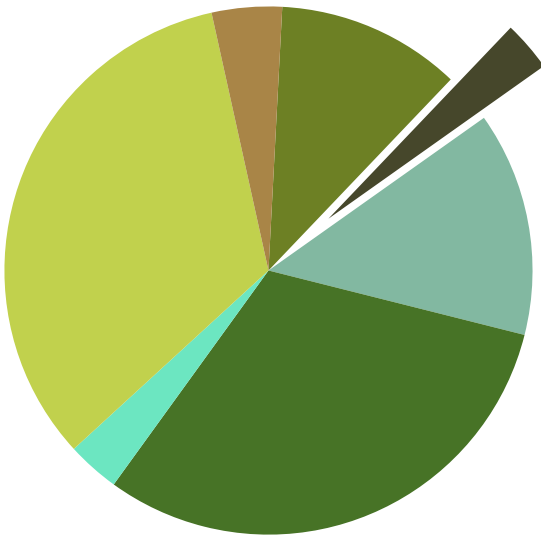


Economic Development

Mission Statement

The mission of the Department of Economic Development is to serve as the first point of contact for startup, relocating, and existing businesses in order to create an abundance of high paying jobs in targeted industry sectors for residents and grow the commercial tax base. The Department of Economic Development offers a wide variety of programs and services to help diversify the County's business base, foster a collaborative business intelligence environment, and build capacity of local entrepreneurs. The Department works with County colleagues and private, nonprofit, institutional, and public partners to attract new business real estate investment that is viable, regionally competitive, and in line with broader County goals and objectives.



Expenditure Budget:
\$4,660,637



3.1% of Community Development

Program:

- Investment Attraction: \$1,638,734
- Existing Business & Entrepreneurship: \$786,969
- Marketing & Research: \$1,564,814
- Redevelopment & Revitalization: \$249,581
- Policy, Incentives, and Operations \$420,540

Community Development Expenditure Budget:
\$152,174,159

Mandates

The Department of Economic Development does not provide a state or federally mandated service.

Economic Development

Expenditure and Revenue Summary



Expenditure by Program	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Adopted	FY23 Proposed	% Change Budget FY22/ Budget FY23
Investment Attraction	\$1,824,827	\$1,977,071	\$4,591,153	\$1,837,897	\$1,638,734	(10.84%)
Existing Business & Entrepreneurship	\$428,953	\$686,662	\$817,668	\$767,413	\$786,969	2.55%
Marketing & Research	\$678,554	\$741,696	\$1,258,537	\$1,429,329	\$1,564,814	9.48%
Redevelopment & Revitalization	\$0	\$0	\$155,666	\$139,214	\$249,581	79.28%
Policy, Incentives, and Operations	\$0	\$0	\$0	\$0	\$420,540	-
Total Expenditures	\$2,932,334	\$3,405,429	\$6,823,023	\$4,173,854	\$4,660,637	11.66%

