

# Alexandria Economic Development Partnership



City Council Work  
Session

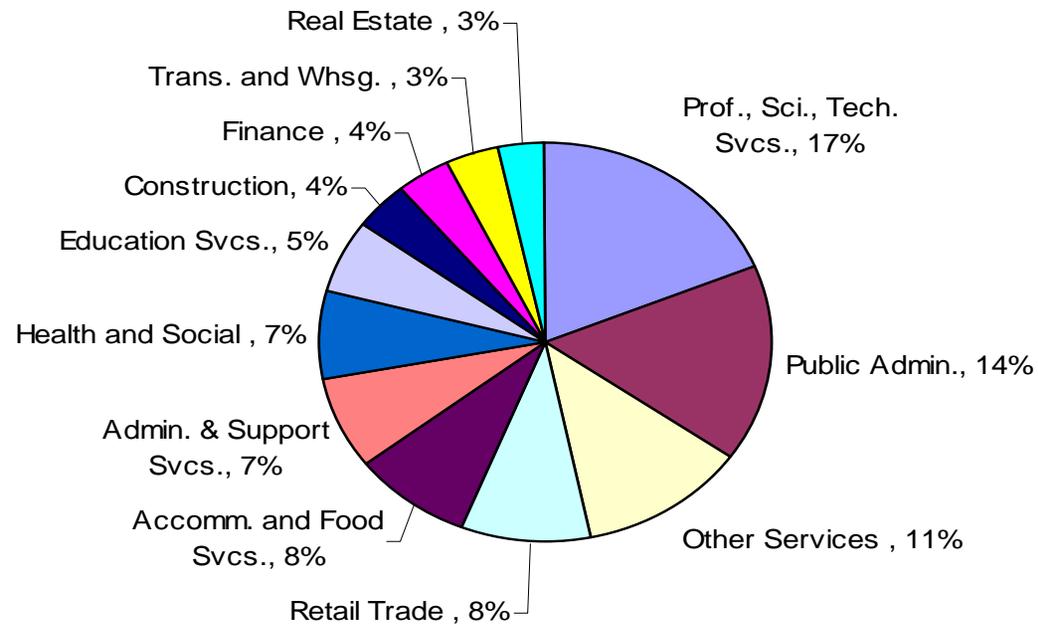
March 11, 2008

# Alexandria Economy

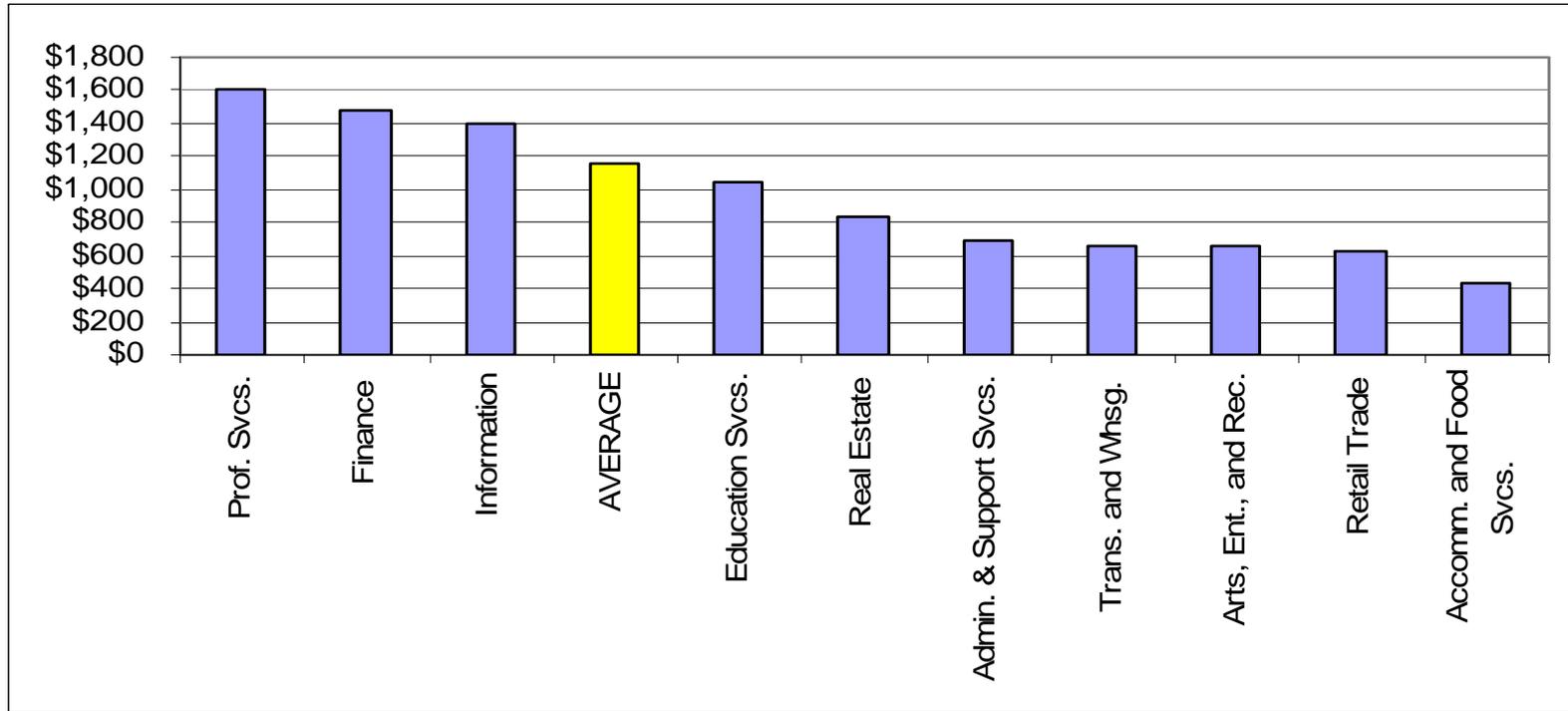
- **Population – 136,974 (2006)**
- **Gross City Product -- \$9.862 billion (2006)**
- **Education – 62.5% age 25+ hold college degree (27% US, 2006)**
- **Median Household Income -- \$80,449 (\$48,451 US, 2006)**
