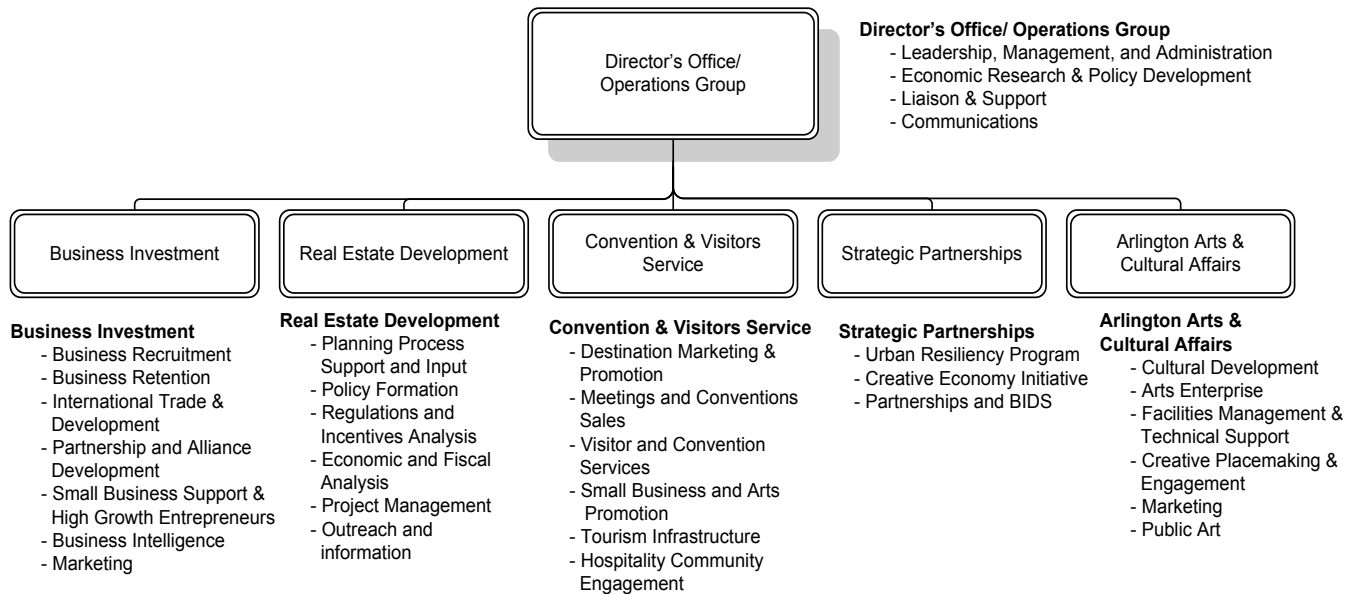


*Our Mission: To continue to develop Arlington County as an economically vital, competitive, and sustainable community by providing leadership and services to the business, real estate development, and visitors services sectors of the Arlington economy*

## LINES OF BUSINESS



## SIGNIFICANT BUDGET CHANGES

The FY 2017 adopted expenditure budget for Arlington Economic Development is \$9,105,462, an 11 percent decrease from the FY 2016 revised budget. The FY 2017 budget reflects:

- ↑ The County Board added one-time funding for the Marymount Non-Profit Resource Center to assist in capacity building and training with the Clarendon Alliance (\$25,000).
- The County Board shifted \$379,000 of Convention and Visitor Services funding from ongoing to one-time. This transfer maintains the same level of support for Convention and Visitor Services line of business.
- ↑ **Personnel increases due to employee salary increases and an increase in the County's cost for employee health insurance, offset by adjustments to retirement contributions based on current actuarial projections.**
- ↓ Non-personnel decreases due to the elimination of FY 2016 one-time funding for tourism promotion (\$200,000) and TandemNSI (\$200,000), and the closure of Artisphere (\$900,000), offset by adjustments to the annual expense for maintenance and replacement of County vehicles (\$6,527).
- ↑ Revenue increases to align budget to actuals and anticipated receipts in Cultural Affairs programs (\$9,000).

