



Economic Development

To strengthen and diversify Loudoun's economy by providing world-class and innovative customer-focused services to attract, grow, and retain targeted businesses of all sizes. This focus helps the Department of Economic Development (DED) achieve the County's vision for a diverse and globally competitive Loudoun economy, contributing to the growth of Loudoun's commercial tax base in support of the stated strategic initiatives of the Board of Supervisors (Board).

Department Program

Economic Development

Recruits new companies in targeted clusters; retains and expands existing Loudoun businesses; strengthens the ecosystem to support entrepreneurial growth and small business creation; and provides research and industry expertise to inform data-driven input on economic development policies, market conditions, and outreach strategy.

Activities

- Industry Cluster Development
- Retention and Expansion
- Entrepreneurial Growth
- Enhance and Promote Loudoun's Business Advantages

Financial Information

FY 2024 Adopted Information

	Expenditures	Revenue	LTF	FTE
Economic Development	\$5,519,358	\$247,893	\$5,271,465	28.00
Total	\$5,519,358	\$247,893	\$5,271,465	28.00



Economic Development

Industry Cluster Development

What We Do: DED's data-driven and customer-service-oriented business development strategy is focused on key industry clusters that are best positioned for future growth based on the County's assets and projected future market trends. To strategically grow existing industry clusters, DED devotes resources to anticipating the needs of businesses in a targeted cluster and meets them proactively through knowledge, relationships, and earned reputation. Cluster experts communicate the County's competitive advantages for a targeted industry, connect prospective businesses to other businesses or resources in their cluster, seek solutions to any barriers to entry, and strategically cultivate relationships with site selectors. Site selectors serve as advisors to executives of large corporations, exploring the relocation of their headquarters and/or expansion of their operations into a new region. The underlying objective of industry cluster development is to diversify and grow Loudoun's economy by attracting new businesses from industries that leverage the competitive advantages of the County.

Mandate Information: This activity is not mandated.

Who Does it: Nine County business development managers are assigned to specific industry clusters and overlays, including:

Clusters:

1. Information and Communications Technology (including Health Tech, Cybersecurity, Cleantech, and Data Centers)
2. Highly Specialized Manufacturing
3. Rural/Agricultural Businesses

Overlays:

1. Major Projects, Headquarters, and Associations
2. Small Business and Entrepreneurship
3. International Business Attraction
4. Existing Businesses (retention and expansion)

Why We Do It: DED's targeted cluster approach is part of a broader industry attraction and retention campaign to grow and diversify the County's economy in terms of the tax base and generation of job opportunities. The County is realizing significant benefits with the Board's investment in the cluster strategy, including growth of the commercial tax base and a lower proportion of property taxes coming from homeowners, while funding the services that provide a high quality of life. Additionally, it helps position the County for economic opportunities related to new technologies and infrastructure.

How We Do It Now – Current Service Level: In FY 2020, the service level provided with current resources included working with 442 active prospects, capturing \$6.78 billion of new capital investment and 3,516 new and retained jobs in the County. In subsequent years, this service was enhanced in an effort to increase the project pipeline in support of the Board's strategy to diversify the economy through growing target industry clusters. DED worked with 2,096 total companies in FY 2020, reflecting an intense but temporary shift of resources to outreach efforts directed towards business retention and support following the onset of the COVID-19 pandemic. Current service level for this activity includes working with approximately 700 companies per year, resulting in at least \$800 million of new capital investment and 3,500 new and retained jobs in the County.

How We Plan to Do It in the Future – Recommended Service Level: The recommended service level, which continues to support economic diversification, is to build on current opportunities to grow the pipeline to more than 450 active prospects, and to continue to grow the percentage of new prospects that are in targeted clusters and those companies based internationally. As new commercial space becomes available, especially in developments in the urban policy area, the number of resulting jobs per year is expected to increase. Additional resources are anticipated to coordinate DED operations and to respond to these opportunities, including to expand the robust pipeline, and to provide lead generation and capture support for the business development team.



Economic Development

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
Work with a diverse group of companies to grow and maintain Loudoun's commercial tax base to enhance the County's sound fiscal health.					
Number of companies worked with	1,570	974	1,055	700	700
Total new capital investment announced (in billions)	\$6.55	\$5.74	\$10.12	\$0.8	\$0.8
Number of new and retained jobs by projects	4,239	6,584	5,703	3,500	4,000
Cultivate a progressive pipeline of active prospects to position the County for ongoing economic growth.					
Number of current active prospects in pipeline	556	588	657	400	450
Diversify Loudoun's economy by developing multiple industry clusters.					
Number of businesses in the pipeline in targeted clusters	365	369	429	300	320
Number of international companies in the pipeline	70	80	81	75	85
Strengthen existing clusters through networking and educational events.					
Number of cluster-specific events organized and promoted featuring DED content	152	129	119	100	100
Number of forums and events attended to develop businesses in targeted clusters	102	115	145	120	120
International network growth (number of meaningful new relationships with international prospects)	170	165	220	170	180