- **Unemployment Rate – 2.4% (3.3% VA, December 2007)**
- **Average weekly wage -- \$1,161 (\$859 VA, 2Q07)**
- **New business licenses – 1,315 (911 in 2006)**

**Alexandria has great economic fundamentals for a successful business attraction program**

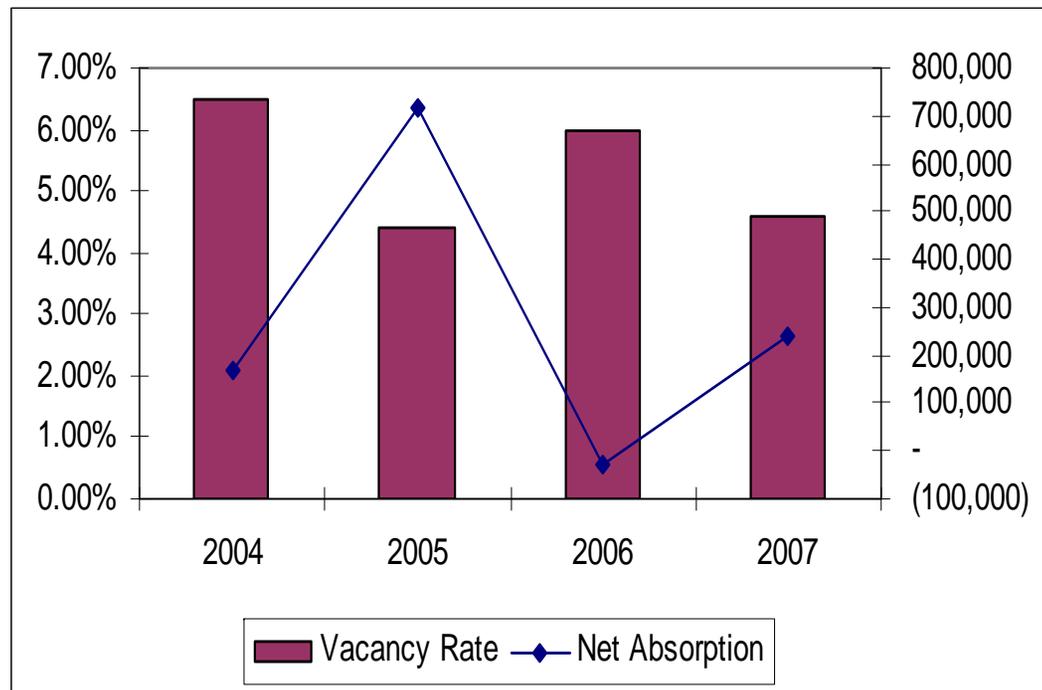
# Alexandria Employment by Industry (percentage of total), 2Q07



