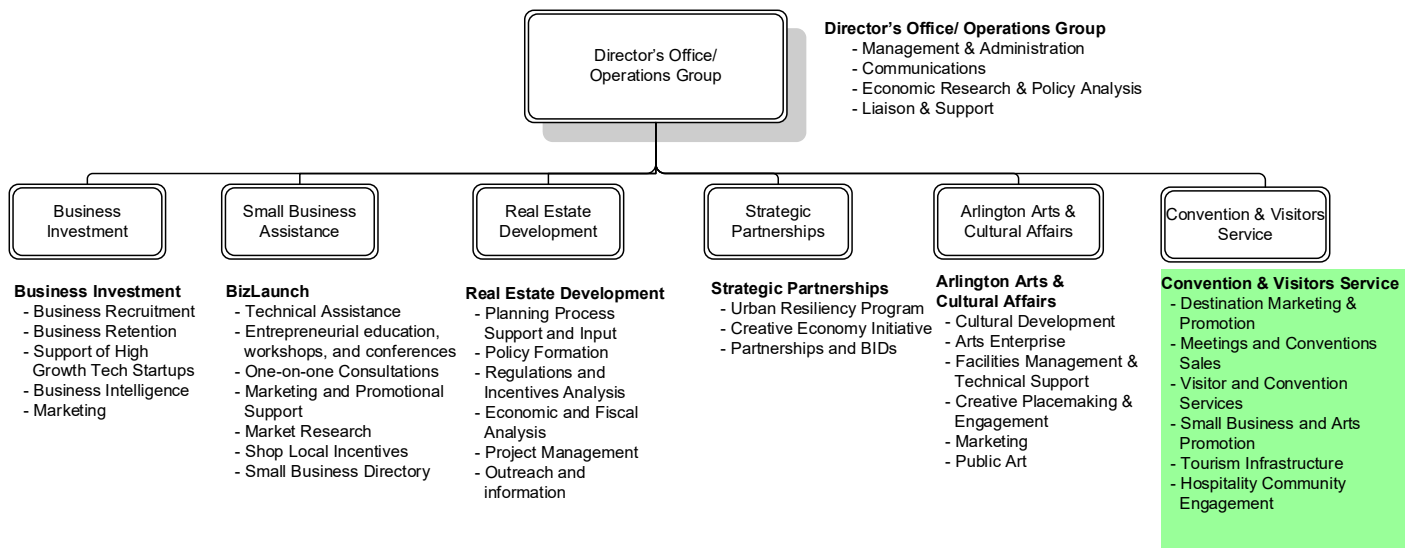


Our Mission: Arlington Economic Development is dedicated to growing a thriving Arlington economy through collaborative partnerships, promotion of our unique place and innovative programming

LINES OF BUSINESS



Shaded program is located in the Travel and Tourism Fund

SIGNIFICANT BUDGET CHANGES

The FY 2025 adopted expenditure budget for Arlington Economic Development is \$10,216,840, a three percent increase from the FY 2024 adopted budget. The FY 2025 adopted budget reflects:

- The County Board added funding for the following items:
 - Additional funding for the Arlington Arts Grant Program (\$150,000 ongoing, \$100,000 one-time);
 - Additional ongoing funding for the Langston Boulevard Alliance neighborhood strategic partnership (\$54,500);
 - One-time funding for the Green Valley Neighborhood Partnership Initiative Pilot (\$80,000);
 - One-time funding for the Clarendon Alliance neighborhood strategic partnership (\$55,000); and
 - One-time funding for BizLaunch Small Business Support (\$250,000).
- The County Board restored part of the trade and promotion, social media, and public relations advertising budget (\$50,000 one-time).
- The County Board converted a one-time funded BizLaunch en Español AED Specialist position to ongoing funding.
- ↓ Personnel decreases due to the reductions itemized below, partially offset by employee salary increases; an increase in the County's cost for employee health insurance; adjustment to salaries resulting from Human Resources and Safety job family study (\$5,834); adjustment to salaries resulting from Accounting, Fiscal, Revenue Services, and Financial job family study

(\$10,854); a technical adjustment to increase a 0.80 permanent Cultural Affairs Coordinator position to a permanent 1.0 FTE funded through a re-allocation from non-personnel funding at FY 2023 closeout (\$18,064, 0.20 FTE); and slightly higher retirement contributions based on current actuarial projections.

