

Economic Development Activities

Mission Statement: Economic Activities encompasses City contributions to organizations that provide economic development activities that benefit Alexandria residents.

FY 2012 Approved Organization Summary Information (reflects City and non-City funding)

Expenditure By Program*	FY 2010 Actual	FY 2011 Approved	FY 2012 Approved	% Change '11 to '12
Alexandria Convention and Visitors Association (ACVA)	\$2,355,958	\$2,526,029	\$2,944,470	16.6%
Alexandria Economic Development Partnership (AEDP)	\$1,108,589	\$1,368,985	\$1,425,020	4.1%
Eisenhower Partnership**	\$116,126	N/A	N/A	N/A
Alexandria Small Business Development Center (SBDC)	\$269,296	\$300,100	\$372,119	24.0%
Marketing Fund	\$121,185	\$185,000	\$185,000	0.0%
First Night	\$47,500	\$45,000	\$45,000	0.0%
Total Expenditures	\$4,018,654	\$4,425,114	\$4,971,609	12.3%
Less: Revenues and Retained Earnings	\$579,544	\$856,503	\$315,442	-63.2%
Total General Fund Expenditures	\$3,439,110	\$3,568,611	\$4,656,167	30.5%

*The funding above reflects the total investment in Economic Development activities, including City General Fund contributions, federal grants, membership fees, retained earnings, Industrial Development Authority fees and other income. Program expenditures shown are those submitted to the City in organizational financial statements. The City General Fund expenditures includes all General Fund support to each agency.

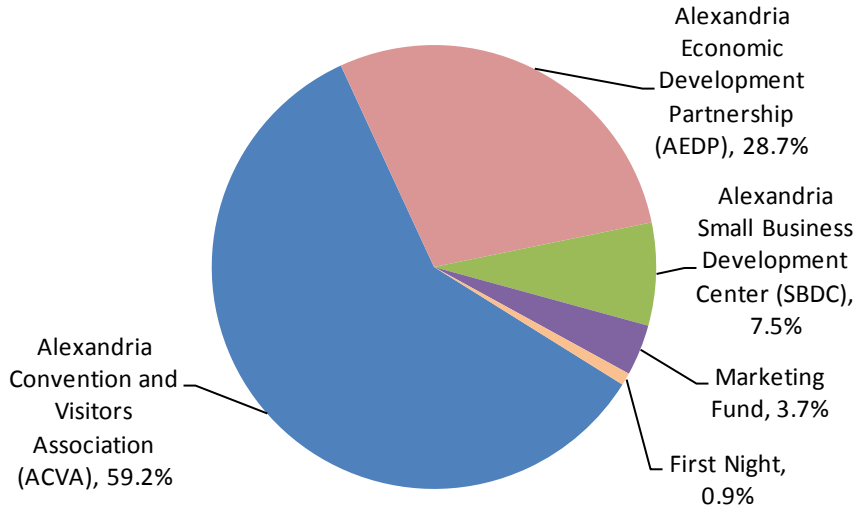
**The City's funding for the Eisenhower Partnership ceases in FY 2011, reflecting a FY 2010 budget decision to phase out funding starting in FY 2010, which put the partnership on the same footing as other neighborhood business organizations.

Highlights

- In FY 2012, the General Fund budget increases the City's overall contribution to economic development activities by \$1,087,556 or 30.5% as a result of funding increases for ACVA, AEDP and SBDC.
- The General Fund contribution to AVCA increases by \$448,037 of which \$51,837 is for current services adjustments related to salary and benefit cost increases and higher lease expenses. The remaining \$396,200 funds three supplemental requests; with \$375,000 of that amount expected to be offset by at least \$375,000 in revenue as a result of increased visitor spending.
 - \$300,000 to double the Destination Advertising campaign (offset by a \$300,000 revenue increase)
 - \$75,000 for a group sales position (offset by a \$75,000 revenue increase)
 - \$21,200 for a three year supply of updated and redesigned rack brochures.
- The City's contribution to AEDP increases by \$563,290 primarily due to the expected planned drawdown during FY 2011 of nearly all Industrial Development Authority (IDA) funds and a substantial drawdown of reserve funds. Total AEDP expenditures are increasing by \$56,035 as a result of increased salary and benefit costs and costs related to entering into a new lease for office space.
- The budget increases SBDC's General Fund contribution by \$76,229 to reflect SBDC's share of the actual occupancy cost resulting from the organization's co-location with AEDP. Previously, SBDC received free space from the Chamber of Commerce which in 2010 indicated that it could no longer financially support SBDC.
- First Night Alexandria (\$45,000) and the Marketing Fund (\$185,000) are funded at FY 2011 Approved levels in the FY 2012 Approved budget.
- As a result of a FY 2010 budget decision to phase out funding, the City is not funding the Eisenhower Partnership in FY 2011 and FY 2012. The FY 2010 Actuals reflect the final year of City funding.

