

# ECONOMIC DEVELOPMENT

## DESCRIPTION

The Economic Development Authority (EDA) was created as a political subdivision of the Commonwealth of Virginia and, as such, may issue tax exempt bonds for the purpose of promoting industry and developing trade, by inducing desirable businesses to locate or remain in the county. The bonds and notes financed by private lenders for approved projects do not constitute a debt of the Commonwealth, the County, or the Authority. The debts are repaid solely from the revenues and receipts derived from EDA projects.

The Authority was designated as the official economic development organization for the County of Henrico in 1984. At that time, it was authorized to undertake those activities necessary to accomplish the county's economic development goals. Although the Authority is officially independent of the County, it works closely with the County government and receives support in the form of an annual operating subsidy. This budget includes that subsidy. Reimbursements for expenditures are subject to the same controls as other County departments.

## OBJECTIVES

- To increase the number of successful locations of new businesses in Henrico County.
- To conduct a successful business retention program.
- To create employment opportunities and to increase the nonresidential tax base.
- To increase the number of corporate inquiries and prospect visits to Henrico County.
- To promote the retention and expansion of existing major primary corporate businesses.

## FISCAL YEAR 2025 SUMMARY

### Annual Fiscal Plan

Description	FY23 Actual	FY24 Original	FY25 Proposed	Change 24 to 25
Personnel	\$ 0	\$ 0	\$ 0	0.0%
Operation	21,392,622	24,922,539	27,029,452	8.5%
Capital	1,754	5,000	5,000	0.0%
Total Budget	<u>\$ 21,394,376</u>	<u>\$ 24,927,539</u>	<u>\$ 27,034,452</u>	<u>8.5%</u>
Personnel Complement*	N/A	N/A	N/A	N/A

\*11 employees are supported by the County in this budget, but are not in the County's complement

## Economic Development

### PERFORMANCE MEASURES

	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>Change 24 to 25</u>
<b>Effectiveness Measures</b>				
Square Footage of Businesses	28,797,000	1,419,700	775,000	(644,700)
Jobs Created and Retained	641	700	700	-
Wages Paid	\$ 42,465,390	\$ 43,000,000	\$ 43,000,000	-
Investment	\$ 1,333,600,000	\$ 747,458,000	\$ 120,000,000	(627,458,000)

### BUDGET HIGHLIGHTS

The FY25 budget for the Economic Development Authority is \$27,034,452. This is an increase of \$2,106,913, or 8.5%, over the FY24 approved budget. The Authority's administrative operations increased by \$390,905. The passthrough portion of this budget increased by \$1,716,008. This represents a \$1,250,000 increase in funding for the Richmond Center Expansion Project (RCEP), funded with the passthrough of Hotel/Motel Tax, as well as a \$466,008 increase in the funding requirement for Richmond Region Tourism (RRT).

Since FY98 the county's share of the RCEP, funded with Hotel/Motel Tax revenues, has been included in this budget. Beginning in FY01, the entire 8.0% Hotel/Motel tax levy is transferred to the Greater Richmond Convention Center Authority. At the end of the fiscal year, Henrico's local 2.0% component is returned from the Convention Center. In FY25, Hotel/Motel Tax collections of \$20,000,000 are projected. This includes an additional 2.0% tax on hotel rooms to support Richmond Region Tourism's (RRT) new Tourism Improvement District (TID). This is a \$1,250,000 increase from the FY24 approved budget as noted above. In addition to the funding for the new TID, Henrico's annual contribution to RRT is \$4,086,399 for FY25. This is an increase of \$466,008.

FY25 also contains the county's \$385,000 contributions to the Greater Richmond Partnership. This is consistent with FY24 funding. This portion of the EDA budget also contains \$50,000 for the GO Virginia initiative.

The Authority's staff members are not included in the county's complement since they are paid by the Economic Development Authority. The funding for salary and FICA requirements for these positions is provided by the County. The benefit costs of all positions are provided by the Authority.

Setting aside the contributions for the Greater Richmond Partnership, the RCEP, and RRT, the budget for administrative operations and capital of the Authority will increase \$390,905, above the FY24 approved budget. The increase reflects elevated salary and benefits costs.

*Economic Development*

What follows is a table of Richmond Region Tourism (formerly RMCVB) and Greater Richmond Partnership funding budgeted in the previous ten fiscal years.

<b>Year</b>	<b>Richmond Region Tourism</b>	<b>Greater Richmond Partnership</b>
FY24	\$3,620,391	\$385,000
FY23	\$2,575,742	\$385,000
FY22	\$2,652,097	\$385,000
FY21	\$2,972,022	\$270,000
FY20	\$3,057,022	\$385,000
FY19	\$2,938,514	\$385,000
FY18	\$2,856,636	\$385,000
FY17	\$2,636,200	\$385,000
FY16	\$2,393,090	\$385,000
FY15	\$2,378,050	\$370,000



**Department Operating Budget  
Henrico County, Virginia  
FY2024-25  
ECONOMIC DEVELOPMENT**

Account Description	Prior Year Actual	Approved Budget	Proposed Budget	Dollar Inc/Dec	Percent Inc/Dec
50202 Accounting And Auditing Services	5,000	0	0	0	0.0%
50270 Other Contractual Services	1,996,801	2,101,504	2,492,409	390,905	18.6%
50410 Postal Services	1,454	1,500	1,500	0	0.0%
50412 Telecommunications	8,865	10,000	10,000	0	0.0%
50441 Payment To Other Civic/Community Organizations	19,377,634	22,805,391	24,521,399	1,716,008	7.5%
50500 Office Supplies	6	0	0	0	0.0%
50507 Gasoline	2,862	4,144	4,144	0	0.0%
50833 Telecommunications Equipment – Replacement Less Than \$10,000	1,754	5,000	5,000	0	0.0%
<b>Total Department</b>	<b>21,394,376</b>	<b>24,927,539</b>	<b>27,034,452</b>	<b>2,106,913</b>	<b>8.5%</b>