



ADMINISTRATIVE IMPACT STATEMENT

Date: July 15, 2021

Ordinance/Resolution No. 2019-275 and Companion Paper: Establishment of a Technology Zone Program in the City of Richmond

Patron: Councilman Addison

Legislative History: Introduced October 14, 2019
Amendment of City Code sections 26-872 and 26-989

Administrative Staff Presenting: Leonard Sledge, Director of Economic Development

Impact Statement Summary: The ordinance will require additional staff support to review, monitor, and verify certification, application and compliance processes.

Staff Position: Staff does not oppose the intent of the legislation, but believes more time is needed to understand the fiscal implications and to establish cross departmental processes and procedures for the administration of the program. It is anticipated that additional staff will be required to administer the program.

Administrative Impact Statement of draft Ordinance/Resolution No:

The Department of Economic Development (DED) is in favor of programs that stimulate business growth, investment, and job creation in the city. Technology related businesses across industry clusters continues to be an emphasis for business attraction, retention, and expansion in the city. DED supports allocating resources to grow and attract technology businesses.

It is unclear exactly what the fiscal impact will be at this point for the proposed Ordinance because the current revenue generated by technology businesses is unknown. It can be reasonably assumed, however, that such a program will stimulate more new technology businesses to locate or grow in the city vs. in competing localities. Therefore, new revenue will be generated that otherwise may not be realized in the city. As many businesses use technology to carry out their activities, it is imperative to clearly define a process to determine which businesses will be

defined as technology for the purpose of implementing any incentive program designed for technology businesses.

DED has initiated an Economic Development Strategic Planning process that will evaluate our existing incentive programs and benchmark them with competing localities. We believe that a more comprehensive approach to incentive reform is needed. Staff respectfully requests additional time to work with the Council to refine the ordinance and ensure that proper staffing and city resources can be put in place prior to the adoption of such an ordinance.

Fiscal Impacts

Description	Estimated Impact in \$
Costs associated with Staff support (DED/Finance)	TBD
New revenues	TBD