Fairfax County Board of Supervisors
Economic Initiatives Committee (EIC)
J. Hamilton Lambert Conference Center (Room 11)
March 25, 2025

Meeting Summary

Board Members present: EIC Chairman Supervisor Daniel G. Storck, Board of Supervisors (BOS) Chairman Jeffrey C. McKay, Supervisor Kathy L. Smith, Supervisor James R. Walkinshaw, Supervisor James N. Bierman, Supervisor Rodney L. Lusk, Supervisor Walter L. Alcorn, Supervisor Andres F. Jimenez, Supervisor Dalia A. Palchik

Board Members absent: Supervisor Pat Herrity

EIC Chair Storck called the meeting to order. He presented the minutes of the March 11 meeting, and they were approved without comment.

Opening Remarks

EIC Chair Storck opened with some background on the importance of charting our economic landscape after emerging from the COVID-19 pandemic. The Department of Economic Initiatives began the analysis with Camoin over a year ago to better position Fairfax County to grow and to clarify the role of the department moving forward. He also mentioned the Council for Economic Opportunity has been shaping the discussion with their insights into making Fairfax County the best place to live, work, learn and play. He introduced DEI Director Rebecca Moudry, who then introduced Rachel Selsky, CEO, and Dan Gunderson, Senior Vice President, of Camoin Associates.

Department of Economic Initiatives Blueprint for the Future

Moudry began by mentioning the Department of Economic Initiatives (DEI) fifth anniversary at the end of 2024. She thanked Board Members for their support and commented on the importance in charting a course for the department for next five years. The three goals are:1) to identify gaps and opportunities in the ecosystem; 2) to support a prosperous and equitable economy; and 3) to look at the optimum structure of the department to address economic opportunities in the short-and-long term.

Moudry pointed out that the analysis and data were compiled in 2024, being the most recent prior to the dramatic changes that have taken place since the new federal administration. The findings will help Fairfax County with future economic growth. She added that the next steps are to work with internal and external partners to implement action-oriented solutions to challenges and opportunities. She asked the Board to consider particular areas for DEI to focus on. Finally, she provided background on the selection of Camoin Associates and then introduced Rachel Selsky, CEO, and Dan Gunderson, Senior Vice President, of Camoin Associates.

Gunderson provide background on Camoin, which has been in business for 26 years. Camoin is a small business with 28 employees and has completed nearly 200 projects in 2024, and over 2,000 during the company's existence. Camoin is a full-service economic development

consulting firm that provides an array of services to large and small localities, 46 states and the U.S. Virgini Islands. Its work in Virginia includes a strategic plan for Loudoun County's growth in data centers and a strategic plan for GO Virginia.

The goal of the Blueprint is to evaluate emerging challenges for the next 5 years and to develop a course to sustain prosperity. Gunderson reported that interviews were conducted with businesses and stakeholders, and a competitiveness analysis was conducted comparing Fairfax County and the region to 6 different communities. There were also in-depth work sessions with DEI staff to evaluate current programs. Camoin found that Fairfax County had 70 different organizations working in the ecosystem, many of which support small businesses.

Gunderson followed with a slide describing the ecosystem of economic development, with its four quadrants: influence (position), prepare (product development), promote (marketing), and package (negotiations). The traditional approach was to focus primarily on marketing and negotiations. Since the turn of the century, the focus has been on the ecosystem and how to bring prosperity to it. Most economic development organizations are in the quadrant of preparing strategies and positioning their communities. He highlighted the Fairfax County Economic Development Authority's work in the marketing and negotiations quadrants. He also said that DEI's role has been to enhance the product development space.

Fairfax County is a leader with expertise in government solutions, location for corporate headquarters and 10,000+ technology firms. A comparison was made with 6 other communities in the United States: Collin County, TX, Fulton County, GA, Denver, CO, Montgomery County, MD, Middlesex County, MA, and Santa Clara County, CA. These were selected as they had similar profiles being adjacent to major cities and were roughly the same size but were also strong in IT and emerging technologies.

Camoin created an index to compare the jurisdictions, which are the top performing in the United States in IT and emerging technologies and headquarters and consulting services. Fairfax County is ranked first in the IT and HQ talent pools, and second in business climate. It falls in the middle on quality of life and overall economic growth. Gunderson remarked that there are 3 counties that are growing much faster than Fairfax County with much higher rates of foreign direct investment, venture capital and innovation.

