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[00:00:03] This Economic Initiatives Committee meeting will come to order, and we will pretty much go right to it because we have a wonderful presentation today, really a broader discussion that this really will engender. And the discussion, I can't even say it'll start today because it's been going on for a long time, but given the last few months, it becomes even more pointed, the impact and the importance that decisions that were made really more than a year ago are going to, I think, help us emerge even stronger out of all this.

[00:00:36] But first and foremost, I want to see if there's any changes to the March 25th, 2025 meeting notes, our last meeting notes. Anybody have any changes to that? If not, then I will go right to kind of the basic setup for the meeting.

[00:00:51] And I kind of alluded to what's happened across the river. But more importantly, the year, more than a year ago, DEI took a look at where we were and particularly Rebecca and her team, and said that our economic landscape, we need to get a better handle on that.

[00:01:07] It was post-COVID or at least becoming post-COVID, and we knew that that had changed a lot. They engaged Kamoyne to do an economic study of the area relative to others like us, if you will. And since we are home of so many Fortune 500 companies, we know we have a strong and excellent base here and

really the innovation and the other things that kind of help drive technology and really industry around the world has a center here.

[00:01:37] But we also know from our CEO meetings, our Comprehensive Economic Opportunity, our Committee for Economic Opportunities, sorry, I'll get that right eventually, we know that the group there of many senior executives that we meet with and kind of share and give us some insight and perspective, they're saying, hey, you guys, there's other things you need to do, you should look at.

[00:02:00] And so those are all, if you will, coming together in our core focus as an Economic Initiatives Committee, which is to make sure that Fairfax County remains the best place to, frankly, in the nation, to live, work, learn, and play. And with that, I'm going to turn it over to Rebecca, and we'll get started.

[00:02:20] Thank you very much. Rebecca Mowdry, Director of the Fairfax County Department of Economic Initiatives. Just to build a little bit on what Chairman Stork had mentioned, you know, as you all know, our department was established about five years ago.

[00:02:36] We marked our five-year anniversary at the end of 2024, and we're proud of what we achieved. We thank you very much for all of your support and your ongoing support, but we were, of course, very aware that we needed to take a proactive approach on what comes for the next five years.

[00:02:52] So we launched this Blueprint for the Future Analysis about a year ago to help the department and the county look forward to best chart our course going forward. And the stated goals kind of of the blueprint were to respond to a couple of questions.

[00:03:09] One, what are the primary opportunities and gaps in our economic development ecosystem to support a prosperous, competitive, and equitable economy? And what is the optimum structure and focus of the Department of Economic Initiatives to best address economic opportunities in the short and long term?

[00:03:29] So we launched this in a time of economic transition post-pandemic. Our intent was to be proactive. We, of course, could not have anticipated the remarkable shifts and really threats to our regional economy that we're now experiencing. But while all the analysis was conducted in 2024, it's really the most recent analysis and data that we have, and the completion of the blueprint really couldn't have come at a better time.

[00:03:57] It's timely to review these findings, take the steps that we will do going forward to create integrated, forward-looking solutions that can help us meet the challenges, the many challenges that we're experiencing today, but also position the county really for ongoing economic resiliency and growth. We titled this The Blueprint for the Future as it provides the detailed framework to make strategic decisions. And our next steps are to work with our internal

[00:04:30] and external partners to build upon the blueprint and structure action-oriented solutions. So as part of this work, to initiate this work, we engaged in a rigorous RFP process to select the Kamoyan Associates, a firm very experienced in economic development strategic planning.

[00:04:50] And I will introduce the Kamoyan team. Right before I do that, I'd just like to share the goal of this presentation, which is to share this expert analysis with the board on our competitive positioning gaps in areas for the county and the department to focus on. There is no decision required of the board or asked of the board today, but our primary question is if there are particular areas we should prioritize as

we develop detailed actions to respond to the blueprint goals and findings. So I'd like to introduce our primary speakers and the leaders of the blueprint analysis.

[00:05:26] First, Rachel Selsky is the CEO of Kamoyne Associates and has been at the firm for nearly 17 years leading all facets of client project work. She works nationally in all sorts of economic development strategic planning. Dan Gunderson is Senior Vice President and Principal with Kamoyne Associates, where he leads the Richmond, Virginia office. Prior to joining Kamoyne Associates, Dan served at many state and local economic development organizations. This included serving as CEO and president and CEO at the Virginia Economic Development Partnership,

[00:06:03] VDP, here in Virginia. He also served as New York State Commissioner at the Department of Economic Development and also co-chairman for Empire State Development Corporation. In Maryland, he was Assistant Secretary for Business Development. He served as the Executive Deputy Secretary at the Pennsylvania Department of Community and Economic Development, and he also led economic and workforce development for Baltimore County Maryland and the city of Philadelphia so a very very experienced team and I will turn it over to you thank you just touch

[00:06:39] touch it I did it thank you Rebecca and supervisor Stork thank you for that introduction um this is going to be a um we're going to get into the details rather quickly uh but I'm going to try to keep the initial remarks at a high level. First, let me, on behalf of Kamoin, thank you for your faith in us and your trust. It's been a pleasure to work with Rebecca and her team and many of you over the last almost a year now. A little bit about Kamoin, just to fill in some

[00:07:16] gaps. Figure that out. We've been an economic development firm that has been in business is it working now? For 26 years, we're purposely small. We keep our team small so that we can provide a lot of love to our clients. We like to say that we're the only full-service economic development consulting firm in the country. And what we mean by that is we have different

[00:07:54] service lines that cover the gambit of economic development, from being able to tell you what the economic impact of a parcel of property would be, to strategic planning, leadership development, targeted industry, market analyses, all the way through to prospect development and being able to pinpoint investors around the world that we may be able to align with a community for either a project or a major investment.

[00:08:21] We complete about 200 projects a year, more than 2,000 in the lifetime of the firm. And this includes work in about 46 different states plus the U.S. Virgin Islands, such things at the large end of the scale, several state strategies, the 20-year strategy for the U.S. Virgin Islands to rebuild it after the two hurricanes, and an economic strategy for the largest municipality in America, Los Angeles County.

[00:08:56] But we also, probably bread and butter, is working with municipalities at a county level and at a city and township level. That's where we just love what we do, and it's all about economic development as almost a higher calling for all of our employees.

[00:09:15] Here in Virginia, we've had a lot of work that we have done. We have been a longstanding consultant with Loudoun County, helped build out its strategy for data centers, so we know that quite well, but as well as emerging technologies, emerging sectors, we've done the strategy for Prince William County.

[00:09:36] We've worked with the Economic Partnership in D.C. with some leadership training, but we've also worked throughout the state. In the southwest state, a lot of prospecting business development work. In the Shenandoahs, we've done work in the GoVirginias, developing a couple strategies for GoVirginia.

[00:09:54] So working out of Richmond, we've really had a strong presence. The goals. So the goal here is to evaluate the emerging challenges over the next five years and to chart a course for sustained prosperity.

[00:10:10] We did this by interviewing a lot of people in the business field, in providers. We benchmarked, as you will see in the report, six different, seven really, different communities. We had in-depth work sessions with the staff and evaluated the current programming.

[00:10:30] But before we get into that, what I'd like to do is to start really at a different place, and that is understanding the ecosystem for economic development. It used to be that economic development was viewed very traditionally as bringing in projects and trying to market yourself to the world.

[00:10:52] Today, ever since really the turn of the century, for the last 10, 20 years, it's been about developing the ecosystem and looking at the fundamentals for economic prosperity. How strong are they and what do you need to do to mitigate the gaps?

[00:11:08] And if you look at it in its elementary form, economic development organizations now are either in this first quadrant of positioning their communities, they're looking at what's going on out there, pulling data, they're developing strategies for growth, they're developing collaborative partnerships, tightening that ecosystem, or they may be in this other quadrant, which is what we call product development. Maybe it's workforce. The product is your people.

