



RESHAPING THE ECONOMIC FUTURE

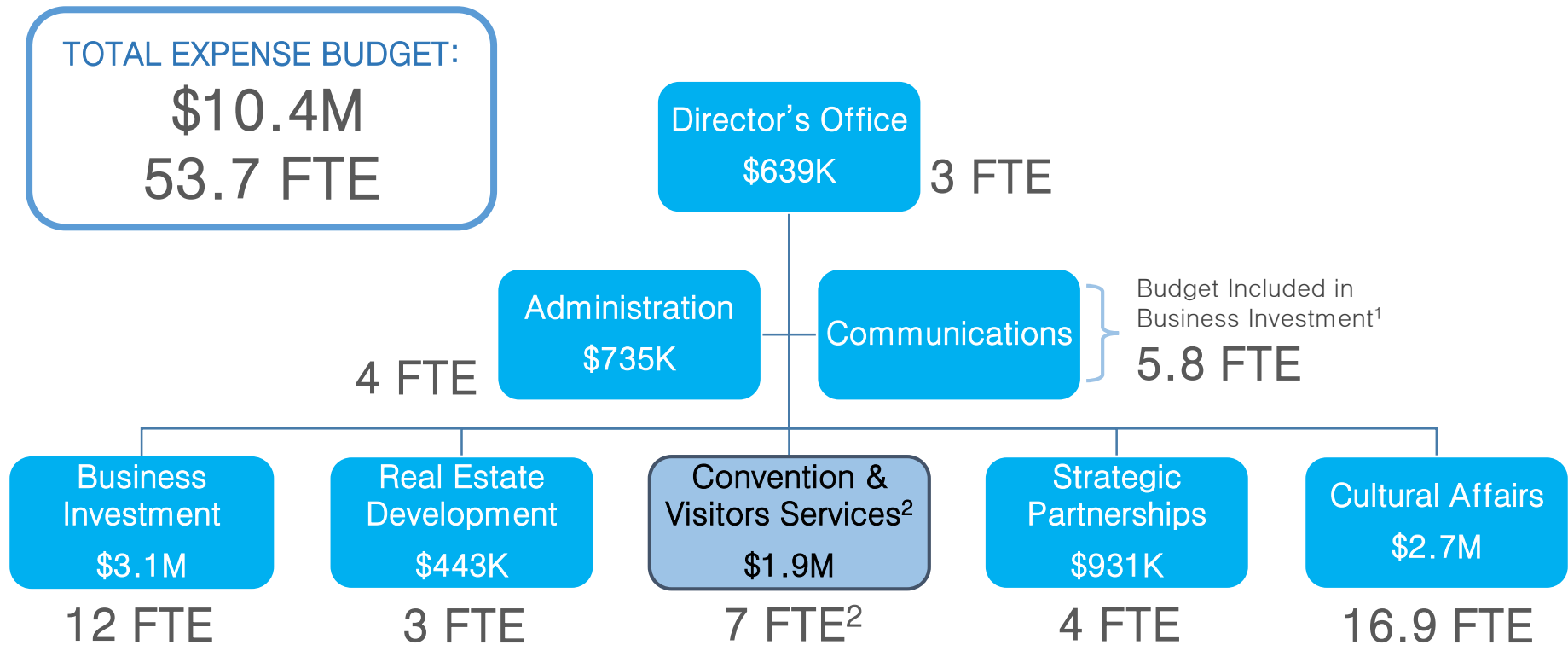
AED FY18 BUDGET
PRESENTATION
03.02.17



PRESENTATION OVERVIEW

1. AED Budget in Review
2. Way Forward Strategy Update
3. FY17 Key Department Outcomes
4. FY18 Proposed Budget
 - ConnectArlington for Economic Development
 - Small Business Support

AED FY17 BUDGET BY DIVISION

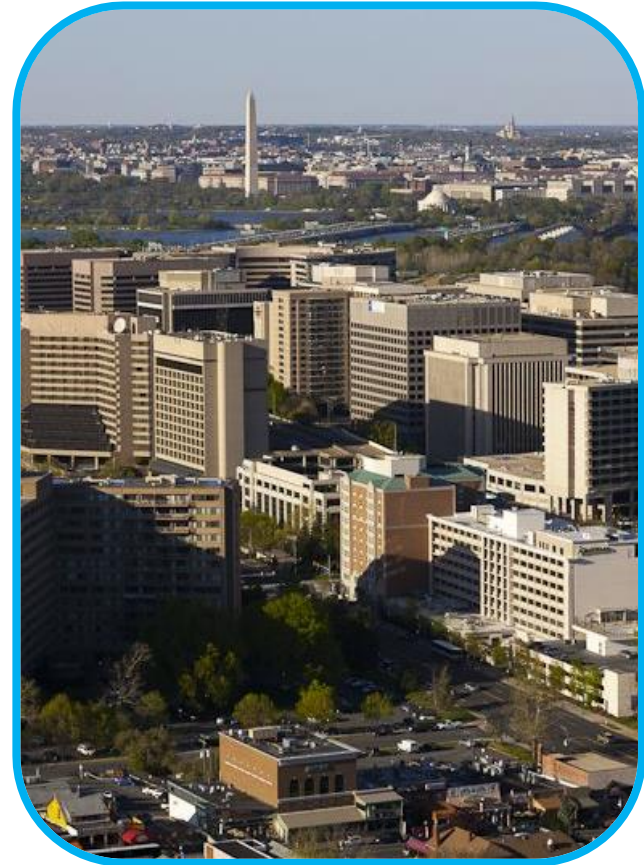


1. Communications budget is shown under Business Investment Group (BIG) to illustrate those funds as primarily an extension of resources for BIG.
2. Convention & Visitors Services Budget shown is total (Tourism Promotion Fund + General Fund Transfer)



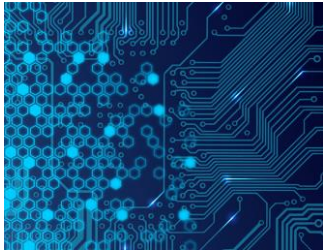
KEY ADDITIONS – FY17 BUDGET

- Incentive fund for early stage tech and tech catalyst companies.
- Restoration of the TOT surcharge for tourism promotion.



