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# Office of the Deputy Mayor for Planning and Economic Development

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Table EB0-1

Description	FY 2015 Actual	FY 2016 Approved	FY 2017 Proposed	% Change from FY 2016
OPERATING BUDGET	\$34,499,156	\$39,871,858	\$36,204,039	-9.2
FTEs	79.5	86.0	79.0	-8.2

The Office of the Deputy Mayor for Planning and Economic Development (DMPED) supports the Mayor in developing and executing the District’s economic development vision.

### Summary of Services

DMPED assists the Mayor in the coordination, planning, supervision, and execution of programs, policies, proposals, and functions related to economic development in the District of Columbia. DMPED sets development priorities and policies, coordinates how the District markets itself to job creators, and leads District development, attraction, and retention efforts. DMPED also works to achieve its mission by focusing on outreach to the business community and neighborhood stakeholders and by forging partnerships between government, business, institutions and communities to foster economic growth for residents of the District of Columbia.

The agency’s FY 2017 proposed budget is presented in the following tables:

## FY 2017 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table EB0-2 contains the proposed FY 2017 budget by revenue type compared to the FY 2016 approved budget. It also provides FY 2015 actual data.

**Table EB0-2**

(dollars in thousands)

Appropriated Fund	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change
<b>GENERAL FUND</b>										
LOCAL FUNDS	20,186	17,550	13,473	-4,078	-23.2	68.6	70.9	67.5	-3.4	-4.8
SPECIAL PURPOSE REVENUE FUNDS	13,403	18,827	20,975	2,148	11.4	6.1	9.0	9.0	0.0	0.0
<b>TOTAL FOR GENERAL FUND</b>	<b>33,589</b>	<b>36,378</b>	<b>34,448</b>	<b>-1,930</b>	<b>-5.3</b>	<b>74.7</b>	<b>79.9</b>	<b>76.5</b>	<b>-3.4</b>	<b>-4.3</b>
<b>FEDERAL RESOURCES</b>										
FEDERAL GRANT FUNDS	450	2,594	1,756	-838	-32.3	2.0	2.3	2.5	0.2	8.7
<b>TOTAL FOR FEDERAL RESOURCES</b>	<b>450</b>	<b>2,594</b>	<b>1,756</b>	<b>-838</b>	<b>-32.3</b>	<b>2.0</b>	<b>2.3</b>	<b>2.5</b>	<b>0.2</b>	<b>8.7</b>
<b>INTRA-DISTRICT FUNDS</b>										
INTRA-DISTRICT FUNDS	461	900	0	-900	-100.0	2.8	3.8	0.0	-3.8	-100.0
<b>TOTAL FOR INTRA-DISTRICT FUNDS</b>	<b>461</b>	<b>900</b>	<b>0</b>	<b>-900</b>	<b>-100.0</b>	<b>2.8</b>	<b>3.8</b>	<b>0.0</b>	<b>-3.8</b>	<b>-100.0</b>
<b>GROSS FUNDS</b>	<b>34,499</b>	<b>39,872</b>	<b>36,204</b>	<b>-3,668</b>	<b>-9.2</b>	<b>79.5</b>	<b>86.0</b>	<b>79.0</b>	<b>-7.0</b>	<b>-8.2</b>

\*Percent change is based on whole dollars.

**Note:** If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to **Schedule 80 Agency Summary by Revenue Source** in the **FY 2017 Operating Appendices** located on the Office of the Chief Financial Officer's website.

## FY 2017 Proposed Operating Budget, by Comptroller Source Group

Table EB0-3 contains the proposed FY 2017 budget at the Comptroller Source Group (object class) level compared to the FY 2016 approved budget. It also provides FY 2014 and FY 2015 actual expenditures.

