

DEPARTMENT BUDGET SUMMARY

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**MISSION STATEMENT:** To accelerate the Arlington economy to add wealth, employment and quality to the community.

**FY 2006 PRIORITIES:** The FY 2006 priorities of the Department of Economic Development are defined by the Economic Development Strategic Plan. The Department will:

- ❖ Position Arlington as a regional, national and international world class business and visitor location, and execute marketing activities toward specific targeted audiences.
- ❖ Create leading edge urban districts with ample private investment opportunities and undertake specific real estate projects which include the Columbia Pike Initiative, the Conference Center, Courthouse Plaza, Shop Arlington, and Shirlington.
- ❖ Coordinate and provide support and resources to new and existing businesses.
- ❖ Develop private sector partnerships at all levels to maximize efforts.
- ❖ Foster strong collaboration with the Economic Development Commission on business, tourism and development related issues.

**PRINCIPAL PROGRAMS:** The principal Business Units within the Department of Economic Development are:

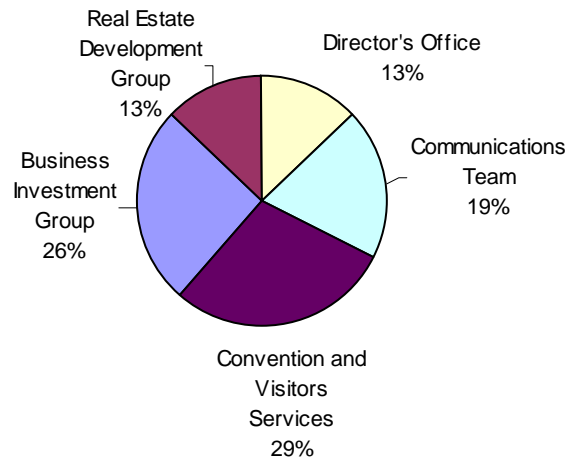
- ❖ **Director's Office:** The Director's Office provides leadership, management, policy guidance, coordination and administrative support to the Department in the context of County-wide initiatives. The overall responsibility of the Director's Office is to maximize the effectiveness of the Department's human, financial, and technological resources through performance measurement, program integration, and support systems planning. The Director's Office is the primary contact with the Economic Development Commission.
- ❖ **Communications Team:** The Communications Team serves the Department by the creation, development, and execution of specific strategic messages designed for targeted markets. The Team supports other business units within the department in developing strategies as to the most effective methods to reach individual markets. Strategic business messages are delivered in a variety of ways including advertising, printed materials, web, and press. The Communications Team is an integral extension to the work of each of the Business Units.
- ❖ **Business Investment Group:** The principal objectives of the Business Investment Group are to: 1) recruit, retain and aid in the expansion of businesses, agencies, organizations and institutions; 2) provide credible business and economic information; 3) provide customized assistance to existing and start-up businesses including research, information, counseling and education; and 4) serve as an effective business advocate at the County level. The Business Unit accomplishes these objectives through:
  - Business Marketing, which works with existing businesses and targeted business prospects to retain and attract firms, agencies, and institutions to Arlington through a diverse marketing effort which includes advertising, trade shows, meetings and conferences, direct contact and special events.
  - Biz Launch, which works with both existing and start-up businesses to improve the skills and success rates of small businesses through counseling, education, information and research.
  - Business Intelligence which includes the collection, analysis, publication and distribution of a wide variety of economic data.
- ❖ **Real Estate Development Group:** This Business Unit acts as a catalyst between the private and public sector to fulfill the economic and physical development potential of Arlington and to enhance the economic potential of the County. The unit furthers the Arlington Vision by concentrating on the objectives of helping to create dynamic urban cores, facilitating development of the County's economic and financial base making Arlington a desirable place to live and work. It has the responsibility for the management of \$1.15 billion worth of development projects that include the Conference Center, Courthouse Plaza, Shirlington and Columbia Pike. Principal programs of the unit are:

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- Facilitate the development of private real estate development and leverage public infrastructure to support the County's economic and commercial development goals.
  - Create new products that are specifically oriented to DED's targeted business sectors. Undertake specific County sponsored joint development projects with private development investors.
  - Measure results of activities and understand the return on investment.
- ❖ **Arlington Convention and Visitors Service:** This Business Unit promotes and markets Arlington in ways that distinguish it regionally and nationally as the best location in which to stay, shop and dine when visiting or meeting in the greater Washington D.C. area. Details regarding this unit can be found in Section N (Enterprise, Special Revenue and Internal Service Funds Section) of the FY 2006 Proposed Budget.

