

**Fairfax County Board of Supervisors
Economic Initiatives Committee (EIC)
Fairfax County Government Center
Conference Room 11
November 10, 2020
Meeting Summary**

Board Members present: EIC Chairman Supervisor John W. Foust, EIC Vice-Chairman Supervisor Daniel G. Storck, BOS Chairman Jeffrey C. McKay, BOS Vice Chairman Penelope A. Gross, Supervisor James R. Walkinshaw, Supervisor Walter L. Alcorn, Supervisor Rodney L. Lusk, Supervisor Dalia A. Palchik, Supervisor Pat Herrity, Supervisor Kathy L. Smith

EIC Chairman Foust called the meeting to order. The minutes of the June 16 meeting were approved with no changes. He reviewed the agenda and then began the meeting business with a recognition of those involved with the successful RISE Grant program.

Item 1. Acknowledgement of those involved in RISE Grant Program

Chairman Foust began by thanking all the agencies and individuals involved with creating and implementing the RISE Grant program, which provided over \$52.5 million to 4,804 businesses and nonprofits for essential business operations during the COVID-19 pandemic. They are all included in the handout that all Board members received. The following individuals were called out by Chairman Foust for their efforts:

Department of Materials and Supply Management – Cathy Muse, Andrew Janos and Lee Ann Pender (agreements)

Department of Information Technology – Stephannie Calderon, Elliot Stroud (dashboard)

Department of Tax Administration - Bobby Singh (compliance with licensing)

Department of Economic Initiatives – Ingrid Abernathy, Department of Finance - Geetha Sampathkumar, and Economic Development Authority (FCEDA) - Donna Hurwitt (scheduling and routing funds)

Department of Economic Initiatives – Scott Sizer (project management), Rebecca Moudry (leadership and communication with BOS)

Community Business Partnership (CBP) - Dana Mariano (Program Administrator) and Sheina Waddell (fund disbursement)

Discussion

- The CBP was thanked for administering all the grants provided to the awardees.
- The Fairfax County EDA was recognized for its outreach efforts to the small business community.
- The team is in place if another federal stimulus package provides another opportunity to support the small business community.
- The entire team would have received a Team Excellence Award for successfully executing the program, but the awards program has not taken place since the pandemic started.
- Constituents and businesses were very pleased with the responses to questions about the program.
- Federal partners were also thanked for their support of direct funding to Fairfax County.
- There was pleasure in the fact that 72% of the awards went to women, minority, and veteran-owned businesses.

- The focus on small businesses, including those businesses hardest hit in the hospitality and tourism sectors, was greatly appreciated.

Item 2. Economic Recovery Framework Presentation by Olivia Moss, Principal, HR&A Advisors, Inc. & Jeff Hebert, Partner, HR&A Advisors, Inc.

FCEDA President Victor Hoskins provided some introductory remarks by first thanking the Board of Supervisors for its outstanding leadership during the COVID-19 pandemic. He pointed out that the impacts in the community have been uneven, harming those in lower income areas the most. The recovery strategy will be equitable and inclusive and serve those hardest hit business sectors. FCEDA has been addressing the needs through webinars, virtual job fairs and services. Fairfax County will have a strong recovery and lift up the rest of the region.

Following introductions by DEI Director Rebecca Moudry, Jeff Hebert provided an overview of the project, which began during the summer with engaging stakeholders to identify needs in developing the framework. The next step, which is currently being completed, is the analysis of jobs lost, assessment of recovery by sector, and developing ideas for workforce interventions. The final phase of the work will be an in-depth analysis of needs and challenges as well as identifying and prioritizing strategies. After receiving input from the Board of Supervisors at today's meeting, a final report with strategies and proposed program recommendations will be presented in January.

Hebert continued by going through the three phases of recovery: Emergency Response, Stabilization and Adaptive Recovery, and Institutionalization. Fairfax's economy is currently in the Stabilization and Adaptive Recovery Phase which has seen both the federal stimulus and the RISE Grant program implemented to assist the business community. In addition, Fairfax County established a centralized information system to support businesses with the PPP loans (received by over 21,000 businesses), the Fairfax County Microloan Program, Business Resiliency Roundtable, FCEDA webinars and career fair. Because of Fairfax County's outstanding response, it is well positioned for a strong long-term recovery, which will be done in a way to be more equitable and focus on the hardest hit sectors and workforce.

Moss continued the presentation by pointing out that greatest economic impact has been in Falls Church, Annandale, and Baileys Crossroads areas, which have also had the highest concentration of COVID-19 cases in Fairfax County. They were also the same communities with the highest share of people of color.

Moss pointed out that the pandemic has led to 130,000 initial unemployment claims were made between March and October 2020, with current weekly claims about 4.3 times higher than the pre-COVID period. She also stated that overall claims in the same period have dropped from 50,000 to 33,000 per week but was 28 times higher than the normal rate. Fairfax County sustained 48,200 job losses initially but recovered 30,500 by the end of October. It is posed to regain another 9,500 jobs by the end of 2020. Unemployment rate went from 2.1% in September 2019 to 5.7% in September 2020.

Job losses in specific industries were also uneven. A few sectors, such as accommodations and food services (12,420), health services (6,230), retail (6,040), and administrative/waste services (4,170), represented over half the total job losses. These sectors and a few others represent over 90% of all job losses with average wages less than 80% of area median income. Sixty-three percent of all job losses were those industries with higher levels of people of color.

