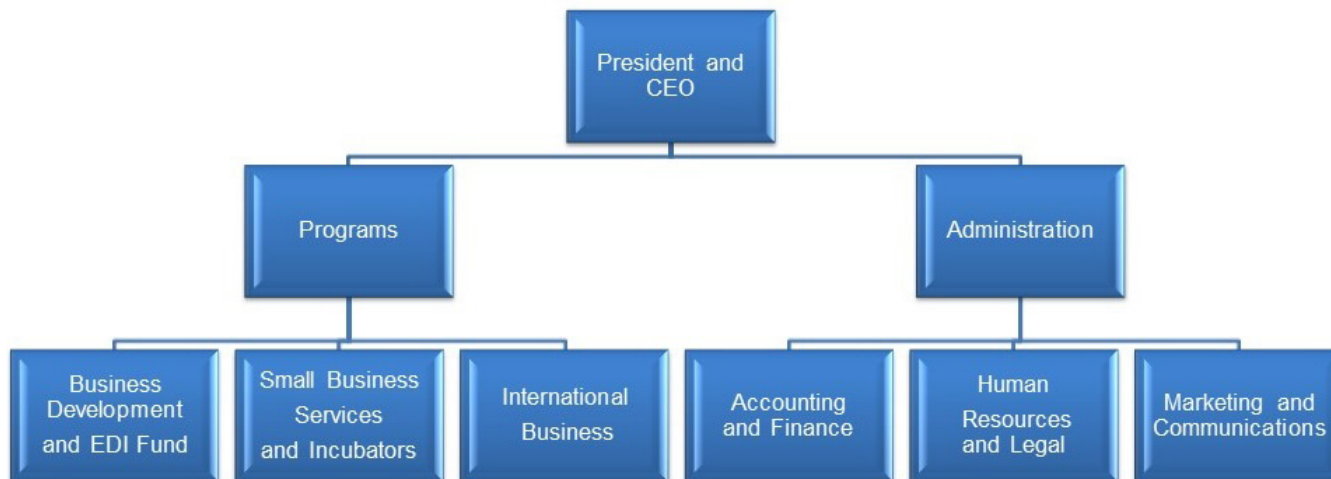


Economic Development Corporation



MISSION AND SERVICES

The Economic Development Corporation (EDC) markets and promotes the County to business and provides services that support business development, high-wage job creation and the expansion of the County’s commercial tax base.

CORE SERVICES

- Promote economic development by providing business services to attract, retain, and expand businesses in the County, growing both jobs and the commercial tax base
- Marketing and promoting County as the best place to do business
- Provide wide range of services to support start-up technology companies
- Attract and promote revitalization, repurposing and redevelopment of shopping centers and the attraction of retail establishments
- Promote international business development through export assistance, foreign direct investment (FDI) and international business attraction
- Implement and administer COVID-19 business recovery programs, including Business Recovery, Child Care and Restaurant Resiliency Initiatives

FY 2021 KEY ACCOMPLISHMENTS

- Supported the COVID-19 economic recovery, including administration (with FSC First) of \$20.1 million Business Recovery Initiative, \$2 million Childcare Initiative, \$6.1 million Restaurant Resiliency Initiative, Emerge Stronger, Buy Prince George’s and other programs and outreach.
- Revamped and updated of the agency website to address both COVID-19 programing and traditional economic development data and information.

- Secured almost 600,000 SF and 800 jobs for Amazon in the County for the Last Mile Centers with potentially an additional 3.5 million SF in the pipeline.
- Played a critical role in the passage of State and local legislation creating better competitive environment for data centers and building a stronger case for the County as a location for these revenue generating facilities.
- Targeted fourteen shopping centers in County have been or are planned for redevelopment and improvement, including Dodge Plaza, Great Eastern Shopping Center, Shoppes at Iverson, Riverdale Plaza and Landover Crossing.

STRATEGIC FOCUS AND INITIATIVES FOR FY 2022

The agency’s top priorities in FY 2022 are:

- Return to the primary role of business attraction, retention and expansion, utilizing the updated strategic plan for economic development.
- Support recovery of multiple sectors of the County’s economy from Covid-19 induced stress, including restaurant and hospitality industries.
- Attract at least one large-scale \$250 million-plus capex data center to the County.
- Develop and expand marketing campaigns and promotional opportunities to promote the Prince George’s County business climate, success stories, assets and lifestyle.
- Maintain the County’s status as #1 in job growth in Maryland and make progress toward shifting commercial/residential real property tax ratio.

