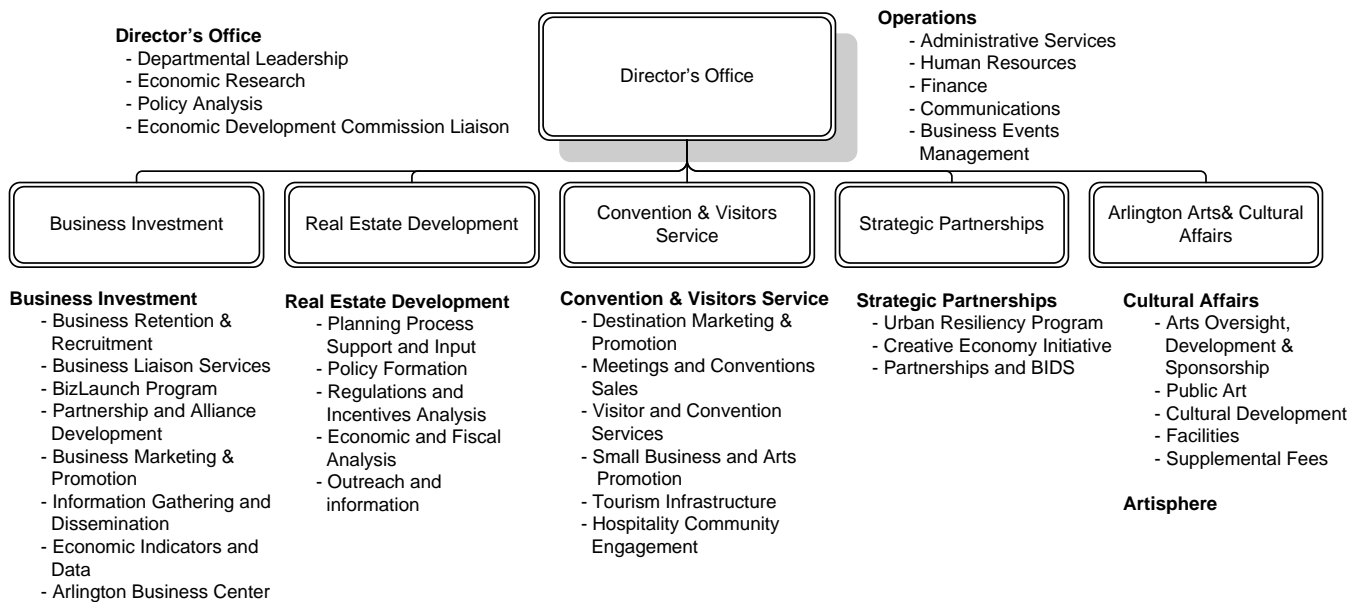


Our Mission: To continue to develop Arlington County as an economically vital, competitive, and sustainable community by providing leadership and services to the business, real estate development, and visitors services sectors of the Arlington economy

LINES OF BUSINESS



SIGNIFICANT BUDGET CHANGES

The FY 2016 adopted expenditure budget for Arlington Economic Development is \$11,924,880 a seven percent increase from the FY 2015 adopted budget. The FY 2016 adopted budget reflects:

- ↓ The County Board eliminated funding for the ongoing operation of Artisphere (\$946,659, 14.5 FTEs, 1.0 temporary FTE) and Ballston Science and Technology Association (BSTA) (\$25,000). \$1.3 million in one-time funding remains in net tax support for Artisphere as a contingency in order to cover costs associated with the closure of that facility. For a full description of the reduction and impact, please refer to the Budget Reduction Summary.
- ↑ The County Board, using a portion of the savings from the closure of Artisphere, reallocated funding to the Cultural Affairs Division in an effort to improve artistic programming across the county and particularly along its metro corridors (\$331,000 personnel, 3.5 FTEs; \$165,659 non-personnel).
- ↑ The County Board made investments to address historically high commercial vacancy throughout the County, adding funding and staff for business development (\$600,000, 5.0 FTEs), ongoing support for marketing efforts (\$300,000), arts grants (\$16,710), and the Columbia Pike Revitalization Organization (CPRO) (\$100,000). The Board also restored one-time funding for tourism promotion (\$200,000) and added one-time funding for TandemNSI (\$200,000).
- ↑ Personnel increases in non-Artisphere lines of business due to employee step increases, an increase in the County's cost for employee health insurance, and an FTE change approved at FY 2014 close-out to correct the allocation for a Cultural Affairs Specialist (\$9,589, 0.1 FTE),

partially offset by adjustments to retirement contributions based on current actuarial projections.