[00:11:42] It's the educational system. You're mitigating the weaknesses. Sometimes that product is your sites, your real estate. A lot of the work will be in that space. And then there is the promoting of the product, whether that's nationally or globally, and then packaging it, helping bring the investors in and make sure that they can acclimate to your community. In a sense, that is the fabric. So when we took a look at Fairfax County, we did an extensive analysis of its ecosystem, and we found

[00:12:17] at least 70 different organizations that were in this space. Most of them were in the product development quadrant, working with workforce, working with small businesses. Maybe your incubator would fall into this space. Your universities would fall into this space. The EDA has long held the bottom two quadrants here, promoting and working with VEDP and others to package and to bring in the clients. But it is in that first quadrant where there has been room for growth.

[00:12:54] And that is what DEI really was all about. Tell us what we need to do as a county to keep the competitive edge. So what sets Fairfax apart? You know this, the unparalleled expertise in government solutions. Decisions for the nation are made here. The solutions are developed here.

[00:13:19] That will not change. How it's done may change, will change. But the location is always going to be here. It's a top location for corporate headquarters. We're going to get into this in a minute just how strongly ingrained that is. And of course, the home to 10,000 technology firms, there are very few places in the country that can even come close to being able to have that kind of an accolade. So one of the things we did was to compare Fairfax County to other counties in

[00:13:58] America that have a similar profile. And you're going to look at this and you're going to say, that doesn't quite look familiar to me. Let me describe what we meant by this. In choosing these counties, we

were looking for counties that were near, nearby or adjacent to a major metropolitan city or cluster. Counties that had roughly the same size, that were very strong in

[00:14:32] technology and IT, that had many of the same assets. And these were the ones that came up. Collin is outside Dallas, Fort Worth, Fulton County, of course, outside Atlanta, Denver, Cumberland County, Middlesex is Boston, the Boston area, and then the Silicon Valley.

[00:14:55] These were the six that we chose. We then developed our own index to compare and contrast Fairfax County against these others. Now, keep in mind, these seven, you include Fairfax County, these seven are the creme de la creme of top performing counties in the nation.

[00:15:21] for IT and emerging technologies. So please keep that in mind when we look at is it highly competitive or less competitive or uncompetitive. You're comparing yourself with the best. Now, in looking at that, a couple things stand out. Fairfax County is number one in terms of its IT in its headquarters talent pool. That explains why there are so many HQ headquarters and IT companies. And it's number two in terms of its business climate. That makes sense. Virginia is

[00:16:00] regularly ranked as number one or two for business in the nation. It is slightly behind the others are kind of right in the middle. And again, this is the creme of the creme in terms of its quality of life and overall kind of economic growth. But there are a couple areas where when you compare yourself with these other counties, you're realizing that they are growing at such a

[00:16:31] fast pace. They are emerging. Three of these counties are mature markets. Three of them are emerging. And it's the fast and emerging counties that we need to be aware of. And we need to be aware that they are attracting more investment in terms of foreign direct investment, but also in terms of venture capital. And they are also further ahead in some of the innovation metrics that are so important today, such as in patents and the university knowledge and the spillover

[00:17:10] from from universities into commercializing product. So this gave us a good basis for understanding how do we put in comparison all of the wonderful things that we know about Fairfax County when we are tasked with keeping that competitive edge. So I'm going to turn it over to Rachel. Rachel's going to walk through some of the finer points of this data. Great. Thank you, Dan. Thank you, everyone, for having us. It's really great to be here at the towards the end of this project. Dan, throughout his work, referred to, talked a lot about IT and emerging

[00:17:49] technologies, as well as corporate headquarters. As part of our work, we did a deep dive into two primary, pretty large clusters or groups of industries and sectors. Those were corporate headquarters, consulting and services, as well as IT and emerging technologies. Really to understand what are the current conditions, what are the projected conditions, and what role can the department play in helping support, build, and grow those industries. So there we go.

[00:18:21] So leaning first into corporate headquarters, consulting, and services, you all know it's an absolute historic strength here in Fairfax County. The county has three times more employment or employment concentration compared to the national average. Corporate headquarters are absolutely attracted here and always have been. The historic growth has been impressive between 2018 and 2023.

[00:18:47] They added, these industries added 13,000 jobs, increasing by 22%. It's a very important driver of the economy with over 10% of the county's employment being in these headquarters consulting and services sectors. However, it is important to note that the data here obviously does not take into account

the recent impacts of the current administration. And so that has not yet filtered into this data, but it is our best available data as of right now. And so I think

[00:19:23] there will be continuing impacts on these sectors. It is also important to note that although there has been historic growth, the projected growth, even in our data that we're using from through 2024, the projected growth for the corporate headquarters consulting and services sector was projected to slow down and be slower than the other comparative peer regions. So this is an area of concern, something we should be paying attention to, as well as identifying how can we make sure we're retaining and supporting the existing corporate headquarters that are here

[00:19:59] and establishing and maintaining the environment that made it so attractive in the first place. So that is corporate headquarters. The next one is information technologies and emerging technologies. Again, a very important sector for Fairfax County.

[00:20:15] Dan mentioned the 10,000-plus technology firms. Fairfax County has about 40% of the overall state's IT cluster, representing 16% of all the jobs in Fairfax County are in these sectors, contributing about 25% of the county's gross regional product. Again, you can see at the bottom of this slide here some concerning data points as we look to projection around the growth rates of these sectors. The D.C. metro area is projected to grow substantially slower in these

[00:20:52] IT and emerging technology sectors compared to the comparable regions. This gets to what Dan was talking, when we see those emerging regions that are growing at such a substantially faster rate compared to the D.C. area, again, hitting home the importance of retaining, maintaining, supporting, and attracting businesses in these industries. You have the assets, you have the workforce to support these industries. It is really about focusing in and making sure that

[00:21:24] they stay here in Fairfax County. As part of our work, we did conduct a landscape assessment looking at nearly 80 different business and community support organizations that are all playing some role in those core economic development functions. So trying to identify where there might be overlap or gaps in terms of the economic development ecosystem.

[00:21:49] Through that work, there was a series of opportunities that we identified that could be addressed. So certainly continued coordinated process around sharing business information about as it relates to business retention and expansion. Continuing to expand assistance for businesses to help them remain competitive and pivot and innovate, especially in the current climate. Development of strategies for really vibrant, special commercial districts and business districts throughout the county and greater resident and business awareness of the really

[00:22:25] strong economic development strengths of Fairfax County so that the people who live here understand the opportunities that exist right here in the county. There were two others. You can go to the next slide. There was definitely a conversation around the importance of supporting real estate development opportunities to create a diversified tax base as well as creating those nodes of development. And finally, ongoing need for really understanding the economic and fiscal implications of development and understanding what are the highest and best uses of different development

[00:23:01] opportunities as they come through. So really enhancing the analytical capacity as you're making decisions. Through the process, we also conducted interviews and stakeholder outreach with businesses, stakeholders, and county leaders to understand from those who live and work here, what is on

their mind, what is driving them every day. And from that work, we heard a really clear consensus that the competitive advantage that Fairfax County has is not something to take for granted. It is something that will take consistent, strategic, and deliberate action, collaborative

[00:23:39] across the many organizations that are doing this kind of work. We heard from business leaders about the importance of affordable housing as well as maintaining educational excellence to be a place that attracts and retains talent. And we also heard a desire and a need for greater equity across Fairfax County in all ways, as well as a recognition of the importance of collaboration.

[00:24:04] There are many organizations doing really great work in Fairfax County. How do we make sure that there is continued collaboration? No single entity can address the many challenges here, And so bringing those strengths together will really help strengthen that complex ecosystem and build opportunity.

