



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 uses 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 digital lead generation, collateral production, event assistance and media relations. Develops comprehensive marketing programs in support of businesses, such as the Dulles Difference campaign to support Metro development, the Loudoun is Ready consumer confidence campaign and programs to support rural businesses such as Take Loudoun Home and the Loudoun Made- Loudoun Grown Marketplace.

Strategic Initiatives

Researches data about the economy, businesses, workforce, and real estate; provides land use, permitting, and zoning assistance on commercial development projects; supports business development and retention initiatives and lead generation; supports workforce development; supports work on economic development policies and positions.

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

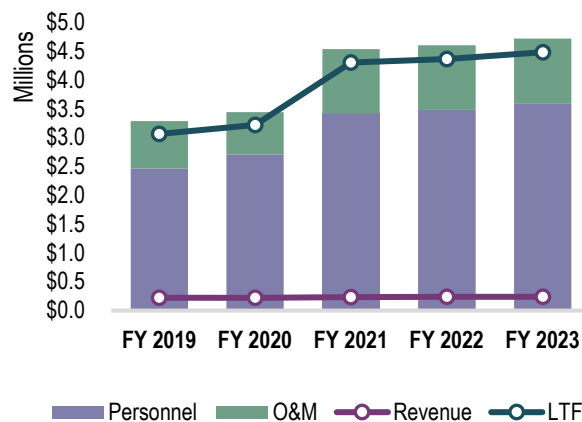
	FY 2019 Actual	FY 2020 Actual	FY 2021 Adopted	FY 2022 Proposed	FY 2023 Projected
Expenditures					
Personnel	\$2,466,265	\$2,707,680	\$3,421,599	\$3,481,991	\$3,586,451
Operating and Maintenance	820,897	733,450	1,115,981	1,123,788	1,135,026
Total – Expenditures	\$3,287,162	\$3,441,130	\$4,537,580	\$4,605,779	\$4,721,477
Revenues					
Permits, Fees, and Licenses	\$12,847	\$6,923	\$7,915	\$8,000	\$8,000
Other Financing Sources	209,877	214,199	224,159	230,678	230,678
Total – Revenues	\$222,724	\$221,122	\$232,074	\$238,678	\$238,678
Local Tax Funding	\$3,064,438	\$3,220,008	\$4,305,506	\$4,367,101	\$4,482,799
FTE	24.00	25.00	25.00	25.00	25.00

¹ Sums may not equal due to rounding.



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Revenue and Expenditure History



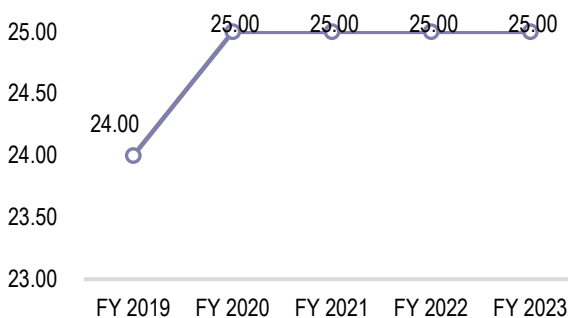
Revenue/Local Tax Funding

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 Transient Occupancy Tax (TOT) Fund¹ to offset the international business development manager position and activities.

Expenditure

The majority of DED's expenditure budget is dedicated to personnel costs. Major drivers of personnel increases are additional staffing as outlined in the Staffing/FTE History section, market and merit increases in each fiscal year, adjustments in FY 2020 and 2021 to reflect a new classification and compensation system approved by the Board in November 2019, and a 3.5 percent merit increase for FY 2021.

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 slightly in FY2022 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 but have leveled off in recent years. As DED adapts to attract and retain businesses, the Department has shifted its structure to support different areas of service delivery. The new positions approved in FY 2019 and FY 2020 focus on workforce development and business retention and expansion. DED transitioned much of their activity in FY 2021 to support Loudoun businesses impacted by the COVID-19 pandemic through direct outreach, business support programs, and the administration of the Board's Business Interruption Fund and Loudoun is Ready Outdoor Seating Grant.