# Average Weekly Wage by Select Industry (Alexandria)

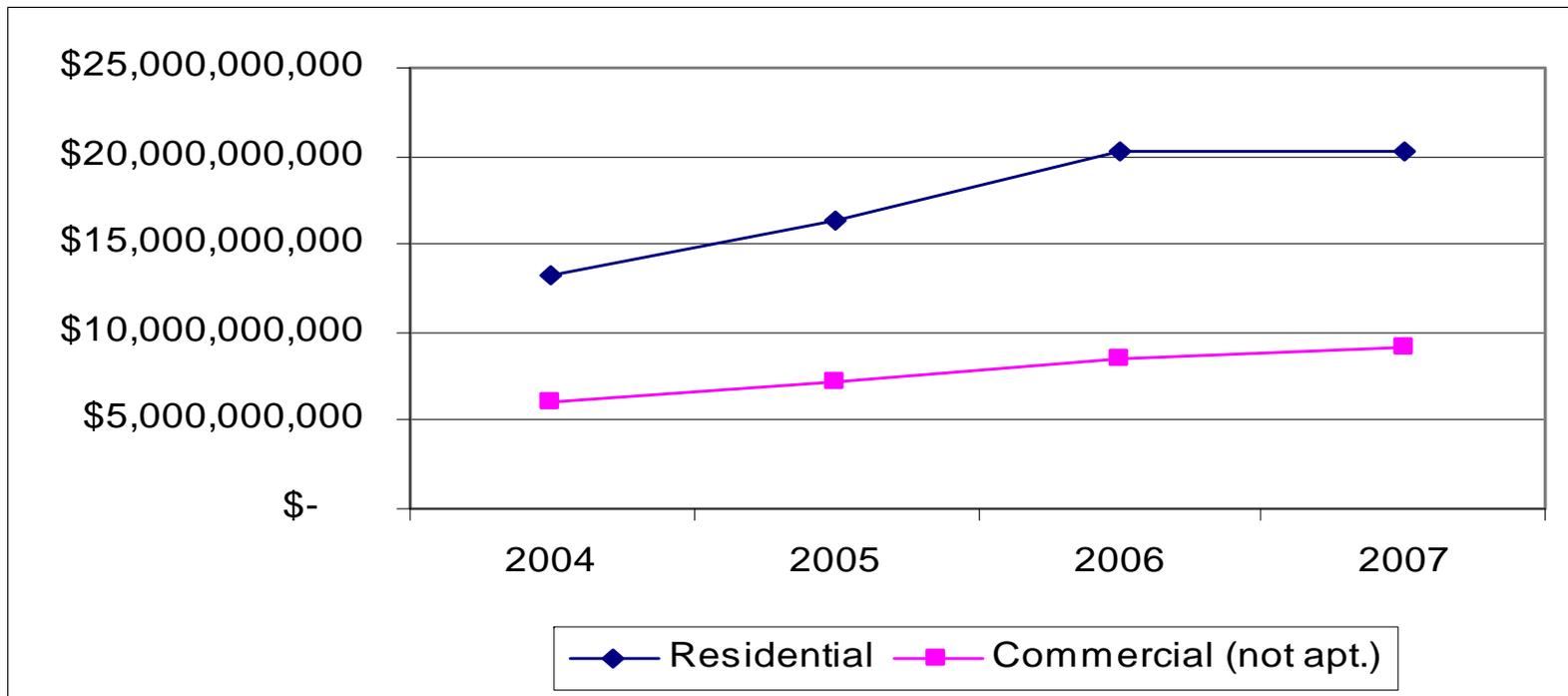


# Alexandria Real Estate – All Space



- **Vacancy Rate end 2007 – 4.6% (10.3% NoVA)**
  - 4.5% Office
  - 2.3% Retail
  - 5.6% Industrial
- **SF Under Construction – 1,101,425 (8m+ NoVA)**
  - 468,427 Office

# Assessed Property Values





# Alexandria Economic Development Partnership

Who We Are and What  
We Do



# AEDP Mission

To **promote Alexandria** as the premier location for business

- by taking advantage of its **unique location, quality of life and historical character**;
- thereby increasing the **employment opportunities**
- and enhancing the City's **tax revenue** through increasing commercial activity.