FY 2022 BUDGET SUMMARY

The FY 2022 proposed budget for the Economic Development Corporation is \$4,164,700, a decrease of \$332,600 or 7.4% under the FY 2021 approved budget. The organization’s grant from the County totals \$3,665,100, a decrease of \$332,600 or 8.3% under the FY 2021 County grant.

Reconciliation from Prior Year

	Expenditures
FY 2021 Approved Budget	\$4,497,300
Increase Cost: Technology Cost Allocation — Increase in OIT charges based on anticipated countywide costs for technology	\$42,200
Decrease Cost: Fringe Benefits — Decrease in fringe benefit costs resulting from mandated salary requirements; the fringe benefits rate remains at 36.0%	(35,400)
Decrease Cost: Compensation - Mandated Salary Requirements	(98,600)
Decrease Cost: Removal of One-Time Cost — Funding for marketing and branding special events	(100,000)
Decrease Cost: Operating — Decrease in operating costs for advertising/promotion and staff development expenses	(140,800)
FY 2022 Proposed Budget	\$4,164,700

FY 2022 OPERATING BUDGET

Revenues by Category

Category	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Proposed	Change FY21-FY22	
					Amount (\$)	Percent (%)
County Grant	\$3,665,700	\$3,997,700	\$3,997,700	\$3,665,100	\$(332,600)	-8.3%
Enterprise Zone Grant	65,000	65,000	65,000	65,000	—	0.0%
Small Business Services Revenue	1,672	2,000	2,000	2,000	—	0.0%
Incubator Revenue	76,312	75,000	75,000	75,000	—	0.0%
Event/Sponsorship Revenue	24,316	150,000	150,000	150,000	—	0.0%
Fundraising Revenue	—	66,300	66,300	66,300	—	0.0%
EDI Fund Processing Fees	—	16,300	16,300	16,300	—	0.0%
Miscellaneous Income	359,073	125,000	125,000	125,000	—	0.0%
Total	\$4,192,073	\$4,497,300	\$4,497,300	\$4,164,700	\$(332,600)	-7.4%

Expenditures by Category

Category	FY 2020 Actual	FY 2021 Budget	FY 2021 Estimate	FY 2022 Proposed	Change FY21-FY22	
					Amount (\$)	Percent (%)
Compensation	\$2,005,881	\$2,271,500	\$2,271,500	\$2,172,900	\$(98,600)	-4.3%
Fringe Benefits	654,774	817,700	817,700	782,300	(35,400)	-4.3%
Operating	1,094,741	1,408,100	1,408,100	1,209,500	(198,600)	-14.1%
Total	\$3,755,396	\$4,497,300	\$4,497,300	\$4,164,700	\$(332,600)	-7.4%

SERVICE DELIVERY PLAN AND PERFORMANCE

Goal 1 — Retain and expand businesses in Prince George's County by providing market intelligence, site selection, technical assistance, permit assistance, relationship management and financial incentives.

Objective 1.1 — Increase the number of jobs directly attracted or retained due to EDC efforts.

FY 2026 Target	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimated	FY 2022 Projected	Trend
3,400	3,360	632	800	1,000	↓

Trend and Analysis

This agency administers one of the County Executive's Key Performance Indicators [KPI] of the Proud Priorities Proud Results planning process and will be under regular review by the CountyStat team. The KPI is the reduction of the number of neighborhoods that do not have access to fresh food. The Economic Development Corporation (EDC) will continue its "Choose Prince George's" business visitation program which primarily focuses on business retention, expansion, and attraction in targeted industry sectors that lead to job creation and expansion of commercial tax base. However, the COVID-19 pandemic had two significant impacts on EDC's efforts in the second half of FY 2020 and the first half of FY 2021. First was the impact of the pandemic on the national, State, and local economies as well as the measurable and publicized impact on commerce, unemployment, and business investment. Second was the transition of staff away from the Choose Prince George's program to the administration of the Business Recovery, Childcare Recovery, and Restaurant Resiliency initiatives, which collectively saw more than \$30 million in grants distributed to more than 1,000 county business enterprises. The targeted marketing campaign directed to Seattle was maintained, although scaled back, with the agency focus on identifying contractors and vendors to encourage them to expand their operations with Amazon into Prince George's County. Responding to the pandemic's impact on local businesses, the Emerge Stronger, Buy Prince George's, and similar resources were made available to the local business community. The agency will continue its efforts to attract upscale and new-concept restaurants and retail, revitalize older shopping centers, address pending but delayed Shoppers closures, and eliminate food deserts and promote healthy foods priority areas.

