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[00:00:00] Everybody can take their seats. Well, first off, good morning, everyone. I want to thank everybody for being here, and at least for me, and I think for many of us, kind of, we had a very, very busy weekend, and it was one, I think, quite enjoyable, I think, would be the way that I would start it.

[00:00:24] And maybe the best part of the weekend was the Mount Vernon Town meeting, right? You all were there? We had a great time, and I appreciate the chairman and county executive being there and our school board member, and then many, many, many, many, many, many more county staff and not-for-profits, et cetera, were there just to, frankly, connect and share the community with each of us.

[00:00:56] The other thing I wanted to mention was we had really a wonderful time receiving the venerable monks who had walked all the way from Texas just to see us. No, I'm sorry, they didn't. They were walking for peace, and that really had a nerve, and I don't know if the chairman wants to make any comments about that.

[00:01:16] Yeah, I would be glad to. It was wonderful. I think probably what was most wonderful to me is to see the thousands of people in Fairfax County who came out both along the walking route and then also at the Buddhist temple where we had an opportunity to have lunch with them to come out and see them.

[00:01:34] And I think, you know, as I said earlier today on the news, my kind of takeaway from the entire event was when they shared with us that, you know, take a moment each day to write down, this is my peaceful day on a sheet of paper before you venture out to do the other things you're going to do during the day, just as a calm, peaceful reminder to all of us that, you know, peace starts with ourselves, peace starts at home, and it was just great to see them all turn out.

[00:02:04] And secondly, and I know you want to add to this, Supervisor Stork, I do want to particularly thank Major Morrow, our Mount Vernon District Police Department, and Chief Butler, who took the time to come out also and greet them and give them a token of appreciation from our public safety agencies.

[00:02:23] But, you know, to put on an event like that, a major undertaking, to handle intersections along Richmond Highway on a busy weekend is a major undertaking. and the way in which our first responders protected the public, protected them, but still allowed the public to come out and share in the moment was exceptional.

[00:02:43] So all around a great day. Thank you. Thank you, Mr. Chairman. Well said. And I also want to thank the public because we're closing down Route 1 and other major roads is never easy, and I'm sure frustrated a number of individuals. But I hope they all recognize those short-term impacts, hopefully create a larger sense of what we need and how important it is for us all to work together, be together, and frankly, walk for peace and be peaceful and find our peace.

[00:03:16] We have a number of things going on this morning. I'm going to get to it. First and foremost, we had a meeting a few months ago. Did anybody have any comments or questions or changes in the notes that were sent out to everyone. If not, we will get right to it. Good morning. Our first topic for today is a board matter, frankly, from Chairman McKay on Fairfax County's economic competitiveness. It was introduced last August. Staff will provide an current economic trends, an overview of the county's competitive position, and this will include how the federal workforce

[00:03:56] changes are really affecting all of us, the sector growth patterns and emerging opportunities. And we know the core of that is emergency opportunities. And I know others will maybe mention this, but we have a significant SpaceX conference next week and look forward to all being part of that that can join us. Our economy and business opportunities continue to demonstrate remarkable resilience. I know we have all fearful a year ago what that impact would be. There's impact, clearly. Our unemployment rate's gone up. Some of the challenges in continuing the energy

[00:04:33] that we had before, it's been kind of pushed back a little bit. But I know that we have a very strong economy, very strong, and very incredibly resourceful and smart and capable workforce here. And so we know that we're going to be able to capitalize on the opportunities that are always there, frankly, as well as proactively address the challenges that are emerging.

[00:04:57] So the economic data that you'll see today represents an important first step, first step in the team's ongoing analysis. This information, combined with our continued monitoring and stakeholder engagement, will directly inform the strategic recommendations currently in development.

[00:05:15] In addition to economic trends, the team will briefly highlight our recent business and workforce assistance initiatives. This serves as both a reminder of the resources available to our constituents as well as a demonstration of the tangible impact these programs are having, impacts we can build upon going forward.

[00:05:31] While we don't have a formal presentation, the meeting materials include an analysis of small business pandemic relief programs. If we have time at the end, Rebecca Bodry will provide a brief summary of the positive impacts of these programs. The second topic today, we'll propose an expanded and updated revitalization and redevelopment economic incentive program, something that's important really to all of our county, but particularly those revitalization areas.

[00:06:00] This is really an important tool in our arsenal to spur local economic development. During the presentations, discussions today, please keep partnership opportunities in mind. I think that's probably the most important thing is partnership opportunities. We know it's a collaborative process.

[00:06:16] We know we have to engage and build upon different strengths that the business community has or education or other communities have, as well as what the county can do to support that. Particularly with the Commonwealth, we know we'll be hopefully engaging with them and having maybe a future meeting.

[00:06:34] We'll be having the Commonwealth representatives here, as well as the Fairfax County success in Virginia, which spurs, frankly, Virginia's success. As you review this data, consider how these challenges and opportunities might be addressed through our advocacy efforts in Richmond. I'll now turn it over to the Deputy County Executive, Jen Miller, for some brief remarks to introduce our first topic and then moving to Stephen Tordidi with the Mechanic Development Authority.

[00:07:01] So thank you both. Thank you all. Thank you, Supervisor Stork. I'm Jennifer Miller, the Deputy County Executive for Community Development, and I wanted to put this in a little bit of context, and Supervisor Stork has done that, but also to lay out and tie together a timeline that we'll be talking about.

[00:07:17] So as mentioned, this was one of two big board matters rolled out, this one on August 26th, and that as a result of this a couple weeks later in early September, there was also a board matter related to housing. They ended up with a little bit of overlap and blended and tied nicely together.

[00:07:33] So this is the completion of the first step of the economic board matter. The other matters include two that overlap with the housing board matter, which we'll be talking about a little bit this afternoon, specifically the how do we add housing inventory and affordability, and then also how we look at the development process.

[00:07:51] So as part of the housing board matter, we're looking at the development process specific to housing. But as part of this matter, we're looking at economic development writ large. We did share a timeline, but for those who don't have it in front of them, just to quickly address where we are. The committee has been meeting, the task force has been meeting for a while.

[00:08:10] as I mentioned, this is the first step of completion of that process. By the end of this month, we will have all of the initiative completed. We then plan to roll that out to the development community on March 19th in a meeting that we'll be having that will address both the housing and the economic competitiveness matter to get input from the development community on whether those things we're doing as part of this task force seem effective, which ones they believe will be most effective. We'll then implement that into a plan that we'll be sharing with the board in late April and briefing in its full completion on May 12th, along with the housing

[00:08:45] board matter. So again, these board matters tie together nicely, but the important part here is laying the foundation. We all know that there are some challenges, even though we've had successes that

we can address in Fairfax County with our economic competitiveness. And the intent for this is to lay out the facts and data that served as the baseline for what we'll be rolling into the Initiatives that we'll be completing at the end of this month. So with that, thanks to our partners at EDA Thank you very much Jen for the introduction and thank you as well as supervisor stork for the introduction and

[00:09:24] Appreciate the board giving me this opportunity to speak on a very important topic as Jen was just mentioning this is The purpose of today's presentation is to give us a baseline understanding or a common understanding of currently where we stand their local economy using various economic indicators and trends and this is extremely important at this moment because 2025 was very much a dynamic year we saw multiple changes and shifts you know across various indicators which I'll get into in a second so we're going to be taking a look at the workforce and

[00:10:02] the business and industry indicators in the office market indicators which you'll see is a bit of a mixed bag but first starting with workforce, which is very much top of mind. Due to federal government impacts, we're thinking about reductions in force and the deferred resignation program. You can see that Fairfax County resident population was certainly not immune to those impacts. And we did see over

[00:10:38] a 1% jump in unemployment year over year. We can make this assumption on those impacts based upon the similar trends that we see both at the county level and the D.C. region level. So I also thought it was important to include the Commonwealth of Virginia and the U.S.

[00:10:56] to see how those changes compare. We did see, we got fresh data for December this past Friday. We did see a slight decrease in the unemployment rate, but there's also some seasonality to that if we think about the holiday season and ramping up of hiring.