# Three Goals

- Increase economic activity that will result in a 50/50 balance of the assessed property value between commercial and residential through growth of the commercial base.
- Centralize the prime point of contact for economic development assistance, information and resources for Alexandria within AEDP.
- Assure that Economic Development promotes and enhances the quality of life for both the business and residential communities.

# AEDP Board

- **Starting with FY 08, each Board member is asked to take a leadership role in some facet of AEDP's mission. The elements we have in place now include:**
  - **Creation of a consortium of universities with an Alexandria presence**
  - **Creating a council of companies, organizations, and institutions in the cutting-edge financial services sector**
- **Individual Board members participate on various City Boards and Commissions, providing AEDP with input and perspective to those activities**
- **Board members are also responsible for reporting at Board meetings about specific sectors of our economy, such as real estate**
- **Ex-Officio Board members also provide important reports about activities carried out separate from AEDP by the Economic Partners**

# AEDP Programs

- **AEDP works to support local businesses and the community...**
  - **Business Retention Program**
  - **Business Assistance**
  - **Retail Development and Promotion**
  - **BRAC response**
- **...and is refining its Business Attraction program to be more aggressive and less reactive**
  - **Responding to the Economic Sustainability Work Group recommendations**
  - **Working to increase employment opportunities and tax revenue for Alexandria**

# AEDP works with local businesses

## **Stephanie Landrum, Senior Vice President**

- **AEDP lead on BRAC issues**
- **Develop and respond to business expansion opportunities from within the Greater Washington region**
- **Retail development – national chains and independent retailers**
- **Industrial Development Authority**
- **Assist businesses that need help with city processes**

## Works with local businesses (cont.)

### George Williams, Manager Business Retention & Assistance

- **Business retention site visits that focus on:**
  - Company information
  - Operating experience in Alexandria
  - Expansion outlook
  - Need for assistance or services
- **Assist businesses that need help**
  - Focus on small businesses – available space location and expansion
  - Coordinate business start-up with the SBDC
  - Coordinate the administration of Virginia State Enterprise Zone in Alexandria

## Works with local businesses (cont.)

### Christy Blake, Community Outreach & Research

- Community Outreach
  - Work with business associations – share and obtain information
- Mayor's Local Business Outreach Program
- Façade Improvement Grant Program
- Alexandria Innovation in Technology Award program
- Respond to business requests for information
- Research
  - Local Economic Indicator Report (quarterly)
  - Available Retail Space publication (bi-monthly)
  - Local business surveys
  - Economic data for business development

# Expanded Initiative: Business Attraction

## Lynn Bostain, Manager Business Development

- Help bring companies to existing buildings and those in the development pipeline
  - Landmark/West End
  - BRAC Impacted
  - Potomac Yard
  - Braddock Road Metro
  - Victory Center
  - Hoffman Town Center
- Focus on retail and office users that fit Alexandria and help achieve our income and tax goals

# AEDP Accomplishments

(since July 2007)

- **Working with local businesses**
  - **Industrial Development Authority:**
    - 2 applications - \$80,000,000 worth of bonds issued
    - Fees collected - \$89,000 (approximately \$60,000 more anticipated)
  - 91 business retention visits
  - 32 small businesses helped with specific requests for assistance
    - Main issues: available/affordable space, business with government
  - Produced “Who’s Who” guide for businesses, providing important phone numbers in the city government and economic service providers
  - 9 Façade Improvement Grants; 5 grants in process
  - Provided support to 7 local business associations enabling them to be more effective in promoting their members and geographic areas of the city, including the newest one, Retail Off King Street (ROKS) in which AEDP played a key development role
  - New agreement with Small Business Development Center
  - Renewed tri-party agreement among IDA, City and AEDP

