



# 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, attainable housing 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 initiatives.

**Economic Development****Budget Analysis****Department Financial and FTE Summary<sup>1</sup>**

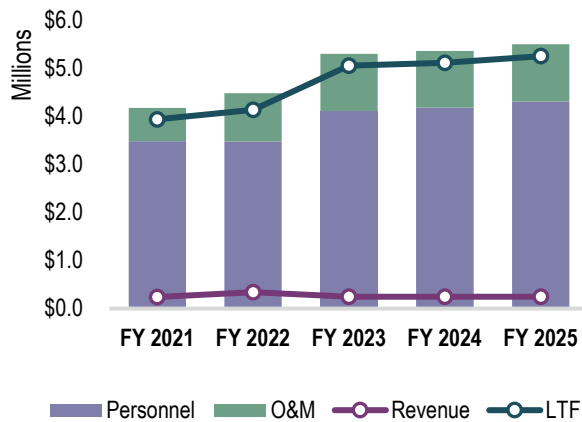
	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Proposed	FY 2025 Projected
<b>Expenditures</b>					
Personnel	\$3,482,026	\$3,479,476	\$4,113,000	\$4,187,911	\$4,313,548
Operating and Maintenance	698,690	1,002,351	1,193,622	1,177,294	1,189,067
<b>Total – Expenditures</b>	<b>\$4,180,717</b>	<b>\$4,481,827</b>	<b>\$5,306,622</b>	<b>\$5,365,205</b>	<b>\$5,502,615</b>
<b>Revenues</b>					
Permits, Fees, and Licenses	\$11,060	\$17,691	\$6,507	\$7,397	\$7,397
Intergovernmental – Federal	4,900	92,600	0	0	0
Other Financing Sources	224,159	230,678	240,496	240,496	240,496
<b>Total – Revenues</b>	<b>\$240,119</b>	<b>\$340,969</b>	<b>\$247,003</b>	<b>\$247,893</b>	<b>\$247,893</b>
<b>Local Tax Funding</b>	<b>\$3,940,597</b>	<b>\$4,140,858</b>	<b>\$5,059,619</b>	<b>\$5,117,312</b>	<b>\$5,254,722</b>
<b>FTE</b>	<b>25.00</b>	<b>25.00</b>	<b>28.00</b>	<b>28.00</b>	<b>28.00</b>

<sup>1</sup> Sums may not equal due to rounding.



## Economic Development

### Revenue and Expenditure History



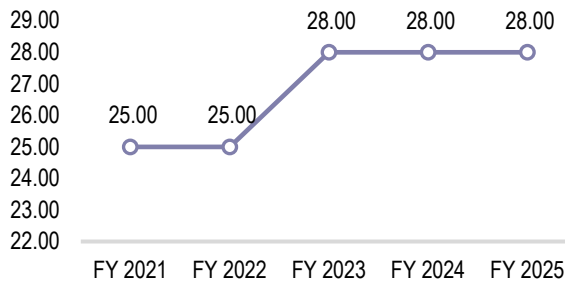
#### Revenue/Local Tax Funding

As shown, DED is primarily funded by local tax funding (95 percent); however, the Department receives a small amount of land development revenue. Program-generated revenue also consists of a transfer from the Restricted Transient Occupancy Tax (TOT) Fund<sup>1</sup> to offset the international business development manager and associated 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 and compensation increases, including merit increases for the general workforce in each fiscal year.

### Staffing/FTE History



FY 2023: 1.00 FTE business development officer, 1.00 FTE business development manager, 1.00 FTE site manager

The Department’s expenditures have increased in FY 2024 due to personnel costs, which comprise approximately 78 percent of the Department’s expenditures.

DED shares some land development revenue, though its predominant source of revenue is a transfer from the Restricted Transient Occupancy Tax (TOT) Fund to offset the cost of the activities and staff within the international cluster.

Personnel costs have grown with the merit increases approved each fiscal year.<sup>2</sup> The FY 2023 Adopted Budget included the addition of three positions (3.00 FTE). Two positions were added to expand County programming for small business and minority-owned business support. The COVID-19 pandemic highlighted a need for a program realignment to build a sustainable and adaptable small business and entrepreneurial ecosystem to support the Loudoun business community’s recovery from the pandemic and beyond. The third position, a site manager, was added to support the opening of the Western Loudoun Service Center through duties such as coordinating, scheduling, and programing of the facility. DED continues to execute the cluster strategy to further diversify Loudoun’s economy. Special emphasis continues to be placed on

<sup>1</sup> Additional information on the Restricted TOT Fund can be found in Volume 2 of the FY 2024 Proposed Budget.

<sup>2</sup> See summary of merit increases in Non-Departmental Expenditures section 6-2.

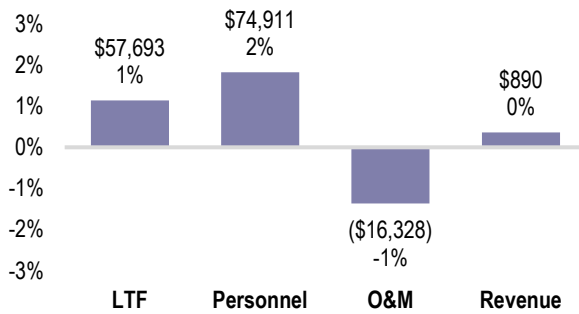


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emerging clusters, international business development, small business, startup support, and the expansion of agriculture-based businesses.

