The Economy—Our Livelihood

As a testament to the City’s high quality of life, Forbes magazine ranked Fairfax as number 3 on its 2009 list of the top 25 places to live in the United States. The City of Fairfax has a strong local economy in a crossroads location, with a substantial retail base and a growing office market. The concentration of the City’s economy, especially in the retail sector, has perhaps been the main ingredient in its continued success. Proactive measures to strengthen the City’s economy within the region should continue.

Economic Engines and Centers

The City has a strong economy, resulting from several contributing elements, most prominently the City’s location at the intersection of three major thoroughfares within Fairfax County and near Interstate 66. This setting makes the City an ideal location for both retail and office establishments. The presence of large-scale governmental facilities and institutions also provides needed customer traffic, and workers to spend money while in the City. A third major element in the City’s economic strength is its strong residential base that includes surrounding areas, effectively more than doubling the official City population as a primary trade area.

The City has a substantial economic core of small retail businesses. Despite their small size, many of these businesses are important well beyond the City limits due to the specialization of their merchandise. In many cases a number of these specialized businesses exist close to other stores of their type, leading the City to be a major regional center for shopping for certain types of goods. Thanks both to these regional stores, and to the locally-oriented ones, retail sales taxes are responsible for a significant portion of the City’s total annual revenues. However, it is important that the buildings and centers that house the City’s retail activity remain productively used and up-to-date. The retention, expansion and upgrading of this retail infrastructure is the focus of the City’s economic development program. This approach will inevitably lead to long-term economic growth and reinforce the City’s market niche.

The City’s retail sales activity is mostly carried out in three main areas. Foremost in terms of sales and activity is the Fairfax Boulevard Corridor, which includes focal points such as Fairfax Circle, Northfax and Kamp Washington. In addition to these high profile centers, the entire length of the corridor has a high level of retail activity combined with several of the City’s largest office buildings. The second largest retail area is located at the intersection of Main Street and Pickett Road. This intersection houses three shopping centers: Fair City Mall, Pickett Shopping Center and Turnpike Shopping Center. Although none of these shopping centers is individually of great size, the combination of the three produces a scope, scale and convenience to give the area high presence and importance in the Central Fairfax area, including substantial territory outside the City limits. The third major retail area is Old Town Fairfax, the City’s historic center. This area, now containing a sizable number of retail and shops and office facilities, is becoming a feature attraction that can draw shoppers, tourists and other crucial visitors in a manner that rivals other historic downtown areas in Northern Virginia.

George Mason University (GMU), with a potential billion-dollar impact on the local economy and an enrollment projected to grow to 30,000 students at its Fairfax campus alone by 2020, is an important element of the City’s economic base. In addition to the student body, the university boasts a $300 million payroll and employs 3,400 full-time equivalent faculty and staff among its various Northern Virginia campuses. The City has formed a partnership with the University to identify and realize mutual goals by expanding the facilities and services in the City that support the activities of university students, faculty and staff. Such efforts benefit the City through additional retail sales and enhanced cultural opportunities.

Building on its sense of history, central location and strong business climate, the City is planning for its economic future. Optimum use of technology, entrepreneurial leadership, promotion of tourism, economic infrastructure development, and formulation of partnerships with private businesses, George Mason University and other local jurisdictions will further strengthen the City’s economic base well into the 21st Century.
The Regional Context

The City of Fairfax has emerged as a major economic hub in Northern Virginia and stands poised to lead economic development activities in the Central Fairfax market area of the Washington region (see Map ECO-1). Building on its prime location and excellent business climate, the City is maintaining its efforts to broaden its economic base to include a variety of specialty retail businesses as well as research and development firms, businesses in emerging market sectors, association and corporate headquarters and similar office uses. This will strengthen the City’s tax base and allow citizens and businesses to continue enjoying the high quality of life they have come to expect in the City.

Despite the favorable conditions of its economic base, the City is also highly dependent on the fortunes of the regional economy. Office vacancy rates throughout Northern Virginia generally increased throughout the 2000-2010 decade – first due to the rapid expansion of the region’s office market in the early 2000s, combined with the failure of many internet-based industries. In the late 2000s, national recessionary pressures contributed once again to falling demand for office space. This trend will slow the development of new office space regardless of the City’s office space needs. Additionally, the recent dip in regional employment rates has caused a slowing down in the rate of consumer spending. Such changes can greatly affect the City’s economy, especially in that many local retail establishments sell goods that may be viewed as luxuries during a slow economy.

Economic Indicators

The City of Fairfax is one of the largest per capita contributors to the Virginia sales tax of any jurisdiction in the Commonwealth (see Figure ECO-1). This fact indicates the presence of vigorous retail sales activity in the local economy.

Retail and restaurant sales represent a substantial component of the City’s economy, generating taxes (both sales and meals taxes) responsible for 13 percent of the City’s gross revenues in 2011 (see Figure ECO-2).