Hebert pointed out some themes coming from the stakeholder engagements:

1. Not all residents had an opportunity for success in pre-COVID economy.
2. Recovery should be sector specific.
3. Workforce supports such as childcare go beyond specific sector. (Impacts on women have been acute.)

4. Optimization of internal processes (permits, etc.) and building consumer confidence (feeling safe)
5. Equitable recovery that addresses past disparities.

In terms of emerging needs and challenges there are some specific to supporting industry/business and some supporting the workforce. One example specific to a business support would be the reduction of regulatory barriers and costs to restaurants to get them open. One example of workforce support would be a partnership between business leaders and academic institutions to offer certifications for upskilling workers.

HR&A will develop strategies that will be backed by data and will be based on priorities that align with County goals. Potential interventions will lead to the strategic development and prioritization which would be developed based on capacity, cost, and measuring outcomes. Next steps in the process will continue assessment and start working on program recommendations based on strategies developed.

Discussion (led by questions from HR&A)

- Disproportionality focus is key to success of strategies developed.
- zMOD and zoning and permitting process need to be more flexible.
- In sector specific focus, need to look at green economy jobs and provide incentives.
- Reskilling is most important part of the framework for growing future economy. (Include FCPS)
- Look at Economic Reserve Fund and GO Virginia as potential funding sources.
- Childcare is critical challenge especially for women and those not comfortable to use services.
- Most of losses in health care is in home care. Have two categories of health care with home care separate.
- Retail which had been contracting prior to the pandemic will need some focus in terms of reskilling.
- Look at emerging technologies as sector.
- Consider geographic specific recovery plan to bring more equity in Fairfax County.
- Workforce is biggest issue before and after pandemic. Time is now to get people out of jobs trained through NVCC and FCPS.
- NVCC needs to expand to Baileys and Richmond Highway (at original Mount Vernon HS).
- Need to engage in marketing. The Mount Vernon Tourism Task Force has been putting together marketing packages that cross promote sites.
- Question about number not filing unemployment claims because of status, no pay stubs, etc. Impact was large in Mason and Lee Districts.
- Need to work on apprenticeships in the trades and businesses.
- If include opportunity zones, it would look the same as the maps on slide number 4. Look at them in the strategies. HR&A can provide some high-level recommendation.
- Chairman Foust ended discussion by asking Board members to provide any additional questions or recommendations to Rebecca Moudry.

Item 3. Tysons Partnership – presentation by Sol Glasner, President & CEO, Tysons Partnership

Chairman Foust remarked that the non-residential assessed value of Tysons has increased from \$10 billion in 2013 to \$15.4 billion in 2020. It is important for the County to provide the needed support to grow the tax base in Tysons.

In her introductory remarks, Supervisor Palchik stated that her office and County staff have been working closely with the Tysons Partnership to discuss its future. The partnership has moved from 1.0 to 2.0 but now needs to change to 3.0 to address the recovery as well as future growth. The ask of Board members is to provide input on next phase of Tysons Partnership and whether a more formal recommendation

should be made to move it forward. It will lead to a Board Matter on December 1 to consider a nomination for Economic Opportunity Funds.

Glasner began by speaking about the mutual relationship between Tysons Partnership and Fairfax County. Both public and private investment in Tysons have greatly benefitted Fairfax County as a whole. It will now lead to a high performing model for solid economic recovery and strong long-term prosperity. Although Tysons has less than 2% of Fairfax County's population, its impact on Fairfax County in terms of net fiscal impact is \$142 million and generates about 7.2% of its General Fund revenues. Tysons is also home to almost 18% of private sector jobs in Fairfax County. It is second only to Washington, D.C. as a regional employment center.

Since the 2010 Tysons Comprehensive Plan was adopted, there has been public and private investment leading to the Silver Line stations, retail and residential growth and over 3 million square feet of office space. The Jones Branch connector is key to linking both parts of Tysons and access to Metro. He also highlighted other major projects completely, including the largest Whole Foods on the east coast.

Tysons Partnership was designated as implementation entity that led to the public private partnership, allowing for a forum to discuss economic development issues. Fairfax County has a seat in the on the governing board of the partnership, which is a membership organization that generates funds from its members voluntarily. It also includes community liaisons such as FCEDA, Town of Vienna and NOVA Chamber of Commerce and WMATA. Thus far, the private sector partners have provided over \$6 million from dues to support operations, which now focuses on community engagement, place activation and placemaking. There recently has been a particular emphasis on community engagement as the residential base has grown more than the commercial.

Glasner emphasized the four core areas of the Tysons Partnership work: Research, Planning and Economic Development; Placemaking Activation and Management; Transportation and Mobility; and Communications and Place Branding. The partnership is developing a data dashboard to include on the web site that will drive a growth strategy moving forward. The data collection and branding initiatives are being funded by economic development investment made by Fairfax County. The investment was matched by private sector.

Tysons is facing competitions from other jurisdictions in the area, such as National Harbor and Washington, D.C. However, Tysons is attempting to dwarf these other place management districts. Tysons will be able to spark a strong recovery through strong investments. Tysons Partnership will need to reconfigure itself to enter a 3.0 phase to become more robust with more resources to compete successfully. Yesterday the Tysons Partnership board adopted a resolution with goals on achieving the next phase by January 2023.

Discussion

- How are Tysons Partnership's efforts evaluated and measured in the success of Tysons?
- How do we extend the success of Tysons to other areas of Fairfax County?
- Make sure identify clear need and clear benefit that financing would cover.

Meeting was adjourned.