[00:11:13] But hopefully this is a trend that we see continue, you know, a reversal of the trend from the previous year. Like I said, when we're trying to understand really where these impacts are coming from, you know, right now we're relying on regional data and place of work data versus resident and population information.

[00:11:34] But you can see in this year over year change, both for the D.C. region and northern Virginia, Similar decrease in the federal employment, so a 14% reduction. Also a note that this does not include the national security workforce in there in the way that the state is collected, which may dampen the percentage reduction.

[00:11:58] But we did feel a disproportionate impact compared to the U.S., which saw a 10% reduction in federal government employees. You can see some of the largest agencies that took those reductions. And even though, you know, these previous two data points are changes, certainly a call to action, and we have been responsive in that way.

[00:12:24] It's important to keep these changes in unemployment and provide some context around them. So historically, Fairfax County has a very tight labor market. Our unemployment rate is traditionally in any normal economic cycle below 3%.

[00:12:40] But when we look at peer jurisdictions, either those that have similar industry characteristics or demographic characteristics, even with the changes that we've seen in the past year, kind of puts us right in the middle of the pack here. So really one way to look at the data, and I know it's easier to look at sort of this D.C. region bubble, but also compare it to the rest of the nation, some of those counties that we compete for projects with.

[00:13:10] Another way to look at the changes in employment is in a historical context. If the dust has settled on this employment reduction, this event is very similar to both the dot-com bubble and the great financial crisis, those employment reductions.

[00:13:31] So we want to take a look at how long did those past events take to recover? Why did the employment boost back up? And if there's any insights that we can take away from that. For instance, the dot-com bubble, that was a three-year timeline to recover our previous workforce levels.

[00:13:49] That was due to a compounding of not only the tech employment that was lost by the bubble burst, But then adding on to that, post 9-11, we saw a dip in employment in the D.C. region for leisure and hospitality. One thing that did happen that helped accelerate or reignite growth in employment, one component, was tech hiring.

[00:14:13] Those members of the workforce who lost their jobs in the dot-com bouleverse, the more established tech firms came in and brought that employment back up. Different story for the great financial crisis. It was a two-year timeline to recover our workforce. We didn't see nearly the same jumps of unemployment rates as we did across the country.

[00:14:34] We were more insulated. This was probably because of the federal government's intervention to provide support and resources during this recession. Another way we can look at the information is to go down to the industry level. And before you have the information on our professional services industry, This is our largest industry in Fairfax County.

[00:14:57] It makes up about a quarter of our employment base, encompasses many of the government contractors and much of our tech workforce. It's a very dense and rich talent pool that we've had here, as you can see evidenced by the concentration. We have the largest concentration of this employment base in the U.S., three times the U.S. average.

[00:15:18] The next county in the terms of concentration is San Francisco County at about two and a half. So it really speaks volumes to, again, the talent pool that we have existing here. What we're seeing, though, is a bit of a plateauing of the growth rate and even a little bit of a negative dip in the past five years of this employment.

[00:15:43] So what we're taking a look at is how could we reignite that growth? How are we going to dissect this industry? One way that we can look at this is in artificial intelligence professional services. So the latest CBRE Tech Talent Report had the DC region as the number one talent pool for AI professional business services talent.

[00:16:05] That's something that maybe we can use and dig deeper on and find if there's opportunities to accelerate that growth. Another action we can take is to look at, and that we are taking, is looking at some of our recent growth industries and how we can either foster that environment or help accelerate the growth of those industries.

[00:16:25] The top one, computing infrastructure, the first thought that might come across people's heads is data centers. And while certainly supporting that industry, and that does fall within this, much of the growth that we've seen here in the county is more of the office using employment. If you think about a major employer like Amazon Web Services, they've been growing their employment base here, and they fall within that industry category.

[00:16:48] Another one is Enabled Intelligence, a smaller company. But they fall under this industry code. And they've been growing as well, providing data processing services as an AI company. And then if we're thinking about what we have here, the digital infrastructure, how do we leverage that to possibly capture demand in emerging technologies?

[00:17:08] We think about quantum computing. We have a lot of foundational assets that could play well into that future growth. So are there any other emerging industries that really would complement the existing and growing digital infrastructure. Scientific research and development is a really intriguing one that we've been seeing growing.

[00:17:29] If we're thinking about the federal government, the administration's priorities, they're looking for a lot of the, you know, build me the product, let me see it, the prototyping. We could see growth accelerate there, but having the physical space or physical infrastructure to allow those technologies to grow or to be prototyped is going to be very pivotal going forward.

[00:17:53] And that also introduces the topic of dual-use technologies. We're seeing a rise here in the county of, if you think about drones, cybersecurity services, AI, not only developing products for the federal government, but being able to pivot to the civilian sector.

[00:18:13] And then satellite telecommunications. Supervisor Stork talked about the Space Next Conference. It's going to be a great opportunity to use a growing industry in our county and leverage that for future growth in the new space economy. Latest figures show that the global space economy is about \$630 billion, and by 2035, that could go up to \$1.8 trillion.

[00:18:35] So there's a lot of runway to work with, and we have a lot of the foundational assets. Again, how do we, you know, rev the engine and accelerate that growth in that sector? And then management of companies or headquarters. This is an industry that we see continued, sustained growth in, but that relies on a stable, pro-business-friendly environment, access to talent, quality of life measures, and infrastructure, which we all have here.

[00:19:03] So, you know, that's something that we're going to look to continue and see if there's ways that we could also accelerate that. And I was talking about that access to talent, and we're going to need the workforce, and that comes from the population. So we thought this is very much something worth monitoring.

[00:19:19] If we're thinking about the early years in COVID, we saw an increase in domestic out-migration here in Fairfax County and a slowdown of international migration. Those trends have kind of reversed in the last few years where domestic out-migration has continued to dwindle, where international migration has spiked up and, again, providing us with more of that talent pool.

[00:19:45] The big question going forward is going to be what happens with the international migration. The U.S., for the first time in 50 years, saw a negative net international migration. So how does that apply to the local level? It's information that we're really interested in seeing and dissecting.

[00:20:04] Looking at other indicators, GDP, this reflects the size and the growth of your economy. And we have this at the local level. I will note that this measure includes Fairfax City and the City of Falls Church. But again, two of the main takeaways from here is if you look at the two periods, the great financial crisis and COVID-19, those were the two most recent periods where we did see negative growth, pointing to that next year's growth and really rebounding.

[00:20:36] And that speaks upon the resilience that our economy has here and how quick we're able to rebound. Also, just the general size and share of our economy. If you look at the Commonwealth of Virginia or the D.C. metro region, we make up a quarter of both of those economies, which really speaks volumes to what we have here and what we need to continue to grow.

[00:20:59] Federal procurement, while we're in the midst of diversifying our economy for sure, We want to make sure we're keeping tabs on this. We were moderately surprised to see that we saw a year-over-year increase in federal procurement dollars to Fairfax County-based companies.

[00:21:18] This is by place of performance, and especially given the narrative that was coming in the first half of 2025, we weren't sure where the numbers were going to head. And while we do have a dense concentration of defense contracts, we also do have a very large portion of civilian contracts. So my main takeaway here is when you think about the Fairfax County-based government contractors here, for the most part, although we did see layoff events, they were able to sustain employment levels, and that also translates into keeping occupied office

[00:21:53] or an industrial and commercial space. We're also seeing the convergence of the venture capital community with federal procurement, and we're seeing elevated levels of dollars coming into Fairfax-based companies. While we're still finalizing the Q4 numbers, it's looking like we're going to cross the \$1 billion mark for the fifth year in a row. This is very important because there's this growing narrative around a lot of venture capital shops setting up shop in the D.C. region. One very interesting one, Andreassen Horowitz, one of the top global VC

[00:22:32] firms open a D.C. office. And then more recently, Booz Allen Hamilton announced a partnership with that VC firm where they're going to have access to their portfolio and they're going to help them with speed to market and have an understanding of how the federal government process works. But they also noted they're also going to, you know, the non-government contractor companies or those not looking for that, they're also going to assist there. So there's some demand to capture there, and we're interested to see if these levels will continue to increase going forward.