The City has one of the lowest overall local tax rates in Northern Virginia. As shown in Figure ECO-3, approximately 53 percent of the City’s 2011-12 general fund revenues were generated by the commercial sector. Consequently, any changes in commercial revenues have a significant impact on the City’s overall revenue picture.

Economic development efforts in the City focus on three principal areas – Old Town Fairfax, the Fairfax Boulevard Corridor and the Pickett Road/Main Street shopping centers. These areas compose the majority of the City’s commercial development and offer the greatest potential for expanding and enhancing the economic base.

Map ECO-1

**Economic Engines and Centers**

- Crystal City, Pentagon City
- Old Town Alexandria
- Rosslyn, Ballston
- Laurel, Largo, Bowie
- Vienna, Tysons Corner
- Washington DC
- Bethesda, Silver Spring
- Falls Church, Merrifield
- Central Fairfax (City of Fairfax, Fair Oaks)
- Dulles, Herndon, Reston
- Fredericksburg
- Winchester
- Williamsburg
- Falls Church, Menfil
- Central Fairfax (City of Fairfax, Fair Oaks)
- Dulles, Herndon, Reston
- Fredericksburg
- Winchester
- Williamsburg
- Falls Church, Menfil
- Central Fairfax (City of Fairfax, Fair Oaks)
- Dulles, Herndon, Reston
- Fredericksburg
- Winchester
- Williamsburg
- Falls Church, Menfil
- Central Fairfax (City of Fairfax, Fair Oaks)
- Dulles, Herndon, Reston
- Fredericksburg
- Winchester
- Williamsburg

Source: City of Fairfax

Source: Virginia Department of Taxation.
Office Space Profile

Various types of office space are found in the City, ranging from mid-rise office buildings (up to 5 stories) to townhouse-style offices and small offices in converted dwellings. The majority of the City’s office space is located along the commercial corridors.

In the Old Town area, several residential and commercial structures dating back to the early nineteenth century are now used as offices. A substantial amount of newer office development is also located within Old Town Fairfax and the immediately surrounding areas.

Historically, office development in the City has been stable and has generally reflected regional trends. At the end of 2010, the City’s supply of office space stood at over 4.7 million square feet of rentable area, with a vacancy rate at 12.0 percent (see Figure ECO-4). This compared favorably with both the Northern Virginia and Washington, D.C. submarkets, which had vacancy rates of 15.7 percent and 13.3 percent, respectively, at that time.

Between 1993 and 2000, the City’s office vacancy rate steadily declined, to a low of 1.2 percent. In the aftermath of the technology industry “bust” of the early 2000s, City vacancy rates rose again, up to over 7 percent in 2003 before once again falling between 2004 and 2006. However, since 2006, both City and regional office vacancy rates have
generally increased. During this period, the City’s vacancy rate has mostly been lower than that of Fairfax County; the City was not affected as dramatically by the technology bust and City office space has continued to be viewed as competitive in the regional market.

As of December, 2010, the vacancy level stood at approximately 544,000 square feet or 11.5 percent of available space. Likewise, rates for office space were strong, having remained relatively stable since 2008 – even in a period of economic uncertainty. For large office tenants – over 30,000 square feet – there was essentially no available space in the City. Consequently, there is some pressure for office construction to provide for this size tenant. There also existed demand pressure for small office buildings – 10,000 to 30,000 square feet in size – for purchase as owner-occupied space. Due to the demand for the types of office spaces, it is anticipated that a healthy rate of absorption will continue through the early 2010s as vacancies in the County are stabilized.

The vacancy rate in Fairfax County in December, 2010 was 14.3 percent, representing 15.8 million square feet. This figure, while still higher than the City’s vacancy rate, is more robust than in the early 2000s, when the vacancy rate held above 15 percent for several consecutive quarters, due largely to new construction in certain County sub-markets that was never occupied. In the County sub-markets nearest to the City – Fairfax Center, Merrifield, Annandale and Vienna – the vacancy rates in December, 2010 were generally lower than Countywide averages, between 12 and 14 percent.

Within the next 2 to 4 years, the demand for new office space in the City and these other Central Fairfax markets is projected to increase, especially for Class A office space. Due to the City’s location and office lease rates, this trend should reinforce the City’s efforts to encourage redevelopment along Fairfax Boulevard, and to provide acceptable access to and from Metrorail.

The City is positioning itself to attract some of the demand by implementing policies and programs designed to attract office development. This effort includes developing an inventory of preferred sites for office development, providing improvements and streetscape enhancements.

Map ECO-2
Primary Commercial Areas

Source: City of Fairfax CDP
that will improve the visual appeal of City locations, and pursuing the types of related business services that typically complement office development.

