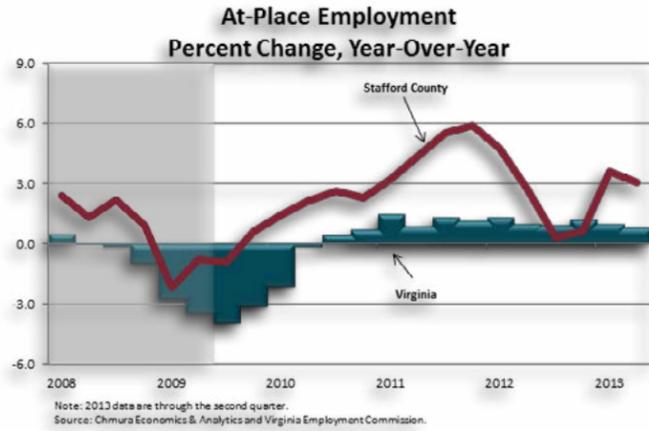
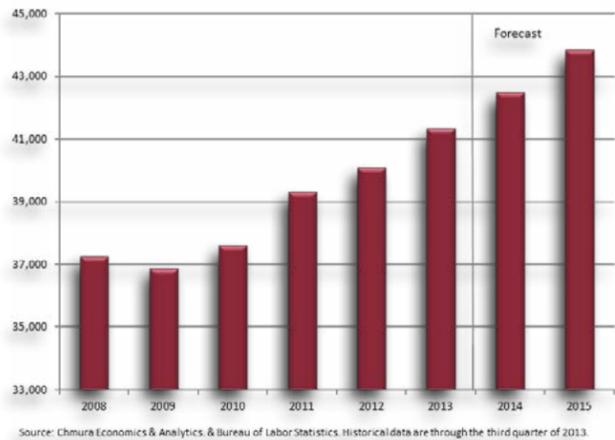


EMPLOYMENT GROWTH



From 2008 to 2013, Stafford County averaged 2.4% annualized job growth, the **11th highest** growth rate among the 134 counties and independent cities in Virginia. From the beginning of the recovery in the third quarter of 2009 to the second quarter of 2013, employment increased by 12.3% in Stafford County compared with a 3.8% expansion statewide. As of the second quarter of 2013, employment in Stafford County had **expanded for 15 consecutive quarters** compared with 12 quarters of year-over-year growth statewide. (Note: shaded areas in the charts represent the periods of recession; the last recession began in December 2007 and ended in June 2009.)

TOTAL EMPLOYMENT IN STAFFORD COUNTY



Employment growth for 2014 and 2015 is forecasted to remain healthy. The number of jobs in Stafford County grew from 38,066 in 2012 to 39,322 in 2013. Employment is projected to climb by 2.9% in Stafford County in 2014 and by 3.3% in 2015, totaling 41,820 jobs. By comparison, the Northern Virginia metropolitan area is also expected to see job growth (+1.2% in 2014 and +1.6% in 2015), though not as fast.

AT PLACE EMPLOYMENT

Annualized Growth	2008 to 2013		2013 to 2023 (Projected)
	Stafford County	Virginia	Stafford County
Construction & Mining	-5.3%	-4.4%	4.9%
Manufacturing	0.6%	-2.4%	2.7%
Wholesale Trade	-5.9%	-1.4%	3.5%
Retail Trade	3.7%	-0.5%	3.5%
Transportation, Warehousing, & Utilities	7.0%	-0.9%	3.3%
Information	-0.8%	-4.2%	3.3%
Finance, Insurance, and Real Estate	0.4%	-0.1%	3.5%
Professional & Business Services	1.5%	0.6%	4.8%
Education & Health	4.2%	1.6%	3.9%
Leisure	1.7%	0.8%	3.6%
Other Services	0.5%	-0.1%	3.9%
Government	8.9%	1.2%	2.9%
Total Nonfarm Employment	2.1%	-0.1%	3.8%

Source: Chmura Economics & Analytics and the Bureau of Labor Statistics

From 2008 to 2013, employment growth was stronger in Stafford County than the state in ten of the twelve major sectors. The high-wage professional and business services sector continues to expand, averaging 1.5% annualized growth over the last five years compared with 0.6% growth in Virginia. Stafford County's growth in this sector was particularly strong in two industries: management, scientific, and technical consulting services, in which employment grew from 451 to 657 for 8.7% annualized growth, **9th best** among independent counties and cities in Virginia with at least 300 jobs in this industry. Other professional, scientific, and technical services, jobs grew from 288 to 375 for 6.0% annualized growth, **4th best in Virginia** among localities with employment of at least 300 in this industry.

