

Economic Development Activities

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

FY 2013 Approved Organization Summary Information (reflects City and non-City funding)

Expenditure By Program*	FY 2011 Actual	FY 2012 Approved	FY 2013 Approved	% Change '12 to '13
Alexandria Convention and Visitors Association (ACVA)	\$2,625,816	\$2,944,470	\$3,114,028	5.8%
Old Town Marketing and Advertising Banners (ACVA)	-	-	\$25,000	NA
Alexandria Economic Development Partnership (AEDP)	\$1,466,364	\$1,425,020	\$1,692,520	18.8%
Alexandria Small Business Development Center (SBDC)	\$343,222	\$372,119	\$406,171	9.2%
Marketing Fund	\$76,532	\$185,000	\$185,000	0.0%
First Night	\$45,000	\$45,000	\$45,000	0.0%
Total Expenditures	\$4,556,934	\$4,971,609	\$5,467,719	10.0%
Less: Revenues and Retained Earnings	\$837,701	\$315,442	\$626,767	98.7%
Total General Fund Expenditures	\$3,719,233	\$4,656,167	\$4,840,952	4.0%

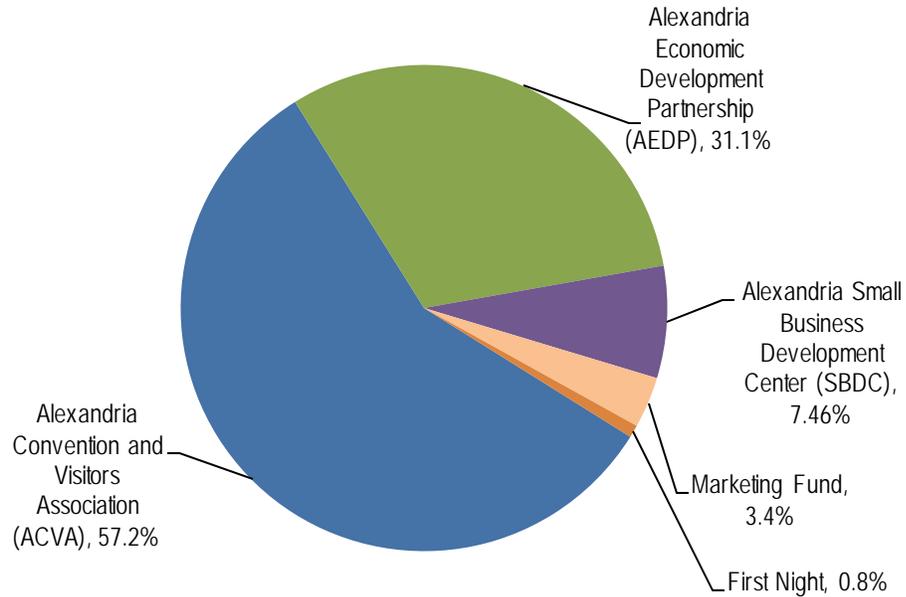
*The funding above reflects the total investment in Economic Development activities, including City General Fund contributions, federal grants, membership fees, retained earnings, Industrial Development Authority fees and other income. Program expenditures shown are those submitted to the City in organizational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

Highlights

- The FY 13 budget increases the City's overall General Fund contribution to economic development activities by \$184,784 or 4.0%.
- The General Fund contribution to ACVA increases by \$164,058. This increase is attributed to \$39,058 in current services adjustments related to salary and benefit cost increases and higher lease expenses, \$100,000 increase in the Destination Advertising Campaign and \$25,000 for Old Town Marketing and Advertising Banners. The funding for banners is a one year expense. Transportation and Environmental Services has received \$6,200 for maintenance of the banners. The funding for the Destination Advertising Campaign serves to generate overnight stays in Alexandria by targeting a key demographic within a 5-hour drive through strategic advertising placements and is expected to generate at least \$200,000 in additional revenue.
- The General Fund contribution to AEDP increased by \$29,185 or 2.0%. This increase is provided to cover current services adjustments related to increasing personnel costs and lease expenses.
- The General Fund contribution to SBDC's budget decreased by \$8,459 (2.9%) due to a reduction in funding for individualized client consulting services. This reduction is partially offset by current services adjustments (\$8,805) resulting from increased personnel and lease costs.
- The FY 2012 approved budget provided funding to co-locate ACVA, AEDP and SBDC into new leased space for the purpose of creating a multi-agency economic development center focused on business growth, development and retention within the City. The combined center is beginning to result in greater synergy among the City's three economic development partners and has created a venue that brings together members of Alexandria's tourism, development and business community.
- First Night Alexandria (\$45,000) and the Marketing Fund (\$185,000) are funded at FY 2012 levels in the FY 2013 budget.

