

Department of Economic Initiatives

Mission

The Department of Economic Initiatives (DEI) leverages County resources and develops policy recommendations to foster economic development and position Fairfax County to be an economically competitive and prosperous community. Areas of focus include supporting catalytic public-private development, enhancing the small and local business ecosystem, and building innovative programs to support economic diversification and key economic assets. High level goals include:

- Provide strategic guidance and coordination with respect to the County's economic, community and business development goals;
- Cultivate a positive environment for the development and growth of a diverse and prosperous local economy;
- Facilitate development through public-private partnerships that address strategic priorities, meet County goals and maximize value; and,
- Foster an entrepreneurial and innovative ecosystem within the County and the region.

Focus

DEI was created in FY 2020 to consolidate staff and programs dedicated to local economic and business development initiatives and priorities. Through the Economic Success Strategic Plan, adopted by the Board of Supervisors in 2015, more focus had been placed on activities to maintain, diversify, and enhance economic prosperity in Fairfax County communities. The importance of such attention was affirmed during the community engagement phase of the County's strategic planning process in 2018 and 2019 with "Economic Opportunity" being identified as one of the County's nine strategic priority areas. DEI was created to effectively and efficiently focus attention on the continued and shared competitiveness of the local economy.

DEI continues the strategic work already underway and has also identified additional opportunities and needs to meet County economic development goals. This has included expanded focus on the need for cross-agency coordination for more efficient and effective execution of catalytic public-private partnerships, emphasis on the importance of small business and entrepreneurship as a pathway towards job growth and community prosperity, the link between economic competitiveness and emerging sectors in the green economy and smart communities, and the need to strategically support the significant military and federal assets located in the County.

Given these identified and emerging needs, DEI's work includes:

- Coordinate aspects of public-private partnerships and catalytic redevelopment opportunities;
- Support economic incentive or public financing analysis;
- Lead County PPEA (Public-Private Educational Facilities and Infrastructure Act) review and response;
- Operate the Business Experience (BizEx) program to help small businesses navigate regulations;
- Organize and promote resources for businesses and entrepreneurs to start and grow a business;
- Manage small business grant and loan programs for the County;

- Develop economic innovation pilot projects;
- Lead County engagement and support on economic development strategy creation and implementation;
- Research and structure programs that support emerging economic sectors and meet Fairfax County strategic goals;
- Assist in the creation of centers that stimulate community development and entrepreneurship;
- Support key military and federal economic assets located in the County;
- Activate county-owned property to support entrepreneurship and placemaking.

Pandemic Response and Impact

In FY 2020, DEI emerged as the County agency to lead COVID-19 business support initiatives and economic recovery. Some of that work will continue into FY 2022, including:

- Developing, promoting, and overseeing the \$2.5 million Small Business COVID-19 Recovery Microloan Fund.
- Developing, promoting, and overseeing the \$53 million Fairfax RISE: COVID-19 Small Business and Non-Profit Relief Grant Program.
- Leading an Economic Recovery Framework and Action Plan for business retention and economic competitiveness.
- Developing the PIVOT Business and Nonprofit Recovery Grant Program to support the most impacted sectors and businesses in Fairfax County.
- Proposing THRIVE Programs to provide technical assistance and capacity building to help entrepreneurs, small businesses and workers adjust and transition towards growth.

Budget and Staff Resources

Category	FY 2020 Actual	FY 2021 Adopted	FY 2021 Revised	FY 2022 Advertised	FY 2022 Adopted
FUNDING					
Expenditures:					
Personnel Services	\$1,020,766	\$1,166,572	\$1,175,072	\$1,246,145	\$1,257,811
Operating Expenses	56,043	49,908	133,908	151,108	151,108
Total Expenditures	\$1,076,809	\$1,216,480	\$1,308,980	\$1,397,253	\$1,408,919
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)					
Regular	11 / 11	11 / 11	11 / 11	12 / 12	12 / 12

**FY 2022
Funding
Adjustments**

The following funding adjustments from the FY 2021 Adopted Budget Plan are necessary to support the FY 2022 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 May 4, 2021.

