HISTORIC HEART. MODERN BEAT.

City of Manassas Economic Development





The City's ability to attract and retain high-wage, private sector jobs in diverse industry sectors like health care, advanced manufacturing, defense contracting and professional/scientific/technical services is a major reason our residents prioritize economic development. In Virginia, Manassas has the:



Manufacturing Wage

Highest Average Weekly Wage \$1,307



Highest Professional & Business Services Wage

\$1,721

\$1,877



MFSSAGF FROM THE DIRECTOR

Prior to the onset of the 2020 pandemic, Manassas was in great shape. When 2019 drew to a close we were celebrating record-low unemployment and record-high wages. As 2020 began we were focused on our strategic plans. But a year that launched with high hopes quickly became a nightmare. In short, 2020 was horrible although not without bright spots as you'll see in this report.

When the pandemic struck in March, the Department of Economic Development overhauled the way we did business and reinvented our operations. We dedicated our website to providing relevant information and resources that would be helpful to businesses. We sifted mountains of information to create detailed summaries for our constituents. Our communications platforms were dedicated almost entirely to sharing this information. We were one of the first to make this shift.

We were the first to provide grants to small businesses when we launched a rent relief program in April before receiving CARES Act funds. After the CARES Act passed we urged businesses to apply for the EIDL and PPP programs. Because of this our businesses were first in line. We provided counseling and increased funding to small business support services. We launched two more

cash grant programs and a matching grant program to support businesses with marketing and advertising. We developed an awardwinning partnership for jobseekers and employers to tackle rising unemployment. We advertised heavily to customers in and around the City urging them to support small businesses and restaurants. We designated Downtown parking spots for carry-out and promoted outdoor dining by licensing sidewalks and extending seating into public streets and parking lots.

We did these things and much, much more without a roadmap. We adapted, improvised and strove to overcome the challenges we faced. I'm pleased to report we succeeded. Not with helping everyone or with meeting every need, but with providing timely assistance and the outstanding customer service Manassas strives for every day.

PATRICK SMALL, CEcD

BY THE NUMBERS

Total Population 41,085



Net-importer of labor:

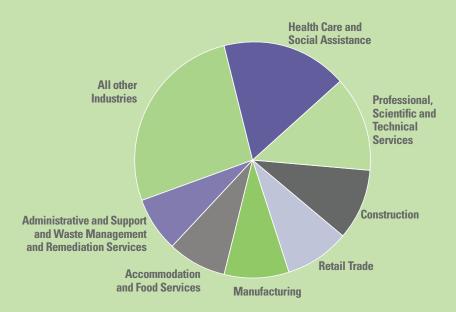
20,528 commute into the City for work



1,562 Total Number of **Business Establishments**

TOP INDUSTRIES:

The City's strong base in healthcare, manufacturing and professional technical services significantly contributed to Manassas weathering the pandemic with our local economy largely intact.







