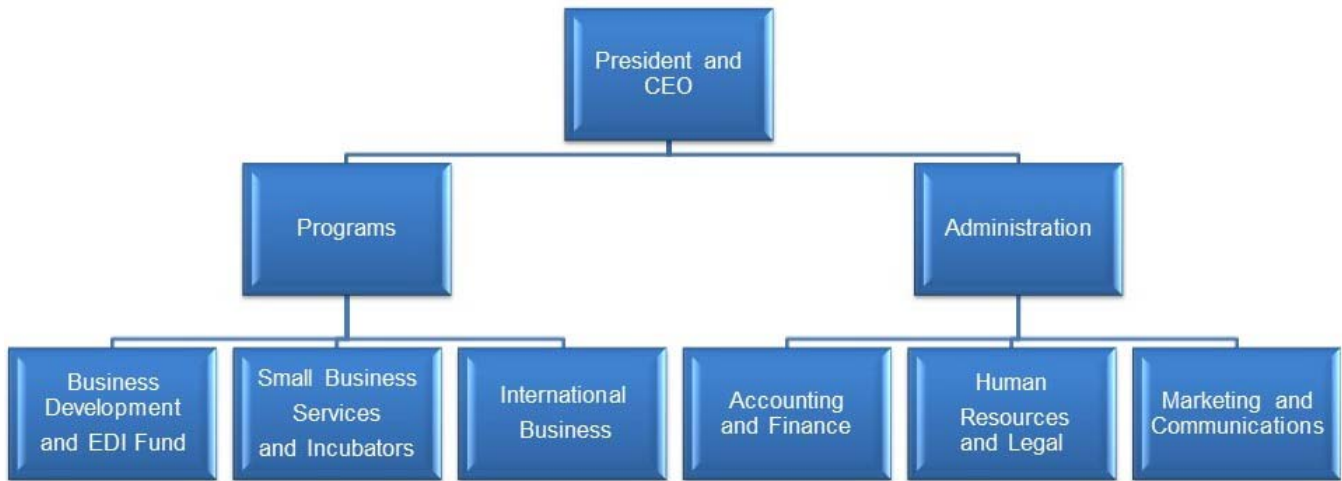


# Economic Development Corporation



## MISSION AND SERVICES

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

### CORE SERVICES

- Promote economic development by providing business services to attract, retain, and expand businesses in the County, growing both jobs and the commercial tax base
- Market and promote the County as the best place to do business
- Provide a wide range of services to support start-up technology companies
- Attract and promote revitalization, repurposing and redevelopment of shopping centers and the attraction of retail establishments
- Promote international business development through export assistance, foreign direct investment and international business attraction

### FY 2023 KEY ACCOMPLISHMENTS

- Administered technical assistance training programs to support entrepreneurship and small and minority business growth through collaborative programming, communications, and engagement.
- Revamped and updated the EDC website for ADA compliance.
- Ensured stabilization of a fast-growing logistics sector, including Last Mile Centers by Amazon, Target, and independent developers.
- Encouraged the redevelopment and improvement of targeted shopping centers through the attraction and expansion of retail, restaurant, entertainment, healthcare and innovative, collaborative uses.

- Partnered with the University of Maryland to build a Quantum computing ecosystem around the presence of IonQ, the world’s best capitalized quantum computing company and to support ConnectedDMV to make the DC metropolitan area the quantum computing capital of the world.

**STRATEGIC FOCUS AND INITIATIVES FOR FY 2024**

The agency’s top priorities in FY 2024 are:

- Return to the primary role of business attraction, retention, and expansion, utilizing the updated Economic Development Strategic Action Plan.
- Support the recovery for multiple sectors in the County by providing technical assistance.
- Attract at least one large-scale \$100 million-plus capex data center to the County.
- Develop and expand marketing campaigns and promotional opportunities to promote Prince George’s County’s business climate, success stories, assets and lifestyle.
- Regain the County’s status as #1 in job growth in Maryland and make continued progress toward shifting commercial/residential real property tax ratio.
- Develop and implement key initiatives identified in the County’s updated Comprehensive Economic Development Strategic Action Plan.

**FY 2024 BUDGET SUMMARY**

The FY 2024 approved budget for the Economic Development Corporation is \$5,896,800, an increase of \$1,414,600 or 31.6% over the FY 2023 approved budget. The organization’s grant from the County totals \$4,772,200, an increase of \$789,600 or 19.8% over the FY 2023 County grant.

