Economic Competitiveness Task Force Update and Recommendations

May 12, 2026

Economic Initiatives Committee

Agenda

1. Background
2. Economic Competitiveness Trends
3. Marketing Economic Success
4. Economic Incentives
5. Workforce Development
6. Evolving the Development Process



Background

Introduction and Purpose

- Fairfax County is the economic engine of Commonwealth
- Competition from other jurisdictions increasing, pressure from federal cuts and rising cost of living
- Economic Competitiveness Task Force (2025 Board Matter)
  - Assess current economic landscape
  - Enhance our competitive edge in attracting and retaining businesses
  - Work concurrently with Housing Task Force

Problem Statement

Fairfax County faces increasing competitive pressure as peer regions advance in key industries that drive economic growth. Compounding this challenge are federal government reductions and the region's high cost of living, both of which hinder Fairfax County's ability to retain and attract businesses and talent in its most competitive sectors and constrain economic mobility.

Vision

Fairfax County is a place where diverse businesses and people choose to locate and thrive.

Core Mandate

Report to the Board of Supervisors findings and recommendations to mitigate economic challenges and maintain Fairfax County's role as the Commonwealth of Virginia's economic leader.

Task Force Topics Addressed

- Assess **Economic Trends** over time
- Market **Economic Successes** to residents
- Evolve the **Development Process**
- Leverage **Economic Incentives**
- Accelerate **Workforce Development**

Strengthen Fairfax County's economic competitiveness

Timeline

August 2025
Chairman introduces Board Matter

Fall 2025
Task Force kicks off

February 10, 2026
Present initial data to Economic Initiatives Committee
Finalize list of initiatives

March 2026
Staff engagement with development community proposed development initiatives

April 2026
Complete and disseminate Report to BOS

May 2026
Economic Initiatives Committee

Ongoing monitoring

Bimonthly Task Force Meetings and Subgroup Work



Economic Competitiveness Trends

Key Takeaways

- Fairfax County's economy demonstrates strength and resilience.
- Fairfax County faces increasing pressures on workforce.
- Increasing competition for emerging sectors challenges our position.
- Fairfax County is facing a historically high office vacancy rate, but there are signs of stabilization.



Marketing Economic Successes

Marketing Successes Subgroup Overview

Challenges to Address

- Fragmented messaging across audiences and channels
- Strong economic performance not consistently translated into **resident-relevant impact**
- Limited coordination in external economic storytelling (County—DMB, DEI, EDA)