The agency will continue to work with the Administration and other County agencies to pursue Transit Oriented Development, support infrastructure needs such as structured parking, bring business and jobs to these locations, and grow the commercial tax base. The implementation of a new strategic plan for economic development will provide important direction for EDC's priorities going forward. EDC is prioritizing its data center initiative and will market new incentives to promote multiple sites in the county. EDC intends to focus resources and to support small businesses in the County, and to develop a broad post-covid marketing strategy. The agency's business incubator "Innovation Station" has been maintained during the COVID-19 crisis, and EDC will direct resources to attract additional tenants to the co-working and virtual space. The agency intends to build upon recent momentum to achieve greater federal/GSA leasing in the County to structure regular communications on pending request for proposals and opportunities, and to educate our landlord/developer base on how to best present their sites for consideration. In the pandemic economy, distribution, logistics, and warehouse development has grown significantly, and that industry sector will be supported. The agency will continue to attract foreign direct investment opportunities and promote exporting to increase the globally competitiveness, diversity and sustainability of County companies.

Performance Measures

Measure Name	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimated	FY 2022 Projected
Resources (Input)					
Business development specialists	7	7	8	8	8
Workload, Demand and Production (Output)					
Business-site evaluation visits	1,125	634	1,214	1,200	1,200
Marketing events and presentations	220	77	56	75	125
Efficiency					
Business evaluation visits per assigned specialist	161.0	83.0	156.0	150.0	150.0
Weekly visitation rate per specialist	3	2	3	3	3
Quality					
Business attraction, retention and expansion leads	1,300	1,016	673	1,000	1,300
Prospects	450	205	306	200	230
Hard prospects	45	97	62	60	70
Deals	32	25	17	17	125
Impact (Outcome)					
Jobs created and/or retained as a result of business attraction, retention and expansion deals	2,250	3,360	632	800	1,000

Objective 1.2 — Increase the Number of EDI Fund Awards.

FY 2026 Target	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimated	FY 2022 Projected	Trend
17	6	2	8	8	↓

Trend and Analysis

The Economic Development Incentive Fund (EDI Fund) provides critically needed financial assistance to projects that would not have occurred without this public/private partnership. Sales, lease, and rent disparity in Prince George's County compared to neighboring jurisdictions creates continual demand for incentives and subsidies for commercial, residential, and retail development. The goal of the agency is to fully leverage the County's investment of EDI Funds (taxpayer investment) with funds from the State of Maryland and the private sector, including owners' equity and bank funds. The agency strives to minimize the risks of these investments, and maximize the return on investment. This Fund has been recognized as one of the most important tools the County has for business development and attraction.

The EDI Fund continues to drive development and job creation and has played a critical role enabling projects to move forward. This is a nationally recognized program and has helped the County attract and retain over 13,000 jobs and leverage over \$1.2 billion in private capital investment. The leverage of private capital to EDI Fund has been nearly 27-to-1, resulting in an increase in the commercial tax base by \$120 million. As a result of the EDI Fund, approximately \$1.8 million more in taxes is collected annually from projects that required improvements or construction. Of the jobs created and retained, 29% of the jobs were held by Prince George's County residents.

The pandemic and resulting impact on the national, State, and local economies did restrict business investment in FY 2020 and FY 2021, and is predicted to have a constraining impact on private sector investment and development for several more years. The EDI Fund is well positioned to improve investor confidence during this transitional phase of the economy.

Performance Measures

Measure Name	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimated	FY 2022 Projected
Resources (Input)					
Business development specialists	7	7	8	8	8
Business development specialists responsible for managing the EDI Fund application intake process	1	1	1	1	1
Workload, Demand and Production (Output)					
Business-site evaluation visits	1,125	634	1,214	1,200	1,200
Marketing events and presentations	220	77	56	75	125
Efficiency					
Business evaluation visits per assigned specialist	161	83	156	150	150
Weekly visitation rate per specialist	3	2	3	3	3
Quality					
New EDI Fund leads from marketing events and presentations	50	48	13	50	55
EDI Fund applications sent to FSC for further processing	7	5	3	10	10
Non-EDI Fund applications sent to Financial Services Corporation (FSC) for further processing	30	16	7	20	30
EDIF Fund-related jobs attracted, created or retained	3,437	793	157	750	900
Impact (Outcome)					
EDI Fund awards	3	6	2	8	8
New candidates who complete EDI Fund application process	15	10	1	12	12
New candidates who complete EDI Fund application process	30%	21%	1%	24%	21%