- ↑ Non-personnel increases primarily due County Board additions outlined above, addition of funding for the maintenance of 2700 S. Nelson (\$75,208), the Clarendon Alliance neighborhood strategic partnership (\$5,000), and adjustments to the annual expense for maintenance and replacement of County vehicles (\$1,292), partially offset by removal of FY 2024 one-time funding for the extension of the ReLaunch program providing support for businesses negatively impacted by the COVID pandemic (\$250,000) and the reductions itemized below.
- ↓ Revenue decreases due to realignment of Arts and Cultural Affairs revenue projections based on prior year actuals (\$15,078).

FY 2025 Adopted Budget Reductions

Director's Office - Operations

- ↓ Eliminate two Communications positions (\$316,504, 2.00 FTEs)
IMPACT: The reduction of the communications and marketing FTEs will prompt a reorganization of the team and have some challenging short-term impacts across the department:
 - AED Digital Strategist (1.0 FTE, filled) – This position is primarily responsible for managing the department's website (i.e., website project management and administration, online content management, and web metrics analysis). The elimination of this position will require the transfer of duties, retraining, and some loss in capacity to respond to quick turnaround marketing and communication needs.
 - AED Media Production Specialist (1.0 FTE, filled) – This position is a multidisciplinary graphic design, visual, and interactive media specialist that designs, produces, and implements tools to execute AED's marketing strategy in support of all the divisions. The elimination of this position will shift the duties of this position to an outside vendor, potentially leading to longer response times and increased expenditure spending for the services.

These reductions will have an impact on AED's ability to deliver quality communications and marketing, which will impact all of the department's functions. Over the longer term, the department will mitigate these impacts through a department-wide reassessment and reorganization of all AED's public relations/marketing and communication activities to ensure the most strategic allocation of existing resources.

- ↓ Reduction of Social Media and Public Relations Advertising Budget (\$53,693)
IMPACT: The adopted budget reduction is approximately 65% of the department's advertising budget for social media and public relations. The decrease in funding will affect AED's ability to perform targeted outreach to specific audiences resulting in reduced visibility to business prospects. AED will mitigate these impacts through a department-wide reassessment and reallocation of the Department's communications and marketing efforts.
- ↓ Reduction of Operation's Subscription Budget (\$20,000)
IMPACT: This reduction shifts a portion of the subscription cost to the Travel and Tourism Promotion Fund to align the cost with the staff using the tool and will have no functional impact.

Arts & Cultural Affairs

- ↓ Freeze Program Coordinator position (\$115,061, 1.00 FTE)

IMPACT: Placemaking through cultural programming and public spaces is an important component of making the Arts and Industrial District an attractive destination for residents, workers, and visitors. This in turn supports community desires for more activities in Four Mile Run Valley as well as countywide goals for business attraction and retention in hospitality and arts-related sectors. Freezing the Program Coordinator position will delay the planning for the activation of the 2700 S. Nelson Temporary Flexible Arts Space. Depending on when the new space is delivered, programming may also be delayed. Similarly, creative activation plans of other public plazas across Arlington will also be delayed.

Business Investment

- ↓ Reduction of Trade & Promotion Budget (\$49,544)

IMPACT: The reduction will result in less engagement with prospect companies and existing businesses during a time of elevated office vacancy. The reduction is 21% of BIG’s trade and promotion budget. Less engagement with companies from target sectors will result in fewer prospect leads to occupy real estate, which is critical to reducing the office vacancy rate and protecting office valuations. AED will mitigate these impacts through a department-wide reassessment and reallocation of the trade and promotional activities.

DEPARTMENT FINANCIAL SUMMARY

	FY 2023 Actual*	FY 2024 Adopted	FY 2025 Adopted	% Change '24 to '25
Personnel	\$6,866,446	\$7,321,500	\$7,143,247	-2%
Non-Personnel	2,818,015	2,643,894	3,073,593	16%
GASB*	1,095	-	-	-
Total Expenditures	9,685,556	9,965,394	10,216,840	3%
Fees (Earned Income)	163,245	238,200	223,122	-6%
Miscellaneous Revenue	6,412	-	-	-
Grants	108,132	4,500	4,500	-
GASB*	1,095	-	-	-
Total Revenues	278,884	242,700	227,622	-6%
Net Tax Support	\$9,406,672	\$9,722,694	\$9,989,218	3%
Permanent FTEs	46.60	46.60	43.80	
Permanent FTEs (Frozen, Unfunded)	-	-	1.00	
Temporary FTEs	5.50	5.50	5.50	
Total Authorized FTEs	52.10	52.10	50.30	

* FY 2023 actual expenditures and revenues received reflect the Governmental Accounting Standard Board (GASB) standards for Statement No. 87 on leases and Statement No. 96 for subscription-based software. See the County Government GASB Summary for department details in the front section of the budget book.