The opening of the Silver Line Metro stations is anticipated to occur in FY 2022. The FY 2021 Adopted Budget included a base increase of \$150,000 to support extensive marketing of development opportunities adjacent to Loudoun's Metro stations. Due to the unclear economic picture resulting from the COVID-19 pandemic, when the Board of Supervisors

¹ Additional information on the Restricted TOT Fund can be found in Volume 2 of the FY 2022 Proposed Budget.



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adopted the FY 2021 budget, most new expenditures, including this base increase, were frozen until revenues are determined available to support those expenditures. 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 campaign will leverage traditional and new media, a direct marketing campaign, and multiple familiarization tours. The campaign 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 2022, DED is presenting a resource request on behalf of Northern Virginia Economic Development Alliance and focuses on the thematic area of community wellness and resiliency.

Community Wellness and Resiliency

In the fall of 2019, ten counties and cities agreed to align as the Northern Virginia Economic Development Alliance (NOVA EDA) to promote Northern Virginia as a great place to do business.¹ The primary function of the NOVA EDA is to assist the individual economic development agencies with activities focused on regional brand creation and promotion and to fully engage with the Virginia Economic Development Partnership as a recognized Regional Economic Development Organization (REDO). Primary duties and responsibilities are:

- To review site selector partnership opportunities, including those with the Virginia Economic Development Partnership, made available to REDO;
- To develop partnership opportunities with the Virginia Economic Development Partnership, or independently with the approval of the alliance, to include familiarization (FAM) tours and attraction of industry events and conferences;
- To evaluate other opportunities, to include GoVirginia grant applications, that support the primary purpose of the NOVA EDA;
- To develop and maintain basic collateral to support the NOVA EDA's efforts; and
- To identify any other activities that a majority of the Membership agrees that aid in the promotion of the regional economic development efforts.

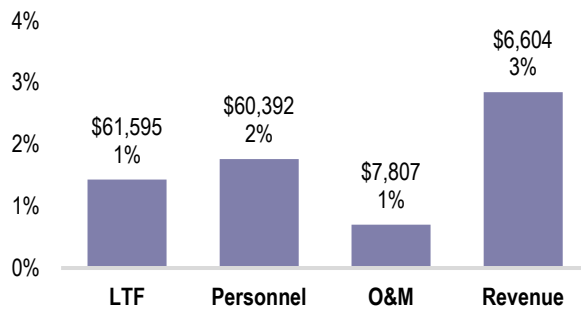
NOVA EDA launched at no cost to the jurisdictions involved and has operated at no cost to the members for the first 18 months of its existence. In recognizing the benefits of working in concert—in particular, the response to the COVID-19 pandemic—NOVA EDA's members have decided to pursue grant funding through GoVirginia to scope potential approaches to organization and management, budgeting and funding, staffing, policy development, business development activities, and brand development. Member communities have also agreed to pursue funding from each jurisdiction to fund the formalization of the partnership. As a NOVA EDA member organization, DED is requesting \$50,000 to be designated for participation in NOVA EDA.

¹ The partnership includes Alexandria Economic Development Partnership, Arlington Department of Economic Development, Fairfax City Economic Development, Fairfax County Economic Development Authority, City of Falls Church Economic Development, Fauquier County Department of Economic Development and Tourism, Loudoun County DED, City of Manassas Economic Development, City of Manassas Park Economic Development, and Prince William County Department of Economic Development.



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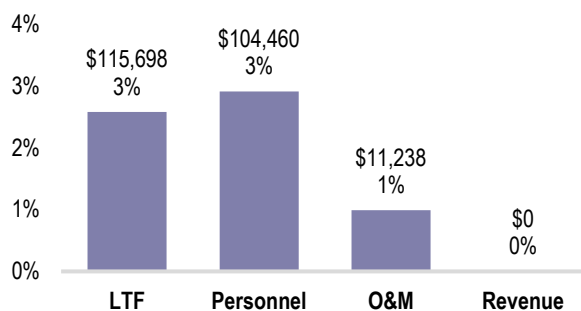
Percent Change from Adopted FY 2021 to Proposed FY 2022



Reasons for Change:

Personnel: ↑ general pay changes || **O&M:** ↑ internal service charges || **Revenue:** ↑ transfer from Restricted TOT Fund

Percent Change from Proposed FY 2022 to Projected FY 2023



Reasons for Change:

