

# ECONOMIC DEVELOPMENT AUTHORITY

## 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.

## BUDGET HIGHLIGHTS

The FY26 proposed budget for the Economic Development Authority is \$27,410,131. This is an increase of \$380,679, or 1.4%, compared to the FY25 approved budget. The Authority's administrative operations contain a \$140,215 increase. The passthrough portion of this budget increased by \$240,464.

## ANNUAL FISCAL PLAN SUMMARY

Description	FY24 Actual	FY25 Original	FY26 Proposed	Change 25-26
Personnel	\$ -	\$ -	\$ -	0.0%
Operation	26,790,607	27,029,452	27,410,131	1.4%
Capital	1,663	5,000	5,000	0.0%
Total	<u>\$ 26,792,270</u>	<u>\$ 27,034,452</u>	<u>\$ 27,415,131</u>	<u>1.4%</u>
Personnel Complement <sup>(1)</sup>	N/A	N/A	N/A	N/A

<sup>(1)</sup> 11 employees are supported by the County in this budget, but are not in the County's complement.

## PERFORMANCE MEASURES

	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>Change 25-26</u>
<b>Workload Measures</b>				
Square Footage of Businesses	1,576,209	775,000	775,000	-
Jobs Created and Retained	396	700	700	-
Wages Paid	\$ 45,198,000	\$ 43,000,000	\$ 43,000,000	-
Investment	\$ 767,758,000	\$ 120,000,000	\$ 120,000,000	-

## BUDGET HIGHLIGHTS (CONTINUED)

The funding for the Richmond Center Expansion Project (RCEP), funded with the passthrough of Hotel/Motel Tax, remains unchanged. However, there is a \$240,464 increase in the funding requirement for Richmond Region Tourism (RRT).

Since FY98 the county's share of 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 each fiscal year, Henrico's local 2.0% component is returned from the Convention Center. In FY26, Hotel/Motel Tax collections of \$20,000,000 are projected. This includes the additional 2.0% tax on hotel rooms to support Richmond Region Tourism's (RRT) new Tourism Improvement District (TID). Henrico's annual contribution to RRT is \$4,326,863 for FY26, an increase of \$240,464.

FY26 also contains the county's \$385,000 contribution to the Greater Richmond Partnership. This is consistent with FY25 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 GO Virginia Initiative, the RCEP, and RRT, the budget for administrative operations and capital of the Authority will increase \$140,215 and reflect elevated salary and benefit costs.

*Economic Development Authority*

The following historical information is noted:

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>
FY25	\$4,086,399	\$385,000
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



**Department Operating Budget  
Henrico County, Virginia  
FY2025-26  
ECONOMIC DEVELOPMENT**

<b>Account Description</b>	<b>Prior Year Actual</b>	<b>Approved Budget</b>	<b>Proposed Budget</b>	<b>Dollar Inc/Dec</b>	<b>Percent Inc/Dec</b>
50240 Printing and Binding	150	0	0	0	0.0%
50270 Other Contractual Services	2,235,406	2,492,409	2,632,624	140,215	5.6%
50410 Postal Services	1,490	1,500	1,500	0	0.0%
50412 Telecommunications	8,915	10,000	10,000	0	0.0%
50441 Payment To Other Civic/Community Organizations	24,540,563	24,521,399	24,761,863	240,464	1.0%
50500 Office Supplies	9	0	0	0	0.0%
50507 Gasoline	4,074	4,144	4,144	0	0.0%
50815 Computer Equipment-New Less Than \$10,000	1,563	0	0	0	0.0%
50833 Telecommunications Equipment – Replacement Less Than \$10,000	100	5,000	5,000	0	0.0%
<b>Total Department</b>	<b>26,792,270</b>	<b>27,034,452</b>	<b>27,415,131</b>	<b>380,679</b>	<b>1.4%</b>