**Retail Space Profile**

The City’s retail base is composed of a mix of freestanding establishments and shopping centers. More than half of the City’s shopping centers, and many of the freestanding stores outside of Old Town were built prior to 1980 – in fact, 81 percent of the City’s shopping center floor area is contained in centers built before 1980. Most of the City’s retail businesses are located in the City’s primary commercial areas of Kamp Washington, Fairfax Circle and Pickett Road/Main Street (see Map ECO-2).

Commercial development along the Fairfax Boulevard corridor is responsible for much of the local retail economy. This commercial corridor extends for approximately three and one half miles from Fairfax Circle to beyond Kamp Washington and contains a mix of shopping centers, free-standing restaurants, shops and services, and office buildings.

Many of the City’s older shopping centers and free-standing establishments have been refurbished and renovated in recent years, such as Fairfax Marketplace (replacing the former Frank’s Nursery site), Boulevard Shopping Center (renovated with additional retail space), Fair City Mall (renovated with new tenants and facades), and numerous stand-alone retail sites. These areas have helped to update and change the face of the City’s commercial corridors and enhance the City’s economy.

Old Town Fairfax is another well-defined retail area that contributes substantially to the City’s retail economy. The Historic and Transition districts contain shopping centers and small retail shops that are a combination of destination shopping and retail oriented towards local clients. Old Town has a distinctive environment of small structures located adjacent to the streets. Many of the buildings located within the Old Town Fairfax Historic District were constructed around the turn of the 20th century. These historic buildings, containing a variety of small businesses, combine to create a distinctive business environment.

The Pickett Road/Main Street area also contains a concentration of retail establishments that generate significant retail sales. Fair City Mall and the Turnpike and Pickett Shopping Centers contain more than half a million square feet of retail development and are responsible for more than one-fourth of all retail sales in the City.

The City’s retail businesses serve not only those who live or work in the City but also those who visit the City for business or pleasure. Old Town Fairfax experiences a higher percentage of tourist-related sales because it serves both the local area residential market, nearby office workers, as well as a broader market of visitors seeking specialty goods and services in a traditional commercial district.

As of the summer of 2011, the City of Fairfax retail market was in a very strong position. The vacancy rate as reported by the real estate data firm CoStar was approximately 5 percent, with about 150,000 square feet of space available for new tenants. This rate is unusually low given the age of the City’s retail properties, the small size of many tenant businesses, and the competitiveness of retail development to the west of the City. Furthermore, roughly 45,000 sq. ft. of reported vacant space can be considered “planned vacancies,” as the given sites await refurbishment or planned re-tenanting.

While a low vacancy rate reflects a thriving retail base, it also constrains the opportunity for businesses to expand in the City and indicates limited options for locating new businesses.

Rental rates remained relatively low when compared to other Northern Virginia locations due to the age of many of the properties in the City, a fact that has contributed to the strong occupancy levels. To increase the City’s market share into the future, new retail buildings are needed that will provide for additional retail businesses. To some small extent, an upgrade of current retail properties and retail businesses could increase the City’s market share as well.

The City’s trade area has undergone many changes since 2000. In addition to a general increase in household incomes in the trade area, there has been an explosion of new residential projects primarily to the south and west of the City along Route 29 (Lee Highway) and Braddock Road. There has also been an increase in retail construction in the Route 29 Corridor alongside several of these residential developments. City businesses will not be the only businesses to share in this market increase. In summary, both the market population and regional median incomes have increased, and will increase more in the next two to five years as the City’s trade area continues to make room for further growth.

**Employment**

According to the Metropolitan Washington Council of Governments (MWCOG), the number of jobs in the Washington metropolitan region has risen to over 3.2 million during 2010, with 1.2 million jobs in Northern Virginia alone. This regional total is forecast to increase to
In 2010, most of the jobs in the City were concentrated in four sectors: services, trade, financial services, and government (see Figure ECO-6). The largest employment sector, the services sector, supplied approximately 54 percent of the jobs in the City. The four leading services within this sector are professional and technical services (41 percent), health care (25 percent), administrative services (12 percent), and education (4 percent). The second largest employment sector, the trade sector, contained 26 percent of the jobs in the City with approximately 97 percent of those jobs in retail/restaurant trade and 3 percent in wholesale trade. Financial services (consisting of finance, insurance and real estate) provided approximately 5 percent of the City’s employment base. The government sector, including both federal and local agencies, constituted nearly 7 percent of the City’s total employment base. The government sector, including both federal and local agencies, constituted nearly 7 percent of the City’s total employment (not including employees within the Fairfax County Courthouse complex). Construction, manufacturing, transportation, communication and public utilities composed the remaining 8 percent of the City’s employment base.

Major private employers in the City include Verizon Wireless, Fairfax Nursing Center, Home Depot, Fairfax Volkswagen/Honda and Zeta Associates. The largest public employers in the City include the Federal Acquisition Service (a division of the General Services Administration) with 350 employees, as well as the City of Fairfax, Fairfax County, and Fairfax County Public Schools.
Economic Development Initiatives

The City has developed an aggressive economic development program utilizing innovative and comprehensive strategies to address issues such as:

- The aging of the City’s infrastructure and business corridors;
- The effect of rapid commercial and residential development to the west of the City;
- The creation of an adequate supply of modern office space; and
- The desire of residents to retain the prevailing sense of community and enhance the attractiveness of the City’s small town atmosphere.

