ECONOMIC DEVELOPMENT

Description

The Economic Development Authority was created as a political subdivision of the Commonwealth of Virginia and, as such, may issue tax exempt bonds for the purpose of promoting industry and developing trade, by inducing desirable businesses to locate or remain in the County. The bonds and notes financed by private lenders for approved projects do not constitute a debt of the Commonwealth, the County, or the Authority. The debts are repaid solely from the revenues and receipts derived from the projects.

In 1984, the Authority was designated as the official economic development organization for the County of Henrico, and was authorized to undertake those activities necessary to accomplish the County's economic development goals. Although the Authority is officially independent of the County, it works closely with the County government and receives support in the form of an annual operating subsidy. This budget includes that subsidy. Reimbursements for expenditures are subject to the same controls as other County departments.

Objectives

- To increase the number of successful locations of new businesses in Henrico County.
- To conduct a successful business retention program.
- To create employment opportunities and to increase the nonresidential tax base.
- To increase the number of corporate inquiries and prospect visits to Henrico County.
- To promote the retention and expansion of existing major primary corporate businesses.

Budget Highlights

The proposed budget for the Economic Development Authority is $13,168,391. This is a 0.5 percent decrease from the FY2012-13 approved budget. This change is the net of increases from Henrico assuming the salary costs of a seventh EDA employee and a 5.0 percent salary increase mandated by the Commonwealth, more than offset by a lower salary requirement stemming from the retirement of a senior employee within the Authority, and a reduction in requested funding for the Greater Richmond Partnership.

In addition to supporting the daily operations of Henrico's economic development activities, this budget for FY2013-14, contains the County's $320,000 contributions to the Greater Richmond Partnership and the $2,053,870 budgeted for the Richmond Metropolitan Convention and Visitor's Bureau.

Annual Fiscal Plan

Description	FY12 Actual	FY13 Original	FY14 Proposed	Change 13 to 14
Personnel	$ 0	$ 0	$ 0	0.0%
Operation	3,395,206	3,570,909	3,504,591	(1.9%)
Capital	3,651	3,800	3,800	0.0%
Sub-Total	$ 3,398,857	$ 3,574,709	$ 3,508,391	(1.9%)
Other Payments	10,514,577	9,660,000	9,660,000	0.0%
Total	$ 13,913,434	$ 13,234,709	$ 13,168,391	(0.5%)
Personnel Complement*	N/A	N/A	N/A	N/A

* Seven employees are supported by the County in this budget, but are not in the County's Complement.

Performance Measures

	FY12	FY13	FY14	Change 13 to 14
Effectiveness Measures				
Value of New Capital Investments	$24,472,500	$50,000,000	$50,000,000	0
Announced New Business Establishments	6	12	12	0
Announced New Jobs Created	392	750	750	0
Investment From Business Expansions	$66,695,000	$75,000,000	$75,000,000	0
Business Expansions and Retentions	7	20	20	0
Jobs Created - Expansions and Retentions	824	750	750	0
Projects Generated (New and Existing)	104	75	75	0

Since FY1997-98 the County's share of the Richmond Center Expansion Project, funded with Hotel/Motel Tax revenues has been included in this budget. Beginning in FY2000-01, the entire 8.0 percent Hotel/Motel tax levy is transferred to the Richmond Convention Center Authority. At the end of the fiscal year, Henrico's local 2.0 percent component is returned from the Authority. In FY2013-14, $9,660,000 is included for the Richmond Center Expansion Project.

The Authority's staff are not included in the County's complement since they are paid by the Economic Development Authority. The salary funding for these positions is provided by the County. The benefit costs of all positions are provided by the Authority.

Other Payments, which is comprised of the Richmond Center Expansion Project is unchanged at $9,660,000.

Capital outlay totaling $3,800 is requested to replace computer and telecommunications equipment. There are no requests from the Economic Development Authority for supplemental funding.

The following historical information is noted:

What follows is a table of RMCVB funding budgeted in the previous four fiscal years.

FY2012-13	$2,053,870
FY2011-12	$1,750,847
FY2010-11	$1,750,847
FY2009-10	$1,945,101

What follows is a table of funding budgeted for the Greater Richmond Partnership in the previous four fiscal years. It should be noted that the actual request of $320,000 from the Greater Richmond Partnership in FY2012-13 was $50,000 below the budgeted amount.

FY2012-13	$370,000
FY2011-12	$370,000
FY2010-11	$370,000
FY2009-10	$370,000

ECONOMIC DEVELOPMENT
Department Operating Budget

		Prior Year	Approved Budget	Proposed Budget	Dollar Inc/Dec	Percent Change
50202	Accounting And Auditing Services	17,575	20,000	20,000	0	0.0%
50209	Other Professional Services	19,884	0	0	0	0.0%
50210	Maintenance and Repairs	363	500	500	0	0.0%
50211	Maintenance Service Contracts	476	900	900	0	0.0%
50221	Lease/Rent of Buildings	100,004	100,004	100,004	0	0.0%
50250	Advertising	267,105	270,934	235,846	-35,088	-13.0%
50270	Other Contractual Services	626,698	626,698	655,468	28,770	4.6%
50285	Landscaping	46,744	59,109	59,109	0	0.0%
50400	Electric Services	34,653	28,214	28,214	0	0.0%
50410	Postal Services	480	3,000	3,000	0	0.0%
50412	Telecommunications	5,771	6,948	6,948	0	0.0%
50430	Mileage	499	500	500	0	0.0%
50431	Travel	23,881	0	0	0	0.0%
50441	Payment To Other Civic/Community Organizations	12,736,857	12,093,870	12,033,870	-60,000	-0.5%
50450	Dues And Association Memberships	6,701	6,300	6,300	0	0.0%
50500	Office Supplies	3,950	4,200	4,200	0	0.0%
50501	Food Supplies and Food Service Supplies	6,988	4,000	4,000	0	0.0%
50507	Gasoline	4,462	4,644	4,644	0	0.0%
50512	Books and Subscriptions	564	688	688	0	0.0%
50514	Other Operating Supplies	6,128	400	400	0	0.0%
50833	Telecommunications Equipment-Replacement Less Than $50	1,997	800	800	0	0.0%
50835	Computer Equipment-Replacement Less Than $5000	1,654	3,000	3,000	0	0.0%
Total Department		**13,913,434**	**13,234,709**	**13,168,391**	**-66,318**	**-0.5%**