- The FY 2016 Budget is revised to reflect the budgetary adjustment approved at the Closeout of FY 2015 to remove revenue and expenses in equal amounts to reflect the reduced net tax support for expenses related to the closure of Artisphere in the amount of \$900,000.
- The temporary FTE count in FY 2017 is adjusted to reflect the number of budgeted hours **already funded in the Department's budget** (3.33 temporary FTEs). There is no change in net tax support.
- *On May 14, 2016, the County Board adopted an ordinance to amend Chapter 40 (Transient Occupancy Tax) of the Code of Arlington County to add an additional 0.25% transient occupancy tax levy for the purpose of promoting tourism and business travel in Arlington County. The County Board appropriated \$1.25 million in revenue and expense to the FY 2017 Travel and Tourism Promotion Fund along with 2.0 limited term FTE's for the purpose of promoting tourism and business travel in Arlington County. The adopted expense and revenue will have no net impact to the General Fund.*

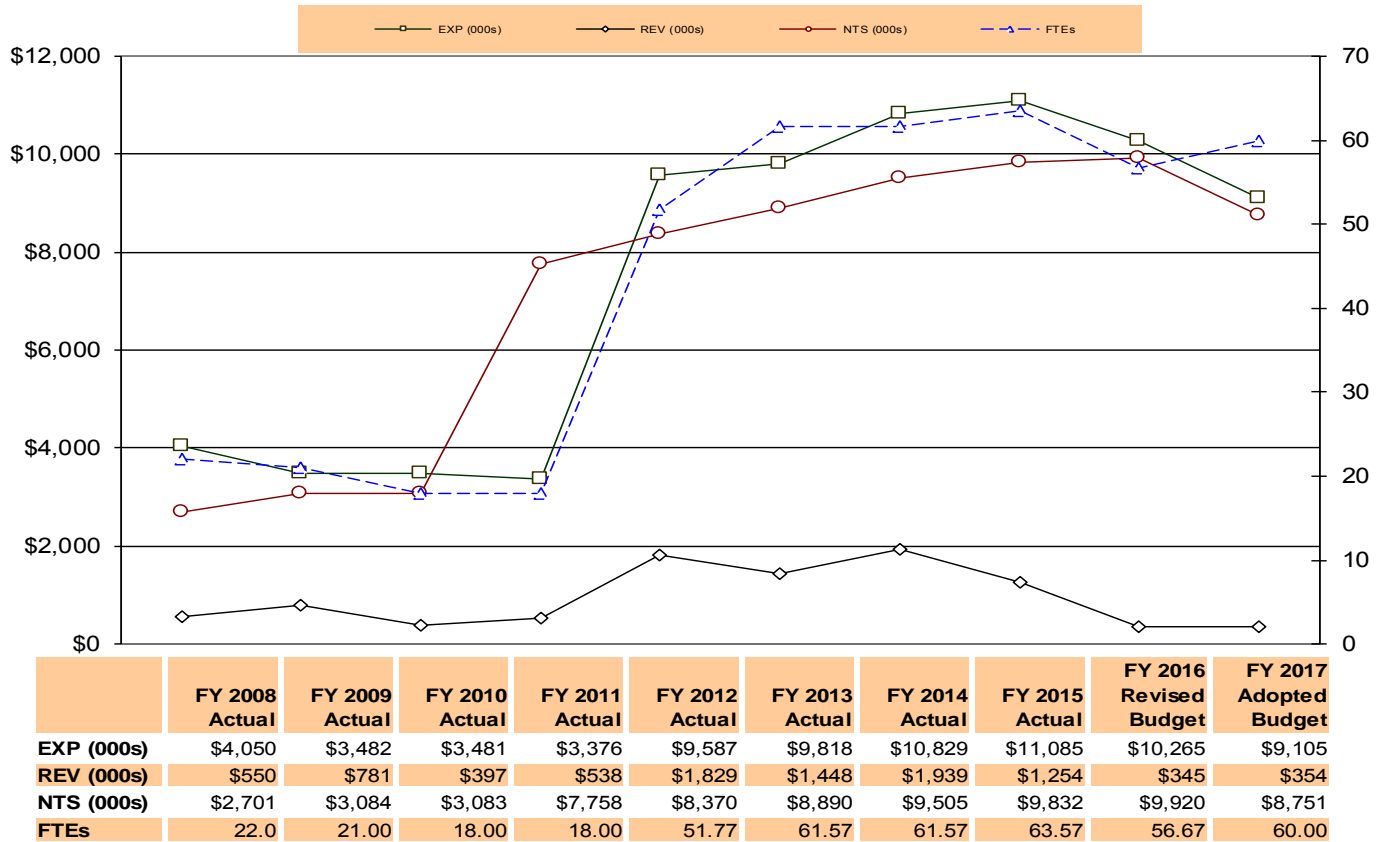
#### DEPARTMENT FINANCIAL SUMMARY

	FY 2015 Actual	FY 2016 Revised	FY 2017 Adopted	% Change '16 to '17
Personnel	\$7,166,673	\$6,735,655	\$6,844,382	2%
Non-Personnel	4,045,616	3,529,553	2,261,080	-36%
Subtotal	\$11,212,289	10,265,208	9,105,462	-11%
Intra-County Charges	(126,450)	-	-	-
<b>Total Expenditures</b>	<b>11,085,839</b>	<b>10,265,208</b>	<b>9,105,462</b>	<b>-13%</b>
Fees (Earned Income)	896,303	340,165	349,165	3%
Grants	5,000	5,000	5,000	-
Other (including Gifts and Donations)	303,094	-	-	-
Transfers in from Other Funds	49,500	-	-	-
<b>Total Revenues</b>	<b>1,253,897</b>	<b>345,165</b>	<b>354,165</b>	<b>3%</b>
<b>Net Tax Support</b>	<b>\$9,831,942</b>	<b>\$9,920,043</b>	<b>\$8,751,297</b>	<b>-12%</b>
Permanent FTEs	59.60	53.70	53.70	
Temporary FTEs	3.97	2.97	6.30	
<b>Total Authorized FTEs</b>	<b>63.57</b>	<b>56.67</b>	<b>60.00</b>	

#### EXPENSES BY LINE OF BUSINESS

	FY 2015 Actual	FY 2016 Revised	FY 2017 Adopted	% Change '16 to '17
Director's Office - Operations	\$1,916,953	\$2,473,924	\$2,329,029	-6%
Business Investment	1,386,261	1,932,359	2,121,409	9%
Real Estate Development	578,166	440,352	443,441	1%
Convention and Visitor Services	860,602	752,659	626,148	-20%
Strategic Partnerships	995,208	1,115,386	931,354	-20%
Arlington Arts & Cultural Affairs	1,924,959	2,650,528	2,654,081	-
Artisphere	3,423,690	900,000	-	-100%
<b>Total Expenditures</b>	<b>\$11,085,839</b>	<b>\$10,265,208</b>	<b>\$9,105,462</b>	<b>-13%</b>

EXPENDITURE, REVENUE, NET TAX SUPPORT, AND FULL-TIME EQUIVALENT TRENDS



\*In FY 2012, Arlington Cultural Affairs Division, Cultural Affairs' Supplemental Fee Programs, and Artisphere were transferred from the Department of Parks and Recreation to Arlington Economic Development (AED).