Recent advances in the City’s economic development efforts include:

- Creation of the Economic Development Office in 1990 with the following goals:
  - Encourage office development;
  - Encourage retail development;
  - Revitalize the historic district;
  - Redevelop the Fairfax Boulevard corridor; and
  - Develop services and facilities to support tourism within the City of Fairfax.
- Creation of the Economic Development Authority (EDA) in 1994 to market the City’s commercial areas. The redevelopment of Lee Highway (Fairfax Boulevard), the City’s major commercial corridor, was established as one of the EDA’s first priorities.
- Support of economic development groups such as the Downtown Fairfax Coalition, Inc. and the Central Fairfax Chamber of Commerce. These associations encourage members of the business community to participate in organized events and activities that help promote the City and attract new customers and businesses.
- Creation of the Fairfax Innovation Center (FIC), a cooperative venture in economic development that supports the start-up of new businesses by providing small office space and shared office services such as a receptionist, secretarial services, a reception area, conference rooms and office equipment facilities. This helps businesses reduce their overhead costs during the critical first few years. The FIC was established in 1995 as a joint effort between the City of Fairfax and George Mason University’s Small Business Development Center and is located in Old Town Fairfax. Over the Center’s first 15 years, nearly half of the FIC’s 31 “graduates” remained in the City after the firms moved into their own space.
- Implementation of a marketing campaign to promote the City as a modern community with a 200-year heritage of hometown charm and convenient access to other key locations in the Washington Metropolitan Area. Promotional advertisements have been printed in leading business and travel/tourism magazines and have been presented at various trade shows.
- Preparation of planning and engineering studies for the Fairfax Boulevard Corridor Revitalization and the Northfax Gateway project. These projects have extensive economic development implications, and such implications must be considered at the forefront while planning for the future redevelopment of these areas.
- Upgrading of the City’s bond rating to AAA – the highest available rating – by Standard & Poor’s and Moody’s. One of only five cities in Virginia to achieve AAA status, and by far the smallest, Fairfax was praised by Standard & Poor’s for having an “economic base that has remained strong throughout the current recession.” This achievement strengthens the City’s financial position and affirms the solid management and development practices that have enabled the City to reach this goal.

Fairfax Boulevard (Route 50/29) Corridor

This corridor, as the location of the majority of the City’s retail establishments and office space, is of unequalled importance to the City’s economic well being. However, the corridor is in an uneven condition due to the number of aging and functionally obsolete buildings and sites that detract from the corridor’s potential. In an effort to address the challenges and promote new investment in this
corridor, the City Council has initiated several studies of this portion of the City during the past decade, culminating in the Fairfax Boulevard Master Plan, which resulted in the Summary that appears in Appendix D of this Plan. The Summary recommends enhanced architecture and site design throughout the corridor, complemented by an urban-style, mixed-use approach to the three activity centers.

The summary contained in Appendix D is the culmination of many years worth of planning efforts aimed at increasing the economic competitiveness of the Fairfax Boulevard Corridor. City Council established the 50/29 Corridor Task Force in 2003, which analyzed the previous studies that had been performed for the Corridor, solicited and received input from property and business owners, and issued a report containing a set of recommendations to address existing conditions and promote new investment.

To further assist providing transportation solutions along the Corridor, City Council authorized an additional tax on commercial and industrial properties in 2009 (the tax rate stood at 5.5¢ per $100 in valuation in fiscal year 2012). Revenues from this tax are to be used exclusively for transportation projects. City Council must reapprove this commercial transportation tax annually through the City’s budget process.

Central to the City’s strategy to revitalize this area is the transformation of the Corridor into a business boulevard. The boulevard will have three centers of more concentrated, mixed-use development (Fairfax Circle, Northfax, and Kamp Washington), connected by the East Connector (Mosby Parkway) and the West Connector (see Map ECO-2). Due to the complexity associated with the assemblage of properties in portions of the centers, public-private partnerships should be established to revitalize the area.

The preparation and adoption of the Fairfax Boulevard Master Plan, and its summary contained in Appendix D, has served to refine the City’s vision for this area and establish more specific parameters for redevelopment. More detail, such as architectural guidelines, as well as detailed conceptual plans for each of the Centers, will be forthcoming in future and ongoing planning efforts, and will provide further guidance to the community and to potential developers.

In support of this effort for promoting and distinguishing the City’s main commercial corridor, the City Council authorized the renaming of portions of the 50/29 Corridor from Lee Highway to Fairfax Boulevard to support the efforts to establish a distinctive image and identity for this area within the Northern Virginia region. The City Council also continues to evaluate additional refinements to zoning and development codes, to address impediments to – and provide incentives for – corridor revitalization.