94.3% **Employment**



22,944 Employed Civilian **Labor Force**

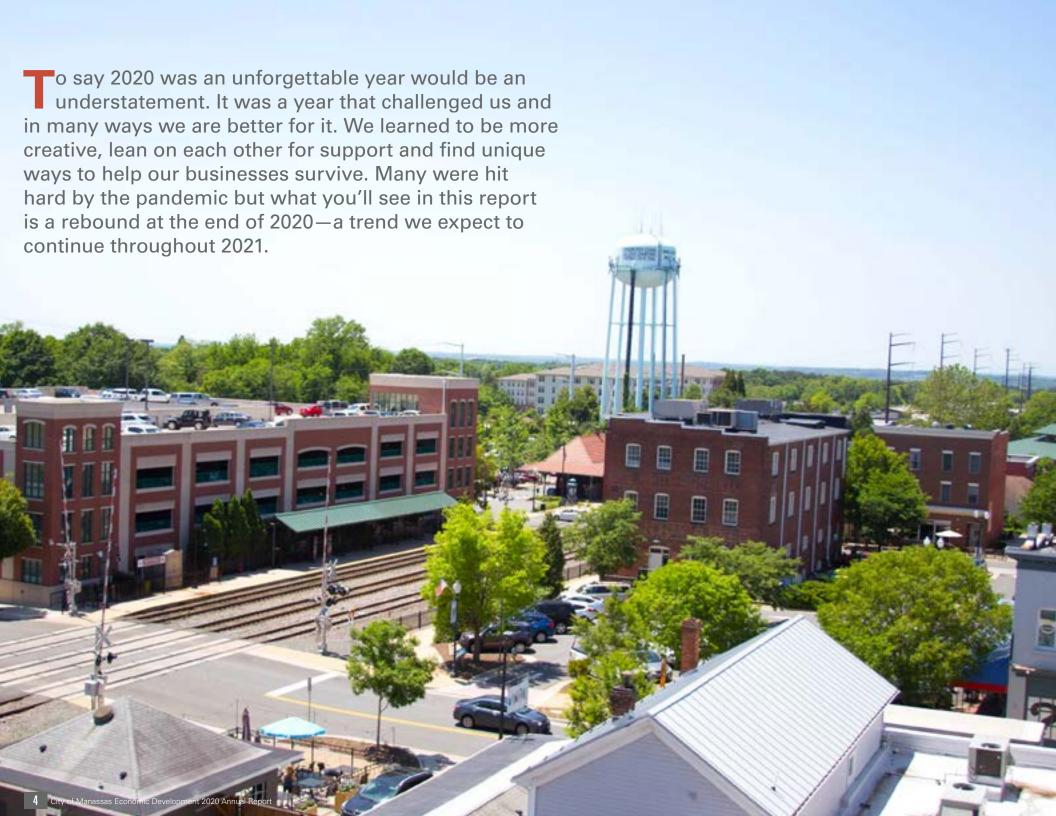


\$81,493 Median Household Income



\$1,307 Average **Weekly Wage**





BUSINESS DEVELOPMENT





Assisted 102 existing businesses

16 expansions

Resulting in

Performance: O NOT MET

Met with

64
prospective companies



10 chose to locate in Manassas

EXISTING BUSINESS VISITATION PROGRAM

Annually the Department conducts an Existing Business Visitation Program meeting with over 120 businesses of varying sizes and industries. The data and intelligence gathered from this program enable the City to better understand our economic base, refine programs and policies and often helps serve as an early warning signal for businesses on the brink of expansion or dissolution. While this traditional outreach continued in the early part of 2020, our focus quickly shifted to helping businesses identify the resources and programs available to survive the COVID–19-related closures and revenue losses. Surveys were conducted to help gauge the impact to City businesses as well as identify the types of services and resources needed to help sustain operations.

While we did not meet our annual goal for new businesses locating in the City, we exceeded the goal for existing business expansions during a very difficult year underscoring the City's continued efforts to create an environment in which our businesses thrive and grow.







































EXPANSION SPOTLIGHTS

High Purity Systems



HPS, an industry leader in the fabrication and installation of process piping systems, completed acquisition and retro fitting of a 30,000 square-foot facility to expand operations in the City of Manassas. The \$8.5 million investment tripled production capacity and created 105 new jobs with average annual salaries in excess of \$100,000. HPS is a supplier to major employers in the advanced manufacturing, aerospace and pharmaceutical industries.



Chantilly Air



Chantilly Air, one of the region's most established charter and aviation services provider, neared completion of its \$13 million state-of-the-art Jet Center in 2020. The company broke ground on the new facility just prior to the pandemic and will be fully operational during the first quarter of 2021.

The new Jet Center includes 60,000 square feet of hangar space and nearly 25,000 square feet of office space. As a Fixed Base Operation (FBO), Chantilly Air will provide business aviation passengers with the amenities they expect while providing pilots much needed respite.