**Table EB0-3**

(dollars in thousands)

Comptroller Source Group	Actual FY 2014	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*
11 - REGULAR PAY - CONTINUING FULL TIME	4,877	3,881	5,394	4,688	-706	-13.1
12 - REGULAR PAY - OTHER	1,745	3,229	3,197	3,511	314	9.8
13 - ADDITIONAL GROSS PAY	72	295	0	0	0	N/A
14 - FRINGE BENEFITS - CURRENT PERSONNEL	1,234	1,377	1,727	1,697	-30	-1.7
15 - OVERTIME PAY	0	0	0	0	0	N/A
<b>SUBTOTAL PERSONAL SERVICES (PS)</b>	<b>7,928</b>	<b>8,783</b>	<b>10,318</b>	<b>9,896</b>	<b>-422</b>	<b>-4.1</b>
20 - SUPPLIES AND MATERIALS	33	24	68	32	-36	-52.8
30 - ENERGY, COMMUNICATION AND BUILDING RENTALS	554	0	0	0	0	N/A
31 - TELEPHONE, TELEGRAPH, TELEGRAM, ETC.	85	8	12	12	0	0.0

**Table EB0-3**

(dollars in thousands)

Comptroller Source Group	Actual FY 2014	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*
32 - RENTALS - LAND AND STRUCTURES	147	0	0	0	0	N/A
35 - OCCUPANCY FIXED COSTS	831	0	0	0	0	N/A
40 - OTHER SERVICES AND CHARGES	8,131	9,128	5,047	138	-4,909	-97.3
41 - CONTRACTUAL SERVICES - OTHER	11,993	2,962	1,854	4,237	2,383	128.6
50 - SUBSIDIES AND TRANSFERS	6,735	13,583	22,167	21,838	-329	-1.5
70 - EQUIPMENT AND EQUIPMENT RENTAL	18	11	406	52	-355	-87.3
<b>SUBTOTAL NONPERSONAL SERVICES (NPS)</b>	<b>28,528</b>	<b>25,716</b>	<b>29,554</b>	<b>26,308</b>	<b>-3,246</b>	<b>-11.0</b>
<b>GROSS FUNDS</b>	<b>36,456</b>	<b>34,499</b>	<b>39,872</b>	<b>36,204</b>	<b>-3,668</b>	<b>-9.2</b>

\*Percent change is based on whole dollars.

**FY 2017 Proposed Operating Budget and FTEs, by Division/Program and Activity**

Table EB0-4 contains the proposed FY 2017 budget by division/program and activity compared to the FY 2016 approved budget. It also provides FY 2015 actual data. For a more comprehensive explanation of divisions/programs and activities, please see the Division/Program Description section, which follows the table.

**Table EB0-4**

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016
<b>(1000) AGENCY MANAGEMENT</b>								
(1001) AGENCY OVERSIGHT	3,979	2,862	1,722	-1,140	14.5	17.0	9.0	-8.0
(1005) POLICY	92	240	662	422	2.9	2.0	5.0	3.0
(1010) PERSONNEL	0	0	40	40	0.0	0.0	0.0	0.0
(1020) CONTRACTING AND PROCUREMENT	718	800	765	-35	7.7	8.0	5.0	-3.0
(1060) LEGAL	756	683	1,240	557	3.9	4.0	7.0	3.0
(1080) COMMUNICATIONS	182	138	407	269	1.9	1.0	4.0	3.0
<b>SUBTOTAL (1000) AGENCY MANAGEMENT</b>	<b>5,727</b>	<b>4,723</b>	<b>4,835</b>	<b>112</b>	<b>30.9</b>	<b>32.0</b>	<b>30.0</b>	<b>-2.0</b>
<b>(100F) AGENCY FINANCIAL OPERATIONS</b>								
(110F) BUDGET OPERATIONS	253	343	374	31	1.9	2.0	2.0	0.0
<b>SUBTOTAL (100F) AGENCY FINANCIAL OPERATIONS</b>	<b>253</b>	<b>343</b>	<b>374</b>	<b>31</b>	<b>1.9</b>	<b>2.0</b>	<b>2.0</b>	<b>0.0</b>
<b>(2000) DEPUTY MAYOR FOR PLANNING AND ECONOMIC</b>								
(2010) AGENCY OVERSIGHT	7,819	2,526	0	-2,526	0.0	0.0	0.0	0.0
(2020) COMMUNITY OUTREACH	1	0	235	235	0.0	0.0	0.0	0.0
(2030) ECONOMIC DEVELOPMENT FINANCING	-24	0	0	0	0.0	0.0	0.0	0.0
<b>SUBTOTAL (2000) DEPUTY MAYOR FOR PLANNING AND ECONOMIC</b>	<b>7,796</b>	<b>2,526</b>	<b>235</b>	<b>-2,291</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Table EB0-4**