**Reconciliation from Prior Year**

|  | <b>Expenditures</b> |
|--|---------------------|
| <b>FY 2023 Approved Budget</b>   | <b>\$4,482,200</b>  |
| <b>Increase Cost: Operating</b> — Increase in operating cost for auditing, consultant services, equipment, office supplies, advertising, trade shows and mileage | \$733,600           |
| <b>Add: Operating</b> — Funding allocated for the Developer Pilot Program  | 500,000             |
| <b>Add: Operating</b> — Funding allocated for the trade show booth   | 150,000             |
| <b>Increase Cost: Technology Cost Allocation</b> — Increase in OIT charges based on anticipated countywide costs for technology                                  | 28,700              |
| <b>Increase Cost: Compensation - Mandated Salary Requirements</b> — Annualization of FY 2023 and planned FY 2024 salary adjustments offset by budgeted attrition | 1,700               |
| <b>Increase Cost: Fringe Benefits</b> — Increase in fringe benefit expenses to align with projected costs  | 600                 |
| <b>FY 2024 Approved Budget</b>   | <b>\$5,896,800</b>  |

## FY 2024 OPERATING BUDGET

### Revenues by Category

| Category   | FY 2022 Actual     | FY 2023 Budget     | FY 2023 Estimate   | FY 2024 Approved   | Change FY23-FY24   |              |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------|
|  |                    |                    |                    |                    | Amount (\$)        | Percent (%)  |
| County Grant   | \$3,739,100        | \$3,982,600        | \$3,982,600        | \$4,772,200        | \$789,600          | 19.8%        |
| American Rescue Plan Act (ARPA) Grant                      | —                  | —                  | 1,004,000          | 496,000            | 496,000            |              |
| Economic Development Initiative (EDI) Fund Processing Fees | 16,300             | 16,300             | 16,300             | 16,300             | —                  | 0.0%         |
| Enterprise Zone Grant                                      | 65,000             | 65,000             | 65,000             | 65,000             | —                  | 0.0%         |
| Event/Sponsorship Revenue                                  | 150,000            | 150,000            | 125,000            | 150,000            | —                  | 0.0%         |
| Fundraising Revenue  | 36,311             | 66,300             | 41,300             | 66,300             | —                  | 0.0%         |
| Incubator Revenue  | 68,900             | 75,000             | 75,000             | 75,000             | —                  | 0.0%         |
| Miscellaneous Income                                       | 203,363            | 125,000            | 706,000            | 254,000            | 129,000            | 103.2%       |
| Small Business Services Revenue                            | 3,827              | 2,000              | 2,000              | 2,000              | —                  | 0.0%         |
| <b>Total</b>   | <b>\$4,282,801</b> | <b>\$4,482,200</b> | <b>\$6,017,200</b> | <b>\$5,896,800</b> | <b>\$1,414,600</b> | <b>31.6%</b> |

### Expenditures by Category

| Category        | FY 2022 Actual     | FY 2023 Budget     | FY 2023 Estimate   | FY 2024 Approved   | Change FY23-FY24   |              |
|-----------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------|
|                 |                    |                    |                    |                    | Amount (\$)        | Percent (%)  |
| Compensation    | \$2,167,300        | \$2,357,400        | \$2,357,400        | \$2,359,100        | \$1,700            | 0.1%         |
| Fringe Benefits | 780,228            | 848,700            | 848,700            | 849,300            | 600                | 0.1%         |
| Operating       | 1,316,129          | 1,276,100          | 2,811,100          | 2,688,400          | 1,412,300          | 110.7%       |
| <b>Total</b>    | <b>\$4,263,657</b> | <b>\$4,482,200</b> | <b>\$6,017,200</b> | <b>\$5,896,800</b> | <b>\$1,414,600</b> | <b>31.6%</b> |

## SERVICE DELIVERY PLAN AND PERFORMANCE

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

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

| FY 2028 Target | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimated | FY 2024 Projected | Trend |
|----------------|----------------|----------------|-------------------|-------------------|-------|
| 3,400          | 736            | 4,223          | 2,400             | 2,100             | ↑     |

### Trend and Analysis

The EDC is focused on traditional economic development concentrating on business retention, expansion and attraction in targeted industry sectors that lead to job creation and expansion of the Prince George's County commercial tax base. Recent State labor figures for Calendar Year 2022 show that the County has not fully recovered from 2019 pre-COVID-19 job losses. The region is lagging other urban areas in recovering job losses. Prince George's County has an estimated 25,000 less workers in the labor market which will ultimately negatively impact companies' ability to employ Prince George's County residents. The sharp increase of remote work and the decline in occupied commercial office space continues to impact the region and Prince George's County. Based on these recent figures, the future of commercial real estate is still uncertain.

The implementation of the new County Strategic Plan for Economic Development will provide important direction for EDC's priorities going forward. The EDC is coordinating with other County agencies, such as Employ Prince George's, M-NCPPC, DPIE, and the County Executive's Office to implement the Plan's recommendations. EDC will utilize ARPA funding to implement the Plan's recommendation to establish an "Economic Gardening Program for Black, Indigenous, and People of Color (BIPOC) Businesses." EDC will continue its efforts to attract upscale and new-concept restaurants and retail and revitalize older shopping centers. Plans include a major initiative to attract grocery stores to specific food deserts and promote healthy foods priority areas.