[00:24:22] Just giving us the time. Okay. So that leads us to where do we go from here? And we're going to quickly, quickly go through what, when you see the final report, you'll realize 100 pages or so of detailed information and data.

[00:24:43] But really, where do we go from here, or to use the tagline for DEI right now, the Department of Economic Initiatives, navigating what's next, right? All right, navigating what's next. First, we need to be keeping the eye on what these competitor regions are doing and being very, very strategic and tactical, targeted with our resources to make sure that we're investing in the right things to keep the competitive edge.

[00:25:11] And this will mean a focus on the infrastructure, but a very strong focus on innovation and elevating its appeal here. And then the report talks about the role of the department in particular. So what you're going to see now are some of the recommendations.

[00:25:29] The top line is going to be what the county and all of its partners need to be focused on. And then the second part is what the department itself might be able to do. We've broken this out into built environment, business environment, and community environment.

[00:25:45] I'm going to let Rachel talk about the business environment or the built environment. I'll start with the built environment. This is really focusing on modernizing the infrastructure, connectivity, and really creating the environment that is needed for economic and resident needs.

[00:26:02] So you'll see in the strategies, we have lead, administer, and support. This is the role that the department would play. The department, we're recommending the department take a leading role in analyzing the real estate market and quantifying the impact of development. We're recommending that they continue to administer the economic opportunity reserve, playing a little bit of a different role than leading.

[00:26:26] And then finally, the department should play a supportive role in supporting other organizations in their effort to create housing. So all different kind of levels of touch for the department. In the business environment, it's really going to be important.

[00:26:44] Remember, top line is what the county and all of its partners must, and by county, let's use small c primarily, what the county and all of its ecosystem must focus on, and then below that, what the department, the county must differentiate its high-tech, that it is a high-tech hub, and in particular, with

those emerging technologies in particular, and continue to foster a thriving startup ecosystem, supporting the people that the organizations that are in it, and building a strong regional brand, yes, nationally and

[00:27:19] internationally. But this is also important internally. So many residents are not aware of the very, very unique position that this county is in and what that means for their children and for the graduates of the schools, that the opportunities of the future are in Fairfax County.

[00:27:42] And that is something that I think the county can do a much better job at promoting. And then strengthening those relationships with the headquarters. Rachel said that we're going to be seeing an uptick nationwide in headquarter growth, particularly in our competitor areas, but we're going to see it slowing down here in Fairfax County. So this is going to become as much a retention strategy as it is an attraction strategy in that area. And then incentivizing innovation. This has not been an area that the county has

[00:28:20] been involved in, and I'm not talking cash grants necessarily. I'm talking what must the county do to make it more attractive for firms to invest in R&D facilities here in Virginia versus any other facilities that they may have elsewhere and to monitor and learn from our competitors.

[00:28:40] So two lead things that we see the department doing, providing insights that can influence the policy of the supervisors here and of the county, being that brain trust to know what's happening and to provide you with some very sophisticated, detailed information on an ongoing basis so that you can make the smartest decisions possible.

[00:29:02] And then secondly, evaluating over the next six months or so the establishment of an innovation program type of approach that is going to have the most impact. Lastly, community. Thank you.

[00:29:18] And so community environment really is about creating the places that we all know and love, the special places, the reason people want to live here, work and learn, as the supervisor said. So here are strategies around the department taking a lead in establishing a network of community-based groups to drive economic development efforts locally so that they can, it's a very big, complex county with a lot of different needs, local organizations that really know the community taking the lead. So working on that. Continuing to administer incentives for identified redevelopment areas, and finally continue to support efforts to create walkable

[00:29:58] mixed-use neighborhoods for the county. With that, I will hand it back to Rebecca to take us. Just really quick. Thank you so much, Dan and Rachel. Before we open for questions, really briefly, you know, our next steps as a team are to take this fantastic set of information and begin to develop more detailed proposals or actions to really meet the goals or meet the gaps that are presented here, working very closely with our partners in the county and out the county, outside the county, and develop those proposals to work with leadership

[00:30:36] and then bring to the supervisors as we consider implementation. So with that, I think we're open for questions. Very good. I'll turn to the chairman. Very good. Thank you for the presentation. I'm glad, you know, we went through this exercise.

[00:30:52] I think as it was stated at the beginning, you know, we have a lot of assets here, but our greatest concern is being stuck in neutral. And to be able to continue to be an economic leader in the region and the country means we have to rethink what we're doing and who's doing it and what the roles are.

[00:31:10] And so I appreciate that. I do have a number of questions. I'm going to try to make them quick. But on the Fairfax County competitiveness by metric slide, I'm just curious as to what components went into the quality of life. That seems to be an all-encompassing category, and frankly, that is probably one of our leading marketing elements is the quality of life components of Fairfax County.

[00:31:37] So I'm just curious what the ingredients below that are that pushed out a three rating. I'd be happy to go with that one. So we have a number of different data points that fed into this. Some of them include things like the cost of housing, the cost of living index, the education system.

[00:31:59] All of those were different data points that factored into that rating. Because I get the – You think it's too low? Well, no, I get the affordable housing piece. I mean, as it was referenced, I mean, you heard the business leaders talking about the importance of affordable housing, as you mentioned, but also education and just about every education metric we're exceeding the nation on. And so that's why I was curious about that rating. I'm not debating it. I just wanted to know what the criteria was that went into that. On the slide where you have information technology and emerging technologies at the bottom, you have the cluster growth

[00:32:35] by metro area. And you emphasized a couple times during the presentation about how the DC metro area and I notice Montgomery County is one of those communities you analyzed and you know we're always gonna be way ahead of them thankfully but when you look at the DC metro they're obviously in that they're in that same challenge of the 4% what I'm curious about is why why is the DC metro area not expected to grow anymore is it because it's more built out than those other areas? What is the reason why you would have Dallas Metro at 22% and D.C. Metro at 4%?

[00:33:14] What's the leading indicator is the reason why? Your lights on. Your lights on. Yeah. The main reason is because the three that are above you in the overall metrics, you know, they have more space, they have more room to grow, they're growing at a faster clip, So it's the rate of growth, and in those sectors that we're focused on, the IT and the headquarters, they're seeing more successes than we are, primarily because they're still growing out.

[00:33:55] Fairfax County is built out, and that does limit some of this ability, but it's the rate of growth that we're looking at here. Okay, and obviously that drives the attitude towards emphasizing retention a little bit more later in the slides.

[00:34:11] I mean, that's got to be one of the real – You're absolutely correct. Okay. And then I wanted to ask one other question because it jumps out at me. On the built environment piece, I get a little concerned, and maybe this is the right conversation for us to have.

[00:34:34] Maybe I shouldn't be concerned about this. But when I look at under the lead category, you know, we have – chair of our planning commission is here. We have a very long historic track record of how we evaluate land use cases.

[00:34:50] We do not have an internal department that reviews those proposals for economic development impacts. In fact, as you probably experienced, we have the EDA, in essence, completely staying out of that process. And then we have county staff reviewing elements of land use plans, but not necessarily economic competitive elements.

[00:35:10] Is that abnormal in the research that you've done in other jurisdictions and in other jurisdictions that we're being compared to? Is that seen as an additional layer onto a long process to get

economic development to happen?

[00:35:26] Help me understand that lead part, the recommendation under the department blueprint of reviewing project proposals for economic development impacts. Sure, I can take the – I'll take it first and then if anyone else wants to chime in. So yeah, I think the purpose of that is really to help the board and decision makers really make informed decisions considering all the various implications of development.