Fiscal Year	Description	FTEs
FY 2008	<ul style="list-style-type: none"> <li>▪ The County Board added \$20,000 of non-personnel expenses to support small businesses through the Ibero-American Chamber of Commerce.</li> <li>▪ Removed one-time FY 2007 BRAC non-personnel expenses (\$782,659), which is offset by the following increases: IBERO Chamber of Commerce was transferred from the Regionals section of the budget to <b>AED's budget (\$45,000); support of the Greater Washington Initiative increased \$5,000 to reflect the County's current commitment, and an increase in auto fund charges (\$409).</b></li> <li>▪ Personnel funds reflect removal of one-time FY 2007 BRAC grant expenses (\$93,425) included in the FY 2007 revised budget numbers used in the FY 2008 budget.</li> <li>▪ Revenues decreased as a result of removing one-time BRAC grant funds (\$876,084).</li> </ul>	
FY 2009	<ul style="list-style-type: none"> <li>▪ One position was transferred to the Office of Emergency Management (\$119,822 and 1.0 FTE).</li> <li>▪ Added the Virginia National Defense Industrial Authority (VNDIA) grant (\$101,405 in revenue and expense).</li> </ul>	(1.0)
FY 2010	<ul style="list-style-type: none"> <li>▪ The County Board added funding for a one-time lump-sum payment of \$500 for employees (\$10,327).</li> <li>▪ Eliminated two positions, one administrative and one technology support position (\$199,794).</li> <li>▪ Eliminated one of six economic development specialist positions (\$77,675).</li> </ul>	(2.0)  (1.0)
FY 2011	<ul style="list-style-type: none"> <li>▪ Reduced funding for the Ballston Science and Technology Alliance (\$2,500); Rosslyn Renaissance (\$10,000) and the Greater Washington Hispanic Chamber of Commerce (\$650). Eliminated funding for the Greater Washington Initiative (\$25,000).</li> <li>▪ Reduced funding for the Nonprofit Technical Assistance Program (\$5,000) and the Think Arlington marketing campaign (\$45,000).</li> <li>▪ Revenue decreased due to the reduction of transferred funds from a trust and agency account to support the Rosslyn Renaissance (\$10,000) and the end of a state grant during the fiscal year (\$74,350).</li> <li>▪ Non-personnel expense decreased due the end of the state grant funds (\$74,350).</li> </ul>	
FY 2012	<ul style="list-style-type: none"> <li>▪ The County Board approved a one-time allocation of \$450,000 for promoting and marketing businesses and cultural events within Arlington County, as well as enhancing small business initiatives. The employees from the Travel and Tourism Promotion Fund will be carrying out these activities from January 1, 2012 through June 30, 2012.</li> <li>▪ Non-personnel expenses decrease due to the elimination of funding for</li> </ul>	

