

ECONOMIC DEVELOPMENT CORPORATION

MISSION AND SERVICES

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

Core Services -

- Market and promote the County as a superior regional and global business location, provide business intelligence and assist with site selection
- Provide business services, technical assistance, financing, networking and partnering opportunities
- Organize international seminars/networking events and business missions
- Nurture start-ups and international firms in the Business Accelerator/Incubator

Strategic Focus in FY 2019

- Retain and grow existing companies through targeted visits and "Business Appreciation Week" visits, and aggressively attract new businesses to the County.
- Create a new sharper acquisition focus on life sciences and healthcare industries (including bi-pharma, and healthcare support industries that support a Regional Hospital), while aggressively attracting new employers in the high-wage, high-demand industry sectors.
- Aggressively utilize the Economic Development Incentive (EDI) Fund to accelerate our new employer acquisition efforts and outcomes.
- Effectively collaborate with targeted foreign Embassies, the US Department of Commerce and the Maryland Department of Commerce.

FY 2019 BUDGET SUMMARY

The FY 2019 approved budget for the Economic Development Corporation is \$3,970,100, a decrease of \$7,416,500 or 65.1% under the FY 2018 approved budget. The organization's grant from the County totals \$3,443,100, a decrease of \$14,500 or 0.4% under the FY 2018 County grant.

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Budgetary Changes -

FY 2018 APPROVED BUDGET	\$11,386,600
Add: Operating - Funding allocated for the County branding campaign	\$250,000
Add: Compensation - Funding for a new position - Director of Economic Development for Healthcare	\$40,000
Increase Costs: Fringe benefits - Net change due to compensation changes; the fringe benefit rate increases from 33.0% to 36.0%	\$27,000
Decrease Cost: Operating - Reduction primarily due to removing funding for a grant writer contract and insurance costs due to the Workforce Services Division separation; these costs will be covered under the new organization in FY 2019	(\$88,400)
Decrease Cost: Compensation - Mandated Salary Requirements - reflects net changes in the staffing complement due to the separation of the Workforce Services Division	(\$145,100)
Decrease Cost: Operating - Reduction due to the separation of the Workforce Services Division from EDC; Workforce Services will be incorporated as a separate organization in FY 2019 and all related grant fund expenditures are reduced from the EDC budget	(\$7,500,000)
FY 2019 APPROVED BUDGET	\$3,970,100

SERVICE DELIVERY PLAN AND PERFORMANCE

GOAL 1 - Attract, retain and expand businesses in Prince George's County by providing marketing, site selection, technical assistance, relationship management and financial incentives.

Objective 1.1 - Increase the number of jobs directly attracted or retained due to EDC efforts.					
FY 2023 Target	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Projected	Trend
5,000	2,300	3,500	4,000	4,500	↑

Trend and Analysis

In FY 2019, EDC will continue the successful "Business Appreciation Week" (BAW) visits. In FY 2018, EDC visited the County's 100 top employers. Each company meeting was pre-arranged, with specific discussions on the company's current and future needs, as well as obstacles to growth. Each business was presented with a "County Executive's Citation" to express our gratitude for their presence in the County, for employing our residents and for helping expand our commercial tax base. We plan to make this an annual event to coincide with the "Economic Development Week" celebrated throughout the State during the month of October.

EDC's "WeCare" initiative will continue in FY 2019. During FY 2018, EDC plans to visit over 1,100 businesses, (including 100 BAW visits). These visits have been highly effective in retaining and growing businesses. These visits have resulted in a stronger partnership with the local business community, Chambers and service providers, and have identified over 4,000 net new jobs in FY 2018. It is recognized that retaining existing Prince George's County businesses, and supporting their growth initiatives, is the highest priority of the EDC, and the most productive strategy to grow the number of jobs located in the County.

EDC will also work to support the growth of the startup sector, focusing on companies coming out of our institutions of higher education such as the University of Maryland and Bowie State University, as well as

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federal institutions such as NASA Goddard and NOAA. EDC's expanded incubator, and the three other incubators in the County, will be utilized fully to help support both job creation and business development.

