

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 2023 SUMMARY

Annual Fiscal Plan

Description	FY21 Actual	FY22 Original	FY23 Proposed	Change 22 to 23
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	14,516,251	12,952,102	18,584,899	43.5%
Capital	2,947	800	800	0.0%
Total Budget	\$ 14,519,198	\$ 12,952,902	\$ 18,585,699	43.5%
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>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>Change 22 to 23</u>
Effectiveness Measures				
Square Footage of Businesses	3,133,600	877,513	775,000	(102,513)
Jobs Created	1,417	969	700	(269)
Wages Paid	\$ 52,345,022	\$ 52,097,936	\$ 33,000,000	(19,097,936)
Investment	\$ 420,381,001	\$ 254,715,000	\$ 120,000,000	(134,715,000)

BUDGET HIGHLIGHTS

The proposed budget for the Economic Development Authority for FY23 is \$18,585,699. This is an increase of \$5,632,797, or 43.5%, over the FY22 approved budget. The Authority's operations increased by \$144,152. The passthrough portion of this budget increased by \$5,488,645 or 49.5%. This represents a \$6,000,000 increase in funding for the Richmond Center Expansion Project (RCEP), which was partially offset by a \$511,355 decrease in the funding requirement for Richmond Region Tourism (RRT).

Since FY98, the county's share of the RCEP, funded with Hotel/Motel Tax revenues has been included in this budget. Beginning in FY01, 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 FY23, \$14,000,000 is included for the RCEP. This is a \$6,000,000 increase from the FY22 approved budget as noted above. Henrico's annual contribution to RRT is \$2,575,742 for FY23. This is a decrease of \$511,355, or 16.6%.

The request for FY23 also contains the county's \$385,000 contributions to the Greater Richmond Partnership. This is consistent with FY22 funding. This portion of the EDA budget also contains \$50,000 for the GO Virginia initiative.

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 contributions for the Greater Richmond Partnership, the RCEP, and RRT, the budget request for the administrative operations of the Authority is up \$144,152, above the FY22 approved budget.

Economic Development

The following historical information is noted:

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

Year	Richmond Region Tourism	Greater Richmond Partnership
FY22	\$2,652,097	\$385,000
FY21	\$2,972,022	\$270,000
FY20	\$3,057,022	\$385,000
FY19	\$2,938,514	\$385,000
FY18	\$2,856,636	\$385,000
FY17	\$2,636,200	\$385,000
FY16	\$2,393,090	\$385,000
FY15	\$2,378,050	\$370,000
FY14	\$2,053,870	\$320,000
FY13	\$2,053,870	\$370,000



**Department Operating Budget
Henrico County, Virginia
FY2022-23
ECONOMIC DEVELOPMENT**

Account Description	Prior Year Actual	Approved Budget	Proposed Budget	Dollar Inc/Dec	Percent Inc/Dec
50202 Accounting And Auditing Services	37,138	0	0	0	0.0%
50240 Printing and Binding	36	0	0	0	0.0%
50250 Advertising	355,813	0	0	0	0.0%
50270 Other Contractual Services	1,644,701	1,852,413	1,996,565	144,152	7.8%
50285 Landscaping	96,268	0	0	0	0.0%
50400 Electric Services	27,924	0	0	0	0.0%
50410 Postal Services	1,902	1,500	1,500	0	0.0%
50412 Telecommunications	7,659	6,948	6,948	0	0.0%
50431 Education and Training	7,784	0	0	0	0.0%
50441 Payment To Other Civic/Community Organizations	12,301,600	11,087,097	16,575,742	5,488,645	49.5%
50450 Dues And Association Memberships	7,741	0	0	0	0.0%
50459 Other Charges Miscellaneous	215	0	0	0	0.0%
50500 Office Supplies	5,624	0	0	0	0.0%
50501 Food Supplies and Food Service Supplies	4,077	0	0	0	0.0%
50507 Gasoline	789	4,144	4,144	0	0.0%
50512 Books and Subscriptions	1,167	0	0	0	0.0%
50514 Other Operating Supplies	-20	0	0	0	0.0%
50521 Computer Software	15,833	0	0	0	0.0%
50813 Telecommunications Equipment-New Less Than \$5000	150	0	0	0	0.0%
50833 Telecommunications Equipment-Replacement Less Than \$5000	681	800	800	0	0.0%
50835 Computer Equipment-Replacement Less Than \$5000	2,116	0	0	0	0.0%
Total Department	14,519,198	12,952,902	18,585,699	5,632,797	43.5%