
Office of the Deputy Mayor for Planning and Economic Development

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Description	FY 2014 Actual	FY 2015 Approved	FY 2016 Proposed	% Change from FY 2015
Operating Budget	\$36,456,096	\$43,381,362	\$49,671,858	14.5
FTEs	67.2	84.0	86.0	2.4

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 businesses and developers, and recommends and ensures implementation of financial packaging for 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, and communities to foster economic growth for residents of the District of Columbia.

The agency's FY 2016 proposed budget is presented in the following tables:

FY 2016 Proposed Gross Funds Operating Budget, by Revenue Type

Table EB0-1 contains the proposed FY 2016 agency budget compared to the FY 2015 approved budget. It also provides FY 2013 and FY 2014 actual expenditures.

Table EB0-1
(dollars in thousands)

Appropriated Fund	Actual FY 2013	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Percent Change*
<u>General Fund</u>						
Local Funds	11,877	18,266	21,049	17,550	-3,499	-16.6
Special Purpose Revenue Funds	7,684	17,224	20,088	18,827	-1,261	-6.3
Total for General Fund	19,561	35,490	41,137	36,378	-4,760	-11.6
<u>Federal Resources</u>						
Federal Payments	0	0	0	9,800	9,800	N/A
Federal Grant Funds	672	735	1,800	2,594	794	44.1
Total for Federal Resources	672	735	1,800	12,394	10,594	588.6
<u>Intra-District Funds</u>						
Intra-District Funds	311	231	444	900	456	102.8
Total for Intra-District Funds	311	231	444	900	456	102.8
Gross Funds	20,543	36,456	43,381	49,672	6,290	14.5

*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 2016 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2016 Proposed Full-Time Equivalents, by Revenue Type

Table EB0-2 contains the proposed FY 2016 FTE level compared to the FY 2015 approved FTE level by revenue type. It also provides FY 2013 and FY 2014 actual data.

Table EB0-2

Appropriated Fund	Actual FY 2013	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Percent Change
<u>General Fund</u>						
Local Funds	49.5	58.2	71.0	70.9	-0.1	-0.1
Special Purpose Revenue Funds	8.1	6.8	9.0	9.0	0.0	0.0
Total for General Fund	57.6	64.9	80.0	79.9	-0.1	-0.1
<u>Federal Resources</u>						
Federal Grant Funds	0.0	0.0	0.0	2.3	2.3	N/A
Total for Federal Resources	0.0	0.0	0.0	2.3	2.3	N/A
<u>Intra-District Funds</u>						
Intra-District Funds	3.2	2.3	4.0	3.8	-0.2	-5.5
Total for Intra-District Funds	3.2	2.3	4.0	3.8	-0.2	-5.5
Total Proposed FTEs	60.7	67.2	84.0	86.0	2.0	2.4

FY 2016 Proposed Operating Budget, by Comptroller Source Group

Table EB0-3 contains the proposed FY 2016 budget at the Comptroller Source Group (object class) level compared to the FY 2015 approved budget. It also provides FY 2013 and FY 2014 actual expenditures.

Table EB0-3
(dollars in thousands)

Comptroller Source Group	Actual FY 2013	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Percent Change*
11 - Regular Pay - Continuing Full Time	3,669	4,877	5,015	5,394	379	7.6
12 - Regular Pay - Other	1,912	1,745	2,959	3,197	238	8.0
13 - Additional Gross Pay	34	72	0	0	0	N/A
14 - Fringe Benefits - Current Personnel	1,092	1,234	1,563	1,727	164	10.5
15 - Overtime Pay	0	0	0	0	0	N/A
Subtotal Personal Services (PS)	6,708	7,928	9,537	10,318	781	8.2
20 - Supplies and Materials	20	33	31	68	37	118.6
30 - Energy, Communication, and Building Rentals	16	554	0	0	0	N/A
31 - Telephone, Telegraph, Telegram, Etc.	64	85	12	12	0	0.0
32 - Rentals - Land and Structures	243	147	0	0	0	N/A
34 - Security Services	10	0	0	0	0	N/A
35 - Occupancy Fixed Costs	0	831	0	0	0	N/A
40 - Other Services and Charges	8,993	8,131	10,764	5,047	-5,717	-53.1
41 - Contractual Services - Other	2,759	11,993	3,302	11,654	8,352	252.9
50 - Subsidies and Transfers	1,722	6,735	19,720	22,167	2,447	12.4
70 - Equipment and Equipment Rental	10	18	15	406	391	2,608.8
Subtotal Nonpersonal Services (NPS)	13,836	28,528	33,844	39,354	5,510	16.3
Gross Funds	20,543	36,456	43,381	49,672	6,290	14.5

*Percent change is based on whole dollars.