[00:23:06] But, you know, when we're still looking at our market compared to other markets, we're still very much a small piece of the pie, but we do believe there is a lot of that pie to go after, and there's going to be growing interest in that going forward. We, you know, we're looking at new business starts in the county, and while those levels are elevated when we look at some of our peer competitors, we're not really adding the same level of new businesses. So when we're thinking about the startup ecosystem, again, a lot of room to grow with the dollars that are coming in. We just want to be able to create that flywheel to

[00:23:40] have new companies start here. And then from a consumer sentiment perspective, we like to look at taxable sales at the local level to see how the changes from the federal government and our workforce may have impacted spending. We're still waiting on Q4 numbers, but so far it looks like the levels really have not been impacted, which is good news to see there in the county and on the regional level. And then we recorded some welcome news in the office market. So after

[00:24:16] five consecutive years of vacancy rate increases, we recorded the first year-over-year decrease in office market vacancy rate going down to 17.4%. A couple of the contributing factors to this was the continued removal of obsolete high vacancy office product and replacing that with new higher tax replacement inventory. In fact, we had over a million square feet of office inventory taken offline in this past year and either plan for redevelopment, so

[00:24:52] demolition of that product or adaptive reuse. We're also seeing the end of our speculative office construction pipeline. So those office projects that don't have a committed tenant, which if they do deliver vacant, that could bump up the vacancy rate. But it's good news that the trophy office market is performing well here in the county. And then more of our employers are determining their office footprint. So we're really getting to an understanding of where our workforce resides, how often they're coming into the office, and what future office space needs will be long term.

[00:25:29] So while there still are companies that are contracting their footprint, the rate of that is starting to decline, while we're starting to see an increase in those companies who are adding their footprint. They're realizing, okay, well, maybe, yeah, based upon how many people I might have coming in on a Wednesday, even if it's Wednesday, I need to accommodate all of them.

[00:25:46] So certainly welcome news in that regard, but if we're thinking about a call to action for the office market, it still very much is a bifurcated office market here in the county.

[00:26:02] So the top product is seeing very healthy demand, and the vacancy rate continues to go down, while some of our Class B, C product continues to lose tenants and is seeing the vacancy rate growing up. So if a landlord is not deciding to put capital into a major renovation of an older product and cannot capture that new demand, then we need to figure out what is the next steps for that inventory.

[00:26:29] And we have about 7 million square feet of office product that is slated for demolition. From the business attraction side, this is really important for us to have a site selector community that we're constantly trying to receive feedback from.

[00:26:45] The site selectors are representing these office and industrial projects where they're trying to decide where to relocate or where to expand to. So they really care about the depth of local knowledge that the community has and also their competitors as well.

[00:27:03] They want to know that there's speed to market. And by that, I mean being very responsive, but also being very transparent about your operating environment, as well as the office building or the site that you're proposing. And then this same community, there's several groups that put out yearly rankings of priorities.

[00:27:25] And so this is being fed from those companies that are making these decisions. And while talent is still up there in priorities, infrastructure is really coming in as a top priority, which bodes well for our community, given the investments that we put both in the digital infrastructure and the physical infrastructure.

[00:27:45] So all in all, we certainly took a hit to our workforce. We're not naive to that fact. But we see some early green shoots as far as the dollars that are coming in and the companies and the industries that are growing here.

[00:28:06] So it really comes down to that opportunity of now is the moment where those dollars are being fed in for poised growth of those companies. How are we creating that environment going forward where that company knows, hey, when I grow, I'm going to grow here and have the access to talent?

[00:28:22] So that's something that we want to dissect. We're making sure we're taking a look at all of our competitors in that regard and doing a lot of self-evaluation in that sense. So, again, a bit of a mixed bag,

but, you know, I know we're going to be, you know, using this data and the deeper dive of each pieces of this information as part of our recommendations.

[00:28:45] And we know that we need to have, and Supervisor Stark, I'll close with this, you were talking about strategic partnerships are going to be very vital going forward. So I'll stop there and I'll, you know, see if there's any questions or comments. And thanks again. Steve, well, thank you very much. And just maybe at a high level, any particular surprises as you went and put this stuff together? Any particular things that, oh, I didn't really expect that that would be what I would see when bringing all this data together?

[00:29:14] Yes, that's a great question, Supervisor. The growth of the computing infrastructure employment, when I was diving more into that, seeing that it's, you know, again, I brought it up, the first thought is, okay, well, we're thinking about the data centers, but the data processing, the combination of AI and data processing, and the support of digital infrastructure is more so growing our office sector. There's companies that they may be supporting the data center community, but they're taking office space in Fairfax County, which is promising to see. So

[00:29:51] that was a little bit of an aha moment. And, you know, there's plenty more of those. You know, wasn't very surprised by the growth in the satellite telecommunications industry, but it's more so is motivating to see, okay, you know, how do we capture lightning in a bottle and make sure that we're promoting and accelerating that growth. Thank you. Mr. Chairman. Yeah, just, and I think I know the answer to this, but because we live in the DMV area, there's always concern over the data in terms of actually reflecting what's happening in the county, since we know that some of the jobs lost are not filled by people who are in the county. And we

[00:30:29] also know that some of the private sector jobs that are lost are filled by people outside of Fairfax County. They're not necessarily filled by Fairfax County residents. And so was there anything in your data that led you to believe how we are kind of stacking up against others in the DMV area? And when we look at these job numbers, do you think it's a wash? In other words, like when you look at the number of positions that have been lost, do you think it's pretty evenly spread throughout the DMV area? Or do you feel like there's a disproportionate impact on Fairfax County? And if so, how would we know that? That's a great question, Chairman. And we really rely on

[00:31:09] the resident population unemployment statistics. What's a little bit frustrating right now is we don't know how that cross cuts, so we can't really see the characteristics of those employed at this moment for the latest data. When we do look at unemployment rates compared to other neighboring jurisdictions in the region, we do think that, you know, we weren't as hard hit as some of those other resident populations. So that's what we can use right now until we get more of the industry-based information.

[00:31:43] But that's also why we rely on some of the federal procurement data, you know, the dollars coming in, because that can signal that, again, that, you know, maybe that wasn't as hard hit or, in fact, grew in Fairfax County, where in the rest of the D.C. region, we saw that number go down and, you know, may be able to attribute that to our defense community.

[00:32:04] And something I didn't mention before, but defense tech is a buzzword that keeps coming up. Northern Virginia is the number one region in the U.S. for defense tech contracts, which is just going to continue to be a priority going forward. Yeah, and I think that kind of goes to my second point, which is, you know, in identifying our niche areas, you know, is there clarity in what those are? And it sounds like

there is some clarity on that. And then what next steps do we need to do or what are we missing to make sure we execute this moment? Because everyone in the region is going to be challenged to try to, you know, retrieve and recoup some of these jobs. We

[00:32:40] want to obviously be doing that better than anyone else. I mean, we operate as one region, we're regional partners, but at the end of the day, our first interest is in making sure that the county, our workforce, and that our businesses respond most favorably. And so as we move forward, understanding and continuing to double down on those niche areas will help us fully recover from this depression, for lack of a better descriptor, quicker than anyone else in the region, and we need to be constantly mindful of that.

[00:33:13] Thank you, Mr. Chairman. I'm going to come up the road, and I'm going to start with Supervisor Lusk. Thank you very much, Mr. Chairman. Really appreciate the presentations. Good to see you again, Stephen. Could I ask on the venture capital slide, so this is great.

[00:33:30] We've gotten past a billion and projected to do that again. I'm recalling the first time we did it was in 2000, \$1.25 billion. So the question I have on this slide is, when we look at the disbursement of investment, how much of it is going to earlier stage opportunities versus later stage opportunities?

[00:33:52] Yeah, that's a great question. And thank you for that, Supervisor Lusk. Yeah, we have a breakdown on that. I will note that the larger rounding funds are making up a good portion of the funding that we're seeing.

[00:34:10] If we think about a company like ID.me, they received a large rounding fund. So I think that's a great note to emphasize is that when we're talking about those new business starts, that startup ecosystem, dollars are coming in where there's a lot more of that pyre, that runway that we can capture, especially for the early seed companies.