[00:35:54] And there are other places that do require an impact analysis, a community impact analysis that would consider the economic impact, so jobs, earnings, sales, the multiplier effect of any project in question, but also the fiscal implications of the development that is being proposed to understand how does that then impact the local municipal budgets, school districts, tax revenues, all of those various pieces. So that is something that other communities do.

[00:36:29] Whether it's seen as like another layer of regulation and process, probably by the development community, but if it's something that can help make informed decisions that looks at today, but also tomorrow in terms of how do these decisions impact the future, that is something communities can decide is important to them.

[00:36:50] Okay. It's interesting because it's one that we probably would want to drill down on a little bit deeper. Some elements of what you just shared are things that do get reviewed now, and I think this goes back to us being strategically thinking here about who owns what.

[00:37:08] what part of our overall process and vision is owned by what entities. And it's good because I know that's the very question that, you know, one of the very questions that we're trying to solve for here. And that's why I wanted to ask the question of, you know, how that's handled in other places.

[00:37:24] I'm not, you know, protecting our process or criticizing another's process, but I'm very curious and definitely want to learn more about that. And then lastly, very last, because this has been a bone of contention of mine for a long time. The county executive is probably tired of hearing it. But one of my takeaways, and you had it categorized in the build on a strong regional brand component of the business environment. But one of my key takeaways from this presentation is something that we've been talking about for a long time and are doing a little bit about, which is I don't think that

[00:37:59] most people who live here understand what special place we have here. And we don't want to take it for granted because we always want to be thinking about the future and staying ahead of the pack. But I think ordinary people that live here don't think about it that way. And it's particularly pronounced among people who've lived here for a long time. And that's where that take it for granted piece kind of comes back to bite us. And I think there's a lot of space, a lot of space still out there for us to be marketing and telling our story in a more sophisticated, robust,

[00:38:35] maybe simpler way about the assets that we do have here and the things that are working. And I believe, you know, what I've heard from the voices of the community piece that's in here, the good news is many of these things we're well aware of.

[00:38:52] Certainly affordable housing, certainly the importance of a high-quality public education system are things that this board takes so seriously and knows, particularly in the affordable housing area, that we are tens of thousands of units behind demand for housing, which is one of the drivers of the cost of housing.

[00:39:11] And frankly, it's a really good problem to have in some ways, but it's also a huge challenge for us in the affordability area. And so hearing them echo those very things, I think, for all of us is really a good confirmation of why we're spending so much time in the space of particularly those two areas.

[00:39:31] So thank you and look forward to reviewing the final report. Thank you, Mr. Chairman. I have Supervisor Palachuk and Supervisor Lusk. Thank you, Mr. Chairman. Thank you all so much. And I love that we've got the boroughs, our background here.

[00:39:48] And I think we can definitely focus on what's great. I also think it's really important to understand what isn't working, right, where we all are following behind. I'm trying to find the data because I know I saw it recently on the census of the 30 to 50-year-old population that's been out-migrating from our region, right?

[00:40:08] And so I think my question as we look at all of these things together, I mean, I was sitting here saying it's housing, it's housing, cost of living, right? We know people are moving to Richmond or to Atlanta or to Texas or to places where there is housing, right?

[00:40:26] And so I think what I would find really helpful as we bring this all together, especially following our very sobering presentation from our budget committee this morning is, right, where do we put those resources and where do we understand that are our barriers, right? Are we trying to, at this point, build more jobs? Are we trying to attract and retain a workforce? Are we trying to have different types of housing so that people who bought a home for maybe \$200,000 or

[00:41:03] less 30 to 40 years ago are able to find a place to retire within our community so that they are able to sell that house to a family, right? I think those are the areas where I'm wondering as we go through, and I think you've alluded to quite a few of those, and I can say as someone who one of four siblings and none of the others choose to live here, it is a challenge. You know, I think we have to be honest about that and understand is it how much of it is our communication and how much of it is what are the things that you're getting if you move to Richmond today right what are the things

[00:41:40] that you're getting if you move to Austin today right that you don't get here so I think those are the big questions as we have to like bring all these voices together and as we hear different messages from our multi-generational community whether it's a development project whether it's the new investment, how do we start to bring all of our strategic planning from this lens?

[00:42:00] I'm really excited to see this and to see that you've lived in most of my favorite places, Dan. How do we make this have that cool factor that we know is there and is there in some areas and in such a large county, right?

[00:42:18] I know L.A. is also really large but has been built out longer than we have or has built its characteristics and its sense of community much longer than we have. So I don't know. I think that's what I'm excited about our DEI, looking at this, because it's not going to be the same in every part of the county, right?

[00:42:41] But how do we tap into the strengths, whether they be people, community, spaces, public, private, all of those in each part of the community? And what are those things, whether they be transportation or access to safe walkability, trails, reliable bus service?

[00:43:01] What is it that helps us be more of an attractive place and not feel like you're just stuck in traffic or in a housing debt? So I don't know if that's something you're seeing as trends or when you're talking about this larger view of economic development, if I'm understanding it correctly.

[00:43:17] Oh, I believe you're understanding it perfectly. That's what we mean by integrated economic development, understanding that all of these things make for a more attractive region and becomes the primary.

[00:43:33] You know, when companies are looking where to site facilities, let's say they hire a site selection consultant to do that. That site selection consultant, if they're worth their money, is going to have at least 125 different factors that go into this.

[00:43:51] decision. Quality, quantitative, and qualitative as well. And so everything you've just mentioned goes into the site selection process. So therefore, why shouldn't your economic development approach be integrated as well? So we 100%, you know, subscribe to that view. What you will find in the full report are the gaps in the current ecosystem from the economic development. So we pull out economic development, and we say, as good as it is, there are some areas for improvement.

[00:44:24] And they are being able to have a much more cohesive, structured approach to business retention and expansion. Right now, the Economic Development Authority does a phenomenal job in focusing on high growth companies and some of the established businesses.

[00:44:46] But let's face it, there are only so many resources to go around, and with tens of thousands of businesses, you have to be using the best technology available to be able to periodically get the voices and be able to bring it before the CEO group or this body to understand and trade that information.

[00:45:08] Let's all get access to that information and be able to make better decisions. Financial incentives, we've known this, and the county has been proud not to have to be able to provide incentives, but there are dozens of ways to slice and dice that. A revolving loan fund, where you're returning that money back into the fund to be able to distribute in the future, is an incentive.

[00:45:35] So there are very different ways to do this that could fit, I think, the character of this community. Nobody's really focused on sites and the future of development of sites and what are the priority sites and how do we target that, particularly when we look at all the different commercial corridors and who's really focused on that.

[00:45:55] Scott's doing a great job when there's a special initiative that needs to happen to be able to get it done. But what we're suggesting for the department is to have more of a role in doing this. Chairman, you talked about evaluation, and evaluation in economic development is usually taken from the spin of a business investment.

[00:46:18] But very few in the profession as a whole is very bad, economic development profession, at looking at a holistic approach to impact. Its sustainability, its impact on the environment, its impact on your budgeting, your schools, your public safety.

[00:46:35] And there are ways, and economic development is moving there. They're not quite there yet, but I think Fairfax County might be able to dabble and be on the cutting edge of some of those decisions. And then we've already mentioned the in-county marketing, making sure that the people understand what you understand and what many of these businesses understand, that this is the place of the future.

[00:46:59] Thank you. And I think you alluded to that a little bit. My only pushback and I guess recommendation is probably because I just finished reading the book Stuck about the history of zoning and how many things we've added, right, to the ability to build and how that has gotten us, our mobility stuck and added to our inequities is I think there's a way to look at how we prioritize or focus or look at redevelopments of sites at this point.

[00:47:23] There's not a lot of new development in our area, mostly redevelopment, and how we look at that, like you said, more holistically, right? The impacts, the inclusiveness, the environment, the community, and trying to maybe streamline rather than add another layer, right, of bureaucracy to it.