While not included in the FY 2024 Proposed Budget, the Department has one resource request, focusing on the thematic area of addressing span of control, described in an increase option in the Executive Summary.

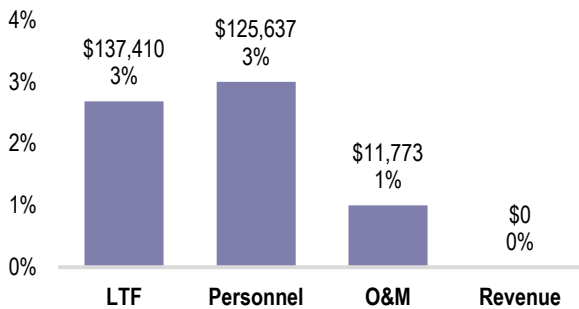
### Percent Change from Adopted FY 2023 to Proposed FY 2024



#### Reasons for Change:

**Personnel:** ↑ general pay changes || **O&M:** ↓ central services changes || **Revenue:** ↑ general permit/fee changes

### Percent Change from Proposed FY 2024 to Projected FY 2025



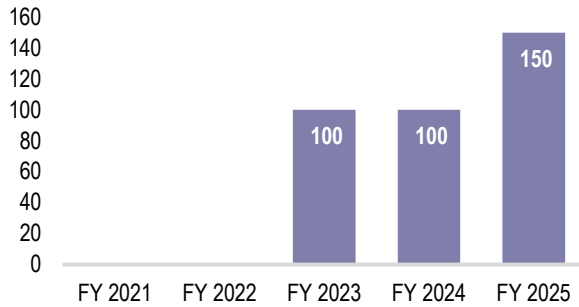
#### Reasons for Change:

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



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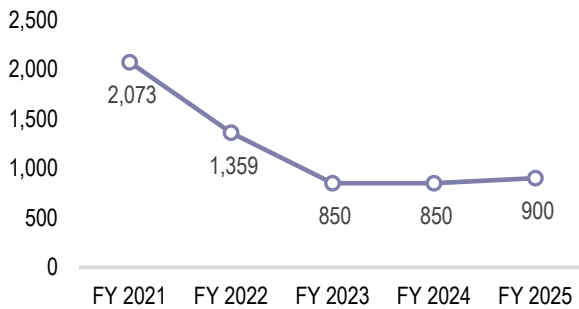
### Key Measures



**Objective:** Support a diverse and inclusive business environment and a resilient business community through engagement with minority-owned businesses.

**Measure:** Number of minority-owned businesses worked with.

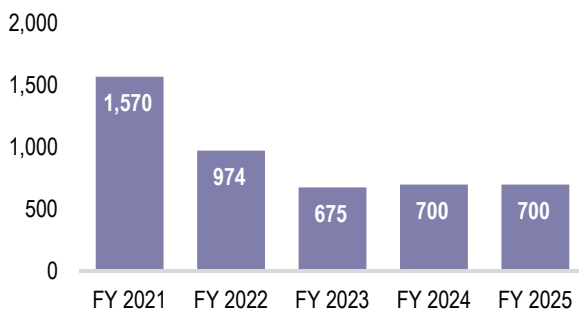
*Work with minority-owned businesses began to be specifically tracked while administering pandemic-related grant programs and other business resources. This measure was new in FY 2023.*



**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 has been a top priority for the Department, resulting in a sharp increase in work with existing businesses. This includes administering pandemic-related grants and other business resources.*



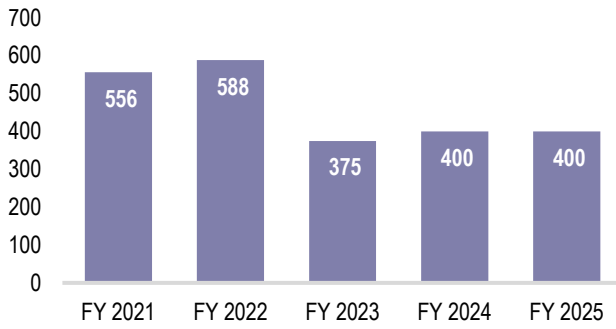
**Objective:** Grow Loudoun’s commercial tax base to impact Loudoun’s sound fiscal health.

**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 2021 due to the department responding to the effects of the COVID-19 pandemic.*



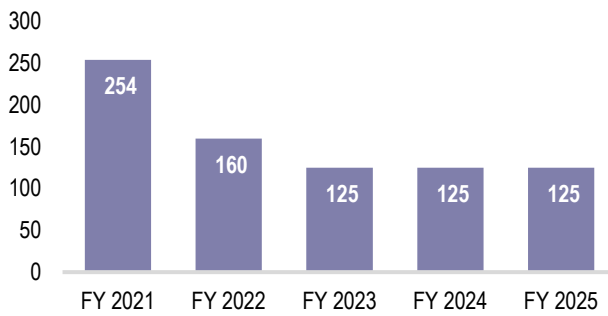
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**Objective:** Grow Loudoun’s commercial tax base to impact Loudoun’s sound fiscal health.

**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.*