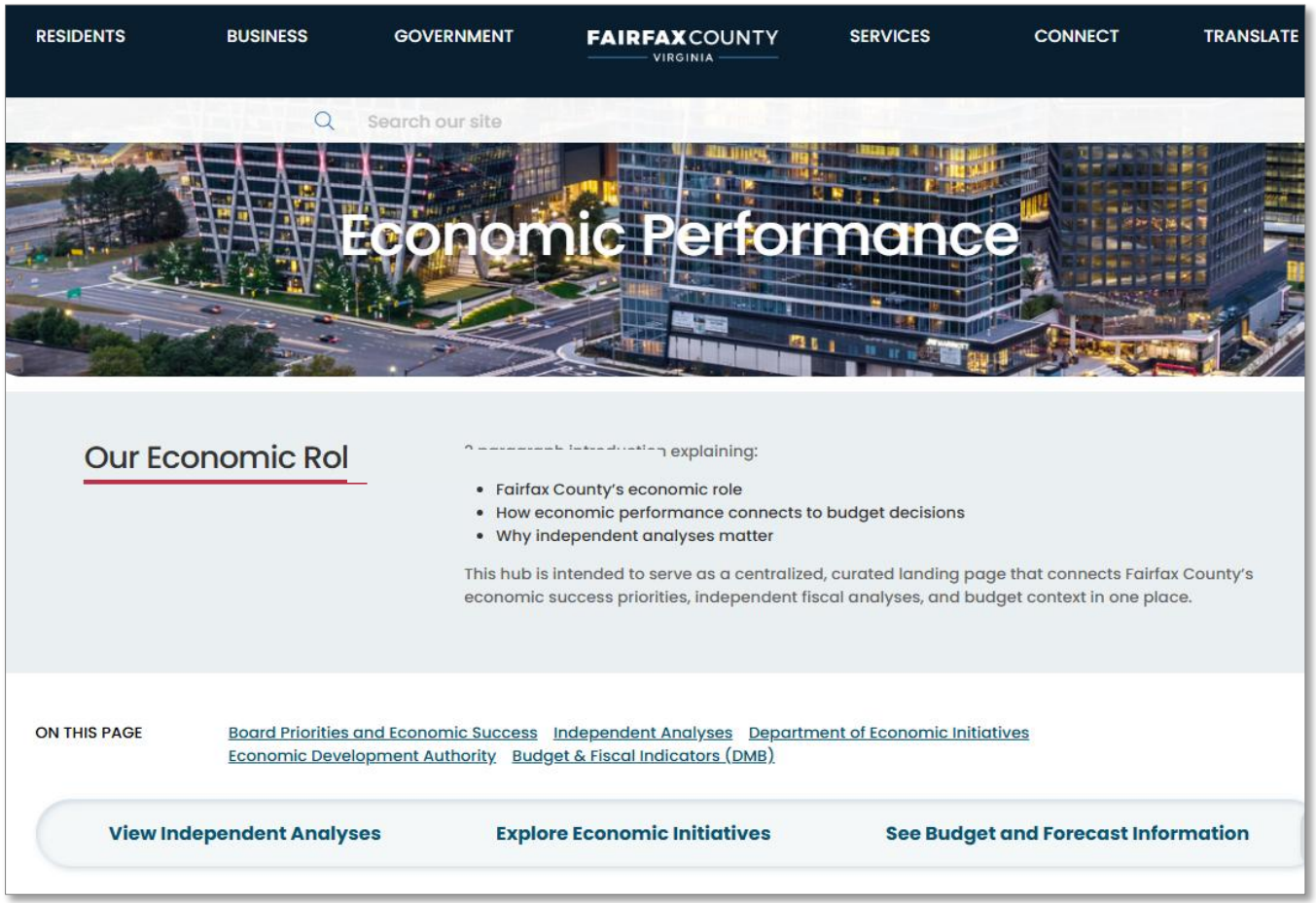
Communications Initiatives

1. Implement **communications strategies** that support task force initiatives (incentives, accelerators)
2. Advance economic competitiveness and fiscal context through **earned media**
3. Establish a **multi-agency team** to refine and coordinate economic performance and success messaging
4. Launch **revenue & returns series** to promote understanding of how state funding and economic performance affect the budget
5. Connect economic success to **budget and other related communications** to expand context of budget and policy decisions
6. Create public, **centralized resource** for economic and fiscal context

Initiatives proposed would use existing staff and resources.

Communications Initiatives

The Economic Performance Web Hub brings together key indicators, performance measures and markers of success identified by the county and its partners in a single, accessible location, helping the public better understand, track and contextualize Fairfax County's economic performance.



Communications Success

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By Nate Doughty – Staff Reporter, Washington Business Journal
Mar 30, 2026 **Updated** Mar 30, 2026 5:24pm EDT

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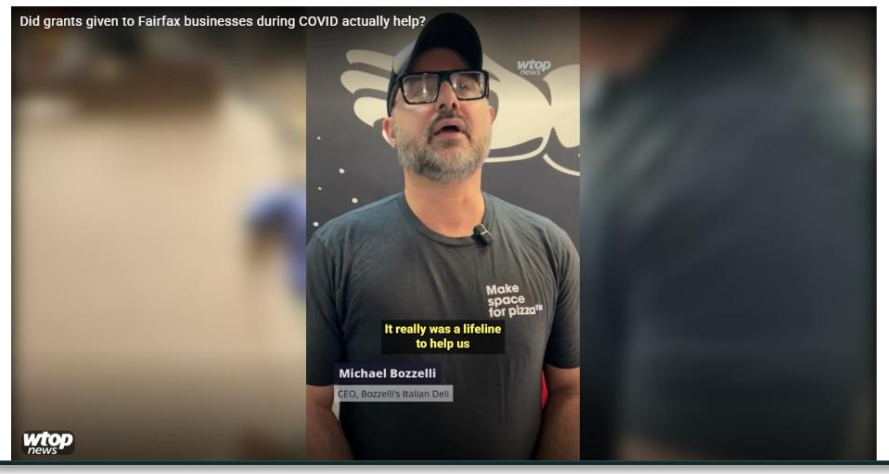