Expenditure by Classification

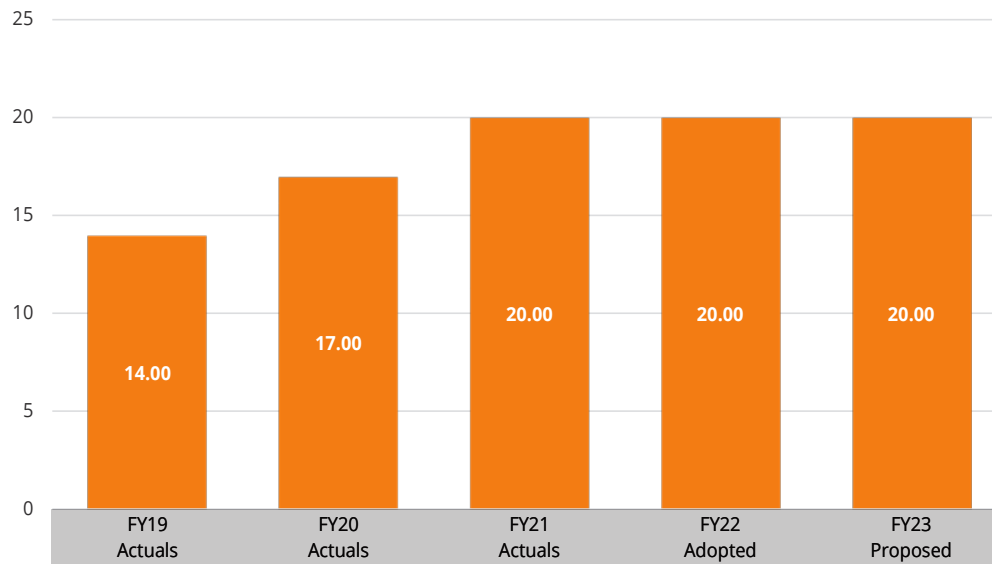
Salaries and Benefits	\$1,587,514	\$1,771,218	\$2,355,864	\$2,426,016	\$2,744,368	13.12%
Contractual Services	\$552,183	\$213,593	\$788,733	\$805,869	\$962,272	19.41%
Internal Services	\$82,197	\$214,376	\$89,427	\$63,208	\$154,385	144.25%
Purchase of Goods & Services	\$315,512	\$538,965	\$669,910	\$606,054	\$524,482	(13.46%)
Capital Outlay	\$0	\$0	\$2,006,374	\$1,000	\$0	(100.00%)
Leases & Rentals	\$288,568	\$267,277	\$309,639	\$271,707	\$275,130	1.26%
Payments to Other Local Agencies	\$106,360	\$400,000	\$290,000	\$0	\$0	-
Transfers Out	\$0	\$0	\$313,076	\$0	\$0	-
Total Expenditures	\$2,932,334	\$3,405,429	\$6,823,023	\$4,173,854	\$4,660,637	11.66%

Funding Sources

Use of Money & Property	\$187,588	\$216,323	\$189,477	\$226,939	\$226,939	0.00%
Revenue from Other Localities	\$0	\$250,000	\$75,000	\$0	\$0	-
Miscellaneous Revenue	\$0	\$250,000	\$73,630	\$0	\$0	-
Non-Revenue Receipts	\$0	\$0	\$1,500	\$0	\$0	-
Total Designated Funding Sources	\$187,588	\$716,323	\$339,607	\$226,939	\$226,939	0.00%
Net General Tax Support	\$2,744,746	\$3,189,106	\$6,633,676	\$3,946,915	\$4,433,698	12.33%
Net General Tax Support	93.60%	93.65%	97.22%	94.56%	95.13%	

Economic Development

Staff History by Program



	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Adopted	FY23 Proposed
Investment Attraction	8.05	9.05	9.75	8.65	6.65
Existing Business & Entrepreneurship	1.40	1.40	1.40	3.50	3.50
Marketing & Research	4.55	6.55	7.85	7.10	7.60
Redevelopment & Revitalization	0.00	0.00	1.00	0.75	1.25
Policy, Incentives & Operations	0.00	0.00	0.00	0.00	1.00
Full-Time Equivalent (FTE) Total	14.00	17.00	20.00	20.00	20.00

Future Outlook

Economic Recovery – Due to the COVID-19 pandemic, existing businesses of all sizes, especially those in the retail, restaurant, and lodging industries, have continued to feel the impacts of the COVID-19 recession. Additionally, unemployment, while significantly improved, remains higher than pre-pandemic levels as businesses have either laid off or furloughed workers. At the same time, distribution, hospitality, retail, and small businesses are having difficulty finding workers. In FY22, the Department of Economic Development (DED) deployed millions of dollars in grants funded by the Coronavirus Aid, Recovery, and Economic Security (CARES) Act to provide relief to small businesses, to assist businesses in making capital investments to improve resiliency, and to get job seekers back to work. Another round of economic recovery funds was allocated through the American Rescue Plan Act of 2021 (ARPA) to relaunch many of the successful grant and resource programs implemented with CARES Act funding, which would also include a concerted marketing effort. DED will continue to focus on long-term economic recovery by providing support to existing businesses, encouraging new capital investment, and building capacity for entrepreneurial endeavors.