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016
<b>(3000) BUSINESS AND WORKFORCE DEVELOPMENT</b>								
(3010) BUSINESS DEVELOPMENT	1,663	5,492	1,760	-3,732	5.8	6.0	6.0	0.0
(3020) CORPORATE ASSISTANCE	224	190	283	92	1.9	2.0	1.0	-1.0
(3030) WORKFORCE INVESTMENT	384	1,806	0	-1,806	3.1	4.2	0.0	-4.2
(3035) WORKFORCE INVESTMENT COUNCIL	388	900	0	-900	5.3	3.8	0.0	-3.8
<b>SUBTOTAL (3000) BUSINESS AND WORKFORCE DEVELOPMENT</b>	<b>2,659</b>	<b>8,387</b>	<b>2,043</b>	<b>-6,345</b>	<b>16.1</b>	<b>16.0</b>	<b>7.0</b>	<b>-9.0</b>
<b>(5000) PROJECT INVESTMENT</b>								
(5030) ECONOMIC DEVELOPMENT FINANCING	922	1,244	0	-1,244	3.4	9.0	0.0	-9.0
(5035) INDUSTRIAL REVENUE BOND	0	0	1,242	1,242	0.0	0.0	9.0	9.0
(5080) GREAT STREETS INITIATIVE	937	8,000	9,384	1,384	1.4	0.0	1.0	1.0
(5085) GRANTS	5,000	5,250	476	-4,774	0.0	0.0	4.0	4.0
(5090) DC CHINA CENTER	0	200	300	100	0.7	0.0	0.0	0.0
(5095) WASHINGTON DC ECONOMIC PARTNERSHIP	0	0	1,940	1,940	0.0	0.0	0.0	0.0
<b>SUBTOTAL (5000) PROJECT INVESTMENT</b>	<b>6,859</b>	<b>14,694</b>	<b>13,342</b>	<b>-1,352</b>	<b>5.4</b>	<b>9.0</b>	<b>14.0</b>	<b>5.0</b>
<b>(6000) REAL ESTATE DEVELOPMENT</b>								
(6020) DEVELOPMENT AND DISPOSITION	9,308	3,947	3,788	-159	14.5	15.0	16.0	1.0
(6030) NEW COMMUNITIES INITIATIVE	314	3,454	3,511	57	2.9	3.0	4.0	1.0
(6040) ST ELIZABETHS	981	779	1,355	576	4.8	5.0	3.0	-2.0
(6050) WALTER REED	602	1,019	6,721	5,702	2.9	4.0	3.0	-1.0
<b>SUBTOTAL (6000) REAL ESTATE DEVELOPMENT</b>	<b>11,204</b>	<b>9,199</b>	<b>15,375</b>	<b>6,176</b>	<b>25.1</b>	<b>27.0</b>	<b>26.0</b>	<b>-1.0</b>
<b>TOTAL PROPOSED OPERATING BUDGET</b>	<b>34,499</b>	<b>39,872</b>	<b>36,204</b>	<b>-3,668</b>	<b>79.5</b>	<b>86.0</b>	<b>79.0</b>	<b>-7.0</b>

(Change is calculated by whole numbers and numbers may not add up due to rounding)

**Note:** For more detailed information regarding the proposed funding for the activities within this agency's programs, please see **Schedule 30-PBB Program Summary by Activity** in the **FY 2017 Operating Appendices** located on the Office of the Chief Financial Officer's website. "No Activity Assigned" indicates budget or actuals that are recorded at the division/program level.