[00:47:42] So, but yeah, thank you. Supervisor Lask? Thank you, Mr. Chairman. I'll start by saying I appreciate the work that's been done, put together this proposal, and I'll say I can see where there are definite opportunities to delineate the role and responsibility of the Economic Development Authority versus the role and responsibility of Rebecca Modri and her shop because I think there's some specific things that you put even under this lead designation that when I read it, it just resonates to me that this is more under

[00:48:22] the Economic Development Authority in terms of conducting market analysis and analyzing fiscal implications of commercial vacancies for policy decisions. To me, that seems like that's more appropriately there. So I'm just wondering, are you providing some details in terms of where the implementation strategy should go with some of these sort of recommendations that you're putting forward?

[00:48:49] I'm just trying to get a sense of is that a part of this analysis and a part of what you're going to be presenting out? I'm going to let Rebecca answer that, but I will say in the full report, there's a much more nuanced breakout between the EDA and DEI as it has been now and as it is proposed, as well as gaps in areas where other people, other players may fulfill those functions.

[00:49:21] That might be where I'm going. I think what I'm suggesting is that in my head as I'm looking through these, I'm seeing that line of demarcation, and I'm starting to move things over into their respective bucket. But I'll let Rebecca. Before Rebecca speaks, just remember that we are looking to pivot, be spry, and change the way we're thinking about our approaches.

[00:49:43] So this is not something that we're saying should happen like right now. It's just a concept that she's developing. Sure. Yeah. I don't have much to add, but, right, so, I mean, we really appreciate the analysis and the findings from, really, a third-party expert in this space that we can then use, I'd say, collectively to analyze, understand, and then determine best approaches and responses and partnerships, right?

[00:50:12] I think that that, I mean, we are a small department, and so we partner across the county, across the region. And I think one of the things that I've really appreciated about this effort is understanding kind of that holistic approach and how we really need to collectively move forward to fill the gaps and build on the opportunities that we have.

[00:50:34] Yeah, and I'll say I just appreciate really this business environment section talking about, you know, the startup ecosystem. This is an area that we've been talking about a lot here at this board and really trying to push in ways to better support our entrepreneurial base.

[00:50:53] And I'm going to acknowledge here we're making some progress in that regard, but I'm going to be clear in saying there's a lot more that we have to do. And what you basically identified here is that there are things that can be done that better support that ecosystem development and better support the growth and development of those companies.

[00:51:14] Because if we're smart about this, those entrepreneurs are going to be the companies of the future that will help us fill our real estate and expand our commercial tax base. This is a logic, a very linear sort of approach that makes infinite sense.

[00:51:31] So I'm just excited to see that that's part of what you're suggesting. Now, I'm going to maybe push back on something you said about incentives. I mean, I think you're right. In the past, we've been in a position where we've not had to be as aggressive on incentives because we've had better support, I believe, from VEDP than we currently have today.

[00:51:54] So I'm going to make an argument. I'm not in economic development today. I was in it for 21 years. Here in Fairfax County, I did a lot of the large projects. a lot of the entrepreneurial projects for the county so I've seen how over time we've not had as much support from the state and I think that means we've got to come up with a plan as to how we're going to be able to fill in those gaps because guess what in those other markets that you've listed as being ahead of us they're going to be more competitive they're going to say we have a package we have this program and process for you if you come to our jurisdiction so if you

[00:52:33] don't come here, you're not going to get that package. And that's something that I think we do have to be thinking about and position ourselves in a way where we can be as competitive as possible to try to win some of those opportunities. Thank you. And I just would like to make two comments on incentives. This report makes it very clear that we're talking about incentivizing innovation research and development what's not clear here and this is what

[00:53:07] you all and and with the help I believe of Rebecca's department in the EDA are going to have to wrestle with is what kind are these discretionary are they as right and that's where the devil is in the details and as somebody who has signed thousands of incentive deals and is, quite frankly, if I had my treasures, I'd be an anti-incentive person. You have to do this right. You have to focus. And what Fairfax County needs to do is to go to where they're most competitive, where it's going to

[00:53:46] have the most ability to make a difference, but also where you're going to be able to stop some of these other regions from taking that away. The majority of net new jobs in any community is going to come from sustained high growth businesses, usually 50 to 100 employees. They've been in business for over 100 years. They will represent over two thirds of your net new jobs in most communities, yet they represent less than 1% of all employers. Somebody has to be doing a very

[00:54:26] good job. Victor understands this. Of course. Somebody has to do a very good job of being able to make sure that they understand where they need to go next, how they're going to scale, and how Fairfax County is going to help meet that deliverable. Correct. And we believe heavily that it's in the innovation and R&D space. And the last point I'll make is that I would argue that You're right. I mean, we're trying to expand the companies that we have here. And to your point, probably 75, 80 percent of the jobs that we have in creation in the county are going to be

[00:55:06] expansion opportunities. And roughly 20, 25 percent are going to be new companies that are coming into the market and growing organically in some way. So the question is, how do you pull on both levers? I'm making the argument that we've got to be pulling on that new ecosystem, getting those new startup companies to come, but then to your point, because we did both, and that's what I did when I was at the EDA. You're pulling on those larger companies to help them stay in Fairfax County, because believe me, they don't have to stay in Fairfax. And then those little smaller emerging companies, too, you've got to pull them back because someone's calling on them

[00:55:42] from other markets and saying, you would be better served to be in our county or our city, and will you consider moving? That's the point I'm trying to make. That's the opportunity for us. Thank you, Mr. Chairman. Thank you. I have Supervisor Walker, John. I don't have any other hands, so just then we're going to move on to the next presentation unless I hear otherwise. Thank you. Thank you, Mr. Chairman. Appreciate the establishment of the comparator counties. It's obviously a difficult thing to do, just looking at some of them. I think most on here, most of

[00:56:19] these counties you have as comparators include the major city that they surround, right? So Atlanta is in Fulton County. Dallas, I think, is in Collin County. And I don't know whether your analysis was able to suss that out, right? Suburban Fulton County versus the city of Atlanta.

[00:56:43] Really, Montgomery County is the only one on here that with the kind of similar kind of governance structure that is a standalone suburban jurisdiction outside of a by the standard of the other localities here a small city right comparing Washington DC to Dallas or even Denver um so it's it's a challenge to i think get those comparisons right but but i i still think it makes sense to benchmark where we can. I guess kind of the question that I have, and because this project

[00:57:18] began some time ago, you didn't sign up to answer the question I'm going to ask. But I think our situation today is a mature, successful, built-out market that is facing an economic shock, right?

[00:57:40] dislocation generated by the major employer in the region? And what are the case studies or the comparators of similar markets that have survived such a shock, adapted to it, and then thrived after that fact? That's kind of the situation that we're in today, which is a different situation than we were in when you started this work. So I guess my question for you related to this work is what did you discover that would answer that specific, timely question for us?

[00:58:21] It's a good question. And you're right. We weren't signed up to deal with what has been occurring over the last 90 days, not even 100 days. It's hard to believe. We were saying this morning that, you know, thank goodness this work did begin nine months ago, because otherwise you'd probably be in the market for a consultant to say, what do we do now? And you've got the baseline.

[00:58:57] You've got all of the work here. The same work would have been done six months from now as what we're presenting to you today, pretty much on the base and understanding the assets. And the good news, the good news is the future is in this IT, emerging technology space. That's not going to change. If anything, it might actually be some accelerant that has been placed on it if we do it right. And to do it right is to keep ahead of the others that don't have the extra burdens that

[00:59:36] you're facing now, but they will have the same opportunities. And so we need to look at that innovation space in particular and be focused on advancing the AI. Be aware of those companies that understand quantum, the quantum technologies and how that's going to change things, the satellite and

the communications that are prevalent in this county right now, and how that's going to change the way we communicate in the world and how we defend ourselves.

