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.

AGENCY DASHBOARD

Key Data	FY 2011	FY 2012	FY 2013
1. Office Space Vacancy Rate	15.6%	16.7%	16.7%
2. Office Space Inventory	113,624,952 sq. ft.	114,056,515 sq. ft.	114,771,222 sq. ft.
3. County Employment	577,554	586,701	590,407

Focus

The Fairfax County Economic Development Authority (FCEDA) was 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 its personnel and programs.

The Economic Development Authority supports the following County Vision Elements:

Creating a Culture of Engagement

Maintaining Healthy Economies

The FCEDA works to fill office space, thereby creating demand for the new construction that contributes to the real estate tax base and enables the Board of Supervisors to provide high quality public services while minimizing the burden of the costs for residents. To do so, the FCEDA provides direct assistance to businesses that are considering establishing or expanding their business 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 real estate markets to provide new and expanding firms with commercial space options best suited to their needs. The businesses are then fully informed to make the site decision that best suits their needs. All of the services of the FCEDA are provided without charge and in the strictest confidence.

The County's office space inventory topped 114.8 million square feet at year-end 2013, an increase of 714,707 square feet to the office space inventory over year-end 2012. Fairfax County is the second largest suburban office market in the United States and has 32 percent of the commercial office space in the

Commonwealth of Virginia. In the past three years, the real estate tax assessments have fluctuated in a range from 3.2 percent to 5.8 percent.

The direct office vacancy was 14.4 percent at the close of 2013, the same level that was experienced at year-end 2012. The overall office vacancy rate, which includes sublet space, was 16.7 percent at the end of 2013, which was consistent with year-end 2012. It was anticipated that FY 2013 year-end overall and direct rates would remain high due to the general economic conditions, and concerns about the federal budget.

New office development increased during 2013 around Metro stations in the Silver Line corridor and in southeastern Fairfax County near Fort Belvoir. New office deliveries topped 1 million square feet in ten buildings during 2013, up from 593,000 square feet of space delivered in 2012. At year-end 2013, eleven buildings totaling nearly 2.7 million square feet were under construction countywide. More than half of the new office space under construction is speculative development.

Office leasing activity hit a three year high reaching nearly 12.3 million square feet. As has been the case for the past three years, the overwhelming majority of leasing activity in 2013 involved renewals and consolidations. Demand for office space is expected to remain stable through 2014 even as new construction continues. Lease rates for new space are adjusting to market conditions as many tenants are taking advantage of favorable rates, and others are looking to capitalize on market conditions by consolidating operations in newer space near Metro. The Tysons Corner market is uniquely positioned to take advantage of this trend with more than 26 million square feet of new office space in the pipeline.

The FCEDA targets strong and comparable U.S. and global markets and industries to accelerate the process of business attraction. Some of these are new while others are more traditional. A primary objective continues to be the further diversification of the County's economic base, building on the recent successes in the government contractor sector, (e.g., the corporate headquarters of CSC, Northrop Grumman, SAIC and others), as well as those that are less dependent upon government contracting, (e.g., Cvent, Intelsat, Bechtel, Hilton Worldwide, Volkswagen North America and others).

Budget and Staff Resources

Category	FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2015 Advertised	FY 2015 Adopted
FUNDING					
Expenditures:					
Personnel Services	$3,323,142	$3,351,091	$3,379,991	$3,394,320	$3,427,831
Operating Expenses	3,870,451	3,908,092	3,908,092	3,910,592	3,908,092
Total Expenditures	$7,193,593	$7,259,183	$7,288,083	$7,304,912	$7,335,923
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Exempt	34 / 34	34 / 34	35 / 35	35 / 35	35 / 35

1	President/CEO	2	Business Development Mgrs. III	1	Business Resources Mgr.
3	Vice Presidents	2	Business Development Mgrs. II	1	Production/Graphics Mgr.
1	Director of National Marketing	1	Business Development Mgr. I	1	Procurement Mgr.
1	Director of International Marketing	1	Director of Administration	1	Executive Admin. Assistant
1	Director, Market Research	2	Market Researchers III	1	Admin. Assistant, International
1	Director, Small/Minority Business	1	Market Researcher II	1	Admin. Assistant, National
1	Director, Real Estate Services	1	Market Researcher I	1	Public Information Assistant
2	Business Development Mgrs. V	1	Communications Mgr.		
5	Business Development Mgrs. IV	1	IT Specialist		

TOTAL POSITIONS
35 Positions / 35.0 FTE (All Exempt)

FY 2015 Funding Adjustments

The following funding adjustments from the FY 2014 Adopted Budget Plan are necessary to support the FY 2015 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 29, 2014.

- **Employee Compensation** **$76,740**
  An increase of $76,740 in Personnel Services includes $43,229 for a 1.29 percent market rate adjustment (MRA) for all employees and $33,511 for a 1.00 percent salary increase for non-uniformed employees, both effective July 2014.

Changes to FY 2014 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2014 Revised Budget Plan since passage of the FY 2014 Adopted Budget Plan. Included are all adjustments made as part of the FY 2013 Carryover Review, FY 2014 Third Quarter Review, and all other approved changes through April 30, 2014.

- **Carryover Adjustments** **$28,900**
  As part of the *FY 2013 Carryover Review*, the Board of Supervisors approved funding of $28,900 in Personnel Services for a one-time compensation adjustment of $850 for merit employees paid in November 2013.

- **Cyber Security Position** **$0**
  As part of the *FY 2013 Carryover Review*, the Board of Supervisors approved 1/1.0 FTE position to attract companies working in the area of cyber security, and retain such companies in Fairfax County. EDA will absorb the cost associated with this position within their existing resources.

Key Performance Measures

Indicator	Prior Year Actuals FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate/Actual	Current Estimate FY 2014	Future Estimate FY 2015
Economic Development Authority					
Jobs created	8,765	9,038	8,500/9,027	6,000	5,500
Retention conversions	264	395	NA/313	210	230

A complete list of performance measures can be viewed at www.fairfaxcounty.gov/dmb/fy2015/adopted/pm/16.pdf

Performance Measurement Results

As forecast, the number of new jobs created in FY 2013 decreased from the number created in FY 2012 due to reductions in U.S. government procurements and the in-sourcing of federal projects away from the private sector. It is anticipated that this trend will continue over the next several years. As of July 2013, the FCEDA replaced the measurement of market share of venture capital deals, and the number of foreign and minority-owned firms with a new measure, Retention Conversions, the number of companies that were retained in the County. This measure more accurately reflects the impact of the tasks performed by the FCEDA.