Selsky remarked that the study focused on two primary clusters: 1) corporate headquarters, consulting and services; and 2) IT and emerging technologies. With respect to corporate headquarters area, Fairfax County has more than triple the number of employees than the other counties. Between 2018 and 2023 there has been a 22% growth in employees, or over 13,000 jobs created. This sector represents 10% of all jobs in Fairfax County. She stated that the recent impacts of the federal government downsizing are not included in the data. However, the projected growth in this sector has already shown a slower rate of growth, even slower than some of the other jurisdictions. It is a concern that needs to be addressed, especially in terms of retention of the current corporate headquarters.

With respect to the IT and emerging technologies areas, Fairfax County has nearly 40% of all the firms in Virginia. They represent 16% of the total county workforce and approximately 25% of

the gross regional product. However, the growth rate on this cluster is projected to be much slower than the six other competitors, with the DC region only growing at 4%, while the metropolitan areas of Dallas, Denver and Atlanta will grow by double digits.

Selsky continued with an analysis of the economic landscape to find any gaps or overlaps with the nearly 80 economic support organizations, especially the 29 that provide small business assistance. Opportunities were identified in coordination on sharing information related to business retention and expansion, incentivizing business innovation, development of vibrant business districts, and greater awareness by the community of Fairfax County's economic strengths. Additional opportunities include support of priority real estate development projects that diversify the tax base and have a constant focus on the value and impact of proposed projects.

There were 30 interviews conducted with business leaders, stakeholders, and county leaders to get their insights on economic development in Fairfax County. They all said that the county's competitive edge will take strategic action and will need to be collaborative. Business leaders stressed the importance of affordable housing, educational excellence and streamlining regulatory processes while public leaders highlighted the need for greater equity across Fairfax County.

In terms of next steps, Gunderson stressed the importance of tracking Fairfax County's competitors and making sure resources are strategically targeted to maintain its competitiveness. In addition to a focus on infrastructure there should be a strong emphasis on innovation. He first outlined the role of Fairfax County and then DEI to support the work, which was broken down into the built environment, business environment and human environment. The built environment looks to modernizing infrastructure for economic development and residential needs. It was recommended that DEI take a leading role in analyzing the real estate market and quantifying the impacts of development, continue to administer the Economic Opportunity Reserve (EOR), and support other agencies on housing needs.

With respect to the business environment, Fairfax County must differentiate itself as a high-tech hub, foster a thriving startup ecosystem, help build a strong regional brand, strengthen relationships with the headquarters primarily for retention, incentivize innovation, and monitor competitor activity. DEI's role will be to provide insights into the landscape and evaluate the innovation programming, among others.

Finally, the community environment emphasizes placemaking and partnerships to improve the quality of life. DEI role will be (as a lead) to convene a network of community-based groups to foster economic development to administer incentives, and to support efforts for walkable, mixed-use communities.

Moudry followed by saying that DEI will put together a set of proposals and action plans based on the Blueprint findings with input from internal and external partners to meet any gaps and to achieve identified goals. They will then be shared with county leadership and Board Members.

Chairman McKay started the discussion by saying that the report was timely and that there is a concern that Fairfax County is not doing enough to stay competitive. He asked about the components that were in the quality of life metric as he stated that Fairfax County's quality of life is an attraction. There were some data points such as the cost of housing, cost of living index, and education that went into the quality-of-life metric. He confirmed that Montgomery County was in the DC Region rate of growth of IT and emerging technologies but asked for factors on why the growth was lower than the competitor regions. Those regions have more space and more room to grow compared to Fairfax County which is already built out. He then followed with a question about the lead role in the slide on built environment and said that there is a long-established process to evaluate land use cases and there hasn't been one to review proposals for their economic impacts. Selsky responded that there are communities that perform economic impact analyses to inform leadership to make informed decisions. The Board has had discussions on which agencies perform which functions in the processes. Chairman McKay concluded with a statement that our community does not know what great assets there are in Fairfax County and that there needs to be better marketing, so they are more aware.