[00:34:34] I will note, and Supervisor Sork, I'm sorry, I didn't mention this before, but when we're looking at the companies that are receiving funding, we actually saw an uptick in both clean tech and health tech companies, very young companies that are seeing funding rounds and are headquartered here in the county.

[00:34:53] So that's promising from an industry diversification. Yeah, I mean, I think the important thing is that we've got to have the ability to support those emerging earlier stage companies because those are the ones that are going to be the bigger companies later on. You've got to have a pipeline for that.

[00:35:09] And then the second question I wanted to ask is on the pipeline. So thinking about where we were, and this may be more for Anna, where we were in terms of prospects a year ago versus where we are today in terms of prospects as it relates to square footage requests.

[00:35:32] So trying to get a sense of are we tracking in a place that is stronger than last year or is it more similar to last year? So what I would say is last year we were looking at a huge contraction, as you were aware. Yep. This year we have been looking at a modest growth in new investment coming into the county, but we're definitely tracking most of them under 50,000 square feet. We have some mega projects, though, that are surfacing across the country now, and it's definitely a sign of

[00:36:07] deliberate decision-making at the point of where we're kind of seeing two competing realities being true at the same time. You have this uncertainty up here, which we all experience and we've been

experience in the county, but we have incredible investment coming from federal government and private sector at the same time. And a lot of that is actually international. So the decisions are taking longer, which you know in the past they have been a lot faster. So we're seeing a movement to the growth side. And on the pipeline, we're still seeing these midsize movements, but we're

[00:36:42] starting to see signals for the larger deals coming to play. The competition is really, really stiff though as you can imagine what I would say though is for the capital piece of this what we probably don't most often communicate as a as a collective is yes we have the VC funding capital over here but if you if you look at the chart where you saw San Francisco outpacing everyone you put the federal government contract funding on top of our you know capital attraction we beat out every region in this country. So considering the fact that federal government right now is really

[00:37:21] focusing on pushing that investment to the private sector, we're seeing some of our non-profit and research partners coming to the table to talk about how do we cultivate the startups ecosystem with not just that capital funding, but including federal. So there's a huge opportunity there.

[00:37:40] That's great. And then last is on the question of incentives. So acknowledging that we have had support from the state over a period of time and that we've had less support, just trying to understand where are we as it relates to support from the state for incentive packages.

[00:38:00] What I would say right now, most of the deals that have incentives attached to them, we bring to the state to solicit their support, and we're not seeing any pushback on them supporting us. They're at the table helping, and this is at the ground level, obviously. However, I know this task force that Jen Miller and Rebecca are spearheading for economic competitiveness from the board matter is looking at how do we evolve?

[00:38:26] Because the way that we have incented these projects, as you're aware in the past, may not be as effective moving into the future as we're seeing more deals coming in that require those incentives. But the state right now is at the table on multiple deals we're working on.

[00:38:43] And I'm very positive on that. That's great. Thank you very much. Thank you, Supervisor Palachuk. Thank you, Mr. Chairman. Thank you so much, Steve and Anna and the team. Actually, my question falls on a little bit of the last one around incentives, which I will call kind of the big elephant in the room here.

[00:39:02] But I'm wondering a little bit, right, at the local level. I was just reading this morning about Maryland quantum computing and the state support there and how even with that they then lost one of the largest businesses, right, with their investment with support from the governor. So I guess, you know, what we control here. So first of all, it's kind of a two-part question. How do we both diversify to attract new business and investment but then think about the long-term strategies to retain them and retain this workforce that I think, at least I'm very concerned about how we

[00:39:38] continue to be a place with this excellent workforce um we have excellent things like education and very safe but then challenges like cost of living right um and then I guess with that where do you see kind of leading into our next discussion today how do we know where are those areas of redevelopment which is what we control the most that we should really be focusing on right we're a large county many square miles and how do we understand where those millions of square feet or where you are seeing, whether it's redeveloping the B&C office, where are you seeing

[00:40:16] the biggest bang for our buck and biggest gap or opportunity for that redevelopment scene? Sure. So I would say this work has been very integral to the task force work that we're working on together. So more to come on that. But on the business attraction or retention side, Really what we're seeing is that flight to quality right now from economic development perspective.

[00:40:40] So we are having the struggle, what Stephen described here, is we're running out of trophy space, we're running out of class A space. So I think we need to look at where are those conditions across the county for us to capitalize on redevelopment or building that new space that is required by the industry.

[00:41:01] And I think that's where we're seeing the attraction for talent as well is, you know, people still want to work at places where they can, you know, shop, they can go out to eat, they can, you know, take their children to daycare. So I think that is a larger discussion that we're having as a collective right now.

[00:41:17] But from attraction specifically, it is the trophy and class A. We are having some real momentum also in the industrial light, industrial drone manufacturing, 3D manufacturing, R&D. So that's another discussion that you can look at.

[00:41:33] But for retention, we're seeing, as Stephen mentioned, we are seeing companies moving toward also the kind of Class A space from where they are today. So I think those are the questions that we need to answer as a collective, and I know we're working on that as a group.

[00:41:52] And Stephen, you go ahead. Yeah, and a great question, Supervisor Palachuk. I'll just add on on the areas of redevelopment. mentioned there's uh you know over seven million square feet of office that's slated for for demolition so that's more so the the market those applicants coming in and saying you know i think this is this is the end of the life cycle of this office product we want to take this down and replace it it tends to um be that product to say that might be outside three rungs from a metro station with a sea of parking that was built before the 90s and really hasn't seen any future

[00:42:30] investment or major renovations taking place if you're thinking about what that building looks like. But the market, we see it as the market's telling us that just some of that isn't moving forward. That might be the issue of construction financing, be it a multifamily project, or if they want to pivot to more of the townhouse development and they're going through that project to react to the market demands.

[00:42:53] Thank you. Can I just clarify? So I guess I'm trying to understand because clearly I have the most urban area where a lot of that is happening. Reston is another and a few others. But as we look at, you know, highlighting and really investing in where we want to ensure that these trophy or class A really are the places where these companies are more likely to want to be, right, rather than looking across the entire county or, I guess you said, related to the metro.

[00:43:26] So is that what you're saying is within metro distance? Is that the priority? Yeah, that would certainly be one of the top characteristics. The closer to the metro, the certainly better for those employers making the decision because they really want the choice for their workforce.

[00:43:45] I want to be able to choose if I'm going to bike into the office or drive into the office. That's what I thought. I understand that. I had that in D.C., and that is helpful here as well. Thank you. Thank you, Mr. Chairman. Yeah, just really quick. I was going to hold this, but I can no longer hold it.

[00:44:02] On Tuesday, I'm going to have a board matter. It's more of an announcement, but an addendum to the board matter we already approved on economic initiatives, specifically asking staff to work with the EDA to no longer, like, wait and watch, see what happens with the economy, no longer to watch vacant office buildings sit out there, but to come up with an aggressive approach to go to the owners of those properties and roll out from them all the things that we can do if they will redevelop their property into something that's more useful in today's economy, whether that happens to be housing

[00:44:39] or some other type of commercial use, no longer waiting for these things to happen. But we know where they are. We know the age of these buildings. I'm looking at our DTA folks. They know what the data is on occupancy. We know where the opportunities are.

[00:44:56] We have this information collectively between the EDA and Rebecca's shop and DTA and others. Now let's identify those top 10, 15 opportunities, and let's go to them, the owners of those buildings and sit down and say here's what we can do for you as a county and so that'll be coming forward on Tuesday. Thank you Mr. Chairman. I'm going to go to on that particular point. Yes.

[00:45:21] I always feel like I have to say Sully. Sully is a great place for us to have our businesses and I feel sometimes that gets lost in the discussion because it becomes Dyson and Reston and I know good things are happening in Sully. They are. Thank you. I'm going to go to supervisor Sizemore Thank you, and I appreciate the presentation, and this is an area that I'm particularly interested in. One of the things, just to talk districts specifically, I appreciate the redevelopment, and we're going to talk about it later, the different zones that we're redeveloping. One thing I think we do need to look

[00:45:57] at holistically across the county is if there's an increase in what you call the trophy areas, and people really want to, to your point, it's Reston, it's Tyson's, what are we doing so the other parts of the county aren't kind of left behind. They may not be ripe for this type of office building or redevelopment, but we need to make sure we're not doing well, this is a livable, walkable area that people want. Oh, and that's still in the 1990s.