[01:00:09] Those kinds of decisions are being made here. Keep those companies here, attend to their need for more research and development and innovation and you'll be able to ride this out at the same time make sure that the message isn't one of doom and gloom but just the opposite that the opportunities of the future are here make sure the children and the parents understand that yes thank you thank you supervisor could we get a copy of the full report that'd be great thank you yeah absolutely we're we're wrapping up the full report

[01:00:47] and we'll be sharing that with supervisors and just this will not be as you might expect the last time we have this conversation about blueprint and this is the really the kickoff of it in many ways and there'll be further conversations among all of us and really over the course of the next i would say six months to a year as we get comments and and recommendations from the county executive and deputy county executive and our director about where we're going and how we should be doing that differently if you will or at least the same going forward i'm going to close this

[01:01:23] piece with just to say something I think we all recognize, which is that we absolutely have an amazing opportunity in this area. I mean, we have not only the infrastructure that's almost second to none, particularly if you look at the internet and all the pipes that come through this area and all the opportunity that comes with that. There's no doubt that we have the will and I think the competitive will and as well as the success history, if you will, here that I think can be a key part of that. I think the issue is what kind of vision do we want to take forward to address what's

[01:01:59] happening across the river? Is that changed dramatically from the vision we've had, or is it something along similar lines, but we need to go maybe a little bit this direction, that direction? So is it a tweak, or is it more of a wholesale shift? I think this report will help us to get a better handle on that. And frankly, what do we want to become? Because it's always what do you want to become. And I don't think we're necessarily interested in becoming some of the areas that you've listed in your report, but we recognize that we need to be aware of what they're doing and how it might impact us, if nothing else. And ultimately, I want to know what those other three

[01:02:34] in the top 10 are. So that's it. Thank you very much. Appreciate your help, Dan, Rachel. Thank you very much. And we'll move on to the next presentation because we are a little bit behind. We've got about 25 minutes overall with the Recreation and Entertainment Authority Economic Initiatives report.

[01:02:55] Scott, are we going to move right to you? Sure. Sounds great. All right. Thank you, Chairman. I'm Scott Sizer with the Department of Economic Initiatives. I'm here with a number of colleagues who have assisted in this review. Chief among them are Emily Smith with the Office of the County Attorney, Joe Lahate with the Department of Management and Budget, and Miriam Conley in the Department of Economic Initiatives.

[01:03:13] So today, we would like to review a potential tool to assist in a specific sector of the county's economy. We've heard a lot about the economy today, but this tool is related specifically to the tourism and entertainment sector. At the board's direction, staff reviewed how this tool has been used in three other jurisdictions in Virginia and would like to share those examples and how they can inform potential future considerations of similar tools in Fairfax.

[01:03:37] So tourism and entertainment is a significant sector in Virginia and in Fairfax County's economy. There are different aspects to the overall tourism sector, including sports-related tourism, which is about 10% of the total pie in the state as a whole.

[01:03:57] Fairfax County was number three in the total size of economic impact for tourism, with \$3.3 billion in economic impacts in 2023 alone, employing about 25,000 jobs in Fairfax County in the tourism and leisure industries. So looking at sports tourism, which is related to travel primarily and overnight stays for many different sporting events, that sector has continued to grow tremendously over the last decade or two.

[01:04:22] In June, the Board of Supervisors directed staff to review the Public Recreational Facilities Authority Act, which is a relatively new act enabling legislation by the General Assembly, allows local jurisdictions to establish an authority to support entertainment, arts, sports, convention centers, and other tourism-related needs.

[01:04:44] And to that end, staff spoke with stakeholders and reviewed three specific jurisdictions of Virginia to evaluate creating a public recreational facilities authority and support those different jurisdictions' use of sports and entertainment tourism. So, big picture, staff identified four key findings for consideration of this tool in the county.

[01:05:07] First, there needs to be a clear objective and mission focused on tourism. Each of the three jurisdictions we'll highlight had a long history of community recreation entities and providing recreation opportunities for community members, but they each decided to create a new organization focused on generating economic benefits of tourism.

[01:05:29] Second, they all had a dedicated funding mechanism, a reliable funding mechanism that was directly related to those economic benefits, again, primarily related to lodging taxes or meals and food tax beverages as well. Each of these were tailored to its initial purpose and a partnership.

[01:05:48] They weren't created in a vacuum where they were outcomes of property acquisitions or partnerships or creation of a facility. And the responsibilities of each of these continue to grow over the years. But they're really based on that initial defined goal and objective.

[01:06:05] And then finally, each of these entities required the ability to enter into long term agreements for land management, revenue sharing, operations. In the end, they needed the ability to make decisions and enter long-term agreements with partners, users, and stakeholders for significant capital investments or even just scheduling and marketing of events years out.

[01:06:27] So the three sites that we looked at were Henrico County, Historic Triangle, and then Chesterfield County. So first I'll start with Henrico County. They created a Sports and Entertainment Authority in 2022.

[01:06:42] The county determined to build a 185,000-square-foot indoor facility, and they delivered it just two years ago as the Henrico Sports and Events Center. So in that case, the county acquired the property, financed the capital construction of the facility, but determined they wanted a separate independent entity to manage the facility operations, scheduling, marketing, and then develop additional opportunities and partnerships from that core piece of property.

[01:07:14] And so again, you see some resources there, primarily funded from a portion of the hotel occupancy taxes and a tourism improvement district. The Historic Triangle area, which is the area encompassed by the city of Williamsburg, James City County, and York County.

[01:07:32] Again, in that same time frame, in November 2021, they established the Historic Triangle Recreation Facilities Authority. This is another independent authority, but in that case, the jurisdictions really wanted an entity to be created to own the development of this new recreational facility.

[01:07:53] Again, it was very similar to the Henrico County example. It's a 200,000-square-foot indoor facility, but they wanted this entity to manage the financing, construction, management, marketing, operation of this large regional sports center. Also part of what was required in that location was it was not any one entity, it was these three different jurisdictions, and so they created a separate authority to help bind those three jurisdictions together in delivering this good that benefited all of them.

[01:08:24] Again, it's supported by staff in those jurisdictions with funding for the capital debt issued by the authority, but repaid by future revenues from the authority, as well as backed by the city of Williamsburg, and all three of those jurisdictions contribute to operational costs until such time as operations cover the full cost of operations for that site.

[01:08:46] And then finally, Chesterfield County. Chesterfield evaluated the use of this tool but decided to do it differently. They actually established a brand-new county department, the Department of Sports Visitation and Entertainment, in 2023. Not a separate authority, but a new department in the county.

[01:09:03] They have a Recreation and Parks Department, but determined that they needed a catalyst for public facility development, economic development focused on driving those tourism dollars and visits. Also, this is a pretty unique case. They acquired the River City Sports Flex, which was a privately held piece of property, about 115 acres with nine synthetic turf fields.

[01:09:26] That started as a public-private partnership with the jurisdiction, and then they ended up acquiring the site in total and really wanted to have an entity to be able to drive sports tourism, support, there's heavy local usage there, but really to drive the tourism and market the site.

[01:09:42] Also note, I guess earlier today, we shared a lot of economic information and they just issued their first annual report for 2024. Their biggest market at the River City Sports Complex was from the D.C. Northern Virginia market.

[01:10:01] There's about 225,000 visits to just that facility, generating over half a million hotel stays from our area specifically. So with that, I wanted to highlight a couple of the comparisons that we see between Fairfax County and those three jurisdictions. I think all four of our jurisdictions recognize the importance of tourism and sports and entertainment to our economy. Those three identified a real need to integrate efforts to help drive partnerships between public entities, nonprofits, as well as

[01:10:36] private owners to really enhance those opportunities and attract tourism to benefit the entire area. and they saw a need to build on existing opportunities at a very high demand market, both from their local regions as well as from areas that they could attract for tourism.