Economic Development Activities

FY 2012 Approved Expenditures by Organization



Economic Development Activities

Economic Development Activities

Alexandria Convention & Visitors Association
 Alexandria Economic Development Partnership, Inc.
 Alexandria Small Business Development Center
 First Night Alexandria
 Marketing Fund

Contact Information

Alexandria Convention and Visitors Association

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Economic Development Activities

ACVA Program

The goal of the Alexandria Convention and Visitors Association is to generate tourism and conventions that increase business revenues and City taxes, as well as promote the City of Alexandria and its assets.

Program Totals	FY 2010 Actual	FY 2011 Approved	FY 2012 Approved
Total Expenditures	\$2,355,958	\$2,526,029	\$2,944,470
Less Revenues	\$170,459	\$187,500	\$195,500
Use of/Contributions to Retained Earnings*	-\$59,247	\$37,596	\$0
Net General Fund Expenditures	\$2,244,746	\$2,300,933	\$2,748,970
Program Outcomes			
Change in hotel transient lodging tax (6.5%)	1.6%	N/A	3.0%
Change in lodging fee (\$1 per room per night)	9.2%	N/A	4.5%

*Subject to change by ACVA in FY 2012

Activity Data

CONVENTION SALES AND MEETING SUPPORT – The goal of Convention Sales and Meeting Support is to attract conventions, meetings and other groups to the City to generate revenue, thereby reducing the tax burden on residents.	FY 2010 Actual	FY 2011 Approved	FY 2012 Approved
Total Expenditures	\$471,192	\$505,206	\$588,894
\$ of actualized revenue for businesses including hotels	\$3,272,416	\$2,750,000	\$3,900,000
Qualified group tourism leads	743	825	950

ADVERTISING/MARKETING – The goal of the paid advertising campaign is to generate visitor spending through leisure visitors, with an emphasis on overnight guests.			
Total Expenditures	\$1,413,575	\$1,515,617	\$1,766,682
Total Lodging Tax Generated	\$10,894,713	\$11,300,000	\$12,000,000
Total Visitor Spending	\$645,000,000	\$616,000,000	\$630,000,000
Website Visits	591,211	700,000	900,000

ALEXANDRIA VISITORS CENTER AT RAMSAY HOUSE – The goal of the Visitor Center is to provide visitors to the City with a central location to gather information and plan their visit.			
Total Expenditures	\$235,596	\$252,603	\$294,447
Number of visitors	76,616	82,000	77,000

PUBLIC RELATIONS – The goal of Public Relations is to generate earned media, and provide tourism industry professional and marketing support.			
Total Expenditures	\$188,477	\$202,082	\$235,558
Total number of stories placed (print, online and broadcast)	370	380	400

TOURISM INDUSTRY SUPPORT – The goal of Tourism Industry Support is to provide networking and professional development opportunities for Alexandria's tourism industry in order to improve their ability to serve visitors to the City.			
Total Expenditures	\$47,119	\$50,521	\$58,889
Total jobs supported by visitor spending (calendar year)	6,020	TBD	6,025
Number of members	314	332	350

Economic Development Activities

Alexandria Economic Development Partnership, Inc.

The goal of the AEDP Program is to increase economic development activity that will result in a more equitable distribution of the real estate tax burden between commercial and residential properties and will ensure a sustainable economic future for Alexandria.

Program Totals	FY 2010 Actual	FY 2011 Approved	FY 2012 Approved
Total Expenditures	\$1,108,589	\$1,368,985	\$1,425,020
Retained Earnings	-\$51,233	\$284,058	\$0
IDA Funds	\$316,077	\$240,749	\$24,052
Other Funding	\$42,566	\$18,000	\$11,500
Net General Fund Expenditures	\$801,179	\$826,178	\$1,389,468
Program Outcomes			
% of real property tax base representing commercial property	44.0%	42.8%	43.5%