New Business Investment – The COVID-19 pandemic accelerated the demand of certain targeted industries due to more people working remotely and using e-commerce to obtain services and goods. Ensuring that Prince William County can offer ample real estate product including land, critical infrastructure, expedited time to market, and a competitive operating environment will be important to leverage the activity in Life Sciences, Information Communication Technology, and Specialized Logistics & Supply Chain industries to ultimately attract new business investment and jobs. Generating new business leads will be obtained through participation in strategic trade shows and conferences, site selection consultant mission trips, regional networking and relationship-building events, and an active marketing and social media presence. The Department will work with partner agencies to develop policy proposals that address County challenges, such as: lack of mixed-use office product, shortage of land zoned for manufacturing, and lack of entrepreneurial density.

Economic Development

Existing Business Workforce Development & Engagement – Given the higher-than-normal unemployment rate along with simultaneously high job vacancy rates, a major focus this fiscal year will be around workforce development programs and initiatives to assist businesses in filling open positions. Strategic workforce partners at the university, community college, technical, and high school Career and Technical Education (CTE) levels will be engaged to create opportunities for internships, upskilling existing workers, and education and certification programs. In addition, through strategic engagement, marketing, and outreach activities, DED will promote grant programs and resources to existing businesses to help them withstand the economic hardship due to the pandemic. The Department will work with the NOVA Economic Development Alliance on workforce attraction initiatives.

Startups & Technology Entrepreneurship Capacity Building – It is widely accepted that, in times of disruption, innovation is born, and that is true for entrepreneurs who may seek to capitalize on new opportunities or decide to start a business if they lost their job. Due to the pandemic, this scenario has played out over the past year as the number of new business establishments has increased in line with regional and national trends. Building and growing a tech entrepreneurial ecosystem will be key to helping the County with overall recovery. The Department's Ignite Start Up grant has been very successful in attracting the interest of technology startups across industry sectors including cybersecurity, life sciences, healthcare IT, and information technology. Tech entrepreneurs require different levels of services as their economic growth model is vastly different than the legacy small business. To grow this specialized segment of the County's overall economic base, dedicated resources and funding will be required.

Agri-business and Agri-tourism – The survival of the rural economy is becoming increasingly important as there is developmental pressure on farmers and landowners. Working with existing landowners, existing agribusinesses, agri-tourism businesses, and new prospective rural businesses specializing in both horticulture and animal husbandry to grow the rural economy and contribute to the overall commercial tax base will require a concerted cross-collaboration effort between multiple County agencies including Economic Development, Cooperative Extension, Office of Tourism, and Development Services. The emphasis will be on "creating an agribusiness/agritourism development strategy for Prince William County that will encourage preservation and investment in the rural area" as identified in the Board's recently adopted 2021-2024 Strategic Plan, as well as offering ombudsman services to new and existing rural businesses.

General Overview

A. Redistribution of Internal Service Funds (ISF) Technology Budget – The County annually allocates all information technology (IT) costs to agencies through an ISF, using the approved cost basis for each technology activity. Technology activities include computer support (hardware replacement, software licenses, and helpdesk customer services), IT security, business systems support (public safety communications, financial systems, human services systems, etc.), geographic information system, web services, capital equipment replacement, messaging, cloud storage, network and infrastructure services, telecommunications, and radio. The cost basis is calculated through a formula derived from the Department of Information Technology's (DoIT) ISF fee schedule.

For FY23, ISF costs have been revised to align and more accurately reflect overall technology activities with current department specific technology services. Costs are adjusted to reflect agency technology usage more accurately, as tracked by DoIT billing systems using the updated methodology. In FY23, the DED technology bill increases by \$91,177. No technology service levels are changed, and there is no impact to the technology services individual agencies currently receive. For additional information on the countywide impact and methodology of redistributing technology charges, please see the Budget Highlights section of this document.