During the first half of the FY 2018, the EDC placed a heavy focus on the retention and expansion of the County's largest existing employers. During the second half of FY 2018 and throughout FY 2019, the EDC's business development team will also focus on the acquisition of targeted high wage employers that are located in the Washington, Maryland and Virginia region and that support County-based federal agencies or similar institutions. As an example, following the groundbreaking for the new 3,700 employee Citizenship and Immigration Services (CIS) headquarters in Camp Springs, EDC will identify private contractors that serve that agency and that may be attracted to move from other jurisdictions to be proximate to the new CIS. Contractors to other federal agencies such as the Census Bureau, NOAA, IRS, the FDA, and Joint Base Andrews will also be targeted. A similar initiative will be working closely with the new University of Maryland Capital Region Hospital in Largo to attract medical and health care businesses and facilities to locations proximate to the new teaching hospital there. Finally, when realistic strategic opportunities present, EDC may evaluate targets in key industry sectors whose leases are expiring in the next 24-48 months or have projected rapid growth will also be considered for targeting when workforce, logistics, real estate and other factors critical to business location decisions make such pursuit realistic.

Performance Measures

Measure Name	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Projected
Resources (input)					
Number of business development specialists	7	7	7	7	8
Workload, Demand and Production (output)					
Number of business-site evaluation visits	950	1,000	1,100	1,125	1,300
Number of marketing events and presentations	210	220	240	220	260
Efficiency					
Average number of business evaluation visits per assigned business development specialist	136	143	157	161	163
Weekly visitation rate per business development specialist	2.7	2.9	3.1	3.2	3.3
Quality					
Number of business attraction, retention, and expansion leads	1,250	1,415	1,400	1,300	1,600
Number of prospects	250	280	300	280	320
Number of hard prospects	50	60	65	70	75
Number of deals	22	43	32	25	35
Impact (outcome)					
Number of jobs created and/or retained as a result of business attraction, retention, and expansion deals	2,500	2,300	3,500	4,000	4,500

Objective 1.2 – Increase the number of EDIF awards.					
FY 2023 Target	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Projected	Trend
14	12	3	9	12	↔

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Trend and Analysis

The Economic Development Incentive Fund (EDI Fund) continues to drive development and job creation, and has played a big role in making Prince George's County as the "engine of growth" in Maryland. This is a nationally recognized program, and has helped the County attract and retain over 8,800 jobs. The leverage of private capital to EDI Fund has been nearly 19-to-1, resulting in significant new private investment. For FY 2017, three projects were approved totaling \$3.1 Million in EDI Fund commitments. This equates to a total capital investment of \$50.3 Million and 248 new jobs retained and created.

Performance Measures

Measure Name	FY 2015 Actual	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected	FY 2019 Projected
Resources (input)					
Number of business development specialists	7	7	7	7	8
Number of business development specialists responsible for managing the EDI Fund application intake process	1	1	1	1	1
Workload, Demand and Production (output)					
Number of business-site evaluation visits	950	1,000	1,100	1,125	1,300
Number of marketing events and presentations	210	220	240	220	260
Efficiency					
Average number of business evaluation visits per assigned business development specialist	136	143	157	161	163
Weekly visitation rate per business development specialist	2.7	2.9	3.1	3.2	3.3
Quality					
New EDI Fund leads from marketing events and presentations	62	60	65	50	60
Number of EDI Fund applications sent to FSC for further processing	7	10	12	10	12
Number of non-EDI Fund applications sent to FSC for further processing	39	25	30	30	40
Number of EDI Fund awards	8	12	3	9	12
Number of EDIF Fund-related jobs attracted, created or retained	2,152	2,200	1,500	1,800	2,000
Impact (outcome)					
Number of new candidates who complete EDI Fund application process	21	15	18	15	20
Percentage of new candidates who complete EDI Fund application process	34%	25%	28%	30%	33%