- ↓ Other non-personnel decreases due the elimination of one-time funding for tourism promotion (\$200,000), nonprofit capacity building program (\$45,000), and arts challenge grants (\$30,000), as well as adjustments to the annual expense for maintenance and replacement of County Vehicles (\$3,158).
- In FY 2015 AED conducted a reorganization to improve efficiency within the department and to consolidate and better reflect current business practices. The lines of business reflect the FY 2015 adopted budget and FY 2016 adopted budget with resources allocated among the new organizational structure at no net cost to the County. Most notably, personnel and non-personnel resources were reallocated to the newly formed Strategic Partnerships line of business.

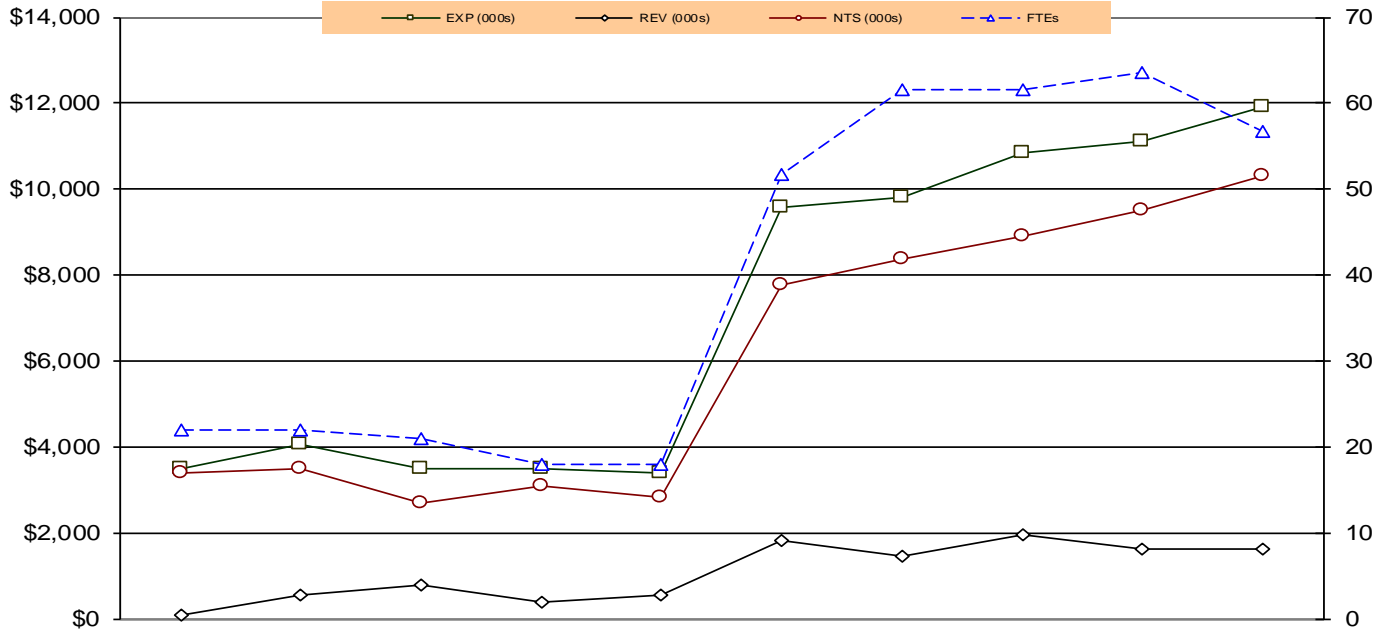
DEPARTMENT FINANCIAL SUMMARY

	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	% Change '15 to '16
Personnel	\$7,019,885	\$7,699,156	\$6,735,652	-13%
Non-Personnel	4,070,251	3,671,375	5,189,228	41%
Subtotal	11,090,136	11,370,531	11,924,880	5%
Intra-County Charges	(260,900)	(260,900)	-	-100%
Total Expenditures	10,829,236	11,109,631	11,924,880	7%
Fees (Earned Income)	1,051,827	1,160,340	1,160,340	-
Grants	355,000	5,000	5,000	-
Other (including Gifts and Donations)	357,835	390,000	390,000	-
Transfers in from Other Funds	174,500	49,500	49,500	-
Total Revenues	1,939,162	1,604,840	1,604,840	-
Net Tax Support	\$8,890,074	\$9,504,791	\$10,320,040	9%
Permanent FTEs	57.60	59.60	53.70	
Temporary FTEs	3.97	3.97	2.97	
Total Authorized FTEs	61.57	63.57	56.67	