APP Jet Center

The City's Economic Development Authority (EDA) approved the issuance of up to \$6,600,000 of its revenue bonds to APP Properties for the construction of a 20,000 square-foot aircraft storage hangar at the Manassas Regional Airport. Issuing these bonds to support local businesses is the primary purpose of an EDA. APP Jet Center's FBO at Manassas Regional Airport has continued to be one of the top ranking in the region, contributing significantly to the success of the airport. This new investment will expand capacity at the busiest general aviation airport in the state.



Micron

The City's largest taxpayer and employer continues the \$3 billion expansion it announced in 2018, which will increase annual tax revenues by more than \$2 million, create 1,100 permanent high-wage jobs and add more than \$1 billion per year to Virginia exports.

By the end of FY2020 (June 2020), Micron had already invested \$1 billion in construction of Phase 1 of its new and expanded facilities, and had hired 239 new employees with an average annual wage of \$104K. Micron expects Phase 1 to be completed, equipped and begin operations during the summer of 2021.

This expansion strengthens the City's reputation as a highly sought-after location for advanced manufacturing and technology companies, and was a contributing factor to Virginia's designation as the "Top State for Business" by CNBC.



We are very proud of our center in Manassas, Virginia. It is absolutely a world-class manufacturing center driven by the local talent pool."

-Micron President and CEO Sanjay Mehrotra





MARKETING AND OUTREACH

The Department's singular focus has been to support small businesses through these uncertain times. As we look towards reopening, Economic Development will continue to provide timely, pertinent information and advocate for resources and initiatives that heal the damage caused by COVID–19.

RESOURCES FOR SMALL BUSINESSES



Within days of the Governor's emergency declaration and stay-at-home order, the Department of Economic Development launched a COVID—19 Business Resources page on ChooseManassas.org. Our sole focus turned to helping our local businesses by providing timely information related to closures, federal relief programs and individualized support. We collected, synthesized and prioritized relevant information for the business community in weekly e-Newsletters, social media posts and blogs, serving as the go-to for many who were overwhelmed by the tidal wave of information coming at them. The Department also hosted listening sessions and conducted surveys to better understand how deeply businesses were impacted, and as a result, developed targeted relief programs and support.



Facebook: 4K+ 3,700+ 91,500
Followers Likes Engagement

Engagements

ENHANCED MARKETING EFFORTS

We shifted our entire advertising budget over to helping support local businesses survive the COVID-19 pandemic. Ads were run across Google and Facebook providing information about grants and loans to local businesses. Other ads encouraged Manassas residents to support City businesses by ordering online and curbside or to buy gift-cards for future use. We developed video spotlights showcasing local small businesses that found creative ways to continue business operations, and those giving back to the community. As the state began reopening, the City launched campaigns "welcoming back" businesses and customers and highlighting small businesses as the "safer" alternative to big-box shopping.



2019 ANNUAL REPORT RECEIVES A 2020 IEDC BRONZE-LEVEL AWARD

Last year, we won a bronze award for our Economic Development 2019 Annual Report, a project in the Annual Report category of the International Economic Development Council (IEDC)'s 2020 Excellence in Economic Development Awards Program.

IEDC's Excellence in Economic Development Awards recognize the world's best economic development programs and partnerships, marketing materials and the year's most influential leaders. Thirty-five award categories honor organizations and individuals for their efforts in creating positive change in urban, suburban and rural communities. Awards are judged by a diverse panel of economic and community developers from around the world, following a nomination process held earlier this year. IEDC received over 500 submissions from four countries.

The 2019 Annual Report highlights the Department of Economic Development's achievements for the year including major projects, notable business expansions/relocations and trends in the commercial market. It serves not only as a reporting tool but as an opportunity to showcase the City as a thriving community in which to do business. The document tells the story of how we are doing as an organization to address those factors. It also serves as an attraction tool for prospects which indirectly may create jobs and expand the tax base.