Expenses & Revenues by Line of Business

	FY 2023 Actual Expense	FY 2024 Adopted Expense	FY 2025 Adopted Expense	% Change '24 to '25	FY 2025 Adopted Revenue	FY 2025 Net Tax Support
Director's Office - Operations	\$3,248,181	\$2,914,330	\$2,674,250	-8%	-	\$2,674,250
Business Investment	1,915,418	1,934,779	1,831,115	-5%	-	1,831,115
Small Business Assistance (BizLaunch)	668,086	1,158,218	1,177,395	2%	-	1,177,395
Real Estate Development	414,692	494,883	542,996	10%	-	542,996
Strategic Partnerships	775,500	750,500	945,000	26%	-	945,000
Arlington Arts & Cultural Affairs	2,663,680	2,712,684	3,046,084	12%	\$227,622	2,818,462
Total	\$9,685,556	\$9,965,394	\$10,216,840	3%	\$227,622	\$9,989,218

Authorized FTEs by Line of Business

	FY 2024 FTEs Adopted	FY 2025 Permanent FTEs Adopted	FY 2025 Temporary FTEs Adopted	FY 2025 Total FTEs Adopted
Director's Office - Operations	14.00	13.00	-	13.00
Business Investment	10.00	9.00	-	9.00
Small Business Assistance (BizLaunch)	5.80	5.80	-	5.80
Real Estate Development	3.00	3.00	-	3.00
Strategic Partnerships	-	-	-	-
Arlington Arts & Cultural Affairs*	19.30	14.00	5.50	19.50
Total	52.10	44.80	5.50	50.30

*FY 2024 Adopted FTE count includes 5.50 temporary FTEs in the Arlington Arts & Cultural line of business.

*FY 2025 Adopted Permanent FTE count includes 1.00 frozen FTE in the Arlington Arts & Cultural line of business.