INCENTIVE FUND UPDATE

- A **\$1.1 million incentive fund** to provide upfront cash grants to early stage tech and tech catalyst companies in targeted industry sectors to support the Way Forward Strategy.



Initiated
January
2017

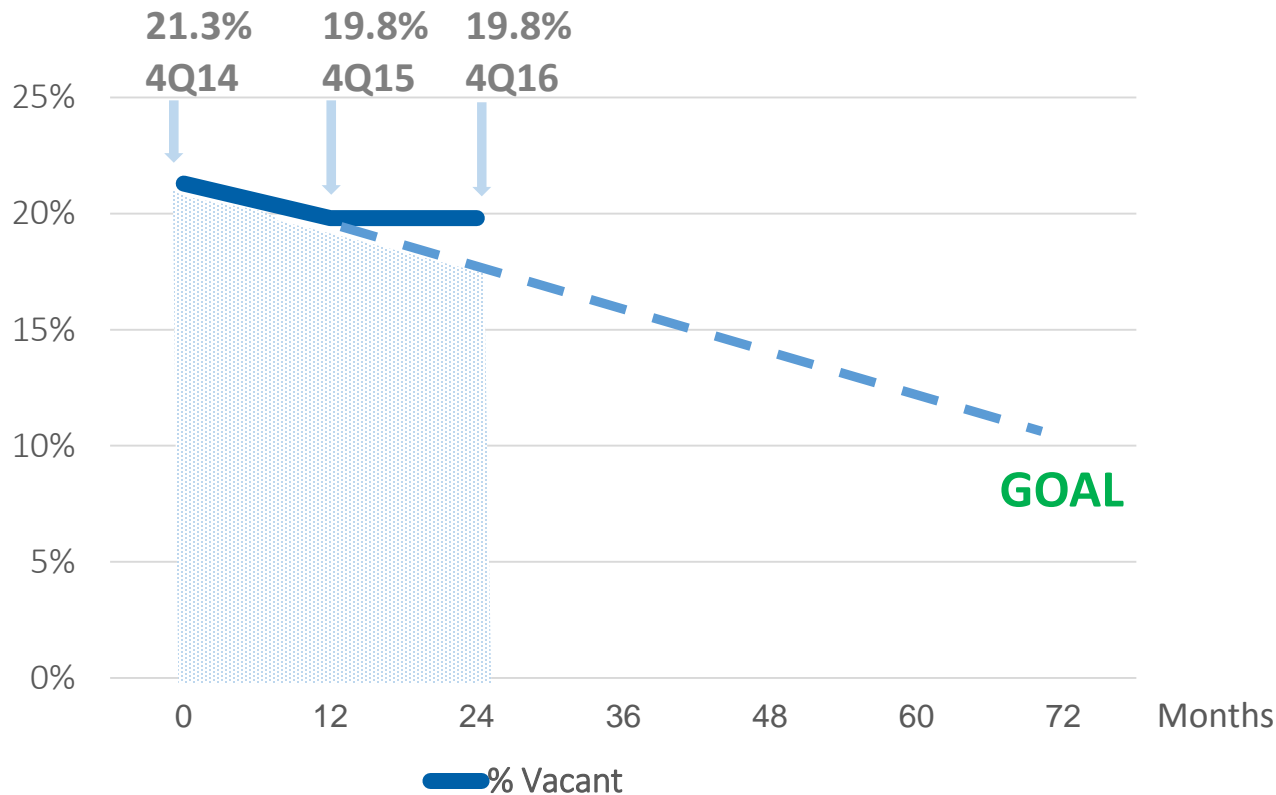
Two
projects
pending

Three
projects in
review

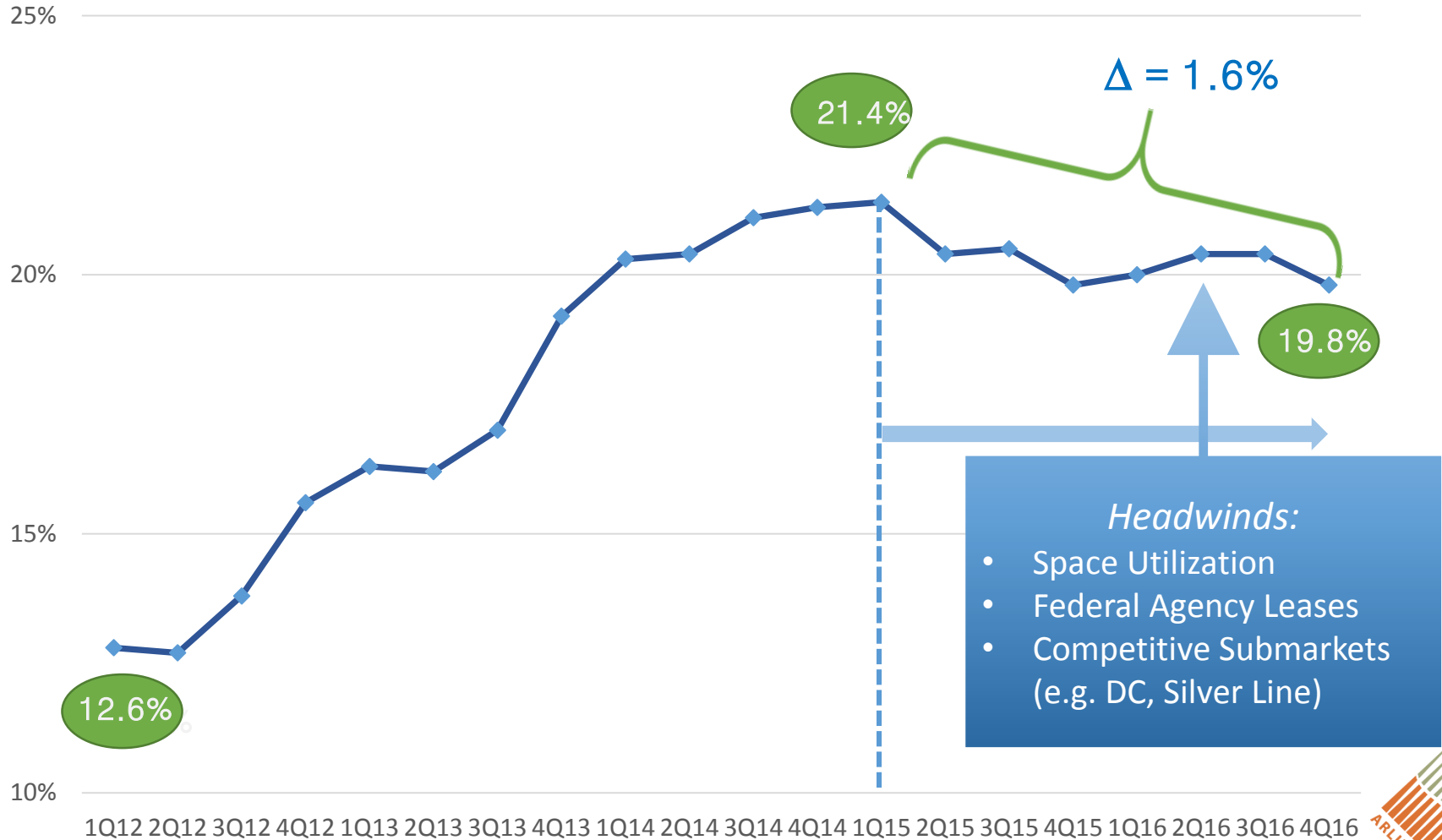
10–15
projects at
completion

GOAL:

Reduce office vacancy by half and diversify the Arlington economy over the next 48 months



VACANCY RATE: 2012 – 2016



Source: CoStar, AED





IMPLEMENTATION: LEAD GENERATION

Promotions

- Startup Arlington
- Fast Four
- Dong Sheng Startup Competition
- 1776 Challenge Cup

120 Startup Applicants
180 Media Articles
59.8M Impressions

Business Engagement

- Arlington Premiere
- Executive Luncheon
- Broker Outreach/Incentive Presentations
- Targeted Retention Visits

