ARLINGTON ECONOMIC DEVELOPMENT
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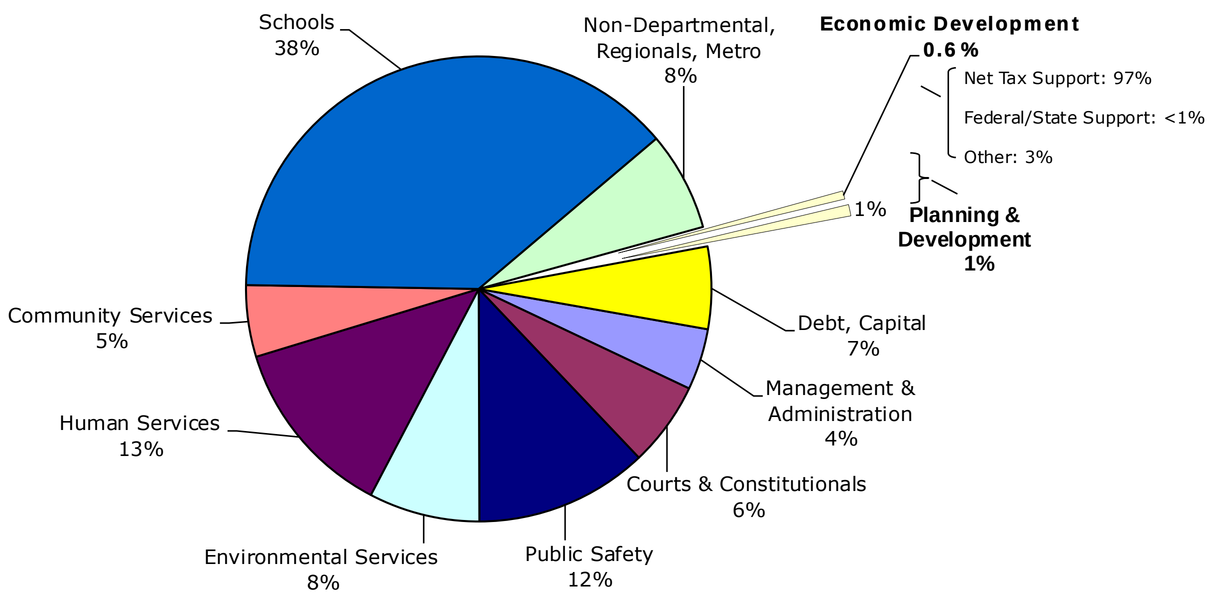
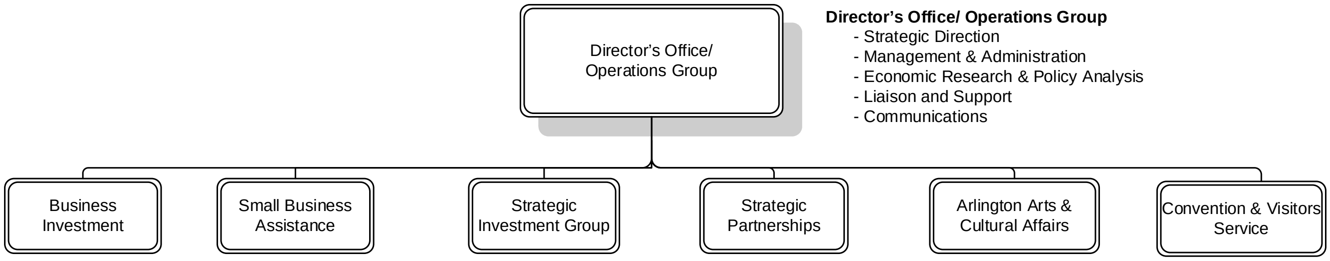
Our Mission: Arlington Economic Development is dedicated to growing a thriving Arlington economy through collaborative partnerships, promotion of our unique place and innovative programming

FY 2027 Proposed Budget- General Fund Expenditures



LINES OF BUSINESS



Director's Office/ Operations Group
- Strategic Direction
- Management & Administration
- Economic Research & Policy Analysis
- Liaison and Support
- Communications

Business Investment
- Business Recruitment
- Business Retention
- Support of High Growth Tech Startups
- Business Intelligence
- Marketing

BizLaunch
- Technical Assistance
- Entrepreneurial education, workshops, and conferences
- One-on-one Consultations
- Marketing and Promotional Support
- Market Research
- Shop Local Incentives
- Small Business Directory

Strategic Investment Group
- Planning Process Support and Input
- Policy Formation
- Regulations and Incentives Analysis
- Economic and Fiscal Analysis
- Project Management
- Outreach and information
- Public Art, Placemaking & Engagement

Strategic Partnerships
- Urban Resiliency Program
- Creative Economy Initiative
- Partnerships and BIDs

Arlington Arts & Cultural Affairs
- Cultural Development
- Arts Enterprise
- Facilities Management & Technical Support
- Creative Placemaking & Engagement
- Marketing

Convention & Visitors Service
- Destination Marketing & Promotion
- Meetings and Conventions Sales
- Visitor and Convention Services
- Small Business and Arts Promotion
- Tourism Infrastructure
- Hospitality Community Engagement

Shaded program is located in the Travel and Tourism Fund

SIGNIFICANT BUDGET CHANGES

The FY 2027 proposed expenditure budget for Arlington Economic Development is $9,673,821, a three percent decrease from the FY 2026 adopted budget. The FY 2027 proposed budget reflects:

- ↓ Personnel decreases are primarily due to the removal of FY 2026 one-time funding for an eliminated Arts Enterprise Specialist position ($133,507, 1.0 FTE) and the reductions itemized below, partially offset by employee salary increases, the addition of a new position for the AED Communications Rebuild ($130,000, 1.0 FTE), an increase in the County's cost for employee health insurance, and retirement contributions based on current actuarial projections.
- ↑ Non-personnel increases primarily due to the reallocation of personnel funding from the Communications Rebuild reduction itemized below to non-personnel for marketing consultant services ($543,379) and adjustments to the annual expense for maintenance and replacement of County vehicles ($3,995); partially offset by the removal of FY 2026 one-time funding for the Clarendon Alliance neighborhood strategic partnership ($55,000).
- ↑ Revenue increases primarily due to the following proposed fees changes:
  - CAD Staffing Support Fee ($24,947),
  - Scenic Studio Fees / Split Bays ($4,280), and
  - Shared Studio / New Day Rate Fees ($23,436).

