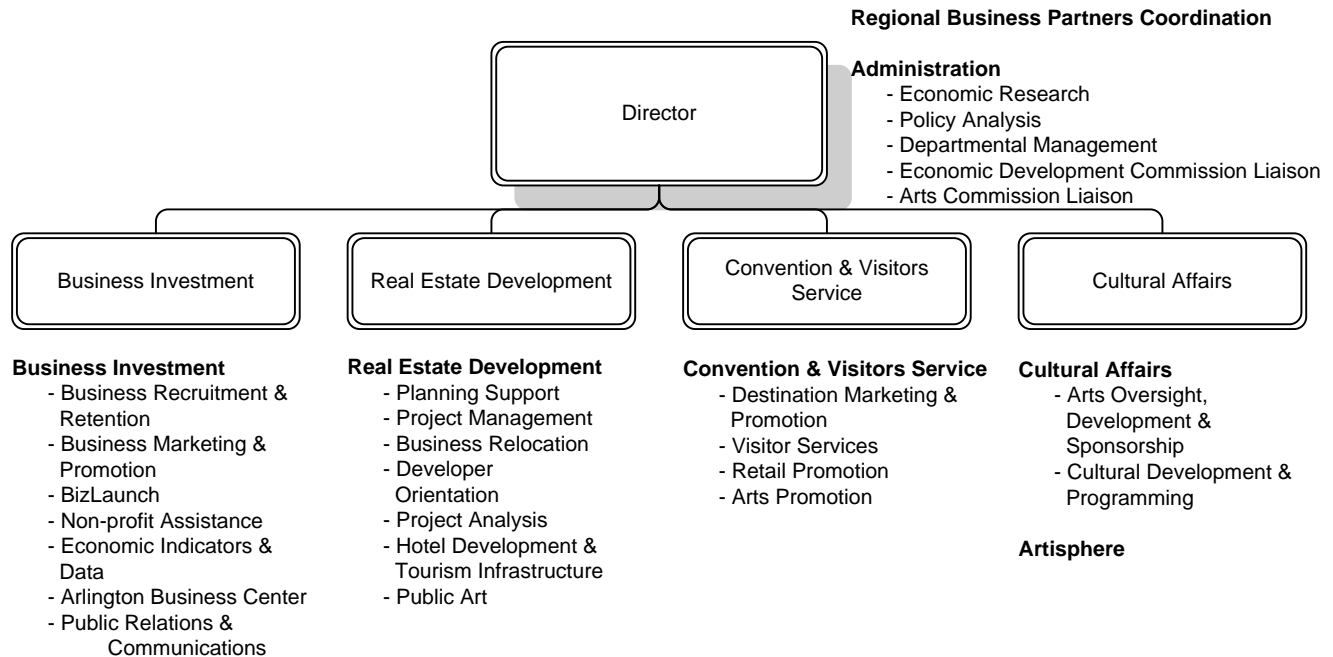


Our Mission: To continue to develop Arlington County as an economically vital, competitive and sustainable community by providing leadership and services to the business, real estate development and visitors services sectors of the Arlington economy

LINES OF BUSINESS



SIGNIFICANT BUDGET CHANGES

The FY 2014 adopted expenditure budget for Arlington Economic Development is \$10,097,867, a four percent increase from the FY 2013 adopted budget. The FY 2014 budget reflects:

- ↑ The County Board added one-time funding for the Base Realignment and Closure (BRAC) Coordinator position (\$142,137; 1.0 FTE).
- ↑ The County Board added one-time funding for the nonprofit capacity building program for two additional grants (\$20,000).
- ↑ The County Board added one-time funding for arts challenge grants (\$30,000).
- ↑ Personnel increases due to employee step increases, a three percent increase in the County's cost for employee health insurance, adjustments to retirement contributions based on current actuarial projections, and hiring vacant positions at higher salaries. This is partially offset by the removal of FY 2013 one-time funded Base Realignment and Closure (BRAC) Coordinator (\$148,137; 1.0 FTE).
- ↓ Non-personnel expenses decrease due to the adjustment for the annual expense for the maintenance and replacement of County vehicles (\$1,450), the removal of one-time funding for arts challenge grants (\$30,000), and the changes listed below in the Lines of Business Summaries.