60 New Businesses
30 Arlington Executives
200+ Brokers Reached
50+ Retention Visits

Marketing Missions

- CES
- SXSW
- Celebrate
- Black Hat
- Italy Mission Trip
- Germany Mission Trip

5 National Cities Visited
2 International Cities
500+ Leads Generated

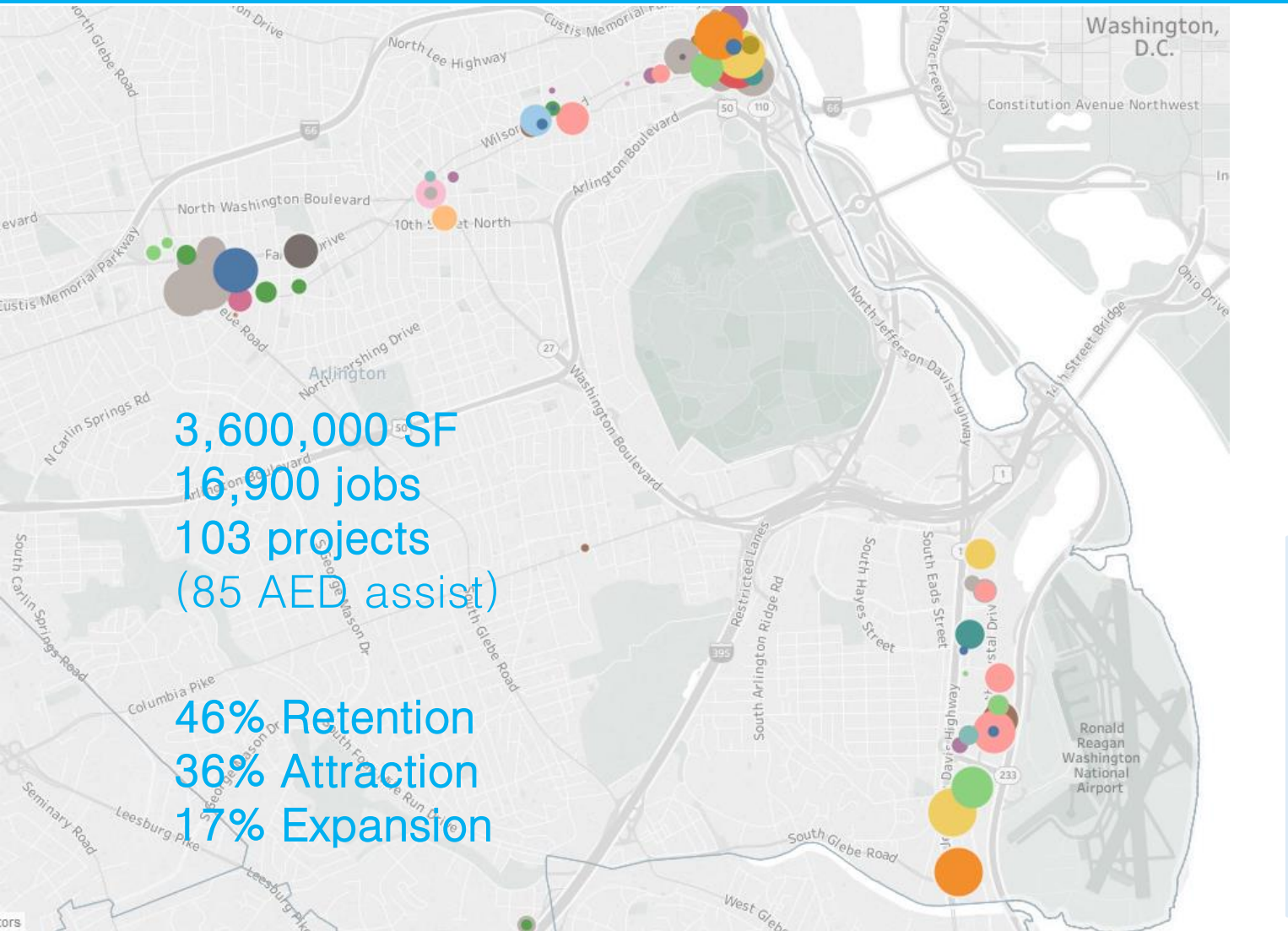
Media Exposure

- USA Today
- Associated Press
- US News and World Report
- Forbes
- Bloomberg
- Shanghai Daily Business