  These revenue increases are partially offset by decreases based on realignment of Arts & Cultural Affairs fees and prior year actuals ($11,122).

FY 2027 Proposed Budget Reductions

Communications/Cultural Affairs

- ↓ Communications Rebuild ($368,718, 5.0 FTEs)

AED's marketing and communications team develops materials and brand strategies to support the department's mission to promote and market the County for business and talent attraction, including spotlighting small businesses, promoting cultural events and other activities aimed at increasing foot traffic and generating revenue. The team supports a variety of marketing resources including public relations, graphic design, multimedia production, social media, website management, email marketing, events, and overall marketing strategy and project management.

IMPACT: This reduction proposes to eliminate the communications and marketing team to rebuild and reorganize this function within the department by creating one new FTE to manage AED's website, digital applications, and event logistics and hosting and redirect some funding to procure support from an outside marketing vendor. Additionally, AED will need to reassign duties to existing staff to support internal communication needs and manage the outsourced Marketing, Public Relations, and Advertising functions to ensure services are delivered timely and meet AED requirements.

These reductions may have a substantial near-term impact on AED's ability to deliver quality communications and marketing, which will affect all departmental programs. However, the shift to an outside vendor provides AED with a long-term opportunity to reorganize and move toward a "one brand" approach and realign efforts with emerging economic development activities. This transition will strengthen collaboration with external partners and more effectively enable the cross-divisional marketing campaigns necessary for the County to compete regionally, nationally and internationally.

Strategic Investment Group (SIG)

↓ Temporarily freeze vacant Public Arts Manager Position ($168,854 one-time, 1.0 FTE)

The Public Art Manager is responsible for the planning, design, and installation of art throughout the County. The position is the main link between artists, County departments, and the community to ensure art is included in parks, transit projects, and new buildings.

IMPACT: Since the position became vacant in June 2025, the SIG Division Director has directly supervised the two Public Art Project Managers, and responsibilities have been redistributed. Freezing the vacant position will require the team to continue the current redistribution of responsibilities. Essential tasks and duties will remain divided between the Division Director and the two Project Managers.

This continued adjustment requires the ongoing prioritization of tasks, which could result in the delay of various placemaking and public art initiatives. However, the Public Art Master Plan, AED Strategic Plan goals, and the team's established Public Art Principles will continue to guide all activities.

DEPARTMENT FINANCIAL SUMMARY

	FY 2025 Actual	FY 2026 Adopted	FY 2027 Proposed	% Change '26 to '27
Personnel	$7,214,991	$7,369,742	$6,576,892	-11%
Non-Personnel	2,786,859	2,574,555	3,096,929	20%
Total Expenditures	10,001,850	9,944,297	9,673,821	-3%
Fees (Earned Income)	205,717	201,705	243,246	21%
Miscellaneous Revenue	1,125	-	-	-
Grants	104,500	4,500	4,500	-
Total Revenues	311,342	206,205	247,746	20%
Net Tax Support	$9,690,508	$9,738,092	$9,426,075	-3%
Permanent FTEs	43.80	43.80	37.80	
Permanent FTEs (Frozen, Unfunded)	1.00	1.00	2.00	
Temporary FTEs	5.50	5.50	5.50	
Total Authorized FTEs	50.30	50.30	45.30	

Expenses & Revenues by Line of Business

	FY 2025 Actual Expense	FY 2026 Adopted Expense	FY 2027 Proposed Expense	% Change '26 to '27	FY 2027 Proposed Revenue	FY 2027 Net Tax Support
Director's Office - Operations	$2,718,507	$2,701,242	$2,201,341	-19%	-	$2,201,341
Business Investment	1,882,151	1,838,237	1,725,208	-6%	-	1,725,208
Small Business Assistance (BizLaunch)	1,212,304	982,802	1,048,458	7%	-	1,048,458
Strategic Investment Group	485,475	569,560	1,077,032	89%	-	1,077,032
Strategic Partnerships	865,000	865,000	840,000	-3%	-	840,000
Arlington Arts & Cultural Affairs	2,838,414	2,987,456	2,781,782	-7%	$247,746	2,534,036
Total	$10,001,850	$9,944,297	$9,673,821	-3%	$247,746	$9,426,075

Authorized FTEs by Line of Business

	FY 2026 FTEs Adopted	FY 2027 Permanent FTEs Proposed	FY 2027 Temporary FTEs Proposed	FY 2027 Total FTEs Proposed
Director's Office - Operations	13.00	10.00	-	10.00
Business Investment	9.00	8.00	-	8.00
Small Business Assistance (BizLaunch)	5.80	5.80	-	5.80
Strategic Investment Group**	3.00	7.00	-	7.00
Strategic Partnerships	-	-	-	-
Arlington Arts & Cultural Affairs*/ **	19.50	9.00	5.50	14.50
Total	50.30	39.80	5.50	45.30

*1FY 2026 Adopted FTE count includes 5.50 temporary FTEs in the Arlington Arts & Cultural line of business.

**FY 2027 Proposed Permanent FTE count includes two frozen permanent FTEs: Strategic Investment Group (1.00 FTE) and Arlington Arts & Cultural Affairs (1.0 FTE).

Strategic Partnerships Funding Summary

	FY 2025 Actual	FY 2026 Adopted	FY 2027 Proposed	% Change '26 to '27
Ballston Business Improvement District	$1,302,817	$1,217,155	$1,051,616	-14%
National Landing Business Improvement District	4,842,737	5,022,575	4,903,041	-2%
Rosslyn Business Improvement District	4,367,307	4,325,127	3,992,703	-8%
Clarendon Alliance*	200,000	200,000	145,000	-28%
Columbia Pike Partnership	410,000	410,000	410,000	-
Langston Boulevard Alliance	200,000	200,000	200,000	-
Green Valley Neighborhood Partnership Initiative Pilot**	-	-	-	-
Washington Board of Trade	10,000	10,000	10,000	-
Arlington Sister Cities Association	45,000	45,000	45,000	-
Total	$11,377,861	$11,429,857	$10,757,360	-6%

* As part of the FY 2026 adopted budget, the County Board provided $55,000 one-time funding for Clarendon Alliance.