[00:46:22] Right? We should look holistically at the county to see what makes sense. To your point about Sully, right, one of the things I think in some of the other areas is to create some of that smaller scale placemaking and community building. So all of our communities are those areas where people want to live right even if they may not have the trophy office buildings within them so i think but you know focusing on both of those so it's county growth as a whole might be something i would think about um especially given my district i think the placemaking is more vital to than creating the larger office buildings there so something to lift up so it's not uneven growth and then we're not looking 15 years on the road like oh well that's an area that

[00:47:02] needs revitalization, right? And oh, this area, it's way too expensive to live. How do we make sure all of us? So that's the first piece, I think, to look up. And Sully's probably one. I don't want to speak for my colleague. So that's the first question. The other question is, I think if I misheard you, you said that you're not seeing impact in federal contracting employment. And I just looked back at the fiscal forecast from December, which talked about our unemployment went up 1%, from 2.7 in January 25 to 3.7. And there was, you know, the loss of

[00:47:37] professional business service jobs is 10,000, and federal government jobs is 6,000. And anecdotally, I hear a lot of impact on federal contracts. So I'm just curious, the data behind that, or maybe I misheard you, but just, are we seeing a huge growth from December to now? Or, I mean, from August,

excuse me, till now? Or is there something else you could point out? Because that's great news. I just haven't seen it anecdotally. Yeah, that's a great question, Supervisor. And that was more so, and I made sure I was speaking on the levels of that, just as far as the dollars might translate. And there certainly are those impacts there. But as far as when we're thinking about

[00:48:17] that work that still needs to be done going forward, that could be a pivot of a government contractor from maybe more of a legacy service provided to artificial intelligence so rehiring of that that might play out longer in the future but that's why that you know there's certainly those layoff events that we know some of the contractors that had those more notices um i want to uh stress that i meant more in the the level situation but that is you know when we're you know also acknowledge professional services industry how that slide up there the negative five-year growth

[00:48:55] So I'm very cognizant that – and we don't want to, you know, de-emphasize or, you know, not stress that there's also pressure on that sector as well. So thank you for bringing that up. Yeah, I just bring that up because I think – and the summary is strong and resilient economy.

[00:49:12] I think there's a workforce development aspect to that, right, or redevelopment aspect to that to ensure that we have that economy. And then when you're looking – and that's my last comment I'll make – around, you know, defense tech and things that are traditionally federal government. and that slide around VC growth, right, the Bay Area, New York, Boston.

[00:49:29] I think we have to be careful not to put the federal government in there because it's proven to be unreliable, and we should look at VC growth separate from the federal government. So it becomes a plus, right, the federal government work. So, you know, consistently what are we doing around VC growth? And grow your own, because there's a lot of money here around venture capital and angel investment in strategically these areas of growth that you've identified.

[00:49:51] So that would be a question that I have that you don't have to answer today. and i have lots of other questions but i'll pause here thank you for this i'm very excited about the areas and the dual use i think pushing that is really going to be valuable thank you supervisor heiser size more heiser thank you and mr hawkorn thank you yeah just quickly first of all on my colleague's question about uh um your your first point about looking at smaller and other uh growth nodes uh for this type of economic development what we did with the policy

[00:50:25] plan uh just a few months ago we talked about identifying new transit ready communities and most of that's going to become real as part of the next phase which is the concept for future development updates um i think there'll be an opportunity uh for folks who have areas that maybe are in need of revitalization or or redevelopment uh that there should and and making those transit-ready, you know, and complete communities, I think that's very exciting.

[00:50:55] And I would encourage everybody to keep their eye on that as that process moves forward under the leadership of Vice Chair Smith. So my question is, certainly with our venture capital community and our startup community, a lot of that is associated with product-based companies.

[00:51:17] And I don't mean necessarily hardware. It could be software and it's very interesting what we're seeing with the computing basically adjacent to data centers as – and thinking we're seeing lots of different companies coming in and thank you for creating that focus and that category because it helps bring together companies like AWS and CapOne and Coresight and that are coming at this in different ways.

[00:51:45] But my question is, can we measure product-based companies, particularly – are we measuring that or is there a way to measure that? I'm just curious if we are moving – in our economy, if we're seeing more activity, particularly at the startup level, product-based as opposed to service-based companies.

[00:52:05] That's a great question. Supervisor Alcorn is something that we can certainly dissect. We know the companies that are receiving those funding rounds. We know the levels they're receiving in and the industry they're in. From there, we can take a company-by-company look and see what's the share of each and has there been a trend of that growing more onto the product base.

[00:52:27] Yeah, I'd be really interested. I mean, that's the big difference between us and the Bay Area. I mean, they're all product-based. And so it'd be interesting to be able to track that trend. So if the data are there, I'd love to see that in the future. Thank you. Thank you, Supervisor Alcorn.

[00:52:44] I don't see any other hands. Oh, no. We're going to keep moving then because we have another presentation, and I don't want to get in trouble. Presentation, Supervisor. Rebecca Maudry, if you could lead us into the next presentation.

[00:53:00] Yeah, thank you very much. Rebecca Maudry, Director of the Fairfax County Department of Economic Initiatives. So great set of information on our economic trends. What's happening in our business and workforce community. We wanted to take a minute to actually talk about the many services and sets of assistance that are available to our businesses and workers so that you all are aware.

[00:53:21] You can share it with your constituents, and anyone who might be watching has the opportunity to take advantage of some of these programs. So first of all, we offer quite a few programs and assistance to help businesses, and you can see them listed here.

[00:53:38] We're really looking to help, and this ties in so well to many of the previous points about how are we supporting our nascent industries? How are we diversifying our economy? How are we supporting startups? Here's a few examples of opportunities for businesses really to access some local financing, and we really are hoping to help them grow here.

[00:53:59] The Accelerate series, the first one up there, is a quarterly event providing an opportunity for high-tech growth startups to pitch to an audience of potential investors and strategic partners. Interested companies should go to acceleratedeals.org to apply to present. These happen quarterly, and the application period is open now for any startups who'd like to participate. The Fairfax Founders Fund provides capital and technical assistance to promising early stage startups located in Fairfax County. And this program is actually specifically focused

[00:54:37] on product tech companies. We're really looking for companies in the product space, to your question about just the service side. So interesting. Let's see. Awardees are innovative local companies poised to expand our innovation economy and create jobs. Please visit the site to learn about any future cohort applications that might be coming open.

[00:55:05] The Fairfax CORE platform, which stands for Connecting Opportunities and Resources for Entrepreneurs, connects businesses to more than 120 resource partners for tailored assistance, features business guides, a training and events calendar, and a monthly newsletter.

[00:55:22] And if you're looking to start or grow your business, you know someone who is, please check out fairfaxcor.com. And also many of you, many of our supervisors have hosted Frank Coons on our team

for core in the community in your districts. It's been really successful and we're looking forward to doing many more of those. Finally, EDA provides hands-on support for businesses and individuals that are navigating disruption or policy market changes, as you just heard. The EDA proactively identifies impacted businesses and engages early and providing tailored

[00:55:57] pathways to help them stabilize and adapt. So a little bit about the impacts of these services and programs. They are, these programs are yielding results. The Fairfax Founders Fund awardees have leveraged our original investment to raise an additional \$7.7 million in follow-on funding and counting. We continually track and survey these companies to learn what jobs, how many jobs are adding, their expansion, as well as follow-on funding. And in the coming days, we're very excited that we'll be announcing our five new awardees from cohort number three. And these are spanning

[00:56:34] sectors, many of the sectors that Stephen just mentioned, really helping to diversify our economy. So you all will be getting that press release in the coming days. Recent Accelerate series pitch participants have built on that engagement to raise an additional \$27.4 million in follow-on funding.

[00:56:58] And in 2025, Fairfax Core provided 1,200 business engagements and new users increased by 43 percent to nearly 16,000 new users of Fairfax Core. And last year, the EDA directly supported more than 1,000 businesses and entrepreneurs, helping them navigate change or disruption and identify viable paths forward. On the worker support side, many county agencies and partners offer a myriad of programs, training, and assistance for job seekers.