## Program Description

The Office of the Deputy Mayor for Planning and Economic Development operates through the following 6 programs:

**Deputy Mayor for Planning and Economic Development** – provides specialized and strategic economic development assistance. This includes community outreach and engagement efforts, program and policy development, and inter-agency coordination of services between businesses, developers, and community stakeholders to enable them to pursue ventures that revitalize neighborhoods, create jobs, expand and diversify the local economy, and provide pathways to the middle class for District residents.

**Business and Workforce Development** – creates and retains jobs for District residents by growing and supporting businesses currently in the District, attracting new businesses, and ensuring that District residents have the training necessary to compete for jobs.

This program contains the following 2 activities:

- **Business Development** – promotes local business opportunities and strengthens the business climate to attract and retain businesses and expand entrepreneurship; and
- **Corporate Assistance** – supports attraction and retention of large-scale commercial tenants and employers.

**Project Investment** – provides gap financing and other economic assistance services to businesses and organizations to leverage private sector investment in neighborhood retail, commercial, employment, and housing opportunities for District residents.

This program contains the following 5 activities:

- **Industrial Revenue Bond** – provides access to tax-exempt Industrial Revenue Bond and tax increment financing to help businesses and non-profit organizations renovate and build new construction, make tenant improvements, and purchase capital;
- **Great Streets Initiative** – issues small business capital improvement grants and makes catalytic investments within retail priority areas;
- **Grants** – makes other project investments;
- **D.C. China Center** – attracts Chinese foreign direct investment to the District and facilitates District company entry into the Chinese market; and
- **Washington D.C. Economic Partnership** – supports the activities of the non-profit, public-private organization, the Washington DC Economic Partnership (WDCEP). WDCEP promotes economic development in the District, including business attraction and retention, entrepreneurship, technology, and real estate development.

**Real Estate Development** – implements real estate development projects and coordinates the implementation of the Anacostia Waterfront Initiative, which supports the District's goals of promoting environmentally and socially responsible redevelopment along the Anacostia River and increasing public access to the river and riverfront parks.

This program contains the following 4 activities:

- **Development and Disposition** – manages a portfolio of real estate development projects;
- **New Communities Initiative** – manages projects envisioned to revitalize severely distressed subsidized housing and redevelop neighborhoods into vibrant mixed-income communities;
- **St. Elizabeths** – manages a project designed to create well-planned, multi-use, mixed-income, walkable, livable community on the St. Elizabeths East Campus; and
- **Walter Reed** – provides administrative support to the Walter Reed Army Medical Center Local Redevelopment Authority and manages implementation of the reuse plan.

**Agency Management** – provides for administrative support and the required tools to achieve operational and programmatic results. This program is standard for all agencies using performance-based budgeting.

**Agency Financial Operations** – provides comprehensive and efficient financial management services to, and on behalf of, District agencies so that the financial integrity of the District of Columbia is maintained. This program is standard for all agencies using performance-based budgeting.

### **Program Structure Change**

The Office of the Deputy Mayor for Planning and Economic Development has no program structure changes in the FY 2017 proposed budget.

## FY 2016 Approved Budget to FY 2017 Proposed Budget, by Revenue Type

Table EB0-5 itemizes the changes by revenue type between the FY 2016 approved budget and the FY 2017 proposed budget. For a more comprehensive explanation of changes, please see the FY 2017 Proposed Budget Changes section, which follows the table.