- ↑ One-time funding of \$900,000 for Artisphere supports both personnel and non-personnel expenses and is partially offset by the change listed below in the Lines of Business Summaries.
- ↑ Revenue increases based on changes in Artisphere operational estimates for gifts and donations (\$20,000), facility rental (\$40,600), admission and ticket income (\$118,531), which is partially offset by reductions in catering income (\$132,753).

Cultural Affairs Division

- ↓ Decrease in the Arlington Arts Grants Program funding from \$249,100 to \$199,100 (\$50,000).

IMPACT: The reduction in funding limits the amount available for allocation to supported arts organizations in Arlington.

Artisphere

- ↓ Reduction of ongoing funding for Artisphere (\$748,028).

IMPACT: Artisphere will be supported with \$900,000 in ongoing funding and \$900,000 in one-time support for a total of \$1,800,000 in FY 2014. This is an increase of \$214,471 over FY 2013 adopted budget.

DEPARTMENT FINANCIAL SUMMARY

	FY 2012 Actual	FY 2013 Adopted	FY 2014 Adopted	% Change '13 to '14
Personnel	\$6,118,632	\$6,449,127	\$6,810,611	6%
Non-Personnel	3,735,303	3,507,777	3,554,356	1%
Subtotal	9,853,935	9,956,904	10,364,967	4%
Intra-County Charges	(267,100)	(267,100)	(267,100)	-
Total Expenditures	9,586,835	9,689,804	10,097,867	4%
Fees	1,348,725	1,607,639	1,654,017	3%
Grants	400,608	5,000	5,000	-
Transfers in from other funds	79,500	49,500	49,500	-
Total Revenues	1,828,833	1,662,139	1,708,517	3%
Net Tax Support	\$7,758,002	\$8,027,665	\$8,389,350	5%
Permanent FTEs	48.60	57.60	57.60	
Temporary FTEs	3.17	3.97	3.97	
Total Authorized FTEs	51.77	61.57	61.57	