Program Description

The Office of the Deputy Mayor for Planning and Economic Development operates through the following 7 programs:

Deputy Mayor for Planning and Economic Development – provides specialized and strategic economic development assistance. This includes 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, expand and diversify the local economy, and provide economic opportunity 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 4 activities:

- **Business Development** – promotes local business opportunities and strengthens the business climate to attract and retain businesses and expand entrepreneurship;
- **Corporate Assistance** – attracts and retains large-scale commercial tenants and employers;
- **Workforce Investment** – provides workforce education, training, and counseling services to promote job readiness; and
- **Workforce Investment Council** – provides administrative support to the Workforce Investment Council Board, which oversees implementation of the District of Columbia's Strategic Five-Year Plan for Provision of Services under the Workforce Investment Act and provides advice on the development, implementation, and continuous improvement of an integrated and effective workforce investment system.

Instrumentality Economic Development – implements neighborhood revitalization and economic development projects.

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 4 activities:

- **Economic Development Financing** – provides access to tax-exempt Industrial Revenue Bond and tax increments 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; and
- **DC China Center** – attracts Chinese foreign direct investment to the District and facilitates District company entry into the Chinese market.

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 2016 proposed budget.

FY 2016 Proposed Operating Budget and FTEs, by Program and Activity

Table EB0-4 contains the proposed FY 2016 budget by program and activity compared to the FY 2015 approved budget. It also provides the FY 2014 actual data.

Table EB0-4

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015
(1000) Agency Management								
(1001) Agency Oversight	0	13,338	2,862	-10,476	0.0	15.0	17.0	2.0
(1005) Policy	0	275	240	-35	0.0	3.0	2.0	-1.0
(1020) Contracting and Procurement	0	757	800	43	0.0	8.0	8.0	0.0
(1060) Legal	0	620	683	63	0.0	4.0	4.0	0.0
(1080) Communications	0	220	138	-82	0.0	2.0	1.0	-1.0
Subtotal (1000) Agency Management	0	15,209	4,723	-10,487	0.0	32.0	32.0	0.0
(100F) Agency Financial Operations								
(110F) Budget Operations	190	280	343	63	1.8	2.0	2.0	0.0
Subtotal (100F) Agency Financial Operations	190	280	343	63	1.8	2.0	2.0	0.0
(2000) Deputy Mayor for Planning and Economic Development								
(2010) Agency Oversight	317	7	2,526	2,519	1.8	0.0	0.0	0.0
(2020) Community Outreach	1,603	2	0	-2	4.1	0.0	0.0	0.0
(2030) Economic Development Financing	21,218	0	0	0	30.9	0.0	0.0	0.0
(2080) Neighborhood Investment Fund	818	0	0	0	0.0	0.0	0.0	0.0
Subtotal (2000) Deputy Mayor for Planning and Economic Development	23,956	8	2,526	2,517	36.8	0.0	0.0	0.0
(3000) Business and Workforce Development								
(3010) Business Development	0	1,933	5,492	3,559	0.0	6.0	6.0	0.0
(3020) Corporate Assistance	0	307	190	-117	0.0	2.0	2.0	0.0
(3030) Workforce Investment	0	539	1,806	1,267	0.0	4.0	4.2	0.2
(3035) Workforce Investment Council	0	480	900	420	0.0	4.0	3.8	-0.2
Subtotal (3000) Business and Workforce Development	0	3,259	8,387	5,128	0.0	16.0	16.0	0.0
(4000) Instrumentality Economic Development								
(4020) Development and Disposition	12,310	7	9,800	9,793	28.6	0.0	0.0	0.0
Subtotal (4000) Instrumentality Economic Development	12,310	7	9,800	9,793	28.6	0.0	0.0	0.0
(5000) Project Investment								
(5030) Economic Development Financing	0	681	1,244	563	0.0	5.0	9.0	4.0
(5080) Great Streets Initiative	0	5,208	8,000	2,792	0.0	2.0	0.0	-2.0
(5085) Grants	0	5,150	5,250	100	0.0	0.0	0.0	0.0
(5090) DC China Center	0	111	200	89	0.0	1.0	0.0	-1.0
Subtotal (5000) Project Investment	0	11,151	14,694	3,544	0.0	8.0	9.0	1.0

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Table EB0-4 (Continued)

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015
(6000) Real Estate Development								
(6020) Development and Disposition	0	11,649	3,947	-7,702	0.0	15.0	15.0	0.0
(6030) New Communities Initiative	0	380	3,454	3,074	0.0	3.0	3.0	0.0
(6040) St. Elizabeths	0	1,081	779	-302	0.0	5.0	5.0	0.0
(6050) Walter Reed	0	358	1,019	662	0.0	3.0	4.0	1.0
Subtotal (6000) Real Estate Development	0	13,467	9,199	-4,268	0.0	26.0	27.0	1.0
Total Proposed Operating Budget	36,456	43,381	49,672	6,290	67.2	84.0	86.0	2.0