** As part of the County Board Supplemental FY 2026 Budget Guidance, the County Board approved carryover of the $80,000 FY 2025 one-time funding for the Green Valley Neighborhood Partnership Initiative Pilot to FY 2026 to support community engagement. Formal action to carry over the funding was taken at FY 2025 closeout.

PROGRAM MISSION

The Director's Office/Operations Group provides strategic direction for the entire Department to ensure that Arlington County is an economically prosperous, competitive, and sustainable community. AED's broad mission is to partner and provide leadership and services to the business, real estate development, arts, and visitors' services sectors of Arlington to drive job growth, business attraction and retention, and strong commercial-tax base returns.

Important strategic objectives include:

1. **Strategic Direction**: Provide departmental and cross-divisional leadership including strategic planning, organizational development, performance management and special projects that enable strong alignment and nimble responses to economic challenges and opportunities facing the County.
2. **Management & Administration:** Provide the leadership, management, and administration of the Department including budget, financial, human resources, project management, information technology, performance management and event support activities; coordinate the work of senior staff; and communicate and collaborate across departments on economic development matters and County priorities.
3. **Economic Research & Policy Analysis**: Conduct economic and policy analyses and special studies related to current and future conditions and factors that may affect economic growth and sustainability. Manage a number of initiatives that implement strategies to address short term problems and long-term changes related to the economy.
4. **Liaison & Support:** Provide liaison support and communications with external stakeholders, Business Improvement Districts and Partnerships, and other organizations. Represent the County to all audiences related to economic development.
5. **Communications:** Provide overall marketing and outreach for the department. This includes identifying target markets, developing messaging, and implementing marketing initiatives. Marketing initiatives include a vast array of communication mediums, such as public relations, advertising, multimedia, web, social media, business events, and outreach to the business community.

AED Strategic Plan

AED developed new measures in FY 2025 to align desired outcomes and outputs with the Strategic Plan (FY 2025 to FY 2029), special projects, and organizational development goals. This is incorporated in the FY 2026 update to performance measures. The five goals of AED's aimed at growing jobs and commercial based-tax revenues include:

- Goal 1 – All in on Business Investment. We will build and promote a world-class business environment ready for investment.
- Goal 2 – All in on Thriving Commercial Areas. We will reimagine and bolster the vitality of our commercial centers and corridors.
- Goal 3 – All in on Tech Jobs. We will attract, retain, and grow tech businesses and develop our talent pipeline to cement our position in the global tech economy.
- Goal 4 – All in on our Small Business Ecosystem. We will support the startup, growth and retention of small businesses that make Arlington unique and inclusive.
- Goal 5 – All in on Global Arts, Culture and Tourism. We will invest in arts and culture while bolstering our creative and tourism industries.

PERFORMANCE MEASURES

Critical Measures	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
Public relations placements	N/A	184	29	9	4	4
Email Marketing:						
▪ Number of Sends	N/A	389,715	393,875	401,753	410,000	450,000
▪ Number of Subscribers	N/A	31,191	34,637	38,101	42,000	46,000
▪ Open Rate	N/A	N/A	N/A	43%	48%	53%
▪ Engagement Rate	N/A	N/A	N/A	5%	6%	7%
AED Website Traffic:						
▪ Number of Page Views	122,000	N/A	226,735	210,510	230,000	253,000
▪ Number of Sessions	N/A	93,250	121,901	140,340	154,000	169,000
▪ Page Views per session	N/A	1.81	1.86	1.50	1.65	1.67
▪ Conversion Rate	N/A	1.5%	1.9%	3.8%	4%	4%
AED Events:						
▪ On-Site Hosted Events	1	53	43	N/A	N/A	N/A
▪ Event Registrants	N/A	N/A	N/A	6,749	7,424	8,146
▪ Event Attendees	N/A	N/A	N/A	2,178	2,396	2,600
AED On-Site Hosted events attendance	50	1,088	859	N/A	N/A	N/A
Social Media (Followers):						
▪ Facebook	5,900	8,781	9,764	9,576	10,500	11,500
▪ X (formerly known as Twitter)	4,152	6,699	6,106	5,863	6,000	6,600
▪ LinkedIn	2,252	4,152	5,607	7,003	7,700	8,500
▪ Instagram	N/A	636	814	1,093	1,200	1,320

Supporting Measures	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
Clicks from social media to website	15,832	29,102	19,398	23,559	25,900	28,500
Total impressions for social media efforts	4,961,730	9,573,221	4,703,808	5,674,004	6,200,000	6,800,000

Public Relations

- In previous years, AED's Public Relations (PR) metrics included media mentions; however, in FY 2025 AED shifted to counting only direct pitches. In the near term, AED will include only stories that have been pitched or influenced in-house, leading to a projected decrease in PR placements for FY 2025. This recalibration reflects the transition to an internally managed strategy and ensures resources are aligned with AED's priorities and evolving objectives.
- In FY 2026 AED had a vacancy in the position that handles public relations so no proactive pitches were made. It is anticipated that there will be three economic development announcements that will garner media placement.

Email

- FY 2025 email marketing metrics were consistent with year-over-year increases. In FY 2026 AED added two additional metrics, email "open rates" and "engagement rates", to be consistent with County-wide email marketing efforts.

- Open rates represent the percentage of recipients who opened the email, while engagement rates measure the percentage of those openers who took specific action, such as clicking a link, downloading a PDF, or registering for an event.

Website

- FY 2025 conversion rates grew due to an increase in search engine optimization efforts.

Events

- Beginning in FY 2025, AED no longer measures only internal events. Instead of tracking the number of events, AED now measures the number of registrants and attendees as indicators of success.

Social Media

- Social media engagement is measured by the number of clicks from the social media platform to AED's website, total impressions for social media efforts, and by the number of followers for each of AED and BizLaunch's official social media accounts.
- FY 2025 social media followers increased by six percent as compared to FY 2024 as a result of targeted media ads.