Economic Development

Retention and Expansion

What We Do: In addition to attracting new business, DED works to retain successful businesses that are part of the existing tax base. Expanding businesses typically evaluate all alternatives, including growth in their existing location, expansion at another local site, or relocation out of the County. DED monitors tenant activity, maintains inventory intelligence, fosters workforce development, and cultivates relationships to help ensure that an existing or expanding business will continue to choose Loudoun. Knowledge of inventory, vacancy, and capacity for development takes on added importance during periods of low commercial space availability. DED's development process assistance and Fast-Track Commercial Incentive (Fast-Track) programs support business retention and expansion. The development process support role (Ombudsman) facilitates information sharing between departments and provides input during updates to key governing documents, including the Comprehensive Plan and the Zoning Ordinance. The Fast-Track Program is designed to streamline the development process, provide process certainty, reduce approval times, and provide a central point of contact for businesses.

Who Does It: Two County business development managers are assigned to the Retention and Expansion activity. Additionally, one County development process manager is assigned to the Ombudsman and Fast-Track programs. All DED staff play a role in supporting business retention.

Mandate Information: This activity is not mandated.

Why We Do It: DED places great value on existing businesses in the County, as each enterprise is an economic asset that contributes to the economic health of the community. Through direct interactions, events, and market research, DED seeks to gain insight into business practices and planned future actions as well as barriers to business success. DED uses this information to create value-added services and programming that benefit both individual companies and the business environment as a whole. This activity builds trust, which ensures that DED is the first call for businesses that are considering the next phase of growth.

How We Do It Now – Current Service Level: In FY 2020, the service level provided with current resources included supporting 26 Fast-Track cases, providing Ombudsman assistance 188 times, and providing five targeted educational and business development events for rural businesses. In subsequent years, these measures of development process assistance fluctuated as the average time to complete Fast-Track projects increased and as a portion of these resources was directed to support the Zoning Ordinance rewrite. At current service level, this activity includes conducting approximately 850 retention visits per year to establish and solidify relationships with the existing business base. Current service level also supports approximately 15 Fast-Track cases and provides Ombudsman assistance 125 times per year, as well as provides seven targeted educational and business development events for rural businesses.

How We Plan to Do It in the Future – Recommended Service Level: The recommended service level is to continue to maintain current service level for Fast-Track and Ombudsman assistance; although the numbers of Fast-Track cases and Ombudsman assistance provided are impacted by market conditions and the regulatory environment, including changes that may occur related to the Zoning Ordinance rewrite. DED anticipates increasing the number of business retention visits above pre-pandemic service levels in support of creating a dynamic business ecosystem and growing target industry clusters that promote economic diversification.



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	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
Maintain and support a prosperous business environment by executing a robust business assistance, retention, and expansion program.					
Number of visits to existing businesses ¹	2,073	1,359	1,168	850	900
Support retention and expansion by providing development process assistance.					
Number of Fast-Track cases	28	18	27	15	15
Number of Ombudsman assistance services provided	254	160	161	125	125

¹ Due to the COVID-19 pandemic, visits to existing businesses increased significantly as DED responded to the needs of the business community.



Economic Development

Entrepreneurial Growth

What We Do: Small businesses and entrepreneurs are a significant part of the Loudoun economy. According to the United States Small Business Administration, small businesses account for two-thirds of new jobs. Data from the Virginia Employment Commission shows that over 85 percent of Loudoun’s businesses have fewer than 20 employees. In general, there are two types of small businesses: lifestyle businesses that provide a service or product but are not positioned to scale exponentially, and startups that are positioned for fast growth such as through the success of an innovative product or service. While the County endeavors to help all entrepreneurs, DED’s focus is placed on startups that demonstrate the ability to scale, since they will make a larger impact on the local economy over time. DED’s Small Business and Entrepreneurship Program provides a wide range of services that support access to space, capital, and networks. Staff provides content for education and support of entrepreneurs and small business owners, and monitors and helps address unique challenges faced by small and minority-owned businesses.

Mandate Information: This activity is not mandated.

Who Does It: One County business development officer and two business development managers are assigned to manage and implement the Small Business and Entrepreneurship Program, leveraging other contributing assets throughout the community. One of the business development managers focuses on the unique needs and challenges facing minority-owned businesses.

Why We Do It: Because small businesses are a powerful generator of new jobs and economic diversification, DED places a high value on supporting small businesses (especially high-growth firms) and encouraging entrepreneurship. By fostering an ecosystem designed to support entrepreneurship and by focusing on broad strategies to support local companies, Loudoun benefits from the innovation and job creation that comes with the formation and growth of new businesses.

How We Do It Now – Current Service Level: In FY 2020, the service level provided with current resources included hosting 2,100 attendees at small business or entrepreneurship events. In subsequent years, this service has fluctuated as most of these events had been conducted in-person, and both the number of events that could be held and the number of people attending were impacted by the pandemic. At current service level, this activity includes hosting approximately 1,500 attendees at small business or entrepreneurship events and working with 100 minority-owned businesses.