B. Policy, Incentives, and Operations Program – During FY22, a total of 1.00 FTE and operating expenses totaling \$237,208 was shifted from the Investment Attraction, Existing Business, Marketing & Research, and Redevelopment & Revitalization programs to create the Policy, Incentives, and Operations program. Staff in this program will be responsible for aggregate research, grants management, budget, and operations to increase overall efficiency and communications. This program manages the County's economic development incentive efforts to ensure compliance and transparency and evaluates new incentive tools and resources that could be leveraged to achieve the Economic Resiliency Goals in the County's Strategic Plan. The program is also responsible for providing data and economic intelligence to support the business attraction, expansion, and retention efforts of DED.

Economic Development

Budget Initiatives

A. Budget Initiatives

1. Science Accelerator Operating Budget Increase – Investment Attraction

Expenditure	\$77,254
Revenue	\$0
General Fund Impact	\$77,254
FTE Positions	0.00

- a. **Description** – This budget initiative increases funding for operating expenses (contractual rent increases, ongoing maintenance, and space improvements) at the County’s Science Accelerator at Innovation Park. The Science Accelerator is an instrumental asset in the County’s bio-technology ecosystem as PWC has invested over 20 years in this industry to grow and nurture life sciences companies. The Science Accelerator provides incubator space for companies in their infancy that grow and locate into their own spaces in PWC. New businesses in PWC supports the County’s Resilient Economy strategic goal area by generating tax revenue and increasing the commercial tax base.
- b. **Service Level Impacts** – Existing service levels are maintained.

Program Summary

Investment Attraction

Increase awareness of PWC’s advantages as a business location, identify and pursue target market opportunities, develop relationships with investors to build new product, and package prospect proposals resulting in the attraction of new and the expansion of existing businesses.

Key Measures	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Adopted	FY23 Proposed
Total amt. capital investment from new commercial real estate product developed	-	-	\$2.3B	\$75M	\$75M
Total amt. of square footage from new commercial real estate product developed	-	-	2,476,000	300,000	300,000
New occupied space (sf) - leased, build-to-suit, owner occupied	-	-	100,000	100,000	100,000
Total amount of capital investment from new businesses	-	-	\$1.9B	\$500M	\$500M
County at-place employment	130,941	130,941	125,254	134,000	127,760
Total number of companies moving to PWC	23	25	25	20	20
Total number of new jobs created	197	33	1,170	300	300

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Adopted	FY23 Proposed
Investment Attraction Marketing	\$1,825	\$1,977	\$4,592	\$1,838	\$1,639
# of active qualified prospects	-	-	61	75	75
Close rate on active qualified leads generated to companies’ announcements	-	-	30	20	10
# of leads generated	169	75	83	300	200

Economic Development

Existing Business & Entrepreneurship

The Existing Business & Entrepreneurship program retains existing businesses, identifies and secures company expansion projects, and acts as a strategic advisor to company executives, assisting them to expand their operations in the County. Additionally, a main focus of the existing business program is to engage companies to promote their successes and provide opportunities for earned media. The small business and entrepreneurship initiative supports targeted and established firms to grow by offering key resources, customized assistance, and capacity building to essentially grow the County's own from within.

Key Measures	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Adopted	FY23 Proposed
# of existing business prospects which remained and/or expanded in PWC	12	NR	11	12	10
Total number of existing business jobs created and retained	-	NR	180	300	250

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Adopted	FY23 Proposed
Existing Business Outreach/Expansion	\$429	\$449	\$381	\$312	\$320
Total amount of capital investment from existing companies expanding	-	\$19M	\$46M	\$50M	\$20M
Expanded occupied space (square feet) (leased, build-to-suit, owner occupied)	-	43,800	330,800	75,000	75,000
# of welcome emails sent to new businesses	-	30	50	250	-
# of existing business visits	55	46	92	25	40
# of times PWC companies were engaged in business engagement/expansion activity	4,108	4,105	5,045	2,000	5,000
Entrepreneurship Initiatives	\$0	\$238	\$437	\$455	\$467
# of small business workshop or webinar attendees	-	218	1,228	400	400
# of small business one-on-one meetings and data EM to client	-	226	514	250	250
Total number of small businesses started	-	-	7	20	20
Total # of jobs created/retained as a result of new small businesses started	-	-	578	200	500