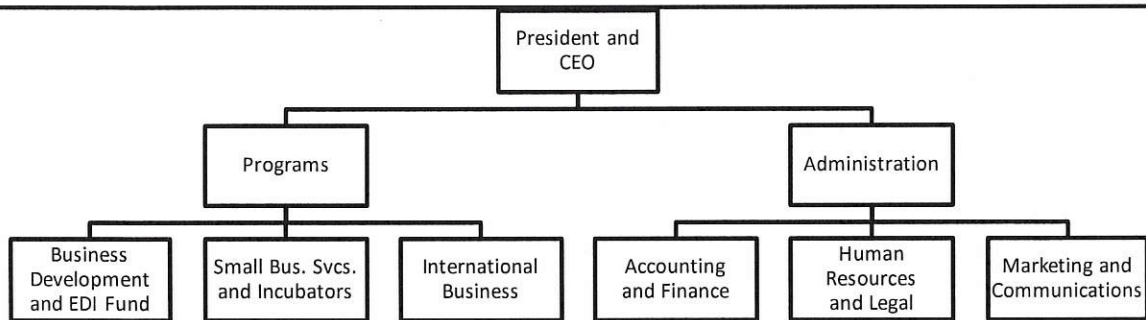
FY 2018 KEY ACCOMPLISHMENTS

- Almost 30 large businesses have decided to relocate and/or expand into Prince Georges' County including 2U, FlexEl, Krispy Kreme, Core Logix Consulting, AlSCO, Blossman Propane Gas & Appliance and Wawa.
- Almost 35 businesses are planning to move to the County in FY 2018 including Kaiser, FTI, Consulting, Kolytic, Theranostix, Trinity Cyber, NetLink Intelligence Corp., MIG Global, Homewood Suites, St Paul Town Center, Nordstrom Rack, RezNetwork Solutions, American Engineers Group, AlertUS, Cybrary and Dynamic Services Integration.

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- Business Appreciation Week started in FY 2018 (October 2017) when the EDC, several partner agencies and the County Executive's Office visited 100 selected businesses in the County to recognize them for their contribution to jobs and prosperity in the County. A County Executive - signed Citation (certificate) was presented to each company. In FY 2019, this program will be expanded to two weeks.
- The County Executive, Council Members and the EDC participated in the 2017 ICSC Trade Show held in Las Vegas. The County met with several real estate developers, restaurant chains and retailers and explained the value of opening shop here in Prince George's County.
- Played major role in coordinating a business mission to Korea and China, along with 13 businesses.

ORGANIZATION CHART



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FY 2019 OPERATING BUDGET

REVENUES					
	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 ESTIMATED	FY 2019 APPROVED	CHANGE FY18 - FY19
Total County Grant	\$ 3,237,700	\$ 3,457,600	\$ 3,457,600	\$ 3,443,100	-0.4%
Workforce Service Grants	5,990,844	7,500,000	7,500,000	-	-100.0%
Enterprise Zone Grant	65,000	65,000	65,000	65,000	0.0%
Small Business Services Revenue	-	500	500	1,000	100.0%
Incubator Revenue	46,569	75,000	65,000	100,000	33.3%
Event/Sponsorship Revenue	333,844	100,000	250,000	275,000	100.0%
Fundraising Revenue	28,160	175,000	50,000	75,000	-57.1%
EDI Fund Processing Fees	35,000	10,000	10,000	10,000	0.0%
Miscellaneous Income	34,438	3,500	60,000	1,000	-71.4%
TOTAL	\$ 9,771,555	\$ 11,386,600	\$ 11,458,100	\$ 3,970,100	-65.1%
EXPENDITURES					
	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 ESTIMATED	FY 2019 APPROVED	CHANGE FY18 - FY19
Compensation	\$ 2,079,804	\$ 2,161,700	\$ 2,173,100	\$ 2,056,600	-4.9%
Fringe Benefits	703,047	713,400	762,200	740,400	3.8%
Operating	7,142,040	8,511,500	8,522,800	1,173,100	-86.2%
TOTAL	\$ 9,924,891	\$ 11,386,600	\$ 11,458,100	\$ 3,970,100	-65.1%