



Economic Development

The Department of Economic Development's (DED) mission is to strengthen and diversify Loudoun's economy by providing world-class, innovative, and customer-focused services to attract, grow, and retain targeted businesses of all sizes. This focus helps DED achieve the County's vision for a diverse and globally competitive Loudoun economy.

DED use diverse staff specialists, internal collaboration among departments, and community partnerships towards the following strategic goals and action items to implement the County's economic development priorities:

1. Diversify the economy by strengthening targeted clusters;
2. Create places where businesses want to be;
3. Invest in the skilled workforce needed for continued economic growth; and
4. Market the County as a world-class business ecosystem.

DED's efforts contribute to the growth of Loudoun's commercial tax base and fiscal health and support the Board of Supervisors' (Board) vision of a business-friendly environment. Loudoun's sustained economic growth generates significant local tax revenue from businesses that supports quality schools, parks, public facilities, and infrastructure, while reducing the pressure on residential tax rates. This environment supports a high quality of life for the County's residents, workers, and visitors.

Economic Development's Programs

Business Attraction, Retention, and Expansion

Recruits new companies in targeted sectors; retains and grows existing Loudoun businesses; strengthens the infrastructure for small businesses and an ecosystem to support entrepreneurs; provides research and industry expertise to inform data-driven input on economic development policies, market conditions, and outreach strategy.

Marketing and Communications

Creates and communicates Loudoun's economic development messages using a variety of marketing tools; supports business development efforts through collateral production and event assistance and marketing of Loudoun-grown, Loudoun-made products to consumers.

Strategic Initiatives

Researches data about the economy, businesses, workforce, and real estate; provides land use, permitting, and zoning assistance on commercial development projects; supports workforce development; supports the development of economic development policies and positions.

**Economic Development****Budget Analysis****Department Financial and FTE Summary¹**

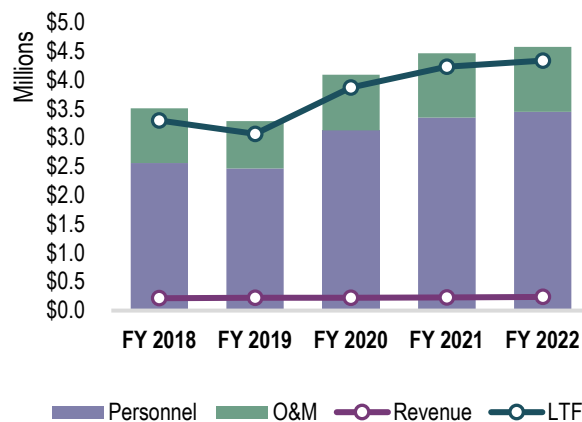
	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Proposed	FY 2022 Projected
Expenditures					
Personnel	\$2,558,692	\$2,468,408	\$3,125,985	\$3,346,454	\$3,446,848
Operating and Maintenance	953,722	820,897	966,500	1,115,981	1,127,141
Total – Expenditures	\$3,512,414	\$3,289,305	\$4,092,485	\$4,462,435	\$4,573,989
Revenues					
Permits, Fees, and Licenses	\$8,784	\$12,847	\$7,908	\$7,915	\$7,915
Charges for Services	2,292	0	0	0	0
Other Financing Sources	203,050	209,877	214,199	222,089	228,752
Revenue	\$214,126	\$222,724	\$222,107	\$230,004	\$236,667
Local Tax Funding	\$3,298,287	\$3,066,581	\$3,870,378	\$4,232,431	\$4,337,322
FTE	22.77	24.00	25.00	25.00	25.00

¹ Sums may not equal due to rounding.