COVID-19 RESPONSE: DIRECT BUSINESS SUPPORT

A huge thank you to @cityofmanassas and their continued support of small businesses!

> Manassas City Council and the Department of Economic Development created relief funds and grant programs that allow small businesses like ourselves the ability to pivot and adjust our approach to how we operate during the COVID-19 pandemic.

The Small Business Grant Fund for Marketing and Advertising has allowed us to bring Zandra's catering to you in this newly wrapped van!"

—Zandra's Taqueria



CARES ACT GRANTS

Many small businesses in the City of Manassas were severely impacted by the COVID-19 pandemic. Retailers, personal service providers and restaurants experienced significant revenue losses literally overnight and were forced to make costly business model adjustments in order to survive. City Council acted guickly to provide much needed relief to small businesses in the form of grants to help offset this burden using federal CARES Act dollars. Council also

amended an ordinance governing the use of public streets and sidewalks so that restaurant and retailers could establish outdoor dining and service areas for their customers. Over the course of the year, several rounds of grants were offered as the impacts of the pandemic extended longer than any of us imagined. Thanks in part to these actions by Council, most of the City's businesses weathered the storm and we are unaware of any permanent COVID-19-related closures.



Small Business Relief Grant Programs Funded through CARES Act



Rounds 1 & 2

180
Businesses Supported



Marketing Grant

31 Businesses Supported



Historic Downtown Rent Relief Grant

24
Businesses Received
Rental Assistance



Total Businesses Supported



We can't thank the City of Manassas enough for their continued support of local businesses during these unprecedented times. We utilized the marketing grant that the City offered to great success. In addition to running targeted Facebook ads, having printed catalogs made, and more — our biggest success came from our first physical mailer campaign sent out to 5,200 homes. We may never have tried this on our own (at least not for a long while), but with the help of the grant, we rolled the dice, and boy did we win big! We made the money back (and some) on what it cost for the entire mailer campaign, and not only that, we strategically sent out to select neighborhoods about 10-15 minutes outside of Manassas so that we could bring people into Historic Downtown Manassas to shop/eat. We're still seeing visitors from this mailing campaign because we added not only a holiday coupon, but a coupon that was good for after the first of the year. It worked to great success and we have the City of Manassas to thank for enabling us to try something that we may not have otherwise attempted."

—Deron Blevins, Shining Sol Candle



COVID—19 RESPONSE: JOB SEEKER AND EMPLOYER SERVICES

When unemployment rapidly increased in the spring of 2020 as a result of the COVID-19 pandemic, the City of Manassas acted quickly. Utilizing CARES Act funds, we expanded partnerships with Virginia Career Works-Northern and Northern Virginia Community College to implement targeted programs to help residents get back to work and support businesses in up-skilling their workforce. Programming included occupational training, subsidized work experiences, job fairs and Incumbent Worker Training. The money also funded much needed supportive services like transportation, child care and providing work-related equipment.

Recognizing that we live in a dynamic region, Manassas joined forces with our neighbors in the City of Manassas Park and Prince William County to offer these services regionally. Under ELEVATE, we collectively invested over \$1.9 million in CARES Act funds to help residents get back to work and support businesses in up-skilling their workforce. In total, more than 230 job seekers enrolled in critical training programs; 15 have gained employment; \$450K went towards training and wrap-around services support. Over 40 businesses participated in targeted job fairs; 18 employers and 613 employees have participated in the Incumbent Worker Training program.

The City's unemployment rate fell to 5.6 percent after hitting record highs of almost 11 percent, thanks in part to initiatives like ELEVATE.



Job Seeker and Employer Services

\$230,000



49 Jobseekers enrolled in training



Employees supported through Incumbent Worker Training



Employers participated in Incumbent Worker Training



20 City businesses participated in job fairs



\$25,000

Expanded Small Business Development Center free counseling programs

The SBDC provided help with accessing federal relief programs and other pandemic-related issues.