Downtown Redevelopment

Old Town Fairfax has long served as a major regional employment center due to the long-standing presence of Fairfax County government facilities, especially the courthouse. Despite the continued presence of County court facilities, the City Government and the nearby location of George Mason University, Old Town Fairfax has retained the character of its small town roots amidst the surroundings of a rapidly growing suburban area. Despite the persistence of buildings and the scale of development indicative of Fairfax’s past, Old Town Fairfax has some flaws that many in the community have wanted to address. Among these flaws are a limited selection of retail shopping opportunities, the high visibility of surface parking lots and the presence of buildings that do not contribute to the character that distinguishes Old Town’s core from the rest of the Central Fairfax area.

Recent efforts to improve the appearance and performance of Old Town have focused on two significant redevelopment projects: the mixed-use Old Town Village development and the construction of a new City of Fairfax Regional Library at North Street and Old Lee Highway.

While not wanting to compromise the essential character of Old Town, Old Town Village (currently marketed by the developer as Old Town Plaza), presented an opportunity to strategically add complementary mixed-use buildings that extend the feel of the core area of Old Town. Furthermore, Old Town Village debuted a style of development that features an integrated parking deck on the interior of the building site – providing ample parking, but out of sight of the nearby streetscape. This is a model of development that would be appropriate in other City locations seeking to maximize the traditional character of new development. The Old Town Village development consists of restaurants, retail shops, and office space; construction was completed in 2007.

The Library, a 50,000-square foot traditionally-styled brick building with an integrated parking garage, is a civic focal point of the City, adding vitality and visitors to the Old Town area. This building, completed in 2008, includes not only traditional library resources but also significant meeting and conference facilities, further adding to the potential draw for patrons of nearby Old Town stores and restaurants.

Additional refinement of the vision for the City’s downtown will be provided by two nearby projects. One is the
residential townhouse development known as Madison Mews, constructed on two acres at the southeast corner of Chain Bridge Road and Whitehead Street. This development, which includes 26 townhouses, began construction in 2011, and will add a residential component immediately adjacent to Old Town Village.

Through the implementation of these economic development initiatives, the City will realize an expanded tax base, enhanced by attractive development in the context of “small town” community, while capitalizing on the advantages of co-location with a major university.

**Opportunities for High Performance**

Based in a central location of a rapidly growing region with high levels of retail sales, strong office occupancy and the tax receipts that accompany such activities, the future of Fairfax’s economy is in a very desirable position. Furthermore, entrepreneurship in the City is strong, with the high rates of small business creation a major factor in Forbes magazine's ranking of Fairfax as number 3 on its list of the country’s top 25 places to live well. However, to ensure that the local economy remains strong and performs to its highest potential, proactive measures are required. Perhaps most important is that the City works to maintain a balance between different sectors of its economy, avoiding relying too much upon retail, or any other economic sector. Additionally, retail and restaurant uses should ideally represent a balanced mix of offerings, seeking to take advantage of any gaps in the regional marketplace to ensure that City residents have the broadest possible range of shopping and dining options within the City itself.

The City’s economy should be based upon a mix of retail and office with an increasing emphasis on activities that take advantage of the proximity of GMU. Areas such as biotechnology, information technology, and professional services should develop as a means of taking advantage of the emerging economic opportunities that a location near a large university creates. Ideally GMU should create some formal mechanism for spinning off university research and expertise into entrepreneurial activities.
The City’s economy should benefit in related areas outside the dynamics of office space, sales tax receipts and employment. A strong economy that remains contemporary would create a desire for housing in the City for workers wanting to be near both their jobs and the City’s convenient shopping. Such demand will especially assist the ongoing efforts to modernize the City’s aging housing stock. Importantly, the strengthening of the local housing stock should reinforce the local retail economy, creating a synergy that mutually advances the City.

Other opportunities for long-term strengthening of the local economy should include properly locating new retail to maximize the effects of proximity to new office development. This should be done in order to create convenience for office workers, ensure beneficial mixes and concentrations of uses such as currently exist in the City and reduce travel along the City’s already busy commercial corridors.

Several impediments exist that may slow down attempts to extract the highest performance from the City Corridor. Perhaps the foremost obstacle, and one that is by no means unique to the City, is the local traffic situation. Should it become difficult to access the City’s main commercial areas from elsewhere in the region, the geographic reach of the City’s economy could be diminished, relegating the City to the less desirable role of serving only the needs of local residents. Clearly, this outcome would be detrimental to the long-range plans for the City to emerge as a regional economic force. To help address this issue, the City has made significant investments to address known traffic bottlenecks; these include recent improvements to the Kamp Washington and Pickett Road/Main Street intersections, and along Jermantown Road.

