Economic Development Authority

Mission

To encourage and facilitate business and capital attraction, retention and development in all of the business markets throughout Fairfax County in order to expand the County's nonresidential tax base.

Focus

The Fairfax County Economic Development Authority (FCEDA) is an independent authority legally created by an act of the Virginia General Assembly dated 1964, as amended. The Fairfax County Board of Supervisors appoints the seven members of the FCEDA's Commission, which in turn, appoints the FCEDA's president. The Board of Supervisors appropriates funds annually to the FCEDA for operating expenses incurred in carrying out its mission.

The FCEDA provides direct assistance to businesses that intend to establish or expand their operations in Fairfax County. It supplies companies with a wide range of information, site location assistance, introductions to needed services and financing sources, and more. The Authority closely tracks the County's office and industrial/hybrid (flex) real estate markets to provide new and expanding firms with commercial space options best suited to their needs.

The County's office space inventory topped 113.2 million square feet at year-end 2010, an increase of 635,133 square feet to the office space inventory from year-end 2009. The countywide flex space inventory increased from 38.7 million square feet at year-end 2009 to 38.8 million square feet at the close of 2010.

The overall office vacancy rate (including sublet space) decreased to 15.3 percent at the close of 2010, down from 16.4 percent at year-end 2009. The direct office vacancy rate decreased as well, from 13.9 percent at year-end 2009 to 13.3 percent at the end of 2010.

Vacancy rates were up across the board in the flex market at the close of 2010. The direct flex vacancy rate rose from 12.3 percent at year-end 2009 to 12.9 percent at year-end 2010. The overall flex vacancy rate climbed from 13.8 percent at year-end 2009 to 13.9 percent at the close of 2010.

Lease rates stabilized countywide during 2010. The larger office markets experienced increases in lease rates for higher-end office properties. The incentives that landlords offered tenants during the last half of 2009 and the first half of 2010 were not as prevalent during the last half of the year. Packages were still available but only to larger tenants or tenants willing to sign long-term lease agreements. No new speculative developments broke ground during the last half of 2010.

In 2011, the trend seems to be leaning towards cautious optimism. Demand for office space hit an all-time high in 2010 with absorption topping 13.5 million square feet. The vacancy rate, which has climbed over the past four years, declined in 2010. Signs seem to indicate that the vacancy rate will continue to decrease through 2011. Distressed commercial office sales were minimal through 2010 and cash-rich investors are poised to take advantage of a new round of commercial investment in 2011 if the increased sales activity in 2010 is any indication. Some new speculative office space may be developed during the second half of this year – possibly as early as September – as developers have positioned a number of properties to break ground as demand increases.

Budget and Staff Resources

Agency Summary					
Category	FY 2010 Actual	FY 2011 Adopted Budget Plan	FY 2011 Revised Budget Plan	FY 2012 Advertised Budget Plan	FY 2012 Adopted Budget Plan
Authorized Positions/Staff Years					
Exempt	34 / 34	34 / 34	34 / 34	34 / 34	34 / 34
Expenditures:					
Personnel Services	$2,979,502	$3,137,414	$3,137,414	$3,137,414	$3,137,414
Operating Expenses	3,812,912	3,658,092	3,658,092	3,908,092	3,908,092
Capital Equipment	5,088	0	0	0	0
Total Expenditures	$6,797,502	$6,795,506	$6,795,506	$7,045,506	$7,045,506

Position Summary					
1	President/CEO	1	Director of Administration	1	Business Development Mgr. II
3	Vice Presidents	1	Market Researcher IV	1	Business Development Mgr. I
1	Director of National Marketing	1	Market Researcher III	1	Associate Business Devel. Mgr.
1	Director of International Marketing	2	Market Researchers II	1	Production/Graphics Mgr.
1	Director, Market Research/Real Estate	1	Market Researcher I	1	Procurement Manager
1	Director, Small/Minority Business	1	Communications Manager	1	Executive Admin. Assistant
1	Business Development Manager V	1	Information Systems Mgr.	1	Admin. Assistant, International
6	Business Development Managers IV	1	Business Resources Mgr.	1	Admin. Assistant, National
1	Business Development Manager III			1	Public Information Assistant
TOTAL POSITIONS 34 Positions / 34.0 Staff Years (All Exempt)					

FY 2012 Funding Adjustments

The following funding adjustments from the FY 2011 Adopted Budget Plan are necessary to support the FY 2012 program. Included are all adjustments recommended by the County Executive that were approved by the Board of Supervisors, as well as any additional Board of Supervisors' actions, as approved in the adoption of the budget on April 26, 2011.

- **Employee Compensation** **$0**
  It should be noted that no funding is included for pay for performance or market rate adjustments in FY 2012.

- **Advertising** **$250,000**
  Funding of $250,000 is included to support an increase of 17.3 percent in EDA's advertising program. During difficult economic conditions, providing additional funding for advertising provides Fairfax County with a significant advantage in strong markets against competitor economic development organizations.

- **Reductions** **$0**
  It should be noted that no reductions to balance the FY 2012 budget are included in this agency based on the limited ability to generate additional personnel savings.

Changes to FY 2011 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2011 Revised Budget Plan since passage of the FY 2011 Adopted Budget Plan. Included are all adjustments made as part of the FY 2010 Carryover Review, FY 2011 Third Quarter Review, and all other approved changes through April 12, 2011:

- There have been no revisions to this agency since approval of the FY 2011 Adopted Budget Plan.

Goal

To foster and promote the governmental, social, educational and environmental infrastructure to make Fairfax County a world-class, 21st Century business center and the global capital of the knowledge industry.

Objectives

- To create 5,900 new jobs in FY 2012.
- To attract 1.0 percent of the total venture capital deals in the United States to Fairfax County businesses in FY 2012.
- To attract a net gain of 10 foreign-owned businesses to Fairfax County in FY 2012.
- To attract a net gain of 20 minority-owned businesses to Fairfax County in FY 2012.

	Prior Year Actuals			Current Estimate	Future Estimate
Indicator	FY 2008 Actual	FY 2009 Actual	FY 2010 Estimate/Actual	FY 2011	FY 2012
Output:					
Business announcements	98	110	112 / 127	130	135
Efficiency:					
Cost per job attracted	$1,072	$1,534	$1,431 / $1,082	$1,288	$1,152
Outcome:					
Jobs created	6,199	4,309	4,750 / 6,283	5,750	5,900
Market share of venture capital deals	1.25%	1.17%	1.20% / 0.99%	1.10%	1.00%
Foreign-owned companies	362	355	365 / 366	376	386
Minority-owned companies	3,953	4,845	4,870 / 4,412	4,460	4,480

Performance Measurement Results

While there was an increase in jobs created and business announcements from FY 2009 to FY 2010, it is anticipated that economic growth will slow due to announced reductions in U.S. Defense Department procurements and the in-sourcing of federal projects away from the private sector. The percentage of the market share of venture capital funds in the United States that is projected to be attracted by Fairfax County businesses is an outcome measure that reflects the deals attracted in Fairfax County as a percentage of the total number of venture capital deals in the United States compared to a rolling four-year average.