**Table EB0-5**

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
<b>LOCAL FUNDS: FY 2016 Approved Budget and FTE</b>		<b>17,550</b>	<b>70.9</b>
Removal of One-Time Funding	Multiple Programs	-3,050	0.0
Other CSFL Adjustments	Multiple Programs	310	0.0
<b>LOCAL FUNDS: FY 2017 Current Services Funding Level (CSFL) Budget</b>		<b>14,810</b>	<b>70.9</b>
Increase: To adjust the Contractual Services budget	Multiple Programs	2,819	0.0
Decrease: To align personal services and Fringe Benefits with projected costs	Multiple Programs	-114	-0.4
Decrease: To align resources with operational spending goals	Multiple Programs	-3,298	0.0
<b>LOCAL FUNDS: FY 2017 Agency Budget Submission</b>		<b>14,218</b>	<b>70.5</b>
Enhance: To support grant making efforts for the Great Streets Initiative	Project Investment	1,000	0.0
Reduce: To recognize cost savings for community outreach and engagement efforts	Deputy Mayor for Planning and Economic	-150	0.0
Transfer-Out: To DMGEO to support Workforce Investment initiatives	Business and Workforce Development	-1,595	-3.0
<b>LOCAL FUNDS: FY 2017 Mayor's Proposed Budget</b>		<b>13,473</b>	<b>67.5</b>
<b>FEDERAL GRANT FUNDS: FY 2016 Approved Budget and FTE</b>		<b>2,594</b>	<b>2.3</b>
Decrease: To align budget with projected grant awards	Real Estate Development	-838	0.2
<b>FEDERAL GRANT FUNDS: FY 2017 Agency Budget Submission</b>		<b>1,756</b>	<b>2.5</b>
No Change		0	0.0
<b>FEDERAL GRANT FUNDS: FY 2017 Mayor's Proposed Budget</b>		<b>1,756</b>	<b>2.5</b>
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2016 Approved Budget and FTE</b>		<b>18,827</b>	<b>9.0</b>
Increase: To align budget with projected revenues	Real Estate Development	6,000	0.0
Increase: To align personal services and Fringe Benefits with projected costs	Project Investment	82	0.0
Decrease: To realize programmatic cost savings in nonpersonal services	Multiple Programs	-3,935	0.0
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2017 Agency Budget Submission</b>		<b>20,975</b>	<b>9.0</b>
No Change		0	0.0
<b>SPECIAL PURPOSE REVENUE FUNDS: FY 2017 Mayor's Proposed Budget</b>		<b>20,975</b>	<b>9.0</b>
<b>INTRA-DISTRICT FUNDS: FY 2016 Approved Budget and FTE</b>		<b>900</b>	<b>3.8</b>
Decrease: To align resources with operational spending goals	Business and Workforce Development	-450	0.2
<b>INTRA-DISTRICT FUNDS: FY 2017 Agency Budget Submission</b>		<b>450</b>	<b>4.0</b>
Transfer-Out: To DMGEO to support Workforce Investment initiatives	Business and Workforce Development	-450	-4.0
<b>INTRA-DISTRICT FUNDS: FY 2017 Mayor's Proposed Budget</b>		<b>0</b>	<b>0.0</b>
<b>GROSS FOR EB0 - OFFICE OF THE DEPUTY MAYOR FOR PLANNING AND ECONOMIC DEVELOPMENT</b>		<b>36,204</b>	<b>79.0</b>

(Change is calculated by whole numbers and numbers may not add up due to rounding)

## **FY 2017 Proposed Budget Changes**

The Office of the Deputy Mayor for Planning and Economic Development's (DMPED) proposed FY 2017 gross budget is \$36,204,039, which represents a 9.2 percent decrease from its FY 2016 approved gross budget of \$39,871,858. The budget is comprised of \$13,472,611 in Local funds, \$1,756,490 in Federal Grant funds, and \$20,974,938 in Special Purpose Revenue funds.

## **Current Services Funding Level**

The Current Services Funding Level (CSFL) is a Local funds ONLY representation of the true cost of operating District agencies, before consideration of policy decisions. The CSFL reflects changes from the FY 2016 approved budget across multiple programs, and it estimates how much it would cost an agency to continue its current programs and operations into the following fiscal year. The FY 2017 CSFL adjustments to the FY 2016 Local funds budget are described in table 5 of this agency's budget chapter. Please see the CSFL Development section within Volume 1: Executive Summary for more information regarding the methodology used and components that comprise the CSFL.