Other potential impediments to the economic advancement of the City include a large number of outdated retail buildings and centers, a lack of tourist traffic in Old Town, and the reliance of most City residents upon motorized transportation for conducting their daily business. Some of these impediments can have relatively simple remedies. For example, outdated commercial buildings can be made to appear more modern and welcoming with straightforward renovations such as updated facades, landscaping, signage or better vehicle and pedestrian circulation. Such improvements can greatly benefit both the City and property owners by increasing commercial properties’ desirability and competitiveness at a reasonable cost and effort.
Aerial view of Chain Bridge Road and Fairfax Boulevard.

Map ECO-4
Northfax, 2011

Aerial view of Fairfax Circle.

Map ECO-5
Fairfax Circle, 2011
The Economy—Goal, Objectives & Strategies

Goal: Cultivate a diverse economy within the City that capitalizes on the City’s assets, enhances its small-town character, and expands and strengthens the City’s tax base.

Objective EC-1 Provide entrepreneurial leadership to stimulate a climate of businesses complementary to the economic, residential and aesthetic interests of the City.

Strategies

EC-1.1 Encourage the establishment of business sectors that are desirable and appropriate and that are currently underrepresented in the City.

A diversified economy is generally able to weather economic downturns and is viewed as being more stable than an economy heavily concentrated in one or two sectors. Although it is reasonably diversified, the City’s economy would benefit from less dependence on heavily represented sectors.

This strategy should be accomplished, in large part, through the consolidation and redevelopment of existing commercial parcels that are under-utilized or contain obsolete forms of development (deteriorating structures, insufficient parking, outdated architecture and deficient site areas). These consolidated redevelopment parcels would most appropriately be developed as small to medium-sized office uses or as enhanced retail areas.

Also appropriate in various commercial areas of the City are businesses in emerging industries, such as technology service providers, environmental services companies, or certain retail merchants. Due to the rapidly changing nature of some of these industries, the City should seek to accommodate these types of uses as they develop, thereby helping to ensure a balanced and leading-edge economic base. While certain segments of this business group are easily accommodated within existing buildings on available sites, some emerging industries or market sectors may have space or development needs that differ from those of existing City businesses. The City’s development and zoning regulations should be examined and amended, if necessary, to support the policy of encouraging the location of emerging technology-related uses within commercial areas of the City.

The City is geographically well-situated within the region with respect to its proximity to GMU, Washington, D.C., both Dulles and Reagan Airports, and other points of regional, national and international interest. The CUE Bus system, Metrorail, and I-66 provide convenient access to these points. As a result, opportunity exists to enhance the tourism segment of the City’s economy, particularly with the location of additional hotels, conference facilities, retail establishments, and quality restaurants. These uses are particularly appropriate along the Fairfax Boulevard corridor and within Old Town Fairfax.

The implementation of this strategy will depend upon the extent to which the City can provide the appropriate business climate. This involves evaluating the current package of economic incentives offered by the City and refining those incentives to support the most effective program possible. The objectives and strategies detailed below provide further recommendations for business development, recruitment and retention.

EC-1.2 Update the Community Appearance Plan to improve the appearance of public properties and rights-of-way.

As stated in the Community Appearance chapter of this Plan, the City should update its Community Appearance Plan, which was last revised in 1994; public improvements should reflect the values of this updated appearance plan. A quality environment provides the setting for quality development. Investment in aesthetics by the public sector often acts as a catalyst for private aesthetic improvements, and recent public construction and renovations in the City (Sherwood Community Center, Police Station, new school construction, etc.) convey an image that the City would like to see replicated in private sector construction as well. If quality redevelopment is to be achieved,
particularly along the City’s commercial corridors, public investment in aesthetic improvements should be initiated as funding becomes available. Grants and community investment should be examined as possible sources to provide or supplement these improvements.

**EC-1.3 Create recreational, cultural, aesthetic, shopping and other leisure-time amenities to attract workers and visitors as well as residents.**

Arts and cultural events are heavily linked to economic development due to their ability to attract visitors – both for the events themselves and also to establish the City in people’s minds as a first-class destination for regional trips and shopping excursions. Activities such as public concerts, sidewalk art shows and nature walks sponsored by private and public groups should be considered to add interest to commercial areas of the City and enhance the desirability and uniqueness of the City’s retail environment. Details of such events held and planned by the City may be found in the Cultural Resources chapter of this Plan.

**EC-1.4 Transform the Fairfax Boulevard Corridor into a business boulevard that is distinctive within the region for its superior urban design quality and business environment.**

A master planning process was conducted to create a vision and framework for the future of the Fairfax Boulevard Corridor. This process, known as the Fairfax Boulevard Master Plan, created a multifaceted set of recommendations that are essential to enhancing the Corridor’s physical and economic environment.