Countywide

Fairfax launches pilot to help small business owners obtain permits for store renovations

By **Scott McCaffrey**
2026 at 8:30AM



hopping mall (courtesy Fairfax County)

County government pilot program aims to make life easier for small
s seeking to make minor alterations before they open their stores.

pport Services (TSS) initiative is designed to move applicants through the



Economic Incentives

Economic Incentives Subgroup Overview

Problems We Are Addressing:

- Effectiveness of financial and non-financial incentives
- Rising competition for emerging technology sectors
- Unequal access to venture/ innovation funding
- Lagging rate of entrepreneurship
- Maximizing leverage for State incentive programs

Economic Incentives

Utilize **existing County processes and tools** to enhance deal readiness

1. Expand the number and type of local match options to maximize State Incentives
2. Strategy to transition the Economic Opportunity Reserve to support economic development *and* maintain reserve levels
3. Sustain current innovation-based programs (Fairfax Founders Fund, Accelerate Breakfast/Conference) and dedicated industry events (SpaceNEXT, Quantum World Congress, Innovation Job Fairs)

Implement **new initiative**

1. Support a **technology business accelerator** to incentivize forming and scaling technology businesses within Fairfax County

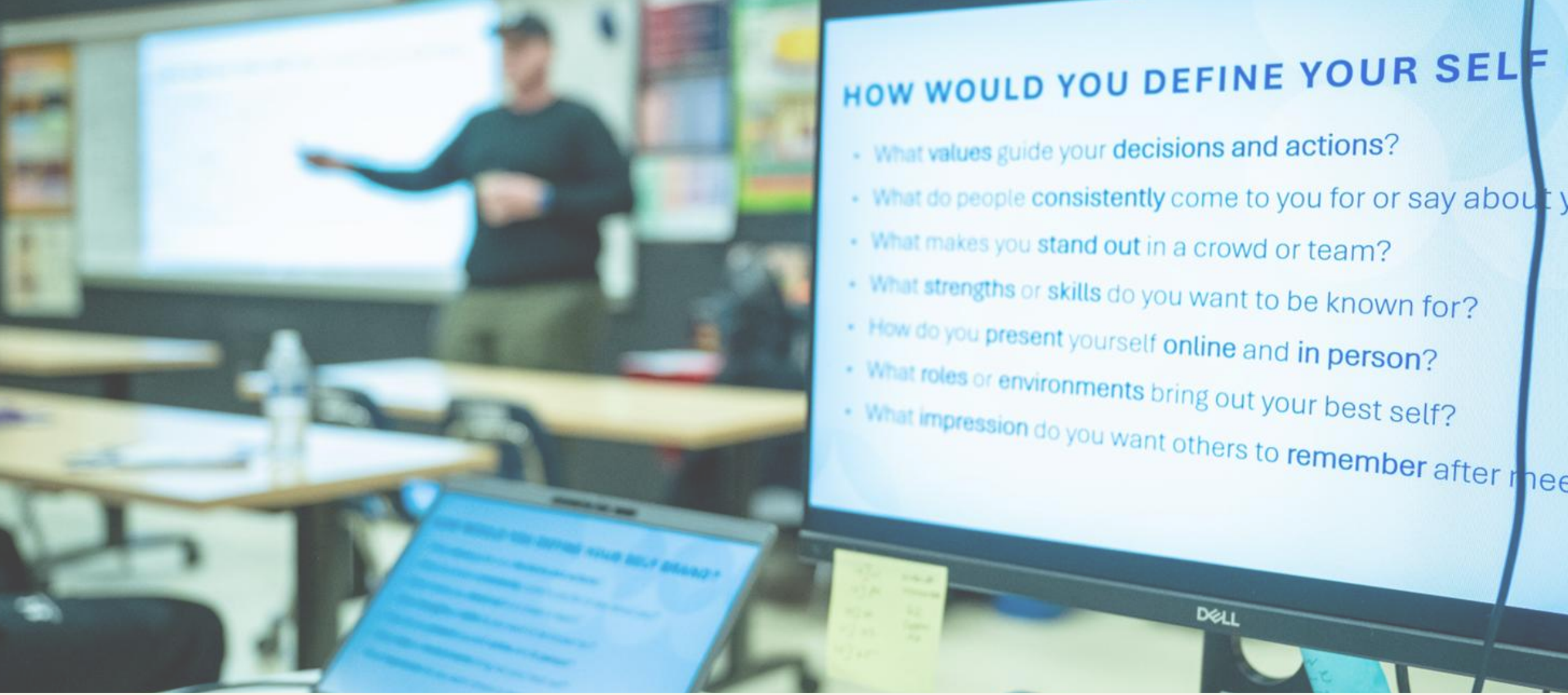
Technology Business Accelerator

- Fairfax is a global hub for defense and intelligence contractors and talent - but lacks dedicated support to capture this entrepreneurial potential
- **Establish a technology business accelerator focused on:**
  - Geospatial intelligence, space, aerospace, and dual-use technologies
  - Mentorship, programming and commercialization support for early-stage ventures
- **Outcomes:**
  - Increased access to defense and commercial capital networks
  - Increase in firm formation, scaling, and spin-off activity in Fairfax County
  - Increase in economic diversity and innovation-driven sectors
- **Resources**: Support contract for technology accelerator

Technology Business Accelerator

Common types of accelerator-provided assistance

- Technology expertise
- Business model clarity (growth and marketing)
- Assistance with human resources/ building the team
- Seed investment and access to appropriate investors
- Mentorship/ Access to existing entrepreneurial networks
- **Regional examples** include the Commonwealth Bio Accelerator (Charlottesville), Halcyon (Washington DC), Lighthouse Labs (Richmond), Smart City Works (Arlington)