PROGRAM MISSION

The Business Investment Group (BIG) is an award-winning team that serves as the first point of contact for start-up, relocating, and existing businesses in Arlington. BIG's variety of programs and services help diversify the County's business base, foster a collaborative business intelligence environment, and build the capacity of entrepreneurs. BIG's activities support AED's Strategic Plan Goal 1: All in on Business Investment and Goal 3: All in on Tech Jobs.

Important strategic objectives for the Business Investment Group include:

1. **Business Retention and Recruitment:** Attract, retain, and support the expansion of companies in AED's target industry sectors by promoting Arlington as a premiere business destination and providing concierge service focused on eliminating barriers to locating and/or expanding in Arlington.
2. **Support Arlington's Innovation Economy:** Foster an innovation ecosystem that leads to the growth of startup activity via grant funding, impactful educational and networking opportunities, promotional activities, and high-quality business support resources.
3. **Market Insights and Strategy Creation:** Drive economic development strategy creation by leveraging quantitative and qualitative insights from AED, Arlington County Government, and community partners to continually enhance Arlington's economic competitiveness and grow the commercial tax base.

Programs and primary activities of the Investment Group include:

- Business Recruitment and Retention
- Partnership and Alliance Development
- Support of High Growth Tech Startups
- Business Intelligence
- Marketing

PERFORMANCE MEASURES

Output Measures	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
Number of times Arlington companies were engaged in Business Retention & Expansion (BRE) activities	755	869	511	962	900	900

Outcome Measures	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
Leased space (square feet) as a result of AED's efforts	555,497	344,018	352,658	472,466	500,000	500,000
Total number of jobs created and retained in Arlington as a result of AED's efforts (Attraction and Business Retention and Expansion efforts)	3,276	1,398	1,244	2,046	2,200	2,200
Total number of companies announcing to move to or stay in Arlington as a result of AED's efforts	29	25	16	33	30	30

- FY 2022 through FY 2024 square footage metrics were lower than anticipated due to COVID-19 pandemic's lasting impacts on the office market. It is anticipated that leasing activity and net absorption will continue to be below historic norms for the foreseeable future because of the lingering uncertainty surrounding remote work trends and challenging capital markets. Additionally, substantial changes in federal spending and global geopolitics have further shifted trends that BIG is working to adapt to. Pentagon spending is increasingly with businesses outside the region and BIG is working to attract these companies and their network via programming like the Arlington Innovation Fund and the Innovation District. Retention and expansion will continue to play a role as well. Although leasing will likely remain below pre-2020 norms, the new federal emphasis on defense and in-person, domestic work could help maintain or increase square footage and jobs.
- Company prospects refer to companies that are actively working with AED and considering relocating or adding additional space in Arlington. Most of the announcements were either in technology verticals or government contracting, as those industries have remained lone bright spots for growth following the pandemic.
- Business Retention and Expansion (BRE) activities increased in FY 2025 through new initiatives like the Arlington Innovation Fund, which was recognized by the International Economic Development Council (IEDC) and the Virginia Economic Developers Association (VEDA) for its success in building connections between local government and the business community. In FY 2026 and FY 2027, the business development team will continue to push further in engaging the local business community, which should result in exceeding past metrics.

PROGRAM MISSION

Arlington Economic Development's (AED) award-winning small business division aids in the successful start-up, development, and growth of diverse entrepreneurs throughout Arlington County. AED's BizLaunch and BizLaunch en Español programs lead the region in their vast array of programming which includes technical assistance, training, workshops, access to capital, business intelligence, grants, regional collaborations, and initiatives as well as managing internal and external stakeholders. AED's team also increasingly serves new entrepreneurs and small businesses from traditionally underserved populations of the county. The BizLaunch activities primarily support AED's Strategic Plan Goal 4: All in on Small Businesses.

Important strategic objectives for BizLaunch include:

1. **Small Business and Entrepreneurial Support:** Provide innovative capacity-building programs, marketing and promotions that proactively respond to current SME (small and medium-sized enterprises) needs and enhance both the capacity and competitiveness of entrepreneurs and nonprofits.
2. **Market Research and Business Intelligence:** Maintain research and business intelligence tools for small businesses in Arlington to be able to compete in a variety of targeted industry sectors.
3. **Small Business Educational Training, Workshops, and Technical Assistance:** Annually host and coordinate 30+ educational training opportunities to diverse, legacy-owned entrepreneurs and startups in strategically identified areas of need and support.

Programs and primary activities of BizLaunch include:

- Technical Assistance
- Entrepreneurial education, workshops, and conferences
- One-on-One Consultations
- Marketing and Promotional Support
- Market Research
- Shop Local Incentives
- Small Business Directory
- Relocation Assistance

PERFORMANCE MEASURES

Critical Measures	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
Number of Small Businesses attending educational workshops, events, and conferences	1,973	5,445	5,538	5,986	4,000	4,500
Number of Small Businesses/Entrepreneurs Assisted	967	1,127	812	834	800	850
Number of Small Businesses starting year-to-year	N/A	N/A	N/A	50	60	70
Percentage of Diverse Small Businesses assisted each year: ▪ Women-owned ▪ BIPOC	 63% 81%	 53% 63%	 50% 50%	 49% 44%	 50% 40%	 50% 40%

SMALL BUSINESS ASSISTANCE (BIZLAUNCH)

Supporting Measures	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
Number of non-governmental organizations (NGOs) in partnership to support the small business ecosystem	24	24	25	28	35	40
Number of Community Development Financial Institutions (CDFIs) and other financial institutions providing capital to small businesses in Arlington	N/A	N/A	N/A	10	10	10
Number of Small Businesses retained	N/A	N/A	N/A	5	10	15
Social Media and Marketing Promotions impressions in support of small businesses	N/A	N/A	559,841	1,806,315	600,000	750,000

- Program participation remained consistently high, with nearly 6,000 attendees engaging in BizLaunch-sponsored events, educational workshops, and networking opportunities. FY 2025 marked a milestone year, with a record 76 programs delivered.
- Technical assistance demand remained strong, with the BizLaunch team delivering more than 800 one-on-one consultations throughout FY 2025. A notable portion of these sessions served impacted federal workers who, rather than pursuing traditional employment, explored entrepreneurship as a pathway forward. We anticipate similar demand and volume in FY 2026.
- Social media engagement accelerated significantly in FY 2025, driven by the introduction of influencer-led reels, a dedicated content creation station, and sustained outreach to Arlington's small business community across multiple social platforms.