Economic Development

Marketing & Research

The Marketing & Research program is responsible for raising the profile of PWC, generating new leads and interests, and providing valuable content and data to targeted customers in order to implement the DED's marketing and communication strategy. Additionally, the program is responsible for providing economic intelligence to support the business attraction, expansion, and retention efforts of DED.

Key Measures	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Adopted	FY23 Proposed
Total number of marketing qualified lead (outbound digital marketing)	-	-	72	40	60
Total number of sales qualified leads (inbound contacts response)	-	-	11	7	10

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Adopted	FY23 Proposed
Business Location and Expansion Research	\$376	\$423	\$796	\$643	\$741
Customized research for clients	-	250	253	250	-
Provision of economic intelligence data	-	12	29	12	-
Web Site Marketing and Outreach, Public Relations and Special Events	\$312	\$319	\$461	\$786	\$824
Media coverage return on investments	-	250,000	302,500	250,000	-

Redevelopment & Revitalization

The Redevelopment & Revitalization program is focused on catalyzing development in targeted areas in eastern PWC. Marketing and promoting targeted areas will be key to attract the ideal mix of product types and tenants to support investment in these sites. Utilizing federal and state resources and initiatives such as the new Federal Opportunity Zone (OZ), Hub Zones, and New Market Tax Credit programs and use of Public-Private Partnerships will help accelerate development and create viable opportunities. Focus will consist of creating product to attract the workforce of tomorrow in walkable, mixed-use dense communities that will attract targeted industries such as Information Technology (IT) companies and government contractors, thus adding more well-paying jobs to the employment base.

Key Measures	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Adopted	FY23 Proposed
Number of property owners engaged about redevelopment	-	-	479	15	-
Total amount of mixed-use square footage considered for redevelopment projects	-	-	-	-	50,000
Total amount of square footage from new commercial real estate product developed	-	-	44,000	-	20,000

Economic Development

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Adopted	FY23 Proposed
Redevelopment & Revitalization	\$0	\$0	\$156	\$139	\$250
# of contacts made due to outreach, trade show or events attended	-	-	26	25	-
# of contacts engaged about redevelopment	-	-	-	-	20
# of redevelopment leads generated	-	-	-	-	25
# of active redevelopment projects	-	-	-	-	5
# meetings/briefings private sector prospects interested in OZ opportunities	-	-	151	20	20

Policy, Incentives, and Operations

The Policy, Incentives, and Operations program is a realignment of existing staff to aggregate research, grants management, budget, and operations to increase overall efficiency and communications. This program manages the County's economic development incentives efforts to ensure compliance and transparency and evaluates new incentive tools and resources that could be leveraged to achieve the Economic Resiliency Goals in the County's Strategic Plan. The program is also responsible for providing data and economic intelligence to support the business attraction, expansion, and retention efforts of DED. Additionally, the program oversees the operations of the department and assets such as the Science Accelerator and Mason Small Business Development Center.

Key Measures	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Adopted	FY23 Proposed
# of active grants management projects providing performance reporting on time	-	-	-	-	22

Program Activities & Workload Measures (Dollar amounts expressed in thousands)	FY19 Actuals	FY20 Actuals	FY21 Actuals	FY22 Adopted	FY23 Proposed
Operations	\$0	\$0	\$0	\$0	\$177
Data & Research Tools	\$0	\$0	\$0	\$0	\$244
Response to data requests	-	-	-	-	250
Customized research, data analysis and reporting	-	-	-	-	16
# of new companies within the customer relationship management database	-	-	-	-	350