Many of these strategies, central to which is the creation of an overall atmosphere that encourages and directly facilitates appropriate development and revitalization along the Corridor, have been detailed in a four-page summary of the master planning process that is intended to condense the major points of a very detailed process into an easy-to-understand format. This summary features a conceptual illustration of a future development scenario, as well as a listing of “Big Moves” of major focus areas and several points of an anticipated implementation strategy. Details of this planning strategy can be found in the Land Use chapter of this Plan.

This strategy envisions a mixture of complementary land uses along the Corridor’s “centers” and “connectors,” with integrated mixed-use developments viewed as viable and desirable uses within “centers,” thereby developing an enhanced retail presence. Open space segments that exist throughout the Corridor should be retained and enhanced, as they contribute greatly to the character of the area.

Among the highlights of the Fairfax Boulevard strategy is that new residential development is appropriate within the Corridor under certain circumstances to address strategic land use objectives; however, as the Corridor is the City’s “economic engine,” the establishment of new residential uses should be examined on a case-by-case basis to support the creation of high-quality, mixed-use business centers.

Critical to the success of this effort will be the City’s ability to refine, communicate, and implement a vision for the Corridor that will create a distinctive place within the region. The City Council’s authorization to change the name of a substantial portion of Route 50/29 to “Fairfax Boulevard” was a significant first step toward establishing a separate identity for this area. Future development and public and private improvements should be guided by the principles stated in the Fairfax Boulevard Master Plan to ensure a consistent appearance and appropriate quality.

From the perspective of the City’s regulatory processes, efforts should be made to reduce the reliance upon discretionary land use approvals, as this introduces a high degree of uncertainty into the process, takes a substantial amount of time to navigate the process, and ultimately serves as a disincentive to investment and revitalization. Rather, the City’s expectations should be clearly defined in a planning process such as that discussed above.

As the development of the Fairfax Boulevard Master Plan has helped to refine the City’s vision of this corridor, it should result in changes to the development regulations that control the layout of buildings and sites, such as building height, floor-area ratio, minimum and maximum setbacks, and angle of bulk plane.

Finally, efforts should continue to improve traffic flow and circulation within the Corridor. The City’s CUE Bus service should be evaluated for the desirability and feasibility of a loop route within the Corridor, as well as direct routes between the Vienna/Fairfax Metro station and the Corridor’s centers as they redevelop. Traffic flow should continue to be optimized by evaluating and implementing, where appropriate, improvements such as consolidation of entrances, requirements for interparcel connections, reconsideration of existing service drives, intersection improvements, and sequencing of traffic signals.
**EC-1.5 Reinforce Old Town Fairfax as an economic and cultural focal point.**

Old Town Fairfax is the historic and cultural core of the City. Composed of an historic commercial core and a surrounding Transition District, Old Town Fairfax is the City’s oldest commercial center. Retail businesses and restaurants are appropriate for first floor spaces of many existing Old Town office buildings and should be prominently located in future Old Town development. Among the desired retail businesses are specialty shops including antique shops, gift shops, craft shops, specialty food establishments, and restaurants for formal and casual dining. Cultural activities such as art exhibits, theater performances and other special events should also be held in the Old Town area after business hours.

In addition to capturing university-oriented business, a more intense local market within walking distance of Old Town must be cultivated to assure continuous activity – especially during evenings and weekends. The establishment of additional residential uses near, and to a limited extent within Old Town will help develop this market. Extended pedestrian improvements such as brick sidewalks and crosswalks can serve as identifying features linking the historic downtown with the surrounding Transition District, and decorative gas lights and the undergrounding of utility lines will emphasize and improve the distinctive character of Old Town.

Future economic development in the historic commercial core will emphasize the placement of a critical mass of appropriately scaled retail, restaurant and residential uses that will reinforce the existing businesses and create new customers. This has been accomplished in part with the redevelopment of the Old Town Village site, and the goals will project forward to other potential redevelopment.

Within the Transition District, economic development efforts will focus on the establishment of uses that complement the historic core and contribute to the “Old Town” concept. Quality restaurant, retail, and residential uses are preferred land uses in the Transition District. Conversely, automobile-oriented uses such as gas stations and restaurants with drive-through facilities should be discouraged in this area. The physical environment should also reinforce the “Old Town” concept through development that is complementary in scale and character while emphasizing pedestrian access between the historic core and the Transition District.

Keeping the above qualities in mind, future Old Town redevelopment will need to offer parking and signage sufficient to make the new structures convenient and easily accessible to potential patrons. The redevelopment of the Main Street Marketplace has been critical to providing a more appropriate entrance to the historic area, and future redevelopment can use many of the same features to accentuate the connection with the historic core.

These features, together with continuous street-level retail and personal/professional service shops in the core area, will help draw shoppers to Old Town Fairfax. With well-advertised, relatively uniform business hours (including evenings), businesses should flourish in this refined atmosphere if pedestrians can be given safer, more convenient access to their downtown destinations. In conjunction with an overall program to enhance the vitality of Old Town, means of diverting traffic around the core area and improving traffic management should be identified and implemented.

