

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 2022 SUMMARY

<u>Description</u>	<u>FY20 Actual</u>	<u>FY21 Original</u>	<u>FY22 Proposed</u>	<u>Change 21 to 22</u>
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	17,722,536	12,925,358	12,952,102	0.2%
Capital	371	3,610	800	(77.8%)
Total Budget	<u>\$ 17,722,907</u>	<u>\$ 12,928,968</u>	<u>\$ 12,952,902</u>	<u>0.2%</u>
Personnel Complement*	N/A	N/A	N/A	N/A

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

Economic Development

PERFORMANCE MEASURES

	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>Change 21 to 22</u>
Effectiveness Measures				
Square Footage of New Businesses	248,150	500,000	500,000	0
Announced New Jobs Created	978	400	400	0
Payroll - New Businesses	46,203,189	\$ 18,000,000	\$ 18,000,000	0
Square Footage of Existing Businesses	505,300	275,000	275,000	0
Jobs Created - Expansions and Retentions	2,596	300	300	0
Payroll - Expansions and Retentions	\$ 162,524,476	\$ 15,000,000	\$ 15,000,000	0

BUDGET HIGHLIGHTS

The proposed budget for the Economic Development Authority for FY2021-22 is \$12,952,902. This is an increase of \$23,934, or 0.2 percent, over the FY2020-21 approved budget. Increases in the funding for the salary requirements of the Authority's staff and support for the Greater Richmond Partnership were mostly offset by a lowered request of support for Richmond Region Tourism.

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 FY2021-22, \$8,000,000 is included for the Richmond Center Expansion Project. This is unchanged from the FY2020-21 approved budget. This FY2020-21 figure was lowered from the FY2019-20 amount of \$13,200,000 as a result of dramatic declines in lodging receipts associated with the COVID-19 pandemic. Henrico's annual contribution to Richmond Region Tourism was decreased by \$319,925 for the same reason. The amount of support for the organization will be \$2,652,097 in FY2021-22.

The request for FY2021-22 also contains the county's \$385,000 contributions to the Greater Richmond Partnership. This increase of \$50,000 returns funding to FY2019-20 levels. This portion of the EDA budget also contains \$50,000 for the GO Virginia initiative

The Authority's nine 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 contributions for the outside organizations noted above, the budget request for the administrative operations of the Authority is up \$231,669, or 14.2 percent, above the FY2020-21 approved budget. This robust growth is due to salary and FICA increases for the Authority's staff, enhanced support for advertising and additional funding of the Authority's efforts at White Oak Technology Park.

Economic Development

The following historical information is noted:

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

FY2020-21	\$2,972,022
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.

FY2020-21	\$335,000
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
FY2021-22
ECONOMIC DEVELOPMENT

Account Description	Prior Year Actual	Approved Budget	Proposed Budget	Dollar Inc/Dec	Percent Inc/Dec
50202 Accounting And Auditing Services	36,834	33,500	0	-33,500	-100.0%
50210 Maintenance and Repairs	0	500	0	-500	-100.0%
50211 Maintenance Service Contracts	0	400	0	-400	-100.0%
50240 Printing and Binding	21	0	0	0	0.0%
50250 Advertising	469,261	314,560	0	-314,560	-100.0%
50270 Other Contractual Services	1,081,175	1,063,607	1,852,413	788,806	74.2%
50285 Landscaping	100,062	93,219	0	-93,219	-100.0%
50400 Electric Services	27,968	28,214	0	-28,214	-100.0%
50410 Postal Services	1,037	1,500	1,500	0	0.0%
50412 Telecommunications	6,638	6,948	6,948	0	0.0%
50430 Mileage	0	500	0	-500	-100.0%
50431 Education and Training	33,241	57,906	0	-57,906	-100.0%
50441 Payment To Other Civic/Community Organizations	15,932,032	11,292,022	11,087,097	-204,925	-1.8%
50450 Dues And Association Memberships	17,308	18,800	0	-18,800	-100.0%
50455 Tuition	0	250	0	-250	-100.0%
50459 Other Charges Miscellaneous	6,355	0	0	0	0.0%
50500 Office Supplies	4,404	4,200	0	-4,200	-100.0%
50501 Food Supplies and Food Service Supplies	4,525	4,000	0	-4,000	-100.0%
50507 Gasoline	997	4,144	4,144	0	0.0%
50512 Books and Subscriptions	678	688	0	-688	-100.0%
50514 Other Operating Supplies	0	400	0	-400	-100.0%
50833 Telecommunications Equipment- Replacement Less Than \$5000	350	800	800	0	0.0%
50835 Computer Equipment- Replacement Less Than \$5000	21	2,810	0	-2,810	-100.0%
Total Department	17,722,907	12,928,968	12,952,902	23,934	0.2%