Julia* is a City of Manassas resident and prior to her enrollment in ELEVATE, she was running a home recording/audio production business that was significantly impacted by the COVID-19 pandemic and she became unemployed. Julia was seeking a remote position that would allow her the flexibility of also caring for her son with special needs. After discussing her employment and training goals with her case manager, she decided to pursue the Certified Billing and Coding Specialist (CBCS) training at Northern Virginia Community College (NVCC). She was enrolled in the ELEVATE program on October 5, 2020 and began her CBCS training on November 2, 2020. Julia successfully completed her CBCS training, and on December 7, 2020, she earned her CBCS Certification issued by National Healthcareer Association (NHA). On December 22, 2020, Julia informed her case manager that she received a full-time job offer from Sentara Healthcare as a Care Coordinator earning \$28.38 per hour."

*Names have been changed to maintain participant confidentiality.

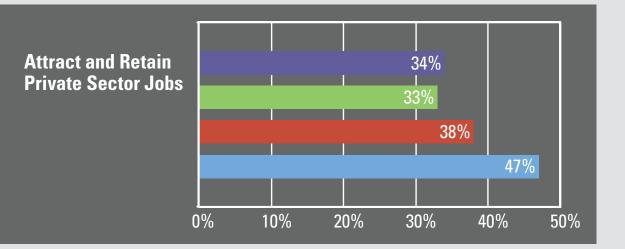
CITIZEN SATISFACTION

The City of Manassas recently released results from the fourth City Citizen Satisfaction Survey. This survey is performed every two years by ETC Institute to assess resident satisfaction with the delivery of City services. We conducted the survey despite the pandemic because it helps determine priorities for the future, measures trends from previous surveys and benchmarks against other communities. As a result, some metrics may have been impacted.

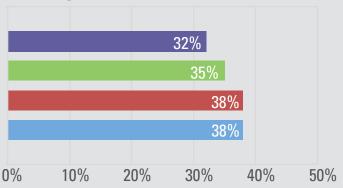
While there are always opportunities to improve, Manassas residents continue to express satisfaction not only in the provision of City services (like solid waste management, utilities and public safety), but also in our enviable quality of life. Eighty-two percent of respondents rated the City as an excellent or a good place to live. Many also responded positively with regard to the City's ongoing work to foster a thriving local economy. The City's efforts to revitalize Historic Downtown, increase tourism and promote new restaurants and retailers received the highest accolades.

Satisfaction with the City's ability to attract and retain private-sector jobs increased by 24 percent, likely attributed to the major announcements by Micron and others the last few years. The Department of Economic Development has stepped up our communication efforts, based in part on results from previous satisfaction surveys. The goal is simple: change perceptions by telling our story.

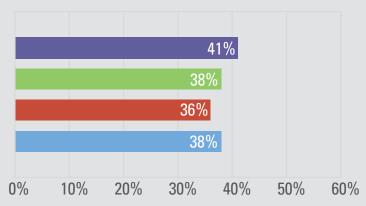




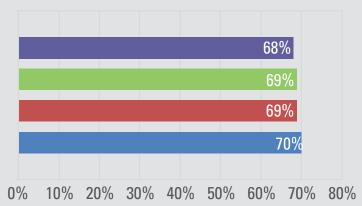




Efforts to Improve Commercial Corridors



Continue to Revitalize Downtown







Sponsor a "Business of the Year" award and recognize 10 existing businesses for their achievements

Performance:

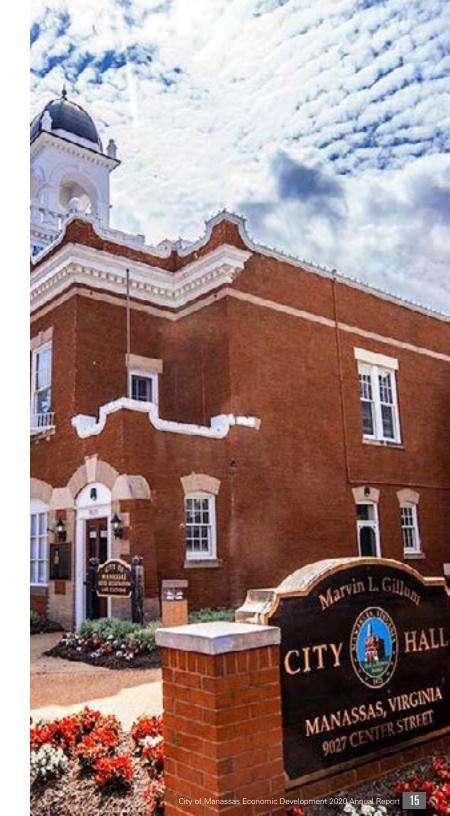


The City of Manassas presented its fourth annual "Business of the Year" award to Didlake Inc. during Prince William County's Chamber of Commerce awards held on Feb. 27, 2020 at Hylton Performing Arts Center in Manassas. This was the Chamber's 10th annual awards dinner to honor the best of the local business community. Headquartered in the City of Manassas, Didlake is a non-profit founded in 1965 to create opportunities for people with disabilities through services that connect them to employment, education and the community. It provides contract business services for commercial and government clients employing over 1,200 people, and has won numerous awards for its facilities maintenance, packaging/assembly and administrative services.

Additionally, the following four Manassas-based businesses received top honors from the Chamber:

- Jewell Technical Consulting Tech Company of the Year
- Tang's Alterations Excellence in Small Business
- United Bank Community Outreach Award
- Vanderpool, Frostick & Nishanian (VF&N) Members Choice Award

We also recognize many other businesses throughout the year in our bi-weekly e-Newsletters and social media for their expansions and notable accomplishments.



IMPROVING COMMERCIAL CORRIDORS



Complete \$15 million in commercial construction at The Landing

Performance:



THE LANDING AT CANNON BRANCH

The Landing at Cannon Branch is the largest and most transformative redevelopment project in the City's history. Located within our technology corridor, the 40-acre mixed-use development includes 274 luxury townhomes, 250,000 square feet of Class A office space, retail and a hotel, once fully completed. The location offers easy access to Route 28 and Prince William Parkway, and is adjacent to Manassas Regional Airport plus major employers like Micron Technology.

In total, the City expects to realize an estimated \$30 million in land sales and \$3.5 million in annual local tax revenues from this project, which is estimated as a \$250 million capital investment. Since 2016, Buchanan Partners, the City's Master Development partner for the project, has paid the City over \$13 million in land purchase proceeds and interest.



Office

Buchanan Partners completed the first of several planned office buildings at The Landing, a 20,000 square foot office over retail project at 10500 Gateway Boulevard. The two-story speculative building includes 10,000 square feet of ground floor retail and Class A office space on the second floor. Rents are expected to range from \$32-\$35 per square foot space above the City-wide average. Leasing has been impacted by the pandemic, but the developer is working with an office prospect for the second floor.

Additionally, a concept design has been completed for a second, much larger, office building. The 80,000 squarefoot building will allow the City to potentially land larger prospects that we otherwise could not accommodate.

To date, Buchanan has spent \$3.1 million on new site improvements and infrastructure to establish interior roadways, pedestrian improvements, public spaces and landscaping to establish a sense of place for the overall project.



Residential

Stanley Martin Custom Homes completed building 274 luxury townhomes at The Landing, and as of the end of December 2020, had sold 268 of those units. The neighborhood has been wildly popular among 25-34 year-olds who are looking for a more walkable, town-center-like feel. According to a buyer-profile of purchasers, most are first-time homebuyers in the fields of IT, government contracting and armed services who chose The Landing for its location. New developments like The Landing at Cannon Branch are encouraging signs to prospective residents that new housing is still attainable in Manassas, unlike many other areas around the greater DC area. Home prices range between \$400,000 and \$450,000, well in excess of the City's published median home price of \$324,600.