Economic Development Activities

FY 2013 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

Vacant, President and CEO
 VisitAlexandriava.com

Alexandria Economic Development Partnership, Inc.

Val Hawkins, President and CEO
 www.alexecon.org
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Alexandria Small Business Development Center

Bill Reagan, Executive Director
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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 2011 Actual	FY 2012 Approved	FY 2013 Approved
Total Expenditures	\$2,625,816	\$2,944,470	3,139,028
Less Revenues	\$211,944	\$195,500	\$226,000
Use of/Contributions to Retained Earnings*	\$53,849	\$0	\$0
Net General Fund Expenditures**	\$2,360,022	\$2,748,970	\$2,913,028
Program Outcomes			
Change in hotel transient lodging tax (6.5%)	3.9%	3.0%	6.0%
Change in lodging fee (\$1 per room per night)	7.0%	4.5%	2.0%

*Subject to change by ACVA in FY 2013

** Includes additional \$25,000 for Banners in FY 2013 above the base contribution of \$2,888,028.

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 2011 Actual	FY 2012 Approved	FY 2013 Approved
Total Expenditures	\$525,163	\$588,894	\$622,806
\$ of actualized revenue for businesses including hotels	\$2,946,949	\$3,900,000	\$4,000,000
Qualified group tourism leads	895	950	1,000

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	\$1,575,490	\$1,766,682	\$1,893,417
Total Lodging Tax Generated	\$11,245,201	\$12,000,000	\$12,400,000
Total Visitor Spending	\$657,445,751	\$630,000,000	\$660,000,000
Website Visits	779,686	900,000	1,000,000

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	\$262,582	\$294,447	\$311,403
Number of visitors	76,810	77,000	78,000

PUBLIC RELATIONS – The goal of Public Relations is to generate earned media, and provide tourism industry professional and marketing support.			
Total Expenditures	\$210,065	\$235,558	\$249,122
Total number of stories placed (print, online and broadcast)	796	400	800

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	\$52,516	\$58,889	\$62,281
Total jobs supported by visitor spending (calendar year)	5,958	6,025	6,025
Number of members	337	350	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 2011 Actual	FY 2012 Approved	FY 2013 Approved
	Total Expenditures	\$1,466,364	\$1,425,020	\$1,692,520
	Retained Earnings	\$123,922	\$0	\$15,490
	IDA Funds	\$240,749	\$24,052	\$50,000
	Other Funding	\$75,515	\$11,500	\$208,376
	Net General Fund Expenditures**	\$1,026,178	\$1,389,468	\$1,418,654
Program Outcomes				
	% of real property tax base representing commercial property	43.5%	43.5%	42.0%

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 2011 Actual	FY 2012 Approved	FY 2013 Approved
Total Expenditures	\$611,474	\$594,233	\$705,781
FTE's	1.5	1.5	1.5
% increase in commercial tax base	-1.9%	3.8%	6.6%
% increase in level of employment	0.1%	2.0%	4.0%
Visits to Alexecon.org website	50,357	50,000	60,000
Alexecon.org page views	154,521	190,000	200,000

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	\$335,797	\$326,330	\$387,587
FTE's	1.5	1.5	1.5
# of jobs retained	129	600	475
Square feet of commercial space leased - retention or expansion	154,673	120,000	150,000

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	\$259,546	\$252,229	\$299,576
FTE's	1.5	1.5	1.5
# of applications for Façade Improvement grants	0	5	2
Mayor's Local Business Outreach Program (MLBOP) visits	16	20	20
# of businesses assisted	225	175	200

Economic Development Activities

Alexandria Economic Development Partnership, Inc. (cont'd)

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.

Activity Data

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 2011 Actual	FY 2012 Approved	FY 2013 Approved
Total Expenditures	\$259,546	\$252,229	\$299,576
FTE's	1.5	1.5	1.5
# of jobs attracted	328	4,500	2,000
Square feet of commercial space leased - new	107,344	675,000	300,000
Commercial (office) vacancy rate*	12.4%	10.5%	11.0%
Commercial (office) average rental rate	\$30.68	\$34.00	\$32.50

*FY 2011 Actuals are as of June 30, 2011. FY 2013 represents the projected vacancy rate for June 30, 2013.