[00:57:32] They're organized here into three primary pillars. And I actually failed to note something very important, which is I am providing this information, but I am speaking collectively for our county team. And I have at the table with me Stephen, Ana, as well as Daniel McKevitt from the Department of Family Services. So this set of information is really a collective set of information for time saving. I'm presenting for any questions or discussions. The experts really are here to provide additional information. But getting back to worker support resources, employment resource

[00:58:08] centers in the county and across the region are the one-stop front door to Fairfax County's no-cost services, including job readiness support, one-on-one career coaching, basic employment assessments, job search assistance, access to technology, and much more. These services can be accessed in person or virtually by appointment. The second column here are programs that provide individualized employment and training support to enrolled unemployed and underemployed adults, laid-off workers, and youth. So beyond basic career services, job seekers have

[00:58:47] access to paid work-based learning experience, post-employment support, and training for in-demand occupations. And finally, job seekers and actively hiring local employers are connected through organized events, including information sessions, meet the employer workshops, hiring events, and job fairs organized by Fairfax County workforce development staff and partners. So if you know of someone who's looking to get a leg up, who's looking for job assistance, please visit the website that's here, DFS Workforce Development, and you can email dfsworkforcedevelopment

[00:59:25] at fairfaxcounty.gov. These worker support resources really are reaching the people that they intend to reach. In FY25, nearly 3,000 Fairfax County residents received programmatic services. Career Resource Centers logged 30,000 visits from 12,000 individuals, which included 2,500 individuals impacted by federal layoffs. And many, several assistance areas support both

[01:00:00] employer and workers, employers and workers. If I could get to the next slide, there we go. The three listed here, three of these programs listed here are regional efforts, and those regional efforts amplify the impact that we have here in the county.

[01:00:17] And these are programs that were supported or led by the county team. EDA worked with regional partners to support two platforms available to Fairfax County residents. Talent Capital AI is an AI-enabled platform that matches skills to jobs and connects users to training and entrepreneurship resources.

[01:00:36] It's housed at the Metro Washington Council of Governments, and I know that Supervisor Lech was very involved in the launch of that. The Career Pivot Program is hosted by Fairfax County EDA in partnership with North Virginia Economic Development Alliance Jurisdiction, so our Northern Virginia regional partners, providing guidance for career transitions and entrepreneurship.

[01:00:59] And also last year, EDA quickly pivoted their nationwide marketing resources to solely focus on the region for maximum visibility of the supports that are available to workers here. And finally, the Talent Up Nova program extends the Talent Up Fairfax program, which has a new focus on connecting employers with qualified displaced federal workers and contractors.

[01:01:27] These collective activities have resulted in assistance to more than 100,000 displaced federal workers. Could you go to the next slide, please? Thanks. They've been directly connected to job opportunities online and at hiring events.

[01:01:46] More than 30 hiring and entrepreneurship events have been hosted or supported by EDA. More than 80,000 impacted individuals were skills matched to career upskilling and reskilling opportunities. And TalentUp Nova builds on the success of TalentUp Fairfax, which achieved 178 paid internship to employment placements.

[01:02:11] And I'm thrilled to announce or to share that tomorrow, on February 11th, Talent of Fairfax will be recognized with a prestigious national award. It's embargoed until tomorrow, but it's – I'm not going to share where it's from, but we will be putting out the press release tomorrow.

[01:02:32] It's actually the only Virginia recipient being recognized for an innovative approach to solving a complex workforce challenge. So stay tuned. We're very excited about this. Please do share these resources and assistance opportunities with businesses or workers in your districts.

[01:02:49] And, of course, we are all collectively happy to answer questions at any time. That's it for me. Thank you. Thank you, Ms. Mondini-Break. I appreciate it very much. And I think that the essence of you can take away from what you've just presented is that federal workers, folks who live here, want to work here, want to continue to be part of our current community, we got your back.

[01:03:13] We're working hard to make sure that you have opportunities and that your talent can be redeployed in some other way if you lost your opportunity from what you were doing before. So we got your back. We're working hard for you. Let us know how we can do it better. So unless there's other questions, I'm going to move on because we're running a little.

[01:03:33] All right. Thank you. And we're going to move to our last item on the agenda, which is a presentation by Liz Haig. Liz, who's Director of Community Revitalization Section of the Department of

Planning and Development, they're going to present really a program that we've had for some time now, but we're looking to tweak it a little bit.

[01:03:55] So Liz, if you could take that away. Thank you, Chairman Stark. And good morning, members of the board. Elizabeth Hague with the Department of Planning and Development Community Revitalization Section. So we are now going to be focusing on what's happening in those other areas outside of Tyson's and Reston.

[01:04:15] So if we can go to the first slide. A little background, as Supervisor Stork mentioned, we did set up a current program based on some General Assembly legislation way back in 2017.

[01:04:31] And we came forward after much analysis with a program that the board adopted in September 2020 called the Economic Incentive Program. And we designated six areas where it would apply. We established effective dates when a series of financial incentives would be available.

[01:04:54] And under the enabling legislation, we could do that for up to 10 years. The effective dates are what established the tax abatement program. If we could go to the next slide. So these were the areas that you see, and these were the effective dates that were established under the Economic Incentive Program.

[01:05:20] They were timed to reflect what was going on in each of those areas, whether there were planning studies or we knew there were potential projects already in the pipeline, and that's why they had different start dates.

[01:05:37] So, as you can see, all of these areas have now commenced their effective date, the last one being Annandale-Lincolnia as of January 1, 2025. Next slide. Through the program's history, we've had eight applications approved. The first one was Skyline, Buildings 1, 2, and 3. And talk about getting rid of older office space, that was an adaptive reuse to live-work units and a very effective one.

[01:06:14] The first building reached substantial completion in 2023, and the other two the next year, and those are currently receiving annual real estate tax abatements. Next slide. So why are we here today?

[01:06:32] Well, there's been some problems as this was a new effort, and we wanted to see how it rolled out, see what the effect was. I think it's fair to say that we sort of went in knowing that we were going to have this 10-year time period and that that would be somewhat limiting.

[01:07:00] And we can see that while there was an initial burst of enthusiasm with the eight applications, we haven't received one in the last couple years. And I think that's not just the program's failure. I think that it is, there's been, at least outside of the Reston-Tyson's pipeline, there has been somewhat of a drying up of redevelopment in these areas, hence the need to continue to incentivize.

[01:07:27] But the biggest issue, and I hear from developers complaining frequently about the fact that, you know, they're not going to get the full 10 years, that once those effective dates get rolling and the longer that that continues obviously it's less of an incentive over time and so we've been hearing this loud and clear and knowing that we needed to address it so next slide we have revamped kind of an economic incentive program 2.0 which we're calling revitalization and

[01:08:03] Redevelopment Economic Incentive Program or REAP it is still going to be targeted to specific areas and each with but within each area we will set up unique zones which we will be calling I know this is going to be alphabet soup a little bit economic revitalization zones so each project that comes in that's

eligible and gets approved for the program we'll be establishing an economic revitalization zone within a broader eligible area as that zone is

[01:08:43] established it sets its own tenure time period and that will be established by ordinance and so this way they won't be tied to area-wide time period so we are We are also proposing that this program have a sunset clause to 2046, so we'll have at least 20 years that this will be out there, that people can come forward with these applications.

[01:09:15] That doesn't mean in 2045 that you only get one year. No, if you come in in 2045 with an application, you'd still get your time period. The other thing we looked at is potentially expanding the current economic incentive program areas, and I will get into those in just a little bit.

[01:09:40] One item for your consideration. We recognize that these applications come forward with the zoning entitlement. Obviously, you can't, you know, you don't have a building that's built yet to have a tax abatement on.

[01:09:56] So we need time period for them to do their site plan and building plan entitlement and to actually construct the building to substantial completion as defined under our building code. So we have been doing outreach to the building industry and other groups about what we were proposing.

[01:10:18] And what we initially proposed in our draft ordinance is a three-year time period that would allow the applicant to get their remaining entitlements and build the building to substantial completion. Well, you know, that's appreciated.