Activity Data

MARKETING – The goal of Marketing is to promote Alexandria as a premiere location for business thereby enhancing the City's tax revenue and increasing employment opportunities.	FY 2010 Actual	FY 2011 Approved	FY 2012 Approved
Total Expenditures	\$462,282	\$570,867	\$594,233
FTE's	1.5	1.5	1.5
% increase in commercial tax base	-10.6%	-7.6%	3.8%
% increase in level of employment	N/A	5.0%	2.0%
Visits to Alexecon.org website	25,346	40,000	50,000
Alexecon.org page views	97,080	120,000	190,000
Value of earned media	N/A	TBD	TBD
BUSINESS RETENTION & EXPANSION.- The goal of Business Retention and Expansion is to retain existing businesses in existing or more suitable locations within the City, to maintain and expand the commercial tax base and the City's employment opportunities, and to ensure a diverse quality of life for both the business and residential communities.			
Total Expenditures	\$253,867	\$313,498	\$326,330
FTE's	1.5	1.5	1.5
# of jobs retained	600	500	600
Square feet of commercial space leased - retention or expansion	104,048	200,000	120,000
BUSINESS ASSISTANCE – The goal of Business Assistance is to provide Alexandria business with support, in the form of grants, regulatory process expertise and general information, to enable them to function in full compliance and awareness of the requirements and opportunities available to them.			
Total Expenditures	\$196,220	\$242,310	\$252,229
FTE's	1.5	1.5	1.5
# of applications for Façade Improvement grants	3	5	5
Mayor's Local Business Outreach Program (MLBOP) visits	11	20	20
# of businesses assisted	138	150	175

Economic Development Activities

Alexandria Economic Development Partnership, Inc., continued

BUSINESS ATTRACTION - The goal of Business Attraction is to work with property owners, developers, real estate professionals, brokers and tenants to attract new businesses to the City that create new economic activity and employment opportunities.	FY 2010 Actual	FY 2011 Approved	FY 2012 Approved
Total Expenditures	\$196,220	\$242,310	\$252,229
FTE's	1.5	1.5	1.5
# of jobs attracted	211	3,000	4,500
Square feet of commercial space leased - new	109,843	700,000	675,000
Commercial (office) vacancy rate	11.6%	10.0%	10.5%
Commercial (office) average rental rate	\$31.96	\$32.50	\$34.00

Alexandria Small Business Development Center:

The Alexandria Small Business Development Center strengthens small businesses and promotes economic growth by providing quality services such as management consulting, educational programs and access to business resources.

Program Totals	FY 2010 Actual	FY 2011 Approved	FY 2012 Approved
Total Expenditures	\$269,296	\$300,100	\$372,119
Use of Retained Earnings*	-\$39,844	\$0	\$1,390
Less Revenues	\$97,640	\$88,600	\$83,000
Net General Fund Expenditures	\$211,500	\$211,500	\$287,729
Program Outcomes			
# of clients assisted	279	320	400

*Subject to change by SBDC in FY 2011

Activity Data

BUSINESS ASSISTANCE - INDIVIDUAL CONSULTATIONS - The goal of Business Assistance - Individual Consultations is to provide individual and confidential guidance to existing business owners and new entrepreneurs to help them solve problems, overcome obstacles, connect to resources, identify new opportunities, and strengthen their potential for success and growth.	FY 2010 Actual	FY 2011 Approved	FY 2012 Approved
Total Expenditures	\$219,476	\$244,582	\$303,277
FTE's	3.1	3.1	3.1
# of clients assisted	279	320	400
# of clients assisted with economic downturn issues	70	70	25
Increased sales	\$7,710,528	\$6,000,000	\$6,000,000
Increased jobs (created and retained)	338	150	250
New capital investment	\$ 9,173,985	\$ 1,800,000	\$ 2,000,000

BUSINESS ASSISTANCE - INDIVIDUAL INQUIRIES/INFORMATIONAL MATERIALS - The goal of Business Assistance - Individual Inquiries/Information Materials is to provide timely answers to initial inquiries from existing business owners and new entrepreneurs to help them with the issues that concern them and to help determine what resources, including the SBDC, can be helpful to them.			
Total Expenditures	\$49,604	\$55,519	\$68,842
FTE's	0.7	0.7	0.7
# of information mailings/e-mails	600	370	600
# of training events/attendees	15/302	450	30/600

Economic Development Activities

Other Economic Development Activities

	FY 2010 Actual	FY 2011 Approved	FY 2012 Approved
Program Totals			
Total Expenditures	\$284,811	\$230,000	\$230,000
Less Revenues	\$103,126	\$0	\$0
Net General Fund Expenditures	\$181,685	\$230,000	\$230,000
Program Outcomes			
No Program Outcomes	NA	NA	NA

Activity Data

	FY 2010 Actual	FY 2011 Approved*	FY 2012 Approved*
Eisenhower Partnership - The Eisenhower Partnership is a non-profit organization formed in 1994 to promote the development and redevelopment of the 4.5 mile-long area to the north and south of Eisenhower Avenue between Holland Lane and the western boundary of the City.			
Total Expenditures	\$116,126	NA	NA
Non-City funding	\$103,126	NA	NA
City funding	\$13,000	\$0	\$0

*Funding for the Eisenhower Partnership is not included in the operating budget for FY 2011 or FY 2012. Per the FY 2010 budget decision by Council, the City funding for the Eisenhower Partnership was phased out with a 50% funding reduction in FY 2010 and a reduction to 0% City funding for FY 2011 and beyond.

