

**Fairfax County Board of Supervisors  
Economic Initiatives Committee (EIC)  
March 16, 2021  
Virtual meeting**

**Meeting Summary**

**Board Members present:** EIC Chairman Supervisor John W. Foust, EIC Vice-Chairman Supervisor Daniel G. Storck, BOS Chairman Jeffrey C. McKay, BOS Vice Chairman Penelope A. Gross, Supervisor James R. Walkinshaw, Supervisor Walter L. Alcorn, Supervisor Rodney L. Lusk, Supervisor Dalia A. Palchik, Supervisor Pat Herrity, Supervisor Kathy L. Smith

EIC Chairman Foust called the meeting to order. The minutes of the November meeting were approved with no changes.

**Chairman’s Opening Remarks**

Chairman Foust provided an overview of the impact the pandemic has had on nonprofits and businesses in Fairfax County, especially those in the hospitality, food service, retail, and arts/entertainment sectors. The Board of Supervisors has taken several actions, including the RISE Grant program that provided over \$52 million targeted mainly to small, women, minority, and veteran-owned businesses. The Fairfax County Economic Development Authority (FCEDA) and the Department of Economic Initiatives (DEI) worked with a consultant to develop an economic recovery framework, which is in its final draft form. It includes a plan with recommendations for the Board to consider.

The Board of Supervisors at its February 9 meeting approved up to \$15 million from the Economic Opportunity Reserve to fund recommendations from the economic recovery framework. However, the U.S. Congress recently passed the American Rescue Plan, which may provide Fairfax County significant funding that could be used for the economic recovery efforts when they become available. The Board was asked to reach consensus on the recommendations and to refine the programs and investments in the framework. Finally, the Board will consider staff input on which agencies and departments to refer each recommendation in the framework.

**Item 1. Economic Recovery Framework Recommendations and Implementation**

DEI Director Rebecca Moudry introduced DEI Economic Initiatives Coordinator Eta Nahapetian to make the presentation. She remarked that the framework involved many community stakeholder meetings, focus groups as well as input from all members of the Board of Supervisors. The framework is based on a recovery that is equitable and inclusive. The presentation included four parts: Framework Goals, Summary of Recommendations, Proposed Implementation and Reporting Process.

Nahapetian emphasized that an analytic approach is needed to retain Fairfax County businesses, to mitigate negative impacts caused by the pandemic and to develop a more equitable and resilient recovery. There are higher costs involved with starting a new business versus retaining an existing business.

The recommendations presented are in five categories: Business Recovery and Resilience, Regulatory Action, Workforce and Talent Support, Support for Workers and Families, and Physical and Community Planning. Each recommendation is linked to the proposed Countywide Strategic Plan and to Chairman McKay’s Equity Task Force. Detailed descriptions, funding sources and metrics for each recommended

action are in the full report provided to Board members. Primary agencies identified in the recommendations are expected to work closely with the Board of Supervisors to establish priorities, develop partnerships and seek direction through Board committees and Board Items.

Recommendations for each category and proposed agency include:

1. Business Recovery and Resilience
  - Small business recovery and resilience programs (Department of Economic Initiatives (DEI))
  - Local Made in Fairfax campaign (DEI)
  - Reduction in small and local business costs (DEI)
2. Regulatory Action
  - Online permitting process (Land Development Services (LDS)/DEI)
  - Advocacy for state legislation for prioritization of local purchasing and SWAM and veteran-owned businesses (DPMM/DEI)
3. Workforce & Talent Support
  - Strengthening resources for impacted workers through training and placement programs (Department of Family Services (DFS)/Health Department (HD))
  - Coordinating improvement of certification and reskilling programs for affected workers (DFS/DEI) SkillSource Group will be added as primary agency.
  - Piloting a neighborhood job and entrepreneur center (DEI)
4. Support for Workers and Families
  - Affordable childcare access (Office for Children)
  - Affordable access to internet service (Cable, Neighborhood and Community Services, DIT, Library)
  - Efficient and integrated access to Fairfax County services (Office of Strategy Management for HHS)
  - Commitment to affordable housing (Housing and Community Development)
5. Physical and Community Planning
  - Corridor-level recovery to support businesses (DEI)
  - Strategic investment in Health in All Policies for community planning (HD)

### Discussion

- Supervisor Alcorn recommended that transportation be added to the list. Workers will need free or reduced cost public transportation to get back to work. Sidewalks and trails should also be considered.
- Supervisor Palchik suggested putting more structure in the agency collaborations to include existing cross-agency structures and programs.
- Supervisor Lusk received clarification on slide 7 that the procurement opportunities were for all small, women, minority, and veteran-owned business. He also expressed his enthusiasm for the innovation center concept (slide 8) but wanted to be sure these types of centers are differentiated by types of services offered.
- Supervisor Herrity proposed analyzing what other jurisdictions are doing to assist businesses to operate and recover. He also pointed out looking at the zoning regulations for childcare to see if they can be loosened to address a critical shortage.
- Supervisor Foust thanked County Executive Hill for creating the Department of Economic Initiatives and thanked the department for its excellent work during the pandemic.

## Item 2. Proposed Small Business Recovery Programs

EIC Chairman Foust introduced DEI Director Rebecca Moudry for the next presentation. She provided a brief agenda for her presentation.