Employee Compensation **\$11,666**
An increase of \$11,666 in Personnel Services is included for a 1.00 percent market rate adjustment (MRA) for all employees effective July 2021.

Economic Opportunity Workload **\$80,773**
An increase of \$80,773 and 1/1.0 FTE new Management Analyst II position, including \$79,573 in Personnel Services and \$1,200 in Operating Expenses, is to address growing workload requirements associated with the economic opportunity program and recovery initiatives. It should be noted that an associated increase of \$39,365 is included in Agency 89, Employee Benefits. For further information on Fringe Benefits, please refer to the Agency 89, Employee Benefits, narrative in the Nondepartmental program area section of Volume 1.

Economic Studies **\$100,000**
An increase of \$100,000 in Operating Expenses is provided to support economic impact and fiscal analysis studies, which will allow the County to understand the return on investment of development project financing options and maximize economic and social benefits brought by the projects. In return, this could provide higher revenues and help catalyze development in certain areas of the County.

**Changes to
FY 2021
Adopted
Budget Plan**

The following funding adjustments reflect all approved changes in the FY 2021 Revised Budget Plan since passage of the FY 2021 Adopted Budget Plan. Included are all adjustments made as part of the FY 2020 Carryover Review, FY 2021 Mid-Year Review, FY 2021 Third Quarter Review, and all other approved changes through April 30, 2021.

Carryover Adjustments **\$84,000**
As part of the *FY 2020 Carryover Review*, the Board of Supervisors approved encumbered funding of \$84,000 in Operating Expenses primarily to support a proposal evaluation related to the appropriation of unsolicited PPEA fee revenue received in conjunction with the Fairfax Peak Project, and to support the agency's outreach effort, strategy development and personnel capacity building.

Third Quarter Adjustments **\$8,500**
As part of the *FY 2021 Third Quarter Review*, the Board of Supervisors approved funding of \$8,500 in Personnel Services for a one-time compensation adjustment of \$1,000 for merit employees and \$500 for non-merit employees paid in May 2021.

Position Detail

The FY 2022 Adopted Budget Plan includes the following positions:

DEPARTMENT OF ECONOMIC INITIATIVES - 12 Positions			
1	Director	2	Management Analysts III
1	Project Coordinator	3	Management Analysts II [+1]
1	Program and Procedures Coordinator	1	Management Analyst I
2	Management Analysts IV	1	Communication Specialist II
+	Denotes New Position(s)		

Performance Measurement Results

For FY 2022, DEI will be tracking a new set of performance measures. In order to track work related to learning and participating in initiatives to support economic innovation, and to encourage entrepreneurs and businesses to grow or establish businesses in Fairfax County, the number of entrepreneurs or businesses that participate in economic innovation activities or education events organized or supported by DEI will be reported. The number of small businesses and entrepreneurs directly assisted and the number of small business assistance resources developed will be reported to monitor work on small and local business assistance. Work coordinating and leading aspects of public-private partnerships and catalytic redevelopment opportunities will be monitoring by reporting the number of public-private partnership projects led by DEI. In addition, further metrics will be reviewed and developed in coordination with the County's strategic planning process.

Indicator	FY 2018 Actual	FY 2019 Actual	FY 2020 Estimate	FY 2020 Actual	FY 2021 Estimate	FY 2022 Estimate
Entrepreneur Engagement						
Number of entrepreneurs or businesses that participate in economic innovation activities or education events organized or supported by DEI	NA	NA	NA	NA	NA	1,000
Small and Local Business Assistance						
Number of small business or entrepreneurs directly assisted	NA	NA	NA	NA	NA	450
Number of small business assistance resources developed	NA	NA	NA	NA	NA	5
Catalytic Development						
Number of public-private partnership projects led by DEI	NA	NA	NA	NA	NA	4

A complete list of performance measures can be viewed at <https://www.fairfaxcounty.gov/budget/fy-2022-adopted-performance-measures-pm>