# AEDP Accomplishments (cont.)

- **Maintained and enhanced relationships with other public and private sector economic development partners**
  - Participated in area planning processes, especially Braddock Road and presently Landmark/Van Dorn
  - Helped implement existing area plans, including the retail/restaurant components of the Carlyle/Eisenhower East plan
- **BRAC**
  - Obtained federal grant on behalf of the city
  - Hired BRAC coordinator – Michael Chipley
  - Developed project charter and work plan
- **Administrative**
  - Hired new Administrative Assistant – Genny Lush
  - Computer and phone systems upgrade
  - Procurement underway for new web site

# **AEDP Accomplishments** (cont.)

- **Business Attraction**
  - **Hired Manager, Business Development**
  - **Issued RFP to enhance web site for national audience**
  - **Conferences and Site Consultant Events**
    - **CoreNet – corporate real estate end users and site selection consultants**
    - **International Conference of Shopping Centers (ICSC)**
    - **Urban Land Institute – retail and mixed use environment**
    - **National Main Street Program - retail**
  - **Updated booth display for ICSC (retail attraction) events**
  - **Writing collateral material suitable for national audience – retail and office users**

# Next Steps

- **We will continue to enhance our local business programs, including:**
  - **Establish a more structured process for responding to and ultimately addressing critical business needs and concerns identified through visits and calls**
  - **Create a system to monitor feedback from companies to identify trends and the need for new programs or services**
  - **Communicate more effectively with business, community and government groups in Alexandria**
  - **Engage both the higher education and creative/arts communities**
  - **BRAC and Landmark challenges**
  - **New programs are being developed**
- **. . . But our major initiative is to expand the business attraction program**

# Business Attraction FY09

- **SWOT Analysis and Targeted Industry List**
- **Continue select conferences and site consultant events (ICSC, CoreNet)**
- **Leverage partner relationships to generate leads (GWI, VEDP)**
- **Continue emphasis on expansion opportunities within the Greater Washington region**
- **Use updated website as primary marketing tool**
- **Use retention visits to identify related businesses (vendors, customers) that may consider an Alexandria location**

**Additional funds are needed to implement an aggressive business recruitment plan as outlined in the Economic Sustainability Work Group Recommendations**

# Business Attraction – Supplemental Request

- Need:
  - New information and intelligence to develop and produce new marketing materials
- Budget Request: Consultant Services - \$50,000
  - Economic Trends Analysis
  - Fiscal Impact Analysis
  - Redevelop marketing materials
  - Graphic arts design for new collateral materials, advertising, and branding

# Business Attraction – Supplemental Request

- **Need: More aggressive marketing program to reach out to more potential users in more markets across the US**
- **Budget Request: Marketing Initiatives - \$93,000**
  - **Trade shows and events - \$50,000**
    - Industry-specific events as identified through Target Industry Study
    - Select events with VEDP and GWI
  - **Missions - \$10,000**
    - Focus on face-to-face meetings with site selection consultants and companies in target industries
  - **Advertising - \$20,000**
    - Industry-specific journals as identified through Target Industry Study
    - Select business journals
    - Video production highlighting Alexandria as a quality location for business (complement to ACVA video)
  - **Research - \$13,000**
    - Increase economic data gathering for business development
    - Update business databases
    - Support business assistance and retail initiatives

# Potential Return on Investment

- AEDP plays an important role in generating demand for new and existing office and retail space . . .
- . . . thereby adding to the tax base
  - The office market tax base is \$5.3 billion in CY2008
    - Increase of \$708.9 million from CY2007
    - Estimate real property tax revenue of \$44 million
  - The retail tax base is approximately \$1.8 billion
    - Increase of \$188 million from CY2007
    - Estimate real property tax revenue of \$15.2 million

# Performance Measures – Business Attraction Efforts

- **Results:**
  - Additional leased space resulting from AEDP efforts
  - Companies locating in Alexandria
  - New jobs in Alexandria – variety of sectors and skill levels
- **Measures:**
  - Calls, leads and prospects
  - Active projects (retention & expansion and attraction)
  - New projects
- **Reporting:**
  - AEDP Annual Report on key activities, economic trends, and new businesses
  - Snapshot and trends
  - For the City Council, City Manager and the community