**FY 2013 Net General Fund Expenditures includes resolution of \$83,368 that was included as a reduction in the FY 2013 Proposed Budget.

Economic Development Activities

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 2011 Actual	FY 2012 Approved	FY 2013 Approved
Total Expenditures	\$343,222	\$372,119	\$406,171
Use of Retained Earnings*	\$0	\$1,390	\$24,901
Less Revenues	\$131,722	\$83,000	\$102,000
Net General Fund Expenditures	\$211,500	\$287,729	\$279,270
Program Outcomes			
# of clients assisted	395	400	425

*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 2011 Actual	FY 2012 Approved	FY 2013 Approved
Total Expenditures	\$279,726	\$303,277	\$331,029
FTE's	3.1	3.1	3.1
# of clients assisted	395	400	1,000
# of clients assisted with economic downturn issues	55	25	25
Increased sales by client companies	\$13,207,148	\$6,000,000	\$10,000,000
Increased jobs (created and retained)	385	250	300
New capital investment by client companies	\$ 3,887,950	\$ 2,000,000	\$ 2,500,000

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	\$63,496	\$68,842	\$75,142
FTE's	0.7	0.7	0.7
# of information mailings/e-mails	301	600	400
# of training events/attendees	21/445	30/600	41/1052

Economic Development Activities

Other Economic Development Activities

Program Totals	FY 2011 Actual	FY 2012 Approved	FY 2013 Approved
Total Expenditures	\$121,532	\$230,000	\$230,000
Less Revenues	\$0	\$0	\$0
Net General Fund Expenditures	\$121,532	\$230,000	\$230,000
Program Outcomes			
No Program Outcomes	N/A	N/A	N/A

Activity Data

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.	FY 2011 Actual	FY 2012 Approved	FY 2013 Approved
Total Expenditures	\$76,532	\$185,000	\$185,000
Non-City funding	\$0	\$0	\$0
City funding	\$76,532	\$185,000	\$185,000

First Night Alexandria			
Expenditures*	\$45,000	\$45,000	\$45,000

*In addition to the \$45,000 allocated directly to First Night Alexandria, the organization received \$2,200 from the Marketing Fund and \$11,433 from the Arts Commission in FY 2011.

Economic Development Activities

Summary of Budget Changes

Adjustments to Maintain Current Services

Agency	Adjustment	FY 2013 Approved
ACVA		\$39,058
<p>Personnel costs increase as a result of a 3% merit for ACVA staff and non-personnel costs increase by \$2,771 to cover the inflationary-based lease adjustment for office space.</p>		
AEDP		\$29,185
<p>This adjustment accommodates merit increases for AEDP staff as well as increased costs associated with employee benefits. The increase also covers an increase in occupancy costs.</p>		
SBDC		\$8,805
<p>This increase provides for a merit increase to SBDC staff and covers SBDC's share of the increased cost for office space.</p>		

Expenditure Reduction

Agency	Reduction Option	FY 2013 Approved
SBDC	<i>Reduction to Small Business Consulting Services</i>	(\$17,264)
<p>This reduction partially reduces the level of individual client consulting hours provided by outside expertise to Alexandria small business owners. Current SBDC staff and additional SCORE counselors, who provide services at no cost, will help to offset this reduction.</p>		

Supplemental Adjustment

Agency	Adjustment	FY 2013 Approved
ACVA	<i>Additional Investment for Destination Advertising</i>	\$100,000
<p>The Destination Advertising Campaign serves 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 third-party study commissioned by the City and ACVA in 2010 concluded that \$1 spent on advertising resulted in \$133 of visitor spending or \$4 in tax revenue for the City. The FY 2012 Approved budget provided an additional \$300,000 for destination advertising which doubled the programs budget to the current level of \$601,306. This additional investment was also expected to double the economic impact of the advertising campaign from \$40 million to \$80 million per year, while also generating at least \$300,000 in revenue for the City. Increasing the destination advertising budget by \$100,000 in FY 2013 will add frequency to the current campaign's schedule and will have an additional economic impact of up to \$13 million. This City anticipates the \$100,000 investment will be offset by at least \$200,000 in revenue as a result of increased visitor spending in FY 2013 and a larger amount in FY 2014 and beyond.</p>		