DMPED's FY 2017 CSFL budget is \$14,810,266, which represents a \$2,740,204, or 15.6 percent, decrease from the FY 2016 approved Local funds budget of \$17,550,470.

## **CSFL Assumptions**

The FY 2017 CSFL calculated for DMPED included adjustment entries that are not described in detail on table 5. These adjustments include a reduction of \$3,050,000 to account for the removal of one-time funding appropriated in FY 2016 to support the National Park Foundation's efforts to protect and maintain the Chesapeake and Ohio Canal and for certain functions within the Commission on Fashion Arts and Events. Additionally, adjustments were made for increases of \$274,181 in personal services to account for Fringe Benefit costs based on trend and comparative analyses, the impact of cost-of-living adjustments, and approved compensation agreements, and an increase of \$22,526 in nonpersonal services based on the Consumer Price Index factor of 2.3 percent.

CSFL funding for DMPED also includes an increase of \$13,089 for the Fixed Costs Inflation Factor to account for projections for fixed costs, telecommunications, and fleet estimates.

## **Agency Budget Submission**

**Increase:** In Local funds, the proposed budget includes a net increase of \$2,819,434 in Contractual Services - Other across multiple programs. This increase primarily supports new contracts to support operations at the St. Elizabeths campus, the agency's community outreach and economic development advisory, and the development of the Walter Reed Army Medical Center.

The proposed Special Purpose Revenue funds budget includes an increase of \$6,000,000 in Subsidies and Transfers in the Real Estate Development program to align the budget with anticipated revenues for the development of the Walter Reed Army Medical Center. Additionally in Special Purpose Revenue funds, the proposed budget includes a net increase of \$82,276 in personal services in the Project Investment program to support city-wide investment initiatives.

**Decrease:** DMPED's Local funds budget proposal includes a personal services net decrease of \$113,649 and 0.4 FTE, primarily in the Project Investment and Real Estate Development programs to properly align the budget with DMPED's city-wide development initiatives. Additionally in Local funds, the proposed budget includes a net decrease of \$3,298,195, primarily in Other Services and Charges.

In Federal Grant funds, the proposed budget includes an overall reduction of \$837,643 in the Real Estate Development program, which consists of a net increase of \$403,272, primarily in Contractual Services, to align the budget with anticipated grant funding for the Walter Reed Army Medical Center and a net reduction of \$1,240,916, primarily in Other Services and Charges and Subsidies and Transfers, to align the budget with anticipated funding of Community Development grants.

The proposed Special Purpose Revenue funds budget reflects a net decrease of \$3,934,593 primarily in Contractual Services - Other across multiple programs. The proposed Intra-District funds budget includes a net reduction of \$450,000 due to savings from the discontinuation of the Memorandum of Understanding with the Department of Employment Services for workforce development services.

### **Mayor's Proposed Budget**

**Enhance:** The proposed Local funds budget includes an increase of \$1,000,000 in the Project Investment program to support grant-making efforts to expand the Great Streets Initiative.

**Reduce:** The proposed Local funds budget includes a decrease of \$150,000 in Contractual Services in the Deputy Mayor for Planning and Economic Development program to recognize cost savings for the agency's community outreach and engagement efforts.

**Transfer-Out:** The Local funds budget proposal for the Business and Workforce Development program includes a net reduction of \$1,595,244, which is comprised of \$378,990 in salaries and Fringe Benefits for 3.0 FTEs and \$1,216,254 in Subsidies and Transfers that were transferred to the Deputy Mayor for Greater Economic Development (DMGEO) to support workforce investment efforts for the agency.

In Intra-District funds, the Business and Workforce Development program reflects a net reduction of \$450,000, which is comprised of \$402,883 in salaries and Fringe Benefits for 4.0 FTEs and a decrease of \$47,117 in Other Services and Charges that were also transferred to DMGEO to support the agency's workforce investment efforts.