Fiscal Year	Description	FTEs
	<p>the Ballston Partnership (\$65,000) due to the creation of the Ballston Business Improvement District, the decrease in funding for the Rosslyn Renaissance (\$10,000), and decrease in lease expense for the Base Realignment and Closure (BRAC) Transition Center (\$23,588). This is partially offset by the restoration of funding for Greater Washington Initiative (\$25,000) and increase in the annual expense for maintenance and replacement of County vehicles (\$765).</p> <ul style="list-style-type: none"> <li>▪ Revenues decrease due to the reduction in funding from the Rosslyn Fund trust and agency account for the Rosslyn Renaissance (\$10,000) and the end of grant funding from the Virginia National Defense Industrial Authority (VNDIA) (\$28,448). An extension to the length of the grant has been awarded which will keep the BRAC Transition Center open through mid-FY 2012.</li> <li>▪ <b><i>Cultural Affairs, Cultural Affairs' Supplemental Fee Programs, and Artisphere were transferred to Arlington Economic Development from the Department of Parks and Recreation (expense \$5,284,614, revenue \$1,883,658).</i></b></li> </ul>	33.77
FY 2013	<ul style="list-style-type: none"> <li>▪ The County Board added an Information Technology position (\$125,000).</li> <li>▪ The County Board added one-year funding for the Base Realignment and Closure (BRAC) Coordinator position (\$148,137) which had been previously grant funded.</li> <li>▪ The County Board added \$30,000 in one-time arts challenge grant funding.</li> <li>▪ The County Board added matching grant funding for the Clarendon Alliance (\$15,000).</li> <li>▪ The County Board added base operating funds (\$15,000) and matching grant funding (\$5,000) for Columbia Pike Revitalization Organization.</li> <li>▪ <b>Personnel expenses increase due to the County Board's addition of funding for a new Step 19 and an increase in the living wage.</b></li> <li>▪ Personnel includes the transfer of 3.0 FTEs from the Travel &amp; Tourism Promotion Fund (TTPF) to the General Fund for organizational demands <b>in the Director's Office and the Business Investment Group (\$284,790).</b></li> <li>▪ Convention and Visitors Service has been transferred from the Travel &amp; Tourism Promotion Fund (TTPF) to the General Fund (\$385,624 personnel, \$114,376 non-personnel; 4.8 FTEs).</li> <li>▪ Eliminated FY 2012 one-time funding for retail and small business promotion (\$450,000).</li> <li>▪ Eliminated FY 2012 one-time funding for programming at Lubber Run (\$25,000).</li> <li>▪ Eliminated funding for the Rosslyn Renaissance (\$30,000) and the associated transfer of funding from the Rosslyn Fund trust and agency account (\$30,000).</li> </ul>	1.0 1.0 3.0 4.8