EXPENSES BY LINE OF BUSINESS

	FY 2014 Actual	FY 2015 Adopted	FY 2016 Adopted	% Change '15 to '16
Director's Office - Operations	\$2,712,380	\$2,754,295	\$2,143,717	-22%
Business Investment	1,379,965	1,311,115	1,982,338	51%
Real Estate Development	554,663	598,668	720,577	20%
Convention and Visitor Services	592,068	756,984	752,659	-1%
Strategic Partnerships	-	-	1,115,386	N/A
Arlington Arts & Cultural Affairs	1,949,607	2,022,419	2,489,703	23%
Artisphere	3,640,553	3,666,150	2,720,500	-26%
Total Expenditures	10,829,236	11,109,631	11,924,880	7%

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



	FY 2007 Actual	FY 2008 Actual	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Adopted Budget	FY 2016 Adopted Budget
EXP (000s)	\$3,482	\$4,050	\$3,482	\$3,481	\$3,376	\$9,587	\$9,818	\$10,829	\$11,110	\$11,925
REV (000s)	\$80	\$550	\$781	\$397	\$538	\$1,829	\$1,448	\$1,939	\$1,605	\$1,605
NTS (000s)	\$3,402	\$3,500	\$2,701	\$3,083	\$2,838	\$7,758	\$8,370	\$8,890	\$9,505	\$10,320
FTEs	22.0	22.00	21.00	18.00	18.00	51.77	61.57	61.57	63.57	56.67

*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 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 Non-Profit 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). ▪ Eliminated one of six economic development specialist positions (\$77,675). 	(2.0) (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). 	

Fiscal Year	Description	FTEs
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 funding. ▪ 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 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 	1.0 1.0 3.0 4.8

Fiscal Year	Description	FTEs
	<p>promotion (\$450,000).</p> <ul style="list-style-type: none"> ▪ 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). 	
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 nonprofit capacity building for two additional grants (\$20,000) and arts challenge grants (\$30,000). ▪ Removed FY 2013 one-time funding for the BRAC Coordinator (\$148,137). ▪ Removed FY 2013 one-time funding for arts challenge grants (\$30,000). ▪ The County Board added \$900,000 in one-time funding 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 catering income (\$132,753). ▪ Reduced the Arlington Arts Grants Program funding from \$249,100 to \$199,100 (\$50,000). ▪ <i>The County Board approved 2.0 marketing management FTEs as part of FY 2013 closeout (\$294,983).</i> 	<p>1.0</p> <p>(1.0)</p> <p>2.0</p>
FY 2015	<ul style="list-style-type: none"> ▪ The County Board added one-time funding for arts challenge grants (\$30,000) and tourism promotion (\$200,000). ▪ Removed FY 2014 one-time funding for the Base Realignment and Closure (BRAC) Coordinator position (\$142,137). ▪ Removed FY 2014 one-time funding for arts challenge grants (\$30,000) and nonprofit capacity building (\$20,000). ▪ Added additional funding for the Hispanic Business Counselor (\$50,000). ▪ Added ongoing funding (\$158,273) for the Base Realignment and Closure (BRAC) Coordinator position. ▪ Replaced ongoing funding with one-time for nonprofit capacity building (\$45,000). ▪ <i>Added personnel approved at FY 2014 close-out to correct the allocation for a Cultural Affairs Specialist (\$9,589, 0.1 FTE)</i> 	<p>(1.0)</p> <p>1.0</p> <p>0.1</p>

Fiscal Year	Description	FTEs
FY 2016	<ul style="list-style-type: none"> ▪ The County Board eliminated funding for Artisphere (\$946,659, 14.5 FTEs, 1.0 temporary FTE) and Ballston Science and Technology Alliance (BSTA) (\$25,000). \$1.3 million in one-time funding remains in net tax support for Artisphere as a contingency in order to cover costs associated with the closure of that facility. 	(15.5)
	<ul style="list-style-type: none"> ▪ The County Board, using a portion of the savings from the closure of Artisphere, reallocated funding to the Cultural Affairs Division in an effort to improve artistic programming across the county and particularly along its metro corridors (\$331,000 personnel, 3.5 FTEs; \$165,659 non-personnel). 	3.5
	<ul style="list-style-type: none"> ▪ The County Board added on-going funding for business investment (\$600,000, 5.0 FTEs), marketing (\$300,000), arts grants (\$16,710), and the Columbia Pike Revitalization Organization (CPRO) (\$100,000). 	5.0
	<ul style="list-style-type: none"> ▪ The County Board restored one-time funding for tourism promotion (\$200,000), and added one-time funding for TandemNSI (\$200,000). 	
	<ul style="list-style-type: none"> ▪ Removed one-time funding for nonprofit capacity building (\$45,000) and arts challenge grants (\$30,000). 	