Personnel: ↑ 3 percent || **O&M:** ↑ 1 percent
|| **Revenue:** ↔

**Economic Development****FY 2022 Proposed Resource Request**

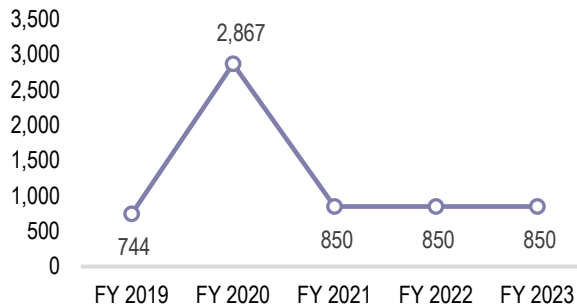
Northern Virginia Economic Development Alliance (NOVA EDA) ¹						
Personnel:	O&M:	Capital:	Reallocation:	Revenue:	LTF:	FTE:
\$0	\$50,000	\$0	\$0	\$0	\$50,000	0.00
Details			Overview			
Service Level:	n/a		<ul style="list-style-type: none">• In the fall of 2019, ten counties and cities agreed to align as NOVA EDA to promote Northern Virginia as a great place to do business.• NOVA EDA assists individual economic development agencies with activities focused on regional brand creation and promotion and to fully engage with the Virginia Economic Development Partnership as a recognized Regional Economic Development Organization (REDO).• DED is requesting \$50,000 to be designated for participation in NOVA EDA.			
Mandates:	Not mandated					
PM Highlight:	None					
Program:	None					
Positions:	None					
Theme:	Community Wellness and Resiliency					
One-time Costs:	\$0					
Recurring Costs:	\$50,000					
Personnel:	O&M:	Capital:	Reallocation:	Revenue:	LTF:	FTE:
\$0	\$50,000	\$0	\$0	\$0	\$50,000	0.00

¹ Funding for this FY 2022 resource request is budgeted in the Nonprofit Organizations in the Miscellaneous Chapter.



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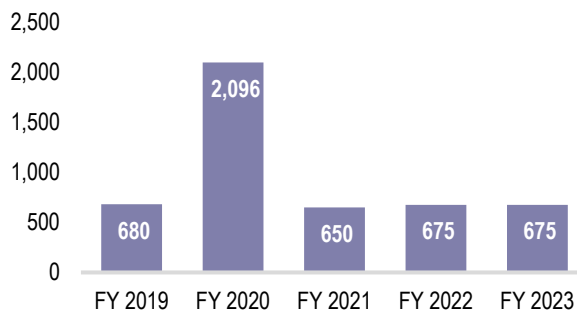
Key Measures



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.

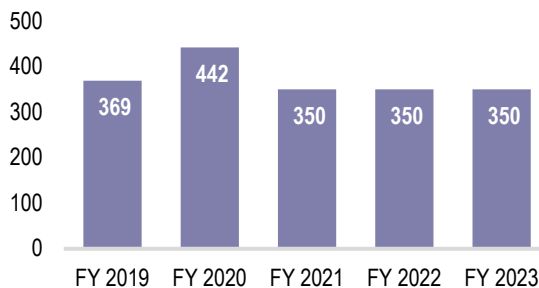
Business outreach during the COVID-19 pandemic (FY 2020 and FY 2021) has been a top priority for the Department. This includes work administering the Business Interruption Fund and assisting with other pandemic-related business resources.



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

Measure: Number of companies worked with.

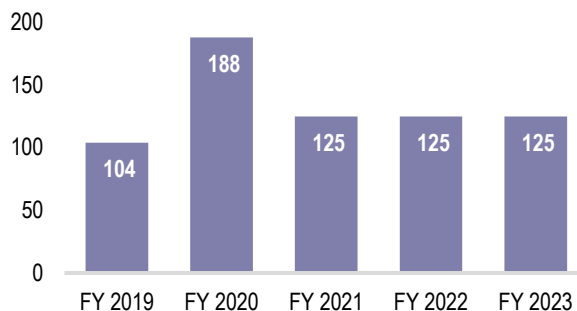
As business retention is a key strategy in the growth of the commercial tax base, business outreach is critical to building and maintaining relationships. The total number of companies worked with increased in FY 2020 due to the department responding to effects of the COVID-19 pandemic.



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 generally held steady for several years, with increases during periods of rapid new development and changes in regulations.