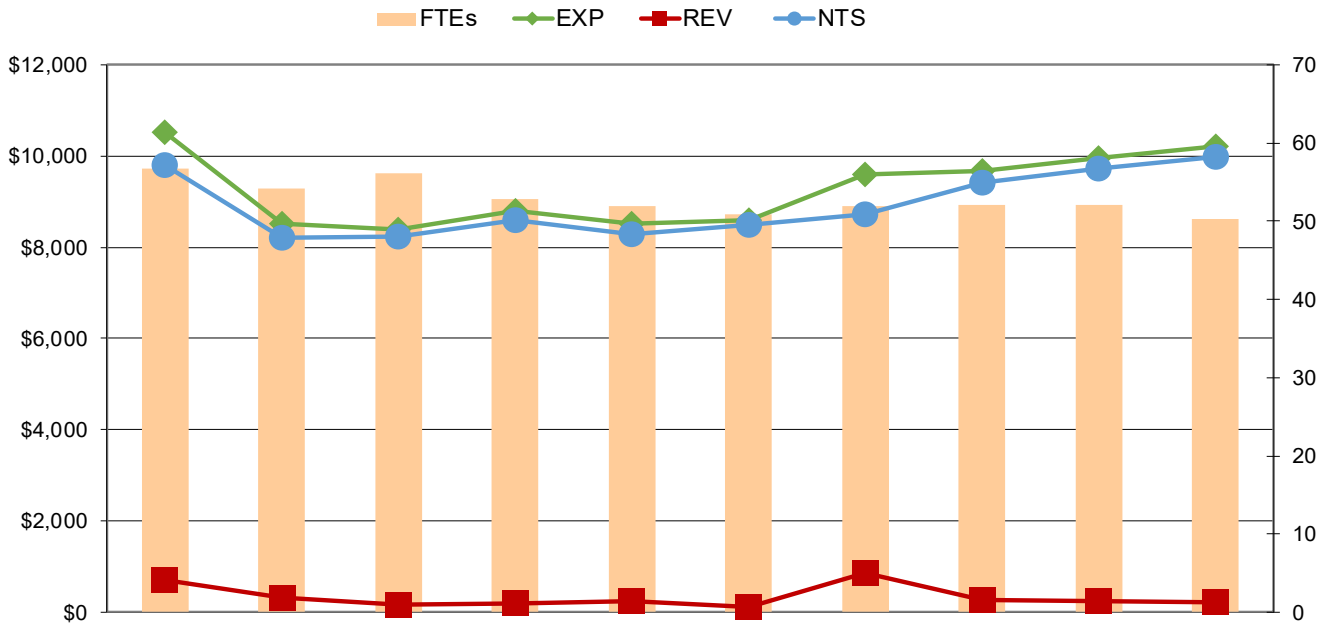
Strategic Partnerships Funding Summary

	FY 2023 Actual	FY 2024 Adopted	FY 2025 Adopted	% Change '24 to '25
Ballston Business Improvement District	\$1,432,786	\$1,476,793	\$1,331,772	-10%
National Landing Business Improvement District	4,318,652	4,742,121	5,047,694	6%
Rosslyn Business Improvement District	4,157,805	4,545,682	4,430,845	-3%
Clarendon Alliance*	80,000	140,000	200,000	43%
Columbia Pike Partnership	350,000	410,000	410,000	-
Langston Boulevard Alliance*	110,500	145,500	200,000	37%
Green Valley Neighborhood Partnership Initiative Pilot*	-	-	80,000	100%
FY 2023 One-Time Strategic Partnership Fund Pool*	180,000	-	-	-
Washington Board of Trade	10,000	10,000	10,000	-
Arlington Sister Cities Association	45,000	45,000	45,000	-
Total	\$10,684,743	\$11,515,096	\$11,755,311	2%

*As part of the FY 2023 adopted budget, the County Board provided \$25,000 one-time funding for Langston Boulevard Alliance and \$180,000 one-time funding to support a strategic funding pool for three neighborhood partnerships: Clarendon Alliance, Columbia Pike Partnership, and Langston Boulevard Alliance.

*As part of the FY 2025 adopted budget, the County Board provided \$54,500 ongoing funding for Langston Boulevard Alliance, \$55,000 one-time funding for Clarendon Alliance, and \$80,000 one-time funding for the Green Valley Neighborhood Partnership Initiative Pilot.

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



	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual*	FY 2023 Actual*	FY 2024 Adopted Budget	FY 2025 Adopted Budget
EXP	\$10,523	\$8,525	\$8,401	\$8,788	\$8,511	\$8,605	\$9,602	\$9,686	\$9,965	\$10,217
REV	\$712	\$320	\$165	\$191	\$236	\$120	\$869	\$279	\$243	\$228
NTS	\$9,811	\$8,205	\$8,236	\$8,597	\$8,275	\$8,485	\$8,733	\$9,407	\$9,722	\$9,989
FTEs	56.67	54.20	56.20	52.90	51.90	50.90	51.90	52.10	52.10	50.30

* Beginning in FY 2022, actual expenditures and revenues received reflect the Governmental Accounting Standard Board (GASB) standards for Statement No. 87 on leases and Statement No. 96 for subscription-based software. See the County Government GASB Summary for department details in the front section of the budget book.

Fiscal Year	Description	FTEs
FY 2016	<ul style="list-style-type: none"> ▪ 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. 	(15.50)
	<ul style="list-style-type: none"> ▪ The County Board, using a portion of the savings from the closure of Artisphere, reallocated funding to the Cultural Affairs Division in an effort to improve artistic programming across the county and particularly along its metro corridors (\$331,000 personnel, 3.5 FTEs; \$165,659 non-personnel). 	3.50
	<ul style="list-style-type: none"> ▪ 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). 	5.00
	<ul style="list-style-type: none"> ▪ The County Board restored one-time funding for tourism promotion (\$200,000) and added one-time funding for TandemNSI (\$200,000). 	
	<ul style="list-style-type: none"> ▪ Removed one-time funding for nonprofit capacity building (\$45,000) and arts challenge grants (\$30,000). 	
	<ul style="list-style-type: none"> ▪ <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> 	
FY 2017	<ul style="list-style-type: none"> ▪ The County Board added one-time funding for the Marymount Non-Profit Resource Center to work with the Clarendon Alliance (\$25,000). 	
	<ul style="list-style-type: none"> ▪ 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. 	
	<ul style="list-style-type: none"> ▪ Increased fee revenue to align budget to actuals and anticipated receipts in Cultural Affairs programs (\$9,000). 	
	<ul style="list-style-type: none"> ▪ The temporary FTE count was adjusted to reflect the number of budgeted hours already funded within the Department's budget. There was no change to net tax support. 	3.33
	<ul style="list-style-type: none"> ▪ <i>After budget adoption, the County Board transferred Arlington Convention and Visitor Services from the General Fund to the Travel and Tourism Fund (\$626,148, 5.0 FTEs, 0.80 Temporary FTEs).</i> 	5.80
FY 2018	<ul style="list-style-type: none"> ▪ The County Board added one-time funding for Arts Challenge Grants (\$30,000) and one-time funding for AED to conduct a retail and market study along the Columbia Pike corridor on behalf of the Columbia Pike Revitalization Organization (\$150,000). 	
	<ul style="list-style-type: none"> ▪ Converted a temporary employee from the Travel and Tourism Promotion Fund to a permanent full-time to support the front desk and operations (conversion of non-personnel to personnel \$60,000). 	1.00
	<ul style="list-style-type: none"> ▪ Transferred in a position from the Department of Technology Services to support the sales and marketing efforts of ConnectArlington and the transfer in of sales and marketing non-personnel funding for the promotion of ConnectArlington (\$130,000 personnel; \$50,000 non-personnel). 	1.00