700 News Clips
311M Impressions
\$9.8M in Ad Equivalency

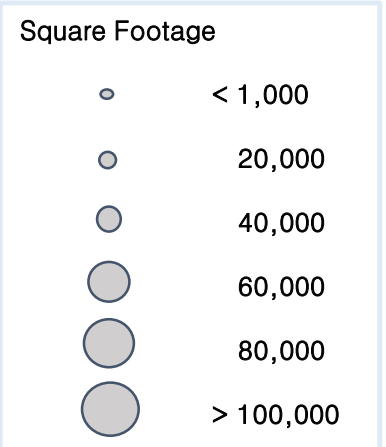


SUCSESSES FY2015– FY 2017 YTD

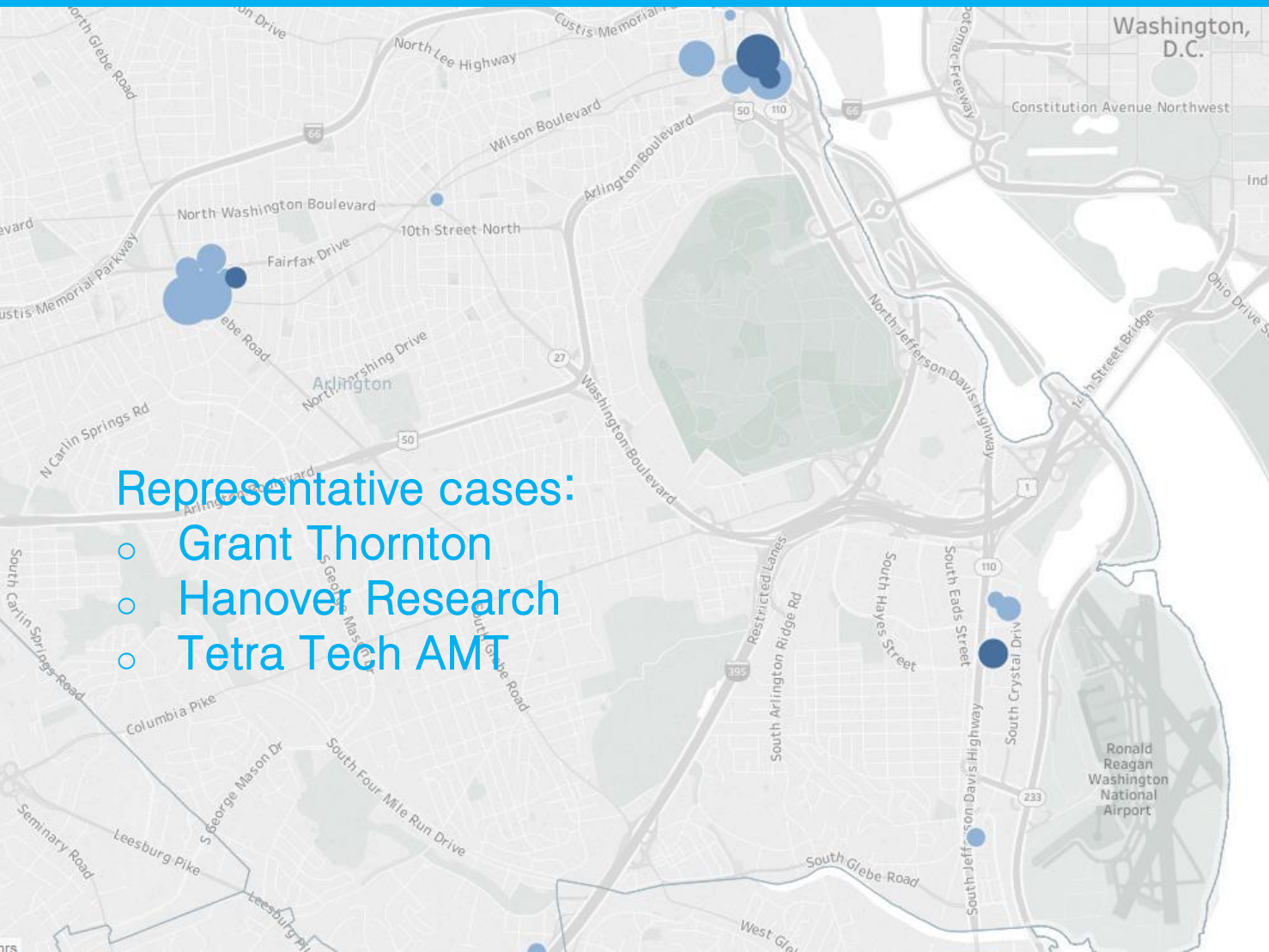


3,600,000 SF
 16,900 jobs
 103 projects