[01:10:55] So a couple of key differences. Fairfax County has a very mature, complex system. We have an existing park authority. Those jurisdictions did not have park authorities. They had local departments. Those jurisdictions also, and it's a little bit of a difference of what we heard just earlier. We're Fairfax

County. We've been Fairfax County, but I heard the recommendation a moment ago about continuing to brand our regional efforts in both of these jurisdictions, both the Historic Triangle and the Greater Richmond area. There are regional destination marketing organizations, and there's been strong regional partnerships. But really what

[01:11:33] you're seeing in each of these areas now are trying to have those individual counties or markets differentiate themselves within the region, and so you have some of these are now becoming new destination marketing organizations for their organization where we already have an existing one in Visit Fairfax. Again, those three jurisdictions had public investments and assets that were acquired for tourism, either built or newly constructed, and then they've leveraged tax revenue from tourism for investments in capital and operations of facilities in addition

[01:12:07] to marketing. So a couple of key recommendations, if the board were to consider moving forward with an entity or some additional support for sports tourism and tourism and entertainment industry, we recommend that the scope should be on tourism related to those entertainment investments. It needs to be able to enter into those long-term contracts and agreements with partners, both to help attract large capital investments for new facilities, as well as to be able to market to partners and users who have multi-year commitments that they're usually

[01:12:43] evaluating as part of these attractions. Second, governance is very complex in Fairfax County, as we've heard, and we really need to engage with all the existing stakeholders. And I think what's really critical is being dependent on a specific facility and a specific outcome related to the partner or the stakeholders. There are a variety of examples that we could go into, too, but it really depends on who the landowner is, what the primary outcome of the facility, and who the major tenants may be to really drive the structure of an organization and how to format.

[01:13:19] And then finally, investment, if required, should be related to tourism-generated revenues and a dedicated source of funding aligned with those goals. So with that, I was trying to be quick and fast and get you to your Dulles tax district meetings next. So I'll be happy to answer any questions? Scott, great job. Appreciate that. And I'm going to turn to the chairman.

[01:13:43] I appreciate, Scott, the presentation. There's definitely some things on here we need to be thinking about more. I guess I've been to the Chesterfield site, so I know that one pretty well. I've also been to the one that's under construction, at least driven by it, in a historic triangle. And I'm not as familiar with the overall communities that those are in. So do they have private sector competitors. I mean, obviously, every time I go to the St. James, it's heavily people in this area, but they also generate a ton of hotel stays and people coming from

[01:14:18] really all over the East Coast, at least, to the St. James for tournaments and things that they hold there. They've hosted professional sports. They had the professional lacrosse league tournament there over a week and a half. And so, I guess, help me understand how the private sector pieces fit in in these other jurisdictions from a comparison standpoint, if we can?

[01:14:41] Sure. So in a couple of different ways, and again, with the initial, well, getting away from the initial construction of the facility, but with these, entertainment and Henrico is a good example. So the Henrico Sports Entertainment Authority also now partners with either nonprofits or private entities, tennis clubs, golf course, a local YMCA, to also help support attracting additional tourism-type events if

those facilities are seeking those. And then in addition, they also administer, in Chesterfield County as well, administers a capital fund that is invested

[01:15:21] basically from proceeds from transit occupancy taxes that they are then able to utilize for a sports tourism grant that not only applies to either publicly owned lands, but also privately held facilities as well to help with upgrades and make them more attractive, more marketing for different types of tourism events. So in essence, they're seen as part of a network.

[01:15:42] They're not seen as, there's not friction between them. Right. There's not a competitor. Correct. And either they're seen as helping to support those businesses to grow and expand, or they see some spinoff from, you know, you bring in the A10 Women's Tournament in Henrico County, and then there's benefits to some of the other adjacent. Yeah, I mean, I asked the question because obviously we all want to bring sports tourism and more of it into Fairfax County, without a doubt.

[01:16:12] But I've said this from the beginning, I'll repeat it here, not if it displaces the needs of our own community. And one of my concerns is, you know, when the St. James hosts those events, they're not taking something off the ledger for Fairfax County. They're hosted specifically during times that are not really times that our community groups would be utilizing the facility as much.

[01:16:35] And so knowing that we have groups going outside of the region for these tournaments, it's going into facilities where they have more facilities than potentially they have the human demand for within their own county. Here, we have an enormous amount of demand that's unmet, And that's why tournaments, like why I have to travel to Chesterfield.

[01:16:59] And so I think we just need to be cognizant going into this that a main driver for us first should be making sure that we're adequately and completely serving the needs of the people that are here already, our youth groups and other groups that use our facility, our adult leagues, and making sure that we're shored up on that.

[01:17:17] If through a sports tourism mechanism, we could be building even more of those facilities, that would be great, but I just don't want us to lose sight of meeting the needs of the people who are already here as priority one. Priority two, obviously, bringing in sports tourism and being able to take advantage of those opportunities, and priority three is making sure that whatever we do, if we head towards this direction, it's done in companion with the private facilities that already exist throughout the county that in many ways are remarkable in their own right, so that they're a partner organization and not a competitor.

[01:17:54] And I think one of the advantages that some of these jurisdictions have had that they've created these entities for the specific facility, but that you're absolutely right. It's a member of that ecosystem, and so that now sports authority is a natural place for a private sector to look versus, all right, well, now you've got to go talk to this private elementary school or this public school or this other entity.

[01:18:16] That sports authority can help make those connections and foster those types of relationships. In my last question, because you just piqued my interest in one other thing, and Supervisor Smith will enjoy this one, we have challenges, significant challenges right now with FCPS in facility use.

[01:18:35] Do any of these authorities in any of these locations, since you mentioned schools, do any of them have any type of interaction with the school facilities, and are they a part of the program in these jurisdictions, or are they completely off limits for the purposes of the authority?

[01:18:51] So I would say, specifically, I know the first thing that the Henrico does every year is they book all of their high school graduations. So one of the major primary benefits of that large convention center or event space is hosting all of the high school graduations.

[01:19:08] And then they do work, I don't think, I will have to get back to you on the exact relationships they have with their local school system in terms of access for gyms and school fields, if that's what you're speaking to. It is what I'm speaking to because we have more than any other jurisdiction in Virginia, and yet we have challenges being able to gain access to them and friction that sometimes exists between school uses and county user groups, which are coming from the same population of people, being able to have access to those.

[01:19:38] And I'm just, you know, in dealing with that friction, I'm just curious if there's an example somewhere of a third party that oversees that type of scenario and can do it successfully? And maybe the answer is no. It's just a curiosity question. Is that an ancillary benefit of establishing an organization like this anywhere else, or has that never been done before and touched before? I think, again, reflecting on the discussion we had with Enrico, that is a role that they play in both that they have a service that they provide to the school system in terms of those graduations, and I know they've made connections and fostered school use of local YMCA

[01:20:18] to host their events as well, and so they're in that ecosystem. Okay, I'm watching Chris Leonard's facial expressions to give me some immediate feedback, too, sitting behind you. Okay, thank you. Thank you, Mr. Chairman. On a kind of related piece of this is this work that you did, there's so many more elements to this and one of which is just the types of facilities fall into you know sports tourism and and or entertainment etc so what and I I was at the VACO meeting where we had several

[01:20:54] different entities present that was very very helpful and and all of them did a little bit differently some were more rural places and obviously in RICO was part of that was there a process that you saw that folks did to identify what next steps might be if you say yes we want to do more in this space? I think it's very clearly the focus being on tourism and then economic development related to tourism, especially then the revenues that that new facility or that new, well, that new facility generates related to tourism, sort of driving back into that. So that

[01:21:33] was a core number one for each of those. It was very clear about why they were building those facilities. And while it benefits the community and it benefited existing, I think, Chesterfield County notes that 66 percent of its users are local county residents. But the purpose for that facility to be built was not to necessarily directly serve those county residents. It does that, and it's an important piece, but its primary goal was to generate economic development related to tourism. And then the second piece, in addition to being clear about that, then having that dedicated source of funding to be able to have a revolving fund to help make those investments and

[01:22:12] grow the system? The term facility itself is kind of what I was getting at because some of those facilities were more limited and others were pretty broad, went from multiple fields to indoor spaces to, and particularly in Fairfax County, we have a number of those that we've talked about for decades. And I always go to the indoor track facility, which we, in my mind, desperately need for our community and lots of ways. And I know there are others related to that, so I'm not trying to just single that out. But the process that was used to identify the facilities that should be part of this overall entity's focus?