Workforce Development

Workforce Development Subgroup Overview

Fairfax County is facing significant workforce disruption with a system not designed for it.

- **Fragmented system:** Multiple agencies and assets. Lacks shared strategy or single point of accountability for outcomes that enhance Fairfax economic competitiveness.
- **Constrained funding:** Dependent on WIOA (Workforce Innovation and Opportunity Act)— narrow scope and declining in size, inflexible, less responsive to employer needs.
- **Misaligned training:** Programs not consistently built around employer demand in emerging sectors.
- **Residents left behind:** ALICE workers, career changers, and displaced federal workers fall through gaps.

Workforce Development Subgroup: DFS, DEI, EDA, FCPS, NOVA, SSG, NCS, One Fairfax

1% increase
in unemployment rate year-over-year

20% decrease
open jobs in
Fairfax County since January 2025

~13,000
federal workers (place of work)
impacted Northern Virginia

80%
of NoVA business leaders
cite fed cuts as top barrier

Workforce Development Initiatives

#	PRIMARY INITIATIVE	ACTIONS
1	**Standing Up Office of Workforce Competitiveness and Advancement (OWCA)**	**Initial Step - Stand up Office of Workforce Competitiveness and Advancement (OWCA)** to serve as centralized coordinating unit providing a shared strategy across agencies. Additional staffing resources needed.
#	**SECONDARY INITIATIVES**	**ACTIONS**
2	**Closing the Funding Gap**	Build a **flexible capital stack** for funding workforce initiatives by seeking untapped opportunities
3	**Federal Talent Pipeline**	Address **federal talent pipeline transitions** to local and private sectors
4	**Sector Skills Accelerator**	Stand up **sector skills accelerator** to structure demand-driven channel between employer need and training supply
5	**ALICE Workforce Pathways**	Provide **pathways for ALICE workforce:** targeted solutions to remove barriers and support ALICE workers' economic mobility

Workforce Development Initiatives

What does the Office of Workforce Competitiveness and Advancement (OCWA) do?

- Provides single strategic engine aligning workforce & economic development
- Initiates four key initiatives (capital, displaced federal/cleared talent, sector skills, ALICE pathways)

How does it leverage existing assets?

- Aligns private sector employers, business associations, educational institutions and workforce development entities around shared outcomes focused on County's economic competitiveness

What is it accountable for/what's gained?

