monument into a tourism asset.
B. Work through a public process for the Renwick and Old Stone Warehouse properties to evaluate potential future uses.
C. Ensure the success of the purchaser of the current Visitor Center property at 706 Caroline Street.
For more information

People wishing to contact the Fredericksburg Department of Economic Development and Tourism can do so through the following EDT staff members, each of whom can also be reached by calling 540-372-1216:

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APPENDIX ONE:
CHMURA
PRESENTATION TO
CITY COUNCIL
APPENDIX TWO: RESULTS OF CHMURA SURVEY
APPENDIX THREE:
2017 ECONOMIC DEVELOPMENT STRATEGIC PLAN