 (85 AED assist)

46% Retention
 36% Attraction
 17% Expansion



PROFESSIONAL SERVICES



Industry

- FIRE (Finance, Insura..
- Professional Service..

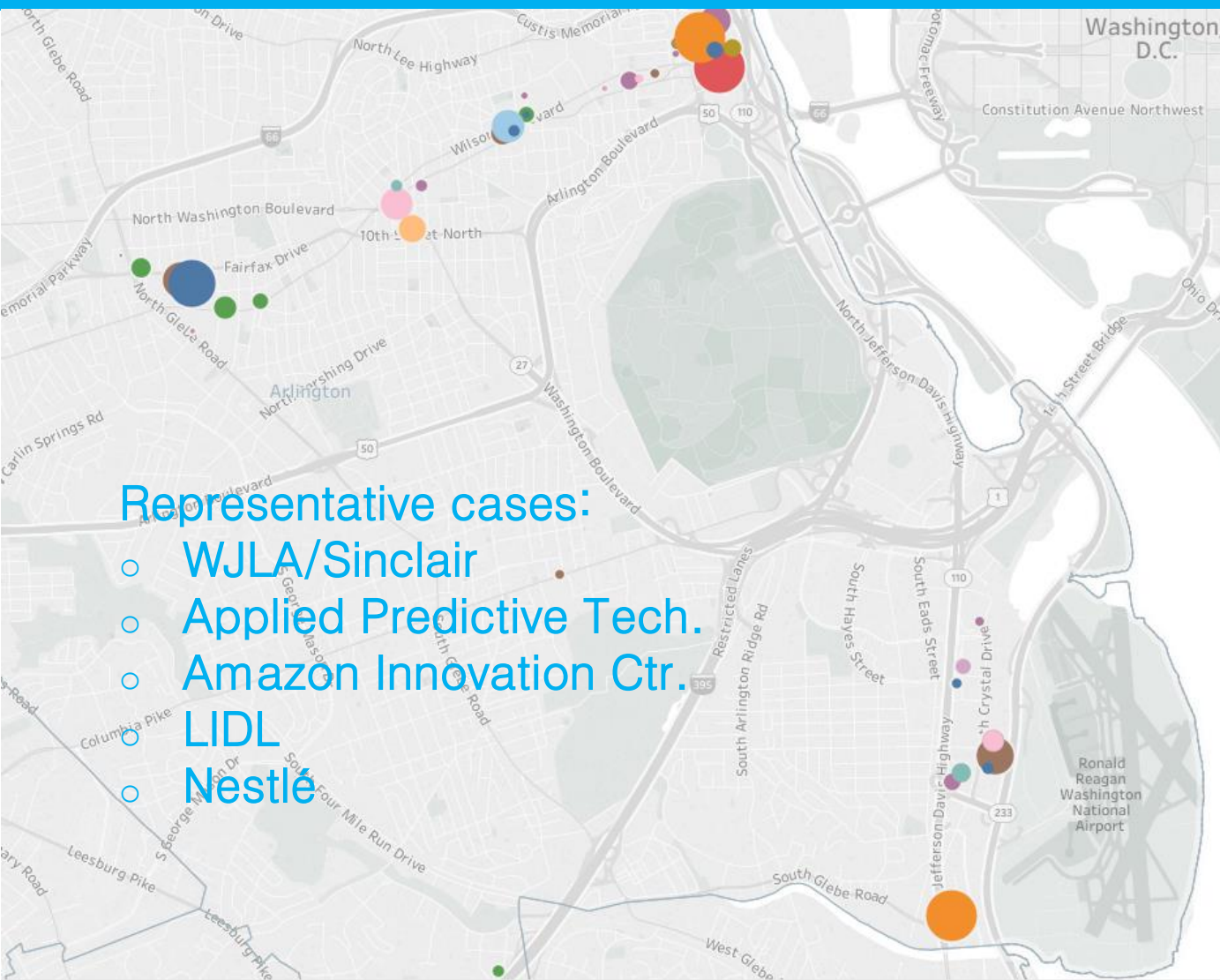
Representative cases:

- Grant Thornton
- Hanover Research
- Tetra Tech AMT

Square Footage

- < 1,000
- 20,000
- 40,000
- 60,000
- 80,000
- > 100,000

GROWTH INDUSTRIES



Representative cases:

- WJLA/Sinclair
- Applied Predictive Tech.
- Amazon Innovation Ctr.
- LIDL
- Nestle

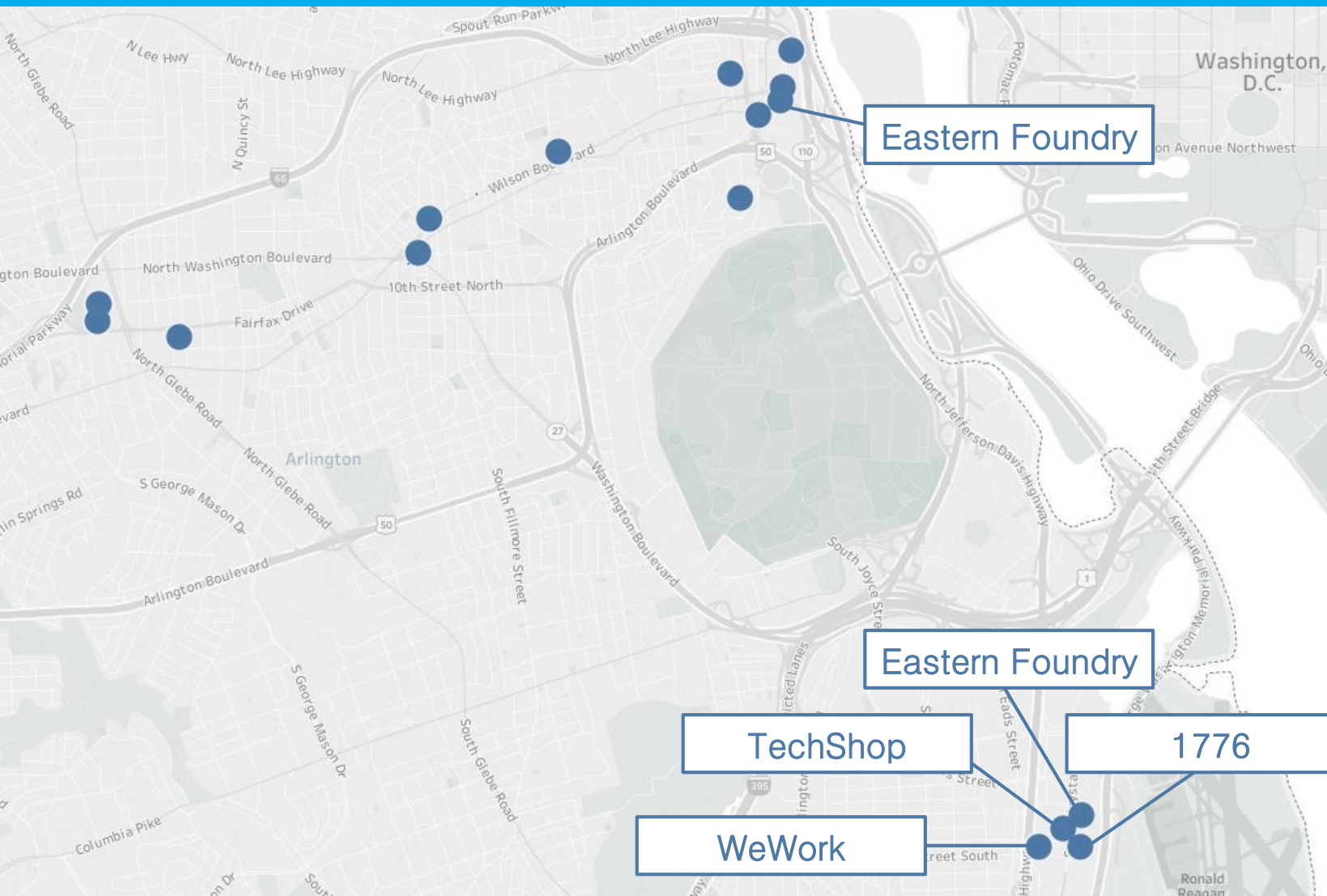
Industry

- Big Data
- Clean and Green
- Consumer Goods
- Creative Economy
- Cyber-security
- Edu Tech
- Med-Tech
- Media
- Shared Economy
- Software
- Tech-Eco
- Tech-Other