	FY 2010 Actual	FY 2011 Approved	FY 2012 Approved
Marketing Fund - The Marketing Fund is a matching grant program designed to leverage private matching dollars and increase cooperation and coordination among multiple businesses and organizations to promote Alexandria as a destination for visiting, shopping, dining and doing business.			
Total Expenditures	\$121,185	\$185,000	\$185,000
Non-City funding	\$0	\$0	\$0
City funding	\$121,185	\$185,000	\$185,000
First Night Alexandria			
Expenditures*	\$47,500	\$45,000	\$45,000

*In addition to the \$47,500 allocated directly to First Night Alexandria, the organization received \$8,000 from the Marketing Fund and \$11,150 in Commission for the Arts/Local Challenge grant funding for a total FY 2010 City support of \$66,650.

Economic Development Activities

Summary of Budget Changes

Adjustments to Maintain Current Services

Agency	Adjustment	FY 2012 Approved
ACVA		\$51,837
<p>Personnel costs increase as a result of a 3% merit for ACVA staff, the enrollment of three employees into ACVA's retirement program, and anticipated increases in the cost of healthcare. Additional funding for a rent rate increase is also included in this adjustment.</p>		
AEDP		\$563,290
<p>In FY 2012 AEDP revenues are decreasing by \$507,255 due to the drawdown in FY 2011 of IDA funds (\$216,697), the drawdown of reserve funds (\$284,058) and other revenues decreases (\$6,500). After accounting for expenditure increases in the amount of \$56,035 for personnel costs associated with a merit for employees and non-personnel costs related to a new lease for office space, the net impact to the City's General Fund contribution to AEDP is \$563,290.</p>		
SBDC		\$76,229
<p>This increase reflects projected SBDC actual occupancy costs in FY 2012 in AEDP's new office space as part of the organization's co-location with AEDP. Previously, SBDC was hosted by the Chamber of Commerce which could no longer financially support SBDC.</p>		
AEDP	<i>Industrial Development Authority Revenue</i>	(\$24,052)
<p>AEDP will receive additional Alexandria Industrial Development Authority revenue in the amount of \$24,052, which offsets some of the need for General Fund support in FY 2012.</p>		

Supplemental Adjustments

Agency	Adjustment	FY 2012 Approved
ACVA	<i>Destination Advertising Additional Investment</i>	\$300,000
<p>The purpose of the Destination Advertising Campaign is to generate overnight stays by targeting a key demographic within a 5-hour drive radius through advertising placements in culinary and lifestyle publications, direct mailings and online advertising. A recent third-party study funded by the City found the current destination advertising campaign investment of \$301,306 had an economic impact of approximately \$40 million. The study concluded that \$1 spent on advertising resulted in \$133 of visitor spending or \$4 in tax revenue for the City. This supplemental doubles the current investment in destination advertising by \$300,000 to \$601,306 in FY 2012. This should also double the economic impact of AVCA's destination advertising from \$40 million to \$80 million per year. The City anticipates this investment will be fully offset by at least \$300,000 in revenue as a result of increased visitor spending.</p>		
ACVA	<i>Group Sales Position</i>	\$75,000
<p>The ACVA sales department currently consists of three persons dedicated to generating meetings and group visits through a variety of sales techniques focusing mainly on corporate, association and government meetings. ACVA feels other visitor segments (e.g., reunion trips) remain mostly undeveloped and this additional staff member would allow ACVA to expand the focus of the sales department to these untapped groups. The City anticipates this investment will be offset by at least \$75,000 in revenue as a result of increased visitor spending.</p>		
ACVA	<i>National Harbor Initiative: Rack Brochure Update</i>	\$21,200
<p>The National Harbor Collaborative Task Force identified funding for a 4"x9" brochure for distribution in hotel lobbies and welcome centers. At a cost of about 28 cents per piece, a "rack brochure" is considered a cost effective means of reaching a targeted audience. The current supply of brochures, funded by National Harbor Task Force funds, is scheduled to run out in FY 2011. This supplemental provides funding for a three-year supply of updated and redesigned brochures. It is more cost effective to create and order a three-year supply than it is to order on a year-to-year basis.</p>		