

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 2013	Year-End 2014	Year-End 2015
1. Total Office Space Leased	12,280,230 sq. ft.	9,833,053 sq. ft.	10,272,600 sq. ft.
2. Office Space Inventory	114,771,222 sq. ft.	116,238,615 sq. ft.	116,164,112 sq. ft.
3. County Employment ¹	586,818	579,539	583,688

(1) County Employment is calculated by averaging monthly employment data. The 2015 County Employment data is through September 2015. All other 2015 data is as of year-end.

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 50th 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 accomplishes its objectives through well-established strategic alliances with organizations and institutions throughout Fairfax County, the state and the region.

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 Economic Development Authority supports the following County Vision Element:



Maintaining Healthy Economies

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The County's office space inventory exceeded 116.1 million square feet at year-end 2015, a decrease of approximately 74,503 square feet from the office space inventory at year-end 2014. The office space inventory decreased due to the demolition of four older properties. 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 direct office vacancy was 16.2 percent at year-end 2015, down from 16.3 percent at year-end 2014. The overall office vacancy rate, which includes empty sublet space, was 17.2 percent at year-end 2015, which decreased from the 17.7 percent recorded at year-end 2014. The amount of empty office space was slightly short of 20 million square feet. Industry experts anticipate vacancy rates to remain high through 2016 due to sluggish economic conditions and concerns about the federal budget as well as the national election, which historically has forestalled site location decisions. A further obstacle to filling office space is that employers today are leasing substantially less space per employee than in the past.

In 2015, office development continued around Metro stations in the Silver Line corridor and in southeastern Fairfax County near Fort Belvoir. New office deliveries exceeded 370,000 square feet in three buildings during all of 2015, compared with roughly 1.5 million square feet of space delivered in all of 2014. At year-end 2015, seven buildings totaling nearly 2.5 million square feet were under construction countywide. More than 80 percent of space under construction was leased at year-end 2015. Commercial office construction activity in Fairfax County ranked 17th nationally at year-end 2015.

Office leasing activity topped 10.2 million square feet for all of 2015. As has been the case for the past three years, the overwhelming majority of leasing activity in 2015 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 industries. 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.

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Budget and Staff Resources

Category	FY 2015 Actual	FY 2016 Adopted	FY 2016 Revised	FY 2017 Advertised	FY 2017 Adopted
FUNDING					
Expenditures:					
Personnel Services	\$3,570,329	\$3,575,058	\$3,575,058	\$3,682,548	\$3,682,548
Operating Expenses	3,765,591	3,888,092	3,888,092	3,888,092	3,888,092
Total Expenditures	\$7,335,920	\$7,463,150	\$7,463,150	\$7,570,640	\$7,570,640
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Exempt	35 / 35	36 / 36	36 / 36	36 / 36	36 / 36
1 President/CEO	1	Business Development Manager 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	
1 Business Development Manager V	1	IT Specialist			
10 Business Development Managers IV					
TOTAL POSITIONS					
36 Positions / 36.0 FTE (All Exempt)					

FY 2017 Funding Adjustments

The following funding adjustments from the FY 2016 Adopted Budget Plan are necessary to support the FY 2017 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, 2016.

- ◆ **Employee Compensation** **\$107,490**
An increase of \$107,490 in Personnel Services includes \$47,549 for a 1.33 percent market rate adjustment (MRA) for all employees and \$59,941 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2016.

Changes to FY 2016 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2016 Revised Budget Plan since passage of the FY 2016 Adopted Budget Plan. Included are all adjustments made as part of the FY 2015 Carryover Review, FY 2016 Third Quarter Review, and all other approved changes through April 30, 2016.

- ◆ There have been no adjustments to this agency since approval of the FY 2016 Adopted Budget Plan.

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Key Performance Measures

Indicator	Prior Year Actuals			Current Estimate	Future Estimate
	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate/Actual	FY 2016	FY 2017
Jobs created	9,027	6,787	7,200/7,974	6,425	6,300
Retention conversions	313	245	250/282	260	250

A complete list of performance measures can be viewed at www.fairfaxcounty.gov/dmb/fy2017/adopted/pm/16.pdf

Performance Measurement Results

The number of new jobs created in FY 2015 increased over the number created in FY 2014. However, companies are decreasing their real estate footprint, and location decisions tend to be smaller and have longer time frames. There is consolidation in information technology and government contracting – industries that generate the primary job numbers – and these firms are re-focusing their services. Alternatively, new industries such as cybersecurity, cloud computing and data analytics, and translational medicine present future, though perhaps not immediate, opportunities.