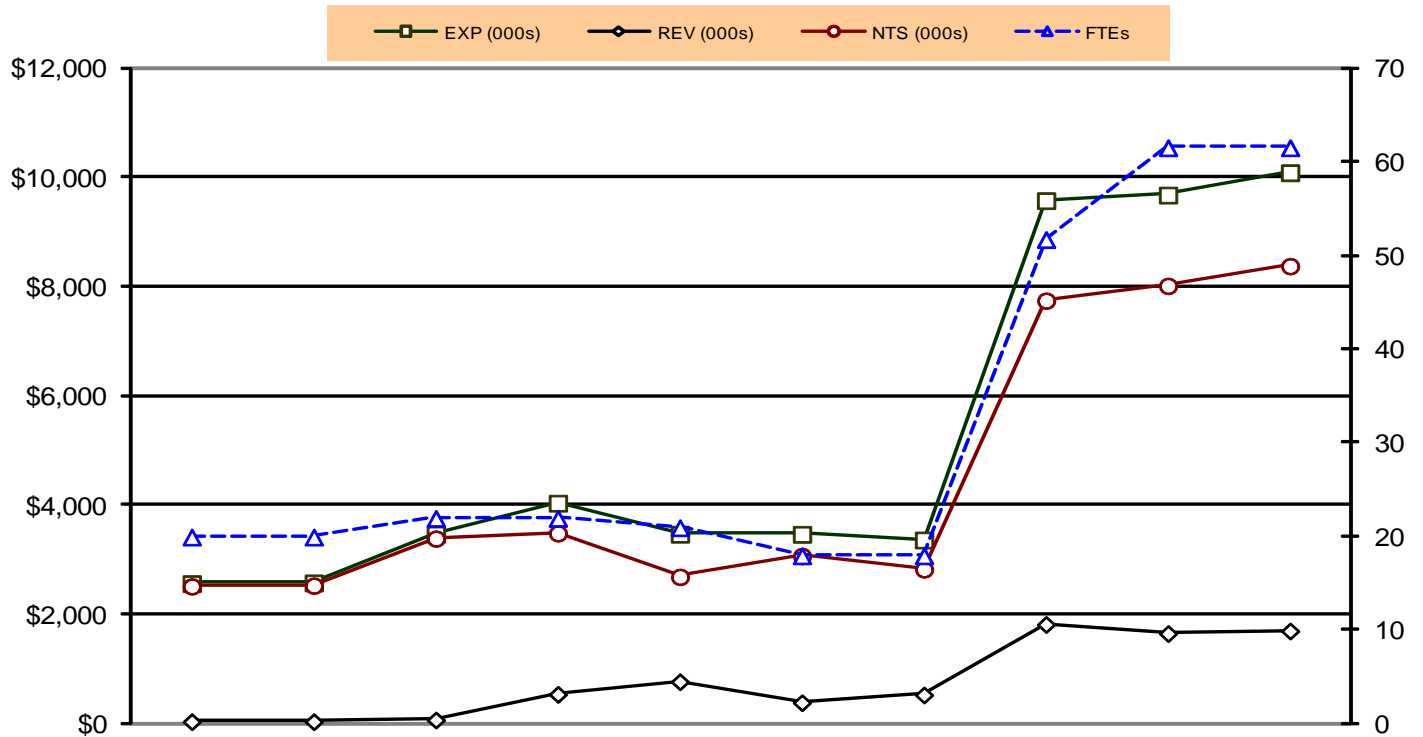
Expenses by Line of Business

	FY 2012 Actual	FY 2013 Adopted*	FY 2014 Adopted	% Change '13 to '14
Administration	\$1,664,471	\$1,356,684	\$1,420,087	5%
Regional Business Partners	203,500	233,500	273,500	17%
Business Investment	1,359,956	1,421,692	1,638,575	15%
Real Estate Development	801,131	999,060	1,057,369	6%
Convention and Visitor Services	-	500,000	526,833	5%
Arlington Cultural Affairs Division	2,008,970	2,105,540	1,847,326	-12%
Artisphere	3,548,807	3,073,328	3,334,177	8%
Total Expenditures	\$9,586,835	\$9,689,804	\$10,097,867	4%

**The FY 2013 adopted budget reflects the Public Art activity within the Real Estate Development Line of Business; Public Art is in Cultural Affairs in FY 2012.*

ARLINGTON ECONOMIC DEVELOPMENT
TEN-YEAR HISTORY

EXPENDITURE, REVENUE, NET TAX SUPPORT AND FULL-TIME EQUIVALENT TRENDS



	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual*	FY 2013 Adopted Budget	FY 2014 Adopted Budget
EXP (000s)	\$2,578	\$2,590	\$3,482	\$4,050	\$3,482	\$3,481	\$3,376	\$9,587	\$9,690	\$10,098
REV (000s)	\$50	\$50	\$80	\$550	\$781	\$397	\$538	\$1,829	\$1,662	\$1,709
NTS (000s)	\$2,528	\$2,540	\$3,402	\$3,500	\$2,701	\$3,083	\$2,838	\$7,758	\$8,028	\$8,389
FTEs	20.0	20.0	22.0	22.00	21.00	18.00	18.00	51.77	61.57	61.57

* In FY 2012, Arlington Cultural Affairs Division, Cultural Affairs' Supplemental Fee Programs, and Artisphere were transferred from the Department of Parks and Recreation to Arlington Economic Development (AED).

