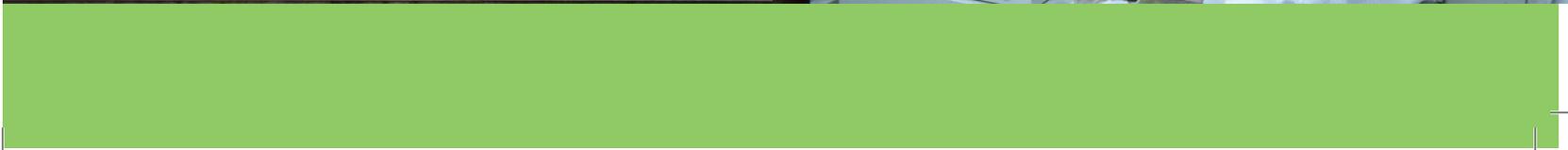




ECONOMIC DEVELOPMENT DEPARTMENT

2016 ANNUAL REPORT



MESSAGE FROM THE DIRECTOR

The City of Manassas is ideally situated in one of the most dynamic metropolitan areas in the nation and our name holds a unique connection to one of the seminal events in American history. Visitors from all over the world travel here to experience that history and the unique Main Street atmosphere that evokes the City's Historic Heart and Modern Beat. In addition to the events that draw history lovers, Manassas offers an eclectic mix of restaurants, shops, attractions and festivals that routinely draw people to the City. Tourism is a crucial part of the local economy and our economic development efforts focus on expanding this industry sector.

Manassas is less well known as a regional employment center and our efforts also largely focus on strengthening this and communicating it to new businesses and residents. Few people are aware that more people commute into the City than out each day (making us a net importer of labor), that our unemployment rate is well below the national average and that the average weekly wage rate is among the highest in the Commonwealth of Virginia. Most surprisingly for the modern era, Manassas has a strong manufacturing base. This is supplemented by major employers in health care and government contracting. Companies such as Micron, Novant Health UVA Health Systems, Lockheed Martin, BAE and Aurora Flight Sciences are tremendous assets that support and drive our success. In short, existing businesses are the single most important asset we have and economic development works hard to foster an operating environment that meets their needs.

This, the Department's first annual report, provides you with highlights of our initiatives and recent success. I hope you find it informative. It is an honor to serve the citizens of Manassas.



*Patrick Small,
Director of Economic
Development*



*Nicole Smith,
Economic Development
Coordinator*

AT-A-GLANCE:



10
Square Miles



Population
41,764
*10.4% ↑



Median Income
\$72,890
*20.6% ↑



Employment Rate
96.5%



Total number of
Establishments
1,530

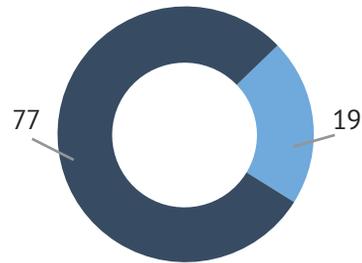


Top Industries
**HEALTH CARE,
PROFESSIONAL SERVICES
GOVERNMENT, RETAIL,
MANUFACTURING**

* From 2010 Decennial Census



Construction Activity: Building Permits
Commercial: 19
Residential: 77
Total value: \$26,200,000



Sales Tax Revenue
2016: \$8,055,065
2015: \$7,555,344
6.6% year over year increase



Meals Tax Revenue
2016: \$3,728,988
2015: \$3,406,893
9.5% year over year increase



COMMERCIAL VACANCY RATES



Office Market Rate 7.5%
indexing below the regional average.



Retail Market Rate 4.6%
with high interest from prospective developers and businesses.



Industrial/Flex Market Rate 5.75%
despite significant new construction.

COMMERCIAL DEVELOPMENT

Investor confidence is soaring as evidenced by new commercial development and the above market purchase price of existing shopping centers.

NEW

The Landing at Cannon Branch – Buchanan Partners

40-acre mixed use development will include 274 luxury townhomes, office buildings, a hotel and waterfront retail shops. The Landing is a \$110-\$150M development project, with projected land sale values of \$25-\$30M; and \$3-\$3.5M in estimated real estate taxes.