[01:10:36] I will say when we went to the Northern Virginia Building Industry Association, they were kind of pushing that a little bit. And sometimes there are challenges. It can be, you know, a specific site. It can be obtaining financing, although I have made clear to the development community When they come in with these projects, they should be ready to hit the ground running.

[01:10:59] They should not be just kind of letting it unfold sequentially, you know, we'll think about the financing down the road. They should be knowing that, you know, once they come in, they should be very serious about moving these projects forward. Anyway, so we are also offering up for your alternative consideration today, basically allowing that three-year period to extend to an additional, up to an additional year, say up to four years.

[01:11:27] And that would be based on, you know, the applicants making their case for a good cause for that need. So that builds in a little bit of flexibility than just setting a blanket three-year time period.

[01:11:43] And that is something that I think we heard loud and clear from our industry folks. All right, next slide. So I want to walk you through some of the expanded or new areas. Many of you may know that Bailey's Crossroads and Seven Corners is actually considered one commercial revitalization district, But it has this little gap in between, which is sort of the Culmore area.

[01:12:11] We're proposing that we bring in that area, excluding the single-family residential, which don't have the potential to redevelop more. We've had some proposed comprehensive plan amendments that want to intensify some of those sites.

[01:12:28] So we feel like that is a logical extension. Similarly, next slide, in Annandale, unlike most of the commercial revitalization districts or areas, they're coterminous with the community business center, but Annandale has a little tail area that the CBC is bigger than the revitalization district.

[01:12:52] Well, again, there's been some plan amendments that have come in to propose some intensification further down Little River Turnpike. And so, again, we feel like this is kind of just a logical extension of an existing district.

[01:13:09] And then next, this has been talked about before. The Huntington area has struggled mightily to see redevelopment. A number of projects in and around the metro station have been challenged with mostly a lot of site issues.

[01:13:30] Let's go to the next one. It's very steep slopes, bad soils, and a whole host of challenges. So we feel that's an important area to bring in. And then last but certainly not least, the Lake Ann commercial revitalization area.

[01:13:51] We have completed an economic visioning study for this area, which did look at redevelopment of some potential sites. And I will say we had a consultant working with us that actually did some pro forma analysis.

[01:14:08] And we could really see, they were hypothetical, but we could really see the difference that the real estate tax abatement would make for the project being feasible. And we're hoping to encourage some of that in the future.

[01:14:26] Go to the next slide. I think I've kind of made these points already. There is a lot of challenges in that area, too, because of condominium ownership and personalities and a whole host of things. Next slide.

[01:14:44] Going forward, the eligibility requirements under the new expanded program do not change. You still have to be developing a commercial, industrial, or multifamily project or a mix of those.

[01:15:00] You have to consolidate two parcels, totally two acres, although the board can give that a little wiggle room if we're close. And then it's going to have to be, again, these areas that we've outlined, all of the previous EAP areas plus their expanded areas and the couple, two, three new ones, would all be designated as revitalization and redevelopment economic incentive areas.

[01:15:30] And so, yeah, okay. And then, oh, wait, go back one second. Again, you have to come in with a new zoning application. It can't be a previously approved case.

[01:15:48] All right, next. So to sum up, we feel like these changes really address the problem of the expiring 10-year effective dates that we have in the current program. We think it provides needed flexibility, especially if you're amenable to, you know, having kind of a flexible date before the incentive period kicks in.

[01:16:14] We feel like we've expanded it to include the appropriate areas that need to see redevelopment, that have struggled with redevelopment, and that I will say the redevelopment tends to be more housing.

[01:16:29] These areas, under our long-term concept for growth, has these areas being increasingly residential. Some of the older class BC office space is getting repurposed or redeveloped.

[01:16:46] So these areas, and we want to encourage housing, these areas very much are good places to see that happen. Thank you. All right, thank you. Final points, because I need to keep home.

[01:17:02] We have a couple more things to do. Oh, sorry. Thanks, Liz. Yeah, I know we have a couple questions, and I started with Supervisor Palchuk, and then I'll just go down below there. Thank you, Mr.

Chairman. Thank you, Liz. Good to see you. Yeah, you know, I think definitely we need to update this, as we talked in the last presentation, and as we're trying to see, I think we've been in this era, but we're agreeing that when there's a brand-new era, right, where we have to do business differently, where we have to look at every single part of our community and absolutely agree that we need to expand it and continue to have these conversations.

[01:17:36] To me, this is one piece of what I hope I assume we'll be looking at in our whole economic development plan for the county, because all of these are tied together. Yes. The one area that I've been wondering how we address, and Rebecca and I had some conversations about this, is I'm bordered by the city of Fairfax and the city of Falls Church.

[01:17:56] And along those borders with the county, they are doing quite a bit of revitalization, redevelopment work, mixed use, things that their community wants to see and things that are really helpful. And then cross the street to our side on the county side. And whether it's the lack of incentives or focus there, we're not seeing that same kind of activity.

[01:18:18] So, you know, this might be for you. This might be for our whole team is, you know, I think we need to look at every single area of the county. and understand what's the right fit and the right kind of incentive to see the things that our community wants to see, right?

[01:18:33] Mixed-use development, walkable streets, where we have great bus lines with lots of ridership, right? We need to really see more of this together and be more proactive. This, I think, is one way for us to be more proactive rather than reactive and expect people will come to us, right?

[01:18:53] So I think it's a great program and hope we continue to refine it and evaluate it and get input from our development community on how to continue to improve that. That's good. Yes. Thank you. I need to do a shortcut here because the vice chair needs to speak, and I missed her initially.

[01:19:12] So Ms. Smith. Excellent. I'll make sure he writes it down when I raise my hand early. So some of this reminds me of 2016, when I first got on this board, and I had to beat the drum that there's poverty in Sully District.

[01:19:32] And what I find, and I really have questions about, is so much of this, we're looking at the eastern part of the county, and now the Lake Anne area. And so how did the areas that are in get in?

[01:19:48] Do you even look at other areas of the county? I just had my task force for the Centerville Suburban Task Force, and those task force members looked at programs in the county, and they said, why can't we get revitalization money?

[01:20:05] And so I just have a lot of questions about that process, what we look at, how we determine. When I got on the board in 2016, I said, I don't want to get to the point where we say we need revitalization, but we need to keep things vibrant and moving forward.

[01:20:22] I have a lot of concerns about making this go until 2046. That is a long time away, and I'm just concerned the world changes. I would probably be more comfortable with another date and extending if we see it's working.

[01:20:39] I have the agenda item from September 15, 2020, when we approve this. And some of the things that were going to happen, and I'm going to be the first to say I might not have seen this stuff happen. So staff will publicize the program, conduct outreach activities to educate the public and

members of the development and real estate communities about the new program, and begin to review applications that may be submitted as either buy, write, or rezoning applications.

[01:21:10] Periodic updates will be provided to the board regarding the number of applications, projects approved to date, status of qualifying developments, and financial impacts of the program. And so we have this great presentation from the EDA today. Is the EDA involved in this?

[01:21:28] I think we have to get past that this is just redevelopment of housing. Is there the bang for the buck? I see how much of a tax abatement there is. Is 10 years the magic number? Of course, I understand why the building community wants that.

[01:21:45] But have we stepped back to look at that and to see the impact? I just have a lot of questions. I understand why this started. I really want to understand the impact on the whole county and how we do this to get the right bang for the buck that we need.

[01:22:03] And I feel like there's a lot of questions. Thank you. Thank you, Vice Chair Smith. And I think those are definitely questions that they can answer more. And I think there's an opportunity to explain and show, hopefully, it makes sense, that we've gotten a good return on that.

[01:22:22] If you all could keep your questions very short and brief, Supervisor will ask, and then I'll do my very best here. First, I want to say thank you to the staff for working on this. This is an issue that we've seen in my district where it has been an impediment, thinking through not getting the 10-year window.

[01:22:41] So this is going to make a difference in Springfield. We're already seeing projects that are under construction as a result of this, and we have others that are in the pipeline. And then second, I'll say I just appreciate the point here you've made about this alternative.

[01:22:57] And I would say for me personally on this alternative two with regard to the time period for pre-development window, I would prefer alternative two. I think I acknowledge the points that I've also heard from industry that this is a concern of theirs.