**Objective EC-2 Maximize economic development opportunities created by the proximity of George Mason University (GMU).**

**Strategies**

**EC-2.1 Facilitate enhanced land use and transportation between GMU and adjacent portions of the City.**

Through land use planning and cooperation with Fairfax County and GMU, the City should ensure that commercial redevelopment in the City adjacent to GMU (particularly along School Street) capitalizes on the market created by the University and is accomplished in a manner sensitive to the nearby residential areas. The recent completion of George Mason Boulevard improves access to the University and the School Street area to support this redevelopment. Any such development should also incorporate an enhanced pedestrian/bicycle trail system that is safe, attractive, and convenient for City residents and University students, staff and faculty. The development of an enhanced trail system will help to make businesses located in Old Town Fairfax more accessible to the University market.
The Economy

EC-2.2 Make the City of Fairfax a positive element in the GMU experience and campus environment.

The ongoing expansion of enrollment and residential living at GMU presents an opportunity for the expansion of the local economy as well. Using well-planned additions of retail space, pedestrian amenities and cultural facilities, Old Town Fairfax can capture the spending power of local college students and staff while enhancing the environment that City residents already enjoy. Emphasis should be placed on mixed-use centers, while attracting retailers that will add to the entertainment, dining and shopping options for both City residents and GMU students and staff.

Objective EC-3 Initiate and refine programs and policies that support high occupancy rates of office space in the City

Strategies

EC-3.1 Develop a strong base of office uses.

The substantial redevelopment envisioned in the Land Use Plan will provide opportunities for large office users to locate within the City. A greater amount of larger Class A office space will strengthen the City’s office market by diversifying office stock that is now dominated by smaller, Class B space. The City has been successful in developing a niche in the regional office market that is defined by small business. Because the majority of existing office space in the City is composed of relatively small spaces, a variety of small business and professional office uses must continue to be the focus of the recruitment effort.

EC-3.2 Maintain a proactive approach to filling vacant office space.

The City has established an aggressive economic outreach program to pursue new users for City office space. Efforts such as these are necessary to ensure that the City remains competitive in the regional office market.

EC-3.3 Support a strong business retention program.

A business retention program assists existing City businesses with problems. A significant part of this program is assistance provided by the Economic Development Office in facilitating communication between businesses and the City government. The Office also encourages the Economic Development Authority and the Small Business Development Center to assist existing or potential City businesses through activities such as training and education classes for small business entrepreneurs.

Objective EC-4 Improve tourism services and increase the number and quality of City attractions

Strategies

EC-4.1 Improve the coordination of City services with George Mason University.

Tourism services increase City tax revenues and provide customers for existing businesses. Tourism in the City would be enhanced through coordination of the many events that occur at George Mason University (cultural, athletic, educational and conference), with City businesses such as restaurants, lodging and shopping.

EC-4.2 Establish new City events and expand existing events to encourage overnight stays.

Most City events are either one-day events or of predominantly regional interest, so that few visitors stay overnight. These City events should be evaluated for expansion to two or more days, or repackaged to offer activities that entice visitors from outside of the region. In addition, new events should be added which appeal to a wide variety of interests. To support these events, additional bed and breakfast and limited hotel lodging should be actively encouraged.

Objective EC-5 Increase the City’s economic status in the Metropolitan Washington region

Strategies

EC-5.1 Define and enhance the City’s role as the core of the Central Fairfax market area.

The City should continue to establish itself as a unique place for business and tourism in the heart of Central Fairfax. Within the context of the larger regional economy, the City should contribute substantially to the economic status of Central Fairfax, sharing opportunities and constraints for increasing regional market share with nearby Fairfax Center and Fair Lakes.

The implementation of the strategies described above will result in an enhanced business boulevard on Fairfax Boulevard, as well as development of specific policies to support the redevelopment necessary to elevate the City’s economic position within the greater Washington region.
EC-5.2 Continue to maintain low tax rates and superior services.

The City’s combination of low property tax rates and excellent services and responsiveness creates an attractive selling point to both individuals and businesses seeking to locate in Northern Virginia. The City should continue to pursue policies that support these qualities, which combined, offer a competitive advantage over other locales in the region.

EC-5.3 Continue to support regional marketing organizations.

The City should continue to support and participate in regional organizations (such as the Greater Washington Initiative and the Northern Virginia Economic Development Coalition) to coordinate sales promotions, recruit complementary retailers, advocate for public improvements and sustain efforts to improve the retail area.

EC-5.4 Develop the unique identities of the City’s major commercial areas.

The City should encourage policies and guidelines that create distinguishable characteristics for major commercial areas, such as the three Fairfax Boulevard Centers (Kamp Washington, Northfax and Fairfax Circle), and the Pickett Road/Main Street area. By creating a unique identity for each of its commercial areas, the City will help to distinguish itself from nearby competitive areas throughout Metropolitan Washington.