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> ▪ Removed FY 2017 one-time funding for the Marymount Non-Profit Resource Center (\$25,000). 	
FY 2019	<ul style="list-style-type: none"> ▪ The County Board added one-time funding for the Columbia Pike Revitalization Organization (CPRO) (\$5,000) and one-time funding for the Lee Highway Alliance (LHA) (\$25,000). ▪ Eliminated one vacant Strategic Partnerships Executive Liaison (\$143,231). (1.00) ▪ Eliminated funding for the Greater Washington Hispanic Chamber of Commerce (\$6,000) and decreased the ongoing commitment to Arlington Sister Cities Association (\$5,000). ▪ Eliminated the Cultural Affairs humanities program and its associated vacant position (\$77,172). (0.80) ▪ Eliminated a vacant Cultural Affairs new Media Curator position (\$36,225). (0.50) ▪ Eliminated the Connect Arlington marketing program (\$50,000) and associated vacant business development position (\$115,964). (1.00) ▪ Removed one-time funding for the Columbia Pike Retail Market Study (\$150,000) and Arts Challenge Grants (\$30,000). ▪ Removed expenses (\$160,825) associated with the closure of Spectrum Theatre. ▪ Transferred partnership funding (CPRO and LHA) from Non-Departmental (\$210,500). 	
FY 2020	<ul style="list-style-type: none"> ▪ The County Board replaced ongoing funding with one-time funding for the Scenic Studio program (\$108,621). ▪ The County Board replaced ongoing funding with one-time funding for the facility manager at 3700 South Four Mile Run Drive (\$96,663). ▪ The County Board added one-time funding for the Mobile Stage (\$4,550). ▪ The County Board added ongoing funding for the Cultural Affairs literary arts program (\$31,000). ▪ The County Board added one-time funding to the Lee Highway Alliance (\$20,000), the Clarendon Alliance (\$10,000), and the Columbia Pike Revitalization Organization (\$20,000). ▪ The County Board approved one-time funding to retain the Facility Technical Services Director (\$151,202). ▪ Added ongoing funding for a small business support position (\$110,285). 1.00 ▪ Reduced funding for administrative support services (\$11,000). ▪ Reduced funding for data subscription licenses (\$35,500). ▪ Eliminated a vacant Audio Production Specialist position (\$108,143). (1.00) ▪ Eliminated a filled Cultural Affairs Specialist position in the Costume Lab (\$70,761). (1.00) ▪ Reduced wireless service charges as part of a County-wide review of wireless service providers (\$4,921). 	