PROGRAM MISSION

The Strategic Investment Group (SIG) builds capacity for sustainable and inclusive economic growth through the strategic development and stewardship of Arlington's urban mixed-use corridors and commercial districts. SIG partners with county colleagues and private, nonprofit, institutional, and public stakeholders to advance regionally competitive, market-viable investment that aligns with broader County goals and objectives.

SIG integrates real estate market analysis, development trend forecasting, and place-based strategies, including public art and placemaking, to strengthen urban identity, enhance the public realm, and inform data-driven decision-making. Through this coordinated approach, SIG supports AED's Strategic Plan, Goal 2: All In on Thriving Commercial Areas and Goal 5: All in on Arts, Culture and Tourism.

Important strategic objectives for SIG include:

1. **Planning and Placemaking**: Provide input into ongoing County planning and regulatory processes in order to ensure County ordinances, policies, and practices create an economically vibrant and sustainable place.
2. **Competitive Building and Business Environment**: Provide outreach and information sources to the development and business community and promote County ordinances, policies, practices, and services that place Arlington in a highly competitive development and business retention/attraction position.
3. **Real Estate Analysis and Project Management:** Provide analysis of key policy issues and management of projects related to economic and fiscal impact, real estate economics, public-private partnerships, cultural facilities, and public art.

Programs and primary activities of SIG include:

- Planning process support and input
- Policy formation
- Regulations and incentives analysis
- Economic and fiscal analysis
- Project management
- Outreach and information
- Public Art, Placemaking, and Engagement

PERFORMANCE MEASURES

Critical Measures	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
Multifamily Deliveries (Units)	1,282	995	2,139	2,177	423	719
Office Deliveries (S.F.)	0	2,082,566	17,500	268,131	0	0
Retail Deliveries (S.F.)	97,888	80,657	162,859	62,139	29,300	5,639
Hotel Deliveries (Rooms)	0	0	0	0	331	344

Critical Measures	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
Number of County Public Art projects in development	28	25	20	23	25	27
Funding provided by developer contributions for public art (in millions) held in Fund 199	$3.5	$3.1	$2.9	$2.7	$2.5	$2.5

- Overall, FY 2025 saw a slowdown in new construction starts due to near-term capital markets issues, but Arlington projects have been well positioned to start construction when the capital becomes available.
- FY 2025 saw continued strength in the multifamily residential market with a slowdown in some planned construction starts due to higher construction costs and interest rates but continued absorption of new deliveries and strong interest in new entitlements.
- Given the slowdown in construction starts, there will be a significant drop in multifamily deliveries in FY 2026 with a slight uptick anticipated in FY 2027 as several of the newly approved adaptive reuse projects are expected to be completed.
- Office deliveries in the past decade have been limited by demand and existing vacancies and thus have been very project and location specific. In FY 2023, there was a large spike in office deliveries driven primarily by the completion of Amazon's HQ2 Phase 1.
- Given current market conditions, it is unlikely that there will be any new office deliveries in FY 2026. However given the adoption of recent policies related to CMRI, it is anticipated that there could be some office conversions, redevelopments, and repositioning.
- The construction start of 2M+ square feet (SF) in Amazon HQ2 phase 2 is currently to be determined. In FY 2025 the delivery of a new Class A office building at 3901 N Fairfax in Virginia Square was fulfilled. Also in FY 2025, George Mason's new 345,000 SF innovation center building delivered a mix of academic, R&D, and private office space.
- Retail deliveries are almost wholly dependent on delivery of mixed-use buildings and the plans that guide the amount of retail in any given project.
- Hotel deliveries have historically been limited and very project specific, and it is difficult to find appropriate sites for new deliveries, and thus often there is limited new deliveries over many years. FY 2026 experienced the delivery of 331 hotel rooms at the Rosslyn Hilton redevelopment. In FY 2027, it is expected that 344 hotel rooms associated with a proposed office conversion in Crystal City will come online, with further planning expected on new hotel opportunities in Rosslyn, National Landing and Clarendon.
- The number of County Public Art projects in development is projected to increase slightly in FY 2026, including ongoing capital projects at the Bozman Government Center, Arlington Ridge Road Bridge, Crystal City–Potomac Yard Transitway Extension, and Columbia Pike Transit Stations.
- FY 2026 is expected to see an increase in placemaking and community engagement opportunities, driven by growing demand for program support from BIDs and partnerships, resulting in several pilot projects.
- Developer contributions are anticipated to rise, leading to increased funding in an account earmarked for public art projects in designated areas.

The following performance measures were previously tracked in the Arlington Arts & Cultural Affairs Division. However, with the move of Public Art to the Strategic Investment Group, these measures are now tracked here:

- The number of County Public Art projects in development is projected to increase slightly in FY 2026, including ongoing capital projects at the Bozman Government Center, Arlington Ridge Road Bridge, Crystal City–Potomac Yard Transitway Extension, and Columbia Pike Transit Stations.
- FY 2026 is expected to see an increase in placemaking and community engagement opportunities, driven by growing demand for program support from BIDs and partnerships, resulting in several pilot projects.
- Developer contributions are anticipated to rise, leading to increased funding in Trust and Agency accounts earmarked for public art projects in designated areas.

PROGRAM MISSION

Cultural Affairs Division's (CAD) mission is to create, support, and promote the arts, connecting artists and the community to reflect the diversity of Arlington and support positive economic impacts. We do this by providing material support to artists and arts organizations, collaborating across AED Divisions to integrate award-winning public art into our built environment, and supporting high quality performing and visual arts programs across the County. The Cultural Affairs Division activities support Strategic Plan Goal 1: All in on Business Investment, Goal 4: All in on Small Business Ecosystem, and Goal 5: All in on Arts, Culture and Tourism.