Supervisor Palchik asked about where resources should be spent and in what areas, especially since there has been a large outmigration of Fairfax County residents. There are many factors that go into selecting a community through the integrated economic development approach. Gunderson remarked that the full report goes into detail on the gaps in the current ecosystem on economic development. One improvement is for a more cohesive and structed approach to business retention and expansion. There is a need for the best technology available to be able to analyze and respond to changes in the over 10,000 IT and emerging technologies businesses and then to share it with partners. Although the county has not pursued financial incentives it could provide mechanisms like a revolving loan fund to support businesses. There also needs to be a program to look at the future development of sites and prioritize them without adding layers of bureaucracy. It was recommended that DEI play a greater role in this area. Finally, there needs to be a more holistic approach to economic development that considers all the impacts on the community and promotes inclusiveness.

Supervisor Lusk acknowledged the delineation of roles in the Blueprint, especially those identified for EDA and DEI. He asked for details on the implementation strategies. Gunderson stated that the full report has details of what is being done now and what is proposed. It also includes gaps that other agencies and partners could fill. CEX Hill commented that the Blueprint is a concept currently and that it will take some time to implement. Moudry added that DEI will need to work with many partners as it moves forward. Supervisor Lusk responded by that the report does identify ways to support growing the startup ecosystem in the business environment section. With respect to incentives, Supervisor Lusk added that the state through the Virginia Economic Development Partnership was more supportive of incentives in the past, but it has lessened in recent years. He asked for a plan that would include incentives to make Fairfax County more competitive. The report does address incentivizing innovation through R&D and not via financial incentives. Supervisor Lusk concluded by saying that 75-80% of the economic activity is with existing company growth while 25% is supporting new business growth. There must be a focus on both areas at the same time.

Supervisor Walkinshaw asked if there was a differentiation in the analysis between the suburban parts of the counties versus the large cities they support. Although the report predates the current federal downsizing, he did ask about how Fairfax County's mature and buildout economy can sustain such shocks and if there are any case studies to examine in other jurisdictions that have had such an experience. Gunderson answered by saying that the report provides the basis to examine Fairfax County's ecosystem and to continue to strengthen its IT and emerging technologies sectors through advancing AI, quantum technologies, and satellite technologies with research and innovation. He added that communications should remain positive.

Supervisor Alcorn requested a copy of the full report. Moudry responded by saying that it is being finalized and will be shared with the entire Board. Superior Storck remarked that there will be follow up on the Blueprint in the next 6 months to a year. He also said that the Blueprint has highlighted a tremendous opportunity for Fairfax County to remain as a economic leader. He did ask whether the county's vision should change in light of the federal government downsizing. He also wanted to know the other 3 jurisdictions in the top ten for the analysis were. He then introduced DEI Deputy Director Scott Sizer for the next presentation.

Recreational and Entertainment Authority

Sizer started by thanking several staff for the work on initiative. The presentation came about as a result of the Board's request to look into the recent Virginia Public Recreational Facilities Authorities Act. Interviews were conducted with 3 jurisdictions in other parts of Virginia to learn how they are moving forward with sports and recreational facilities. The tool could be used in the county's tourism and entertainment sectors.

Tourism through sports, recreation and entertainment in 2022 provided over $46 billion to Virginia's economy, with $4.5 billion (10%) from sports tourism alone. Fairfax County had $3.6 billion and 25,000 jobs generated from tourism, while $1.2 billion was generated specifically from sports tourism in the NOVA region in 2022. It is projected that there will be an additional $3.3 billion generated in sports-related tourism over the next 20 years assuming there are additional investments in facilities.

Sizer pointed out that staff was directed to investigate the creation of a recreational sports authority in June 2024 to determine if it would enhance tourism in the county. The key findings included: 1) a clear objective and mission related to tourism; 2) a dedicated funding mechanism (e.g., lodging and meals taxes); 3) an initial purpose and partnership to create the facility; and 4) ability to develop agreements on land acquisition, facility management and revenue sharing.

The three areas for the study were Henrico County, Historic Triangle (James City County, Williamsburg, York County) and Chesterfield County. Henrico County created an independent authority in 2022 to build a 185,000 square foot indoor facility. It was completed two years ago as the Henrico Sports and Events Center. The county provided funding for the property and financing for the building but wanted a separate entity to manage (with staff) the operations and marketing of the facility. Funding sources include a portion of the 8% lodging tax and 2% from the Tourism Improvement District.

The Historic Triangle Recreational Authority was created in November 2021 to oversee construction and management of a 200,000 square feet indoor facility, as well as to own, operate and market the venue. The three jurisdictions signed a binding agreement to establish the authority and the staffing of it. They are providing the resources needed for the site until the site has generated enough revenue to be self-sustained.