How We Plan to Do It in the Future – Recommended Service Level: The recommended service level is expected to increase the number of attendees at DED small business or entrepreneurship events and the number of minority-owned businesses worked with, as both the demand and programming supporting this service are built out. The addition of a retail storefront dedicated to supporting entrepreneurial growth would further support this service.

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
Create a small business ecosystem that supports entrepreneurial growth.¹					
Number of attendees at DED small business or entrepreneurship events	1,788	1,280	1,740	1,500	2,000
Number of minority-owned businesses supported	n/a	n/a	144	100	150
Provide programming to support rural entrepreneurs and small business owners.					
Number of attendees at rural business development educational programs	397	1,026	1,323	875	875

¹ Data shown as n/a indicates a new measure that does not have historical data.



Economic Development

Enhance and Promote Loudoun's Business Advantages

What We Do: A supportive and predictable business environment is a critical factor in the attraction, retention, and creation of businesses. DED staff acts as a business's advocate on the inside, with the goal of getting clients to market quicker in addition to satisfying all public safety, health, and welfare requirements. DED also guides policy, program, and code revisions that promote economic growth and/or streamline the regulatory process.

Economic development focuses on developing and attracting people as well as businesses. Workforce development in Loudoun involves sector-based strategies that focus on building and matching workers' skills to needs in targeted industry clusters and connecting employers with workforce resource partners.

Loudoun County is recognized as a leader in many areas, including digital infrastructure, technology, and several rural sub-clusters. DED continues to build on existing momentum to increase global visibility for the "Loudoun" name so that it becomes associated with business success in additional economic sectors. This includes marketing competitive advantages such as the County's full-service economic development organization, educated workforce, triple-AAA bond rating, quality infrastructure with a thriving international airport connected to the Metrorail system, location in the Washington, D.C., metropolitan region, access to scenic rural communities, and high median income.

An important aspect of ensuring a quality business environment is the proactive engagement of the business community. DED provides staff and executive support to the Economic Development Authority (EDA), the Economic Development Advisory Commission (EDAC), and the Rural Economic Development Council (REDC). The EDA issues tax-exempt revenue bonds that result in below-market-rate financing of capital projects for those applicants who qualify, in addition to acting as the conduit for any business incentives granted by the County to attract businesses to relocate in Loudoun. Over time, the EDA has taken a more proactive approach to support DED programs and the County's economic development priorities. The EDAC provides valuable business intelligence to the Board and DED on Loudoun's business environment. Membership encompasses a broad range of industries, including aerospace, agribusiness, banking and finance, higher education, technology, real estate development, small business, and telecommunications. The REDC provides insight to the Board on programs and policies affecting businesses in rural Loudoun, as well as provides support and advice to DED on rural business development, marketing, and promotion to support the sustainable vitality of agricultural, horticultural, equine, and other rural industries. Members of all three organizations are appointed by the Board.

Mandate Information: This activity is not mandated.

Who Does It: Multiple County staff contribute to this activity, including a workforce development manager.

Why We Do It: A supportive and predictable business environment is critical for businesses to invest and create jobs in the community. Staff works across several areas to enhance the business environment, including process assistance, workforce development, attraction, retention, and support for small businesses. By including business considerations in policy review and promoting Loudoun's many business advantages, this programming creates an environment that promotes economic growth and resilience.

How We Do It Now – Current Service Level: In FY 2020, the service level provided with current resources included providing approximately 100 speaking events and supporting more than 53,000 subscribers across all social media channels. The current service level includes providing approximately 80 speaking events promoting economic development and reaching more than 62,500 subscribers across all social media channels. Staff also conducts approximately 200 meetings with Loudoun businesses to assess and address workforce needs and connect employers with workforce partners.

How We Plan to Do It in the Future – Recommended Service Level: The recommended service level is to continue to maintain current service level for speaking engagements while gradually increasing the number of website user sessions and subscribers across all social media channels by utilizing an automation service to increase marketing outreach. Both the number of company meetings with a focus on workforce development and the number of qualified referrals to partners are expected to increase as business and workforce requests for this service continue to increase.

**Economic Development**

	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Estimated	FY 2025 Projected
Promote Loudoun's supportive business climate.					
Number of speaking engagements	145	125	131	80	80
Promote Loudoun as a globally competitive location for business.¹					
Number of unique website user sessions	142,132	138,123	130,894	130,000	135,000
Total number of subscribers across all social media channels	56,700	59,993	61,264	62,500	65,000
Number of rural unique website user sessions (loudounfarms.org)	n/a	n/a	86,590	90,000	95,000
Help meet workforce needs of existing businesses and prospects.¹					
Number of company meetings with a focus on workforce development	n/a	n/a	n/a	200	220
Number of qualified referrals to partners	n/a	n/a	n/a	40	50

¹ Data shown as n/a indicates a new measure that does not have historical data.