### 1. Economic Impacts

- Three industries accounted for over 50% of the job losses (food service, health care, retail)
- These job losses greatly affected those with low income, people of color, and lower levels of education.
- There is an important need to preserve as many businesses as possible for the most effective recovery. It will also help those workers that have been impacted.
- The Board of Supervisors approved a Board Matter on February 9 to identify relief programs (i.e., grants) to assist the most impact businesses.

### 2. Economic Recovery Framework Recommendations

- Business recovery and resilience
  - Provide technical support to most impacted sectors and communities. The three sectors (retail, food service, leisure) account for nearly 5,500 business and 109,000 employees.
  - Reduce small business costs. A recent RISE Grant recipient survey (2,748 responses) revealed that 93% identified operating costs and rent/mortgage as top needs for support. Over 1,800 respondents left comments appreciating the support Fairfax County has given thus far.

### 3. Program Proposals – Pivot Grants and Thrive Programs

- **Pivot Grants** are designed to provide operating funds to move toward recovery. They are targeted to those businesses most impacted. The goal is to mitigate costs as well as closures. The grant amounts could be increased with the availability of federal funding.
  - Targeted to most impacted businesses.
  - Criteria for eligibility will be more complex. Businesses would report revenue losses.
  - Proposed Funds (\$13.55 million) will be local. Federal funds could provide additional support and expand the number of businesses to receive them.
  - Build program now and scale up when more funds available. Make certain that guidelines set forth will be in line with federal guidelines if and when funds are available.
  - Experienced and Established Administrator
    - Ability to handle complex program with different components.
    - Fully staffed grants team
    - Specialization in small business support
    - Live chat feature so businesses can get the assistance when they need it and in the appropriate language.
    - Sophisticated tracking and reporting (both internal and external)
    - It should be one with a grants team, specialization in small business, and the ability to track and report (both internal and external).
  - Create single Fairfax County portal for different grant types by sector.
  - Promotion and outreach to include targeted diverse communities through multiple languages. It was a very important aspect of the RISE Grant as 25% of recipients learned about the program through a neighbor or someone close to them. Another 21% found out about the program through BOS newsletters.

Moudry presented a proposed timeline for the Pivot Grant which goes from March through July.

- **Thrive Programs** will provide technical assistance through established providers to provide workshops, counseling, and other support. They will be done through existing business cohorts, start-up cohorts and one-on-one assistance. The proposed funding for the Thrive Programs is \$500,000.
  - The programs will build on some of the existing efforts by partners, including the CFNOVA Build Back-Dream Forward Initiative, FCEDA webinars, inclusive innovation incubators, and other assistance and training programs. There will be a competitive process to select providers to operate the Thrive Programs. The timeline will be from summer 2021 and run for one year.

Moudry recommended more funding to the Pivot Grants when federal funding becomes available. She also proposed expanding the Thrive Programs if additional funds are available. There could also be an expansion of the sectors targeted, creation of specific programs to support businesses and workers, as well as support campaigns.

Moudry highlighted several initiatives going on now to support the small business recovery. The first is a local virtual business marketplace through a pilot with a woman-owned company called Knish-kits, which won an award at a recent Smart Cites challenge. She also mentioned an effort with the GMU Center for Transformational Retail on research with small businesses, property owners, and lenders to find sways for businesses to survive and grow. There is also the strong partnership with EDA through webinars and workshops for small businesses. Finally, she mentioned the co-branding and licensing proposed agreement that the Department of Planning and Development for the Made in Fairfax Initiative that will help businesses with their own marketing efforts. A maker directory containing 75 businesses was launched by DPD last year.

#### Discussion

- Supervisor Storck complimented the emphasis on branding the programs as it will make it easier for businesses to understand. He also remarked how the concept of the support campaigns are very similar to the ones the Mount Vernon Tourism Task Force have been developing. Finally, the multilanguage approach will make it easier for the many small businesses and entrepreneurs in the Richmond Highway corridor.
- Supervisor Lusk emphasized the importance of access to capital for the start-up cohorts. It could be done through pitch events and other ways. He also proposed looking at another program to support expanding businesses that will not necessarily qualify for the Pivot Grants as their growth is important. Finally, he stressed the importance of funding for the Opportunity Zones for activities to help those areas.
- BOS Chairman McKay thanked Moudry and the DEI staff for the thought behind the PIVOT Grant program as well as the timeline as it addresses the sense of urgency in supporting the specific business sectors.
- Supervisor Palchik recommended nonprofit organizations like the Literacy Council of Northern Virginia to assist with language support and outreach. She also mentioned the Latino Economic Development Center as a possible administrator for the grant program.
- Supervisor Walkinshaw requested that community pools and athletic organizations are include in the grant opportunity. Most community pools were

excluded in previous local grant program because of the requirement to have one paid employee.

Supervisor Foust concluded by highlighting the economic recovery framework's collaboration between agencies and reporting to various BOS committees. He also thanked the Board for emphasizing certain industries in this round of grants but added that they should also focus on individual employee level. He specifically mentioned the arts and entertainment sectors as they are important to attracting businesses and fostering a vibrant quality of life. He welcomed any additional suggestions for a strong economic recovery from Board members.

Meeting was adjourned.