(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 2016 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2016 Proposed Budget Changes

The Office of the Deputy Mayor for Planning and Economic Development's (DMPED) proposed FY 2016 gross budget is \$49,671,858, which represents a 14.5 percent increase over its FY 2015 approved gross budget of \$43,381,362. The budget is comprised of \$17,550,470 in Local funds, \$9,800,000 in Federal Payments, \$2,594,133 in Federal Grant funds, \$18,827,255 in Special Purpose Revenue funds, and \$900,000 in Intra-District 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 2015 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 2016 CSFL adjustments to the FY 2015 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 2016 CSFL budget is \$15,263,652, which represents a \$5,785,549, or 27.5 percent, decrease from the FY 2015 approved Local funds budget of \$21,049,201.

CSFL Assumptions

The FY 2016 CSFL calculated for DMPED included adjustment entries that are not described in detail on table 5. These adjustments include a reduction of \$6,080,000 to account for the removal of one-time funding appropriated in FY 2015, which was comprised of \$5,000,000 for a grant match that provided improvements to facilities and operations for animal care and control, \$1,000,000 to support the D.C. Economic Partnership in fostering and promoting business opportunities within the District, \$70,000 to support the human capital component within the New Communities Initiative to provide assistance with adult literacy, and \$10,000 to fund improvements to walkways and footpaths on District-owned property located in Southwest Washington.

Additionally, adjustments were made for a net increase of \$265,807 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 implemented in FY 2015, and an increase of \$28,644 in nonpersonal services based on the Consumer Price Index factor of 2.2 percent.

Agency Budget Submission

Increase: In Local funds, the proposed budget includes an increase of \$5,035,072, primarily in the Business and Workforce Development and the Deputy Mayor for Planning and Economic Development programs, to reflect realignments of certain functions within the agency to accurately reflect agency performance. In personal services, the proposed budget supports a net increase of \$303,991 across multiple programs due to salary and Fringe Benefits adjustments, as well as the reallocation of positions.

In Federal Grant funds, the proposed budget includes an increase of \$595,976 in the Real Estate Development program due to increased grant funding for the Walter Reed Army Medical Center.

Special Purpose Revenue funds were increased by \$8,319,784 and one Full-Time Equivalent (FTE), primarily in the Project Investment program, to support citywide investment initiatives.

Decrease: In Local funds, the proposed budget includes a decrease of \$5,339,063, primarily in the Agency Management program, which reflects the realignment of agency programs so that it aligns with agency spending.

Special Purpose Revenue funds reflect a decrease of \$10,801,892 and 1.0 FTE, primarily in the Agency Management and Real Estate Development programs, to realign funds for citywide investment initiatives. Additionally, Intra-District funds include a reduction of \$43,890 due to Memorandum of Understanding savings with the Department of Employment Services for workforce development services.

Technical Adjustment: The FY 2016 Federal Payments request for the Office of the Deputy Mayor for Planning and Economic Development includes \$9,800,000 to align the budget with the President’s Budget Request. The funding supports the redevelopment of the St. Elizabeths campus.

Mayor’s Proposed Budget

Enhance: In Federal Grant funds, the proposed budget includes an enhancement of \$198,157 and 2.0 FTEs to support the planning for the redevelopment of the Walter Reed campus.

In Special Purpose Revenue funds, the proposed budget includes an increase of \$1,221,092 to support higher projections for the Business and Workforce Development program; within this increase, there is a net zero transfer of \$2,000,000 from the Anacostia Waterfront Corporation and National Capital Revitalization Corporation Development fund to the H Street Retail Priority Area Grant fund to fund grants for creative and innovative spaces.

Reduce: The Office of the Deputy Mayor for Planning and Economic Development’s budget proposal reflects a reduction of \$763,182 in Local funds in the Business and Workforce Development program to reduce funding that supports development projects.

District’s Proposed Budget

Enhance: The proposed Local funds budget increased by \$3,050,000 of one-time funding in the Project Investment program, which includes \$3,000,000 to support the National Park Foundation’s efforts to protect and maintain the Chesapeake and Ohio Canal and \$50,000 to support certain functions within the Commission on Fashion Arts and Events. In Intra-District funds, the proposed budget increased by \$500,000 in the Business and Workforce Development division for the Workforce Investment Council to solicit technical assistance for the issuance of grants from the Department of Employment Services to comply with the Career Pathways Implementation Amendment Act of 2015.

FY 2015 Approved Budget to FY 2016 Proposed Budget, by Revenue Type

Table EB0-5 itemizes the changes by revenue type between the FY 2015 approved budget and the FY 2016 proposed budget.