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> <li>▪ Revenues decrease to reflect the relocation of the Virginia Export Assistance Center (\$30,000) and changes in Artisphere operations (\$228,519).</li> </ul>	
FY 2014	<ul style="list-style-type: none"> <li>▪ The County Board added one-time funding for the Base Realignment and Closure (BRAC) Coordinator position (\$142,137).</li> <li>▪ The County Board added one-time funding for nonprofit capacity building for two additional grants (\$20,000) and arts challenge grants (\$30,000).</li> </ul>	1.0
	<ul style="list-style-type: none"> <li>▪ Removed FY 2013 one-time funding for the BRAC Coordinator (\$148,137).</li> <li>▪ Removed FY 2013 one-time funding for arts challenge grants (\$30,000).</li> <li>▪ The County Board added \$900,000 in one-time funding for Artisphere to support personnel and non-personnel expenses, which is partially offset by the elimination of ongoing funding in the amount of \$748,028.</li> <li>▪ Revenue increased based on changes in Artisphere operational estimates for gifts and donations (\$20,000), facility rental (\$40,600), admission and ticket income (\$118,531), which is partially offset by reductions in catering income (\$132,753).</li> <li>▪ Reduced the Arlington Arts Grants Program funding from \$249,100 to \$199,100 (\$50,000).</li> <li>▪ <i>The County Board approved 2.0 marketing management FTEs as part of FY 2013 closeout (\$294,983).</i></li> </ul>	(1.0)
FY 2015	<ul style="list-style-type: none"> <li>▪ The County Board added one-time funding for arts challenge grants (\$30,000) and tourism promotion (\$200,000).</li> <li>▪ Removed FY 2014 one-time funding for the Base Realignment and Closure (BRAC) Coordinator position (\$142,137).</li> <li>▪ Removed FY 2014 one-time funding for arts challenge grants (\$30,000) and nonprofit capacity building (\$20,000).</li> <li>▪ Added additional funding for the Hispanic Business Counselor (\$50,000).</li> <li>▪ Added ongoing funding (\$158,273) for the Base Realignment and Closure (BRAC) Coordinator position.</li> <li>▪ Replaced ongoing funding with one-time for nonprofit capacity building (\$45,000).</li> <li>▪ <i>Added personnel approved at FY 2014 close-out to correct the allocation for a Cultural Affairs Specialist (\$9,589, 0.1 FTE).</i></li> </ul>	(1.0)
FY 2016	<ul style="list-style-type: none"> <li>▪ The County Board eliminated funding for Artisphere (\$946,659, 14.5 FTEs, 1.0 temporary FTE) and Ballston Science and Technology Alliance (BSTA) (\$25,000). \$1.3 million in one-time funding remains in net tax support for Artisphere as a contingency in order to cover costs associated with the closure of that facility.</li> <li>▪ The County Board, using a portion of the savings from the closure of Artisphere, reallocated funding to the Cultural Affairs Division in an</li> </ul>	(15.5)
		3.5

Fiscal Year	Description	FTEs
	<p>effort to improve artistic programming across the county and particularly along its metro corridors (\$331,000 personnel, 3.5 FTEs; \$165,659 non-personnel).</p> <ul style="list-style-type: none"> <li>▪ The County Board added on-going funding for business investment (\$600,000, 5.0 FTEs), marketing (\$300,000), arts grants (\$16,710), and the Columbia Pike Revitalization Organization (CPRO) (\$100,000).</li> <li>▪ The County Board restored one-time funding for tourism promotion (\$200,000), and added one-time funding for TandemNSI (\$200,000).</li> <li>▪ Removed one-time funding for nonprofit capacity building (\$45,000) and arts challenge grants (\$30,000).</li> <li>▪ <i>Decreased one-time funding for the closure of Artisphere at FY 2015 close-out due to lower than anticipated closure costs (\$400,000).</i></li> </ul>	5.0
FY 2017	<ul style="list-style-type: none"> <li>▪ The County Board added one-time funding for the Marymount Non-Profit Resource Center to work with the Clarendon Alliance (\$25,000).</li> <li>▪ The County Board shifted \$379,000 of Convention and Visitor Services funding from ongoing to one-time. This funding shift maintains the same level of support for the Travel and Tourism program.</li> <li>▪ Increased fee revenue to align budget to actuals and anticipated receipts in Cultural Affairs programs (\$9,000).</li> <li>▪ The temporary FTE count was adjusted to reflect the number of <b>budgeted hours already funded within the Department’s budget</b>. There was no change to net tax support (3.33 FTEs).</li> <li>▪ <i>On May 14, 2016, the County Board adopted an ordinance to amend Chapter 40 (Transient Occupancy Tax) of the Code of Arlington County to add an additional 0.25% transient occupancy tax levy for the purpose of promoting tourism and business travel in Arlington County. The County Board appropriated \$1.25 million in revenue and expense to the FY 2017 Travel and Tourism Promotion Fund along with 2.0 limited term <b>FTE’s for the purpose of promoting</b> tourism and business travel in Arlington County. The adopted expense and revenue will have no net impact to the General Fund.</i></li> </ul>	3.33