Tru by Hilton

In October 2020, Manassas welcomed its first hotel in more than two decades to The Landing. The \$15 million dollar project by Holladay Properties is perfect for this development and fills a massive deficiency in the City's lodging capacity.

The 98-room Tru by Hilton is strategically positioned near a concentration of companies generating the highest commercial lodging demand: Micron Technology, Lockheed Martin, Novant Health/UVA Health System, George Mason University, BAE Systems and Boeing/Aurora Flight Sciences. Annually, nearly 2 million tourists visit the nearby

battlefields, take part in one of the many year-round festivals and dine in Historic Downtown Manassas. Yet for years, Manassas was unable to accommodate the lodging demand generated by our largest employers and these visitors. No longer will they be required to travel elsewhere to meet their needs.

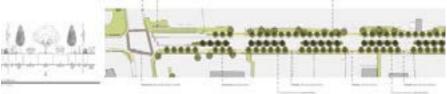
The Tru by Hilton brand is contemporary, fresh and in many ways represents the economic future of Manassas. In Tru, Hilton has created an original, back-to-basics experience with soul—a perfect complement to the City's Historic Heart and Modern Beat theme.



Complete 10% design for the Mathis Avenue Streetscape Project

Performance:





Revitalization of the Mathis Avenue corridor continues to be a top priority for the City. In 2020 the project took another step forward with completion of 10 percent design and an Engineering Design Survey. The survey provides critical information about existing site conditions and serves as a baseline for project design.

The Survey will be used to move the initial concept plan and completed 10 percent design to 60 percent design in 2021. This is an estimated \$6.7 million design and construction project and is currently included in the City's Capital Improvement Plan.

FAÇADE AND LANDSCAPE IMPROVEMENT GRANTS

The City's Façade and Landscape Improvement Grant programs were designed to enhance commercial properties along major thoroughfares and at gateway entrances into the City. They continue to be highly successful resulting in increased private investment in real property.

Over the past four years the program has granted \$376K and leveraged \$3.5M in capital investment. The City made three grant awards totaling \$47,775, leveraging \$233,893 in private investments during 2020.



COMMERCIAL MARKET

While the pandemic disrupted everyone, here in Manassas we were heartened to see how our community came together. Residents rallied to support local restaurant staff displaced by closures, retailers shifted to e-commerce to sell product and landlords worked with tenants to find creative solutions to keep the lights on.

Because of these, and other local efforts to help businesses survive through the pandemic, Manassas did not experience a significant uptick in vacancies and permanent closures as feared. There is no doubt that many business owners were challenged and forced to make difficult staffing and budgetary decisions, but overall they were able to adapt and will come out of this stronger than before.

By the end of 2020, most residents displaced by closures returned to work and the unemployment rate bounced to a more "normal" rate of 5.6 percent. Both office and retail markets stabilized within what is considered a healthy range. The City's industrial market proved to be an economic driver with manufacturing continuing to bolster the economy.

OFFICE SPOTLIGHT



Inventory square feet



Average Sales per square foot



Average Rent per square foot



Vacancy Rate 5.3%

FLEX SPOTLIGHT



Inventory square feet



Average Sales per square foot

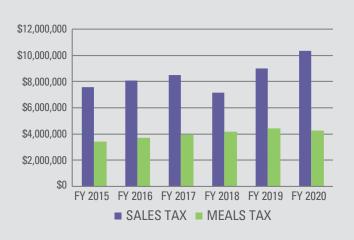


Average Rent per square foot



Vacancy Rate 2.95%

MEALS AND SALES TAX REVENUE







RETAIL SPOTLIGHT



2.9M square feet



Average Sales \$262 per square foot



Average Rent \$23.31 per square foot



Vacancy Rate 6.1%



TOURISM



Increase visitors to Events and Attractions by 5%

Performance:







Prior to the proverbial "bottom falling out" in March of 2020, Manassas experienced one of its best years for tourism. The City's festivals, parades, events and markets attracted nearly 500,000 visitors from across the state positioning Manassas as a top travel destination.