**Department of Economic Development  
Distribution of Full Time Equivalents  
FTEs**



**SIGNIFICANT BUDGET CHANGES:** The FY 2006 proposed budget for the Department of Economic Development is \$2,646,390, a decrease of \$63,771 or two percent from the FY 2005 adopted budget. The proposed budget reflects:

- ↑ Increased personnel expenditures reflect normal salary and benefits adjustments (\$55,556).
- ↓ Decreased non-personnel expenditures reflect a net change (\$119,327), due primarily to the expiration of E-Trade Bank agreement (\$120,000).

DEPARTMENT OF ECONOMIC DEVELOPMENT

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DEPARTMENT FINANCIAL SUMMARY				
	FY 2004	FY 2005	FY 2006	% Change:
	<u>Actual</u>	<u>Adopted</u>	<u>Proposed</u>	<u>'05 to '06</u>
<b>Personnel</b>	\$1,710,583	\$1,793,731	\$1,849,287	3%
<b>Non-Personnel</b>	982,646	916,430	797,103	-13%
<b>Total Expenditures</b>	2,693,229	2,710,161	2,646,390	-2%
<b>Fees</b>	-	-	-	-
<b>Grants</b>	25,000	50,000	50,000	-
<b>Total Revenues</b>	25,000	50,000	50,000	-
<b>Net Tax Support</b>	\$2,668,229	\$2,660,161	\$2,596,390	-2%
<b>Authorized FTEs</b>	19.0	20.0	20.0	
<b>Funded FTEs</b>	19.0	20.0	20.0	

**PERFORMANCE MEASURES:**

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2006
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Goal</u>
<i>Mission Outcome Measures</i>						
Company announcements	25	61	76	70	75	75
New jobs in Arlington	1,446	3,943	4,300	4,000	4,500	4,500
Retention-expansion jobs	1,200	5,915	5,452	3,800	3,500	3,500
Additional leased space (sp.ft.)	600,000	2,296,583	2,489,789	2,000,000	2,000,000	2,000,000
Tax base generated \$(m)	\$2.7	\$0.7	\$5.4	\$4.4	\$4.4	\$4.4
Economic value of new commercial construction \$(m)	\$291	\$144	\$75	\$389	\$410	\$410
<i>Customer Measures</i>						
Percentage of random checks of DED contacts that rank services rendered as excellent	N/A	N/A	N/A	95%	99%	99%
Customer satisfaction survey - conducted with Economic Development Commission - percent ranking DED services as excellent	N/A	N/A	N/A	98%	99%	99%
<i>Workload Measures</i>						
Prospects	120	102	180	90	120	120
Sq.ft. of prospects	6,000,000	4,986,950	5,285,037	3,800,000	4,000,000	4,000,000

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**DEPARTMENT OF ECONOMIC DEVELOPMENT**

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	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2006</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Estimate</u></b>	<b><u>Estimate</u></b>	<b><u>Goal</u></b>
Number of internet visitors	N/A	250,588	229,182	155,083	175,000	200,000

*Efficiency Measures*

Percentage of announcements to original prospects	21%	60%	42%	89%	67%	67%
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- ❖ Mission Outcome Measures reflect DED's direct involvement in bringing new business and keeping expanding business in Arlington.
- ❖ Some actual measures have been changed to include the most accurate and up to date report on economic activity.

**FUTURE BUDGET CONSIDERATIONS:**

- ❖ Adding Economic Development Initiatives as forwarded by the Economic Development Commission to provide specific tangible benefits for business to locate in Arlington could impact future budgets.
- ❖ Office vacancy rates should peak in mid CY 2005 as the Patent and Trademark Office completes its move-out. The delayed delivery of new space in as many as five buildings could keep rates higher than desired throughout the year.
- ❖ The changing federal real estate base in the County that includes a widening gap between federal security requirements and the Arlington product, creating a potential loss of federally funded leased space resulting from the Base Realignment and Closure Commission work, could impact future budgets.
- ❖ Demands on DED office space include space management, maintenance, communications, technology, web as a business tool, and managing and operating the Business Center and the Small Business Center.
- ❖ The Conference Center project will incorporate private retail, office and hotel development as well as cultural and entertainment opportunities. Also, funding may be needed to open and operate the Conference Center.
- ❖ New real estate development opportunities of currently vacant industrial sites will enhance future County tax base in both Metro corridor and no-Metro corridor locations.