[01:23:15] And we do want to encourage. We want people to come forward with the projects. We want to give them the opportunity to be able to build them. So I will end my points here and just say thank you very much for the work that you've done and look forward to continuing to work with you on this program.

[01:23:33] Thank you. And thank you, Supervisor Lusk. Supervisor Mendes. Thank you, Mr. Chairman, and thank you for the presentation today. Obviously, we're excited in Mason District about both the addition of Colmore and the extension of Annandale. And I just want to follow up, and I know we're trying to be kind of quick here their comments on supervisor lust comment that alternative to where you're at you're able to add an additional one year if the board grants it is probably the way i'd want to go thank you appreciate the brevity supervisor cosine everything kathy said one quick question the minimum consolidation

[01:24:11] of two parcels and two acres you say exceptions may be made by the board how would you make an exception formally by the board to the two acre requirement and can you uh make that more clear sirs of course so When they they fill out an application and the application will ask for the parcels and the the total acreage and that Application along with the rezoning goes before the board as at a public hearing So there would be a built-in request as part of the application to the board say it was 1.86 acres, you know or something like that

[01:24:49] Asking for them to make that exception we haven't had to do it yet, but it was recognized that you know Somebody might fall short just a little bit or something it Developing substantially less than that is is difficult to fit you know much of anything on a site, so That's how we came up with the two acres to begin with okay. Thank you I think we just need to make people aware of that potential option. Absolutely revitalization areas. Absolutely. Thank you I think what we're all hearing is flexibility is the key to this, and every situation doesn't fit into the same bucket.

[01:25:23] And so Supervisor Alcorn. I support Alternative 2. Thank you. All right. Thank you. Sizemore Heiser? Yes. Just very quick. I think to piggyback on what my colleague said, Supervisor Smith, I think if we come up with a bigger picture of the whole county around economic revitalization, right, and you have these zones here, but then what does it look like?

[01:25:46] i also have a district that abuts city of fairfax in fact the camp washington area next my district is is the struggle with the fairfax center um economic development and trying to make sure that it's a seamless um look for the residents but i would look big picture and say if you have these revitalization zones what does it look like perhaps in um huntington may be different than in this area but there is revitalization needed that fits that part of the county and how does that look and how does this program then apply to those is it placemaking is it coordination with

[01:26:18] the cities what does that look like so it's not these eight areas but this program applied uniquely to each area yes and I want to just address this issue we did pull DTA data that looked at initial assessed values for office and retail uses and map that countywide and those did correspond very closely with our commercial revitalization districts and areas we can we can make that information available but by and large as

[01:26:55] has been the county's long-standing practice to focus on these commercial revitalization districts and areas that's not to say that new areas might not be warranted as time progresses I think my comments were meant to be as an And not an or right right of course appreciate it. Yes. I'm well, thank you all I think we got everybody covered I appreciate the comments in the discussion today and it sounds like we have some more follow-up least individually And maybe broadly, but we'll I think I would urge you to have those individual conversations and getting nips or other things that would help us to

[01:27:31] Understand how those put together and with that. I know we had one other item that very briefly Rebecca, or Madri, if you want to just very briefly discuss, frankly, the amazing success we've had, which you and your department started in 2019.

[01:27:49] I mean, this is, I know this is a side note, but this is a big deal, and let's at least celebrate this. Sure. Thank you so much. So in the meeting materials was a one-page, really two-page overview of an impact assessment that we conducted together with George Mason University, and I'd like to thank them for their support in that work.

[01:28:10] really looking back at the pandemic era small business support grants that the county offered to our small businesses, we looked at two programs, the largest programs, Rise and Pivot, which collectively supported about almost 5,300 businesses directly in the county.

[01:28:30] We actually did this to understand what were the impacts. Did we meet our goals? Were the program successful, uh, not just to look back, but really to help us look forward. So we understand if we're to engage in these sorts of activities in the future, you know, is it a, it, what is the best choice for us? Um,

so you can read on the one pager, but briefly the findings, um, were that the programs were very successful, met their goals. Overall, um, they, uh, contributed to stabilized business activity in the county, which was particularly important as business activity

[01:29:06] precipitously dropped in a matter of a month and endured for several months, took several years really to come all the way back. The programs did help firm survivability, which is our goal. We didn't want those small businesses, and these were by and large very small businesses averaging about four or five employees. We did not want those businesses to go out of business. There are employees to lose their work. So the program did increase firm survivability rates and directly supported economic activity and job retention. So I'll leave it there. But the findings, I really

[01:29:45] want to highlight one thing that the consultants highlighted in their report, that really this sort of activity not only directly supports businesses and workers, but it also reinforces the county's reputation as an attractive location for investment, which kind of, I think, helps tie up some of the larger discussion that we have today. So that is, cannot be lost. Not only is the program successful, but this is something that we can all celebrate and share with our larger business community. Thank you very much, Ms. Madre. Appreciate it. Yeah, Mr. Chairman, I know we brought this up at the very end. I would encourage my colleagues to share this information because this

[01:30:23] is a big deal. I'll take you back to 2020, 2021. We were in the peak of the pandemic. We were getting federal funds. We had hard choices about how to use that money. And I can't think of any other jurisdictions that put as much support into helping small businesses as we did, as fast as we did. And every measure of our response to the pandemic shows why that was important. And the fact that we had Rebecca and her team already stood up, ready to go to be able to deal with this

[01:31:00] is a big deal. This is a third-party validation. This was a big deal. And while we got significant federal funding, we had significant needs in our community. Everything from, you know, rent support to food support to vaccination and health needs to housing. And we put a substantial amount of money into all of those programs. But we also put a substantial amount of money smartly into grant programs and other support services for small businesses that are in business today, in large part because of that support to get through the pandemic. So this is a big deal. It is an

[01:31:38] illustration of how government can help people. And it is also an illustration how balance on this board in helping the entire community, not just pieces of it, but the entire community get through the pandemic was so important at a really hard time when we were all still trying to figure out what to do. And here in Fairfax, we were figuring out some things to do, but mostly we knew what to do, and we had the people to do it, and not a lot of other places had that. So I want to just shine a light on Rebecca's work and the department's work on this to get to this point. I know we're over time, but I wanted to take a minute to do that on behalf of the whole county, because this

[01:32:16] is a big news story and should be a big news story that we should be trumpeting and the foresight that went into that very much i need i need to move on can i just add that um i'd love help from di or opa to help us create graphics easy ways i really want to share this information on if the county can help us make it easier to share out that would be very much appreciated thank you so thank you for an opportunity to celebrate some of the work and the foresight that we had as well as I need to celebrate two more things right now.

[01:32:48] First off, we had an individual who hit their 40th birthday this week. Supervisor Bierman, do you want to claim? Oh, no, I'm sorry. I shouldn't have said that out loud, right? We want to celebrate your birthday, even if you're not sure if you should.

[01:33:04] I don't know. I'll leave it up here. Thank you. No comment. Typical politician. No comment, right? Well, we wanted to celebrate. And particularly for some of us who are much, much older than that, we want to at least recognize what we were doing our 40th year.

[01:33:21] And in my 40th year, literally, I grew this beard for the first time and started acting, at least on occasion, like somebody who we can all admire, which is President Lincoln. And I wanted to highlight the fact that his economic development policies were huge, I mean, a core part of his success.

[01:33:40] Frankly, not only the Homestead Act, which really opened up the West and allowed people to have their own property and their own land. That was a big economic development. The Pacific Railroad Act, which brought the Transcontinental Railroad and made that happen and only connected in 1868.

[01:33:57] And then another one, the Morrill Land Grant College Act. Now, maybe that's the most important thing you did if you think about it, the fact that you created this university system, which has driven our economy and drives our economy still today. And then finally, the National Banking Act, which helped to, frankly, inflate the economy for the Civil War and helped to fund that and make it happen.

[01:34:20] And the economy grew hugely during that five-year period. Obviously, incredible tragedy. The most numbers of death in any war that we've had in our history, more than 600,000 people died. But there were many, many other wonderful, good, positive things. And his birthday is Thursday.

[01:34:37] So thank you all. This meeting is adjourned.



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