### Performance Measures

| Measure Name                                       | FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimated | FY 2024 Projected |
|--|----------------|----------------|----------------|-------------------|-------------------|
| <b>Resources (Input)</b>                           |                |                |                |                   |                   |
| Business development specialists                   | 8              | 8              | 8              | 8                 | 9                 |
| <b>Workload, Demand and Production (Output)</b>    |                |                |                |                   |                   |
| Business-site evaluation visits                    | 1,214          | 1,187          | 870            | 950               | 1,100             |
| Marketing events and presentations                 | 56             | 64             | 48             | 100               | 120               |
| <b>Efficiency</b>                                  |                |                |                |                   |                   |
| Business evaluation visits per assigned specialist | 156            | 148            | 109            | 120               | 150               |
| Weekly visitation rate per specialist              | 3              | 3              | 2              | 2                 | 3                 |
| <b>Quality</b>                                     |                |                |                |                   |                   |
| Business attraction, retention and expansion leads | 673            | 1,653          | 1,000          | 1,000             | 1,100             |
| Prospects  | 306            | 298            | 412            | 450               | 450               |
| Hard prospects                                     | 62             | 32             | 70             | 72                | 95                |

**Performance Measures** *(continued)*

| Measure Name   | FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimated | FY 2024 Projected |
|--|----------------|----------------|----------------|-------------------|-------------------|
| Deals  | 17             | 17             | 31             | 35                | 35                |
| <b>Impact (Outcome)</b>  |                |                |                |                   |                   |
| Jobs created and/or retained as a result of business attraction, retention and expansion deals | 632            | 736            | 4,223          | 2,400             | 2,100             |

**Objective 1.2** — Increase the Number of EDI Fund Awards.

| FY 2028 Target | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimated | FY 2024 Projected | Trend |
|----------------|----------------|----------------|-------------------|-------------------|-------|
| 5              | 2              | 0              | 5                 | 5                 | ↔     |

**Trend and Analysis**

The EDC has long been a hub for businesses seeking financing incentives, technical assistance, business engagement, and networking activities. The EDC utilizes several economic development tools and incentives to attract, expand and retain county-based businesses, such as tax credits and grants. These economic development tools are critical for stimulating private investment, increasing the commercial tax base, and creating jobs. An important tool, the Economic Development Incentive Fund (EDI Fund) provides critically needed financial assistance to projects that would not have occurred without this public/private partnership. The EDC administers several tax credit programs including the Enterprise Zone program, the Regional Institution Strategic Enterprise (RISE) Zone tax credit program which now includes rental assistance, the expanded grocery store tax and incentive program, and the newly created Start-up Business Tax Credit program that was enacted in FY 2023.

**Performance Measures**

| Measure Name  | FY 2020 Actual | FY 2021 Actual | FY 2022 Actual | FY 2023 Estimated | FY 2024 Projected |
|---|----------------|----------------|----------------|-------------------|-------------------|
| <b>Resources (Input)</b>  |                |                |                |                   |                   |
| Business development specialists  | 8              | 8              | 8              | 8                 | 9                 |
| Business development specialists responsible for managing the EDI Fund application intake process | 1              | 1              | 1              | 1                 | 1                 |
| <b>Workload, Demand and Production (Output)</b>   |                |                |                |                   |                   |
| Business-site evaluation visits   | 1,214          | 1,187          | 870            | 950               | 1,100             |
| Marketing events and presentations  | 56             | 40             | 80             | 100               | 120               |
| Individuals engaged through EDC events and networking   | 0              | 0              | 0              | 440               | 500               |
| <b>Efficiency</b>   |                |                |                |                   |                   |
| Business evaluation visits per assigned specialist  | 156            | 148            | 109            | 120               | 150               |
| Weekly visitation rate per specialist   | 3              | 3              | 2              | 2                 | 3                 |
| <b>Quality</b>  |                |                |                |                   |                   |
| Applications processed through EDI Fund, tax credits and other grant programs                     | n/a            | n/a            | 308            | 25                | 30                |

**Performance Measures** *(continued)*

| <b>Measure Name</b>   | <b>FY 2020 Actual</b> | <b>FY 2021 Actual</b> | <b>FY 2022 Actual</b> | <b>FY 2023 Estimated</b> | <b>FY 2024 Projected</b> |
|---|-----------------------|-----------------------|-----------------------|--------------------------|--------------------------|
| Businesses assisted through technical assistance programs and collaborative programming | n/a                   | n/a                   | n/a                   | 300                      | 400                      |
| <b>Impact (Outcome)</b>   |                       |                       |                       |                          |                          |
| EDI Fund awards   | 6                     | 2                     | 0                     | 5                        | 5                        |
| Tax credit certifications and grant program awards                                      | 0                     | 0                     | 149                   | 12                       | 20                       |
| All incentive-related jobs attracted, created or retained                               | n/a                   | n/a                   | n/a                   | 500                      | 500                      |