Important strategic objectives for CAD include:

1. **Focus on presenting international contemporary art practice and performance:** Known as the "Gateway for Immigration into Virginia" and with a population that represents over 100 countries, Arlington positions itself uniquely in Metro DC by focusing on initiatives that celebrate the expression of global arts and culture. Staff has strength in contemporary programming and curation in public art, performances, and incubation of creative industries. This complements the international initiatives of the ACVS and BIG divisions.
2. **Community Partnerships and Engagement:** The CAD managed facilities, programming and technical services provides community member experiences and collaborative opportunities with local arts organizations, non-profits, Business Improvement Districts, and Partnerships in the arts. Programming is brought to locations throughout Arlington including CAD facilities, Parks, Arlington Public Schools, and other public spaces through curated activities, concerts, and festivals.
3. **Creative Placemaking:** The CAD team supports Arlington's placemaking and place keeping by fostering innovation and discussion of ideas through the creation of new forums that encompass technology, people, and creative spaces. This includes efforts to brand Arlington as a hub for arts, culture, and the creative economy as well as promoting the unique cultural and arts assets of the community that enhance quality of life and contribute to economic vibrancy. Crucial new initiatives include: the opening of the new Studios at Arlington Arts (formerly LAC Studios); and the new outdoor 2700 Art Space at Arlington Arts opening in Spring 2026 – both of which are located in Green Valley.

Programs and primary activities of CAD include:

- Cultural Development
- Arts Entrepreneurialism and Shared Studios in Printmaking, Textiles, and Ceramics
- Facilities Management & Technical Resources
- Marketing and Public Relations
- Public Art, Creative Placemaking, and Engagement (Beginning in FY 2026, Public Art became part of the Strategic Investment Group but still works in collaboration with CAD).

PERFORMANCE MEASURES

Critical Measures	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
Arlington Arts Facebook and Instagram impressions	524,012	795,091	1,443,507	1,020,700	1,300,000	1,400,000
Number of artists and arts organizations receiving grants	24	23	22	19	16	19
Number of public performances/exhibits/ events/workshops presented by supported artists and arts organizations within facilities managed by Cultural Affairs	197	174	168	169	187	160
Number of public performances/exhibits/events/workshops presented by Arlington Arts (curated by Cultural Affairs staff)	195	172	161	138	118	140

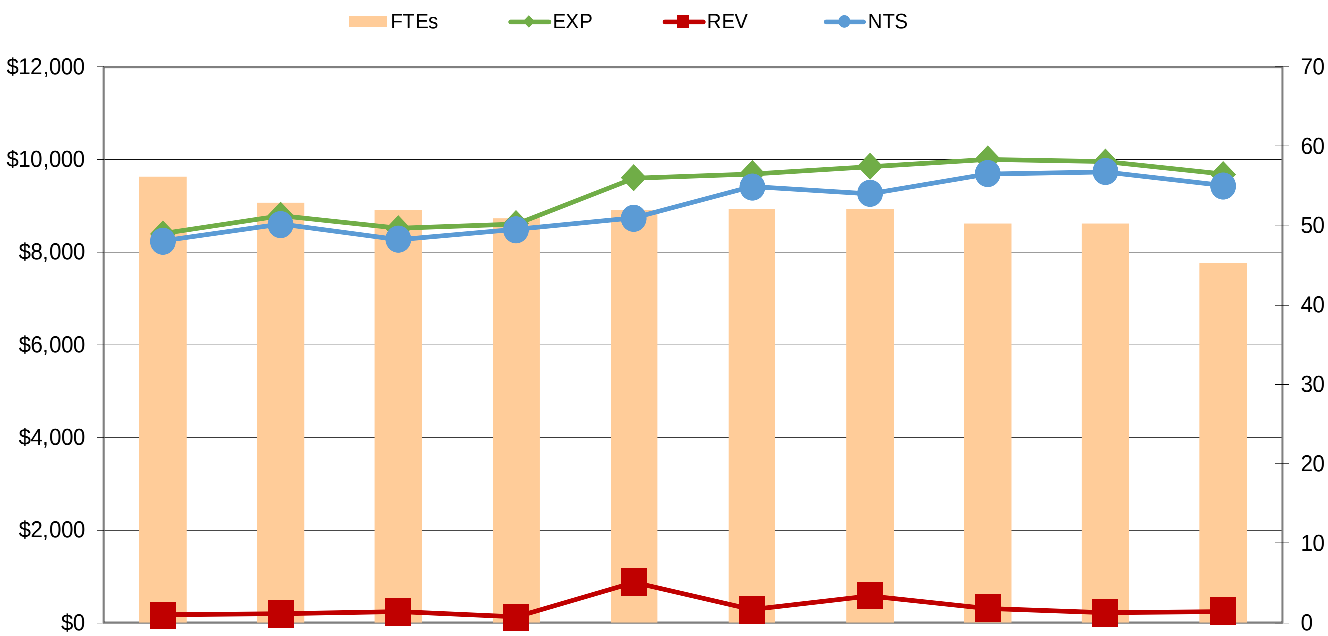
Supporting Measures	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Estimate	FY 2027 Estimate
Number of studio visitors and audiences to The Studios at Arlington Arts (formerly LAC Studios)	779	1,938	2,618	2,322	1,700	2,500
Number of artists paid for working in performances/exhibits/events/workshop s presented curated by Cultural Affairs Division	411	357	371	384	344	370
Investment in arts community ecosystem through annual Arts Grant Program						
• Individual Artist Awards	$37,500	$30,000	$15,000	$60,000	$45,000	$45,000
• Arts Groups Awards	$178,310	$215,810	$200,810	$305,810	$320,810	$320,810
• Arts Grants (One-time funding)	-	$100,000	-	$100,000	-	-
Total Awards Funding	$215,810	$345,810	$215,810	$465,810	$365,810	$365,810

- In FY 2025, the Arts Grant program included an increase of $150,000 in ongoing funding, bringing the base budget to $365,810 to strengthen the investment in the arts ecosystem as part of AED's overall economic development strategy. The grant guidelines were updated to reflect the unique needs and impacts of different artists and arts organizations on arts and culture in Arlington, specifically; the anchor placemaking grant; general operating support 1 and 2; cultural heritage grants; and individual artist grants. The individual artist grant award increased from $7,500 to $15,000, which attracted 200% more applications from individual artists for FY 2026. The median grant award to arts organizations also increased from $12,500 to $22,500. Additionally, FY 2025 included $100,000 of one-time funding to support creative placemaking arts grants.
- Public performances/exhibits/events/workshops by supported artists and arts organizations were consistent with previous years in FY 2025.
- Public performances/exhibits/events/workshops curated by CAD staff include those managed or funded by CAD on behalf of Business Improvement Districts, Partnerships, Department of Parks and Recreation, Libraries, Arlington Public Schools, and other economic development partners.