Square Footage

- < 1,000
- 20,000
- 40,000
- 60,000
- 80,000
- > 100,000

COWORKING SPACES



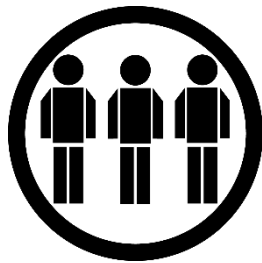
FY17 YTD OUTCOMES



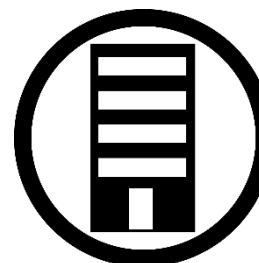
26 CLOSED and
Announced Deals



2 of 26 Received
INCENTIVES



2,756 JOBS New
or Retained



718,103 SQ FT of
Real Estate

SELECTED ANNOUNCEMENTS



Grant Thornton
An instinct for growth™



EASTERNFOUNDRY



NESTLÉ RECRUITMENT

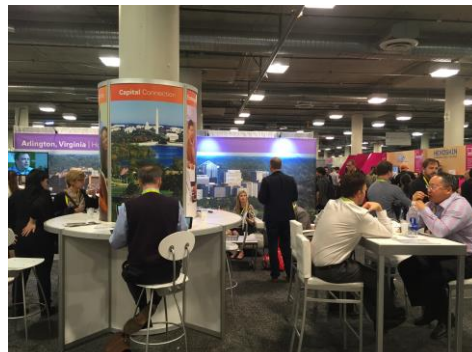
- Economic Development Incentives
- Infrastructure Match
 - Bus stops
 - Rosslyn esplanade
- Workforce Assistance
- Employee Relocation Assistance
 - Custom website creation
 - Video
 - On-site resource room
 - Look see tours
- Community engagement
 - Nestle Day
 - VIP Regional Executive Dinner (Board of Trade)



SELECTED CY17 MARKETING – U.S. and Intl.

CES* – January (BUSINESS DEV.)	Collision – May (BUSINESS DEV.)
Natl. Tour Association – Feb. (TOURISM)	CES Asia – June (BUSINESS DEV.)
Peru* – March (TOURISM)	US Travel IPW* – June (TOURISM)
SXSW* – March (BUSINESS DEV.)	Select USA* – June (BUSINESS DEV.)
China* – March (TOURISM)	Black Hat* – Sept. (BUSINESS DEV.)
Canada* – April (TOURISM)	World Travel Market* – Nov. (TOURISM)

*Multi-year engagement





SELECTED CY17 PROGRAMS – LOCAL

- Global Phonic Series – Feb.–April (**CULTURAL AFFAIRS**)
- HSN: American Dreams – February & May (**BIZLAUNCH**)
- Hire Ed Forum – April (**BIG & SPI**)
- Access to Markets with Sen. Warner – April (**BIZLAUNCH**)
- The Access to Capital Academy – April–May (**BIZLAUNCH**)
- Columbia Pike Blues Festival – June (CPRO & **CULTURAL AFFAIRS**)
- Rosslyn Jazz Festival – September (RBID & **CULTURAL AFFAIRS**)
- Arlington Hotel Summit – September (**ACVS**)
- Arlington Hospitality College – Mar., Jun., Oct., Dec. (**ACVS**)
- Arlington Mill Gallery – Ongoing (**CULTURAL AFFAIRS & SPI**)

SELECTED LOCAL PROGRAM HIGHLIGHTS



BIZLAUNCH FY17 OUTCOMES

As of February 15, assisted 1,826 business people including:

- 1,307 workshop participants;
- 519 individual counseling sessions; and
- Among the workshops and counseling sessions, 521 conducted in Spanish.



Specialized programming including:

- 29 technical assistance workshops
- HSN American Dream Pitch Program
- The Access to Capital Academy
- B Corporation Series (Social Entrepreneurship)



*By the end of FY17 BizLaunch will assist 5,000 business people through programs and counseling sessions.

CULTURAL DEVELOPMENT & PROGRAMMING

- 467 public performances, exhibits, events, workshops and temporary installations
- 3850 Lee Arts Center Studio Visitors
- 367 Artists and Arts Organizations supported
- \$3.57 million in leveraged funding
- 60 Creative Economy events drawing a total of 1500 attendees across Arlington.

arlington arts



creative arlington



IN KIND VALUE OF THEATER USE FY 2016

- Arts Grants Program supports arts organizations with 1) Money Grants (\$215,800); and 2) Space and Services Grants – which provide support for free or at very little cost to organizations.
- The Space and Services Grants for FY 2016 have been estimated to have a net value of \$862,000.
- Used a combination of CAD and APS rates and fees to and estimated use of theater, rehearsal and classroom space and scenic, costume and other technical services to obtain in-kind value.
- Beneficial to organizations because now they can incorporate this in kind contribution in other grant applications.



BALLSTON QUARTER REDEVELOPMENT



Project under construction with a projected delivery date of Fall 2018

- Public-private partnership finalized in September 2016
- Tax increment bonds issued and sold in Fall 2016
- FY18 Responsibilities:
 - Facilitate further permitting and regulatory approvals
 - Finalize bridge design and facilitate approvals
 - Monitor and assist with ongoing leasing, marketing and communication efforts
 - Assist with administration of bond servicing requirements



TOURISM FY17 OUTCOMES

- 52,000+ group room–night leads
 - 31,000+ group room–nights booked, worth \$5+ million
 - 190,000+ StayArlington website sessions
 - 14,000+ visitors and residents served in–person
 - 260 Arlington–related articles with 180M impressions worth \$4.1M
 - 14 major travel trade events with 500+ one–on–one appointments and Arlington exposure to 75,000+ attendees
-
- 2016 Arlington hotel occupancy: 77.2% (up 0.4% over 2015)
 - 2016 Arlington hotel average daily rate: \$162.03 (up 2.0% over 2015)
 - 2015 Arlington visitor spending: \$3.1 billion (up 2.9% over 2014)
 - 2015 Arlington tax revenue: \$85.8 million (up 6.3% over 2014)
 - 2015 State tax revenue of \$114.9 million (up 6.6% over 2014)