Chesterfield County created the Department of Sports Visitation and Entertainment within its government structure in 2023. It does catalytic development, economic development and marketing related to sports and entertainment tourism. They acquired the River City Sportsplex, a privately held facility with 115 acres and 9 synthetic turf fields. In their first annual report in 2024, it was noted that their number one market for sports tourism is the Washington, DC/NOVA region. There were over 225,000 visits to the facility last year, and they generated over 500,000 hotel stays.

The three jurisdictions are similar in that they see the economic opportunity in sports and entertainment tourism, understand the importance of an integrated approach for partnerships, and take advantage of current opportunities in a high demand market both locally and beyond. In terms of differences, Fairfax County has a mature and complex system with an established Park Authority while the other jurisdictions have park departments. Another difference is that Fairfax County already has a tourism marketing organization in Visit Fairfax while the others are just establishing such originations for their specific entities. The 3 jurisdictions had assets they had acquired for tourism and leveraged tax revenue from lodging and other tourism related taxes for acquisitions, operations and marketing.

The recommendations from the study to establish an authority include: 1) a focus on sports and entertainment tourism and negotiating long-term contracts with operators and other partners; 2) engagement with the Park Authority and other stakeholders that focuses on a specific facility or asset; and 3) investments are from tourism-related revenues that align with specific goals

Chairman McKay asked if these jurisdictions had private sector competitors. He pointed out the St. James facility and how it attracts many outside the region. Henrico County's authority has nonprofit and private entities, like golf clubs and the local YMCA. Sizer pointed out that both Henrico and Chesterfield counties administer a capital fund that provides grants through the Transit Occupancy Tax to public and private facilities for upgrades to their facilities. There are no private sector competitors in either example. Chairman McKay wanted some assurance that such an authority would not displace the needs of the local community, would generate needed revenue for developing more facilities and do not compete with private entities like the St. James. Sizer responded by saying that an authority would attract private entities to partner with the authority on opportunities rather than go to specific organization that has a field or complex. Sizer did add that Henrico County works closely with their schools in the use of the center for high school graduations while the schools allow the local YMCA to use their fields. He will look into whether there is a more formal relationship between the authorities in the 3 jurisdictions and relationships with the schools to have community use of the school facilities.

Supervisor Storck asked if there were any next steps for other jurisdictions to consider establishing an authority. Sizer said the primary focus was on economic tourism beyond local

usage, how it generated revenue to support the facilities, and to use revenues to sustain and establish new ones. Each jurisdiction identified its priority need and went forward to establish it. Partners came forth to provide input on establishing a new facility and enhancing the usage of current fields and buildings. CEX Hill remarked that the Historic Triangle area levied a 1% sales tax through an initiative in 2016 to dedicate to sports tourism, and guarantees a revenue stream for sports related facilities. Supervisor Bierman asked which of the jurisdictions had a meal tax and found out that all but Chesterfield County does. A Fairfax County meals tax would generate 34 cents on the dollar from visitors to the county and could support sports tourism.

Supervisor Walkinshaw mentioned George Mason University as a potential partner for both sports and entertainment tourism since it already has facilities. It may turn out that Fairfax County would look at focusing more on arts and entertainment than sports since the Park Authority is the entity that builds and maintains athletic facilities. However, this new tool could be used for a specific project that a partner presents to the county. Supervisor Jimenz agreed that public private partnerships are important in building and maintaining facilities and agreed that George Mason could be a good partner, especially in arts and entertainment since they generate more jobs.

Supervisor Storck spoke about Potomac Banks and some of the limitations it has had creating a cohesive message through marketing He also recognized that the lack of facilities has lead to residents going outside of the county for sporting and entertainment activities.

Supervisor Storck concluded by thanking Moudry, Sizer and the DEI team for today's presentations. He announced the next EIC meeting will take place on Tuesday, April 8 at 1:30 p.m. to follow up on the March 11 meeting on the federal government downsizing and the impacts on Fairfax County. The meeting will look at opportunities to navigate the crisis and will include regional and state representatives. There is also a Virginia task force meeting on the federal workforce that Delegate Bulova is chairing that day in Arlington. Chairman McKay is planning to attend part of that meeting.

EIC Chairman Storck adjourned the meeting.