The construction timeline of the new CAD facilities, coupled with the decommissioning of the Art Truck program, resulted in a decrease in the volume of events and number of artists paid in FY 2026. Events are projected to increase in FY 2027 with the opening of the 2700 Art Space at Arlington Arts.

- LAC Studios moved to a newly renovated space, The Studios at Arlington Arts (3700 S. Four Mile Run Drive), in the fall of CY 2025. This relocation resulted in the temporary closure of the studios and a decrease in visitor numbers for FY 2025 and FY 2026. An increase in membership applications and recent holiday sale attendance support a projected increase in membership and visitors in FY 2027.

EXPENDITURE, REVENUE, NET TAX SUPPORT, AND FULL-TIME EQUIVALENT TRENDS



$ in 000s	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual*	FY 2023 Actual	FY 2024 Actual	FY 2025 Actual	FY 2026 Adopted Budget	FY 2027 Proposed Budget
EXP	$8,401	$8,788	$8,511	$8,605	$9,602	$9,686	$9,842	$10,002	$9,944	$9,674
REV	$165	$191	$236	$120	$869	$279	$577	$311	$206	$248
NTS	$8,236	$8,597	$8,275	$8,485	$8,733	$9,407	$9,265	$9,691	$9,738	$9,426
FTEs	56.20	52.90	51.90	50.90	51.90	52.10	52.10	50.30	50.30	45.30

** Beginning in FY 2022, actual expenditures and revenues received reflect the Governmental Accounting Standard Board (GASB) standards for Statement No. 87 on leases and Statement No. 96 for subscription-based software. See the County Government GASB Summary for department details in the front section of the budget book.*

Fiscal Year	Description	FTEs
FY 2018	▪ The County Board added one-time funding for Arts Challenge Grants ($30,000) and one-time funding for AED to conduct a retail and market study along the Columbia Pike corridor on behalf of the Columbia Pike Revitalization Organization ($150,000).	
	▪ Converted a temporary employee from the Travel and Tourism Promotion Fund to a permanent full-time to support the front desk and operations (conversion of non-personnel to personnel $60,000).	1.00
	▪ Transferred in a position from the Department of Technology Services to support the sales and marketing efforts of ConnectArlington and the transfer in of sales and marketing non-personnel funding for the promotion of ConnectArlington ($130,000 personnel; $50,000 non-personnel).	1.00
FY 2019	▪ The County Board added one-time funding for the Columbia Pike Revitalization Organization (CPRO) ($5,000) and one-time funding for the Lee Highway Alliance (LHA) ($25,000).	
	▪ Eliminated one vacant Strategic Partnerships Executive Liaison ($143,231).	(1.00)
	▪ Eliminated funding for the Greater Washington Hispanic Chamber of Commerce ($6,000) and decreased the ongoing commitment to Arlington Sister Cities Association ($5,000).	
	▪ Eliminated the Cultural Affairs humanities program and its associated vacant position ($77,172).	(0.80)
	▪ Eliminated a vacant Cultural Affairs new Media Curator position ($36,225).	(0.50)
	▪ Eliminated the Connect Arlington marketing program ($50,000) and associated vacant business development position ($115,964).	(1.00)
	▪ Removed expenses ($160,825) associated with the closure of Spectrum Theatre.	
	▪ Transferred partnership funding (CPRO and LHA) from Non-Departmental ($210,500).	
FY 2020	▪ The County Board replaced ongoing funding with one-time funding for the Scenic Studio program ($108,621).	
	▪ The County Board replaced ongoing funding with one-time funding for the facility manager at 3700 South Four Mile Run Drive ($96,663).	
	▪ The County Board added one-time funding for the Mobile Stage ($4,550).	
	▪ The County Board added ongoing funding for the Cultural Affairs literary arts program ($31,000).	
	▪ The County Board added one-time funding to the Lee Highway Alliance ($20,000), the Clarendon Alliance ($10,000), and the Columbia Pike Revitalization Organization ($20,000).	
	▪ The County Board approved one-time funding to retain the Facility Technical Services Director ($151,202).	
	▪ Added ongoing funding for a small business support position ($110,285).	1.00

Fiscal Year	Description	FTEs
	▪ Reduced funding for administrative support services ($11,000).	
	▪ Reduced funding for data subscription licenses ($35,500).	
	▪ Eliminated a vacant Audio Production Specialist position ($108,143).	(1.00)
	▪ Eliminated a filled Cultural Affairs Specialist position in the Costume Lab ($70,761).	(1.00)
	▪ Reduced wireless service charges as part of a County-wide review of wireless service providers ($4,921).	
FY 2021	▪ The County Board added one-time funding to the Lee Highway Alliance ($25,000).	
	▪ Restored ongoing funding for the Scenic Studio program and the facility manager at 3700 South Four Mile Run Drive ($208,975).	
	▪ Eliminated one-time funding for the vacant Facility Technical Services Director position ($138,135).	(1.00)
	▪ Added one-time funding for Columbia Pike small business support ($20,000).	
	▪ Increased ongoing funding to the Biz Launch program for small business support ($35,000).	
	▪ Increased funding for data subscription licenses ($17,980).	
	▪ Increased Scenic Studio fees ($12,900).	
	▪ Decreased other fee revenues based on prior year actuals ($21,366).	
FY 2022	▪ The County Board added funding for a one percent merit pay adjustment, a five percent increase in the range, and an increase to the one-time bonus for staff from $500 to approximately $900.	
	▪ The County Board added ongoing funding for the Lee Highway Alliance ($25,000).	
	▪ The County Board added ongoing funding for business dataset subscriptions ($40,000).	
	▪ The County Board added one-time funding for Resiliency Arts Grants ($50,000).	
	▪ The County Board added a small business support position ($113,900) with funding from the American Rescue Plan.	1.00
	▪ Reduced trade and promotion funding ($10,000), administrative operating expenses ($27,618), and marketing budget ($21,743) in the Director's Office and Real Estate Development Group.	
	▪ Reduced marketing and business engagement activities ($32,000) in the Business Investment Group.	
	▪ *In FY 2021 closeout, funding was added for a one percent merit pay adjustment ($28,055) and a one-time bonus for staff of $450 ($24,493).*	
	▪ *In FY 2021 closeout, a technical adjustment was made to increase the hours of an existing Cultural Affairs Specialist III position by re-allocating existing personnel budget.*	*0.20*