Table EB0-5
(dollars in thousands)

DESCRIPTION	PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2015 Approved Budget and FTE		21,049	71.0
Removal of One-Time Funding	Multiple Programs	-6,080	0.0
Other CSFL Adjustments	Multiple Programs	294	0.0
LOCAL FUNDS: FY 2016 Current Services Funding Level (CSFL) Budget		15,264	71.0
Increase: To align resources with operational goals	Multiple Programs	5,035	0.0
Increase: To adjust personal services	Multiple Programs	304	-0.1
Decrease: To realize programmatic cost savings in nonpersonal services	Agency Management	-5,339	0.0
LOCAL FUNDS: FY 2016 Agency Budget Submission		15,264	70.9
Reduce: Reduce funding that supports development projects	Business and Workforce Development	-763	0.0
LOCAL FUNDS: FY 2016 Mayor's Proposed Budget		14,500	70.9
Enhance: To support the National Park Foundation's efforts to maintain the C&O Canal and the Commission on Fashion Arts and Events	Project Investment	3,050	0.0
LOCAL FUNDS: FY 2016 District's Proposed Budget		17,550	70.9
FEDERAL PAYMENTS: FY 2015 Approved Budget and FTE		0	0.0
Technical Adjustment: Federal Payment increase to align the budget with the FY 2016 President's Budget request	Multiple Programs	9,800	0.0
FEDERAL PAYMENTS: FY 2016 Agency Budget Submission		9,800	0.0
No Change		0	0.0
FEDERAL PAYMENTS: FY 2016 Mayor's Proposed Budget		9,800	0.0
No Change		0	0.0
FEDERAL PAYMENTS: FY 2016 District's Proposed Budget		9,800	0.0
FEDERAL GRANT FUNDS: FY 2015 Approved Budget and FTE		1,800	0.0
Increase: To align budget with projected grant awards	Multiple Programs	596	0.3
FEDERAL GRANT FUNDS: FY 2016 Agency Budget Submission		2,396	0.3
Enhance: To support increased Federal grant funding	Multiple Programs	198	2.0
FEDERAL GRANT FUNDS: FY 2016 Mayor's Proposed Budget		2,594	2.3
No Change		0	0.0
FEDERAL GRANT FUNDS: FY 2016 District's Proposed Budget		2,594	2.3

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Table EB0-5 (Continued)
(dollars in thousands)

DESCRIPTION	PROGRAM	BUDGET	FTE
SPECIAL PURPOSE REVENUE FUNDS: FY 2015 Approved Budget and FTE		20,088	9.0
Increase: To align budget with projected revenues	Multiple Programs	8,320	1.0
Decrease: To align resources with operational goals	Multiple Programs	-10,802	-1.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2016 Agency Budget Submission		17,606	9.0
Enhance: To support increased revenue projections	Business and Workforce Development	1,221	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2016 Mayor's Proposed Budget		18,827	9.0
No Change		0	0.0
SPECIAL PURPOSE REVENUE FUNDS: FY 2016 District's Proposed Budget		18,827	9.0
INTRA-DISTRICT FUNDS: FY 2015 Approved Budget and FTE		444	4.0
Decrease: To align resources with operational goals	Multiple Programs	-44	-0.2
INTRA-DISTRICT FUNDS: FY 2016 Agency Budget Submission		400	3.8
No Change		0	0.0
INTRA-DISTRICT FUNDS: FY 2016 Mayor's Proposed Budget		400	3.8
Enhance: To support technical assistance for the issuance of grants to comply with the Career Pathways Implementation Amendment Act of 2015	Business and Workforce Development	500	0.0
INTRA-DISTRICT FUNDS: FY 2016 District's Proposed Budget		900	3.8
Gross for EB0 - Office of the Deputy Mayor for Planning and Economic Development		49,672	86.0

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

Agency Performance Plan

The agency's performance plan has the following objectives for FY 2016:

Objective 1: Manage and deliver the District's economic development programs and projects.

Objective 2: Help businesses relocate to and expand within the District of Columbia, generating jobs for District residents.

Objective 3: Promote the development of an integrated workforce investment system, delivering high-quality services that help District residents gain skills that meet business needs.

Objective 4: Communicate DMPED projects and priorities to internal and external stakeholders.

KEY PERFORMANCE INDICATORS

Measure	FY 2013 Actual	FY 2014 Target	FY 2014 Actual	FY 2015 Projection	FY 2016 Projection	FY 2017 Projection
Number of RFPs issued	7	7	8	5	5	4
Number of project closings	13	5	14	7	19	15
Value of projects under construction (in billions)	\$2.6	\$1.8	\$3.5	\$4.0	\$9.9	\$10.7
Number of affordable housing units for DMPED projects currently under construction	1,144	450	1,460	913	2,011	761
Number of site tours conducted to market District-wide projects	13	5	9	10	10	10
Number of community economic development meetings held	127	65	108	65	65	65
Number of new units of affordable housing developed	850	1,300	2,281	4,818	1,164	Not Available