[01:22:49] I think they've each been different and unique. Some, and maybe your kind of executive can speak a little bit more to some of the history of the Historic Triangle one, they really came out of some of those hotels and the leisure industry who really wanted to have a larger convention center or a larger space that could continue to help grow and support their industry.

[01:23:10] Some others came from specific users. You've mentioned sports teams or other types of teams that want practice facilities or other kinds of facilities, and they can be a core tenant. And then it's how does that facility not sit vacant 10 months out of the year, and how can it serve the community, and what kind of other benefits can be generated?

[01:23:30] Just to add to that about the historic triangle, there is a one-cent sales tax. It was dubbed the Tommy Tax, which helped the hotels and bring in sports tourism. They have a dedicated fund source.

[01:23:48] York County, James City County, Williamsburg all have that same sales tax that goes direct to what Mr. Sizer is speaking about. So they have a guaranteed revenue stream, and that's how they're able to build what's happening now in the historic triangle and then support it.

[01:24:07] And then when you have the facility, people come. I do remember that Warhill Sports Center has probably 12 fields for soccer. They're killing it with soccer fields, but there's not a lot of indoor facility space that they are now going to have.

[01:24:27] So, you know, they have that fund source to be able to do it, and they're not competing. Basically, it's what I hear you say, with the right funding source, you evolve that based upon the opportunities that – Yes, I believe the sales tax initiative came about in 2016.

[01:24:47] Thank you. Sir Roger Behrman. Is there a meals tax in RICO County? Yes. Is there a meals tax in the city of Williamsburg? There is. Is there a meals tax in James City County?

[01:25:03] There is. Is there a meals tax in York County? Yes. There isn't one in Chesterfield, but I'd just like to note that four of the five locations that are drawing people in from the outside to go to their sports tourism facility are also generating revenue out of the meals taxes paid by those tourists who come into those locations, just like our meals tax would potentially, if we were to pass one, would potentially generate 34 cents on the dollar from non-residents.

[01:25:29] Thanks. Well, they may generate more than 34% on the dollar because they have that too. So thank you. Supervisor Walkshaw. Thank you, Scott. I appreciate your work on this. It's been a lot that has gone into it.

[01:25:45] And I don't think I'm revealing anything because they've talked about it publicly. My kind of interest in this came out of the possibility of a partnership at some point in the future with George Mason University which which could involve athletic facilities but also arts and entertainment facilities and and I wanted for us to do this work so that we would be prepared and have this conversation in case an opportunity like that with George Mason or some other entity becomes more serious and those discussions progress so I think this has been really really

[01:26:21] important and valuable. You know, obviously the lesson here is that the Recreational Facilities Authority is not a magic money machine that just all of a sudden generates tens of millions of dollars to build new facilities. It is potentially a tool to partner with entities inside or outside the county to do more.

And the only thing, you know, most of the focus tends to be on sports, And I think that is what it has been used most often in Virginia.

[01:26:53] But it's not just sports. It's also arts and entertainment. And it may be that for us long term, there are more opportunities in that direction than with sports. Because as has been noted, we have a park authority that can and does a lot with respect to sports.

[01:27:11] And if they wanted to and we wanted them to put a lot more money to making facilities even more tailored towards sports tourism, That's a decision we can make. We've had that conversation around Audrey Moore and the rec center. And the new Audrey Moore rec center will have some elements that will help with sports tourism.

[01:27:31] But if we had \$20 million or \$30 million more, we could do more, right? And that's kind of where we are. But I think this could be an important tool for us to have on our shelf and in the toolbox if a project or a partner comes to us or we identify one in the future.

[01:27:50] So I think this work has been valuable, but I think as the presentation notes, the authority needs to be structured for a specific partner and a specific project, at least, to start. And today we don't have that partner or that project.

[01:28:08] Thank you, Supervisor Jimenez. Thank you, Mr. Chairman, and thank you, Scott, for this presentation. When I was thinking about all of this, I was thinking of all the emails I get from different constituents and groups looking for more fields, looking for more areas. And there's obviously a congestion at times with everyone trying to get an ability to use these fields here in Fairfax County. So I think a couple of things. One, I think public-private partnerships are something we need to be looking at more. I think Mr. Walkinshaw's idea of perhaps partnering with

[01:28:46] George Mason, I think that that's very possible. I've spoken with folks at George Mason and I know Supervisor Smith has been in meetings with me and Mr. Harrity around this. So, you know, I think that that's something. As we look at potential revenue funding streams for the county, we need to really expand what that means.

[01:29:05] And Mr. Walkinshaw is right. I mean, sports is part of this, but arts, entertainment brings jobs, could bring jobs, could bring even more tourism to the area. So I think that this is obviously something to look at.

[01:29:20] I don't know if this means an entertainment district or what this means, but I definitely think it's something worth looking into. Thank you. Thank you. I think there's obviously a consensus that there's opportunity here.

[01:29:35] And for those of you who know about Telmic Banks and Tourism Task Force and really the work that we've done for seven, eight years, and the opportunities that are there and, frankly, the limitations on what we currently have because it does require ability to market and I'll only kind of create a cohesive presentation that then would attract people because there's more than just one thing going on.

[01:30:02] So having those sports fields and sports facilities and entertainment all together, particularly in an area like Northern Virginia, which has so many other elements, I think could be incredibly attractive. And I know that we're losing some of those opportunities to other areas because we don't have some of the facilities, frankly, that we need that would be effective in our being able to do that.

[01:30:27] So I'm very supportive of continuing this effort and doing it more expeditiously than not. So with that, I don't hear and see any other comments. Appreciate very much the presentation, Scott.

[01:30:43] Thank you. And just I want to remind everybody to wrap up here. We have, first off, again, thank you, Scott, and the DEI team, Rebecca. I think, great day, lots of different elements we're working on, and frankly, that's ever-changing.

[01:31:01] And if we have any doubt about that, we have another EIC meeting, because you all love these so much. But April 8th at 1.30, this will be a follow-up to our last meeting, where we learned really about the federal reductions and kind of the impact on Fairfax County. The intent is to kind of the next iteration of that, what other options, opportunities.

[01:31:22] We particularly have invited our regional as well as our federal and state representatives to come and share their data, share their assessments of the impact or meanings that this has for us. And we will get more out as we get that agenda more, I guess, clarified.

[01:31:41] But there is that same day, which is part of the challenge, that same day, Delegate Boulevard and the committee that was set up on the federal workforce and funding reductions is also meeting that day. in arlington most in the afternoon but i think they have some afternoon meetings so but we hope to frankly benefit from some of that i think mr chairman you're going to be there in the morning maybe you can share back with us in the afternoon any particular insights or thoughts that that we need to be aware of or consider so with that i thank you all this meeting is adjourned



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