Fiscal Year	Description	FTEs
FY 2005	<ul style="list-style-type: none"> ▪ Added 1.0 FTE to reflect a technical correction from the Housing Division move in FY 2003. ▪ Eliminated the General Fund funding for the Georgetown Shuttle (beginning in FY 2004, the Rosslyn Business Improvement District provides funding for the shuttle). ▪ Revenues increased with the addition of a fund transfer from the Rosslyn Fund for the Rosslyn Renaissance (\$50,000) and the elimination of the fund transfer for the Georgetown Shuttle (\$25,000). 	1.0
FY 2006	<ul style="list-style-type: none"> ▪ Non-personnel funds decreased \$120,000 with the expiration of the E-Trade Bank agreement. 	
FY 2007	<ul style="list-style-type: none"> ▪ Added 2.0 FTEs for the Small Business Initiative, 1.0 FTE for the Retail Program and 1.0 FTE for Crystal City Transition Support. ▪ Added funding (\$50,000) for a Nonprofit Program. ▪ Increased, ongoing, support to the Ballston Partnership (\$15,000) and the Columbia Pike Revitalization Program (\$15,000). 	2.0
FY 2008	<ul style="list-style-type: none"> ▪ The County Board added \$20,000 of non-personnel expenses to support small businesses through the Ibero-American Chamber of Commerce. ▪ Removed one-time FY 2007 BRAC non-personnel expenses (\$782,659), which is offset by the following increases: IBERO Chamber of Commerce was transferred from the Regionals section of the budget to AED's budget (\$45,000); support of the Greater Washington Initiative increased \$5,000 to reflect the County's current commitment, and an increase in auto fund charges (\$409). ▪ Personnel funds reflect removal of one-time FY 2007 BRAC grant expenses (\$93,425) included in the FY 2007 revised budget numbers used in the FY 2008 budget. ▪ Revenues decreased as a result of removing one-time BRAC grant funds (\$876,084). 	
FY 2009	<ul style="list-style-type: none"> ▪ One position was transferred to the Office of Emergency Management (\$119,822 and 1.0 FTE). ▪ Added the Virginia National Defense Industrial Authority (VNDIA) grant (\$101,405 in revenue and expense). 	(1.0)
FY 2010	<ul style="list-style-type: none"> ▪ The County Board added funding for a one-time lump-sum payment of \$500 for employees (\$10,327). ▪ Eliminated two positions, one administrative and one technology support position (\$199,794). 	(2.0)

ARLINGTON ECONOMIC DEVELOPMENT
TEN-YEAR HISTORY

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> ▪ Eliminated one of six economic development specialist positions (\$77,675). 	(1.0)
FY 2011	<ul style="list-style-type: none"> ▪ Reduced funding for the Ballston Science and Technology Alliance (\$2,500); Rosslyn Renaissance (\$10,000) and the Greater Washington Hispanic Chamber of Commerce (\$650). Eliminated funding for the Greater Washington Initiative (\$25,000). ▪ Reduced funding for the Nonprofit Technical Assistance Program (\$5,000) and the Think Arlington marketing campaign (\$45,000). ▪ Revenue decreased due to the reduction of transferred funds from a trust and agency account to support the Rosslyn Renaissance (\$10,000) and the end of a state grant during the fiscal year (\$74,350). ▪ Non-personnel expense decreased due the end of the state grant funds (\$74,350). 	
FY 2012	<ul style="list-style-type: none"> ▪ The County Board approved a one-time allocation of \$450,000 for promoting and marketing businesses and cultural events within Arlington County, as well as enhancing small business initiatives. The employees from the Travel and Tourism Promotion Fund will be carrying out these activities from January 1, 2012 through June 30, 2012. ▪ Non-personnel expenses decrease due to the elimination of funding for the Ballston Partnership (\$65,000) due to the creation of the Ballston Business Improvement District, the decrease in funding for the Rosslyn Renaissance (\$10,000), and decrease in lease expense for the Base Realignment and Closure (BRAC) Transition Center (\$23,588). This is partially offset by the restoration of funding for Greater Washington Initiative (\$25,000) and increase in the annual expense for maintenance and replacement of County vehicles (\$765). ▪ Revenues decrease due to the reduction in funding from the Rosslyn Fund trust and agency account for the Rosslyn Renaissance (\$10,000) and the end of grant funding from the Virginia National Defense Industrial Authority (VNDIA) (\$28,448). An extension to the length of the grant has been awarded which will keep the BRAC Transition Center open through mid-FY 2012. ▪ <i>Cultural Affairs, Cultural Affairs' Supplemental Fee Programs, and Artisphere were transferred to Arlington Economic Development from the Department of Parks and Recreation (expense \$5,284,614, revenue \$1,883,658).</i> 	33.77
FY 2013	<ul style="list-style-type: none"> ▪ The County Board added an Information Technology position (\$125,000). ▪ The County Board added one-year funding for the Base Realignment and Closure (BRAC) Coordinator position (\$148,137) which had been previously grant funded. ▪ The County Board added \$30,000 in one-time arts challenge grant 	1.0 1.0