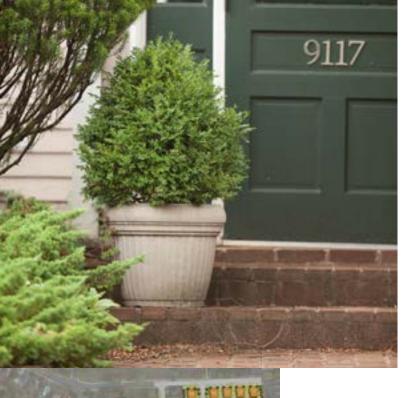
As a result, tourism has become a significant contributor to the City's local economy.

Revenue from tourism dollars directly impact City residents by supporting public education, police and fire and infrastructure like sidewalks and roads.

According to the United States Travel
Association (USTA), Manassas continued its
trend of annual gains in 2019* for the eleventh
consecutive year with expenditures reaching
\$74.6 million, a 2.6 percent increase from 2018.
Visitor spending was directly responsible for
578 jobs with an annual payroll of \$12.7 million
and \$1.9 million in local tax receipts.

2020 was not nearly as successful due to the pandemic, but we are hopeful that the City's reputation as being a top place to visit will continue in 2021 as we plan the return of festivals and events like First Friday's and Bands, Brews and Barbeque.

^{*} USTA RELEASES THIS DATA ON A ONE-YEAR LAG



RESIDENTIAL UPDATE

The City's strategic plan places a priority on increasing the supply of quality housing options that serve people with diverse and unique needs by working with private developers on new construction. In 2020, several new residential projects were proposed or approved, which would collectively add 383 units to the City's housing stock. We also saw average median home values increase by close to six percent year over year to \$324,600, and a three percent increase in total residential property revenue to \$3,174,398,300.





Average home value

6% 1 to \$324,600

Total residential property revenue 3% to \$3.2 BILLION



Van Metre at Manassas

Van Metre Homes has submitted a rezoning application to construct 200-250 townhomes and single-family units. The project will provide a mix of housing types adjacent to the City's downtown core that is convenient to the VRE rail station and compatible with the existing community.



Kings Landing

NVP Homes will develop a low-density enclave of 98 high-end townhouses in a transitional area between single-family homes, institutional uses and heavy industrial use. The Kings Landing development will add to the diversity of the housing stock in the City of Manassas and will be appealing to those seeking to move up from smaller homes or those who want to downsize to an attractive development while still remaining in the City of Manassas. Expected home values will range from \$500,000 to \$600,000. Rezoning has been approved.



Jefferson Squ

Dreamfinder Homes will develop one of the largest remaining under-developed parcels in the Cay. Located on the edge of Historic Downtown, the 10-acre project was granted legislative approval in 2019 and includes 85 executive townhomes and 20 luxury single-family homes priced from \$400,000 to the mid-\$500,000s, well above the City's median home price. Units will be available for sale in 2022.

OUR TEAM



Patrick Small
Director, CEcD



Nicole Smith
Assistant Director, CEcD



Heidi Baumstark
Administrative Assistant

ABOUT THE CITY OF MANASSAS DEPARTMENT OF ECONOMIC DEVELOPMENT

The City of Manassas fosters economic development through collaborative partnerships, sustainable fiscal management and supportive City services. The Department of Economic Development (DED) is directly responsible for business attraction, retention, expansion and tourism initiatives in the City. As a resourceful and collaborative organization, we work in partnership with our key stakeholders to ensure that we have what businesses need, including a highly educated and technical workforce with access to major universities and first-class training providers. We take an active leadership role in all that we do, serving as a community builder, collaborator and agent of economic growth.

For additional information on our programs visit: **choosemanassas.org** or call **703.257.8881.**



















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