

ECONOMIC DEVELOPMENT

DESCRIPTION

The Economic Development Authority (EDA) 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.

The Authority was designated as the official economic development organization for the County of Henrico in 1984. At that time, it 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.

FISCAL YEAR 2021 SUMMARY

Annual Fiscal Plan

<u>Description</u>	<u>FY19 Actual</u>	<u>FY20 Original</u>	<u>FY21 Proposed</u>	<u>Change 20 to 21</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	18,973,957	18,342,926	19,204,414	4.7%
Capital	8,939	3,800	3,800	0.0%
Total Budget	<u>\$ 18,982,896</u>	<u>\$ 18,346,726</u>	<u>\$ 19,208,214</u>	<u>4.7%</u>
Personnel Complement*	N/A	N/A	N/A	N/A

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

Economic Development

PERFORMANCE MEASURES

	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>Change 20 to 21</u>
Effectiveness Measures				
Square Footage of New Businesses	1,564,114	500,000	500,000	0
Announced New Jobs Created	320	500	500	0
Payroll - New Businesses	8,700,872	\$ 22,000,000	\$ 22,000,000	0
Square Footage of Existing Businesses	377,563	250,000	250,000	0
Jobs Created - Expansions and Retentions	770	300	300	0
Payroll - Expansions and Retentions	\$ 55,625,858	\$ 15,000,000	\$ 15,000,000	0

BUDGET HIGHLIGHTS

The proposed budget for the Economic Development Authority for FY2020-21 is \$19,208,214. This is an increase of \$861,488, or 4.7 percent, over the FY2019-20 approved budget. This budgetary growth is due to increases in the funding requirements for the Richmond Center Expansion Project and Richmond Region Tourism, as well as increases in the County's subsidy for the EDA's salary costs.

Since FY1997-98, the County's share of the Richmond Center Expansion Project (RCEP), 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 has been 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 Convention Center. In FY2019-20, \$13,800,000 is included for the Richmond Center Expansion Project. This increase of \$600,000 or 4.5 percent, is in recognition of robust growth in the Hotel/Motel tax revenues that drive this expense. Henrico's annual contribution to Richmond Region Tourism, which is also tied to lodging tax receipts, is \$3,198,458 for FY2020-21. This is an increase of \$141,436, or 4.6 percent.

This budget for FY2020-21 also contains the County's \$385,000 contributions to the Greater Richmond Partnership. This figure is unchanged from the FY2019-20 approved budget.

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

Setting aside the contribution for the Greater Richmond Partnership and the increases for the RCEP and Richmond Region Tourism, the budget proposal for the administrative operations of the Authority is up \$119,470, or 7.2 percent, above the FY2019-20 approved budget.

The following historical information is noted:

Economic Development

What follows is a table of Richmond Region Tourism (formerly RMCVB) funding budgeted in the previous nine fiscal years.

FY2019-20	\$3,057,022
FY2018-19	\$2,938,514
FY2017-18	\$2,856,636
FY2016-17	\$2,636,200
FY2015-16	\$2,393,090
FY2014-15	\$2,378,050
FY2013-14	\$2,053,870
FY2012-13	\$2,053,870
FY2011-12	\$1,750,847

What follows is a table of funding budgeted for the Greater Richmond Partnership in the previous nine fiscal years.

FY2019-20	\$385,000
FY2018-19	\$385,000
FY2017-18	\$385,000
FY2016-17	\$385,000
FY2015-16	\$385,000
FY2014-15	\$370,000
FY2013-14	\$320,000
FY2012-13	\$370,000
FY2011-12	\$370,000



Department Operating Budget
 Henrico County, Virginia
 FY2020-21
 ECONOMIC DEVELOPMENT

Account Description	Prior Year Actual	Approved Budget	Proposed Budget	Dollar Inc/Dec	Percent Inc/Dec
50202 Accounting And Auditing Services	31,400	33,500	33,500	0	0.0%
50209 Other Professional Services	17,160	0	0	0	0.0%
50210 Maintenance and Repairs	0	500	500	0	0.0%
50211 Maintenance Service Contracts	0	400	400	0	0.0%
50240 Printing and Binding	5	0	0	0	0.0%
50250 Advertising	236,167	314,560	337,668	23,108	7.3%
50270 Other Contractual Services	971,558	1,081,175	1,109,537	28,362	2.6%
50285 Landscaping	147,168	93,219	161,219	68,000	72.9%
50400 Electric Services	29,509	28,214	28,214	0	0.0%
50402 Water Service	9,455	9,500	0	-9,500	-100.0%
50410 Postal Services	1,666	1,500	1,500	0	0.0%
50412 Telecommunications	6,354	6,948	6,948	0	0.0%
50430 Mileage	20	500	500	0	0.0%
50431 Education and Training	62,955	57,906	57,906	0	0.0%
50441 Payment To Other Civic/Community Organizations	17,292,962	16,692,022	17,434,040	742,018	4.4%
50450 Dues And Association Memberships	4,528	8,800	18,800	10,000	113.6%
50455 Tuition	0	250	250	0	0.0%
50500 Office Supplies	4,340	4,200	4,200	0	0.0%
50501 Food Supplies and Food Service Supplies	6,109	4,000	4,000	0	0.0%
50507 Gasoline	1,963	4,644	4,144	-500	-10.8%
50512 Books and Subscriptions	638	688	688	0	0.0%
50514 Other Operating Supplies	0	400	400	0	0.0%
50833 Telecommunications Equipment- Replacement Less Than \$5000	100	800	800	0	0.0%
50835 Computer Equipment-Replacement Less Than \$5000	8,839	3,000	3,000	0	0.0%
Total Department	18,832,896	18,346,726	19,208,214	861,488	4.7%