Fiscal Year	Description	FTEs
	<p>funding.</p> <ul style="list-style-type: none"> ▪ The County Board added matching grant funding for the Clarendon Alliance (\$15,000). ▪ The County Board added base operating funds (\$15,000) and matching grant funding (\$5,000) for Columbia Pike Revitalization Organization. ▪ Personnel expenses increase due to the County Board's addition of funding for a new Step 19 and an increase in the living wage. ▪ Personnel also includes the transfer of 3.0 FTEs from the Travel & Tourism Promotion Fund (TTPF) to the General Fund for organizational demands in the Director's Office and the Business Investment Group (\$284,790). ▪ Convention and Visitors Service has been transferred from the Travel & Tourism Promotion Fund (TTPF) to the General Fund (\$385,624 personnel, \$114,376 non-personnel; 4.8 FTEs). ▪ Eliminated FY 2012 one-time funding for retail and small business promotion (\$450,000). ▪ Eliminated FY 2012 one-time funding for programming at Lubber Run (\$25,000). ▪ Eliminated funding for the Rosslyn Renaissance (\$30,000) and the associated transfer of funding from the Rosslyn Fund trust and agency account (\$30,000). ▪ Revenues decrease to reflect the relocation of the Virginia Export Assistance Center (\$30,000) and changes in Artisphere operations (\$228,519). 	<p>3.0</p> <p>4.8</p>
FY 2014	<ul style="list-style-type: none"> ▪ The County Board added one-time funding for the Base Realignment and Closure (BRAC) Coordinator position (\$142,137). ▪ The County Board added one-time funding for the nonprofit capacity building program for two additional grants (\$20,000). ▪ The County Board added one-time funding for arts challenge grants (\$30,000). ▪ Removal of FY 2013 one-time funding for the BRAC Coordinator (\$148,137). ▪ Removal of FY 2013 one-time funding for arts challenge grants (\$30,000). ▪ Added one-time funding of \$900,000 for Artisphere to support personnel and non-personnel expenses, which is partially offset by the elimination of ongoing funding in the amount of \$748,028. ▪ Revenue increased based on changes in Artisphere operational estimates for gifts and donations (\$20,000), facility rental (\$40,600), admission and ticket income (\$118,531), which is partially offset by reductions in 	<p>1.0</p> <p>(1.0)</p>

ARLINGTON ECONOMIC DEVELOPMENT
TEN-YEAR HISTORY

Fiscal Year	Description	FTEs
	catering income (\$132,753).	
	<ul style="list-style-type: none">▪ Reduced the Arlington Arts Grants Program funding from \$249,100 to \$199,100 (\$50,000).	