From 2008 to 2013, Stafford County added 3,792 jobs. The largest gain by sector was posted in government, which added 1,640 jobs; the government sector includes employees of federal, state, and local government agencies that administer, oversee, and manage public programs, but it does not include some government services which are classified within other industries including schools, hospitals, and public transportation. The next-largest gains occurred in education and health services (+1,561 jobs); retail trade (+774); transportation, warehousing, and utilities (+328); leisure (+318); and professional and business services (+316).

From 2013 to 2023, employment in the County is projected to grow at an annualized rate of 3.8%. The professional and business services sector is expected to grow at an impressive 4.8% annualized rate, representing the addition of more than 2,500 high-paying jobs to Stafford County.

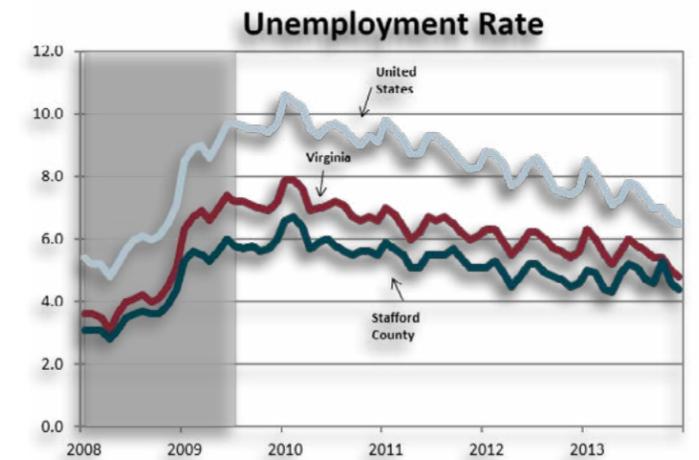
SOME OF STAFFORD'S MAJOR EMPLOYERS

Company	Employment:
GEICO	4,000+
Federal Bureau of Investigation	2,500+
Wal-Mart Associates	750+
Stafford Hospital Center	500+
McLane Mid Atlantic Inc.	500+
Intuit	300+
Hilldrup Moving and Storage	200+
Manheim Fredericksburg Auto Auction	200+
QinetiQ	150+
ManTech	150+

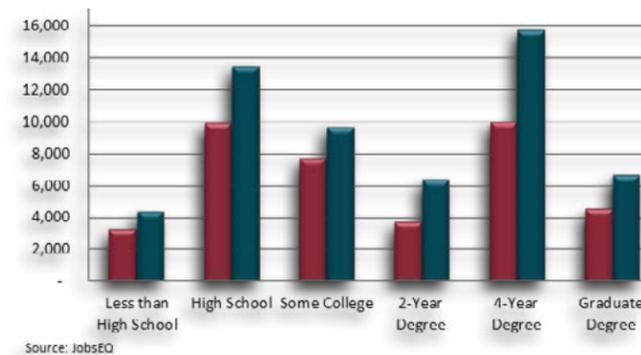
As of the third quarter of 2013, the largest private sector employer in Stafford County was still GEICO with approximately 4,000 employees, accounting for about 10% of the county's employment. The Federal Bureau of Investigation employs over 2,500 in the county; other top employers include Stafford Hospital, McLane Mid Atlantic, and Greencore each employing over 500 employees. High-tech firms such as Intuit, QinetiQ, and ManTech are among other top employers in Stafford County. The high-technology industry generally creates jobs with wages that are much higher than average; employment in the industry is also expected to grow faster compared to non-high-tech industries.

