

# STRONG ECONOMIES, RESILIENT COUNTIES

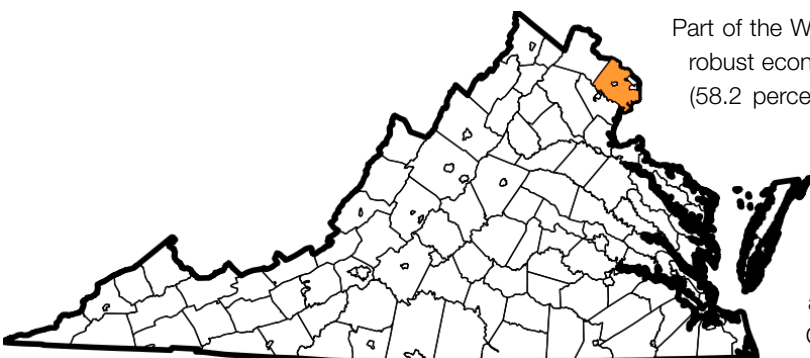
The Role of Counties in Economic Development



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## FAIRFAX COUNTY, VIRGINIA

### Diversifying the Economy through International Engagement



Part of the Washington metropolitan area, Fairfax County, Va. has a robust economy and a highly educated workforce. More than half (58.2 percent) of the county residents 25 years or older have a Bachelor's degree or higher, more than double the national rate. In addition, 74 percent of Fairfax high school graduates attend some form of post-secondary education. The highly skilled labor force of the county earns a higher income than the national average — in 2012, per capita income in Fairfax County was \$71,607, significantly higher than the national average of \$43,735. Given the proximity to the nation's capital, Fairfax County has several federal

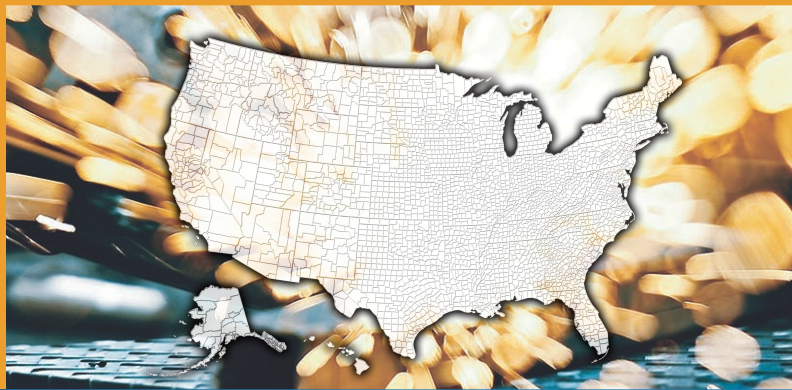
agencies located within its borders as well as many Fairfax County residents are federal government workers or contractors. The county has long focused on economic diversification strategies that would make the county resilient to any uncertainties around the federal budget. To this end, the Fairfax County Economic Development Authority (FCEDA) employs a variety of economic development strategies, including the expansion of the county's presence internationally and attracting firms from all over the world to the county. This case study focuses on the international economic development aspects of the FCEDA activity.

Fairfax County has a long history of promoting economic development. In October 1956, the Fairfax County Board of Supervisors established an Economic and Industrial Development Committee that later became the FCEDA. As of 2014, the authority has three marketing divisions—national, international and business diversity—that work with local companies interested in expanding or new businesses looking to relocate to the area. All FCEDA operations are funded solely by the Fairfax County General Fund. Supported by a \$7.2 million budget, the FCEDA had 34 full-time employees in Fairfax County and more in seven offices outside the county in FY2014. County Supervisors appoint seven members from the Fairfax County business community to the FCEDA Commission to guide and monitor these efforts and this commission hires a president and a CEO of the authority. The FCEDA headquarters are located in Tysons Corner — the county's largest business district.

- Population, 2013: 1.1 million
- County Board members: 10
- County Executive

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FCEDA offices worldwide.

## FCEDA Offices Worldwide

The FCEDA has been one of the early local government adopters of establishing county offices in major business locations in the United States and abroad. Fairfax County is an attractive location for foreign-owned firms because of its position

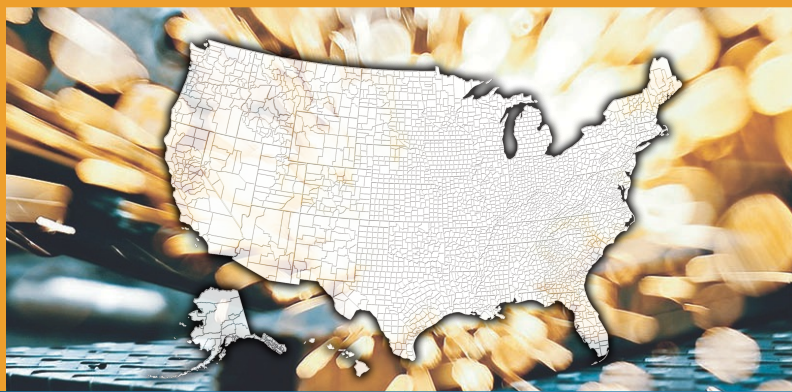
between Washington Dulles International Airport and Washington, D.C., a highly skilled labor force and its infrastructure assets. The FCEDA capitalized on these assets and the growing interest from foreign firms and opened its first international office in 1997 in Tokyo. Since then, the FCEDA has opened up four other international offices (Bangalore, London, Munich and Tel Aviv), moved their Tokyo office to Seoul and opened two domestic offices (Boston and Los Angeles) to promote Fairfax internationally. The FCEDA has efficient and lean operations, with one-two employees in each office, all hired locally. This is a key aspect of the FCEDA international success — local staff members understand the culture and bring in already established business relationships, thereby more effectively promoting Fairfax County. These employees follow a clear and quantifiable goal — marketing available Fairfax office space and land. These activities bring in new jobs to Fairfax, fill vacant space, increase demand for new construction, augment the county's real estate tax base and offset the costs of public services for residents.

As of June 2014, Fairfax is the only U.S. county with seven marketing offices worldwide. This strategy has proven effective in helping to promote the county's strong business environment domestically and internationally. In 2012, more than 400 foreign-owned firms from over 40 countries had operations in Fairfax County, with more than 25,000 Fairfax residents employed by foreign-owned firms.

The FCEDA continues to focus its efforts, including through its international economic development offices, on growing local businesses and bringing in more diverse industries into the county. This has been an on-going process for at least 30 years, long before the recent concerns with the federal sequestration. The FCEDA strategic initiatives increase the resiliency of the county and ensure that changes in the federal government do not severely affect the county's economy.

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