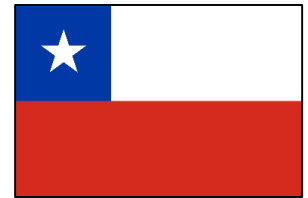
TOURISM FY17 ADDED FUNDS

Personnel

- **Two Limited Term FTEs** (second Destination Sales Manager and new Content Manager) began expanding sales and marketing reach in December 2016

Non-Personnel

- Visitor research, real-time hotel data, and strategic plan
- Content resources: new StayArlington marketing collateral and website, plus photography, video, editorial, etc.
- Advertising, events, missions (media and sales), and online marketing
 - **76% focus on domestic** audiences: meeting/group planners, travel trade, couples, families, friends, LGBT, seniors, journalists
 - **24% focus on international** audiences: travel trade and media (UK, Germany, France, China, Brazil, Canada, Mexico, Peru, Argentina, Chile)



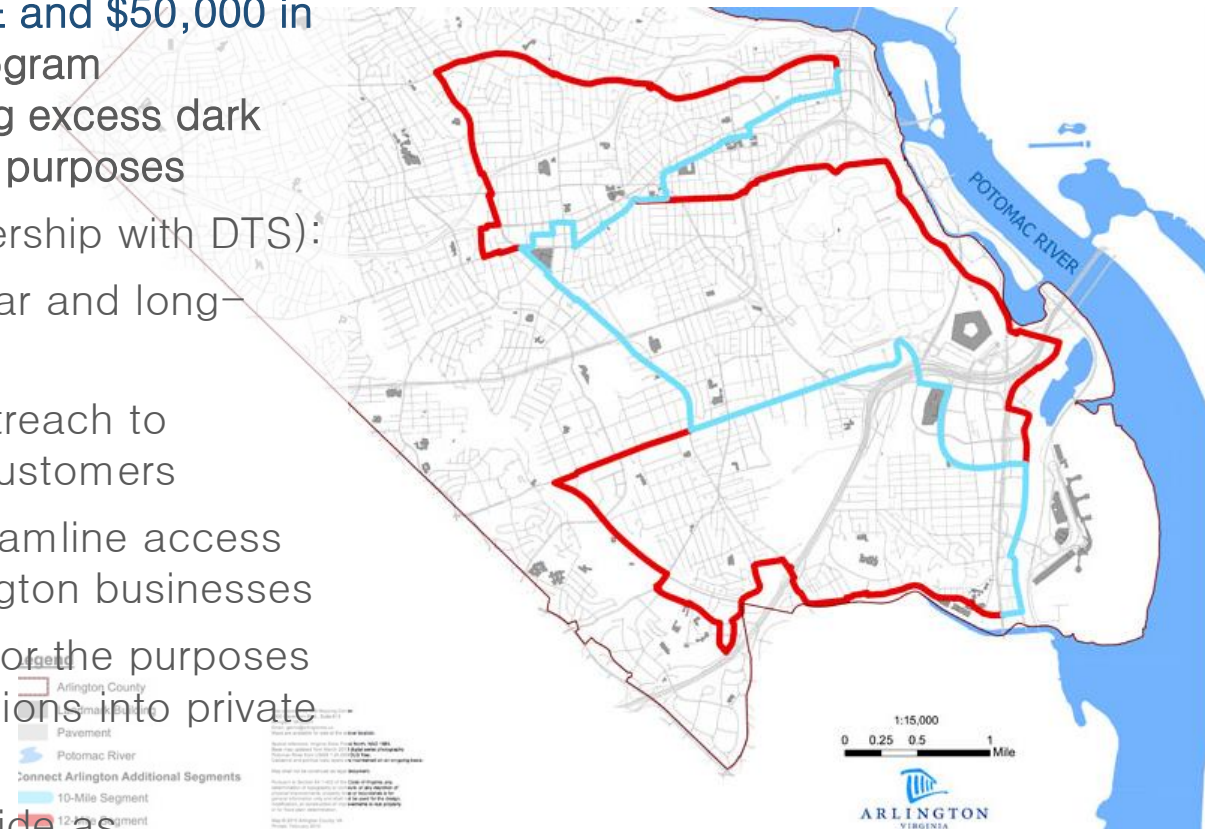
FY 2018 PROPOSED

CONNECTARLINGTON FOR ECONOMIC DEVELOPMENT

Transfer/Reallocation of 1.0 FTE and \$50,000 in Marketing Funds will support program implementation aimed at utilizing excess dark fiber for economic development purposes

FY 18 Responsibilities (in partnership with DTS):

- Research and analysis of near and long-term market potential
- Enhanced marketing and outreach to potential ConnectArlington customers
- Implement processes to streamline access to ConnectArlington for Arlington businesses
- Manage IDA grant program for the purposes of constructing fiber connections into private commercial buildings
 - \$250,000 will be set-aside as contingent reserve to be used for these capital infrastructure investments



FY 2018 PROPOSED

SMALL BUSINESS SUPPORT

- The FY18 budget includes funding for an additional 1.0 FTE in the AED BizLaunch program. The position will strengthen outreach to existing small businesses, with a particular focus on programming and technical assistance for childcare providers.
- The FY18 budget also includes conversion (\$0 NTS) of a temporary to full-time permanent FTE to retain this critical administrative support for BizLaunch/SCORE and other departmental Operations functions
- Budget reduction option: Eliminate the 1.0 FTE for BizLaunch support to Childcare providers and other small business services: \$115,698



[end of presentation]