Economic Development

Revenue and Expenditure History



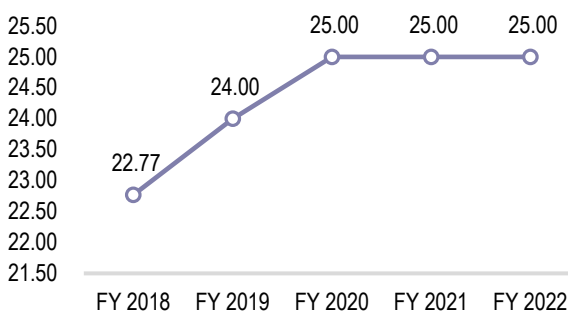
Revenue/Local Tax Funding

As shown, DED is primarily funded by local tax funding (over 94 percent). The Department receives a small amount of land development revenue. The majority of the revenue consists of a transfer from the Restricted Use Transient Occupancy Tax (TOT) Fund to offset the international business development manager position and activities.

Expenditure

The majority of DED's expenditure budget is dedicated to personnel costs. Personnel expenditures have risen due to additional staffing as outlined in the Staffing/FTE History section, a 3 percent market-based salary adjustment and a 3.5 percent merit-based increase in FY 2019, a 2 percent market-based salary adjustment and a 3 percent merit-based increase in FY 2020, and adjustments in FY 2020 to reflect a new classification and compensation system approved by the Board in November 2019.

Staffing/FTE History



FY 2019: 1.00 FTE workforce development analyst, 0.23 FTE convert part-time position into a full-time agricultural business development manager

FY 2020: 1.00 FTE business retention specialist

The Department's expenditures have increased primarily due to personnel costs, which comprise approximately 75 percent of the Department's expenditures. DED shares some land development revenue, though its predominant source of revenue is a transfer from the Restricted TOT Fund to offset the cost of the activities and staff within the international cluster.

DED's personnel expenditures have risen due to the gradual addition of new positions since FY 2017. The slight decrease in spending from FY 2018 to FY 2019 was the result of several vacancies occurring at the same time. As DED adapts to attract and retain businesses, the Department has shifted its structure to support different areas of service delivery. This includes building on the success of job creation through approved positions in FY 2019 and FY 2020 that support workforce development and business retention.

The opening of the Silver Line Metro stations is anticipated to occur in FY 2021. The FY 2021 Proposed Budget includes a base increase of \$150,000 to support an extensive marketing campaign called "Dulles Difference." This campaign will increase marketing of transit-oriented development opportunities in the County, highlight convenient access to the international airport, and reinforce how these sites are best-positioned to attract a highly skilled workforce. The scope for this

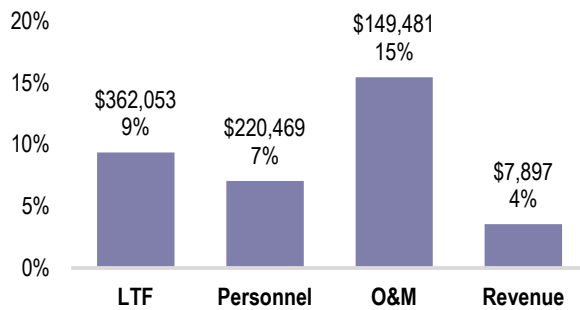


Economic Development

campaign will leverage traditional and new media, a direct marketing campaign, and multiple familiarization tours. The plan will target not only key U.S. markets but also the five top international markets for business development.

DED continues to execute the cluster strategy to further diversify Loudoun's economy. Special emphasis continues to be placed on emerging clusters, international business development, small business, and startup support, and the expansion of agriculture-based businesses. For FY 2021, DED is not requesting additional resources.

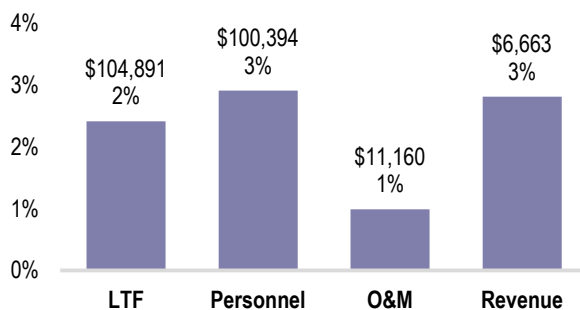
Percent Change from Adopted FY 2020 to Proposed FY 2021



Reasons for Change:

Personnel: ↑ general pay changes || **O&M:** ↑ base adjustments for Dulles Difference Campaign ||
Revenue: ↑ transfer from Restricted TOT Fund

Percent Change from Proposed FY 2021 to Projected FY 2022



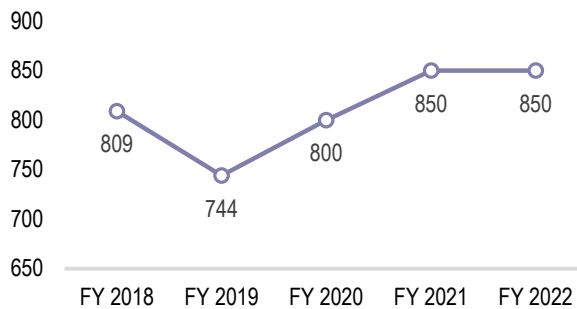
Reasons for Change:

Personnel: ↑ 3 percent || **O&M:** ↑ 1 percent
|| **Revenue:** ↑ projected TOT revenue



Economic Development

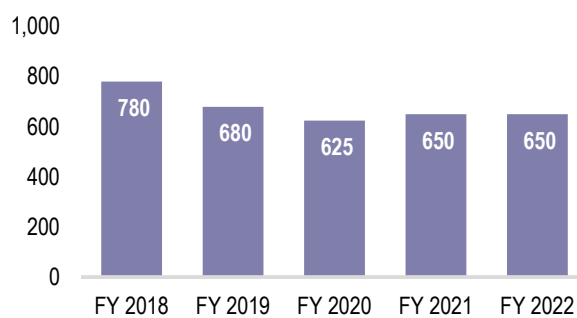
Key Measures



Objective: Maintain and support a prosperous business environment by executing business assistance, business retention and expansion, as well as small business and entrepreneurship programs.

Measure: Number of visits to existing businesses to build new/renew relationships.

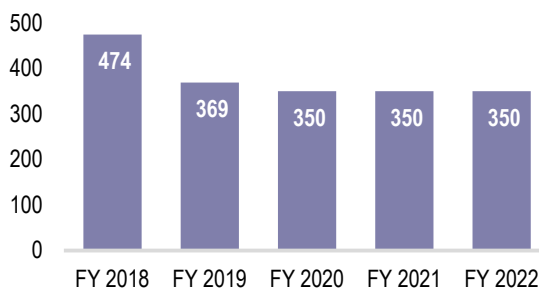
The addition of a business retention specialist in FY 2020 is anticipated to grow the visitation program, impacting investment and job growth in the County.



Objective: Grow Loudoun's commercial tax base to impact Loudoun's sound fiscal health.

Measure: Number of companies worked with.

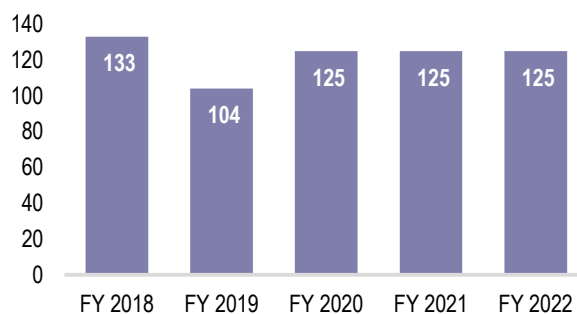
As business retention is a key strategy in the growth of the commercial tax base, business outreach is critical to building and maintaining relationships. The total number of companies worked with is expected to hold steady with consistent numbers for ombudsman assistance and new prospects in the pipeline.



Objective: Grow Loudoun's commercial tax base to impact Loudoun's sound fiscal health.

Measure: Number of active prospects in pipeline.

This measure is expected to continue at a measured pace through the focused economic development program. The data reflect the number of businesses with which DED has made meaningful progress on attraction, expansion, and retention efforts.



Objective: Maintain and support a prosperous business environment by executing business assistance, business retention and expansion, as well as small business and entrepreneurship programs.

Measure: Total ombudsman assistance.

Demand for DED ombudsman assistance has held steady for several years.