Fiscal Year	Description	FTEs
	▪ *As a part of FY 2021 close-out, the County Board approved ARPA funding for one-time expenses associated with the ReLaunch Program ($500,000 one-time) and the Back2Work Program ($25,000).*	

FY 2023	▪ The County Board added funding for an additional one percent merit pay adjustment for a total increase of 5.25 percent, increased the pay-for-performance budget by an additional 0.5 percent, increased the pay range movement to five percent, and approved a one-time increase in shift differential from $0.75 to $1.00 per hour for B shift and from $1.00 to $1.30 per hour for C shift ($478), a one-time increase in language premium from $0.69 to $0.92 per hour ($534), and an optional one-time cash-out of 40 hours of compensation time for those with balances of 80 or more ($4,505).
	▪ The County Board added one-time funding for arts equity grants ($100,000).
	▪ The County Board added one-time funding for a strategic funding pool for neighborhood partnerships ($180,000).
	▪ The County Board added one-time funding for Plan Langston ($25,000).
	▪ Added funding for the Lee Arts Center ($64,655).
	▪ Added one-time funding for arts programming at the new site located at 2700 South Nelson Street ($85,000).
	▪ Fee revenue increased due to the fee increases for LAC (Lee Arts Center) memberships ($65,666).
	▪ As part of the FY 2022 adopted budget, the County Board approved use of American Rescue Plan Act (ARPA) funding to add a small business support position. The FY 2023 adopted budget continues funding for this position ($88,022, 1.0 FTE).
	▪ As a part of FY 2021 close-out, the County Board approved allocations of the remaining ARPA funding for additional programs based on the Guiding Principles presented by the County Manager in September; the Board directed the County Manager to include funding for these programs in the FY 2023 adopted budget including:
	    ▪ ReLaunch program ($500,000) for the BizLaunch team to provide targeted technical assistance (i.e., financial management, strategic planning, branding, and marketing) to small businesses negatively impacted by the pandemic.
	    ▪ Back2Work Initiative ($25,000) for the Business Investment Group to help address the needs of tech companies and help unemployed, displaced, and underemployed workers find tech jobs.
	▪ *A technical adjustment was approved by the County Board in April 2023 to appropriate funding from Non-Departmental to Departments to allocate the budget for bonuses funded in the adopted budget. The funding added to the Arlington Economic Development Department was $82,813.*	

FY 2024	▪ The County Board added ongoing funding for the Clarendon Alliance neighborhood strategic partnership ($60,000).	

	▪ The County Board added ongoing funding for the Columbia Pike Revitalization Organization neighborhood strategic partnership ($60,000).	
	▪ The County Board added ongoing funding for Langston Boulevard Alliance neighborhood strategic partnership ($60,000).	
	▪ Added one-time funding for a BizLaunch en Español position ($111,340).	1.00
	▪ Eliminated a vacant AED Assistant Director position ($205,888).	(1.00)
	▪ Reduced AED overtime budget ($50,000).	
	▪ Added one-time $2,000 (gross) employee bonuses ($115,933).	
	▪ Increased salaries resulting from communications and finance and accounting job family studies ($18,831).	
	▪ Added one-time funding for the extension of the ReLaunch program to provide targeted technical assistance to small business adversely impacted by the pandemic ($250,000).	
	▪ *In FY 2023 closeout, a technical adjustment was made to increase a Cultural Affairs Program Coordinator position from 0.8 FTE to 1.0 FTE by re-allocating existing non-personnel budget.*	*0.20*
FY 2025	▪ The County Board added additional funding for the Arlington Arts Grant Program ($150,000 ongoing, $100,000 one-time).	
	▪ The County Board added funding for the Langston Boulevard Alliance neighborhood strategic partnership ($54,500).	
	▪ The County Board added one-time funding for the Green Valley Neighborhood Partnership Initiative Pilot ($80,000).	
	▪ The County Board added one-time funding for the Clarendon Alliance neighborhood strategic partnership ($55,000).	
	▪ The County Board added one-time funding for BizLaunch Small Business Support ($250,000).	
	▪ The County Board restored part of the trade and promotion, social media and public relations advertising budget ($50,000 one-time).	
	▪ The County Board converted a one-time funded BizLaunch en Español AED Specialist position to ongoing funding.	
	▪ Eliminated two AED Communication positions ($316,504).	(2.00)
	▪ Froze a vacant AED Program Coordinator position ($115,061, 1.0 FTE).	
	▪ Added funding for maintenance of 2700 South Nelson Street ($75,208).	
	▪ Added ongoing funding for the Clarendon Alliance neighborhood strategic partnership ($5,000).	
	▪ Increased expenses due to adjustments to the annual expense for maintenance and replacement of County vehicles ($1,292).	
	▪ Reduced social media and public relations advertising budget ($53,693).	
	▪ Reduced operation’s subscription budget ($20,000).	
	▪ Reduced trade and promotion budget ($49,544).	
	▪ Decreased fee revenues based on prior year actuals ($15,078).	

FY 2026

- The County Board adopted the performance event fee change at half of the level in the proposed budget associated with the use of Arlington County and Arlington Public School owned performing arts theaters facilitated by the Cultural Affairs Division ($23,583).
- The County Board added one-time funding for the Clarendon Alliance neighborhood strategic partnership ($55,000).
- Eliminated an Arts Enterprise Specialist position and backfilled with one-time funding until the incumbent's retirement ($133,507, 1.00 FTE).
- Eliminated the Arts Truck Program ($24,700).
- Added ongoing funding for contractual increases ($7,464).
- Added one-time funding for Economic Development Tools/Incentives ($750,000). This funding is budgeted in the County's Non-departmental account.
- Decreased expenses due to adjustments to the annual expense for maintenance and replacement of County vehicles ($1,802).
- Decreased fee revenues based on realignment of Arts & Cultural Affairs fees and prior year actuals ($45,000).