- Workforce development lead on every business entering and expanding investment in Fairfax County
- Single access point for residents to navigate to good jobs
- Shared dashboard & annual scorecard on rapidly changing labor market

Who else has this model?

- Benchmark examples: Growing Trend; Opportunity Austin, San Diego, Seattle–King County



Evolving the Development Process

Development Process Subgroup Overview

- Land development integral to economic success
- Opportunities to streamline and clarify processes, enhance predictability, reduce redundancies, promote economic development goals
- Overlap and collaboration with Housing Task Force
  - 10 overlapping initiatives (EC-only initiatives presented)
  - Industry engagement on all initiatives occurred with Housing Task Force
    - Key themes: speed up review times, reduce redundant/unnecessary steps

Development Process Initiatives

Advancing digital modernization and expanding automation

- Identify opportunities for **automation in PLUS** and explore **AI-enabled plan and compliance review tools**
- Process mapping and **optimization of commercial building records** to identify opportunities for parallel processing and automation

Establishing predictability through timelines & performance metrics

- Improve **Customer-Facing Metrics Dashboards** into clear, intuitive project-based performance tools that reflect overall project timelines and integrate FMO & DPD performance data

Development Process Initiatives

Code simplification and elimination of redundancy

- Evaluate **Public Facilities Manual (PFM)** for opportunities to simplify
- Conduct **review of County policies and codes** to remove redundant or conflicting provisions
- Evaluate **reliance on Professional Engineering (PE)** seal for certain site plan review elements
- Evaluate **site plan submission requirements** with industry stakeholders
- Publish Third Party **Quality Control Comment Review** Report

Development Process Initiatives

Streamlining planning, entitlement and permitting pathways

- Creating **tiered building plan review** pathways with goal of reducing review timelines
- Launch **Tenant Support Services (TSS) pilot program** to support small business project reviews
- Evaluate feasibility of allowing **field-approved deviations** during building and fire inspections
- Publish a list of **most common errors in building and site submissions** that most frequently delay approvals

Promoting economic development goals in the planning process

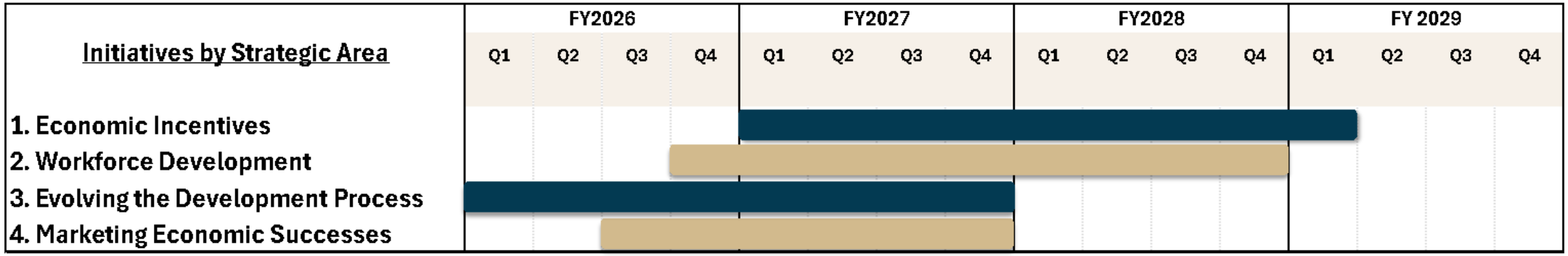
- Integrate **economic development policy plan** objectives into areawide planning studies, zoning entitlement cases

Real Estate Opportunities Team

- The County currently lacks a dedicated real estate function to proactively identify, evaluate, and execute real estate opportunities
- Team purpose:
  - Leverage assets to advance critical County priorities including residential development, commercial growth, and community-serving infrastructure
  - Act as a development ombudsmen and strategic development coordinator
  - Pursue public-private partnerships
  - Manage and report on Housing and Economic Competitiveness Task Force implementation
- Additional staff resources required

Next Steps

- Anticipated implementation timeline: FY 26 – FY 29
- Ongoing progress tracking and reporting via dashboard



Discussion