

# 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	Year-End 2012	Year-End 2013	Year-End 2014
1. Total Office Space Leased	10,717,111 sq. ft.	12,280,230 sq. ft.	9,833,053 sq. ft.
2. Office Space Inventory	114,056,515 sq. ft.	114,771,222 sq. ft.	116,238,615 sq. ft.
3. County Employment <sup>1</sup>	590,490	586,818	577,345

(1) County Employment is calculated by averaging monthly employment data. It should be noted that Year-End 2014 reflects preliminary data.

## Focus

The Fairfax County Economic Development Authority (FCEDA) was created by an act of the Virginia General Assembly in 1964, and the Authority commemorated its 50<sup>th</sup> anniversary in 2014. The Fairfax County Board of Supervisors appoints the seven members of the FCEDA's Commission, which in turn, appoints the FCEDA's president and CEO. The Board of Supervisors appropriates funds annually to the FCEDA for its personnel and programs.

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 exceeded 116.2 million square feet at year-end 2014, an increase of approximately 1.5 million square feet over the office space inventory at year-end 2013. 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.

**The Economic Development Authority supports the following County Vision Elements:**



***Maintaining Healthy Economies***

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The direct office vacancy was 16.3 percent at year-end 2014, up from 14.4 percent at year-end 2013. The overall office vacancy rate, which includes empty sublet space, was 17.7 percent at year-end 2014, which increased from the 16.7 percent recorded at year-end 2013. The amount of empty office space topped 20 million square feet. Industry experts anticipate vacancy rates to remain high through 2015 due to sluggish economic conditions and concerns about the federal budget.

In 2014, office development continued around Metro stations in the Silver Line corridor and in southeastern Fairfax County near Fort Belvoir. New office deliveries exceeded 1.5 million square feet in eight buildings during 2014, compared with roughly 1 million square feet of space delivered in all of 2013. At year-end 2014, nine buildings totaling nearly 2.5 million square feet were under construction countywide. More than half of the new office space under construction is speculative development.

Office leasing activity topped 9.8 million square feet in 2014. As has been the case for the past three years, the overwhelming majority of leasing activity in 2014 involved renewals and consolidations. 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 stations. 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 development pipeline.

In addition to working to retain the existing business base, 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 a wide range of industry sectors (e.g., headquarters operations of Intelsat, Cvent, Bechtel, Hilton Worldwide and Volkswagen Group of America), as well as the traditional economic base in the government contractor sector, (e.g., the corporate headquarters of CSC, Northrop Grumman and SAIC). The County also has a strong base of small, minority-owned, woman-owned and veteran-owned businesses, and the FCEDA works closely to retain and attract companies in those sectors.

## Budget and Staff Resources

Category	FY 2014 Actual	FY 2015 Adopted	FY 2015 Revised	FY 2016 Advertised	FY 2016 Adopted
<b>FUNDING</b>					
Expenditures:					
Personnel Services	\$3,554,333	\$3,427,831	\$3,427,831	\$3,566,145	\$3,575,058
Operating Expenses	3,733,742	3,908,092	3,908,092	3,888,092	3,888,092
<b>Total Expenditures</b>	<b>\$7,288,075</b>	<b>\$7,335,923</b>	<b>\$7,335,923</b>	<b>\$7,454,237</b>	<b>\$7,463,150</b>
<b>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</b>					
Exempt	35 / 35	35 / 35	35 / 35	35 / 35	36 / 36

# Economic Development Authority

1 President/CEO	2 Business Development Managers II	1 Business Resources Manager
3 Vice Presidents	1 Business Development Manager I	1 Production/Graphics Manager
1 Director of National Marketing	1 Director of Administration	1 Procurement Manager
1 Director of International Marketing	2 Market Researchers III	1 Executive Administrative Assistant
1 Director, Market Research	1 Market Researcher II	1 Administrative Assistant, International
1 Director, Business Diversity	1 Market Researcher I	1 Administrative Assistant, National
1 Director, Real Estate Services	1 Communications Manager	1 Public Information Assistant
2 Business Development Managers V	1 IT Specialist	
8 Business Development Managers IV (1)		

**TOTAL POSITIONS**

36 Positions (1) / 36.0 FTE (1.0) (All Exempt)

( ) Denotes New Position

## FY 2016 Funding Adjustments

*The following funding adjustments from the FY 2015 Adopted Budget Plan are necessary to support the FY 2016 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 28, 2015.*

- ◆ **Employee Compensation**

An increase of \$127,227 in Personnel Services includes \$37,707 for a 1.10 percent market rate adjustment (MRA) for all employees and \$89,520 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2015.

**\$127,227**
- ◆ **Position Adjustment**

An increase of 1/1.0 FTE is required in order to respond to market conditions to attract companies working in the areas of data analytics and cloud computing, and retain such companies in Fairfax County. Through careful management of existing resources, the FCEDA will absorb the cost associated with this position within its existing budget.

**\$0**
- ◆ **Reductions**

It should be noted that no reductions to balance the FY 2016 budget are included in this agency.

**\$0**

## Changes to FY 2015 Adopted Budget Plan

*The following funding adjustments reflect all approved changes in the FY 2015 Revised Budget Plan since passage of the FY 2015 Adopted Budget Plan. Included are all adjustments made as part of the FY 2014 Carryover Review, FY 2015 Third Quarter Review, and all other approved changes through April 30, 2015.*

- ◆ There have been no adjustments to this agency since approval of the FY 2015 Adopted Budget Plan.

# Economic Development Authority

## Key Performance Measures

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2012 Actual	FY 2013 Actual	FY 2014 Estimate/Actual	FY 2015	FY 2016
Jobs created	9,038	9,027	6,000/6,787	7,200	7,300
Retention conversions	395	313	210/245	250	255

A complete list of performance measures can be viewed at [www.fairfaxcounty.gov/dmb/fy2016/adopted/pm/16.pdf](http://www.fairfaxcounty.gov/dmb/fy2016/adopted/pm/16.pdf)

## Performance Measurement Results

As forecast, the number of new jobs created in FY 2014 decreased from the number created in FY 2013, 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 hold constant over the next several years. The same is expected of retention announcements.