UNEMPLOYMENT RATE

Stafford County has a vibrant workforce with a high labor force participation rate. As of April 2014, the unemployment rate (not seasonally adjusted) in Stafford County was 4.4%, lower than the unemployment rate in more than three-quarters of Virginia's 134 counties and independent cities. Virginia's unemployment rate was 0.3 percentage points higher at 4.7% while the national unemployment rate was 6.3%. Stafford County's unemployment rate peaked in February of 2010 at 6.7%, higher than it had been in the past two decades. Stafford County's six-month moving average of initial unemployment claims peaked in April 2009 and has trended downward since, dropping by almost 25% by January 2014, an indicator of improvement in Stafford County's labor market.

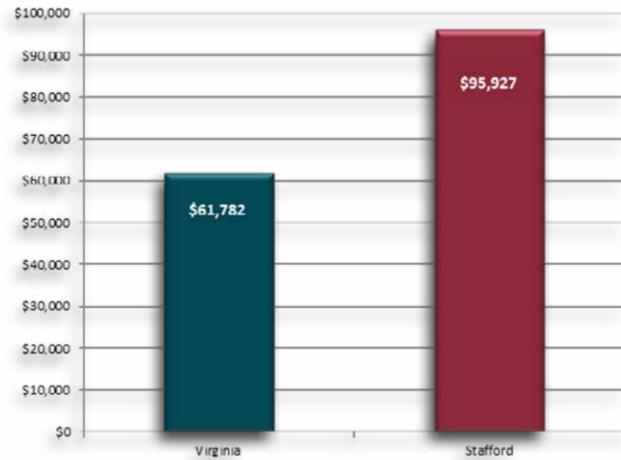


EDUCATED WORKFORCE



Stafford County's highly educated workforce comprises residents as well as commuters from outside the county. In 2013, an estimated 46.6% of Stafford County's at-place workers had a 2-year College degree or higher—above-average in Virginia where 43.7% of workers have this level of education. Stafford County's workforce is projected to become more educated. By 2023, the number of workers with a graduate degree is forecasted to expand 47% in Stafford County. In addition, the number of workers with highest educational attainment of a 2-year degree and a 4-year degree is projected to grow 72% and 59%, respectively.

MEDIAN HOUSEHOLD INCOME 2012



Median household income in Stafford County in 2012 was estimated at \$95,927 (*Census Small Area Income and Poverty Estimates data*), the **5th highest** household income among Virginia's counties and independent cities. This compares to an average \$61,782 household income in Virginia. Wages earned at businesses in Stafford County have experienced tremendous growth, expanding an annualized average 4.4% from 2003 to 2013, the **3rd fastest growth** rate among the state's counties and independent cities. Average annual wages earned by employees at establishments in Stafford County reached an estimated \$47,020 in the 2nd quarter of 2013, up by 0.9% from a year earlier.

ECONOMIC DEVELOPMENT AUTHORITY

2014 ANNUAL REPORT

LETTER FROM THE CHAIRMAN

Stafford County's commitment to provide a strong pro-business environment continues to yield positive returns, resulting in new business attractions and existing business expansion. The Stafford County Board of Supervisors and the Economic Development Authority continue to execute the Economic Development 10 Point Plan. Successful implementation of this focused strategy has created a new sense of enthusiasm and optimism throughout the business community.

The recently announced extension of dark fiber from Northern Virginia to Stafford County is the 21st Century equivalent to the Interstate highway system in the 1960's. Dark fiber brings new powerful business and technology service capabilities to Stafford. Fiber will enhance the County's Technology and Research Center, jump starting our Data Center attraction efforts; and will well serve the 13 acres the Board acquired adjacent to Quantico Corporate Center to live our Tech Park vision. Dark fiber utilizes dedicated strands of fiber to provide unparalleled security. The new infrastructure enhances Stafford's competitive edge in attracting cyber security, defense, and IT firms.

A new 10,000sf terminal opened at Stafford Regional Airport on January 25, 2014. The building includes a new waiting area, pilot's lounge, conference space, and offices for new tenants. Corporate hangar space expansion interest is growing and the Instrument Landing System is now again fully operational.

The quest to bring new retail names and brands to Stafford delivered these stores in 2013 and 2014: Chipotle, Panera Bread, Walgreens, Goodyear Tire, Wawa, Merchant Tire, Dunkin Donuts, Marriott and more.