Gateway Business Center – Pruitt Corporation

7.5-acre property developed for 80,000 square feet of speculative Class A flex space divided between two office/warehouse buildings. GBC is a \$10M project.



EXISTING

Wellington Station – Rappaport

110,491 square-foot neighborhood shopping center purchased for \$33.5M, \$1M over the assessed value.

Signal Hill Shopping Center – JCR

109,781 square-foot center located in the Liberia Avenue retail corridor. Purchased for \$22.6M, \$2M above assessed value.



NEW RESIDENTIAL DEVELOPMENT



The Gatherings at Wellington – Beazer Homes

55+ community including 72 mid-size condominiums with prices starting at \$259,990.

Prescott Court – D.R. Horton

33 garage townhomes on a 2.29 acre site in Historic Downtown Manassas. Prices starting at \$324,990.

Grant Corner – Evergreen Homes

14 luxury, two-car garage townhomes. Prices starting at \$341,890.

Manassas Station – Christopher Companies

3-story multifamily residential building with 105 luxury apartment units, located on a 3.5-acre site.

BUSINESS DEVELOPMENT

In 2016, the City made significant accomplishments in attracting new businesses in a range of verticals and marked the inception of a unique public/private partnership positioning the City as a destination for entrepreneurs and start-ups.



The Department assisted 110 businesses. Working with 35 existing businesses resulted in eight expansions and after meeting with the City, 24 prospective businesses chose to locate in Manassas.



Business Forward – Coworking Space and Business Incubator

CenterFuse, incepted in 2016 and opening in early 2017, is a unique partnership between the City of Manassas, Historic Manassas, Inc., and the new owners of the iconic Hynson Building at Center and Main Streets in Historic Downtown. Most recently the location of a branch of Fauquier Bank, this 1915 building will become the setting of a shared coworking space for “solopreneurs” and start-up companies. For more information, visit: centerfuse.work

EXISTING BUSINESS EXPANSION "SPOTLIGHTS"

The Department's business retention and expansion program assists existing businesses in expanding their operations, generating new jobs and becoming ambassadors for the area's most energetic commercial market. As a result, existing businesses in the City experienced significant growth in 2016.



- World's largest provider of secure financial messaging services
- Rapidly expanding
- Actively recruits military veterans who represented 7% of new hires
- **30 new jobs!**



- A leader in the development and manufacturing of advanced unmanned systems and aerospace vehicles
- \$10-12M proposed business expansion to accommodate new growth
- **115 new jobs!**



DISTILLING

- 19th craft distillery to open in Virginia, the first in the Greater Manassas region
- \$675,000 investment to expand production
- **6 new jobs!**



MARKETING AND TOURISM

The City's new brand, **Historic Heart, Modern Beat** has been widely embraced by residents and local businesses alike, with many adorning their shops and vehicles with the new logo.

NEW INCENTIVE INITIATIVES

The City strategically uses local incentives to attract new businesses and encourage the expansion of existing ones. Tax deferrals, abatements and cash grants have been used as a means to attract job creation and capital investment.

In 2016, the City Council approved two pilot programs, a Façade Improvement Grant Program and a Landscape Improvement Grant Program to assist owners in making exterior renovations. Attractive building facades and landscape help support and encourage local businesses and have a significant effect on the marketability of the surrounding area. These new programs are designed to encourage business owners to reinvest in their properties throughout the City.

In 2016, the City made 5 grant awards totaling \$77,000, and leveraged \$1.44M in private investment, a ratio of \$19/\$1 of public to private investment.



In 2016, there were 275,902 visitors. 22,486 tourists visited the City's Visitor Center from more than 33 countries.

MARKETING AND OUTREACH AT WORK



At the forefront of technology...

Captured 64% of our digital audience targeting mobile and tablet devices.



Growing our digital engagement...

Increased our total website user traffic by 26%, which included a 14.5% increase in website page views.



Connecting and retaining our social audience...

Reached 540,000 unique Facebook profiles with more than 4 million impressions, growing the audience by more than 50% in one calendar year.



Search engine queries and attention on the rise...

Our SEO/SEM strategy positioned us at the top of all search terms read generating nearly 1.9 million search engine queries.



www.manassascity.org/ED

Economic Development Office
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