Fiscal Year	Description	FTEs
	<p>differential from \$0.75 to \$1.00 per hour for B shift and from \$1.00 to \$1.30 per hour for C shift (\$478), a one-time increase in language premium from \$0.69 to \$0.92 per hour (\$534), and an optional one-time cash-out of 40 hours of compensation time for those with balances of 80 or more (\$4,505).</p> <ul style="list-style-type: none"> ▪ The County Board added one-time funding for arts equity grants (\$100,000). ▪ The County Board added one-time funding for a strategic funding pool for neighborhood partnerships (\$180,000). ▪ The County Board added one-time funding for Plan Langston (\$25,000). ▪ Added funding for the Lee Arts Center (\$64,655). ▪ Added one-time funding for arts programming at the new site located at 2700 South Nelson Street (\$85,000). ▪ Fee revenue increased due to the fee increases for LAC (Lee Arts Center) memberships (\$65,666). ▪ As part of the FY 2022 adopted budget, the County Board approved use of American Rescue Plan Act (ARPA) funding to add a small business support position. The FY 2023 adopted budget continues funding for this position (\$88,022, 1.0 FTE). ▪ As a part of FY 2021 close-out, the County Board approved allocations of the remaining ARPA funding for additional programs based on the Guiding Principles presented by the County Manager in September; the Board directed the County Manager to include funding for these programs in the FY 2023 adopted budget including: <ul style="list-style-type: none"> ▪ ReLaunch program (\$500,000) for the BizLaunch team to provide targeted technical assistance (i.e., financial management, strategic planning, branding, and marketing) to small businesses negatively impacted by the pandemic. ▪ Back2Work Initiative (\$25,000) for the Business Investment Group to help address the needs of tech companies and help unemployed, displaced, and underemployed workers find tech jobs. ▪ <i>A technical adjustment was approved by the County Board in April 2023 to appropriate funding from Non-Departmental to Departments to allocate the budget for bonuses funded in the adopted budget. The funding added to the Arlington Economic Development Department was \$82,813.</i> 	
FY 2024	<ul style="list-style-type: none"> ▪ The County Board added ongoing funding for the Clarendon Alliance neighborhood strategic partnership (\$60,000). ▪ The County Board added ongoing funding for the Columbia Pike Revitalization Organization neighborhood strategic partnership (\$60,000). ▪ The County Board added ongoing funding for Langston Boulevard Alliance neighborhood strategic partnership (\$60,000). ▪ Added one-time funding for a BizLaunch en Español position (\$111,340). ▪ Eliminated a vacant AED Assistant Director position (\$205,888). ▪ Reduced AED overtime budget (\$50,000). ▪ Added one-time \$2,000 (gross) employee bonuses (\$115,933). 	<p>1.00 (1.00)</p>

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> ▪ Increased salaries resulting from communications and finance and accounting job family studies (\$18,831). ▪ Added one-time funding for the extension of the ReLaunch program to provide targeted technical assistance to small business adversely impacted by the pandemic (\$250,000). ▪ Removed prior year one-time funding for arts equity grants (\$100,000), strategic funding pool for neighborhood partnerships (\$180,000), Plan Langston (\$25,000), arts programming at 2700 South Nelson Street (\$85,000), and ARPA-funded ReLaunch program and Back2Work Initiative support (\$525,000). ▪ <i>In FY 2023 closeout, a technical adjustment was made to increase a Cultural Affairs Program Coordinator position from 0.8 FTE to 1.0 FTE by re-allocating existing non-personnel budget.</i> 	0.20
FY 2025	<ul style="list-style-type: none"> ▪ The County Board added additional funding for the Arlington Arts Grant Program (\$150,000 ongoing, \$100,000 one-time). ▪ The County Board added funding for the Langston Boulevard Alliance neighborhood strategic partnership (\$54,500). ▪ The County Board added one-time funding for the Green Valley Neighborhood Partnership Initiative Pilot (\$80,000). ▪ The County Board added one-time funding for the Clarendon Alliance neighborhood strategic partnership (\$55,000). ▪ The County Board added one-time funding for BizLaunch Small Business Support (\$250,000). ▪ The County Board restored part of the trade and promotion, social media and public relations advertising budget (\$50,000 one-time). ▪ The County Board converted a one-time funded BizLaunch en Español AED Specialist position to ongoing funding. ▪ Eliminated two AED Communication positions (\$316,504). ▪ Froze a vacant AED Program Coordinator position (\$115,061, 1.0 FTE). ▪ Added funding for maintenance of 2700 South Nelson Street (\$75,208). ▪ Added ongoing funding for the Clarendon Alliance neighborhood strategic partnership (\$5,000). ▪ Increased expenses due to adjustments to the annual expense for maintenance and replacement of County vehicles (\$1,292). ▪ Reduced social media and public relations advertising budget (\$53,693). ▪ Reduced operation’s subscription budget (\$20,000). ▪ Reduced trade and promotion budget (\$49,544). ▪ Decreased fee revenues based on prior year actuals (\$15,078). 	(2.00)