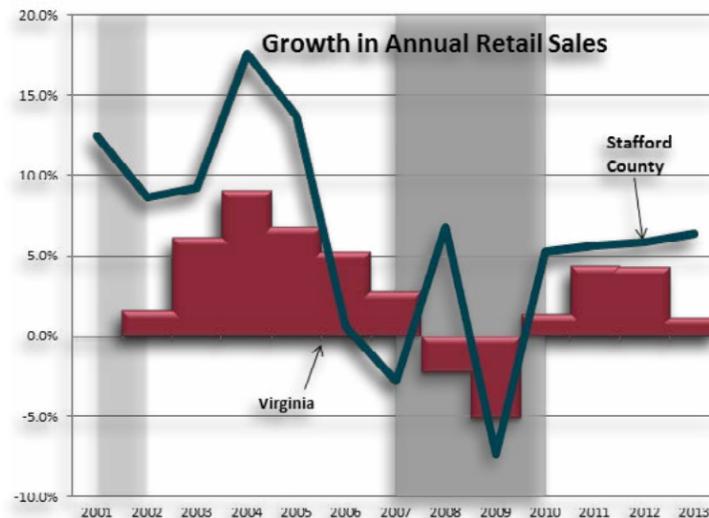
Meeting with our Existing Businesses builds upfront relationships with business leaders who are working and hiring in our community. Business development efforts yielded over 100 direct meetings in 2013. These efforts link Stafford's existing businesses to local, state, and national resources, information, and business services. These meetings frequently identify key business concerns for the County. Developers and engineers collaborate with our Development Ombudsman on commercial projects to streamline the development process for their clients. New business growth in our four Redevelopment Areas brings a new mix of commercial development and revitalization.

Our 350th year reminds us of our proud heritage, and confirms our community's strength and resilience. The EDA's goal is to expand our exceptional economic development reputation and guide Stafford's 21st Century business readiness. In business today, and in the future, your reputation remains the foundation of your success or failure. George Washington said it best – "Associate with men of good quality if you esteem your own reputation; for it is better to be alone than in bad company."

Don Newlin, Chairman
Stafford County Economic Development Authority

CONSUMER SPENDING

Annual retail sales grew by 6.3% in Stafford County in 2013 while increasing in Virginia at a much slower 1.2% pace. Over the past ten years (2003 to 2013), retail sales averaged 4.9% annualized growth in Stafford County; Stafford County ranks in the **top 6th in annualized retail sales growth** among the state's 134 counties and independent cities. Retail sales advanced an average annual 2.7% in Virginia over the same period. Retail sales in Stafford County are expected to expand at a healthy pace in both 2014 and 2015. The six-month moving average of single-family building permits in Stafford County was at an all time low in April 2009 and has since expanded 279% as of December 2013.



REDEVELOPMENT



The Stafford County Board of Supervisors adopted the Master Redevelopment Plan in 2011. The Plan, approved as a component of the County's Comprehensive Plan, identifies four key areas (Boswell's Corner, Southern Gateway, Falmouth Village, and Courthouse) each offering unique opportunities for development. Several national firms have undertaken construction projects in these areas in recent years and the County supports the redevelopment efforts through greater flexibility and quicker approval times for projects locating in any of the designated areas. Since adoption of the Plan, implementation of the Plan's recommendations has progressed with major infrastructure projects, including Boswell's Corner: \$890,000 preliminary engineering

of improvements to US-1, \$4 million intersection reconstruction project at US-1/Telegraph Road, \$1 billion HOT (high-occupancy toll) lanes construction connecting Stafford County to the Washington Beltway; Courthouse Area: \$184 million I-95/Courthouse Road interchange reconstruction project; Southern Gateway: \$49 Million US-17 widening project underway; Falmouth Village: \$25 million intersection reconstruction project at US-1/US-17.

BUSINESS GROWTH

From 2008 to 2013, Stafford County averaged 0.7% annualized growth in its number of businesses. This growth was faster than the 0.5% pace of growth in Virginia over the same period. Stafford County's growth rate was **9th highest** among counties and independent cities in Virginia with more than 2,000 establishments. The number of establishments in Stafford County stood at 2,330 in 2013, a 0.1% increase from 2012, while the number of establishments in Virginia fell by 0.6%.

